



28 באוקטובר, 2021

לכבוד  
הבורסה לניירות ערך בת"א בע"מ  
באמצעות המגנ"א

לכבוד  
רשות ניירות ערך  
באמצעות המגנ"א

ג.א.נ.,

**הנדון: גזית-גלוב בע"מ ("החברה") – הודעת חברת הבת Citycon Oyj בדבר  
תוצאותיה הכספיות לרבעון השלישי של שנת 2021**

מצ"ב הודעת חברת Citycon oyj (חברה בת של החברה המוחזקת בשיעור של כ- 49.2%), שמניויה נסחרות בבורסה של הלסינקי, בדבר תוצאותיה הכספיות לרבעון השלישי של שנת 2021, כפי שפורסמה על ידה ביום 28 באוקטובר 2021, בפיילנד.

בכבוד רב,  
גזית-גלוב בע"מ

הדוח נחתם על ידי:

עדי ימיני  
משנה למנכ"ל וסמנכ"ל כספים

רמי ווייסנברגר  
סמנכ"ל וחשב



# Q3 | 2021

**INTERIM REPORT**  
JANUARY—SEPTEMBER

# CITYCON Q3/2021: CONTINUED STRONG OPERATIONAL AND CAPITAL RECYCLING PERFORMANCE

- Net rental income in Q3/2021 was 51.3 MEUR and increased by +0.4% compared to Q3/2020 on like-for-like basis.
- Q3/2021 is the third consecutive quarter with quarter over quarter net rental income growth while the net rental income is close to pre-covid levels.
- The disposal of Columbus, a non-core asset, at gross pricing of 106.2 MEUR vs. valuation of 96.3 MEUR in Q4/2020. Consider to use some of the proceeds to repurchase shares.
- Rent collection for YTD stands currently at 96%, Q3 currently at 96% and Q2 at 97%.
- Like-for-like tenant sales 2.2% above previous year level and only -1.4% below comparable to pre-covid levels in 2019.

## JULY–SEPTEMBER 2021

- Net rental income was EUR 51.3 million (Q3/2020: 52.9). The decrease was primarily due to the divestments made in Q1 2021. Stronger currencies increased net rental income by EUR 0.8 million. On like-for-like basis net rental income increased by 0.4% compared to previous year.
- EPRA Earnings decreased to EUR 32.5 million (33.5) due to divestments and lower direct share of profit of joint ventures and associated companies, which were compensated by lower direct financial expenses. EPRA Earnings per share (basic) was EUR 0.183 (0.188).
- Adjusted EPRA earnings were EUR 24.9 million (29.4) and were impacted by the newly issued hybrid bond coupons.
- IFRS-based earnings per share was EUR 0.01 (-0,00).

## JANUARY–SEPTEMBER 2021

- Net rental income was EUR 152.5 million (Q1-Q3/2020: 155.5). The quarterly trend is positive as Q3/2021 net rental income exceeds Q2/2021 levels. Net rental income continued to be affected negatively by COVID-19 pandemic and its impact on vacancy, as well as straight-lined discounts from 2020. Higher property operating expenses also decreased the net rental income. However, there was positive development in specialty leasing.
- EPRA Earnings were EUR 96.8 million (104.5) as a result of higher direct financial expenses due to hybrid issuance and lower direct share of profit of joint ventures and associated companies. EPRA Earnings per share (basic) was EUR 0.544 (0.587) impact from stronger currencies being EUR 0.017 per share.
- Adjusted EPRA earnings were EUR 80.1 million (92.4) due to hybrid bond coupons.
- IFRS earnings per share improved to EUR 0.32 (-0.18) mainly due to stronger result in property valuations.

## OUTLOOK FOR THE YEAR 2021 (SPECIFIED)

Citycon forecasts the 2021 direct operating profit to be in range EUR 173-180 million, EPRA EPS EUR 0.683-0.723 and adjusted EPRA EPS EUR 0.558-0.598. Adjusted EPRA Earnings per share outlook includes also the coupons of the recently issued EUR 350 million hybrid issued in June 2021.

			Previously
Direct operating profit	MEUR	173-180	173-184
EPRA Earnings per share (basic)	EUR	0.683-0.723	0.676-0.726
Adjusted EPRA Earnings per share (basic)	EUR	0.558-0.598	0.558-0.608

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

## KEY FIGURES

				FX		Q1-		FX		2020
		Q3/2021	Q3/2020	Adjusted %	% <sup>1)</sup>	Q3/2021	Q3/2020	Adjusted %	% <sup>1)</sup>	
Net rental income	MEUR	51.3	52.9	-3.1%	-4.5%	152.5	155.5	-1.9%	-4.3%	205.4
Direct Operating profit <sup>2)</sup>	MEUR	44.7	47.1	-5.1%	-6.5%	133.7	137.3	-2.6%	-5.1%	180.4
IFRS Earnings per share (basic) <sup>3)</sup>	EUR	0.01	0.00	-	-	0.32	-0.18	-	-	-0.25
Fair value of investment properties	MEUR	4,215.3	4,155.1	1.4%	-	4,215.3	4,155.1	1.4%	-	4,152.2
Loan to Value (LTV) <sup>2),4)</sup>	%	39.6	46.8	-15.3%	-	39.6	46.8	-15.3%	-	46.9
<b>EPRA based key figures<sup>2)</sup></b>										
EPRA Earnings	MEUR	32.5	33.5	-3.0%	-4.6%	96.8	104.5	-7.4%	-10.1%	136.6
Adjusted EPRA Earnings <sup>3)</sup>	MEUR	24.9	29.4	-15.2%	-16.8%	80.1	92.4	-13.3%	-16.1%	120.3
EPRA Earnings per share (basic)	EUR	0.183	0.188	-3.0%	-4.6%	0.544	0.587	-7.4%	-10.1%	0.767
Adjusted EPRA Earnings per share (basic) <sup>3)</sup>	EUR	0.140	0.165	-15.2%	-16.8%	0.450	0.519	-13.3%	-16.1%	0.676
EPRA NRV per share	EUR	11.58	11.32	2.3%	-	11.58	11.32	2.3%	-	11.48

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

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

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

<sup>4)</sup> Highly liquid cash investments has been taken into account in net debt.

## CEO F. SCOTT BALL:

Citycon achieved another solid quarter on both the operational and transactional fronts amidst an improving macro-economic environment in our Nordic markets. We are encouraged to see continued performance and valuation improvement at our centres, with operations nearly back to pre-covid levels.

Citycon's operational performance showed continued improvement in the quarter with like-for-like net rental income in Q3 0.4% above in the same period last year for properties excluding divestments. While certainly a positive trend, we are even more pleased to note that performance at our properties is nearly back to pre-covid levels. On an unadjusted basis, we would also point out a consistent, quarter-over-quarter improvement, with Q3/2021 representing the third consecutive quarter of growth over the prior, with unadjusted net rental income of 51.3 MEUR which is 1.0 % points over Q2/2021. The direct operating profit is similarly ahead of Q2/2021, standing at 44.7 MEUR in Q3/2021.

On the transaction front, the Nordic real estate transaction market has continued to be very active with a great deal of both domestic and foreign capital flooding the space and cap rates continuing to compress. One trade of note this quarter was the recently announced Akelius residential transaction for over 9 billion euros, at indicative pricing yields approaching 2%. Looking through to our portfolio and residential development rights, this appears to indicate that our existing residential building rights are significantly more valuable, while also suggesting that cap rates for our well located, necessity-based retail should be declining as well as global investors search for stability and yield. As for our Q3 valuations, the operating properties recorded a third consecutive quarter of uplift, however we were negatively impacted by an IFRS16 adjustment as well as additional construction expense at Lippulaiva where we have decided to build the remaining two residential towers ourselves. This will now mean that we will construct 6 of the 8 towers ourselves for residential rental units.

Speaking of valuations, post quarter end, we agreed to sell our Columbus shopping centre in Finland, for a gross price of 106.2 MEUR, which is 10 MEUR above its Q4/2020 valuation. This deal is a great example of Citycon's comprehensive ability to create value at every stage of an asset's life cycle. Our asset management team has done a tremendous job activating the center and establishing the optimal tenant mix while working hand in hand with our development team to execute a disposition at an attractive price, increasing valuations, as well as the demand for high-quality Nordic real estate assets. The last step in the capital recycling process is to allocate capital effectively and, as noted in our release yesterday, we are considering using a proportion of the Columbus sale proceeds to repurchase shares. This opportunistic capital recycling will take advantage of our large discount to NRV and emphasizes our belief that our current share price does not reflect the inherent value of our unique portfolio and development opportunities.

These development opportunities will provide significant organic growth for us going forward, particularly on the residential front and serves to enhance and improve our existing hubs. As we have stated previously, increasing the densification and diversity of our urban hubs improves both the stability of our existing assets while providing to excellent growth and value enhancement from the newly developed buildings coming online. The first milestone of this strategy is our exciting Lippulaiva project (opening spring 2022), which includes in total approx. 550 apartments and will bring our existing residential component of the portfolio to 2.8% of our total GLA.

On the operating front, like-for-like tenant sales have picked up year-to-date and now stand at 2.2% above the same period last year. Once again, it is worth noting that we are seeing like-for-like tenant sales reaching pre-covid levels, which we believe sets us apart from our retail peers and is a testament to our strategy of owning necessity-based retail in growing locations with access to excellent public transportation. This is evident in tenant demand for our urban hubs as we continued to demonstrate strong leasing activity in the quarter with approximately 41,000 square meters leased. We are particularly pleased with the improvement in specialty leasing, which has shown significant growth recently as tenant interest in pop-ups and common area leasing has dramatically picked up in line with the economic recovery. Specialty leasing is an important operational initiative for us as it offers not only additional income and new GLA but also serves as an important 'farm system' to find, identify and build a relationship with tomorrow's long-term tenants.

As has remained the case throughout the pandemic, Citycon's non-adjusted rent collection remained at a high level, and stands at 96%, year-to-date. Final collection rates are again expected to increase beyond this already high level. We would also note that this strong level of collection continues to be a result of our necessity-based tenant focus, in addition to our excellent Nordic city locations.

Continuing with the balance sheet, we announced our intentions in September to redeem the 161.7 MEUR remaining on our senior notes maturing in 2022. In addition, we redeemed nearly all of our outstanding CP and now have no significant near-term maturities until 2024. This additional balance sheet strength provides us the ability to pursue our long-term strategic goals.

We believe the company is well positioned for today and our future, as demonstrated by our solid Q3 results. We continue to demonstrate the strength of our strategy, focusing on necessity-based retail hubs in top Nordic locations. Our tenant mix, of municipal and grocery anchor tenants, brings resilience to our portfolio, which distinguishing against our more fashion-oriented peers through the pandemic and should continue to do so going forward. This stable cash flow combined with the significant value creation associated with our development pipeline provides an attractive value proposition for all stakeholders. Finally, we were pleased to see the lifting of government restrictions in our operating countries in September, which gives us confidence for the rest of the year. As a result of our year-to-date results, confident in tightening our full year guidance and now anticipate EPRA EPS to be in the range of EUR 0.683-0.723 for the full year 2021.

## 1. NET RENTAL INCOME

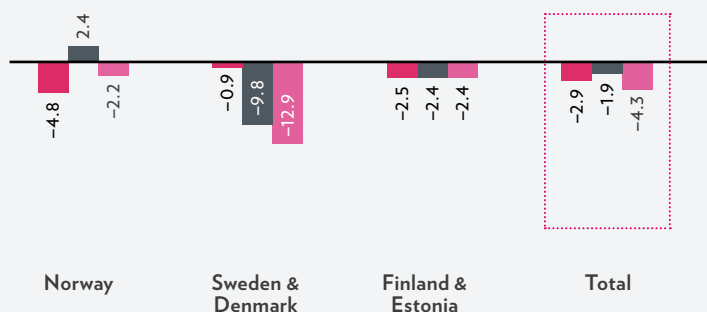
The net rental income in Q3 decreased to EUR 51.3 million (Q3/2020: 52.9) due to the divestment of 3 non-core assets. However, the net rental income increased compared to the previous quarter (Q2/2021: 50.8) and like-for-like net rental income is +0.4% above previous year levels.

The net rental income in Q1-Q3/2021 stands at EUR 152.5 million (155.5). COVID-19 impacted results particularly in Q1 through higher vacancy and lower turnover-based rents and parking income resulting from the lower footfall. In addition, the divestments made in Q1/2021 decreased net rental income by EUR 3.8 million during Q1-Q3. COVID-19 discounts given in Q1-Q3/2021 were EUR 0.8 million. Under IFRS, the total amount of rental reliefs is accrued over the remaining contract period.

Total net rental income at historical exchange rates decreased by 1.9% compared to Q1-Q3/2020.

### LIKE-FOR-LIKE AND TOTAL NET RENTAL INCOME DEVELOPMENT, Q1-Q3/2021 VS. Q1-Q3/2020

%



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

Net rental income from the Norwegian operations increased by 2.4% compared to Q1-Q3/2020 mainly due to acquisitions of Stovner and Torvbyen shopping centres in Q1/2020. Like-for-like net rental income decreased by 4.8% due to higher vacancy and higher property operating expenses.

Net rental income from Swedish & Danish operations decreased by 9.8% due to the divestment of three non-core shopping centres in Q1/2021, higher vacancy and higher operating expenses. Like-for-like net rental income decreased by 0.9%.

Net rental income from the Finnish & Estonian operations decreased by 2.4% compared to Q1-Q3/2020 mainly due to higher vacancy and higher property operating expenses relating to heating cost.

## NET RENTAL INCOME AND GROSS RENTAL INCOME BREAKDOWN

MEUR	Net rental income				Gross rental income	
	Finland & Estonia	Norway	Sweden & Denmark	Other	Total	Total
<b>Q1-Q3/2020</b>	<b>66.6</b>	<b>56.3</b>	<b>32.7</b>	<b>0.0</b>	<b>155.5</b>	<b>168.6</b>
Acquisitions	-	0.1	0.0	-	0.1	0.5
(Re)development projects	-0.1	0.3	-0.4	-	-0.3	0.5
Divestments	0.0	-0.1	-3.7	-	<b>-3.8</b>	<b>-5.2</b>
Like-for-like properties <sup>1)</sup>	-1.4	-1.8	-0.2	-	-3.4	-2.0
Other (incl. exchange rate differences)	0.0	2.8	1.2	0.5	4.4	4.3
<b>Q1-Q3/2021</b>	<b>65.0</b>	<b>57.6</b>	<b>29.5</b>	<b>0.4</b>	<b>152.5</b>	<b>166.6</b>

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

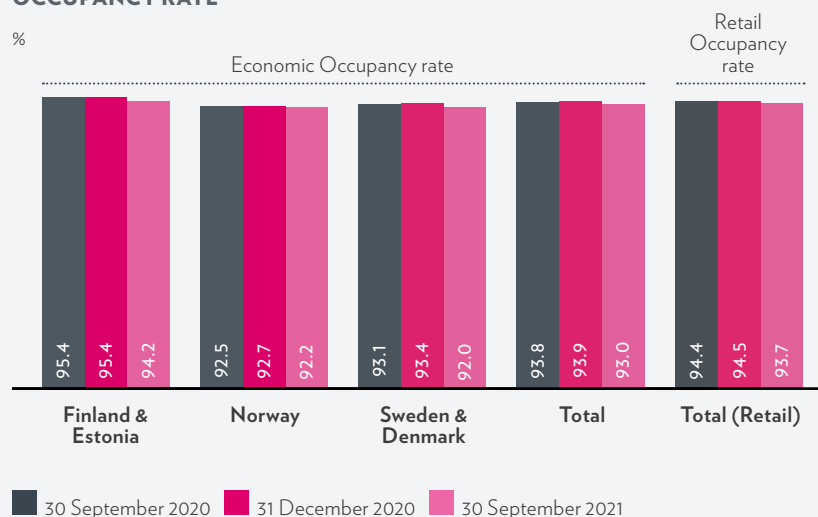
## 2. OCCUPANCY, SALES AND FOOTFALL

The retail occupancy rate was 93.7% (Q2/2021: 94.1%). The economic occupancy was 93.0% (Q2/2021: 93.5%). Furthermore, the average rent per sq.m. increased to 22.7 EUR (Q4/2020: 22.0) in part due to divestments. The average rent per sq.m. was 22.7 EUR and using comparable rating it was 22.2 EUR

In Q1-Q3 like-for-like sales increased by 2.2% and like-for-like grocery sales increased by 3.9%. Total sales in Citycon's shopping centres decreased by 1.9% due to divested assets in Sweden. However, total sales in Finland & Estonia increased by 3.8% and total sales in Norway increased by 1.4%.

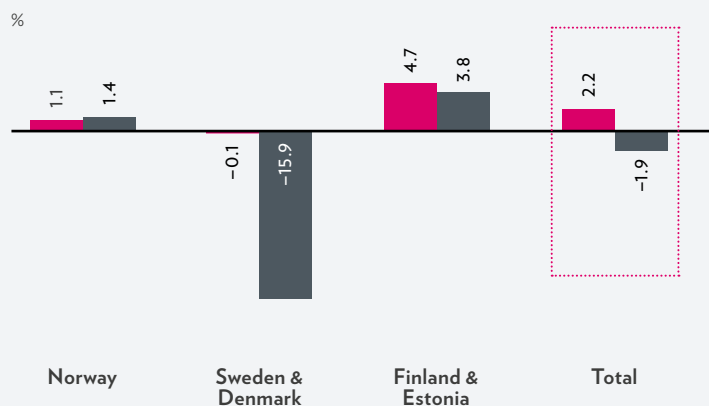
Total footfall decreased by 6.7% and like-for-like footfall decreased by 5.0% compared to the previous year as a result of Q1/2020 being pre-COVID. However, the average consumer spending in our centres grew significantly compared to previous year which was reflected to the positive development in like-for-like sales.

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



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

### TENANT SALES DEVELOPMENT, Q1-Q3/2021 VS. Q1-Q3/2020 <sup>1)</sup>

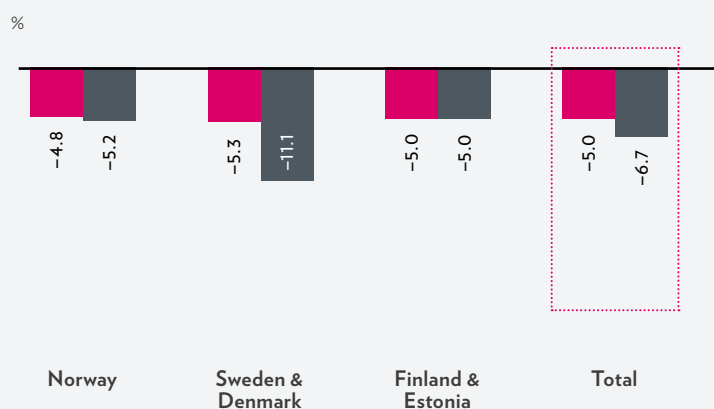


■ Like-for-like sales

■ Total sales (including impact of divested assets)

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

### FOOTFALL DEVELOPMENT, Q1-Q3/2021 VS. Q1-Q3/2020 <sup>1)</sup>



■ Like-for-like footfall

■ Total footfall (including impact of divested assets)

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

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

		30 September 2021	30 September 2020	31 December 2020
Number of leases	pcs	3,381	3,801	3,810
Average rent	EUR/sq.m.	22.7	22.1	22.0
Average remaining length of lease portfolio	years	3.2	3.0	2.9
Occupancy cost ratio <sup>2)</sup>	%	9.0%	9.0%	8.9%

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

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

LEASING ACTIVITY <sup>1)</sup>

		Q1-Q3/2021	Q1-Q3/2020	2020
Total area of leases started	sq.m.	202,240	163,785	224,276
Total area of leases ended	sq.m.	256,687	186,903	243,959

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

### 3. FINANCIAL RESULT

**Operating profit** improved to EUR 134.4 million (28.7).

**Administrative expenses** decreased slightly from the comparison period and were EUR 18.9 million (19.0). Citycon Group employed a total of 247 (237) full-time employees (FTEs), of whom 55 worked in Finland & Estonia, 80 in Norway, 66 in Sweden and Denmark, and 46 in Group functions.

**Net financial expenses (IFRS)** increased to EUR 38.4 million (38.0) mainly due to a higher average amount of debt, higher average cost of debt and stronger average NOK and SEK currency rates and despite the higher interest income and other financial income. Indirect losses of EUR 3.1 million were recorded related to costs for bond tenders and non-cash write-downs of unamortized fees on the prepaid bonds as part of the early repurchase of our bond maturing in 2022. In addition, EUR 0.1 million indirect gains (3.6 losses) related to fair value changes of cross-currency swaps not under hedge accounting was booked.

**Share of loss of joint ventures** totalled EUR -6.3 million (-15.3). The positive development was due to lower fair value losses in joint ventures.

**Profit for the period** increased by EUR 93.1 million to EUR 73.6 million (-19.5).

### 4. PROPERTY PORTFOLIO VALUE DEVELOPMENT

From year-end the fair value of investment properties increased by EUR 63.1 million to EUR 4 215.3 million (31 December 2020: 4 152.2). Net investments, including both acquisitions and disposals and development projects increased the fair value by EUR 120.5 million. Fair value gains increased the value of investment properties by EUR 5.9 million and exchange rates by EUR 34.3 million. Changes in right-of-use -assets increased the asset value of investment properties by EUR 11.8 million and transfer between categories decreased the value by EUR 109.5 million.

## PROPERTY PORTFOLIO SUMMARY

30 September 2021	No. of properties	Gross leasable area	Fair value, MEUR	Properties held for sale, MEUR	Portfolio, %
Shopping centres, Finland & Estonia <sup>1)</sup>	12	473,609	1,897.0	109.0	46%
Other properties, Finland & Estonia	1	2,240	3.2	-	0%
<b>Finland &amp; Estonia, total</b>	<b>13</b>	<b>475,849</b>	<b>1,900.2</b>	<b>109.0</b>	<b>46%</b>
Shopping centres, Norway	17	443,800	1 491.9	-	34%
Rented shopping centres, Norway <sup>2)</sup>	1	14,500	-	-	0%
<b>Norway, total</b>	<b>18</b>	<b>458,300</b>	<b>1,491.9</b>	<b>-</b>	<b>34%</b>
Shopping centres, Sweden & Denmark	7	210,500	776.7	-	18%
<b>Sweden &amp; Denmark, total</b>	<b>7</b>	<b>210,500</b>	<b>776.7</b>	<b>-</b>	<b>18%</b>
Shopping centres, total	37	1 142,409	4,165.5	109.0	99%
Other properties, total	1	2,240	3.2	-	0%
<b>Investment properties, total</b>	<b>38</b>	<b>1,144,649</b>	<b>4,168.7</b>	<b>109.0</b>	<b>99%</b>
Right-of-use assets classified as investment properties (IFRS 16)	-	-	46.6	-	1%
<b>Investment properties in the statement of financial position, total</b>	<b>38</b>	<b>1,144,649</b>	<b>4,215.3</b>	<b>109.0</b>	<b>100%</b>
Kista Galleria (50%)	1	46,350	251.3	-	-
<b>Investment properties and Kista Galleria (50%), total</b>	<b>39</b>	<b>1,190,999</b>	<b>4,466.5</b>	<b>109.0</b>	<b>-</b>

<sup>1)</sup> Includes Lippulaiva development project.

<sup>2)</sup> Value of rented properties is recognised within IFRS 16 investment properties based on IFRS rules.

The fair value change of investment properties amounted to EUR 5.9 million (-110.5). The company recorded a total value increase of EUR 46.9 million (39.8) and a total value decrease of EUR 30.8 million (146.1). In addition, the application of IFRS 16 standard had an impact of EUR -10.2 million to the fair value change of investment properties during the January-September reporting period.

## FAIR VALUE CHANGES

MEUR	Q3/2021	Q3/2020	Q1-Q3/2021	Q1-Q3/2020	2020
Finland & Estonia	-12.1	-12.1	-5.5	-57.5	-86.8
Norway	1.7	-2.8	10.3	-9.0	-1.3
Sweden & Denmark	-0.9	-6.8	11.4	-39.7	-53.1
<b>Investment properties, total</b>	<b>-11.2</b>	<b>-21.6</b>	<b>16.2</b>	<b>-106.2</b>	<b>-141.2</b>
Right-of-use assets classified as investment properties (IFRS 16)	-7.3	-1.4	-10.2	-4.2	-5.7
<b>Investment properties in the statement of financial position, total</b>	<b>-18.5</b>	<b>-23.1</b>	<b>5.9</b>	<b>-110.5</b>	<b>-146.9</b>
Kista Galleria (50%)	-1.7	-5.6	-2.8	-17.6	-32.3
<b>Investment properties and Kista Galleria (50%), total</b>	<b>-20.3</b>	<b>-28.7</b>	<b>3.1</b>	<b>-128.1</b>	<b>-179.2</b>

Quarterly fair value change for the standing portfolio was positive EUR 2.4 million. The valuation was impacted by an update of Lippulaiva (update of estimated project costs and covid impacts) and other items and ended up at fair value loss of EUR 18.5 million for the quarter.

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

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

## 5. RECYCLING OF CAPITAL CONTINUED

On 12 February, Citycon signed an agreement to sell three shopping centres in Sweden with the gross purchase price of approximately EUR 147 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 was 31 March 2021.

Strong balance sheet remains a key priority and the company will continue its capital recycling actions going forward.

### ACQUISITIONS AND DIVESTMENTS Q1-Q3/2021

	Location		Gross leasable area, sq.m.	Date	Price, MEUR
<b>Divestments</b>					
Portfolio of 3 centres				31 March 2021	147 <sup>(1)</sup>
Tumba	Shopping centre	Botkyrka, Sweden	23,200		
Högdalen	Shopping centre	Bandhagen, Sweden	20,000		
Fruängen	Shopping centre	Hägersten, Sweden	14,700		
<b>Divestments, total</b>			<b>57,900</b>		<b>147</b>

	Location		Gross leasable area, sq.m.	Date	Price, MEUR
<b>Acquisitions</b>					
Heikintori ( 7%) <sup>(2)</sup>	Shopping centre	Espoo, Finland	6,200	29 April 2021	0.7
<b>Acquisitions, total</b>			<b>6,200</b>		<b>0.7</b>

<sup>(1)</sup> gross purchase price

<sup>(2)</sup> Citycon owned approx. 93% of the shopping centre. After the transactions Citycon ownership is 100%

## 6. (RE)DEVELOPMENT PROJECTS PROGRESSED

At the end of the reporting period, Citycon had one major (re)development project underway: the Lippulaiva project in the Helsinki Metropolitan area. Additionally, Citycon a development project ongoing in Oasen Kjøpesenter in Norway, in which over 6,000 square meters of office space will be converted into premises for a new health centre.

Further information on Citycon's completed, ongoing and planned (re)developments can be found in the company's Financial Review 2020

### (RE)DEVELOPMENT PROJECTS IN PROGRESS ON 30 SEPTEMBER 2021

Location	Area before/after, sq.m.	Expected gross investment, MEUR	Actual gross investment by 30 September 2021, MEUR	Completion
Lippulaiva Helsinki metropolitan area, Finland	19,200/44,300	TBC <sup>(1)</sup>	332.9	2022
Oasen Kjøpesenter (phase I) Bergen, Norway	-	11.6	11.7	2021

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

## 7. SHAREHOLDERS' EQUITY

**Equity per share** was EUR 14.16 (31 December 2020: 12.17). The successful issuance of new hybrid bond, result for the period and translation gains increased equity per share, partly offset by dividends, equity return and hybrid bond interest.

At period-end, **shareholders' equity** attributable to parent company's shareholders was EUR 1,830.9 million (31 December 2020: 1,818.6).

## 8. FINANCING

### KEY FINANCING FIGURES

		30 September 2021	30 September 2020	31 December 2020
Fair value of debt	MEUR	2,086.7	2,047.8	2,098.0
Interest bearing liabilities, carrying value <sup>1)</sup>	MEUR	2,103.9	2,068.4	2,121.2
Available liquidity	MEUR	832.7	588.6	447.0
Average loan maturity	years	4.0	3.9	3.8
Loan to Value (LTV) <sup>2)</sup>	%	39.6	46.8	46.9
Interest cover ratio (financial covenant > 1.8)	x	4.0	4.2	4.1
Net debt to total assets (financial covenant < 0.60) <sup>3)</sup>	x	0.36	-	0.45
Solvency ratio (financial covenant < 0.65)	x	0.37	0.46	0.46
Secured solvency ratio (financial covenant < 0.25)	x	0.00	0.04	0.02

<sup>1)</sup> Including EUR 44.2 million (47.4) IFRS 16 lease liabilities

<sup>2)</sup> Hybrid bond treated as equity as according to IFRS. Excluding both right-of-use assets recognized as part of investment properties, as well as lease liabilities pertaining to these right-of-use assets, which are based on IFRS 16 requirements. In addition, highly liquid cash investments has been taken into account in net debt.

<sup>3)</sup> Net debt to total assets is a new covenant and replaces equity ratio covenant in the Revolving Credit Facility

In January, Kista Galleria, a joint venture company 50% owned by Citycon, refinanced its external debt by signing a new SEK 2,439 million secured bank facility with the existing three lenders. The loan has a tenor of approx. 4.5 years. As the debt of Kista Galleria is not consolidated on Group level, this does not affect any of the reported debt related key ratios.

In February, Citycon announced that it had signed an agreement to sell a portfolio of three shopping centres (Tumba, Högdalen, Fruängen) in the Stockholm area. The gross purchase price for the assets was approximately SEK 1,483 million. The transaction closed in March and proceeds were used to repay short-term debt, thereby strengthening the balance sheet.

In March, Citycon successfully placed a new EUR 350 million green Eurobond. The 7-year senior unsecured fixed rate EUR-denominated Bond matures on 12 March 2028 and pays a fixed coupon of 1.625%. The issuer is Citycon Treasury B.V. and the guarantor is Citycon Oyj. The bond is issued under the issuer's EMTN Programme, and listed on the Irish Stock Exchange (Euronext Dublin). The bond is rated by S&P, Moody's and Fitch in line with the corporate ratings. 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 demand for the bond was strong with an orderbook close to five times over-subscribed, which allowed Citycon to issue the bond at an attractive spread, at pre-covid level, and with a coupon that is the second lowest in the company's history. This highlights the quality of Citycon's credit and its access to the capital market.

Through a tender process EUR 93 million of the net proceeds of the issue were used to partially buy back the bond maturing in 2022, and the rest of the proceeds were used to repay the outstanding loan under the Revolving Credit Facility and other short-term debt. As a result of this successful issuance and short-term debt prepayments, Citycon's debt maturity profile was significantly improved, refinancing risk further reduced and net liquidity improved.

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

In June, Citycon successfully placed a EUR 350 million Green Hybrid Bond (Subordinated Fixed to Reset Rate Green Capital Securities). The demand was very strong with an order book reaching around one billion euros and with approximately 150 investors. The hybrid bond is treated as equity in Citycon's consolidated financial statements prepared in accordance with IFRS, but do not confer on their holders the rights of a shareholder nor do they dilute the holdings of the current shareholders. The hybrid bond was issued under Citycon's Green Financing Framework, which integrates Citycon's sustainability targets with our financing activities. The issuance strengthened the balance sheet and demonstrates Citycon's commitment to improving its investment grade credit ratings. In addition, the issuance brings flexibility to execute on our transformation strategy and enables the diversification of our portfolio both organically and through potential acquisitions. It will bear a fixed rate coupon of 3.625 per cent per annum until the first reset date 10 September 2026 and thereafter, the interest rate will reset on each fifth anniversary. The hybrid bond does not have a specified maturity date but Citycon is entitled to redeem it on any date in three months up to and including the First Reset Date, and subsequently, on each annual interest payment date. The issue date was on 4 June 2021 and it is listed on Euronext Dublin.

In June, both Moody’s and Standard & Poor’s affirmed Citycon’s investment grade credit ratings with upgraded outlooks to stable, so Citycon now has an investment grade credit rating with a stable outlook from all three major credit agencies, including Fitch. The outlook upgrades reflect sufficient headroom for Citycon’s credit metrics, the resilience of our necessity-based urban hubs, the stability of our markets, and a positive view towards our transformation toward a more residential and mixed-use portfolio.

Citycon updated the terms of its Euro Medium Term Note programme by increasing the size to EUR 2,500,000,000. The original EMTN Programme was established by Citycon Treasury B.V. on 18 July 2017, and any notes issued under the Programme by Citycon Treasury B.V. benefit from a guarantee by Citycon Oyj. Following this update of the Programme, both Citycon Oyj and Citycon Treasury B.V. can act as an issuer of the notes issued under the Programme. Otherwise, the terms of the Programme remain unchanged. The Central Bank of Ireland approved the updated Offering Circular for the Programme on 24 June 2021

In September, Citycon decided to exercise its right to redeem its 2022 notes with an outstanding nominal amount of EUR 161.7 million. The redemption date was 19 October 2021 and the company used funds from its liquid cash investments to settle the redemption. Following the redemption, the majority of Citycon’s short term debt maturities were repaid and the debt level reduced.

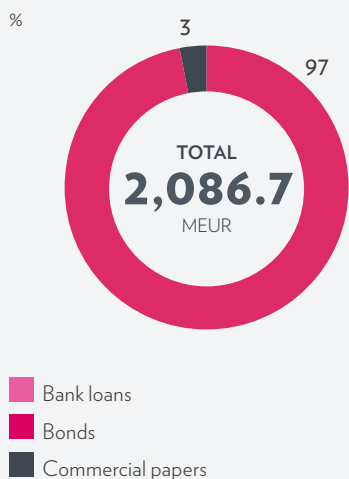
**INTEREST-BEARING DEBT**

The fair value of interest-bearing debt decreased during the first three quarters by EUR 11.3 million to EUR 2,086.7 million. Net debt decreased clearly more, as a result of the large liquidity of 313.8 million cash and money market fund investments, following the hybrid bond issuance and the divestment of three assets in Sweden and despite stronger NOK currency rate and capital investments. The carrying amount of interest-bearing liabilities in the balance sheet was EUR 2,103.9 million including IFRS 16 liabilities.

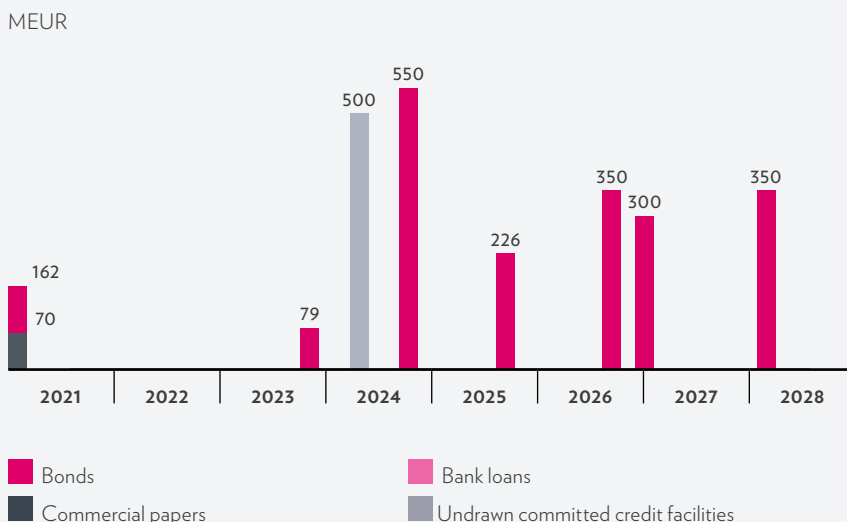
The weighted average loan maturity decreased slightly during the first three quarters to 4.0 years.

The LTV (IFRS) increased slightly during the quarter to 39.6% as a result of net debt increasing slightly more than property valuations.

**BREAKDOWN OF LOANS**



**DEBT MATURITIES**



## FINANCIAL EXPENSES

### FINANCIAL EXPENSES KEY FIGURES

		Q1-Q3/2021	Q1-Q3/2020	2020
Financial expenses <sup>1)</sup>	MEUR	-43.9	-42.3	-57.5
Financial income <sup>1)</sup>	MEUR	5.5	4.3	5.8
<b>Net financial expenses (IFRS)</b>	<b>MEUR</b>	<b>-38.4</b>	<b>-38.0</b>	<b>-51.8</b>
Direct net financial expenses (EPRA)	MEUR	-35.4	-34.5	-46.0
Weighted average interest rate <sup>2)</sup>	%	2.40	2.40	2.39
Weighted average interest rate excluding derivatives	%	2.40	2.36	2.37
Year-to-date weighted average interest rate <sup>2)</sup>	%	2.39	2.37	2.34

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

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

The direct net financial expenses (EPRA) increased compared to last year as the higher average amount of debt, higher average cost of debt and a stronger average NOK and SEK currency rates had a negative impact on net financial expenses.

Net financial expenses (IFRS) increased to EUR 38.4 million (38.0). Indirect losses of EUR 3.1 million were recorded related to costs for bond tenders and non-cash write-downs of unamortized fees on the prepaid bonds. In addition, EUR 0.1 million indirect gains (3.6 losses) related to fair value changes of cross-currency swaps not under hedge accounting was booked.

The financial income mainly consisted of interest income on a loan to Kista Galleria. The foreign exchange differences are netted in financial expenses in the table above.

The period-end average cost of debt was 2.40%.

### FINANCIAL RISK MANAGEMENT

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

### FINANCIAL RISK MANAGEMENT

		30 September 2021	30 September 2020	31 December 2020
Average interest-rate fixing period	years	4.0	3.8	3.7
Fixed interest rate ratio	%	88.9	81.2	83.5

## 9. BUSINESS ENVIRONMENT

### BUSINESS ENVIRONMENT KEY FIGURES

	Finland	Norway	Sweden	Denmark	Estonia	Euro area
GDP growth forecast 2021	2.9%	3.9%	2.7%	3.0%	4.9%	4.8%
Inflation, forecast 2021	1.5%	2.2%	2.1%	1.5%	2.2%	1.9%
Unemployment, 8/2021	7.2%	4.2%	8.8%	4.4%	6.2%	7.5%
Retail sales growth, 1-8/2021	4.9%	5.6%	6.9%	5.5%	9.8%	3.1%

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

The world economy has been in a state of great uncertainty due to the COVID-19 outbreak that the World Health Organisation (WHO) classified as a pandemic on March 11th, 2020. The measures taken to prevent the spread of the disease cause the global economy to slow down and therefore COVID-19 has substantially affected our business environment from March 2020 onwards. Despite the virus is still spreading, the vaccinations started at the beginning of 2021 and thus the world has taken a much-anticipated step towards sustainably overcoming COVID-19. During September all Nordic countries removed the most of the remaining restrictions and opened the society as businesses and households have shown a strong desire to normalise production and consumption patterns.

**Finland** has, at least in relative terms, been spared from the crisis both in economic terms as well as from a public health perspective. The number of COVID-19 deaths per million inhabitants has been among the lowest in Europe. Relatively low COVID-19 rates have helped Finland to avoid full-scale lockdowns. Finnish government has decided on national and regional recommendations to prevent the spread of the COVID-19. At the latter part of the third quarter Finnish government removed many restrictions while the number of COVID cases decreased and the vaccination coverage increased. The restrictions and recommendations put in place due to COVID-19 will be lifted once vaccination coverage reaches 80%. This is expected to happen in October-November

**In Sweden**, the COVID-19 outbreak has affected the retail and restaurant business with declining turnover and footfall. The government has announced a package where property owners could share the cost of rental rebates with the government and Citycon has applied for this subsidy under the government program. With most adults vaccinated, Sweden has gradually eased some restrictions during a summer lull in the pandemic. And lastly, in September Sweden removed most remaining pandemic restrictions.

**In Norway**, the various COVID-19 control measures and travel restrictions have led to changed consumption pattern; households are spending less on services in favour of certain retail goods. Generally, the biggest shopping centres have the most negative impact from the situation, while more local, convenience-type shopping centres are less affected. As in Sweden, the Norwegian government announced a package that would, under certain conditions, cover a major share of the fixed unavoidable costs, such as rent, to avoid unnecessary bankruptcies. The Norwegian government removed most of the remaining coronavirus restrictions at the latter part of September.

**In Estonia**, vast majority of the restrictions were removed from 26 September onwards. Access to restaurants, bars, fitness, cinema, hairdressers etc. only with valid corona passport (vaccination, 72-hour negative test or immunity).

**In Denmark** the government was the first government in Nordic region to lift COVID-19 restrictions at the beginning of September, At the same time Denmark was one of the first countries in the whole European Union to ease all of the domestic restrictions that were put in place to control the spread of Covid-19.

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

## 10. CHANGES IN CORPORATE MANAGEMENT

On 22 June 2021 was published that Bret D. McLeod has been appointed Citycon Oyj's Chief Financial Officer (CFO) and member of the Corporate Management Committee following the planned retirement of the current CFO, Mr. Eero Sihvonen. Mr. McLeod joined Citycon's Corporate Management Committee on August 1, 2021 and will assume the full responsibility as CFO on January 1, 2022.

## 11. RISKS AND UNCERTAINTIES

The outbreak of the COVID-19 pandemic also in the Nordics and in Estonia has had negative effects on Citycon's business. Both changed consumer behaviour and authority restrictions in our operating countries have substantially changed our business environment and also affected the results to some extent. The crisis has however had a minimal impact on Citycon's ability to collect rents on time or in full, and the effect going forward is difficult to predict.

The most significant other near-term risks and uncertainties in Citycon's business operations are associated with the general development of the economy and consumer confidence in the Nordic countries and Estonia as well as how this affects the fair values, occupancy rates and rental levels of the shopping centres and thereby Citycon's financial result. Increased competition might affect demand for retail premises, which could lead to lower rental levels or increased vacancy, especially outside capital city regions. Costs of development projects could increase due to rising construction costs or projects could be delayed due to unforeseeable challenges.

The main risks that can materially affect Citycon's business and financial results, along with the main risk management actions, are presented in detail on pages 37-38 in the Financial Statements 2020, in Note 3.5 A) as well as on Citycon's website in the Corporate Governance section.

## 12. GENERAL MEETING

### ANNUAL GENERAL MEETING 2021

Citycon's Annual General Meeting 2021 (AGM) was held in Espoo, Finland on 22 March 2021. In order to prevent the spread of the COVID-19 pandemic, the AGM was held without shareholders' and their proxy representatives' presence at the venue of the meeting. The shareholders of the company participated in the meeting and exercised their shareholder's rights by voting in advance. A total of 205 shareholders attended the AGM either personally or through a proxy representative, representing 80.8% of shares and votes in the company.

The General Meeting approved all the proposals made by the Board of Directors to the General Meeting. The AGM adopted the company's Financial Statements and discharged the members of the Board of Directors and the CEO from liability for the financial year 2020 and decided to adopt the Remuneration Report for the governing bodies.

The General Meeting decided that no dividend is distributed by a resolution of the AGM and authorised the Board of Directors to decide in its discretion on the distribution of dividend and assets from the invested unrestricted equity fund. Based on the authorisation, the maximum amount of dividend to be distributed shall not exceed EUR 0.05 per share and the maximum amount of equity repayment to be distributed from the invested unrestricted equity fund shall not exceed EUR 0.45 per share. The authorisation is valid until the opening of the next AGM.

The AGM resolved the number of members of the Board of Directors to be ten. Chaim Katzman, Yehuda (Judah) L. Angster, Arnold de Haan, Zvi Gordon, Alexandre (Sandy) Koifman, David Lukes, Andrea Orlandi, Per-Anders Ovin, Ofer Stark and Ariella Zochovitzky were re-elected to the Board of Directors.

Ernst & Young Oy, a firm of authorised public accountants, was re-elected as the auditor of the company for 2021.

The AGM decisions and the minutes of the AGM are available on the company's website at [citycon.com/agm2021](https://citycon.com/agm2021).

### EXTRAORDINARY GENERAL MEETING 2021

Citycon's Extraordinary General Meeting (EMG) held on 2 August 2021 decided on the election of two new Board members, Ms Ljudmila Popova and Citycon's CEO Mr F. Scott Ball. Furthermore, the EGM decided to adopt the revised remuneration policy. Further information available on the company's website at [citycon.com/EGM2021](https://citycon.com/EGM2021).

## 13. SHARES, SHARE CAPITAL AND SHAREHOLDERS

The company has a single series of shares, with each share entitling to one vote at a General Meeting of shareholders. At the end of September 2021, the total number of shares outstanding in the company was 177,998,525. The shares have no nominal value.

At the end of September 2021, Citycon had a total of 27,596 (23,013) registered shareholders, of which 12 were account managers of nominee-registered shares. Holders of the nominee-registered shares held approximately 130.2 million (139.1) shares, or 73.1% (78.2%) of shares and voting rights in the company. The most significant registered shareholders at year-end can be found on company's website [citycon.com/major-shareholders](https://citycon.com/major-shareholders).

### SHARES AND SHARE CAPITAL

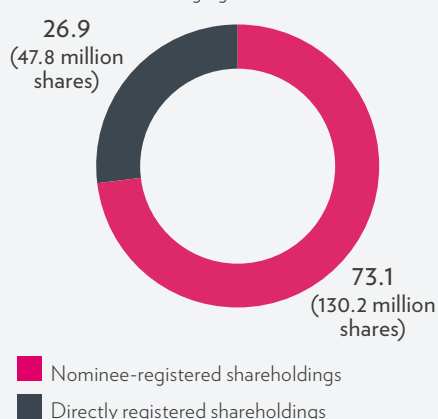
		Q1-Q3/2021	Q1-Q3/2020	2020
Share capital at period-start	MEUR	259.6	259.6	259.6
Share capital at period-end	MEUR	259.6	259.6	259.6
Number of shares at period-start		177,998,525	177,998,525	177,998,525
Number of shares at period-end		177,998,525	177,998,525	177,998,525

## SHARE PRICE AND TRADING

		Q1-Q3/2021	Q1-Q3/2020	%	2020
Low	EUR	6.93	5.25	32.0%	5.22
High	EUR	8.18	9.88	-17.2%	9.99
Average	EUR	7.51	7.06	6.3%	7.19
Latest	EUR	6.93	6.72	3.1%	7.93
Market capitalisation at period-end	MEUR	1,233.5	1,196.2	3.1%	1,411.5
Number of shares traded	million	59.2	53.1	11.5%	68.0
Value of shares traded	MEUR	442.0	360.0	22.8%	472.6

## SHAREHOLDERS 30 SEPTEMBER 2021

% of shares and voting rights



## DIVIDEND AND EQUITY REPAYMENT

Citycon's dividend for the financial year 2020 and equity repayments paid in 2021:

DIVIDENDS AND EQUITY REPAYMENTS PAID ON 30 SEPTEMBER 2021<sup>1)</sup>

	Record date	Payment date	EUR / share
Dividend for 2020	24 March 2021	31 March 2021	0.05
Equity repayment Q1	24 March 2021	31 March 2021	0.075
Equity repayment Q2	21 June 2021	30 June 2021	0.125
Equity repayment Q3	22 September 2021	30 September 2021	0.125
<b>Total</b>			<b>0.375</b>

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

	Record date	Payment date	EUR / share
Equity repayment Q4	16 December 2021	30 December 2021	0.125
<b>Total</b>			<b>0.125</b>

<sup>1)</sup> Board decision based on the authorisation issued by the AGM 2021

<sup>2)</sup> The AGM 2021 authorised the Board of Directors to decide in its discretion on the distribution of dividend and assets from the invested unrestricted equity fund. Based on the authorisation the maximum amount of dividend to be distributed shall not exceed EUR 0.05 per share and the maximum amount of equity repayment distributed from the invested unrestricted equity fund shall not exceed EUR 0.45 per share. Unless the Board of Directors decides otherwise for a justified reason, the authorisation will be used to distribute dividend and/or equity repayment four times during the period of validity of the authorisation. In this case, the Board of Directors will make separate resolutions on each distribution of the dividend and/or equity repayment so that the preliminary record and payment dates will be as stated above. Citycon shall make separate announcements of such Board resolutions.

## BOARD AUTHORISATIONS

In addition to the above explained asset distribution authorisation of the Board of Directors, the Board of Directors of the company had two valid authorisations at the period-end granted by the AGM held on 22 March 2021:

- The Board of Directors may decide on an issuance of a maximum of 17 million shares or special rights entitling to shares referred to in Chapter 10 Section 1 of the Finnish Companies Act, which corresponded to approximately 9.55% of all the shares in the company at the period-end. The authorisation is valid until the close of the next AGM, however, no longer than until 30 June 2022.
- The Board of Directors may decide on the repurchase and/or on the acceptance as pledge of the company's own shares in one or several tranches. The amount of own shares to be repurchased and/or accepted as pledge shall not exceed 10 million shares, which corresponded to approximately 5.62% of all the shares in the company at the period-end. The authorisation is valid until the close of the next AGM, however, no longer than until 30 June 2022.

During January – September 2021, the Board of Directors used three times its authorisation to repurchase its own shares and issue them by conveying repurchased shares. The repurchases and conveyances were made for payment of rewards earned under the company's share plans in accordance with the terms and conditions of the plans:

### Restricted Share Plan 2015

- On 8 January 2021, the company repurchased total of 8,800 of its own shares and conveyed them on 13 January 2021 to four key persons of the company.

### Restricted Share Plan 2018–2020

- On 8 January 2021, the company repurchased total of 4,000 of its own shares and conveyed them on 13 January 2021 to two key persons of the company.

### Matching Share Plan 2018–2020

- On 1 March 2021, the company repurchased total of 5,493 of its own shares and conveyed them on 5 March 2021 to one key person of the company.

## OWN SHARES

During the reporting period, the company held a total of 18,293 of the company's own shares. These 18,293 shares were conveyed to implement payments of rewards earned under the company's share plans before the end of the reporting period and as described in the section Board authorisations. At the end of the period, the company or its subsidiaries held no shares in the company.

## FLAGGING NOTICES

On 17 March 2021, Citycon Oyj received a notification pursuant to Chapter 9, Section 5 of the Finnish Securities Market Act from CPP Investment Board Europe S.à.r.l, according to which the total holdings of CPP Investment Board Europe S.à.r.l in Citycon Oyj has fallen below 10 per cent flagging threshold.

## SHARE-RELATED EVENTS

### Shareholder agreements

The company 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 Oyj through stock exchange releases on 13 May 2014 and 17 March 2020, is terminated in accordance with its terms and conditions after CPPIBE ceased to hold at least ten per cent of Citycon shares, directly or indirectly, for more than 30 consecutive days. CPPIBE's total holding of shares of Citycon Oyj decreased below the threshold of ten percent on 17 March 2021.

Further information on the terminated agreement between Gazit-Globe Ltd. and CPPIBE is available on the company's website at [citycon.com/shareholder-agreements](https://citycon.com/shareholder-agreements).

## INCENTIVE PLANS

### Long-term Share-based Incentive Plans

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

- CEO Restricted Share Plan 2018—2021
- CFO Restricted Share Plan 2021—2024
- Performance Share Plan 2020—2022 (Corporate Management Committee excl. the CEO)
- Matching Share Plan 2018—2020 (Corporate Management Committee)
- Restricted Share Plan 2020—2022 (Key employees, excl. Corporate Management Committee) and
- Restricted Share Plan 2018—2020 (Key employees)

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

**OUTLOOK FOR THE YEAR 2021 (SPECIFIED)**

Citycon forecasts the 2021 direct operating profit to be in range EUR 173–180 million, EPRA EPS EUR 0.683–0.723 and adjusted EPRA EPS EUR 0.558–0.598. Adjusted EPRA Earnings per share outlook includes also the coupons of the recently issued EUR 350 million hybrid issued in June 2021.

			Previously
Direct operating profit	MEUR	173–180	173–184
EPRA Earnings per share (basic)	EUR	0.683–0.723	0.676–0.726
Adjusted EPRA Earnings per share (basic)	EUR	0.558–0.598	0.558–0.608

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

**14. FINANCIAL CALENDAR AND AGM 2022**

Citycon Oyj's schedule of the financial reporting in 2022 is the following:

Year 2021 full-year Financial Report, Financial Statements and the Report by the Board of Directors	Thursday 17 February 2022 at about 9:00 a.m.
Year 2022 three-month Interim Report	Friday 6 May 2022 at about 9:00 a.m.
Year 2022 six-month Half-Yearly Report	Wednesday 13 July 2022 at about 9:00 a.m.
Year 2022 nine-month Interim Report	Thursday 10 November 2022 at about 9:00 a.m.

Citycon Oyj's Annual General Meeting (AGM) 2022 will be held on Tuesday, 22 March 2022 starting at 12:00 noon.

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

Helsinki, 28 October 2021

Citycon Oyj

Board of Directors

**For further information, please contact:**

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Citycon is a leading owner, manager and developer of mixed-use centres for urban living including retail, office space and housing. We are committed to sustainable property management in the Nordic region with assets that total approximately EUR 4.5 billion. Our centres are located in urban hubs with a direct connection to public transport. Placed in the heart of communities, our centres are anchored by groceries, healthcare and services to cater for the everyday needs of customers.

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

For more information about Citycon Oyj, please visit [www.citycon.com](http://www.citycon.com).

# EPRA PERFORMANCE MEASURES

Citycon applies to the best practices policy recommendations of EPRA (European Public Real Estate Association) for financial reporting. More information about EPRA's performance measures is available in Citycon's Financial Statements 2020 in section "EPRA performance measures".

## EPRA PERFORMANCE MEASURES

		Q3/2021	Q3/2020	%	Q1-Q3 /2021	Q1-Q3 /2020	%	2020
EPRA Earnings	MEUR	32.5	33.5	-3.0%	96.8	104.5	-7.4%	136.6
Adjusted EPRA Earnings <sup>1)</sup>	MEUR	24.9	29.4	-15.2%	80.1	92.4	-13.3%	120.3
EPRA Earnings per share (basic)	EUR	0.183	0.188	-3.0%	0.544	0.587	-7.4%	0.767
Adjusted EPRA Earnings per share (basic) <sup>1)</sup>	EUR	0.140	0.165	-15.2%	0.450	0.519	-13.3%	0.676
EPRA NRV per share	EUR	11.58	11.32	2.3%	11.58	11.32	2.3%	11.48

<sup>1)</sup> The key figure includes hybrid bond coupons and amortized fees.

The following tables present how EPRA Performance Measures are calculated.

## 1) EPRA EARNINGS

MEUR	Q3/2021	Q3/2020	%	Q1-Q3 /2021	Q1-Q3 /2020	%	2020
<b>Earnings in IFRS Consolidated</b>							
<b>Statement of Comprehensive Income</b>	<b>10.1</b>	<b>3.5</b>	<b>-</b>	<b>73.6</b>	<b>-19.5</b>	<b>-</b>	<b>-28.0</b>
+/- Net fair value losses/gains on investment property	18.5	23.1	-19.7%	-5.9	110.5	-	146.9
-/+ Net gains/losses on sale of investment property	-0.3	-0.2	41.7%	4.8	-1.9	-	-0.7
+ Indirect other operating expenses	0.0	-	-	0.4	-	-	0.0
+/- Early close-out costs of debt and financial instruments	-	-	-	3.1	-	-	0.8
-/+ Fair value gains/losses of financial instruments	-0.5	1.4	-	-0.1	3.6	-	5.0
+/- Indirect losses/gains of joint ventures and associated companies	1.8	4.7	-60.7%	3.3	14.7	-77.9%	27.2
-/+ Change in deferred taxes arising from the items above	2.9	1.1	-	17.7	-2.9	-	-14.7
+ Non-controlling interest arising from the items above	-	-	-	-	-	-	0.0
<b>EPRA Earnings</b>	<b>32.5</b>	<b>33.5</b>	<b>-3.0%</b>	<b>96.8</b>	<b>104.5</b>	<b>-7.4%</b>	<b>136.6</b>
-/+ Hybrid bond coupons and amortized fees	-7.6	-4.1	84.9%	-16.7	-12.2	37.0%	-16.2
<b>Adjusted EPRA Earnings</b>	<b>24.9</b>	<b>29.4</b>	<b>-15.2%</b>	<b>80.1</b>	<b>92.4</b>	<b>-13.3%</b>	<b>120.3</b>
Weighted average number of ordinary shares, million	178.0	178.0	0.0%	178.0	178.0	0.0%	178.0
<b>EPRA Earnings per share (basic), EUR</b>	<b>0.183</b>	<b>0.188</b>	<b>-3.0%</b>	<b>0.544</b>	<b>0.587</b>	<b>-7.4%</b>	<b>0.767</b>
<b>Adjusted EPRA Earnings per share (basic), EUR</b>	<b>0.140</b>	<b>0.165</b>	<b>-15.2%</b>	<b>0.450</b>	<b>0.519</b>	<b>-13.3%</b>	<b>0.676</b>

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

MEUR	Q3/2021	Q3/2020	%	Q1-Q3 /2021	Q1-Q3 /2020	%	2020
Net rental income	51.3	52.9	-3.1%	152.5	155.5	-1.9%	205.4
Direct administrative expenses	-6.8	-6.2	9.5%	-18.9	-19.0	-0.5%	-25.9
Direct other operating income and expenses	0.2	0.4	-46.3%	0.1	0.7	-90.9%	0.9
<b>Direct operating profit</b>	<b>44.7</b>	<b>47.1</b>	<b>-5.1%</b>	<b>133.7</b>	<b>137.3</b>	<b>-2.6%</b>	<b>180.4</b>
Direct net financial income and expenses	-11.6	-12.3	-6.3%	-35.4	-34.5	2.8%	-46.0
Direct share of profit/loss of joint ventures and associated companies	-0.9	-0.7	38.3%	-3.0	-0.6	-	-0.8
Direct current taxes	-1.2	-1.5	-21.9%	-2.6	-2.7	-4.2%	-1.8
Direct deferred taxes	1.4	0.9	60.8%	4.2	5.0	-17.5%	4.8
Direct non-controlling interest	0.0	0.0	-	0.0	0.0	-	-0.1
<b>EPRA Earnings</b>	<b>32.5</b>	<b>33.5</b>	<b>-3.0%</b>	<b>96.8</b>	<b>104.5</b>	<b>-7.4%</b>	<b>136.6</b>
-/+ Hybrid bond coupons and amortized fees	-7.6	-4.1	84.9%	-16.7	-12.2	37.0%	-16.2
<b>Adjusted EPRA Earnings</b>	<b>24.9</b>	<b>29.4</b>	<b>-15.2%</b>	<b>80.1</b>	<b>92.4</b>	<b>-13.3%</b>	<b>120.3</b>
<b>EPRA Earnings per share (basic), EUR</b>	<b>0.183</b>	<b>0.188</b>	<b>-3.0%</b>	<b>0.544</b>	<b>0.587</b>	<b>-7.4%</b>	<b>0.767</b>
<b>Adjusted EPRA Earnings per share (basic), EUR</b>	<b>0.140</b>	<b>0.165</b>	<b>-15.2%</b>	<b>0.450</b>	<b>0.519</b>	<b>-13.3%</b>	<b>0.676</b>

## 2) EPRA NRV, NTA AND NDV PER SHARE

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

Citycon adopted these guidelines in the year ended 31 December 2020 and considers EPRA NRV to be the most relevant measure for its business.

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

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

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

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

	30 September 2021			30 September 2020			31 December 2020		
	EPRA NRV	EPRA NTA	EPRA NDV	EPRA NRV	EPRA NTA	EPRA NDV	EPRA NRV	EPRA NTA	EPRA NDV
Equity attributable to parent company shareholders	1,830.9	1,830.9	1,830.9	1,782.7	1,782.7	1,782.7	1,818.6	1,818.6	1,818.6
Deferred taxes from the difference of fair value and fiscal value of investment properties <sup>3)</sup>	280.8	140.4	-	275.3	137.6	-	274.2	137.1	-
Fair value of financial instruments	-1.2	-1.2	-	0.7	0.7	-	-0.2	-0.2	-
Goodwill as a result of deferred taxes	-83.3	-	-	-76.3	-	-	-80.9	-	-
Goodwill as per the consolidated balance sheet	-	-143.7	-143.7	-	-136.0	-136.0	-	-141.1	-141.1
Intangible assets as per the consolidated balance sheet	-	-6.8	-	-	-17.0	-	-	-17.6	-
The difference between the secondary market price and carrying value of bonds <sup>1)</sup>	-	-	106.8	-	-	74.1	-	-	47.4
Real estate transfer taxes <sup>2)</sup>	33.8	-	-	31.7	-	-	31.8	-	-
<b>Total</b>	<b>2,061.0</b>	<b>1,819.5</b>	<b>1,794.0</b>	<b>2,014.2</b>	<b>1,768.1</b>	<b>1,720.8</b>	<b>2,043.6</b>	<b>1,796.9</b>	<b>1,724.9</b>
Weighted average number of ordinary shares, million	178.0	178.0	178.0	178.0	178.0	178.0	178.0	178.0	178.0
<b>Net Asset Value per share</b>	<b>11.58</b>	<b>10.22</b>	<b>10.08</b>	<b>11.32</b>	<b>9.93</b>	<b>9.67</b>	<b>11.48</b>	<b>10.09</b>	<b>9.69</b>

<sup>1)</sup> When calculating the EPRA NDV and previously disclosed EPRA NNAV in accordance with EPRA's recommendations, the shareholders' equity is adjusted using EPRA's guidelines so that bonds are valued based on secondary market prices. In accordance with Citycon's accounting policies, the carrying amount and fair value of bonds are different from this secondary market price. The difference between the secondary market price and the carrying value of the bonds was EUR 106.8 million (74.1) as of 30 September 2021.

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

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

# CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS 1 JANUARY – 30 SEPTEMBER 2021

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, IFRS

MEUR	Note	Q3/2021	Q3/2020	%	Q1-Q3 /2021	Q1-Q3 /2020	%	2020
Gross rental income	3	55.3	57.1	-3.1%	166.6	168.6	-1.1%	224.3
Service charge income	3	16.1	16.2	-0.9%	51.5	51.2	0.6%	71.2
Property operating expenses		-19.6	-19.7	-0.7%	-64.4	-61.1	5.4%	-84.9
Other expenses from leasing operations		-0.5	-0.6	-23.8%	-1.3	-3.2	-59.1%	-5.3
<b>Net rental income</b>	<b>3</b>	<b>51.3</b>	<b>52.9</b>	<b>-3.1%</b>	<b>152.5</b>	<b>155.5</b>	<b>-1.9%</b>	<b>205.4</b>
Administrative expenses		-6.8	-6.2	9.5%	-18.9	-19.0	-0.5%	-25.9
Other operating income and expenses	4	0.2	0.4	-46.1%	-0.3	0.7	-	0.9
Net fair value gain/losses on investment property	3	-18.5	-23.1	-19.7%	5.9	-110.5	-	-146.9
Net gains/losses on sale of investment properties and subsidiaries		0.3	0.2	41.7%	-4.8	1.9	-	0.7
<b>Operating profit</b>	<b>3</b>	<b>26.5</b>	<b>24.2</b>	<b>9.3%</b>	<b>134.4</b>	<b>28.7</b>	<b>-</b>	<b>34.1</b>
Net financial income and expenses		-11.0	-13.8	-19.7%	-38.4	-38.0	1.0%	-51.8
Share of loss/profit of joint ventures and associated companies		-2.8	-5.3	-48.5%	-6.3	-15.3	-59.0%	-28.0
<b>Result before taxes</b>		<b>12.7</b>	<b>5.1</b>	<b>-</b>	<b>89.7</b>	<b>-24.7</b>	<b>-</b>	<b>-45.7</b>
Current taxes		-1.2	-1.5	-21.9%	-2.6	-2.7	-4.2%	-1.8
Deferred taxes		-1.5	-0.2	-	-13.5	7.9	-	19.6
<b>Result for the period</b>		<b>10.1</b>	<b>3.5</b>	<b>-</b>	<b>73.6</b>	<b>-19.5</b>	<b>-</b>	<b>-27.9</b>
<b>Profit/loss attributable to</b>								
Parent company shareholders		10.1	3.5	-	73.6	-19.5	-	-28.0
Non-controlling interest		0.0	0.0	-	0.0	0.0	-	0.1
<b>Earnings per share attributable to parent company shareholders</b>								
Earnings per share (basic), EUR <sup>1)</sup>	5	0.01	0.00	-	0.32	-0.18	-	-0.25
Earnings per share (diluted), EUR <sup>1)</sup>	5	0.01	0.00	-	0.32	-0.18	-	-0.25
<b>Other comprehensive income</b>								
<b>Items that may be reclassified subsequently to profit or loss</b>								
Net losses/gains on cash flow hedges		0.3	0.2	55.4%	1.1	-2.1	-	-1.3
Exchange gains/losses on translating foreign operations		-1.6	-16.0	-90.1%	24.3	-96.4	-	-30.5
<b>Net other comprehensive income to be reclassified to profit or loss in subsequent periods</b>		<b>-1.3</b>	<b>-15.8</b>	<b>-92.0%</b>	<b>25.4</b>	<b>-98.5</b>	<b>-</b>	<b>-31.8</b>
<b>Other comprehensive income for the period, after taxes</b>		<b>-1.3</b>	<b>-15.8</b>	<b>-92.0%</b>	<b>25.4</b>	<b>-98.5</b>	<b>-</b>	<b>-31.8</b>
<b>Total comprehensive profit/loss for the period</b>		<b>8.8</b>	<b>-12.3</b>	<b>-</b>	<b>99.0</b>	<b>-118.0</b>	<b>-</b>	<b>-59.6</b>
<b>Total comprehensive profit/loss attributable to</b>								
Parent company shareholders		8.8	-12.3	-	98.9	-118.0	-	-59.8
Non-controlling interest		0.0	0.0	-	0.0	0.0	-	0.1

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

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION, IFRS

MEUR	Note	30 September 2021	30 September 2020	31 December 2020
<b>ASSETS</b>				
Non-current assets				
Investment properties	6	4,215.3	4,155.1	4,152.2
Goodwill		143.7	136.0	141.1
Investments in joint ventures and associated companies		130.2	115.9	108.6
Intangible and tangible assets, and other non-current assets <sup>1)</sup>		10.3	21.1	21.7
Derivative financial instruments	10, 11	15.9	16.3	14.8
Deferred tax assets		18.2	14.4	14.2
<b>Total non-current assets</b>		<b>4 533.6</b>	<b>4,458.8</b>	<b>4,452.5</b>
<b>Investment properties held for sale</b>	<b>8</b>	<b>109.0</b>	<b>0.0</b>	<b>149.7</b>
Current assets				
Derivative financial instruments	10, 11	1.8	4.2	0.2
Trade receivables and other current assets		51.7	50.6	51.8
Current financial investments	9	285.1	-	-
Cash and cash equivalents	9	28.6	43.6	25.9
<b>Total current assets</b>		<b>367.3</b>	<b>98.4</b>	<b>77.8</b>
<b>Total assets</b>	<b>3</b>	<b>5,009.9</b>	<b>4,557.3</b>	<b>4,680.0</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>				
Equity attributable to parent company shareholders				
Share capital		259.6	259.6	259.6
Share premium fund		131.1	131.1	131.1
Fair value reserve		1.2	-0.7	0.2
Invested unrestricted equity fund	12	765.3	845.4	823.2
Retained earnings	12	673.7	547.3	604.6
<b>Total equity attributable to parent company shareholders</b>		<b>1,830.9</b>	<b>1,782.7</b>	<b>1,818.6</b>
Hybrid bond		688.6	347.1	347.2
Non-controlling interest		0.3	0.1	0.2
<b>Total shareholders' equity</b>		<b>2,519.8</b>	<b>2,129.9</b>	<b>2,166.0</b>
Long-term liabilities				
Loans		1,865.9	1,767.1	1,863.8
Derivative financial instruments and other non-interest bearing liabilities	10, 11	15.2	3.3	19.5
Deferred tax liabilities		282.7	276.8	275.7
<b>Total long-term liabilities</b>		<b>2,163.7</b>	<b>2,047.2</b>	<b>2,159.0</b>
Short-term liabilities				
Loans		238.1	301.3	257.4
Derivative financial instruments	10, 11	1.0	1.0	8.3
Trade and other payables		87.3	77.9	89.2
<b>Total short-term liabilities</b>		<b>326.4</b>	<b>380.2</b>	<b>355.0</b>
<b>Total liabilities</b>	<b>3</b>	<b>2,490.1</b>	<b>2,427.4</b>	<b>2,514.0</b>
<b>Total liabilities and shareholders' equity</b>		<b>5,009.9</b>	<b>4,557.3</b>	<b>4,680.0</b>

<sup>1)</sup> Change in presentation. Assets related to rented centers presented as part of IFRS 16 investment properties.

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT, IFRS

MEUR	Note	Q1-Q3/2021	Q1-Q3/2020	2020
Cash flow from operating activities				
<b>Profit before taxes</b>		<b>89.7</b>	<b>-24.7</b>	<b>-45.7</b>
Adjustments to profit before taxes		43.8	161.5	230.5
<b>Cash flow before change in working capital</b>		<b>133.5</b>	<b>136.8</b>	<b>184.8</b>
Change in working capital		-14.3	-13.8	-0.3
<b>Cash generated from operations</b>		<b>119.2</b>	<b>123.0</b>	<b>184.6</b>
Paid interest and other financial charges		-37.3	-37.7	-58.2
Interest income and other financial income received		0.1	1.3	1.4
Current taxes paid		-1.5	0.1	-2.0
<b>Net cash from operating activities</b>		<b>80.5</b>	<b>86.7</b>	<b>125.7</b>
Cash flow from investing activities				
Acquisition of subsidiaries, less cash acquired	6,7,8	0.6	-7.7	-7.9
Capital expenditure on investment properties, investments in joint ventures, intangible assets and tangible assets	6,7,8	-150.1	-108.1	-158.3
Sale of investment properties and subsidiaries	6,7,8	144.8	10.6	10.8
Purchase of current financial investments		-285.0	-	-
<b>Net cash used in investing activities</b>		<b>-289.7</b>	<b>-105.1</b>	<b>-155.4</b>
Cash flow from financing activities				
Proceeds from short-term loans		668.0	664.2	831.4
Repayments of short-term loans		-820.1	-720.3	-942.8
Proceeds from long-term loans		346.1	384.6	554.2
Repayments of long-term loans		-225.2	-211.6	-306.3
Proceeds from hybrid bond		342.5	-	-
Hybrid bond interest and expenses		-20.3	-4.4	-4.4
Dividends and return from the invested unrestricted equity fund	12	-66.7	-73.4	-95.7
Realized exchange rate gains/losses		-12.6	10.4	3.8
<b>Net cash from financing activities</b>		<b>211.8</b>	<b>49.6</b>	<b>40.3</b>
<b>Net change in cash and cash equivalents</b>		<b>2.5</b>	<b>31.2</b>	<b>10.7</b>
Cash and cash equivalents at period-start	9	25.9	14.2	14.2
Effects of exchange rate changes		0.2	-1.7	1.0
<b>Cash and cash equivalents at period-end</b>	<b>9</b>	<b>28.6</b>	<b>43.6</b>	<b>25.9</b>

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY, IFRS

MEUR	Share capital	Share premium fund	Fair value reserve	Invested unrestricted equity fund	Translation reserve	Retained earnings	Equity attributable to parent company shareholders	Hybrid bond	Non-controlling interest	Shareholders' equity, total
<b>Balance at 1 January 2020</b>	<b>259.6</b>	<b>131.1</b>	<b>1.4</b>	<b>909.9</b>	<b>-120.3</b>	<b>796.7</b>	<b>1,978.4</b>	<b>346.6</b>	<b>0.1</b>	<b>2,325.2</b>
Total comprehensive profit/loss for the period			-2.1	0.0	-96.4	-19.5	-118.0		0.0	-118.0
Hybrid bond interest and expenses						-4.3	-4.3	0.4		-3.9
Dividends paid and equity return (Note 12)				-64.5		-8.9	-73.4			-73.4
Share-based payments						0.2	0.2			0.2
Other changes						-0.1	-0.1			-0.1
<b>Balance at 30 September 2020</b>	<b>259.6</b>	<b>131.1</b>	<b>-0.7</b>	<b>845.4</b>	<b>-216.8</b>	<b>764.1</b>	<b>1,782.7</b>	<b>347.1</b>	<b>0.1</b>	<b>2,129.9</b>
<b>Balance at 1 January 2021</b>	<b>259.6</b>	<b>131.1</b>	<b>0.2</b>	<b>823.2</b>	<b>-150.9</b>	<b>755.4</b>	<b>1,818.6</b>	<b>347.2</b>	<b>0.2</b>	<b>2,166.0</b>
Total comprehensive profit/loss for the period			1.1		24.3	73.6	98.9		0.0	98.9
Proceeds from hybrid bond								341.2		341.2
Hybrid bond interest and expenses						-19.9	-19.9	0.2		-19.8
Dividends paid and equity return (Note 12)				-57.8		-8.9	-66.7			-66.7
Share-based payments						0.1	0.1			0.1
Other changes						0.0	0.0			0.0
<b>Balance at 30 September 2021</b>	<b>259.6</b>	<b>131.1</b>	<b>1.2</b>	<b>765.3</b>	<b>-126.6</b>	<b>800.2</b>	<b>1,830.9</b>	<b>688.6</b>	<b>0.3</b>	<b>2,519.8</b>

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## 1. BASIC COMPANY DATA

Citycon is a leading owner, manager and developer of mixed-use centres for urban living including retail, office space and housing. Citycon operates in the business units Finland & Estonia, Norway and Sweden & Denmark. Citycon is a Finnish public limited liability company established under the Finnish law and domiciled in Helsinki. The Board of Directors has approved the interim financial statements on 27th of October 2021.

## 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

Citycon prepares its consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS). Additional information on the accounting policies are available in Citycon's annual financial statements 2020. Citycon's interim report for the reporting period have been prepared in accordance with same accounting policies as in annual financial statements 2020 and in accordance with IAS 34 Interim Financial Reporting standard. The figures are unaudited.

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

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

Citycon granted EUR 0.3 million of new COVID-19 rent discounts during Q3 2021. The rent discounts were given in Finland & Estonia business unit and have been accrued to the remaining lease period.

Due to the uncertainty caused by pandemic, the company has prepared an impairment test calculation on 30 September 2021 related to goodwill on the group balance sheet. The impairment test didn't indicate any need for impairment.

## 3. SEGMENT INFORMATION

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

In Citycon's reporting, Kista Galleria is treated as a joint venture and the shopping centre's result or fair value will not impact on the gross rental income, net rental income or fair value of investment properties of the group. Kista Galleria is consolidated in Citycon's financial statements based on the equity method, meaning that Citycon's share of Kista Galleria's profit for the period is recognised in the line 'Share of result in joint ventures' and associated companies in the statement of comprehensive income and Citycon's share of Kista Galleria's shareholder's equity is recognised in the line 'Investments in joint ventures and associated companies' in the statement of financial position. In addition, the management fee received by Citycon is reported in the line 'other operating income and expenses' and the interest income on the shareholder loan is reported in 'net financial income and expenses'. Kista Galleria contributed to the IFRS based profit for the period Q1-Q3/2021 by EUR -6.3 million.

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

MEUR	Q3/2021	Q3/2020	%	Q1-Q3/2021	Q1-Q3/2020	%	2020
<b>Gross rental income</b>							
Finland & Estonia	22.7	23.3	-2.6%	68.4	69.5	-1.5%	91.5
Norway	21.4	21.3	0.5%	63.5	60.8	4.4%	81.3
Sweden & Denmark	11.2	12.5	-10.2%	34.8	38.3	-9.3%	51.5
<b>Total Segments</b>	<b>55.3</b>	<b>57.1</b>	<b>-3.1%</b>	<b>166.6</b>	<b>168.6</b>	<b>-1.1%</b>	<b>224.3</b>
Kista Galleria (50%)	2.6	2.6	0.2%	7.3	8.3	-11.9%	10.9
<b>Service charge income</b>							
Finland & Estonia	7.4	7.7	-3.1%	22.4	22.5	-0.3%	30.3
Norway	6.0	4.8	24.4%	18.8	18.0	4.5%	26.0
Sweden & Denmark	2.7	3.7	-28.8%	10.3	10.7	-4.1%	14.9
<b>Total Segments</b>	<b>16.1</b>	<b>16.2</b>	<b>-0.9%</b>	<b>51.5</b>	<b>51.2</b>	<b>0.6%</b>	<b>71.2</b>
Kista Galleria (50%)	0.8	0.8	2.5%	2.7	2.5	7.1%	3.5
<b>Net rental income</b>							
Finland & Estonia	22.4	22.6	-0.9%	65.0	66.6	-2.4%	86.8
Norway	19.6	19.5	0.1%	57.6	56.3	2.4%	74.1
Sweden & Denmark	9.2	10.5	-11.7%	29.5	32.7	-9.8%	44.5
Other	0.1	0.3	-74.4%	0.4	0.0	-	0.1
<b>Total Segments</b>	<b>51.3</b>	<b>52.9</b>	<b>-3.1%</b>	<b>152.5</b>	<b>155.5</b>	<b>-1.9%</b>	<b>205.4</b>
Kista Galleria (50%)	1.7	1.5	14.8%	4.9	5.7	-13.8%	7.6
<b>Direct operating profit</b>							
Finland & Estonia	21.7	22.0	-1.5%	63.0	64.2	-1.9%	83.7
Norway	18.6	18.6	-0.4%	54.8	53.6	2.3%	70.2
Sweden & Denmark	8.2	9.5	-14.0%	25.7	29.8	-13.5%	39.6
Other	-3.7	-3.1	-21.3%	-9.8	-10.3	4.5%	-13.2
<b>Total Segments</b>	<b>44.7</b>	<b>47.1</b>	<b>-5.1%</b>	<b>133.7</b>	<b>137.3</b>	<b>-2.6%</b>	<b>180.4</b>
Kista Galleria (50%)	1.6	1.3	23.0%	4.7	5.3	-10.6%	7.0
<b>Net fair value losses/gains on investment property</b>							
Finland & Estonia	-12.2	-12.3	0.2%	-6.0	-58.0	89.7%	-87.5
Norway	-5.2	-3.8	-37.4%	1.2	-11.9	-	-5.3
Sweden & Denmark	-1.1	-7.0	84.2%	10.7	-40.5	-	-54.2
<b>Total Segments</b>	<b>-18.5</b>	<b>-23.1</b>	<b>19.7%</b>	<b>5.9</b>	<b>-110.5</b>	<b>-</b>	<b>-146.9</b>
Kista Galleria (50%)	-1.7	-5.6	68.9%	-2.8	-17.6	84.1%	-32.3
<b>Operating profit/loss</b>							
Finland & Estonia	9.4	9.7	-3.0%	56.4	6.5	-	-3.5
Norway	13.4	15.1	-11.3%	56.0	43.2	29.6%	65.4
Sweden & Denmark	7.4	2.5	-	31.9	-10.8	-	-14.6
Other	-3.7	-3.1	-21.3%	-9.8	-10.3	4.5%	-13.2
<b>Total Segments</b>	<b>26.5</b>	<b>24.2</b>	<b>9.3%</b>	<b>134.4</b>	<b>28.7</b>	<b>-</b>	<b>34.1</b>
Kista Galleria (50%)	-0.1	-4.3	-97.7%	1.9	-12.4	-	-25.2

MEUR	30 September 2021	30 September 2020	%	2020
<b>Assets</b>				
Finland & Estonia	2,022.2	1,911.8	5.8%	1,922.9
Norway	1,691.0	1,522.6	11.1%	1,624.8
Sweden & Denmark	931.4	1,034.3	-9.9%	1,063.2
Other	365.3	88.6	-	69.1
<b>Total Segments</b>	<b>5,009.9</b>	<b>4,557.3</b>	<b>9.9%</b>	<b>4,680.0</b>
Kista Galleria (50%)	261.8	262.5	-0.3%	265.4
<b>Liabilities</b>				
Finland & Estonia	22.4	16.5	35.9%	21.3
Norway	55.5	55.6	-0.2%	60.9
Sweden & Denmark	21.7	25.6	-15.1%	33.5
Other	2,390.5	2,329.6	2.6%	2,398.4
<b>Total Segments</b>	<b>2,490.1</b>	<b>2,427.4</b>	<b>2.6%</b>	<b>2,514.0</b>
Kista Galleria (50%)	255.9	241.8	5.8%	253.0

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

#### 4. REVENUE FROM CONTRACTS WITH CUSTOMERS

MEUR	Q3/2021	Q3/2020	%	Q1-Q3/2021	Q1-Q3/2020	%	2020
Service charges <sup>1)</sup>	12.3	12.8	-3.9%	40.3	40.7	-0.9%	55.3
Utility charges <sup>1)</sup>	2.0	2.0	-0.1%	5.7	5.5	5.2%	7.6
Other service income <sup>1)</sup>	1.8	1.5	24.6%	5.5	5.1	8.3%	8.3
Management fees <sup>2)</sup>	0.2	0.7	-74.2%	0.7	2.8	-73.6%	3.1
<b>Revenue from contracts with customers</b>	<b>16.3</b>	<b>17.0</b>	<b>-4.5%</b>	<b>52.3</b>	<b>54.1</b>	<b>-3.3%</b>	<b>74.3</b>

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

<sup>2)</sup> Is included in the line item 'Other operating income and expenses' in the Consolidated statement of comprehensive income

#### 5. EARNINGS PER SHARE

		Q3/2021	Q3/2020	%	Q1-Q3/2021	Q1-Q3/2020	%	2020
<b>Earnings per share, basic</b>								
Profit attributable to parent company shareholders	MEUR	10.1	3.5	-	73.6	-19.5	-	-28.0
Hybrid bond interests and expenses	MEUR	-7.6	-4.1	84.9%	-16.7	-12.2	37.0%	-16.2
Weighted average number of ordinary shares <sup>1)</sup>	million	178.0	178.0	0.0%	178.0	178.0	0.0%	178.0
<b>Earnings per share (basic) <sup>1)</sup></b>	<b>EUR</b>	<b>0.01</b>	<b>0.00</b>	<b>-</b>	<b>0.32</b>	<b>-0.18</b>	<b>-</b>	<b>-0.25</b>
<b>Earnings per share, diluted</b>								
Profit attributable to parent company shareholders	MEUR	10.1	3.5	-	73.6	-19.5	-	-28.0
Hybrid bond interests and expenses	MEUR	-7.6	-4.1	84.9%	-16.7	-12.2	37.0%	-16.2
Weighted average number of ordinary shares <sup>1)</sup>	million	178.0	178.0	0.0%	178.0	178.0	0.0%	178.0
Adjustment from share-based incentive plans	million	0.3	0.2	27.8%	0.2	0.3	-28.5%	0.3
Weighted average number of ordinary shares, diluted <sup>1)</sup>	million	178.3	178.2	0.0%	178.2	178.3	0.0%	178.3
<b>Earnings per share (diluted) <sup>1)</sup></b>	<b>EUR</b>	<b>0.01</b>	<b>0.00</b>	<b>-</b>	<b>0.32</b>	<b>-0.18</b>	<b>-</b>	<b>-0.25</b>

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

## 6. INVESTMENT PROPERTIES

Citycon divides its investment properties into two categories: Investment Properties Under Construction (IPUC) and Operative Investment Properties. On reporting date and the comparable period 30 September 2020, the first mentioned category included Lippulaiva in Finland.

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

### 30 September 2021

MEUR	Investment properties under construction (IPUC)	Operative investment properties	Investment properties, total
<b>At period-start</b>	<b>271.5</b>	<b>3,880.7</b>	<b>4,152.2</b>
Acquisitions	-	-0.6	-0.6
Investments	97.7	26.9	124.6
Disposals	-9.1	0.0	-9.1
Capitalized interest	5.4	0.2	5.6
Fair value gains on investment property	-	46.9	46.9
Fair value losses on investment property	-13.4	-17.4	-30.8
Valuation gains and losses from Right-of-Use-Assets	-	-10.2	-10.2
Exchange differences	-	34.3	34.3
Transfer between operative investment properties and joint ventures and transfer into investment properties held for sale	-	-109.5	-109.5
Changes in right-of-use assets classified as investment properties (IFRS 16)	-	11.8	11.8
<b>At period-end</b>	<b>352.2</b>	<b>3,863.1</b>	<b>4,215.3</b>

### 30 September 2020

MEUR	Investment properties under construction (IPUC)	Operative investment properties	Investment properties, total
<b>At period-start</b>	<b>169.0</b>	<b>3,991.2</b>	<b>4,160.2</b>
Acquisitions	-	147.1	147.1
Investments	85.1	36.2	121.3
Disposals	-	-9.4	-9.4
Capitalized interest	3.2	0.2	3.4
Fair value gains on investment property	-	39.8	39.8
Fair value losses on investment property	-3.3	-142.7	-146.1
Valuation gains and losses from Right-of-Use-Assets	-	-4.2	-4.2
Exchange differences	-	-157.7	-157.7
Transfer between operative investment properties, joint ventures and transfer into investment properties held for sale	-	3.7	3.7
Changes in right-of-use assets classified as investment properties (IFRS 16)	-	-3.0	-3.0
<b>At period-end</b>	<b>254.0</b>	<b>3,901.1</b>	<b>4,155.1</b>

### 31 December 2020

MEUR	Investment properties under construction (IPUC)	Operative investment properties	Investment properties, total
<b>At period-start</b>	<b>169.0</b>	<b>3,991.2</b>	<b>4,160.2</b>
Acquisitions	-	156.0	156.0
Investments	121.5	56.1	177.6
Disposals	-	-10.0	-10.0
Capitalized interest	4.6	0.3	4.9
Fair value gains on investment property	-	39.8	39.8
Fair value losses on investment property	-23.6	-157.5	-181.1
Valuation gains and losses from Right-of-Use-Assets	-	-5.7	-5.7
Exchange differences	-	-43.4	-43.4
Transfer between operative investment properties and joint ventures and transfer into investment properties held for sale	-	-145.8	-145.8
Changes in right-of-use assets classified as investment properties (IFRS 16)	-	-0.4	-0.4
<b>At period-end</b>	<b>271.5</b>	<b>3,880.7</b>	<b>4,152.2</b>

The fair value of Citycon's investment properties for the Q3/2021 reporting has been measured internally. The fair value of Citycon's investment properties has been measured by CBRE (Norway, Denmark, Estonia) and JLL (Finland, Sweden) for the the Half-yearly reporting 2021 and Financial statement 2020.

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

MEUR	Weighted average yield requirement, %		Weighted average market rents, EUR/sq.m./mo	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
Finland & Estonia	5.3	5.5	28.2	29.6
Norway	5.5	5.6	21.4	20.1
Sweden & Denmark	5.6	5.7	26.3	25.7
<b>Investment properties, average</b>	<b>5.4</b>	<b>5.6</b>	<b>25.5</b>	<b>25.7</b>
Investment properties and Kista Galleria (50%), average	5.4	5.5	25.8	26.1

## 7. CAPITAL EXPENDITURE

MEUR	Q1-Q3/2021	Q1-Q3/2020	2020
Acquisitions of properties <sup>1)</sup>	-0.6	147.1	156.0
Acquisitions of and investments in joint ventures	29.3	5.1	5.1
Property development <sup>2)</sup>	130.2	124.7	182.5
Goodwill and other investments	2.5	0.8	2.0
<b>Total capital expenditure incl. acquisitions</b>	<b>161.3</b>	<b>277.7</b>	<b>345.6</b>
<b>Capital expenditure by segment</b>			
Finland & Estonia	113.2	107.3	150.5
Norway	13.9	159.2	178.3
Sweden & Denmark	32.1	10.4	14.9
Group administration	2.1	0.7	1.9
<b>Total capital expenditure incl. acquisitions</b>	<b>161.3</b>	<b>277.7</b>	<b>345.6</b>
<b>Divestments <sup>3)</sup></b>	<b>157.4</b>	<b>9.4</b>	<b>10.0</b>

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

<sup>2)</sup> Comprises mainly of investments in Lippulaiva in 2021.

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

## 8. INVESTMENT PROPERTIES HELD FOR SALE

On 30 September 2021 Investment Properties Held for Sale comprised of one property in Finland & Estonia segment. On 30 September 2020 Citycon had no property held for sale properties. On December 2020 Investment Properties Held for Sale comprised of three properties in Sweden & Denmark segment, which were sold during Q1 2021.

Transfer from investment properties includes also fair value changes of properties in Investment Properties Held for Sale.

MEUR	30 September 2021	30 September 2020	2020
<b>At period-start</b>	149.7	0.0	0.0
Disposals	-148.3	0.0	0.0
Exchange differences	-2.0	0.0	0.0
Transfer from investment properties	109.5	0.0	149.7
<b>At period-end</b>	<b>109.0</b>	<b>0.0</b>	<b>149.7</b>

## 9. CASH AND CASH EQUIVALENTS

MEUR	30 September 2021	30 September 2020	31 December 2020
Cash in hand and at bank	22.7	37.4	16.7
Restricted cash	5.9	6.2	9.2
<b>Total cash</b>	<b>28.6</b>	<b>43.6</b>	<b>25.9</b>
Current financial investments	285.1	-	-
<b>Total cash and cash investments</b>	<b>313.8</b>	<b>43.6</b>	<b>25.9</b>

Cash and cash equivalents in the cash flow statement comprise the items presented above. Restricted cash mainly relates to gift cards, tax and rental deposits. Current financial investments consists of cash invested into highly liquid money market funds.

## 10. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

Classification of financial instruments and their carrying amounts and fair values

MEUR	30 September 2021		30 September 2020		31 December 2020	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets						
I Financial assets at fair value through profit and loss						
Money Market Funds	285.0	285.1	-	-	-	-
Derivative financial instruments	16.6	16.6	20.5	20.5	14.8	14.8
II Derivative contracts under hedge accounting						
Derivative financial instruments	1.2	1.2	-	-	0.2	0.2
Financial liabilities						
I Financial liabilities amortised at cost						
Loans						
Loans from financial institutions	70.0	70.0	354.0	354.2	313.6	313.6
Bonds	1,989.7	2,016.7	1,666.9	1,693.6	1,758.8	1,784.4
Lease liabilities (IFRS 16)	44.2	44.2	47.4	47.4	48.8	48.8
II Financial liabilities at fair value through profit and loss						
Derivative financial instruments	15.2	15.2	2.6	2.6	26.8	26.8
III Derivative contracts under hedge accounting						
Derivative financial instruments	-	-	0.7	0.7	0.0	0.0

## 11. DERIVATIVE FINANCIAL INSTRUMENTS

MEUR	30 September 2021		30 September 2020		31 December 2020	
	Nominal amount	Fair value	Nominal amount	Fair value	Nominal amount	Fair value
Interest rate swaps						
Maturity:						
less than 1 year	-	-	121.6	-0.7	33.4	0.0
1-5 years	78.7	1.2	-	-	76.4	0.2
over 5 years	-	-	-	-	-	-
<b>Subtotal</b>	<b>78.7</b>	<b>1.2</b>	<b>121.6</b>	<b>-0.7</b>	<b>109.8</b>	<b>0.2</b>
Cross-currency swaps						
Maturity:						
less than 1 year	-	-	-	-	-	-
1-5 years	314.8	0.6	-	-	-	-
over 5 years	-	-	314.8	14.0	314.8	-3.9
<b>Subtotal</b>	<b>314.8</b>	<b>0.6</b>	<b>314.8</b>	<b>14.0</b>	<b>314.8</b>	<b>-3.9</b>
Foreign exchange forward agreements						
Maturity:						
less than 1 year	355.4	0.8	293.7	3.9	317.8	-8.1
<b>Total</b>	<b>748.8</b>	<b>2.6</b>	<b>730.0</b>	<b>17.2</b>	<b>742.4</b>	<b>-11.8</b>

Derivative financial instruments are used in hedging the interest rate and foreign currency risk. Hedge accounting is applied for interest swaps which have a nominal amount of EUR 78.7 million (121.6). The change in fair values of these derivatives is recognised under other comprehensive income.

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

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

## 12. DIVIDEND AND EQUITY REPAYMENT

Citycon's AGM 2021 decided that no dividend is distributed by a resolution of the AGM and authorised the Board of Directors to decide in its discretion on the distribution of dividend and assets from the invested unrestricted equity fund. Based on the authorisation the maximum amount of dividend to be distributed for the financial year 2020 shall not exceed EUR 0.05 per share and the maximum amount of equity repayment to be distributed from the invested unrestricted equity fund shall not exceed EUR 0.45 per share. The authorisation is valid until the opening of the next AGM.

On the basis of the authorisation mentioned above and explained in half-yearly report sections 12 and 13 the Board of Directors decided in March 2021, in June 2021 and in September 2021 to distribute dividend of EUR 0.05 per share, or EUR 8.9 million and equity repayment of EUR 0.325 per share, or EUR 57.8 million. Following the dividend and equity repayment paid on 31 March 2021, on 30 June 2021 and on 30 September 2021, the Board's authorization for dividend distribution is used in its entirety and the remaining authorisation for equity repayment is EUR 0.125 per share.

Preliminary payment date for equity repayments to be distributed on basis of the authorization is 30 December 2021. The Board of Directors will make separate resolutions on each distribution of the equity repayment and the company shall make separate announcements of such Board resolutions.

Total amount of dividend EUR 8.9 million and equity repayment EUR 86.8 million were distributed during the financial year 2020, of which EUR 8.9 million dividend and EUR 64.5 million equity repayment were distributed during Q1-Q3/2020.

### 13. CONTINGENT LIABILITIES

MEUR	30 September 2021	30 September 2020	31 December 2020
Mortgages on land and buildings	250.0	243.2	250.0
Bank guarantees and parent company guarantees	92.4	41.8	93.6
Capital commitments	108.5	156.9	183.9

The mortgage relates to the secured Revolving Credit Facility, which is currently fully undrawn. At period-end, Citycon had capital commitments of EUR108.5 million (156.9) relating mainly to on-going (re)development projects.

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

### 14. RELATED PARTY TRANSACTIONS

Citycon Group's related parties comprise the parent company Citycon Oyj and its subsidiaries, associated companies, joint ventures, Board members, the CEO and other Corporate Management Committee members and the company's largest shareholder Gazit-Globe Ltd., whose shareholding in Citycon Oyj accounted for 49.2% on 30 September 2021 (48.9%).

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

# REPORT ON REVIEW OF CITYCON OYJ'S INTERIM FINANCIAL INFORMATION FOR THE PERIOD JANUARY 1 – SEPTEMBER 30, 2021 (TRANSLATION)

## TO THE BOARD OF DIRECTORS OF CITYCON OYJ

### Introduction

We have reviewed the accompanying consolidated condensed statement of financial position of Citycon Oyj as of September 30th, 2021 and the related condensed statement of comprehensive income, condensed statement of changes in shareholders' equity, condensed cash flow statement and explanatory notes for the nine-month period then ended. The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of the interim financial information in accordance with International Accounting Standard 34 Interim Financial Reporting and in accordance with other laws and regulations governing the preparation of the interim financial information in Finland. Our responsibility is to express a conclusion on this interim financial information based on our review.

### Scope of Review

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

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information has not been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting and in accordance with other laws and regulations governing the preparation of the interim financial information in Finland.

Helsinki, October 27th, 2021

Ernst & Young Oy  
Accountant Firm

Antti Suominen  
Authorized Public Accountant