

AUDIOCAST PRESENTATION Q2/2020

Vi älskar mat

Öppet
7-22

ICA Kvantum Liljeholmen

Vi älskar mat

 CITYCON



Q2/2020: CITYCON'S STRATEGY VALIDATED IN THE FACE OF THE PANDEMIC

Short-term effects of COVID-19 impacted Q2 results, yet Citycon's assets demonstrate resilience and defensive nature of assets

- NRI was 50.2 million euros compared to 53.8 million euros for the comparable quarter, using the same currency exchange rates
- Like for-like NRI for Q2 with comparable exchange rates decreased by 4.1% as a result of COVID-19 pandemic.
- The decline was substantially driven by COVID-19 and the negative impact on footfall and tenant sales during the period, leading to lower income from turnover-based rents, specialty leasing income and parking fees
- Subsequent strengthening in footfall and tenant sales are a positive forward-looking indicator for the above-mentioned income
- Citycon's resilient properties and tenant mix positively affected the outcome, and Citycon's asset values outperformed the sector average

Fair values of properties declined while exchange rate gains positively affected EPRA NAV

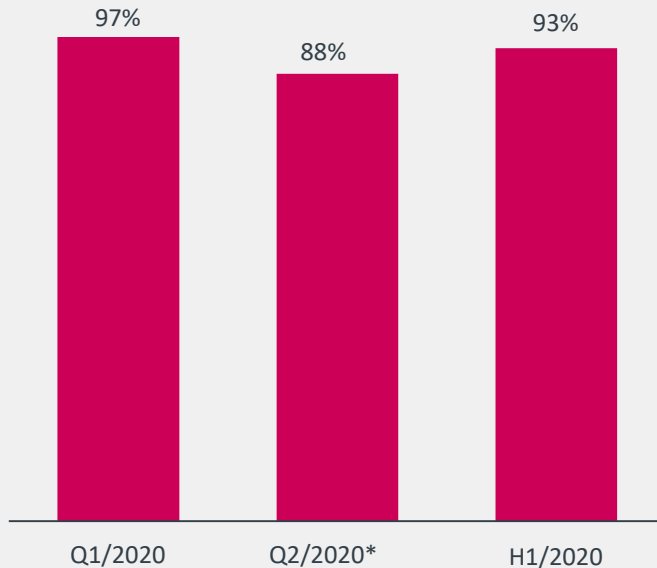
- EPRA NAV of 11.33 for Q2/2020 compared to 11.36 for Q1/2020 with only a modest decline of 0.3%
- The decline in fair values of 2.1% was largely due to COVID-19. NOK and SEK exchange rates recovered from Q1 lows (NOK + 19% and SEK +8%). Strengthening of currencies positively affected equity through positive impact on asset fair values.

EPRA EPS and adjusted EPRA EPS amounted to EUR 0.204 and EUR 0.181 respectively increasing from EUR 0.195 and EUR 0.173 in Q1/2020 (+4.2%; +4.7%)

- EPRA EPS was EUR 0.204 compared to EUR 0.217 in Q2/2019, exchange rates explaining EUR -0.011 of the decline.
- Adjusted EPRA EPS was 0.181 and adjusted for the impact of currency (-0.011) and issuance of the hybrid bond in H2/2019 (approximation of -0.011), 0.203 compared to Q2/2019 (-6.6%)

RENT COLLECTION REMAINED STRONG

RENT COLLECTION STATUS 2020



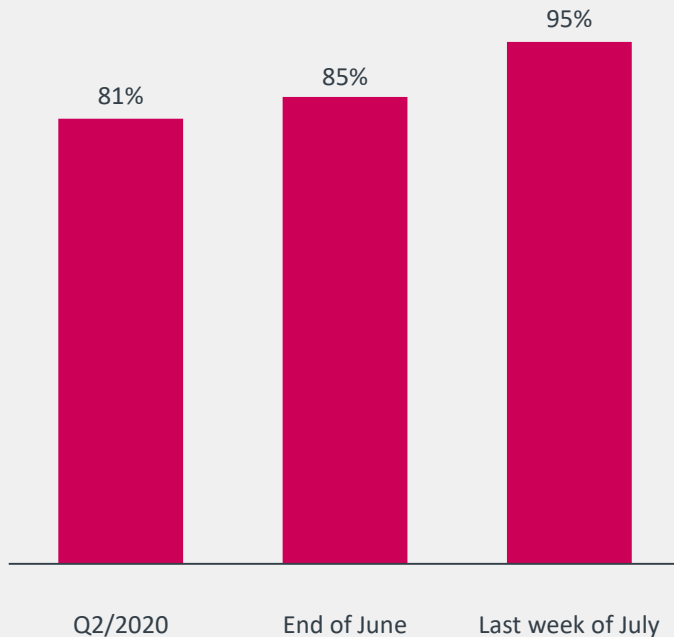
* In Q2 includes 2% of accrued rents from government subsidies in addition to cash collected

Rent collection remained strong at 93% in H1

- Rent collection remained strong and stands at 93% for H1 at the end of July. To date, rent collection for Q2 is at 88% (86% cash collection + 2% accrued subsidies) and 97% for Q1.
- The final collection rate is expected to be higher due to delays in payments experienced during COVID-19
- Strong rent collection was driven by both resilient tenant-mix in line with our strategy, based on necessity-based anchor tenants, and operating in the Nordics where a holistic approach to support viability of economies and businesses was taken.

OPERATIONAL PERFORMANCE FOR Q2 WAS SOLID AS RECOVERY CONTINUES

Footfall vs. Prior Year Comparable Period



Operationally Q2 was a solid quarter and the gradual bounce-back continues

- All shopping centres remained open throughout the period – all tenants are now open
- Footfall declined following the government restrictions and like-for-like footfall was -29% in Q2. April was clearly the worst month. At the end of June the footfall had increased to 85% of 2019 level and has continued to increase being 95% for the last week of July.
- Tenant sales fell less than footfall due to increased average customer spending per visit that increased by 28%. Like-for-like tenant sales for the period declined by -8.7%, while footfall fell by -29%.

Q2/2020 average visitor spending development*

BUSINESS UNITS	Avg spending per visitor Q2/20 vs Q2/19
Finland & Estonia	27.9 %
Norway	27.0 %
Sweden & Denmark (Kista 50%)	21.2 %
Total (inc. Kista 50%)	28.4 %

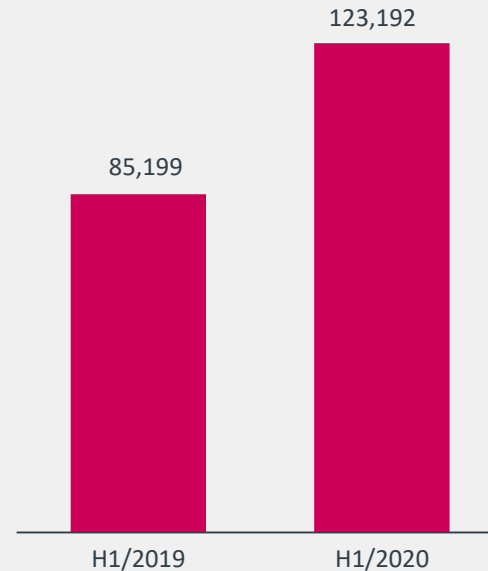
* Year-on year

CONTINUED STRONG TENANT DEMAND FROM ATTRACTIVE TENANTS

Leasing activity was positive despite Covid-19 environment in Q2

- Among others, in H1 we signed eight deals with municipalities at market rent covering in total 8,300 sq.m.
- Additionally, new deals with municipals were agreed in June at three different centres (Trio, Kista and Tumba) – these again are tenants that enhance the assets by driving additional footfall and strengthening the credit profile of our properties in line with our strategy. Also these leases with municipalities are at pre-COVID19 internal leasing targets.
- Contracts e.g. with Espoo City Library and wellness centre Elixia, that will be located in the new Lippulaiva centre were signed. Also these leases are a great addition in line with our mixed-use strategy that drives footfall and resilience of cash flows.

LEASES SIGNED (sq.m.)

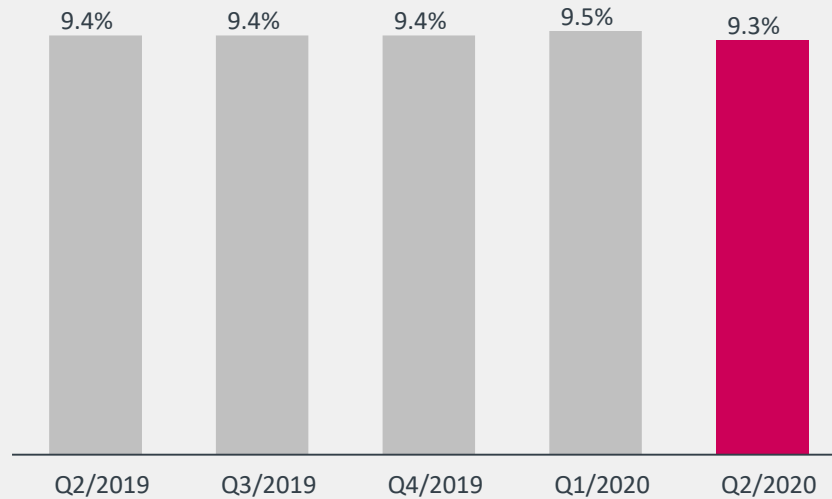




CITYCON MAINTAINS STRONG OCR IN Q2

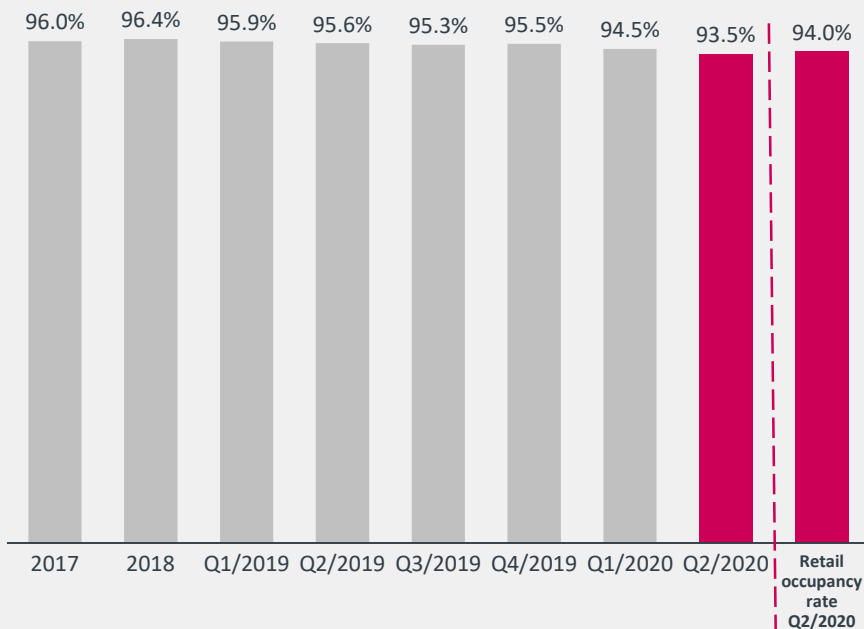
Necessity driven tenants maintained healthy OCR ratio throughout the quarter

OCCYPANCY COST RATIO DEVELOPMENT



OCCUPANCY RATE

OCCUPANCY RATE DEVELOPMENT



7 All figures including Kista Galleria 50%

		H1/2020	2019
Average rent	EUR/sq.m.	21.7	23.3
	with comparable rates	22.4	
Average remaining length of the lease portfolio	years	3.1	3.2

		H1/2020	2019
Average rent of leases started	EUR/sq.m.	20.1	26.0
Average rent of leases ended	EUR/sq.m.	22.2	25.5
Leasing spread of renewals and re-lettings	%	-2.0	1.4

- The average rent per sq.m. decreased mainly due to weaker exchange rates. With comparable rates, the average rent per sq.m. was 22.4 EUR
- The economic occupancy rate was 93.5%. The retail occupancy rate was 94.0%
- Overall leasing spread of renewals and re-lettings was positive in Sweden, Estonia and Denmark. Negative leasing spread of -2% is mainly due to Finland

OUR FOCUS ON GROCERY-ANCHORED, MULTIFUNCTIONAL SHOPPING CENTRES GIVES STABILITY TO OUR BUSINESS

OVER 35 % OF GROSS RENTAL INCOME IS FROM "NECESSITY TENANTS"

- Focus on the daily needs of customers
- 4 out of the top 5 tenants are grocery stores

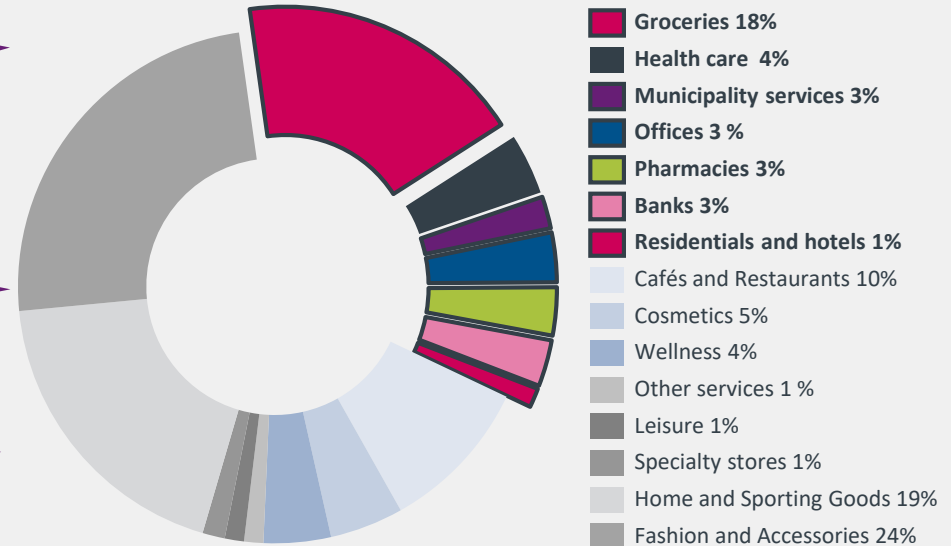
SMALL PORTION OF TURNOVER BASED RENTS

- In 2019 only 2.9% of our income was from turnover based rents.

PUBLIC SECTOR TENANTS ARE GROWING PART OF OUR BUSINESS

- Currently public sector tenants and healthcare present approx. 7% of our GLA
- Newest municipal service square opened in January 2020 in our shopping centre Trio
- Three new deals approved for Trio, Kista and Tumba

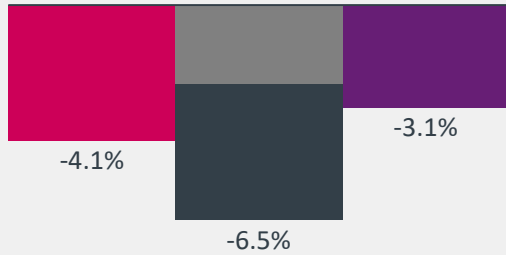
GROSS INCOME BY CATEGORY (Q2/2020)



LIKE-FOR-LIKE NET RENTAL NRI, FOOTFALL AND TENANT SALES

NET RENTAL INCOME DEVELOPMENT

Q1-Q2/2020 vs. Q1-Q2/2019, %

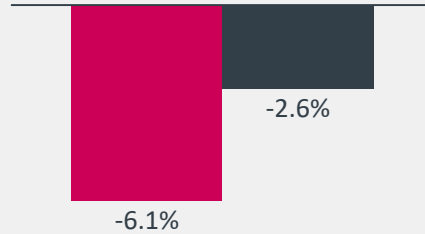


COVID-19 impact to the total NRI is estimated to be approx. - 4 %

- Like-for-like NRI Development (at comparable exchange rates)
- Total NRI Development (at comparable exchange rates)
- Total NRI Development (at historical exchange rates) without COVID-19 impact
- COVID-19 impact to the Total NRI Development (at historical exchange rates)

TENANT SALES DEVELOPMENT

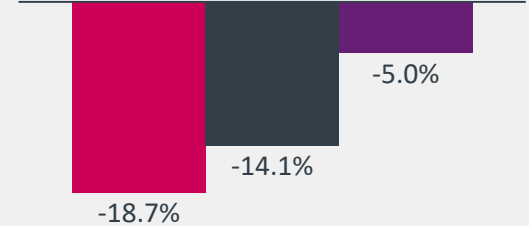
Q1-Q2/2020 vs. Q1-Q2/2019, % ¹⁾



- Like-for-like sales
- Total sales (including Kista Galleria 50%)

FOOTFALL DEVELOPMENT

Q1-Q2/2020 vs. Q1-Q2/2019, %¹⁾



- Like-for-like footfall
- Total footfall (including Kista Galleria 50%)
- Total footfall on last week of July (year-on-year)

UNPRECEDENTED SUPPORT TO RETAILERS FROM NORDIC COUNTRIES POSITIVELY AFFECTED SECTOR AND Q2 PERFORMANCE

Actions Taken By Governments



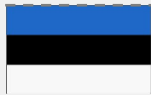
- **Gvt package 3,2 bill EUR to support businesses with a decrease of income with 30% or more in March and April.**
- Credit guarantees to specific industries, plus specific SME measures
- 3 months of tax deferrals
- New regulations for short-term layoffs including 65%+ of salary capped at SEK44,000 month. Government also to pay full cost of sick-pay in April & May



- **Norwegian Government has announced a significant relief program covering 80-90% of fixed costs of companies with a revenue decline above 30%. Implementation of the package already started**
- Rent reduction for the landlords to tenants, will reduce the tenant support from the government. Uncertainty about details in the government packages has made landlords to postpone decisions about discounts.
- New loans offered and various stimulus/support packages for specific industries including loans for SMEs
- 2 month cut in social security payments; postpone wealth tax payments and re-allocate losses to previous years taxed surplus
- Self-employed are paid 80% of their average income over the past three years. Unemployment benefits already high and in-situ



- **Comprehensive rent relief program launched for March-May**
- 75% Government loan guarantee; irrecoverable cost compensation of 25%-80%
- VAT, corporate tax and social security contributions postponed
- 75% of salaries for 3 months, up to 90% for PT / hourly paid staff



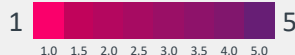
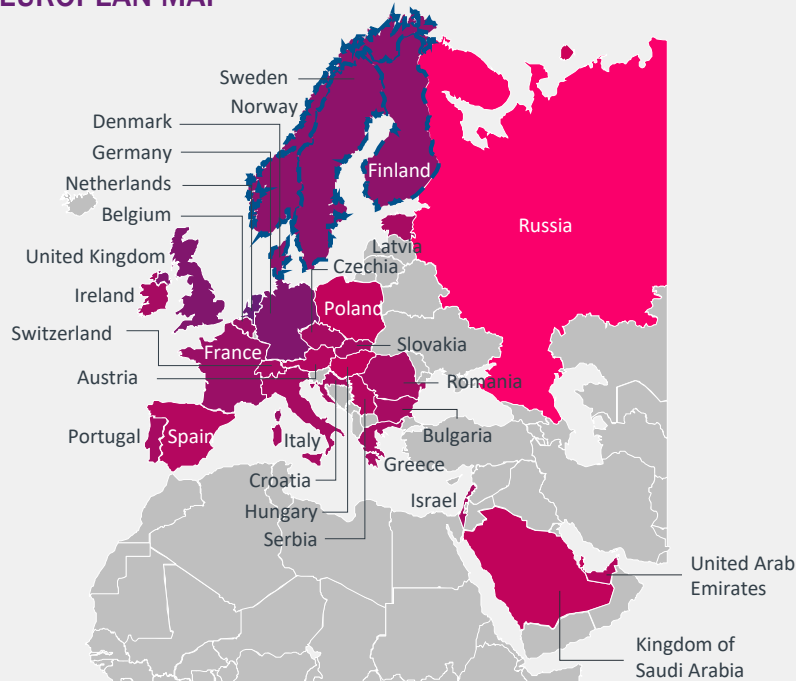
- **It has been decided to compensate rental reliefs of retail tenants in the SC-s in maximum amount 25% of monthly rent.** Max amount is EUR 4 million. Period support will be given and conditions are under planning. Most likely support will be given for the period after re-opening.



- **Government has announced and is working on several additional aid programs**
- Aid package for business, including loans via Finnvera, plus support for SMEs and midcaps. The Finnish Government has prepared an extensive package of approximately €1.45bn to support companies and alleviate the negative effects of COVID-19 epidemic
- It has also increased the financing mandate of the Finnish Export Credit Agency to €12bn
- Specific labour market support TBD, but unemployment benefits high and in-situ

FISCAL MEASURES RANK AMONGST HIGHEST REGARDING DEPTH AND BREADTH OF RESPONSE

EUROPEAN MAP



Source: Colliers COVID-19 European Real Estate Markets Government Response (Apr-20)

DEPTH & BREADTH OF NATIONAL POLICY RESPONSE

Netherlands	5.0	Slovakia	2.5
Norway	4.0	Croatia	2.5
Sweden	4.0	Ireland	2.5
Denmark	4.0	Israel	2.5
United Kingdom	4.0	Italy	2.5
Germany	4.0	Latvia	2.5
Finland	3.5	Portugal	2.5
Belgium	3.0	Austria	2.0
France	3.0	Spain	2.0
Romania	2.5	United Arab Emirates	2.0
Switzerland	2.5	Serbia	2.0
Greece	2.5	Poland	1.5
Czechia	2.5	Kingdom of Saudi Arabia	1.5
Bulgaria	2.5	Hungary	1.5
		Russia	1.0

Legend: Nordic countries



STRONG LIQUIDITY POSITION WAS PRESERVED, AND STRATEGIC INITIATIVES WERE PROGRESSED

Citycon took active measures to secure liquidity and strengthen the credit profile. Currently our liquidity position is strong with EUR 630 millions of cash and credit facilities.

- Citycon successfully issued a tap bond of 200 million euros. The order book was over three times oversubscribed which enabled increasing the amount of the tap from the original plan of 150 million. Simultaneously, pricing was tightened
- Citycon's Board of Directors showed its commitment to strengthening the balance sheet. 2019 dividend was adjusted downward and the Board announced a decision to suggest adjusted dividends also for 2020.
- Simultaneously with dividend adjustment, the company announced its plans to investigate alternatives to offer shareholders with an option to take dividends as shares (SCRIP dividend)
- After signing a credit rating agreement with Fitch, Citycon has Investment grade credit ratings from top 3 rating agencies

We made progress in our strategic initiatives

- Despite COVID-19, Lippulaiva construction further strengthening Citycon's position as a provider of urban hubs continued
- Focus on residential business was demonstrated by strategic recruitment of Director, Residential Development. Citycon also announced more details on residential project in Oasen, Norway.

Confidence in business – reinstating our guidance for 2020

- Citycon forecasts the 2020 direct operating profit to be in range EUR 171-189 million, EPRA EPS EUR 0.710-0.810 and adjusted EPRA EPS EUR 0.610-0.710



SUMMARY OF COVID-19 EFFECTS

COVID -19 affected the quarter, operations have been steadily improving since April

- Footfall recovered and is at 95% of prior year level at the end of July
 - Rent collection for H1 2020 remained solid at 93%*
 - 100% of centres remained open throughout the quarter. At the end of July, all our tenants are open for business
 - The impact of rent discounts for the quarter was approximately EUR -0.4 millions
 - Occupancy was affected by COVID-19 – retail occupancy for Q2 was 94% and total occupancy 93.5%.
 - Valuations -2.1% with a financial impact of EUR 76 million in Q2
 - COVID-19 related bankruptcies are estimated to have a maximum impact of EUR 1.9 million assuming that all stores of the bankrupt tenants are immediately closed and that space is not re-let
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FINANCIAL OVERVIEW





Q2/2020 FINANCIALS: EPRA EARNINGS INCREASED FROM Q1

MEUR	Q2/2020	Q1/2020	Q2/2019	Change %	Q2/2020 INCL. KISTA 50%
Gross rental income	53.6	57.9	59.0	-9.1 %	56.5
Net rental income	50.2	52.4	56.1	-10.6 %	52.2
Direct operating profit	44.0	46.2	50.7	-13.3 %	45.9
EPRA Earnings	36.3	34.8	38.7	-6.2 %	N/A
Adjusted EPRA Earnings ⁽¹⁾	32.2	30.8	38.7	-16.7 %	N/A
EPRA EPS (basic)	0.204	0.195	0.217	-6.2 %	N/A
Adjusted EPRA EPS (basic) ⁽¹⁾	0.181	0.173	0.217	-16.7 %	N/A
EPRA NAV per share	11.33	11.36	12.77	-11.3 %	N/A

Divestment, hybrid, and FX impacted on adjusted EPRA EPS

¹⁾ The adjusted figure includes hybrid bond (issued November 2019) coupons and amortized fees.



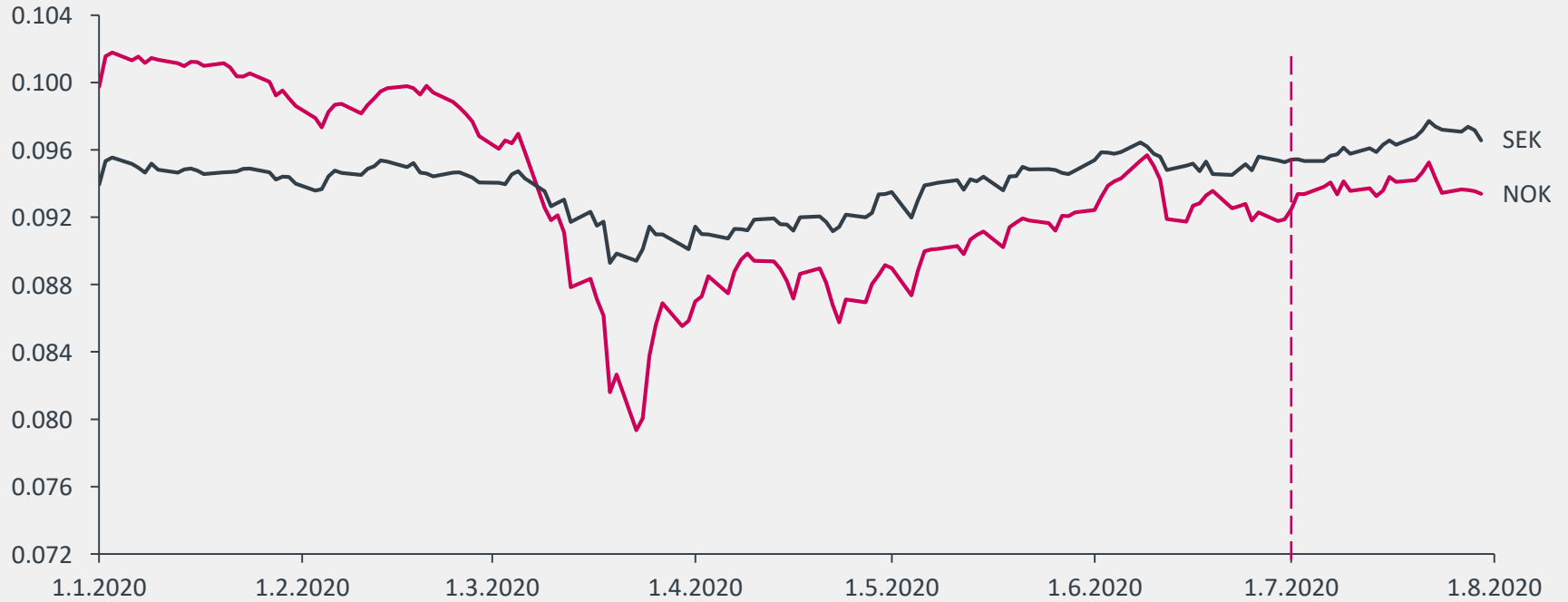
H1/2020 FINANCIALS

MEUR	H1/2020	H1/2019	Change %	H1/2020 INCL. KISTA 50%
Gross rental income	111.5	118.5	-5.9%	117.3
Net rental income	102.6	109.7	-6.5%	106.8
Direct operating profit	90.2	98.4	-8.4%	94.1
EPRA Earnings	71.0	74.5	-4.6%	N/A
Adjusted EPRA Earnings ⁽¹⁾	63.0	74.5	-15.4%	N/A
EPRA EPS (basic)	0.399	0.418	-4.6%	N/A
Adjusted EPRA EPS (basic) ⁽¹⁾	0.354	0.418	-15.4%	N/A
EPRA NAV per share	11.33	12.77	-11.3%	N/A

Divestment, hybrid, and FX impacted on adjusted EPRA EPS

¹⁾ The adjusted figure includes hybrid bond (issued November 2019) coupons and amortized fees.

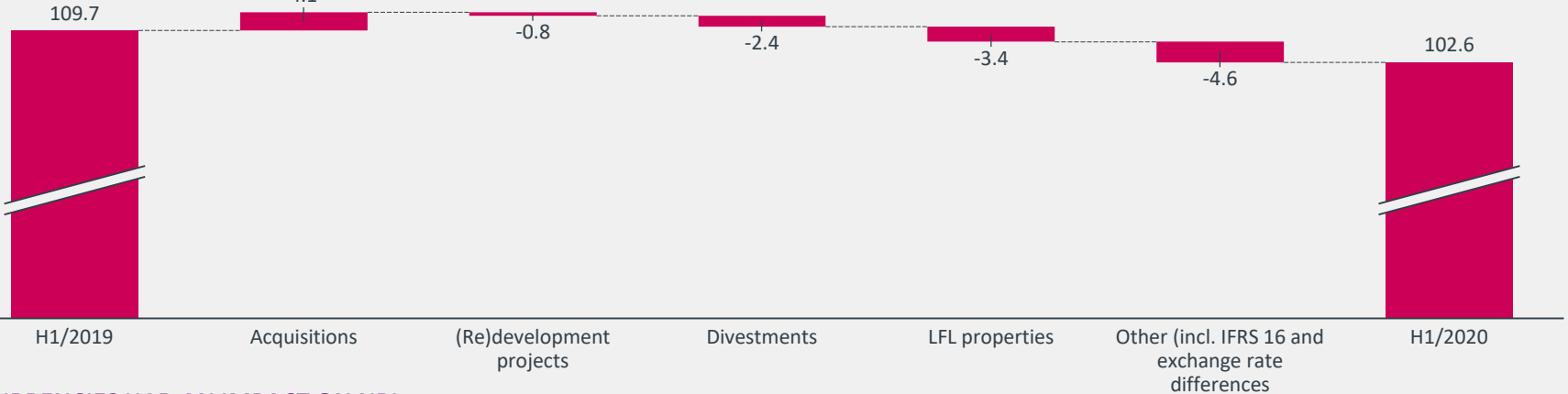
WEAKER NOK AND SEK EXCHANGE RATES AFFECTED THE RESULTS



NET RENTAL INCOME WAS IMPACTED BY WEAKER CURRENCIES AND SHORT-TERM DISCOUNTS GIVEN DURING COVID-19

NRI DEVELOPMENT

MEUR



CURRENCIES HAD AN IMPACT ON NRI

Closing rates

	H1/2020	H1/2019
SEK	10.49	10.45
NOK	10.91	9.51

Average rates

	H1/2020	H1/2019
	10.66	10.52
	10.73	9.73

Foreign currency impact on

H1/2020:

NRI

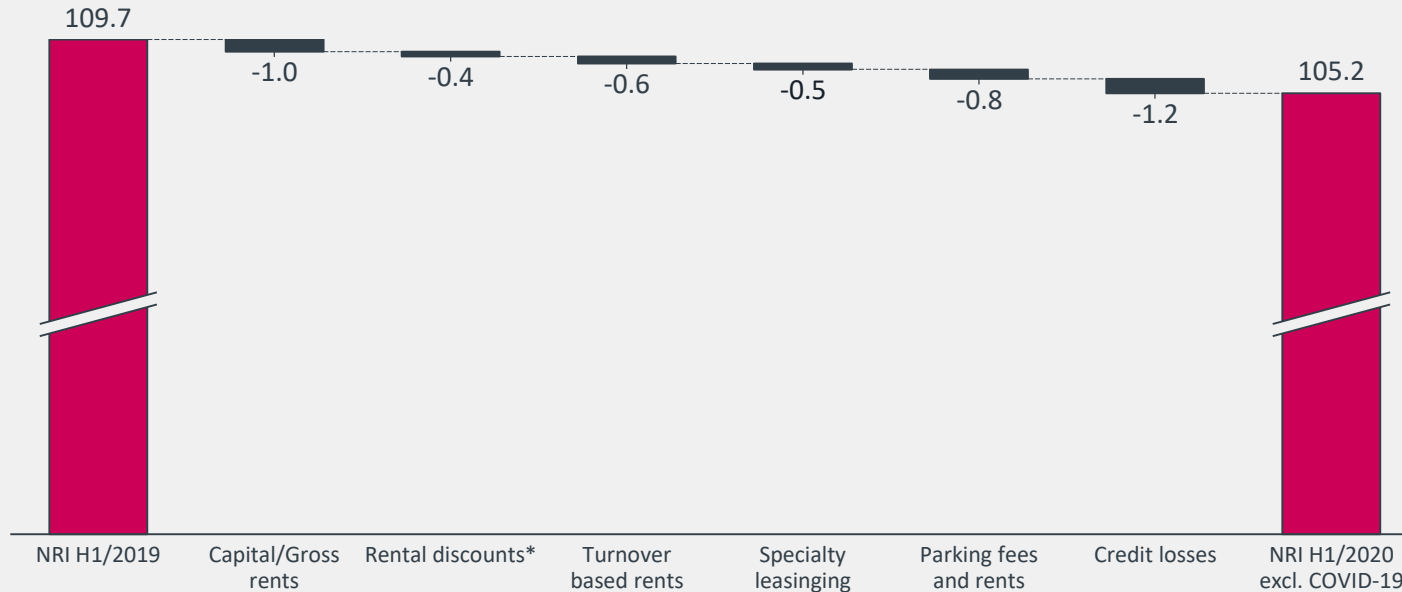
-3.9 MEUR

EPRA EPS

-0.018 EUR

ESTIMATED COVID-19 IMPACT ON NET RENTAL INCOME

COVID-19 IMPACT ON NRI MEUR



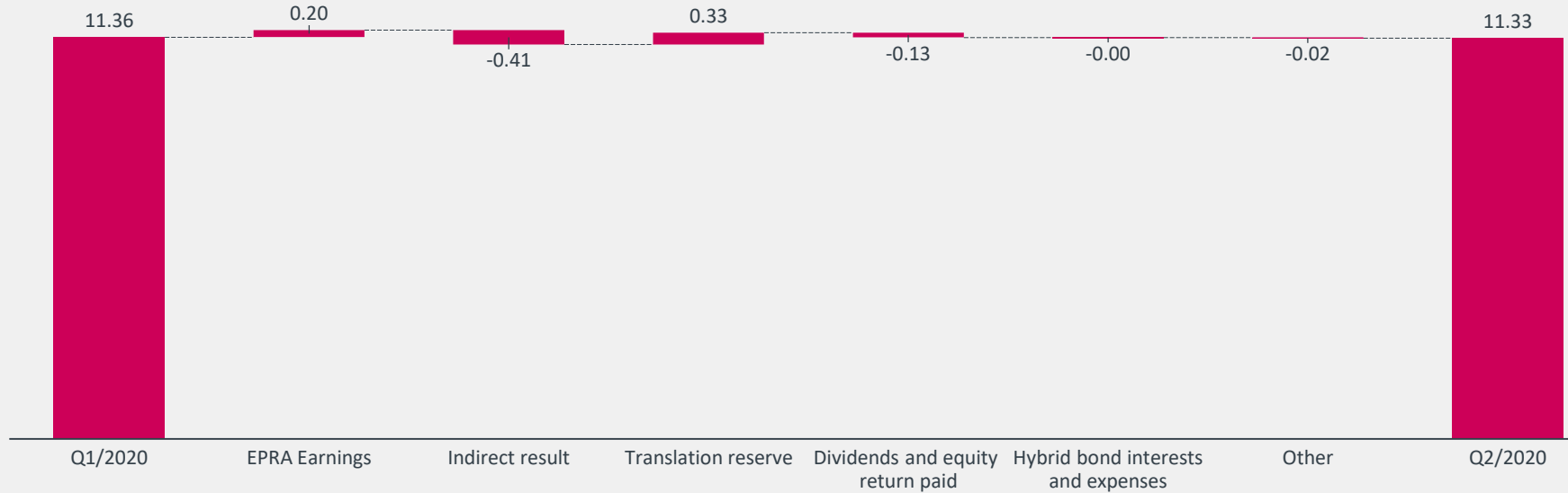
*) Rental discounts have been accrued over the contract period.



FAIR VALUE CHANGES

FAIR VALUE CHANGES, MEUR	Q2/2020	Q2/2019	Q1-Q2/2020	Q1-Q2/2019	2019
Finland & Estonia	-33.1	-9.6	-45.8	-19.1	-56.1
Norway	-18.4	-11.8	-8.2	-20.9	-33.4
Sweden & Denmark	-24.1	-7.7	-33.4	-6.8	-32.4
Investment properties, total	-75.6	-29.2	-87.4	-46.8	-121.9
Kista Galleria (50%)	-0.8	-5.4	-12.0	-6.4	-17.7
Investment properties and Kista Galleria (50%), total	-76.4	-34.6	-99.4	-53.2	-139.6
AVERAGE YIELD REQUIREMENT, %	30 JUN 2020	30 JUN 2019	31 DEC 2019		
Investment properties and Kista Galleria (50%), average	5.5	5.3	5.3		

EPRA NET ASSET VALUE WAS IMPACTED BY WEAK NOK AND SEK



	30 JUN 2020	30 JUN 2019	31 DEC 2019
EPRA NAV per share, EUR	11.33	12.77	12.28
EPRA NNNNAV per share, EUR	10.77	11.51	10.97

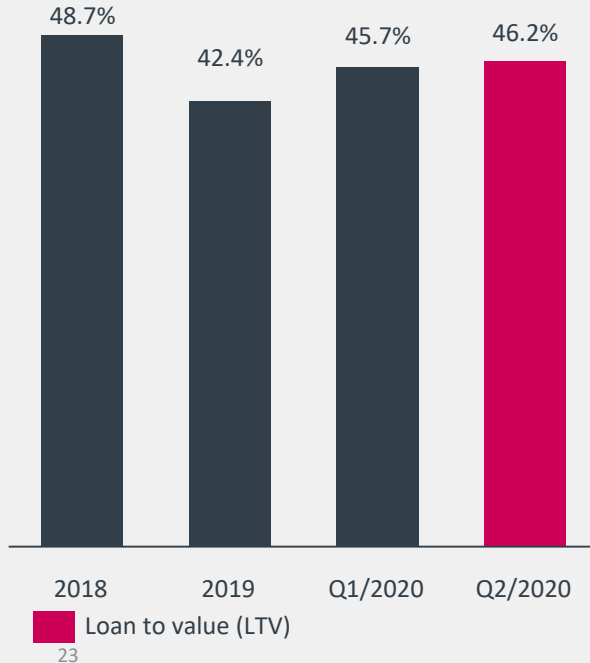


MAIN FINANCING METRICS

- Debt portfolio's hedge ratio 81.5%
- Investment-grade credit ratings BBB-/BBB-/Baa3
- Financing mainly unsecured 90.4%
- Substantial liquidity buffer MEUR 583
- Loan to Value 46.2%
- Average maturity of loan portfolio 3.9

FINANCING KEY FIGURES

LTV DEVELOPMENT (%)



FINANCING KEY FIGURES

		30 JUN 2020	30 JUN 2019	31 DEC 2019
Interest bearing debt, fair value	MEUR	2,155.3	2,123.3	1,830.7
Available liquidity	MEUR	582.9	560.4	562.1
Average loan maturity	years	3.9	4.6	4.6
Interest rate hedging ratio	%	81.5	83.3	88.8
Weighted average interest rate ¹⁾	%	2.31	2.42	2.29
Loan to Value (LTV)	%	46.2	48.9	42.4
Financial covenant: Equity ratio (> 32.5%)	%	46.1	44.7	50.9
Financial covenant: Interest cover ratio (> 1.8)	%	4.2	4.0	4.2

¹⁾ Including cross-currency swaps and interest rate swaps

GOOD LIQUIDITY POSITION

AVAILABLE LIQUIDITY

MEUR	30 JUN 2020	31 MAR 2020	31 DEC 2019
Syndicated revolving credit facilities unutilized	402.5	376.1	530.4
Cash pool overdraft limits unutilized	24.3	23.4	24.9
Nonrestricted cash and cash equivalents	156.1	117.3	7.1
Available Liquidity	582.9	516.8	562.4
Commercial Paper	125.9	127.2	129.7
Bank loans maturing < 1 year	115.0	109.1	101.1
Bonds maturing < 1 year	32.1	105.9	75.5
Net Available Liquidity	309.9	174.6	357.1

- After the <12 month debt maturities included above, there are no debt maturities until RCF 12/2021 and thereafter the next smaller debt maturity is 6/2022.



OUTLOOK 2020 SPECIFIED

Citycon forecasts the 2020 direct operating profit to be in range EUR 171-189 million, EPRA EPS EUR 0.710-0.810 and adjusted EPRA EPS EUR 0.610-0.710.

Previous Outlook

On 26 March 2020, Citycon Oyj assessed that its prospects for 2020 have weakened and the company withdrew its guidance for 2020 issued on 6 February 2020.

LOOKING FORWARD 2020



OUR DEVELOPMENT PROJECT IN LIPPULAIVA IS PROGRESSING AS PLANNED DESPITE COVID-19

Status update
Q2/2020:
Construction
work is
progressing as
planned

- Lippulaiva will be the new heart of the growing area of Espoonlahti in greater Helsinki supporting our strategy
- We are pleased that despite the situation with COVID-19 the project is progressing as planned.
- The shopping centre will house a wide range of private and public services. One of the most significant public services will be the new Espoonlahti regional library. A Service Point of the City of Espoo will also open in the library.
- Also eight residential towers will be built consisting of 500 units of rental condos.

THE COMPANY CONTINUES TO FOCUS ON EXPANDING ITS RESIDENTIAL BUSINESS IN LINE WITH ITS STRATEGY



- Citycon is using the current environment as an opportunity to work with municipalities to advance entitlements/ permits for residential development rights.
- As part of the residential development strategy, the company announced a recruitment of Director, Residential Development in June 2020.
- In addition to Lippulaiva, Citycon announced additional details on its residential project in Oasen Norway where the municipality is currently building a tram line that will increase both attractiveness of the centre and footfall.

WE ARE PLEASED WITH OUR H1 AND CITYCON IS WELL-POSITIONED TO CONTINUE TOWARDS ITS LONG-TERM TARGETS



- Citycon’s resilient properties and tenant mix positively affected Q2 results, and Citycon’s asset values outperformed the sector average
- Operational performance for Q2 was solid and the recovery continues
- Leasing activity in our centres has picked-up after the temporary slow-down during COVID-19 and we continue to attract tenants that enhance our assets in line with our strategy
- The Nordics is a stable and attractive market to operate within – consumer confidence remains strong underpinning the future retail demand
- Our team is committed to our strategy and we made progress on our initiatives e.g. around expanding our residential exposure
- Strong liquidity and access to financing were again demonstrated during the quarter

CONTACT INFORMATION

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APPENDIX



INCOME STATEMENT

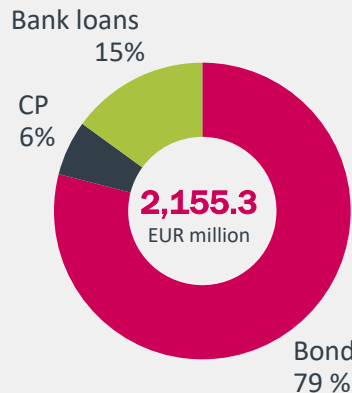
MEUR	H1/2020	H1/2019	%	2019
Gross rental income	111.5	118.5	-5.9%	232.1
Service charge income	35.0	38.4	-8.7%	77.1
Property operating expenses	-41.3	-45.9	-9.8%	-89.3
Other expenses from leasing operations	-2.6	-1.2	-	-2.5
Net rental income	102.6	109.7	-6.5%	217.4
Administrative expenses	-12.8	-13.2	-3.4%	-26.8
Other operating income and expenses	0.4	1.9	-80.7%	2.8
Net fair value gains/losses on investment property	-87.4	-46.8	86.7%	-121.9
Net gains/losses on sale of investment property	1.7	-1.6	-	1.5
Operating profit	4.5	50.0	-91.1%	73.1
Net financial income and expenses	-24.3	-24.5	-1.0%	-54.2
Share of profit/loss of joint ventures	-10.0	-4.3	-	-16.6
Profit before taxes	-29.8	21.2	-	2.2
Current taxes	-1.2	-0.5	-	-2.0
Deferred Taxes	8.1	0.1	-	8.6
Profit/loss for the period	-23.0	20.8	-	8.9

BALANCE SHEET

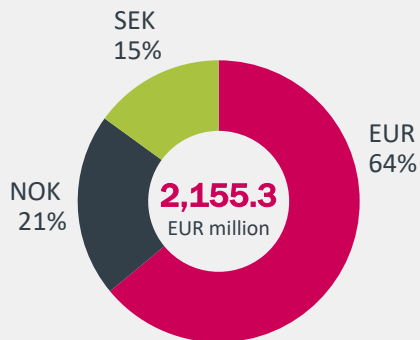
MEUR	30 JUN 2020	31 MAR 2020	31 DEC 2019	30 JUN 2019
Investment properties	4,170.4	4,081.5	4,160.2	4,149.8
Total non-current assets	4,482.3	4,398.2	4,508.1	4,510.0
Investment properties held for sale	-	-	-	37.5
Total current assets	220.5	196.8	74.2	64.6
Total assets	4,702.8	4,595.0	4,582.3	4,612.1
Total shareholders' equity	2,164.4	2,165.7	2,325.2	2,058.3
Total liabilities	2,538.4	2,429.3	2,257.1	2,553.8
Total liabilities and shareholders' equity	4,702.8	4,595.0	4,582.3	4,612.1

BALANCED MATURITY PROFILE

DEBT BREAKDOWN BY TYPE



DEBT BREAKDOWN BY CURRENCY



Part of EUR debt has been converted to SEK and NOK using cross-currency swaps

DEBT MATURITIES

