



AUDIOCAST PRESENTATION
Q4/2018



SUMMARY OF 2018: EPRA EPS RETURNED TO GROWTH IN Q4

EPRA EARNINGS PER SHARE EXCLUDING ONE-TIME COSTS: EUR 16.39, REPORTED EPRA EPS EUR 16.12

- EPRA EPS returned to growth in the last quarter of 2018. Divestments in 2017 and 2018, currencies and one-time expenses related to management change impacted full year EPRA Earnings as expected
- Significant decline in administrative expenses (down 11.8% y/y) excluding one-time expenses related to management change

SOLID OPERATIONAL DEVELOPMENT

- Pro forma like-for-like NRI grew by 1.0% in 2018 (incl. Iso Omena and Buskerud for the Q2-Q4/2018 period)
- Occupancy rate improved to 96.4%; clear improvement in Finland & Estonia. Leasing spread was stable.

RECYCLING OF CAPITAL CONTINUED

- Successful disposal of Sampokeskus in Finland in November. In 2018 we sold 5 assets for around EUR 96 million.
- MölnDal Galleria opened in Gothenburg, Sweden in September

RECORD FOOTFALL IN ISO OMENA

- First full calendar year after extension opened. Iso Omena welcomed 20 million visitors during the year (2017: 11.5 million)

DIVIDEND PROPOSAL OF EUR 0.13 PER SHARE

- Pay-out ratio of approximately 80% of EPRA EPS
-

WE HAVE TRANSFORMED OUR PORTFOLIO



TODAY 40% OF ASSET VALUE IS CONCENTRATED IN OUR FIVE LARGEST ASSETS



**ISO OMENA,
HELSINKI AREA**



**LILJEHOLMSTORGET
GALLERIA, STOCKHOLM**



**KISTA GALLERIA,
STOCKHOLM**



**OASEN,
BERGEN**



**ROCCA AL MARE,
TALLINN**

GLA, sq.m.	100,900	41,100	92,500	57,000	57,600
Visitors, million	20.0	9.8	18.0	4.3	5.2
Fair value, MEUR	758	311	291	209	183

ISO OMENA WELCOMED 20 MILLION VISITORS DURING 2018

74%

Footfall increased to
20 million
(2017: 11.5 million)

17%

Tenant sales
increased to EUR 314
million
(2017: EUR 269
million)

7%

Increase in same-
store-sales



DIVESTMENTS AND ACQUISITIONS

DIVESTMENTS IN 2018

	Number of Assets	Value, MEUR
Finland	2	38
Norway	2	28
Sweden	1	30
Total	5	96

ACQUISITIONS IN 2018

	Location	Date	Value, MEUR
Straedet – Part III	Køge, Denmark	3 July	9.0
Mölndal Galleria, 50%	Mölndal, Sweden	27 September	58.0
Total			67.0



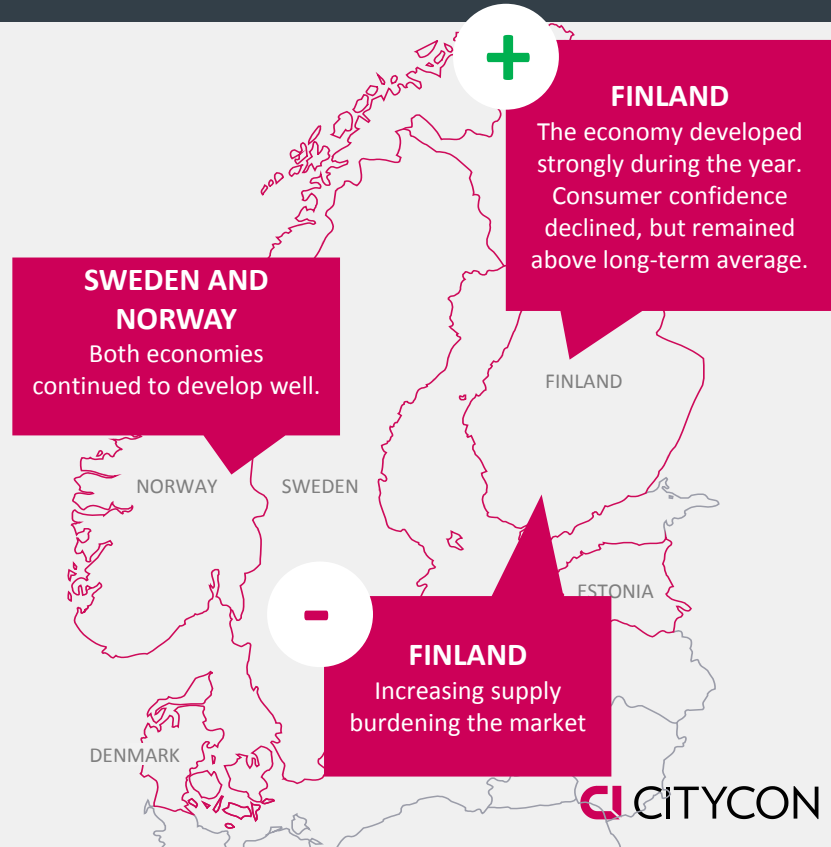
2018: OPERATIONAL PERFORMANCE: TENANT SALES AND FOOTFALL IMPROVED



OUR OPERATING ENVIRONMENT REMAINED SOLID WITH GOOD GROWTH ACROSS THE REGION

KEY ECONOMIC INDICATORS IN OUR OPERATING COUNTRIES

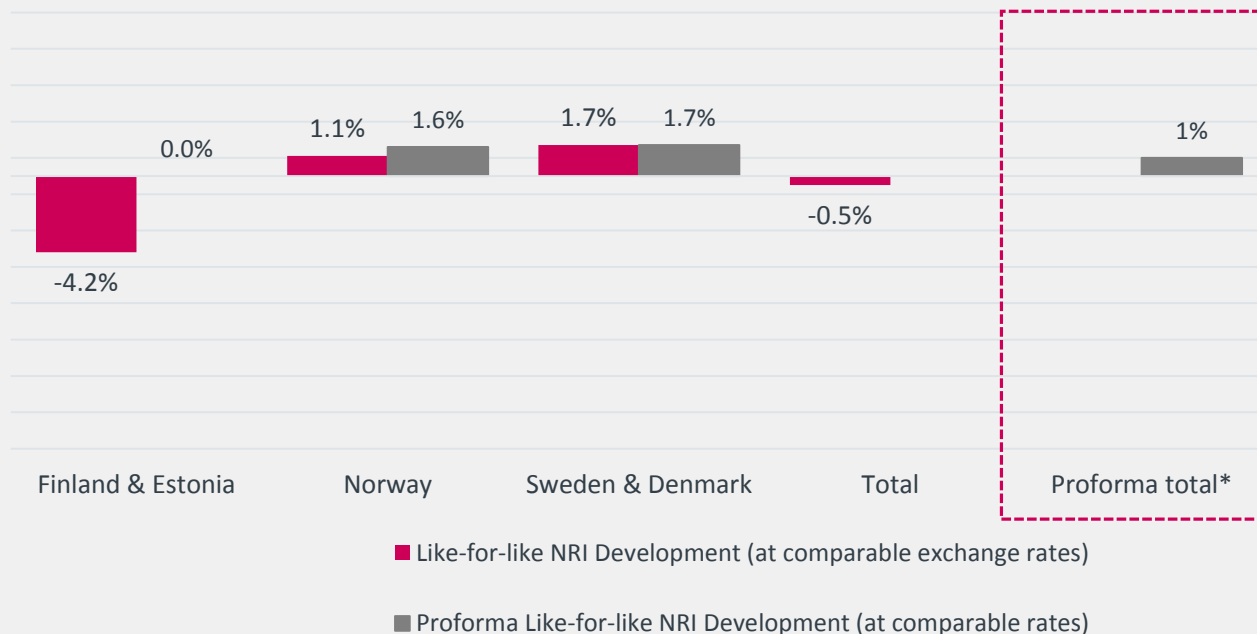
2018 change*	Finland	Norway	Sweden	Denmark	Estonia
GDP growth (%)	2.9%	1.6%	2.4%	1.2%	3.5%
Unemployment rate (%)	7.8%	4.0%	6.3%	5.2%	5.7%
Inflation (%)	1.2%	3.5%	2.1%	0.8%	3.5%
Retail sales growth (%)	2.9%	1.5%	2.6%	1.0%	5.0%



8 *Sources: SEB Nordic Outlook, Nordea Economic Outlook, European Commission, Eurostat, Statistics Finland/Norway/Sweden/Estonia/Denmark. Some figures are based on estimates.

PRO FORMA LIKE-FOR-LIKE NRI GREW BY 1.0%

LIKE-FOR-LIKE AND NET RENTAL INCOME DEVELOPMENT Q1-Q4/2018 VS Q1-Q4/2017



- Pro forma L-F-L NRI includes the impact of Iso Omena and Buskerud for the Q2-Q4/2018 comparable period

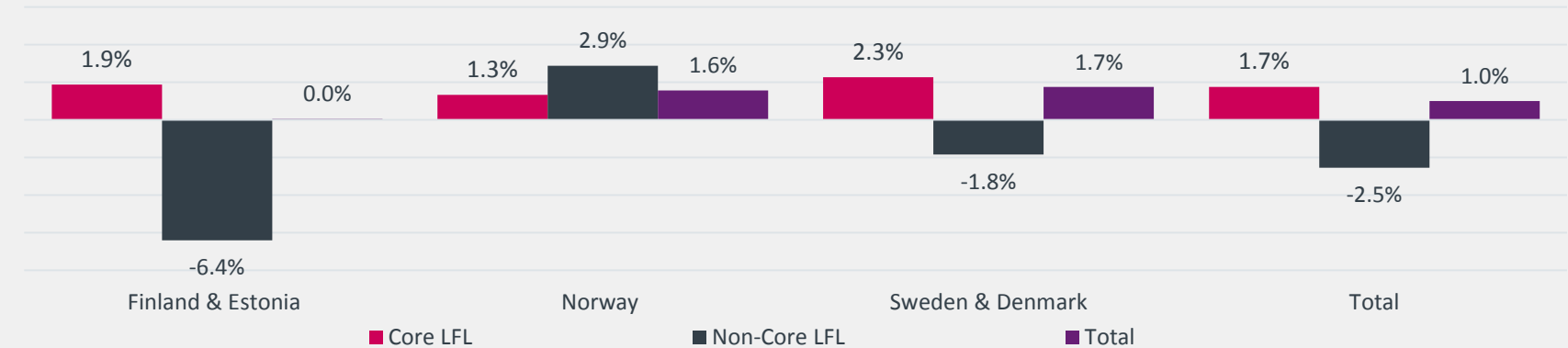
- Like-for-like portfolio represents 63% of the total portfolio in terms of fair value:

- Finland 38%
- Norway 85%
- Sweden & Denmark 80%

- The non-core assets are overrepresented in the L-F-L portfolio: 96% of the non-core assets are in the L-F-L portfolio. For the core portfolio, the percentage is 55%.

PRO-FORMA LIKE-FOR-LIKE NRI DEVELOPMENT CORE VS NON CORE

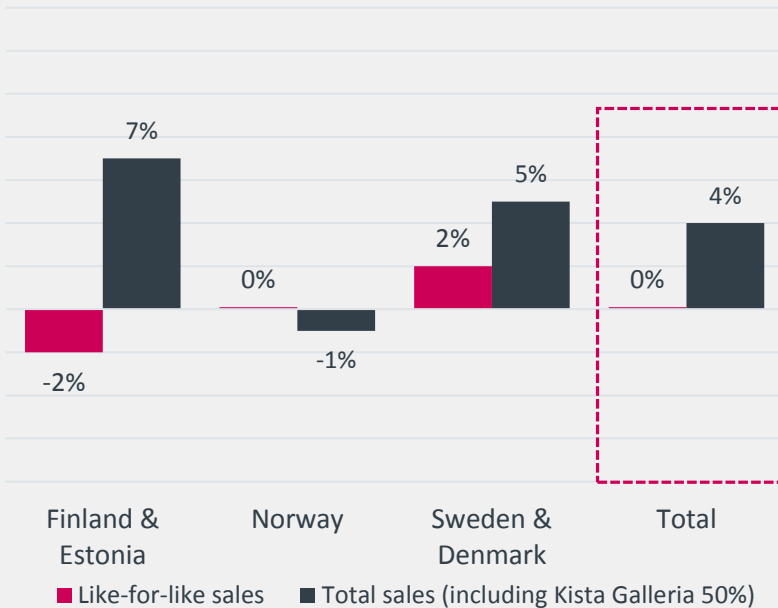
PRO-FORMA LIKE-FOR-LIKE NRI DEVELOPMENT CORE VS NON-CORE Q1-Q4/2018 VS Q1-Q4/2017



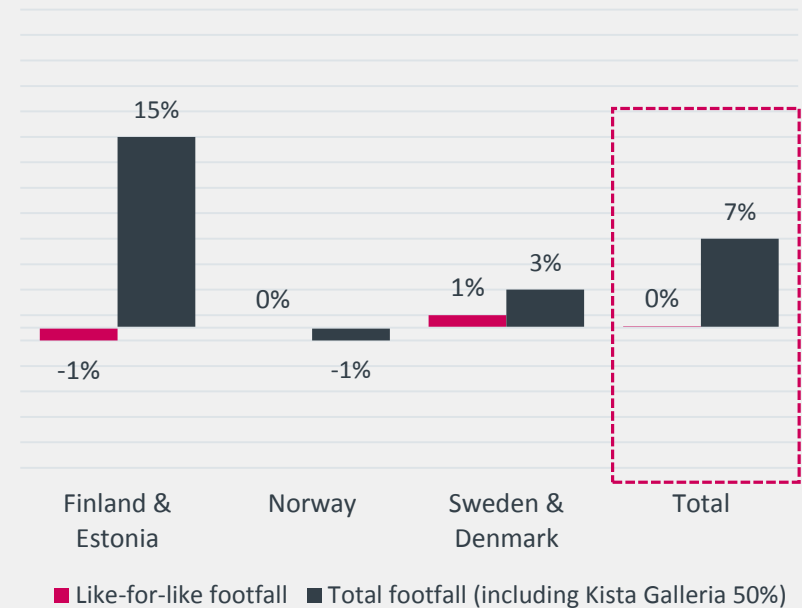
	FINLAND & ESTONIA	NORWAY	SWEDEN & DENMARK	TOTAL
Fair value Core L-F-L	85%	89%	90%	88%
Fair Value Non-core L-F-L	15%	11%	10%	12%

OVERALL SALES +4% AND FOOTFALL +7% LIKE-FOR-LIKE SALES AND FOOTFALL STABLE

TENANT SALES DEVELOPMENT
Q1-Q4/2018 vs. Q1-Q4/2017, % ¹⁾

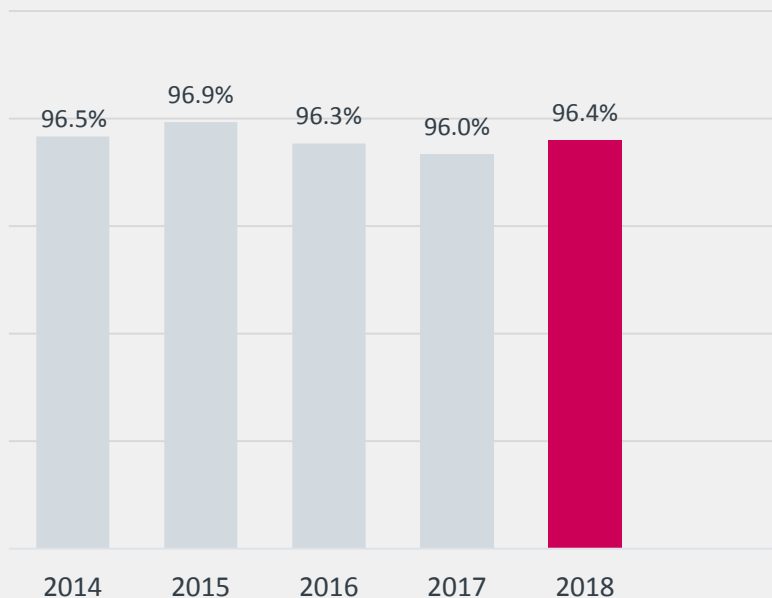


FOOTFALL DEVELOPMENT
Q1-Q4/2018 vs. Q1-Q4/2017, % ¹⁾



OCCUPANCY IMPROVED

OCCUPANCY RATE



12 All figures including Kista Galleria 50%

		2018	2017
Average rent ¹⁾	EUR/sq.m.	23.2	23.2
Average remaining length of the lease portfolio	years	3.4	3.5

		2018	2017
Average rent of leases started	EUR/sq.m.	22.5	22.9
Average rent of leases ended	EUR/sq.m.	22.1	23.1
Leasing spread of renewals and re-lettings	%	-0.3	-4.0

- Leasing spread improved compared to previous years.
- Overall leasing spread was flat during 2018. Leasing spread remained clearly positive in Sweden and Norway. In Finland & Estonia it was negative driven by a couple of secondary centres.

¹⁾ With comparable exchange rates the average rent per sq.m. increased by EUR 0.6

FINANCIAL OVERVIEW





Q4/2018 FINANCIALS

MEUR	Q4/2018	Q4/2017	Change %	Q4/2018 INCL. KISTA 50%
Gross rental income	59.1*	62.1	-4.7%	62.4
Net rental income	53.7	53.9	-0.3%	56.2
Direct operating profit	44.1	45.9	-4.0%	46.5
EPRA Earnings	34.2	33.8	1.2%	N/A
EPRA EPS (basic)	0.0384	0.0379	1.2%	N/A
<i>EPRA EPS excl. one-time costs</i>	0.0411	0.0379	8.3%	N/A
EPRA NAV per share	2.59	2.71	-4.5%	N/A

* Changes due to IFRS15 had a negative impact of EUR 1.4M on the Gross rental income. There was no impact on other items.



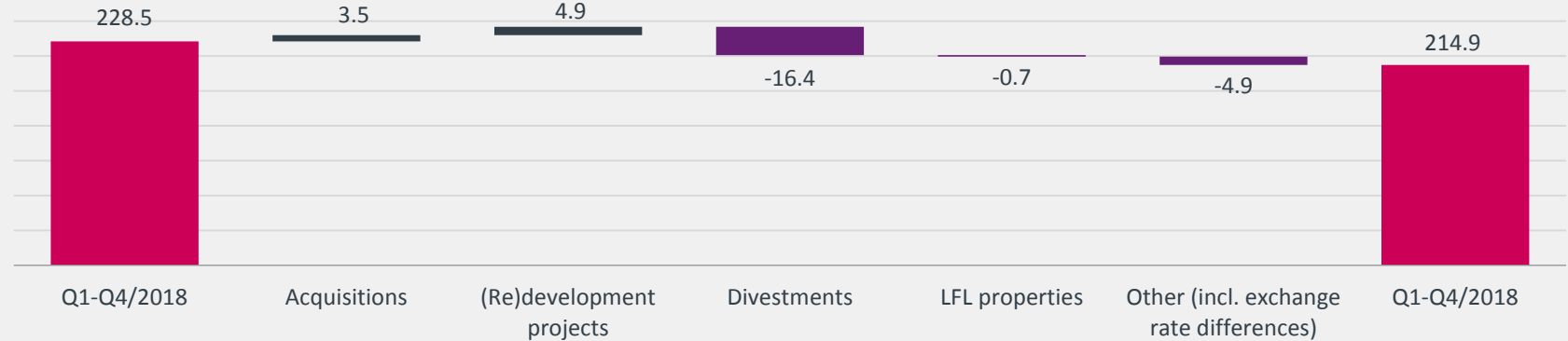
FULL YEAR 2018 FINANCIALS

MEUR	2018	2017	Change %	2018 INCL. KISTA 50%
Gross rental income	237.0*	257.4	-7.9%	250.6
Net rental income	214.9	228.5	-6.0%	226.5
Direct operating profit	187.6	200.5	-6.4%	198.7
EPRA Earnings	143.5	152.3	-5.8%	N/A
EPRA EPS (basic)	0.1612	0.1711	-5.8%	N/A
<i>EPRA EPS excl. one-time costs</i>	0.164	0.1711	-4.2%	N/A
EPRA NAV per share	2.59	2.71	-4.5%	N/A

* Changes due to IFRS15 had a negative impact of EUR 5.0M on the Gross rental income. There was no impact on other items.

NET RENTAL INCOME IMPACTED BY DIVESTMENTS AND FX

NRI DEVELOPMENT MEUR



CURRENCIES HAD A SIGNIFICANT IMPACT ON NRI

Closing rates

	Q4/2018	Q4/2017
SEK	10.2548	9.8438
NOK	9.9486	9.84403

Average rates

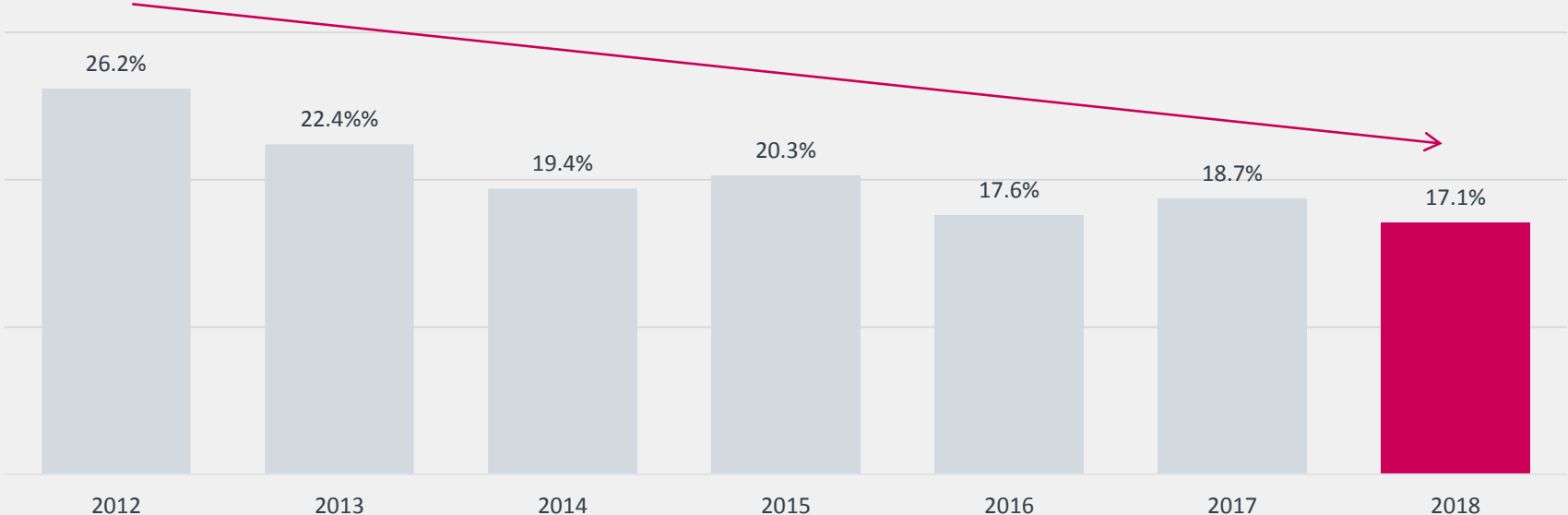
	Q1-Q4/2018	Q1-Q4/2017
SEK	10.2583	9.6342
NOK	9.6021	9.3246

Foreign currency impact on 2018:

NRI
-4.7 MEUR
EPRA EPS
-0.004 EUR

THE EPRA COST RATIO HAS IMPROVED CLEARLY SINCE 2012

EPRA Cost Ratio



EPRA Cost ratio includes direct vacancy costs



FAIR VALUE CHANGES

FAIR VALUE CHANGES, MEUR	Q4/2018	Q4/2017	2018	2017
Finland & Estonia	-11.0	-10.5	-58.8	-51.3
Norway	-1.6	-10.7	-22.2	-22.2
Sweden & Denmark	-5.7	10.5	8.5	30.6
Investment properties, total	-18.2	-10.6	-72.5	-42.9
Kista Galleria (50%)	-3.2	-1.1	-8.6	-0.6
Investment properties and Kista Galleria (50%), total	-21.5	-11.7	-81.1	-43.5
AVERAGE YIELD REQUIREMENT, %			31 DEC 2018	31 DEC 2017
Investment properties and Kista Galleria (50%), average			5.3	5.3



MAIN FINANCING TARGETS

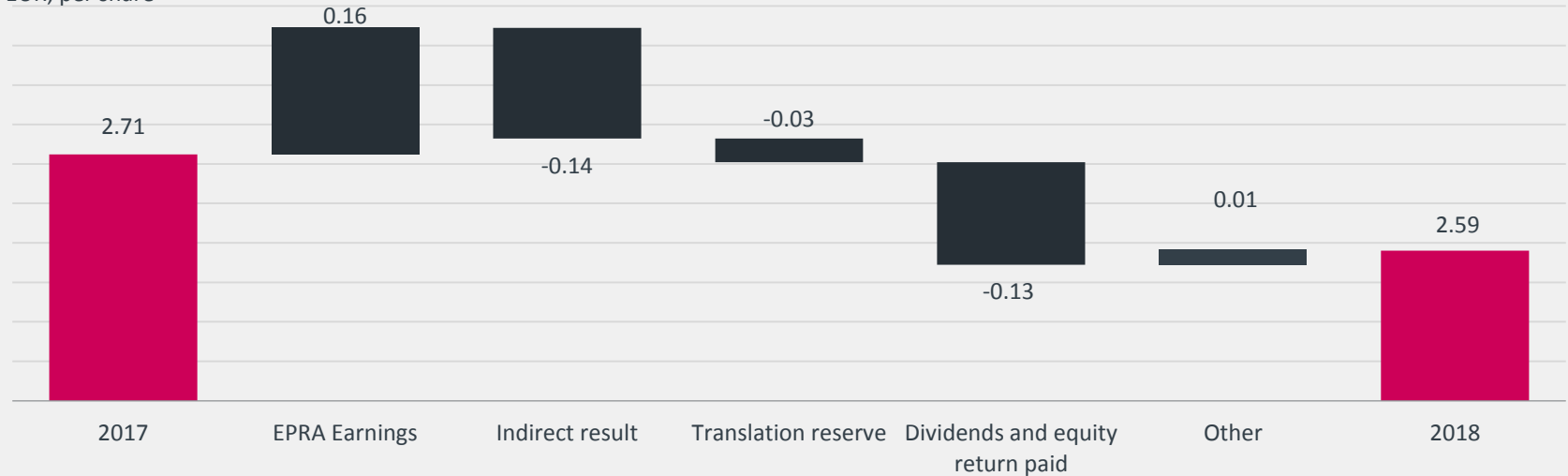
- Average maturity of loan portfolio > 5 yrs ✓ 5.0
- Debt portfolio's hedge ratio 70-90% ✓ 91.7%
- Investment-grade credit ratings ✓ BBB/Baa2
- Financing mainly unsecured ✓ 95%
- Substantial liquidity buffer ✓ MEUR 556
- Loan to Value 40-45% 48.7%

**Stable business model matched
by conservative financing targets**

EPRA NET ASSET VALUE DEVELOPMENT

CHANGE OF NET ASSET VALUE (EPRA NAV)

EUR, per share



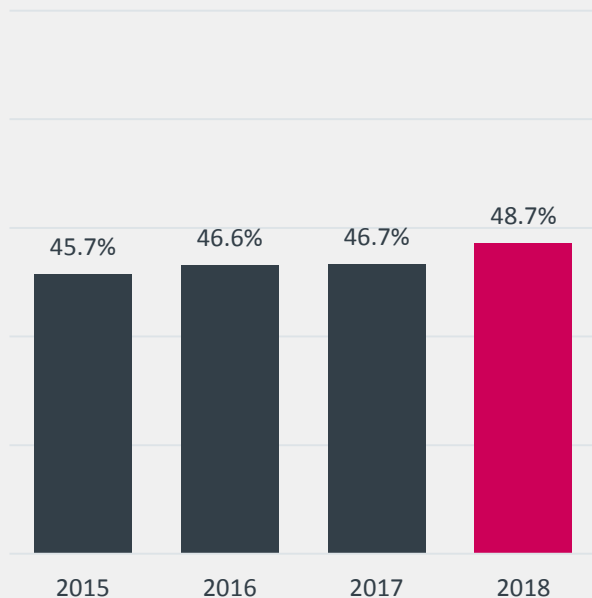
31 DEC 2018

31 DEC 2017

EPRA NAV per share, EUR	2.59	2.71
EPRA NNNNAV per share, EUR	2.38	2.37

REDUCED COST OF DEBT

LOAN TO VALUE (LTV)



FINANCING KEY FIGURES

		31 DEC 2018	31 DEC 2017
Interest bearing debt, fair value	MEUR	2,154.6	2,097.2
Available liquidity	MEUR	556.4	559.4
Average loan maturity	years	5.0	5.1
Interest rate hedging ratio	%	91.7	94.1
Weighted average interest rate ¹⁾	%	2.35	2.78
Loan to Value (LTV)	%	48.7	46.7
Financial covenant: Equity ratio (> 32.5%)	%	45.4	47.4
Financial covenant: Interest cover ratio (> 1.8)	%	3.8	3.8



IFRS 16

- No change in accounting treatment for lease agreements where we act as the lessor. However, in agreements where Citycon acts as the lessee, accounting treatment will be changed.
- Effective on January 1, 2019
- Citycon applies the simplified approach, i.e. no restated figures will be published

PRELIMINARY ESTIMATED IMPACT ON CITYCON'S FINANCIALS

Income statement:

- Expected positive impact on NRI of over EUR 5 million and slight positive impact on operating profit. Financing expenses expected to increase slightly.

Balance sheet:

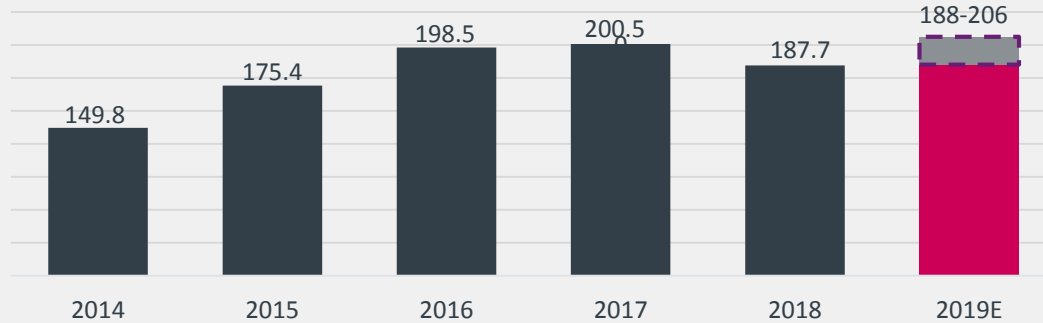
- Increase in investment properties of around EUR 50-55 million
- Increase in interest-bearing liabilities of around EUR 55-60 million

Cash flow statement

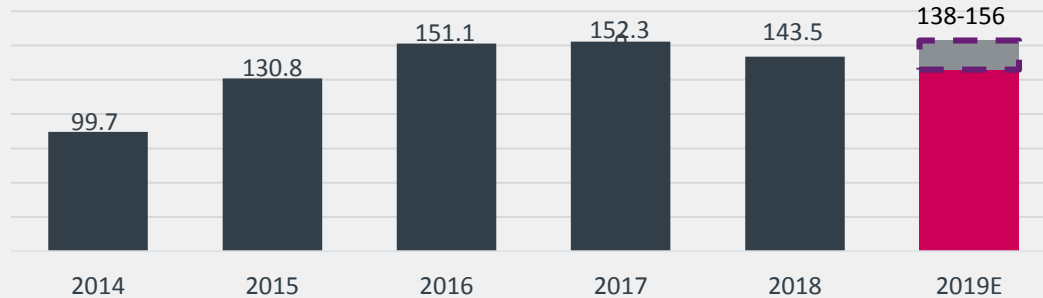
- Stronger operative cash flow, weaker cash flow from financing activities

OUTLOOK 2019

DIRECT OPERATING PROFIT



EPRA EARNINGS



Direct operating profit

MEUR 188-206

EPRA Earnings

MEUR 138-156

EPRA EPS (basic)

EUR 0.155-0.175

LOOKING FORWARD AT 2019



UPDATE ON DEVELOPMENT PROJECTS

ONGOING PROJECTS

	City	Area before/ after, sq.m.	Expected investment, MEUR	Cumulative investment MEUR	Completion target
1	Möndal Galleria	Gothenburg	- /24,000	114.6 ¹⁾	114.6 Completed 09/2018
2	Lippulaiva	Helsinki metropolitan area	19,200/44,300	TBC	81.2 2021

	City	Area before/after, sq.m.	Expected investment, MEUR	Target completion
PLANNED (UNCOMMITTED)				
	Kista Galleria	Stockholm	92,600/105,000	80 ²⁾ 2023
	Oasen	Bergen	57,000/68,800	100 2022
	Liljeholmstorget Galleria	Stockholm	40,600/64,500	100 2023
	Trekanten	Oslo	23,900/45,000	135 2022

25 ¹⁾Original expected investment EUR 120 million ²⁾Citycon's share MEUR 40 (50%)



STRATEGIC FOCUS AREAS OF NEW MANAGEMENT

INCREASED FOCUS ON ASSET MANAGEMENT

- Need to intensify focus on maximizing asset value
 - Started to implement asset management improvement actions and organizational changes. Changes will provide consistency, grow certain segments of business and enable us to take advantage of our Pan-Nordic scale
-

BEING GOOD STEWARDS OF CAPITAL

- Continued focus on capital allocation
 - More structured process to analyze returns on investment
-

CONTINUE TO STRENGTHEN BALANCE SHEET

- Continued capital recycling actions to strengthen balance sheet
 - Execute disposal strategy going forward
-

CONTACT INFORMATION

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APPENDIX



INCOME STATEMENT

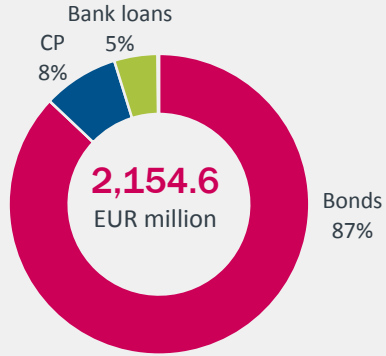
MEUR	Q4/2018	Q4/2017	%	2018	2017	%
Gross rental income	59.1	62.1	-4.7%	237.0	257.4	-7.9%
Service charge income	21.4	21.9	-2.3%	79.2	80.8	-2.0%
Property operating expenses	-26.2	-29.5	11.2%	-98.9	-107.8	8.3%
Other expenses from leasing operations	-0.7	-0.6	-7.7%	-2.4	-1.9	-26.4%
Net rental income	53.7	53.9	-0.3%	214.9	228.5	-6.0%
Administrative expenses	-10.1	-8.2	-23.2%	-28.0	-29.1	3.5%
Other operating income and expenses	-3.2	-7.0	-54.6%	-9.5	-11.6	-18.3%
Net fair value gains/losses on investment property	-18.2	-10.6	-71.9%	-72.5	-42.9	-69.0%
Net gains/losses on sale of investment property	-1.1	-3.7	-	-0.2	6.0	-
Operating profit	21.1	24.3	-13.2%	104.7	150.9	-30.6%
Net financial income and expenses	-10.2	-13.5	-24.7%	-70.5	-56.4	-25.0%
Share of profit/loss of joint ventures	-7.7	0.7	-	-12.5	-0.7	-
Profit before taxes	3.2	11.4	-72.4%	21.7	93.8	-76.9%
Current taxes	0.2	-0.4	-	-0.2	-0.8	71.3%
Deferred Taxes	2.2	12.2	-82.1%	-4.8	-5.1	5.9%
Profit/loss for the period	5.5	23.2	-76.2%	16.6	87.9	-81.1%

BALANCE SHEET

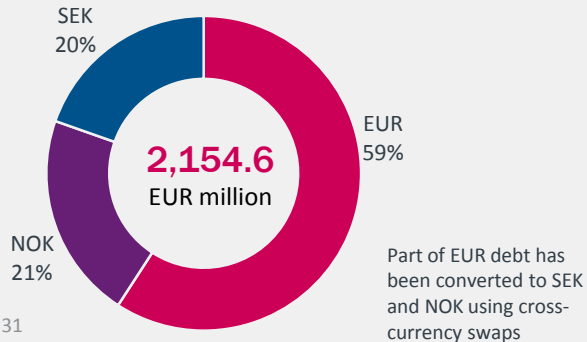
MEUR	31 DEC 2018	31 DEC 2017
Investment properties	4,131.3	4,183.4
Total non-current assets	4,488.4	4,608.9
Investment properties held for sale	78.1	25.4
Total current assets	56.2	43.7
Total assets	4,622.7	4,678.0
Total shareholders' equity	2,089.0	2,209.4
Total liabilities	2,533.7	2,468.6
Total liabilities and shareholders' equity	4,622.7	4,678.0

95% OF DEBT FIXED RATE WITH BALANCED MATURITY PROFILE

DEBT BREAKDOWN BY TYPE



DEBT BREAKDOWN BY CURRENCY



DEBT MATURITIES

