

TREKANTEN

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GREEN FINANCING ALLOCATION OF PROCEEDS AND IMPACT REPORT 2021

CITYCON GREEN FINANCING ALLOCATION OF PROCEEDS AND IMPACT REPORT 2021

In 2021 Citycon continued issuing debt under its Green Financing Framework that was launched in 2019. The framework is based on Citycon's sustainability strategy and aims to support the sustainability targets of the company. It integrates the company's sustainability targets with its financing activities and it is aligned with the ICMA Green Bond Principles and Green Loan Principles. The Framework has been reviewed by the Centre for International Climate Research (CICERO) and has received an overall rating of Medium Green in Cicero's "Shades of Green" methodology.

As at December 31, 2021, EUR 3.3 billion of Citycon's approximately EUR 4.5 billion property portfolio was eligible for green (re)financing. Citycon had outstanding debt amounting to EUR 1.1 billion issued in accordance with its Green Financing Framework, leaving over EUR 2.1 billion of eligible assets available for green (re)financing. The amount of green debt consists of two green hybrid bonds issued in November 2019 and June 2021, totalling EUR 700 million, along with a green floating rate 800 million NOK bond issued in November 2020 and a fixed rate EUR 350 million green Eurobond issued in March 2021.

Citycon is also following the development of the EU Green Taxonomy and is reviewing the alignment of its Green Financing Framework with the European Commission's Technical Expert Group final report on

EU Taxonomy and the technical annex to the report published in March 2020. Citycon's sustainability and finance teams also 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 EU's Taxonomy Regulation Delegated Act. Based on this classification 97% of Citycon's total turnover, 99% of capital expenditure and 67% of operational expenditure is derived from Taxonomy-eligible activities.

Criteria for Green Financing

Under the Green Financing Framework, Citycon can issue Green Bonds, Green Commercial Papers, Green Loans, Green Hybrid Bonds or Green Private placements. Proceeds issued under the framework can be used to finance or re-finance eligible green assets in four categories: Green buildings, Energy efficiency, Renewable energy and Waste management. All Green Financing instruments are managed at a portfolio level and Citycon ensures that the total amount of Eligible Green Assets exceeds the amount of outstanding Green Financing instruments. The specific criteria for assets to be eligible for green financing are set out in the Green Financing Framework, available on the company's website: https://www.citycon.com/sites/default/files/documents/citycon_green_financing_framework.pdf

Approved Eligible Assets Amount Green Financing

	kEUR
New Construction, investments made ¹⁾	342,708
Existing Buildings	2,923,158
- of which previously New Construction or Major Renovation	-
Energy efficiency, Energy retrofits	11,100
Energy efficiency, Activities enabling clean transport	80
Renewable Energy	1,365
Total approved Eligible Green Assets	3,278,411
Green Hybrid Bonds	700,000
Green Bonds	430,090
Outstanding green financing, nominal amount total	1,130,090
Remaining approved Eligible Green Assets	2,148,322

¹⁾ The investment amount included as Eligible Green Assets under the Green Financing Framework excludes certain investments in the overall Lippulaiva project that are not considered part of the EU Nearly Zero-Energy Building

Green Buildings, New Construction

Property	Location	Certification, LEED	Renewable energy source	Green Criteria
Lippulaiva	Finland	Gold ¹⁾	Geothermal, solar	EU Nearly Zero-Energy Building

¹⁾ Expected certification when project completed

Green Buildings, Existing Buildings

Property	Location	Certification, BREEAM In-use ¹⁾	Certification, LEED Construction or BREEAM Construction ¹⁾	Energy Performance, kWh/m ² ²⁾	CO ₂ Emissions, kg/m ²	Renewable energy produced, MWh	Renewable energy source
Iso Omena	Finland	Excellent	LEED Platinum	134.60	12.5	323	Solar energy
IsoKristiina ³⁾	Finland	Very Good	LEED Gold	89.10	7.2	130	Solar energy
Myrmani	Finland	Very Good		113.30	11.2	112	Solar energy
Rocca al Mare	Estonia	Very Good	LEED Silver	119.90	13.3	0	
Buskerud	Norway	Very Good		57.70	0.2	0	
DownTown	Norway	Very Good		98.70	0.3	731	Solar energy
Herkules	Norway	Very Good		36.50	0.1	0	
Kilden	Norway	Excellent		79.30	0.2	0	
Kolbotn Torg	Norway	Excellent		104.80	1.1	0	
Kongssenteret	Norway	Very Good		76.10	0.9	0	
Kremmertorget	Norway	Very Good		64.80	0.5	0	
Lier toppen	Norway	Very Good		88.00	0.2	0	
Linderud	Norway	Very Good		105.70	1.8	0	
Oasen	Norway	Very Good		73.50	0.1	0	
Sjøsiden	Norway	Excellent		49.50	0.1	0	
Stopp Tune	Norway	Very Good		50.00	0.1	0	
Storbyen	Norway	Very Good		52.80	0.2	0	
Torvbyen	Norway	Very Good		59.70	0.5	0	
Liljeholmstorget Galleria	Sweden	Excellent	LEED Platinum	105.90	3.3	0	
Mölnåls Galleria	Sweden	N/A	BREEAM Very Good	64.00	1.8	0	
Kista Galleria	Sweden	Very Good		106.10	3.3	109	Solar energy

¹⁾ Minimum requirement for green asset is BREEAM Very Good or LEED Gold according to Citycon's Green Financing Framework.

²⁾ Maximum limit for green asset is 135kWh/m² according to Citycon's Green Financing Framework.

³⁾ For joint ventures Citycon only includes assets equal to, or less than, the total funding provided by Citycon in accordance with Citycon's Green Financing Framework.

Energy efficiency, Activities enabling clean transportation

Property	Location	Renewable energy source
Iso Omena	Finland	Charging stations for electric cars
IsoKristiina	Finland	Charging stations for electric cars

Energy efficiency, Energy retrofits

Property	Location	Renewable energy source
Kristiine	Estonia	Energy retrofits
Iso Omena	Finland	Energy retrofits
Oasen	Norway	Energy retrofits
Trio	Finland	Energy retrofits

Renewable energy

Property	Location	Renewable energy source
Down Town	Norway	Solar PV power plant with snow melting functionality

Citycon sustainability at a glance

At Citycon, we believe that operating sustainably is a key cornerstone in creating long-term value. We will continuously look for opportunities to improve our environmental performance by reducing greenhouse gas emissions, energy use and waste in all our operations. Citycon aims to become carbon neutral by 2030 and to environmentally certify all its shopping centres by the end of 2022. By the end of 2021, 93% of the company's total property portfolio, measured by fair value, was BREEAM In-Use Certified. All new development projects will be environmentally certified.

The following figures describe the Citycon's environmental performance as of December 31, 2021:

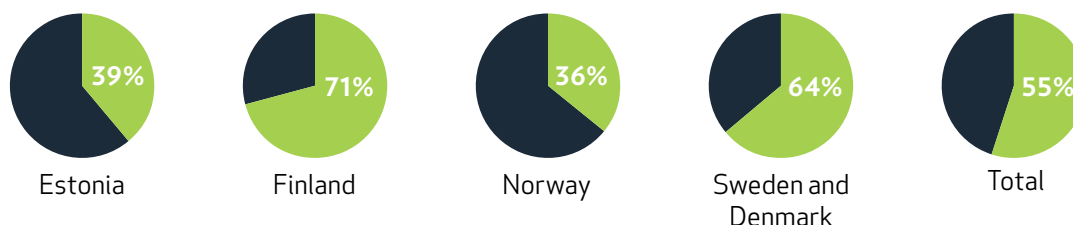
Energy Efficiency and Carbon footprint:

Energy intensity (KWh/sq.m): +6.4% since 2020, -10% since 2014.	Greenhouse gas intensity (Kg CO₂e/sq.m): -47% since 2020, -86% since 2014.	Greenhouse gas emissions (tCO₂e): -25% since 2020, -86% since 2014.	Share of renewable electricity used for own consumption: 100%
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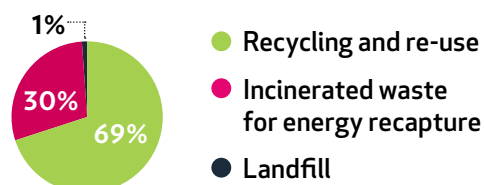
Accessibility by low-carbon transportation:

Connectivity to public transport: 100% of shopping centres	Charging points for electric cars: 438	Number of dedicated bicycle parking spaces: 3,246
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Share of visitors arriving by public transport, foot or bicycle:



Waste recycling:



Water management:

Water intensity (l/visitor): 4.9
Like-for-like total water consumption: -6.8% since 2020



Largest Geothermal heating and cooling energy plant in Europe has been taken into use beneath Lippulaiva

Lippulaiva (open 3/2022):

Location: Espoo, Finland

Area: 63,700 m² shopping centre, ~50,000 m² residential

Certification(s): LEED Gold

Carbon free energy production: The largest Geothermal heating and cooling energy plant in Europe has been taken into use beneath the Urban Hub of Lippulaiva. The geothermal facility will cover up to 95% of heating and 100% of cooling needs of the Urban Hub. Geoenergy will also be used for residential units. Approx. 2,400 m² of solar panels with expected annual output of 540 MWh. Lippulaiva will also have a 1.5 MWh sized battery storage, which will participate in Fingrid's demand response market and act as a balancing resource of the market.

Public transport: Metro station and bus terminal will be integrated into the shopping centre.

Additional environmental measures: 3,500 m² green roofs



The unique project will have a substantial impact on energy savings for Iso Omena

Iso Omena:

Location: Espoo, Finland

Area: 271,195 m²

Certification(s): BREEAM In-Use Excellent, LEED Platinum

Renewable Energy production: Rooftop solar plant with annual production 323 MWh (2021). Iso Omena has started an extensive retrofit energy project worth over EUR 6 million to update part of the heating system of the shopping centre Iso Omena. The redevelopment project is being carried out over a four-year period and will result in estimated annual energy savings of 2,500 MWh.

Public Transport: Metro, bus terminal and city bicycle stop.

Additional environmental measures: Honeybees on the rooftop to enhance biodiversity at the surroundings.



Providing charging points for electric vehicles supports people to use more environmentally friendly modes of transport

Several assets:

Location: Around our operating countries

Renewable Energy production: A total of 80% of our assets offer charging points for electric vehicles. The total amount of charging points increased 9% from 2020 reaching a total of more than 430 charging points.

Additional environmental measures: 100% of used electricity is green.

INDEPENDENT ACCOUNTANT'S ASSURANCE REPORT

To the Management of Citycon Oyj

Scope

We have been engaged by Citycon Oyj (hereafter Citycon) to perform a 'limited assurance engagement,' as defined by International Standards on Assurance Engagements, hereafter referred to as the engagement, to report on information presented in Citycon Oyj's Green Financing Allocation of Proceeds and Impact Report 2021 (the "Subject Matter") for the period 1.1.-31.12.2021.

Criteria applied by Citycon

In preparing the information in the Allocation of Proceeds and Impact Report 2021, Citycon applied Citycon's Green Financing framework and Citycon's own internal reporting principles (Criteria). As a result, the subject matter information may not be suitable for another purpose.

Citycon's responsibilities

Citycon's management is responsible for selecting the Criteria, and for presenting the information in Green Financing Allocation of Proceeds and Impact Report 2021 in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

Ernst & Young's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000'), and the terms of reference for this engagement as agreed with Citycon on 26.1.2022. Those standards require that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our Independence and Quality Control

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and have the required competencies and experience to conduct this assurance engagement.

Ernst & Young also applies International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited

level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the information in Green Financing Allocation of Proceeds and Impact Report 2021 and related information and applying analytical and other appropriate procedures.

Our procedures included:

- a) Interviews with Citycon's management to update our understanding the process of the Allocation of Proceeds
- b) Obtained the listing of eligible assets for the Allocation of Proceeds and confirmed the consistency within the The Green Financing framework:
 - a) New constructions:
 - i Qualify as: BREEAM Very Good" or "LEED Gold"
 - ii Energy consumption at least 15% lower than that required by the respective National Building Requirements for new buildings
 - b) Construction projects:
 - i Qualify as: "Nearly zero-energy buildings"
 - c) Existing buildings:
 - i Qualify as: "BREEAM-in-Use very Good" or "LEED Gold"
 - ii Energy consumption per gross area that is below 135 kWh/m²/year
 - d) New and existing buildings:
 - i Energy Performance Certificate (EPC) class A
 - e) The energy efficiency improvements conducted for existing buildings must result in an energy consumption per gross area that is below 125 kWh/m²/year or reducing the energy consumption by at least 20% compared to the current level
- c) Obtained evidence that the green 350 mEUR bond issued in March 2021 has been withdrawn in addition to withdrawn 350 mEUR hybrid bond in June 2021.
- d) Inspected minutes of the steering committee meetings.

We also performed such other procedures as we considered necessary in the circumstances.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the information in Citycon Green Financing Allocation of Proceeds and Impact Report 2021 for the period 1.1-31.12.2021, in order for it to be in accordance with the Criteria.

Helsinki, 21 March 2022

Ernst & Young Oy
Authorized Public Accountant Firm

Antti Suominen
Authorized Public Accountant