



Q1/2024

Interim report

January–March

Operational performance Q1/2024

+6.5%

Like-for-like NRI growth
in Q1/2024¹
(vs. Q1/2023)

+8.2%

NRI growth
in Q1/2024¹
(vs. Q1/2023)

94.9%

Retail occupancy

+3.0%

Like-for-like tenant sales
(vs. Q1/2023)

+4.1%¹

Avg. rent / sq.m. increase
(vs. Q1/2023)

25.1EUR

Avg. rent / sq.m.

+46.2MEUR

Fair value change of
investment properties

86.1MEUR

IFRS operating profit Q1/2024

¹ With comparable FX rates.

CEO Henrica Ginström:

First, I want to say that I am both excited and grateful for this opportunity to serve as the next CEO of Citycon. During my 13 years in the company, I have had the privilege to be part of Citycon's journey to become the leading owner and developer of urban hubs in the Nordics and Baltics. We continue to stay committed to our long-stated necessity-based strategy, focusing on high-quality assets in strong, growing urban markets in the major Nordic cities, and most importantly, creating value for all our stakeholders. At the same time, it is important to acknowledge the changes in our operating environment over the last two years, in particular the high interest rates, which have had a major impact on the real estate sector and also Citycon.

Operational performance in January–March 2024 was strong with like-for-like net rental income increasing by 6.5% supported by rent indexation and strong performance of our core assets. Like-for-like tenant sales increased 3.0% as sales development continued strong especially in our main tenant categories. Retail occupancy rate, including Kista Galleria, increased 30 bps compared to same period previous year. There was a decline in the occupancy rate compared to year-end due to the Kista consolidation and normal seasonal variation.

Our EPRA earnings remained stable and was EUR 24.5 million, including some one-time costs and restructuring costs related to organizational changes. Excluding these one-off costs, the EPRA earnings grew and amounted to EUR 28.8 million.

In connection with the financial statements 2023 we outlined actions to be taken in 2024 regarding asset disposals and cost savings measures with the main goal of strengthening our balance sheet and cash flow. I would like to highlight our

commitment to the investment-grade credit rating, which enables us to access the financing market with competitive terms. We demonstrated this commitment during the first quarter as we executed an approximately EUR 50 million share issuance. This action was necessary to defend our investment grade credit rating, and the best solution for the company and all its shareholders. The share issue also facilitated a very successful EUR 300 million new green bond issuance in February, which significantly improved our debt maturity profile and reduced our refinancing risk.

We have set a divestment target of EUR 950 million over next the 24 months and are confident that we will execute that by the end of 2025. In May, we signed a deal to sell Kongssenteret in Norway with pricing close to our book value. With that transaction, we showcase the attractiveness of our necessity-based centers but also highlight the fact that the transaction market is picking up.

During the first quarter of 2024 we have executed several cost-saving measures. Through organizational changes and consolidation of group functions to our Iso Omena head office we have been able to reduce our headcount costs substantially and are committed to delivering on our overhead run-rate target of less than 10% of NRI by the end of this year.

Years 2024 and 2025 will be years of execution and delivery. I am looking forward to building the company's future together with a strong team. Our business fundamentals are strong, and together with a focus on the balance sheet, Citycon is and will be well-positioned going forward. We acknowledge that now is the time to execute on our promises, and that is the key priority for me as a new CEO and for the whole management team.

Citycon results summary:

Strong operational performance

- Total net rental income increased by 6.7% compared to the previous year.
 - In comparable FX rates, total net rental income increased by 8.2%.
- Like-for-like net rental income increased by 6.5% compared to the previous year.
- The weakening NOK and SEK FX-rates impacted on our results; the impact on total net rental income was EUR -0.7 million.
- Average rent per sq.m. increased by 4.1% with comparable FX to EUR 25.1 per sq.m (vs. Q1/2023).
- Retail occupancy 94.9% vs 94.6% in Q1/2023 (including Kista).
- Like-for-like footfall unchanged (-0.1%).
- Like-for-like tenant sales increased 3.0%.
- Fair value change of investment properties in Q1/2024 EUR 46.2 million, including Kista.

The strengthening of the balance sheet as a priority

- In Q1, Citycon continued to improve its balance sheet by EUR 48.2 million share issue which was 4-times oversubscribed.
- Citycon placed a 5-year EUR 300 million green bond with an orderbook approximately seven times over-subscribed.
- Citycon executed approx. EUR 213 million tender of its bond maturing in October 2024.
- Following the successful execution of these financing transactions, Citycon's debt maturity profile was significantly improved and refinancing risk was further reduced.

Key figures¹

Citycon Group		Q1/2024	Q1/2023	%	FX Adjusted Q1/2023	FX Adjusted % ²	Q1-Q4/ 2023
Net rental income	MEUR	51.0	47.8	6.7%	47.2	8.2%	195.7
Like-for-like net rental income development	%	6.5%	9.4%	-	-	-	6.5%
Direct operating profit ³	MEUR	39.7	38.3	3.7%	37.7	5.4%	164.8
IFRS Earnings per share (basic) ⁴	EUR	0.33	0.32	3.6%	0.31	4.9%	-0.70
Fair value of investment properties	MEUR	4,082.4	3,996.7	2.1%	-	-	3,858.2
Loan to Value (LTV) ³	%	48.3	42.9	12.6%	-	-	46.3
EPRA based key figures³							
EPRA Earnings	MEUR	24.5	25.3	-3.0%	24.8	-1.1%	109.6
Adjusted EPRA Earnings ⁵	MEUR	22.1	17.9	23.9%	17.4	27.4%	80.6
EPRA Earnings per share (basic)	EUR	0.138	0.150	-8.0%	0.147	-6.1%	0.651
Adjusted EPRA Earnings per share (basic) ⁵	EUR	0.125	0.106	17.6%	0.103	21.0%	0.479
EPRA NRV per share ⁶	EUR	8.96	10.78	-16.9%	-	-	9.30

¹ Standing portfolio key figures have not been presented for Q1/2024 because there have been no divestments impacting the figures during the reporting period or the comparison period.

² Change from previous year (comparable exchange rates). Change-% is calculated from exact figures.

³ 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.

⁴ The key figure includes hybrid bond coupons, amortized fees and gains and expenses on hybrid bond repayments.

⁵ Starting from the beginning of 2024, Citycon excludes reorganisation and one-time costs (Q1/2024: EUR 4.3 million) from Adjusted EPRA Earnings. Due to this, Q1/2024 Adjusted EPRA Earnings is not fully comparable with Q1/2023. The adjusted key figure includes hybrid bond coupons and amortized fees.

⁶ The effect of currency rates to EPRA NRV/share was EUR -0.20.

Outlook (unchanged)

Direct operating profit	MEUR	185–203
EPRA Earnings per share (basic)	EUR	0.62–0.74
Adjusted EPRA Earnings per share (basic)	EUR	0.46–0.58

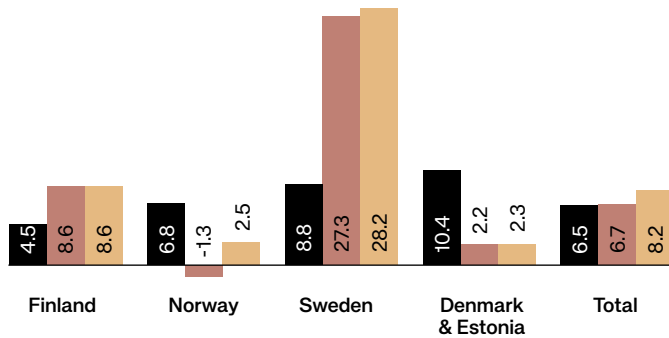
The outlook assumes that there are no major changes in macroeconomic factors and no major disruptions from the war in Ukraine. These estimates are based on the existing property portfolio, including Kista 100%, as well as year-end 2023 estimates of inflation, EUR-SEK and EUR-NOK exchange rates, and interest rates.

1. Net rental income

Total net rental income increased by 6.7% to EUR 51.0 million (Q1/2023: EUR 47.8 million) and with comparable FX rates by 8.2%. Kista Galleria increased the total net rental income by EUR 1.0 million. The like-for-like net rental income in Q1 increased 6.5% compared to Q1/2023.

Like-for-like and total net rental income development, Q1/2024 vs. Q1/2023

%



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

Like-for-like net rental income from the Finnish operations increased by 4.5%. Like-for-like net rental income from Norwegian operations increased by 6.8%. Like-for-like net rental income from the Swedish operations increased by 8.8%. Like-for-like net rental income from the Danish & Estonian operations increased by 10.4%.

Net rental income and gross rental income breakdown

MEUR	Net rental income					Gross rental income	
	Finland	Norway	Sweden	Denmark & Estonia	Other	Total	Total
Q1/2023	18.2	16.5	5.8	7.3	-0.1	47.8	55.1
Acquisitions	-	-	1.0	-	-	1.0	1.6
(Re)development projects	0.8	-0.5	0.6	-0.3	-	0.7	0.4
Divestments	-	0.0	-	-	-	0.0	0.0
Like-for-like properties ¹	0.7	0.9	0.5	0.4	-	2.5	1.3
Other (incl. exchange rate differences)	0.0	-0.7	-0.5	0.1	0.1	-1.0	-0.9
Q1/2024	19.8	16.3	7.4	7.5	0.0	51.0	57.6

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

2. Occupancy, sales and footfall

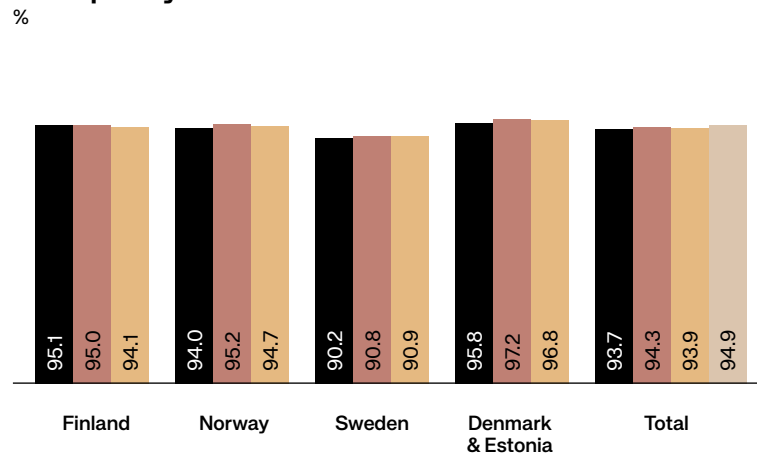
The retail occupancy rate, including Kista, remained stable in Q1/2024 from the previous quarter at 94.9% (Q4/2023: 95.4%). The economic occupancy declined slightly and was 93.9% (Q4/2023: 94.3%).

The average rent per sq.m. increased by 4.1% with comparable FX to 25.1 EUR (Q1/2023: 24.1 EUR) as we leased 41,000 sq.m. during the first quarter.

In Q1/2024 like-for-like tenant sales increased 3.0% compared to the same time last year. Notably, like-for-like tenant sales are up 11.8% compared to pre-pandemic Q1/2019.

Like-for-like footfall remained stable (-0.1%) compared to the same period last year.

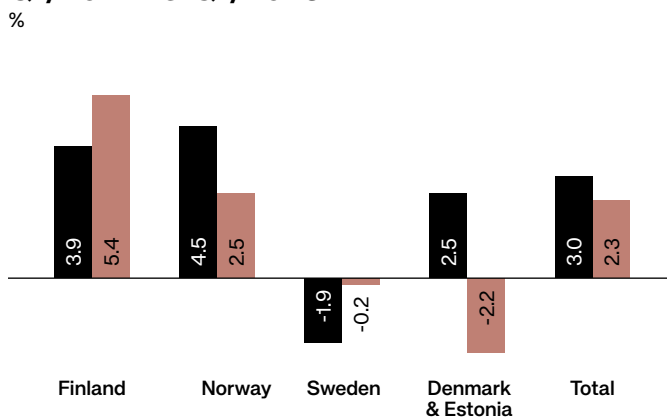
Occupancy rate¹



- Economic occupancy rate 31 March 2023
- Economic occupancy rate 31 December 2023
- Economic occupancy rate 31 March 2024
- Retail economic occupancy rate 31 March 2024

¹ Including Kista Galleria 100%.

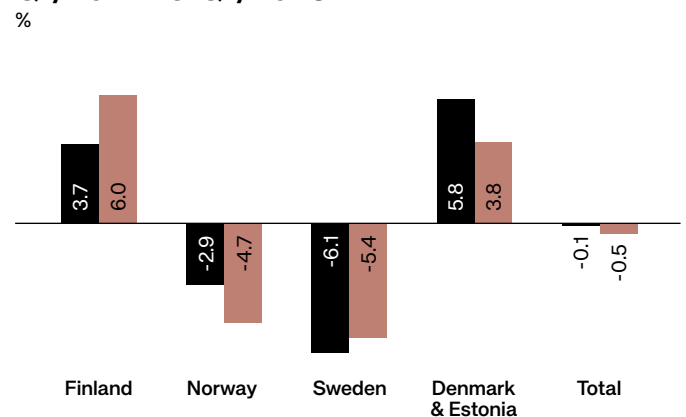
Tenant sales development, Q1/2024 vs. Q1/2023¹



- 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. Including Kista Galleria 100%.

Footfall development, Q1/2024 vs. Q1/2023¹



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

¹ Footfall figures include estimates. Including Kista Galleria 100%.

Lease portfolio summary¹

		31 March 2024	31 March 2023	31 December 2023
Number of leases	pcs	4,124	3,952	4,153
Average rent ²	EUR/sq.m./month	25.1	24.1	24.1
Average remaining length of lease portfolio	years	3.5	3.5	3.5
Occupancy cost ratio ³	%	9.3%	9.0%	9.2%

¹ Kista Galleria 100% included.

² Comparison periods with comparable FX-rate.

³ The rolling twelve month occupancy cost ratio for like-for-like shopping centres.

Leasing activity¹

		Q1/2024	Q1/2023	Q4/2023
Total area of leases started	sq.m.	78,016	90,448	258,414
Total area of leases ended	sq.m.	84,832	101,600	259,458

¹ Leases started and ended do not necessarily refer to the same premises. Kista Galleria 100% included.

3. Financial result

Operating profit (IFRS) was EUR 86.1 million (Q1/2023: EUR 82.8 million). Impact of the fair value change was EUR 46.2 million (Q1/2023: EUR 44.7 million) mainly due to the acquisition of Kista Galleria.

Administrative expenses were EUR 11.3 million (Q1/2023: EUR 9.7 million) and included EUR 4.3 million of reorganisation and one-time costs. At the end of the reporting period, Citycon Group employed a total of 220 (31 March 2023: 251) full-time employees (FTEs) of whom 42 worked in Finland, 72 in Norway, 39 in Sweden, 13 in Denmark & Estonia, and 55 in Group functions.

Net financial expenses (IFRS) increased to EUR 18.0 million (Q1/2023: EUR 12.1 million). Interest cost was EUR 2.7 million higher than last year mainly following increased cost of debt by EUR 3.3 million from refinancing and consolidation on Kista interest expenses starting from end of February. This were partially offset by interest income on cash balances EUR 0.5 million increase compared to corresponding period. In addition, an amount of EUR 4.1 million indirect losses (Q1/2023: EUR 1.3 million loss) was booked related to fair value changes of cross-currency swaps not under hedge accounting, EUR 2.8 million more than during the comparison period.

Share of loss of joint ventures and associated companies totalled EUR -0.8 million (Q1/2023: EUR -15.6 million) mainly due to the completion of the transaction to acquire the remaining interest in Kista Galleria at the end of February after which Kista has no longer been treated as a joint venture.

Profit for the period was EUR 64.9 million (Q1/2023: EUR 44.7 million).

4. Property portfolio value development

The asset value of investment properties increased by EUR 224.2 million from year-end to EUR 4,082.4 million (31 December 2023: EUR 3,858.2 million). Net investments, including both acquisitions and disposals and development projects increased the value by EUR 287.8 million, fair value gains by EUR 46.2 million and changes in right-of-use –assets by EUR 0.2 million. These increases were offset by changes in FX rates, which decreased the value by EUR 65.3 million and by transfer into investment properties held for sale, which decreased the value by EUR 44.8 million.

Property portfolio summary

31 March 2024	No. of properties	Gross leasable area	Fair value, MEUR	Properties held for sale, MEUR	Portfolio, %
Shopping centres, Finland	9	337,250	1,691.2	-	41%
Other properties, Finland	1	2,200	4.4	-	0%
Finland, total	10	339,450	1,695.6	-	41%
Shopping centres, Norway	13	343,000	993.0	44.8	25%
Rented shopping centres, Norway ¹	1	14,500	-	-	-
Norway, total	14	357,500	993.0	44.8	25%
Shopping centres, Sweden	6	266,000	912.5	-	22%
Other properties, Sweden	1	-	6.5	-	0%
Sweden, total	7	266,000	919.0	-	22%
Shopping centres, Denmark & Estonia	4	141,600	435.7	-	11%
Other properties, Denmark & Estonia	-	-	-	-	-
Denmark & Estonia, total	4	141,600	435.7	-	11%
Shopping centres, total	33	1,102,350	4,032.4	44.8	99%
Other properties, total	2	2,200	10.9	-	0%
Investment properties, total	35	1,104,550	4,043.3	44.8	99%
Right-of-use assets classified as investment properties (IFRS 16)	-	-	39.1	-	1%
Investment properties in the statement of financial position, total	35	1,104,550	4,082.4	44.8	100%

¹ 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 46.2 million (Q1/2023: EUR 44.7 million) mainly due to acquisition of Kista Galleria. Other value changes were minor. The application of IFRS 16 standard had an impact of EUR -1.7 million (Q1/2023: EUR -1.6 million) to the fair value change of investment properties during the January-March reporting period.

Fair value changes

MEUR	Q1/2024	Q1/2023	Q1-Q4/2023
Finland	4.7	3.5	-68.4
Norway	1.0	23.6	-64.5
Sweden	43.2	3.6	-35.3
Denmark & Estonia	-1.1	15.6	-25.5
Investment properties, total	47.9	46.4	-193.7
Right-of-use assets classified as investment properties (IFRS 16)	-1.7	-1.6	-6.6
Investment properties in the statement of financial position, total	46.2	44.7	-200.3
Kista Galleria (50%)	-	-14.8	-40.8
Investment properties and Kista Galleria (50%), total	-	29.9	-241.1

External appraisers, CBRE (in Denmark, Estonia and Norway) and JLL (in Finland and Sweden) measure the fair values for annual financial statements. Citycon measures the fair values of the properties internally in the Q1-Q3. All internal valuation periods are subject to yield and market commentary from Citycon's current external appraisers in its respective markets.

5. Capital recycling

In Q1/2024, Citycon completed the transaction to acquire the remaining interest in Kista Galleria in Stockholm, Sweden. Citycon has managed the centre since 2012 and before the transaction owned 50% of the asset. After the transaction, Citycon has 100% ownership. Kista Galleria had approximately SEK 2,400 million of debt and following the transaction Citycon assumed seller's share of existing debt (approximately SEK 1,200 million) and made a cash payment (approx. EUR 2.5 million). The new loan is secured by additional two assets located in Sweden.

Strengthening the balance sheet remains a key priority for the company. In November 2022, Citycon announced its goal to sell EUR 500 million of non-core assets in the next 24 months. Following the transaction executed in December 2022 the remaining target is EUR 380 million. Citycon is committed to execute the previously disclosed divestment target by the end of 2024 and in February 2024 increased its target to EUR 950 million over the next 24 months.

6. (Re)development projects

Citycon has no significant ongoing development projects and capex requirements are expected to be significantly lower in 2024 compared to the previous years.

Further information on Citycon's completed, ongoing and planned (re)developments can be found in the company's Financial Review 2023.

(Re)development projects in progress on 31 March 2024

	Location	Area before/after, sq.m.	Expected gross-investment, MEUR	Actual gross investment by 31 March 2024, MEUR	Completion
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 approximately in August 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.

7. Shareholders' equity

Equity per share was EUR 11.07 (31 December 2023: EUR 11.56). Equity per share was impacted by the directed share issue, where a total of 11,900,000 new shares were carried out in February 2024.

At period-end, **shareholders' equity** attributable to parent company's shareholders was EUR 1,428.1 million (31 December 2023: EUR 1,380.1 million).

8. Financing

Key financing figures

		31 March 2024	31 March 2023	31 December 2023
Nominal debt outstanding	MEUR	2,119.7	1,767.9	1,840.4
Interest bearing liabilities, carrying value ¹	MEUR	2,138.8	1,793.8	1,864.4
Available liquidity	MEUR	535.0	528.3	434.3
Average loan maturity	years	2.9	2.9	2.7
Loan to Value (LTV) ²	%	48.3	42.9	46.3
Interest cover ratio (financial covenant > 1.8)	x	3.5	4.0	3.7
Net debt to total assets (financial covenant < 0.60)	x	0.45	0.40	0.44
Solvency ratio (financial covenant < 0.65)	x	0.46	0.42	0.45
Secured solvency ratio (financial covenant < 0.25)	x	0.12	0.00	0.08

¹ Including EUR 36.6 million (Q1/2023: EUR 41,0 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.

In February, Citycon Oyj successfully completed a directed share issue of 11.9 million new shares, raising gross proceeds of approximately EUR 48.2 million. The subscription price for the shares offered in the placing was EUR 4.05 per share and the issue was four times oversubscribed, supported by both core shareholders G City and Ilmarinen. The proceeds from the placing are aimed at strengthening the company's balance sheet and improving its capital structure in the current market environment.

Following the share issue, Citycon Group placed a EUR 300 million green bond in order to refinance its October 2024 bond maturity of EUR 310.3 million. The 5-year senior unsecured fixed rate EUR-denominated bond matures on 8 March 2029 and pays a fixed coupon of 6.500%. The demand for the bond was very strong with an orderbook approximately seven times oversubscribed. With this issue Citycon's debt maturity profile is significantly improved and refinancing risk is further reduced.

Simultaneously with the bond issue, Citycon launched a tender offer for its EUR 310.3 million outstanding notes due in October 2024. As a result, the company successfully tendered EUR 213.3 million of the 2024 notes at a discount below par.

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 0.30 per share. The annual maximum distribution was thereby reduced by EUR 0.20 per share compared to last year. The equity repayment paid in March was mainly financed by operative cash flow.

Interest-bearing debt

The outstanding amount of interest-bearing debt increased during the quarter by EUR 279.3 million to EUR 2,119.7 million, following the consolidation of Kista bank debt of EUR 206.3 million into the group balance sheet and the bond issue where part of the funds were deployed to prepay debt. The carrying amount of interest-bearing liabilities in the balance sheet was EUR 2,138.8 million including IFRS 16 liabilities of EUR 36.6 million.

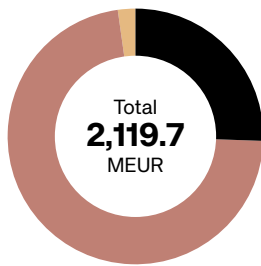
The weighted average loan maturity increased to 2.9 years following the issuance of a 5-year bond and the repayment of short-term notes. However, including post quarter executed extensions of the syndicated term loan and the Kista term loan, the pro forma Q1/2024 weighted average maturity was 3.4 years.

LTV (IFRS) increased during the quarter to 48.3% mainly as a result of the consolidation of Kista Galleria into the group balance sheet, the asset bearing a higher LTV than the Citycon group.

With the EUR 300 million bond issue Citycon has effectively refinanced all its significant short-term maturities, improving both group liquidity and average maturity.

Breakdown of loans

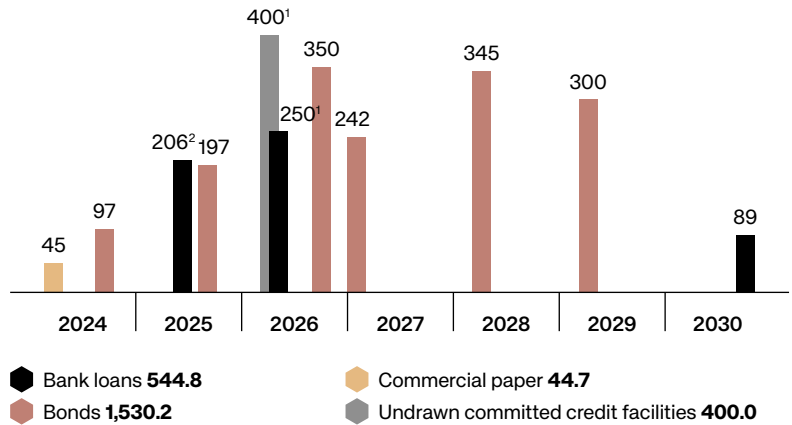
%



- Bank loans **25.7**
- Bonds **72.2**
- Commercial paper **2.1**

Debt maturities

MEUR



- Bank loans **544.8**
- Bonds **1,530.2**
- Commercial paper **44.7**
- Undrawn committed credit facilities **400.0**

¹ Post quarter the EUR 650 million facility incl. EUR 400 million committed credit facility and EUR 250 million term loan was extended using the one-year extension option in April, the facility now matures in April 2027.

² In addition, the company renegotiated and extended the tenor of the EUR 206 million Kista term loan to five years in May. The term loan is now maturing in May 2029.

Financial expenses

Key figures

		Q1/2024	Q1/2023	Q1-Q4/2023
Financial expenses ¹	MEUR	-21.4	-14.7	-61.2
Financial income ¹	MEUR	3.4	2.6	13.5
Net financial expenses (IFRS)	MEUR	-18.0	-12.1	-47.7
Direct net financial expenses (EPRA)	MEUR	-14.3	-11.5	-47.7
Weighted average interest rate ²	%	3.18	2.46	2.61
Weighted average interest rate excluding derivatives	%	3.88	2.59	3.13
Year-to-date weighted average interest rate ²	%	2.74	2.36	2.57

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

² Including interest rate swaps, cross-currency swaps and interest rate options.

Direct net financial expenses (EPRA) were EUR 2.7 million higher than last year mainly following increased cost of debt by EUR 3.3 million from refinancing and consolidation on Kista interest expenses starting from end of February. These were partially offset by interest income on cash balances EUR 0.5 million increase compared to corresponding period.

Net financial expenses (IFRS) increased to EUR 18.0 million (Q1/2023: EUR 12.1 million). EUR 3.3 million increase relates to higher interest expenses on refinanced debt and consolidation on Kista interest expenses, which was partially offset by interest income on hedges. In addition, indirect one-off net gains related to prepayment of debt of EUR 0.7 million were recorded during the year. Furthermore, an amount of EUR 4.1 million indirect losses was booked related to fair value changes of cross-currency swaps not under hedge accounting, whereas the corresponding period Q1/2023 carried a EUR 1.3 million loss from fair value of swaps.

Financial income mainly consisted of interest income on a loan to Kista Galleria, gains on debt repurchased at a discount and interest income on cash balances held following the bond issue. The interest income on the shareholder loan to Kista Galleria ceased to be booked as external income as Kista was acquired and consolidated as a 100% subsidiary at the end of February 2024.

The period-end weighted average interest rate was 3.18%.

Financial risk management

Citycon uses interest rate swaps and caps 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 2024	31 March 2023	31 December 2023
Average interest-rate fixing period	years	2.6	2.9	2.6
Fixed interest rate ratio	%	77.7	90.7	73.8

9. Business environment

Business environment key figures

	Finland	Norway	Sweden	Denmark	Estonia	Euro area
GDP growth forecast 2024	0.4%	1.5%	0.2%	2.1%	-0.5%	0.8%
Inflation, forecast 2024	1.2%	3.3%	2.6%	1.5%	4.2%	2.4%
Unemployment, 2024	7.6%	3.8%	8.4%	4.9%	8.1%	6.6%
Retail sales growth, 2/2024 ¹	-3.7%	-0.3%	-0.5%	0.0%	-3.5%	-0.2%

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

The Nordic economies, like the rest of the global economy, are impacted by the increase in cost of living and the uncertain economic environment due to inflation, rising interest rates, and geopolitical uncertainty. The common denominator for the Nordic countries is their strong financial position, thanks to high personal savings, strong public finances and robust job creation, which continue to persist. This provides these economies a buffer and some degree of resilience during this time of inflation, and rising interest rates.

While inflation is trending higher in all Nordic markets, this continues to benefit Citycon's operations due to the grocery and services-oriented tenant mix of Citycon's necessity-based urban hubs, which are less reliant on consumer discretionary spending. In addition, 94% of the Company's leases are tied to indexation.

(Sources: IMF, World Economic Outlook (April 2024), SEB Nordic Outlook, European Commission, Eurostat)

10. Changes in corporate management

Henrica Ginström started as Citycon's CEO on April 1, 2024. Ginström replaced F. Scott Ball, who stepped down based on mutual agreement. Mr. Ball continues to serve as a board member of the company.

Sakari Järvelä started as Citycon CFO on February 1, 2024. Bret D. McLeod, previous Chief Financial Officer of Citycon, announced in December 2023 his intention to resign from his position effective January 31, 2024, to pursue another opportunity back in his native United States.

In March 2024, Helen Metsvaht was appointed Citycon's new Chief Operating Officer and member of the Corporate Management Committee as of April 1, 2024. At the same time, Senior Vice President, Leasing, Jussi Vyyryläinen was appointed member of the Corporate Management Committee.

Kirsi Simola-Laaksonen, Citycon's Chief Information Officer and member of the Corporate Management Committee decided to leave the company to pursue new opportunities outside the company in February 2024.

11. 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 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 34–35 in the Financial Statements 2023, in Note 3.5 A) as well as on Citycon's website in the Corporate Governance section.

12. General meeting

Citycon's Annual General Meeting 2024 (AGM) was held on 19 March 2024. The Annual General Meeting was held without a meeting venue using remote connection in real time, in accordance with Section 11 of the Articles of Association of the Company and Chapter 5, Section 16 Subsection 3 of the Finnish Limited Liability Companies Act. A total of 291 shareholders were presented in the meeting either having voted in advance or via remote connection in person, or by statutory representative or by proxy, representing 47.2% 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 2023 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 0.30 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 nine. Chaim Katzman, Yehuda (Judah) L. Angster, F. Scott Ball, Zvi Gordon, Adi Jemini, Alexandre (Sandy) Koifman, David Lukes, Per-Anders Ovin and Ljudmila Popova were reelected to the Board of Directors.

Deloitte Oy, a firm of authorised public accountants, was elected as the auditor of the company for 2024.

The AGM decisions and the minutes of the AGM are available on the company's website at citycon.com/agm2024.

13. Shares, share capital and shareholders

The company has a single series of shares, with each share entitling to one vote at a General Meeting of shareholders. At the end of March 2024, the total number of shares outstanding in the company was 183,894,204. The shares have no nominal value.

At the end of March 2024, Citycon had a total of 27,368 (28,594) registered shareholders, of which ten were account managers of nominee-registered shares. Holders of the nominee-registered shares held approximately 126.8 million (117.0 million) shares, or 69.0% (69.7%) of shares and voting rights in the company. The most significant registered shareholders at period-end can be found on company's website citycon.com/major-shareholders.

Shares and share capital

		Q1/2024	Q1/2023	Q1-Q4/2023
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		171,994,204	168,008,940	168,008,940
Number of shares at period-end		183,894,204	168,008,940	171,994,204

Share price and trading

		Q1/2024	Q1/2023	%	Q1-Q4/2023
Low	EUR	3.74	6.04	-38.1%	4.89
High	EUR	5.22	7.01	-25.5%	7.01
Average	EUR	4.44	6.65	-33.2%	5.93
Latest	EUR	3.83	6.30	-39.2%	5.20
Market capitalisation at period-end	MEUR	703.6	1 057.6	-33.5%	894.4
Number of shares traded	million	24.0	15.1	59.0%	61.6
Value of shares traded	MEUR	103.3	100.5	2.8%	365.2

Shareholders 31 March 2024

% of shares and voting rights



■ Nominee-registered shareholders **69.0** (126.8 million shares)

■ Directly registered shareholdings **31.0** (57.1 million shares)

Dividend and equity repayment

Dividends and equity repayments paid on 31 March 2024¹

	Record date	Payment date	EUR / share
Equity repayment Q1	21 March 2024	28 March 2024	0.075
Total			0.075

Remaining Board authorisation for equity repayment²

	Preliminary record date	Preliminary payment date	EUR / share
Equity repayment Q2	20 June 2024	28 June 2024	0.075
Equity repayment Q3	23 September 2024	30 September 2024	0.075
Equity repayment Q4	20 December 2024	31 December 2024	0.075
Total			0.225

¹ Board decision based on the authorisation issued by the AGM 2024.

² The AGM 2024 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 0.30 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 19 March 2024:

- 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 8.70% 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 2025.
- 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 16.31% 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 2025.

During January – March 2024, the Board of Directors used one time 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:

Matching Share Plan 2022–2024

- On 25 March 2024, the company repurchased a total of 10,674 of its own shares and conveyed them on 27 March 2024 to two key persons of the company.

Own shares

During the reporting period, the company held a total of 10,674 of the company's own shares, which 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

In Q1/2024, Citycon received one flagging notification on 23 February 2024 according to which G City Ltd.'s holding of shares in Citycon has decreased below fifty (50) percent. Due to the dilutive effect of the directed share issue announced by Citycon Oyj on 22 February 2024 and completed on 23 February 2024, the aggregate total shareholding of G City Ltd. in Citycon Oyj decreased to approximately 49.63% following the registration of the new shares on 23 February 2024.

Incentive plans

Long-term Share-based Incentive Plans

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

- CEO Restricted Share Plan 2024–2027
- Option Plan 2024 A-C (CEO)
- CFO Performance Share Plan 2024–2026
- Option Plan 2024 (Corporate Management Committee and key employees)
- Performance Share Plan 2020–2022 (Corporate Management Committee excl. the CEO)
- Performance Share Plan 2023–2025 (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 2023–2025 (Key employees, excl. Corporate Management Committee)

In February 2024, the Board of Directors established a new share-based incentive plan for the new CFO of the company. In March 2024, the Board of Directors launched a new stock option plan for five key employees. After the reporting period, in April, the Board of Directors launched two new long-term share-based incentive plans for the new CEO: Stock Option Plan 2024A-C and Restricted Share Plan 2024–2027.

Further information on Citycon's share-based incentive plans is available on the company's website at [citycon.com/remuneration](https://www.citycon.com/remuneration).

14. Events after the reporting period

Citycon has agreed to divest Kongssenteret in Norway.

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

Helsinki, 15 May 2024
Citycon Oyj
Board of Directors

For further information, please contact:

Sakari Järvelä
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 4.1 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 Standard & Poor's (BBB-). Citycon's shares are listed on Nasdaq Helsinki Ltd.

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 2023 in section "EPRA performance measures". These tables include actual FX rates.

EPRA performance measures

		Q1/2024	Q1/2023	%	Q1-Q4/2023
EPRA Earnings	MEUR	24.5	25.3	-3.0%	109.6
Adjusted EPRA Earnings ¹	MEUR	22.1	17.9	23.9%	80.6
EPRA Earnings per share (basic)	EUR	0.138	0.150	-8.0%	0.651
Adjusted EPRA Earnings per share (basic) ¹	EUR	0.125	0.106	17.6%	0.479
EPRA NRV per share	EUR	8.96	10.78	-16.9%	9.30

¹ Starting from the beginning of 2024, Citycon excludes reorganisation and one-time costs (Q1/2024: EUR 4.3 million) from Adjusted EPRA Earnings. Due to this, Q1/2024 Adjusted EPRA Earnings is not fully comparable with Q1/2023. The adjusted key figure includes hybrid bond coupons and amortized fees.

The following tables present how EPRA performance measures are calculated.

1) EPRA earnings

MEUR	Q1/2024	Q1/2023	%	Q1-Q4/2023
Earnings in IFRS Consolidated Statement of Comprehensive Income	64.9	44.7	45.1%	-115.0
+/- Net fair value losses/gains on investment property	-46.2	-44.7	-3.4%	200.3
-/+ Net gains/losses on sale of investment property	-0.2	0.2	-	2.3
+ Indirect other operating expenses	0.0	0.0	-93.1%	0.3
+/- Early close-out costs/gains of debt and financial instruments	-0.7	-0.6	-17.3%	-2.9
-/+ Fair value gains/losses of financial instruments	4.4	1.1	-	2.8
+/- Indirect losses/gains of joint ventures and associated companies	0.0	14.6	-99.7%	32.0
-/+ Change in deferred taxes arising from the items above	2.2	9.9	-77.5%	-10.2
EPRA Earnings	24.5	25.3	-3.0%	109.6
-/+ Hybrid bond coupons and amortized fees	-6.7	-7.4	10.1%	-28.9
+ Reorganisation and one-time costs	4.3	-	-	-
Adjusted EPRA Earnings	22.1	17.9	23.9%	80.6
Weighted average number of ordinary shares, million	177.0	168.0	5.3%	168.3
EPRA Earnings per share (basic), EUR	0.138	0.150	-8.0%	0.651
Adjusted EPRA Earnings per share (basic), EUR	0.125	0.106	17.6%	0.479

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

MEUR	Q1/2024	Q1/2023	%	Q1-Q4/2023
Net rental income	51.0	47.8	6.7%	195.7
Direct administrative expenses	-11.3	-9.7	-16.8%	-31.1
Direct other operating income and expenses	-0.1	0.1	-	0.3
Direct operating profit	39.7	38.3	3.7%	164.8
Direct net financial income and expenses	-14.3	-11.5	-23.6%	-47.7
Direct share of profit/loss of joint ventures and associated companies	-0.7	-1.0	25.3%	-4.7
Direct current taxes	-0.5	-0.7	32.1%	-2.9
Direct deferred taxes	0.3	0.2	24.3%	0.1
EPRA Earnings	24.5	25.3	-3.0%	109.6
-/+ Hybrid bond coupons and amortized fees	-6.7	-7.4	10.1%	-28.9
+ Reorganisation and one-time costs	4.3	-	-	-
Adjusted EPRA Earnings	22.1	17.9	23.9%	80.6
EPRA Earnings per share (basic), EUR	0.138	0.150	-8.0%	0.651
Adjusted EPRA Earnings per share (basic), EUR	0.125	0.106	17.6%	0.479

2) EPRA NRV, NTA and NDV per share

The Best Practice Recommendations ('BPR') by The European Public Real Estate Association ('EPRA') include three measures of net asset value: EPRA Net Reinstatement Value (NRV), Net Tangible Assets (NTA), and Net Disposal Value (NDV).

Citycon 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 new EPRA net asset value measures NRV, NTA and NDV.

	31 March 2024			31 March 2023			31 December 2023		
	EPRA NRV	EPRA NTA	EPRA NDV	EPRA NRV	EPRA NTA	EPRA NDV	EPRA NRV	EPRA NTA	EPRA NDV
Equity attributable to parent company shareholders	1,428.1	1,428.1	1,428.1	1,573.2	1,573.2	1,573.2	1,380.1	1,380.1	1,380.1
Deferred taxes from the difference of fair value and fiscal value of investment properties ³	243.8	121.9	-	264.8	132.4	-	246.3	123.1	-
Fair value of financial instruments	0.4	0.4	-	-1.4	-1.4	-	1.4	1.4	-
Goodwill as a result of deferred taxes	-59.1	-	-	-60.7	-	-	-61.5	-	-
Goodwill as per the consolidated balance sheet	-	-109.0	-109.0	-	-110.6	-110.6	-	-111.4	-111.4
Intangible assets as per the consolidated balance sheet	-	-9.5	-	-	-10.0	-	-	-10.7	-
The difference between the secondary market price and carrying value of bonds ¹	-	-	94.9	-	-	254.0	-	-	153.0
Real estate transfer taxes ²	33.9	-	-	34.5	-	-	33.8	-	-
Total	1,647.1	1,431.8	1,414.0	1,810.3	1,583.6	1,716.7	1,600.1	1,382.7	1,421.8
Number of ordinary shares at balance sheet date, million	183.9	183.9	183.9	168.0	168.0	168.0	172.0	172.0	172.0
Net Asset Value per share	8.96	7.79	7.69	10.78	9.43	10.22	9.30	8.04	8.27

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. The difference between the secondary market price and the carrying value of the bonds was EUR 94.9 million (secondary market price lower) as of 31 March 2024. In the comparison period 31 March 2023, the difference was EUR 254.0 million (secondary market price lower).

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.

Condensed consolidated interim financial statements 1 January–31 March 2024

Condensed consolidated statement of comprehensive income, IFRS

MEUR	Note	Q1/2024	Q1/2023	%	Q1–Q4/2023
Gross rental income	3	57.6	55.1	4.4%	215.3
Service charge income	3,4	21.5	19.0	13.5%	74.7
Property operating expenses		-28.0	-25.4	-10.0%	-92.8
Other expenses from leasing operations		-0.1	-0.9	86.1%	-1.6
Net rental income	3	51.0	47.8	6.7%	195.7
Administrative expenses		-11.3	-9.7	-16.8%	-31.1
Other operating income and expenses		-0.1	0.1	-	0.0
Net fair value gains/losses on investment property	3	46.2	44.7	3.4%	-200.3
Net gains/losses on sale of investment properties and subsidiaries		0.2	-0.2	-	-2.3
Operating profit	3	86.1	82.8	4.0%	-38.0
Net financial income and expenses		-18.0	-12.1	-49.0%	-47.7
Share of profit/loss of joint ventures and associated companies		-0.8	-15.6	95.0%	-36.7
Result before taxes		67.3	55.1	22.2%	-122.3
Current taxes		-0.5	-0.7	32.1%	-2.9
Deferred taxes		-1.9	-9.6	80.0%	10.3
Result for the period		64.9	44.7	45.1%	-115.0
Profit/loss attributable to					
Parent company shareholders		64.9	44.7	45.1%	-115.0
Non-controlling interest		0.0	0.0	-	0.0
Earnings per share attributable to parent company shareholders					
Earnings per share (basic), EUR ¹	5	0.33	0.32	3.6%	-0.70
Earnings per share (diluted), EUR ¹	5	0.33	0.31	4.1%	-0.70
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss					
Net gains/losses on cash flow hedges		1.1	-0.5	-	-3.4
Exchange gains/losses on translating foreign operations		-37.0	-67.7	45.3%	-51.7
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		-35.9	-68.2	47.3%	-55.0
Other comprehensive income for the period, after taxes		-35.9	-68.2	47.3%	-55.0
Total comprehensive profit/loss for the period		29.0	-23.4	-	-170.0
Total comprehensive profit/loss attributable to					
Parent company shareholders		29.0	-23.4	-	-170.0
Non-controlling interest		0.0	0.0	-	0.0

¹ The key figure includes hybrid bond coupons, amortized fees and gains and expenses on hybrid bond repayments.

Condensed consolidated statement of financial position, IFRS

MEUR	Note	31 March 2024	31 March 2023	31 December 2023
Assets				
Non-current assets				
Investment properties	6	4,082.4	3,996.7	3,858.2
Goodwill		109.0	110.6	111.4
Investments in joint ventures and associated companies		3.4	92.2	72.4
Intangible and tangible assets, and other non-current assets		28.5	28.5	30.5
Derivative financial instruments	10, 11	38.9	21.4	37.2
Deferred tax assets		16.7	16.6	16.5
Total non-current assets		4,278.9	4,266.0	4,126.1
Investment properties held for sale	8	44.8	0.0	0.0
Current assets				
Derivative financial instruments	10, 11	2.9	3.4	0.1
Trade receivables and other current assets		66.8	69.3	56.9
Cash and cash equivalents	9	125.7	18.8	25.2
Total current assets		195.4	91.5	82.3
Total assets	3	4,519.0	4,357.5	4,208.4
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		-0.4	1.4	-1.4
Invested unrestricted equity fund	12	630.3	639.2	596.8
Retained earnings	12	407.5	541.8	394.1
Total equity attributable to parent company shareholders		1,428.1	1,573.2	1,380.1
Hybrid bond		607.9	649.0	607.3
Non-controlling interest		0.0	0.0	0.0
Total shareholders' equity		2,036.0	2,222.2	1,987.5
Long-term liabilities				
Loans		1,990.8	1,622.8	1,502.8
Derivative financial instruments and other non-interest bearing liabilities	10, 11	10.6	0.3	22.8
Deferred tax liabilities		246.4	266.0	247.8
Total long-term liabilities		2,247.7	1,889.1	1,773.4
Short-term liabilities				
Loans		148.0	171.0	361.6
Derivative financial instruments	10, 11	0.9	0.1	5.3
Trade and other payables		86.4	75.1	80.7
Total short-term liabilities		235.3	246.2	447.5
Total liabilities	3	2,483.1	2,135.3	2,220.9
Total liabilities and shareholders' equity		4,519.0	4,357.5	4,208.4

Condensed consolidated cash flow statement, IFRS

MEUR	Note	Q1/2024	Q1/2023	Q1-Q4/2023
Cash flow from operating activities				
Profit before taxes		67.3	55.1	-122.3
Adjustments to profit before taxes		-28.5	-16.9	290.3
Cash flow before change in working capital		38.8	38.2	168.0
Change in working capital		-2.8	1.0	5.8
Cash generated from operations		36.0	39.2	173.8
Paid interest and other financial charges		-17.8	-15.6	-51.0
Interest income and other financial income received		1.2	0.2	1.7
Current taxes paid		-1.0	-2.6	2.4
Net cash from operating activities		18.4	21.2	126.8
Cash flow from investing activities				
Acquisition of investment properties and subsidiaries, less cash acquired	6,7,8	-3.5	-	-
Capital expenditure on investment properties, investments in joint ventures, intangible assets and tangible assets	6,7,8	-13.6	-21.2	-96.7
Sale of investment properties and subsidiaries	6,7,8	-0.1	1.3	-0.4
Net cash used in investing activities		-17.2	-19.8	-97.1
Cash flow from financing activities				
Proceeds from short-term loans		98.4	154.3	357.3
Repayments of short-term loans		-313.8	-110.1	-433.8
Proceeds from long-term loans		298.4	-	405.3
Repayments of long-term loans		-	-35.0	-257.5
Hybrid bond repayments		-	-26.8	-39.2
Hybrid bond interest and expenses		-13.1	-15.9	-29.1
Proceeds from share issue		48.2	-	-
Dividends and return from the invested unrestricted equity fund	12	-13.8	-21.0	-84.4
Realized exchange rate gains/losses		-3.1	5.0	9.4
Net cash from financing activities		101.2	-49.5	-72.0
Net change in cash and cash equivalents		102.5	-48.2	-42.3
Cash and cash equivalents at period-start	9	25.2	69.2	69.2
Effects of exchange rate changes		-2.0	-2.1	-1.6
Cash and cash equivalents at period-end	9	125.7	18.8	25.2

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 2023	259.6	131.1	1.9	660.2	-188.3	754.3	1,618.8	691.5	0.0	2,310.3
Total comprehensive profit/loss for the period			-0.5		-67.7	44.7	-23.4			-23.4
Hybrid bond repayments							0.0	-42.8		-42.8
Gains on hybrid bond repayments						16.1	16.1			16.1
Hybrid bond interest and expenses						-16.3	-16.3	0.4		-15.9
Dividends paid and equity return (Note 12)				-21.0			-21.0			-21.0
Share-based payments						-1.0	-1.0			-1.0
Other changes						0.0	0.0			0.0
Balance at 31 March 2023	259.6	131.1	1.4	639.2	-256.0	797.8	1,573.2	649.0	0.0	2,222.2
Balance at 1 January 2024	259.6	131.1	-1.4	596.8	-240.0	634.1	1,380.1	607.3	0.0	1,987.5
Total comprehensive profit/loss for the period			1.1		-37.0	64.9	29.0			29.0
Share issues				47.3			47.3			47.3
Hybrid bond interest and expenses						-13.6	-13.6	0.5		-13.1
Dividends paid and equity return (Note 12)				-13.8			-13.8			-13.8
Share-based payments						-0.9	-0.9			-0.9
Other changes						0.0	0.0			0.0
Balance at 31 March 2024	259.6	131.1	-0.4	630.3	-277.0	684.5	1,428.1	607.9	0.0	2,036.0

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, Norway, Sweden and Denmark & Estonia. 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 the 15th of May 2024.

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 2023. Citycon's interim report for the reporting period has been prepared in accordance with the same accounting policies as in annual financial statements 2023 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.

3. Segment information

Citycon changed its operating segments and segment reporting starting from 1 January 2023. The new segments are Finland, Norway, Sweden and Denmark & Estonia. Previously the segments were Finland & Estonia, Norway and Sweden & Denmark.

Citycon completed the transaction to acquire the remaining interest in Kista Galleria at the end of February and since then Kista Galleria has been consolidated to Citycon group numbers and is part of the segment Sweden. Until the completion of the transaction, Kista Galleria was treated as a joint venture. The comparison period numbers have not been updated following the acquisition of Kista Galleria. In Q1/2023, Kista Galleria contributed to the IFRS based profit by EUR -15.7 million.

Q1/2024 net fair value gains/losses on segment Sweden were mainly due to positive fair value change of EUR 46.2 million related to acquisition of remaining 50% interest in Kista Galleria.

MEUR	Q1/2024	Q1/2023	%	Q1-Q4/2023
Gross rental income				
Finland	21.4	20.2	6.0%	81.6
Norway	17.4	18.0	-3.3%	67.7
Sweden	10.6	8.9	19.2%	33.8
Denmark & Estonia	8.1	8.0	1.5%	32.2
Total Segments	57.6	55.1	4.4%	215.3
Kista Galleria (50%)	-	2.4	-	9.3
Service charge income				
Finland	8.1	7.0	15.2%	28.6
Norway	7.4	6.3	16.6%	25.1
Sweden	3.9	2.7	45.4%	10.2
Denmark & Estonia	2.2	2.9	-26.5%	10.8
Total Segments	21.5	19.0	13.5%	74.7
Kista Galleria (50%)	-	0.9	-	3.3
Net rental income				
Finland	19.8	18.2	8.6%	76.4
Norway	16.3	16.5	-1.3%	62.5
Sweden	7.4	5.8	27.3%	27.8
Denmark & Estonia	7.5	7.3	2.2%	29.3
Other	0.0	-0.1	-	-0.4
Total Segments	51.0	47.8	6.7%	195.7
Kista Galleria (50%)	-	1.6	-	6.6
Direct operating profit				
Finland	19.0	17.5	8.5%	74.0
Norway	14.7	15.3	-4.1%	58.8
Sweden	6.6	4.9	33.8%	23.5
Denmark & Estonia	7.4	7.2	3.2%	28.9
Other	-8.0	-6.6	-20.3%	-20.3
Total Segments	39.7	38.3	3.7%	164.8
Kista Galleria (50%)	-	1.5	-	6.5
Net fair value gains/losses on investment property				
Finland	4.5	3.3	35.6%	-69.4
Norway	-0.1	22.5	-	-68.8
Sweden	42.9	3.3	-	-36.6
Denmark & Estonia	-1.1	15.6	-	-25.5
Total Segments	46.2	44.7	3.4%	-200.3
Kista Galleria (50%)	-	-14.8	-	-40.8
Operating profit/loss				
Finland	23.7	20.6	15.2%	4.3
Norway	14.5	37.8	-61.6%	-11.7
Sweden	49.5	8.2	-	-13.4
Denmark & Estonia	6.3	22.7	-72.2%	3.1
Other	-8.0	-6.6	-20.3%	-20.3
Total Segments	86.1	82.8	4.0%	-38.0
Kista Galleria (50%)	-	-13.3	-	-34.3

MEUR	31 March 2024	31 March 2023	%	31 December 2023
Assets				
Finland	1,717.2	1,738.6	-1.2%	1,706.9
Norway	1,139.8	1,248.8	-8.7%	1,179.5
Sweden	948.1	660.4	43.6%	640.4
Denmark & Estonia	450.7	482.0	-6.5%	450.1
Other	263.2	227.8	15.5%	231.4
Total Segments	4,519.0	4,357.5	3.7%	4,208.4
Kista Galleria (50%)	-	205.6	-	187.0
Liabilities				
Finland	15.8	9.3	69.1%	13.7
Norway	13.3	16.4	-19.0%	16.4
Sweden	22.2	14.1	57.7%	14.8
Denmark & Estonia	9.1	8.1	13.1%	9.3
Other	2,422.7	2,087.4	16.1%	2,166.6
Total Segments	2,483.1	2,135.3	16.3%	2,220.9
Kista Galleria (50%)	-	224.7	-	229.5

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

4. Revenue from contracts with customers

MEUR	Q1/2024	Q1/2023	%	Q1-Q4/2023
Service charges ¹	17.3	15.0	15.2%	57.3
Utility charges ¹	2.5	2.4	0.3%	9.9
Other service income ¹	1.8	1.5	17.6%	7.5
Management fees ²	0.1	0.1	-10.1%	0.4
Revenue from contracts with customers	21.6	19.0	13.4%	75.1

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		Q1/2024	Q1/2023	%	Q1-Q4/2023
Profit attributable to parent company shareholders	MEUR	64.9	44.7	45.1%	-115.0
Hybrid bond interests and expenses	MEUR	-6.7	-7.4	10.1%	-28.9
Gains and expenses on hybrid bond repayments	MEUR	-	16.1	-	25.8
Weighted average number of ordinary shares	million	177.0	168.0	5.3%	168.3
Earnings per share (basic)¹	EUR	0.33	0.32	3.6%	-0.70

Earnings per share, diluted		Q1/2024	Q1/2023	%	Q1-Q4/2023
Profit attributable to parent company shareholders	MEUR	64.9	44.7	45.1%	-115.0
Hybrid bond interests and expenses	MEUR	-6.7	-7.4	10.1%	-28.9
Gains and expenses on hybrid bond repayments	MEUR	-	16.1	-	25.8
Weighted average number of ordinary shares	million	177.0	168.0	5.3%	168.3
Adjustment for share-based incentive plans	million	1.6	2.4	-32.5%	1.9
Weighted average number of ordinary shares, diluted	million	178.6	170.4	4.8%	170.1
Earnings per share (diluted)¹	EUR	0.33	0.31	4.1%	-0.70

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

6. Investment properties

Citycon divides its investment properties into two categories: Investment Properties Under Construction (IPUC) and Operative Investment Properties. On reporting date and on comparable period 31 March 2023, the first mentioned category included Barkarby residentials in Sweden.

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

31 March 2024

MEUR	Investment properties under construction (IPUC)	Operative investment properties	Investment properties, total
Balance at 1 January 2024	6.7	3,851.5	3,858.2
Acquisitions	-	280.2	280.2
Investments	0.1	7.5	7.6
Capitalized interest	-	0.1	0.1
Fair value gains on investment property	-	67.3	67.3
Fair value losses on investment property	-	-19.4	-19.4
Valuation gains and losses from Right-of-Use-Assets	-	-1.7	-1.7
Exchange differences	-0.3	-65.0	-65.3
Transfer into investment properties held for sale	-	-44.8	-44.8
Changes in right-of-use assets classified as investment properties (IFRS 16)	-	0.2	0.2
Balance at 31 March 2024	6.5	4,075.9	4,082.4

31 March 2023

MEUR	Investment properties under construction (IPUC)	Operative investment properties	Investment properties, total
Balance at 1 January 2023	435.4	3,604.7	4,040.1
Investments	0.0	12.9	12.9
Capitalized interest	-	0.3	0.3
Fair value gains on investment property	-	73.7	73.7
Fair value losses on investment property	-	-27.3	-27.3
Valuation gains and losses from Right-of-Use-Assets	-	-1.6	-1.6
Exchange differences	-0.1	-101.6	-101.7
Transfer between investment properties under construction and operative investment properties	-429.2	429.2	0.0
Changes in right-of-use assets classified as investment properties (IFRS 16)	-	0.4	0.4
Balance at 31 March 2023	6.1	3,990.6	3,996.7

31 December 2023

MEUR	Investment properties under construction (IPUC)	Operative investment properties	Investment properties, total
Balance at 1 January 2023	435.4	3,604.7	4,040.1
Investments	0.5	91.8	92.3
Capitalized interest	-	0.5	0.5
Fair value gains on investment property	-	22.8	22.8
Fair value losses on investment property	-	-216.5	-216.5
Valuation gains and losses from Right-of-Use-Assets	-	-6.6	-6.6
Exchange differences	0.0	-76.2	-76.2
Transfer between investment properties under construction and operative investment properties	-429.2	429.2	0.0
Changes in right-of-use assets classified as investment properties (IFRS 16)	-	1.8	1.8
Balance at 31 December 2023	6.7	3,851.5	3,858.2

The fair value of Citycon's investment properties for the Q1/2024 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 Financial statement 2023.

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		
	31 March 2024	31 March 2023	31 December 2023	31 March 2024	31 March 2023	31 December 2023
Finland	5.5	5.1	5.5	29.2	28.8	28.1
Norway	6.2	5.7	6.2	21.0	20.6	20.6
Sweden	5.8	5.5	5.8	25.3	23.7	25.1
Denmark & Estonia	7.2	6.8	7.2	22.9	24.0	22.7
Investment properties, average	5.9	5.5	6.0	24.8	24.3	24.2
Investment properties and Kista Galleria (50%), average	-	5.5	5.9	-	24.4	24.3

7. Capital expenditure

MEUR	Q1/2024	Q1/2023	Q1-Q4/2023
Acquisitions of properties ¹	280.2	-	-
Acquisitions of and investments in joint ventures	-	0.1	-
Property development	7.6	13.2	92.8
Other investments	0.2	0.5	3.1
Total capital expenditure incl. acquisitions	288.0	13.7	95.9
Capital expenditure by segment			
Finland	2.5	7.9	46.6
Norway	2.0	2.3	21.2
Sweden	281.3	2.0	15.1
Denmark & Estonia	2.1	1.2	11.0
Group administration	0.2	0.3	2.0
Total capital expenditure incl. acquisitions	288.0	13.7	95.9
Divestments	-	-	-

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

8. Investment properties held for sale

The Held for Sale Investment Properties consisted of two shopping centers in Norway on 31 March 2024.

Transfer from investment properties includes also fair value changes of properties in Investment properties held for sale.

MEUR	31 March 2024	31 March 2023	31 December 2023
At period-start	0.0	0.0	0.0
Transfer from investment properties	44.8	-	-
At period-end	44.8	0.0	0.0

9. Cash and cash equivalents

MEUR	31 March 2024	31 March 2023	31 December 2023
Cash in hand and at bank	120.0	13.3	19.3
Restricted cash	5.7	5.5	6.0
Total cash	125.7	18.8	25.2

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.

10. Fair values of financial assets and liabilities

Classification of financial instruments and their carrying amounts and fair values.

MEUR	31 March 2024		31 March 2023		31 December 2023	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets						
I Financial assets at fair value through profit and loss						
Derivative financial instruments	41.8	41.8	23.4	23.4	37.3	37.3
II Derivative contracts under hedge accounting						
Derivative financial instruments	-	-	1.4	1.4	-	-
Financial liabilities						
I Financial liabilities amortised at cost						
Loans from financial institutions	538.4	544.8	-	-	336.5	341.9
Commercial paper	44.3	44.7	94.2	94.5	46.5	47.0
Bonds	1,519.5	1,424.6	1,658.7	1,404.6	1,442.6	1,289.6
Lease liabilities (IFRS 16)	36.6	36.6	41.0	41.0	38.8	38.8
II Financial liabilities at fair value through profit and loss						
Derivative financial instruments	10.9	10.9	0.1	0.1	26.4	26.4
III Derivative contracts under hedge accounting						
Derivative financial instruments	0.4	0.4	-	-	1.4	1.4

11. Derivative financial instruments

MEUR	31 March 2024		31 March 2023		31 December 2023	
	Nominal amount	Fair value	Nominal amount	Fair value	Nominal amount	Fair value
Interest rate swaps						
Maturity:						
less than 1 year	-	-	70.2	1.4	-	-
1–5 years	125.0	-0.4	-	-	125.0	-1.4
over 5 years	-	-	-	-	-	-
Subtotal	125.0	-0.4	70.2	1.4	125.0	-1.4
Cross-currency swaps						
Maturity:						
less than 1 year	-	-	-	-	-	-
1–5 years	278.3	23.1	314.8	21.4	278.3	16.0
over 5 years	-	-	-	-	-	-
Subtotal	278.3	23.1	314.8	21.4	278.3	16.0
Foreign exchange forward agreements						
Maturity:						
less than 1 year	98.0	2.0	96.4	1.9	102.1	-5.2
Interest rate options						
less than 1 year	-	-	-	-	-	-
1–5 years	283.8	5.8	-	-	125.0	0.1
over 5 years	-	-	-	-	-	-
Subtotal	283.8	5.8	-	-	125.0	0.1
Total	785.1	30.5	481.5	24.8	630.4	9.5

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 125.0 million (Q1/2023: EUR 70.2 million). The change in fair values of these derivatives is recognised under other comprehensive income.

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

12. Dividend and equity repayment

Citycon's AGM 2024 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 0.30 per share. The authorisation is valid until the opening of the next AGM.

On the basis of the authorisation the Board of Directors decided in March 2024 to distribute equity repayment of EUR 0.075 per share, or EUR 13.8 million. Following the equity repayment paid on 28 March 2024, the remaining authorisation for equity repayment is EUR 0.225 per share.

Preliminary payment dates for equity repayments to be distributed on basis of the authorization are 28 June 2024, 30 September 2024 and 31 December 2024. 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 equity repayment EUR 84.4 million were distributed during the financial year 2023, of which EUR 21.0 million equity repayment were distributed during the first quarter of 2023.

13. Contingent liabilities

MEUR	31 March 2024	31 March 2023	31 December 2023
Mortgages on land and buildings	1,019.0	250.0	741.9
Bank guarantees and parent company guarantees	223.6	63.5	63.6
Capital commitments	81.2	71.6	72.4

The mortgages relate to three separate credit facilities; SEK 1,020 million (EUR 88.5 million) mortgage loan, SEK 2,378 million (EUR 206.3 million) mortgage loan and EUR 650 million credit facility, of which the EUR 400 million revolving credit facility tranche is currently fully undrawn, and the term loan tranche of EUR 250 million is drawn. Citycon has also pledged the shares in the mortgaged properties for the term loan in Kista and for the credit facility. At period-end, Citycon had capital commitments of EUR 81.2 million (Q1/2023: EUR 71.6 million) relating mainly to on-going (re)development projects.

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. In total, G City and wholly-owned subsidiary Gazit Europe Netherlands BV own 49.63% (52.12%) of the total shares and votes in the company.

Over the reporting period and in the comparable period, Citycon paid no expenses to G City Ltd and its subsidiaries. Citycon invoiced EUR 0.0 million expenses forward to G City Ltd and its subsidiaries (Q1/2023: EUR 0.0 million).

Report on Review of Citycon Oyj's Interim Financial Information for the period 1.1.–31.3.2024 (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 31.3.2024, consolidated 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 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.

In Helsinki 15 May 2024

Deloitte Oy
Audit Firm

Anu Servo
KHT