

AUDIOCAST PRESENTATION Q3/2021





Q3/2021: CONTINUED STRONG OPERATING PERFORMANCE APPROACHING 2019 LEVELS

CITYCON'S OPERATING PERFORMANCE: CONTINUED QUARTER OVER QUARTER GROWTH

- In Q3/2021 like-for-like net rental income increased +0.4% compared to the Q3/2020, standing at 51.3 MEUR
- Operating property NRI (excluding divestments) is approaching pre-covid Q3/2019 levels (-1.5%).
- NRI above Q2/2021 levels (+1.0%), marking the third consecutive quarter of quarter over quarter NRI growth. The direct operating profit is similarly ahead of Q2/2021, standing at 44.7 MEUR in Q3/2021.
- EPRA Earnings decreased to 32.5 MEUR (33.5) due to divestments and resulting EPRA EPS of 0.183 (0.188)

KEY METRICS REMAIN SOLID

- At 96% year-to-date, Citycon's non-adjusted rent collection remained at a high level. Final collection rates are again expected to increase beyond this already high level in subsequent quarters.
- Robust leasing activity continued during the quarter with approximately 41,000 square meters leased. We are particularly pleased with the improvement in specialty leasing, which has shown rebounded strongly.
- YTD like-for-like tenant sales 2.2% above previous year level and only -1.4% % below compared to pre-covid levels in 2019.
- Q3/2021 was in line with our expectations and we narrow our full year guidance. Now we expect EPRA EPS to be in the range of EUR 0.683-0.723 for the full year 2021.

Necessity-based tenant focus and our excellent Nordic city locations continue to drive improving performance.



Q3/2021: ACTIVE CAPITAL RECYCLING CONTINUED

PORTFOLIO TRANSFORMATION AND CAPITAL RECYCLING

- Post the quarter-end, we signed an agreement to divest Columbus shopping centre in Finland, for a gross price of 106.2 MEUR, which is 10 MEUR above the Q4/2020 valuation.
- This transaction is a great example of our ability to create additional value by active asset management, which was partially reflected in the valuation gain of prior quarters before announcing the sale.
- We are planning to investigate the opportunity to use some of the proceeds to repurchase our shares and take advantage of our heavily discounted stock price against our NRV per share, which we believe does not reflect the demonstrated value of our portfolio.

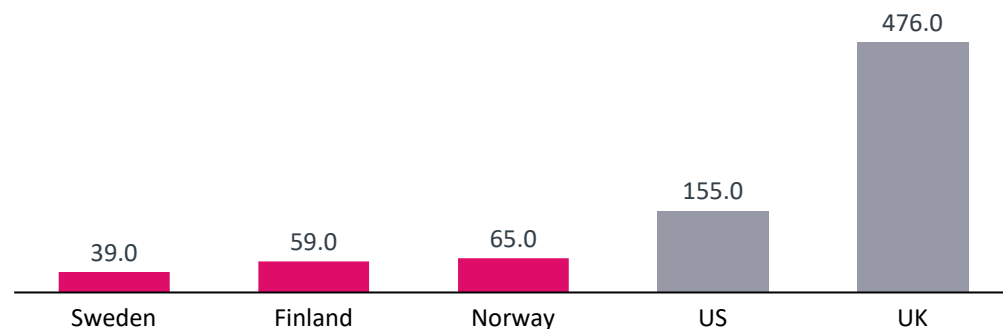
FINANCING ACTIVITY

- In September, we elected to utilize our available liquidity to exercise the right to redeem our 2022 notes with an outstanding nominal amount of 161.7 MEUR. Following the redemption, the majority of our near-term debt maturities were repaid and total debt level has been reduced.
- Significantly reducing near-term maturity risk provides us with greater financial flexibility and the ability to pursue our long-term strategic goals of moving further towards owning and developing mixed-use urban hub.

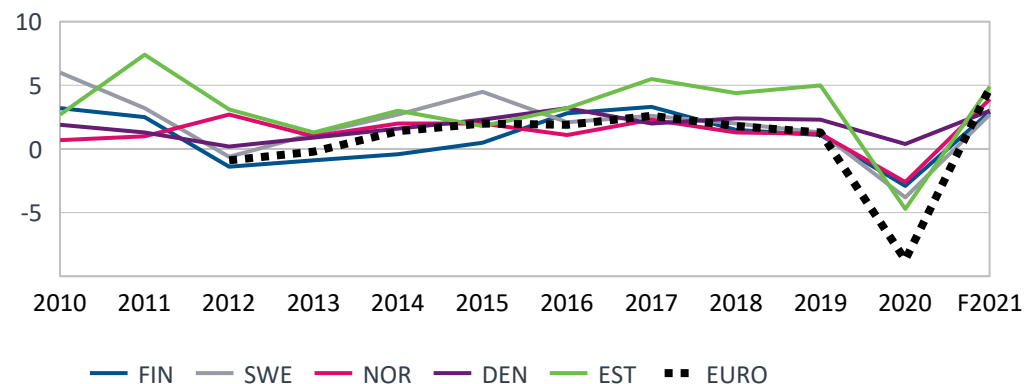
RECOVERY OF THE MACRO ECONOMICS CONTINUES IN THE NORDICS

– MOST RESTRICTIONS NOW REMOVED

COVID-19 CASES IN THE PAST 7 DAYS*

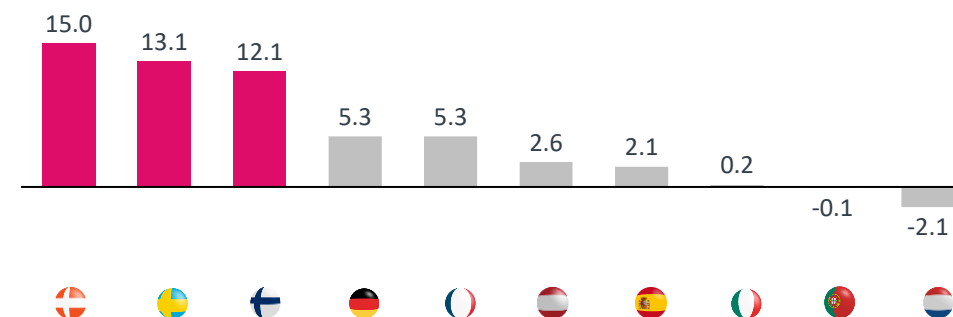


GDP PERFORMANCE (%)

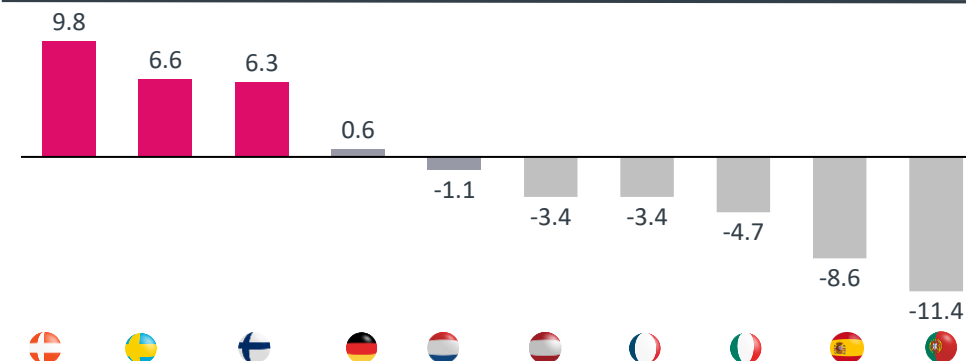


* Reuters, as of October 24, 2021

HOUSEHOLDS' FINANCIAL SITUATION OVER NEXT 12 MONTHS**



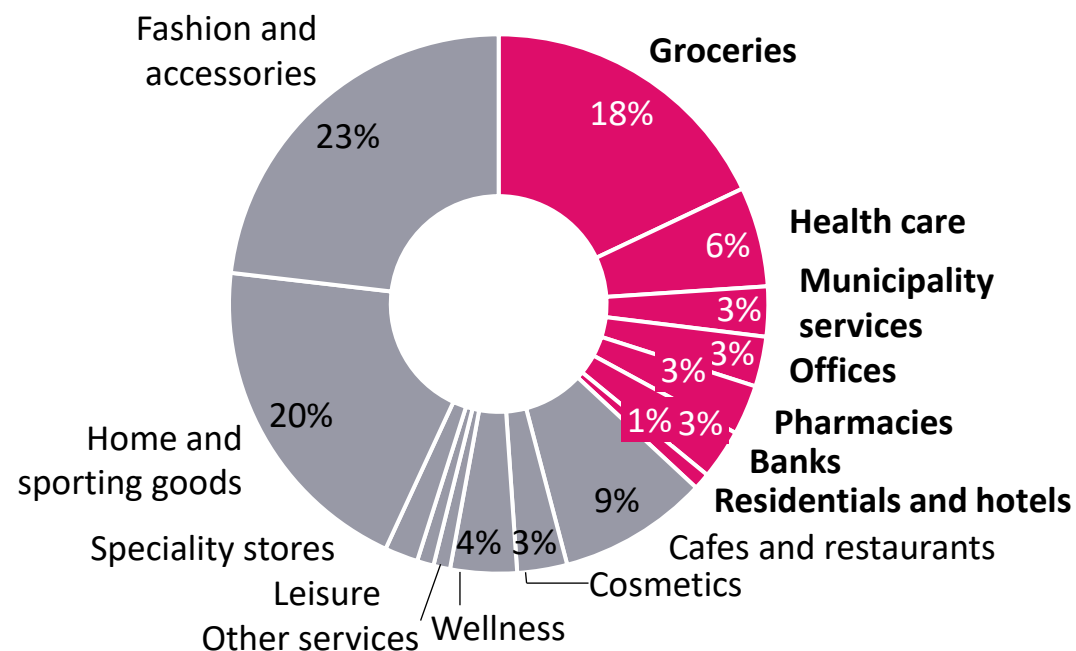
CONSUMER CONFIDENCE INDICATOR**



**The indicator is the arithmetic average of the balances (%) of 4 questions of which one is the financial situation of households* over the next 12 months. Source: EU Programme of Business and Consumer Surveys (September-21)

OUR NECESSITY-BASED URBAN HUBS PROVIDE STABILITY

GROSS RENTAL INCOME BY TENANT CATEGORY, Q3/2021



OVER 35 % OF GROSS RENTAL INCOME FROM NECESSITY TENANTS

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

SMALL PORTION OF TURNOVER BASED RENTS

- In 2021 only 5% of our gross rental income was from turnover based rents.

92% OF RENTS TIED TO INDEXATION

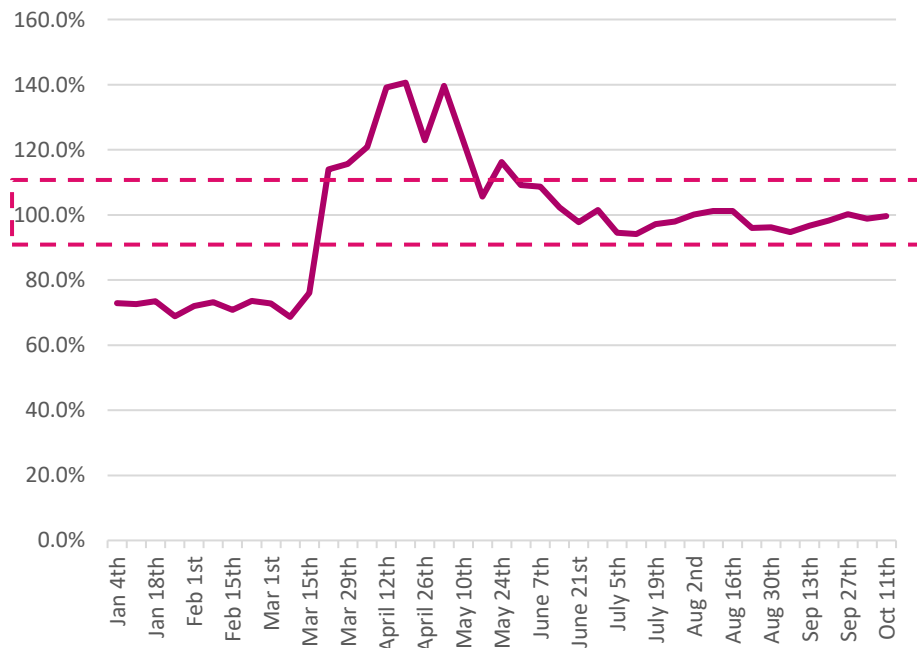
PUBLIC SECTOR TENANTS ARE GROWING PART OF OUR BUSINESS

- Currently public sector tenants and healthcare represent approx. 12% of our contracted GLA
- In last 18 months Citycon signed or agreed long term leases with municipalities and health care tenants across the Nordics for a total of 17 000 square meters.

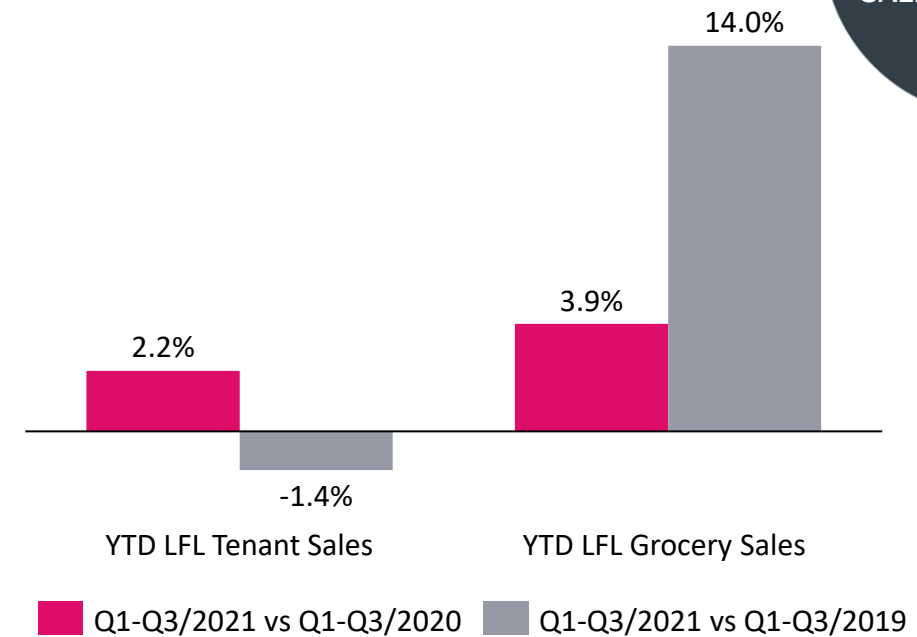
FOOTFALL STILL TRAILS 2019 BUT SALES HAVE NEARLY RECOVERED

WEEKLY FOOTFALL DEVELOPMENT

2021 vs. 2020



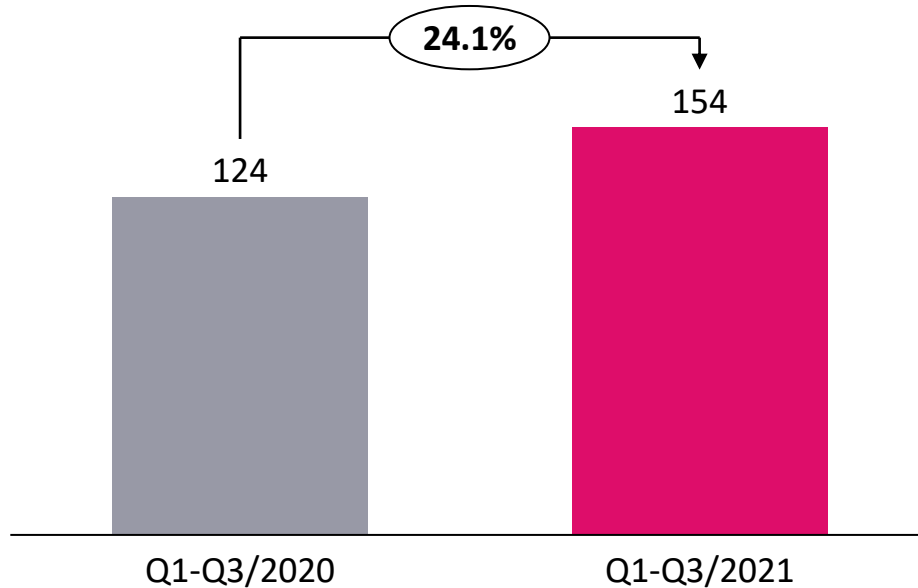
LFL TENANT SALES DEVELOPMENT



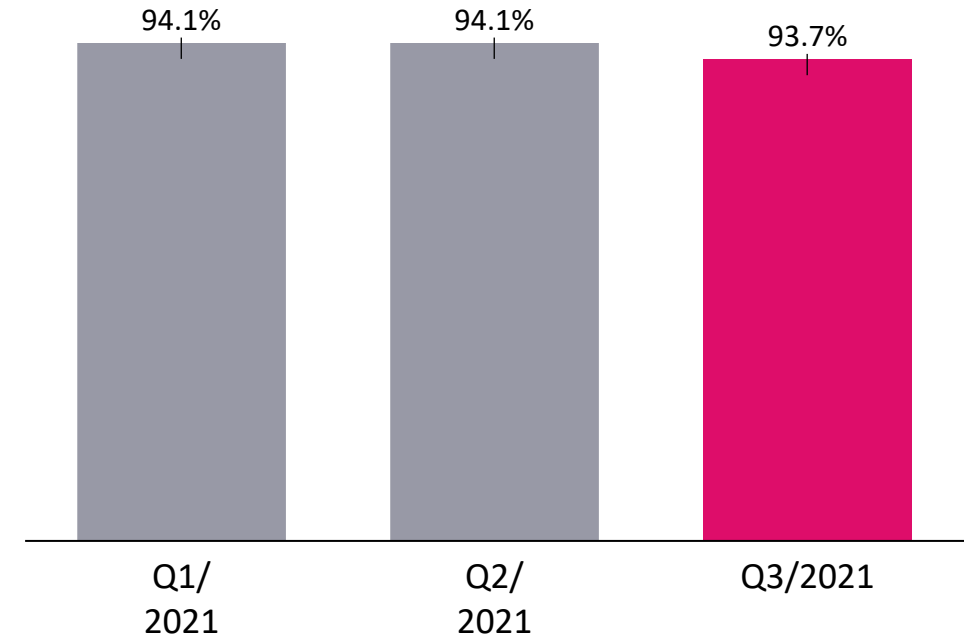
STRONG LEASING ACTIVITY INDICATES FURTHER SIGNS OF RECOVERY

LEASES SIGNED

SQM, thousands



RETAIL OCCUPANCY RATE DEVELOPMENT

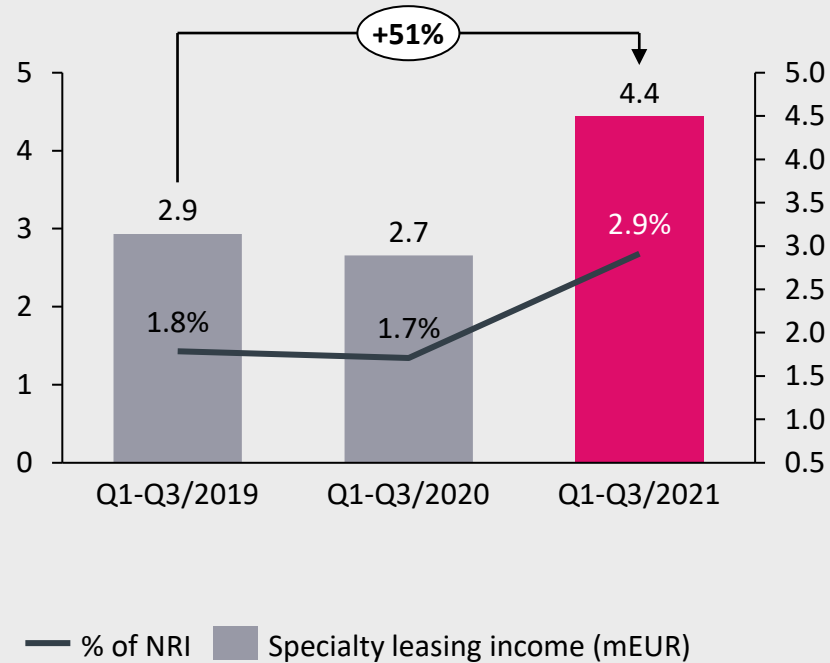


■ Retail occupancy rate w/o Kista

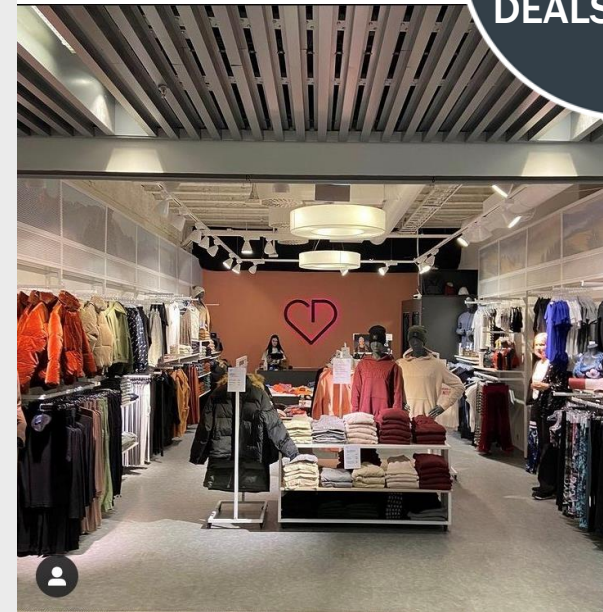
STRONG SPECIALITY LEASING DEVELOPMENT

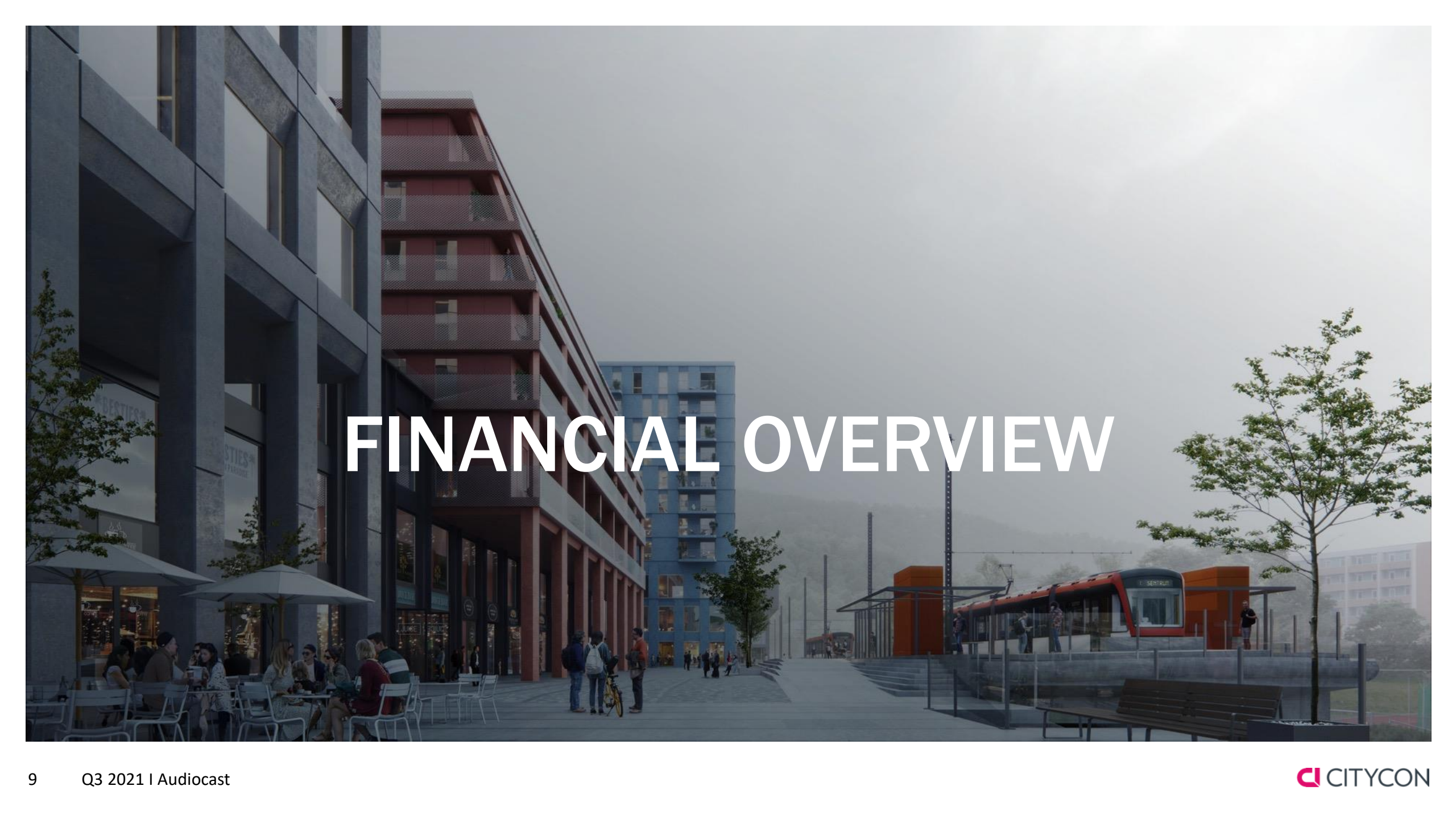
LFL TENANT SALES DEVELOPMENT

Q1-Q3/2021 VS. Q1-Q3/2020



ALREADY
1,745 GREAT
DEALS IN 2021



An architectural rendering of a modern urban development. On the left, a multi-story building with a grey facade and large windows has a ground-floor cafe with outdoor seating. Next to it is a building with red balconies and a blue facade. In the background, a blue building with a grid-like facade is visible. To the right, a red and white tram is stopped at a station platform. The foreground shows a paved pedestrian plaza with people walking and sitting on benches. The sky is overcast.

FINANCIAL OVERVIEW



Q3/2021 FINANCIALS

+0.4%
QUARTERLY LIKE-
FOR-LIKE NRI
GROWTH

MEUR	Q3/2021	Q3/2020	Change
Gross rental income	55.3	57.1	-3.1 %
Net rental income	51.3	52.9	-3.1 %
Direct operating profit	44.7	47.1	-5.1 %
EPRA Earnings	32.5	33.5	-3.0 %
Adjusted EPRA Earnings ⁽¹⁾	24.9	29.4	-15.2 %
EPRA EPS (basic)	0.183	0.188	-3.0 %
Adjusted EPRA EPS (basic) ⁽¹⁾	0.140	0.165	-15.2 %
EPRA NRV per share	11.58	11.32	2.3 %

¹⁾ The adjusted key figure includes hybrid bond coupons and amortized fees.



Q1-Q3/2021 FINANCIALS

MEUR	Q1-Q3/2021	Q1-Q3/2020	Change
Gross rental income	166.6	168.6	-1.1 %
Net rental income	152.5	155.5	-1.9 %
Direct operating profit	133.7	137.3	-2.6 %
EPRA Earnings	96.8	104.5	-7.4 %
Adjusted EPRA Earnings ⁽¹⁾	80.1	92.4	-13.3 %
EPRA EPS (basic)	0.544	0.587	-7.4 %
Adjusted EPRA EPS (basic) ⁽¹⁾	0.450	0.519	-13.3 %
EPRA NRV per share	11.58	11.32	2.3 %

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

THE QUARTERLY
TREND IS POSITIVE
AS Q3/2021 NET
RENTAL INCOME
EXCEEDS Q2/2021
LEVELS.

IMPACT OF THE EXCHANGE RATES

FOREIGN CURRENCY IMPACT ON Q1-Q3/2021:

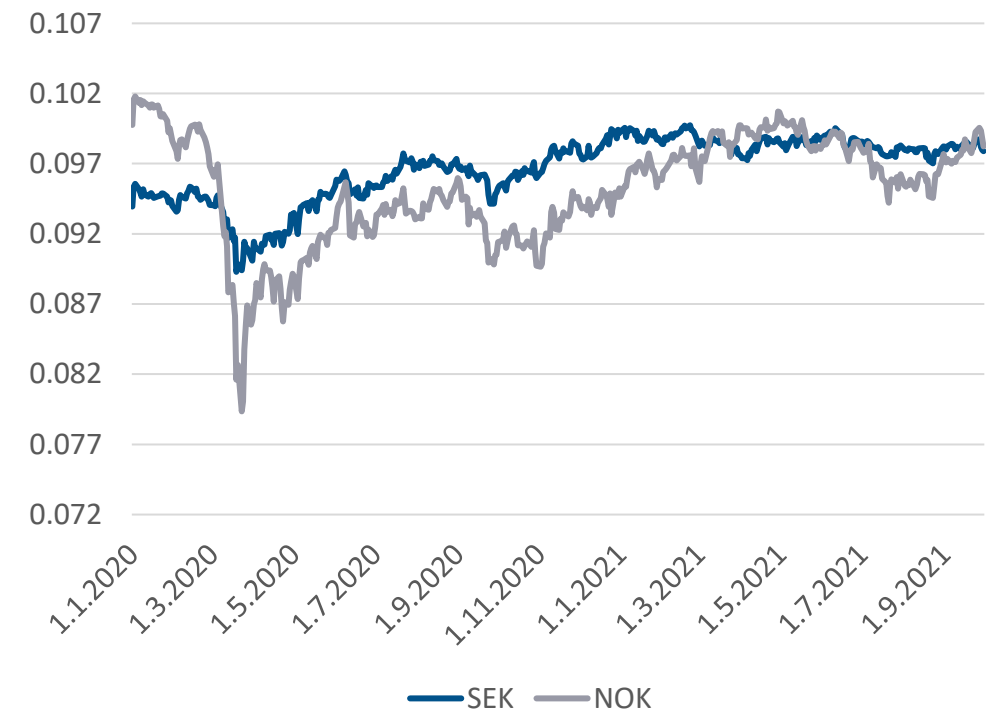
- NRI: 3.8 MEUR
- EPRA EPS: 0.017 EUR

SEK AND NOK RATES HAVE FURTHER STRENGTHENED POST Q3

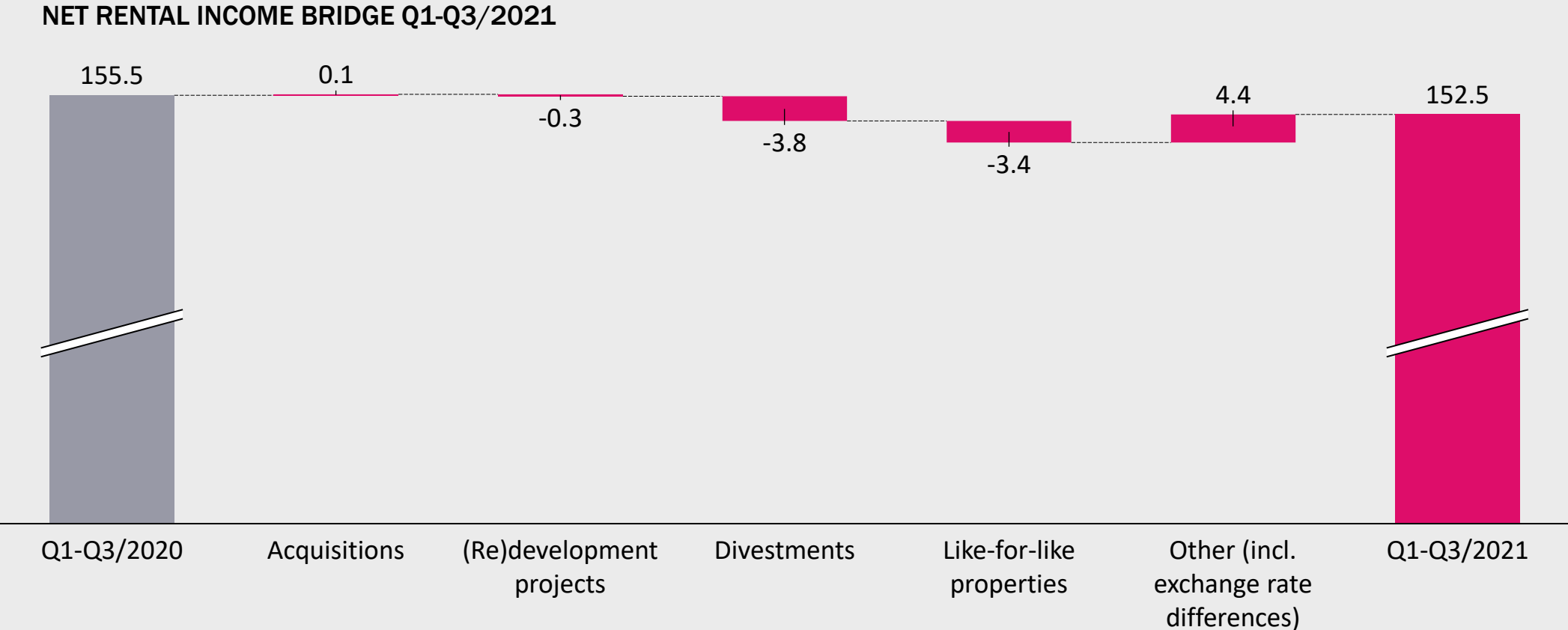
Closing rates	Q3/2021	Q3/2020
SEK	10.17	10.57
NOK	10.17	11.10

Average rates	Q1-Q3/2021	Q1-Q3/2020
SEK	10.15	10.56
NOK	10.23	10.71

NOK AND SEK EXCHANGE RATE DEVELOPMENT



NET RENTAL INCOME BRIDGE Q1-Q3/2020 – Q1-Q3/2021



PORTFOLIO VALUATIONS

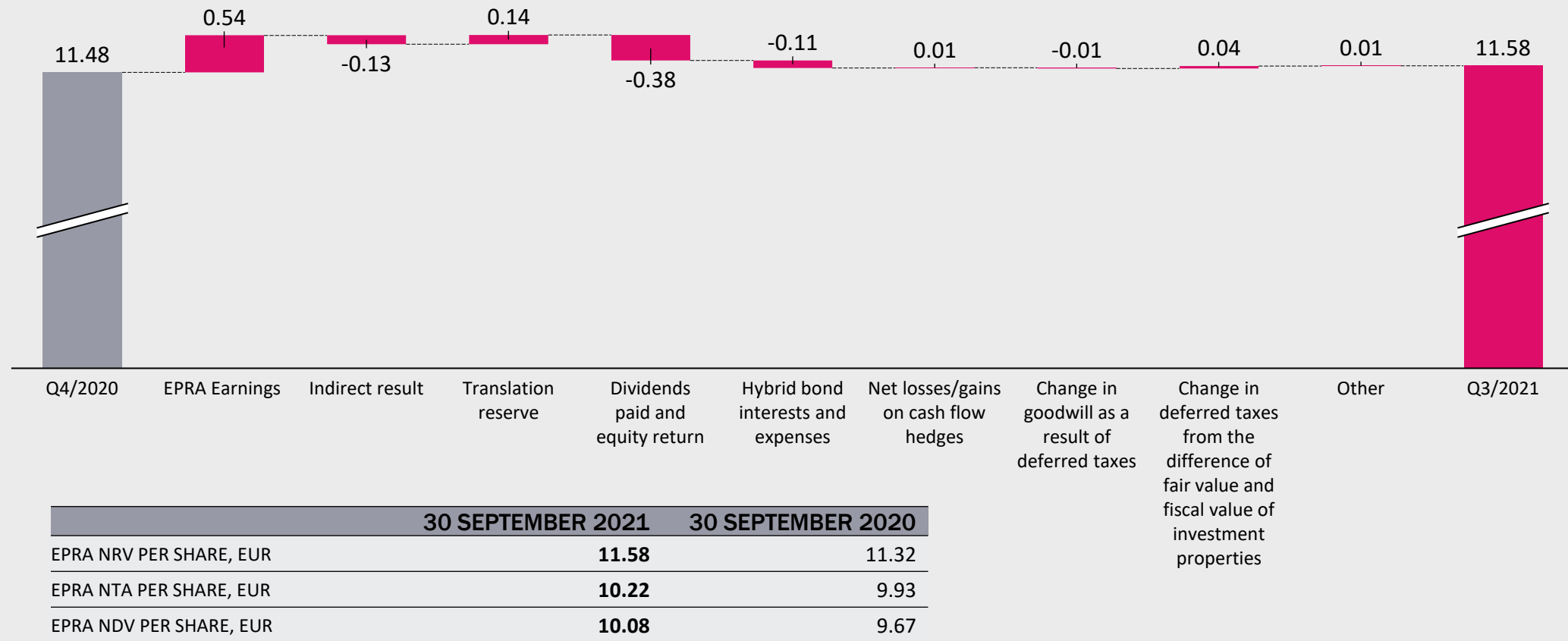
FAIR VALUE CHANGES. MEUR	Q1-Q3/2021	Q1-Q3/2020	Q3/2021	Q3/2020	2020
Finland & Estonia	-5.5	-57.5	-12.1	-12.1	-86.8
Norway	10.3	-9.0	1.7	-2.8	-1.3
Sweden & Denmark	11.4	-39.7	-0.9	-6.8	-53.1
Investment properties. total	16.2	-106.2	-11.2	-21.6	-141.2
Right-of-use assets classified as investment properties (IFRS 16)	-10.2	-4.2	-7.3	-1.4	-5.7
Investment properties in the statement of financial position. total	5.9	-110.5	-18.5	-23.1	-146.9
Kista Galleria (50%)	-2.8	-17.6	-1.7	-5.6	-32.3
Investment properties and Kista Galleria (50%). total	3.1	-128.1	-20.3	-28.7	-179.2

Quarterly fair value change for the standing portfolio was positive EUR 2.4 million.

The valuation was impacted by an update of Lippulaiva (update of estimated project costs and covid impacts) resulting in a fair value loss and IFRS-16 related adjustments of EUR 18.5 million for the quarter.

AVERAGE YIELD REQUIREMENT. %	30 September 2021	30 September 2020
Investment properties and Kista Galleria (50%), average	5.4%	5.5%

EPRA NET REINSTATEMENT VALUE (NRV) INCREASED





MAIN FINANCING METRICS

As of Q3/2021:

▪ Fixed interest rate ratio	88.9%
▪ Investment-grade credit ratings	BBB-/Baa3/BBB-
▪ Financing mainly unsecured	100%
▪ Substantial liquidity buffer	832.7 MEUR
▪ Loan to Value	39.6%*
▪ Average maturity of loan portfolio	4.0

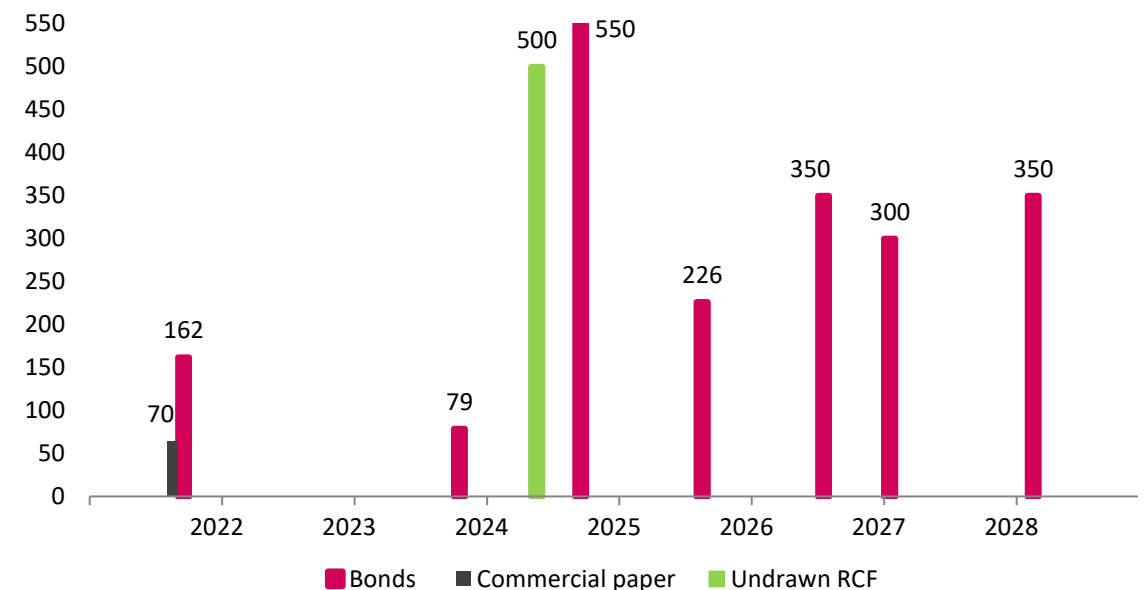
*Hybrid bond treated as equity as according to IFRS. Excluding both right-of-use assets recognized as part of investment properties, as well as lease liabilities pertaining to these right-of-use assets, which are based on IFRS 16 requirements. In addition, highly liquid cash investments have been taken into account in net debt.

BALANCED MATURITY PROFILE – NO SIGNIFICANT NEAR TERM MATURITIES UNTIL 2024

REDEMPTION OF BOND MATURING IN 2022

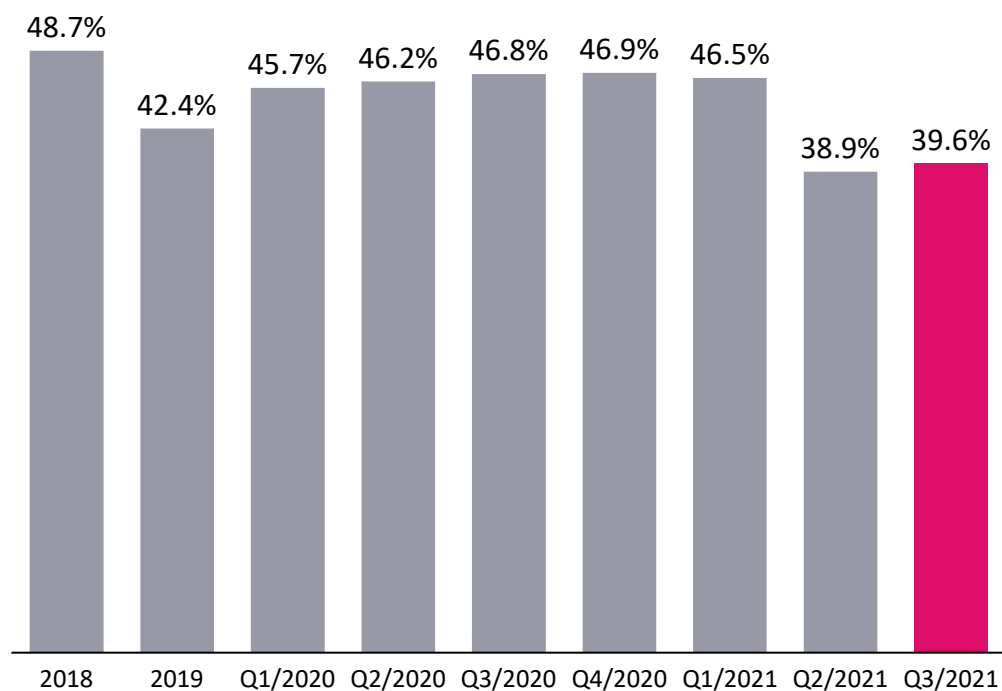
- In September, Citycon decided to exercise its right to redeem its 2022 notes with an outstanding nominal amount of EUR 161.7 million.
- The redemption date was 19 October 2021 and the company used funds from its liquid cash investments to settle the redemption.
- Following redemption notice, the 2022 EUR 162 million bond maturity is shown as 2021
- After the redemption, the majority of Citycon's short term debt maturities were repaid and the debt level reduced.
- This additional balance sheet strength provides us the ability to pursue our long-term strategic goals.

DEBT MATURITIES AS OF Q3/2021



FINANCING KEY FIGURES

LTV DEVELOPMENT



FINANCING KEY FIGURES		30 SEP 2021	30 SEP 2020
Fair value of debt	MEUR	2,086.7	2,047.8
Available liquidity	MEUR	832.7	588,6
Average loan maturity	years	4.0	3.9
Fixed interest rate ratio	%	88.9	81.2
Weighted average interest rate	%	2.40	2.40
Loan to Value (LTV)	%	39.6	46.8
Financial covenant: Interest cover ratio (> 1.8)	%	4.0	4.2

FOLLOWING THE SHORT-TERM DEBT REPAYMENTS IN OCTOBER FAIR VALUE OF DEBT STANDS AT 1,865 MEUR

GOOD LIQUIDITY POSITION PROVIDES FLEXIBILITY

FOLLOWING THE
SHORT-TERM DEBT
REPAYMENTS IN
OCTOBER AVAILABLE
LIQUIDITY STANDS AT
590 MEUR

AVAILABLE LIQUIDITY, MEUR	30 SEP 2021	30 JUNE 2021	31 MARCH 2021	31 DEC 2020	30 SEP 2020
Syndicated revolving credit facilities unutilized	500.0	500.0	500.0	405.7	527.0
Money Markets Funds	285.1	284.9	0.0	0.0	0.0
Cash pool overdraft limits unutilized	24.9	24.9	25.0	24.6	24.2
Nonrestricted cash and cash equivalents	22.7	26.0	39.3	16.7	37.4
Available Liquidity	832.7	835.7	564.3	447.0	588.6
Commercial Paper	70.0	64.0	93.8	218.1	174.0
Bank loans maturing < 1 year	0.0	0.0	0.0	0.0	90.1
Bonds maturing < 1 year	161.7	0.0	0.0	33.4	31.5
Net Available Liquidity	601.1	771.7	470.5	195.5	293.0



OUTLOOK FOR 2021

		New (Q3/2021)	Previously (Q2/2021)
Direct operating profit	MEUR	173–180	173–184
EPRA Earnings per share (basic)	EUR	0.683–0.723	0.676–0.726
Adjusted EPRA Earnings per share (basic)	EUR	0.558–0.598	0.558–0.608

Adjusted EPRA Earnings per share outlook includes also the coupons of the EUR 350 million hybrid issued in June. The outlook assumes that there are no major changes in macroeconomic factors and that there will not be another wave of COVID-19 with restrictions resulting in significant store closures. These estimates are based on the existing property portfolio and announced disposals as well as on the prevailing level of inflation, the EUR–SEK and EUR–NOK exchange rates, and current interest rates.





CAPITAL RECYCLING CONTINUES – CITYCON TO SELL COLUMBUS IN HELSINKI METROPOLITAN AREA

- Citycon has agreed to sell its necessity-based retail centre Columbus to NREP at a gross price of 106.2MEUR, which is 10 MEUR (+10%) above Q4/2020 valuation and +20% above Q4/2019 valuation.
- The divestment of the asset was signed in October 2021 and it is scheduled to close during Q4/2021.
- The strong valuation affirms the value of Citycon's high-quality asset portfolio, which remains heavily discounted in relation to NRV.
- Columbus showcases Citycon's asset management skills:
 - Tenant mix optimized by increasing the share of groceries up to 65% with active leasing, while
 - at the same time reducing the share of fashion to 6%.
- Tightening of the cap rates and increasing valuations validate demand for high-quality Nordic real estate assets.
- The Nordic real estate transaction market is active. Citycon will continue monitoring the market and progress its asset recycling initiatives to strengthen the balance sheet and to provide flexibility to the strategic transformation.
- We are looking into the opportunity to use some of the proceeds for a share repurchase
- Citycon's share price is heavily discounted to NRV and does not reflect the demonstrated value of our portfolio.

**50,000
SQ.M. LESS
IN FASHION**
COMPARED TO 2015

EUROPE LAGGING US EQUITY MARKET RECOGNITION OF VALUE OF NECESSITY BASED RETAIL

- US equity markets are clearly assigning value to grocery or necessity based retail similar to Citycon's portfolio.
- This is evident in the cap rates of grocery-anchored and other retail. US market, rewarding grocery-anchored retail with lower cap rates and higher valuations.
- The gap appears to be widening as cap rate estimates have fallen more for necessity-based retail compared to traditional one, with spreads between the two ranging from 80-210 bps.
- This trend combined with global investor demand for stability should pressure Nordic cap rates lower.

Property Type	Weighted Average REIT Cap Rate / Change vs. Prior Estimate*			
	Market Category			
	Gateway	Primary	Secondary	Tertiary
Grocery-Anchored Neighborhood Center (~15% of REIT Assets)	4.7%	4.9%	5.2%	5.4%
	-35 bps	-35 bps	-35 bps	-35 bps
Grocery-Anchored Community Center (~25% of REIT Assets)	5.0%	5.3%	5.6%	6.4%
	-35 bps	-35 bps	-35 bps	-35 bps
Power Center (~35% of REIT Assets)	5.5%	6.1%	6.7%	7.5%
	-40 bps	-40 bps	-40 bps	-40 bps

Source: GreenStreet Advisors

Q3/2021 SUMMARY

- Operating property NRI (excluding divestments) nearly back to pre-pandemic levels (-1.5%)
- Columbus sold above book value at 4.9% cap rate
- Accretively recycling Columbus proceeds to potentially repurchase shares at 6.7%
- No material near-term maturities before 2024
- Lippulaiva coming online in 2022 with necessity-based focus, direct connection to the metro, significant municipality tenant exposure, and eight residential towers.



CAPITAL MARKETS DAY 2021

CAPITAL MARKETS DAY 2021

TIME: Tuesday, November 16, 2021

PLACE: Lippulaiva, Finland

Citycon's CMD 2021 will consist of optional asset tours in Lippulaiva and in Iso Omena and presentations by corporate management

More information can be found on Citycon's website at www.citycon.com/cmd2021

Please register with Tiina Tahkolahti (tiina.tahkolahti@citycon.com) by 10 November





Q&A



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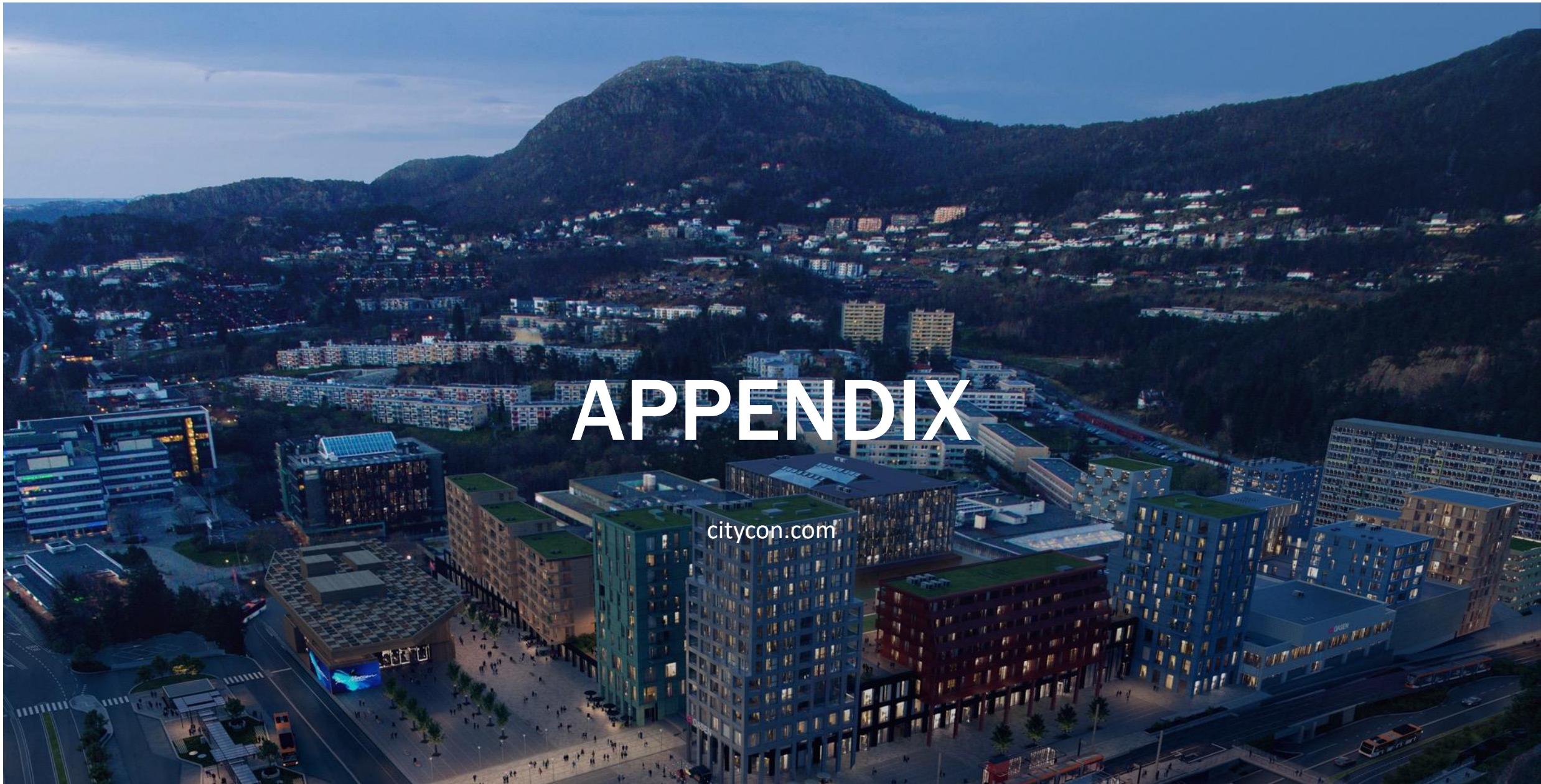


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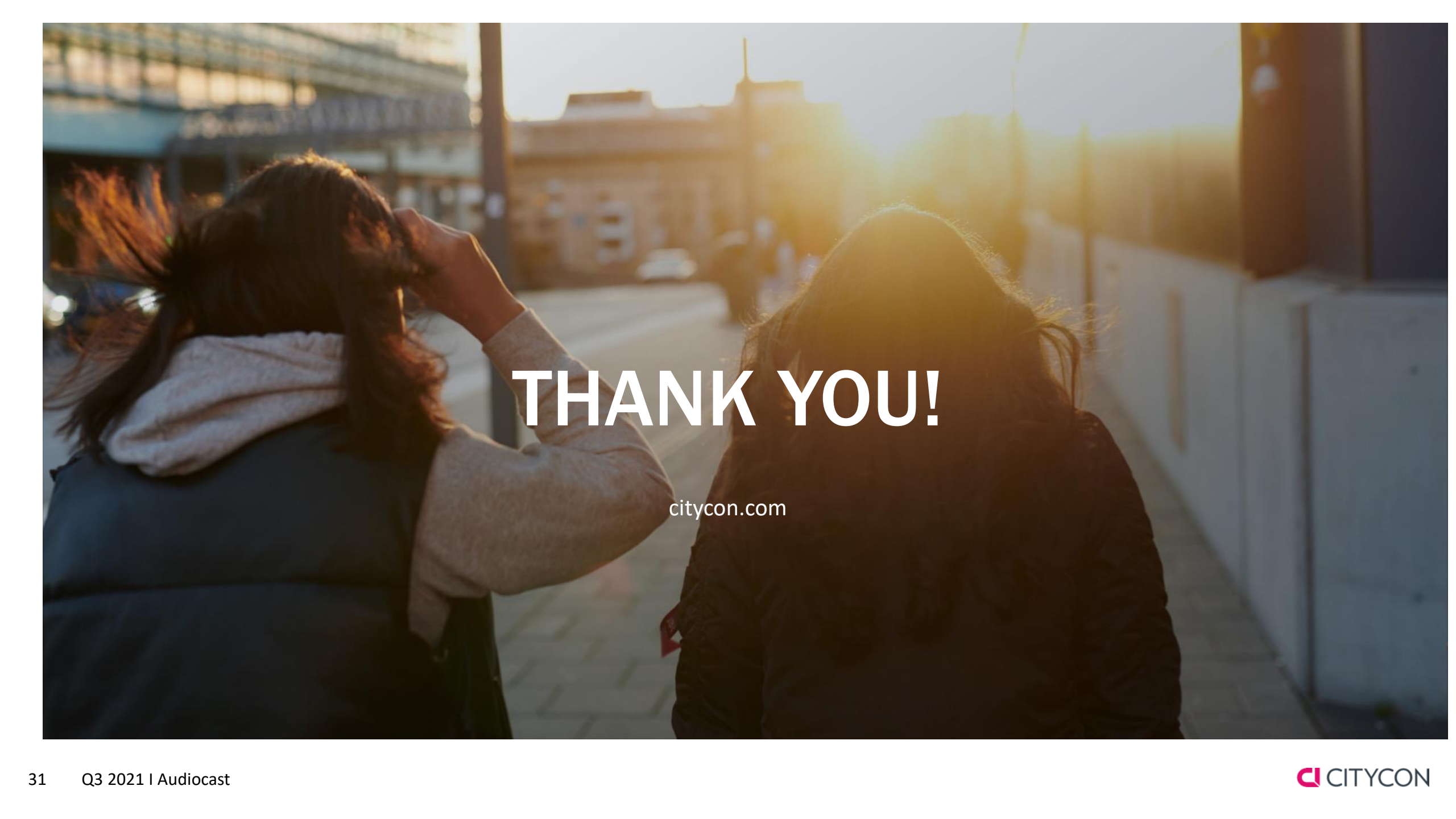


INCOME STATEMENT

MEUR	Q3/2021	Q3/2020	%	Q1-Q3/2021	Q1-Q3/2020	%	2020
Gross rental income	55.3	57.1	-3.1 %	166.6	168.6	-1.1 %	224.3
Service charge income	16.1	16.2	-0.9 %	51.5	51.2	0.6 %	71.2
Property operating expenses	-19.6	-19.7	-0.7 %	-64.4	-61.1	5.4 %	-84.9
Other expenses from leasing operations	-0.5	-0.6	-23.8 %	-1.3	-3.2	-59.1 %	-5.3
Net rental income	51.3	52.9	-3.1 %	152.5	155.5	-1.9 %	205.4
Administrative expenses	-6.8	-6.2	9.5 %	-18.9	-19.0	-0.5 %	-25.9
Other operating income and expenses	0.2	0.4	-46.1 %	-0.3	0.7	-	0.9
Net fair value gains/losses on investment property	-18.5	-23.1	-19.7 %	5.9	-110.5	-	-146.9
Net gains/losses on sale of investment property	0.3	0.2	41.7 %	-4.8	1.9	-	0.7
Operating profit	26.5	24.2	9.3 %	134.4	28.7	-	34.1
Net financial income and expenses	-11.0	-13.8	-19.7 %	-38.4	-38.0	1.0 %	-51.8
Share of profit/loss of joint ventures	-2.8	-5.3	-48.5 %	-6.3	-15.3	-59.0 %	-28.0
Profit before taxes	12.7	5.1	-	89.7	-24.7	-	-45.7
Current taxes	-1.2	-1.5	-21.9 %	-2.6	-2.7	-4.2 %	-1.8
Deferred Taxes	-1.5	-0.2	-	-13.5	7.9	-	19.6
Profit/loss for the period	10.1	3.5	-	73.6	-19.5	-	-27.9

BALANCE SHEET

MEUR	30 SEPTEMBER 2021	30 SEPTEMBER 2020
Investment properties	4 215.3	4 155.1
Total non-current assets	4 533.6	4 458.8
Investment properties held for sale	109.0	0.0
Total current assets	367.3	98.4
Total assets	5 009.9	4 557.3
Total shareholders' equity	2 519.8	2 129.9
Total liabilities	2 490.1	2 427.4
Total liabilities and shareholders' equity	5 009.9	4 557.3

A photograph of two people walking away from the camera on a city street during sunset. The person on the left is wearing a grey hoodie and a dark vest, with their hand near their head. The person on the right is wearing a dark jacket. The background shows city buildings and a bright sun creating a lens flare effect.

THANK YOU!

citycon.com