

AUDIOCAST PRESENTATION Q3/2020

Vi älskar mat

Öppet
7-22

ICA Kvantum Liljeholmen

Vi älskar mat

 CITYCON



Q3/2020: STRONG PERFORMANCE IN COVID-19 ENVIRONMENT

CITYCON'S FINANCIAL PERFORMANCE DEMONSTRATES THE STRENGTH AND STABILITY OF THE PORTFOLIO

- NRI decline remained modest. January-September total net rental income (NRI) adjusted for FX rate impact was -2.2% and like-for-like NRI -4.7%.
- Rent collection continued strong standing currently at 94% for YTD and at 93% for Q3.
- January-September administrative costs declined -5% year-on-year.
- Fair values declined -0.6% in Q3 reflecting Citycon's strategy and the stability it brings to the portfolio.
- LTV slightly increased to 46.8%. Citycon is committed to taking actions to strengthen the balance sheet. These include e.g. monitoring the disposal market and acting accordingly.

OPERATIONAL KEY FIGURES AGAIN SOLID FOR Q3

- January-September total tenant sales were +0.3% above prior year reflecting 15% increase in average purchase.
- Footfall has recovered to a stable level (85%-90%). Consumer behavior has adapted to COVID-19 environment: customers follow government recommendations and visit less frequently but with a clear intention to make purchases.
- Leasing activity has continued strong in 2020 with 175,000 sq.m. of leases commencing (incl. 11,300 sq.m. to municipalities) compared to 113,000 sq.m. in 2019.

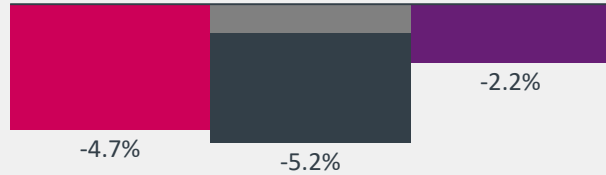
GUIDANCE UPDATED

- Strong performance allowed Citycon to narrow guidance to the upper end of the previously communicated range.

LIKE-FOR-LIKE NET RENTAL INCOME & RENT COLLECTIONS

NET RENTAL INCOME DEVELOPMENT

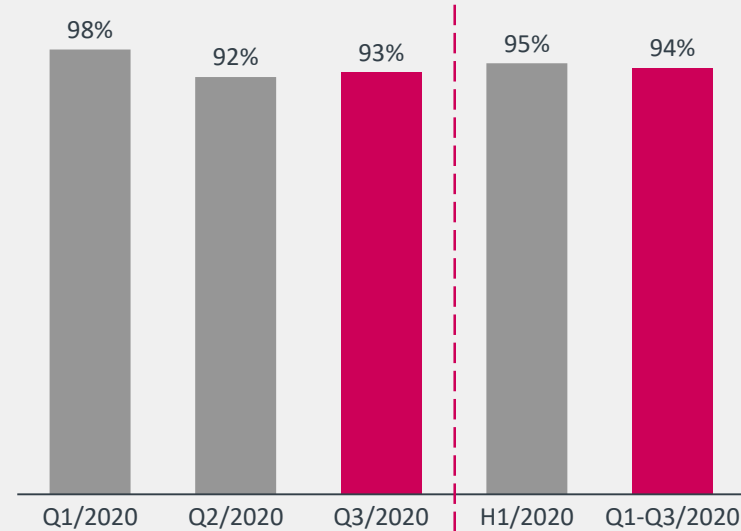
Q1-Q3/2020 vs. Q1-Q3/2019. %



COVID-19 impact to the total NRI is estimated to be approx. - 4.1 %*

- 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)

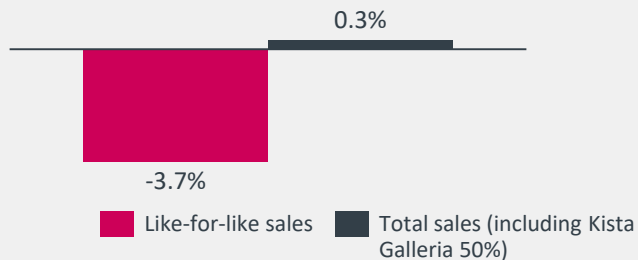
RENT COLLECTION STATUS 2020



CONSUMERS HAVE ADAPTED TO COVID ENVIRONMENT: TENANT SALES STRONG FOLLOWING HIGHER AVERAGE PURCHASE

TENANT SALES DEVELOPMENT

Q1-Q3/2020 vs. Q1-Q3/2019

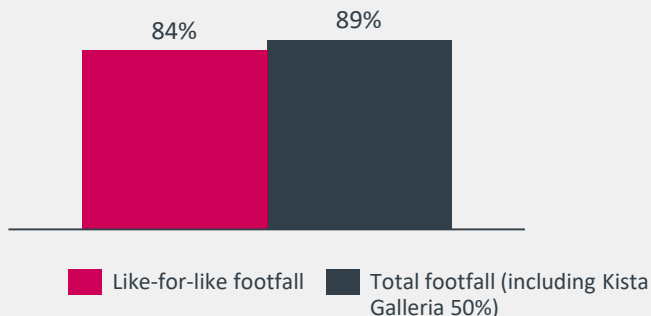


Increase in average consumer purchase reflects changing consumer behaviour

- Footfall has declined following the government restrictions. April was clearly the worst month. At the end of June the footfall increased to 85%-90% of 2019 level and has stabilized in Q3. Despite lower footfall tenant sales have been less affected due to +15% higher average customer spending per visit.
- Total tenant sales increased +0.3% year-on-year and like-for-like tenant sales were only -3.7% behind last year. This reflects changes in consumer habits as people follow government recommendations and mainly visit with a clear intention to spend.

FOOTFALL AS % OF PRIOR YEAR COMPARABLE PERIOD

Q1-Q3/2020 vs. Q1-Q3/2019



Q1-Q3/2020 AVERAGE VISITOR SPENDING DEVELOPMENT*

BUSINESS UNITS	Avg spending per visitor Q1-Q3/20 vs Q1-Q3/19
Finland & Estonia	13.0%
Norway	15.0%
Sweden & Denmark (Kista 50%)	12.8%
Total (inc. Kista 50%)	14.9%

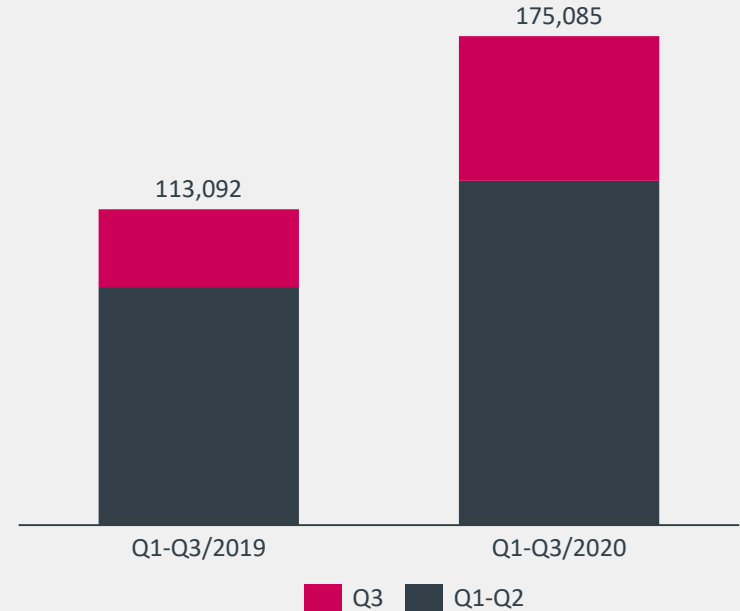
* Year-on year

LEASING ACTIVITY HAS BEEN STRONG THROUGHOUT 2020

Leasing activity has been strong despite Covid-19 environment

- As of Q3 175,000 sq.m. of new leases have commenced in 2020, while the corresponding figure for 2019 was 113,000.
- Leasing activity has picked up again after the slow-down during the worst months of covid-19 crisis. The signed leases include interesting tenants supporting our mixed-use strategy such as Espoo City library that will open in new Lippulaiva, Family Health Center in Oasen, Elixia gym chain in both Iso Omena and Lippulaiva as well as Matdax grocery store in Högdalen.

LEASES COMMENCED (sq.m.)



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

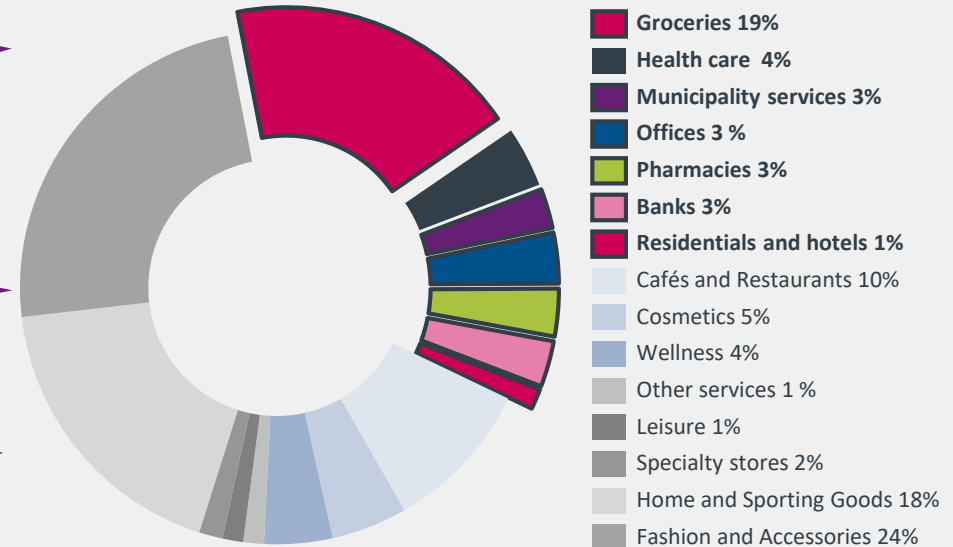
SMALL PORTION OF TURNOVER BASED RENTS

- 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

GROSS INCOME BY CATEGORY (Q3/2020)

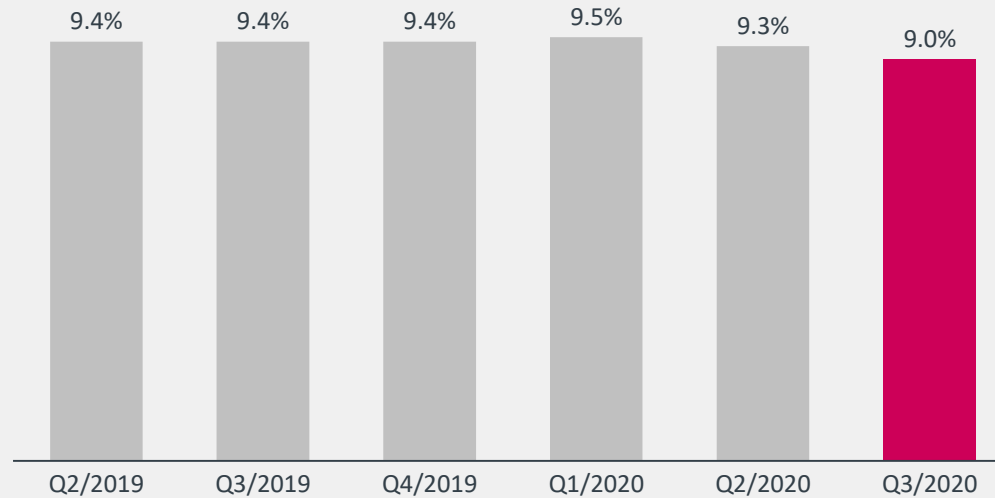




CITYCON MAINTAINS STRONG OCR IN Q3

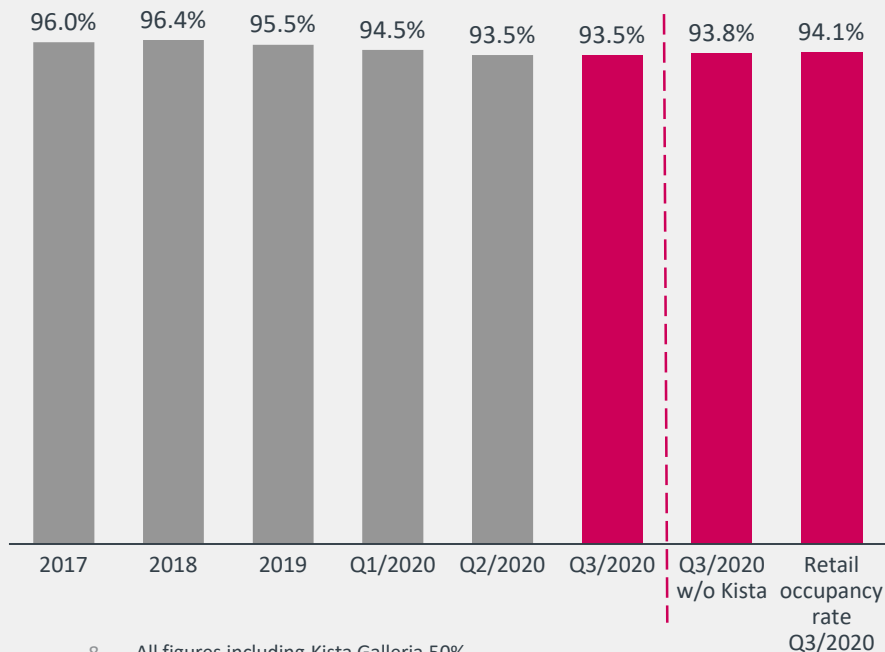
Necessity driven tenants maintained a healthy OCR ratio throughout the quarter

OCCUPANCY COST RATIO DEVELOPMENT



OCCUPANCY RATE

OCCUPANCY RATE DEVELOPMENT



8 All figures including Kista Galleria 50%

		Q1-Q3/2020	Q1-Q3/2019	2019
Average rent	EUR/sq.m.	22.3	23.1	23.3
with comparable rates	EUR/sq.m.	22.9		
Average remaining length of the lease portfolio	years	3.0	3.4	3.2
		Q1-Q3/2020	Q1-Q3/2019	2019
Average rent of leases started	EUR/sq.m.	19.7	26.2	26.0
Average rent of leases ended	EUR/sq.m.	22.0	26.0	25.5
Leasing spread of renewals and re-lettings	%	-1.9	1.4	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 22.9 EUR
- The retail occupancy rate was 94.1% as of 30 Sep 2020, slightly improving from the 94.0% in Q2 2020.
- Overall leasing spread of renewals and re-lettings was positive in Sweden, Estonia and Denmark. Negative leasing spread of -1.9% is mainly due to Finland.



SUMMARY OF COVID-19 EFFECTS ON CITYCON

COVID -19 has affected the operating environment. Yet, results remain solid and operations have stabilized in Q3.

- 100% of centres have remained open. At the end of September, all our tenants are open for business.
 - Footfall has stabilized in the range of 85%-90%. More importantly, tenant sales are close to prior year level due to a change in consumer behaviour and 15% higher average purchase (YTD).
 - Rent collection has further strengthened, YTD standing at 94% and Q3 at 93%
 - No new COVID-19 discounts were given in Q3. The impact of rent discounts granted in Q2 was approximately EUR -0.7 million for the quarter.
 - Occupancy was affected by COVID-19 – retail occupancy for Q3 was 94.1%
 - Valuation decline remained modest being -0.6% with a financial impact of EUR 29 million in Q3
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DIVERSIFICATION THROUGH DENSIFICATION

CITYCON HAS REMAINED FOCUSED ON ITS LONG-TERM GOAL OF DIVERSIFICATION THROUGH DENSIFICATION

- The majority of Citycon's assets are located in connection to the most important transportation hubs of top cities of the Nordics with strong urbanization. This generates significant demand for new residential and office space.
 - Capital recycling remains an important priority in our strategy to diversify the portfolio and lower Citycon's retail exposure. At the end of the strategy period, retail will represent approximately 65% of the portfolio compared to the current level of 82%.
 - Owning prime locations in these areas provides attractive opportunities for Citycon. Gaining additional building rights for approx. 500,000 sq.m. in existing locations untaps value of approx. 200 MEUR with minimal capital investment
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FINANCIAL OVERVIEW





Q3/2020 FINANCIALS

MEUR	Q3/2020	Q3/2019	Change %	Q3/2020 INCL. KISTA 50%
Gross rental income	57.1	56.7	0.7 %	59.6
Net rental income	52.9	54.2	-2.4 %	54.4
Direct operating profit	47.1	48.0	-1.8 %	48.4
EPRA Earnings	33.5	35.5	-5.7 %	N/A
Adjusted EPRA Earnings ⁽¹⁾	29.4	35.5	-17.2 %	N/A
EPRA EPS (basic)	0.188	0.199	-5.7 %	N/A
Adjusted EPRA EPS (basic) ⁽¹⁾	0.165	0.199	-17.2 %	N/A
EPRA NAV per share	11.14	12.58	-11.5 %	N/A

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

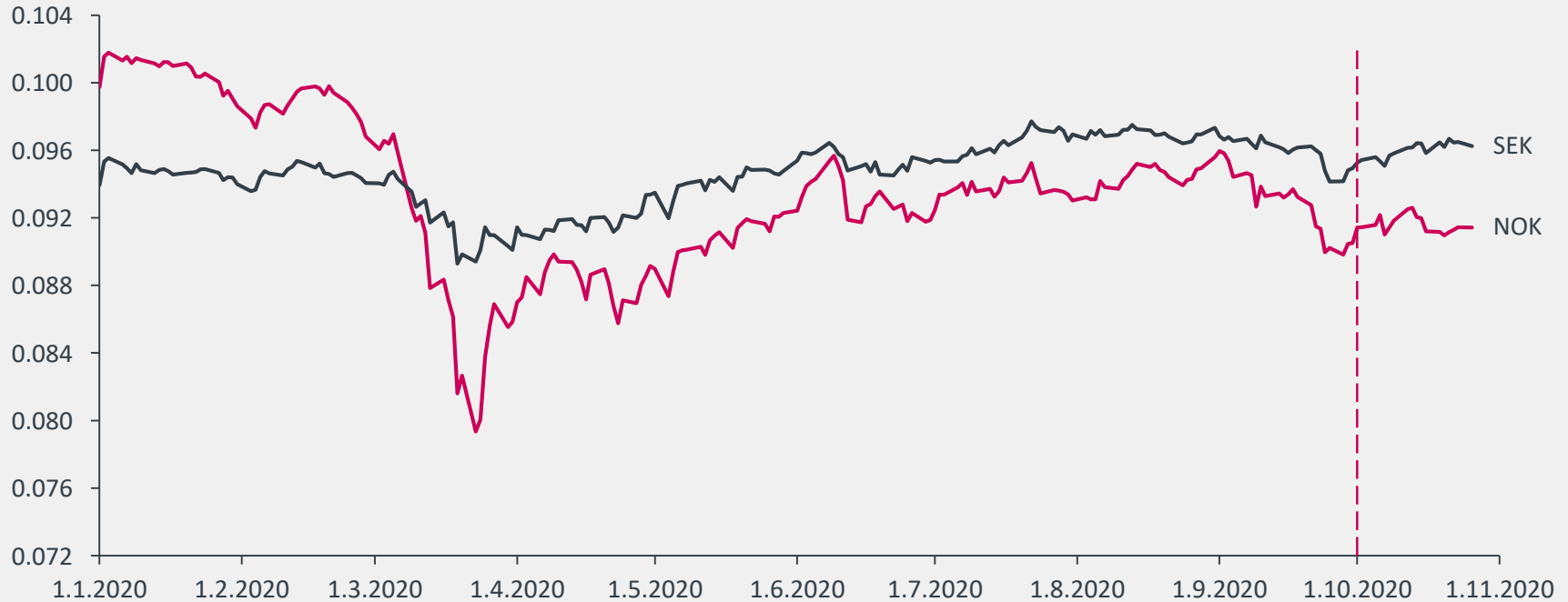


Q1-Q3/2020 FINANCIALS

MEUR	Q1-Q3/2020	Q1-Q3/2019	Change %	Q1-Q3/2020 INCL. KISTA 50%
Gross rental income	168.6	175.1	-3.7 %	176.9
Net rental income	155.5	164.0	-5.2 %	161.2
Direct operating profit	137.3	146.4	-6.2 %	142.5
EPRA Earnings	104.5	110.0	-4.9 %	N/A
Adjusted EPRA Earnings ⁽¹⁾	92.4	110.0	-16.0 %	N/A
EPRA EPS (basic)	0.587	0.618	-4.9 %	N/A
Adjusted EPRA EPS (basic) ⁽¹⁾	0.519	0.618	-16.0 %	N/A
EPRA NAV per share	11.14	12.58	-11.5 %	N/A

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 IN Q2

NRI DEVELOPMENT

MEUR

164.0

6.7

-1.3

-2.4

-5.9

-5.5

155.5

Q1-Q3/2019

Acquisitions

(Re)development projects

Divestments

LFL properties

Other (incl. IFRS 16 and exchange rate differences)

Q1-Q3/2020

CURRENCIES HAD AN IMPACT ON NRI

Closing rates

	Q3/2020	Q3/2019
SEK	10.57	10.70
NOK	11.10	9.90

Average rates

	Q1-Q3/2020	Q1-Q3/2019
	10.56	10.57
	10.71	9.77

Foreign currency impact on

Q1-Q3/2020:

NRI

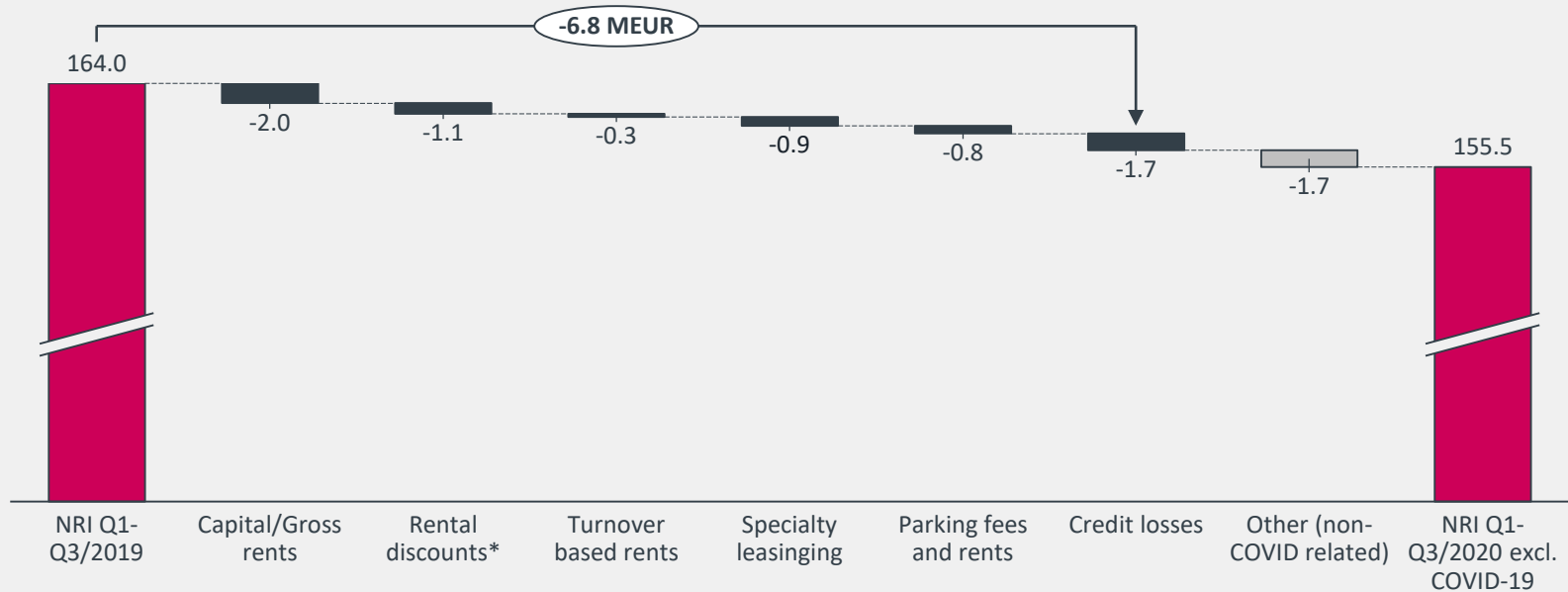
-5.0 MEUR

EPRA EPS

-0.025 EUR

ESTIMATED DIRECT 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	Q3/2020	Q3/2019	Q1-Q3/2020	Q1-Q3/2019	2019
Finland & Estonia	-12.1	-13.4	-57.5	-32.1	-55.5
Norway	-2.8	-0.5	-9.0	-19.2	-29.2
Sweden & Denmark	-6.8	-2.6	-39.7	-8.9	-31.4
Investment properties. total	-21.6	-16.4	-106.2	-60.2	-116.0
Right-of-use assets classified as investment properties (IFRS 16)	-1.4	-1.5	-4.2	-4.5	-6.0
Investment properties in the statement of financial position. total	-23.1	-17.9	-110.5	-64.7	-121.9
Kista Galleria (50%)	-5.6	-2.3	-17.6	-8.7	-17.7
Investment properties and Kista Galleria (50%). total	-28.7	-20.2	-128.1	-73.5	-139.6
AVERAGE YIELD REQUIREMENT. %			30 SEP 2020	30 SEP 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 SEP 2020	30 SEP 2019	31 DEC 2019
EPRA NAV per share. EUR	11.14	12.58	12.28
EPRA NNNAV per share. EUR	10.43	11.14	10.97

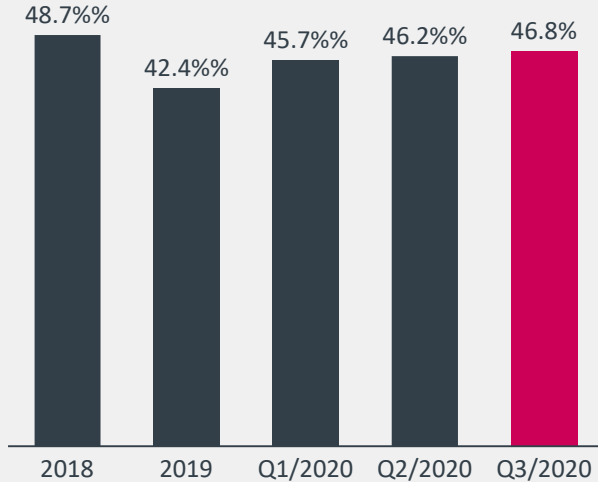


MAIN FINANCING METRICS

- Debt portfolio's hedge ratio 81.2%
- Investment-grade credit ratings BBB-/BBB-/Baa3
- Financing mainly unsecured 91.2%
- Substantial liquidity buffer MEUR 587
- Loan to Value 46.8%
- Average maturity of loan portfolio 3.9

FINANCING KEY FIGURES

LTV DEVELOPMENT (%)



FINANCING KEY FIGURES

		30 SEP 2020	30 SEP 2019	31 DEC 2019
Interest bearing debt, fair value	MEUR	2.068.4	2.156.3	1.874.4
Available liquidity	MEUR	588.6	555.3	562.1
Average loan maturity	years	3.9	4.3	4.6
Interest rate hedging ratio	%	81.2	82.4	88.8
Weighted average interest rate ¹⁾	%	2.40	2.39	2.29
Loan to Value (LTV)	%	46.8	49.6	42.4
Financial covenant: Equity ratio (> 32.5%)	%	46.9	44.3	50.9
Financial covenant: Interest cover ratio (> 1.8)	%	4.2	4.1	4.2

GOOD LIQUIDITY POSITION

AVAILABLE LIQUIDITY

MEUR	30 SEP 2020	30 JUN 2020	31 MAR 2020	31 DEC 2019
Syndicated revolving credit facilities unutilized	527.0	402.5	376.1	530.4
Cash pool overdraft limits unutilized	24.2	24.3	23.4	24.9
Nonrestricted cash and cash equivalents	37.4	156.1	117.3	7.1
Available Liquidity	588.6	582.9	516.8	562.4
Commercial Paper	174.0	125.9	127.2	129.7
Bank loans maturing < 1 year	90.1	115.0	109.1	101.1
Bonds maturing < 1 year	31.5	32.1	105.9	75.5
Net Available Liquidity	293.0	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 178-185 million. EPRA EPS EUR 0.740-0.780 and adjusted EPRA EPS EUR 0.650-0.690.

Previous Outlook

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.

LOOKING FORWARD 2020



STRONG URBANIZATION CREATES NATURAL DEMAND FOR DENSIFICATION IN THE LOCATIONS WHERE CITYCON OPERATES

CITIES WHERE CITYCON OPERATES HAVE:

- Strong country level economics
- Strong local demographics with high purchasing power & strong citizen inflow
- Environmentally and socially conscious Nordic culture encourages densification

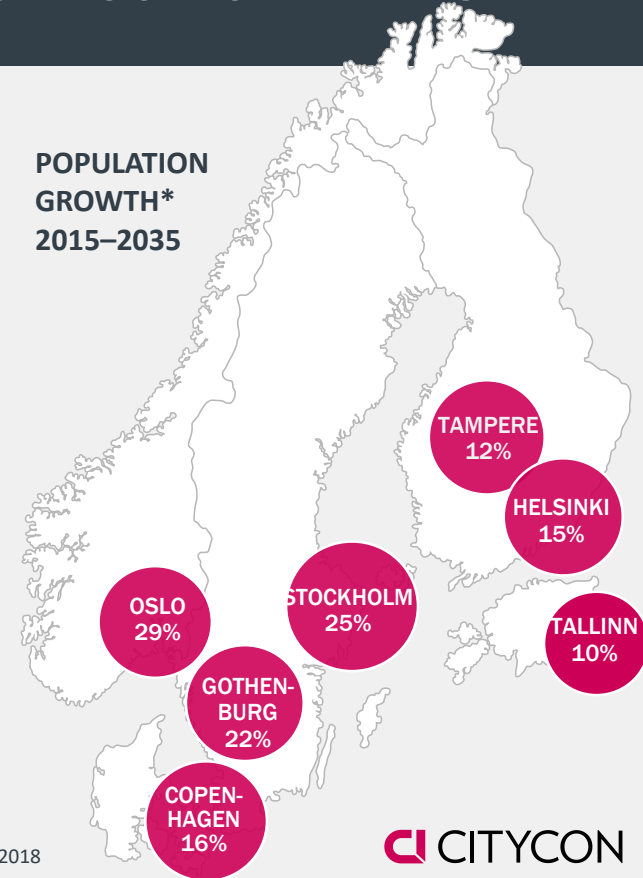
STRONG URBANISATION CREATES NEEDS FOR MUNICIPALITIES:

- Investing in infrastructure to accommodate the growing number of citizens
- Ensuring the availability of housing
- Ensuring the sustainability of the area development
- Developing services to win wealthy citizens increasing tax-base



Natural demand for densification in the areas where Citycon operates

POPULATION GROWTH* 2015–2035





CITYCON IS IN A NATURAL POSITION TO PARTICIPATE IN DENSIFICATION

EXISTING/ OWNED ASSETS IN PRIME LOCATIONS

- Direct connections to the most important public transportation hubs place assets in prime position for zoning and gaining building rights
- Existing relationships and co-operation with municipalities make Citycon the preferred partner

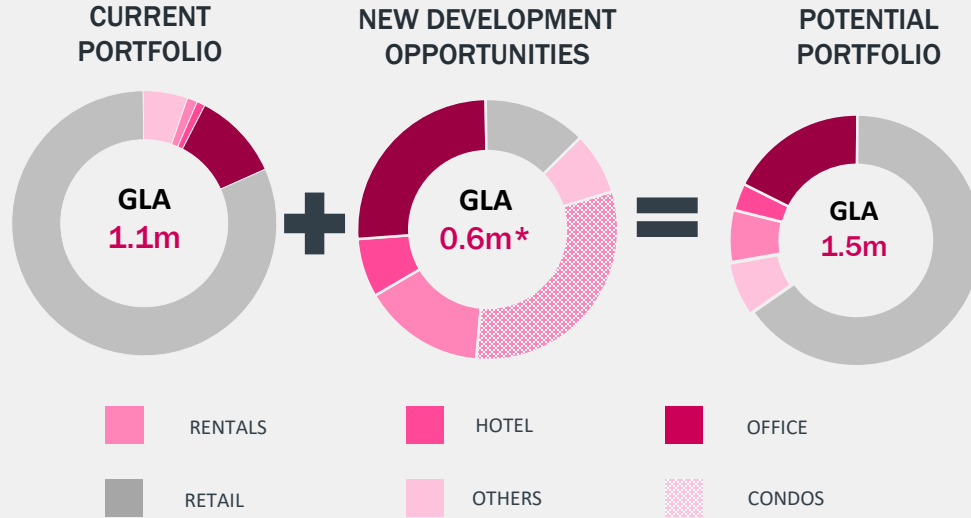
LEADING OWNER AND DEVELOPER OF REAL ESTATE IN THE NORDICS

- Proven track-record of developing award-winning destinations
- Successful development of green assets with innovative recycling, transportation and energy efficiency solutions

FOR CITYCON: ATTRACTIVE GROWTH BUSINESS WITH CLEAR SYNERGIES WITH EXISTING BUSINESS

- Attractive add-on business on top of prime retail assets with a significant portfolio diversification impact
- Increase in the number of people in the catchment area creates natural customer flow and balances intra-day fluctuation

PORTFOLIO TRANSFORMATION TOWARDS MIXED-USE ASSETS – FUTURE SHARE OF RETAIL ENVISAGED AT 65% (VS. CURRENT 82%)

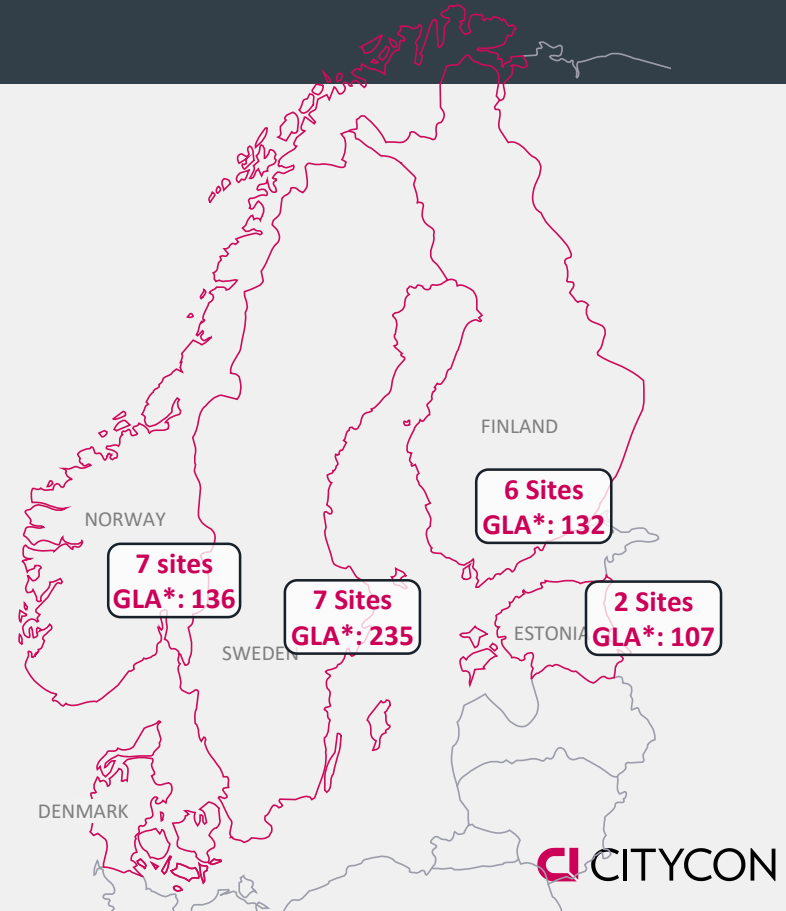
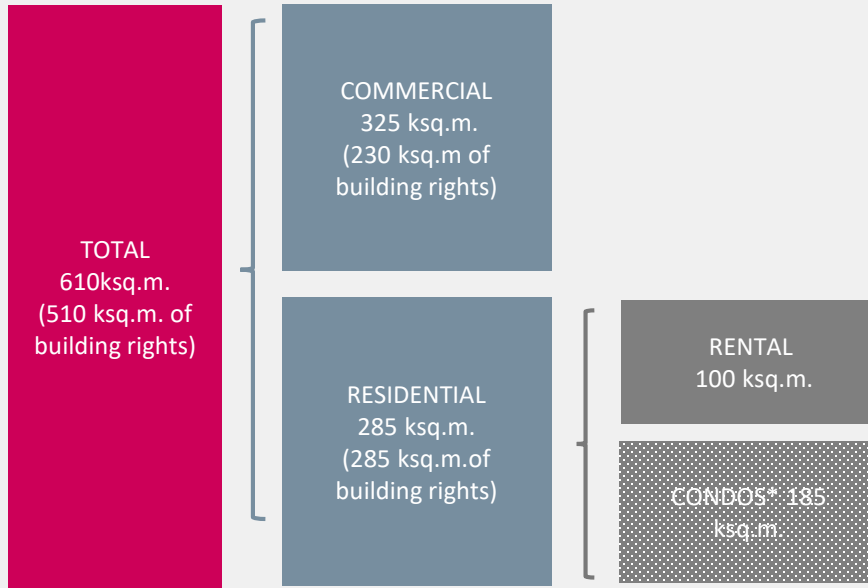


- Portfolio recycling remains a strategic priority for Citycon. This entails shifting portfolio more heavily towards mixed-use through capitalizing on densification potential around existing assets and making selective disposals of non-core assets to finance the transformation.
- Fully implementing identified development potential of 0.6m sq.m. ** would significantly diversify Citycon’s portfolio, and the future share of retail could decrease to a level of 65% (currently 82%).
- In addition to diversification and increasing stability of cash flow, participating in densification would increase GLA and create synergies with retail assets.
- Value creation from the transformation strategy starts in the zoning phase once salable building rights are received prior to potential capex outlays.
- Long planning and zoning process accommodates case by case decision making on execution of individual developments. All decisions can be made gradually, balance sheet allowing.

26 Note: * Includes 0.2 msq.m. of condos; ** Total opportunities of 0.6 msq.m. - 0.2 m.sq.m. of condos sold once completed

THE PORTFOLIO INCLUDES 22 POTENTIAL DEVELOPMENT SITES WITH A TOTAL GLA OF 0.6 MSQ.M.

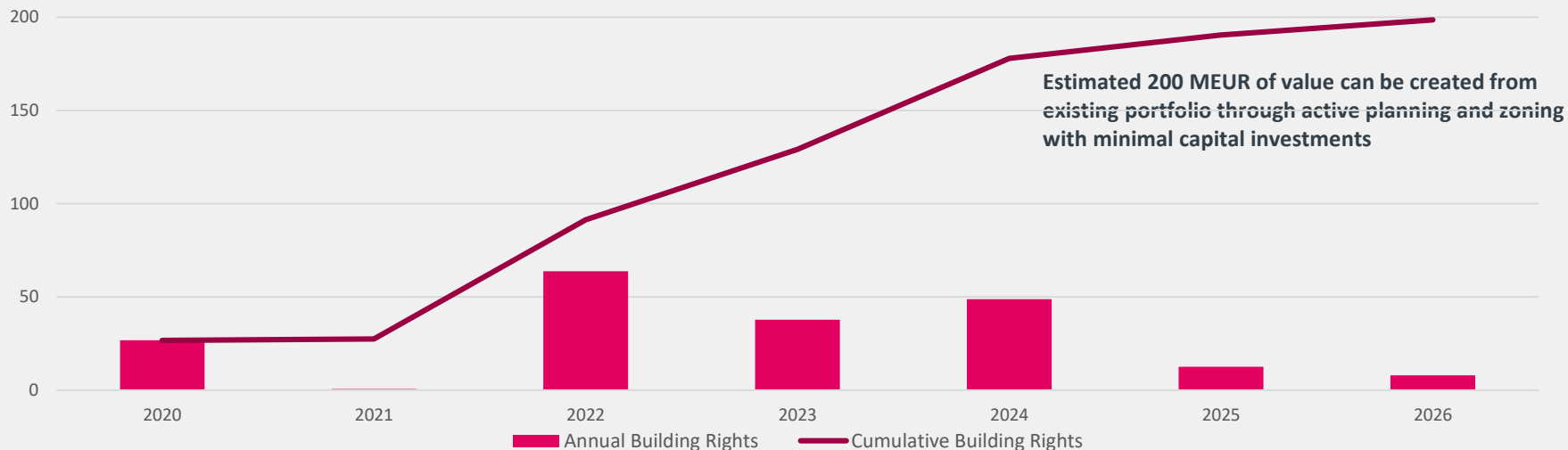
DEVELOPMENT POTENTIAL - COMPOSITION (TOTAL GLA & BUILDING RIGHTS)



VALUE CREATION EARLY IN THE PROCESS – IDENTIFIED VALUE FROM BUILDING RIGHTS ESTIMATED AT 200 MEUR

Value of development projects is created already in the zoning phase. Decision on whether to invest or cash on building rights is made in a later stage of the process.

Building right value creation



Final construction decision is made in a later stage of the process triggering also capex spend

STABILITY IN AN UNSTABLE WORLD...

STRONG PERFORMANCE IN COVID-19 ENVIRONMENT PLACES CITYCON IN A SOLID POSITION TO MOVE FORWARD

- Strong Q3 demonstrated the resilience of Citycon's strategy and stability of the portfolio:
 - NRI decline modest, total NRI -2.2% and like-for-like NRI -4.7% (adjusted for FX rate)
 - Strong collection rates continued, YTD being at 94%
 - Fair value decline remained modest (-0.6%)
- The Nordics continue to outperform in the COVID-19 environment. Consumer behaviour has adapted to the situation:
 - Tenant sales on par with last year, like-for-like sales -3.7%
 - Customers visit with intention to purchase, YTD average consumer purchase +15%



...WHILE CREATING DIVERSIFICATION THROUGH DENSIFICATION

CITYCON HAS CONTINUED TO FOCUS ON ITS LONG-TERM GOALS

- Capital recycling and portfolio diversification continues to be a top priority.
- Capitalizing on densification potential in connection to existing assets to increase the value of portfolio through higher GLA, synergies with retail and diversification of portfolio.
- Value creation early in the zoning and planning process untaps value of estimated 200 MEUR with minimal capex spent.
- Organisation and resources to execute densification plans already in place.



CONTACT INFORMATION

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APPENDIX



INCOME STATEMENT

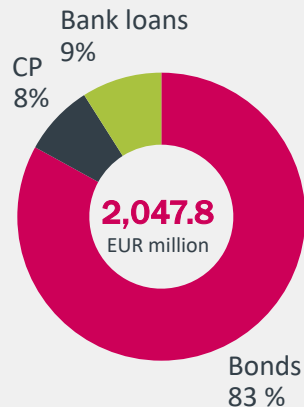
MEUR	Q1-Q3/2020	Q1-Q3/2019	%	2019
Gross rental income	168.6	175.1	-3.7 %	232.1
Service charge income	51.2	56.6	-9.5 %	77.1
Property operating expenses	-61.1	-66.4	-8.0 %	-89.3
Other expenses from leasing operations	-3.2	-1.4	-	-2.5
Net rental income	155.5	164.0	-5.2 %	217.4
Administrative expenses	-19.0	-20.0	-5.0 %	-26.8
Other operating income and expenses	0.7	2.4	-69.2 %	2.8
Net fair value gains/losses on investment property	-110.5	-64.7	70.6 %	-121.9
Net gains/losses on sale of investment property	1.9	1.3	42.0 %	1.5
Operating profit	28.7	83.0	-65.4 %	73.1
Net financial income and expenses	-38.0	-36.4	4.5 %	-54.2
Share of profit/loss of joint ventures	-15.3	-6.0	-	-16.6
Profit before taxes	-24.7	40.6	-	2.2
Current taxes	-2.7	-1.1	-	-2.0
Deferred Taxes	7.9	-4.9	-	8.6
Profit/loss for the period	-19.5	34.6	-	8.9

BALANCE SHEET

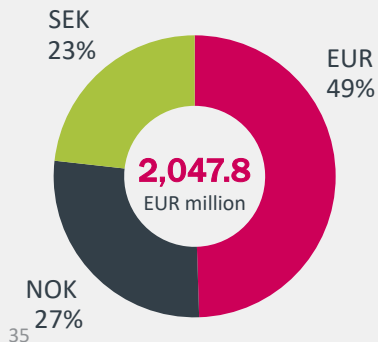
MEUR	30 SEP 2020	30 SEP 2019	31 DEC 2019
Investment properties	4,155.1	4,105.9	4,160.2
Total non-current assets	4,458.8	4,464.0	4,508.1
Investment properties held for sale	-	51.6	-
Total current assets	98.4	62.0	74.2
Total assets	4,557.3	4,577.6	4,582.3
Total shareholders' equity	2,129.9	2,021.6	2,325.2
Total liabilities	2,427.4	2,556.0	2,257.1
Total liabilities and shareholders' equity	4,557.3	4,577.6	4,582.3

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

