Citycon


# Financial Review 2024

# Contents



The accounting policies have been marked with a grey background.

Information on the key estimates and assumptions have been marked with a beige background.

**CFO Eero Sihvonen comments** on significant items during the reporting period.

## About this report

Accounting policies and key estimates and assumptions regarding business activities are presented together with the relevant note. The aim is to improve the presentation of how operating result was formed, what assets were used to achieve the business profits and how business and asset transactions were financed.

# Information to shareholders

## Listing of Citycon's shares
Citycon Oyj's shares are listed on the Nasdaq Helsinki Ltd. Large Cap list until 31 December 2024 and on the Mid Cap list from 1 January 2025 onwards under the trading code CTY1S. Citycon has one series of shares, and each share entitles its holder to one vote at the General Meeting of shareholders and to an equal dividend.

## Annual General Meeting
Citycon Oyj's Annual General Meeting will be held on 3 April 2025 at 12:00 noon. The notice, topics discussed in the meeting, proposals made for the Annual General Meeting, as well as the instructions on how to register will be found on Citycon's website.

## Changes of address
Shareholders are requested to notify their book-entry account operator or Euroclear Finland Ltd., whichever holds the shareholder's book-entry account, of any changes to their name or address.

## Publication of financial information
Citycon publishes financial information in English and Finnish. All materials are available on Citycon's website.

## Subscription to publications
Citycon's financial reports, stock exchange releases and press releases can be ordered by registering an e-mail address on Citycon's website at citycon.com/newsroom.

## Investor relations contacts
Citycon's Investor Relations function assists in all investor relations related questions. The primary contact is the Investor Relations Manager, Anni Torkko (ir@citycon.com).

## Asset distribution
The Board of Directors proposes to the Annual General Meeting that the Board of Directors will be authorized to decide on the distribution of assets from the invested unrestricted equity fund.

Based on this authorization, the maximum total amount of equity repayment distributed from the invested unrestricted equity fund shall not exceed EUR 0.30 per share. Based on the current total number of issued shares in the company (184,231,295), the authorization would equal to a maximum of EUR 55,269,389 in equity repayment.

The authorization is valid until the opening of the next Annual General Meeting.

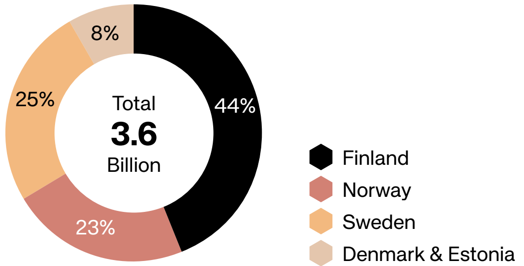
As disclosed on 15 November 2024, the Board of Directors of Citycon Oyj has unanimously decided that it will not use its authorization and no dividend or equity repayment will be distributed until year end 2025. The decision has been made to further increase the long-term financial stability, and to strengthen the balance sheet and the credit profile of the company.

| Financial calendar 2025 | |
|---|---|
| Financial Statements Bulletin and Financial Statements 2024 | 26 February |
| Interim Report January–March 2025 | 13 May |
| Half-yearly Report January–June 2025 | 6 August |
| Interim Report January–September 2025 | 5 November |
| AGM | 3 April |

# We create cities full of life. For people. For communities. For development. For growth.

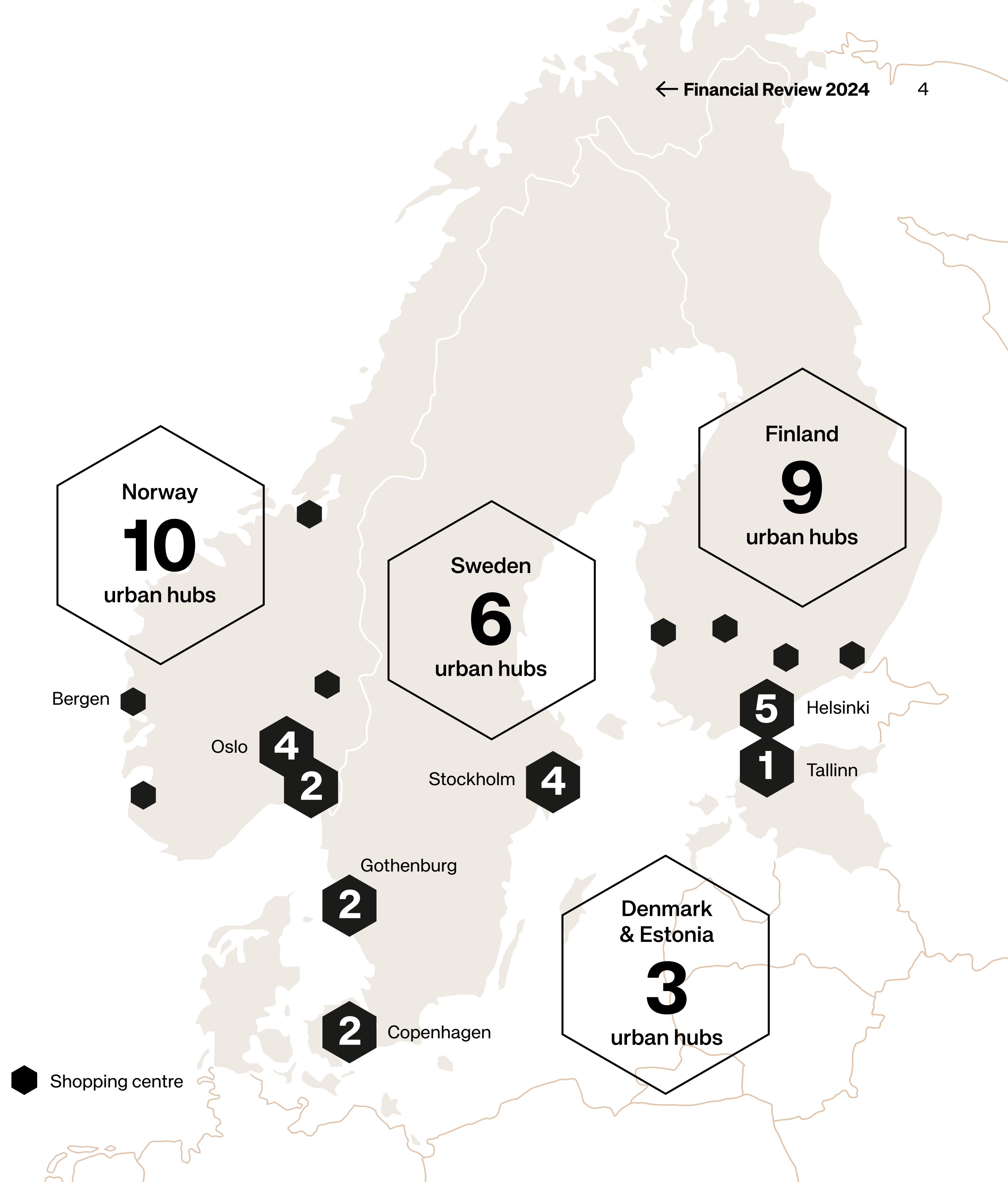
Citycon is the leading owner and developer of urban hubs in the Nordics and Baltics. Our 28 mixed-use, necessity-based centres are located in the major cities in Finland, Sweden, Norway, Denmark and Estonia. We transform unique locations into sustainable communities and cities full of life, serving 125 million people each year and delivering long-term share value.

**Balanced Nordic portfolio**
% of total value




**28**

**urban hubs in 5 countries serving 125 million people each year.**



# CEO's interview

## How would you summarize the year 2024?

In 2024, we continued to demonstrate the strength and stability of Citycon's necessity-based strategy as our assets continued to perform very well. The positive operating results reflect the quality of our grocery-anchored properties, which have a high proportion of municipal and necessity tenants, connected to transportation situated in convenient locations in the largest Nordic cities. Our long-stated strategy of creating mixed-use urban hubs is paying operational dividends and driving traffic to our centres.

Citycon enjoyed strong growth in its operational business in 2024 posting EUR 184 million in direct operating profit. On the back of this strong performance, total direct operating profit grew by +12.0% for Q1–Q4/2024, adjusted EPRA Earnings by +12.1% and total net rental income by +10.3% (all measured with comparable FX) compared to the same period in 2023. Excluding e.g. divested assets and acquisitions like-for-like net rental income grew +4.6% compared to year 2023 (in comparable FX).

2024 was also the year in which we continued our progress in solidifying the balance sheet. On the transaction front, we continued to demonstrate the inherent value and liquidity of Citycon's portfolio. Additionally, we actively managed the balance sheet through multiple credit- and equity-related transactions throughout the year.

## How would you describe Citycon's operational performance in this past year?

The retail occupancy rate increased +20 bps over the prior quarter to 95.3% and average rents increased 4.6% to 25.0 EUR/sq.m. The company signed over 175,000 sq.m. of leases during 2024, with new tenant openings including a 7,300 sq.m. Prisma hypermarket in Myyrmanni, a 3,200 sq.m. Selver grocery store in Rocca al Mare, an over 1,800 sq.m. gym at Rocca al Mare and the first Nike concept store in Helsinki suburban area in Iso Omena. In December, Citycon announced that it has signed a lease agreement with Terveystalo for an over 4,000 sq.m. medical centre-hospital in Trio. The strong leasing results reflect the quality of our grocery/municipality anchored urban hubs and resulted in a rent collection rate of 99%.

In 2024, Citycon completed important measures to restructure its operations, reduce expenses, and improve its balance sheet. Actions to reduce costs included the outsourcing of accounting, and decentralization of day-to-day decision making to the country level. These actions completed in 2024 provide for a reduction in G&A overhead to approximately EUR 23 million for

**We will continue to focus on delivering on our strategy of creating and operating necessity-based retail hubs in top Nordic locations.**

2025 onwards. In addition, the company significantly reduced capital expenditures for 2024 and planned further reductions in capital expenditures for 2025 to approximately EUR 21 million.

## What measures were taken in 2024 to strengthen the balance sheet?

Additional measures were taken in 2024 to strengthen the balance sheet, including asset disposals of EUR 354 million with proceeds used to repay debt. Total divestments as of year-end 2024 reached EUR 475 million since the publication of our EUR 950 million divestment target by 2026 which is 50% of our stated goal. We anticipate another approximately 250 million divestments through 2025 and intend to meet our full divestment target in 2026.

The company also made the decision to suspend dividend payments and repay short-term debt to push out the average maturity schedule. In addition, Citycon issued two new bonds during the year with outsized demand from the market as the bonds were seven and ten times oversubscribed and further improved the debt maturity profile. These steps led S&P to reaffirm our investment grade rating on November 19. The expansion in yields impacted the valuation of the portfolio during 2024, which was partially offset by realized rent growth occurring in our assets resulting in an increase in the market rents used in the valuation models within all of our main markets. For the year, the book value of our assets decreased by EUR -74.6 million. As interest rates continue to decline, spreads should tighten which should positively impact valuations for 2025.

## What are Citycon's areas of focus 2025?

As we begin 2025, the new operating model is up and functioning, with country teams that now have full local P&L accountability as well as separate Board oversight for each country. While the company's operational results are among some of the best within the peer group, Citycon still has room to further accelerate rent growth. The company's occupancy cost ratio is one of the lowest in the industry at 9.4% and our tenants continue to experience sales growth (like-for-like +2.5% for 2024), which provides Citycon with ample headroom for compounding rent growth. Taken together, these factors give us confidence that 2025 results will continue to build on the strong performance in 2024 and our guidance reflects the ongoing belief in our unique necessity-based urban hubs. As a result, the outlook for 2025 EPRA EPS is in the range of EUR 0.41–0.53 and EPRA EPS excluding hybrid interests EUR 0.60–0.72.

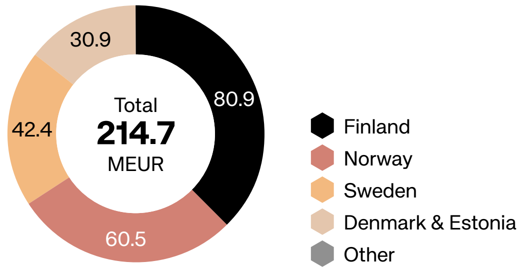
Lastly, I want to welcome Mr. Oleg Zaslavsky to Citycon as the new CEO starting on the first of March. As a professional with over 20 years of experience in the real estate sector, I am confident that he will bring valuable expertise to Citycon and lead the company towards even greater financial and operational results. I along with the rest of the Board of Directors will be supporting Mr. Zaslavsky during the transition period and moving forward.

**F. Scott Ball**
Vice Chairman
and Interim Chief Executive Officer

# Key figures

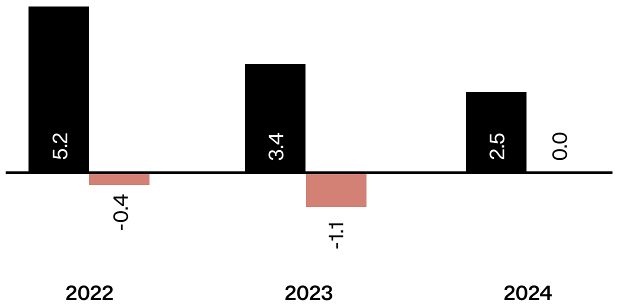
## Net rental income by segments

MEUR




## Tenant sales development[1]

%

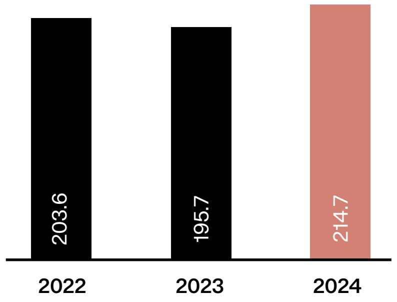



[1] Sales figures include estimates. Sales figures exclude VAT and the change has been calculated using comparable exchange rates. Including Kista Galleria 100% in 2024. Kista Galleria 50% not included in 2022–2023 numbers.

| Key figures | 2024 | 2023 |
|---|---|---|
| Net rental income, MEUR | 214.7 | 195.7 |
| Like-for-like net rental income growth | 4.6% | 6.5% |
| EPRA Earnings per share (basic) | 0.620 | 0.651 |
| EPRA NRV per share | 7.87 | 9.30 |
| Average interest rate | 3.60% | 2.61% |

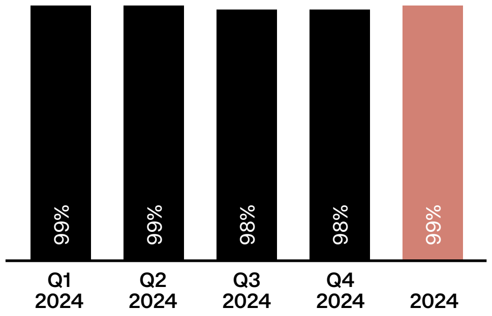
## Net rental income development

MEUR



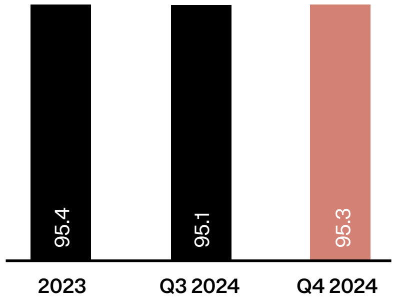

## Rent collection rate

%




## Retail occupancy rate[1]

%




[1] Including Kista Galleria 100%.

# Citycon – urban convenience in the heart of communities

We bring value to communities by developing urban hubs for living, working, socialising and shopping. We have extensive experience as an urban developer and use our expertise when we create mixed-use centres that include retail, offices, hotels, housing, food & beverage as well as healthcare, culture and leisure services.

## Focusing on prime assets that we...

### ...own,

- Strong portfolio of 28 convenience based centres
- Located in growing urban areas in Nordic and Baltic cities
- Long-term investor

### ...manage,

- In-house real estate expertise throughout the centre value chain
- Retail experts in 5 countries
- Pan-Nordic approach with synergies and a cross-border leasing team

### ...develop.

- Area development – creating attractive places for living, working and socializing
- Improved commercial attractiveness and competitiveness and better places for our tenants to operate

## How we create value?

### Assets in Nordic prime locations

- Top 2 cities in each country with strong urbanisation
- Connection to public transportation

### Necessity-based tenant mix

- Grocery anchored centres, a large share of necessity tenants
- Mixed-use hubs with growing share of municipalities

### Proven asset management

- Long lasting relationship with municipalities
- Continued dialogue with surrounding communities
- Sustainability embedded in the operating model

### Active capital recycling

- Proceeds used to repay debt
- Strengthen investment grade balance sheet

**A stable core business with attractive opportunities for value creation**

# Report by the Board of Directors

Citycon continued to demonstrate the strength and stability of its Nordic portfolio. Citycon's operational performance showed continued improvement throughout the year as like-for-like net rental income increased by 4.6%. The overall financial performance remained solid in 2024 and reported Direct Operating Profit, EPRA Earnings per share, and Adjusted EPRA Earnings per share were EUR 183.6 million, EUR 0.620, and EUR 0.491, respectively. Rent collection rate was high at 99% for 2024 and reflects the high quality and creditworthiness of Citycon's tenants. Combined with Citycon's low occupancy cost ratio (9.4%) and increasing tenant sales, there is ample headroom for rent indexations also in 2025. Like-for-like tenant sales increased 2.5% and like-for-like footfall 1.1% compared to the previous year.

During year 2024, Citycon continued its active capital management and further improved its balance sheet. Actions included issuing equity, issuing two new bonds, repaying debt and divesting assets. Bond issues further improved the debt maturity profile as shorter term debt was repaid with the funds. Both the EUR 300 million bond issued in March and the EUR 350 million bond issued in December had outsized market demand being seven and ten times oversubscribed. Also funds from the divestments will be used for repaying debt.

## Main events in 2024

**General:**

- Citycon continued to demonstrate strong operational performance.
- Citycon divested EUR 354 million of assets, funds from divestments will be used to repay debt.
- Citycon was selected as one of Europe's Climate Leaders for the fourth consecutive year according to the list drafted by the Financial Times and German research company Statista. Citycon is the only Finnish real estate company included in the list.

**Operational performance:**

- Q1–Q4/2024 like-for-like tenant sales 2.5%.
- Q1–Q4/2024 LFL footfall 1.1%
- Q4/2024 retail occupancy 95.3%, +20 bps vs. Q3/2024
- Q1–Q4/2024 collection was 99%
- Q1–Q4/2024 average rent per sqm increased EUR 1.1 to EUR 25.0 (comparable FX)
- Q1–Q4/2024 positive leasing spread of 0.8%
- Q4/2024 9.4% LFL occupancy cost ratio

## Key Figures

| **Citycon Group** | | **2024** | **2023** | **%** | **FX Adjusted %**[1] |
|---|---|---|---|---|---|
| Net rental income | MEUR | 214.7 | 195.7 | 9.7% | 10.3% |
| *Like-for-like net rental income development* | % | 4.6% | 6.5% | - | - |
| Direct operating profit[2] | MEUR | 183.6 | 164.8 | 11.4% | 12.0% |
| IFRS Earnings per share (basic)[3] | EUR | -0.40 | -0.70 | 42.8% | 42.9% |
| Fair value of investment properties | MEUR | 3,627.8 | 3,858.2 | -6.0% | - |
| Loan to Value (LTV)[2] | % | 47.3 | 46.3 | 2.2% | - |
| **EPRA based key figures**[2] | | | | | |
| EPRA Earnings | MEUR | 113.0 | 109.6 | 3.1% | 3.8% |
| Adjusted EPRA Earnings[4] | MEUR | 89.5 | 80.6 | 11.0% | 12.1% |
| EPRA Earnings per share (basic) | EUR | 0.620 | 0.651 | -4.8% | -4.1% |
| Adjusted EPRA Earnings per share (basic)[4] | EUR | 0.491 | 0.479 | 2.5% | 3.4% |
| EPRA NRV per share[5] | EUR | 7.87 | 9.30 | -15.4% | - |

[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, amortized fees and gains/losses and expenses on hybrid bond repayments.
[4] Starting from the beginning of 2024, Citycon excludes reorganisation and one-time costs (Q1–Q4/2024: EUR 9.6 million) from Adjusted EPRA Earnings. Due to this, Adjusted EPRA Earnings is not fully comparable with the previous year. The adjusted key figure includes hybrid bond coupons and amortized fees.
[5] The effect of currency rates to EPRA NRV/share was EUR -0.16.

## Outlook for 2025

| | | |
|---|---|---|
| EPRA Earnings per share (basic) | EUR | 0.41–0.53 |
| EPRA Earnings per share excluding hybrid interests (basic) | EUR | 0.60–0.72 |

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 as well as on the prevailing level of inflation, the EUR–SEK and EUR–NOK exchange rates, and current interest rates.

EPRA Earnings per share (basic) and EPRA Earnings per share excluding hybrid interests (basic) for 2025 are based on updated EPRA Best Practices Recommendations (BPR) Guidelines published on the 1st of October 2024 and are not fully comparable with 2024 EPRA EPS key figures.

**Financial performance:**

- Like-for-like net rental income in Q1–Q4/2024 increased 4.6%
- Total net rental income was EUR 214.7 million (Q1–Q4/2023: EUR 195.7 million).
- EPRA Earnings were EUR 113.0 million (Q1–Q4/2023: EUR 109.6 million). EPRA Earnings per share (basic) was EUR 0.620 (Q1–Q4/2023: EUR 0.651)
- Adjusted EPRA earnings were EUR 89.5 million (Q1–Q4/2023: EUR 80.6 million)
- IFRS earnings per share was EUR -0.40 (Q1–Q4/2023: EUR -0.70).
- The Board of Directors proposes to the Annual General Meeting that the Board of Directors will be authorized to decide on the distribution of assets from the invested unrestricted equity fund. Based on this authorization, the maximum total amount of equity repayment distributed from the invested unrestricted equity fund shall not exceed EUR 0.30 per share. Based on the current total number of issued shares in the company (184,231,295), the authorization would equal to a maximum of EUR 55,269,389 in equity repayment. The authorization is valid until the opening of the next Annual General Meeting. As disclosed on 15 November 2024, the Board of Directors of Citycon Oyj has unanimously decided that it will not use its authorization and no dividend or equity repayment will be distributed until year end 2025. The decision has been made to further increase the long-term financial stability, and to strengthen the balance sheet and the credit profile of the company.

**Balance sheet:**

- In February, Citycon completed a directed share issue of approximately EUR 48.2 million to strengthen its balance sheet.
- In March, Citycon issued a 5-year EUR 300 million green bond with a fixed coupon of 6.5% to refinance its October 2024 bond maturity of EUR 310.3 million. With this issue Citycon's debt maturity profile was significantly improved and refinancing risk was further reduced.
- In June, Citycon finalised a hybrid exchange offer to holders of the outstanding EUR 292 million green capital securities (hybrid bond) that what was coming to call in November 2024. An aggregate principal amount of EUR 265,721,000 was accepted in the exchange offer and thereby exchanged into a new non-call 5.25-year hybrid bond with a 7.875% coupon.
- In December, Citycon issued a 5.25-year EUR 350 million green bond with a fixed coupon of 5.0% to repay its existing short-term debt. With this issue Citycon's debt maturity profile is significantly improved and refinancing risk is further reduced.
- In December, Citycon tendered almost all its NOK 1,000 million and NOK 1,300 million outstanding notes due in September 2025. The rest of the two 2025 NOK bonds were prepaid in a make-whole exercise during January 2025.

## Business environment

The Nordic economies, like the rest of the global economy, are impacted by the uncertainty related mainly to politics and structural forces challenging the economies. 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.

The tenant mix of Citycon's assets, consisting mainly of grocery and service-oriented tenants, is less reliant on consumer discretionary spending and the strategy has already demonstrated its strength and resilience throughout a variety of market conditions. In addition, 95% of the Company's leases are tied to indexation.

(Source: SEB Nordic Outlook)

### Business environment key figures

| | Finland | Norway | Sweden | Denmark | Estonia | Euro area |
|---|---|---|---|---|---|---|
| GDP growth, 2024 | -0.3% | 2.3% | 0.5% | 2.8% | -0.9% | 0.8% |
| Unemployment, 2024 | 8.4% | 4.0% | 8.4% | 5.9% | 7.5% | 6.4% |
| Inflation, 2024 | 1.0% | 3.7% | 1.9% | 1.4% | 3.7% | 2.8% |
| Retail sales growth, 12/2024[1] | 2.3% | 0.7% | 5.3% | 0.5% | 1.1% | 1.9% |

[1] % change compared with the same month of the previous year
Sources: SEB Nordic Outlook (February 2025)

## Net rental income

Total net rental income for Q1–Q4/2024 grew by +9.7% and was EUR 214.7 million (Q1–Q4/2023: EUR 195.7 million). Kista Galleria increased the total net rental income by EUR 12.2 million.

Like-for-like net rental income in Q4 increased 3.1% compared to Q4/2023.

Like-for-like net rental income in Q1–Q4/2024 increased by 4.6%.

Like-for-like net rental income from the Finnish operations increased by 2.8% in Q1–Q4/2024. Like-for-like net rental income from Norwegian operations increased by 4.8% in Q1–Q4/2024. Like-for-like net rental income from the Swedish operations increased by 9.1% in Q1–Q4/2024. Like-for-like net rental income from the Danish & Estonian operations increased by 4.8% in Q1–Q4/2024.

## Occupancy, Sales and Footfall

The retail occupancy rate was 95.3% in Q4/2024 and was 10 bps lower versus the same time last year (Q4/2023: 95.4%). Economic occupancy for Q4/2024 was 94.1% (Q4/2023: 94.3%). Furthermore, the average rent per sq.m. increased by 1.0 EUR to 25.0 EUR (Q4/2023: 24.0 EUR). With comparable FX rates, average rent per sq.m increased by 1.1 EUR. In Q1–Q4/2024 Citycon leased over 175,000 sq.m. with a positive leasing spread of 0.8%.

Like-for-like tenant sales increased 2.3% in Q4/2024 and 2.5% for Q1–Q4/2024 compared to the same time last year.

Like-for-like footfall increased by 2.7% in Q4/2024 and 1.1% in Q1–Q4/2024 compared to the same period last year.

## Financial result Q1–Q4/2024 vs. Q1–Q4/2023

**Operating profit (IFRS)** was EUR 29.8 million (Q1–Q4/2023: EUR -38.0 million).

**Administrative expenses** were EUR 33.2 million (Q1–Q4/2023: EUR 31.1 million) and included EUR 9.6 million of reorganisation and one-time costs. At the end of the reporting period, Citycon Group employed a total of 164 (31 December 2023: 234) full-time employees (FTEs) of whom 36 worked in Finland, 45 in Norway, 30 in Sweden, 5 in Denmark & Estonia and 48 in Group functions.

### Personnel key figures

| | 2024 | 2023 | 2022 |
|---|---|---|---|
| FTE at the end of the reporting period | 164 | 234 | 251 |
| Wages and salaries, EUR million | 19.3 | 19.1 | 18.9 |

**Net financial expenses (IFRS)** increased to EUR 76.1 million (Q1–Q4/2023: EUR 47.7 million). EUR 20.3 million increase relates to higher interest expenses on refinanced bond debt and consolidation on Kista interest expenses, which was partially offset by FX hedging gains and losses. In addition, an amount of EUR 8.9 million indirect net losses (Q1–Q4/2023: EUR 2.8 million loss) was booked related to fair value changes of derivatives not under hedge accounting. The company also recorded EUR 0.8 million gain on early redemption of debt (Q1–Q4/2023: EUR 2.9 million gain).

**Share of loss of joint ventures and associated companies** totalled EUR -0.7 million (Q1–Q4/2023: EUR -36.7 million) mainly due to the completion of the transaction to acquire the remaining interest in Kista Galleria at the end of February 2024 after which Kista has no longer been treated as a joint venture.

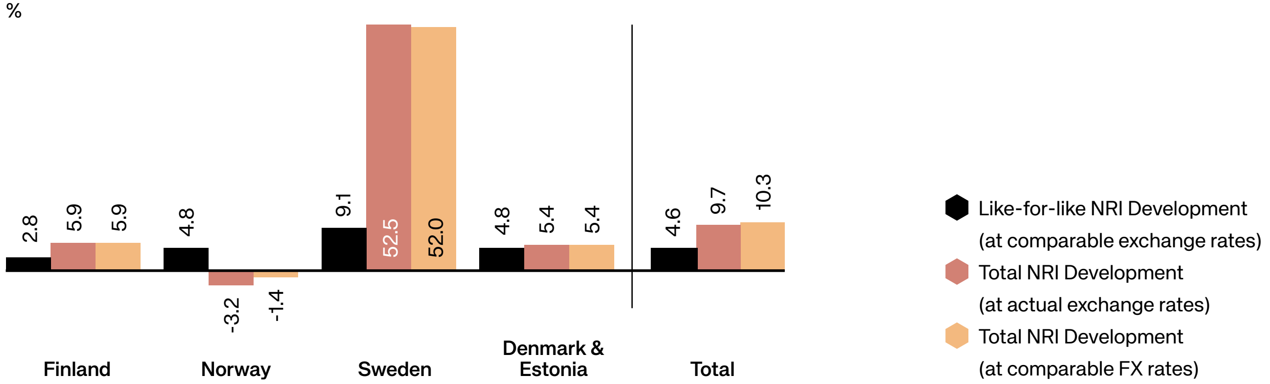
**Result for the period** was EUR -37.9 million (Q1–Q4/2023: EUR -115.0 million).

### Net rental income and gross rental income breakdown

| | Net rental income | | | | | | Gross rental income |
|---|---|---|---|---|---|---|---|
| MEUR | Finland | Norway | Sweden | Denmark & Estonia | Other | Total | Total |
| **2023** | **76.4** | **62.5** | **27.8** | **29.3** | **-0.4** | **195.7** | **215.3** |
| Acquisitions | - | - | 12.2 | - | - | 12.2 | 16.7 |
| (Re)development projects | 2.7 | -0.5 | 0.6 | 0.6 | - | 3.3 | 2.8 |
| Divestments | - | -2.6 | 0.0 | 0.7 | - | -1.9 | -2.3 |
| Like-for-like properties[1] | 1.9 | 2.4 | 2.0 | 0.3 | - | 6.6 | 4.2 |
| Other (incl. exchange rate differences) | -0.1 | -1.3 | -0.1 | 0.0 | 0.3 | -1.1 | -1.2 |
| **2024** | **80.9** | **60.5** | **42.4** | **30.9** | **0.0** | **214.7** | **235.4** |

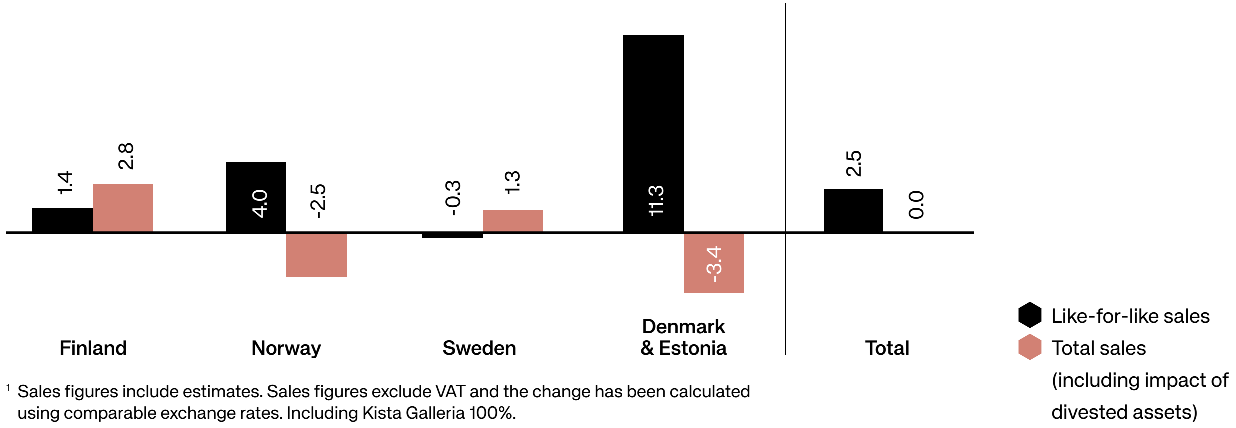
[1] Like-for-like properties are properties held by Citycon throughout two full preceding periods and exclude properties under (re)development or extension.

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



## Tenant sales development, 2024 vs. 2023[1]

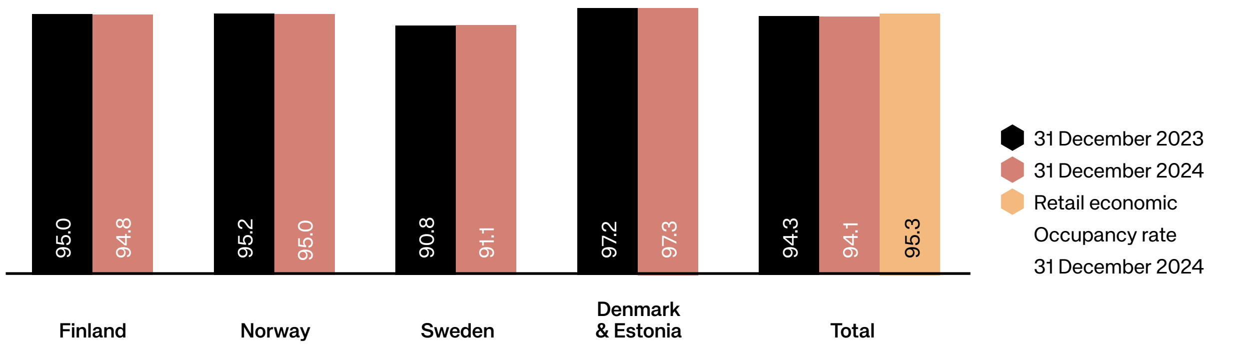
%




[1] Sales figures include estimates. Sales figures exclude VAT and the change has been calculated using comparable exchange rates. Including Kista Galleria 100%.

## Occupancy rate[1]

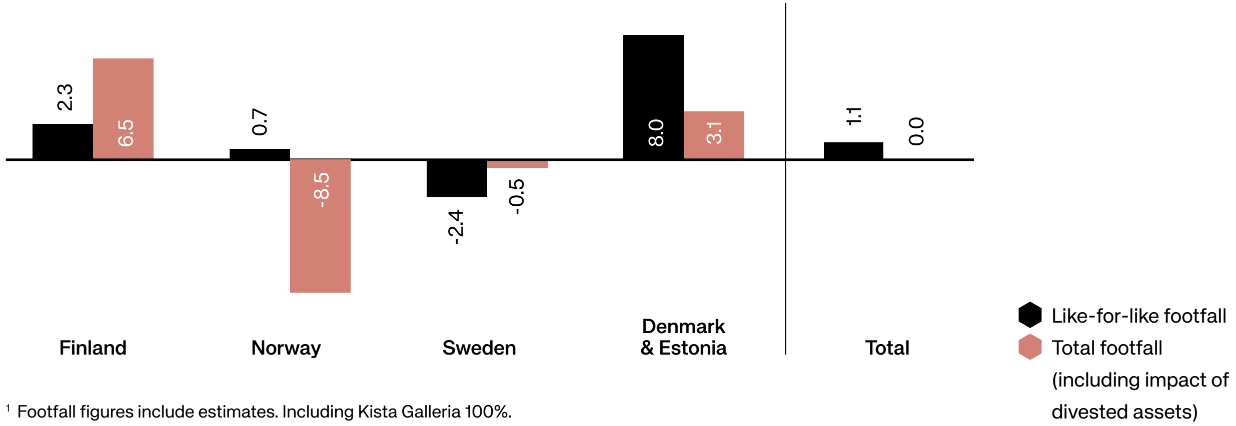
%




[1] Including Kista Galleria 100%.

## Footfall development, 2024 vs. 2023[1]

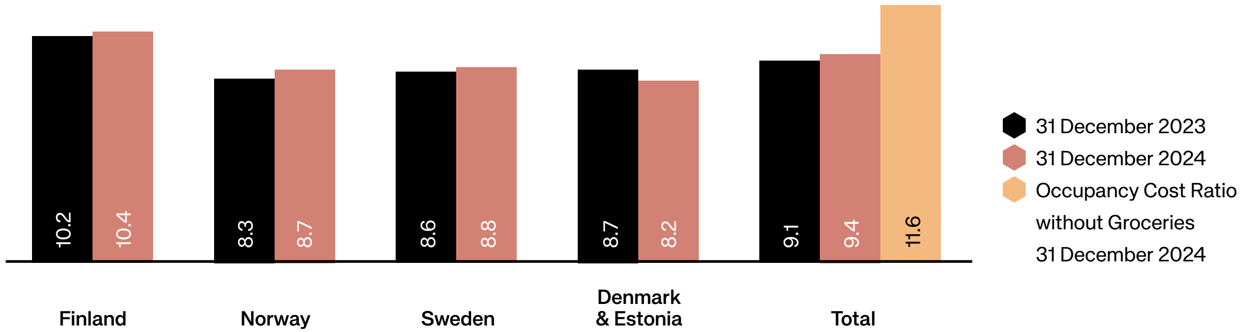
%




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

## Occupancy Cost Ratio[1]

%




[1] The rolling twelve month occupancy cost ratio for like-for-like shopping centres. Including Kista Galleria 100%.

## Lease portfolio summary[1]

| | | 31 December 2024 | 31 December 2023 |
|---|---|---|---|
| Number of leases | pcs | 3,831 | 4,153 |
| Average rent[2] | EUR/sq.m./month | 25.0 | 23.9 |
| Average remaining length of lease portfolio | years | 3.3 | 3.5 |

[1] Kista Galleria 100% included.
[2] Comparison periods with comparable FX-rate.

At period-end, Citycon had a total of 3,831 (4,153) leases, of which the average remaining length was 3.3 years (3.5).

## Leasing activity[1]

| | | Q1–Q4/2024 | Q1–Q4/2023 |
|---|---|---|---|
| Total area of leases started | sq.m. | 200,342 | 258,414 |
| Total area of leases ended | sq.m. | 293,406 | 259,458 |

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

## Property portfolio value development

From year-end, the fair value of investment properties decreased by EUR 230.4 million to EUR 3,627.8 million (31 December 2023: EUR 3,858.2 million). Net investments, including both acquisitions and disposals and development projects increased the fair value by EUR 321.3 million. In addition, changes in right-of-use –assets increased the value of investment properties by an additional EUR 4.2 million. Fair value losses decreased the value of investment properties by EUR 74.6 million, exchange differences by EUR 70.2 million and transfers into assets held for sale by EUR 411.1 million.

Q1–Q4/2024 fair value change of investment properties amounted to EUR -74.6 million (Q1–Q4/2023: EUR -200.3 million) mainly due to increase in yield requirements in all segments. The application of IFRS 16 standard had an impact of EUR -7.4 million (Q1–Q4/2023: EUR -6.6 million) to the fair value change of investment properties during the January-December reporting period.

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.

CBRE's and JLL's valuation statements are available on Citycon's website below Investors.

## Property portfolio summary

| 31 December 2024 | No. of properties | Gross leasable area | Fair value. MEUR | Properties held for sale. MEUR | Portfolio. % |
|---|---|---|---|---|---|
| Shopping centres, Finland | 9 | 335,805 | 1,574.5 | 67.4 | 44% |
| Other properties, Finland | 1 | 2,191 | 3.6 | - | 0% |
| **Finland, total** | **10** | **337,996** | **1,578.1** | **67.4** | **44%** |
| Shopping centres, Norway | 9 | 277,788 | 814.1 | - | 22% |
| Rented shopping centres, Norway[1] | 1 | 14,440 | - | - | - |
| Other properties, Norway | 1 | 8,126 | - | 13.7 | 0% |
| **Norway, total** | **11** | **300,354** | **814.1** | **13.7** | **22%** |
| Shopping centres, Sweden | 6 | 264,888 | 902.2 | - | 24% |
| **Sweden, total** | **6** | **264,888** | **902.2** | **-** | **24%** |
| Shopping centres, Denmark & Estonia | 3 | 96,259 | 292.9 | - | 8% |
| Other properties, Denmark & Estonia | 1 | - | 3.1 | - | 0% |
| **Denmark & Estonia, total** | **4** | **96,259** | **296.0** | **-** | **8%** |
| Shopping centres, total | 28 | 989,180 | 3,583.7 | 67.4 | 98% |
| Other properties, total | 3 | 10,317 | 6.8 | 13.7 | 1% |
| **Investment properties, total** | **31** | **999,497** | **3,590.5** | **81.1** | **99%** |
| Right-of-use assets classified as investment properties (IFRS 16) | - | - | 37.3 | - | 1% |
| **Investment properties in the statement of financial position, total** | **31** | **999,497** | **3,627.8** | **81.1** | **100%** |

[1] Value of rented properties is recognised within IFRS 16 investment properties based on IFRS rules.

## Fair value changes

| MEUR | 2024 | 2023 |
|---|---|---|
| Finland | -58.0 | -68.4 |
| Norway | -23.1 | -64.5 |
| Sweden | 19.5 | -35.3 |
| Denmark & Estonia | -5.7 | -25.5 |
| **Investment properties, total** | **-67.3** | **-193.7** |
| Right-of-use assets classified as investment properties (IFRS 16) | -7.4 | -6.6 |
| **Investment properties in the statement of financial position, total** | **-74.6** | **-200.3** |
| Kista Galleria (50%) | - | -40.8 |
| **Investment properties and Kista Galleria (50%), total** | **-74.6** | **-241.1** |

## 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.

In Q2/2024, Citycon completed the transaction to divest Kongssenteret shopping centre in Kongsvinger, Norway. In Q3/2024, Citycon divested Trekanten shopping centre in Oslo, Norway. In Q4/2024, Citycon divested three properties, a residential property in Stockholm, Sweden, Kristiine Keskus shopping centre in Tallinn, Estonia and Stopp Tune shopping centre in Sarpsborg, Norway.

Strengthening the balance sheet remains a key priority for the company. During Q1–Q4/2024 Citycon sold assets for EUR 354 million. Funds from divestments will be used to repay debt.

## (Re)development projects

Further information on the company's completed, ongoing and planned (re)developments can be found on page 33 in the Financial Review 2024.

## Shareholders' equity

**Equity per share** was EUR 10.09 (31 December 2023: EUR 11.56). Loss for the period, paid equity return and translation losses decreased equity per share. In addition, equity per share was impacted by the directed share issues during 2024, where a total of 12.2 million new shares were carried out.

At period-end, **shareholders' equity** attributable to parent company's shareholders was EUR 1,265.7 million (31 December 2023: EUR 1,380.1 million).

### Completed (re)development projects on 2024

| | Location | Area before/ after, sq.m. | Actual gross investment by 31 December 2024, MEUR | Completion |
|---|---|---|---|---|
| Barkarby, residentials[1] | Stockholm, Sweden | -/12,950 | 66.9 | 2024 |

[1] Citycon divested the property in December 2024 simultaneously with the purchase of the property from the developer

### Capital expenditure

| MEUR | 2024 | 2023 |
|---|---|---|
| Acquisitions of properties[1] | 341.0 | - |
| Property development | 40.2 | 92.8 |
| Other investments | 1.0 | 3.1 |
| **Total capital expenditure incl. acquisitions** | **382.3** | **95.9** |
| | | |
| **Capital expenditure by segment** | | |
| Finland | 15.1 | 46.6 |
| Norway | 5.6 | 21.2 |
| Sweden | 351.2 | 15.1 |
| Denmark & Estonia | 9.3 | 11.0 |
| Group administration | 1.0 | 2.0 |
| **Total capital expenditure incl. acquisitions** | **382.3** | **95.9** |
| | | |
| **Divestments[2,3]** | **389.9** | **-** |

[1] Acquisition of properties in 2024 comprise of acquisition of the remaining 50% interest of Kista Galleria and residential property in Sweden. Acquisition of properties takes into account deduction in the purchase price calculations and FX rate changes.
[2] Divestments in 2024 comprise of sale of three non-core centres in Norway and one centre in Estonia as well sale of residential property in Sweden.
[3] Excluding transfers into 'Assets held for sale' -category.

### Acquisitions and divestments Q1–Q4/2024

| | | Location | Gross leasable area, sq.m. | Date |
|---|---|---|---|---|
| **Divestments** | | | | |
| Kongssenteret | Shopping centre | Kongsvinger, Norway | 18,000 | 31 May 2024 |
| Trekanten | Shopping centre | Oslo, Norway | 23,900 | 30 September 2024 |
| Barkarby | Residentials | Stockholm, Sweden | 13,200 | 12 December 2024 |
| Stopp Tune | Shopping centre | Sarpsborg, Norway | 13,400 | 16 December 2024 |
| Kristiine keskus | Shopping centre | Tallinn, Estonia | 45,300 | 19 December 2024 |
| **Divestments, total** | | | **113,800** | |

| | | Location | Gross leasable area, sq.m. | Date |
|---|---|---|---|---|
| **Acquisitions** | | | | |
| Kista Galleria[1] | Shopping centre | Stockholm, Sweden | 46,250 | 28 February 2024 |

[1] Citycon has managed the centre since 2012 and before the transaction owned 50% of the asset. After the transaction, Citycon has 100% ownership.

## Financing

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 were 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.

In April, the company exercised its one-year extension option on the EUR 650 million credit facility, including a EUR 400 million syndicated committed credit facility and a EUR 250 million term loan. The new maturity date for the facility is in April 2027.

In May, Citycon renegotiated the SEK 2,060 million term loan that was acquired with Kista Galleria and extended its tenor to five years. The term loan is now maturing in May 2029. Extending Citycon's revolving credit facility and term loans were important actions to improve the company credit maturity profile and demonstrate Citycon's access to bank financing.

In June, the company finalised a hybrid exchange offer to holders of the outstanding EUR 292 million green capital securities (hybrid bond) that what was coming to call in November 2024. An aggregate principal amount of EUR 265,721,000 was accepted in the exchange offer and thereby exchanged into a new non-call 5.25 year hybrid bond with a 7.875% coupon. The company also offered a 4.75% cash compensation paid on the nominal amount accepted for exchange, amounting to EUR 12.6 million. With exchange acceptance by over 90% of holders the successful execution of the transaction confirms Citycon's access to capital markets and marks a significant milestone in securing the company a stable credit profile.

In addition, Citycon redeemed the remaining outstanding EUR 97 million of the October 2024 bond using funds from the EUR 300 million bond issued in March. The bond was redeemed in a make-whole executed at par.

In December, Citycon Group placed a EUR 350 million green bond with use of proceeds to prepay its existing debt. The 5.25-year senior unsecured fixed rate EUR-denominated bond matures on 11 March 2030 and pays a fixed coupon of 5.000%. The demand for the bond was extremely strong with an orderbook approximately ten times oversubscribed. With this issue Citycon continues to improve its debt maturity profile and further reduce refinancing risk.

Simultaneously, with the bond issue, Citycon launched a tender offer for its NOK 1,000 million and NOK 1,300 million outstanding notes due in September 2025. As a result, in December, the company successfully tendered NOK 962 million and NOK 1,295 million of the 2025 notes respectively. With this, EUR 193.3 million of the December bond issue funds were used to prepay short-term debt. The rest of the two 2025 NOK bonds were prepaid in a make-whole exercise during January 2025.

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, June, September and December was mainly financed by operative cash flow.

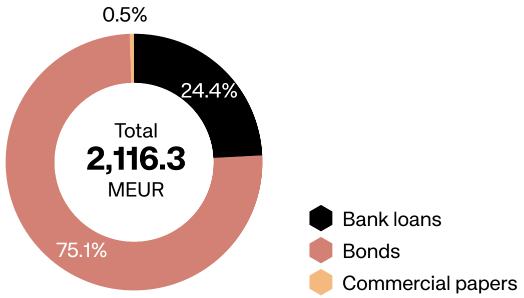
### Key financing figures

| MEUR | | 31 December 2024 | 31 December 2023 |
|---|---|---|---|
| Nominal debt outstanding | MEUR | 2,116.3 | 1,840.4 |
| Interest-bearing liabilities, carrying value[1] | MEUR | 2,131.5 | 1,864.4 |
| Available liquidity | MEUR | 767.2 | 434.3 |
| Average loan maturity | years | 3.4 | 2.7 |
| Loan to Value (LTV)[2] | % | 47.3 | 46.3 |
| Interest cover ratio (financial covenant > 1.8) | x | 2.7 | 3.7 |
| Net debt to total assets (financial covenant < 0.60) | x | 0.41 | 0.44 |
| Solvency ratio (financial covenant < 0.65) | x | 0.42 | 0.45 |
| Secured solvency ratio (financial covenant < 0.25) | x | 0.12 | 0.08 |

[1] Including EUR 35.3 million (Q4/2023: EUR 38.8 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.

## Breakdown of loans

%




## Interest-bearing debt

The outstanding amount of interest-bearing debt increased in 2024 by EUR 275.9 million to EUR 2,116.3 million, mainly following the fact that approx. EUR 212.4 million of Kista bank debt was consolidated into the group balance sheet when Citycon purchased 50% of the Kista joint venture in Q1/2024. The carrying amount of interest-bearing liabilities in the balance sheet was EUR 2,131.5 million including IFRS 16 liabilities of EUR 35.3 million.

The weighted average loan maturity increased during the quarter following the 5.25-year new bond issue and prepayment of short-term debt and stands at 3.4 years.

LTV (IFRS) decreased slightly during the quarter to 47.3%, as a result of decreased property values and lower net debt following asset divestments.

## Financial expenses

Direct net financial expenses (EPRA) Q1–Q4/2024 were EUR 20.3 million higher than last year, mainly following increased cost of debt by EUR 22.2 million from consolidation on Kista interest expenses starting from end of February and bond refinancing at higher interest level. These were partially offset by EUR 2.7 million gains on close out of equity FX hedges and other FX losses of EUR 0.6 million.

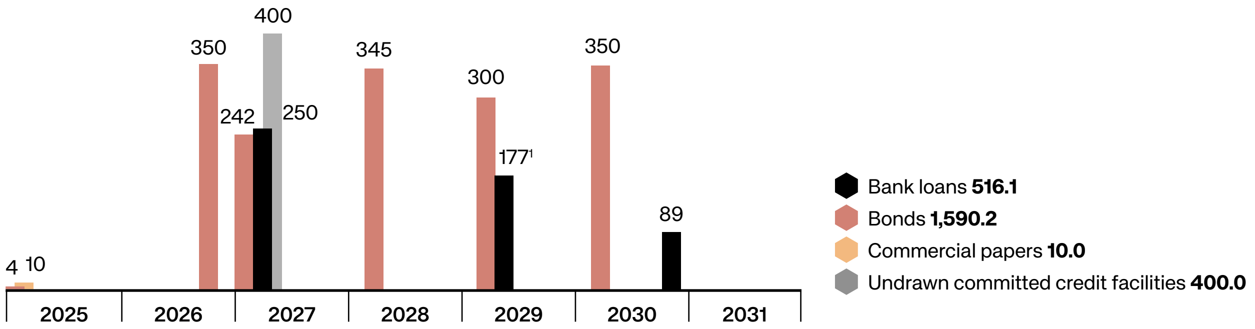
**Net financial expenses (IFRS)** increased to EUR 76.1 million (Q1–Q4/2023: EUR 47.7 million). EUR 20.3 million increase relates to higher interest expenses on refinanced bond debt and consolidation on Kista interest expenses, which was partially offset by FX hedging gains and losses. In addition, an amount of EUR 8.9 million indirect net losses (Q1–Q4/2023: EUR 2.8 million loss) was booked related to fair value changes of derivatives not under hedge accounting, EUR 6.1 million more than during the comparison period. The company also recorded EUR 0.8 million gain on early redemption of debt (Q1–Q4/2023: EUR 2.9 million gain), EUR 2.1 million less than in the corresponding period.

Financial income mainly consisted of interest income on cash held at bank, interest income on a loan to Kista Galleria, fair value gains on hedging derivatives and gains on debt repurchased at a discount. 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 3.6%.

## Debt maturities

MEUR




[1] Yearly amortizations on Kista term loan, approx. 5 MEUR per year

## Financial expenses key figures

| MEUR | | 2024 | 2023 |
|---|---|---|---|
| Financial expenses | MEUR | -100.6 | -61.1 |
| Financial income | MEUR | 25.3 | 13.5 |
| Net gains/losses on foreign exchange | | -0.8 | -0.1 |
| **Net financial expenses (IFRS)** | **MEUR** | **-76.1** | **-47.7** |
| -/+ Early close-out gains/costs of debt and financial instruments | | 0.8 | 2.9 |
| -/+ Fair value gains/losses of financial instruments | | -8.9 | -2.8 |
| **Direct net financial expenses (EPRA)** | **MEUR** | **-68.0** | **-47.7** |
| Weighted average interest rate[1] | % | 3.60 | 2.61 |
| Weighted average interest rate excluding derivatives | % | 3.93 | 3.13 |
| Year-to-date weighted average interest rate[1] | % | 3.17 | 2.57 |

[1] Including interest rate swaps, cross-currency swaps and interest rate options

## 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. During H2/2024, the company also used currency forwards to hedge its SEK and NOK denominated equity.

## Changes in corporate management
In February 2024, 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 March 2024, Helen Metsvaht was appointed Citycon's new Chief Operating Officer and member of the Corporate Management Committee as of April 1, 2024. Henrica Ginström, the former Chief Operating Officer was appointed the new Chief Executive Officer of Citycon as of April 1, 2024.

In October 2024, Citycon announced that the company's Board of Directors has resolved to appoint the Vice Chairman F. Scott Ball to become the interim Chief Executive Officer, simultaneously Ms Ginström will step down from her position as the Chief Executive Officer and member of the Corporate Management Committee of Citycon having served as Citycon's Chief Executive Officer since April 1, 2024. Mr Ball (who previously served as the Chief Executive Officer in 2019-2024) will serve as the interim Chief Executive Officer of Citycon until the new Chief Executive Officer and member of the Corporate Management Committee Oleg Zaslavsky starts in his position in March 2025.

In November 2024, Citycon announced that the company's Board of Directors has resolved to appoint member of the company's Board of Directors Eero Sihvonen as Citycon's Chief Financial Officer and member of the Corporate Management Committee. Mr. Sihvonen served as Citycon's Chief Financial Officer between years 2005-2021. Sakari Järvelä, Citycon's Chief Financial Officer and member of the Corporate Management Committee departed the company on December 31, 2024 to pursue new opportunities outside the company. Mr. Järvelä started as Citycon's Chief Financial Officer on February 1, 2024 as 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. Additionally, Jussi Vyyryläinen, Citycon's Senior Vice President, Leasing, and member of the Corporate Management Committee will depart the company on May 15, 2025 to pursue new opportunities.
Mr Vyyryläinen will continue in his role until December 31, 2024 and thereafter, he will act as an advisor to Citycon until May 15, 2025.

## Sustainability
Citycon's strategy is to be a forerunner in sustainable shopping centre management. Citycon's sustainability strategy was updated in 2023 and Citycon has set ambitious targets that extend to 2030.

In its sustainability reporting, Citycon applies the GRI Standards, European Public Real Estate Association (EPRA) Best Practice Recommendations on Sustainability Reporting (3rd Edition) and Citycon's own internal reporting principles (Criteria). Citycon's sustainability strategy, targets and measures are described in detail in the upcoming Sustainability Accounts 2024.

Citycon's Annual and Sustainability Report 2023 was awarded as one of the best within the industry. Citycon received the EPRA Gold Award in the Sustainability Best Practices series for the eleventh year in a row. Citycon has received a rating of AA in the MSCI ESG Ratings assessment. Citycon also has the ISS-Oekom "Prime" rating, awarded to companies that achieve the best ESG scores among their sector peers.

**Key environmental indicators 2024:**
- Citycon's total energy consumption (incl. electricity consumption in common areas, heating and cooling) amounted to 178 gigawatt hours (Q1–Q4/2023: 185 GWh[1]). Shopping centre energy intensity (kWh/sq.m) decreased by 2% compared to previous year.
- The carbon footprint totalled 4,051 thousand carbon equivalent tonnes (Q1–Q4/2023: 5,425 $tCO_2$ e). The carbon intensity of shopping centres is 2 $kgCO_2$ e/sq.m.
- The recycling rate in shopping centres remained at the same level as the previous year and was 99%.

Citycon uses BREEAM In-Use to assess and develop the sustainable management of its shopping centres. 83% of Citycon's shopping centres, measured by fair value, had acquired the certification at period-end.

**Disclosure according to the Taxonomy Regulation Delegated Act:**
Citycon's sustainability and finance teams have classified the company's activities by mapping Citycon group's consolidated IFRS income statement accounts based on whether they are covered by a NACE code included in the Taxonomy. Based on this classification 98% of Citycon's total turnover, 95% of capital expenditure and 73% of operational expenditure is derived from Taxonomy-eligible activities.

Citycon is not obliged to report information according to the taxonomy regulation, and for that reason Citycon does not report on the taxonomy alignment of the company's operations for the year 2024.

## 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 67-70 in the Financial Statements 2024, in Note 3.5 A) as well as on Citycon's website in the Corporate Governance section.

## Legal proceedings
Certain lawsuits, claims and legal disputes based on various grounds are pending against Citycon relating to the company's business operations. In the company's

[1] Number for comparison period has been corrected.

view, it is improbable that the outcome of these lawsuits, claims and legal disputes will have a material impact on the company's financial position.

## General meeting

**Annual General Meeting 2024**

Citycon's Annual General Meeting 2024 (AGM) was held virtually, without a meeting venue using remote connection in real time on 19 March 2024. 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 decisions and the minutes of the AGM are available on the company's website at citycon.com/agm2024.

**Extraordinary General Meetings 2024**

Citycon's Extraordinary General Meeting (EMG) held on 12 November 2024 decided to increase the number of members of the board to ten (10) until the close of the next Annual General Meeting. Further, Mr Eero Sihvonen was elected as new member of the Board of Directors.

Citycon's Extraordinary General Meeting (EMG) held on 18 June 2024 resolved that the net amount of the annual fees of the members of the Board of Directors and the Chairmen of the Board of Directors' Committees after deduction of taxes and charges, resolved upon at the Annual General Meeting 2024, shall be paid in Citycon Oyj shares, which are either new shares or treasury shares held by the Company.

Further information available on the company's website at citycon.com/EGM2024.

## Board of Directors

Under the Articles of Association, the Board of Directors of the company consists of a minimum of five and a maximum of ten members, elected by the General Meeting for a term of one year that will end at the close of the following Annual General Meeting.

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, Alexandre (Sandy) Koifman, David Lukes, Per-Anders Ovin, Ljudmila Popova and Adi Jemini were re-elected to the Board of Directors.

Citycon's EGM 2024 set the number of Board members at ten. Mr Eero Sihvonen was elected as new member of the Board of Directors.

Chaim Katzman was the Chairman of the Board of Directors in 2024. Alexandre (Sandy) Koifman and F. Scott Ball were Vice Chairmen of the Board of Directors.

## Auditor

Since 2024, the company's auditor has been Deloitte Oy, a firm of authorised public accountants, which had designated Authorized Public Accountant Anu Servo to act as the responsible auditor of Citycon in 2024.

## Chief Executive Officer (CEO)

From 8 October 2024 onwards, F. Scott Ball has been the company's interim CEO. Mr Ball's personal details, career histories and positions of trust can be found on the company's website at citycon.com/management. Information on the CEO's executive contract and its terms and conditions are available on pages 52–54 of the Financial Statements.

## Corporate governance statement

Citycon has published Citycon Group's Corporate Governance Statement 2024 as a separate report, distinct from the Report by the Board of Directors. The statement is prepared in accordance with the recommendations of the Finnish Corporate Governance Code 2025 and is available on the company's website at citycon.com/corporate-governance.

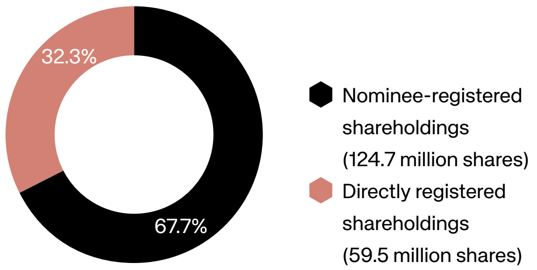
## Shares, share capital and shareholders

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 184,231,295. The shares have no nominal value.

In February 2024, Citycon completed directed share issue of 11,900,000 new shares raising EUR 48.2 million. The subscription price was recorded in full to the Company's invested unrestricted equity reserve. Additionally, during January–December, Citycon issued and transferred a total of 147,091 new shares as part of the remuneration of Board and a total of 190,000 shares part of the company's share-based incentive plans.

## Shareholders 31 December 2024

% of shares and voting rights




### Shares and share capital

| MEUR | | 2024 |
|---|---|---|
| Share capital at period-start | MEUR | 259.6 |
| Share capital at period-end | MEUR | 259.6 |
| Number of shares at period-start | | 171,994,204 |
| Number of shares at period-end | | 184,231,295 |

Dividends and equity repayments paid on 31 December 2024[1]

| MEUR | Record date | Payment date | EUR / share |
|---|---|---|---|
| Equity repayment Q1 | 21 March 2024 | 28 March 2024 | 0.075 |
| 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** | | | **0.30** |

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

At the end of December 2024, Citycon had a total of 25,660 registered shareholders (Q4/2023: 27,738 shareholders), of which 10 were account managers of nominee-registered shares. Holders of the nominee-registered shares held approximately 124.7 million (Q4/2023: 120.8 million) shares, or 67.7% of shares and voting rights in the company (Q4/2023: 70.2%). The most significant registered shareholders can be found on company's website citycon.com/major-shareholders.

Further information of the company's stock listing, trading volume, share price, market cap, share capital, most significant registered shareholders, of the distribution of ownership and of the issue-adjusted average number of shares can be found on on pages 36–37 of the Financial Review.

## 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 – December 2024, the Board of Directors used three times its authorisation to repurchase its own shares and issue them by conveying repurchased shares. Additionally, the Board of Directors decided to issue new shares for LTI payments and Board annual fees. During January–December, Citycon issued and transferred a total of 147,091 new shares as part of the remuneration of Board. The issuance, repurchases and conveyances made for payment of rewards earned under the company's share plans in accordance with the terms and conditions of the plans were made as follows:

**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.

**Restricted Share Plan 2020–2022**
- On 2 April 2024, the company repurchased a total of 6,500 of its own shares and conveyed them on 4 April 2024 to six key persons of the company.

**Performance Share Plan 2020–2022**
- On 2 April 2024, the company repurchased a total of 15,000 of its own shares and conveyed them on 4 April 2024 to two key persons of the company.

**CEO Restricted Share Plan 2021–2025**
- On 21 May 2024, the company decided on issuance of 190,000 new shares to the former CEO for payment of reward shares in accordance with the terms and conditions of the CEO Restricted Share Plan 2021-2025.

Additionally, the meeting of the Board of Directors of the Company held on 22 February 2024 resolved to issue 11,900,000 Shares in the Placing based on the authorisation granted to the Board of Directors by the Company's Annual General Meeting held on 21 March 2023.

**Own shares**
During the reporting period, the company held a total of 32,174 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 49.64% following the registration of the new shares on 23 February 2024.

In Q2–Q4/2024, the company did not receive any notifications of changes in shareholding.

## 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)
- Option Plan 2024 (Corporate Management Committee)
- CFO Performance Share Plan 2024–2026
- 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 four key employees and two new long-term share-based incentive plans for the new CEO: Stock Option Plan 2024A-C and Restricted Share Plan 2024–2027.

The main terms of the long-term share-based incentive plans are explained in the Note 1.6 on pages 52–54 of the Financial Statements.

More information on the share-based incentive plans is available on the company's website at citycon.com/remuneration.

## Shares held by members of the board of directors and by the company management

The members of the Board of Directors of Citycon, the CEO, the other Corporate Management Committee members held a total of 772,732 company shares on 31 December 2024. These shareholdings represented 0.4% of the company's total shares and total voting rights.

Details of the shareholdings of the members of the Board of Directors, the CEO and the other members of the Corporate Management Committee are available on the company's website at www.citycon.com/managers-holdings-shares.

## Events after the reporting period

In Q1/2025, Citycon received one flagging notification on 29 January 2025 according to which Phoenix Financial Ltd.'s holding of shares in Citycon has increased above five (5) percent.

On 26 February 2025 Citycon announced that Erik Lennhammar, Chief Development Officer and member of the Corporate Management Committee, will depart Citycon to pursue new opportunities. Mr. Lennhammar will step down from the corporate Management Committee but works for the company until 31 May 2025.

Helsinki, 26 February 2025
Citycon Oyj
Board of Directors

# EPRA performance measures

EPRA (European Public Real Estate Association) is a common interest group for listed real estate companies in Europe. Citycon is an active member of EPRA. EPRA's objective is to encourage greater investment in European listed real estate companies and strive for 'best practices' in accounting, financial reporting and corporate governance in order to provide high-quality information to investors and to increase the comparability of different companies. The best practices also create a framework for discussion and decision-making on the issues that determine the future of the sector. In addition, EPRA publishes the FTSE EPRA/NAREIT index in association with FTSE, which tracks the performance of the largest European and North-American listed real estate companies. Citycon is included in the FTSE EPRA index, which increases international interest towards Citycon as an investment.

Citycon applies the best practices policy recommendations of EPRA for financial reporting and also for sustainability reporting. This section in Citycon's financial statements presents the EPRA performance measures and their calculations. For more information about EPRA and EPRA's best practice policies please visit EPRA's web page: www.epra.com.

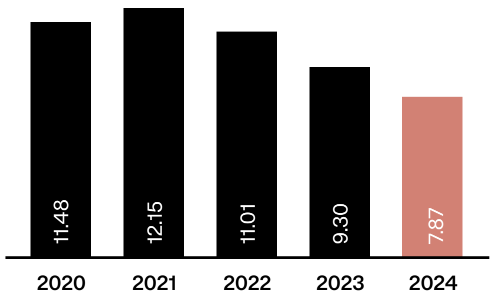
## EPRA performance measures

| | Note | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|---|
| EPRA Earnings, MEUR | 1 | 113.0 | 109.6 | 122.6 | 124.4 | 136.6 |
| Adjusted EPRA Earnings, MEUR[1] | 1 | 89.5 | 80.6 | 92.1 | 100.0 | 120.3 |
| EPRA Earnings per share (basic), EUR | 1 | 0.620 | 0.651 | 0.730 | 0.703 | 0.767 |
| Adjusted EPRA Earnings per share (basic), EUR[1] | 1 | 0.491 | 0.479 | 0.548 | 0.565 | 0.676 |
| EPRA NRV per share, EUR | 2 | 7.87 | 9.30 | 11.01 | 12.15 | 11.48 |
| EPRA NAV per share, EUR | 2 | - | - | - | - | 11.30 |
| EPRA Cost Ratio (including direct vacancy costs), % | 3 | 19.5 | 19.3 | 16.8 | 18.1 | 18.3 |
| EPRA Cost Ratio (excluding direct vacancy costs), % | 3 | 16.8 | 17.2 | 14.5 | 14.9 | 15.6 |
| EPRA Net Initial Yield (NIY), % | 4 | 5.5 | 5.3 | 5.3 | 5.2 | 5.4 |
| EPRA 'topped-up' NIY, % | 4 | 5.5 | 5.3 | 5.3 | 5.2 | 5.4 |
| EPRA vacancy rate, % | 5 | 5.9 | 5.1 | 5.5 | 6.6 | 6.1 |
| EPRA Property related capex MEUR | 6 | 381.2 | 95.2 | 175.7 | 193.7 | 341.3 |
| EPRA LTV % | 7 | 61.2 | 61.6 | 57.4 | - | - |
| EPRA Earnings for five years, MEUR | 8 | 113.0 | 109.6 | 122.6 | 124.4 | 136.6 |

[1] Starting from the beginning of 2024, Citycon excludes reorganisation and one-time costs (Q1–Q4/2024: EUR 9.6 million) from Adjusted EPRA Earnings. Due to this, Adjusted EPRA Earnings is not fully comparable with the previous year. The adjusted key figure includes hybrid bond coupons and amortized fees.

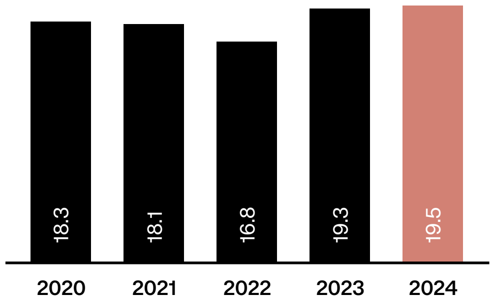
## Development of EPRA NRV per share during 2020–2024

EUR




## Development of EPRA Cost Ratio during 2020–2024

%



## 1. EPRA earnings and EPRA earnings per share (basic)

EPRA Earnings presents the underlying operating performance of a real estate company excluding all so called non-recurring items such as net fair value gains/losses on investment properties, profit/loss on disposals and other non-recurring items. EPRA Earnings is especially important for investors who want to assess the extent to which dividends are supported by recurring income.

| | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|
| | MEUR | Average number of shares (1,000) | per share, EUR | MEUR | Average number of shares (1,000) | per share, EUR |
| **Earnings in IFRS Consolidated Income Statement** | **-37.9** | **182,316** | **-0.208** | **-115.0** | **168,285** | **-0.683** |
| +/- Net fair value losses/gains on investment property | 74.6 | 182,316 | 0.409 | 200.3 | 168,285 | 1.190 |
| -/+ Net gains/losses on disposal of investment property | 79.3 | 182,316 | 0.435 | 2.3 | 168,285 | 0.014 |
| +/- Indirect other operating expenses | -0.1 | 182,316 | -0.001 | 0.3 | 168,285 | 0.002 |
| + Early close-out costs of debt and financial instruments | -0.8 | 182,316 | -0.004 | -2.9 | 168,285 | -0.017 |
| -/+ Fair value gains/losses of financial instruments | 8.9 | 182,316 | 0.049 | 2.8 | 168,285 | 0.017 |
| +/- Indirect losses/gains of joint ventures and associated companies | 0.0 | 182,316 | 0.000 | 32.0 | 168,285 | 0.190 |
| -/+ Change in deferred taxes arising from the items above | -11.1 | 182,316 | -0.061 | -10.2 | 168,285 | -0.060 |
| **EPRA Earnings (basic)** | **113.0** | **182,316** | **0.620** | **109.6** | **168,285** | **0.651** |
| -/+ Hybrid bond coupons and amortized fees | -33.1 | 182,316 | -0.182 | -28.9 | 168,285 | -0.172 |
| + Reorganisation and one-time costs | 9.6 | 182,316 | 0.053 | - | 168,285 | - |
| **Adjusted EPRA Earnings (basic)** | **89.5** | **182,316** | **0.491** | **80.6** | **168,285** | **0.479** |

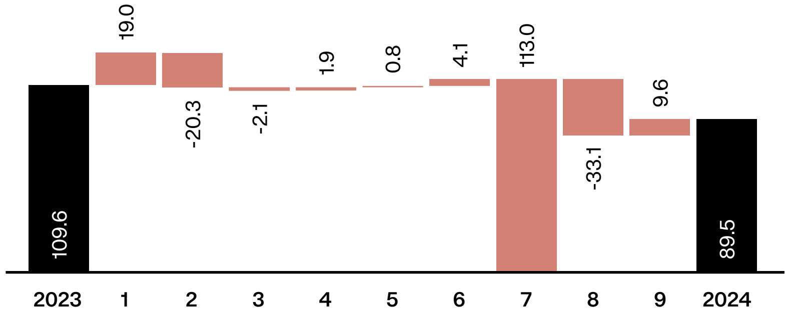
EPRA Earnings can also be calculated from the statement of comprehensive income from top to bottom. The EPRA Earnings calculation is presented in the next table with this different method, which also presents the Direct Operating profit.

**EPRA Earnings was EUR 113.0 million and EPRA EPS was EUR 0.620.**
EPRA earnings increased mainly due to the acquisition of the remaining 50% interest of Kista Galleria shopping centre in February 2024.

| | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|
| | MEUR | Average number of shares (1,000) | per share. EUR | MEUR | Average number of shares (1,000) | per share. EUR |
| **Net rental income (NRI)** | **214.7** | **182,316** | **1.178** | **195.7** | **168,285** | **1.163** |
| Direct administrative expenses | -33.2 | 182,316 | -0.182 | -31.1 | 168,285 | -0.185 |
| Direct other operating income and expenses | 2.2 | 182,316 | 0.012 | 0.3 | 168,285 | 0.002 |
| **Direct Operating profit** | **183.6** | **182,316** | **1.007** | **164.8** | **168,285** | **0.980** |
| Direct net financial income and expenses | -68.0 | 182,316 | -0.373 | -47.7 | 168,285 | -0.284 |
| Direct share of profit/loss of joint ventures and associated companies | -0.7 | 182,316 | -0.004 | -4.7 | 168,285 | -0.028 |
| Direct current taxes | -2.1 | 182,316 | -0.011 | -2.9 | 168,285 | -0.017 |
| Change in direct deferred taxes | 0.1 | 182,316 | 0.001 | 0.1 | 168,285 | 0.001 |
| **EPRA Earnings (basic)** | **113.0** | **182,316** | **0.620** | **109.6** | **168,285** | **0.651** |
| Hybrid bond coupons and amortized fees | -33.1 | 182,316 | -0.182 | -28.9 | 168,285 | -0.172 |
| + Reorganisation and one-time costs | 9.6 | 182,316 | 0.053 | - | 168,285 | - |
| **Adjusted EPRA Earnings (basic)** | **89.5** | **182,316** | **0.491** | **80.6** | **168,285** | **0.479** |

### Change in EPRA earnings

MEUR




1 Net rental income
2 Direct net financial income and expenses
3 Direct administrative expenses
4 Direct other operating income and expenses
5 Direct current and deferred taxes
6 Other direct items
7 EPRA Earnings 2024
8 Hybrid bond coupons and amortized fees
9 Reorganisation and one-time costs

## 2. EPRA net asset value metrics

EPRA NAV metrics present the fair value of net assets of a real estate company.

The EPRA NRV scenario, aims to represent the value required to rebuild the entity and assumes that no selling of assets takes place. EPRA NRV intends to reflect the fair value of a business on a going-concern basis, all items arising from future disposals (e.g. deferred taxes on disposals), the fair value of financial instruments are excluded from EPRA NRV. The transfer tax cost to rebuild the portfolio increases EPRA NRV.

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. EPRA NDV is a measure of the real estate company's "spot" fair value at the balance sheet date. Spot fair value means that EPRA NDV reflects the fair value of net assets of the company at a particular day as opposed to EPRA NRV, which reflects the fair value of net assets on a going-concern basis. However, EPRA NDV is not a liquidation NAV as the fair values of assets and liabilities are not based on a liquidation scenario.

Citycon considers EPRA NRV to be the most relevant measure for its business and hence presents it as the primary net asset metric.

Closing share price of Citycon was 3.22 EUR per share on 31 December 2024.

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

**EPRA NRV per share decreased by EUR 1.43 to EUR 7.87 (9.30) mainly due to weaker NOK and SEK currency rates, investment property fair value losses and higher hybrid bond interests that lowered equity. The impact of weaker currency rates was EUR -0.16 per share.**

| | EPRA Net Asset Value measures | | |
|---|---|---|---|
| **31 December 2024** | **EPRA NRV** | **EPRA NTA** | **EPRA NDV** |
| Equity attributable to parent company shareholders | 1,265.7 | 1,265.7 | 1,265.7 |
| Deferred taxes from the difference of fair value and fiscal value of investment properties[3] | 203.8 | 101.9 | - |
| Fair value of financial instruments | 1.3 | 1.3 | - |
| Goodwill as a result of deferred taxes | -44.7 | - | - |
| Goodwill as per the consolidated balance sheet | - | -89.9 | -89.9 |
| Intangible assets as per the consolidated balance sheet | - | -9.7 | - |
| The difference between the secondary market price and carrying value of bonds[1] | - | - | 22.2 |
| Real estate transfer taxes[2] | 23.5 | - | - |
| **TOTAL** | **1,449.6** | **1,269.3** | **1,198.0** |
| Number of ordinary shares at balance sheet date, million | 184.2 | 184.2 | 184.2 |
| **Net Asset Value per share** | **7.87** | **6.89** | **6.50** |

| **31 December 2023** | **EPRA NRV** | **EPRA NTA** | **EPRA NDV** |
|---|---|---|---|
| Equity attributable to parent company shareholders | 1,380.1 | 1,380.1 | 1,380.1 |
| Deferred taxes from the difference of fair value and fiscal value of investment properties[3] | 246.3 | 123.1 | - |
| Fair value of financial instruments | 1.4 | 1.4 | - |
| Goodwill as a result of deferred taxes | -61.5 | - | - |
| Goodwill as per the consolidated balance sheet | - | -111.4 | -111.4 |
| Intangible assets as per the consolidated balance sheet | - | -10.7 | - |
| The difference between the secondary market price and carrying value of bonds[1] | - | - | 153.0 |
| Real estate transfer taxes[2] | 33.8 | - | - |
| **TOTAL** | **1,600.1** | **1,382.7** | **1,421.8** |
| Number of ordinary shares at balance sheet date, million | 172.0 | 172.0 | 172.0 |
| **Net Asset Value per share** | **9.30** | **8.04** | **8.27** |

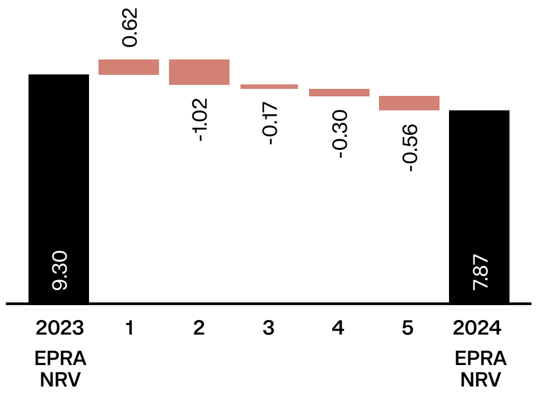
[1] When calculating the EPRA NDV in accordance with EPRA's recommendations, the shareholders' equity is adjusted using EPRA's guidelines so that bonds are valued based on secondary market prices. The difference between the secondary market price and the carrying value of the bonds was EUR 22.2 million (secondary market price lower) as of 31 December 2024. In the comparison period 31 December 2023, the difference was EUR 153.0 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.

## Change of net reinstatement value (EPRA NRV)

EUR




**1** EPRA Earnings
**2** Indirect result
**3** Translation reserve
**4** Dividends paid and equity return
**5** Other

## 3. EPRA cost ratios

EPRA Cost Ratios reflect the relevant overhead and operating costs of the business and provide a recognized and understood reference point for analysis of a company's costs. The EPRA Cost Ratio (including direct vacancy costs) includes all administrative and operating expenses in the IFRS statements including the share of joint ventures' overheads and operating expenses (net of any service fees). The EPRA Cost Ratio (excluding direct vacancy costs) is calculated as above, but with an adjustment to exclude vacancy costs. Both EPRA Cost Ratios are calculated as a percentage of Gross Rental Income less ground rent costs, including a share of joint venture Gross Rental Income less ground rent costs.

| MEUR | 2024 | 2023 |
|---|---|---|
| **Include:** | | |
| Administrative expenses[1] | 33.2 | 31.1 |
| Property operating expenses and other expenses from leasing operations less service charge costs | 74.8 | 68.0 |
| Net service charge costs/fees | 17.9 | 14.4 |
| Management fees less actual/estimated profit element | 0.4 | -0.2 |
| Other operating income/recharges intended to cover costs less any related profit | -7.5 | -7.5 |
| Share of joint venture expenses | 0.0 | 2.3 |
| **Exclude:** | | |
| Ground rent costs | -6.7 | -6.1 |
| Service charge costs recovered through rents but not separately invoiced | -67.7 | -57.3 |
| Share of joint venture investment property depreciation, ground rent costs and service charge costs recovered through rents but not separately invoiced | 0.0 | -2.6 |
| **EPRA Costs (including direct vacancy costs) (A)** | **44.6** | **42.3** |
| Direct vacancy costs | -6.1 | -4.7 |
| **EPRA Costs (excluding direct vacancy costs) (B)** | **38.5** | **37.5** |
| | | |
| Gross rental income less ground rent costs | 228.7 | 209.2 |
| Add: share of joint ventures (Gross rental income less ground rent costs less service fees in GRI) | 0.0 | 9.3 |
| **Gross Rental Income (C)** | **228.7** | **218.5** |
| | | |
| **EPRA Cost Ratio (including direct vacancy costs) (A/C, %)** | **19.5** | **19.3** |
| **EPRA Cost Ratio (excluding direct vacancy costs) (B/C, %)** | **16.8** | **17.2** |

[1] Administrative expenses are net of costs capitalised of EUR 1.5 million in 2024 and EUR 4.6 million in 2023. Citycon's policy is to capitalise, for example, expenses related to property development projects and major software development projects.

## 4. EPRA net initial yield (NIY), % and EPRA 'topped-up' NIY, %

EPRA initial yields present property portfolio's ability to generate rent.

EPRA NIY, % is calculated by dividing the net rental income for the completed property portfolio, based on the valid lease portfolio on the balance sheet date, by the gross market value of the completed property portfolio.

In EPRA 'topped-up' NIY, the net rental income is 'topped-up' to reflect rent after the expiry of lease incentives such as rent free periods and rental discounts.

| MEUR | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Fair value of investment properties determined by the external appraiser | 3,643.2 | 3,779.3 |
| Less (re)development properties, unused building rights and properties which valuation is based on the value of the building right | -64.7 | -83.5 |
| **Completed property portfolio** | **3,578.5** | **3,695.7** |
| Plus the estimated purchasers' transaction costs | 58.8 | 62.1 |
| **Gross value of completed property portfolio (A)** | **3,637.3** | **3,757.8** |
| | | |
| Annualised gross rents for completed property portfolio | 278.9 | 272.1 |
| Property portfolio's operating expenses | -79.5 | -73.4 |
| **Annualised net rents (B)** | **199.4** | **198.7** |
| Plus the notional rent expiration of rent free periods or other lease incentives | 2.2 | 0.8 |
| **Topped-up annualised net rents (C)** | **201.6** | **199.5** |
| | | |
| **EPRA Net Initial Yield (NIY), % (B/A)** | **5.5** | **5.3** |
| **EPRA 'topped-up' NIY, % (C/A)** | **5.5** | **5.3** |

**EPRA NIY and EPRA 'TOPPED-UP' NIY increased slightly**
EPRA initial yields increased during the year mainly due to negative fair value development and changes in net rental income.

## 5. EPRA vacancy rate, %

The EPRA vacancy rate presents how much out of the full potential rental income is not received because of vacancy.

The EPRA vacancy rate is calculated by dividing the estimated rental value of vacant premises by the estimated rental value of the whole property portfolio if all premises were fully leased. The EPRA vacancy rate is calculated using the same principles as the economic occupancy rate, which Citycon also discloses.

| MEUR | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Annualised potential rental value of vacant premises | 16.5 | 13.6 |
| ÷ Annualised potential rental value for the whole property portfolio | 278.4 | 264.7 |
| **EPRA vacancy rate, %** | **5.9** | **5.1** |

**EPRA vacancy rate remained low but increased slightly from last year's level**
The EPRA vacancy rate at the end of 2024 for the entire property portfolio was 5.9%.

## 6. Property related capex

| | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|
| | Group (excl. Joint ventures) | Joint ventures (proportionate share) | Total | Group (excl. Joint ventures) | Joint ventures (proportionate share) | Total |
| Acquisitions | 341.0 | | 341.0 | - | | - |
| (Re)development | 14.2 | - | 14.2 | 50.0 | 2.4 | 52.4 |
| Investment properties | | | | | | |
| No incremental lettable space | 1.5 | | 1.5 | 15.3 | | 15.3 |
| Tenant incentives | 24.1 | | 24.1 | 27.0 | | 27.0 |
| Capitalised interest | 0.4 | | 0.4 | 0.5 | | 0.5 |
| **Total capital expenditure**[1] | **381.2** | **-** | **381.2** | **92.8** | **2.4** | **95.2** |
| | | | | | | |
| Conversion from accrual to cash basis | -271.1 | - | -271.1 | 1.5 | 0.3 | 1.9 |
| | | | | | | |
| **Total capital expenditure on cash basis**[1] | **110.1** | **-** | **110.1** | **94.4** | **2.7** | **97.1** |

[1] Include only investment properties and investment properties classified as held for sale related capex.

Investments include both income-producing and maintenance capex.

## 7. EPRA LTV

| 31 December 2024 MEUR | Citycon group as reported MEUR | Share of Joint Ventures MEUR | Share of Material Associates MEUR | Non-controlling Interests MEUR | Combined MEUR |
|---|---|---|---|---|---|
| **Include** | | | | | |
| Borrowings from Financial Institutions | 509.5 | - | - | - | 509.5 |
| Commercial paper | 9.9 | - | - | - | 9.9 |
| Hybrids | 592.8 | - | - | - | 592.8 |
| Bond loans | 1,576.8 | - | - | - | 1,576.8 |
| Foreign currency derivatives | -18.0 | - | - | - | -18.0 |
| Net payables | -39.1 | - | - | - | -39.1 |
| **Exclude** | | | | | |
| Cash and cash equivalents | 358.5 | - | - | - | 358.5 |
| **Net Debt (a)** | **2,273.5** | **-** | **-** | **-** | **2,273.5** |
| Owner-occupied property | 0.6 | - | - | - | 0.6 |
| Investment properties at fair value | 3,590.5 | - | - | - | 3,590.5 |
| Properties held for sale | 81.1 | - | - | - | 81.1 |
| Intangibles | 9.7 | - | - | - | 9.7 |
| Financial assets | 32.5 | - | - | - | 32.5 |
| **Total Property Value (b)** | **3,714.3** | **-** | **-** | **-** | **3,714.3** |
| | | | | | |
| **LTV (a/b)** | **61.2%** | | | | **61.2%** |

| 31 December 2023 MEUR | Citycon group as reported MEUR | Share of Joint Ventures MEUR | Share of Material Associates MEUR | Non-controlling Interests MEUR | Combined MEUR |
|---|---|---|---|---|---|
| **Include** | | | | | |
| Borrowings from Financial Institutions | 336.5 | 108.0 | - | - | 444.5 |
| Commercial paper | 46.5 | - | - | - | 46.5 |
| Hybrids | 607.3 | - | - | - | 607.3 |
| Bond loans | 1,442.6 | - | - | - | 1,442.6 |
| Foreign currency derivatives | -10.9 | - | - | - | -10.9 |
| Net payables | 28.9 | 7.2 | - | - | 36.1 |
| **Exclude** | | | | | |
| Cash and cash equivalents | 25.2 | 3.7 | - | - | 29.0 |
| **Net Debt (a)** | **2,425.8** | **111.5** | **-** | **-** | **2,537.2** |
| Owner-occupied property | 2.4 | - | - | - | 2.4 |
| Investment properties at fair value | 3,817.7 | 172.9 | - | - | 3,990.5 |
| Properties held for sale | - | - | - | - | 0.0 |
| Intangibles | 10.7 | - | - | - | 10.7 |
| Financial assets | 116.0 | - | - | - | 116.0 |
| **Total Property Value (b)** | **3,946.7** | **172.9** | **-** | **-** | **4,119.6** |
| | | | | | |
| **LTV (a/b)** | **61.5%** | **64.5%** | | | **61.6%** |

Most significant difference between EPRA LTV and IFRS LTV is the classification of hybrid bonds. In EPRA LTV hybrid bonds are presented as 100% debt whereas in IFRS LTV hybrid bonds are presented as 100% equity. Credit agencies classify hybrid bonds as 50% debt and 50% equity.

In addition, EPRA LTV includes company's share of joint venture's selected assets and liabilities whereas IFRS LTV excludes them.

## 8. EPRA earnings for five years

| MEUR | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|
| **Earnings in IFRS Consolidated Income Statement** | **-37.9** | **-115.0** | **5.1** | **121.0** | **-28.0** |
| +/- Net fair value losses/gains on investment property | 74.6 | 200.3 | 56.5 | -48.6 | 146.9 |
| -/+ Net gains/losses on disposal of investment property | 79.3 | 2.3 | 4.3 | 6.5 | -0.7 |
| -/+ Indirect other operating expenses | -0.1 | 0.3 | 26.7 | 0.4 | - |
| -/+ Fair value gains/losses of financial instruments and early close-out costs of debt and financial instruments | 8.1 | -0.1 | 1.0 | 8.2 | 5.8 |
| +/- Indirect losses/gains of joint ventures and associated companies | 0.0 | 32.0 | 21.0 | 2.3 | 27.2 |
| -/+ Change in deferred taxes arising from the items above | -11.1 | -10.2 | 8.0 | 34.6 | -14.7 |
| +/- Non-controlling interest arising from the items above | - | - | 0.0 | - | - |
| **EPRA Earnings (basic)** | **113.0** | **109.6** | **122.6** | **124.4** | **136.6** |
| -/+ Hybrid bond coupons and amortized fees | -33.1 | -28.9 | -30.5 | -24.3 | -16.2 |
| + Reorganisation and one-time costs | 9.6 | - | - | - | - |
| **Adjusted EPRA Earnings (basic)** | **89.5** | **80.6** | **92.1** | **100.0** | **120.3** |
| Issue-adjusted average number of shares, million | 182,316 | 168,285 | 168,011 | 177,033 | 177,998 |
| **EPRA Earnings per share (basic), EUR** | **0.620** | **0.651** | **0.730** | **0.703** | **0.767** |
| **Adjusted EPRA Earnings per share (basic), EUR** | **0.491** | **0.479** | **0.548** | **0.565** | **0.676** |

EPRA Earnings can also be calculated from the consolidated income statement from top to bottom. The EPRA Earnings calculation is presented in the next table with this different method, which also presents the Direct Operating profit.

| MEUR | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|
| **Net rental income** | **214.7** | **195.7** | **203.6** | **202.3** | **205.4** |
| Direct administrative expenses | -33.2 | -31.1 | -28.7 | -26.1 | -25.9 |
| Direct other operating income and expenses | 2.2 | 0.3 | 0.2 | 0.0 | 0.9 |
| **Direct operating profit** | **183.6** | **164.8** | **175.2** | **176.1** | **180.4** |
| Direct net financial income and expenses | -68.0 | -47.7 | -47.0 | -46.8 | -46.0 |
| Direct share of profit/loss of joint ventures and associated companies | -0.7 | -4.7 | -3.6 | -4.0 | -0.8 |
| Direct current taxes | -2.1 | -2.9 | -2.1 | -3.3 | -1.8 |
| Change in direct deferred taxes | 0.1 | 0.1 | 0.2 | 2.4 | 4.8 |
| Direct non-controlling interest | - | - | 0.0 | 0.0 | -0.1 |
| **EPRA Earnings** | **113.0** | **109.6** | **122.6** | **124.4** | **136.6** |
| Hybrid bond coupons and amortized fees | -33.1 | -28.9 | -30.5 | -24.3 | -16.2 |
| + Reorganisation and one-time costs | 9.6 | - | - | - | - |
| **Adjusted EPRA Earnings** | **89.5** | **80.6** | **92.1** | **100.0** | **120.3** |
| Issue-adjusted average number of shares, million | 182,316 | 168,285 | 168,011 | 177,033 | 177,998 |
| **EPRA Earnings per share (basic), EUR** | **0.620** | **0.651** | **0.730** | **0.703** | **0.767** |
| **Adjusted EPRA Earnings per share (basic), EUR** | **0.491** | **0.479** | **0.548** | **0.565** | **0.676** |

# Operational key figures

Shopping Centres[1]

| | Location | GLA, sq.m. | Retail GLA, sq.m. | Economic occupancy rate, 31 December 2024 | Year of acquisition | Year built/latest year of renovation |
|---|---|---|---|---|---|---|
| **Finland** | | | | | | |
| **Shopping centres, Helsinki area** | | | | | | |
| Heikintori | Espoo | 9,233 | 7,005 | - | 1998–2021 | 1968 |
| Isomyyri | Vantaa | 11,536 | 8,204 | - | 1999 | 1987 |
| Iso Omena | Espoo | 102,036 | 84,620 | 97% | 2007, 2014 | 2001/2016, 2017 |
| Lippulaiva | Espoo | 55,880 | 37,769 | 95% | 2022–2023 | 2022–2023 |
| Myyrmanni | Vantaa | 43,537 | 33,784 | 97% | 1999, 2006 | 1994/2016 |
| **Shopping centres, other areas in Finland** | | | | | | |
| IsoKarhu | Pori | 15,018 | 12,656 | 79% | 1999 | 1972/2014 |
| IsoKristiina | Lappeenranta | 17,016 | 12,701 | 96% | 1999, 2005 | 1987, 1993/2015 |
| Koskikeskus | Tampere | 35,215 | 30,128 | 93% | 1999, 2003 | 1988/2012 |
| Trio | Lahti | 46,335 | 27,501 | 87% | 1999, 2007 | 1977, 1992/2010 |
| **Shopping centres, total** | **-** | **335,805** | **254,367** | **95%** | **-** | **-** |
| **Other properties, total** | **-** | **2,191** | **715** | **-** | **-** | **-** |
| **Finland, total** | **-** | **337,996** | **255,082** | **95%** | **-** | **-** |
| | | | | | | |
| **Norway** | | | | | | |
| **Shopping centres, Oslo area** | | | | | | |
| Kolbotn Torg | Kolbotn | 18,835 | 16,655 | 100% | 2015 | 2008 |
| Liertoppen Kjøpesenter | Lierskogen | 26,504 | 24,486 | 98% | 2015 | 1987/1990 |
| Linderud Senter | Oslo | 21,148 | 16,395 | 99% | 2015 | 1967/2009 |
| Stovner Senter | Oslo | 42,703 | 31,611 | 94% | 2020 | 1975/2016 |

| | Location | GLA, sq.m. | Retail GLA, sq.m. | Economic occupancy rate, 31 December 2024 | Year of acquisition | Year built/latest year of renovation |
|---|---|---|---|---|---|---|
| **Shopping centres, other areas in Norway** | | | | | | |
| Herkules | Skien | 50,013 | 44,122 | 97% | 2015 | 1969/2013 |
| Kilden Kjøpesenter | Stavanger | 23,233 | 19,344 | 96% | 2015 | 1989/2015 |
| Kremmertorget | Elverum | 20,220 | 17,087 | 76% | 2015 | 1979/2012 |
| Oasen Kjøpesenter | Fyllingsdalen | 49,952 | 26,769 | 96% | 2015 | 1971/2014 |
| Solsiden[2] | Trondheim | 14,440 | 13,709 | 100% | 2015 | 2000 |
| Storbyen | Sarpsborg | 25,181 | 23,159 | 82% | 2015 | 1999/2015 |
| **Shopping centres, total** | - | **292,228** | **233,336** | **95%** | - | - |
| **Other properties, total** | - | **8,126** | **7,006** | - | - | - |
| **Norway, total** | - | **300,354** | **240,342** | **95%** | - | - |
| | | | | | | |
| **Sweden** | | | | | | |
| **Shopping centres, Stockholm area** | | | | | | |
| Jakobsbergs Centrum | Järfalla | 42,174 | 25,759 | 81% | 2006 | 1959/1993 |
| Kista Galleria, 100% | Stockholm | 91,766 | 58,360 | 89% | 2013, 2024 | 1977,2002/ 2014 |
| Liljeholmstorget Galleria | Stockholm | 41,306 | 27,199 | 98% | 2006 | 1973/2009 |
| Åkersberga Centrum | Åkersberga | 27,500 | 21,484 | 91% | 2005, 2015 | 1985/2011 |
| **Shopping centres, Gothenburg area** | | | | | | |
| Stenungstorg Centrum | Stenungsund | 35,806 | 22,425 | 88% | 2006 | 1967/2016 |
| Mölndals Galleria | Mölndal | 26,337 | 24,222 | 91% | 2014/2018 | 2018 |
| **Shopping centres, total** | - | **264,888** | **179,448** | **91%** | - | - |
| **Sweden, total** | - | **264,888** | **179,448** | **91%** | - | - |
| | | | | | | |
| **Shopping centres, Denmark** | | | | | | |
| Albertslund Centrum | Copenhagen | 19,423 | 14,113 | 96% | 2012 | 1965/2015 |
| Strædet | Køge | 19,019 | 17,332 | 96% | 2017, 2018 | 2017, 2018 |
| | | | | | | |
| **Shopping centres, Estonia** | | | | | | |
| Rocca al Mare | Tallinn | 57,817 | 56,498 | 98% | 2005 | 1998/2009 |
| **Shopping centres, total** | - | **96,259** | **87,942** | **97%** | - | - |
| **Other properties, total** | - | - | - | - | - | - |
| **Denmark & Estonia, total** | - | **96,259** | **87,942** | **97%** | - | - |
| | | | | | | |
| **Total** | - | **999,497** | **762,814** | **94%** | - | - |

[1] Including Kista Galleria 100%.
[2] Rented property.

## Fair value

| | No. of properties | Fair value, EUR million | | Fair value change, EUR million | Average yield requirement, % | | Average market rent, EUR/sq.m./month |
|---|---|---|---|---|---|---|---|
| | 31 December 2024 | 31 December 2024 | 31 December 2023 | 2024 | 31 December 2024 | 31 December 2023 | 31 December 2024 |
| Shopping centres, Finland | 9 | 1,574.5 | 1,683.9 | -57.2 | - | - | - |
| Other properties, Finland | 1 | 3.6 | 4.4 | -0.8 | - | - | - |
| **Finland, total** | **10** | **1,578.1** | **1,688.3** | **-58.0** | **5.9** | **5.5** | **30.3** |
| Shopping centres, Norway | 9 | 814.1 | 1,077.1 | -22.6 | - | - | - |
| Rented shopping centres, Norway[1] | 1 | - | - | - | - | - | - |
| Other properties, Norway | 1 | - | - | -0.5 | - | - | - |
| **Norway, total** | **11** | **814.1** | **1,077.1** | **-23.1** | **6.7** | **6.2** | **21.1** |
| Shopping centres, Sweden[2] | 6 | 902.2 | 610.8 | 19.5 | - | - | - |
| Other properties, Sweden | - | - | 6.7 | 0.0 | - | - | - |
| **Sweden, total** | **6** | **902.2** | **617.5** | **19.5** | **6.0** | **5.8** | **25.5** |
| Shopping centres, Denmark & Estonia | 3 | 292.9 | 434.8 | -6.3 | - | - | - |
| Other properties, Denmark & Estonia | 1 | 3.1 | - | 0.6 | - | - | - |
| **Denmark & Estonia, total** | **4** | **296.0** | **434.8** | **-5.7** | **7.1** | **7.2** | **21.9** |
| Shopping centres, total | 28 | 3,583.7 | 3,806.6 | -66.6 | - | - | - |
| Other properties, total | 3 | 6.8 | 11.1 | -0.7 | - | - | - |
| **Investment properties, total** | **31** | **3,590.5** | **3,817.7** | **-67.3** | **6.2** | **6.0** | **25.4** |
| Right-of-use assets classified as investment properties (IFRS 16) | - | 37.3 | 40.5 | -7.4 | - | - | - |
| **Investment properties in the statement of financial position, total** | **31** | **3,627.8** | **3,858.2** | **-74.6** | **6.2** | **6.0** | **25.4** |
| Kista Galleria, 50% | - | - | 173.2 | - | - | - | - |
| **Investment properties in the statement of financial position and Kista Galleria (50%), total** | **31** | **3,627.8** | **4,031.4** | **-74.6** | **6.2** | **5.9** | **25.4** |

[1] Value of rented properties is recognised within IFRS 16 investment properties based on IFRS rules.
[2] 31 December 2024 includes Kista Galleria 100%

## Like-for-like portfolio

| | No. of properties | Fair value, EUR million | | Fair value change, EUR million | Average yield requirement, % | | Average market rent, EUR/sq.m./month |
|---|---|---|---|---|---|---|---|
| | 31 December 2024 | 31 December 2024 | 31 December 2023 | 2024 | 31 December 2024 | 31 December 2023 | 31 December 2024 |
| Shopping centres, Finland | 5 | 1,341.2 | 1,440.1 | -45.9 | - | - | - |
| Other properties, Finland | - | - | - | - | - | - | - |
| **Finland, total** | **5** | **1,341.2** | **1,440.1** | **-45.9** | **6.0** | **5.5** | **32.1** |
| Shopping centres, Norway | 8 | 794.9 | 842.8 | -11.6 | - | - | - |
| Rented shopping centres, Norway[1] | 1 | - | - | - | - | - | - |
| **Norway, total** | **9** | **794.9** | **842.8** | **-11.6** | **6.6** | **6.1** | **21.7** |
| Shopping centres, Sweden | 3 | 452.6 | 461.4 | 1.0 | - | - | - |
| Other properties, Sweden | - | - | - | - | - | - | - |
| **Sweden, total** | **3** | **452.6** | **461.4** | **1.0** | **5.7** | **5.6** | **30.5** |
| Shopping centres, Denmark & Estonia | 2 | 115.0 | 110.8 | 2.9 | - | - | - |
| Other properties, Denmark & Estonia | - | - | - | - | - | - | - |
| **Denmark & Estonia, total** | **2** | **115.0** | **110.8** | **2.9** | **6.4** | **6.4** | **19.1** |
| Shopping centres, total | 19 | 2,703.7 | 2,855.2 | -53.5 | - | - | - |
| Other properties, total | - | - | - | - | - | - | - |
| **Like-for-like properties, total** | **19** | **2,703.7** | **2,855.2** | **-53.5** | **6.1** | **5.8** | **26.9** |
| Right-of-use assets classified as like-for-like properties (IFRS 16) | - | 36.1 | 40.2 | -6.7 | - | - | - |
| **Like-for-like properties in the statement of financial position, total** | **19** | **2,739.8** | **2,895.4** | **-60.2** | **6.1** | **5.8** | **26.9** |

[1] Value of rented properties is recognised within IFRS 16 investment properties based on IFRS rules.

## Citycon's five largest properties[1]

| | Average rent, EUR/sq.m./month | Gross rental income, EUR million | Net rental income, EUR million | Fair value, EUR million | Fair value change, EUR million |
|---|---|---|---|---|---|
| | 31 December 2024 | 2024 | 2024 | 31 December 2024 | 2024 |
| Iso Omena | 39.3 | 37.6 | 36.9 | 788.6 | -20.6 |
| Kista Galleria | 24.8 | 16.7 | 12.2 | 308.4 | 22.4 |
| Liljeholmstorget Galleria | 37.6 | 15.9 | 15.5 | 306.8 | 3.4 |
| Lippulaiva | 29.1 | 15.1 | 14.4 | 297.0 | -8.9 |
| Myyrmanni | 27.5 | 10.7 | 10.9 | 204.0 | -8.4 |
| **Five largest properties, total** | **32.0** | **95.9** | **89.8** | **1,904.8** | **-12.2** |

[1] Including Kista Galleria 100% and IFRS 16 assets

## Average rent[1]

| | Average remaining length of lease agreements, years | Average remaining length of lease agreements, years | Average rent, EUR/sq.m./month | Average rent, EUR/sq.m./month |
|---|---|---|---|---|
| | 31 December 2024 | 31 December 2023 | 31 December 2024 | 31 December 2023 |
| Finland | 4.1 | 4.5 | 28.6 | 27.9 |
| Norway | 2.9 | 2.9 | 21.5 | 20.9 |
| Sweden | 2.4 | 2.5 | 25.1 | 23.7 |
| Denmark & Estonia | 3.4 | 3.4 | 23.1 | 23.1 |
| **Total** | **3.3** | **3.5** | **25.0** | **24.0** |

[1] Including Kista Galleria 100%

## Rental income by business units[1]

| | Gross rental income, EUR million | | Net rental income, EUR million | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| Finland | 84.5 | 81.6 | 80.9 | 76.4 |
| Norway | 65.4 | 67.7 | 60.5 | 62.5 |
| Sweden | 52.5 | 33.8 | 42.4 | 27.8 |
| Denmark & Estonia | 33.0 | 32.2 | 30.9 | 29.3 |
| Other | - | - | 0.0 | -0.4 |
| **Investment properties, total** | **235.4** | **215.3** | **214.7** | **195.7** |

[1] 2024 Including Kista Galleria 100%

## Leasing activity, investment properties[1]

| | Number of lease agreements | Leased area, sq.m. | Average rent, EUR/ sq.m./month |
|---|---|---|---|
| **31 December 2023** | **4,153** | **983,733** | **24.0** |
| Leases started | 1,222 | 200,342 | 20.2 |
| Leases ended | 1,544 | 293,406 | 23.4 |
| Acquisitions | - | - | 0.0 |
| Other changes | - | 438 | - |
| **31 December 2024** | **3,831** | **891,107** | **25.0** |

[1] Including Kista Galleria 100%

## Rental Income by Category, %[1]

| | Finland | Norway | Sweden | Denmark & Estonia | Total |
|---|---|---|---|---|---|
| Groceries | 27.0 | 13.2 | 15.0 | 21.6 | 19.8 |
| Fashion and Accessories | 14.9 | 20.7 | 17.1 | 23.4 | 17.8 |
| Home and Sporting Goods | 10.8 | 24.0 | 11.1 | 21.3 | 15.4 |
| Services and Offices | 15.5 | 16.8 | 16.9 | 10.2 | 15.7 |
| Cafes and Restaurants | 11.9 | 8.1 | 13.3 | 7.7 | 10.8 |
| Cosmetics and Pharmacies | 6.8 | 10.4 | 10.4 | 7.1 | 8.7 |
| Wellness | 3.8 | 5.5 | 8.2 | 3.2 | 5.3 |
| Specialty Stores | 3.2 | 1.2 | 1.2 | 3.2 | 2.1 |
| Residentials and Hotels | 4.5 | - | 5.8 | - | 3.2 |
| Leisure | 1.6 | 0.2 | 0.8 | 2.4 | 1.1 |
| **Total** | **100.0** | **100.0** | **100.0** | **100.0** | **100.0** |

[1] Including Kista Galleria 100%

## Top ten tenants[1]

| | Proportion of rental income based on valid rent roll at 31 December 2024, % |
|---|---|
| S Group | 5.5% |
| Kesko Group | 5.1% |
| ICA Group | 2.3% |
| Varner Group | 2.3% |
| NorgesGruppen | 1.7% |
| Coop | 1.6% |
| Lindex Group | 1.5% |
| SATS | 1.4% |
| Normal | 1.4% |
| Tryg Forsikring | 1.3% |
| **Total** | **24.2%** |

[1] Including Kista Galleria 100%

# (Re)development projects in progress

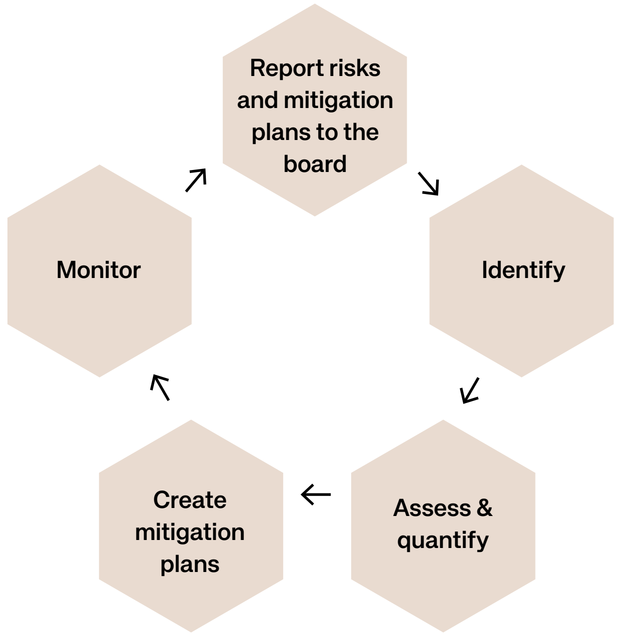
## Completed (re)development projects on Q1–Q4/2024

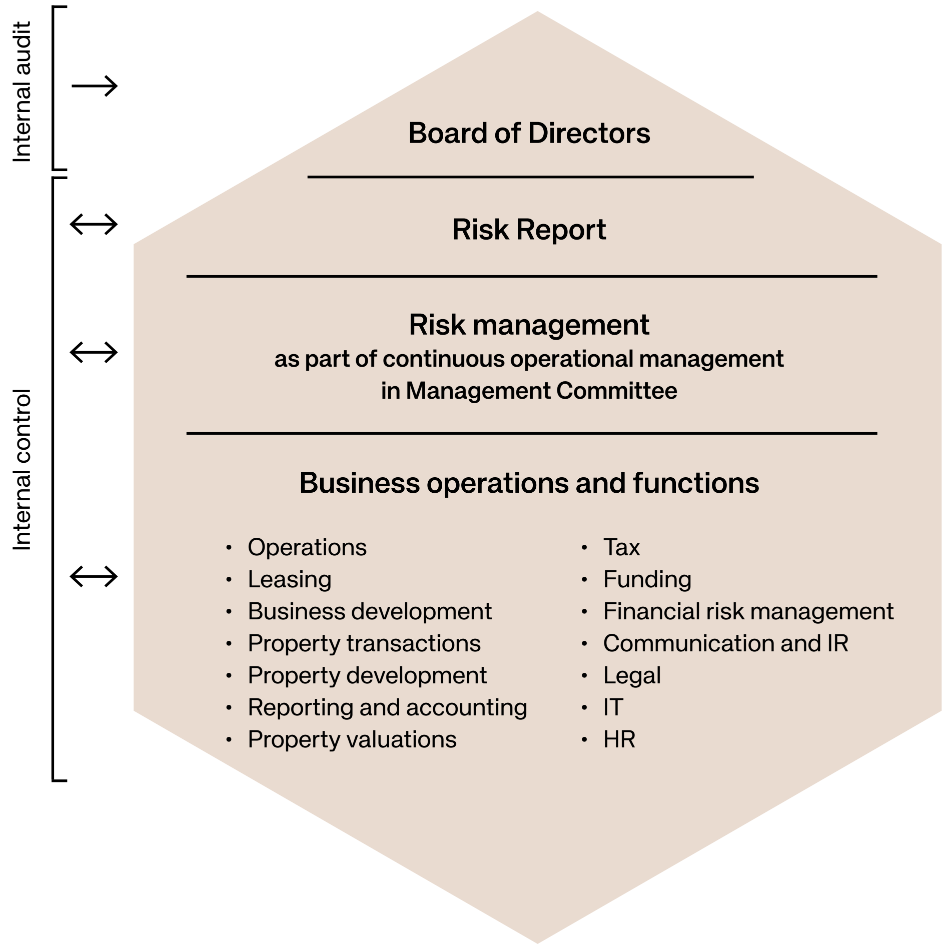
| | Location | Area before/after, sq.m. | Actual gross investment by 31 December 2024, MEUR | Completion |
|---|---|---|---|---|
| Barkarby, residentials[1] | Stockholm, Sweden | -/12,950 | 66.9 | 2024 |

[1] Citycon divested the property in December 2024 simultaneously with the purchase of the property from the developer.

# Risk and risk management

The objective of Citycon's risk management is to ensure that the business targets are achieved by identifying, assessing and monitoring key risks which may threaten these targets, and to the extent possible, avoid, transfer or mitigate these risks.




## Risk management principles

Citycon is exposed to various risks through the normal course of its activities. No business can be conducted without accepting a certain risk level, and expected gains are to be assessed against the involved risks. Successful risk management implemented in the business processes decreases the likelihood of risk realization and mitigates the negative effects of realised risk. Many of the risks and threats have not only potential negative effects, but could also develop in a favourable manner, or if effective proactive measures are taken, be turned into opportunities for Citycon.

The Board of Directors determines Citycon's strategic direction and is jointly with the Management Committee responsible for the long term and overall management of strategic risks. The operational risks, financial risks and hazard risks are managed in the various functions as a part of operational management. Each function has a dedicated person who is the owner of the risks in that area and also responsible for the reporting of the risks, the mitigation plans and the follow-up on their implementation.

## Risk reporting

The risk management and reporting process involves identifying, assessing, quantifying, mitigating and monitoring risks in all main business operations and processes. The process also includes evaluation of existing, and the planning of new, risk mitigation plans for the identified risks in order to continuously improve risk management processes.

The risk reporting process gathers data on risks and the respective mitigation plans into one group-wide risk register. A Risk Steering Committee is responsible for the risk reporting process and evaluates which risks to present to Citycon's Board of Directors to facilitate discussion and inform about the major risks in the company. This is done during the budgeting process so that the risks are linked to the annual targets. In order to evaluate the importance of each risk and to improve the comparativeness, an estimate of the loss associated with each risk is determined together with the probability of risk realization. The realised risks during the previous year are also estimated and reported.

## Insurances

To transfer certain operational and hazard risks, Citycon maintains a comprehensive insurance coverage to cover damages, claims and liabilities potentially arising from the Group's business. The properties are insured under the property damage policy to their full reconstruction value, including business interruption insurance and third-party liability insurance. Citycon also have other customary insurance policies.

| | Risk and impact | Risk management measures |
|---|---|---|
| **Leasing** | • The economic development in Citycon's operating countries impacts consumer confidence which could affect demand for retail premises. This may lead to lower rental levels or increased vacancy. It could also increase the risks for credit losses or decrease turnover based rental income.<br>• Continued high inflation environment and increased energy costs could affect negatively to consumer purchase power and increase the risk of tenant bankruptcies and weaken tenant's capability to pay rent which could increase Citycon's vacancy and weaken results.<br>• The growing online retailing that affects customer behavior, or increased local competition may affect demand for retail premises and put pressure on rental levels or increase vacancy, especially in less urban locations. | • Citycon's strategy to focus on grocery anchored, urban shopping centres connected to public transportation with necessity-driven retail has proven its stability in various market conditions with steady cash flows, occupancy and low credit losses also during a downturn. This strategy also decreases the negative effects of the increasing online retailing.<br>• The fact that most of the company's assets are in AAA/AA+ rated countries decreases the risk of a major downturn affecting the retail sector.<br>• Citycon is continuously following and analysing tenants to identify risk tenants, and requires a rent collateral.<br>• Tenant diversification has improved considerably through focused leasing efforts and through pan-Nordic strategy and the share of risk tenants has actively been decreased. |
| **Property Development & transactions** | • The planned divestments of centers may be delayed due to the weak market conditions and the low liquidity of secondary assets.<br>• Increased costs in development projects due to rising construction costs or delays due to unforeseeable challenges.<br>• Reduced demand for new retail space could result in a low occupancy rate or lower than planned rent levels in new premises. | • Maintaining relatively low level of development exposure and keeping no landbank.<br>• Construction costs are managed through competitive tendering, careful project monitoring of costs and by entering into contracts with price caps when appropriate.<br>• Leasing risks are minimised by having strict pre-leasing requirements prior to project start, by signing agreements with key anchor tenants at an early stage and by carrying out developments in proven retail locations with strong and growing demographics. |
| **Operations** | • A major accident, system failure, or terrorist incident could threaten the safety of shoppers and retailers, leading to loss of consumer confidence and thereby loss of income and extra costs.<br>• Risk of increased operating cost for e.g. maintenance, energy or security. In some lease agreements the rent paid by the lessee is not affected by changed operating expenses, and a rise in operating expenses higher than inflation would decrease the profitability. Also, when the higher costs can be passed to tenants, rising operating expenses may reduce tenants' rental payment capacity.<br>• Governmental restrictions due to new pandemic could threaten footfall and tenants' ability to conduct business. | • Risk of accidents and incidents mitigated by adequate security plans and incident procedures supported by crisis case exercises for personnel.<br>• Comprehensive insurance coverage.<br>• Citycon tries to minimize the impact of rising operating expenses by lease contracts with specified rent components when possible and charging tenants based on actual operating costs.<br>• Efficient centralized procurement, frame contracts with service providers and suppliers, cost monitoring and cost benchmarking between shopping centres.<br>• To mitigate the risk of energy price hikes, electricity prices are fixed according to a hedging policy, and energy efficiency actions have been implemented. |
| **Property values** | • The value of the properties can decrease for a number of reasons: a weaker economic environment impacting consumer purchase power, changes in -competition and consumer behaviour towards internet shopping, reduced availability and higher cost of financing and the relative attractiveness of other asset classes. The changes may lead to higher yield requirements, decreased market rents and increased vacancy rates. | • While many of the factors affecting property values cannot be influenced, Citycon seeks to impact the fair market value through active shopping centre management and optimising the profitability of its centres.<br>• Citycon's strategy to focus on urban mixed-use centres with necessity-driven retail and services in strong and growing locations results in relatively stable property valuations throughout the economic cycle.<br>• Citycon's presence in five highly rated countries gives country risk diversification and decreases the volatility of the total property values. |
| **Environment** | • Environmental concerns, customer expectations or legislation might restrict or impact Citycon's business, land use and construction.<br>• Risks associated with e.g. climate change might affect Citycon's business environment. For example, extreme weather conditions and regulation implemented to mitigate and adapt to climate change can increase energy, maintenance and construction costs. | • Environmental impact assessments are conducted in connection with major projects.<br>• Ensuring the environmental compliance of our buildings through energy investments, internal management practices, green energy purchase and production as well as external standards and certifications.<br>• A sustainability strategy with clear short-term and long-term goals. |
| **People** | • An expert organisation of Citycon's nature relies heavily on its personnel for success, and therefore it is crucial to attract and retain the right people, develop competencies and ensure clear roles and targets. | • Citycon sees good leadership as essential to reduce personnel related risks and places great emphasis on target-setting and performance management, competence development, career advancement, and commitment of key employees. |
| **Financing** | • Both bank and bond financing have been available for Citycon, but willingness to lend at competitive terms could decline due to credit rating downgrades, turmoil in financial markets, tightening regulation or other reasons, which could affect the availability or cost of debt financing.<br>• If interest rates continue to be at high level, it will inevitably increase Citycon's financial expenses over time. | • Citycon has a conservative but active financing policy, with a focus on long-term financing, a solid balance sheet and keeping 70–90% of debt tied to fixed interest rates to reduce the effects of increased interest rates.<br>• Investment grade credit rating by Standard & Poor's (BBB-) supports the availability and cost of financing. Several long-term bond issues have reduced the refinancing risk and dependency on bank financing. |

# Shares and shareholders

| Listing | |
|---|---|
| Market place | Nasdaq Helsinki |
| Listed since | 1988 |
| Trading currency | euro |
| Segment | Large Cap |
| Sector | Financials |
| Sub-industry | Real Estate Operating Companies |
| Trading code | CTY1S |
| ISIN code | FI4000369947 |

**Shares and share capital**
Citycon Oyj's shares are listed on Nasdaq Helsinki. Citycon has one series of shares and each share entitles its holder to one vote at the General Meeting and to an equal dividend. The shares have no nominal value.

At year-end 2024, Citycon's total number of shares was 184,231,295. The market capitalisation of Citycon at the end of 2024 was EUR 0.6 billion based on the stock price of EUR 3.22.

In 2024, approximately 75.5 million Citycon shares were traded on the Helsinki Stock Exchange. The daily average trading volume was 300,778 shares, representing a daily average turnover of approximately EUR 1.2 million.

**Shareholders**
The number of registered shareholders at year-end 2024 was 25,660 (27,738). Shares owned by nominee-registered parties equaled 67.7% at year-end 2023 (70.2%). Citycon is one of the companies on the Helsinki Stock Exchange with the most international ownership base.

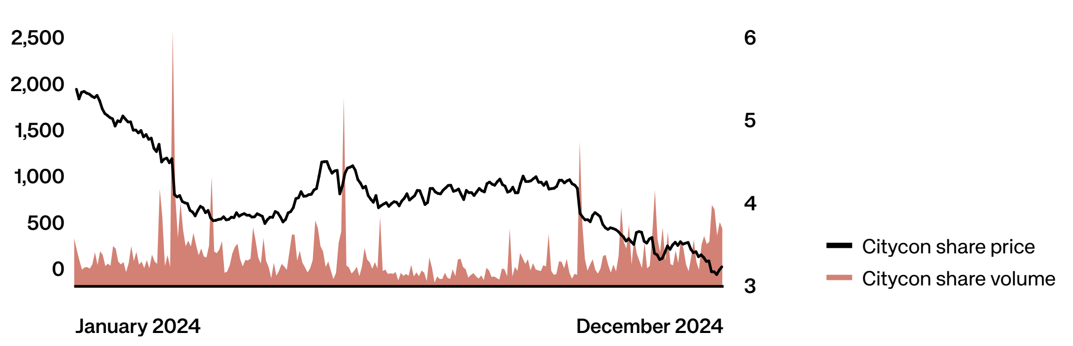
**Largest shareholders**
Citycon's largest shareholders according to Euroclear Finland are listed in the table below.

In total, G City Ltd. and its wholly-owned subsidiary Gazit Europe Netherlands own 49.54% of the total shares and votes in the company (91,259,016 shares as of 31 December 2024). Their shareholdings are mostly nominee-registered. The above-mentioned shareholdings include their direct ownership mentioned on the table above.

**Dividend payout**
The Board of Directors proposes to the Annual General Meeting that the Board of Directors will be authorized to decide on the distribution of assets from the invested unrestricted equity fund.

Based on this authorization, the maximum total amount of equity repayment distributed from the invested unrestricted equity fund shall not exceed EUR 0.30 per share. Based on the current total number of issued shares in the company (184,231,295), the authorization

## Share price and volume




## Share price and trading

| | | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|---|
| Number of shares traded[1] | 1,000 x | 75,495 | 61,626 | 84,382 | 94,293 | 68,046 |
| Stock turnover | % | 41.0 | 35.8 | 50.2 | 56.0 | 38.2 |
| Share price, high[1] | EUR | 5.21 | 7.01 | 7.57 | 8.18 | 9.99 |
| Share price, low[1] | EUR | 3.13 | 4.89 | 5.96 | 6.67 | 5.22 |
| Share price, average[1] | EUR | 4.03 | 5.93 | 6.81 | 7.37 | 7.19 |
| Share price, closing[1] | EUR | 3.22 | 5.20 | 6.26 | 7.00 | 7.93 |
| Market capitalisation, period-end | MEUR | 592.9 | 894.4 | 1,050.9 | 1,179.5 | 1,411.5 |
| Number of shares, period-end | 1,000 x | 184,231 | 171,994 | 168,009 | 168,499 | 177,999 |

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

## Major shareholders 31 December 2024

| | Shares | % |
|---|---|---|
| Ilmarinen Mutual Pension Insurance Company | 13,299,139 | 7% |
| G City Ltd[1] | 4,882,174 | 3% |
| The State Pension Fund | 1,400,000 | 1% |
| Elo Mutual Pension Insurance Company | 1,340,000 | 1% |
| OP-Henkivakuutus Ltd. | 836,686 | 0% |
| Zeroman Oy | 816,666 | 0% |
| Nordea Life Assurance Finland Ltd. | 623,867 | 0% |
| Pakkanen Mikko Pertti Juhani | 500,000 | 0% |
| eQ Nordic Small Cap Mutual Fund | 493,624 | 0% |
| Rantalainen-Yhtiöt Oy | 450,000 | 0% |
| **10 largets shareholders, total** | **24,642,156** | **13%** |
| Nominee-registered shares | 124,692,914 | 68% |
| Others | 34,896,225 | 19% |
| **Total** | **184,231,295** | **100%** |

[1] Includes non-nominee-registered ownership. In total, G City Ltd. and its wholly-owned subsidiary Gazit Europe Netherlands own 49.54% of the total shares and votes in the company (91,259,016 shares as of 31 December 2024).

## Shareholders by ownergroup 31 December 2024

| | Number of shareholders | % | Number of shares | % |
|---|---|---|---|---|
| Financial and insurance corporations | 33 | 0% | 119,994,319 | 65% |
| Corporations | 1,074 | 4% | 7,509,024 | 4% |
| Households | 24,343 | 95% | 25,631,149 | 14% |
| General government | 5 | 0% | 16,110,647 | 9% |
| Foreign | 66 | 0% | 13,083,273 | 7% |
| Non-profit institutions | 129 | 1% | 1,902,883 | 1% |
| **Total** | **25,650** | **100%** | **184,231,295** | **100%** |

## Shareholdings by number of shares 31 December 2024

| Number of shares | Number of shareholders | % | Number of shares | % |
|---|---|---|---|---|
| 1–100 | 8,378 | 33% | 365,835 | 0% |
| 101–1,000 | 12,262 | 48% | 4,883,243 | 3% |
| 1,001–10,000 | 4,489 | 17% | 12,818,912 | 7% |
| 10,001–100,000 | 487 | 2% | 12,101,367 | 7% |
| 100,001–1,000,000 | 36 | 0% | 10,625,624 | 6% |
| 1,000,001 + | 8 | 0% | 143,436,314 | 78% |
| **Total** | **25,660** | **100%** | **184,231,295** | **100%** |

would equal to a maximum of EUR 55,269,389 in equity repayment.

The authorization is valid until the opening of the next Annual General Meeting.

As disclosed on 15 November 2024, the Board of Directors of Citycon Oyj has unanimously decided that it will not use its authorization and no dividend or equity repayment will be distributed until year end 2025. The decision has been made to further increase the long-term financial stability, and to strengthen the balance sheet and the credit profile of the company.

**Major shareholders 31 December 2024**
In total, G City Ltd. (former Gazit-Globe Ltd.) and its wholly-owned subsidiary Gazit Europe Netherlands own 49.54% of the total shares and votes in the company (91,259,016 shares as of 31 December 2024). Their shareholdings are mostly nominee-registered. The above-mentioned shareholdings include their direct ownership mentioned on the list below. More information on ownership of G City Ltd and Gazit Europe Netherlands BV is available on company's website: citycon.com/investors/major-shareholders

# Key figures and financial development for five years

| | Formula | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|---|
| **Income statement data** | | | | | | |
| Gross rental income | | 235.4 | 215.3 | 222.3 | 222.2 | 224.3 |
| Net rental income | | | | | | |
| Finland | | 80.9 | 76.4 | 68.6 | 66.5 | 66.2 |
| Norway | | 60.5 | 62.5 | 78.9 | 77.8 | 74.1 |
| Sweden | | 42.4 | 27.8 | 30.4 | 32.0 | 39.0 |
| Denmark & Estonia | | 30.9 | 29.3 | 26.0 | 26.0 | 26.0 |
| Other | | 0.0 | -0.4 | -0.3 | 0.0 | 0.1 |
| Net rental income total | | 214.7 | 195.7 | 203.6 | 202.3 | 205.4 |
| Other operating income and expense | | 2.3 | 0.0 | -26.5 | -0.4 | 0.9 |
| Operating profit/loss | | 29.8 | -38.0 | 87.7 | 217.8 | 34.1 |
| Result before taxes | | -47.0 | -122.3 | 15.1 | 156.5 | -45.7 |
| Result for the period attributable to parent company shareholders | | -37.9 | -115.0 | 5.3 | 121.0 | -28.0 |
| | | | | | | |
| **Statement of financial position data** | | | | | | |
| Investment properties | | 3,627.8 | 3,858.2 | 4,040.1 | 4,189.2 | 4,152.2 |
| Current assets[1] | | 411.3 | 99.4 | 135.9 | 145.0 | 77.8 |
| Total equity | | 1,858.5 | 1,987.5 | 2,310.3 | 2,489.5 | 2,166.0 |
| Equity attributable to parent company shareholders | | 1,265.7 | 1,380.1 | 1,618.8 | 1,800.1 | 1,818.6 |
| Non-controlling interest | | 0.0 | 0.0 | 0.0 | 0.3 | 0.2 |
| Interest-bearing liabilities | | 2,131.5 | 1,864.4 | 1,807.7 | 1,878.5 | 2,121.2 |
| Total liabilities | | 2,444.6 | 2,220.9 | 2,150.5 | 2,313.5 | 2,514.0 |
| Total liabilities and shareholders' equity | | 4,303.1 | 4,208.4 | 4,460.7 | 4,803.0 | 4,680.0 |
| | | | | | | |
| Number of properties[2] | | 31 | 34 | 34 | 37 | 41 |

[1] Current assets for 31 December 2023 has been revised by reclassifying a deferred payment of EUR 17.1 million related to asset divested in December 2022 from long-term receivables to short-term receivables due to payment being due for payment at the end of December 2024. Previously reported amount was EUR 82.3 million.
[2] Kista Galleria 50% not included in 2020-2023 numbers.
[3] LTV 2021 changed due to correction related to presentation of IFRS 16 assets. Previously reported LTV for 2021 was 40.7.
[4] The Board of Directors proposes to the Annual General Meeting that the Board of Directors will be authorized to decide on the distribution of assets from the invested unrestricted equity fund. Based on this authorization, the maximum total amount of equity repayment distributed from the invested unrestricted equity fund shall not exceed EUR 0.30 per share. Based on the current total number of issued shares in the company (184,231,295), the authorization would equal to a maximum of EUR 55,269,389 in equity repayment. The authorization is valid until the opening of the next Annual General Meeting. As disclosed on 15 November 2024, the Board of Directors of Citycon Oyj has unanimously decided that it will not use its authorization and no dividend or equity repayment will be distributed until year end 2025. The decision has been made to further increase the long-term financial stability, and to strengthen the balance sheet and the credit profile of the company.

| | Formula | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|---|
| **Key performance ratios** | | | | | | |
| Equity ratio, % | 1 | 43.3 | 47.4 | 51.8 | 52.0 | 46.4 |
| Loan to value (LTV), %[3] | 2 | 47.3 | 46.3 | 41.4 | 40.3 | 46.9 |
| Return on equity, % (ROE) | 3 | -2.7 | -7.5 | 0.3 | 6.6 | 0.0 |
| Return on investment, % (ROI) | 4 | 0.7 | -1.9 | 1.5 | 4.8 | 2.8 |
| Quick ratio | 5 | 4.8 | 0.2 | 0.7 | 2.6 | 0.7 |
| Gross capital expenditure, MEUR | | 382.3 | 95.9 | 177.0 | 224.1 | 344.4 |
| % of gross rental income | | 162.4 | 44.5 | 79.6 | 100.9 | 153.5 |
| | | | | | | |
| **Per-share figures and ratios** | | | | | | |
| Earnings per share, EUR | 6 | -0.40 | -0.70 | -0.15 | 0.55 | -0.25 |
| Earnings per share, diluted, EUR | 7 | -0.40 | -0.70 | -0.15 | 0.54 | -0.25 |
| Net cash from operating activities per share, EUR | 8 | 0.71 | 0.75 | 0.59 | 0.72 | 0.71 |
| Equity per share, EUR | 9 | 10.09 | 11.56 | 13.75 | 14.80 | 12.17 |
| P/E (price/earnings) ratio | 10 | - | - | - | - | - |
| | | | | | | |
| Return from invested unrestricted equity fund per share, EUR[4] | | 0.30 | 0.50 | 0.50 | 0.45 | 0.49 |
| Dividend per share, EUR[4] | | - | - | - | 0.05 | 0.05 |
| Dividend and return from invested unrestricted equity fund per share total, EUR[4] | | 0.30 | 0.50 | 0.50 | 0.50 | 0.54 |
| Dividend and return of equity per earnings, % | 11 | - | - | - | 91.6 | - |
| Effective dividend and return of equity yield, % | 12 | 9.3 | 9.6 | 8.0 | 7.1 | 6.8 |
| Issue-adjusted average number of shares (1,000)[5] | | 182,316 | 168,285 | 168,011 | 177,033 | 177,998 |
| Issue-adjusted number of shares at the end of financial year (1,000)[5] | | 184,231 | 171,994 | 168,009 | 168,202 | 177,999 |
| | | | | | | |
| **Operative key ratios** | | | | | | |
| Occupancy rate (economic), %[2] | 13 | 94.1 | 94.9 | 94.5 | 93.4 | 93.9 |
| Citycon's GLA, sq.m.[2] | | 999,497 | 1,011,490 | 1,013,390 | 1,059,090 | 1,136,390 |
| Personnel (at the end of the period) | | 164 | 234 | 251 | 251 | 246 |

[5] Issue-adjusted number of shares excluding Treasury shares held by the company.

Formulas are presented on section Formulas for key figures and ratios.

# Formulas for key figures and ratios

1) Equity ratio, %

$$\frac{\text{Total Equity}}{\text{Balance sheet total - advances received}} \times 100$$

2) Loan to value (LTV), %

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

3) Return on equity (ROE), %

$$\frac{\text{Result for the period}}{\text{Total Equity attributable to parent company shareholders (weighted average)}} \times 100$$

4) Return on investment (ROI), %

$$\frac{\text{Result before taxes + interest and other financial expenses}}{\text{Balance sheet total (average) - non-interest-bearing liabilities (average)}} \times 100$$

5) Quick ratio

$$\frac{\text{Current assets}}{\text{Short-term liabilities}}$$

6) Earnings per share (EPS), EUR[1]

$$\frac{\text{Result for the period attributable to parent company shareholders}}{\text{Average number of shares for the period}} \times 100$$

7) Earnings per share, diluted, EUR[1]

$$\frac{\text{Result for the period attributable to parent company shareholders}}{\text{Diluted average number of shares for the period}} \times 100$$

8) Net cash from operating activities per share, EUR

$$\frac{\text{Net cash from operating activities}}{\text{Average number of shares for the period}} \times 100$$

9) Equity per share, EUR

$$\frac{\text{Total equity}}{\text{Number of shares on the balance sheet date}}$$

10) P/E ratio (price/earnings)

$$\frac{\text{Closing price at year-end}}{\text{EPS}}$$

11) Dividend and return of equity per earnings, %

$$\frac{\text{Dividend and return of equity per share}}{\text{EPS}} \times 100$$

12) Effective dividend and return of equity yield, %

$$\frac{\text{Dividend and return of equity per share}}{\text{Closing price at year-end}} \times 100$$

13) Occupancy rate (economic), %

$$\frac{\text{Gross rental income as per leases}}{\text{Estimated market rent of vacant premises + gross rental income as per leases}} \times 100$$

[1] Transaction costs and coupons on hybrid bond are deducted from the result for the period attributable to parent company shareholders, despite the recognition date (coupons are recorded based on the commitment to the payment). In addition, gains/losses and expenses on hybrid bond repayments are included in the calculation.


# Financial statements

# Citycon Oyj's consolidated financial statements

## Consolidated income statement, IFRS

| MEUR | Note | 2024 | 2023 |
|---|---|---|---|
| Gross rental income | 1.2. | 235.4 | 215.3 |
| Service charge income | 1.3. | 85.9 | 74.7 |
| Property operating expenses | 1.4. | -104.5 | -92.8 |
| Other expenses from leasing operations | | -2.1 | -1.6 |
| **Net rental income** | 1.1. | **214.7** | **195.7** |
| Administrative expenses | 1.5. | -33.2 | -31.1 |
| Other operating income and expenses | 1.3, 1.7. | 2.3 | 0.0 |
| Net fair value gains/losses on investment property | 2.1. | -74.6 | -200.3 |
| Net gains/losses on sale of investment property | 1.1., 5.1. | -79.3 | -2.3 |
| **Operating profit/loss** | | **29.8** | **-38.0** |
| Financial income | | 76.5 | 87.7 |
| Financial expenses | | -152.7 | -135.3 |
| Net financial income and expenses | 3.2. | -76.1 | -47.7 |
| Share of profit/loss of associated companies and joint ventures | 2.4. | -0.7 | -36.7 |
| **Result before taxes** | | **-47.0** | **-122.3** |
| Current taxes | 4.1. | -2.1 | -2.9 |
| Change in deferred taxes | 4.2. | 11.2 | 10.3 |
| Income taxes | | 9.2 | 7.4 |
| **Result for the period** | | **-37.9** | **-115.0** |
| | | | |
| **Result attributable to** | | | |
| Parent company shareholders | | -37.9 | -115.0 |
| Non-controlling interest | | 0.0 | 0.0 |
| | | | |
| **Earnings per share attributable to parent company shareholders:**[1] | | | |
| Earnings per share (basic), EUR | 1.8. | -0.40 | -0.70 |
| Earnings per share (diluted), EUR | 1.8. | -0.40 | -0.70 |

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

## Consolidated statement of other comprehensive income, IFRS

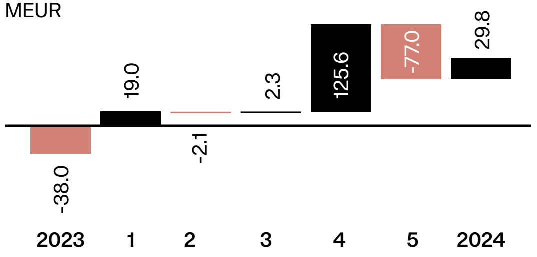
| MEUR | Note | 2024 | 2023 |
|---|---|---|---|
| **Result for the period** | | **-37.9** | **-115.0** |
| **Other comprehensive income/expenses** | | | |
| **Items that may be reclassified to profit or loss in subsequent periods** | | | |
| Net gains/losses on cash flow hedges | 3.2. | 0.2 | -3.4 |
| Share of other comprehensive income of associated companies and joint ventures | | 0.0 | 0.0 |
| Exchange gains/losses on translating foreign operations | | -31.1 | -51.7 |
| **Net other comprehensive income that may be reclassified to profit or loss in subsequent periods** | | **-30.9** | **-55.0** |
| **Other comprehensive income/expenses for the period, net of tax** | | **-30.9** | **-55.0** |
| **Total comprehensive profit/loss for the period** | | **-68.8** | **-170.0** |
| | | | |
| **Total comprehensive profit/loss attributable to** | | | |
| Parent company shareholders | | -68.8 | -170.0 |
| Non-controlling interest | | 0.0 | 0.0 |

**Operational performance increased in 2024**
Net rental income increased in 2024 mainly due to acquisition of the remaining 50% interest of Kista Galleria shopping centre in February 2024. Operating profit was EUR 29.8 million positive.

**Result for the period in 2024 was impacted by higher financial expenses**
Overall financial performance was negatively impacted by the net fair value loss from investment properties of EUR 74.6 million and the disposals made during 2024 together with increased financial expenses.

### Change in operating profit

MEUR



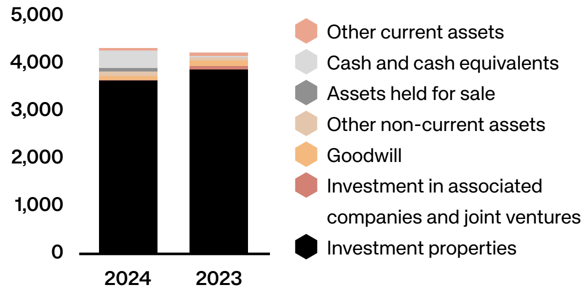

**1** Change in net rental income
**2** Change in administrative expenses
**3** Change in other operating income and expenses
**4** Change in fair value gains/losses
**5** Change in gains/losses on sale

# Consolidated statement of financial position, IFRS

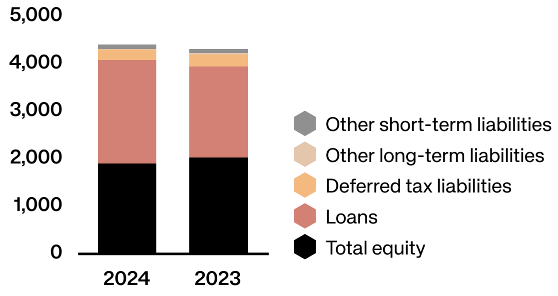
| MEUR | Note | 31 December 2024 | 31 December 2023 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Investment properties | 2.1. | 3,627.8 | 3,858.2 |
| Goodwill | 5.2. | 89.9 | 111.4 |
| Investments in associated companies and joint ventures | 2.4. | 3.4 | 72.4 |
| Intangible assets | 4.3. | 9.7 | 10.7 |
| Property, plant and equipment | | 0.6 | 2.4 |
| Deferred tax assets | 4.2. | 16.4 | 16.5 |
| Derivative financial instruments | 3.6. | 30.0 | 37.2 |
| Other non-current assets[1] | 3.9. | 32.9 | 0.4 |
| **Total non-current assets[1]** | | **3,810.7** | **4,109.0** |
| | | | |
| **Assets held for sale** | 2.2. | **81.1** | **0.0** |
| | | | |
| **Current assets** | | | |
| Derivative financial instruments | 3.6. | 6.5 | 0.1 |
| Current tax receivables | 4.1. | 0.3 | 0.6 |
| Trade and other receivables[1] | 3.3., 4.4. | 46.1 | 73.4 |
| Cash and cash equivalents | 3.8. | 358.5 | 25.2 |
| **Total current assets[1]** | | **411.3** | **99.4** |
| | | | |
| **Total assets** | | **4,303.1** | **4,208.4** |

[1] Consolidated statement of financial position for 31 December 2023 has been revised by reclassifying a deferred payment of EUR 17.1 million related to asset divested in December 2022 from long-term receivables to short-term receivables due to payment being due for payment at the end of December 2024.

## Assets
MEUR




## Equity and liabilities
MEUR




| MEUR | Note | 31 December 2024 | 31 December 2023 |
|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | 3.1. | | |
| Share capital | | 259.6 | 259.6 |
| Share premium fund | | 131.1 | 131.1 |
| Fair value reserve | | -1.3 | -1.4 |
| Invested unrestricted equity fund | | 589.4 | 596.8 |
| Translation reserve | | -271.1 | -240.0 |
| Retained earnings | | 558.0 | 634.1 |
| **Total equity attributable to parent company shareholders** | | **1,265.7** | **1,380.1** |
| Hybrid bond | 3.1. | 592.8 | 607.3 |
| Non-controlling interest | | 0.0 | 0.0 |
| **Total equity** | | **1,858.5** | **1,987.5** |
| | | | |
| **Long-term liabilities** | | | |
| Loans | 3.3., 3.4. | 2,110.7 | 1,502.8 |
| Derivative financial instruments | 3.3., 3.6. | 12.7 | 22.6 |
| Deferred tax liabilities | 4.2. | 208.4 | 247.8 |
| Other liabilities | 3.3. | 0.2 | 0.2 |
| **Total long-term liabilities** | | **2,331.9** | **1,773.4** |
| | | | |
| **Short-term liabilities** | | | |
| Loans | 3.3., 3.4. | 20.8 | 361.6 |
| Derivative financial instruments | 3.3., 3.6. | 3.9 | 5.3 |
| Current tax liabilities | 4.1. | 1.8 | 2.4 |
| Trade and other payables | 3.3., 4.5. | 86.2 | 78.3 |
| **Total short-term liabilities** | | **112.6** | **447.5** |
| **Total liabilities** | | **2,444.6** | **2,220.9** |
| | | | |
| **Total liabilities and equity** | | **4,303.1** | **4,208.4** |

**Investment property values decreased**
Fair value of investment properties decreased due to fair value losses of EUR 74.6 million, changes in exchange rates EUR 70.2 million and transfers into held for sale assets EUR 411.1 million, investments and acquisitions increased the value of investment properties by EUR 321.3 million. Citycon acquired the remaining 50% interest of Kista Galleria shopping centre in February 2024, after which Kista Galleria has been consolidated to Citycon Group increasing both total assets and total liabilities.

# Consolidated cash flow statement, IFRS

| MEUR | Note | 2024 | 2023 |
|---|---|---|---|
| **Cash flow from operating activities** | | | |
| **Result before taxes** | | **-47.0** | **-122.3** |
| Adjustments | | 233.1 | 290.3 |
| **Cash flow before change in working capital** | | **186.1** | **168.0** |
| Change in trade and other receivables | 4.4. | 13.0 | 0.1 |
| Change in trade and other payables | 4.5. | -10.1 | 5.7 |
| Change in working capital | | 2.9 | 5.8 |
| **Cash generated from operations** | | **189.0** | **173.8** |
| Interest expenses and other financial expenses paid | | -63.0 | -51.0 |
| Interest income and other financial income received | | 5.8 | 1.7 |
| Taxes paid | | -2.2 | 2.4 |
| **Net cash from operating activities** | | **129.6** | **126.8** |
| **Cash flow from investing activities** | | | |
| Acquisition of investment properties and subsidiaries, less cash acquired | 2.1., 2.2., 5.1. | -62.7 | - |
| Capital expenditure on investment properties | 2.1., 2.2. | -48.1 | -94.4 |
| Capital expenditure on investments in joint ventures, intangible assets and PP&E | 2.4., 4.3. | -1.0 | -2.3 |
| Sale of investment properties and subsidiaries | 2.2., 5.1. | 299.9 | -0.4 |
| **Net cash from/used in investing activities** | | **188.1** | **-97.1** |
| **Cash flow from financing activities** | | | |
| Proceeds from short-term loans | 3.4. | 256.1 | 357.3 |
| Repayments of short-term loans | 3.4. | -800.5 | -433.8 |
| Proceeds from long-term loans | 3.4. | 641.6 | 405.3 |
| Repayments of long-term loans | 3.4. | -29.9 | -257.5 |
| Hybrid bond repayments | 3.1. | - | -39.2 |
| Hybrid bond interest and expenses | 3.1. | -48.7 | -29.1 |
| Proceeds and costs from share issue | 3.1. | 46.6 | - |
| Dividends and return from the invested unrestricted equity fund | 3.1. | -55.2 | -84.4 |
| Realised exchange rate gains and losses | | 7.7 | 9.4 |
| **Net cash from/used in investing activities** | | **17.7** | **-72.0** |
| | | | |
| **Net change in cash and cash equivalents** | | **335.4** | **-42.3** |
| Cash and cash equivalents at period-start | 3.8. | 25.2 | 69.2 |
| Effects of exchange rate changes | | -2.2 | -1.6 |
| **Cash and cash equivalents at period-end** | 3.8. | **358.5** | **25.2** |

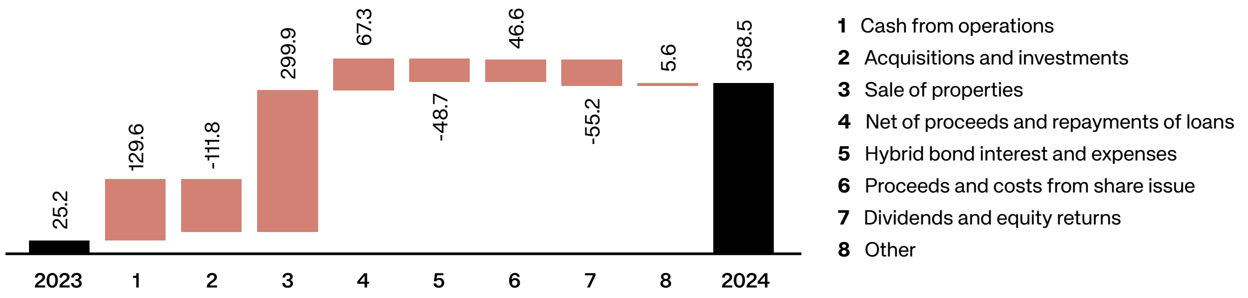
| MEUR | Note | 2024 | 2023 |
|---|---|---|---|
| Adjustments: | | | |
| Depreciation and amortisation | 1.5., 4.3. | 2.9 | 3.0 |
| Net fair value gains/losses on investment property | 2.1. | 74.6 | 200.3 |
| Gains/losses on disposal of investment property | 1.1., 5.1. | 79.3 | 2.3 |
| Financial income | 3.2. | -76.5 | -87.7 |
| Financial expenses | 3.2. | 152.7 | 135.3 |
| Share of profit/loss of associated companies and joint ventures | 2.4. | 0.7 | 36.7 |
| Share-based payments | 1.6. | -0.6 | 1.7 |
| Other adjustments | | 0.1 | -1.3 |
| **Total** | | **233.1** | **290.3** |

| MEUR | Note | 2024 | 2023 |
|---|---|---|---|
| Net cash from operating activities | | 129.6 | 126.8 |
| Average number of shares (1,000) | | 182,316 | 168,285 |
| **Net cash from operating activities per share** | | **0.71** | **0.75** |

**Net cash from operating activities increased slightly to EUR 129.6 million from previous year**
During 2024 Citycon invested EUR 110.8 million in acquisitions and investment properties, including the acquisition of Kista and acquisition cost of residential property in Sweden, which was divested on the same day. Investments were financed by cash generated from operations and divestments. Net cash from operations per share decreased to EUR 0.71 due to directed share issues during 2024, where a total of 12.2 million new shares were carried out. During 2024, Citycon issued two bonds total of EUR 750 million, the proceeds were used to repay short-term Eurobonds of EUR 310 million and NOK bonds of EUR 193 million.

## Cash needs and cash proceeds

MEUR

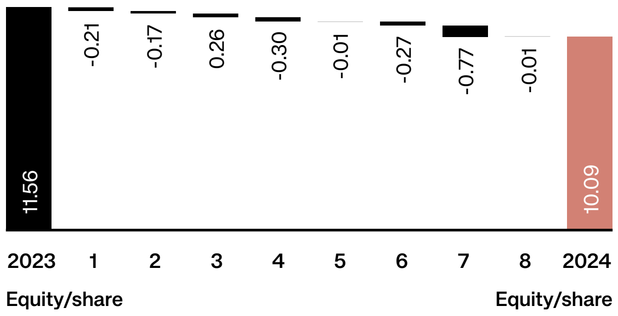


# Consolidated statement of changes in shareholders' equity, IFRS

| MEUR | Share capital | Share premium fund | Fair value reserve | Invested unrestricted equity fund | Translation reserve | Retained earnings | Total | Hybrid bond | Non-controlling interest | Total equity |
|---|---|---|---|---|---|---|---|---|---|---|
| | Equity attributable to parent company shareholders | | | | | | | | | |
| **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** |
| **Result for the period 2023** | | | | | | **-115.0** | **-115.0** | | | **-115.0** |
| Net gains on cash flow hedges (Note 3.2.) | | | -3.4 | | | | -3.4 | | | -3.4 |
| Exchange gains/losses on translating foreign operations | | | | | -51.7 | | -51.7 | | | -51.7 |
| **Total other comprehensive income/expenses for the period, net of tax** | | | **-3.4** | | **-51.7** | | **-55.0** | | | **-55.0** |
| **Total comprehensive profit/loss for the period** | | | **-3.4** | | **-51.7** | **-115.0** | **-170.0** | | | **-170.0** |
| Hybrid bond repayments (Note 3.1.) | | | | | | | 0.0 | -85.9 | | -85.9 |
| Gains on hybrid bond repayments (Note 3.1.) | | | | | | 25.8 | 25.8 | | | 25.8 |
| Hybrid bond interest and expenses (Note 3.1.) | | | | | | -30.7 | -30.7 | 1.8 | | -28.9 |
| Share issue and costs (Note 3.1.) | | | | 20.9 | | | 20.9 | | | 20.9 |
| Dividends paid and equity return (Note 3.1.) | | | | -84.4 | | | -84.4 | | | -84.4 |
| Share-based payments (Note 1.6.) | | | | | | -0.3 | -0.3 | | | -0.3 |
| Other changes | | | | | | 0.0 | 0.0 | | | 0.0 |
| **Balance at 31 December 2023** | **259.6** | **131.1** | **-1.4** | **596.8** | **-240.0** | **634.1** | **1,380.1** | **607.3** | **0.0** | **1,987.5** |
| **Result for the period 2024** | | | | | | **-37.9** | **-37.9** | | | **-37.9** |
| Net gains on cash flow hedges (Note 3.2.) | | | 0.2 | | | | 0.2 | | | 0.2 |
| Exchange gains/losses on translating foreign operations | | | | | -31.1 | | -31.1 | | | -31.1 |
| **Total other comprehensive income/expenses for the period, net of tax** | | | **0.2** | | **-31.1** | | **-30.9** | | | **-30.9** |
| **Total comprehensive profit/loss for the period** | | | **0.2** | | **-31.1** | **-37.9** | **-68.8** | | | **-68.8** |
| Gains/losses on hybrid bond repayments (Note 3.1.) | | | | | | -2.2 | -2.2 | | | -2.2 |
| Hybrid bond interest and expenses (Note 3.1.) | | | | | | -34.7 | -34.7 | -14.5 | | -49.2 |
| Share issue and costs (Note 3.1.) | | | | 47.8 | | | 47.8 | | | 47.8 |
| Dividends paid and equity return (Note 3.1.) | | | | -55.2 | | | -55.2 | | | -55.2 |
| Share-based payments (Note 1.6.) | | | | | | -1.3 | -1.3 | | | -1.3 |
| Other changes | | | | | | 0.0 | 0.0 | | | 0.0 |
| **Balance at 31 December 2024** | **259.6** | **131.1** | **-1.3** | **589.4** | **-271.1** | **558.0** | **1,265.7** | **592.8** | **0.0** | **1,858.5** |

## Development of equity per share

MEUR




**1** Result for the period
**2** Translation differences
**3** Share issue and costs
**4** Dividends and equity return
**5** Gains on hybrid bond repayments
**6** Hybrid bond interest and expenses
**7** Effect of share issue on share amount
**8** Other changes

**Result for the period and hybrid bond interest and expenses decreased equity**

Result for the period was EUR -37.9 million. A total of EUR -49.2 million of hybrid bond interest and expenses were recognized in total equity. During 2024, Citycon paid an equity return of EUR 0.30 per share from the invested unrestricted equity fund. Distributed equity return in total was EUR 55.2 million. Translation losses were EUR -31.1 million. During 2024, Citycon also completed one directed share issue to Finnish and international institutional and other qualified investors and in total three directed share issues for the payment of the company's share-based incentive plans and remuneration to the Board of Directors.

# Notes to the consolidated financial statements

This table presents the Notes to the Financial Statements of Citycon Group and the accounting principles related to the Notes.
In addition, the table presents the IFRS standards in which the accounting principles are based on.

| Accounting Policy | Note | Number | IFRS |
|---|---|---|---|
| Segment information | Segment information | 1.1. | IFRS8 |
| Revenue recognition, other income and trade and other receivables | Gross rental income, Revenue from contracts with customers, Other operating income and expenses, Trade and other receivables | 1.2., 1.3., 1.7., 4.4. | IFRS16, IFRS15, IFRS9 |
| Employee benefits and share-based payments | Employee benefits and personnel expenses | 1.6. | IAS19, IFRS2 |
| Earnings per share | Earnings per share | 1.8. | IAS33 |
| Investment property | Investment properties and related liabilities, Right-of-use assets | 2.1., 2.3. | IAS40, IFRS13, IFRS16 |
| Assets held for sale | Assets held for sale | 2.2. | IAS40, IFRS5 |
| Investments in associates and joint ventures | Investments in joint ventures, Investments in associates | 2.4. | IAS28, IFRS11, IFRS12 |
| Financial Instruments: Disclosures, Presentation, Recognition and Measurement | Equity, Net financial income and expenses, Classification of financial instruments, Loans, Financial risk management, Derivative financial instruments, Cash and cash equivalents, Other non-current assets, Trade and other receivables, Trade and other payables | 3.1., 3.2., 3.3., 3.4., 3.5., 3.6., 3.8., 3.9., 4.4., 4.5. | IAS32, IFRS7, IFRS9, IFRS16 |
| Provisions, Contingent Liabilities, Contingent Assets | Commitments and contingent liabilities | 2.1., 3.7. | IAS37 |
| Consolidated Financial Statements, Business Combination | Acquisitions and disposals, Goodwill, Acquisition of non-controlling interests | 5.1., 5.2., 5.3. | IAS40, IFRS10, IFRS3 |
| Related Party Disclosures | Related party transactions and changes in group structure | 5.4. | IAS24 |
| Impairment of Assets | Goodwill, Intangible assets, Trade and other receivables | 4.3., 4.4., 5.2. | IAS36, IFRS9 |
| Income taxes | Income taxes, Deferred tax assets and liabilities | 4.1., 4.2. | IAS12 |
| Intangible assets | Intangible assets | 4.3. | IAS38 |
| Events after the Reporting Period | Post balance sheet date events | 5.6. | IAS10 |
| Contingent liabilities | Capital Commitments, VAT refund liabilities, Securities and Pledges | 2.1., 3.7. | - |

## Basic company data

As a real estate investment company specialising in retail properties, Citycon operates in Finland, Norway, Sweden, Estonia and Denmark. Citycon is a Finnish public limited liability company established under Finnish law and domiciled in Helsinki, the address of its registered office being Piispansilta 9 A 1, 02230 Espoo. The official name of the company is Citycon Oyj.

The Board of Directors has approved the financial statements of the company on 26th February 2025. In accordance with the Finnish Limited Liability Companies Act, Annual General Meeting has the right to not approve the financial statements approved by the Board of Directors and return the financial statements back to the Board of Directors for a correction.

A copy of Citycon's consolidated financial statements is available on the corporate website at www.citycon.com and from the Group's headquarters at the address Piispansilta 9 A FI-02230 Espoo, Finland.

## Basis of preparation

Citycon has prepared its consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) and applied the International Accounting Standards (IAS) and IFRS as well as Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC) interpretations effective as of 31 December 2024. International financial reporting standards refer to the approved applicable standards and their interpretations under Finnish accounting legislation and the following rules on European Union Regulation No. 1606/2002. Notes to the consolidated financial statements are also in compliance with Finnish accounting legislation and community legislation.

Financial assets and liabilities are classified either as financial assets or liabilities at amortised cost or financial assets or liabilities at fair value through profit or loss. Financial assets held at amortised cost include rent and trade receivables, interest receivables and cash and cash equivalents. Financial liabilities at amortised cost include loans, trade payables and interest payables. Financial assets and liabilities at fair value through profit or loss include foreign exchange derivative contracts, cross currency swaps and interest rate options. In addition, investment properties are measured at fair value following their initial recognition. In other respects, the consolidated financial statements are prepared at historical cost.

XBRL tags in the ESEF financial statement are audited.

The financial statements are shown in millions of euros and rounded in hundred thousands of euros.

**Key estimates and assumptions and accounting policies requiring judgment**

Preparing the financial statements under IFRS requires that the company's management make certain accounting estimates and assumptions, which have an effect on the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses, as well as notes to the accounts. These estimates and associated assumptions are based on historical experience and various other factors deemed reasonable under the circumstances, the results of which form the basis of management judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Although these estimates are based on the best knowledge and current information available, the actual results may differ from the estimates due to uncertainty related to these assumptions and estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised for the period in which the estimate is revised if the revision affects only that period, or in the current and future periods if the revision affects both current and future periods.

Key estimates and assumptions and accounting policies requiring judgment regarding business activities are presented together with the relevant note.

| Note | Key estimates and assumptions |
|---|---|
| 2.1. Investment properties and related liabilities | Measuring the fair value of investment properties |
| 2.2. Assets held for sale | Classification of investment properties |
| 2.3. Right-of-use assets | Assessing the probability of exercising extension options |
| 4.1. Income Taxes | Estimates and assumptions related to tax calculations |
| 4.2. Deferred tax assets and liabilities | Recoverability of deferred tax assets |
| 4.4. Trade and other receivables | Estimation of expected credit losses |
| 5.1. Acquisitions and disposals | Classification of business and asset acquisitions |
| 5.2. Goodwill | Impairment testing of goodwill |

# 1. Operating performance

## 1.1. Segment information

The geographical segments of Citycon are Finland, Norway, Sweden and Denmark & Estonia. The segment Other mainly includes administrative expenses arising from the Group's functions. Citycon changed its operating segments and segment reporting starting from 1.1.2023. Previously the segments were Finland & Estonia, Norway and Sweden & Denmark.

The Board of Directors follows IFRS segment results. The Board of Directors followed Kista Galleria's result and financial position based on a 50% share until the acquisition of the remaining 50% interest of the shopping centre on 29 February 2024, and therefore segment information includes both IFRS segment results and Kista Galleria result for 2023.

Citycon's Board of directors assess the business units' performance on the basis of Net Rental Income and Direct Operating Profit. Fair value changes are also reported to Citycon's Board of directors by business unit.

Segment assets and liabilities consist of operating items which the segment uses in its operations or which can be allocated to the segment on a reasonable basis. Unallocated items include tax and financial items, as well as corporate items. No internal sales take place between segments.

Capital expenditure includes additions to the investment properties, associated companies , joint ventures, property, plant and equipment and intangible assets in the statement of financial position.

1 January–31 December 2024

| MEUR | Finland | Norway | Sweden | Denmark & Estonia[1] | Other | Total IFRS segments | Kista Galleria (50%) |
|---|---|---|---|---|---|---|---|
| Gross rental income | 84.5 | 65.4 | 52.5 | 33.0 | 0.0 | 235.4 | - |
| Service charge income | 31.7 | 26.0 | 19.6 | 8.6 | 0.0 | 85.9 | - |
| Property operating expenses | -34.9 | -30.3 | -28.5 | -10.8 | 0.0 | -104.5 | - |
| Other expenses from leasing operations | -0.3 | -0.7 | -1.2 | 0.1 | 0.0 | -2.1 | - |
| **Net rental income** | **80.9** | **60.5** | **42.4** | **30.9** | **0.0** | **214.7** | **-** |
| Direct administrative expenses | -2.3 | -4.1 | -3.5 | -0.5 | -22.7 | -33.2 | - |
| Direct other operating income and expenses | 2.2 | -0.3 | 0.1 | 0.3 | -0.1 | 2.2 | - |
| **Direct operating profit** | **80.7** | **56.1** | **39.0** | **30.7** | **-22.8** | **183.6** | **-** |
| Indirect other operating income and expenses | 0.2 | 0.0 | -0.1 | 0.0 | 0.0 | 0.1 | - |
| Net fair value gains/losses on investment property | -59.4 | -27.5 | 17.9 | -5.7 | - | -74.6 | - |
| Gains/losses on disposal of investment property | 0.2 | -50.2 | -9.2 | -19.8 | -0.2 | -79.3 | - |
| **Operating profit/loss** | **21.7** | **-21.6** | **47.5** | **5.2** | **-23.1** | **29.8** | **-** |
| | | | | | | | |
| **Allocated assets** | | | | | | | |
| Investment properties | 1,584.6 | 836.1 | 911.1 | 296.0 | - | 3,627.8 | - |
| Assets held for sale | 67.4 | 13.7 | 0.0 | 0.0 | - | 81.1 | - |
| Other allocated assets | 10.7 | 84.7 | 9.2 | 13.5 | 423.1 | 541.2 | - |
| **Unallocated assets** | | | | | | | |
| Deferred tax assets | | | | | 16.4 | 16.4 | - |
| Derivative financial instruments | | | | | 36.5 | 36.5 | |
| **Assets** | **1,662.7** | **934.6** | **920.3** | **309.5** | **476.0** | **4,303.1** | **-** |
| | | | | | | | |
| **Allocated liabilities** | | | | | | | |
| Trade and other payables | 11.4 | 10.9 | 16.1 | 7.9 | 39.8 | 86.2 | - |
| **Unallocated liabilities** | | | | | | | |
| Interest-bearing liabilities | | | | | 2,131.5 | 2,131.5 | - |
| Deferred tax liabilities | | | | | 208.4 | 208.4 | - |
| Derivative financial instruments | | | | | 16.6 | 16.6 | - |
| Other unallocated liabilities | | | | | 2.0 | 2.0 | - |
| **Liabilities** | **11.4** | **10.9** | **16.1** | **7.9** | **2,398.3** | **2,444.6** | **-** |
| | | | | | | | |
| **Capital expenditure** | **15.1** | **5.6** | **351.2** | **9.3** | **1.0** | **382.3** | **-** |
| **Number of shopping centres** | **9** | **11** | **6** | **4** | **-** | **30** | **-** |
| **Number of other properties** | **1** | **-** | **-** | **-** | **-** | **1** | **-** |

[1] Direct Operating Profit for Estonia is EUR 24.0 million, Gross rental income and Service charge income in total are EUR 32.9 million, Property operating expenses and Administrative expenses in total are EUR 9.0 million and Assets are EUR 193.4 million.

None of the tenants' proportion of Citycon's gross rental income exceeded 10% during financial years 2024 and 2023, and the management does not manage operations according to customer segments.

## 1 January–31 December 2023

| MEUR | Finland | Norway | Sweden | Denmark & Estonia[1] | Other | Total IFRS segments | Kista Galleria (50%) |
|---|---|---|---|---|---|---|---|
| Gross rental income | 81.6 | 67.7 | 33.8 | 32.2 | 0.0 | 215.3 | 9.3 |
| Service charge income | 28.6 | 25.1 | 10.2 | 10.8 | 0.0 | 74.7 | 3.3 |
| Property operating expenses | -33.1 | -29.9 | -16.3 | -13.1 | -0.4 | -92.8 | -6.0 |
| Other expenses from leasing operations | -0.6 | -0.5 | 0.1 | -0.6 | 0.0 | -1.6 | 0.0 |
| **Net rental income** | **76.4** | **62.5** | **27.8** | **29.3** | **-0.4** | **195.7** | **6.6** |
| Direct administrative expenses | -2.2 | -4.1 | -4.3 | -0.5 | -20.0 | -31.1 | 0.0 |
| Direct other operating income and expenses | -0.3 | 0.4 | 0.0 | 0.1 | 0.1 | 0.3 | 0.0 |
| **Direct operating profit** | **74.0** | **58.8** | **23.5** | **28.9** | **-20.3** | **164.8** | **6.5** |
| Indirect other operating income and expenses | 0.0 | -0.1 | 0.0 | -0.2 | - | -0.3 | 0.0 |
| Net fair value gains/losses on investment property | -69.4 | -68.8 | -36.6 | -25.5 | - | -200.3 | -40.8 |
| Gains/losses on disposal of investment property | -0.3 | -1.6 | -0.3 | -0.1 | - | -2.3 | - |
| **Operating profit/loss** | **4.3** | **-11.7** | **-13.4** | **3.1** | **-20.3** | **-38.0** | **-34.3** |
| | | | | | | | |
| **Allocated assets** | | | | | | | |
| Investment properties | 1,693.1 | 1,103.9 | 626.5 | 434.8 | - | 3,858.2 | 173.2 |
| Assets held for sale | 0.0 | 0.0 | 0.0 | 0.0 | - | 0.0 | - |
| Other allocated assets | 13.8 | 75.7 | 14.0 | 15.3 | 177.6 | 296.4 | 9.6 |
| **Unallocated assets** | | | | | | | |
| Deferred tax assets | | | | | 16.5 | 16.5 | 4.2 |
| Derivative financial instruments | | | | | 37.3 | 37.3 | |
| **Assets** | **1,706.9** | **1,179.5** | **640.4** | **450.1** | **231.4** | **4,208.4** | **187.0** |
| | | | | | | | |
| **Allocated liabilities** | | | | | | | |
| Trade and other payables | 13.7 | 16.4 | 14.8 | 9.3 | 24.0 | 78.3 | 9.9 |
| **Unallocated liabilities** | | | | | | | |
| Interest-bearing liabilities | | | | | 1,864.4 | 1,864.4 | 219.7 |
| Deferred tax liabilities | | | | | 247.8 | 247.8 | - |
| Derivative financial instruments | | | | | 27.9 | 27.9 | - |
| Other unallocated liabilities | | | | | 2.5 | 2.5 | - |
| **Liabilities** | **13.7** | **16.4** | **14.8** | **9.3** | **2,166.6** | **2,220.9** | **229.5** |
| | | | | | | | |
| **Capital expenditure** | **46.6** | **21.2** | **15.1** | **11.0** | **2.0** | **95.9** | **2.4** |
| **Number of shopping centres** | **9** | **14** | **5** | **4** | **-** | **32** | **1** |
| **Number of other properties** | **1** | **-** | **1** | **-** | **-** | **2** | **-** |

[1] Direct Operating Profit for Estonia is EUR 22.8 million, Gross rental income and Service charge income in total are EUR 34.3 million, Property operating expenses and Administrative expenses in total are EUR 11.4 million and Assets are EUR 336.4 million.

## 1.2. Gross rental income

### Breakdown of gross rental income

| MEUR | 2024 | 2023 |
|---|---|---|
| Straight-lining of lease incentives | 0.2 | 0.1 |
| Temporary and contractual rental discounts | -4.2 | -4.1 |
| Gross rental income (excl. items above) | 239.4 | 219.3 |
| **Total** | **235.4** | **215.3** |

**General description of Citycon's lease agreements**
In the majority, i.e. in 88% (90) of Citycon's lease agreements the rent is divided into base rent and maintenance rent. Base rent is typically tied to a yearly rent revision which is based on an index, such as cost-of-living index, or percentual minimum increase. Maintenance rent, charged separately from the lessee, are used for covering operating expenses incurred by the property owner due to property maintenance.

Part of Citycon's lease agreements also contain a turnover-linked component in addition to base rent. In addition, Citycon also has some lease agreements which are fully tied to tenant's turnover. At the end of 2024 approximately 62% (62) of lease agreements in Citycon's lease portfolio had turnover based components.

Because the majority of the lease portfolio is tied to indexation, a predetermined minimum rent increase and/or the tenant's turnover, Citycon's leases are mainly leases with contingent rent payments in accordance with IFRS 16.

In accordance with the below table, Citycon had 3,831 (3,371) lease agreements on 31 December 2024. The decrease in the number of lease agreements was mainly due to divestment assets.

| Number of leases | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Finland | 1,329 | 1,327 |
| Norway | 862 | 1,050 |
| Sweden | 1,384 | 631 |
| Denmark & Estonia | 256 | 363 |
| **Total** | **3,831** | **3,371** |

In accordance with the table presented below, the average remaining length of Citycon's lease portfolio was 3.3 (3.6) years on 31 December 2024. The duration of a new lease depends on the type of premises to be leased and the tenant. With larger anchor tenants, Citycon typically concludes long-term leases of 10-15 or even 20 years while leases for smaller retail premises are mainly agreed for a term of 3 to 5 years.

| Average remaining length of lease portfolio, years | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Finland | 4.2 | 4.5 |
| Norway | 2.9 | 2.9 |
| Sweden | 2.4 | 2.7 |
| Denmark & Estonia | 3.3 | 3.4 |
| **Average** | **3.3** | **3.6** |

Citycon mainly seeks to sign fixed-term leases with the exception of apartment, storage and individual parking space leases. At the year end 2024, fixed-term leases represented around 90% (90), initially fixed-term leases 4% (6) and leases in effect until further notice 6% (4) of Citycon's lease portfolio.

The table below presents the future minimum lease payments by first possible termination dates based on the valid rent roll at the end of the year 2024 and 2023.

### Future minimum lease payments receivable under non-cancellable leases[1]

| EUR million | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Not later than 1 year | 76.0 | 63.8 |
| 1–5 years | 140.0 | 143.2 |
| Over 5 years | 51.2 | 40.3 |
| **Total** | **267.2** | **260.4** |

[1] Non-cancellable leases include fixed-term and initially fixed-term leases until the end of their terms. Leases in effect until further notice are assumed as non-cancellable leases for the equivalent of their notice period.

**Accounting policy**
The Investment properties leases, in which Citycon is a lessor, are classified under operating leases, since Citycon retains a significant share of risks and rewards of ownership. Rental income from operating leases is spread evenly over the lease term.

Lease incentives, such as rent-free periods or rental discounts, that have been agreed at the start of the lease agreement are recognised on a straight-line basis over the lease term. The accounting treatment for lease incentives given during the lease agreement are recognized differently depending whether the lease incentive is based on the original lease agreement or not. If the discounts given during the lease term are not based on the original lease agreement but, the leaseholder has requested a rental discount due to the market situation or the property's (re)development project, the discounts will be, according to IFRS 16, considered to form a new lease agreement, which means that the discounts are to be recognized on a straight-line basis during the remaining lease term. However, if the discounts given during the lease term are based on original lease agreement, then they are not lease modification. Therefore, they are treated as variable lease payments under operating leases and the impacts are recognised in the period when they are granted.

On behalf of the lessee, Citycon may perform alteration work on the premises rented by the lessee and charge the lessee for the resulting costs, in the form of a rent increase. Citycon recognises the alteration-related rent increase as rental income over the lease term. The rent increase and expenses arising from the alteration work are taken into account when measuring the fair value of the investment property.

## 1.3. Revenue from contracts with customers

### Contacts with customers

In the business operations of Citycon Group, the guidance provided in the IFRS 15 Revenue from Contracts with Customers standard applies to the following sales revenues: Service charges, utility charges, other service income as well as management fees.

### Service charges

The sales revenues linked to service charges consist of the repair, maintenance and administration services for the business premises and common areas of Citycon's shopping centre properties that Citycon provides for its customers on the basis of the contracts made with the customers (lease agreement).

### Utility charges

The sales revenues linked to utility charges comprise fees charged from customers to cover, e.g. the costs arising from the energy consumption, heating and waste management of the business premises of the shopping centre properties in accordance with the customer contract (lease agreement).

### Other service income

The sales revenues linked to other service income consist mainly of fees charged from customers to cover the costs arising from the planning and implementation of the marketing of Citycon Group's shopping centres.

### Managements fees

Sales revenues related to management fees consists of the administrative services provided by Citycon Group to shopping centres owned by joint ventures or third parties.

### Breakdown of revenues 1 January–31 December 2024

| MEUR | Finland | Norway | Sweden | Denmark & Estonia | Other | Total |
|---|---|---|---|---|---|---|
| Service charges[1] | 25.9 | 19.4 | 17.8 | 4.6 | 0.0 | 67.7 |
| Utility charges[1] | 4.4 | 3.0 | 0.5 | 2.9 | 0.0 | 10.8 |
| Other service income[1] | 1.3 | 3.6 | 1.3 | 1.2 | 0.0 | 7.5 |
| **Total** | **31.7** | **26.0** | **19.6** | **8.6** | **0.0** | **85.9** |
| | | | | | | |
| Management fees[2] | 0.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.2 |
| **Total** | **0.2** | **0.0** | **0.0** | **0.0** | **0.0** | **0.2** |
| | | | | | | |
| **Revenue from contracts with customers** | **31.9** | **26.0** | **19.6** | **8.6** | **0.0** | **86.1** |

[1] Is included in the line item Service charge income in the Consolidated income statement.
[2] Is included in the line item Other operating income and expenses in the Consolidated income statement.

### Breakdown of revenues 1 January–31 December 2023

| MEUR | Finland | Norway | Sweden | Denmark & Estonia | Other | Total |
|---|---|---|---|---|---|---|
| Service charges[1] | 23.4 | 20.0 | 8.8 | 5.1 | 0.0 | 57.3 |
| Utility charges[1] | 3.8 | 1.3 | 0.5 | 4.4 | 0.0 | 9.9 |
| Other service income[1] | 1.3 | 3.8 | 1.0 | 1.3 | 0.0 | 7.5 |
| **Total** | **28.6** | **25.1** | **10.2** | **10.8** | **0.0** | **74.7** |
| | | | | | | |
| Management fees[2] | 0.2 | 0.1 | 0.1 | 0.0 | 0.0 | 0.4 |
| **Total** | **0.2** | **0.1** | **0.1** | **0.0** | **0.0** | **0.4** |
| | | | | | | |
| **Revenue from contracts with customers** | **28.8** | **25.2** | **10.3** | **10.8** | **0.0** | **75.1** |

[1] Is included in the line item Service charge income in the Consolidated income statement.
[2] Is included in the line item Other operating income and expenses in the Consolidated income statement.

**Accounting policy - revenue from contracts with customers**
Citycon Group's lease agreements and management contracts typically include a clear description of the obligations of the service provider and the customer purchasing the service as well as a break down of the price of the service provided. As a result, the service obligations as well as the basis for the transaction prices of each performance obligation in accordance with the IFRS 15 standard connected to Citycon Group's customer contracts have been clearly defined.

The transaction prices of all sales revenue groups primarily consist of variable considerations based on, e.g. the amount of services used by the customer or the changing prices of goods. Hence, Citycon estimates the amount of sales revenues recorded from the contracts on the basis of the expected value of sales revenues from the reporting period.

With regard to all customer contracts, the sales revenues are recorded over time, as the customer simultaneously receives and uses the financial benefit resulting from the maintenance and service operations related to the business premises owned by Citycon Group or the management service provided for shopping centres owned by joint ventures or third parties when Citycon provides the customer with the service.

The service charges are presented in Citycon's reporting as gross because in its view, Citycon acts as the principal in accordance with the definition in the IFRS 15 standard when providing services.

For example, Citycon selects the maintenance and cleaning service providers for its properties, makes a contract with the providers and carries the credit risk pertaining to the provision of the service. This being the case, the customer may not choose the service provider or influence the service provider's pricing.

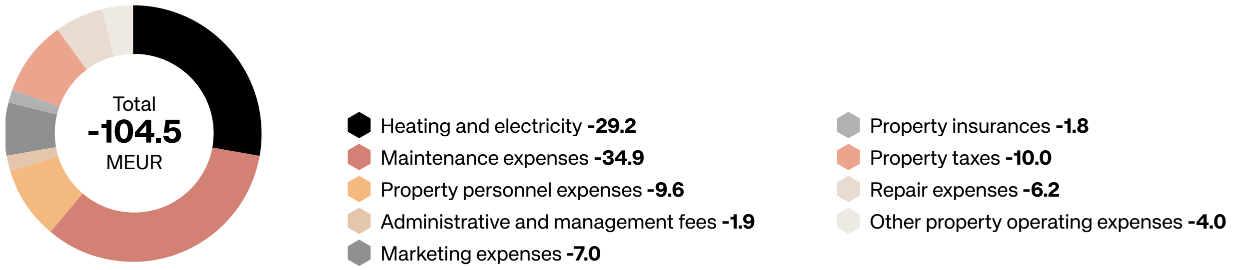
The services provided by Citycon Group do not include a significant financial component because the payments based on customer contracts typically become due before the start of the lease period or immediately upon its beginning. Citycon Group will not become subject to costs of obtaining a contract in accordance with the IFRS 15 standard. When it comes to the leases for business premises included in Citycon's core business, the accounting treatment of costs resulting from obtaining the contract and the expenses treated in accordance with the instructions in the IAS 40 standard, such as alteration works or commissions of the leased property, is described in detail in Note 1.2.

## Contract balances

| MEUR | 2024 | 2023 |
|---|---|---|
| Contract assets | 2.1 | 3.0 |
| Contract liabilities | 2.2 | 2.2 |

**Accounting policy - contract balances**
The contract assets on customer contracts are open sales receivables related to service charges, and the contract liabilities based on the contract are advance payments received for service charges. The contract assets based on customer contracts are expected to be received within three (3) months and the contract liabilities based on the contract are expected to be recognised as income within the next twelve (12) months.

## Operating expenses 2024
MEUR




## 1.4. Property operating expenses

| MEUR | 2024 | 2023 |
|---|---|---|
| Heating and electricity | -29.2 | -24.2 |
| Maintenance expenses | -34.9 | -31.3 |
| Property personnel expenses | -9.6 | -9.5 |
| Administrative and management fees | -1.9 | -2.1 |
| Marketing expenses | -7.0 | -6.8 |
| Property insurances | -1.8 | -1.5 |
| Property taxes | -10.0 | -8.7 |
| Repair expenses | -6.2 | -4.6 |
| Other property operating expenses | -4.0 | -4.0 |
| **Total** | **-104.5** | **-92.8** |

**Accounting policy - property operating expenses**
Property operating expenses are recognized on an accrual basis for the period for which those are subject to. Property operating expenses are costs caused by e.g. property maintenance, energy consumption and marketing.

## 1.5. Administrative expenses

| MEUR | 2024 | 2023 |
|---|---|---|
| Personnel expenses | -14.4 | -16.0 |
| Expenses related to management and organizational changes[1] | -7.1 | -0.7 |
| Consultancy and advisory fees as well as external services | -5.1 | -5.7 |
| Office and other administrative expenses | -3.7 | -5.6 |
| Depreciation and amortisation | -2.9 | -3.0 |
| **Total** | **-33.2** | **-31.1** |

[1] Expenses related to management and organizational changes EUR 7.1 million in 2024 relate mainly to changes in management during the year. EUR 0.7 million in 2023 include mainly expenses related organizational changes.

### Depreciation and amortisation

Depreciation and amortisation are booked from intangible and tangible assets.

### Audit fees

The following audit fees and services from the audit firms Deloitte and Ernst & Young are included in the line consulting and advisory fees within the administrative expenses and in the line administrative and management fees within the property operating expenses.

| MEUR | 2024 Group | 2024 Parent company |
|---|---|---|
| **Audit fees** | **-1.4** | **-0.4** |
| Deloitte Oy | -0.7 | -0.4 |
| Ernst & Young Oy | -0.3 | 0.0 |
| Other EY offices | -0.4 | - |
| **Other advisory services** | **0.0** | **-0.1** |
| Deloitte Oy | 0.0 | 0.0 |
| Ernst & Young Oy | - | -0.1 |
| Other EY offices | 0.0 | - |
| **Total** | **-1.4** | **-0.5** |

| MEUR | 2023 Group | 2023 Parent company |
|---|---|---|
| **Audit fees** | **-1.0** | **-0.4** |
| Ernst & Young Oy | -0.6 | -0.4 |
| Other EY offices | -0.4 | - |
| **Other advisory services** | **-0.2** | **-0.2** |
| Ernst & Young Oy | -0.2 | -0.2 |
| Other EY offices | - | - |
| **Total** | **-1.2** | **-0.6** |

## 1.6. Employee benefits and personnel expenses

| MEUR | Note | 2024 | 2023 |
|---|---|---|---|
| Wages and salaries of management | | | |
| CEO | A | -0.9 | -1.3 |
| Management committee | B | -1.1 | -1.6 |
| Board | C | -0.8 | -0.6 |
| Other wages and salaries | | -16.5 | -15.5 |
| Pension charges: defined contribution plans | | -2.2 | -2.4 |
| Social charges | | -2.8 | -4.1 |
| Expense of share based payments | D | -0.3 | -1.7 |
| **Total** | | **-24.6** | **-27.3** |

Personnel expenses of EUR 14.4 million (EUR 16.0 million) are included in administrative expenses, EUR 9.7 million (EUR 10.7 million) in property operating expenses and EUR 0.6 million (EUR 0.6 million) in other operating income and expenses.

### Accounting policy - pensions

The Group's employee pension cover is based on statutory pension insurance. Pension schemes are classified into two categories: defined contribution plans and defined benefit plans. At Citycon, all pension covers are classified as contribution plans, which are recognised in the consolidated income statement for the period during which such contributions are made.

| Group full-time equivalent (FTE) by Business Units as at 31 December | 2024 | 2023 |
|---|---|---|
| Finland | 36 | 43 |
| Norway | 45 | 75 |
| Sweden | 30 | 39 |
| Denmark & Estonia | 5 | 14 |
| Group functions | 48 | 64 |
| **Total** | **164** | **234** |

### A) CEO wages and salaries

| EUR | 2024 | 2023 |
|---|---|---|
| Base salary including benefits | 516,170 | 741,180 |
| Short-term incentives | 370,590 | 600,000 |
| Long-term incentives and other one-time payments | 1,153,291 | 1,511,851 |
| **Total** | **2,040,051** | **2,853,031** |

F. Scott Ball served as the company's CEO until March 31, 2024, and as the interim CEO starting October 8, 2024. Henrica Ginström served as the company's CEO from April 1 to October 8, 2024. In 2024, the total combined remuneration of Citycon's respective CEOs was EUR 2,040,051 (in 2023 EUR 2 853 031). 75% of the CEO's total remuneration was in the form of variable pay.

The variable remuneration components include the short-term and long-term incentive plans in addition to the potential other financial benefits such as dividend equivalent, stock options or one-time payments. A pay-for-performance principle is based on the concept that the CEO's compensation reflects the performance of the company. Citycon's Board will evaluate the achievement of the CEO's performance targets and decide on the CEO's performance bonus amount payable for each financial year during the first quarter of the following calendar year.

The CEO had performance-based short-term incentive plan in place for 2024. With respect to long-term incentive schemes, the F. Scott Ball was included in the CEO Restricted Share Plan 2021–2025 and in the CEO Stock Option Plan 2022–2025 and Henrica Ginström was included in the CEO Restricted Share Plan 2024 – 2027 and Stock Option Plan 2024 A-C.

## B) Personnel expenses for the Corporate Management Committee (excl. CEO)

| MEUR | 2024 | 2023 |
|---|---|---|
| Wages and salaries | -1.1 | -1.6 |
| Pensions: defined contribution plans | -0.2 | -0.2 |
| Social charges | -0.2 | -0.4 |
| **Total** | **-1.5** | **-2.2** |

## C) Remuneration of the members of the Board of Directors

| EUR | 2024 | 2023 |
|---|---|---|
| Chaim Katzman | 165,000 | 165,000 |
| Yehuda (Judah) L. Angster | 74,000 | 65,600 |
| Zvi Gordon | 76,800 | 64,701 |
| Alexandre (Sandy) Koifman | 92,800 | 86,185 |
| David Lukes | 74,400 | 66,600 |
| Per-Anders Ovin | 72,800 | 61,400 |
| F. Scott Ball | 83,200 | - |
| Ljudmila Popova | 72,800 | 61,400 |
| Adi Jemini | 78,600 | 35,545 |
| Eero Sihvonen (since 12 November 2024) | 8,649 | - |
| **Total[1]** | **799,049** | **606,431** |

[1] Transactions with The Board Members are presented in Note 5.4.B Related party transactions.

During 2024, the travel expenses of the Board members amounted to EUR 0.3 million (EUR 0.0 million).

Board members do not participate in the company's share-based incentive schemes.

## D) Long-term share-based incentive plans

In 2024, Citycon have had in total nine valid long-term share-based incentive plans. Seven of these are directed to the members of the Corporate Management Committee;

- CEO Restricted Share 2024–2027 (decided on 15 April 2024),
- Option Plan 2024 A–C (CEO) (decided on 15 April 2024),
- Option Plan 2024 (Corporate Management Committee) (decided on 19 March 2024),
- CFO Performance Share Plan 2024–2026 (decided on 15 February 2024),
- Performance Share Plan 2023–2025 (decided on 16.2.2023),
- Performance Share Plan 2020–2022 (decided on 17 March 2020) and
- Matching Share Plan 2022–2024 (decided on 22 March 2022)

and two to key employees of the group;

- Restricted Share Plan 2023–2025 (decided on 16.2.2023) and
- Restricted Share Plan 2020–2022 (decided on 11 December 2019).

The aim of the share-based incentive plans is to combine the objectives of the shareholders and the key employees to increase the value of the company in the long-term, to retain the key employees in the service of the company, and to offer them competitive reward plans based on earning and accumulating the company's shares.

In 2024, expenses from long-term share-based incentive plans recognised in consolidated financial statements amounted to EUR 0.3 million (1.7).

### CEO Restricted Share 2024–2027

The CEO Restricted Share Plan 2024–2027 is directed to the CEO.

The value of the rewards to be paid on the basis of the plan corresponds to a maximum total of 75,000 shares of Citycon Oyj, including also the proportion to be paid in cash.

The rewards will be paid in three instalments in April 2025, April 2026 and April 2027. The reward is based on a valid director contract and on the continuity of service.

The reward will be paid partly in Citycon's shares and partly in cash. The cash proportion of the reward is intended to cover taxes and statutory social security contributions arising from the reward. As a rule, no reward will be paid if the director's contract terminates before the reward payment.

### CEO Stock Option Plan 2024 A–C

The maximum total number of stock options to be issued is 1,591,848 and they entitle their owners to subscribe for up to an equivalent number of new shares in total in the company or existing shares held by the company. The stock options are issued gratuitously. Of the stock options, 530,616 are marked with the symbol 2024A, 530,616 are marked with the symbol 2024B and 530,616 are marked with the symbol 2024C.

The shares subscribed for with the stock options to be issued will account for a total maximum of 0,85 per cent of all the company's shares and votes after possible share subscriptions if new shares are issued in the subscription. As a result of the share subscriptions made with the stock options, the number of shares in the company may increase by a total maximum of 1,591,848 shares if new shares are issued in the subscription

The share subscription price for stock options 2024A-C is 4.05 euros per share. The share subscription price will be credited to the company's reserve for invested unrestricted equity.

The share subscription period for stock options is,
for stock options 2024A, 1 April 2024–1 April 2027
for stock options 2024B, 1 April 2025–1 April 2027
for stock options 2024C, 1 April 2026–1 April 2027

The theoretical market value of one stock option 2024A-C is approximately 0.19 euros. The theoretical market value of the stock options 2024A-C is approximately EUR 300,000 in total. The theoretical market value of a stock option has been calculated by using the Black & Scholes model taking into account the subscription price of the stock option and the following input factors: share price EUR 3.83, risk-free interest rate 2.79%, validity of stock options approximately 3 years, volatility approximately 21.02% and dividend yield approximately 8.68%.

### Option Plan 2024 (Corporate Management Committee)

Option Plan 2024 is directed to the members of the Corporate Management Committee. The maximum total number of stock options to be issued is 350,000 and they entitle their owners to subscribe for up to an equivalent number of new shares in total in the company or existing shares held by the company. The stock options are issued gratuitously. Stock options are marked with the symbol 2024. The Board resolved on 15 April 2024 to increase the maximum number of stock options distributed from the plan with 150,000 stock options, so the total maximum number of stock options will be 500,000 stock options.

The share subscription price for stock options 2024 is 4,05 euros per share. The share subscription price will be credited to the company's reserve for invested unrestricted equity. The share subscription period for stock options 2024 is from 1 March 2027 to 29 February 2028.

The theoretical market value of one stock option 2024 is approximately 0.27 euros. The theoretical market value of the stock options 2024 is approximately EUR 93,000 in total. The theoretical market value of a stock option has been calculated by using the Black & Scholes model taking into account the subscription price of the stock option and the following input factors: share price EUR 3.83, risk-free interest rate 2.7%, validity of stock options approximately 4 years, volatility approximately 25.2% and dividend yield approximately 8.7%.

**CFO Performance Share Plan 2024–2026**
The CFO Performance Share Plan 2024–2026 is directed to the CFO.

The CFO Performance Share Plan 2024–2026 consists of three performance periods, covering the financial years 2024, 2024–2025 and 2024–2026 respectively.

In the plan, the CFO has an opportunity to earn Citycon Oyj's shares based on performance. The performance criteria of the plan are tied to the participant achieving the strategic individual criteria. The potential rewards from the plan will be paid after the end of each performance period. The value of the rewards to be paid on the basis of the plan corresponds to a maximum total of 30,000 shares of Citycon Oyj, including also the proportion to be paid in cash.

The potential reward will be paid partly in Citycon Oyj's shares and partly in cash. The cash proportion of the reward is intended to cover taxes and statutory social security contributions arising from the reward to the CFO. As a rule, no reward will be paid if the CFO's employment contract terminates before the reward payment.

**Performance Share Plan 2023–2025**
The Performance Share Plan 2023–2025 is directed to the members of the Corporate Management Committee, excluding the CEO.

The plan includes three performance periods, each three years, spanning from March 2023, 2024 and 2025 until the end of February 2026, 2027 and 2028, respectively. The rewards payable are based on the participants achieving the strategic individual criteria set for each performance period and a valid employment or service contract. The rewards to be paid correspond to a maximum total value of 180,000 shares including any cash proportion for taxes and tax-related costs.

**Performance Share Plan 2020–2022**
The Performance Share Plan 2020–2022 is directed to the members of the Corporate Management Committee, excluding the CEO.

The plan includes three performance periods, each three years, spanning from March 2020, 2021 and 2022 until the end of February 2023, 2024 and 2025, respectively. The rewards payable are based on the participants achieving the strategic individual criteria set for each performance period and a valid employment or service contract. The rewards to be paid correspond to a maximum total value of 150,000 shares including any cash proportion for taxes and tax-related costs.

The rewards paid under the plan in 2024 corresponded to the total value of 30,000 shares, including a cash proportion to cover taxes and tax-related costs.

**Matching Share Plan 2022–2024**
The Matching Share Plan 2022–2024 is directed to the members of the Corporate Management Committee (excluding the CEO).

The plan includes three matching periods, financial years 2022–2023, 2023–2024, 2024–2025. The prerequisite for participation in this plan and for reward payment is that a key employee invests in the company's shares a pre-determined percentage of the bonus earned from the company's performance bonus scheme during the calendar year preceding a matching period. If a key employee's Share Ownership Prerequisite is fulfilled and his or her employment or service is in force with a Citycon group company upon reward payment, he or she will receive free matching shares for shares subject to the share ownership prerequisite.

The rewards paid under the plan in 2024 corresponded to the total value of 10,674 shares, including a cash proportion to cover taxes and tax-related costs.

**Restricted Share Plan 2023–2025**
The Restricted Share Plan 2023–2025 is directed to selected key employees, excluding the CEO and other members of the Corporate Management Committee.

The rewards from the plan may be allocated in 2023–2025. The reward will be based on a valid employment or service contract of a key employee upon the reward payment, and it may be paid partly in the company's shares and partly in cash, to be used for taxes and tax-related costs, after the end of a vesting period of 24 to 36 months.

The rewards to be paid on the basis of the plan in total correspond to a maximum total value of 60,000 shares, including any cash proportion for taxes and tax-related costs.

The rewards allocated in 2024 correspond to the total value of 10,000 shares, including any cash proportion to cover taxes and tax-related costs.

**Restricted Share Plan 2020–2022**
The Restricted Share Plan 2020–2022 is directed to selected key employees, excluding the CEO and other members of the Corporate Management Committee.

The rewards from the plan may be allocated in 2020–2022. The reward will be based on a valid employment or service contract of a key employee upon the reward payment, and it may be paid partly in the company's shares and partly in cash, to be used for taxes and tax-related costs, after the end of a vesting period of 24 to 36 months.

The rewards to be paid on the basis of the plan in total correspond to a maximum total value of 60,000 shares, including any cash proportion for taxes and tax-related costs.

The rewards paid under the plan in 2024 corresponded to the total value of 13,000 shares, including a cash proportion to cover taxes and tax-related costs.

**Further information**
Further information on the long-term share-based incentive plans is available on the company's website at citycon.com/remuneration.

## 1.7. Other operating income and expenses

| MEUR | 2024 | 2023 |
|---|---|---|
| Management fees | 0.2 | 0.4 |
| Management fee related expenses | -0.4 | -0.2 |
| Other operating income and expenses | 2.5 | -0.2 |
| **Total** | **2.3** | **0.0** |

**Accounting policy - management fees**
Citycon manages some of the shopping centres owned by joint ventures and third parties and recognizes management fees over the contract period.

## 1.8. Earnings per share

Earnings per share (basic) is calculated by dividing the net profit/loss attributable to parent company shareholders by the share issue adjusted weighted average number of shares.

### Earnings per share, basic

| | 2024 | 2023 |
|---|---|---|
| Result for the period attributable to parent company shareholders (MEUR) | -37.9 | -115.0 |
| Hybrid bond interests and expenses (MEUR) | -33.1 | -28.9 |
| Gains/losses and expenses on hybrid bond repayments (MEUR) | -2.2 | 25.8 |
| Weighted average number of ordinary shares (1,000) | 182,316 | 168,285 |
| **Earnings per share (basic) (EUR)[1]** | **-0.40** | **-0.70** |

### Earnings per share, diluted

| | 2024 | 2023 |
|---|---|---|
| Result for the period attributable to parent company shareholders (MEUR) | -37.9 | -115.0 |
| Hybrid bond interests and expenses (MEUR) | -33.1 | -28.9 |
| Gains/losses and expenses on hybrid bond repayments (MEUR) | -2.2 | 25.8 |
| Weighted average number of ordinary shares (1,000) | 182,316 | 168,285 |
| Adjustment for share-based incentive plans (1,000) | 1,694 | 1,864 |
| Weighted average number of ordinary shares, diluted (1,000) | 184,009 | 170,149 |
| **Earnings per share (diluted) (EUR)[1]** | **-0.40** | **-0.70** |

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

### Weighted average number of ordinary shares used in the calculation of Earnings per share (diluted)

| | Days | Number of shares |
|---|---|---|
| Weighted average (daily) number of shares | 365 | 184,009,321 |

**Accounting policy - earnings per share (diluted)**
Diluted Earnings per share is calculated by adjusting the weighted average number of shares to assume the conversion of all dilutive potential shares. The number of shares is increased by dilutive shares arising from stock options and long-term share-based incentive plans.

The share-based incentive scheme has a dilutive effect during the earning period when the performance conditions for the bonus have been fulfilled, and the shares have not yet been granted.

# 2. Property portfolio and assets

## 2.1. Investment properties and related liabilities

**Accounting policy - investment properties in the financial statement**
Investment property refers to land or a building, or part of a building, held to earn rental income or capital appreciation, or both. Under IAS 40, investment property is measured at fair value, with gains and losses resulting from fair value changes for investment properties are netted and stated as a separate item in the consolidated income statement.

The investment properties are measured initially at cost, including transaction costs such as consultant fees and transfer taxes. After their initial measurement investment properties are valued at fair value at the end of the quarter following the acquisition.

The fair valuation of the company's properties is conducted annually by an independent external appraiser according to the International Valuation Standards (IVS) while on the first, second and third quarter of the year Citycon conducts the fair value measurement internally except for new acquired properties which are valuated externally. When measuring the values internally, Citycon has based the valuations on market indications received from the external appraiser.

(Re)development projects are classified as investment properties and determined at fair value after an investment decision has been made and the external appraiser considers that sufficient information is available for a reliable valuation.In the fair value valuation on 31 December 2024 0 property (1) was classified as (re)development project. Capital expenditure on potential development projects relates to planning and zoning costs. Potential development projects are projects whose realization is uncertain. Therefore they have been left out of the valuation conducted by the external appraiser.

The fair value of Citycon's investment properties in the consolidated statement of financial position consists of the property portfolio's total value determined by the external appraiser, less transfers into investment properties held for sale, added by capital expenditure on potential development projects that are not taken into account by the external appraiser, as well as the value of new properties acquired during the reporting quarter if not possible measure at fair value, in regard to timing and reliable information available.

The fair value of Citycon's properties was measured by CBRE (Norway, Denmark, Estonia) and JLL (Finland, Sweden) for the financial statements for 2024 and 2023. The resulting fixed fees based on the 2024 valuations totaled EUR 0.2 million (0.2). The reconciliation between the fair value determined by the external appraiser and the fair value of investment properties in Citycon's balance sheet, is presented below:

| MEUR | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Fair value of investment properties determined by the external appraiser per 31 December | 3,643.2 | 3,779.3 |
| Capital expenditure on potential development projects[1] | 28.4 | 38.4 |
| Right-of-use assets classified as investment properties (IFRS 16) | 37.3 | 40.5 |
| Transfer into assets held for sale | -81.1 | - |
| Acquisition cost of properties acquired during the last quarter of the year | - | - |
| **Fair value of investment properties per 31 December** | **3,627.8** | **3,858.2** |

[1] Includes a deposit made by Citycon for the purchase of a residential property in Barkarbystaden.

**Accounting policy - fair value definition and hierarchy**

In accordance with IFRS 13, the fair value is defined as the price that would be received from the sale of an asset in an orderly transaction between market participants at the measurement date.

Citycon uses valuation techniques that are appropriate under the existing circumstances, and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Input data used in valuation method to determine the fair value is categorized into three fair value hierarchy levels in accordance with IFRS 13. Investment property measured at fair value is categorised to the same fair value hierarchy level as the lowest level input, which is significant to the fair value measurement as a whole.

Yield requirement is an important input parameter in the valuation measurement and it is derived from comparable market transactions. Citycon has decided to categorise all property fair valuations as level 3, because properties and especially shopping centres are usually heterogeneous and transactions are infrequent. Transfers between levels in the hierarchy did not occur during the year.

## Fair value measurement of investment properties, fair value measurement hierarchy

| MEUR | 31 December 2024 | 31 December 2023 |
|---|---|---|
| Quoted prices (Level 1) | - | - |
| Observable inputs (Level 2) | - | - |
| Unobservable inputs (Level 3) | 3,643.2 | 3,779.3 |
| **Total** | **3,643.2** | **3,779.3** |

**Key estimates and assumptions - fair value of investment properties**

Measuring the fair value of investment properties is a key accounting policy that is based on assessments and assumptions about future uncertainties. Yield requirement, market rents, vacancy rate and operating expenses form the key variables used in an investment property's fair value measurement. The evaluation of these variables involves Citycon management's judgment and assumptions. Also, the evaluation of the fair value of (re)development projects requires management's judgment and assumptions regarding investments, rental levels and the timetable of the project.

**Accounting policy - fair value measurement**

The fair value measurement of Citycon's investment properties is based on 10-year cash flow analysis, conducted separately for each property. The basic cash flow is determined by the lease agreements valid at the valuation date. Upon a lease's expiry, the market rent assessed by an external appraiser replace the contract rent. Potential gross rental income less vacancy assumption, operating expenses and investments equals cash flow, which is then discounted at the property-specific discount rate. The total value of the property equals to the value of the discounted cash flow, residual value and the value of the unused building rights. The total value of the property portfolio is calculated as the sum of the individual properties' fair values.

The valuation of on-going (re)development projects is based on a cash flow analysis, in which the capital expenditure on the (re)development project and the property's future cash flows are taken into account according to the (re) development project's schedule.

## Inputs

| 31 December 2024 | Finland | Norway | Sweden | Denmark & Estonia | Average |
|---|---|---|---|---|---|
| Yield requirement (%) | 5.9 | 6.7 | 6.0 | 7.1 | 6.2 |
| Market rents (EUR/sq.m./month) | 30.3 | 21.1 | 25.5 | 21.9 | 25.4 |
| Operating expenses (EUR/sq.m./month) | 7.8 | 5.4 | 8.7 | 3.8 | 6.9 |
| Vacancy during the cash flow period (%) | 4.3 | 3.9 | 5.3 | 4.8 | 4.5 |
| Market rent growth assumption (%) | 2.7 | 2.4 | 1.9 | 2.0 | - |
| Operating expense growth assumption (%) | 2.0 | 2.0 | 1.9 | 2.0 | - |

| 31 December 2023 | Finland | Norway | Sweden | Denmark & Estonia | Average |
|---|---|---|---|---|---|
| Yield requirement (%) | 5.5 | 6.2 | 5.8 | 7.2 | 6.0 |
| Market rents (EUR/sq.m./month) | 28.1 | 20.6 | 25.1 | 22.7 | 24.2 |
| Operating expenses (EUR/sq.m./month) | 7.4 | 5.3 | 8.1 | 4.3 | 6.4 |
| Vacancy during the cash flow period (%) | 4.1 | 3.6 | 4.4 | 5.0 | 4.1 |
| Market rent growth assumption (%) | 2.7 | 2.2 | 2.2 | 2.1 | - |
| Operating expense growth assumption (%) | 2.0 | 2.1 | 2.1 | 2.1 | - |

## Sensitivity analysis

| 31 December 2024 | | | Fair value (EUR million) | | |
|---|---|---|---|---|---|
| **Change %** | **-10%** | **-5%** | **±0%** | **+5%** | **+10%** |
| Market rents | 3,161.2 | 3,402.2 | 3,643.2 | 3,884.2 | 4,125.2 |
| Operating expenses | 3,785.8 | 3,714.5 | 3,643.2 | 3,571.9 | 3,500.6 |
| **Change, basis points** | **-50** | **-25** | **±0** | **+25** | **+50** |
| Vacancy | 3,667.3 | 3,655.3 | 3,643.2 | 3,631.2 | 3,619.1 |
| Yield requirement | 3,995.9 | 3,811.3 | 3,643.2 | 3,489.6 | 3,348.6 |

| 31 December 2023 | | | Fair value (EUR million) | | |
|---|---|---|---|---|---|
| **Change %** | **-10%** | **-5%** | **±0%** | **+5%** | **+10%** |
| Market rents | 3,286.6 | 3,532.9 | 3,779.3 | 4,025.7 | 4,272.0 |
| Operating expenses | 3,915.9 | 3,847.6 | 3,779.3 | 3,711.0 | 3,642.7 |
| **Change, basis points** | **-50** | **-25** | **±0** | **+25** | **+50** |
| Vacancy | 3,803.9 | 3,791.6 | 3,779.3 | 3,767.0 | 3,754.7 |
| Yield requirement | 4,158.3 | 3,959.5 | 3,779.3 | 3,615.1 | 3,464.8 |

**Inputs**

The segments' inputs used by the external appraisers in the cash flow analysis per 31 December 2024 and 31 December 2023 are presented in the following tables.

**Sensitivity analysis**

Sensitivity to change in the properties' fair value, or the risk associated with fair value, can be tested by altering the key parameters. The sensitivity analysis below uses the investment properties' fair value defined by the external appraiser as the starting value. Sensitivity analysis indicates that the market value is most sensitive to changes in market rents and yield requirement. A 10% increase in market rents increases the market value of the investment properties by approximately 13%. Correspondingly, a 50 bps decrease in the yield requirement results in an approximately 10% increase in market value.

The market value reacts to changes in vacancy and operating expenses, but their relative effect is not as great as changes to market rent and yield requirement. In sensitivity analyses one parameter is changed at a time. In reality, changes in different parameters often occur simultaneously. For example, a change in vacancy may connect to a change in market rents and yield requirement when they impact fair value simultaneously.

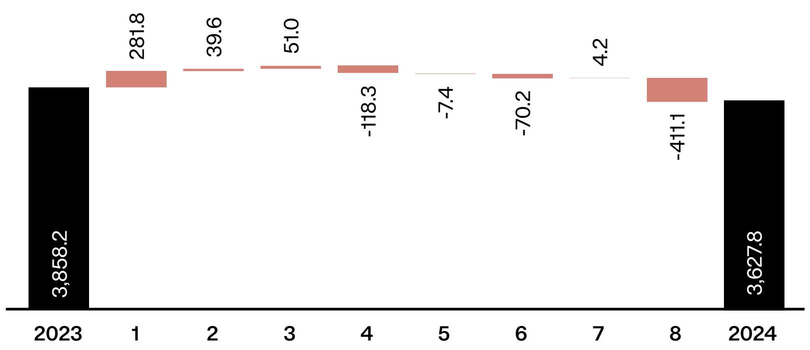
## Investment property changes and classification

| 31 December 2024<br>EUR million | Investment properties under construction | Operative investment properties | Investment properties total |
|---|---|---|---|
| **Balance at 1 January 2024** | **6.7** | **3,851.5** | **3,858.2** |
| Acquisitions | - | 281.8 | 281.8 |
| Investments | 0.4 | 38.8 | 39.2 |
| Capitalised interest | - | 0.4 | 0.4 |
| Fair value gains on investment property | - | 51.0 | 51.0 |
| Fair value losses on investment property | - | -118.3 | -118.3 |
| Valuation gains and losses from Right-of-Use-Assets | - | -7.4 | -7.4 |
| Exchange differences | -0.2 | -70.0 | -70.2 |
| Transfer into assets held for sale | -6.9 | -404.2 | -411.1 |
| Changes in right-of-use assets classified as investment properties (IFRS 16) | - | 4.2 | 4.2 |
| **Balance at 31 December 2024** | **-** | **3,627.8** | **3,627.8** |

| 31 December 2023<br>EUR million | Investment properties under construction | Operative investment properties | Investment properties total |
|---|---|---|---|
| **Balance at 1 January 2023** | **435.4** | **3,604.7** | **4,040.1** |
| Acquisitions | - | - | - |
| Investments | 0.5 | 91.8 | 92.3 |
| Capitalised 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** |

## Investment properties 2024

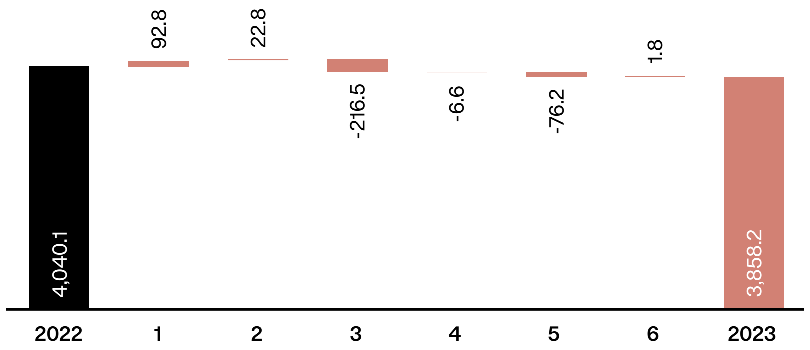
MEUR




1 Acquisitions
2 Investments and capitalised interest
3 Fair value gains
4 Fair value losses
5 Valuation gains and losses from Right-of-Use-Assets
6 Exchange differences
7 Changes in right-of-use assets classified as investment properties (IFRS 16)
8 Transfers between items

## Investment properties 2023

MEUR




1 Investments and capitalised interest
2 Fair value gains
3 Fair value losses
4 Valuation gains and losses from Right-of-Use-Assets
5 Exchange differences
6 Changes in right-of-use assets classified as investment properties (IFRS 16)

Citycon divides its investment properties into two categories: Investment Properties Under Construction (IPUC) and Operative Investment Properties. On reporting date, there were no properties in the first mentioned category. On comparable period 31 December 2023, this 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.

Contractual obligations to purchase, construct or develop investment properties are presented below. Please see note 3.7. for information on pledges on investment properties.

### Contingent liabilities related to investment properties

| EUR million | 2024 | 2023 |
|---|---|---|
| Capital commitments | 20.1 | 72.4 |
| VAT refund liabilities | 67.8 | 84.8 |

**Capital commitments**
Capital commitments relate mainly to on-going (re) development projects.

**VAT refund liability**
There are value-added tax refund liabilities arising from capitalised renovations and new investments in Citycon's investment properties. The VAT refund liabilities will realise if the investment property is transferred for non-VAT-liability use within 10 years.

## 2.2. Assets held for sale

**Key estimates and assumptions - assets held for sale**
Classifying properties into investment properties or assets held for sale requires management's judgement.

| MEUR | 2024 | 2023 |
|---|---|---|
| **Acquisition cost January 1** | **0.0** | **0.0** |
| Acquisitions | 59.3 | - |
| Investments | 0.6 | - |
| Disposals | -389.9 | - |
| Transfers from investment properties | 411.1 | - |
| **Accumulated acquisition cost December 31** | **81.1** | **0.0** |

On 31 December 2024, assets held for sale consisted of one investment property in Norway segment and one investment property in Finland segment. One investment property in Norway segment was sold during Q2 2024, one during Q3 2024 and one during Q4 2024. In addition, one property in Denmark & Estonia segment and one residential property in Sweden segment were sold during Q4 2024. On 31 December 2023 Citycon had no property classified as assets held for sale.

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

Citycon had no material liabilities directly associated with assets classified as held for sale or other assets than investment properties.

**Accounting policy - assets held for sale**
Non-current assets or a disposal group are classified as held for sale if their carrying amount will be recovered principally through the disposal of the assets and the sale is highly probable.

A sale is deemed highly probable when

- the management is committed to a plan to sell the property and an active programme to locate a buyer and complete the plan has been initiated
- the property is actively marketed for sale at a price that is reasonable in relation to it's current fair value,
- the sale is being expected to qualify for recognition as a completed sale within one year.

Non-current assets or a disposal group are recognized at fair value less costs to sell.

Assets held for sale and and material liabilities directly associated with the assets held for sale are presented as separate line items in the statement of financial position as held for sale items until the sale.

## 2.3. Right-of-use assets

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

The majority of the leased right-of-use assets of Citycon Group are fixedly linked to Citycon's investment properties. As a result, Citycon measures right-of-use assets that qualify as investment property using the fair value model in IAS 40. Consequently, fair value changes rather than depreciations are recognised. Lease payments are allocated between principal and interest expenses according to IFRS 16. The impacts on profit pertaining to the right-of-use assets classified as 'Tangible assets' are disclosed in the profit and loss account as interest expenses and as depreciations included in the line item 'Administrative expenses'.

Citycon applies the recognition exemptions permitted by the standard and, hence, does not apply the standard to short-term leases with a duration of less than a year or leases of a low value, such as leases applicable to specific office equipment.

### Right-of-Use assets

| MEUR | 2024 | 2023 |
|---|---|---|
| **1 January** | **42.3** | **46.5** |
| Acquisitions & Additions | 5.7 | 4.9 |
| Depreciations & Impact of terminated contracts | -5.1 | -4.8 |
| Disposals | -3.5 | -2.3 |
| Exhange rate differences | -1.6 | -2.0 |
| **31 December** | **37.8** | **42.3** |

### Lease Liabilities

| MEUR | 2024 | 2023 |
|---|---|---|
| **1 January** | **38.8** | **42.8** |
| Acquisitions & Additions | 5.0 | 4.6 |
| Lease liability amortization payments | -7.0 | -6.9 |
| Exhange rate differences | -1.4 | -1.7 |
| **31 December** | **35.3** | **38.8** |

| MEUR | 2024 | 2023 |
|---|---|---|
| Depreciation in administrative expenses | -0.5 | -0.7 |
| Fair value change (IFRS 16) | -7.4 | -6.6 |
| Interest expense | -1.2 | -1.2 |
| Deferred tax | 0.1 | 0.1 |
| **Total amount recognised in IFRS profit or loss** | **-8.9** | **-8.4** |

**Key estimates and assumptions - right-of-use-assets**
Assessing the propability of exercising extension options included in lease agreements requires judgement. At the commencement date, Citycon assesses whether it is reasonably certain that the entity will exercise an extension option included in the lease agreement. Citycon considers all relevant facts and circumstances that create an economic incentive for the entity to exercise, or not to exercise, the option.

### The effect of IFRS 16 to calculation of key figures

When calculating loan to value (LTV), both the right-of-use assets classified as part of investment properties, as well as lease liabilities pertaining to these right-of-use assets, have not been taken into account. The LTV formula is presented in section Formulas for key figures and ratios.

### Maturity profile of liabilities related to right-of-use assets

| MEUR | 2024 | 2023 |
|---|---|---|
| Less than 1 month | 0.6 | 0.6 |
| 1 to 12 months | 6.7 | 6.2 |
| 1–5 years | 22.7 | 23.3 |
| over 5 years | 5.2 | 8.8 |
| **Total** | **35.3** | **38.8** |

## 2.4. Investments in joint ventures and associates

Following table represents the Citycon Group's interest in the assets and liabilities, revenues and expenses of the joint ventures. The financial information presented in the table is based on the financial statements of the joint venture entities prepared in accordance with IFRS.

### A) Investments in joint ventures

| | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|
| MEUR | Kista Galleria Group | Norwegian joint ventures | Joint ventures total | Kista Galleria Group | Norwegian joint ventures | Joint ventures total |
| Investment property | - | - | - | 346.4 | 0.0 | 346.4 |
| Deferred tax assets | - | - | - | 8.5 | - | 8.5 |
| Other non-current assets | - | 1.8 | 1.8 | 6.5 | 2.2 | 8.6 |
| Cash and cash equivalents | - | 5.1 | 5.1 | 7.4 | 6.5 | 13.9 |
| Other current assets | - | 0.0 | 0.0 | 5.3 | 0.0 | 5.3 |
| Long-term loans | - | - | - | 259.9 | 0.0 | 259.9 |
| Deferred tax liabilities | - | - | - | - | 0.0 | 0.0 |
| Short-term loans | - | - | - | 179.4 | - | 179.4 |
| Other short-term liabilities | - | 0.1 | 0.1 | 19.7 | 1.5 | 21.2 |
| **Equity** | **-** | **6.8** | **6.8** | **-84.9** | **7.1** | **-77.8** |
| Portion of the Group's ownership, % | - | 50% | | 50% | 50% | |
| Share of joint venture's equity | - | 3.4 | 3.4 | -42.5 | 3.6 | -38.9 |
| Share of loans of joint ventures | - | - | - | 111.3 | - | 111.3 |
| **Investments in joint ventures** | **-** | **3.4** | **3.4** | **68.9** | **3.6** | **72.4** |
| | | | | | | |
| Gross rental income | 3.1 | - | 3.1 | 18.6 | - | 18.6 |
| Net rental income | 2.1 | - | 2.1 | 13.1 | - | 13.1 |
| Administrative expenses | 0.0 | 0.0 | 0.0 | -0.1 | 0.0 | -0.1 |
| Other operating income/expenses | - | 0.0 | 0.0 | -0.1 | 2.5 | 2.5 |
| Net fair value gains/losses on investment property | 0.0 | - | 0.0 | -81.6 | 0.0 | -81.6 |
| Operating profit/loss | 2.1 | 0.0 | 2.0 | -68.7 | 2.5 | -66.2 |
| Financial income | 0.0 | 0.2 | 0.2 | 0.1 | 0.3 | 0.4 |
| Financial expenses | -3.6 | 0.0 | -3.6 | -25.8 | 0.0 | -25.8 |
| Taxes | 0.0 | 0.0 | 0.0 | 20.5 | -0.6 | 19.9 |
| **Result for the period** | **-1.5** | **0.1** | **-1.4** | **-73.9** | **2.2** | **-71.6** |
| Other items in Share of profit/loss of joint ventures[1] | - | - | - | -0.8 | - | -0.8 |
| **Share of profit/loss of joint ventures** | **-0.8** | **0.1** | **-0.7** | **-37.8** | **1.1** | **-36.7** |
| Other comprehensive income for the period, net of tax | - | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Exchange gains/losses on translating foreign operations | 0.0 | 0.0 | 0.0 | 2.2 | 0.0 | 2.2 |
| **Share of other comprehensive income of associated companies and joint ventures** | **0.0** | **0.0** | **0.0** | **1.1** | **0.0** | **1.1** |
| **Total comprehensive profit/loss for the period** | **-1.5** | **0.1** | **-1.4** | **-72.5** | **2.2** | **-70.2** |

[1] Other items in Share of profit/loss of joint ventures in 2023 comprise of cumulative adjustment related to Investments in joint ventures.

**Accounting policy - investments in Associates and Joint Ventures**

Citycon recognises its investment in joint ventures and associated companies using the equity method in the consolidated financial statements.

Joint ventures owned by Citycon are treated according to the IFRS 11 Joint Arrangements. In joint ventures, venturers have a contractual arrangement that establishes joint control over the economic activities of the entity. The most significant business and financing decisions regarding the joint ventures are made jointly among the owners.

An associated company is an entity over which the Group has significant influence. Significant influence is created usually when the Group owns over 20% of the voting rights of the company or when the Group has otherwise significant power over company, but not the control.

The Group presents the aggregated share of profit or loss from the associated companies and joint ventures on its statement of comprehensive income in line "Share of profit/loss of associated companies and joint ventures" and "Share of other comprehensive income of associated companies and joint ventures".

**Kista Galleria shopping centre**
On 29 February 2024 Citycon acquired 50% interest of Kista Galleria shopping centre located in Sweden from a Canadian partner (CPPIB). Citycon has managed the centre since 2012 and before the transaction owned 50% of the asset. After the acquisition, Citycon owns 100% of the Kista Galleria shopping centre.

**Joint ventures in Norway**
Citycon owns 50% of the shares of the residential real estate development company Klosterfoss Utvikling AS in Norway. Sandstranda Bolig AS, of which Citycon had 50% ownership, was liquidated in December 2024. Company was not included in the group balance sheet on 31.12.2024.

## B) Investments in associated companies

| MEUR | 2024 | 2023 |
|---|---|---|
| Investment properties | 0.0 | 0.0 |
| Current assets | 0.2 | 0.5 |
| Non-current assets | 0.0 | 0.0 |
| Short-term liabilities | 0.1 | 0.5 |
| Long-term liabilities | 0.0 | 0.0 |
| **Total shareholders' equity** | **0.1** | **0.1** |
| Portion of the Group's ownership, % | 38% | 38% |
| Share of associated companies' equity | 0.0 | 0.0 |
| Share of loans of associated companies | 0.0 | 0.0 |
| **Investments in associated companies** | **0.0** | **0.0** |
| | | |
| Gross rental income | 0.8 | 1.8 |
| Net rental income | 0.0 | 0.1 |
| Administrative expenses | 0.0 | 0.0 |
| Net financial income and expenses | 0.0 | 0.0 |
| Taxes | 0.0 | 0.0 |
| **Result for the period** | **0.0** | **0.0** |
| **Share of profit/loss of associated companies** | **0.0** | **0.0** |
| **Share of other comprehensive income of associated companies and joint ventures** | **0.0** | **0.0** |
| **Total comprehensive profit/loss for the period** | **0.0** | **0.0** |

**Associated company in Norway**
On the reporting date 31.12.2024 and the comparison period 31.12.2023 Citycon has only one associated company, Torvbyen Drift AS in Norway, from which the group owns 38%.

The table presents summarised financial information of the Citycon's investments in associated company.

# 3. Financing

## 3.1. Equity

### A) Description of funds and reserves included in the equity

**Share capital**
The company has single series of shares, each share entitling to one vote at General Meeting of shareholders. The shares have no nominal value and the share capital has no maximum value.

**Share premium fund**
Since the 2006 entry into force of the current Finnish Limited Liability Companies Act, no new items are recognised in the share premium fund. The share premium fund accumulated before 2007 due to option schemes and share issues.

**Invested unrestricted equity fund**
The invested unrestricted equity fund is credited, for instance, with that part of the subscription price of the shares that, according to the Memorandum of Association or the share issue decision, is not to be credited to the share capital. Incremental transaction costs (net of taxes) directly attributable to the issue of new shares or options are deducted from the proceeds.

**Fair value reserve**
The fair value reserve contains fair value changes of derivative instruments used to hedge cash flows.

**Translation reserve**
The translation reserve contains translation differences arising from the currency translation of foreign subsidiaries' financial statements.

**Hybrid bond**
Citycon has three hybrid bonds, issued in November 2019 (NC2025), June 2021 (NC2026) and in June 2024 (NC2029). During 2024 Citycon executed an exchange of the NC2025 hybrid bond in to a new EUR 265.7 million NC2029 hybrid bond. The exchange concerned only existing hybrid bond holders in the NC2024 and therefore the exchanged nominals were not paid in cash. As at 31.12.2024 the hybrid nominals stand at NC2025: EUR 26.1 million, NC2026: EUR 321.0 million and NC2029: EUR 265.7 million. The hybrid bonds are treated as a part of shareholder's equity in the IFRS financial statements as the coupon payment of the hybrids are at the discretion of the issuer. Citycon has the right to postpone interest payment if it does not distribute dividend or any other equity to its shareholders. The hybrid bonds are unsecured, subordinated to all debt and senior only to ordinary share capital. A holder of hybrid bond notes has no shareholder rights. The hybrid bonds have fixed coupons until the first reset dates. The NC2025 bears a coupon of 4.496% until 22 February 2025 when it resets at the 5 year swap rate plus 4.711% margin, the NC2026 bears a coupon of 3.625% until 10 September 2026 when it resets at the 5 year swap rate plus 4.179% margin and the NC2026 bears a coupon of 7.875% until 10 September 2029 when it resets at the 5 year swap rate plus 4.955% margin. Thereafter, coupons are reset five years after the first reset date with applicable 5 year swap rate plus an additional 25 bps to the first reset margin. There is a similar second coupon step-up twenty years after the the first reset date with applicable 5 year swap rate plus an additional 100 bps to the first reset margin. The bonds have no set maturity date, but the company has the right to redeem them after five years from the issue date and thereafter on every yearly interest payment date. Fees related to the hybrids are amortised in retained earnings and interest is recorded in retained earnings upon payment or when the commitment to payment arises. Earnings per share includes the hybrid interests cost on accrual basis.

During the financial period, hybrid bonds accrued EUR 30.7 million in interest. Expenses from the issuance of the new hybrid in 2024 were EUR 15.2 million. EUR 34.7 million of the interest and the expenses for the issuance have been recognized as a reduction of retained earnings. EUR 33.6 million has been paid in interest on hybrid bonds. The hybrid loans have an off balance sheet accrued interest of EUR 11.0 million as of 31 December 2024 (EUR 14.8 million as of 31 December 2023).

### Hybrid bonds nominals outstanding

| MEUR | 2024 | 2023 |
|---|---|---|
| January 1 | 612.8 | 700.0 |
| Repayment of hybrid bonds | -265.7 | -87.2 |
| Issuance of hybrid bonds | 265.7 | - |
| **December 31** | **612.8** | **612.8** |

**Treasury Shares**
Where any group company purchases the company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the company's equity holders until the shares are reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the company's equity holders.

During the reporting period, the company held a total of 32,174 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.

### B) Board proposal for dividend and return from the invested unrestricted equity fund

The Board of Directors proposes to the Annual General Meeting that the Board of Directors will be authorized to decide on the distribution of assets from the invested unrestricted equity fund.

Based on this authorization, the maximum total amount of equity repayment distributed from the invested unrestricted equity fund shall not exceed EUR 0.30 per share. Based on the current total number of issued shares in the company (184,231,295), the authorization would equal to a maximum of EUR 55,269,389 in equity repayment.

The authorization is valid until the opening of the next Annual General Meeting.

As disclosed on 15 November 2024, the Board of Directors of Citycon Oyj has unanimously decided that it will not use its authorization and no dividend or equity repayment will be distributed until year end 2025. The decision has been made to further increase the long-term financial stability, and to strengthen the balance sheet and the credit profile of the company.

## 3.2. Net financial income and expenses

### A) Recognised in the consolidated income statement

| MEUR | 2024 | 2023 |
|---|---|---|
| Interest income on loans | 1.5 | 6.2 |
| Interest income on derivatives and other items | 6.2 | 1.7 |
| Foreign exchange gains | 51.3 | 74.1 |
| Fair value gain from derivatives | - | - |
| Other financial income | 17.6 | 5.6 |
| **Financial income, total** | **76.5** | **87.7** |
| | | |
| Interest expenses on loans | -75.8 | -51.8 |
| Interest expenses on derivatives and other items | 6.7 | 4.5 |
| Foreign exchange losses | -52.1 | -74.3 |
| Fair value loss from derivatives | -21.0 | -3.4 |
| Development interest capitalised | 0.4 | 0.5 |
| Other financial expenses | -9.7 | -9.6 |
| Interest expenses on IFRS 16 lease liabilities | -1.2 | -1.2 |
| **Financial expenses, total** | **-152.7** | **-135.3** |
| | | |
| **Net financial income and expenses** | **-76.1** | **-47.7** |
| | | |
| Of which attributable to financial instrument categories: | | |
| Interest-bearing loans and receivables | -74.6 | -34.3 |
| Lease liabilities (IFRS 16) | -1.2 | -1.2 |
| Derivative financial instruments | -20.4 | -18.0 |
| Other liabilities and receivables | 20.0 | 5.9 |
| **Net financial income and expenses** | **-76.1** | **-47.7** |

Net financial expenses increased to EUR 76.1 million (Q1–Q4/2023: EUR 47.7 million). EUR 20.3 million increase relates to higher interest expenses on refinanced bond debt and consolidation on Kista interest expenses, which was partially offset by FX hedging gains and losses. In addition, an amount of EUR 8.9 million indirect net losses (Q1–Q4/2023: EUR 2.8 million loss) was booked related to fair value changes of derivatives not under hedge accounting, EUR 6.1 million more than during the comparison period. The company also recorded EUR 0.8 million gain on early redemption of debt (Q1–Q4/2023: EUR 2.9 million gain), EUR 2.1 million less than in the corresponding period.

Citycon's weighted average interest rate was 3.60% (2.61%) and the weighted average interest excluding derivatives was 3.93% (3.13%) as at 31 December 2024. Interest on development expenditure is capitalised at a rate of 3.58% (2.99%) as at 31 December 2024.

Citycon's interest expenses in the consolidated income statement contain interest expenses from interest-bearing debt as well as all interest expenses arising from derivative financial instruments used for hedging purposes. Additional information on Citycon's derivative financial instruments, their fair values and hedge accounting treatment can be found in Note 3.6. Derivative Financial Instruments.

Fair value gains and losses of derivatives relate to cross-currency swaps and interest rate options not under hedge accounting. Other financial expenses mainly consist of amortisations and write-downs of arrangement fees, costs related to bond repurchases, paid commitment fees and other bank fees.

### B) Recognised in the other consolidated comprehensive income

| MEUR | 2024 | 2023 |
|---|---|---|
| Gains/losses arising during the period from cash flow hedges | 0.2 | -3.4 |
| Added (Less): interest income (expenses) recognised in the consolidated income statement on cash flow hedges | 0.3 | 2.0 |
| **Net gains/losses on cash flow hedges** | **0.5** | **-1.4** |

**Interest income**
Interest income is recognised according to the time that has elapsed, using the effective interest method.

**Dividend income**
Dividend income is recognised when the right to receive a dividend is established.

**Borrowing costs**
Borrowing costs are usually expensed as incurred. However, borrowing costs, such as interest expenses and arrangement fees, directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. A qualifying asset is an asset that necessarily takes a substantial period of time to be ready for its intended use or sale. Capitalisation commences when the refurbishment of a property, or the construction of a new building or extension, begins and ceases once the building is ready for lease. Capitalisable borrowing costs include costs of funds borrowed for a construction project or costs attributable to a construction project multiplied by the capitalisation rate. The capitalisation rate is the weighted average cost of Citycon's borrowings for the financial year. Borrowing costs arising from the purchase cost of land are also capitalised on the development project, but only when activities necessary to preparing the asset for development are in progress on the purchased land.

Loan-related transaction expenses clearly associated with a specific loan are included in the loan's cost on an accrual basis and recognised as financial expenses, using the effective interest method.

Expenses related to hybrid bonds are recognised in retained earnings, see note 3.1.

## 3.3. Classification of financial instruments

### A) Classification of financial instruments and their carrying amounts and fair values

| MEUR | Note | Carrying amount 2024 | Fair value 2024 | Carrying amount 2023 | Fair value 2023 |
|---|---|---|---|---|---|
| **Financial assets** | | | | | |
| **I Financial assets amortised at cost** | | | | | |
| Financial assets within Rent, trade and other receivables | 4.4. | 18.0 | 18.0 | 20.8 | 20.8 |
| Cash and cash equivalents | 3.8. | 358.5 | 358.5 | 25.2 | 25.2 |
| **II Financial assets at fair value through profit and loss** | | | | | |
| Derivative financial instruments | 3.6. | 36.5 | 36.5 | 37.3 | 37.3 |
| **III Derivative contracts under hedge accounting** | | | | | |
| Derivative financial instruments | 3.6. | - | - | - | - |
| | | | | | |
| **Financial liabilities** | | | | | |
| **I Financial liabilities amortised at cost** | | | | | |
| **I.I Loans** | | | | | |
| Loans from financial institutions | 3.4. | 509.5 | 516.1 | 336.5 | 341.9 |
| Commercial paper | 3.4. | 9.9 | 10.0 | 46.5 | 47.0 |
| Bonds[1] | 3.4. | 1,576.8 | 1,554.6 | 1,442.6 | 1,289.6 |
| Lease liabilities (IFRS 16) | 2.3. | 35.3 | 35.3 | 38.8 | 38.8 |
| **I.II Other liabilities** | | | | | |
| Financial liabilities within Trade and other payables | 4.5. | 44.6 | 44.6 | 39.3 | 39.3 |
| **II Financial liabilities at fair value through profit and loss** | | | | | |
| Derivative financial instruments | 3.6. | 15.3 | 15.3 | 26.4 | 26.4 |
| **III Derivative contracts under hedge accounting** | | | | | |
| Derivative financial instruments | 3.6. | 1.3 | 1.3 | 1.4 | 1.4 |

[1] Starting 1.1.2023 the company no longer defines the fair value of debt as the nominal outstanding, instead market value of debt is used as definition of fair value of debt. Corresponding periods have been updated retrospectively.

**Financial assets and liabilities**

**Recognition and measurement**

Financial assets are classified into the following categories for measurement purposes according to IFRS 9

1. financial assets at amortised cost or
2. financial assets at fair value through profit or loss.

The classification of a financial asset is determined based on the entity's business model for managing the asset and whether the assets' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

Assets classified at amortised cost include financial assets which the company has created by providing money, goods or services directly to the debtor. Initially recognised at fair value these assets under current and non-current assets are carried at amortised cost. Their balance sheet value is impaired by the amount of any credit loss. In the company's consolidated statements of financial position as at 31 December 2024 and 31 December 2023, financial assets held at amortised cost include rent and trade receivables, interest receivables and cash and cash equivalents, which are reported in the balance sheet within the following items "Trade and other receivables" and "Cash and cash equivalents".

Citycon concludes derivative contracts for hedging purposes only. Derivative contracts not fulfilling the criteria set for hedge accounting, or for which Citycon has decided not to apply hedge accounting, are classified as financial assets or liabilities at fair value through profit or loss.

Financial liabilities are classified as
1. financial liabilities at fair value through profit or loss or
2. financial liabilities at amortised costs

Financial liabilities are initially recognised at fair value. Afterwards, financial liabilities excluding derivative debt are recognised at amortised cost using the effective interest method. In the company's consolidated statement of financial position, on 31 December 2024 and 31 December 2023, financial liabilities at amortised cost include loans, trade payables and interest payables which are reported in the balance sheet under the items "Loans" and "Trade payables and other payables". On 31 December 2024 Citycon had foreign exchange derivative contracts, cross currency swaps and interest rate options classified as financial assets and liabilities at fair value through profit or loss. Financial assets and liabilities are recognised in the statement of financial position on the basis of the settlement date.

### B) The principles for determining the fair values of financial instruments

Citycon applies IFRS valuation principles when determing the fair values of financial instruments. The following presents the principles for determining the fair values of all financial assets and liabilities.

**Cash and cash equivalents, investments, trade and other receivables, trade payables and other payables**

Due to their short maturity, the fair value of cash and cash equivalents, trade payables and receivables and other short-term receivables and payables is regarded as corresponding to their carrying amount.

**Derivative financial instruments**

Derivative financial instruments are initially measured at fair value in the statement of financial position and subsequently re-measured at their fair value on each balance-sheet date. The fair value of interest rate swaps is calculated using the present value of estimated future cash flows. The fair value of Citycon's interest rate derivatives is determined based on customary valuation techniques used by market participants in the OTC derivative market. An interest rate curve is determined based on observable market rates. The curve is used to determine future interest payments, which are then discounted to present value.

The fair value of a currency forward agreement is based on the difference between the exchange rate of the agreement and the prevailing exchange rate fixing on each balance-sheet date as well as the currency basis spreads between the respective currencies. The fair value of derivative financial instruments is the estimated amount that Citycon would receive or pay to settle the related agreements. The fair value of foreign exchange derivative contracts is based on quoted market prices.

The fair value of cross-currency swaps consists of the fair value due to the interest rate change and the fair value due to the currency rate. The interest rate fair value is determined by the counterparty banks in the same way as in interest rate swaps mentioned above and the reported values are based on the valuations of the counterparty banks. The currency fair value is determined in a similar way as in currency forward agreements.

The fair value of both interest rate and foreign exchange derivative financial instruments corresponds to level 2 of the fair value hierarchy according to IFRS13.72-90. For financial instruments that are recognised at fair value on a recurring basis, Citycon determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. During the period there was no transfers between the levels of the fair value hierarchy.

**Loans from financial institutions**

Citycon's loans from financial institutions are floating and fixed rate loans which have a fair value equal to the nominal amount of the loan. The difference between the fair value and carrying amount is the unamortised capitalised arrangement fees of the loans. The fair value of loans from financial institutions corresponds to level 2 according to IFRS13.72-90.

**Bonds**

All bonds are loans which have fair values equal to the secondary market price of the bonds. The fair value of the bonds corresponds to level 1 according to IFRS13.72-90. All Citycon bonds are actively traded on secondary markets and therefore prices quoted on secondary markets can be considered accordance with level 1 of IFRS13.72-90.

As of 31 December 2024 the secondary market price was EUR 22.2 million lower (Q1–Q4/2023: EUR 153.0 million lower) than the carrying value of the bonds.

## 3.4. Loans

All Citycon loans were interest-bearing liabilities on 31 December 2024 and 31 December 2023. These interest-bearing loans are explained here in detail.

### Breakdown of interest-bearing liabilities

| | Maturity | Effective interest rate (%) | Carrying amount 2024 | Carrying amount 2023 |
|---|---|---|---|---|
| **Long-term interest-bearing liabilities** | | | | |
| Bonds | | | | |
| NOK Bond 2/2015 | 9/2025 | 3.90 | - | 115.5 |
| Eurobond 1/2016 | 9/2026 | 1.26 | 349.1 | 348.8 |
| NOK Bond 1/2017 | 9/2025 | 2.77 | - | 88.7 |
| Eurobond 1/2018 | 1/2027 | 2.50 | 241.4 | 241.0 |
| Eurobond 1/2021 | 3/2028 | 1.79 | 341.4 | 340.5 |
| Eurobond 1/2024 | 3/2029 | 6.63 | 296.3 | - |
| Eurobond 2/2024 | 3/2030 | 5.15 | 344.9 | - |
| Syndicated term loans | | | | |
| EUR 250 million secured term loan facility | 4/2027 | 3M Euribor + 2.30[1] | 247.4 | 247.3 |
| SEK 2,045 million secured term loan | 5/2029 | 3M Stibor + 2,50 | 175.4 | - |
| SEK 1,020 million secured term loan facility | 11/2030 | 5.57 | 86.7 | 89.2 |
| Syndicated revolving credit facilities | | | | |
| EUR 400 million secured revolving credit facility | 4/2026 | Reference rate + 2.15[1] | - | - |
| Lease liabilities (IFRS 16) | - | - | 28.1 | 31.8 |
| **Total long-term interest-bearing liabilities** | | | **2,110.7** | **1,502.8** |
| | | | | |
| **Short-term interest-bearing liabilities** | | | | |
| Eurobond 1/2014 | 10/2024 | 2.64 | - | 197.2 |
| Eurobond 1/2020 (1/2014 bond tap) | 10/2024 | 4.50 | - | 110.9 |
| NOK Bond 2/2015 | 9/2025 | 3.90 | 0.4 | - |
| NOK Bond 1/2017 | 9/2025 | 2.77 | 3.2 | - |
| Commercial paper | 1/2025 | Reference rate + 0,5–0,8 | 9.9 | 46.5 |
| Lease liabilities (IFRS 16) | - | - | 7.2 | 7.0 |
| **Total short-term interest-bearing liabilities** | | | **20.8** | **361.6** |

[1] Margin is linked to the group's credit rating and sustainability targets.

The carrying amounts of syndicated loans and bonds are stated at amortised cost, using the effective yield method. The fair values of liabilities are shown in Note 3.3. Classification of Financial Instruments.

### Maturity of long-term interest-bearing debt (excl. IFRS16 liabilities)

| MEUR | 2024 | 2023 |
|---|---|---|
| 1–2 years | 349.1 | 204.2 |
| 2–3 years | 488.9 | 596.1 |
| 3–4 years | 341.4 | 241.0 |
| 4–5 years | 471.7 | 340.5 |
| over 5 years | 431.6 | 89.2 |
| **Total** | **2,082.7** | **1,471.0** |

### Long-term interest-bearing liabilities by currency

| MEUR | 2024 | 2023 |
|---|---|---|
| EUR | 1,420.4 | 878.2 |
| NOK | 110.2 | 204.2 |
| SEK | 552.0 | 388.7 |
| **Total** | **2,082.7** | **1,471.0** |

### Short-term interest-bearing liabilities by currency

| MEUR | 2024 | 2023 |
|---|---|---|
| EUR | 9.9 | 354.6 |
| NOK | 3.6 | - |
| SEK | - | - |
| **Total** | **13.6** | **354.6** |

Currency split is including cross-currency swaps. Maturity of liabilities related to IFRS 16 right-of-use assets is presented in note 2.3.

## 3.5. Financial risk management

### A) Financial risk management

The objective of financial risk management is to ensure that Citycon will reach its targets in financing and cost of finance  and to identify and mitigate key risks which may threaten its ability to meet these targets before they realise.

The Board of Directors has approved a Treasury Policy which defines the objectives, responsibilities and risk management targets, responsibilities and indicators. The execution and controlling of financial risk management is performed by the Group Treasurer, under the supervision of the CFO. Group Treasurer reports compliance with the objectives, in conjunction with the interim and annual report, to the CFO, who reports to the Board's Audit and Governance Committee.

Financial risks have been identified as business critical risks for Citycon. Financial risk arises for Citycon in the form of financial instruments, which are mainly used to raise financing for operations. The Group uses interest rate and foreign exchange derivatives to manage interest rate and currency risks arising from operations and financing sources.

Citycon's identified, key financial risks include interest rate risk, liquidity risk, credit risk and foreign currency risk. These risks are summarised below.

**Interest rate risk**

One of Citycon's key financial risks is the interest rate risk of its interest bearing liabilities, whereby changes in money market interest rates lead to fluctuations in future interest cash flows on floating rate borrowings. Interest rate risk management aims to reduce or eliminate the adverse effect of interest rate fluctuations on the company's profit and cash flow. The company aims at a loan portfolio with the right balance of fixed and variable rate debt.

The majority of Citycon's debt portfolio consist of fixed rate debt. Citycon has mainly raised funding from the bond markets but during 2023 the company has entered into mortgage debt financing. Part of the mortgage debt is floating rate which has been partially converted to fixed rate using interest rate swaps. Under the company's interest rate risk management policy, the target debt portfolio is one in which a minimum of 70% and a maximum of 90% of interest bearing liabilities are based on fixed interest rates over time. At year-end the ratio of fixed rate debt was 85.1% (73.8%).

The interest sensitivity of Citycon's loan portfolio at the end of 2024 is described by the fact that a one-percentage point rise in money market interest rates would increase its interest expenses by EUR 1.4 million on a yearly basis, while a fall of one-percentage point in such rates would decrease them by EUR 2.9 million.

**Interest rate sensitivity**
The following table shows interest expenses' sensitivity to a 100 basis point change in short term interest rates, assuming that all other variables remain constant. The impact is shown as a change in interest expenses resulting from changes in the interest rate related to floating rate debt.

### Effect on interest expenses of an increase of 100 basis points

| MEUR | 2024 | 2023 |
|---|---|---|
| Euro | 1.4 | 1.0 |
| Norwegian crown | - | - |
| Swedish crown | - | - |
| **Total** | **1.4** | **1.0** |

The following table shows the consolidated shareholders' equity's sensitivity to a 100 basis point change in short term interest rates, assuming that all other variables remain constant. The impact is shown as a change in shareholders' equity resulting from changes in interest rates, which relate to interest rate derivatives under hedge accounting treatment.

### Effect on shareholders equity of an increase of 100 basis points

| MEUR | 2024 | 2023 |
|---|---|---|
| Euro | 0.3 | 0.3 |
| Norwegian crown | - | - |
| Swedish crown | - | - |
| **Total** | **0.3** | **0.3** |

**Liquidity risk**
As a real estate company with a large balance sheet, Citycon needs both equity capital and debt financing. The Group uses cash-flow forecasts to continuously assess and monitor financing required for its business. Here, the goal is to arrange financing on a long term basis and avoid any large concentration of due dates for the loan agreements in the near term. Citycon aims to guarantee the availability and flexibility of financing, through sufficient committed unused credit limits and by using several banks and financing  sources as sources of finance.

Citycon's financing policy states that all maturing debt, committed capital expenditures and committed acquisitions for the coming rolling 12 months period, not covered by Operating cash flow in approved budget or forecast or by committed disposals of assets must be covered by available liquidity consisting of cash and long-term committed credit limit facilities. On 31 December 2024, unused committed credit limits amounted to EUR 400.0 million, in addition Citycon had unused cash pool limits of EUR 15.0 million and unrestricted cash and cash equivalents of EUR 352.2 million.

In 2024 Citycon executed several financing transactions in order to strengthen the balance sheet and improve the maturity profile. During the first quarter, Citycon exectued a EUR 48.2 share issue which was 4-times oversubscribed, placed a EUR 300 million green bond with an orderbook approximately seven times oversubscribed and simultanously executed approx. EUR 213 million tender of its bond maturing in October 2024. During the second quarter, the company successfully executed a EUR 266 million exchange for its 2024 hybrid for a new hybrid and cash amount and executed a make-whole for the remaining amount (EUR 97 million) of its bond maturing in October 2024. The company also improved its credit maturity profile by extending its EUR 400 million revolving credit facility and EUR 250 million term loan by one year until 2027 and SEK 2,060 million term loan with five years until 2029. During the fourth qaurter, Citycon reached EUR 354 million of total divestments for year 2024. Funds from the  divestments will be used to repay debt. The company also placed a 5.25-year EUR 350 million green bond with an orderbook approximately ten times oversubscribed with funds being used to repay debt. Simultaneously, Citycon executed approx. EUR 193 million tender of its short-term NOK bonds maturing in September 2025.

The next table  summarises the maturity profile of the Group's financial liabilities, based on contractual payments. The table includes both principal and interest flows of loans and payments arising from derivative financial instruments. Future interest payments of floating rate loans have been determined based on the interest rate applicable on the balance sheet date, and are not discounted. Future interest payments for derivative financial instruments are based on discounted net present values and future interest rates are obtained through interpolation based on the yield curve prevailing on the balance sheet date.

## Maturity profile of financial liabilities including interest flows

| MEUR | Less than 1 month | 1 to 12 months | 1–5 years | Over 5 years | Total |
|---|---|---|---|---|---|
| **31 December 2024** | | | | | |
| Commercial paper | 10.0 | - | - | - | 10.0 |
| Bonds | 9.5 | 33.8 | 1,417.2 | 367.5 | 1,828.0 |
| Derivative financial instruments | 0.3 | 2.5 | 1.3 | 0.5 | 4.6 |
| Financial liabilities within Trade and other payables | 15.4 | 27.1 | 2.1 | - | 44.6 |
| | | | | | |
| **31 December 2023** | | | | | |
| Commercial paper | 23.0 | 24.0 | - | - | 47.0 |
| Bonds | 5.8 | 340.8 | 1,190.8 | - | 1,537.3 |
| Derivative financial instruments | 0.4 | 4.7 | 1.4 | - | 6.6 |
| Financial liabilities within Trade and other payables | 26.7 | 12.6 | - | - | 39.3 |

Citycon's rent revision procedures, long leases and high occupancy ratio generate a stable long-term cash flow profile. Citycon expects to meet its short-term liabilities shown in the table above from this stable cash flow and undrawn committed credit facilities. In the long term, loan refinancings, new bond issues, or disposals of investment properties will be done. The table below shows the maturity profile of the undrawn committed credit facilities.

| MEUR | Less than 1 month | 1 to 12 months | 1–5 years | Over 5 years | Total |
|---|---|---|---|---|---|
| **31 December 2024** | | | | | |
| Undrawn committed credit facilities | - | - | 400.0 | - | 400.0 |
| | | | | | |
| **31 December 2023** | | | | | |
| Undrawn committed credit facilities | - | - | 400.0 | - | 400.0 |

The above mentioned credit facilities are freely available to Citycon based on the group's financing needs.

## Changes in liabilities from financing activities

| MEUR | 1 January 2024 | Cash flow | Foreign exchange movement | Change in fair values | Amortized fees | Other changes | 31 December 2024 |
|---|---|---|---|---|---|---|---|
| Long term interest bearing liabilities | 1,471.0 | 611.7 | -9.9 | 1.8 | -8.4 | 16.4 | 2,082.7 |
| Short-term interest bearing liabilities | 354.6 | -537.2 | 0.2 | - | - | 196.0 | 13.6 |
| Derivatives | 27.9 | -1.1 | - | -10.2 | - | - | 16.6 |
| **Total in liabilities from financing activities** | **1,853.5** | **73.4** | **-9.7** | **-8.4** | **-8.4** | **212.4** | **2,112.8** |

| MEUR | 1 January 2023 | Cash flow | Foreign exchange movement | Change in fair values | Amortized fees | Other changes | 31 December 2023 |
|---|---|---|---|---|---|---|---|
| Long term interest bearing liabilities | 1,639.7 | 147.8 | -12.0 | -4.9 | 8.6 | -308.1 | 1,471.0 |
| Short-term interest bearing liabilities | 125.2 | -70.9 | -7.9 | - | 0.1 | 308.1 | 354.6 |
| Derivatives | 0.6 | 0.0 | 26.2 | 1.1 | - | - | 27.9 |
| **Total in liabilities from financing activities** | **1,765.5** | **76.8** | **6.2** | **-3.8** | **8.7** | **0.0** | **1,853.5** |

### Credit risk

Citycon controls its receivables within the framework of the given credit limits and has not so far identified any major credit risk associated with them. Credit risk management caters for customer risk management, which is aimed at minimising the adverse effect of unexpected changes in the customers' financial standing on Citycon's business and financial results. Customer risk management is primarily based on the knowledge of the customers' business and active monitoring of customer data. Citycon's lease agreements include lease deposit provisions used to contribute to managing customers' risks. The maximum exposure from trade receivables is the carrying amount as disclosed in Note 4.4. Trade and other receivables.

Credit risk arising from cash and cash equivalents and certain derivative agreements relate to the default of a counterparty with a maximum exposure equal to the carrying amount of these instruments. Citycon invests its liquidity in a manner which minimizes the risk and does not, for example, invest in equity markets. Citycon's cash and cash equivalents are primarily placed on bank accounts and in short term deposits, in which the counterparties are commercial banks participating in Citycon's credit agreements. Citycon's financing policy also sets forth approved financial instruments in which the company can invest, and includes counterparty limits for those investments.

### Exchange rate risk

Citycon's presence in countries outside the eurozone exposes the company to exchange rate risk. Exchange rate risk stems from transaction risks resulting from the conversion of foreign currency denominated transactions into local currency, as well as from translation risks in the balance sheet and profit and loss statement associated with investments in foreign subsidiaries. The company uses foreign exchange derivatives to manage the transaction risk on committed transactions. The company manages its exchange rate risk in the balance sheet by aiming to finance its foreign investments mainly in the local currency. Currently, the company's exchange rate risk relates to fluctuations in the Euro/Swedish crown and the Euro/Norwegian crown exchange rates.

In 2024 Citycon started hedging the translation risk related to equity investments made in Norwegia and Swedish crown. The company uses foreign exchange derivatives to hedge the translation impact on group equity in order to mitigate the impact of foregin exchange on its rating related financial metrics.

**Foreign exchange sensitivity**

The following table shows the sensitivity in the net financial expenses of the consolidated income statement to a 5% change in foreign exchange rates, assuming that all other variables remain constant. This impact is mainly attributable to the change in the fair value of financial instruments and the change in interest expenses paid in other currencies as the principals are fully hedged.

### Effect of a five percent strengthening in foreign exchange rates on net financial expenses

| MEUR | 2024 | 2023 |
|---|---|---|
| Swedish crown | 0.2 | 0.2 |
| Norwegian crown | -0.4 | -0.4 |
| **Total** | **-0.2** | **-0.2** |

### B) Capital management and financial covenants

**Capital management**

The objective of the company's capital management is to support the strategy, maximise shareholder value, comply with loan agreement provisions and ensure the company's ability to pay dividend. Citycon's capital structure is managed in an active manner and capital structure requirements are taken into account when considering various financing alternatives. The company can adjust the capital structure by deciding on the issuance of new shares, raising debt financing, raising hybrid financing, divesting investment properties or making adjustments to the dividend.

Citycon monitors its capital structure based on equity ratio and loan-to-value (LTV). The company's long term LTV target is 40–45%.

### Equity ratio

| MEUR | 2024 | 2023 |
|---|---|---|
| Total shareholders' equity (A) | 1,858.5 | 1,987.5 |
| Total assets | 4,303.1 | 4,208.4 |
| Less advances received | 9.3 | 11.7 |
| ./. (Total assets - advances received) (B) | 4,293.8 | 4,196.7 |
| **Equity ratio, % (A/B)** | **43.3%** | **47.4%** |

### LTV (Loan to value) -%

| MEUR | 2024 | 2023 |
|---|---|---|
| Interest-bearing debt total (Note 3.4.) | 2,131.5 | 1,864.4 |
| Less lease liabilities (IFRS 16, Note 2.3) | 35.3 | 38.8 |
| Less cash and cash equivalents (Note 3.8.) | 358.5 | 25.2 |
| Interest-bearing net debt (A) | 1,737.8 | 1,800.3 |
| Fair value of investment properties including properties held for sale and investments in joint ventures (Notes 2.1 and 2.2) | 3,712.3 | 3,930.6 |
| Less right-of-use assets classified as investment properties (IFRS 16, Note 2.3) | -37.3 | -40.5 |
| Fair value of investment properties (B) | 3,675.0 | 3,890.1 |
| **LTV, % (A/B)** | **47.3%** | **46.3%** |

LTV increased in 2023 mainly as a result of decreased property values and slightly higher net debt. Loan to value is calculated excluding both hybrid debt and IFRS16 lease liabilities.

**Financial covenants**

Under a commitment given in the terms of the revolving credit facilities, the Group undertakes to maintain its net debt to total assets ratio under 0.60 and its interest coverage ratio at a minimum of 1.8. The net debt to total assets ratio is calculated by dividing the Group's consolidated net debt with total assets excluding advances received. The interest coverage ratio is calculated by dividing the EBITDA adjusted by extraordinary gains/losses, provisions and non-cash items, by net financial expenses. In addition, the loan-to-value in loan drawn under the secured RCF shall not exceed 55 per cent. These covenants are measured quarterly and carrying amount of the loan was EUR 247.4 million at 31 December 2024..

Accordingly, net debt to total asset ratio on 31 December 2024 stood at 0.41 (Q1–Q4/2023: 0.44) and interest coverage ratio stood at 2.74 (Q1–Q4/2023: 3.7).

Under a commitment given in the terms of the Trust Deeds regarding all issued bonds Citycon undertakes to maintain the group's solvency ratio at under 0.65 and its secured solvency ratio at under of 0.25. The solvency ratio is calculated by dividing the Group's consolidated net debt with total assets excluding intangible assets. The secured solvency ratio is calculated by dividing the Group's consolidated secured debt with total assets excluding intangible assets. These covenants are measured bi-annually and total carrying amount of the bonds was EUR 1,576.8 million at 31 December 2024.

Accordingly, the solvency ratio on 31 December 2024 stood at 0.42 (Q1–Q4/2023: 0.45) and the secured solvency ratio at 0.12 (Q1–Q4/2023: 0.08).

In addition, the financing agreement of subsidiary level mortgage loan in Liljeholmstorget Galleria includes financial covenants related to the interest coverage ratio which should not be equal to or less than 1.75, and loan-to-value which should not be equal to or exceed 50 per cent. The interest coverage ratio is calculated by dividing projected net rental income by projected finance costs. As of 31.12.2024 loan-to-value stood at 36 (36) per cent and interest coverage ratio stood at 2.83 (2.64). These covenants are measured quarterly and the carrying amount of the loan was EUR 86.7 million at 31 December 2024.

## 3.6. Derivative financial instruments

**Derivative contracts and hedge accounting**
Derivative financial instruments are used in accordance with Citycon's Treasury Policy to hedge the interest rate risk of interest bearing liabilities and foreign currency risk. Derivatives are initially measured at fair value and re-measured at fair value on each statement of financial position date.

Citycon uses interest rate swaps to hedge the interest rate cash flow risk. These interest rate swaps hedge against volatility in future interest payment cash flows (cash flow hedging) resulting from interest rate fluctuations, and the resulting profit fluctuations. Hedged instruments consist of long term floating rate debt, which is expected to be refinanced upon maturity on similar terms. Citycon applies hedge accounting according to IFRS 9 to its interest rate swaps. Subsequently, the fair value change of the effective part of the derivative hedge is recognised in the fair value reserve in equity and correspondingly under other comprehensive income. Any significant fair value change resulting from an ineffective part of the derivative hedge is recognised financial income and expenses. If the criteria for hedge accounting are not met, changes in fair value are recognised in full through profit or loss. At the moment Citycon has two interest rate swaps under hedge accounting with a nominal of EUR 125 million.

Interest payments based on interest rate swaps are included in interest expenses. Fair value changes that are booked through profit or loss are recognised as financial expenses or income, if hedge accounting is not applied. The fair value of interest rate swaps is shown in current or non-current receivables or current and non-current liabilities in the statement of financial position.

As of 31 December 2024 Citycon's interest rate swaps were under hedge accounting.

In addition Citycon has interest rate caps to hedge the floating interest of the term loan. Changes in fair values of these options are reported in the profit and loss statement as hedge accounting is not applied.

The company uses foreign exchange derivatives like forwards and cross-currency swaps to hedge against exchange rate risk relating to financial assets and liabilities denominated in foreign currency. Fair value changes related to foreign exchange derivatives are recognised in the statement of consolidated comprehensive income, since fair value changes related to financial assets and liabilities denominated in foreign currencies are also recognised therein. The interest payments of cross-currency swaps and forward points of currency forwards are included in interest expenses.

As at 31 December 2024 Citycon does not apply hedge accounting to any of its cross-currency swaps.

During 2024 the company also started using foreign exchange forwards and swaps to hedge the currency impact from NOK and SEK denominated line items on equity. These derivatives are accounted for in the same way as metioned above and no hedge accounting is applied.

### A) Nominal amounts and fair values of derivative financial instruments

| MEUR | Nominal amount 2024 | Fair value 2024 | Nominal amount 2023 | Fair value 2023 |
|---|---|---|---|---|
| **Interest rate swaps** | | | | |
| Maturity: | | | | |
| less than 1 year | - | - | - | - |
| 1–5 years | 125.0 | -1.3 | 125.0 | -1.4 |
| over 5 years | - | - | - | - |
| **Subtotal** | **125.0** | **-1.3** | **125.0** | **-1.4** |
| | | | | |
| Cross-currency swaps | | | | |
| Maturity: | | | | |
| less than 1 years | - | - | - | - |
| 1–5 years | 388.8 | 14.9 | 278.3 | 16.0 |
| over 5 years | - | - | - | - |
| **Subtotal** | **388.8** | **14.9** | **278.3** | **16.0** |
| | | | | |
| Foreign exchange forward agreements | | | | |
| Maturity: | | | | |
| less than 1 year | 924.5 | 2.6 | 102.1 | -5.2 |
| | | | | |
| Interest rate options | | | | |
| less than 1 year | - | - | - | - |
| 1–5 years | 302.1 | 3.2 | 125.0 | 0.1 |
| over 5 years | - | - | - | - |
| **Subtotal** | **302.1** | **3.2** | **125.0** | **0.1** |
| | | | | |
| **Total** | **1,740.4** | **19.4** | **630.4** | **9.5** |

The fair value of a derivative financial instrument represents the market value of the instrument at the prices prevailing on the balance sheet date. See also note 3.3. Classification of financial instuments part B) for principles on determining fair values of derivatives.

The average fixed interest rate of the interest rate swaps and cross-currency swaps as at 31 December 2024 was 1.48% (0.00%).

## B) Derivatives under hedge accounting

| Interest rate swaps<br>MEUR | Assets<br>2024 | Liabilities<br>2024 | Assets<br>2023 | Liabilities<br>2023 |
|---|---|---|---|---|
| Interest rate swaps, fair value | - | 1.3 | - | 1.4 |

The Group applies hedge accounting in accordance with IFRS 9 to all of its interest rate swaps valid as at 31 December 2024, according to which the amount of financial instruments' fair value change from effective hedging is recognised under other consolidated comprehensive income. Fair value gains and losses are transferred to the statement of consolidated income when the forecasted cash flows realize and affect the statement of consolidated income. Citycon also has cross-currency swaps to effectively convert EUR debt into SEK and NOK debt, for these, hedge accounting is currently not applied as of 31 December 2024.

Hedge accounting is applied to interest derivatives which has a nominal amount of EUR 125.0 million (Q1–Q4/2023: 125.0). The average fixed interest rate in these derivatives is 3.054%.

Hedge effectiveness requirements are assessed and documented in accordance with IFRS 9. There is an economic relationship between the hedged item and the hedging instrument since the critical terms of the interest rate derivatives have been negotiated to match the respective terms of the variable rate loans. Furthermore, credit risk does not dominate the value changes in the hedge according to Citycon's credit risk assessment and the hedge ratio is 1:1, meaning that the nominal of the hedge and the underlying are closely aligned. A possible source of ineffectiveness would be if reference rates are negative, whereas there could be a gap between fair value changes in the hedging instrument, which has no interest flooring, and the hedged item which has 0% interest floor.

The cash flow from all hedged liabilities over time is the basis for determining the gain and loss on the effective portions of derivatives designated as cash flow hedges.

At 31 December 2024 and at 31 December 2023, derivatives under hedge accounting were assessed as highly effective. The fair values of these derivatives were EUR -1,3 million (Q1–Q4/2023: EUR -1.4 million) and the change of these fair values EUR 0,2 million (Q1–Q4/2023: EUR -3.4 million) is recognised under other consolidated comprehensive income.

## C) Impact of hedging instruments on the financial statements

### Impact of hedging instruments under hedge accounting on the statement of financial position

| MEUR | Nominal amount | Carrying amount | Line item in statement of financial position | Change in fair value used for measuring effectiveness for the period |
|---|---|---|---|---|
| **As at 31 December 2024** | | | | |
| Interest rate swaps | 125.0 | -1.3 | Non-current assets and short-term liabilitites, Derivative financial instruments | 0.2 |
| **As at 31 December 2023** | | | | |
| Interest rate swaps | 125.0 | -1.4 | Current assets, Derivative financial instruments | -3.4 |

### Effect of cash flow hedges on the statement of profit or loss and other comprehensive income

| MEUR | Total hedging gain/loss recognised in OCI | Ineffectiveness recognised in profit or loss | Line item in statement of profit and loss | Amount recycled from OCI to profit or loss | Line item in statement of profit and loss |
|---|---|---|---|---|---|
| **Year ended 31 December 2024** | | | | | |
| Interest rate swaps | -1.3 | - | - | - | - |
| **Year ended 31 December 2023** | | | | | |
| Interest rate swaps | -1.4 | - | - | - | - |

## 3.7. Commitments and contingent liabilities

### Pledges and other contingent liabilities

| MEUR | 2024 | 2023 |
|---|---|---|
| Loans, for which mortgages are given in security and shares pledged | | |
| Loans from financial institutions | 516.1 | 341.9 |
| | | |
| Pledges for loans | | |
| Mortgages on land and buildings | 1,021.2 | 741.9 |
| Fair value of properties pledged in mortgages | 2,091.3 | 1,684.9 |
| | | |
| Bank guarantees and parent company guarantees | 224.7 | 63.6 |

**Mortgages on land and buildings**
Mortgages relate to the credit facilities where the group has given securities on the loans via mortgages and pledged shares from certain subsidiaries.

**Bank guarantees and parent company guarantees**
Guarantees are mainly related to parent company guarantees on behalf of subsidiaries for third parties, or alternatively third party bank guarantees.

Capital commitments related to (re)development projects are presented in note 2.1.

## 3.8. Cash and cash equivalents

| MEUR | 2024 | 2023 |
|---|---|---|
| Cash in hand and at bank | 352.2 | 19.3 |
| Restricted cash | 6.2 | 6.0 |
| **Total cash** | **358.5** | **25.2** |

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

**Cash and cash equivalents**
Cash and cash equivalents consist of cash and bank deposits withdrawable on call. A maximum maturity of three months from the date of acquisition applies to cash and cash equivalents.

## 3.9. Other non-current assets

| MEUR | 2024 | 2023 |
|---|---|---|
| Loan receivables | 32.5 | - |
| Other receivables | 0.4 | 0.4 |
| **Total** | **32.9** | **0.4** |

Loan receivables consists of vendor notes given to third parties in property asset divestments.

# 4. Other notes to the accounts

## 4.1. Income taxes

| MEUR | 2024 | 2023 |
|---|---|---|
| Current taxes | -1.5 | -1.9 |
| Taxes for prior periods | -0.6 | -1.0 |
| Deferred taxes | 11.2 | 10.3 |
| **Income tax** | **9.2** | **7.4** |

Citycon did not recognise any current taxes directly in the equity during 2024 and 2023.

### Reconciliation between tax charge and Group tax at the Finnish tax rate (20.0%):

| MEUR | 2024 | 2023 |
|---|---|---|
| Profit before taxes | -47.0 | -122.3 |
| Taxes at Finnish tax rate | 9.4 | 24.5 |
| Share of result of joint-ventures | -0.1 | -7.3 |
| Difference in foreign subsidiaries' tax rate | 2.4 | 1.0 |
| Utilisation of not previously recognized tax losses | 1.0 | 6.3 |
| Not recognized tax losses from financial year | -3.1 | -6.8 |
| Not recognized non-deductible interest expenses | -7.8 | -6.6 |
| Investment property tax value adjustments | -0.5 | -1.6 |
| Goodwill write-down related to disposals | -3.8 | 0.0 |
| Tax impact of deferred tax change booked to gain/loss on sale of investment properties | 5.3 | 0.0 |
| Hybrid bond interests | 6.6 | 5.8 |
| Gain/Loss on hybrid bond buybacks | 0.4 | -5.2 |
| Tax free income deducted by non-deductible expenses | 0.0 | -0.1 |
| Taxes from previous years | -0.6 | -1.0 |
| Other items | -0.2 | -1.4 |
| **Income taxes** | **9.2** | **7.4** |

**Accounting policy - income taxes**
Income taxes include taxes based on the taxable income of Group companies for the financial period, adjustments for previous periods' taxes and changes in deferred taxes. Tax based on taxable income for the period is calculated in accordance with the tax legislation enacted in each country. If the recognition of deferred taxes is attributable to an item recognised in shareholders' equity, such as a change in the fair value of a derivative instrument used for hedging purposes, deferred taxes will also be recognised in shareholders' equity.

**Key estimates and assumptions - income taxes**
Citycon is subject to income taxation in several countries. The complexity of tax legislation, as well as constant changes in it and in the operating environment, require Citycon to use estimates and assumptions when preparing its tax calculations. Tax legislation specifically related to tax deductibility of interest expenses has changed and is changing in the countries Citycon operates in. Citycon monitors and analyses the impact of these changes as part of its normal operations.

Future taxable income is uncertain, and the final amount of taxes may deviate from the originally recorded amount. If final tax deviates from originally recorded amounts, such differences may affect the period's taxable profit, tax receivables or liabilities as well as deferred tax assets or liabilities.

## 4.2. Deferred tax assets and liabilities

### Changes in deferred tax assets and liabilities in 2024:

| MEUR | 1 January 2024 | Recognised in income statement | Recognised in income statement in gain/loss on sale of investment properties | Items recognised in equity | Exchange rate differences | Other changes | 31 December 2024 |
|---|---|---|---|---|---|---|---|
| **Deferred tax assets** | | | | | | | |
| Tax losses | 15.9 | 0.0 | - | - | - | - | 16.0 |
| Other items | 0.6 | 0.0 | - | - | - | - | 0.5 |
| **Deferred tax assets, total** | **16.5** | **0.0** | **-** | **-** | **-** | **-** | **16.4** |
| | | | | | | | |
| **Deferred tax liabilities** | | | | | | | |
| Measurement of investment property at fair value[1] | 246.3 | -10.4 | -26.7 | - | -5.3 | - | 203.8 |
| Contract values of managed and rented centre | 0.5 | -0.1 | - | - | - | - | 0.4 |
| Temporary difference in financial expenses | 1.0 | -0.7 | - | 2.6 | - | 1.3 | 4.2 |
| **Deferred tax liabilities, total** | **247.8** | **-11.2** | **-26.7** | **2.6** | **-5.3** | **1.3** | **208.4** |

[1] Deferred tax liabilities are net of EUR 11.4 million of deferred tax assets arising from confirmed tax losses.

### Changes in deferred tax assets and liabilities in 2023:

| MEUR | 1 January 2023 | Recognised in income statement | Recognised in income statement in gain/loss on sale of investment properties | Items recognised in equity | Exchange rate differences | Other changes | 31 December 2023 |
|---|---|---|---|---|---|---|---|
| **Deferred tax assets** | | | | | | | |
| Tax losses | 15.9 | - | - | - | - | - | 15.9 |
| Other items | 0.5 | 0.1 | - | - | - | - | 0.6 |
| **Deferred tax assets, total** | **16.4** | **0.1** | **-** | **-** | **-** | **-** | **16.5** |
| | | | | | | | |
| **Deferred tax liabilities** | | | | | | | |
| Measurement of investment property at fair value[1] | 264.9 | -10.7 | - | - | -7.9 | - | 246.3 |
| Contract values of managed and rented centers | 0.7 | -0.1 | - | - | - | - | 0.5 |
| Temporary difference in financial expenses | 0.8 | 0.5 | - | -0.3 | - | - | 1.0 |
| **Deferred tax liabilities, total** | **266.4** | **-10.3** | **-** | **-0.3** | **-7.9** | **-** | **247.8** |

[1] Deferred tax liabilities are net of EUR 12.0 million of deferred tax assets arising from confirmed tax losses.

**Accounting policy - deferred tax assets and liabilities**

Deferred tax assets and liabilities are calculated on temporary differences arising between the tax bases of assets and liabilities, and their carrying amounts. A major temporary difference arises between the fair value and taxable value of investment properties. In such a case, taxes are calculated on the difference between the property's fair value and residual tax value of the underlying asset. This rule applies even if the property is disposed by selling the shares of the property company and includes no assessment of likelihood of such tax consequences.

Other main temporary differences relate to among other things unused tax losses and financial instruments. Deferred tax assets are recognised to the extent that it appears probable that future taxable profit will be available, against which the temporary differences can be utilised.

On 31 December 2024, Group companies had confirmed losses of EUR 64.8 million for which deferred tax assets of EUR 13.0 million were not recognised, since these Group companies are unlikely to record a taxable profit, before the expiration of carry forwards of these losses, against which loss carry forwards can be utilised.

**Key estimates and assumptions - deferred tax assets**

When tax receivables are recognised for tax losses that have been confirmed in taxation, the company must evaluate whether it is probable that such tax losses can be used against a taxable profit arising in the future.

## 4.3. Intangible assets

| MEUR | 2024 | 2023 |
|---|---|---|
| **Acquisition cost January 1.** | **36.2** | **30.2** |
| Additions during the period | 1.0 | 2.5 |
| Disposals during the period | - | 0.0 |
| Transfers between items | -1.0 | 4.5 |
| Exchange rate differences | -0.5 | -1.1 |
| **Accumulated acquisition cost December 31.** | **35.8** | **36.2** |
| | | |
| **Accumulated depreciation and impairment losses, January 1.** | **-25.5** | **-19.2** |
| Amortization during the period | -2.1 | -1.9 |
| Transfers between items | 1.0 | -5.5 |
| Exchange rate differences | 0.6 | 1.1 |
| **Accumulated depreciation and impairment losses, Dec 31.** | **-26.1** | **-25.5** |
| | | |
| **Net carrying amount January 1.** | **10.7** | **11.0** |
| **Net carrying amount December 31.** | **9.7** | **10.7** |

Intangible assets consist of computer software and licenses. The contract values of rented centers are presented in Right-of-use assets according to IFRS 16.

### Accounting policy

#### Intangible assets

An intangible asset is recognised in the statement of financial position, provided its historical cost can be measured reliably and it is probable that expected economic benefits will flow to the company.

Intangible assets are measured at cost less amortisation and any impairment losses.

The following depreciation periods apply:

- Software is amortised over their useful life on a straight-line basis over three to ten years.

#### Impairment of intangible assets

On each balance-sheet date, property, plant and equipment and intangible assets are assessed to determine whether there is any indication of impairment. If any indication of an impaired asset exists, the asset's recoverable amount must be estimated. Should the asset's carrying amount exceed its recoverable amount, it is impaired, and the resulting impairment loss is recognised in the consolidated income statement.

## 4.4. Trade and other receivables

| MEUR | 2024 | 2023 |
|---|---|---|
| Rent and trade receivables | 15.1 | 20.5 |
| Expected credit losses | -5.0 | -5.0 |
| Rent and trade receivables (net) | 10.1 | 15.4 |
| Interest receivables | 7.8 | 5.4 |
| **Financial assets total** | **18.0** | **20.8** |
| Accrued income and prepaid expenses | 17.6 | 12.7 |
| VAT-receivables | 7.3 | 16.1 |
| Other receivables | 3.2 | 23.8 |
| **Total** | **46.1** | **73.4** |

### Ageing structure of rent and trade receivables:

| MEUR | 2024 | Expected credit loss rate | Expected credit loss |
|---|---|---|---|
| Not past due | 2.7 | 0.2% | 0.0 |
| Past due, less than 1 month | 2.0 | 2.1% | 0.0 |
| Past due, 1–3 months | 1.0 | 14.9% | 0.1 |
| Past due, 3–6 months | 1.5 | 15.7% | 0.2 |
| Past due, 6–12 months | 2.4 | 60.2% | 1.5 |
| Past due, 1–5 years | 5.6 | 55.2% | 3.1 |
| **Total** | **15.1** | | **5.0** |

### Ageing structure of rent and trade receivables:

| MEUR | 2023 | Expected credit loss rate | Expected credit loss |
|---|---|---|---|
| NOT past due | 6.5 | 0.8% | 0.1 |
| Past due, less than 1 month | 2.4 | 12.4% | 0.3 |
| Past due, 1–3 months | 1.5 | 40.2% | 0.6 |
| Past due, 3–6 months | 1.2 | 46.8% | 0.5 |
| Past due, 6–12 months | 2.1 | 39.2% | 0.8 |
| Past due, 1–5 years | 6.7 | 40.3% | 2.7 |
| **Total** | **20.5** | | **5.0** |

### Movement in expected credit loss

| MEUR | 2024 | 2023 |
|---|---|---|
| At the beginning of the year | -5.0 | -7.0 |
| Exchange rate differences | 0.1 | 0.0 |
| Acquisitions | -1.3 | - |
| Charge for the year | -2.3 | -3.3 |
| Utilised | 2.9 | 3.5 |
| Unused amounts reversed | 0.6 | 1.7 |
| **Expected credit loss at the end of the year** | **-5.0** | **-5.0** |

Rent and Trade receivables are non-interest bearing and their payment terms vary between 2–20 days. The rent guarantee is equal to between 2–6 months of rent and other payments.

### Accounting policy

#### Financial assets

Financial assets include trade receivables and other receivables not held for trading, which the company has created by providing money, goods or services directly to the debtor. Initially recognised at fair value these assets under current and non-current assets are carried at amortised cost. Their balance sheet value is impaired by the amount of any credit loss.

#### Impairment of financial assets

A financial asset is impaired if its carrying amount exceeds its estimated recoverable amount. If there is objective evidence that a financial asset measured at amortized cost is impaired, the resulting impairment loss must be recognized in the consolidated income statement. If the amount of impairment loss decreases during a subsequent financial period and this fall can be regarded as relating to an event after the date of impairment recognition, the asset's impairment will be reversed.

**Key estimates and assumptions - expected credit losses**
IFRS 9 Financial Instruments standard includes guidelines pertaining to impairment losses recognised in financial assets. From Citycon Group's point of view, the key effect of the standard is that the credit risk applicable to rent and sales receivables should be taken into account in the valuation of receivables at the time of reporting for the full lifetime of the receivables.

In Citycon's view, the credit risk pertaining to the Group's receivables is for the material part already included in the carrying amount of the Group's rent and sales receivables as a result of the receivable-specific review of the rent and sales receivables carried out by the Group. However, according to IFRS 9 standard, Citycon Group also takes into account in its reporting the expected credit losses in its receivables base for the full lifetime, which does affect especially the valuation of receivables that are still unmatured.

Citycon will estimate the amount of expected credit losses in its receivables base on the basis of the available historic data pertaining to the Group's accrued credit losses and expectations regarding the development of the economic situation. The expectations regarding the development of the economic situation are primarily based on statistics that provide references to the development of Citycon Group's operations and customers' financial situation.

When it comes to the estimation of expected credit losses, Citycon has applied the simplified method allowed by the standard. Due to the nature of the Group's business, the rent and sales receivables of Citycon Group do not include the significant financial component referred to in the IFRS 15 standard.

## 4.5. Trade and other payables

### Trade and other payables

| MEUR | 2024 | 2023 |
|---|---|---|
| Trade payables | 10.3 | 22.8 |
| Interest liabilities | 34.2 | 16.5 |
| **Financial liabilities total** | **44.6** | **39.3** |
| Short-term advances received | 9.2 | 11.6 |
| VAT-liabilities | 9.3 | 7.1 |
| Accrued expenses and other short-term payables | 23.2 | 20.3 |
| **Non-interest bearing short-term liabilities total** | **41.6** | **39.0** |
| **Total** | **86.2** | **78.3** |

### Due dates of future payments of trade and other payables:

| MEUR | 2024 | 2023 |
|---|---|---|
| Due in less than 1 month | 41.0 | 46.8 |
| Due in 1–3 months | 35.7 | 14.4 |
| Due in 3–6 months | 2.5 | 1.4 |
| Due in 6–12 months | 4.4 | 10.4 |
| Due in 1–2 years | 2.5 | 5.3 |
| **Total** | **86.2** | **78.3** |

**Accounting policy - financial liabilities**
Financial liabilities include trade and interest liabilities, which are initially recognised at fair value. Afterwards, financial liabilities are recognised at amortised cost using the effective interest method.

# 5. Consolidation

**Group accounting policies**
The consolidated financial statements include Citycon Oyj and its subsidiaries, holdings in its associated, joint venture and joint operations companies.

**Subsidiaries**
Subsidiaries refer to companies in which the Group has control. The Group controls an investee if the Group has: power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee), exposure, or rights, to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including contractual agreements with the other vote holders of the investee. The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Subsidiaries are consolidated from the date on which control is transferred to the Group, until the date on which said control ceases.

Intra-Group transactions and profit allocation are eliminated in the consolidated financial statements.

**Joint operations**
Mutual real estate companies in Finland, in which the ownership of Citycon is less than 100%, are treated as joint operations in accordance with IFRS 11 Joint Arrangements. The Group recognizes its assets and liabilities in relation to its joint operations, including its share of any assets held and liabilities incurred jointly. In addition, the Group recognizes its revenue and expenses in relation to its joint operations, including its share of revenue of the joint operation and expenses incurred jointly. The consolidation method described above applies to all joint operations of this kind.

Mutual real estate companies, in which the ownership is less than 50%, are treated as joint operations, as described above.

**Foreign currency transactions**
Transactions denominated in foreign currencies are measured at the exchange rate quoted on the transaction date. Any exchange rate differences resulting from currency translation are entered under financial expenses and income in the statement of comprehensive income.

Monetary assets and liabilities denominated in foreign currencies on the statement of financial position date are measured at the exchange rate quoted on the statement of financial position date. Non-monetary items denominated in foreign currencies and measured at fair value are translated into euros using the exchange rates quoted on the valuation date, while other non-monetary items are measured at the exchange rate quoted on the transaction date.

Foreign subsidiaries' statement of comprehensive income have been translated into euros using average exchange rates quoted for the financial period and statement of financial positions using the exchange rate quoted on the statement of financial position date. Any resulting exchange rate difference is recognised as a translation difference under other comprehensive income. Translation differences resulting from the elimination of the historical cost of foreign subsidiaries and from items included in shareholders' equity following their acquisition, are recognised under shareholders' equity.

## 5.1. Acquisitions and disposals

**Acquisitions**
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 acquisition has been treated as an asset acquisition according to IAS 40 Investment Property, rather than a business acquisition. Judgement is made based on the fact that related asset management activities are already performed by Citycon prior to the acquistion. The acquistion cost and allocation to individual identifiable assets and liabilities are presented in the next tables. Cost allocation is on the basis of their relative fair values at the date of purchase [IFRS 3:2(b)]. Subsequent fair value change of investment property is presented in the net fair value gains/losses on investment property. Translation differences accumulated prior to acquisition have been reclassified through P&L. Deferred tax asset/liability is not recognized with initial recognition of the asset. Net cash outflow (EUR 3.5 million, including the total consideration paid and net cash at acquisition date) is presented in the consolidated cash flow statement on row acquisition of investment properties and subsidiaries, less cash acquired.

In Q4/2024, Citycon completed back-to-back transaction related to upcoming residential property in Barkarbystaden, Stockholm, Sweden. Citycon signed a forward commitment agreement to acquire the property in 2022. Divestment of the asset was executed in December 2024 back-to-back, simultaneously with Citycon's purchase of the asset from the developer. Total consideration paid in cash for the asset acquisition was EUR 59.3 million and it is presented in the consolidated cash flow statement on row acquisition of investment properties and subsidiaries, less cash acquired.

There were no acquisitions during the financial year 2023.

**Kista Galleria acquisition cost and allocation to identifiable assets and liabilities**

### Acquisition cost

| MEUR | |
|---|---|
| Investment in joint venture before the acquisition | 73.8 |
| Consideration paid for the shares | 2.5 |
| Consideration paid for the agreed cash balance | 2.7 |
| Transaction costs | 0.2 |
| **Total** | **79.1** |

### Asset acquisition

| MEUR | |
|---|---|
| Investment property | 284.9 |
| Cash | 1.7 |
| Other assets | 10.9 |
| Liabilities | -218.5 |
| **Total** | **79.1** |
| | |
| Cash flow impact (consideration paid, less cash acquired) | 3.5 |

**Disposals**
In Q2/2024, Citycon completed the transaction to divest Kongssenteret shopping center in Kongsvinger, Norway. In Q3/2024, Citycon divested Trekanten shopping center in Oslo, Norway. In Q4/2024, Citycon divested three properties, a residential property in Stockholm, Sweden, Kristiine keskus shopping center in Tallinn, Estonia and Stopp Tune shopping center in Sarpsborg, Norway.

Norwegian disposals have been booked as sale of subsidiary according to IFRS 10 Consolidated Financial Statements. Total consideration received in cash from the sale of subsidiaries was EUR 100.6 million and it is presented in the consolidated cash flow statement on row sale of investment properties and subsidiaries. A total amount of EUR 32.5 million of vendor notes given to third parties related to Norwegian asset disposals are recognized in other non-current assets.

Sale of Kristiine Keskus in Estonia and sale of the residential property in Sweden have been booked as sale of investment properties according to IAS 40 Investment properties. Total consideration received in cash from the sale of investment properties was EUR 182.0 million and it is presented in the consolidated cash flow statement on sale of investment properties and subsidiaries.

There were no disposals during the financial year 2023, but Citycon booked gain/loss adjustments related to divestments executed in previous years. In December 2024, Citycon received in cash deferred payment of EUR 17.0 million related to Down Town, which was divested in December 2022. This is presented in the consolidated cash flow statement on sale of investment properties and subsidiaries.

### Net gains/losses on sale of investment properties and subsidiaries

| MEUR | 2024 | 2023 |
|---|---|---|
| Investment properties disposed | -389.9 | - |
| Deferred tax liability disposed | 26.7 | - |
| Net of other items related to disposed assets | -2.7 | - |
| Reduction of goodwill allocated to disposed assets | -18.8 | - |
| Translation differences reclassified to income statement | -8.2 | - |
| Transaction costs | -2.3 | - |
| Consideration received | 315.2 | - |
| Adjustments to gains/losses related to sales in previous years | 0.7 | -2.3 |
| **Net gains/losses on sales total** | **-79.3** | **-2.3** |
| | | |
| Deferred payment (vendor notes given) | 32.5 | - |
| | | |
| Cash received from current year disposal | 282.6 | - |
| Cash received from prior years disposals | **17.3** | **-0.4** |
| **Total cash flow impact** | **299.9** | **-0.4** |

**Accounting policy**

**Business and asset acquisitions**
Citycon applies IFRS 3 Business Combinations to business acquisitions, whereby the acquisition cost is allocated to the acquired assets, liabilities and contingent liabilities at their fair value. Goodwill arises when the given consideration exceeds the fair value of the acquired net assets. Deferred tax liability or deferred tax asset is recognized according to IAS 12 when acquisition is business acquistion.

Citycon applies IAS 40 Investment Property to asset acquisitions. According to IAS 40 no deferred tax asset or liability is booked on the initial recognition of the asset.

**Business and asset disposals**
An investment property is reclassified in the financial statement in cases where the investment property is divested. For Citycon, the characteristics of a sale of a business include, for example, the sale of a major line of business or geographical area of operations that also involves the transfer of activities, staff and/or management essential to the business.

In the case of the sale of a business, IFRS 10 Consolidated Financial Statements standard based accounting treatment is applied.

Investment property disposals are usually structured so that Citycon sells the shares of the subsidiary, that owns the property. Hence, disposal is booked according to IFRS 10 Consolidated Financial Statements standard as a sale of subsidiary. If Citycon disposes an investment property, instead of subsidiary, the disposal is accounted according to IAS 40 Investment Property standard.

When investment property is disposed, translation differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale. Accordingly, if impairment of goodwill is booked related to disposal, the impairment is booked as part of gains/losses of investment properties and subsidiaries.

## 5.2. Goodwill

**Accounting policy - goodwill**
Goodwill arises when the given consideration exceeds the fair value of the acquired net assets. Goodwill has been allocated to cash generating units (CGUs). Goodwill is recognised at cost less any accumulated impairment losses.

Deferred tax liabilities are valued at nominal value (not fair value). On the acquisition of business deferred tax liabilities generate goodwill, if the nominal value of deferred tax liabilities is higher than their fair value at the time of acquisition.

To the extent that the deferred tax liabilities' difference between nominal value and fair value reduces later, for example, through a change in the tax circumstances, such as decrease in tax rate of the Group, the goodwill arising from the initial recognition of the deferred tax provision may become reduced.

In order to remove the tax effects where the goodwill arises solely from the recognition of deferred tax, at the point of acquisition, the goodwill is reduced by the deferred tax liability arising from fair value adjustments in a business combination when measuring any impairment. At future impairment testing dates, any remaining deferred tax liability at the impairment testing date that resulted in an increase in goodwill at the acquisition date is reduced from goodwill when determining the carrying value of the CGU.

If part of the CGU, to which goodwill has been allocated, is disposed, goodwill that has been allocated to that disposed part is booked in gains/losses on sale of investment properties and subsidiaries. Goodwill is allocated to the disposed part based on the relative values of the disposed operations and the portion of the retained part.

### A) Business combinations and goodwill

| MEUR | 2024 | 2023 |
|---|---|---|
| **Acquisition cost January 1.1.** | **111.4** | **115.4** |
| Change from exchange rate | -2.8 | -4.1 |
| Reduction in goodwill resulting from sales of assets in Norway | -18.7 | - |
| **Accumulated acquisition cost December 31.12.** | **89.9** | **111.4** |

Goodwill at the end of 2024 results fully from the acquisition of Norwegian business unit on 14.7.2015. The goodwill is allocated to the Norway business unit as a whole. During the financial year 2024 three shopping centres were sold from the business unit. In 2023, no shopping centers were sold from the Norway business unit.

Citycon did not acquire any businesses during financial years 2024 and 2023.

### B) Impairment testing of goodwill

**Accounting policy - impairment testing of goodwill**
Goodwill is tested for impairment at least annually and when circumstances indicate that the carrying value may be impaired. Goodwill is not amortized. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Citycon determines recoverable amounts using value in use cash flows based on cash flows used in investment property fair value evaluation over 10 year period prepared by external appraiser as presented in notes 2.1 and administrative expenses as well as other operating income and expenses according to budget approved by Board of Directors. Cash flows do not include restructuring activities that Citycon is not yet committed to or significant future uncommitted investments that will enhance the assets' performance of the cash generating unit being tested. The recoverable amount is sensitive especially to assumption of discount rate and net rental income.

Impairment testing is performed to the net amount of goodwill, the difference between nominal and fair value of deferred tax liabilities determined at the time of acquisition is reduced from goodwill.

| MEUR | 2024 | 2023 |
|---|---|---|
| Total goodwill | 89.9 | 111.4 |
| Residual balance of deferred tax liability, in excess of the fair value, initially provided on acquisition | -44.7 | -61.5 |
| **Goodwill tested for impairment** | **45.2** | **49.9** |

**Key estimates and assumptions - impairment testing of goodwill**
Testing of goodwill for impairment involves the management's judgement and assumptions especially in determing the recoverable amount, which is sensitive for instance to assumption of discount rate and net rental income.

Total carrying value including goodwill to be tested was approximately EUR 850.5 million (EUR 1,086.4 million). The pre-tax discount rate applied to the cash flow projections was 5.31% (6.18%). The recoverable amount of Norway amounted to EUR 939.6 million (EUR 1,126.4 million) with an impairment cushion of EUR 89.1 million (EUR 40.0 million) to balance value, hence there is no need for goodwill impairment.

**Key assumptions used in value in use calculations**
The calculation of value in use is most sensitive to discount rate and assumptions used in net rental income projections. Net rental income is based on external appraiser's 10 year cash flow analysis to determine fair value of investment properties. The assumption related to aforementioned cash flows are presented in Note 2.1. Discount rate represents the current market assessment of the risks specific to Norway, taking into consideration the time value of money and individual risks of Norway.

The discount rate calculation is based on weighted average cost of capital (WACC). Terminal value is capitalized with external appraiser's yield assumption 6.67% (6.16%) which reflects property specific risks and market risks.

**Sensitivity to changes in assumptions**
The implications of the key assumptions for the recoverable amount are net rental income and yield requirement as presented in Note 2.1. Sensitivity has been analysed regarding net rental income and yield assumptions seperately. Asset's total recoverable amount would fall below total carrying value if net rental income decreased more than 8.52% (3.19%) from current level. If both WACC determined by the company 5.31% (6.18%) and yield assumption determined by external appraiser 6.67% (6.16%) would increase more than 0.61% points (0.20%), then total recoverable amount of asset would fall below total carrying value.

## 5.3. Acquisition of non-controlling interests
Citycon acquired no minority shares during 2024 and on comparable period 2023.

## 5.4. Related party transactions and changes in group structure

### A) Related parties

Citycon Group's related parties comprise the parent company Citycon Oyj and its subsidiaries, associated companies and joint ventures; Board members; CEO and other Corporate Management Committee members; and the company's largest shareholder G City Ltd.

In total, G City and its wholly owned subsidiaries own 49.54% (31 December 2023: 50.91%) of the total shares and votes in the company (91,259,016 shares as of 31 December 2024).

### Group companies and changes in group structure

| Group companies on 31 December 2024 | Country | Group holding, % | Parent company holding, % |
|---|---|---|---|
| Parent company: Citycon Oyj | Finland | | |
| Albertslund Centrum ApS | Denmark | 100 | |
| Kiinteistö Oy Asematie 3 | Finland | 100 | |
| Asunto Oy Espoon Huukkari | Finland | 100 | |
| Asunto Oy Espoon Jolla | Finland | 100 | |
| Asunto Oy Lippulaivan Loiste | Finland | 100 | |
| Asunto Oy Lippulaivan Luoto | Finland | 100 | |
| Asunto Oy Lippulaivan Lysti | Finland | 100 | |
| Big Apple Top Oy | Finland | 100 | |
| Citycon AB | Sweden | 100 | 100 |
| Citycon Denmark ApS | Denmark | 100 | 100 |
| Citycon Development AB | Sweden | 100 | |
| Citycon Finland Oy | Finland | 100 | 100 |
| Citycon Herkules Eiendom AS | Norway | 100 | |
| Citycon Holding AS | Norway | 100 | 100 |
| Citycon Jakobsbergs Centrum AB | Sweden | 100 | |
| Citycon Kilden Eiendom AS | Norway | 100 | |
| Citycon Kolbotn Torg Eiendom AS | Norway | 100 | |
| Citycon Kolbotn Torg Næring AS | Norway | 100 | |
| Citycon Kremmertorget Eiendom AS | Norway | 100 | |
| Citycon Liertoppen Eiendom AS | Norway | 100 | |
| CityconLiljeholmen Bostad AB | Sweden | 100 | |
| Citycon Liljeholmstorget Galleria AB | Sweden | 100 | |
| Citycon Linderud Eiendom AS | Norway | 100 | |
| Citycon Norway AS | Norway | 100 | |
| Citycon Oasen Eiendom AS | Norway | 100 | |
| Citycon Residentials Finland Oy | Finland | 100 | |
| Citycon Residentials Oy | Finland | 100 | 100 |
| Citycon Residentials Norway AS | Norway | 100 | |
| Citycon Senterdrift AS | Norway | 100 | |
| Citycon Shopping Centers AB | Sweden | 100 | |
| Citycon Solsiden Eiendom AS | Norway | 100 | |
| Citycon Storbyen Eiendom AS | Norway | 100 | |
| Citycon Strædet Pedestrian Street ApS | Denmark | 100 | |

| Group companies on 31 December 2024 | Country | Group holding, % | Parent company holding, % |
|---|---|---|---|
| Citycon Treasury B.V. | The Netherlands | 100 | 100 |
| Kauppakeskus Isokarhu Oy | Finland | 100 | |
| Kristiina Management Oy | Finland | 100 | |
| Kristiine Keskus Oü | Estonia | 100 | |
| Kiint. Oy Lahden Hansa | Finland | 100 | |
| Kiinteistö Oy Lippulaiva | Finland | 100 | |
| Kiinteistö Oy Lippulaivan Palvelutilat | Finland | 100 | |
| Manhattan Acquisition Oy | Finland | 100 | |
| Montalbas B.V. | The Netherlands | 100 | |
| Kiinteistö Oy Myyrmanni | Finland | 100 | |
| Mölndals Galleria AB | Sweden | 100 | |
| Mölndals Galleria Fastighets AB | Sweden | 100 | |
| Riddarplatsen Fastigheter HB | Sweden | 100 | |
| Rocca al Mare Kaubanduskeskuse AS | Estonia | 100 | |
| Citycon Stovner Eiendom AS | Norway | 100 | |
| Citycon Torvbyen Eiendom AS | Norway | 100 | |
| Stenungs Torg Fastighets AB | Sweden | 100 | |
| Kiinteistö Oy Tampereen Koskikeskus | Finland | 100 | |
| Torvbyen Drift AS | Norway | 38 | |
| Torvbyen Utvikling AS | Norway | 100 | |
| Åkersberga Centrum AB | Sweden | 100 | |
| Kiinteistö Oy Lahden Trio | Finland | 89,5 | |
| Kiinteistö Oy Myyrmäen Kauppakeskus | Finland | 78,8 | |
| Heikintori Oy | Finland | 100 | |
| Myyrmäen Autopaikoitus Oy | Finland | 62,7 | |
| Lappeenrannan Villimiehen Vitonen Oy | Finland | 50 | |
| Kista Galleria JV AB | Sweden | 100 | |
| Kista Galleria Kommanditbolag | Sweden | 100 | |
| Kista Galleria Holding AB | Sweden | 100 | |
| Kista Galleria LP AB | Sweden | 100 | |
| Klosterfoss Utvikling AS | Norway | 50 | |
| Asunto Oy Tikkurilan Kassatalo | Finland | 39 | |
| Kiinteistö Oy Hansaparkki | Finland | 36 | |
| Liesikujan Autopaikat Oy | Finland | 50,5 | |

| Group companies on 31 December 2024 | Country | Group holding, % | Parent company holding, % |
|---|---|---|---|
| **Branch offices:** | | | |
| Citycon Oyj filial | Sweden | | |
| **Divestments:** | | | |
| Citycon Stopp Eiendom AS | Norway | | |
| Citycon Kongssenteret Eiendom AS | Norway | | |
| Citycon Trekanten Eiendom AS | Norway | | |
| **Acquisition** | | | |
| Kista Galleria JV AB | Sweden | | |
| **Liquidated** | | | |
| Citycon Services AB | Sweden | | |
| Holding Big Apple Housing Oy | Finland | | |
| Citycon Innovation Sweden AB | Sweden | | |
| Sandstranda Bolig AS | Norway | | |
| Citycon Eiendomsmegling AS | Norway | | |

### B) Related party transactions

**Group companies**
Group companies have paid each other fees such as maintenance and financial charges, interest expenses, loan repayments and other administrative service charges.

Such income and expenses have been eliminated from the consolidated financial statements. There have been no other related party transactions between Group companies.

**Management remuneration**
Information on management remuneration is presented in notes 1.6. employee benefits and personnel expenses.

**Transactions with G City Ltd.**
**Purchases of services and expenses charged forward**
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 (EUR 0.0 million).

**Reporting to G City Ltd.**
The company's main shareholder is G City Ltd. In total, G City and its wholly owned subsidiaries own 49.54% of the shares in the company. G City has announced that it has been applying IFRS in its financial reporting starting from 2007. G City Ltd. holds the view that it exercises a controlling interest, as defined in IFRS, in Citycon Oyj based on the fact that it has been able to exercise controlling interest in Citycon's shareholders' meetings pursuant to its shareholding. In accordance with an agreement concluded between the companies, Citycon will provide G City Ltd. with a more detailed breakdown of the accounting information it discloses in its interim and full-year reports, so that G City Ltd. can consolidate Citycon Group figures into its own IFRS financial statements.

## 5.5. Changes in IFRS and accounting policies

**New IFRS standards as well as interpretations and amendments applied in 2024**
Amendments to IAS 1, IFRS 16 and IAS 7 became effective from 1 January 2024. These amendments did not have any material impact to Citycon's consolidated financial statements or disclosures.

IFRS 18 - Presentation and Disclosure in Financial Statements, which replaces IAS 1 standard, will become effective from beginning of January 2027. Citycon is evaluating the impact of IFRS 18 and expects that it will have a material impact on its financial statements and disclosures.

Citycon changed its accounting policy regarding goodwill impairments made related to disposed units from the beginning of 2024. Citycon presents the goodwill write-down related to divestments as part of the net gains/losses on sale of investment properties and subsidiaries row. Previously Citycon presented the goodwill write-downs in other operating income and expenses row.

No other changes in accounting policies during 2024.

**New standards as well as interpretations and amendments applied in 2023**
No relevant new IFRS standards or interpretations issued. No changes in accounting policies during 2023.

## 5.6. Events after the reporting date

In Q1/2025, Citycon received one flagging notification on 29 January 2025 according to which Phoenix Financial Ltd.'s holding of shares in Citycon has increased above five (5) percent.

On 26 February 2025 Citycon announced that Erik Lennhammar, Chief Development Officer and member of the Corporate Management Committee, will depart Citycon to pursue new opportunities. Mr. Lennhammar will step down from the corporate Management Committee but works for the company until 31 May 2025.

# Parent company financial statements, FAS

## Parent company income statement, FAS

| MEUR | Note | 1 January – 31 December 2024 | 1 January – 31 December 2023 |
|---|---|---|---|
| Service charge income | | 6.3 | 5.8 |
| **Turnover** | 2 | **6.3** | **5.8** |
| Administrative expenses | 3,4 | -92.0 | -20.0 |
| Other operating income and expenses | 5 | 0.0 | -0.2 |
| | | | |
| **Operating profit** | | **-85.7** | **-14.3** |
| | | | |
| Financial income | | 153.5 | 183.0 |
| Financial expenses | | -151.4 | -143.3 |
| Net financial income and expenses | 6 | 2.1 | 39.7 |
| | | | |
| **Profit/loss before appropriations and taxes** | | **-83.6** | **25.3** |
| | | | |
| Group contributions | | 12.0 | 6.0 |
| Income tax expense | 7 | -0.1 | 0.0 |
| | | | |
| **Profit/loss for the period** | | **-71.8** | **31.3** |

# Parent company balance sheet, FAS

| MEUR | Note | 31 December 2024 | 31 December 2023 |
|---|---|---|---|
| **ASSETS** | | | |
| | | | |
| Non-current assets | | | |
| Intangible assets | 8 | 8.6 | 9.7 |
| Tangible assets | 9 | 0.2 | 0.3 |
| Investments | | | |
| Shares in subsidiaries | 10 | 1,132.6 | 1,286.3 |
| Loan receivables and derivative contracts | 11 | 958.8 | 1,544.1 |
| Total investments | | 2,091.5 | 2,830.4 |
| **Total non-current assets** | | **2,100.3** | **2,840.4** |
| | | | |
| Current assets | | | |
| Short-term receivables | 13 | 1,366.2 | 586.0 |
| Cash and cash equivalents | | 180.1 | 0.1 |
| **Total current assets** | | **1,546.3** | **586.1** |
| | | | |
| **Total assets** | | **3,646.6** | **3,426.4** |

| MEUR | Note | 31 December 2024 | 31 December 2023 |
|---|---|---|---|
| **LIABILITIES AND SHAREHOLDERS' EQUITY** | | | |
| | | | |
| Shareholders' equity | 14 | | |
| Share capital | | 259.6 | 259.6 |
| Share premium fund | | 133.1 | 133.1 |
| Invested unrestricted equity fund | | 607.1 | 612.8 |
| Retained earnings | | -34.5 | -65.9 |
| Profit for the period | | -71.8 | 31.3 |
| **Total shareholders' equity** | | **893.4** | **970.8** |
| | | | |
| Liabilities | 15 | | |
| | | | |
| Long-term liabilities | | | |
| Hybrid bond | | 595.9 | 607.8 |
| Other long-term liabilities | | 1,852.3 | 1,301.9 |
| **Total long-term liabilities** | | **2,448.2** | **1,909.7** |
| | | | |
| | | | |
| Short-term liabilities | | | |
| Short-term liabilities | | 305.0 | 545.9 |
| **Total short-term liabilities** | | **305.0** | **545.9** |
| | | | |
| **Total liabilities** | | **2,753.2** | **2,455.6** |
| | | | |
| **Total liabilities and shareholders' equity** | | **3,646.6** | **3,426.4** |

# Parent company cash flow statement, FAS

| MEUR | 1 January – 31 December 2024 | 1 January – 31 December 2023 |
|---|---|---|
| **Cash flow from operating activities** | | |
| Profit before taxes | -83.6 | 25.3 |
| Adjustments: | | |
| Depreciation and impairment loss | 70.2 | 2.1 |
| Net financial income and expenses | -2.1 | -39.7 |
| Cash flow before change in working capital | -15.5 | -12.2 |
| Change in working capital | -13.2 | -0.7 |
| **Cash generated from operations** | **-28.7** | **-13.0** |
| | | |
| Interest expense and other financial expenses paid | -101.8 | -85.8 |
| Interest income and other financial income received | 122.1 | 105.4 |
| Realised exchange rate gains and losses | 7.5 | 9.4 |
| **Net cash flow from operating activities** | **-0.8** | **16.0** |
| | | |
| **Cash flow used in investing activities** | | |
| Investment in tangible and intangible assets | -1.0 | -2.0 |
| Loans granted[1] | -636.7 | -156.3 |
| Repayments of loans receivable[1] | 411.3 | 92.1 |
| Received equity return from subsidiaries | 85.6 | - |
| **Net cash from investing activities**[1] | **-140.8** | **-66.2** |
| | | |
| **Cash flow from financing activities** | | |
| Proceeds from share issue | 48.2 | - |
| Proceeds from short-term loans[1] | 254.5 | 365.6 |
| Repayments of short-term loans[1] | -290.7 | -366.3 |
| Proceeds from long-term loans | 646.2 | 317.5 |
| Repayments of long-term loans[1] | -391.4 | -258.6 |
| Proceeds from hybrid bond | 265.7 | - |
| Repayments of hybrid bond | -265.7 | -39.2 |
| Received group contributions | 6.0 | 0.8 |
| Dividends paid and return from the invested unrestricted equity fund | -55.2 | -84.4 |
| **Net cash used in financing activities**[1] | **217.5** | **-64.5** |
| | | |
| **Net change in cash and cash equivalents** | **75.9** | **-114.6** |
| Cash and cash equivalents at period-start | -120.6 | -6.0 |
| **Cash and cash equivalents at period-end**[2] | **-44.8** | **-120.6** |

[1] The presentation of the cash flow statement has been changed. Intra-group loans are now presented under financing activities instead of investing activities. The comparative figures for 2023 have been changed accordingly.

[2] Cash and cash equivalents of Citycon Oyj EUR -44.8 million consist of EUR 180.1 million cash and bank receivables in the balance sheet and Group cash pool account EUR -224.9 million. Cash pool balance of EUR -224.9 million has been recognised in the parent company's balance sheet under short-term liabilities.

# Notes to the parent company's financial statements, FAS

## 1. Accounting policies

The parent company's financial statements are prepared in accordance with the Finnish law.

**Income statement format**
The income statement is presented in accordance with the function-based format.

**Non-current assets**
Non-current assets are recognised in the balance sheet at acquisition cost less impairment losses and depreciation/amortisation.

**Intangible assets**
Intangible assets include IT software and other non-current assets, including office improvement expenses. IT software is depreciated over 3–10 years as straight line basis and office improvement expenses are depreciated over the term of the lease agreement.

**Tangible assets**
Tangible assets include machinery and equipment and construction in progress. Machinery and equipment is depreciated at over 3–7 years as straight line basis.

**Pension schemes**
The company's employee pension cover is based on statutory pension insurance.

**Foreign currency receivables and payables**
Receivables and payables denominated in foreign currencies as well as forward rate agreements are measured at the exchange rate quoted on the balance sheet date. Any exchange rate differences resulting from currency translations are recognised as exchange rate differences in the income statement.

**Income taxes**
Current taxes are recognised on an accrual basis.

Deferred taxes arising from temporary differences between the book and fiscal values have been recognised separately in the income statement and the balance sheet.

**Derivatives**
All derivatives are valued according to the Finnish bookkeeping act KPL 5.2a at fair value.

**Important note**
Individual figures and sum totals presented in the financial statements have been rounded to the nearest hundreds thousands of euros; this may cause minor discrepancies between the sum totals and the sums of individual figures as given.

## 2. Turnover

| MEUR | 2024 | 2023 |
|---|---|---|
| **Turnover by country:** | | |
| Finland | 1.7 | 2.1 |
| Other countries | 4.6 | 3.7 |
| **Total** | **6.3** | **5.8** |

**Parent company turnover includes the following administrative fees received from Group companies:**

| MEUR | 2024 | 2023 |
|---|---|---|
| Administrative fees from Group companies | 6.3 | 5.8 |

## 3. Personnel expenses

| MEUR | 2024 | 2023 |
|---|---|---|
| Average number of employees during period | 39 | 51 |
| Personnel expenses | | |
| Wages and salaries | -9.8 | -9.7 |
| Pension charges | -1.4 | -1.3 |
| Other social charges | -1.5 | -2.0 |
| **Total** | **-12.7** | **-12.9** |

The items presented above include previous CEO's statutory pension payments, EUR 0.0 million in 2024(0.0).

**Personnel expenses include the following management wages and salaries:**

| MEUR | 2024 | 2023 |
|---|---|---|
| CEO's wages and salaries | -0.9 | -1.3 |
| Board remuneration | -1.1 | -0.6 |
| **Total** | **-2.0** | **-2.0** |

The wages and salaries of the CEO includes the gross base salary and a yearly performance bonus. In addition, the CEO is included in the Restricted Share Plan and has been rewarded under the plan during the year 1.2 million (2023 EUR 1.5 million).

F. Scott Ball served as the company's CEO until March 31, 2024, and as the interim CEO starting October 8, 2024. Henrica Ginström served as the company's CEO from April 1 to October 8, 2024.

## 4. Depreciation and amortisation and impairments

**The following depreciation and amortisation as well as impairments are included in the administrative expenses:**

| MEUR | 2024 | 2023 |
|---|---|---|
| Amortisation on intangible assets | -2.0 | -1.9 |
| Impairments of shares | -68.1 | - |
| Depreciation on machinery and equipment | -0.1 | -0.2 |
| **Total** | **-70.2** | **-2.1** |

## 5. Other operating income and expenses

| MEUR | 2024 | 2023 |
|---|---|---|
| Other operating income | 0.0 | -0.2 |
| **Total** | **0.0** | **-0.2** |

## 6. Net financial income and expenses

| MEUR | 2024 | 2023 |
|---|---|---|
| **Interest and other financial income** | | |
| From Group companies | 117.2 | 113.8 |
| Foreign exchange gains | 16.7 | 41.3 |
| Other interest and financial income | 19.6 | 27.8 |
| **Total** | **153.5** | **183.0** |
| | | |
| **Total financial income** | **153.5** | **183.0** |
| | | |
| **Interest and other financial expenses** | | |
| To Group companies | 52.7 | 41.2 |
| Foreign exchange losses | 28.8 | 53.3 |
| Interest and other financial expenses | 69.9 | 48.8 |
| **Total financial expenses** | **151.4** | **143.3** |
| | | |
| **Net financial income and expenses** | **2.1** | **39.7** |

## 7. Income tax expense

| MEUR | 2024 | 2023 |
|---|---|---|
| Income tax expense | -0.1 | 0.0 |
| **Total** | **-0.1** | **0.0** |

Income taxes for the financial year consist of the income tax of the Swedish branch of Citycon Oyj.

The parent company has taxable losses (including not yet confirmed year 2024) of EUR 98.2 million from which the parent company has not recognized deferred tax asset of EUR 19.6 million.

## 8. Intangible assets

| MEUR | 2024 | 2023 |
|---|---|---|
| **Intangible rights** | | |
| Acquisition cost 1 January | 20.9 | 18.9 |
| Additions during the period | 0.9 | 2.0 |
| Accumulated acquisition costs 31 December | 21.9 | 20.9 |
| | | |
| Accumulated depreciation 1 January | -11.7 | -10.0 |
| Depreciation for the period | -1.9 | -1.8 |
| Accumulated depreciation 31 December | -13.6 | -11.7 |
| | | |
| **Net carrying amount 31 December** | **8.2** | **9.2** |
| | | |
| **Other non-current assets** | | |
| Acquisition cost 1 January | 2.7 | 2.7 |
| Additions during the period | 0.0 | 0.0 |
| Accumulated acquisition costs 31 December | 2.7 | 2.7 |
| | | |
| Accumulated depreciation 1 January | -2.1 | -2.0 |
| Depreciation for the period | -0.2 | -0.2 |
| Accumulated depreciation 31 December | -2.3 | -2.1 |
| | | |
| **Net carrying amount 31 December** | **0.4** | **0.6** |
| | | |
| **Total intangible assets 31 December** | **8.6** | **9.7** |

## 9. Tangible assets

| MEUR | 2024 | 2023 |
|---|---|---|
| **Machinery and equipment** | | |
| Acquisition cost 1 January | 2.4 | 2.3 |
| Additions during the period | 0.1 | 0.0 |
| Accumulated acquisition costs 31 December | 2.4 | 2.4 |
| | | |
| Accumulated depreciation 1 January | -2.2 | -2.0 |
| Depreciation for the period | -0.1 | -0.2 |
| Accumulated depreciation 31 December | -2.3 | -2.2 |
| | | |
| **Net carrying amount 31 December** | **0.2** | **0.3** |
| | | |
| **Total tangible assets 31 December** | **0.2** | **0.3** |

## 10. Shares in subsidiaries

| MEUR | 2024 | 2023 |
|---|---|---|
| Acquisition cost 1 January | 1,286.3 | 1,275.0 |
| Additions during the period | - | 11.2 |
| Decreases | -85.6 | - |
| Impairments | -68.1 | - |
| **Net carrying amount 31 December** | **1,132.6** | **1,286.3** |

## 11. Long-term loan receivables and derivative contracts

| MEUR | 2024 | 2023 |
|---|---|---|
| Loan receivables from Group companies | 932.0 | 1,506.9 |
| | | |
| Derivative financial instruments, from outside the Group | 26.8 | 37.2 |
| | | |
| **Total other investments 31 December** | **958.8** | **1,544.1** |
| | | |
| **Total investments 31 December** | **2,091.5** | **2,830.4** |

## 12. Subsidiaries and associated companies

Parent company's subsidiaries and associated companies are presented in the Note 5.4. Related Party Transactions in the Notes to the Consolidated Financial Statements.

## 13. Short-term receivables and cash and cash equivalents

| MEUR | 2024 | 2023 |
|---|---|---|
| **Receivables from outside the Group** | | |
| Trade receivables | 0.1 | 0.1 |
| Derivative financial instruments | 6.5 | 0.1 |
| Other receivables | 0.0 | 0.0 |
| Interest receivables | 7.4 | - |
| Cash and cash equivalents | 180.1 | 0.1 |
| Accrued income and prepaid expenses | 2.6 | 4.8 |
| **Total** | **196.7** | **5.1** |
| | | |
| **Receivables from Group companies** | | |
| Trade receivables | 0.4 | 0.6 |
| Loan receivables | 1,323.2 | 555.1 |
| Other receivables | 1.4 | 1.5 |
| Total other receivables | 1,324.6 | 556.6 |
| Interest receivables | 12.7 | 17.7 |
| Group contributions receivables | 12.0 | 6.0 |
| **Total** | **1,349.6** | **580.9** |
| | | |
| **Total short-term receivables** | **1,546.3** | **586.1** |

## 14. Shareholders' equity

| MEUR | 2024 | 2023 |
|---|---|---|
| **Share capital at 1 January** | **259.6** | **259.6** |
| **Share capital at 31 December** | **259.6** | **259.6** |
| | | |
| **Share premium fund at 1 January** | **133.1** | **133.1** |
| **Share premium fund at 31 December** | **133.1** | **133.1** |
| | | |
| **Invested unrestricted equity fund at 1 January** | **612.8** | **676.0** |
| Equity return from the invested unrestricted equity fund | -55.2 | -84.4 |
| Share issue | 49.6 | 21.1 |
| **Invested unrestricted equity fund at 31 December** | **607.1** | **612.8** |
| | | |
| **Retained earnings at 1 January** | **-34.5** | **-65.9** |
| Profit for the period | -71.8 | 31.3 |
| **Retained earnings at 31 December** | **-106.3** | **-34.5** |
| | | |
| **Total shareholders' equity at 31 December** | **893.4** | **970.8** |

The company has a single series of shares, with each share entitling to one vote at a General Meeting of shareholders. During the reporting period, Citycon completed one directed share issue to Finnish and international institutional and other qualified investors and in total three directed share issues for the payment of the company's share-based incentive plans and remuneration to the Board of Directors. At the end of reporting period, the total number of shares outstanding in the company was 184,231,295.

### Calculation of distributable unrestricted equity

| MEUR | 2024 | 2023 |
|---|---|---|
| Invested unrestricted equity fund | 607.1 | 612.8 |
| Retained earnings | -34.5 | -65.9 |
| Profit for the period | -71.8 | 31.3 |
| **Total distributable unrestricted equity 31 December** | **500.8** | **578.2** |

## 15. Liabilities

### A) Long-term liabilities

| MEUR | 2024 | 2023 |
|---|---|---|
| **Long-term interest-bearing liabilities** | | |
| Loans from financial institutions | 247.4 | 247.3 |
| Hybrid bond | 595.9 | 607.8 |
| Loans from Group companies | 1,592.2 | 1,031.9 |
| **Total** | **2,435.5** | **1,887.1** |
| Derivative financial instruments | 12.7 | 22.6 |
| **Total long-term liabilities** | **2,448.2** | **1,909.7** |
| | | |
| **Loans maturing later than 5 years** | **350.0** | **-** |

### B) Short-term liabilities

| MEUR | 2024 | 2023 |
|---|---|---|
| **Short-term interest-bearing liabilities** | | |
| Commercial paper | 9.9 | 46.5 |
| Loans from Group companies | 234.6 | 437.2 |
| **Total** | **244.6** | **483.6** |
| | | |
| **Short-term non-interest-bearing liabilities** | | |
| **Payables to outside the Group** | | |
| Accounts payable | 1.3 | 1.2 |
| Derivative financial instruments | 2.7 | 5.2 |
| Total other payables | 2.7 | 5.2 |
| Interest liability | 15.7 | 15.4 |
| Other accrued expenses and deferred income | 7.2 | 7.2 |
| Total accrued expenses and deferred income | 22.9 | 22.6 |
| **Total** | **26.9** | **29.0** |
| | | |
| **Payables to Group companies** | | |
| Accounts payable | 0.5 | 0.5 |
| Other payables | 0.8 | 16.0 |
| Interest liability | 32.3 | 16.8 |
| Total accrued expenses and deferred income | 32.3 | 16.8 |
| **Total** | **33.6** | **33.3** |
| | | |
| **Total short-term liabilities** | **305.0** | **545.9** |
| | | |
| **Total liabilities** | **2,753.2** | **2,455.6** |

The company has a syndicated revolving credit facility, which matures in 2027. In addition, the company has three hybrid bonds issued in November 2019, June 2021 and June 2024, which are reported under long term liabilities. The hybrid bond is unsecured, subordinated to all debt and senior only to ordinary share capital. A holder of hybrid bond notes has no shareholder rights. Citycon has the right to postpone interest payment on its hybrid bonds if it does not distribute dividend or any other equity to its shareholders. The hybrids has no set maturity date, but the company has the right to redeem it after five years from the issue date and thereafter on every yearly interest payment date.

Derivative financial instruments are used in Citycon group in accordance with the Treasury Policy to hedge the interest rate risk of interest bearing liabilities and foreign currency risk. All Group external derivative financial instruments in Citycon are executed by the parent company Citycon Oyj. Citycon Oyj values derivatives according to the Finnish bookkeeping act KPL 5.2a fair value model and fair value changes are booked through profit and loss. The fair value definition of derivatives are presented in note 3.6 of the consolidated Financial Statements.

## 16. Contingent liabilities

### A) Lease liabilities

| MEUR | 2024 | 2023 |
|---|---|---|
| Payables on lease commitments | | |
| Maturing next financial year | 0.5 | 0.4 |
| Maturing later | 0.7 | 1.3 |
| **Total** | **1.1** | **1.7** |

Citycon's finance leases mainly apply to computer hardware, machinery and equipment and cars.

### B) Guarantees given

| MEUR | 2024 | 2023 |
|---|---|---|
| Guarantees | 1,832.3 | 1,518.8 |
| Of which on behalf of Group companies | 1,832.3 | 1,518.8 |

Guarantees in 2024 and in 2023 mainly relate to issued bonds of subsidiaries which Citycon Oyj has guaranteed via parent guarantee or alternatively other parent company guarantees.

# Signatures to the report by the Board of Directors and Financial Statements

Signatures to the Report by the Board of Directors and Financial Statements 1 January–31 December 2024

The financial statements, prepared in accordance with applicable accounting regulations, give a true and fair view of the assets, liabilities, financial position, and profit or loss of both the company and the group of companies included in its consolidated financial statements.

The report of the Board of Directors contains a fair review of the development and performance of the business operations of both the company and the group of companies included in its consolidated financial statements, as well as a description of the most significant risks and uncertainties and other aspects of the company's condition.

Helsinki, 26 February 2025

**Chaim Katzman**
Chairman

**Alexandre Koifman**
Deputy Chairman of the Board

**Judah Angster**
Member

**Zvi Gordon**
Member

**Adi Jemini**
Member

**David Lukes**
Member

**Per-Anders Ovin**
Member

**Ljudmila Popova**
Member

**Eero Sihvonen**
Member

**F. Scott Ball**
Interim CEO, deputy Chairman of the Board

We have today submitted the report on the conducted audit.

Helsinki, 26 February 2025

Deloitte Oy
Authorized Public Accountant Firm

**Anu Servo**
Authorized Public Accountant

# Auditor’s report

(Translation of the Finnish original)

## To the Annual General Meeting of Citycon Oyj

### Report on the Audit of the Financial Statements

**Opinion**

We have audited the financial statements of Citycon Oyj (business identity code 0699505-3) for the year ended 31 December, 2024. The financial statements comprise the consolidated income statement, statement of comprehensive income, balance sheet, statement of changes in equity, statement of cash flows and notes, including material accounting policy information, as well as the parent company’s balance sheet, income statement, statement of cash flows and notes.

**In our opinion**

- the consolidated financial statements give a true and fair view of the group’s financial position, financial performance and cash flows in accordance with IFRS Accounting Standards as adopted by the EU.
- the financial statements give a true and fair view of the parent company’s financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report submitted to the Audit and Governance Committee.

**Basis for Opinion**

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

In our best knowledge and understanding, the non-audit services that we have provided to the parent company and group companies are in compliance with laws and regulations applicable in Finland regarding these services, and we have not provided any prohibited non-audit services referred to in Article 5(1) of regulation (EU) 537/2014. The non-audit services that we have provided have been disclosed in note 1.5 to the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have also addressed the risk of management override of internal controls. This includes consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud.

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| **Valuation of investment property**<br>*Refer to Note 2.1 in the consolidated financial statements.*<br><br>The value of investment properties in the consolidated financial statements 31.12.2024 is 3.627,8 million euros (3.858,2 million euros).<br><br>Investment properties are properties in accordance with the IAS 40 standard, which are measured at fair value as referred to in IFRS 13.<br><br>The key factors of the fair value of investment properties are the yield requirement, market rents, vacancy rate and operating expenses.<br><br>The valuation of investment property has been considered as a key audit matter of consolidated financial statements because the determination of the fair value of investment properties requires management judgement and estimates.<br><br>This matter is a significant risk of material misstatement referred to in EU Regulation No 537/2014, point (c) of Article 10(2). | In our audit, we have evaluated and challenged the principles and methods applied in determining fair values.<br><br>Among other things, we have carried out the following audit activities:<br>• assessing the appropriateness of valuation methods and the reasonableness of the assumptions used by management.<br>• testing the mathematical accuracy of the valuation method used by the company.<br>• comparison of the valuation of investment properties by region with external market information sources.<br>• assessment of the accuracy of the valuation calculation parameters.<br>• ensuring the competence and objectivity of an external evaluator used by management.<br><br>We have assessed the appropriateness of presentation in the consolidated financial statements. |
| **Goodwill valuation**<br>*Refer to Note 5.2 in the consolidated financial statements.*<br><br>Goodwill in the consolidated balance sheet is 89,9 million euros (EUR 111,4 million euros). All goodwill has been allocated to the Norwegian business unit.<br><br>Management assesses the need for impairment of goodwill annually.<br><br>The present value of the recoverable amount of a cash-generating unit is based on calculations in use. Recoverable amount is particularly affected by assumptions about the discount rate and net rental income.<br><br>Goodwill has been considered as a key audit matter of the consolidated financial statements, as impairment testing involves significant management judgement and assumptions, especially in determining recoverable amounts. | In our audit, we have evaluated impairment testing models prepared by the management and approved by the Board of Directors and evaluated impairment testing controls.<br><br>We have discussed with management of the bases used in the forecasts and evaluated significant assumptions used by management:<br>• We have compared growth and profitability assumptions with historical development.<br>• We have compared the input data and estimates used in the calculations with the budgets approved by the Board of Directors.<br>• In assessing the accuracy of discount rates, we have compared the input data used to determine the discount rate with external sources and mirrored the change in interest rates to the previous year, assessing its accuracy.<br>• We have tested the mathematical accuracy of the impairment test calculation.<br><br>We have also assessed the appropriateness of the notes on impairment testing. |
| We have no key audit matters to report with respect to our audit of the parent company financial statements. There are no significant risks of material misstatement referred to in EU regulation No 537/241, point (c) of Article 10(2) relating to the parent company's financial statements. | |

**Responsibilities of the Board of Directors and the Managing Director for the Financial Statements**
The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

**Auditor's Responsibilities for the Audit of Financial Statements**
Our objectives are to obtain reasonable assurance on whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements

or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Other Reporting Requirements

**Information on our audit engagement**
We were first appointed as auditors by the Annual General Meeting on 19.3.2024, and our appointment represents a total period of uninterrupted engagement of 1 year.

**Other Information**
The Board of Directors and the Managing Director are responsible for the other information The other information comprises the report of the Board of Directors and the information included in the Annual Report but does not include the financial statements and our auditor's report thereon. We have obtained the report of the Board of Directors prior to the date of this auditor's report, and the Annual Report is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in compliance with the applicable provisions.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in compliance with the applicable provisions.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Helsinki, 26th of February 2025

Deloitte Oy
Audit Firm

**Anu Servo**
Authorised Public Accountant (APA)

# Citycon

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