



Q3/2022

Interim report

January–September

Operational performance Q1–Q3/2022

+5.2%

Like-for-like NRI growth
in Q1–Q3/2022
(vs. Q1–Q3/2021)

+7.8%

Standing net rental income growth
in Q1–Q3/2022
(vs. Q1–Q3/2021)

+10.8%

Standing EPRA EPS
(vs. Q1–Q3/2021)

+12.1%

Like-for-like footfall increase
(vs. Q1–Q3/2021)

94.9%

Retail occupancy

+7.0%

Like-for-like tenant sales
(vs. Q1–Q3/2021)

+1.0EUR &
23.6EUR

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

92%

Indexation with majority
impact occurring in 2023

139.9MEUR

IFRS operating profit Q1–Q3/2022

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

CEO remarks:

Citycon continued to demonstrate strong performance amidst a challenging macroeconomic environment. Just as the company outperformed during the covid crisis, the stability of our business model continues to prove itself.

During the third quarter, like-for-like net rental income increased 3.4% and 5.2% year-to-date over the same periods last year. This improvement was driven by like-for-like tenant sales, which were 7.0% above YTD 2021. Footfall continued its positive development as like-for-like footfall Q3/2022 and YTD was 4.3% and 12.1% above the same periods last year, respectively.

Operational key figures have surpassed pre-covid, 2019 levels. Like-for-like tenant sales were 7.2% above YTD 2019 and average rent has increased EUR 0.8 compared to Q3/2019. This reflects the stability of Citycon's grocery- and municipal-anchored centres that are connected to transportation hubs.

Our leasing activity remained strong in Q3 as we signed 21,000 square meters of new leases with a positive leasing spread of 1.7%. Retail occupancy at the quarter's end was 94.9%. This is a testament to the attractiveness of our locations for our tenants to generate sales and operate profitably. This leasing activity contributed to retail occupancy remaining high and an average rent increase of EUR 1.0 to EUR 23.6 per sq.m. from the year end 2021.

Citycon will realize rental growth due to inflation in Q1/2023 with 92% of our leases indexed to inflation. In our markets inflation estimates are approximately 7–8%, which bodes well for growth in 2023. It should be noted that our tenants have some of the lowest occupancy cost ratios in the retail space. Inclusive of service charges, the average OCR of our portfolio is 9.0%, providing ample headroom for rent growth in a rising sales environment. Further, our limited reliance on fashion in favour of necessity-based goods and services, such as groceries, are less dependent on discretionary income.

With the completion of the retail phase of Lippulaiva (along with the recently announced opening of the metro station on December 3, 2022) and limited capital commitments in 2023, we anticipate that Citycon's capital expenditures will be materially lower in 2023. In addition to typical maintenance and tenant improvement capex, in 2023 we have only approximately EUR 8 million committed development capex at guaranteed, fixed pricing. We continue to make progress on creating development rights, requiring minimal capital. These reduced capital commitments increase operational free cash flow, providing additional support for the balance sheet.

Looking to our balance sheet, Citycon continues to recycle capital in order to strengthen its investment grade balance sheet and maintain flexibility. In September, and subsequent to quarter end, we repurchased additional unsecured bonds at a discount in the open market for EUR 29.0 million notional. Year-to-date, Citycon has now repurchased EUR 108.3 million of notional bonds during 2022 by using approx. EUR 98.7 million of cash at an average yield of 4.9%.

During the quarter, Citycon registered two assets worth approximately EUR 125 million as 'held for sale'. These transactions are in due diligence and are expected to close late in Q4/2022 with the sale proceeds earmarked to pay down debt. Excluding these assets, we have sold EUR 400 million of assets since 2021. Over the next 24 months, Citycon is targeting EUR 500 million of asset sales, inclusive of the two assets held for sale, and intends to use the proceeds to repay debt. Net fair value gain of our investment properties was EUR 0.9 million in Q3 and year-to-date EUR 23.1 million, on the strength of indexation increases and building rights development, mainly at Trekanten where zoning was approved in the third quarter.

These actions, combined with continued strong operating metrics, reduced capex spend, and positive future growth driven by indexation, further stabilises Citycon's well-laddered maturity profile and credit metrics. We have no significant maturities until October 2024, 95% of our consolidated debt is fixed, 100% of our assets are unencumbered, and we have over EUR 500 million of liquidity. As a result, Citycon is well positioned to continue to thrive despite near term disruption in the credit market.

The business model of urban hubs containing necessity retail and residential units in major markets attached to public transportation provides an attractive value proposition for all stakeholders. As a result of the solid quarter and the confidence we have in the business, we are reaffirming our guidance.

F. Scott Ball

Vice Chairman and Chief Executive Officer

Citycon results summary:

Strong operational performance

- Like-for-like net rental income in Q3 increased 3.4% compared to the previous year
- Year-to-date, LFL net rental income increased 5.2%
- Like-for-like footfall in Q3 increased 4.3% and year-to-date 12.1%
- Like-for-like tenant sales in Q3 increased 0.1%; 7.9% higher than the same period in Q3/2019 (pre-pandemic level)
 - Year-to-date, like-for-like tenant sales increased 7.0% compared to previous year and 7.2% compared to Q1–Q3/2019 (pre pandemic level)
- Year-to-date, total average rent per sq.m. increased by EUR +1.0 to EUR 23.6 per sq.m through the combination of indexation and positive leasing spread (Indexation is calculated at the end of each year so 2023 will benefit from current of inflation impact on rents)
- Operating properties recorded a seventh consecutive quarter of uplift as fair value change of investment properties in Q3/2022 increased by EUR 0.9 million

Development activities: capital expenditures declining

- With the completion of the retail phase of Lippulaiva and limited capital commitments in 2023, we anticipate that Citycon's capital expenditures will be lower in 2023.
- Currently, all construction commitments are at guaranteed fix pricing
 - 6 of 8 residential towers in Lippulaiva under construction and opening between 2022–2024 (Citycon will own 6).
- Continue to execute on approximately EUR 300 million of additional building rights' potential in our existing portfolio with minimal capital expenditure required
 - Trekanten, Norway: new zoning plan approved signaling a significant milestone in the realization of the building rights
 - Opportunity to sell, develop or execute strategic joint ventures

Balance sheet: continued capital recycling to repurchase debt

- Repurchased EUR 29 million of notional bonds in September and subsequent to quarter end
 - Citycon has now completed EUR 108.3 million notional amount of bond repurchases by using approx. EUR 98.7 million of cash
- Citycon registered two assets worth approximately EUR 125 million as 'held for sale' with the sale proceeds earmarked to pay down debt.
 - Excluding these assets, we have sold EUR 400 million of assets since 2021
 - Over the next 24 months, Citycon is targeting EUR 500 million of asset sales, inclusive of the two assets held for sale, and intends to use the proceeds to repay debt.
- Investment grade balance sheet:
 - No significant maturities until October 2024
 - 95% of debt is fixed
 - 100% of assets unencumbered
 - Approximately EUR 537 million of liquidity.

Key figures

		Q3/2022	Q3/2021	%	FX Adjusted % ¹	Q1-Q3 /2022	Q1-Q3 /2021	%	FX Adjusted % ¹	Q1-Q4 /2021
Net rental income	MEUR	50.6	51.3	-1.3%	-1.7%	152.4	152.5	-0.1%	-0.3%	202.3
<i>Like-for-like net rental income development</i>	%	3.4	0.4	-	-	5.2	-2.9	-	-	-1.5
Direct operating profit ²	MEUR	43.7	44.7	-2.4%	-2.9%	130.1	133.7	-2.7%	-3.0%	176.1
IFRS Earnings per share (basic) ³	EUR	0.09	0.01	-	-	0.35	0.32	8.8%	8.1%	0.55
Fair value of investment properties	MEUR	4,094.3	4,215.3	-2.9%	-	4,094.3	4,215.3	-2.9%	-	4,189.2
Loan to Value (LTV) ^{2,4,6}	%	41.7	39.6	5.3%	-	41.7	39.6	5.3%	-	40.3
EPRA based key figures²										
EPRA Earnings	MEUR	29.8	32.5	-8.3%	-8.7%	90.1	96.8	-6.9%	-7.3%	124.4
Adjusted EPRA Earnings ³	MEUR	22.1	24.9	-11.3%	-11.8%	67.3	80.1	-16.0%	-16.4%	100.0
EPRA Earnings per share (basic)	EUR	0.177	0.183	-2.8%	-3.2%	0.536	0.544	-1.4%	-1.8%	0.703
Adjusted EPRA Earnings per share (basic) ³	EUR	0.132	0.140	-6.0%	-6.5%	0.400	0.450	-11.0%	-11.5%	0.565
EPRA NRV per share ⁵	EUR	11.68	11.58	0.8%	-	11.68	11.58	0.8%	-	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 key figure includes hybrid bond coupons and amortized fees.

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

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

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

Standing portfolio key figures¹		Q3/2022	Q3/2021	%	Q1-Q3/2022	Q1-Q3/2021	%
Net rental income	MEUR	50.6	48.1	5.3%	151.1	140.3	7.8%
Direct operating profit ²	MEUR	43.6	41.5	5.1%	128.8	121.9	5.7%
EPRA based key figures²							
EPRA Earnings	MEUR	29.8	29.3	1.7%	88.9	84.9	4.6%
Adjusted EPRA Earnings ³	MEUR	22.1	21.8	1.7%	66.0	68.3	-3.3%
EPRA Earnings per share (basic)	EUR	0.177	0.165	7.7%	0.529	0.477	10.8%
Adjusted EPRA Earnings per share (basic) ³	EUR	0.132	0.122	7.7%	0.393	0.384	2.5%

¹ Standing portfolio key figures include only income and expenses from investment properties that were on group balance sheet on 30 September 2022. The portfolio is the same in the reporting period and in the comparison period, hence the numbers are comparable. Lippulaiva (opened on the 31st of March 2022) is included in the standing portfolio.

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

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

Outlook for the year 2022

Citycon reaffirms its prior full-year guidance at the levels noted in the table below:

		Current outlook (10 November 2022)	Previous (10 August 2022)	Midpoint change vs previous	Initial (17 February 2022)	Midpoint change vs. initial
Direct operating profit	MEUR	170-180	170-180	0	164-180	+3
EPRA Earnings per share (basic)	EUR	0.68-0.72	0.68-0.72	0	0.62-0.72	+0.03
Adjusted EPRA Earnings per share (basic)	EUR	0.50-0.58	0.50-0.58	0	0.48-0.58	+0.01

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

1. Net rental income

Like-for-like net rental income in Q3 increased 3.4% compared to Q3/2021.

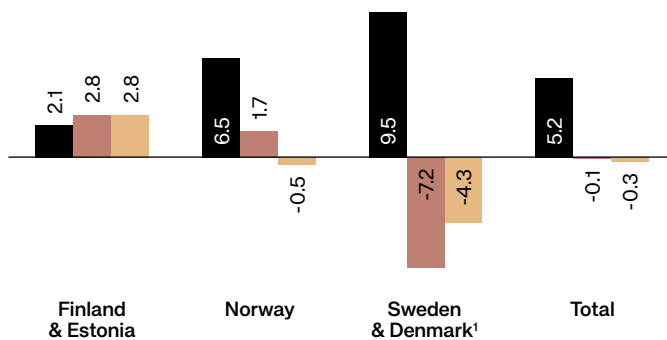
Like-for-like net rental income in Q1–Q3/2022 increased by 5.2%.

Total net rental income for the period was EUR 152.4 million (Q1–Q3/2021: EUR 152.5 million).

Like-for-like net rental income from the Finnish & Estonian operations increased by 2.1% in Q1–Q3/2022. Like-for-like net rental income from Swedish & Danish operations increased by 9.5% in Q1–Q3/2022. Like-for-like net rental income from the Norwegian operations increased by 6.5% in Q1–Q3/2022. Like-for-like net rental income from the Norwegian operations increased by 6.5% in Q1–Q3/2022.

Like-for-like and total net rental income development, Q1–Q3/2022 vs. Q1–Q3/2021

%



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

¹ Total NRI impacted by disposals executed in 2021

Net rental income and gross rental income breakdown

MEUR	Net rental income				Gross rental income	
	Finland & Estonia	Norway	Sweden & Denmark	Other	Total	Total
Q1–Q3/2021	65.0	57.6	29.5	0.4	152.5	166.6
(Re)development projects	5.0	1.1	-0.7	-	5.3	6.2
Divestments	-4.2	-4.4	-2.4	-	-11.0	-11.4
Like-for-like properties ¹	1.0	2.9	1.9	-	5.8	5.6
Other (incl. exchange rate differences)	0.0	1.4	-0.9	-0.7	-0.2	0.5
Q1–Q3/2022	66.8	58.6	27.4	-0.3	152.4	167.5

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.

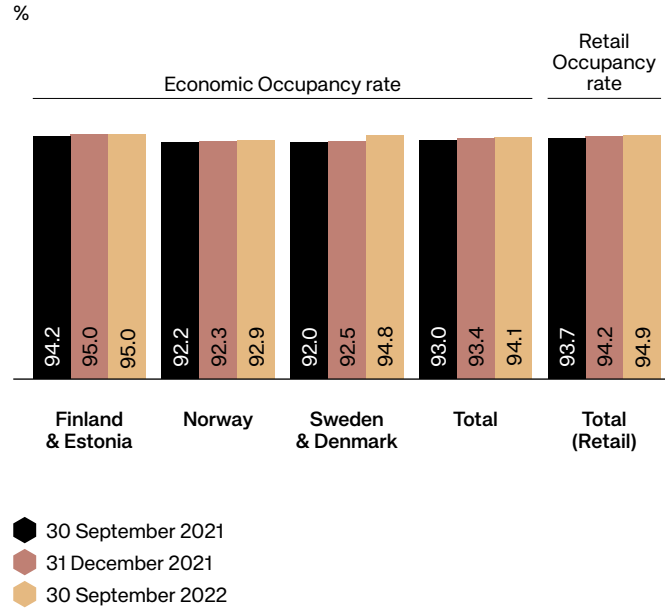
2. Occupancy, sales and footfall

The retail occupancy rate increased to 94.9% in Q3/2022 and was 120 bps higher versus the same time last year (Q3/2021: 93.7%). Economic occupancy for Q3/2022 was 94.1% (Q3/2021: 93.0%). Furthermore, the average rent per sq.m. remained stable at 23.6 EUR (Q2/2022: 23.6 EUR) as we leased over 21,000 sq.m. during the third quarter. Year-to-date, average rent per sq.m. has improved by 1.0 EUR during the year and our leasing spread is +1.7%.

Like-for-like tenant sales increased 0.1% in Q3/2022 and increased +7.0% for Q1–Q3/2022 compared to the same time last year. Notably, like-for-like tenant sales in Q1–Q3/2022 are up +7.2% compared to the same time period in 2019.

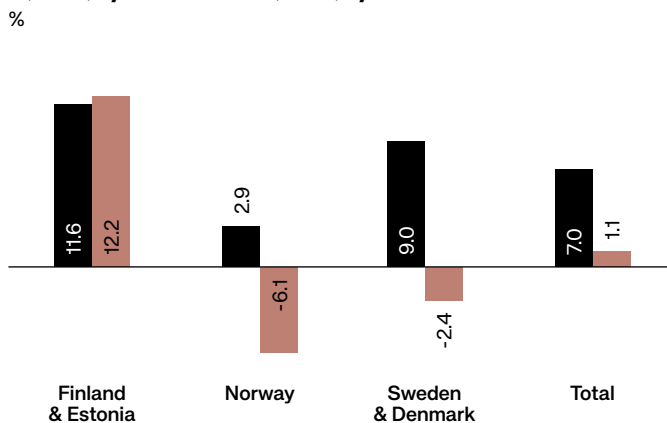
Like-for-like footfall increased by +4.3% in Q3/2022 and 12.1% in Q1–Q3/2022 compared to the same period last year.

Occupancy rate¹



¹ Kista Galleria 50% and Lippulaiva not included.

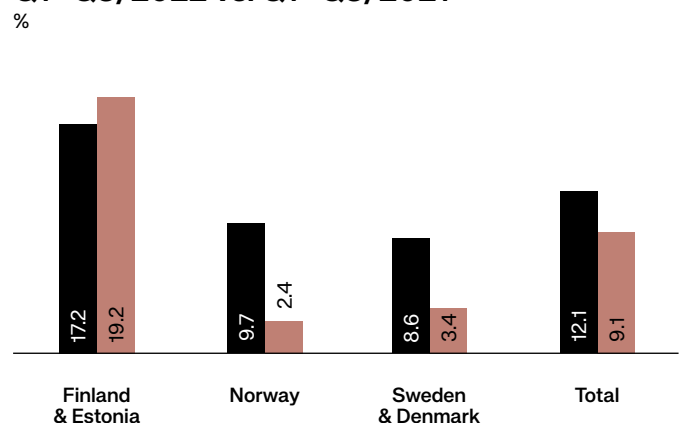
Tenant sales development, Q1–Q3/2022 vs. Q1–Q3/2021¹



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

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

Footfall development, Q1–Q3/2022 vs. Q1–Q3/2021¹



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

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

Lease portfolio summary¹

		30 September 2022	30 September 2021	31 December 2021
Number of leases	pcs	3,245	3,381	3,326
Average rent	EUR/sq.m.	23.6	22.7	22.6
Average remaining length of lease portfolio	years	3.4	3.2	3.1
Occupancy cost ratio ²	%	9.0%	9.0%	8.8%
Leasing Spread	%	1.7%	-1.6%	-1.3%

¹ Kista Galleria 50% not included.

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

Leasing activity¹

		Q1–Q3/2022	Q1–Q3/2021	Q1–Q4/2021
Total area of leases started	sq.m.	219,344	202,240	247,526
Total area of leases ended	sq.m.	221,134	256,687	319,011

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

3. Financial result Q1–Q3/2022 vs. Q1–Q3/2021

Operating profit (IFRS) was EUR 139.9 million (Q1–Q3/2021: EUR 134.4 million).

Administrative expenses were EUR 21.3 million (Q1–Q3/2021: EUR 18.9 million), mainly due to IFRS treatment of share-based compensation. At the end of the reporting period, Citycon Group employed a total of 245 (30 September 2021: 247) full-time employees (FTEs), of whom 56 worked in Finland & Estonia, 78 in Norway, 46 in Sweden & Denmark, and 65 in Group functions.

Net financial expenses (IFRS) decreased to EUR 29.7 million (Q1–Q3/2021: EUR 38.4 million) due to lower interest expenses following lower debt levels, coupled with indirect one-off gains related to prepayment of debt. The comparison period included indirect one-off costs related to prepayment of debt. In addition, EUR 2.9 million indirect loss (Q1–Q3/2021: EUR 0.1 million gain) 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 -10.1 million (Q1–Q3/2021: EUR -6.3 million) mainly due to weaker development of property fair values in joint venture Kista.

Profit for the period was EUR 81.3 million (Q1–Q3/2021: EUR 73.6 million).

4. Property portfolio value development

From year-end the fair value of investment properties decreased by EUR 94.9 million (31 December 2021: EUR 4,189.2 million). Net investments, including both acquisitions and disposals and development projects increased the fair value by EUR 119.8 million. Fair value gains increased the value of investment properties by EUR 23.1 million, offsetting the impact of exchange rates, which decreased the value of investment properties by EUR 118.3 million. In addition, changes in right-of-use –assets increased the value of investment properties by an additional EUR 5.9 million and transfer into investment properties held for sale decreased the value by EUR 125.3 million.

Property portfolio summary

30 September 2022	No. of properties	Gross leasable area	Fair value, MEUR	Properties held for sale, MEUR	Portfolio, %
Shopping centres, Finland & Estonia ¹	9	421,257	2,021.5	-	48%
Other properties, Finland & Estonia	3	23,240	27.9	-	1%
Finland & Estonia, total	12	444,497	2,049.4	-	49%
Shopping centres, Norway	15	396,900	1,218.8	125.3	32%
Rented shopping centres, Norway ²	1	14,500	-	-	-
Norway, total	16	411,400	1,218.8	125.3	32%
Shopping centres, Sweden & Denmark	7	209,500	773.4	-	18%
Other properties, Sweden & Denmark	1	-	6.3	-	0%
Sweden & Denmark, total	8	209,500	779.7	-	18%
Shopping centres, total	32	1,042,157	4,013.7	125.3	98%
Other properties, total	4	23,240	34.2	-	1%
Investment properties, total	36	1,065,397	4,047.9	125.3	99%
Right-of-use assets classified as investment properties (IFRS 16)	-	-	46.5	-	1%
Investment properties in the statement of financial position, total	36	1,065,397	4,094.3	125.3	100%
Kista Galleria (50%)	1	46,350	227.8	-	-
Investment properties and Kista Galleria (50%), total	37	1,111,747	4,322.1	125.3	-

¹ Includes Lippulaiva rental apartments.

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

Q1–Q3/2022 fair value change of investment properties amounted to EUR 23.1 million (Q1–Q3/2021: EUR 5.9 million). The company recorded a total value increase of EUR 61.8 million (Q1–Q3/2021: EUR 46.9 million) and a total value decrease of EUR 33.6 million (Q1–Q3/2021: EUR 30.8 million). In addition, the application of IFRS 16 standard had an impact of EUR -5.1 million to the fair value change of investment properties during the January–September reporting period.

Fair value changes

MEUR	Q3/2022	Q3/2021	Q1–Q3/2022	Q1–Q3/2021	Q1–Q4/2021
Finland & Estonia	-8.1 ¹	-12.1	3.0	-5.5	3.4
Norway	5.5	1.7	13.8	10.3	26.2
Sweden & Denmark	5.3	-0.9	11.4	11.4	30.8
Investment properties, total	2.6	-11.2	28.2	16.2	60.4
Right-of-use assets classified as investment properties (IFRS 16)	-1.7	-7.3	-5.1	-10.2	-11.8
Investment properties in the statement of financial position, total	0.9	-18.5	23.1	5.9	48.6
Kista Galleria (50%)	-5.4	-1.7	-12.4	-2.8	-1.4
Investment properties and Kista Galleria (50%), total	-4.5	-20.3	10.7	3.1	47.2

¹ Primarily driven by deferred capitalized interest charge at Lippulaiva.

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

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

5. Capital recycling

No transaction activity occurred in Q3/2022.

In Q1/2022 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 2022 an off-market, forward commitment to acquire newly developed residential asset in Stockholm, Sweden for a fixed price of 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 to evaluate opportunistic capital recycling actions going forward.

Acquisitions and divestments Q1–Q3/2022

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

	Location	Area before/after, sq.m.	Expected gross-investment, MEUR	Actual gross investment by 30 September 2022, MEUR	Completion
Lippulaiva residentials	Helsinki metropolitan area, Finland	-/18,000	90.5	52.4	2022–2024
Herkules, residentials (50%)	Skien, Norway	-/7,600	28.0	6.0	2024
Barkarby, residentials	Stockholm, Sweden	-/12,950	69.5 ¹	6.6 ¹	2024

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

Completed (re)development projects on Q1–Q3/2022

	Location	Area before/after, sq.m.	Expected investment, MEUR	Actual investment by 30 September 2022, MEUR	Completion
Lippulaiva shopping centre	Helsinki metropolitan area, Finland	19,200/44,300	373.4 ¹	365.0 ¹	Q1/2022

¹ Expected gross investment is 423.4 MEUR with the proceeds from net rental income of Lippulaiva, sale of additional building rights and metro & bus terminal offsetting for a expected net investment of 373.4 MEUR. Actual gross investment by 30 September 2022 was 415.0 MEUR.

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

7. Shareholders' equity

Equity per share was EUR 14.35 (31 December 2021: EUR 14.80). Result for the period increased equity per share and paid equity return and translation losses decreased it.

At period-end, **shareholders' equity** attributable to parent company's shareholders was EUR 1,720.5 million (31 December 2021: EUR 1,800.1 million).

8. Financing

Key financing figures

		Q3/2022	Q3/2021	Q4/2021
Fair value of debt	MEUR	1,836.9	2,086.7	1,860.3
Interest bearing liabilities, carrying value ¹	MEUR	1,862.4	2,103.9	1,878.5
Available liquidity	MEUR	537.0	832.7	583.7
Average loan maturity	years	3.3	4.0	4.2
Loan to Value (LTV) ²	%	41.7	39.6	40.3 ³
Interest cover ratio (financial covenant > 1.8)	x	4.2	4.0	4.1
Net debt to total assets (financial covenant < 0.60)	x	0.39	0.36	0.38
Solvency ratio (financial covenant < 0.65)	x	0.41	0.37	0.39
Secured solvency ratio (financial covenant < 0.25)	x	0.00	0.00	0.00

¹ Including EUR 44.1 million (Q1–Q3/2021: EUR 44.2 million) IFRS 16 lease liabilities

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

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

In September, the company returned to repurchase bonds in the open market, still at a discount. A total of EUR 2 million was repurchased of the 2024 notes and EUR 26.95 million of the 2027 notes. EUR 25.95 million was executed during the end of Q3/2022 and EUR 3.0 million during the beginning of Q4/2022.

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

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

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

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

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

Interest-bearing debt

Fair value of interest-bearing debt increased during the quarter by EUR 39.8 million to EUR 1,836.9 million, mainly due to an increase in commercial paper following coupon payments, capex and repurchases of bonds and despite weakening of the NOK currency rate. The carrying amount of interest-bearing liabilities in the balance sheet was EUR 1,862.4 million including IFRS 16 liabilities of EUR 44.1 million.

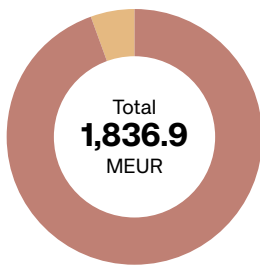
The weighted average loan maturity decreased during the quarter and stands at 3.3 years.

The LTV (IFRS) increased during the quarter to 41.7%. This was mainly due to weaker SEK and NOK currency rates which had a negative impact on property valuations and, as a result, LTV.

Citycon does not have any significant debt maturities until 2024 when the credit facility matures in June and the EUR 498 million unsecured senior notes mature in October.

Breakdown of loans

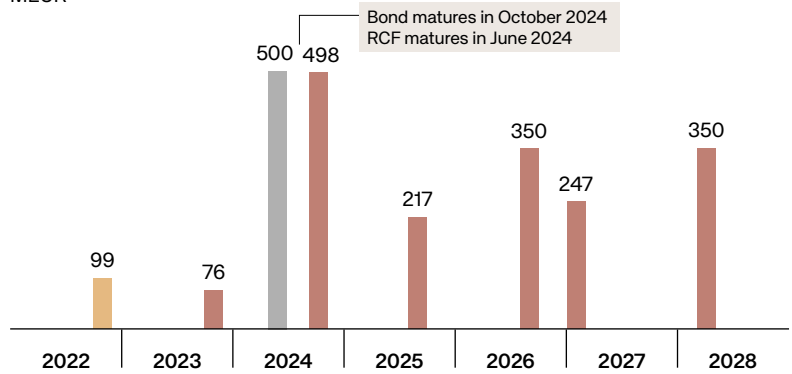
%



- Bank loans **0.0**
- Bonds **94.6**
- Commercial papers **5.4**

Debt maturities

MEUR



- Bank loans **0.0**
- Bonds **1,737.6**
- Commercial papers **99.3¹**
- Undrawn committed credit facilities **500.0**

¹ CP level was elevated at quarter end due to timing effects related to cash receipts from confirmed small assets disposition.

Financial expenses

Financial expenses key figures Q1–Q3/2022

		Q1–Q3/2022	Q1–Q3/2021	Q1–Q4/2021
Financial expenses ¹	MEUR	-44.1	-43.9	-62.0
Financial income ¹	MEUR	14.4	5.5	7.1
Net financial expenses (IFRS)	MEUR	-29.7	-38.4	-55.0
Direct net financial expenses (EPRA)	MEUR	-34.1	-35.4	-46.8
Weighted average interest rate ²	%	2.38	2.40	2.47
Weighted average interest rate excluding derivatives	%	2.48	2.40	2.48
Year-to-date weighted average interest rate ²	%	2.45	2.39	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 debt repurchases and weakened NOK and SEK currency rates.

Net financial expenses (IFRS) decreased considerably to EUR 29.7 million (Q1–Q3/2021: EUR 38.4 million) due to the above mentioned reasons, coupled with indirect one-off gains related to prepayment of debt of EUR 7.3 million recorded during the year. In the comparison period, the company recorded indirect losses of EUR 3.1 million related to prepayment of debt.

The financial income mainly consisted of interest income on a loan to Kista Galleria. In addition, an amount of EUR 2.9 million indirect losses (Q1–Q3/2021: EUR 0.1 million gain) 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 weighted average interest rate was 2.38%.

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

		Q3/2022	Q3/2021	Q4/2021
Average interest-rate fixing period	years	3.3	4.0	4.2
Fixed interest rate ratio	%	94.6	88.9	100.0

9. Business environment

Business environment key figures

	Finland	Norway	Sweden	Denmark	Estonia	Euro area
GDP growth forecast 2022	2.1%	3.6%	2.6%	2.6%	1.0%	3.1%
Inflation, forecast 2022	6.5%	4.7%	7.2%	7.2%	21.0%	8.3%
Unemployment, 2022	7.0%	3.9%	7.6%	5.2%	6.6%	6.8%
Retail sales growth, 8/2022 ¹	-4.7%	-4.0%	-3.2%	-6.0%	2.0%	-2.0%

¹ % change compared with the same month of the previous year

Sources: European Commission, Eurostat, Statistics Finland/Norway/Sweden/Estonia/Denmark (as of 30 September 2022)

The Nordic economies recovered well from the Covid-19 pandemic dip but are now being impacted, like the rest of the global economy, by the sharp increase in cost of living and the uncertain economic environment. The common denominator for the Nordic countries is their strong starting point before Russia's invasion of Ukraine, thanks to high personal savings, strong public finances and robust job creation, which have continued up to now. This provides these economies a buffer and some degree of resilience during this time in of geopolitical uncertainty, inflation, and rising interest rates. Additionally, the Nordics are expected to be less affected by the war in Ukraine because those countries are, generally, less dependent on Russian natural gas.

While inflation is trending higher in all Nordic markets, this remains a tailwind for Citycon operations due to the fact that 92% of leases tied to indexation as well as the grocery and services oriented tenant mix of Citycon's necessity-based urban hubs.

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

10. Risks and uncertainties

The most significant near-term risks and uncertainties in Citycon's business operations are associated with the general development of the economy and consumer confidence in the Nordic countries and Estonia, and how this affects fair values, occupancy rates and rental levels of the shopping centres and, thereby, Citycon's financial results. Increased competition locally or from e-commerce, might affect demand for retail premises, which could lead to lower rental levels or increased vacancy, especially outside capital city regions. Costs of development projects could increase due to rising construction costs or projects could be delayed due to unforeseeable challenges. Rising interest rates could also put pressure on investment yields, which could potentially impact fair values. The war in Ukraine and the COVID-19 virus continue to pose risks to economic health in Europe as well.

The main risks that can materially affect Citycon's business and financial results, along with the main risk management actions, are presented in detail on pages 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. The General Meeting approved all the proposals made by the Board of Directors to the General Meeting. The AGM adopted the company's Financial Statements and discharged the members of the Board of Directors and the CEO from liability for the financial year 2021 and decided to adopt the Remuneration Report for the governing bodies.

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

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

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 reporting period, the total number of shares outstanding in the company was 168,008,940. The shares have no nominal value.

At the end of September 2022, Citycon had a total of 28,862 registered shareholders (Q3/2021: 27,596 shareholders), of which 12 were account managers of nominee-registered shares. Holders of the nominee-registered shares held approximately 116.0 million (Q3/2021: 130.2 million) shares, or 69.1% of shares and voting rights in the company (Q3/2021: 73.1%). The most significant registered shareholders can be found on company's website citycon.com/investors/major-shareholders.

Shares and share capital

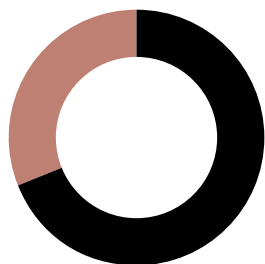
		Q1-Q3/2022	Q1-Q3/2021	Q1-Q4/2021
Share capital at period-start	MEUR	259.6	259.6	259.6
Share capital at period-end	MEUR	259.6	259.6	259.6
Number of shares at period-start		168,498,525	177,998,525	177,998,525
Number of shares at period-end		168,008,940	177,998,525	168,498,525

Share price and trading

		Q1-Q3/2022	Q1-Q3/2021	%	Q1-Q4/2021
Low	EUR	6.21	6.93	-10.4%	6.67
High	EUR	7.57	8.18	-7.5%	8.18
Average	EUR	6.97	7.51	-7.1%	7.37
Latest	EUR	6.40	6.93	-7.6%	7.00
Market capitalisation at period-end	MEUR	1,075.3	1,233.5	-12.8%	1,179.5
Number of shares traded	million	65.8	59.2	11.1%	94.3
Value of shares traded	MEUR	457.7	442.0	3.6%	686.0

Shareholders 30 September 2022

% of shares and voting rights



- Nominee-registered shareholders **69.1** (116.0 million shares)
- Directly registered shareholdings **30.9** (52.0 million shares)

Dividend and equity repayment

Citycon's equity repayments paid in 2022:

Dividends and equity repayments paid on 30 September 2022¹

	Record date	Payment date	EUR / share
Equity repayment Q1	24 March 2022	31 March 2022	0.125
Equity repayment Q2	23 June 2022	30 June 2022	0.125
Equity repayment Q3	23 September 2022	30 September 2022	0.125
Total			0.375

Remaining Board authorisation for equity repayment²

	Preliminary record date	Preliminary payment date	EUR / share
Equity repayment Q4	15 December 2022	30 December 2022	0.125
Total			0.125

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

Restricted Share Plan 2018–2020

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

Performance Share Plan 2020–2022

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

Matching Share Plan 2018–2020

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

CFO Restricted Share Plan 2021–2024

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

Additionally, the Board of Directors used two times its authorisation to repurchase its own 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 528,741 of the company's own shares of which 489,585 shares were cancelled and 39,156 shares were conveyed to implement payments of rewards earned under the company's share plans as described in the section Board authorisations. At the end of the period, the company or its subsidiaries held no shares in the company.

Flagging notices

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

Incentive plans

Long-term Share-based Incentive Plans

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

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

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.

14. Financial calendar and AGM 2023

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

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

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

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

Helsinki, 10 November 2022

Citycon Oyj

Board of Directors

For further information, please contact:

Bret McLeod

Chief Financial Officer

Tel. +46 73 326 8455

bret.mcleod@citycon.com

Sakari Järvelä

VP, Corporate Finance and Investor Relations

Tel. +358 50 387 8180

sakari.jarvela@citycon.com

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

		Q3/2022	Q3/2021	%	Q1-Q3 /2022	Q1-Q3 /2021	%	Q1-Q4 /2021
EPRA Earnings	MEUR	29.8	32.5	-8.3%	90.1	96.8	-6.9%	124.4
Adjusted EPRA Earnings ¹	MEUR	22.1	24.9	-11.3%	67.3	80.1	-16.0%	100.0
EPRA Earnings per share (basic)	EUR	0.177	0.183	-2.8%	0.536	0.544	-1.4%	0.703
Adjusted EPRA Earnings per share (basic) ¹	EUR	0.132	0.140	-6.0%	0.400	0.450	-11.0%	0.565
EPRA NRV per share ²	EUR	11.68	11.58	0.8%	11.68	11.58	0.8%	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	Q3/2022	Q3/2021	%	Q1-Q3 /2022	Q1-Q3 /2021	%	Q1-Q4 /2021
Earnings in IFRS Consolidated Statement of Comprehensive Income	22.7	10.1	-	81.3	73.6	10.5%	121.0
+/- Net fair value losses/gains on investment property	-0.9	18.5	-	-23.1	-5.9	-	-48.6
-/+ Net gains/losses on sale of investment property	0.1	-0.3	-	-0.8	4.8	-	6.5
+ Indirect other operating expenses	0.0	0.0	-	14.1	0.4	-	0.4
+/- Early close-out costs/gains of debt and financial instruments	-6.7	-	-	-7.3	3.1	-	7.3
-/+ Fair value gains/losses of financial instruments	6.1	-0.5	-	2.9	-0.1	-	0.8
+/- Indirect losses/gains of joint ventures and associated companies	3.8	1.8	-	6.8	3.3	-	2.3
-/+ Change in deferred taxes arising from the items above	4.7	2.9	61.9%	16.1	17.7	-8.6%	34.6
EPRA Earnings	29.8	32.5	-8.3%	90.1	96.8	-6.9%	124.4
-/+ Hybrid bond coupons and amortized fees	-7.7	-7.6	-1.7%	-22.8	-16.7	-37.0%	-24.3
Adjusted EPRA Earnings	22.1	24.9	-11.3%	67.3	80.1	-16.0%	100.0
Weighted average number of ordinary shares, million	168.0	178.0	-5.6%	168.0	178.0	-5.6%	177.0
EPRA Earnings per share (basic), EUR	0.177	0.183	-2.8%	0.536	0.544	-1.4%	0.703
Adjusted EPRA Earnings per share (basic), EUR	0.132	0.140	-6.0%	0.400	0.450	-11.0%	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 eighteen months.

MEUR	Q3/2022	Q3/2021	%	Q1-Q3 /2022	Q1-Q3 /2021	%	Q1-Q4 /2021
Net rental income	50.6	51.3	-1.3%	152.4	152.5	-0.1%	202.3
Direct administrative expenses	-6.6	-6.8	2.0%	-21.3	-18.9	-13.0%	-26.1
Direct other operating income and expenses	-0.3	0.2	-	-1.0	0.1	-	0.0
Direct operating profit	43.7	44.7	-2.4%	130.1	133.7	-2.7%	176.1
Direct net financial income and expenses	-11.9	-11.6	-3.2%	-34.1	-35.4	3.8%	-46.8
Direct share of profit/loss of joint ventures and associated companies	-1.1	-0.9	-17.5%	-3.2	-3.0	-6.2%	-4.0
Direct current taxes	-0.8	-1.2	33.3%	-2.8	-2.6	-9.3%	-3.3
Direct deferred taxes	0.0	1.4	-	0.2	4.2	-95.8%	2.4
Direct non-controlling interest	0.0	0.0	-	0.0	0.0	-7.8%	0.0
EPRA Earnings	29.8	32.5	-8.3%	90.1	96.8	-6.9%	124.4
-/+ Hybrid bond coupons and amortized fees	-7.7	-7.6	-1.7%	-22.8	-16.7	-37.0%	-24.3
Adjusted EPRA Earnings	22.1	24.9	-11.3%	67.3	80.1	-16.0%	100.0
EPRA Earnings per share (basic), EUR	0.177	0.183	-2.8%	0.536	0.544	-1.4%	0.703
Adjusted EPRA Earnings per share (basic), EUR	0.132	0.140	-6.0%	0.400	0.450	-11.0%	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 NNNAV starting from financial statement 2020.

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

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

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

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

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

	30 September 2022			30 September 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	1,720.5	1,720.5	1,720.5	1,830.9	1,830.9	1,830.9	1,800.1	1,800.1	1,800.1
Deferred taxes from the difference of fair value and fiscal value of investment properties ³	282.6	141.3	-	280.8	140.4	-	295.0	147.5	-
Fair value of financial instruments	-2.4	-2.4	-	-1.2	-1.2	-	-0.2	-0.2	-
Goodwill as a result of deferred taxes	-73.4	-	-	-83.3	-	-	-84.8	-	-
Goodwill as per the consolidated balance sheet	-	-126.8	-126.8	-	-143.7	-143.7	-	-145.4	-145.4
Intangible assets as per the consolidated balance sheet	-	-10.0	-	-	-6.8	-	-	-7.6	-
The difference between the secondary market price and carrying value of bonds ¹	-	-	221.1	-	-	-106.8	-	-	-73.3
Real estate transfer taxes ²	34.4	-	-	33.8	-	-	32.7	-	-
Total	1,961.7	1,722.6	1,814.8	2,061.0	1,819.5	1,580.3	2,042.9	1,794.5	1,581.5
Number of ordinary shares at balance sheet date, million ⁴	168.0	168.0	168.0	178.0	178.0	178.0	168.2	168.2	168.2
Net Asset Value per share	11.68	10.25	10.80	11.58	10.22	8.88	12.15	10.67	9.40

¹ When calculating the EPRA NDV in accordance with EPRA's recommendations, the shareholders' equity is adjusted using EPRA's guidelines so that bonds are valued based on secondary market prices. 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 221.1 million (secondary market price lower) as of 30 September 2022. In the comparison period 30 September 2021, the difference was EUR -106.8 million (secondary market price higher). 30 September 2021 and 31 December 2021 adjustment corrected retrospectively.

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

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

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

Condensed consolidated interim financial statements 1 January – 30 September 2022

Condensed consolidated statement of comprehensive income, IFRS

MEUR	Note	Q3/2022	Q3/2021	%	Q1-Q3 /2022	Q1-Q3 /2021	%	Q1-Q4 /2021
Gross rental income	3	55.3	55.3	0.1%	167.5	166.6	0.5%	222.2
Service charge income	3,4	20.3	16.1	26.4%	55.1	51.5	7.0%	70.2
Property operating expenses		-24.2	-19.6	-23.3%	-68.3	-64.4	-6.1%	-88.6
Other expenses from leasing operations		-0.9	-0.5	-82.5%	-1.9	-1.3	-47.0%	-1.4
Net rental income	3	50.6	51.3	-1.3%	152.4	152.5	-0.1%	202.3
Administrative expenses		-6.6	-6.8	2.0%	-21.3	-18.9	-13.0%	-26.1
Other operating income and expenses		-0.3	0.2	-	-15.1	-0.3	-	-0.4
Net fair value gains/losses on investment property	3	0.9	-18.5	-	23.1	5.9	-	48.6
Net gains/losses on sale of investment properties and subsidiaries		-0.1	0.3	-	0.8	-4.8	-	-6.5
Operating profit	3	44.5	26.5	67.9%	139.9	134.4	4.1%	217.8
Net financial income and expenses		-11.3	-11.0	-2.6%	-29.7	-38.4	22.7%	-55.0
Share of profit/loss of joint ventures and associated companies		-4.9	-2.8	-78.5%	-10.1	-6.3	-60.1%	-6.3
Result before taxes		28.2	12.7	-	100.1	89.7	11.6%	156.5
Current taxes		-0.8	-1.2	33.3%	-2.8	-2.6	-9.3%	-3.3
Deferred taxes		-4.7	-1.5	-	-16.0	-13.5	-18.2%	-32.2
Result for the period		22.7	10.1	-	81.3	73.6	10.5%	121.0
Profit/loss attributable to								
Parent company shareholders		22.7	10.1	-	81.3	73.6	10.5%	121.0
Non-controlling interest		0.0	0.0	-	0.0	0.0	7.8%	0.0
Earnings per share attributable to parent company shareholders								
Earnings per share (basic), EUR ¹	5	0.09	0.01	-	0.35	0.32	8.8%	0.55
Earnings per share (diluted), EUR ¹	5	0.09	0.01	-	0.34	0.32	7.4%	0.54
Other comprehensive income								
Items that may be reclassified subsequently to profit or loss								
Net gains/losses on cash flow hedges		0.1	0.3	-65.0%	1.0	1.1	-8.3%	1.2
Exchange gains/losses on translating foreign operations		-25.1	-1.6	-	-69.5	24.3	-	36.0
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		-25.0	-1.3	-	-68.5	25.4	-	37.3
Other comprehensive income for the period, after taxes		-25.0	-1.3	-	-68.5	25.4	-	37.3
Total comprehensive profit/loss for the period		-2.2	8.8	-	12.8	99.0	-87.1%	158.3
Total comprehensive profit/loss attributable to								
Parent company shareholders		-2.3	8.8	-	12.8	98.9	-87.1%	158.2
Non-controlling interest		0.0	0.0	-	0.0	0.0	12.6%	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	30 September 2022	30 September 2021	31 December 2021
Assets				
Non-current assets				
Investment properties	6	4,094.3	4,215.3	4,189.2
Goodwill		126.8	143.7	145.4
Investments in joint ventures and associated companies		119.5	130.2	129.3
Intangible and tangible assets, and other non-current assets		12.8	10.3	11.7
Derivative financial instruments	10, 11	22.0	15.9	15.2
Deferred tax assets		16.5	18.2	16.4
Total non-current assets		4,392.0	4,533.6	4,507.2
Investment properties held for sale	8	125.3	109.0	150.9
Current assets				
Derivative financial instruments	10, 11	8.2	1.8	1.0
Trade receivables and other current assets		98.6	51.7	89.3
Cash, cash equivalents and current financial investments	9	27.8	313.8	54.7
Total current assets		134.5	367.3	145.0
Total assets	3	4,651.8	5,009.9	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		2.4	1.2	1.4
Invested unrestricted equity fund	12	681.2	765.3	744.2
Retained earnings	12	646.2	673.7	663.8
Total equity attributable to parent company shareholders		1,720.5	1,830.9	1,800.1
Hybrid bond		690.9	688.6	689.1
Non-controlling interest		0.3	0.3	0.3
Total shareholders' equity		2,411.7	2,519.8	2,489.5
Long-term liabilities				
Loans		1,756.7	1,865.9	1,871.9
Derivative financial instruments and other non-interest bearing liabilities	10, 11	1.3	15.2	11.8
Deferred tax liabilities		284.1	282.7	296.7
Total long-term liabilities		2,042.0	2,163.7	2,180.5
Short-term liabilities				
Loans		105.7	238.1	6.5
Derivative financial instruments	10, 11	0.2	1.0	5.1
Trade and other payables		92.1	87.3	121.3
Total short-term liabilities		198.1	326.4	133.0
Total liabilities	3	2,240.1	2,490.1	2,313.5
Total liabilities and shareholders' equity		4,651.8	5,009.9	4,803.0

Condensed consolidated cash flow statement, IFRS

MEUR	Note	Q1–Q3/2022	Q1–Q3/2021	Q1–Q4/2021
Cash flow from operating activities				
Profit before taxes		100.1	89.7	156.5
Adjustments to profit before taxes		34.3	43.8	22.7
Cash flow before change in working capital		134.4	133.5	179.3
Change in working capital		-23.9	-14.3	7.7
Cash generated from operations		110.5	119.2	186.9
Paid interest and other financial charges		-38.8	-37.3	-58.6
Interest income and other financial income received		0.1	0.1	0.5
Current taxes paid		-0.9	-1.5	-2.1
Net cash from operating activities		70.9	80.5	126.7
Cash flow from investing activities				
Acquisition of investment properties and subsidiaries, less cash acquired	6,7,8	-6.4	0.6	0.6
Capital expenditure on investment properties, investments in joint ventures, intangible assets and tangible assets	6,7,8	-129.2	-150.1	-216.8
Sale of investment properties and subsidiaries	6,7,8	137.6	144.8	226.0
Purchase of current financial investments		-64.9	-285.0	-285.0
Repayment of current financial investments		84.2	-	264.9
Net cash used in investing activities		21.3	-289.7	-10.2
Cash flow from financing activities				
Proceeds from short-term loans		239.9	668.0	862.3
Repayments of short-term loans		-147.5	-820.1	-1,082.5
Proceeds from long-term loans		-	346.1	346.1
Repayments of long-term loans		-96.2	-225.2	-386.9
Proceeds from hybrid bond		-	342.5	342.5
Hybrid bond interest and expenses		-28.4	-20.3	-20.3
Repurchase and costs of treasury shares		-1.6	-	-68.6
Dividends and return from the invested unrestricted equity fund	12	-63.0	-66.7	-87.8
Realized exchange rate gains/losses		0.6	-12.6	-12.7
Net cash from financing activities		-96.2	211.8	-107.8
Net change in cash and cash equivalents		-4.0	2.5	8.6
Cash and cash equivalents at period-start	9	34.7	25.9	25.9
Effects of exchange rate changes		-3.0	0.2	0.3
Cash and cash equivalents at period-end	9	27.8	28.6	34.7

Condensed consolidated statement of changes in shareholders' equity, IFRS

MEUR	Share capital	Share premium fund	Fair value reserve	Invested unrestricted equity fund	Translation reserve	Retained earnings	Equity attributable to parent company shareholders	Hybrid bond	Non-controlling interest	Shareholders' equity, total
Balance at 1 January 2021	259.6	131.1	0.2	823.2	-150.9	755.4	1,818.6	347.2	0.2	2,166.0
Total comprehensive profit/loss for the period			1.1		24.3	73.6	98.9		0.0	98.9
Proceeds from hybrid bond								341.2		341.2
Hybrid bond interest and expenses						-19.9	-19.9	0.2		-19.8
Dividends paid and equity return (Note 12)				-57.8		-8.9	-66.7			-66.7
Share-based payments						0.1	0.1			0.1
Other changes						0.0	0.0			0.0
Balance at 30 September 2021	259.6	131.1	1.2	765.3	-126.6	800.2	1,830.9	688.6	0.3	2,519.8
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			1.0		-69.5	81.3	12.8		0.0	12.8
Hybrid bond interest and expenses						-30.0	-30.0	1.8		-28.2
Repurchase and costs of Treasury shares						-1.6	-1.6			-1.6
Dividends paid and equity return (Note 12)				-63.0			-63.0			-63.0
Share-based payments						2.1	2.1			2.1
Other changes						0.2	0.2			0.2
Balance at 30 September 2022	259.6	131.1	2.4	681.2	-184.3	830.5	1,720.5	690.9	0.3	2,411.7

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 9th of November 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.

No new COVID-19 rent discounts were granted during Q3 2022. During Q3 2021 EUR 0.3 million of new COVID-19 rent discounts were granted.

3. Segment information

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

In Citycon's reporting, Kista Galleria is treated as a joint venture and the shopping centre's result or fair value will not impact on the gross rental income, net rental income or fair value of investment properties of the group. Kista Galleria is consolidated in Citycon's financial statements based on the equity method, meaning that Citycon's share of Kista Galleria's profit for the period is recognised in the line 'Share of result in joint ventures and associated companies' in the statement of comprehensive income and Citycon's share of Kista Galleria's shareholder's equity is recognised in the line 'Investments in joint ventures and associated companies' in the statement of financial position. In addition, the management fee received by Citycon is reported in the line 'other operating income and expenses' and the interest income on the shareholder loan is reported in 'net financial income and expenses'. Kista Galleria contributed to the IFRS based profit for the period Q1–Q3/2022 by EUR -10.2 million (Q1–Q3/2021: EUR -6.3 million).

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

MEUR	Q3/2022	Q3/2021	%	Q1-Q3 /2022	Q1-Q3 /2021	%	Q1-Q4/2021
Gross rental income							
Finland & Estonia	24.3	22.7	7.0%	71.8	68.4	5.0%	90.7
Norway	20.2	21.4	-5.5%	63.1	63.5	-0.7%	85.8
Sweden & Denmark	10.9	11.2	-3.2%	32.6	34.8	-6.1%	45.7
Total Segments	55.3	55.3	0.1%	167.5	166.6	0.5%	222.2
Kista Galleria (50%)	2.3	2.6	-10.0%	7.1	7.3	-3.6%	9.8
Service charge income							
Finland & Estonia	9.6	7.4	28.9%	25.4	22.4	13.4%	30.1
Norway	7.6	6.0	26.9%	20.4	18.8	8.1%	27.0
Sweden & Denmark	3.2	2.7	18.5%	9.4	10.3	-9.1%	13.0
Total Segments	20.3	16.1	26.4%	55.1	51.5	7.0%	70.2
Kista Galleria (50%)	0.9	0.8	3.4%	2.7	2.7	-1.3%	3.6
Net rental income							
Finland & Estonia	22.8	22.4	1.6%	66.8	65.0	2.8%	85.2
Norway	18.3	19.6	-6.3%	58.6	57.6	1.7%	77.8
Sweden & Denmark	9.5	9.2	3.0%	27.4	29.5	-7.2%	39.2
Other	0.0	0.1	-95.9%	-0.3	0.4	-	0.0
Total Segments	50.6	51.3	-1.3%	152.4	152.5	-0.1%	202.3
Kista Galleria (50%)	1.9	1.7	10.0%	4.9	4.9	-0.4%	6.4
Direct operating profit							
Finland & Estonia	22.4	21.7	3.2%	64.8	63.0	2.9%	82.5
Norway	17.5	18.6	-5.6%	55.7	54.8	1.7%	73.6
Sweden & Denmark	8.3	8.2	2.2%	23.9	25.7	-7.2%	33.8
Other	-4.6	-3.7	-24.1%	-14.3	-9.8	-45.7%	-13.8
Total Segments	43.7	44.7	-2.4%	130.1	133.7	-2.7%	176.1
Kista Galleria (50%)	1.9	1.6	15.3%	4.7	4.7	0.7%	6.1
Net fair value gains/losses on investment property							
Finland & Estonia	-8.4	-12.2	30.9%	2.2	-6.0	-	2.7
Norway	4.4	-5.2	-	10.4	1.2	-	16.0
Sweden & Denmark	4.9	-1.1	-	10.4	10.7	-2.4%	29.9
Total Segments	0.9	-18.5	-	23.1	5.9	-	48.6
Kista Galleria (50%)	-5.4	-1.7	-	-12.4	-2.8	-	-1.4
Operating profit/loss							
Finland & Estonia	14.0	9.4	47.8%	70.5	56.4	25.1%	83.0
Norway	21.8	13.4	63.1%	48.7	56.0	-13.0%	89.5
Sweden & Denmark	13.3	7.4	80.4%	34.9	31.9	9.7%	59.1
Other	-4.6	-3.7	-24.1%	-14.3	-9.8	-45.7%	-13.8
Total Segments	44.5	26.5	67.9%	139.9	134.4	4.1%	217.8
Kista Galleria (50%)	-3.5	-0.1	-	-7.7	1.9	-	4.7

MEUR	30 September 2022	30 September 2021	%	31 December 2021
Assets				
Finland & Estonia	2,109.7	2,022.2	4.3%	2,009.8
Norway	1,481.9	1,691.0	-12.4%	1,699.9
Sweden & Denmark	804.4	931.4	-13.6%	821.1
Other	255.8	365.3	-30.0%	272.2
Total Segments	4,651.8	5,009.9	-7.1%	4,803.0
Kista Galleria (50%)	242.7	261.8	-7.3%	263.3
Liabilities				
Finland & Estonia	20.0	22.4	-11.0%	39.8
Norway	28.7	55.5	-48.2%	36.4
Sweden & Denmark	12.2	21.7	-44.0%	131.6
Other	2,179.2	2,390.5	-8.8%	2,105.7
Total Segments	2,240.1	2,490.1	-10.0%	2,313.5
Kista Galleria (50%)	246.7	255.9	-3.6%	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	Q3/2022	Q3/2021	%	Q1-Q3 /2022	Q1-Q3 /2021	%	Q1-Q4 /2021
Service charges ¹	14.6	12.3	18.4%	42.1	40.3	4.5%	53.6
Utility charges ¹	3.4	2.0	74.9%	7.3	5.7	27.4%	8.4
Other service income ¹	2.3	1.8	28.5%	5.7	5.5	4.0%	8.1
Management fees ²	0.1	0.2	-41.0%	0.5	0.7	-37.9%	0.9
Revenue from contracts with customers	20.4	16.3	25.7%	55.6	52.3	6.3%	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

Earnings per share, basic		Q3/2022	Q3/2021	%	Q1-Q3 /2022	Q1-Q3 /2021	%	Q1-Q4 /2021
Profit attributable to parent company shareholders	MEUR	22.7	10.1	-	81.3	73.6	10.5%	121.0
Hybrid bond interests and expenses	MEUR	-7.7	-7.6	1.7%	-22.8	-16.7	37.0%	-24.3
Weighted average number of ordinary shares ¹	million	168.0	178.0	-5.6%	168.0	178.0	-5.6%	177.0
Earnings per share (basic)¹	EUR	0.09	0.01	-	0.35	0.32	8.8%	0.55

Earnings per share, diluted		Q3/2022	Q3/2021	%	Q1-Q3 /2022	Q1-Q3 /2021	%	Q1-Q4 /2021
Profit attributable to parent company shareholders	MEUR	22.7	10.1	-	81.3	73.6	10.5%	121.0
Hybrid bond interests and expenses	MEUR	-7.7	-7.6	1.7%	-22.8	-16.7	37.0%	-24.3
Weighted average number of ordinary shares ¹	million	168.0	178.0	-5.6%	168.0	178.0	-5.6%	177.0
Adjustment for share-based incentive plans	million	2.4	0.3	-	2.5	0.2	-	0.4
Weighted average number of ordinary shares, diluted ¹	million	170.4	178.3	-4.4%	170.6	178.2	-4.3%	177.4
Earnings per share (diluted)¹	EUR	0.09	0.01	-	0.34	0.32	7.4%	0.54

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

6. Investment properties

Citycon divides its investment properties into two categories: Investment Properties Under Construction (IPUC) and Operative Investment Properties. On reporting date, the first mentioned category included Lippulaiva in Finland and Barkarby residentials in Sweden, and on comparable period 30 September 2021 Lippulaiva.

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

30 September 2022

MEUR	Investment properties under construction (IPUC)	Operative investment properties	Investment properties, total
Balance at 1 January 2022	382.3	3,807.0	4,189.2
Acquisitions	6.3	-	6.3
Investments	67.2	42.2	109.4
Capitalized interest	4.0	0.0	4.0
Fair value gains on investment property	-	61.8	61.8
Fair value losses on investment property	-14.7	-18.9	-33.6
Valuation gains and losses from Right-of-Use-Assets	-	-5.1	-5.1
Exchange differences	-	-118.3	-118.3
Transfer between operative investment properties and joint ventures and transfer into investment properties held for sale	-	-125.3	-125.3
Changes in right-of-use assets classified as investment properties (IFRS 16)	-	5.9	5.9
Balance at 30 September 2022	445.1	3,649.2	4,094.3

30 September 2021

MEUR	Investment properties under construction (IPUC)	Operative investment properties	Investment properties, total
Balance at 1 January 2021	271.5	3,880.7	4,152.2
Acquisitions	-	-0.6	-0.6
Investments	97.7	26.9	124.6
Disposals	-9.1	0.0	-9.1
Capitalized interest	5.4	0.2	5.6
Fair value gains on investment property	-	46.9	46.9
Fair value losses on investment property	-13.4	-17.4	-30.8
Valuation gains and losses from Right-of-Use-Assets	-	-10.2	-10.2
Exchange differences	-	34.3	34.3
Transfer between operative investment properties, joint ventures and transfer into investment properties held for sale	-	-109.5	-109.5
Changes in right-of-use assets classified as investment properties (IFRS 16)	-	11.8	11.8
Balance at 30 September 2021	352.2	3,863.1	4,215.3

31 December 2021

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

The fair value of Citycon's investment properties for the Q3/2022 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 Half-yearly report 2022 and 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:

	Weighted average yield requirement, %			Weighted average market rents, EUR/sq.m./mo		
	30 September 2022	30 September 2021	31 December 2021	30 September 2022	30 September 2021	31 December 2021
Finland & Estonia	5.2	5.3	5.3	28.3	28.2	27.8
Norway	5.4	5.5	5.4	20.7	21.4	21.8
Sweden & Denmark	5.5	5.6	5.5	25.5	26.3	26.6
Investment properties, average	5.3	5.4	5.4	25.3	25.5	25.4
Investment properties and Kista Galleria (50%), average	5.3	5.4	5.4	25.5	25.8	25.7

7. Capital expenditure

MEUR	Q1–Q3/2022	Q1–Q3/2021	Q1–Q4/2021
Acquisitions of properties ¹	6.3	-0.6	-0.6
Acquisitions of and investments in joint ventures	0.3	29.3	29.2
Property development ²	113.4	130.2	191.0
Goodwill and other investments	3.1	2.5	4.5
Total capital expenditure incl. acquisitions	123.1	161.3	224.1
Capital expenditure by segment			
Finland & Estonia	87.1	113.2	163.6
Norway	19.0	13.9	21.7
Sweden & Denmark	14.2	32.1	35.2
Group administration	2.9	2.1	3.6
Total capital expenditure incl. acquisitions	123.1	161.3	224.1
Divestments³	142.4	157.4	265.3

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

² Comprised mainly of investments in Lippulaiva.

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

8. Investment properties held for sale

On 30 September 2022 Investment properties held for sale increased by EUR 125.3 million as a Letter of Intent was entered into and due diligence was ongoing. On the comparison date 30 September 2021 Investment properties held for sale comprised of one property in Finland & Estonia segment. 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	30 September 2022	30 September 2021	31 December 2021
At period-start	150.9	149.7	149.7
Disposals	-142.4	-148.3	-256.3
Exchange differences	-8.5	-2.0	-3.2
Investments	0.0	0.0	0.0
Transfer from investment properties	125.3	109.5	260.5
At period-end	125.3	109.0	150.9

9. Cash and cash equivalents

MEUR	30 September 2022	30 September 2021	31 December 2021
Cash in hand and at bank	22.0	22.7	26.8
Restricted cash	5.8	5.9	7.9
Total cash	27.8	28.6	34.7
Current financial investments	-	285.1	19.9
Total cash and cash investments	27.8	313.8	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	30 September 2022		30 September 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	-	-	285.0	285.1	19.9	20.0
Derivative financial instruments	27.8	27.8	16.6	16.6	14.8	14.8
II Derivative contracts under hedge accounting						
Derivative financial instruments	2.4	2.4	1.2	1.2	1.4	1.4
Financial liabilities						
I Financial liabilities amortised at cost						
Loans from financial institutions	99.3	99.5	70.0	70.0	-	-
Bonds	1,719.0	1,737.6	1,989.7	2,016.7	1,835.3	1,860.3
Lease liabilities (IFRS 16)	44.1	44.1	44.2	44.2	43.2	43.2
II Financial liabilities at fair value through profit and loss						
Derivative financial instruments	1.2	1.2	15.2	15.2	16.7	16.7

11. Derivative financial instruments

MEUR	30 September 2022		30 September 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	75.6	2.4	78.7	1.2	80.1	1.4
over 5 years	-	-	-	-	-	-
Subtotal	75.6	2.4	78.7	1.2	80.1	1.4
Cross-currency swaps						
Maturity:						
less than 1 year	-	-	-	-	-	-
1-5 years	314.8	18.7	314.8	0.6	314.8	2.3
over 5 years	-	-	-	-	-	-
Subtotal	314.8	18.7	314.8	0.6	314.8	2.3
Foreign exchange forward agreements						
Maturity:						
less than 1 year	179.4	8.0	355.4	0.8	322.1	-4.1
Total	567.4	29.0	748.8	2.6	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 75.6 million (Q1–Q3/2021: EUR 78.7 million). The change in fair values of these derivatives is recognised under other comprehensive income.

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

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

12. Dividend and equity repayment

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, in June 2022 and in September 2022 to distribute equity repayment of EUR 0.375 per share, or EUR 63.0 million. Following the equity repayment paid on 31 March 2022, on 30 June 2022 and on 30 September, the remaining authorisation for equity repayment is EUR 0.125 per share.

Preliminary payment date for equity repayment to be distributed on basis of the authorization is 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 57.8 million equity repayment were distributed in Q1–Q3/2021.

13. Contingent liabilities

MEUR	30 September 2022	30 September 2021	31 December 2021
Mortgages on land and buildings	250.0	250.0	250.0
Bank guarantees and parent company guarantees	80.7	92.4	92.8
Capital commitments	87.9	108.5	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 87.9 million (Q1–Q3/2021: EUR 108.5 million) relating mainly to on-going (re)development projects.

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

14. Related party transactions

Citycon Group's related parties comprise the parent company Citycon Oyj and its subsidiaries, associated companies, joint ventures, Board members, the CEO and other Corporate Management Committee members and the company's largest shareholder G City Ltd (former Gazit-Globe Ltd). In total, G City and wholly-owned subsidiary Gazit Europe Netherlands BV own 52.12% (49.2%) of the total shares and votes in the company.

Over the reporting period, Citycon paid no expenses to G City Ltd and its subsidiaries, but invoiced EUR 0.0 million expenses forward to G City Ltd and its subsidiaries (Q1–Q3/2021: EUR 0.0 million).

Report on Review of Citycon Oyj's Interim Financial Information for the period 1.1.–30.9.2022 (Translation)

To the Board of Directors of Citycon Oyj

Introduction

We have reviewed the condensed interim financial information for Citycon Oyj, comprising the consolidated condensed balance sheet as of 30.9.2022, consolidated condensed statement of comprehensive income, condensed statement of changes in shareholders' equity, condensed cash flow statement and explanatory notes for the nine-month period then ended. The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of the interim financial information in accordance with International Accounting Standard 34 Interim Financial Reporting. 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 interim financial information of Citycon Oyj has not been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting.

Helsinki, November 9th, 2022

Ernst & Young Oy
Authorized Public Accountant Firm

Antti Suominen
Authorized Public Accountant