



Q1–Q4 | 2019

FINANCIAL STATEMENTS RELEASE
JANUARY–DECEMBER

CITYCON 2019: GOOD OPERATIONAL PERFORMANCE

- Solid overall performance in 2019
- Like-for-like net rental income grew in all business units
- Total tenant sales grew by 2.6%; positive like-for-like sales development
- Total footfall increased by 3.8%; positive like-for-like footfall development
- Continued positive leasing spread driven by Sweden & Denmark
- Loan-to-value improved to 42.4 % as a result of the successful issuance of the EUR 350 million hybrid bond

OCTOBER–DECEMBER 2019

- Net rental income was EUR 53.5 million (Q4/2018: 53.7). Like-for-like properties increased net rental income by EUR 0.5 million, and the acquisition of Straedet in Denmark increased net rental income by EUR 0.4 million. Net rental income developed positively in best assets, Iso Omena in particular. This was partly offset by divestments in 2018 and Q2/2019, impacting net rental income by EUR -1.6 million. Weaker currencies had an impact of EUR -1.2 million. Adoption of IFRS 16 standard increased net rental income in Q4/2019 by EUR 1.7 million in total.
- EPRA Earnings increased to EUR 35.6 million (34.2) particularly due to lower administrative expenses. EPRA Earnings per share (basic) was EUR 0.200 (0.192), impact from weaker currencies was EUR -0.005 per share.
- IFRS-based earnings per share decreased to EUR -0.15 (0.03) mainly as a result of higher fair value losses of investment properties. In addition, net financial expenses were higher following one-off bond buy-back costs during the quarter.
- *The reporting period includes the adoption of IFRS 16 from 1.1.2019 onwards. Please see Note 2 for more information.*

JANUARY–DECEMBER 2019

- Net rental income increased to EUR 217.4 million (Q1-Q4/2018: 214.9). Completed (re)development projects increased net rental income by EUR 3.8 million, and like-for-like properties increased NRI by EUR 0.9 million. Divestments decreased net rental income by EUR -6.2 million and weaker SEK and NOK by EUR -3.0 million. Adoption of IFRS 16 standard increased net rental income in Q1-Q4/2019 by EUR 7.0 million in total.
- EPRA Earnings increased to EUR 145.6 million (143.5) due to higher net rental income and lower net financial expenses. EPRA Earnings per share (basic) was EUR 0.818 (0.806), negative impact from weaker currencies was EUR -0.015 per share.
- IFRS-based earnings per share was EUR 0.04 (0.09) as a result of larger fair value losses of investment properties.
- Net cash from operations per share increased to EUR 0.76 (0.54) resulting from lower net financial expenses, mainly due to lower one-off bond buy-back costs for the full period.
- The Board of Directors proposes to the Annual General Meeting that the Board be authorised to decide on the distribution of dividend for the financial year 2019, and assets from the invested unrestricted equity fund. Based on the proposed authorization the maximum amount of dividend to be distributed shall not exceed EUR 0.05 per share and the maximum amount of equity repayment distributed from the invested unrestricted equity fund shall not exceed EUR 0.60 per share. Based on the authorization, the company could distribute a maximum of EUR 8,899,926.25 as dividends and EUR 106,799,155.00 as equity repayment. The dividend/equity repayment would be paid to shareholders in four installments.
- *The reporting period includes the adoption of IFRS 16 from 1.1.2019 onwards. Please see Note 2 for more information.*

OUTLOOK

Citycon's Board of Directors resolved to update Citycon's guidance practice following the issuance of Capital Securities. In order to quantify the impact of hybrid bond coupons, Citycon will also provide guidance on adjusted EPRA EPS after hybrid bond coupon expenses. As of 2020, Citycon will provide guidance on direct operating profit, EPRA EPS and adjusted EPRA EPS. The adjusted EPRA metrics include all coupon expenses from the Capital Securities.

Citycon forecasts the 2020 EPRA Earnings per share (basic) to be EUR 0.815-0.915. Furthermore, the Direct operating profit is expected to be in the range of EUR 191-209 million and adjusted EPRA EPS in the range of EUR 0.720-0.820 million.

On 5 February 2020 disclosed acquisition of portfolio of three shopping centres is included in the estimates. Otherwise, the 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. Premises taken offline for planned or ongoing (re)development projects reduce net rental income during the year.

KEY FIGURES

		Q4/2019	Q4/2018	% ¹⁾	Comparable change % ³⁾	2019	2018	% ¹⁾	Comparable change % ³⁾
Net rental income	MEUR	53.5	53.7	-0.4%	1.8%	217.4	214.9	1.2%	2.6%
Direct Operating profit ²⁾	MEUR	47.1	44.1	7.0%	9.6%	193.5	187.6	3.1%	4.7%
IFRS Earnings per share (basic) ^{4) 5)}	EUR	-0.15	0.03	-	-	0.04	0.09	-56.6%	-52.8%
Fair value of investment properties	MEUR	4,160.2	4,131.3	0.7%	-	4,160.2	4,131.3	0.7%	-
Loan to Value (LTV) ²⁾	%	42.4	48.7	-12.9%	-	42.4	48.7	-12.9%	-
EPRA based key figures²⁾									
EPRA Earnings	MEUR	35.6	34.2	4.3%	7.3%	145.6	143.5	1.5%	3.4%
Adjusted EPRA Earnings ⁵⁾	MEUR	33.9	34.2	-0.6%	2.2%	143.9	143.5	0.3%	2.2%
EPRA Earnings per share (basic) ⁴⁾	EUR	0.200	0.192	4.3%	7.3%	0.818	0.806	1.5%	3.4%
Adjusted EPRA Earnings per share (basic) ^{4) 5)}	EUR	0.191	0.192	-0.6%	2.2%	0.809	0.806	0.3%	2.2%
EPRA NAV per share ⁴⁾	EUR	12.28	12.95	-5.2%	-	12.28	12.95	-5.2%	-

¹⁾ Change from previous year. Change-% is calculated from exact figures.

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

³⁾ Change from previous year (comparable exchange rates). Change-% is calculated from exact figures.

⁴⁾ Key ratios have been adjusted in the comparison periods to reflect the new number of shares after the reversed share split executed in March 2019.

⁵⁾ The adjusted key figure includes hybrid bond coupons and amortized fees.

CEO F. SCOTT BALL:

“For Citycon, 2019 was a year of portfolio and operational improvement as well as a year of strategic review in order to define the company’s short and medium-term focus areas. Our new organization and other improvements have begun to provide consistency across the portfolio, allowing us to grow specific segments of our business and enable us to take advantage of our Pan-Nordic scale.

Citycon’s operational performance remained solid in 2019. The total net rental income increased by 1.2% to EUR 217.4 million while like-for-like net rental income grew in all our business units. EPRA earnings increased from previous year and the EPRA earnings per share was EUR 0.818 in 2019. In general, the occupancy rate remained at a high level driven by good locations of our shopping centres which are supported by seamless public transportation connection. We were pleased that total tenant sales increased by 2.6% and total footfall by 3.8% during 2019.

In 2019 we continued to take action to strengthen our balance sheet. The successful 350 million green hybrid bond issuance in November was an important milestone in strengthening our credit profile. Following the hybrid bond issuance our loan-to-value ratio decreased to 42.4% at the end of 2019. We are now in the range of our target loan-to-value -level of 40–45%. A strong balance sheet and maintaining the loan-to-value ratio below 45% remains a key priority for the company also in the future. During the year, we also improved the average quality of our portfolio by divesting two secondary shopping centres in Finland for EUR 77 million. The disposal price was in line with the assets’ latest IFRS fair value, which demonstrates that there is investor demand for good retail assets and is a further confirmation of the stable value of our assets.

Citycon has large assets in growing urban locations that offer great densification potential. Our strategy is to become a mixed-use urban real estate investor and owner. It is clear we have a great number of embedded growth opportunities within the existing portfolio and we have identified 320,000 sq.m. residential opportunity within the existing portfolio. Of that number approximately 60,000 sq.m. is already zoned, 130,000 sq.m. is in the zoning process and we are beginning to discuss for the remaining 130,000 sq.m. It is important to note that only small part of this is on our current valuations. The additional value will be realised as we achieve zoning approvals. An excellent example of mixed-use development is our project in Lippulaiva. Lippulaiva will have a significant residential component attached to the shopping centre and we have building rights for up to eight buildings with 500 apartments in total. The project is proceeding as planned and we estimate to open the Lippulaiva shopping centre in spring 2022.

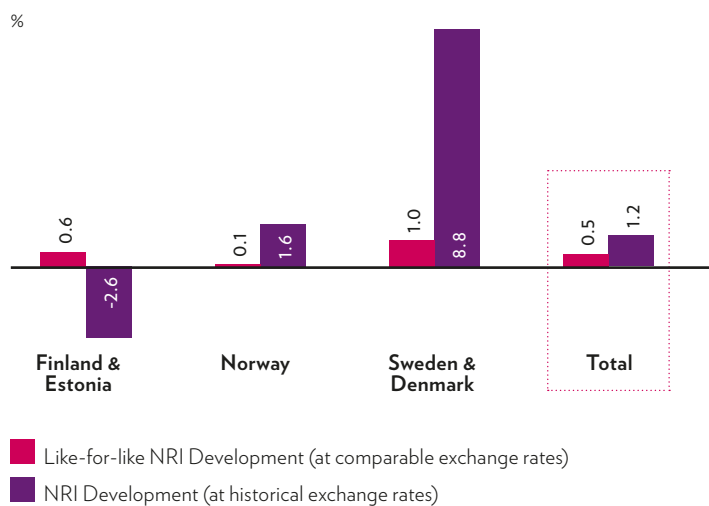
Overall, we have an urban asset portfolio with very stable business model in which 85% of our leases are linked to indexation. In addition, our diversified tenant mix with a relatively low share of fashion tenants and transportation hubs as anchors, gives us a strong position in the retail market. Looking at our financial guidance for 2020, we expect our EPRA EPS to be in the range of EUR 0.815-0.915 in 2020. From 2020 onwards, we will also give a guidance on adjusted EPRA EPS which includes the coupons and amortized fees from the hybrid bond. We expect our adjusted EPRA EPS to be in range of EUR 0.720-0.820 in 2020.”

1. LIKE-FOR-LIKE NET RENTAL INCOME GREW IN ALL BUSINESS UNITS

The net rental income, including the impact from applying the IFRS 16 standard, increased to EUR 217.4 million (214.9). Net rental income developed positively in best assets, in Iso Omena in particular. The increase was also due to successful opening of development project in Mölndal in September 2018. Planned divestments conducted during 2018 and Q2/2019 decreased the net rental income.

Like-for-like gross rental and service charge income increased from the corresponding period by EUR 1.1 million. Like-for-like property operating expenses and other expenses from leasing operations increased slightly from the previous year by EUR 0.2 million. As a result, like-for-like net rental income increased by EUR 0.9 million or 0.5%.

LIKE-FOR-LIKE AND TOTAL NET RENTAL INCOME DEVELOPMENT, 2019 VS. 2018



Net rental income from the Finnish & Estonian operations decreased by 2.6% compared to Q1-Q4/2018 due to divestments of non-core assets in 2018 and Q2/2019. This was partly offset by positive impact from the like-for-like portfolio, which increased by 0.6% due to higher turnover-based rents, as well as ongoing (re)development projects.

Net rental income from the Norwegian operations increased by 1.6% compared to Q1-Q4/2018 due to positive impact from applying the IFRS 16 standard from the start of 2019. Planned divestments of non-core assets in 2018 and weaker NOK compared to previous year, as well as slightly lower net rental income from ongoing (re)development projects impacted net rental income negatively. These were partly offset by like-for-like net rental income increase of 0.1% due to higher rental levels.

Net rental income from the Swedish & Danish operations increased by 8.8% due to the successful opening of the development project in Mölndal in September 2018, and positive impact from the like-for-like portfolio, which increased by 1.0% due to higher turnover-based rents and specialty leasing. On the other hand, divestment of a non-core asset in 2018, and weaker SEK compared to previous year reduced the net rental income.

NET RENTAL INCOME AND GROSS RENTAL INCOME BREAKDOWN

Me	Net rental income				Gross rental income	
	Finland & Estonia	Norway	Sweden & Denmark	Other	Total	Total
2018	96.9	74.3	43.5	0.2	214.9	237.0
Acquisitions	-	-	0.2	-	0.2	0.3
(Re)development projects	0.6	-0.6	3.8	-	3.8	4.5
Divestments	-4.3	-1.5	-0.3	-	-6.2	-7.9
Like-for-like properties ¹⁾	0.5	0.1	0.4	-	0.9	1.7
Other (incl. IFRS 16 and exchange rate differences)	0.7	3.2	-0.2	0.1	3.8	-3.5
2019	94.4	75.4	47.4	0.3	217.4	232.1

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

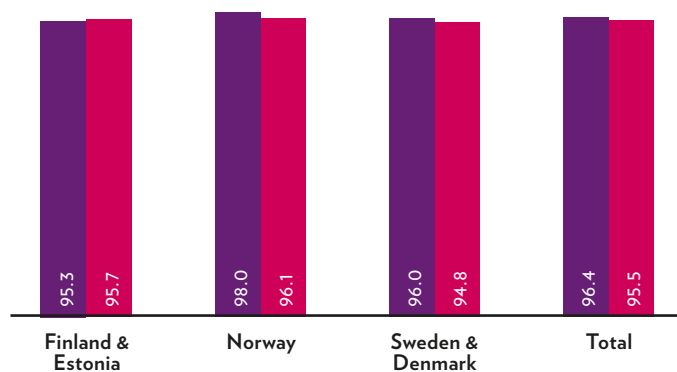
2. OCCUPANCY RATE AT GOOD LEVEL

The economic occupancy rate was at a good level of 95,5%. Economic occupancy rate improved compared to the previous quarter (Q3/2019: 95,3%). The average rent per sq.m. was EUR 23,3 (23,2). With comparable rates, the average rent per sq.m. increased by EUR 0,5. The year-to-date leasing spread of renewals and re-lettings was 1,4 % due to positive development in Sweden & Denmark in particular.

During the period, total sales in Citycon's shopping centres increased by 2,6% and footfall 3,8% compared to the corresponding period of the previous year.

ECONOMIC OCCUPANCY RATE ¹⁾

%

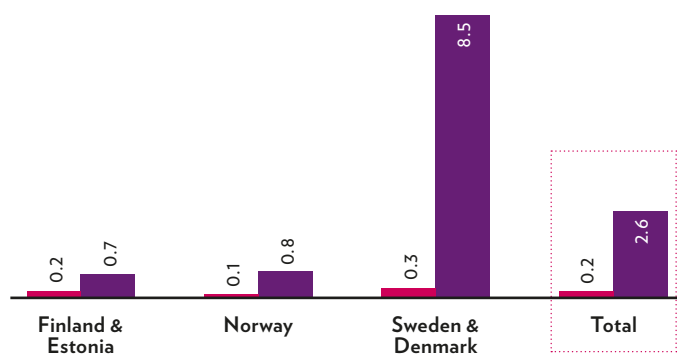


■ 31 December 2018 ■ 31 December 2019

¹⁾ Including Kista Galleria 50%.

TENANT SALES DEVELOPMENT, 2019 VS. 2018 ¹⁾

%



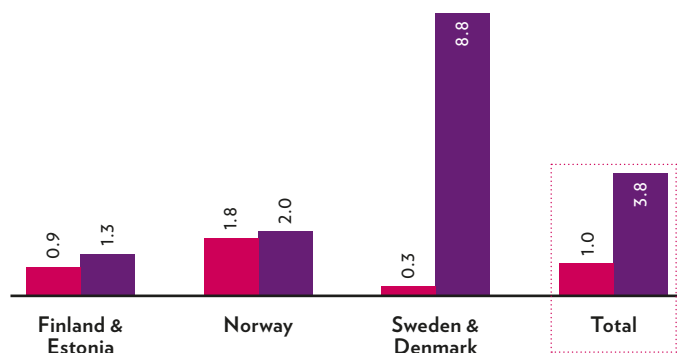
■ Like-for-like sales

■ Total sales (including Kista Galleria 50%)

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

FOOTFALL DEVELOPMENT, 2019 VS. 2018 ¹⁾

%



■ Like-for-like footfall

■ Total footfall (including Kista Galleria 50%)

¹⁾ Footfall figures include estimates.

LEASE PORTFOLIO SUMMARY ¹⁾

		31 December 2019	31 December 2018
Number of leases	pcs	4,404	4,454
Average rent	EUR/sq.m.	23.3	23.2
Finland & Estonia	EUR/sq.m.	25.8	25.6
Norway	EUR/sq.m.	21.7	21.8
Sweden & Denmark	EUR/sq.m.	22.1	21.8
Average remaining length of lease portfolio	years	3.2	3.4
Occupancy cost ratio ²⁾	%	9.4	9.1
Leasing spread, renewals and re-lettings ³⁾	%	1.4	-0.3

¹⁾ Including Kista Galleria 50%.

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

³⁾ Figures are not fully comparable with the previous periods, since the calculation method was changed.

LEASING ACTIVITY ¹⁾

		2019	2018
Total area of leases started	sq.m.	145,859	186,576
Average rent of leases started	EUR/sq.m.	26.0	22.5
Total area of leases ended	sq.m.	194,152	220,202
Average rent of leases ended	EUR/sq.m.	25.5	22.1

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

3. VALUATION ITEMS IMPACTED OPERATING PROFIT

Administrative expenses decreased 4.5% to EUR 26.8 million (28.0). At the end of the reporting period, Citycon Group employed a total of 234 (254) full-time employees (FTEs), of whom 50 worked in Finland & Estonia, 95 in Norway, 52 in Sweden & Denmark, and 37 in Group functions.

Operating profit declined to EUR 73.1 million (104.7) following higher fair value losses of EUR -121.9 million (-72.5).

Net financial expenses (IFRS) decreased by EUR 16.3 million to EUR 54.2 million (70.5) partly due to lower average cost of debt and weaker average NOK and SEK currency rates. Decrease was however mainly a result of indirect costs related to bond tenders, which were clearly higher in 2018 than in 2019. Interest expenses resulting from lease liabilities recognized according to IFRS 16 and lower interest income increased net financial expenses.

Share of loss of joint ventures and associated companies totalled EUR -16.6 million (-12.5). The decrease was mainly due to the lower result and fair value losses in Kista Galleria.

Profit for the period decreased to EUR 8.9 million (16.6) due to fair value losses.

4. PROPERTY PORTFOLIO VALUE DEVELOPMENT

The fair value of investment properties increased by EUR 28.9 million from year-end to EUR 4,160.2 million (31 December 2018: 4,131.3). Fair value losses decreased the fair value by EUR 121.9 million and changes in exchange rates decreased value by EUR 4.2 million. Investments increased the value of investment properties during the period by EUR 96.8 million. Furthermore, the adoption of IFRS 16 increased the value of investment properties by EUR 57.0 million.

PROPERTY PORTFOLIO SUMMARY

31 December 2019	No. of properties	Gross leasable area	Fair value, MEUR	Properties held for sale, MEUR	Portfolio, %
Shopping centres, Finland & Estonia	12	402,050	1,843.9	-	45%
Other properties, Finland & Estonia	1	2,240	2.9	-	0%
Finland & Estonia, total	13	404,290	1,846.8	-	45%
Shopping centres, Norway	15	387,500	1,332.9	-	32%
Rented shopping centres, Norway ¹⁾	1	14,000	-	-	-
Norway, total	16	401,500	1,332.9	-	32%
Shopping centres, Sweden & Denmark	10	268,800	929.5	-	23%
Sweden & Denmark, total	10	268,800	929.5	-	23%
Shopping centres, total	38	1,072,350	4,106.2	-	100%
Other properties, total	1	2,240	2.9	-	0%
Investment properties, total	39	1,074,590	4,109.1	-	100%
Right-of-use assets classified as investment properties (IFRS 16)	-	-	51.1	-	-
Investment properties in the statement of financial position, total	-	-	4,160.2	-	-
Kista Galleria (50%)	1	47,150	275.1	-	-
Investment properties and Kista Galleria (50%), total	40	1,121,740	4,435.3	-	-

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

The fair value change of investment properties amounted to EUR -121.9 million (-72.5). The company recorded a total value increase of EUR 2.4 million (39.2) and a total value decrease of EUR -118.4 million (-111.7). In addition, the application of IFRS 16 standard had an impact of EUR -6.0 million to the fair value change of investment properties during the January-December reporting period.

FAIR VALUE CHANGES

MEUR	Q4/2019	Q4/2018	2019	2018
Finland & Estonia	-23.5	-11.0	-56.1	-58.8
Norway	-11.0	-1.6	-33.4	-22.2
Sweden & Denmark	-22.7	-5.7	-32.4	8.5
Investment properties, total	-57.2	-18.2	-121.9	-72.5
Kista Galleria (50%)	-8.9	-3.2	-17.7	-8.6
Investment properties and Kista Galleria (50%), total	-66.2	-21.5	-139.6	-81.1

External appraisers, CBRE (in Sweden, Norway, Denmark and Estonia) and JLL (in Finland), measured the fair values for Financial statement 2019. Citycon's investment properties has been measured by CBRE for Financial statement 2018 and half-yearly report 2019. Citycon measures the fair values of the properties internally in the first and third quarter.

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

5. RECYCLING OF CAPITAL CONTINUED

During 2019, Citycon continued to implement its divestment strategy and sold two shopping centres and agreed to sell two land plots for approximately EUR 86.4 million.

Since 2011, Citycon has divested 70 non-core properties, five residential portfolios and two land plots for a total value of approximately EUR 865 million. Strengthening the balance sheet remains a key priority and the company will continue its capital recycling actions going forward.

ACQUISITIONS AND DIVESTMENTS 2019

	Location	Date	Gross leasable area, sq.m.	Price, MEUR
Divestments				
Two land plots next to Columbus shopping centre	Helsinki, Finland	22 February & 2 May 2019	-	9.4 ¹⁾
Arabia & Duo		13 June 2019		77.0
Arabia	Shopping centre	Helsinki, Finland	15,800	
Duo	Shopping centre	Tampere, Finland	13,100	
Divestments, total			28,900	86.4

¹⁾ The total value of preliminary agreements is approximately MEUR 9.4. One transaction took place in Q3/2019 and the another transaction will take place after the zoning has been approved.

6. (RE)DEVELOPMENT PROJECTS PROGRESSED

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

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

(RE)DEVELOPMENT PROJECTS IN PROGRESS ON 31 DECEMBER 2019

Location	Area before/after, sq.m.	Expected gross investment, MEUR	Actual gross investment by 31 December 2019, MEUR	Completion
Lippulaiva Helsinki metropolitan area, Finland	19,200/44,300	TBC ¹⁾	123.1	2022

¹⁾ Expected investment to be confirmed after execution decision of Lippulaiva's residential buildings is done

7. SHAREHOLDERS' EQUITY

Equity per share was EUR 13.06 (31 December 2018: 11.74). The hybrid bond classified as part of the equity had a positive impact on the equity per share, while dividends and equity return paid of EUR 115.7 million and translation losses decreased the equity per share.

At period-end, **shareholders' equity** attributable to parent company's shareholders was EUR 1,978.4 million (2,088.9). It decreased by EUR 110.5 million from the end of last year mainly due to distribution of dividend and equity repayment.

8. FINANCING

KEY FINANCING FIGURES

		31 December 2019	31 December 2018
Fair value of debt	MEUR	1,830.7	2,154.6
Interest bearing liabilities, carrying value ¹⁾	MEUR	1,874.4	2,140.0
Available liquidity	MEUR	562.1	556.4
Average loan maturity	years	4.6	5.0
Loan to Value (LTV) ^{2) 3)}	%	42.4	48.7
Equity ratio (financial covenant > 32.5) ^{3) 4)}	%	50.9	45.4
Interest cover ratio (financial covenant > 1.8)	x	4.2	3.8
Solvency ratio (financial covenant < 0.65) ⁴⁾	x	0.42	0.48
Secured solvency ratio (financial covenant < 0.25) ⁴⁾	x	0.02	0.02

¹⁾ Including EUR 55.2 million lease liabilities due to adoption of IFRS 16 beginning 1 January 2019.

²⁾ Excluding both right-of-use assets recognized as part of investment properties, as well as lease liabilities pertaining to these right-of-use assets, which are based on IFRS 16 requirements. Thus, IFRS 16 has no impact on LTV calculations as compared to earlier periods.

³⁾ Hybrid bond treated as equity as according to IFRS.

⁴⁾ Not comparable to earlier periods due to impact of IFRS 16 items.

In November 2019, Citycon successfully issued a EUR 350 million green Capital Securities ("hybrid bond") to strengthen the balance sheet. The hybrid bond is treated as shareholder's equity in the IFRS financial statements and thereby not included in any of the reported debt figures or metrics. Rating agencies treat 50% of the hybrid bond as equity in their metrics. The hybrid bond is unsecured, subordinated to all debt and senior only to ordinary share capital. A holder of hybrid bond notes has no shareholder rights. The hybrid bond coupon is fixed at 4.5 per cent per year up until 22 February 2025, and thereafter reset every five years with applicable swap rate and margin. The bond has no set maturity date, but the company has the right to redeem it after five years from the issue date and thereafter on every yearly interest payment date. Coupons and amortized fees are recorded in retained earnings.

All proceeds were used to refinance existing indebtedness, by repurchasing EUR 143 million of a Eurobond due in June 2020, NOK 900 million of a NOK bond due in March 2021, and EUR 45 million of a Eurobond due in September 2022. Remaining funds were used to repay commercial paper. These financing arrangements clearly strengthened Citycon's credit position by decreasing the LTV, lengthening the average debt maturity, reducing near-term refinancing risk and improving net liquidity.

In November, Citycon launched a Green Financing Framework. Debt issued under the framework can be used to finance or re-finance eligible green assets in categories green buildings, energy efficiency, renewable energy or waste management. At the time of the launch, approximately EUR 2.7 billion of Citycon's property portfolio would be eligible for green (re)financing. The framework has a Medium Green shading by second opinion provider Cicero.

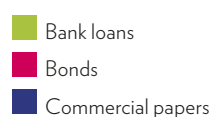
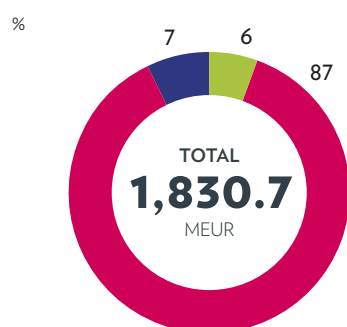
In March, Standard & Poor's downgraded Citycon's credit rating from BBB (negative outlook) to BBB- (stable outlook). In May, Moody's downgraded Citycon's credit rating from Baa2 (negative outlook) to Baa3 (stable outlook). In September, Standard & Poor's changed the rating outlook to negative, mainly due to elevated LTV. After that, Citycon has improved the LTV through green hybrid bond issuance.

In June, Citycon sold shopping centres Arabia and Duo in Finland and the proceeds were mainly used to repay commercial paper.

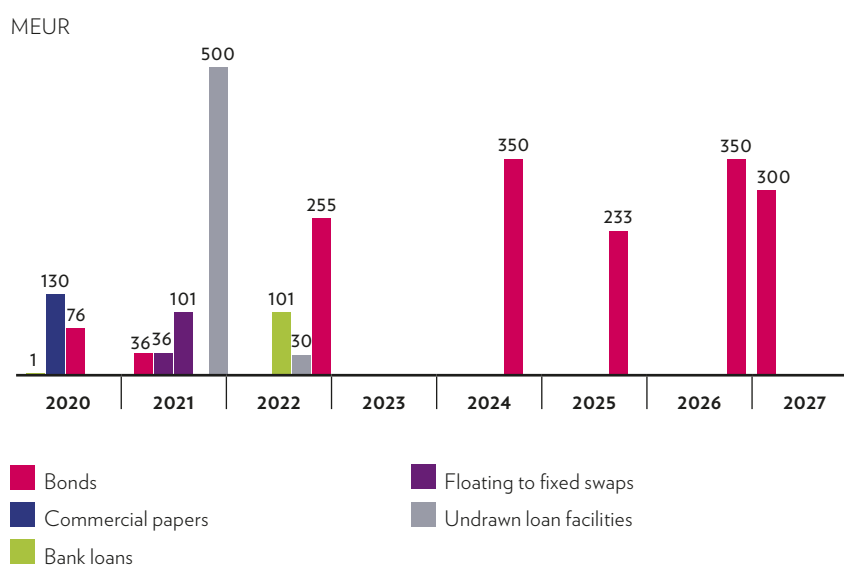
The dividends and equity return paid in March, June, September and December were mainly financed by operative cash flow.

INTEREST-BEARING DEBT

BREAKDOWN OF LOANS



DEBT MATURITIES



The fair value of interest-bearing debt decreased by EUR 323.9 million to EUR 1,830.7 million, mainly due to debt prepayments in November financed with the issuance of a EUR 350 million hybrid bond treated as equity in IFRS reporting, but also due to the divestments of Arabia and Duo in June. The carrying amount of interest-bearing liabilities in balance sheet was EUR 1874.4 million. The carrying amount of interest-bearing liabilities in balance sheet decreased less than the fair value of interest-bearing debt due to EUR 55.2 million of lease liabilities arising from the adoption of IFRS 16 from the beginning of 2019.

The weighted average loan maturity was 4.6 years.

The LTV (IFRS) decreased to 42.4 % (48.7 %) as a result of the issuance of the hybrid bond.

FINANCIAL EXPENSES

FINANCIAL EXPENSES KEY FIGURES

		2019	2018
Financial expenses ¹⁾²⁾	MEUR	-62.4	-79.1
Financial income ²⁾	MEUR	8.2	8.7
Net financial expenses (IFRS)	MEUR	-54.2	-70.5
Direct net financial expenses (EPRA)	MEUR	-48.9	-50.1
Weighted average interest rate ³⁾	%	2.29	2.35
Weighted average interest rate excluding derivatives	%	2.34	2.36
Year-to-date weighted average interest rate ³⁾	%	2.41	2.69

¹⁾ Q1-Q4/2019 including EUR 1.9 million interest expenses due to adoption of IFRS 16 so not fully comparable to earlier periods.

²⁾ The foreign exchange differences are netted in the financial expenses

³⁾ Including interest rate swaps and cross-currency swaps

The direct net financial expenses (EPRA) declined year-on-year mainly due to lower average cost of debt and weaker average NOK and SEK currency rates. Interest expenses resulting from lease liabilities recognized according to IFRS 16 and lower interest income increased net financial expenses.

Net financial expenses (IFRS) decreased by EUR 16.3 million to EUR 54.2 million (70.5) for the same reasons, but mainly as indirect costs related to bond tenders were clearly higher in 2018 than in 2019. Fair value changes of cross-currency swaps not under hedge accounting and realised fair value gains on closed interest rate swaps led to indirect financial gains of EUR 2.6 million.

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

The period-end average cost of debt declined to 2.29% (2.35%).

FINANCIAL RISK MANAGEMENT

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

FINANCIAL RISK MANAGEMENT

		31.12.2019	31.12.2018
Average interest-rate fixing period	years	4.6	5.0
Interest rate hedging ratio	%	88.8	91.7

9. BUSINESS ENVIRONMENT

BUSINESS ENVIRONMENT KEY FIGURES

	Finland	Norway	Sweden	Denmark	Estonia	Euro area
GDP growth forecast, 2019	1.4%	2.5%	1.1%	2.0%	3.2%	1.1%
Unemployment, 2019	6.7%	3.4%	6.8%	4.9%	5.1%	7.5%
Inflation, 2019	1.2%	1.4%	1.7%	0.8%	2.4%	1.3%
Retail sales growth, 2019	0.9%	0.8%	2.4%	0.8%	4.0%	1.0%

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

In Finland, retail sales continued to grow during the reporting period. In large good quality centres, mainly in the Helsinki Metropolitan area (HMA), the rent levels were stable during Q4/2019. Rent pressure continued in many centres outside the Helsinki Metropolitan area (HMA) and in secondary centres in the HMA. The prime shopping centre yield in the HMA was 4.50%.

In Norway, retail sales continued to grow during 2019. According to a report by Kvarud Analyse both overall shopping centre footfall and the average shopping basket size increased in Norway in 2019 compared to the same period of 2018. There was some pressure on market rents, particularly in the secondary centres. For the full year, the retail share was 16.5% of the preliminary transaction volume, which is in line with normal. Yields in prime shopping centres remained at 4.50%, while there continues to be some pressure on secondary yields.

In Sweden, retail sales grew during the reporting period. There continued to be some pressure on market rents. The prime shopping centre yields remained unchanged at 4.25%, although the gap between prime and secondary assets has widened. For the full year, the retail share was 6% of the preliminary transaction volume.

In Denmark, retail sales grew during the reporting period. There were no major changes in rental levels. The prime shopping centre yield increased 25 bps to 4.75% while the secondary yield remained stable at 6.50%.

In Estonia, retail continued its strong growth during the reporting period. In Tallinn, prime shopping centre rents remained stable. The prime shopping centre yield in Estonia was 6.25%.

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

10. CHANGES IN CORPORATE MANAGEMENT

F. Scott Ball started as Citycon's CEO on January 1, 2019. Ball replaced Marcel Kokkeel, who stepped down based on mutual agreement on January 1, 2019 and stayed as an advisor to the company until May 1, 2019.

At the same time, Henrica Ginström was appointed Citycon's new Chief Operating Officer as of January 1, 2019. Jurn Hoeksema stepped down from his COO position based on a mutual agreement, effective January 1, 2019.

Anu Tuomola, Citycon's General Counsel and member of the Corporate Management Committee, left the company based on a mutual understanding in March 2019.

Erik Lennhammar was appointed as Citycon's new Chief Development Officer as of 12 August 2019. Citycon's former CDO Tom Lisiecki decided to leave the company in April 2019.

11. SUSTAINABILITY

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

Citycon uses BREEAM In-Use to assess and develop the sustainable management of its shopping centres. 84% of Citycon's shopping centres, measured by fair value, had acquired the certification at period-end. Citycon now boasts the largest shopping centre portfolio with BREEAM In-Use certification in the Nordic countries.

Citycon's sustainability strategy, targets and measures are described in detail in the upcoming Sustainability Accounts 2019.

12. RISKS AND UNCERTAINTIES

The most significant near-term risks and uncertainties in Citycon's business operations are associated with the general development of the economy and consumer confidence in the Nordic countries and Estonia 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 locally or from e-commerce might affect demand for retail premises, which could lead to lower rental levels or increased vacancy, especially outside capital city regions. Costs of development projects could increase due to rising construction costs or projects could be delayed due to unforeseeable challenges.

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

13. GENERAL MEETING

ANNUAL GENERAL MEETING 2019

Citycon's Annual General Meeting (AGM) 2019 was held in Espoo on 13 March 2019.

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 2018. The General Meeting decided that no dividend is distributed by a resolution of the AGM and authorised the Board of Directors to decide in its discretion on the distribution of dividend and assets from the invested unrestricted equity fund. Based on the authorisation the maximum amount of dividend to be distributed shall not exceed EUR 0.05 per share and the maximum amount of equity repayment to be distributed from the invested unrestricted equity fund shall not exceed EUR 0.60 per share. The authorisation is valid until the opening of the next AGM.

The AGM decisions and the minutes of the AGM are available on the company's website at citycon.com/agm2019.

14. CORPORATE GOVERNANCE STATEMENT

Citycon has published Citycon Group's Corporate Governance Statement 2019 as a separate report, distinct from the Report by the Board of Directors. The statement is prepared in accordance with the recommendations of the Finnish Corporate Governance Code 2020 and is available on the company's website at citycon.com/corporate-governance.

15. SHARES, SHARE CAPITAL AND SHAREHOLDERS

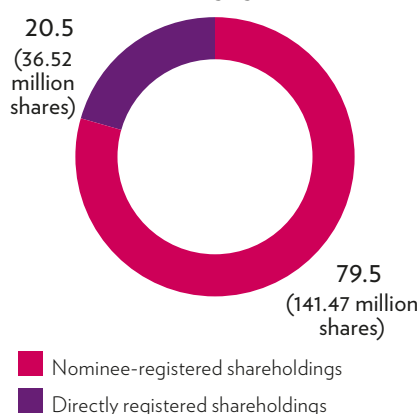
The company has a single series of shares, with each share entitling to one vote at a General Meeting of shareholders. At the end of December 2019, the total number of shares outstanding in the company was 177,998,525. The shares have no nominal value. During 2019, there were no changes in the company's share capital.

In March 2019, the number of shares in Citycon changed due to the reverse share split. The number of shares in the company was reduced from 889,992,628 to 177,998,525 by merging each five (5) shares into one (1) share. The new number of shares was registered with the Trade Register on 16 March 2019 and trading with the merged shares commenced on 18 March 2019.

At the end of December 2019, Citycon had a total of 17,396 (17,269) registered shareholders, of which 11 were account managers of nominee-registered shares. Holders of the nominee-registered shares held approximately 141.5 million (141.9) shares, or 79.5% (79.7%) 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.

SHAREHOLDERS 31 DECEMBER 2019

% of shares and voting rights



SHARES AND SHARE CAPITAL

		2019	2018
Share capital at period-start	MEUR	259.6	259.6
Share capital at period-end	MEUR	259.6	259.6
Number of shares at period-start		889,992,628	889,992,628
Number of shares at period-end		177,998,525	889,992,628

SHARE PRICE AND TRADING

		2019	2018	2017	2016	2015
Number of shares traded ¹⁾	*1,000	28,320	49,253	35,457	29,537	31,669
Stock turnover	%	15.9	27.7	19.9	16.6	17.8
Share price, high ¹⁾	EUR	10.08	11.24	12.51	11.95	16.2
Share price, low ¹⁾	EUR	8.10	7.98	10.42	9.9	10.65
Share price, average ¹⁾	EUR	9.18	9.30	11.15	10.9	12.65
Share price, closing ¹⁾	EUR	9.37	8.08	10.79	11.7	12.00
Market capitalisation, period-end	MEUR	1,666.96	1,437.34	1,920.60	2,080.80	2,136.00
Number of shares, period-end	*1,000	177,999	889,993	889,993	889,993	889,993

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

DIVIDEND AND EQUITY REPAYMENT

Citycon's dividend for the financial year 2018 and equity repayments paid in 2019:

DIVIDENDS AND EQUITY REPAYMENTS PAID ON 31 DECEMBER 2019 ¹⁾

	Record date	Payment date	EUR / share
Dividend for 2018	22 March 2019	29 March 2019	0.05
Equity repayment Q1	22 March 2019	29 March 2019	0.1125
Equity repayment Q2	21 June 2019	28 June 2019	0.1625
Equity repayment Q3	23 September 2019	30 September 2019	0.1625
Equity repayment Q4	19 December 2019	30 December 2019	0.1626
Total			0.65

¹⁾ Board decision based on the authorisation issued by the AGM 2019

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 13 March 2019:

- 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 2020.
- 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 2020.

During January – December 2019, the Board of Directors used five times its authorisation to repurchase its own shares and issue them by conveying repurchased shares. The repurchases and conveyances were made for payment of agreed severance payments and rewards earned under the company's share plans in accordance with the terms and conditions of the plans and the share repurchase program:

Matching Share Plan 2018–2020

- The company repurchased a total of 15,702 of its own shares and conveyed them on 8 May 2019 to two persons.

Restricted Share Plan 2015

- The company repurchased a total of 20,000 of its own shares and conveyed them on 8 May 2019 to three persons.

Severance payments

- The company repurchased a total of 25,000 of its own shares and conveyed them on 8 May 2019 to two persons.

All repurchases were made during 25 April - 2 May 2019.

OWN SHARES

During the reporting period, the company held a total of 60,702 of the company's own shares. These 60,702 shares were conveyed to implement payments of severance payments and rewards earned under the company's share plans before the end of the reporting period and as described in the section Board authorisations. At the end of the period, the company or its subsidiaries held no shares in the company.

FLAGGING NOTICES

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

SHARE-RELATED EVENTS

Shareholder agreements

Gazit-Globe Ltd. and Canada Pension Plan Investment Board European Holdings S.à r.l (CPPIBEH) have signed an agreement regarding certain governance matters relating to Citycon on 12 May 2014.

Further information on the agreement between Gazit-Globe Ltd. and CPPIBEH is available on the company's website at citycon.com/shareholder-agreements.

The company has no knowledge of any other shareholder agreements.

INCENTIVE PLANS

Long-term Share-based Incentive Plans

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

- Restricted Share Plan 2020–2022
- CEO Restricted Share Plan 2018–2021
- Matching Share Plan 2018–2020
- Restricted Share Plan 2018–2020
- Performance Share Plan 2015, and
- Restricted Share Plan 2015.

In December 2019 the Board of Directors approved a new Restricted Share Plan 2020–2022. The share plan is directed to selected key employees, excluding the CEO and other members of the Corporate Management Committee.

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

16. EVENTS AFTER THE REPORTING PERIOD

On 5 February 2020 was disclosed that Citycon has agreed to acquire a portfolio of three shopping centres in Norway. The transaction value amounts approximately to EUR 145 million.

OUTLOOK

Citycon's Board of Directors resolved to update Citycon's guidance practice following the issuance of Capital Securities. In order to quantify the impact of hybrid bond coupons, Citycon will also provide guidance on adjusted EPRA EPS after hybrid bond coupon expenses. As of 2020, Citycon will provide guidance on direct operating profit, EPRA EPS and adjusted EPRA EPS. The adjusted EPRA metrics include all coupon expenses from the Capital Securities.

Citycon forecasts the 2020 EPRA Earnings per share (basic) to be EUR 0.815-0.915. Furthermore, the Direct operating profit is expected to be in the range of EUR 191-209 million and adjusted EPRA EPS in the range of EUR 0.720-0.820 million.

On 5 February 2020 disclosed acquisition of portfolio of three shopping centres is included in the estimates. Otherwise, the 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. Premises taken offline for planned or ongoing (re)development projects reduce net rental income during the year.

17. FINANCIAL CALENDAR AND AGM 2020

Citycon Oyj's schedule of the financial reporting in 2020 is the following:

Year 2019 full-year Financial Report, Financial Statements and the Report by the Board of Directors	on Thursday 6 February 2020 at about 9:00 a.m.
Year 2020 three-month Interim Report	on Thursday 23 April 2020 at about 9:00 a.m.
Year 2020 six-month Half-Yearly Report	on Friday 10 July 2020 at about 9:00 a.m.
Year 2020 nine-month Interim Report	on Thursday 15 October 2020 at about 9:00 a.m.

Citycon Oyj's Annual General Meeting (AGM) 2020 will be held on Tuesday, 17 March 2020 starting at 12:00 noon.

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

Helsinki, 5 February 2020
Citycon Oyj
Board of Directors

For further information, please contact:

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eero.sihvonen@citycon.com

Citycon Oyj is a leading owner, manager and developer of urban, grocery-anchored shopping centres in the Nordic region, managing assets that total approximately EUR 4.4 billion. Citycon is the number one shopping centre owner in Finland and among the market leaders in Norway, Sweden and Estonia. Citycon has also established a foothold in Denmark.

Citycon Oyj has investment-grade credit ratings from Moody's (Baa3) and Standard & Poor's (BBB-). Citycon Oyj's shares are listed on Nasdaq Helsinki Ltd. stock exchange.

For more information about Citycon Oyj, please visit www.citycon.com.

EPRA PERFORMANCE MEASURES

Citycon applies to the best practices policy recommendations of EPRA (European Public Real Estate Association) for financial reporting. More information about EPRA's performance measures is available in Citycon's Financial Statements 2019 in section "EPRA performance measures".

EPRA PERFORMANCE MEASURES

		Q4/2019	Q4/2018	%	2019	2018	%
EPRA Earnings	MEUR	35.6	34.2	4.3%	145.6	143.5	1.5%
Adjusted EPRA Earnings ²⁾	MEUR	33.9	34.2	-0.6%	143.9	143.5	0.3%
EPRA Earnings per share (basic) ¹⁾	EUR	0.200	0.192	4.3%	0.818	0.806	1.5%
Adjusted EPRA Earnings per share (basic) ^{1) 2)}	EUR	0.191	0.192	-0.6%	0.809	0.806	0.3%
EPRA NAV per share ¹⁾	EUR	12.28	12.95	-5.2%	12.28	12.95	-5.2%
EPRA NNNAV per share ¹⁾	EUR	10.97	11.90	-8.1%	10.94	11.90	-8.1%

¹⁾ Key ratios have been adjusted in the comparison periods to reflect the new number of shares after the reversed share split executed in March 2019.

²⁾ The key figure includes hybrid bond coupons (both paid and accrued not yet recognized) and amortized fees.

The following tables present how EPRA Performance Measures are calculated.

1) EPRA EARNINGS

MEUR	Q4/2019	Q4/2018	%	2019	2018	%
Earnings in IFRS Consolidated Statement of Comprehensive Income	-25.7	5.5	-	8.9	16.6	-46.4%
+/- Net fair value losses/gains on investment property	57.2	18.2	-	121.9	72.5	68.2%
-/+ Net gains/losses on sale of investment property	-0.2	1.1	-	-1.5	0.2	-
+ Indirect other operating expenses	-	3.7	-	-	10.3	-
+/- Early close-out costs of debt and financial instruments	7.9	-	-	7.9	21.4	-63.1%
-/+ Fair value gains/losses of financial instruments	-1.8	-1.2	52.3%	-2.6	-1.1	-
+/- Indirect losses/gains of joint ventures and associated companies	11.6	8.8	31.5%	19.5	17.9	9.1%
-/+ Change in deferred taxes arising from the items above	-13.4	-1.9	-	-8.5	5.7	-
+ Non-controlling interest arising from the items above	-	0.0	-	0.0	-	-
EPRA Earnings	35.6	34.2	4.3%	145.6	143.5	1.5%
-/+ Hybrid bond coupons (despite the payment date) and amortized fees	-1.7	-	-	-1.7	-	-
Adjusted EPRA Earnings	33.9	34.2	-0.6%	143.9	143.5	0.3%
Weighted average number of ordinary shares, million ¹⁾	178.0	178.0	0.0%	178.0	178.0	0.0%
EPRA Earnings per share (basic), EUR ¹⁾	0.200	0.192	4.3%	0.818	0.806	1.5%
Adjusted EPRA Earnings per share (basic), EUR ¹⁾	0.191	0.192	-0.6%	0.809	0.806	0.3%

¹⁾ Key ratios have been adjusted in the comparison periods to reflect the new number of shares after the reversed share split executed in March 2019.

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

MEUR	Q4/2019	Q4/2018	%	2019	2018	%
Net rental income	53.5	53.7	-0.4%	217.4	214.9	1.2%
Direct administrative expenses	-6.8	-10.1	-32.6%	-26.8	-28.0	-4.5%
Direct other operating income and expenses	0.5	0.5	-1.1%	2.8	0.8	-
Direct operating profit	47.1	44.1	7.0%	193.5	187.6	3.1%
Direct net financial income and expenses	-11.7	-11.4	2.7%	-48.9	-50.1	-2.6%
Direct share of profit/loss of joint ventures and associated companies	0.9	1.1	-13.5%	2.8	5.3	-46.5%
Direct current taxes	-0.8	0.2	-	-2.0	-0.2	-
Direct deferred taxes	0.1	0.3	-78.3%	0.1	0.9	-88.4%
Direct non-controlling interest	0.0	0.0	-83.7%	0.0	0.0	2.2%
EPRA Earnings	35.6	34.2	4.3%	145.6	143.5	1.5%
Hybrid bond coupons and amortized fees	-1.7	-	-	-1.7	-	-
Adjusted EPRA Earnings	33.9	34.2	-0.6%	143.9	143.5	0.3%
EPRA Earnings per share (basic), EUR ¹⁾	0.200	0.192	4.3%	0.818	0.806	1.5%
Adjusted EPRA Earnings per share (basic), EUR ¹⁾	0.191	0.192	-0.6%	0.809	0.806	0.3%

¹⁾ Key ratios have been adjusted in the comparison periods to reflect the new number of shares after the reversed share split executed in March 2019.

2) EPRA NAV PER SHARE AND EPRA NNNAV PER SHARE

	31 December 2019			31 December 2018		
	EUR million	Number of shares on the balance sheet date (1,000)	per share, EUR	EUR million	Number of shares on the balance sheet date (1,000)	per share, EUR
Equity attributable to parent company shareholders	1,978.4	177,999	11.11	2,088.9	177,999	11.74
Deferred taxes from the difference of fair value and fiscal value of investment properties	294.5	177,999	1.65	302.6	177,999	1.70
Goodwill as a result of deferred taxes	-85.8	177,999	-0.48	-85.1	177,999	-0.48
Fair value of financial instruments	-1.4	177,999	-0.01	-1.1	177,999	-0.01
Net asset value (EPRA NAV)	2,185.7	177,999	12.28	2,305.3	177,999	12.95
Deferred taxes from the difference of fair value and fiscal value of investment properties	-294.5	177,999	-1.65	-302.6	177,999	-1.70
Goodwill as a result of deferred taxes	85.8	177,999	0.48	85.1	177,999	0.48
The difference between the secondary market price and carrying value of bonds ¹⁾	-26.4	177,999	-0.15	29.3	177,999	0.16
Fair value of financial instruments	1.4	177,999	0.01	1.1	177,999	0.01
EPRA NNNAV	1,952.1	177,999	10.97	2,118.2	177,999	11.90

¹⁾ When calculating the EPRA NNNAV in accordance with EPRA's recommendations, the shareholders' equity is adjusted using EPRA's guidelines so that bonds are valued based on secondary market prices. In accordance with Citycon's accounting policies, the carrying amount and fair value of bonds are different from this secondary market price. The difference between the secondary market price and the carrying value of the bonds was EUR -26.4 million (29.3) as of 31 Dec 2019.

Key ratios have been adjusted in the comparison period to reflect the new number of shares after the reversed share split executed in March 2019.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 1 JANUARY - 31 DECEMBER 2019

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, IFRS

MEUR	Note	Q4/2019	Q4/2018	%	2019	2018	%
Gross rental income	3	56.9	59.1	-3.8%	232.1	237.0	-2.1%
Service charge income	3	20.5	21.4	-4.1%	77.1	79.2	-2.6%
Property operating expenses		-22.8	-26.2	-12.8%	-89.3	-98.9	-9.7%
Other expenses from leasing operations		-1.1	-0.7	70.9%	-2.5	-2.4	3.4%
Net rental income	3	53.5	53.7	-0.4%	217.4	214.9	1.2%
Administrative expenses		-6.8	-10.1	-32.6%	-26.8	-28.0	-4.5%
Other operating income and expenses	4	0.5	-3.2	-	2.8	-9.5	-
Net fair value losses on investment property	3	-57.2	-18.2	-	-121.9	-72.5	68.2%
Net losses/gains on sale of investment property		0.2	-1.1	-	1.5	-0.2	-
Operating profit	3	-9.9	21.1	-	73.1	104.7	-30.2%
Net financial income and expenses		-17.8	-10.2	74.4%	-54.2	-70.5	-23.1%
Share of loss/profit of joint ventures and associated companies		-10.6	-7.7	37.7%	-16.6	-12.5	32.6%
Profit before taxes		-38.3	3.2	-	2.2	21.7	-89.6%
Current taxes		-0.8	0.2	-	-2.0	-0.2	-
Deferred taxes		13.4	2.2	-	8.6	-4.8	-
Profit for the period		-25.7	5.5	-	8.9	16.6	-46.3%
Profit/loss attributable to							
Parent company shareholders		-25.7	5.5	-	8.9	16.6	-46.4%
Non-controlling interest		0.0	0.0	-	0.0	0.0	-100.0%
Earnings per share attributable to parent company shareholders							
Earnings per share (basic), EUR ¹⁾	5	-0.15	0.03	-	0.04	0.09	-56.6%
Earnings per share (diluted), EUR ¹⁾	5	-0.15	0.03	-	0.04	0.09	-56.6%
Other comprehensive income							
Items that may be reclassified subsequently to profit or loss							
Net gains on cash flow hedges		-0.7	-0.7	-1.0%	0.3	2.0	-82.1%
Income taxes relating to cash flow hedges		-	0.1	-	-	-0.4	-
Share of other comprehensive income of joint ventures and associated companies		-	-	-	-	0.3	-
Exchange gains/losses on translating foreign operations		12.4	-40.2	-	-4.4	-22.7	-80.5%
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		11.7	-40.8	-	-4.1	-20.9	-80.4%
Other comprehensive income for the period, after taxes		11.7	-40.8	-	-4.1	-20.9	-80.4%
Total comprehensive profit/loss for the period		-13.9	-35.3	-60.6%	4.8	-4.2	-
Total comprehensive profit/loss attributable to							
Parent company shareholders		-13.9	-35.3	-60.6%	4.8	-4.2	-
Non-controlling interest		0.0	0.0	-	0.0	0.0	-

¹⁾ Key ratios have been adjusted in the comparison periods to reflect the new number of shares after the reversed share split executed in March 2019. The key figure includes hybrid bond coupons (both paid and accrued not yet recognizes) and amortized fees.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION, IFRS

MEUR	Note	31 December 2019	31 December 2018
ASSETS			
Non-current assets			
Investment properties	6	4,160.2	4,131.3
Goodwill		146.5	145.7
Investments in joint ventures and associated companies		147.6	164.8
Intangible and tangible assets, and other non-current assets		44.3	37.6
Deferred tax assets		9.4	9.0
Total non-current assets		4,508.1	4,488.4
Investment properties held for sale	8	-	78.1
Current assets			
Derivative financial instruments	10, 11	0.0	1.5
Trade and other current assets		60.0	43.3
Cash and cash equivalents	9	14.2	11.4
Total current assets		74.2	56.2
Total assets	3	4,582.3	4,622.7
SHAREHOLDERS' EQUITY AND LIABILITIES			
Equity attributable to parent company shareholders			
Share capital		259.6	259.6
Share premium fund		131.1	131.1
Fair value reserve		1.4	1.1
Invested unrestricted equity fund	12	909.9	1,016.7
Retained earnings	12	676.4	680.4
Total equity attributable to parent company shareholders		1,978.4	2,088.9
Hybrid bond		346.6	-
Non-controlling interest		0.1	0.1
Total shareholders' equity		2,325.2	2,089.0
Long-term liabilities			
Loans		1,662.5	1,961.4
Derivative financial instruments and other non-interest bearing liabilities	10, 11	4.0	9.3
Deferred tax liabilities		296.4	304.4
Total long-term liabilities		1,962.9	2,275.1
Short-term liabilities			
Loans		211.8	178.6
Derivative financial instruments	10, 11	4.5	0.9
Trade and other payables		77.8	79.1
Total short-term liabilities		294.1	258.6
Total liabilities	3	2,257.1	2,533.7
Total liabilities and shareholders' equity		4,582.3	4,622.7

CONDENSED CONSOLIDATED CASH FLOW STATEMENT, IFRS

Me	Note	2019	2018
Cash flow from operating activities			
Profit before taxes		2.2	21.7
Adjustments to profit before taxes		195.2	169.9
Cash flow before change in working capital		197.4	191.6
Change in working capital		-2.1	1.5
Cash generated from operations		195.3	193.1
Paid interest and other financial charges		-60.3	-101.5
Interest income and other financial income received		1.4	4.1
Current taxes paid		-1.1	-0.2
Net cash from operating activities		135.4	95.5
Cash flow from investing activities			
Acquisition of subsidiaries, less cash acquired	6,7,8	-0.3	-68.4
Capital expenditure on investment properties, investments in joint ventures, intangible assets and tangible assets	6,7,8	-99.7	-98.4
Sale of investment properties	6,7,8	65.8	87.7
Net cash used in investing activities		-34.3	-79.0
Cash flow from financing activities			
Proceeds from short-term loans		1,204.8	1,131.8
Repayments of short-term loans		-1,266.9	-1,029.9
Proceeds from long-term loans and receivables		0.0	297.3
Repayments of long-term loans		-277.2	-292.4
Proceeds from hybrid bond		350.0	-
Hybrid bond interest and expenses		-2.5	-
Acquisition of non-controlling interests		-	-1.4
Dividends and return from the invested unrestricted equity fund	12	-114.9	-115.7
Realized exchange rate gains/losses		8.6	-4.0
Net cash used in financing activities		-98.1	-14.3
Net change in cash and cash equivalents		3.0	2.2
Cash and cash equivalents at period-start	9	11.4	10.1
Effects of exchange rate changes		-0.3	-0.9
Cash and cash equivalents at period-end	9	14.2	11.4

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY, IFRS

MEUR	Share capital	Share premium fund	Fair value reserve	Invested unrestricted equity fund	Translation reserve	Retained earnings	Equity attributable to parent company shareholders	Hybrid bond	Non-controlling interest	Shareholders' equity, total
Balance at 1 January 2018	259.6	131.1	-0.8	1,123.5	-93.2	787.9	2,208.1		1.2	2,209.4
Total comprehensive profit/loss for the period			1.9		-22.7	16.6	-4.2		0.0	-4.2
Dividends paid and equity return (Note 12)				-106.8		-8.9	-115.7			-115.7
Share-based payments						1.0	1.0			1.0
Disposal of non-controlling interests						-0.3	-0.3		-1.1	-1.4
Balance at 31 December 2018	259.6	131.1	1.1	1,016.7	-115.9	796.3	2,088.9		0.1	2,089.0
Balance at 1 January 2019	259.6	131.1	1.1	1,016.7	-115.9	796.3	2,088.9		0.1	2,089.0
Total comprehensive profit/loss for the period			0.3		-4.4	8.9	4.8		0.0	4.8
Proceeds from hybrid bond								346.6		346.6
Hybrid bond interest and expenses								0.0		0.0
Dividends paid and equity return (Note 12)				-106.8		-8.9	-115.7			-115.7
Share-based payments						0.4	0.4			0.4
Balance at 31 December 2019	259.6	131.1	1.4	909.9	-120.3	796.7	1,978.4	346.6	0.1	2,325.2

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIC COMPANY DATA

Citycon is a real estate company specialised in retail premises. Citycon operates in the business units Finland & Estonia, Norway and Sweden & Denmark. Citycon is a Finnish public limited liability company established under the Finnish law and domiciled in Helsinki. The Board of Directors has approved the financial statements on 5th of February 2020.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

Citycon prepares its consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS). Additional information on the accounting policies are available in Citycon's annual financial statements 2019.

NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS APPLIED IN 2019

IFRS 16 Leases (applied since 1 January 2019)

The IFRS 16 Leases standard has replaced the IAS 17 standard at the beginning of the 2019 financial period. First and foremost, the standard has provided reporting entities with instructions on the accounting treatment of leases in the lessee's financial statements, changed the definition of leasing and set the principles regarding the recognition of leases in the balance sheet both as a right-of-use asset and a lease liability. The application of the standard did not result in any changes to the accounting treatment of leases where Citycon Group acts as the lessor. Nonetheless, with regard to the majority of the Group's leases where Citycon acts as the lessee, in the 2019 financial period Citycon has recognized assets and liabilities to the Group's balance sheet pertaining to these leases.

Citycon Group has recognized right-of-use assets from the leases subject to the scope of the standard as part of the 'Investment properties' and 'Tangible assets' balance sheet items. The right-of-use assets recognized as part of investment properties consist of leases subject to Citycon Group's core business, such as the leases of shopping centres, shopping centre land areas and shopping centre machinery. The right-of-use assets recognized as tangible assets, on the other hand, have primarily been recognized for leases included in administrative expenses, such as office leases, IT assets and leased cars. The lease liability of Citycon Group has been valued by discounting the lease payment liabilities of the leases subject to the scope of the IFRS 16 standard to their present value using as the discounting factor the view of the company's management on the incremental borrowing rate at the starting time of the lease.

The majority of the leased right-of-use assets of Citycon Group are fixedly linked to Citycon's investment properties. As a result, Citycon has disclosed its lease expenses primarily as part of the fair value changes of its investment properties (comparable to straight-line depreciations) and as interest expenses determined by the interest rate factor of the lease liability. The impacts on profit pertaining to the right-of-use assets classified as 'Tangible assets' are disclosed in the profit and loss account as interest expenses and as depreciations included in the line item 'Administrative expenses'.

With regard to the implementation of the IFRS 16 Leases standard, Citycon has applied a simplified approach and, hence, has not adjusted the comparative information from corresponding reporting period. In addition, Citycon has applied the recognition exemptions permitted by the standard and, hence, has not applied the standard to short-term leases with a duration of less than a year or leases of a low value, such as leases applicable to specific office equipment.

The impact from the standard to Citycon's reporting in 2019 is as follows:

Consolidated income statement

MEUR	Q4/2019	2019
Property operating expenses	1.7	7.0
Net rental income	1.7	7.0
Administrative expenses	0.0	0.0
Net fair value losses on investment property	-1.5	-6.0
Other operating income and expenses	0.0	0.0
Operating profit	0.3	1.0
Net financial income and expenses	-0.4	-1.9
Loss before taxes	-0.2	-0.8
Deferred taxes	0.2	0.2
Loss/profit for the period	0.0	-0.7

Consolidated statement of financial position

MEUR	Investment properties	Tangible assets	Total Right-of-use assets	Lease liabilities
1 January 2019	57.4	4.4	61.9	61.9
31 December 2019	51.1	3.3	54.4	55.2

Consolidated cashflow statement

MEUR	Q4/2019	2019
Net cashflows from operating activities	1.6	6.1
Net cashflows from financing activities	-1.6	-6.1

Changes to calculation of key figures

When calculating loan to value (LTV), both the right-of-use assets classified as part of investment properties, as well as lease liabilities pertaining to these right-of-use assets, have not been taken into account. Thus, IFRS 16 has no impact on LTV calculations as compared to earlier periods. The updated formula is as follows:

$$\frac{\text{Interest bearing liabilities} - \text{lease liabilities (IFRS 16)} - \text{cash}}{\text{Fair value of investment properties} + \text{properties held for sale} + \text{investments in joint ventures} - \text{right-of-use assets classified as investment properties (IFRS 16)}} \times 100$$

Other accounting policies

Additional information on the otherwise unchanged accounting policies is available in Citycon's annual financial statements 2019.

ESMA (European Securities and Markets Authority) guidelines on alternative performance measures were effective starting from the financial year 2016. Citycon also presents alternative performance measures, such as EPRA performance measures and loan to value, to reflect the underlying business performance and to enhance comparability between financial periods. Alternative performance measures presented in this report should not be considered as a substitute for measures of performance in accordance with the IFRS.

3. SEGMENT INFORMATION

Citycon'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 total assets is recognised in the line 'Investments in joint ventures and associated companies' in the statement of financial position. In addition, the management fee received by Citycon is reported in the line 'other operating income and expenses' and the interest income on the shareholder loan is reported in 'net financial income and expenses'. Kista Galleria contributed to the IFRS based profit for the period by approximately EUR -14.3 million.

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

MEUR	Q4/2019	Q4/2018	%	2019	2018	%
Gross rental income						
Finland & Estonia	24.1	25.5	-5.6%	98.3	102.8	-4.4%
Norway	19.8	20.6	-4.0%	80.9	84.7	-4.5%
Sweden & Denmark	13.0	13.0	0.3%	52.9	49.5	6.9%
Total Segments	56.9	59.1	-3.8%	232.1	237.0	-2.1%
Kista Galleria (50%)	3.3	3.2	2.0%	12.5	13.6	-8.1%
Service charge income						
Finland & Estonia	8.0	8.7	-7.3%	33.3	35.2	-5.4%
Norway	8.3	8.8	-5.5%	28.1	29.4	-4.4%
Sweden & Denmark	4.1	3.9	6.1%	15.7	14.5	8.0%
Total Segments	20.5	21.4	-4.1%	77.1	79.2	-2.6%
Kista Galleria (50%)	1.0	1.0	-1.0%	3.6	3.8	-5.9%
Net rental income						
Finland & Estonia	23.3	24.0	-2.7%	94.4	96.9	-2.6%
Norway	18.4	18.6	-1.2%	75.4	74.3	1.6%
Sweden & Denmark	11.7	11.2	4.7%	47.4	43.5	8.8%
Other	0.1	-0.1	-	0.3	0.2	27.2%
Total Segments	53.5	53.7	-0.4%	217.4	214.9	1.2%
Kista Galleria (50%)	2.8	2.5	10.5%	9.9	11.7	-15.4%
Direct operating profit						
Finland & Estonia	22.6	22.9	-1.4%	92.0	93.9	-2.0%
Norway	17.8	17.6	0.9%	73.0	69.8	4.5%
Sweden & Denmark	10.5	9.5	10.3%	44.1	39.7	11.1%
Other	-3.8	-6.0	-37.4%	-15.6	-15.8	-1.4%
Total Segments	47.1	44.1	7.0%	193.5	187.6	3.1%
Kista Galleria (50%)	2.6	2.4	8.0%	9.1	11.1	-17.4%
Net fair value losses/gains on investment property						
Finland & Estonia	-23.5	-11.0	-	-56.1	-58.8	-4.6%
Norway	-11.0	-1.6	-	-33.4	-22.2	50.7%
Sweden & Denmark	-22.7	-5.7	-	-32.4	8.5	-
Total Segments	-57.2	-18.2	-	-121.9	-72.5	68.2%
Kista Galleria (50%)	-8.9	-3.2	-	-17.7	-8.6	-
Operating profit/loss						
Finland & Estonia	-0.7	10.5	-	37.4	31.4	19.0%
Norway	6.8	12.8	-46.9%	39.6	39.8	-0.7%
Sweden & Denmark	-12.2	3.8	-	11.7	49.3	-76.3%
Other	-3.8	-6.0	-37.4%	-15.5	-15.8	-1.7%
Total Segments	-9.9	21.1	-	73.1	104.7	-30.2%
Kista Galleria (50%)	-6.3	-0.8	-	-8.5	2.4	-

MEUR	31 December 2019	31 December 2018	%
Assets			
Finland & Estonia	1,878.3	1,924.2	-2.4%
Norway	1,563.7	1,522.2	2.7%
Sweden & Denmark	1,086.5	1,128.6	-3.7%
Other	53.8	47.7	12.9%
Total Segments	4,582.3	4,622.7	-6.2%
Kista Galleria (50%)	282.2	300.7	-6.2%
Liabilities			
Finland & Estonia	13.1	13.3	-1.7%
Norway	59.3	20.7	-
Sweden & Denmark	29.9	22.2	35.0%
Other	2,157.5	2,477.5	-12.9%
Total Segments	2,257.1	2,533.7	-10.9%
Kista Galleria (50%)	245.7	246.2	-0.2%

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

4. REVENUE FROM CONTRACTS WITH CUSTOMERS

MEUR	Q4/2019	Q4/2018	%	Q1-Q4/2019	Q1-Q4/2018	%
Service charges ¹⁾	15.0	15.7	-4.6%	59.3	60.9	-2.7%
Utility charges ¹⁾	2.2	2.0	6.8%	7.9	7.3	8.1%
Other service income ¹⁾	3.3	3.6	-8.1%	9.9	10.9	-9.5%
Management fees ²⁾	1.3	1.2	6.8%	5.2	5.4	-4.1%
Revenue from contracts with customers	21.8	22.6	-3.5%	82.3	84.6	-2.7%

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

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

5. EARNINGS PER SHARE

		2019	2018	%
Earnings per share, basic				
Profit attributable to parent company shareholders	MEUR	8.9	16.6	-46.4%
Hybrid bond interests and expenses		-1.7	-	-
Weighted average number of ordinary shares ¹⁾	million	178.0	178.0	0.0%
Earnings per share (basic) ¹⁾	EUR	0.04	0.09	-56.6%
Earnings per share, diluted				
Profit attributable to parent company shareholders	MEUR	8.9	16.6	-46.4%
Hybrid bond interests and expenses		-1.7	-	-
Weighted average number of ordinary shares ¹⁾	million	178.0	178.0	0.00%
Adjustment from share-based incentive plans	million	0.4	0.9	-52.4%
Weighted average number of ordinary shares, diluted ¹⁾	million	178.4	178.9	-0.3%
Earnings per share (diluted) ¹⁾	EUR	0.04	0.09	-56.5%

¹⁾ Key ratios have been adjusted in the comparison periods to reflect the new number of shares after the reversed share split executed in March 2019. The key figure includes hybrid bond coupons (both paid and accrued not yet recognizes) and amortized fees.

6. INVESTMENT PROPERTIES

Citycon divides its investment properties into two categories: Investment Properties Under Construction (IPUC) and Operative Investment Properties. On reporting date and the comparable period 31 December 2018, the first mentioned category included Lippulaiva in Finland.

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

31 December 2019

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

31 December 2018

Me	Investment properties under construction (IPUC)	Operative investment properties	Investment properties, total
At period-start	121.0	4,062.4	4,183.4
Acquisitions	4.3	64.0	68.4
Investments	22.7	58.0	80.7
Disposals	-	-24.5	-24.5
Capitalized interest	1.8	1.2	3.0
Fair value gains on investment property	-	39.2	39.2
Fair value losses on investment property	-0.2	-111.5	-111.7
Exchange differences	-	-45.9	-45.9
Transfers between items	-	-61.3	-61.3
At period-end	149.6	3,981.6	4,131.3

7. CAPITAL EXPENDITURE

MEUR	2019	2018
Acquisitions of properties ¹⁾	0.3	68.4
Acquisitions of and investments in joint ventures	2.2	14.4
Property development	100.1	83.7
Goodwill and other investments	3.3	2.4
Total capital expenditure incl. acquisitions	106.0	168.8
Capital expenditure by segment		
Finland & Estonia	66.9	54.9
Norway	22.3	21.1
Sweden & Denmark	14.1	91.7
Group administration	2.6	1.2
Total capital expenditure incl. acquisitions	106.0	168.8
Divestments ²⁾	80.6	93.1

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

²⁾ Excluding transfers into 'Investment properties held for sale'-category

8. INVESTMENT PROPERTIES HELD FOR SALE

On 31 December 2019 Citycon had no property held for sale properties. On 31 December 2018 the Investment Properties Held for Sale comprised of two properties in Finland. Transactions were finalized during Q2 2019. Transfer from investment properties includes also fair value changes of properties in Investment Properties Held for Sale.

MEUR	31 December 2019	31 December 2018
At period-start	78.1	25.4
Disposals	-77.6	-65.4
Exchange differences	-	-0.3
Transfer from investment properties	-0.5	118.4
At period-end	-	78.1

9. CASH AND CASH EQUIVALENTS

MEUR	31 December 2019	31 December 2018
Cash in hand and at bank	7.1	4.2
Restricted cash	7.1	7.2
Total	14.2	11.4

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

10. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

Classification of financial instruments and their carrying amounts and fair values

MEUR	31 December 2019		31 December 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
I Financial assets at fair value through profit and loss				
Derivative financial instruments	18.7	18.7	16.7	16.7
II Derivative contracts under hedge accounting				
Derivative financial instruments	1.4	1.4	1.4	1.4
Financial liabilities				
I Financial liabilities amortised at cost				
Loans				
Loans from financial institutions	231.3	231.5	278.7	279.1
Bonds	1,587.8	1,599.2	1,861.3	1,875.5
Lease liabilities (IFRS 16)	55.2	55.2	-	-
II Financial liabilities at fair value through profit and loss				
Derivative financial instruments	7.5	7.5	8.2	8.2
III Derivative contracts under hedge accounting				
Derivative financial instruments	-	-	-	-

11. DERIVATIVE FINANCIAL INSTRUMENTS

Me	31 December 2019		31 December 2018	
	Nominal amount	Fair value	Nominal amount	Fair value
Interest rate swaps				
Maturity:				
less than 1 year	-	-	-	-
1-5 years	136.9	1.4	226.2	1.4
over 5 years	-	-	-	-
Subtotal	136.9	1.4	226.2	1.4
Cross-currency swaps				
Maturity:				
less than 1 year	-	-	-	-
1-5 years	-	-	-	-
over 5 years	316.8	15.7	316.8	8.0
Subtotal	316.8	15.7	316.8	8.0
Foreign exchange forward agreements				
Maturity:				
less than 1 year	239.4	-4.5	269.6	0.5
Total	693.0	12.6	812.6	9.9

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 136.9 million (226.2). The change in fair values of these derivatives is recognised under other comprehensive income.

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

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

12. DIVIDEND AND EQUITY REPAYMENT

The Board of Directors proposes that based on the balance sheet to be adopted for the financial period ended on 31 December 2019 no dividend is distributed by a resolution of the Annual General Meeting. Nonetheless, the Board of Directors proposes that the Board of Directors be authorized to decide in its discretion on the distribution of dividend and assets from the invested unrestricted equity fund as follows.

Based on this authorization the maximum amount of dividend to be distributed shall not exceed EUR 0.05 per share and the maximum amount of equity repayment distributed from the invested unrestricted equity fund shall not exceed EUR 0.60 per share. Based on the authorization, the company could distribute a maximum of EUR 8,899,926.25 as dividends and EUR 106,799,115.00 as equity repayment.

13. CONTINGENT LIABILITIES

MEUR	31 December 2019	31 December 2018
Mortgages on land and buildings	131.8	130.7
Bank guarantees and parent company guarantees	49.6	33.2
Capital commitments	208.0	23.7

At period-end, Citycon had capital commitments of EUR 208.0 million (23.7) relating mainly to on-going (re)development projects.

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

14. RELATED PARTY TRANSACTIONS

Citycon Group's related parties comprise the parent company Citycon Oyj and its subsidiaries, associated companies, joint ventures, Board members, the CEO and other Corporate Management Committee members and the company's largest shareholder Gazit-Globe Ltd., whose shareholding in Citycon Oyj accounted for 48.6% on 31 December 2019 (48.5%).

Over the period, Citycon paid expenses to Gazit-Globe Ltd and its subsidiaries 0,0 EUR (-) and invoiced EUR 0.0 million expenses forward to Gazit-Globe Ltd and its subsidiaries (0.0)

Citycon engaged Starkitect Studio Inc., a company acting through Ofer Stark as consultant, to provide consultancy services and paid consulting fees of 0.1 (-).