



Q1 | 2022

INTERIM REPORT
JANUARY–MARCH

OPERATIONAL PERFORMANCE Q1/2022

+3.5%

Like-for-like NRI Growth
(vs. Q1/2021)

95.1%

Retail Occupancy
(+90 bps improvement over Q4/2021)

+0.8 EUR

Average Rent / sq.m. Increase
(vs. Q4/2021)

+11.8%

Like-for-like Tenant Sales
(vs. Q1/2021)

+17.6%

Like-for-like Footfall Increase
(vs. Q1/2021)

+5.7%

EPRA NRV per share Increase
(vs. Q1/2021)

5th

Consecutive quarter of uplift
of operating properties

+14.2 MEUR

Net Fair Value Gains

CITYCON Q1/2022:

FINANCIAL PERFORMANCE

- Like-for-like net rental income increased by +3.5% compared to the previous year.
 - Total net rental income was affected by divestments and was EUR 49.1 million (Q1/2021: 50.4).
- Retail occupancy 95.1%; 90 bps improvement over Q4/2021 (94.2%).
- Average rent per sq.m. increased by EUR 0.8 to EUR 23.4 per sq.m.
- Like-for-like footfall increased +17.6%; 1920 bps improvement over Q4/2021 (-1.6%).
- Like-for-like tenant sales increased +11.8%; +7.4% higher than in Q1/2019 (pre-pandemic level).
- Operating properties recorded a fifth consecutive quarter of uplift as fair value change of investment properties in Q1/2022 was EUR 14.2 million.
- EPRA NRV/share +5.7% vs Q1/2021

DEVELOPMENT ACTIVITIES

- Grand opening of phase I of Lippulaiva on 31 March 2022.
 - Excellent reception from the tenants and customers.
 - Pre-leasing rate over 90% and over 110 thousand visitors during the opening weekend.
 - Stabilized NRI for full Lippulaiva project estimated at 21 MEUR.
 - Anticipated partial 2022 NRI contribution between 7-9 MEUR.
 - Metro fully constructed and opening at year-end.
 - 6 of 8 residential towers under construction and opening between 2022-2024 (Citycon will own 6).
- Continue to execute on 600,000 sqm development opportunities in multiple locations.
 - Liljeholmen, Oasen and Trekanten are next focus projects on Citycon.

CAPITAL RECYCLING

- Strategic sale ~145.4 MEUR of two non-core centres in Norway (disclosed on 7 February) with combined yield of 5.2% and at or above IFRS book value.
 - In total, Citycon has sold 6 non-core centres during last 12 months at or above NAV.
 - Further bolsters portfolio valuations and demonstrates strength of private market.
 - Transaction closed on 28 February 2022.
- Signed forward commitment to acquire newly developed residential asset in Stockholm, Sweden for ~69.5 MEUR (disclosed on 7 February).
 - 200 well-appointed rental and freehold apartments in growing Barkarbystaden.
 - Close proximity to existing necessity-based assets in Kista and Jakobsberg.
- Residential construction underway in all Citycon's main operating countries.

BALANCE SHEET

- Portion of the proceeds from the Norwegian divestments were utilized to repurchase approx. EUR 25 million of 2024 bond.
 - Further stabilizes Citycon's well laddered maturity profile and reduces a refinancing risk.
 - Attractive to earnings and earnings per share by reducing interest expense.
 - LTV improvement to 40.4%.

KEY FIGURES

| | | Q1/2022 | Q1/2021 | % | FX Adjusted % ¹⁾ | 2021 |
|--|------|---------|---------|--------|-----------------------------|---------|
| Net rental income | MEUR | 49.1 | 50.4 | -2.6% | -3.2% | 202.3 |
| Like-for-like net rental income development | % | 3.5 | -8.1 | - | - | -1.5 |
| Direct Operating profit ²⁾ | MEUR | 40.2 | 44.9 | -10.3% | -10.9% | 176.1 |
| IFRS Earnings per share (basic) ³⁾ | EUR | 0.13 | 0.12 | 7.2% | 7.2% | 0.55 |
| Fair value of investment properties | MEUR | 4,278.2 | 4,238.4 | 0.9% | - | 4,189.2 |
| Loan to Value (LTV) ²⁾⁴⁾ | % | 40.4 | 46.5 | -13.2% | - | 40.7 |
| EPRA based key figures²⁾ | | | | | | |
| EPRA Earnings | MEUR | 28.1 | 31.6 | -11.0% | -11.6% | 124.4 |
| Adjusted EPRA Earnings ³⁾ | MEUR | 20.6 | 27.6 | -25.4% | -25.9% | 100.0 |
| EPRA Earnings per share (basic) | EUR | 0.167 | 0.178 | -5.8% | -6.4% | 0.703 |
| Adjusted EPRA Earnings per share (basic) ³⁾ | EUR | 0.123 | 0.155 | -20.9% | -21.5% | 0.565 |
| EPRA NRV per share ⁵⁾ | EUR | 12.24 | 11.58 | 5.7% | - | 12.15 |

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

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

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

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

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

STANDING PORTFOLIO KEY FIGURES¹⁾

| | | Q1/2022 | Q1/2021 | % |
|--|------|---------|---------|--------|
| Net rental income | MEUR | 47.8 | 44.8 | 6.7% |
| Direct Operating profit ²⁾ | MEUR | 38.9 | 39.3 | -1.0% |
| EPRA based key figures²⁾ | | | | |
| EPRA Earnings | MEUR | 26.8 | 26.1 | 2.8% |
| Adjusted EPRA Earnings ³⁾ | MEUR | 19.3 | 22.1 | -12.6% |
| EPRA Earnings per share (basic) | EUR | 0.160 | 0.147 | 8.9% |
| Adjusted EPRA Earnings per share (basic) ³⁾ | EUR | 0.115 | 0.124 | -7.4% |

¹⁾ New presentation method. Standing portfolio key figures include only income and expenses from investment properties that were on group balance sheet on 31 March 2022. The portfolio is the same in the reporting period and in the comparison period, hence the numbers are comparable.

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

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

OUTLOOK (specified)

Citycon forecasts the 2022 direct operating profit to be in range EUR 168–180 million, EPRA EPS EUR 0.66–0.72 and adjusted EPRA EPS EUR 0.49–0.58.

| | | Revised | Previously |
|--|------|-----------|------------|
| Direct operating profit | MEUR | 168–180 | 164–180 |
| EPRA Earnings per share (basic) | EUR | 0.66–0.72 | 0.62–0.72 |
| Adjusted EPRA Earnings per share (basic) | EUR | 0.49–0.58 | 0.48–0.58 |

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

CEO F. SCOTT BALL:

After a strong conclusion to 2021, Citycon continued to demonstrate the strength of our strategy and portfolio during the first quarter of 2022. Like-for-like net rental income increased 3.5% over the prior year. The average rent per square meter increased 0.8 EUR to 23.4 EUR/s.qm., while retail occupancy moved up to 95.1%. We continue to see very strong growth in both footfall and tenant sales, which increased dramatically compared to the previous year. Notably, tenant sales are already above pre-pandemic (2019) levels highlighting the speed of the recovery of Citycon's grocery- and municipal-anchored centres.

The strong operational figures reflect the stability of our necessity-based centres which serve as a last mile logistics hub for delivery of grocery, municipal, and other services directly to the consumer. With customers prioritizing convenience and accessibility, more and more tenants are leveraging their omnichannel strategies and utilizing their physical stores as the critical last-mile distribution. Our excellent urban locations in the strongest and fast-growing cities in the Nordics, and the fact that all our urban hubs have a direct connection to public transportation, offer attractive opportunities for tenants and irreplaceable convenience for customers. Tenant demand for our centres has accelerated as evidenced by our strong leasing activity with over 48,000 sq.m. of signed leases during the first quarter, resulting in increased retail occupancy of 90 bps to 95.1%, coupled with rent growth.

Our strategy of creating mixed-use urban hubs with a focus on grocery and municipal services is paying operational dividends and driving traffic to our centers, highlighted by significant like-for-like growth in both footfall (17%) and tenant sales (12%) in the first quarter. Notably, like-for-like tenant sales are already above pre-pandemic (2019) levels, on the strength of spending in groceries, pharmacies, municipal and healthcare services. Like-for-like net rental income increased by 3.5% compared to Q1/2021 and our average rent level increased by EUR 0.8 per sq.m. to EUR 23.4 compared to year-end 2021. These operational improvements continue to positively impact asset values as our operating properties recorded a fifth consecutive quarter of uplift as total market value change of investment properties in Q1/2022 was EUR 24.6 million and net fair value change was EUR 14.2 million. EPRA NRV per share has increased by +5.7% compared Q1/2021.

As disclosed in February 2022, we divested two additional non-core assets in Norway during the first quarter with pricing above NAV. This means we have now sold 6 non-core assets over the last 12 months at pricing that validates our increasing valuations. We entered into a forward funding agreement to purchase a brand-new residential asset comprising of 200 apartments in Stockholm near our Kista and Jacobsberg centres. During, and subsequent to, the quarter we continued to demonstrate our strategic capital allocation to strengthen the balance sheet, as part of the divestment proceeds were used to repurchase approx. EUR 25 million of our bonds maturing in October 2024. The repurchase is accretive to earnings, strengthens our maturity profile and reduces refinancing risk as we have no near-term maturities until 2024.

The absolute highlight of the quarter was the grand opening of phase one of Lippulaiva, our new mixed-use centre that represents the future of convenient urban living. Lippulaiva is the prototype of Citycon's strategy: a full-service, mixed-use, urban hub with several large grocery anchors, a wide range of private and municipal services, direct connection to the metro, surrounded by eight residential towers. The metro construction is complete, and it will begin to operate by the year-end. Six of the eight residential towers are under construction with first ones opening up later this year. Lippulaiva is the ultimate in convenience, experience and atmosphere for consumers and it will have an immediate impact on the community and consumers that surround it. Notably, grocery stores account for approximately 45% of the centre and all necessity goods representing over 70% of Lippulaiva's 44,000 sq.m. of gross leasable area. Lippulaiva is expected to welcome approximately 8 million annual visitors.

Lippulaiva is also the prototype of Citycon's sustainability initiatives in action. The centre is a pioneer in sustainable energy solutions and is carbon neutral in terms of energy consumption from day one. The primary source of energy is the largest ever geothermal heating and cooling system built on a commercial building in Europe combined with integrated solar panels and a smart electricity management solution.

Finally, Lippulaiva is also an important milestone in realising the potential in Citycon's robust development pipeline and marks the first time that Citycon has carried out its own rental housing production. The residential component of the project consists of 560 apartments, which will come online between late 2022 and 2024, further diversifying Citycon's portfolio and revenue streams while enhancing the underlying performance of the retail centre.

As our results show, Citycon is well positioned for the anticipated inflationary environment. Our business model is inflation protected with 92% of our leases indexed to inflation and the types of goods and services that our centres sell are less

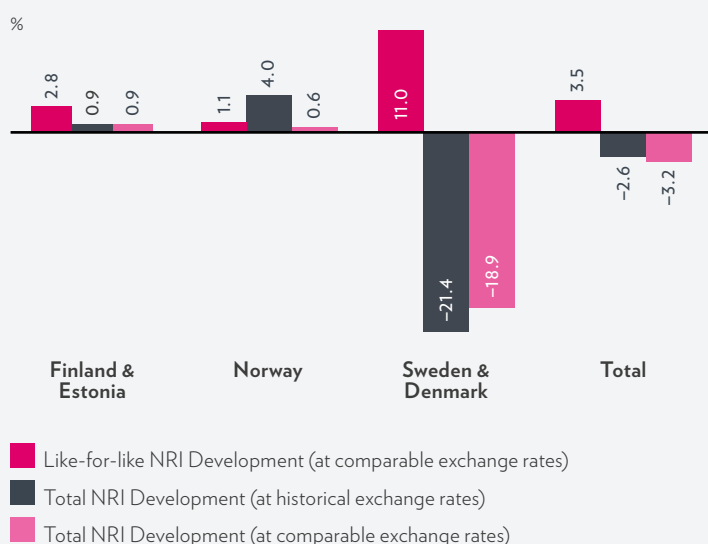
dependent on discretionary income than traditional retail. Although, Citycon's operations are not directly impacted by the war in Ukraine, there is the spill over effect of increasing energy costs. Citycon has a significant amount of onsite energy production and the vast majority of our electricity costs are hedged, which provides further stability both for Citycon and its tenants going forward. Citycon's relatively low occupancy cost ratio also offers the company ample headroom for rent growth particularly as sales continue to increase. This continues to translate into strong leasing activity and stable cash flow. This stable cash flow, combined with the significant value creation potential for our development pipeline and an investment grade balance sheet, provides an attractive risk-adjusted return proposition for all stakeholders.

As a result of the strong quarter and the confidence we have in the business, we are tightening our guidance and raising the mid-point on all three metrics for which we provide guidance.

1. NET RENTAL INCOME

The like-for-like net rental income in Q1 increased 3.5% compared to Q1/2021. Total net rental income was EUR 49.1 million (Q1/2021: 50.4) mainly due to the divestment of non-core assets which decreased net rental income by EUR 4.4 million.

LIKE-FOR-LIKE AND TOTAL NET RENTAL INCOME DEVELOPMENT, Q1/2022 VS. Q1/2021



Like-for-like net rental income from the Finnish & Estonian operations increased by 2.8%. Like-for-like net rental income from Swedish & Danish operations increased by 11.0%. Like-for-like net rental income from the Norwegian operations increased by 1.1%.

NET RENTAL INCOME AND GROSS RENTAL INCOME BREAKDOWN

| MEUR | Net rental income | | | | Total | Gross rental income |
|---|-------------------|-------------|------------------|------------|-------------|---------------------|
| | Finland & Estonia | Norway | Sweden & Denmark | Other | | |
| Q1/2021 | 20.7 | 19.2 | 10.5 | 0.0 | 50.4 | 57.2 |
| Acquisitions | - | - | - | - | 0.0 | 0.0 |
| (Re)development projects | 1.0 | 0.4 | 0.0 | - | 1.4 | 1.4 |
| Divestments | -1.3 | -0.6 | -2.5 | - | -4.4 | -4.5 |
| Like-for-like properties ¹⁾ | 0.4 | 0.2 | 0.7 | - | 1.3 | 1.9 |
| Other (incl. exchange rate differences) | 0.1 | 0.8 | -0.5 | 0.0 | 0.5 | 0.4 |
| Q1/2022 | 20.9 | 20.0 | 8.2 | 0.0 | 49.1 | 56.4 |

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

2. OCCUPANCY, SALES AND FOOTFALL

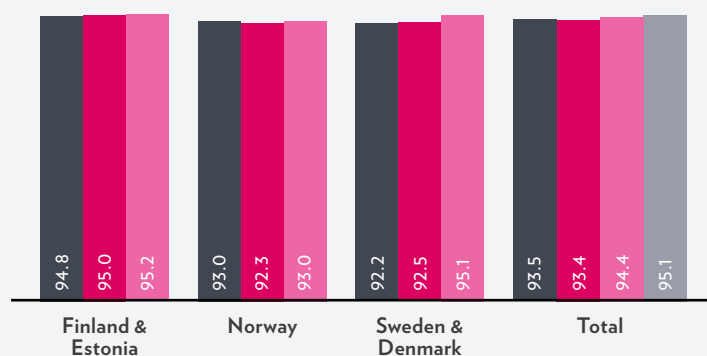
The retail occupancy rate increased in Q1/2022 from the previous quarter and was 95.1% (Q4/2021: 94.2%). Also, the economic occupancy increased to 94.4% (Q4/2021: 93.4%). Furthermore, the average rent per sq.m. increased by 0.8 EUR to 23.4 EUR (Q4/2021: 22.6) as we leased over 48,000 sq.m. during the first quarter.

In Q1/2022 like-for-like tenant sales increased 11.8%. Notably, like-for-like tenant sales are up 7.4% compared to pre-pandemic year 2019.

Like-for-like footfall increased by 17.6%.

ECONOMIC OCCUPANCY RATE ¹⁾

%

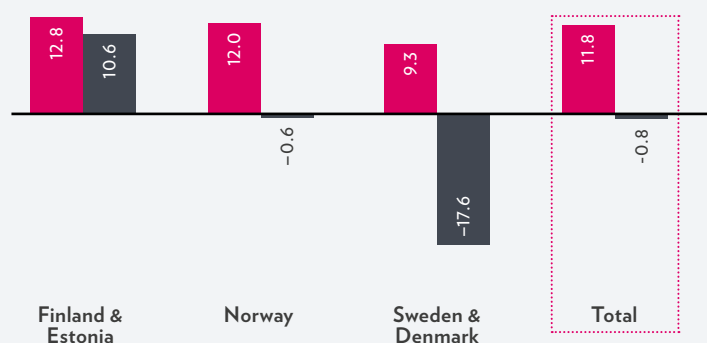


■ 31 March 2021 ■ 31 December 2021 ■ 31 March 2022
 ■ Retail occupancy rate 31 March 2022

¹⁾ Kista Galleria 50% not included.

TENANT SALES DEVELOPMENT, Q1/2022 VS. Q1/2021 ¹⁾

%

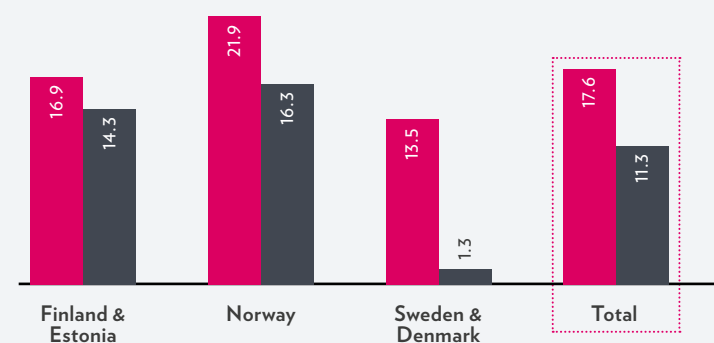


■ Like-for-like sales
 ■ Total sales (including impact of divested assets)

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

FOOTFALL DEVELOPMENT, Q1/2022 VS. Q1/2021 ¹⁾

%



■ Like-for-like footfall

■ Total footfall (including impact of divested assets)

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

LEASE PORTFOLIO SUMMARY ¹⁾

| | | 31 March 2022 | 31 March 2021 | 31 December 2021 |
|---|-----------|---------------|---------------|------------------|
| Number of leases | pcs | 3,211 | 3,772 | 3,326 |
| Average rent | EUR/sq.m. | 23.4 | 22.6 | 22.6 |
| Average remaining length of lease portfolio | years | 3.2 | 2.9 | 3.1 |
| Occupancy cost ratio ²⁾ | % | 8.0% | 9.0% | 8.8% |

¹⁾ Kista Galleria 50% not included.

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

LEASING ACTIVITY ¹⁾

| | | Q1/2022 | Q1/2021 | 2021 |
|------------------------------|-------|---------|---------|---------|
| Total area of leases started | sq.m. | 82,931 | 84,018 | 247,526 |
| Total area of leases ended | sq.m. | 119,319 | 89,053 | 319,011 |

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

3. FINANCIAL RESULT

Operating profit decreased to EUR 41.3 million (47.5) due to six divestments made during the last twelve months.

Administrative expenses were EUR 8.7 million (5.6). At the end of the reporting period, Citycon Group employed a total of 259 (238) full-time employees (FTEs), including bringing the Norwegian outsourced accounting team in-house, of whom 61 worked in Finland & Estonia, 84 in Norway, 58 in Sweden & Denmark, and 57 in Group functions.

Net financial expenses (IFRS) decreased to EUR 6.7 million (13.6) due to lower interest expenses following lower debt levels and increased capitalised interest on development projects, coupled with indirect one-off costs related to prepayment of debt in the comparison period. In addition, EUR 3.8 million indirect gains (1.5 gains) related to fair value changes of cross-currency swaps not under hedge accounting was booked.

Share of loss of joint ventures and associated companies totalled EUR -0.7 million (-1.9). Improved result was mainly due to lower net financial expenses (unrealized indirect gain on currency rate derivatives).

Profit for the period increased by EUR 3.8 million to EUR 29.8 million (26.1) including the sale of six centres during the last twelve months.

4. PROPERTY PORTFOLIO VALUE DEVELOPMENT

The asset value of investment properties increased by EUR 89.0 million from year-end to EUR 4,278.2 million (31 December 2021: 4,189.2). Net investments increased the value by EUR 35.5 million. Fair value gains increased the assets value by EUR 14.2 million and changes in currency exchange rates increased value by EUR 34.1 million. Changes in right-of-use –assets increased the asset value of investment properties by EUR 5.2 million.

PROPERTY PORTFOLIO SUMMARY ¹⁾

| 31 March 2022 | No. of properties | Gross leasable area | Fair value, MEUR | Properties held for sale, MEUR | Portfolio, % |
|--|-------------------|---------------------|------------------|--------------------------------|--------------|
| Shopping centres, Finland & Estonia ¹⁾ | 11 | 450,947 | 1,991.9 | - | 47% |
| Other properties, Finland & Estonia | 1 | 2,240 | 3.5 | - | 0% |
| Finland & Estonia, total | 12 | 453,187 | 1,995.4 | - | 47% |
| Shopping centres, Norway | 15 | 397,100 | 1,442.1 | - | 34% |
| Rented shopping centres, Norway ²⁾ | 1 | 14,500 | - | - | 0% |
| Norway, total | 16 | 411,600 | 1,442.1 | - | 34% |
| Shopping centres, Sweden & Denmark | 7 | 209,600 | 791.5 | - | 19% |
| Sweden & Denmark, total | 7 | 209,600 | 791.5 | - | 19% |
| Shopping centres, total | 34 | 1,072,147 | 4,225.5 | - | 99% |
| Other properties, total | 1 | 2,240 | 3.5 | - | 0% |
| Investment properties, total | 35 | 1,074,387 | 4,229.0 | - | 99% |
| Right-of-use assets classified as investment properties (IFRS 16) | - | - | 49.2 | - | 1% |
| Investment properties in the statement of financial position, total | 35 | 1,074,387 | 4,278.2 | - | 100% |
| Kista Galleria (50%) | 1 | 46,300 | 249.1 | - | - |
| Investment properties and Kista Galleria (50%), total | 36 | 1,120,687 | 4,527.3 | - | - |

¹⁾ Includes Lippulaiva development project.

²⁾ 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 14.2 million (8.5). The company recorded a total value increase of EUR 31.4 million (18.5) and a total value decrease of EUR 15.6 million (-8.5). In addition, the application of IFRS 16 standard had an impact of EUR -1.7 million (-1.5) to the fair value change of investment properties during the January-March reporting period.

FAIR VALUE CHANGES

| MEUR | Q1/2022 | Q1/2021 | 2021 |
|--|-------------|-------------|-------------|
| Finland & Estonia | 7.6 | 3.1 | 3.4 |
| Norway | 8.0 | -1.3 | 26.2 |
| Sweden & Denmark | 0.3 | 8.1 | 30.8 |
| Investment properties, total | 15.9 | 10.0 | 60.4 |
| Right-of-use assets classified as investment properties (IFRS 16) | -1.7 | -1.5 | -11.8 |
| Investment properties in the statement of financial position, total | 14.2 | 8.5 | 48.6 |
| Kista Galleria (50%) | -2.1 | -0.6 | -1.4 |
| Investment properties and Kista Galleria (50%), total | 12.1 | 7.9 | 47.2 |

Citycon measures the fair values of the properties internally in the first and third quarters, except for Kista Galleria, the value of which has been determined by an external appraiser. For the Financial Statement 2021 the fair value of Citycon's investment properties has been measured by CBRE (Norway, Denmark, Estonia) and JLL (Finland, Sweden).

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

5. RECYCLING OF CAPITAL CONTINUED

On 7 February, Citycon signed an agreement to sell two non-core centres in Norway with price of approximately EUR 145.4 million which is in-line with IFRS book value. Divestment further bolsters Citycon's portfolio valuations and liquidity. Transaction closed on 28 February 2022.

Additionally, Citycon signed on 7 February a forward commitment to acquire newly developed residential asset in Stockholm, Sweden for approximately EUR 69.5 million. The brand-new property will consist of over 200 well-appointed rental and freehold apartments and is located in the growing and dynamic neighbourhood of Barkarbystaden, in close proximity to Citycon's existing necessity-based assets in Kista and Jakobsberg.

The transactions follow Citycon's strategy to focus on larger, grocery/municipal services-anchored, urban hubs with a connection to transportation links while also providing further densification potential to add residential units, offices and other complimentary uses. Strengthening the balance sheet remains a key priority and the company will continue evaluating opportunistic capital recycling actions going forward.

ACQUISITIONS AND DIVESTMENTS Q1/2022

| | Location | Gross leasable area, sq.m. | Date | Price, MEUR |
|---------------------------|-----------------|----------------------------|------------------|--------------|
| Divestments | | | | |
| Portfolio of 2 centres | | | 28 February 2022 | 145.4 |
| Buskerud | Shopping centre | Krokstadelva, Norway | | 32,200 |
| Magasinet | Shopping centre | Drammen, Norway | | 15,000 |
| Divestments, total | | 47,100 | | 145.4 |

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

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

6. (RE)DEVELOPMENT PROJECTS PROGRESSED

Phase 1 of the grocery-anchored urban hub Lippulaiva was successfully opened on 31 March, with approximately 44,000 sq.m. of gross leasable area and 100 different shops, cafés and restaurants as well as private and public services. The leasing rate is currently over 90%. Complementing the retail experience there will be a total of eight residential buildings in and around Lippulaiva. The residential part consists in total 560 apartments, which will come online 2022–2024 and will further diversify Citycon's portfolio and revenue streams.

Further information on Citycon's completed, ongoing and planned (re)developments can be found in the company's Financial Review 2021.

(RE)DEVELOPMENT PROJECTS IN PROGRESS ON 31 MARCH 2022

| Location | Area before/after, sq.m. | Expected gross investment, MEUR | Actual gross investment by 31 March 2022, MEUR | Completion |
|---|--------------------------|---------------------------------|--|------------|
| Lippulaiva residential area, Helsinki metropolitan area, Finland | -/18,000 | 90.5 | 36.9 | 2022–2024 |

COMPLETED (RE)DEVELOPMENT PROJECTS ON 31 MARCH 2022

| Location | Area before/after, sq.m. | Expected gross investment, MEUR | Actual gross investment by 31 March 2022, MEUR | Completion |
|----------------------------|--|---------------------------------|--|------------|
| Lippulaiva shopping centre | Helsinki metropolitan area, Finland 19,200/44,300 | 357.2 ¹⁾ | 329.1 ¹⁾ | Q1/2022 |

¹⁾ Expected gross investment is 410 MEUR with the proceeds from net rental income of Pikkulaiva, sale of additional building rights and metro & bus terminal offsetting for a expected net investment of 357.2 MEUR. Actual gross investment by 31 March 2022 was 382.0 MEUR.

7. SHAREHOLDERS' EQUITY

Equity per share was EUR 14.93 (31 December 2021: 14.80). Result for the period and translation gains increased equity per share and equity return decreased it.

At period-end, **shareholders' equity** attributable to parent company's shareholders was EUR 1,818.8 million (31 December 2021: 1,800.1).

8. FINANCING

KEY FINANCING FIGURES

| | | 31 March 2022 | 31 March 2021 | 31 December 2021 |
|--|-------|---------------|---------------|------------------|
| Fair value of debt | MEUR | 1,864.5 | 2,115.7 | 1,860.3 |
| Interest bearing liabilities, carrying value ¹⁾ | MEUR | 1,887.9 | 2,132.2 | 1,878.5 |
| Available liquidity | MEUR | 604.3 | 564.3 | 583.7 |
| Average loan maturity | years | 4.0 | 4.5 | 4.2 |
| Loan to Value (LTV) ²⁾ | % | 40.4 | 46.5 | 40.7 |
| Interest cover ratio (financial covenant > 1.8) | x | 4.0 | 4.0 | 4.1 |
| Net debt to total assets (financial covenant < 0.60) | x | 0.37 | 0.45 | 0.38 |
| Solvency ratio (financial covenant < 0.65) | x | 0.38 | 0.46 | 0.39 |
| Secured solvency ratio (financial covenant < 0.25) | x | 0.00 | 0.00 | 0.00 |

¹⁾ Including EUR 46.6 million (46.8) IFRS 16 lease liabilities.

²⁾ Hybrid bond treated as equity as according to IFRS. Excluding both right-of-use assets recognized as part of investment properties, as well as lease liabilities pertaining to these right-of-use assets, which are based on IFRS 16 requirements. The Q1/2021 LTV calculation is adjusted for a EUR 29 million deferred payment in other receivables related to asset disposals.

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

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

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

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

INTEREST-BEARING DEBT

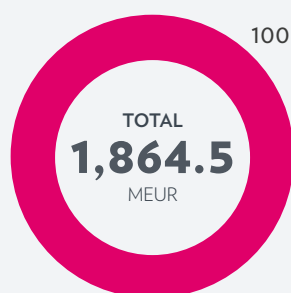
Fair value of interest-bearing debt increased during the quarter by EUR 4.2 million to EUR 1,864.5 million, due to strengthening of the NOK fx rate and despite repurchases of bonds of EUR 4.7 million. Net debt decreased mainly due to the divestment of two assets in Norway and due to a cash position of EUR 96.8 million. The carrying amount of interest-bearing liabilities in the balance sheet was EUR 1,887.9 million including IFRS 16 liabilities of EUR 46.6 million.

The weighted average loan maturity decreased slightly during the quarter and was 4.0 years.

The LTV (IFRS) decreased during the quarter to 40.4% as a result of lower net debt following the divestment of two assets in Norway.

BREAKDOWN OF LOANS

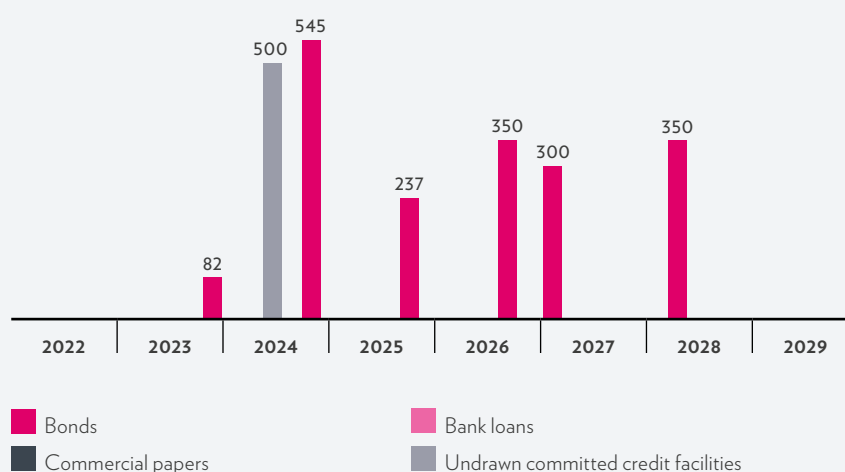
%



- Bank loans 0%
- Bonds 100%
- Commercial papers 0%

DEBT MATURITIES

MEUR



- Bonds
- Commercial papers
- Bank loans
- Undrawn committed credit facilities

FINANCIAL EXPENSES

FINANCIAL EXPENSES KEY FIGURES

| | | Q1/2022 | Q1/2021 | 2021 |
|---|-------------|-------------|--------------|--------------|
| Financial expenses ¹⁾ | MEUR | -12.3 | -16.8 | -62.0 |
| Financial income ¹⁾ | MEUR | 5.7 | 3.2 | 7.1 |
| Net financial expenses (IFRS) | MEUR | -6.7 | -13.6 | -55.0 |
| Direct net financial expenses (EPRA) | MEUR | -10.3 | -12.0 | -46.8 |
| Weighted average interest rate ²⁾ | % | 2.47 | 2.41 | 2.47 |
| Weighted average interest rate excluding derivatives | % | 2.50 | 2.41 | 2.48 |
| Year-to-date weighted average interest rate ²⁾ | % | 2.49 | 2.35 | 2.41 |

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

²⁾ Including interest rate swaps and cross-currency swaps.

The direct net financial expenses (EPRA) decreased compared to last year mainly due to lower interest expenses following lower debt levels and increased capitalised interest on development projects with Lippulaiva being in final stages of development.

Net financial expenses (IFRS) decreased considerably to EUR 6.7 million (13.6) due to above mentioned reasons, coupled with indirect one-off costs related to prepayment of debt in the comparison period when indirect losses of EUR 3.1 million were recorded related to costs for bond tenders and non-cash write-downs of unamortized fees on prepaid bonds.

The financial income mainly consisted of interest income on a loan to Kista Galleria. In addition, an amount of EUR 3.8 million indirect gains (1.5 gains) was booked related to fair value changes of cross-currency swaps not under hedge accounting. The foreign exchange differences are netted in financial expenses in the table above.

The period-end average cost of debt was 2.47%.

FINANCIAL RISK MANAGEMENT

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

FINANCIAL RISK MANAGEMENT

| | | 31 March 2022 | 31 March 2021 | 31 December 2021 |
|-------------------------------------|-------|---------------|---------------|------------------|
| Average interest-rate fixing period | years | 4.0 | 4.5 | 4.2 |
| Fixed interest rate ratio | % | 100.0 | 95.6 | 100.0 |

9. BUSINESS ENVIRONMENT

BUSINESS ENVIRONMENT KEY FIGURES

| | Finland | Norway | Sweden | Denmark | Estonia | Euro area |
|-----------------------------|---------|--------|--------|---------|---------|-----------|
| GDP growth forecast 2022 | 1.6% | 4.0% | 2.9% | 2.3% | 0.2% | 2.8% |
| Inflation, forecast 2022 | 3.8% | 3.5% | 4.8% | 3.8% | 11.9% | 5.3% |
| Unemployment, 2022 | 7.0% | 3.9% | 7.8% | 5.1% | 7.2% | 7.3% |
| Retail sales growth, 2/2022 | 3.2% | -2.9% | 2.9% | 5.8% | 4.0% | 5.0% |

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

The Nordic economies have recovered well from the short-lived pandemic dip, and the GDP growth is expected to continue strong through 2022 propelled by strong business performance and consumer demand. For example, the Norwegian economy has recovered strongly, with GDP rising already above pre-pandemic levels. Return to the office and resumption of tourism and business travel during 2022 will improve retail footfall and retail sales which will support an increase in leasing levels and rental growth. While inflation is trending higher in all Nordic markets, this remains a tailwind for Citycon operations due to 92% of leases tied to indexation and the nature of Citycon's necessity-based urban hubs.

Despite headwinds coming from geopolitical uncertainty, inflation, and rising interest rates, the trend in consumer demand and traffic has been positive in the Nordics following the lifting of health measures and other covid restrictions. In general, the Nordics are expected to be less affected by the war in Ukraine because those countries are less dependent on Russian natural gas in particular.

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

10. RISKS AND UNCERTAINTIES

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 fair values, occupancy rates and rental levels of the shopping centres and thereby Citycon's financial results. Increased competition locally or from e-commerce might affect demand for retail premises, which could lead to lower rental levels or increased vacancy, especially outside capital city regions. Costs of development projects could increase due to rising construction costs or projects could be delayed due to unforeseeable challenges. The war in Ukraine and the COVID-19 virus continue to pose risks to economic health in Europe as well.

The main risks that can materially affect Citycon's business and financial results, along with the main risk management actions, are presented in detail on pages 37–38 in the Financial Statements 2021, in Note 3.5 A) as well as on Citycon's website in the Corporate Governance section.

11. GENERAL MEETING

Citycon's Annual General Meeting 2022 (AGM) was held in Espoo, Finland on 22 March 2022. 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 259 shareholders attended the AGM either personally or through a proxy representative, representing 71.0% 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 2021 and decided to adopt the Remuneration Report for the governing bodies.

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

The AGM resolved the number of members of the Board of Directors to be eight. Chaim Katzman, Yehuda (Judah) L. Angster, F. Scott Ball, Zvi Gordon, Alexandre (Sandy) Koifman, David Lukes, Per-Anders Ovin and Ljudmila Popova 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 2022.

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

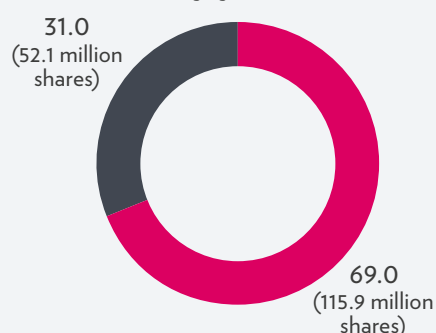
12. SHARES, SHARE CAPITAL AND SHAREHOLDERS

The company has a single series of shares, with each share entitling to one vote at a General Meeting of shareholders. At the end of March 2022, the total number of shares outstanding in the company was 168,008,940. The shares have no nominal value.

At the end of March 2022, Citycon had a total of 28,898 (27,003) registered shareholders, of which 11 were account managers of nominee-registered shares. Holders of the nominee-registered shares held approximately 115.9 million (133.1) shares, or 69.0% (74.8%) 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 MARCH 2022

% of shares and voting rights



- Nominee-registered shareholdings
- Directly registered shareholdings

SHARES AND SHARE CAPITAL

| | | Q1/2022 | Q1/2021 | 2021 |
|----------------------------------|------|-------------|-------------|-------------|
| 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 | | 168,498,525 | 177,998,525 | 177,998,525 |
| Number of shares at period-end | | 168,008,940 | 177,998,525 | 168,498,525 |

SHARE PRICE AND TRADING

| | | Q1/2022 | Q1/2021 | % | 2021 |
|-------------------------------------|---------|---------|---------|-------|---------|
| Low | EUR | 6.60 | 7.09 | -6.9% | 6.67 |
| High | EUR | 7.39 | 8.18 | -9.7% | 8.18 |
| Average | EUR | 7.04 | 7.78 | -9.6% | 7.34 |
| Latest | EUR | 6.86 | 7.09 | -3.2% | 7.00 |
| Market capitalisation at period-end | MEUR | 1,152.5 | 1,262.0 | -8.7% | 1,179.5 |
| Number of shares traded | million | 27.5 | 25.1 | 9.6% | 94.3 |
| Value of shares traded | MEUR | 192.8 | 191.1 | 0.9% | 686.0 |

DIVIDEND AND EQUITY REPAYMENT

Citycon's equity repayments paid in 2022:

DIVIDENDS AND EQUITY REPAYMENTS PAID ON 31 MARCH 2022¹⁾

| | Record date | Payment date | EUR / share |
|---------------------|---------------|---------------|--------------|
| Equity repayment Q1 | 24 March 2022 | 31 March 2022 | 0.125 |
| Total | | | 0.125 |

REMAINING BOARD AUTHORISATION FOR EQUITY REPAYMENT²⁾

| | Preliminary record date | Preliminary payment date | EUR / share |
|---------------------|-------------------------|--------------------------|--------------|
| Equity repayment Q2 | 23 June 2022 | 30 June 2022 | 0.125 |
| Equity repayment Q3 | 23 September 2022 | 30 September 2022 | 0.125 |
| Equity repayment Q4 | 15 December 2022 | 30 December 2022 | 0.125 |
| Total | | | 0.375 |

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

²⁾ The AGM 2022 authorised the Board of Directors to decide in its discretion on the distribution of assets from the invested unrestricted equity fund. Based on the authorisation the maximum amount of equity repayment distributed from the invested unrestricted equity fund shall not exceed EUR 0.50 per share. Unless the Board of Directors decides otherwise for a justified reason, the authorisation will be used to distribute 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 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 2022:

- The Board of Directors may decide on an issuance of a maximum of 16 million shares or special rights entitling to shares referred to in Chapter 10 Section 1 of the Finnish Companies Act, which corresponded to approximately 9.52% of all the shares in the company at the period-end. The authorisation is valid until the close of the next AGM, however, no longer than until 30 June 2023.
- The Board of Directors may decide on the repurchase and/or on the acceptance as pledge of the company's own shares in one or several tranches. The amount of own shares to be repurchased and/or accepted as pledge shall not exceed 30 million shares, which corresponded to approximately 17.86% of all the shares in the company at the period-end. The authorisation is valid until the close of the next AGM, however, no longer than until 30 June 2023.

During January – March 2022, the Board of Directors used two times its authorisation to repurchase its own shares and issue them by conveying repurchased shares. The repurchases and conveyances were made for payment of rewards earned under the company's share plans in accordance with the terms and conditions of the plans:

Restricted Share Plan 2018–2020

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

Performance Share Plan 2020–2022

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

Matching Share Plan 2018–2021

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

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

Share buy-back program

- On 17 December 2021, the Board of Directors of Citycon decided to launch a buyback program. According to the Board decision, the maximum number of shares to be repurchased was 500,000 and the maximum amount to be used for the repurchases was EUR 3.75 million. The share repurchases started on 22 December 2021 and ended on 10 January 2022.
- During the share buy-back program, a total of 500,000 own shares were repurchased for an average price of approximately EUR 6.97 per share. The total amount used for the repurchase was approximately EUR 3.49 million. During Q1/2022 a total of 203,537 share were repurchased under the share buy-back program. 10,415 repurchased shares were conveyed to four key employees in accordance with the Company's share-based incentive plans and the rest of the repurchased shares, i.e., 489,585 Citycon shares, were cancelled on 14 January 2022.

OWN SHARES

During the reporting period, the company held a total of 521,241 of the company's own shares of which 489,585 shares were cancelled and 31,656 shares were conveyed to implement payments of rewards earned under the company's share plans as described in the section Board authorisations. At the end of the period, the company or its subsidiaries held no shares in the company.

FLAGGING NOTICES

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

INCENTIVE PLANS

Long-term Share-based Incentive Plans

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

- CEO Restricted Share Plan 2021–2025
- CEO Option Plan 2022–2025
- CFO Restricted Share Plan 2021–2024
- Performance Share Plan 2020–2022 (Corporate Management Committee excl. the CEO)
- Matching Share Plan 2022–2024 (Corporate Management Committee excl. the CEO)
- 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.

13. EVENTS AFTER THE REPORTING PERIOD

No material events after the reporting period.

OUTLOOK (specified)

Citycon forecasts the 2022 direct operating profit to be in range EUR 168–180 million, EPRA EPS EUR 0.66–0.72 and adjusted EPRA EPS EUR 0.49–0.58.

| | | Revised | Previously |
|--|------|-----------|------------|
| Direct operating profit | MEUR | 168–180 | 164–180 |
| EPRA Earnings per share (basic) | EUR | 0.66–0.72 | 0.62–0.72 |
| Adjusted EPRA Earnings per share (basic) | EUR | 0.49–0.58 | 0.48–0.58 |

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

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

Helsinki, 5 May 2022

Citycon Oyj

Board of Directors

For further information, please contact:

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Chief Financial Officer

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Citycon is a leading owner, manager and developer of mixed-use real estate featuring modern, necessity-based retail with residential, office and municipal service spaces that enhance the communities in which they operate. Citycon is committed to sustainable property management in the Nordic region with assets that total approximately EUR 4.5 billion. Our centres are located in urban hubs in the heart of vibrant communities with direct connections to public transport and anchored by grocery, healthcare and other services that cater to the everyday needs of customers.

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

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 2021 in section "EPRA performance measures".

EPRA PERFORMANCE MEASURES

| | | Q1/2022 | Q1/2021 | % | 2021 |
|--|------|---------|---------|--------|-------|
| EPRA Earnings | MEUR | 28.1 | 31.6 | -11.0% | 124.4 |
| Adjusted EPRA Earnings ¹⁾ | MEUR | 20.6 | 27.6 | -25.4% | 100.0 |
| EPRA Earnings per share (basic) | EUR | 0.167 | 0.178 | -5.8% | 0.703 |
| Adjusted EPRA Earnings per share (basic) ¹⁾ | EUR | 0.123 | 0.155 | -20.9% | 0.565 |
| EPRA NRV per share ²⁾ | EUR | 12.24 | 11.58 | 5.7% | 12.15 |

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

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

The following tables present how EPRA Performance Measures are calculated.

1) EPRA EARNINGS

| MEUR | Q1/2022 | Q1/2021 | % | 2021 |
|--|--------------|--------------|---------------|--------------|
| Earnings in IFRS Consolidated Statement of Comprehensive Income | 29.8 | 26.1 | 14.1% | 121.0 |
| +/- Net fair value losses/gains on investment property | -14.2 | -8.5 | 67.0% | -48.6 |
| -/+ Net gains/losses on sale of investment property | -1.0 | 5.5 | - | 6.5 |
| + Indirect other operating expenses | 14.2 | 0.4 | - | 0.4 |
| +/- Early close-out costs of debt and financial instruments | 0.0 | 3.1 | - | 7.3 |
| -/+ Fair value gains/losses of financial instruments | -3.6 | -1.5 | - | 0.8 |
| +/- Indirect losses/gains of joint ventures and associated companies | -0.5 | 0.7 | - | 2.3 |
| -/+ Change in deferred taxes arising from the items above | 3.5 | 5.9 | -40.9% | 34.6 |
| + Non-controlling interest arising from the items above | 0.0 | - | - | - |
| EPRA Earnings | 28.1 | 31.6 | -11.0% | 124.4 |
| -/+ Hybrid bond coupons and amortized fees | -7.5 | -4.0 | 87.7% | -24.3 |
| Adjusted EPRA Earnings | 20.6 | 27.6 | -25.4% | 100.0 |
| Weighted average number of ordinary shares, million | 168.0 | 178.0 | -5.6% | 177.0 |
| EPRA Earnings per share (basic), EUR | 0.167 | 0.178 | -5.8% | 0.703 |
| Adjusted EPRA Earnings per share (basic), EUR | 0.123 | 0.155 | -20.9% | 0.565 |

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

| MEUR | Q1/2022 | Q1/2021 | % | 2021 |
|--|--------------|--------------|---------------|--------------|
| Net rental income | 49.1 | 50.4 | -2.6% | 202.3 |
| Direct administrative expenses | -8.7 | -5.6 | 55.6% | -26.1 |
| Direct other operating income and expenses | -0.2 | 0.0 | - | 0.0 |
| Direct operating profit | 40.2 | 44.9 | -10.3% | 176.1 |
| Direct net financial income and expenses | -10.3 | -12.0 | -14.1% | -46.8 |
| Direct share of profit/loss of joint ventures and associated companies | -1.2 | -1.1 | 4.4% | -4.0 |
| Direct current taxes | -0.7 | -0.8 | -20.2% | -3.3 |
| Direct deferred taxes | 0.0 | 0.7 | -93.7% | 2.4 |
| Direct non-controlling interest | 0.0 | 0.0 | - | 0.0 |
| EPRA Earnings | 28.1 | 31.6 | -11.0% | 124.4 |
| -/+ Hybrid bond coupons and amortized fees | -7.5 | -4.0 | 87.7% | -24.3 |
| Adjusted EPRA Earnings | 20.6 | 27.6 | -25.4% | 100.0 |
| EPRA Earnings per share (basic), EUR | 0.167 | 0.178 | -5.8% | 0.703 |
| Adjusted EPRA Earnings per share (basic), EUR | 0.123 | 0.155 | -20.9% | 0.565 |

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 NNAV 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.

| | 31 March 2022 | | | 31 March 2021 | | | 31 December 2021 | | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|------------------|----------------|----------------|
| | EPRA NRV | EPRA NTA | EPRA NDV | EPRA NRV | EPRA NTA | EPRA NDV | EPRA NRV | EPRA NTA | EPRA NDV |
| Equity attributable to parent company shareholders | 1,818.8 | 1,818.8 | 1,818.8 | 1,843.1 | 1,843.1 | 1,843.1 | 1,800.1 | 1,800.1 | 1,800.1 |
| Deferred taxes from the difference of fair value and fiscal value of investment properties ³⁾ | 284.9 | 142.5 | - | 271.1 | 135.5 | - | 295.0 | 147.5 | - |
| Fair value of financial instruments | -0.2 | -0.2 | - | -0.9 | -0.9 | - | -0.2 | -0.2 | - |
| Goodwill as a result of deferred taxes | -80.0 | - | - | -84.7 | - | - | -84.8 | - | - |
| Goodwill as per the consolidated balance sheet | - | -133.5 | -133.5 | - | -145.3 | -145.3 | - | -145.4 | -145.4 |
| Intangible assets as per the consolidated balance sheet | - | -8.8 | - | - | -18.4 | - | - | -7.6 | - |
| The difference between the secondary market price and carrying value of bonds ¹⁾ | - | - | -91.9 | - | - | 68.5 | - | - | 73.3 |
| Real estate transfer taxes ²⁾ | 33.4 | - | - | 32.3 | - | - | 32.7 | - | - |
| TOTAL | 2,056.9 | 1,818.8 | 1,593.4 | 2,060.9 | 1,814.1 | 1,766.3 | 2,042.9 | 1,794.5 | 1,728.1 |
| Number of ordinary shares at balance sheet date, million ⁴⁾ | 168.0 | 168.0 | 168.0 | 178.0 | 178.0 | 178.0 | 168.2 | 168.2 | 168.2 |
| Net Asset Value per share | 12.24 | 10.83 | 9.48 | 11.58 | 10.19 | 9.92 | 12.15 | 10.67 | 10.27 |

¹⁾ When calculating the EPRA NDV in accordance with EPRA's recommendations, the shareholders' equity is adjusted using EPRA's guidelines so that bonds are valued based on secondary market prices. 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 -91.9 million (68.5) as of 31 March 2022.

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

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

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

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS 1 JANUARY – 31 MARCH 2022

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, IFRS

| MEUR | Note | Q1/2022 | Q1/2021 | % | 2021 |
|--|----------|-------------|-------------|---------------|--------------|
| Gross rental income | 3 | 56.4 | 57.2 | -1.4% | 222.2 |
| Service charge income | 3, 4 | 16.5 | 18.3 | -10.0% | 70.2 |
| Property operating expenses | | -23.1 | -24.2 | -4.8% | -88.6 |
| Other expenses from leasing operations | | -0.7 | -0.9 | -20.9% | -1.4 |
| Net rental income | 3 | 49.1 | 50.4 | -2.6% | 202.3 |
| Administrative expenses | | -8.7 | -5.6 | 55.6% | -26.1 |
| Other operating income and expenses | | -14.3 | -0.4 | - | -0.4 |
| Net fair value gains/losses on investment property | 3 | 14.2 | 8.5 | 67.0% | 48.6 |
| Net gains/losses on sale of investment properties and subsidiaries | | 1.0 | -5.5 | - | -6.5 |
| Operating profit | 3 | 41.3 | 47.5 | -13.0% | 217.8 |
| Net financial income and expenses | | -6.7 | -13.6 | -50.8% | -55.0 |
| Share of profit/loss of joint ventures and associated companies | | -0.7 | -1.9 | -62.6% | -6.3 |
| Result before taxes | | 33.9 | 32.1 | 5.8% | 156.5 |
| Current taxes | | -0.7 | -0.8 | -20.2% | -3.3 |
| Deferred taxes | | -3.4 | -5.2 | -33.5% | -32.2 |
| Result for the period | | 29.8 | 26.1 | 14.5% | 121.0 |
| Profit/loss attributable to | | | | | |
| Parent company shareholders | | 29.8 | 26.0 | 14.5% | 121.0 |
| Non-controlling interest | | 0.0 | 0.0 | - | 0.0 |
| Earnings per share attributable to parent company shareholders | | | | | |
| Earnings per share (basic), EUR ¹⁾ | 5 | 0.13 | 0.12 | 7.2% | 0.55 |
| Earnings per share (diluted), EUR ¹⁾ | 5 | 0.13 | 0.12 | 5.5% | 0.54 |
| Other comprehensive income | | | | | |
| Items that may be reclassified subsequently to profit or loss | | | | | |
| Net gains/losses on cash flow hedges | | 0.8 | 0.8 | 3.2% | 1.2 |
| Exchange gains/losses on translating foreign operations | | 26.1 | 36.0 | -27.6% | 36.0 |
| Net other comprehensive income to be reclassified to profit or loss in subsequent periods | | 26.8 | 36.7 | -26.9% | 37.3 |
| Other comprehensive income for the period, after taxes | | 26.8 | 36.7 | -26.9% | 37.3 |
| Total comprehensive profit/loss for the period | | 56.7 | 62.8 | -9.7% | 158.3 |
| Total comprehensive profit/loss attributable to | | | | | |
| Parent company shareholders | | 56.7 | 62.8 | -9.7% | 158.2 |
| Non-controlling interest | | 0.0 | 0.0 | - | 0.0 |

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION, IFRS

| MEUR | Note | 31 March 2022 | 31 March 2021 | 31 December 2021 |
|---|----------|----------------|----------------|------------------|
| ASSETS | | | | |
| Non-current assets | | | | |
| Investment properties | 6 | 4,278.2 | 4,238.4 | 4,189.2 |
| Goodwill | | 133.5 | 145.3 | 145.4 |
| Investments in joint ventures and associated companies | | 135.6 | 132.2 | 129.3 |
| Intangible and tangible assets, and other non-current assets ¹⁾ | | 12.5 | 21.8 | 11.7 |
| Derivative financial instruments | 10, 11 | 19.8 | 17.0 | 15.2 |
| Deferred tax assets | | 16.4 | 14.9 | 16.4 |
| Total non-current assets | | 4,596.0 | 4,569.7 | 4,507.2 |
| Investment properties held for sale | 8 | 0.0 | 0.0 | 150.9 |
| Current assets | | | | |
| Derivative financial instruments | 10, 11 | 0.8 | 0.5 | 1.0 |
| Trade receivables and other current assets | | 102.0 | 81.4 | 89.3 |
| Cash, cash equivalents and current financial investments | 9 | 96.8 | 46.1 | 54.7 |
| Total current assets | | 199.6 | 128.0 | 145.0 |
| Total assets | 3 | 4,795.6 | 4,697.7 | 4,803.0 |
| SHAREHOLDERS' EQUITY AND LIABILITIES | | | | |
| 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 | | 2.2 | 0.9 | 1.4 |
| Invested unrestricted equity fund | 12 | 723.2 | 809.8 | 744.2 |
| Retained earnings | 12 | 702.7 | 641.7 | 663.8 |
| Total equity attributable to parent company shareholders | | 1,818.8 | 1,843.1 | 1,800.1 |
| Hybrid bond | | 689.7 | 347.4 | 689.1 |
| Non-controlling interest | | 0.3 | 0.2 | 0.3 |
| Total shareholders' equity | | 2,508.8 | 2,190.7 | 2,489.5 |
| Long-term liabilities | | | | |
| Loans | | 1,881.2 | 2,032.9 | 1,871.9 |
| Derivative financial instruments and other non-interest bearing liabilities | 10, 11 | 9.1 | 12.9 | 11.8 |
| Deferred tax liabilities | | 286.6 | 272.5 | 296.7 |
| Total long-term liabilities | | 2,176.9 | 2,318.4 | 2,180.5 |
| Short-term liabilities | | | | |
| Loans | | 6.7 | 99.3 | 6.5 |
| Derivative financial instruments | 10, 11 | 4.6 | 4.3 | 5.1 |
| Trade and other payables | | 98.6 | 84.9 | 121.3 |
| Total short-term liabilities | | 109.9 | 188.5 | 133.0 |
| Total liabilities | 3 | 2,286.8 | 2,506.9 | 2,313.5 |
| Total liabilities and shareholders' equity | | 4,795.6 | 4,697.7 | 4,803.0 |

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

CONDENSED CONSOLIDATED CASH FLOW STATEMENT, IFRS

| MEUR | Note | Q1/2022 | Q1/2021 | 2021 |
|--|----------|--------------|--------------|---------------|
| Cash flow from operating activities | | | | |
| Profit before taxes | | 33.9 | 32.1 | 156.5 |
| Adjustments to profit before taxes | | 7.9 | 10.3 | 22.7 |
| Cash flow before change in working capital | | 41.8 | 42.3 | 179.3 |
| Change in working capital | | -34.0 | -8.0 | 7.7 |
| Cash generated from operations | | 7.8 | 34.3 | 186.9 |
| | | | | |
| Paid interest and other financial charges | | -17.3 | -15.1 | -58.6 |
| Interest income and other financial income received | | 0.1 | 0.1 | 0.5 |
| Current taxes paid | | 0.0 | -1.4 | -2.1 |
| Net cash from operating activities | | -9.4 | 17.9 | 126.7 |
| | | | | |
| Cash flow from investing activities | | | | |
| Acquisition of subsidiaries, less cash acquired | 6,7,8 | - | 0.0 | 0.6 |
| Capital expenditure on investment properties, investments in joint ventures, intangible assets and tangible assets | 6,7,8 | -35.7 | -58.9 | -216.8 |
| Sale of investment properties and subsidiaries | 6,7,8 | 139.2 | 115.6 | 226.0 |
| Purchase of current financial investments | | -62.5 | - | -285.0 |
| Repayment of current financial investments | | 7.5 | - | 264.9 |
| Net cash used in investing activities | | 48.5 | 56.7 | -10.2 |
| | | | | |
| Cash flow from financing activities | | | | |
| Proceeds from short-term loans | | 61.0 | 563.1 | 862.3 |
| Repayments of short-term loans | | -65.0 | -689.0 | -1,082.5 |
| Proceeds from long-term loans | | - | 346.1 | 346.1 |
| Repayments of long-term loans | | -4.8 | -225.2 | -386.9 |
| Proceeds from hybrid bond | | - | - | 342.5 |
| Hybrid bond interest and expenses | | -15.7 | -15.7 | -20.3 |
| Repurchase and costs of treasury shares | | -1.6 | - | -68.6 |
| Dividends and return from the invested unrestricted equity fund | 12 | -21.0 | -22.2 | -87.8 |
| Realized exchange rate gains/losses | | -5.6 | -11.5 | -12.7 |
| Net cash from financing activities | | -52.7 | -54.4 | -107.8 |
| | | | | |
| Net change in cash and cash equivalents | | -13.6 | 20.2 | 8.6 |
| Cash and cash equivalents at period-start | 9 | 34.7 | 25.9 | 25.9 |
| Effects of exchange rate changes | | 0.9 | 0.1 | 0.3 |
| Cash and cash equivalents at period-end | 9 | 22.0 | 46.1 | 34.7 |

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY, IFRS

| MEUR | Share capital | Share premium fund | Fair value reserve | Invested unrestricted equity fund | Translation reserve | Retained earnings | Equity attributable to parent company shareholders | Hybrid bond | Non-controlling interest | Shareholders' equity, total |
|--|---------------|--------------------|--------------------|-----------------------------------|---------------------|-------------------|--|--------------|--------------------------|-----------------------------|
| Balance at 1 January 2021 | 259.6 | 131.1 | 0.2 | 823.2 | -150.9 | 755.4 | 1,818.6 | 347.2 | 0.2 | 2,166.0 |
| Total comprehensive profit/loss for the period | | | 0.8 | | 36.0 | 26.0 | 62.8 | | 0.0 | 62.8 |
| Hybrid bond interest and expenses | | | | | | -15.9 | -15.9 | 0.2 | | -15.7 |
| Dividends paid and equity return (Note 12) | | | | -13.3 | | -8.9 | -22.2 | | | -22.2 |
| Share-based payments | | | | | | -0.1 | -0.1 | | | -0.1 |
| Other changes | | | | | | 0.0 | 0.0 | | | 0.0 |
| Balance at 31 March 2021 | 259.6 | 131.1 | 0.9 | 809.8 | -114.9 | 756.6 | 1,843.1 | 347.4 | 0.2 | 2,190.7 |
| Balance at 1 January 2022 | 259.6 | 131.1 | 1.4 | 744.2 | -114.8 | 778.6 | 1,800.1 | 689.1 | 0.3 | 2,489.5 |
| Total comprehensive profit/loss for the period | | | 0.8 | | 26.1 | 29.8 | 56.7 | | 0.0 | 56.7 |
| Hybrid bond interest and expenses | | | | | | -16.3 | -16.3 | 0.6 | | -15.6 |
| Repurchase and costs of Treasury shares | | | | | | -1.6 | -1.6 | | | -1.6 |
| Dividends paid and equity return (Note 12) | | | | -21.0 | | | -21.0 | | | -21.0 |
| Share-based payments | | | | | | 0.7 | 0.7 | | | 0.7 |
| Other changes | | | | | | 0.2 | 0.2 | | | 0.2 |
| Balance at 31 March 2022 | 259.6 | 131.1 | 2.2 | 723.2 | -88.7 | 791.4 | 1,818.8 | 689.7 | 0.3 | 2,508.8 |

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 5th of May 2022.

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 2021. Citycon's interim report for the reporting period have been prepared in accordance with same accounting policies as in annual financial statements 2021 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 0.0 (0.1) million of new COVID-19 rent discounts during Q1 2022. The rent discounts were given in Finland & Estonia and Sweden & Denmark business units and have been accrued to the remaining lease period.

The company has prepared an impairment test calculation on 31 March 2022 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 Q1/2022 by EUR -0.7 million (-1.9).

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

| MEUR | Q1/2022 | Q1/2021 | % | 2021 |
|---|-------------|-------------|---------------|--------------|
| Gross rental income | | | | |
| Finland & Estonia | 23.3 | 23.2 | 0.5% | 90.7 |
| Norway | 22.1 | 21.1 | 5.1% | 85.8 |
| Sweden & Denmark | 11.0 | 13.0 | -15.4% | 45.7 |
| Total Segments | 56.4 | 57.2 | -1.4% | 222.2 |
| Kista Galleria (50%) | 2.3 | 2.6 | -9.4% | 9.8 |
| Service charge income | | | | |
| Finland & Estonia | 7.6 | 7.6 | 0.1% | 30.1 |
| Norway | 6.0 | 6.4 | -6.1% | 27.0 |
| Sweden & Denmark | 2.9 | 4.3 | -33.3% | 13.0 |
| Total Segments | 16.5 | 18.3 | -10.0% | 70.2 |
| Kista Galleria (50%) | 0.8 | 0.9 | -7.5% | 3.6 |
| Net rental income | | | | |
| Finland & Estonia | 20.9 | 20.7 | 0.9% | 85.2 |
| Norway | 20.0 | 19.2 | 4.0% | 77.8 |
| Sweden & Denmark | 8.2 | 10.5 | -21.4% | 39.2 |
| Other | 0.0 | 0.0 | 78.3% | 0.0 |
| Total Segments | 49.1 | 50.4 | -2.6% | 202.3 |
| Kista Galleria (50%) | 1.4 | 1.5 | -9.0% | 6.4 |
| Direct operating profit | | | | |
| Finland & Estonia | 19.9 | 20.3 | -1.6% | 82.5 |
| Norway | 18.6 | 18.2 | 2.5% | 73.6 |
| Sweden & Denmark | 7.0 | 9.5 | -26.1% | 33.8 |
| Other | -5.4 | -3.1 | -73.7% | -13.8 |
| Total Segments | 40.2 | 44.9 | -10.3% | 176.1 |
| Kista Galleria (50%) | 1.3 | 1.5 | -9.3% | 6.1 |
| Net fair value gains/losses on investment property | | | | |
| Finland & Estonia | 7.4 | 3.0 | - | 2.7 |
| Norway | 6.8 | -2.3 | - | 16.0 |
| Sweden & Denmark | -0.1 | 7.9 | - | 29.9 |
| Total Segments | 14.2 | 8.5 | 67.0% | 48.6 |
| Kista Galleria (50%) | -2.1 | -0.6 | - | -1.4 |
| Operating profit/loss | | | | |
| Finland & Estonia | 31.0 | 22.3 | 39.4% | 83.0 |
| Norway | 8.0 | 15.9 | -49.4% | 89.5 |
| Sweden & Denmark | 7.6 | 12.5 | -38.9% | 59.1 |
| Other | -5.4 | -3.1 | -73.7% | -13.8 |
| Total Segments | 41.3 | 47.5 | 13.0% | 217.8 |
| Kista Galleria (50%) | -0.8 | 0.8 | - | 4.7 |

| MEUR | 31 March 2022 | 31 March 2021 | % | 2021 |
|-----------------------|----------------|----------------|--------------|----------------|
| Assets | | | | |
| Finland & Estonia | 2,057.0 | 1,947.8 | 5.6% | 2,009.8 |
| Norway | 1,583.9 | 1,700.9 | -6.9% | 1,699.9 |
| Sweden & Denmark | 823.2 | 955.4 | -13.8% | 821.1 |
| Other | 331.5 | 93.6 | - | 272.2 |
| Total Segments | 4,795.6 | 4,697.7 | 2.1% | 4,803.0 |
| Kista Galleria (50%) | 262.4 | 261.4 | 0.4% | 263.3 |
| Liabilities | | | | |
| Finland & Estonia | 24.8 | 18.7 | 32.2% | 39.8 |
| Norway | 25.6 | 55.4 | -53.8% | 36.4 |
| Sweden & Denmark | 18.5 | 30.3 | -39.0% | 131.6 |
| Other | 2,217.9 | 2,402.4 | -7.7% | 2,105.7 |
| Total Segments | 2,286.8 | 2,506.9 | -8.8% | 2,313.5 |
| Kista Galleria (50%) | 256.6 | 251.0 | 2.2% | 256.8 |

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 | Q1/2022 | Q1/2021 | % | 2021 |
|--|-------------|-------------|---------------|-------------|
| Service charges ¹⁾ | 13.2 | 14.6 | -9.8% | 53.6 |
| Utility charges ¹⁾ | 1.7 | 1.9 | -6.5% | 8.4 |
| Other service income ¹⁾ | 1.6 | 1.8 | -15.0% | 8.1 |
| Management fees ²⁾ | 0.1 | 0.4 | -62.1% | 0.9 |
| Revenue from contracts with customers | 16.6 | 18.7 | -11.0% | 71.1 |

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

| | | Q1/2022 | Q1/2021 | % | 2021 |
|---|------------|-------------|-------------|-------------|-------------|
| Earnings per share, basic | | | | | |
| Profit attributable to parent company shareholders | MEUR | 29.8 | 26.0 | 14.5% | 121.0 |
| Hybrid bond interests and expenses | MEUR | -7.5 | -4.0 | 87.7% | -24.3 |
| Weighted average number of ordinary shares ¹⁾ | million | 168.0 | 178.0 | -5.6% | 177.0 |
| Earnings per share (basic) ¹⁾ | EUR | 0.13 | 0.12 | 7.2% | 0.55 |
| Earnings per share, diluted | | | | | |
| Profit attributable to parent company shareholders | MEUR | 29.8 | 26.0 | 14.5% | 121.0 |
| Hybrid bond interests and expenses | MEUR | -7.5 | -4.0 | 87.7% | -24.3 |
| Weighted average number of ordinary shares ¹⁾ | million | 168.0 | 178.0 | -5.6% | 177.0 |
| Adjustment for share-based incentive plans | million | 2.9 | 0.2 | - | 0.4 |
| Weighted average number of ordinary shares, diluted ¹⁾ | million | 170.9 | 178.2 | -4.1% | 177.4 |
| Earnings per share (diluted) ¹⁾ | EUR | 0.13 | 0.12 | 5.5% | 0.54 |

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

6. INVESTMENT PROPERTIES

Citycon divides its investment properties into two categories: Investment Properties Under Construction (IPUC) and Operative Investment Properties. On reporting date and the comparable period 31 March 2021, the first mentioned category included Lippulaiva in Finland.

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

31 March 2022

| MEUR | Investment properties under construction (IPUC) | Operative investment properties | Investment properties, total |
|--|---|---------------------------------------|------------------------------------|
| At period-start | 382.3 | 3,807.0 | 4,189.2 |
| Investments | 22.2 | 10.7 | 32.9 |
| Capitalized interest | 2.6 | 0.0 | 2.6 |
| Fair value gains on investment property | - | 31.4 | 31.4 |
| Fair value losses on investment property | -1.1 | -14.5 | -15.6 |
| Valuation gains and losses from Right-of-Use-Assets | - | -1.7 | -1.7 |
| Exchange differences | - | 34.1 | 34.1 |
| Changes in right-of-use assets classified as investment properties (IFRS 16) | - | 5.2 | 5.2 |
| At period-end | 406.0 | 3,872.2 | 4,278.2 |

31 March 2021

| MEUR | Investment properties under construction (IPUC) | Operative investment properties | Investment properties, total |
|--|---|------------------------------------|---------------------------------|
| At period-start | 271.5 | 3,880.7 | 4,152.2 |
| Investments | 25.0 | 6.4 | 31.4 |
| Disposals | -9.0 | 0.0 | -9.0 |
| Capitalized interest | 1.6 | 0.1 | 1.6 |
| Fair value gains on investment property | 1.4 | 17.2 | 18.5 |
| Fair value losses on investment property | - | -8.5 | -8.5 |
| Valuation gains and losses from Right-of-Use-Assets | - | -1.5 | -1.5 |
| Exchange differences | - | 54.8 | 54.8 |
| Transfer between operative investment properties, joint ventures and transfer into investment properties held for sale | - | -0.5 | -0.5 |
| Changes in right-of-use assets classified as investment properties (IFRS 16) | - | -0.6 | -0.6 |
| At period-end | 290.5 | 3,948.0 | 4,238.4 |

31 December 2021

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

The fair value of Citycon's investment properties for the Q1/2022 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 Financial statement 2021.

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

| MEUR | Weighted average yield requirement, % | | | Weighted average market rents, EUR/sq.m./mo | | |
|---|--|------------------|---------------------|--|------------------|---------------------|
| | 31 March 2022 | 31 March 2021 | 31 December 2021 | 31 March 2022 | 31 March 2021 | 31 December 2021 |
| Finland & Estonia | 5.3 | 5.5 | 5.3 | 28.5 | 29.5 | 27.8 |
| Norway | 5.4 | 5.6 | 5.4 | 22.5 | 22.6 | 21.8 |
| Sweden & Denmark | 5.5 | 5.6 | 5.5 | 26.5 | 27.8 | 26.6 |
| Investment properties, average | 5.4 | 5.5 | 5.4 | 26.0 | 26.7 | 25.4 |
| Investment properties and Kista Galleria (50%), average | 5.3 | 5.5 | 5.4 | 26.0 | 27.0 | 25.7 |

7. CAPITAL EXPENDITURE

| MEUR | Q1/2022 | Q1/2021 | 2021 |
|---|-------------|-------------|--------------|
| Acquisitions of properties ¹⁾ | - | - | -0.6 |
| Acquisitions of and investments in joint ventures | - | 27.4 | 29.2 |
| Property development ²⁾ | 35.5 | 33.1 | 191.0 |
| Goodwill and other investments | 1.3 | 0.6 | 4.5 |
| Total capital expenditure incl. acquisitions | 36.8 | 61.1 | 224.1 |

Capital expenditure by segment

| | | | |
|---|-------------|-------------|--------------|
| Finland & Estonia | 28.5 | 29.0 | 163.6 |
| Norway | 4.4 | 2.5 | 21.7 |
| Sweden & Denmark | 2.7 | 29.4 | 35.2 |
| Group administration | 1.3 | 0.3 | 3.6 |
| Total capital expenditure incl. acquisitions | 36.8 | 61.1 | 224.1 |

| | | | |
|----------------------------------|--------------|--------------|--------------|
| Divestments ³⁾ | 155.2 | 156.3 | 265.3 |
|----------------------------------|--------------|--------------|--------------|

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

²⁾ Comprises mainly of investments in Lippulaiva.

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

8. INVESTMENT PROPERTIES HELD FOR SALE

On 31 March 2022 and on the comparison date 31 March 2021 Citycon had no held for sale properties. On 31 December 2021 Investment Properties Held for Sale comprised of two properties in Norway segment, which were sold during Q1 2022.

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

| MEUR | 31 March 2022 | 31 March 2021 | 2021 |
|-------------------------------------|---------------|---------------|--------------|
| At period-start | 150.9 | 149.7 | 149.7 |
| Disposals | -155.2 | -147.3 | -256.3 |
| Exchange differences | 4.3 | -3.0 | -3.2 |
| Investments | 0.0 | 0.0 | 0.0 |
| Transfer from investment properties | 0.0 | 0.5 | 260.5 |
| At period-end | 0.0 | 0.0 | 150.9 |

9. CASH AND CASH EQUIVALENTS

| MEUR | 31 March 2022 | 31 March 2021 | 31 December 2021 |
|--|---------------|---------------|------------------|
| Cash in hand and at bank | 14.6 | 39.3 | 26.8 |
| Restricted cash | 7.5 | 6.9 | 7.9 |
| Total cash | 22.0 | 46.1 | 34.7 |
| Current financial investments | 74.7 | - | 19.9 |
| Total cash and cash investments | 96.8 | 46.1 | 54.7 |

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

10. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

Classification of financial instruments and their carrying amounts and fair values

| MEUR | 31 March 2022 | | 31 March 2021 | | 31 December 2021 | |
|--|-----------------|------------|-----------------|------------|------------------|------------|
| | 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 | 74.7 | 75.0 | - | - | 19.9 | 20 |
| Derivative financial instruments | 18.5 | 18.5 | 16.6 | 16.6 | 14.8 | 14.8 |
| II Derivative contracts under hedge accounting | | | | | | |
| Derivative financial instruments | 2.2 | 2.2 | 0.9 | 0.9 | 1.4 | 1.4 |
| Financial liabilities | | | | | | |
| I Financial liabilities amortised at cost | | | | | | |
| Loans | - | - | - | - | - | - |
| Loans from financial institutions | - | - | 93.8 | 93.8 | - | - |
| Bonds | 1,841.3 | 1,864.5 | 1,991.7 | 2,021.9 | 1,835.3 | 1,860.3 |
| Lease liabilities (IFRS 16) | 46.6 | 46.6 | 46.8 | 46.8 | 43.2 | 43.2 |
| II Financial liabilities at fair value through profit and loss | | | | | | |
| Derivative financial instruments | 13.4 | 13.4 | 16.2 | 16.2 | 16.7 | 16.7 |
| III Derivative contracts under hedge accounting | | | | | | |
| Derivative financial instruments | - | - | - | - | - | - |

11. DERIVATIVE FINANCIAL INSTRUMENTS

| MEUR | 31 March 2022 | | 31 March 2021 | | 31 December 2021 | |
|-------------------------------------|----------------|------------|----------------|------------|------------------|-------------|
| | Nominal amount | Fair value | Nominal amount | Fair value | Nominal amount | Fair value |
| Interest rate swaps | | | | | | |
| Maturity: | | | | | | |
| less than 1 year | - | - | - | - | - | - |
| 1-5 years | 82.4 | 2.2 | 80.0 | 0.9 | 80.1 | 1.4 |
| over 5 years | - | - | - | - | - | - |
| Subtotal | 82.4 | 2.2 | 80.0 | 0.9 | 80.1 | 1.4 |
| Cross-currency swaps | | | | | | |
| Maturity: | | | | | | |
| less than 1 year | - | - | - | - | - | - |
| 1-5 years | 314.8 | 8.8 | - | - | 314.8 | 2.3 |
| over 5 years | - | - | 314.8 | 4.2 | - | - |
| Subtotal | 314.8 | 8.8 | 314.8 | 4.2 | 314.8 | 2.3 |
| Foreign exchange forward agreements | | | | | | |
| Maturity: | | | | | | |
| less than 1 year | 178.1 | -3.8 | 310.2 | -3.8 | 322.1 | -4.1 |
| Total | 575.3 | 7.2 | 705.0 | 1.3 | 717.0 | -0.4 |

Derivative financial instruments are used in hedging the interest rate and foreign currency risk. Hedge accounting is applied for interest swaps which have a nominal amount of EUR 82.4 million (80.0). 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 2022 decided that no dividend is distributed by a resolution of the AGM and authorised the Board of Directors to decide in its discretion on the distribution of assets from the invested unrestricted equity fund. Based on the authorisation the maximum amount of equity repayment to be distributed from the invested unrestricted equity fund shall not exceed EUR 0.50 per share. The authorisation is valid until the opening of the next AGM.

On the basis of the authorisation mentioned above and explained in interim report sections 12 and 13 the Board of Directors decided in March 2022 to distribute equity repayment of EUR 0.125 per share, or EUR 21.0 million. Following the equity repayment paid on 31 March 2022, the remaining authorisation for equity repayment is EUR 0.375 per share.

Preliminary payment dates for equity repayments to be distributed on basis of the authorization are 30 June 2022, 30 September 2022 and 30 December 2022. 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 78.9 million were distributed during the financial year 2021, of which EUR 8.9 million dividend and EUR 13.3 million equity repayment were distributed during the first quarter of 2021.

13. CONTINGENT LIABILITIES

| MEUR | 31 March 2022 | 31 March 2021 | 31 December 2021 |
|---|---------------|---------------|------------------|
| Mortgages on land and buildings | 250.0 | 250.0 | 250.0 |
| Bank guarantees and parent company guarantees | 93.3 | 94.3 | 92.8 |
| Capital commitments | 72.0 | 175.0 | 81.7 |

The mortgage relates to the secured Revolving Credit Facility, which is currently fully undrawn. At period-end, Citycon had capital commitments of EUR 72.0 million (175.0) 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. In total, Gazit and wholly-owned subsidiary Gazit Europe Netherlands own 51.96% (49.2%) of the total shares and votes in the company.

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

REPORT ON REVIEW OF CITYCON OYJ'S INTERIM FINANCIAL INFORMATION FOR THE PERIOD JANUARY 1 – MARCH 31, 2022

TO THE BOARD OF DIRECTORS OF CITYCON OYJ

Introduction

We have reviewed the accompanying consolidated condensed statement of financial position of Citycon Oyj as of March 31st, 2022 and the related condensed statement of comprehensive income, condensed statement of changes in shareholders' equity, condensed cash flow statement and explanatory notes for the three-month period then ended. The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of interim financial information in accordance with International Accounting Standard 34 Interim Financial Reporting and in accordance with other laws and regulations governing the preparation of the interim financial information in Finland. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Conclusion

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

Helsinki, May 5th 2022

Ernst & Young Oy
Accountant Firm

Antti Suominen
Authorized Public Accountant