

A woman in a black blazer is pointing upwards towards a large sign that reads 'UMA BY TECHNO'. She is standing next to a woman in a white patterned top who is sitting at a desk with a laptop. A man in a black shirt is partially visible on the left. The background is a white wall with the 'UMA BY TECHNO' logo.

UMA
BY TECHNO

Technopolis Plc
Half-Year Financial Report 2017
August 29, 2017

STRONG NUMBERS ACROSS THE BOARD

H1/2017

- Net sales in January–June up 6.9% y-o-y to EUR 90.1 (84.3) million
- EBITDA up 8.2% y-o-y to EUR 49.1 (45.4) million
- Financial occupancy rate rose to 94.4% (93.4%)
- EPRA Earnings up 14.6% y-o-y to EUR 30.1 (26.3) million
- EPRA Earnings per share were EUR 0.19 (0.22)
- EPRA NAV per share was EUR 4.30 (4.19)
- Fair value of investment properties at the end of the period was EUR 1,631.5 (12/16: 1,624.2) million
- Technopolis announced its revised strategy and new financial targets at the beginning of June

Q2/2017

- Net sales in Q2/17 up 5.9% y-o-y to EUR 45.8 (43.2) million
- EBITDA up 8.7% y-o-y to EUR 25.5 (23.5) million
- EPRA Earnings up 14.3% y-o-y to EUR 16.0 (14.0) million
- EPRA Earnings per share were EUR 0.10 (0.12)

The numbers in brackets refer to a value in the corresponding period a year earlier unless otherwise stated.

KEY INDICATORS

	Q2/ 2017	Q2/ 2016	Change %	H1/ 2017	H1/ 2016	Change %	2016
FINANCIAL (IFRS)							
Net sales, EURm	45.8	43.2	5.9	90.1	84.3	6.9	172.1
EBITDA, EURm	25.5	23.5	8.7	49.1	45.4	8.2	93.1
Equity ratio, %	-	-	-	43.9	36.5	-	41.5
Loan-to-value (LTV), %	-	-	-	53.2	59.4	-	58.2
FINANCIAL (EPRA)							
EPRA Earnings, EURm	16.0	14.0	14.3	30.1	26.3	14.6	52.6
EPRA Earnings / share, EUR	0.10	0.12	-12.5	0.19	0.22	-12.2	0.40
Return on equity, %*	-	-	-	9.6	10.0	-	8.6
Financial occupancy rate, %	-	-	-	94.4	93.4	-	93.4
Net rental yield, %	-	-	-	7.0	7.3	-	7.4
EPRA NAV / share, EUR	-	-	-	4.30	4.19	2.6	4.24

* Rolling 12 months. Based on EPRA Earnings.

Note: Share related indicators have been adjusted for the rights issue in September 2016.

EPRA (European Public Real Estate Association) Earnings do not include unrealized exchange rate gains and losses, fair value changes or any non-recurring items, such as gains and losses on disposals.

The guidelines of the European Securities and Markets Authority (ESMA) regarding Alternative Performance Measures (APMs, performance measures not based on financial statements standards) entered into force in July, 2016. Technopolis reports APMs, such as EPRA performance measures, to reflect the underlying business performance and to enhance comparability between financial periods. APMs may not be considered as a substitute for measures of performance in accordance with IFRS.

NEAR-TERM OUTLOOK UNCHANGED

Technopolis is keeping its near-term outlook unchanged. The company expects its net sales and EBITDA to improve from 2016 based on its current investment property portfolio and foreign exchange rates.

The Group's financial performance depends on the development of the overall business environment, customer operations, financial markets, market yields, and exchange rates. Furthermore, any changes in the property portfolio may have an impact on the guidance.

FROM THE CEO

“We had a very solid first half both in terms of net sales growth and profitability. Our net sales in January–June grew nearly 7 per cent year-on-year and Group EBITDA over 8 per cent. And as pleased as I am about this, we must remember that the Gårda acquisition in Gothenburg, the completion of a new building on our Yliopistonrinne campus in Tampere and the completion of our Delta campus in Vilnius all had a positive influence on these numbers. Rising occupancy rates, especially in Finland, also gave us a positive push. Like-for-like growth rates for the first half of the year were 4.9% and 6.0% for Group net sales and EBITDA, respectively. Fair value changes on investment properties were EUR 9.6 (-1.5) million, which in turn was a significant contributor on the operating profit level.

Another highlight of the first six months was the finalization of a thorough strategy review process that we worked on the entire spring. To summarize, the focus of the revised strategy is shareholder value creation.

In recent years we have heavily invested in building up our network in the Baltic Sea area and in the fine-tuning of our business concept. We can now leverage the platform we have built and move more towards a more organic growth phase. Firstly, we will accelerate organic expansion of current campuses; secondly we will focus on the expansion and increasing profitability of our service business; and thirdly, we will start a serious build-up of our UMA coworking network. We will continue selective acquisition activity as opportunities arise.

In total, we expect to spend EUR 200–250 million on organic development projects over the 2017–2020 timeframe. Of this amount, projects worth nearly EUR 130 million in total are either completed or under construction. But, to put the potential in perspective, we currently have a total rentable area of 758,200 square meters and our existing building rights enable approximately a 60% increase in that. So, there is plenty of growth potential for the coming years along the organic growth path. Also, we are in a position, thanks to both improving market conditions and technical readiness, to start a number of projects with rather aggressive timetables. In the second quarter, we started an Aviapolis expansion project in Vantaa, Finland. This EUR 15.1 million project was launched in June and is due for completion in November 2018.

Our service business is playing an increasingly important role in our business, and it continues to grow steadily, even faster than planned. Services are rapidly becoming a material contributor to our numbers, reaching EUR 12.8 million in service income (+16.7% y-o-y growth) and EUR 1.6 million in EBITDA (+81.0% y-o-y growth) in the first half of the year. Our target is to grow the service business to 20% of Group’s net sales by 2020 and we nearly reached 15% penetration now in the second quarter. Our best-performing units show a penetration of clearly above 20%. The EBITDA margin target for services is 20%. In Q2, we were at 13.4% (8.3%). All product groups and campuses showed an improvement in their service margin in the first half of the year.

We have allocated approximately EUR 30 million for the next five years to the growth of the UMA network. We will be ready and able to move fast once good locations are found. The plan is to open 20 UMAs by the end of 2020.

As I mentioned, selected acquisitions will also play a role, but the idea is to invest in emerging hot-spots in assets that secure the organic development potential for the years extending beyond our current strategy period. We foresee spending EUR 100–200 million for acquisitions, should compelling value creation opportunities present themselves.

We have also noted that the market and our sector are being bolstered by a macroeconomic tail-wind for the first time in a long time. Finland, in particular, has shown signs of robust economic performance. This is visible, for example, in rising occupancy rates supported by higher demand and a decline in market yields, and all this translates positively into our financial performance.”

FINANCIAL PERFORMANCE

	Q2/ 2017	Q2/ 2016	Change %	H1/ 2017	H1/ 2016	Change %	2016
Net sales, Group, EURm	45.8	43.2	5.9	90.1	84.3	6.9	172.1
Rental income, EURm	39.0	37.4	4.1	77.3	73.3	5.4	149.7
<i>% of Net sales</i>	<i>85.1</i>	<i>86.6</i>	<i>-</i>	<i>85.8</i>	<i>87.0</i>	<i>-</i>	<i>87.0</i>
Service income, EURm	6.8	5.8	17.7	12.8	11.0	16.7	22.4
<i>% of Net sales</i>	<i>14.9</i>	<i>13.4</i>	<i>-</i>	<i>14.2</i>	<i>13.0</i>	<i>-</i>	<i>13.0</i>
EBITDA, Group, EURm	25.5	23.5	8.7	49.1	45.4	8.2	93.1
<i>EBITDA-%</i>	<i>55.8</i>	<i>54.3</i>	<i>-</i>	<i>54.5</i>	<i>53.8</i>	<i>-</i>	<i>54.1</i>
EBITDA, rental, EURm	26.2	25.3	3.4	51.0	48.5	5.0	98.9
<i>EBITDA-%, rental</i>	<i>67.1</i>	<i>67.6</i>	<i>-</i>	<i>66.0</i>	<i>66.2</i>	<i>-</i>	<i>66.1</i>
EBITDA, services, EURm	0.9	0.5	89.6	1.6	0.9	81.0	2.1
<i>EBITDA-%, services</i>	<i>13.4</i>	<i>8.3</i>	<i>-</i>	<i>12.6</i>	<i>8.1</i>	<i>-</i>	<i>9.4</i>
Operating profit, EURm	28.2	20.6	36.9	56.7	42.0	35.1	89.3
<i>Operating profit-%</i>	<i>61.5</i>	<i>47.6</i>	<i>-</i>	<i>62.9</i>	<i>49.8</i>	<i>-</i>	<i>51.9</i>
Net result, EURm	17.7	10.1	74.9	36.1	23.9	50.9	52.4
EPS, EUR	0.10	0.07	42.8	0.19	0.16	22.7	0.33

Note: The Group EBITDA comprises Group-level expenses and intracompany eliminations as indicated in the table on page 28.

Net Sales and Income

January–June 2017

The Group's **net sales** in January–June reached EUR 90.1 (84.3) million, up 6.9% from the corresponding period in the previous year. Changes in foreign exchange rates increased net sales by EUR 1.1 (-1.6) million especially due to strengthening of the Russian ruble. On a constant currency basis net sales were up 5.5%.

Rental income amounted to EUR 77.3 (73.3) million, up 5.4% compared to the corresponding period in 2016. The main reason for the increase was higher rentable space due to the acquisition of the Gothenburg campus in Sweden in July 2016, the completion of a new building on the Yliopistonrinne campus in Tampere, Finland in July 2016, as well as completion of the Delta campus in Vilnius, Lithuania in the first quarter 2017. Yet, these were partly offset by divestitures in Tampere and Lappeenranta in November 2016. In addition, an increase in the **financial occupancy rate**, especially in Finland, positively affected rental income. Financial occupancy rate at the end of the period was 94.4% (93.4%).

Service income continued on a positive trend increasing by 16.7% and amounting to EUR 12.8 (11.0) million in January–June. It represented 14.2% (13.0%) of the Group net sales. Service income grew across all product groups and in all campuses. The largest absolute growth was seen in Tampere, Helsinki Metropolitan Area and Oulu in Finland. In relative terms, the biggest growth came from Vilnius (Lithuania), St. Petersburg (Russia) and Tampere (Finland).

Q2/2017

The Group's net sales in the second quarter were EUR 45.8 (43.2) million, up 5.9%. On a constant currency basis net sales were up 4.6%.

Rental income in the second quarter was EUR 39.0 (37.4) million, up 4.1%. Service income was EUR 6.8 (5.8) million, up 17.7%. Rental income and service income comprised 85.1% (86.6%) and 14.9% (13.4%), respectively, of the Group net sales.

Profitability

January–June

Premises expenses in January–June were EUR 20.3 (19.6) million. The Group's administrative costs totaled EUR 6.7 (7.0) million. Other operating expenses were EUR 13.9 (13.1) million, up 6.1% mainly due to increased service volume. Property taxes are allocated evenly over the financial year and EUR 4.1 million was booked in the first half of the year.

The Group's EBITDA for the first six months totaled EUR 49.1 (45.4) million, up 8.2% year-on-year. The EBITDA margin was 54.5% (53.8%). Changes in foreign currency exchange rates increased EBITDA by EUR 0.8 (-1.1) million especially through the strengthening of the Russian ruble against the euro. On a constant currency basis, EBITDA grew 6.5% and the EBITDA margin was 54.3%.

EBITDA in January–June for the rental operations amounted to EUR 51.0 (48.5) million and EBITDA for services was EUR 1.6 (0.9) million. The EBITDA margin for the rental operations remained at the previous year's level and was 66.0% (66.2%) however, the EBITDA margin for services clearly improved and reached 12.6% (8.1%). The improvement was generated by scale benefits through higher service income and growth in more profitable services, like conference services. In addition, the Group EBITDA comprises Group-level expenses and intracompany eliminations as indicated in the table on page 28.

At the end of June 2017, the fair value of Technopolis' investment properties was EUR 1,631.5 (6/16: 1,457.9; 12/16: 1,624.2) million. In January–June fair value changes totaled EUR 9.6 (-1.5) million. The biggest positive impact came from the changes in yield requirements but was, to an extent, off-set by modernizations in general and occupancy assumptions particularly in the Finnish business units. Also the ongoing organic investments in Tallinn, Estonia and Vilnius, Lithuania contributed positively to fair values.

Fair value changes in January–June 2017:

EURm	Yield requirement	Occupancy assumption	Modernization	Other changes	Projects in progress	Total
Finland	10.3	-6.2	-4.3	0.4	0.5	0.7
Baltic Rim	6.3	0.6	-1.2	-2.9	5.7	8.5
Scandinavia	2.6	0.0	-1.3	-0.9	0.0	0.4
TOTAL	19.2	-5.6	-6.8	-3.4	6.2	9.6

* Other changes include changes in market rents, operative expenses, exchange rates as well as inflation assumptions.

Operating profit in the first half of the year rose to EUR 56.7 (42.0) million mainly due to positive fair value changes in investment properties. Net financial expenses including unrealized exchange rate profits and losses were slightly down from the previous year at EUR 12.0 (12.3) million due to a decrease in interest-bearing debt.

Pre-tax profits rose to EUR 44.7 (29.7) million. Taxes increased to EUR 8.6 (5.8) million due to higher deferred taxes. Current taxes were EUR 0.3 (-4.2) million positive. Second quarter current taxes include a EUR 1.8 million adjustment related to divestitures that took place in 2016. The net result for the period increased by 50.9% to EUR 36.1 (23.9) million. EPS increased to EUR 0.19 (0.16).

EPRA Earnings in January–June 2017 amounted to EUR 30.1 (26.3) million. The increase was mainly caused by higher rentable area due to the acquisition in Gothenburg, Sweden, the completion of a new building on the Yliopistonrinne campus in Tampere, Finland and the completion of the Delta campus in Vilnius, Lithuania, as well as other organic investments. EPRA Earnings per share amounted to EUR 0.19 (0.22). EPRA (European Public Real Estate Association) Earnings do not include unrealized exchange rate gains and losses, fair value changes or any non-recurring items, such as gains and losses on disposals.

Q2/2017

Premises expenses in the second quarter were EUR 10.2 (9.2) million. Administrative costs were EUR 3.1 (3.6) million and, other operating expenses were EUR 6.9 (6.9) million.

Second quarter **EBITDA** was EUR 25.5 (23.5) million, up 8.7% year-on-year. The EBITDA margin was 55.8% (54.3%). On a constant currency basis, EBITDA grew 7.0% and the EBITDA margin was 55.6%.

The EBITDA of the **rental operations** in the second quarter was EUR 26.2 (25.3) million representing a margin of 67.1% (67.6). EBITDA for **services** was EUR 0.9 (0.5) million, translating into an EBITDA margin of 13.4% (8.3%).

Operating profit in the second quarter rose to EUR 28.2 (20.6) million.

In the second quarter, pre-tax profits rose to EUR 22.3 (13.4) million. Taxes increased to EUR 4.6 (3.3) million. Current taxes were EUR 0.9 (-1.3) million positive. This number includes an EUR 1.8 million adjustment related to divestitures that took place in 2016. Net result for the period rose by 74.9% to EUR 17.7 (10.1) million. **EPS** increased to EUR 0.10 (0.07).

EPRA Earnings in the second quarter amounted to EUR 16.0 (14.0), and **EPRA Earnings per share** were EUR 0.10 (0.12).

BALANCE SHEET, FINANCING AND CASH FLOW

Balance Sheet and Financing

	30 Jun '17	30 Jun '16	Change, %	31 Dec '16	Change, %
Balance sheet total, EURm	1,746.5	1,602.8	9.0	1,825.1	-4.3
Interest-bearing debt, EURm	887.4	905.0	-1.9	959.9	-7.5
Cash and equivalents, EURm	31.0	26.1	18.5	128.0	-75.8
Average loan maturity, yrs	4.8	5.5	-12.7	5.1	-5.9
Loan-to-value (LTV), %	53.2	59.4	-	58.2	-
Equity ratio, %	43.9	36.5	-	41.5	-
Interest coverage, multiple	5.1	4.8	6.3	4.6	36.3

The Group's balance sheet total on June 30, 2017 was EUR 1,746.5 (1,602.8) million, with liabilities accounting for EUR 984.2 (1,021.8) million.

The Group's equity attributable to the parent company shareholders was EUR 700.8 (523.2) million. The increase in the equity was mainly due to the EUR 124.3 million rights issue in September 2016. Equity per share was EUR 3.99 (3.74) and the **equity ratio** 43.9% (36.5%). The **loan-to-value** ratio (LTV) was 53.2% (59.4%). LTV decreased due to the paying down of maturing debt and the increased fair values of investment properties. At the end of the period, the Group's net **interest coverage** ratio was 5.1 (4.8).

On June 30, 2017, the Group's **interest-bearing liabilities** amounted to EUR 887.4 (905.0) million. Long-term interest bearing liabilities were EUR 779.1 (771.2) million and short-term interest-bearing liabilities EUR 108.4 (133.7) million. Interest-bearing liabilities were composed of EUR 635.3 (614.3) million of bank loans, EUR 150.0 (150.0) million of unsecured senior bond and EUR 34.9 (71.0) million of commercial papers, EUR 32.2 (34.3) million of financial leases and EUR 35.0 (35.4) of other liabilities. In addition, the Group has an outstanding hybrid loan of EUR 75 million, which is not included in the interest-bearing liabilities. The **average interest rate** on interest-bearing liabilities excluding the hybrid loan was 2.47% (2.39%).

On June 30, 2017, Technopolis had EUR 70.0 (91.4) million unused committed long-term credit facilities and EUR 25.1 (25.1) million short-term credit limit of which EUR 9.2 (-) million was withdrawn at the end of the period. In addition, the company has a EUR 150.0 (150.0) million commercial paper program, of which EUR 34.9 (71.0) million was outstanding at the end of the period. Cash and cash equivalents were EUR 31.0 (26.1) million.

The Group's loan agreements include financial covenants that are based on an equity ratio above 33%. In addition, in subsidiaries' local loan agreements there are covenants related to interest coverage, debt service coverage and loan-to-value (LTV).

Financial Expenses

	Q2/ 2017	Q2/ 2016	Change %	H1/ 2017	H1/ 2016	Change %	2016
Financial expenses, EURm	-6.1	-7.4	18.1	-12.4	-15.1	17.8	-28.4
Financial income, EURm	0.2	0.3	-25.6	0.4	2.9	-85.7	3.3
Net financial expenses, EURm	-5.9	-7.1	17.8	-12.0	-12.3	1.8	-25.1
Average interest rate, %*	-	-	-	2.47	2.39	-	2.34

* Excluding hybrid loan.

Net financial expenses in the second quarter were EUR 1.2 million lower than in the corresponding period a year earlier. This was due to a realized foreign currency exchange rate loss related to repayment of a euro-nominated loan in the Russian subsidiary. In the first half of 2017, net financial expenses decreased by EUR 0.2 million compared to the corresponding period in the previous year.

Financial Risk Management

On June 30, 2017, the Group's interest-bearing liabilities amounted to EUR 887.4 (905.0) million. The average capital-weighted loan maturity was 4.8 (5.5) years at the end of the period. A total of 35.3% (38.2%) of the Group's interest-bearing liabilities were floating-rate loans, and 64.7% (61.8%) were either interest rate hedged or fixed-rate loans. The Group's interest fixing period was 2.0 (2.2) years. A one percentage point increase in market rates would cause a EUR 2.2 (2.2) million increase in interest costs per annum.

The Group is exposed to changes in the Norwegian krone, the Russian ruble and the Swedish krona. The direct impact of changes in exchange rates on the Group's operating profit, balance sheet, and equity ratio as of June 30, 2017 are presented below. The table does not include the conversion impacts of FX changes on net sales and EBITDA.

Foreign currency % change against the Euro	Transaction difference effect	Translation difference effect	Total effect on the Group's equity	Equity ratio
RUB -10	0.0	-7.3	-7.3	42.9%
RUB +10	0.0	9.0	9.0	43.4%
NOK -10	0.0	-7.9	-7.9	43.4%
NOK +10	0.0	9.6	9.6	43.3%
SEK -10	0.0	-4.2	-4.2	43.6%
SEK +10	0.0	5.2	5.2	43.5%

In Russia, Norway and Sweden, the Group had liabilities only in the local currencies and therefore, it is only vulnerable to translation differences in equity. At the end of June, the Russian subsidiary had equity of RUB 5.46 billion, the Norwegian subsidiaries' equity totaled NOK 828.6 million and the Swedish subsidiaries' equity was SEK 450.3 million.

Capital Expenditure and Cash Flow

CAPEX, EUR million	Q2/ 2017	Q2/ 2016	Change %	H1/ 2017	H1/ 2016	Change %	2016
Acquisition of properties	0.9	25.7	-96.5	0.9	25.7	-96.5	53.0
Organic growth projects	18.8	9.5	97.1	22.9	20.5	11.3	46.3
Modernizations and other investments	1.2	3.6	-67.8	5.9	7.3	-19.5	19.0
Total CAPEX incl. acquisitions	20.8	38.8	-46.3	29.6	53.5	-44.6	118.3

CAPEX by segment:

Finland	4.4	6.2	-29.7	9.3	15.7	-41.1	37.3
Baltic Rim	16.1	5.9	172.7	18.8	10.5	78.7	23.6
Scandinavia	0.4	26.7	-98.6	1.5	27.2	-94.3	57.4
Total CAPEX incl. acquisitions	20.8	38.8	-46.3	29.6	53.5	-44.6	118.3
Divestitures	0.0	0.0	0.0	0.0	1.4	n/m	64.0

In the first half of the year **cash flow** from operations was EUR 29.7 (34.7) million. Cash flow from investments was EUR -35.1 (-55.9) million, of which investments in investment properties were EUR -33.0 (-26.7) million. Cash outflow was mainly directed to organic growth projects. Financing cash flow was EUR -91.0 (7.5) million, of which EUR 66.2 (27.2) million was used in paying down long and short term loans and EUR 20.3 (18.9) million was used in dividend payment in April. Cash and cash equivalents on June 30, were EUR 31.0 (26.1) million. The net change in cash in January–June was EUR -96.4 (-13.7) million.

PROPERTY PORTFOLIO, LEASING, OCCUPANCY AND CUSTOMER BASE

Property Portfolio

At the end of June 2017, the fair value of Technopolis' investment properties was EUR 1,631.5 (6/16: 1,457.9; 12/16: 1,624.2) million. Technopolis had a total rentable area of 758,200 (740,300) m² of which 10,100 (13,500) m² was under renovation. Nearly all properties were office properties. In addition, 38,800 (43,800) m² was under construction. Technopolis holds some 450,000 m² of building rights of which over 50% are located in Finland, over 40% in the Baltic Rim and less than 10% in Scandinavia. Acquisition and divestitures as well as organic development projects in progress are described in more detail in the section "Group Strategy and Financial Targets".

Leasing, Occupancy and Customer Base

On June 30, 2017, Technopolis had a total of approximately 1,700 customers. The ten largest customers let approximately 21.9% of rented space and the single largest customer 4.1%. In January–June, the ten largest customers accounted for 20.8% of rental income and the single largest customer 4.6%.

The financial occupancy rate at the end of period was 94.4% (93.4%) and the technical occupancy rate was 93.2% (91.5%).

On June 30, 2017 Technopolis had a total of 1,700 existing rental agreements. In January–June, the Company made 249 (301) new contracts (including extended or renewed contracts) covering a rentable area of 80,700 (49,900) m². During the same time period, 147 (171) contracts were ended covering a rentable area of 26,600 (22,600) m².

Lease stock, % of space Maturity, years	Jun 30, 2017	Mar 31, 2017	Dec 31, 2016	Sep 30, 2016	Jun 30, 2016
< 1	21	21	19	18	17
1–3	19	20	21	22	22
3–5	18	18	17	17	15
> 5	16	15	16	15	18
Open-ended leases	26	25	27	28	28
Average lease term in months	34	34	35	35	36
Lease stock, EUR million	397.6	389.1*	392.7	430.0	424.8

* The main reason for the decreasing contract value from year-end 2016 is divestitures.

BUSINESS SEGMENTS

Technopolis has three business segments: Finland, Baltic Rim and Scandinavia.

Finland

Finland	Q2/ 2017	Q2/ 2016	Change, %	H1/ 2017	H1/ 2016	Change, %	2016
Net sales, EURm	30.4	31.4	-3.1	59.1	61.0	-3.1	120.5
Rental income, EURm	24.9	26.7	-6.8	48.8	51.9	-6.0	102.0
Service income, EURm	5.5	4.7	17.7	10.3	9.1	13.4	18.6
EBITDA, EURm	16.4	17.7	-7.1	31.2	33.5	-6.8	64.3
<i>EBITDA-%</i>	<i>54.0</i>	<i>56.3</i>	-	<i>52.7</i>	<i>54.8</i>	-	<i>53.4</i>
Fair value of investment properties, EURm*	-	-	-	999.1	998.2	0.1	997.6
Number of campuses*	-	-	-	16	16	0.0	15
Rentable area, m ² *	-	-	-	485,700	527,140	-7.9	486,500
Average rent, EUR/m ² /month *	-	-	-	17.4	17.2	1.5	17.0
Financial occupancy rate, %*	-	-	-	93.2	91.7	-	90.7
Market yield requirement, average, %*	-	-	-	7.5	7.8	-	7.6

* At the end of the period.

Note: 6/17: 10,100 m² under renovation, 6/16: 10,500 m² under renovation.

Rentable area, rental income and EBITDA decreased due divestitures in Lappeenranta, Tampere and Oulu. This decline was partly offset by completion of a new building on Yliopistonrinne campus in Tampere. Average rent was EUR 17.4 (17.2) per m² per month. The occupancy rate increased, mainly due to positive development in Oulu. Fair values increased due to market yield compression and an organic investment project in Helsinki Metropolitan Area.

Baltic Rim

The Baltic Rim segment has three campuses in three different countries: Tallinn in Estonia, Vilnius in Lithuania and St. Petersburg in Russia.

Baltic Rim	Q2/ 2017	Q2/ 2016	Change, %	H1/ 2017	H1/ 2016	Change, %	2016
Net sales, EURm	8.9	7.4	20.4	17.8	14.4	24.0	29.5
Rental income, EURm	8.0	6.6	21.8	16.1	13.0	23.7	26.7
Service income, EURm	0.9	0.8	9.1	1.8	1.4	27.0	2.7
EBITDA, EURm	5.3	3.5	50.0	10.6	7.5	41.1	16.6
<i>EBITDA-%</i>	<i>59.8</i>	<i>48.0</i>	-	<i>59.3</i>	<i>52.1</i>	-	<i>56.1</i>
Fair value of investment properties, EURm*	-	-	-	307.9	260.1	18.4	292.3
Number of campuses*	-	-	-	3	3	0.0	3
Rentable area, m ² *	-	-	-	170,400	148,650	14.6	161,200
Average rent, EUR/m ² /month *	-	-	-	15.5	14.2	9.2	14.9
Financial occupancy rate, %*	-	-	-	98.3	99.3	-	99.7
Market yield requirement, average, %*	-	-	-	8.3	8.7	-	8.7

* At the end of the period.

Rentable area, net sales and EBITDA increased year-on-year, mainly due to completion of the new building in

Vilnius, Lithuania. Development in rental levels also had a positive effect. The strengthening Russian ruble had a positive impact of EUR 1.0 million on net sales and EUR 0.7 million on EBITDA compared to January–June in the previous year. Occupancy rates remained at very high levels. Fair values increased, mainly due to the new property in Vilnius and market yield compression.

Scandinavia

The Scandinavia segment includes a campus in Oslo, Norway and from July 1, 2016, also the Gothenburg campus in Sweden.

Scandinavia	Q2/ 2017	Q2/ 2016	Change %	H1/ 2017	H1/ 2016	Change %	2016
Net sales, EURm	6.5	4.4	46.2	13.1	8.9	47.7	22.0
Rental income, EURm	6.1	4.1	47.9	12.4	8.3	49.5	20.7
Service income, EURm	0.4	0.3	22.7	0.7	0.6	23.3	1.4
EBITDA, EURm	3.8	2.3	67.9	7.4	4.4	66.6	12.2
<i>EBITDA-%</i>	<i>58.9</i>	<i>51.3</i>	-	<i>56.1</i>	<i>49.7</i>	-	<i>55.4</i>
Fair value of investment properties, EURm*	-	-	-	324.5	199.6	62.6	334.3
Number of campuses*	-	-	-	2	1	100.0	2
Rentable area, m ² *	-	-	-	102,100	64,500	58.3	98,700
Average rent, EUR/m ² /month *	-	-	-	20.8	19.6	6.5	22.3
Financial occupancy rate, %*	-	-	-	94.9	95.6	-	96.8
Market yield requirement, average, %*	-	-	-	5.5	6.1	-	5.5

* At the end of the period.

Note: 6/17: 0 m² under renovation, 6/16: 3,000 m² under renovation.

Rentable space, rental income, average rents, net sales, EBITDA and fair values all increased mainly due to the acquisition of the Gothenburg campus in Sweden. The strengthening Norwegian krone had a small positive impact on net sales and EBITDA. Financial occupancy decreased slightly since space under renovation returned to the rentable area in Oslo.

GROUP STRATEGY AND FINANCIAL TARGETS

In the summer, Technopolis completed a comprehensive review of the Group's strategy, as well as strategic and financial targets and announced them on June 2, 2017. The revised strategy covers the years 2017-2020, and also sets the direction for the coming years. The key elements include:

- Enhancement of the Technopolis concept, which generates high occupancy, premium customer value and rent levels, as well as high customer satisfaction
- Accelerated organic expansion of current campuses
- Significant expansion of the UMA coworking network
- Expansion and increasing profitability of the service business
- Exploiting value-creating acquisition opportunities in the Nordic-Baltic Sea region
- Execution of the strategy and investments without new equity issues

New long-term financial targets and dividend policy are:

- Earnings Per Share growth of 8–10% per annum on an EPRA Earnings basis
- Return on Equity over 8% per annum on an EPRA Earnings basis
- EPRA Net Asset Value per share growth of at least 5% per annum
- Equity ratio over 35%
- Aim to pay out an increasing annual dividend of 40–60% of EPRA Earnings

In addition to increasing the profitability of the current real estate and service businesses, the company will accelerate organic investments and, in total, expects to spend EUR 200–250 million on development projects over the 2017–2020 timeframe. The Company also plans to allocate approximately EUR 30 million to the development of the UMA coworking network during the next five years. Furthermore, Technopolis currently foresees a EUR 100–200 million spend on acquisitions during 2017–2020, but will only act if a compelling value creation opportunity presents itself.

Technopolis aims to execute this strategy without new equity issues, assuming there is no sudden, unforeseen event that would require a capital injection.

Organic Expansion

Organic expansion projects in progress, their rentable areas and estimated investment amounts on June 30, 2017 were as follows:

Area	Name	Pre-let rate, %	Rentable area, m ²	Total investment, EURm	Stabilized yield, % ¹⁾	Completion
Helsinki	Ruoholahti 3	41.2	10,300	33.2	7.0	7/2018
Tallinn	Lõõtsa 12	23.1	9,700	13.6	9.0	7/2018
Vilnius ²⁾	Penta	46.4	13,800	32.0 ²⁾	8.4	10/2017
Vantaa	Aviapolis Bldg H	0.0	5,100	15.1	8.0	11/2018
TOTAL			38,900	93.9		

1) Stabilized yield = estimated net operating income / cost.

2) Total investment including also the neighboring land plot with an expansion potential of at least 20,000 m² for which a purchase agreement has been signed.

Of the organic expansion projects under construction Building H on the Aviapolis campus was launched in the second quarter. The EUR 15.1 million project is due for completion in November 2018. The extension will bring an additional 5,100 m² in rentable space and it will grow the campus to around 30,000 m². After this project, Technopolis can still expand the campus by another 25,000 m².

Acquisitions and Divestitures

On April 6, 2017, Technopolis announced the acquisition of an office property under construction in Vilnius neighboring its own campus in the Ozas area. In addition, the company signed a sale and purchase agreement to acquire a neighboring land plot with expansion potential of at least 20,000 m². The total investment value of the deal is approximately EUR 32 million. The building, with a gross leasable area of approximately 13,800 m² is expected to be completed in October 2017. The seller of the properties was ICOR Group.

The building acquisition was signed and closed on April 6, 2017 and the closing of the plot acquisition is expected to take place by the year-end 2017. The net sales impact of the deal is estimated at EUR 0.3 million and the EBITDA impact at EUR 0.2 million in 2017. The initial yield at the point of completion is expected to be 6.5%, and the stabilized yield based on an assumed 95% occupancy rate will be at least 8.4%.

Expansion and Profitability of the Service Business

Service business growth and profitability improvement are progressing as planned. In January–June service income grew 16.7% year-on-year and reached EUR 12.8 (11.0) million. Service penetration was 14.2% (13.0%) and nearly reached 15% in the second quarter. Some campuses in Finland already have service penetration rates of over 20%. Campuses in the Baltic Rim and Scandinavia are behind the penetration rates in Finland, but there was impressive service income growth of around 30% year-on-year in the international campuses on average in the first six months of the year.

EBITDA in the service business was EUR 1.6 (0.9) million, representing a margin of 12.6% (8.1%). All business units improved in service business profitability compared to the corresponding period in the previous year. Services business profitability benefited from scale benefits and increase in the relative share of better-margin services.

The biggest service areas in terms of service income are cleaning and conference services, which are also among the most profitable areas. The fastest-growing service areas are the work-place design and moving services as well as conference services.

Development of UMA Coworking Network

Technopolis' coworking space UMA Esplanadi, located in Stockmann's Book Building in downtown Helsinki, was expanded only one year after its initial opening due to increased demand. The new extension was opened on May 2, 2017 and it consists of small private offices, meeting rooms and an open office area.

There is an interim project organization, led by the CEO, in place and the company is currently recruiting a leader for the UMA Network. The interim organization together with the local business unit directors are actively scouting for new locations to expand the network.

OPERATING ENVIRONMENT

Macro Environment

%	Finland	Norway	Sweden	Estonia	Lithuania	Russia
GDP growth forecast						
Y-o-y change '16-17	+2.0	+1.3	+2.7	+3.5	+3.1	+1.4
Y-o-y change '17-18	+1.5	+1.5	+2.3	+3.3	+2.9	+1.6
CPI growth forecast						
Y-o-y change '16-17	+1.2	+1.9	+1.6	+3.2	+3.3	+4.2
Y-o-y change '17-18	+1.5	+1.8	+1.8	+2.8	+2.7	+4.0

Source: OECD, June 2017.

Commercial Office Market

Finland

%	HMA	Oulu	Tampere	Kuopio	Jyväskylä
MARKET					
Office vacancy rate					
CBD	8.1	n/a	n/a	n/a	n/a
City average	13.9	11.0	13.6	n/a	11.0
Market yield					
CBD	4.5-5.7	7.25-7.75	6.5-9.0	8.0-9.0	8.0-9.0
City average	n/a	>8,0	9.5-10.25	8.5-10.0*	9.0-10.0*
TECHNOPOLIS					
Office vacancy rate	6.7	10.0	2.8	5.2	7.5

Source: Catella

* Fringe area, not city average.

Note: Market information as of 12/16, Technopolis numbers as of 6/17.

On average, the yearly investment volume in 2006–2016 in Finland has been worth EUR 3.75 billion. By the end of May 2017, total investments of some EUR 1.9 billion were made. Of this value, 49% were made by a foreign investors. In Finland, yield requirements have decreased moderately. The transaction market and the rental market are in different cycles; transactions are driven by global equity markets and the rental market is driven by the national economy.

In the Helsinki Metropolitan Area (HMA), the robust recent economic performance in Finland has translated into an increase in rental market activity. Also, rent levels have risen slightly. In downtown Helsinki, demand is geared more towards smaller offices. There is still over 1.2 million m² of vacant office space in the HMA, but the vacancy rate problems seem to have concentrated in weaker office areas and the market is polarized. In quality business parks rent levels are at around EUR 20-23 per m² per month.

In 2016, ten office construction projects were launched in the HMA. In 2017, two projects have been launched thus far, and 146,000 m² of new office space is under construction.

In the **Oulu** area, quality assets in good locations are of interest to clients, and they are also willing to pay for them. In CBD Oulu, there is no oversupply, but in the fringe areas there is plenty of office space available. New and old office premises also clearly differ in terms of rent per square meter. In modern premises the rents are around EUR 19–22 per m² per month.

In **Tampere**, office yields in the city center vary between 6.5% and 7.0% for new buildings and between 8% and 9% for slightly older assets. The demand has enabled several new projects as clients are looking for more modern and effective office space. However, the vacancy rate at present is a record high at 13.6%.

In **Jyväskylä** the vacancy rate was at around 11.0%. Nevertheless, new building of office premises is picking up and there is steady demand in the rental office market. Office rents in new and renovated buildings are generally between EUR 14–19 per m² per month.

Kuopio is one of Finland's growing cities, where the number of residents has been on a moderate rise for the past 30 years. At present, commercial new building is focused on the fringes. The rent level in offices in Kuopio is EUR 15-18 per m² per month for modern offices.

The source for information on the Finnish office market is Catella.

Other Markets

%	SWE Gothenburg	NOR Oslo	EST Tallinn	LIT Vilnius	RUS St. Petersburg
MARKET					
Office vacancy rate					
Class A / CBD*	4.0-5.0*	n/a	6.5	3.0	5.0
Class B / city average*	6.0-7.0	13.0 [†]	10.5 / 9.5*	5.3 / 4.5*	9,0 / 7,8*
Market yield					
Class A / CBD*	4.0	3.75**	7.0-7.5	6.75**	9,5-11,5***
Class B / city average*	n/a	4.5-5.25	8.0-9.25	7.75	n/a
TECHNOPOLIS					
Office vacancy rate	0.0	7.1	2.7	2.1	0.0

Sources: Gothenburg: CBRE; Oslo: Cushman and Wakefield; Tallinn and Vilnius: Newsec; St. Petersburg: JLL

[†] Average vacancy rate of Fornebu-area in Oslo.

** Prime office and retail yield.

*** Prime office and shopping mall yields at 6/17.

Note: Market information as of 12/16, Technopolis and St Petersburg numbers as of 6/17.

The prime office yields have been declining in all the **Nordic countries** since the end of 2013. Stockholm's is the lowest yield requirement in the Nordics, only 3.55%. Oslo, Norway is the second-lowest location with regard to yield requirement. In Stockholm, prime office property rents have also risen rapidly in recent years, which clearly distinguishes Sweden from other Nordic countries. In Q1/2017 the investment volume ended up at SEK 31 billion, representing an increase of 32% year-on-year. Offices dominated the sector allocation and were 30% of the total investment volume in Q1/2017.

In **Gothenburg, Sweden**, the investment volume in Q1/2017 reached approximately SEK 4.5 billion (12% of the total volume in Sweden), of which 49% were office premises. The current office stock is approximately 3.1 million m², of which 800,000 m² is with CBD location. High demand in central Gothenburg has made the market rents increase in more external locations such as Gårda and Lindholmen. The annual prime rent in Gårda is currently at SEK 2,450 per m². In Gothenburg, the yield requirements have been declining for a long time and are now below the yield requirements for prime office properties in Helsinki, Finland. (Source: CBRE, Catella)

In **Oslo, Norway**, the transaction volume (as of June 22, 2017) has already reached nearly NOK 39 billion, with international investors representing 26% of the volume. The yields are historically low, and rents are relatively

high. The prime yield is at 3.75%. Average rents have come slightly down from the beginning of the year (-1%) to NOK 2,040 per m² per month. (Source: Cushman and Wakefield)

The investment volume in [Estonia](#) for 2016 was at EUR 280 million and for the first five-and-half-months in 2017, some EUR 118 million in total. The office market in [Tallinn](#) is growing, and the quality of the new buildings has improved radically over the past decade. In 2016, some 59,000 m² was delivered to the market, of which around 30% was Class A office space. In 2017, some additional 23,500 m² is expected to be delivered. The average vacancy rate for contemporary office space in Tallinn is currently at 9.5%. In the Class A segment, the vacancy is 6.5%. Vacancies in the most in-demand areas and new Class A buildings however, are marginal. Rent levels in the Class A segment vary around EUR 13.5–17.0 per m² per month. Average yields for prime office assets in 2016 were around 7.0–7.5%. (Source: Newsec)

Investment activity in [Vilnius, Lithuania](#), stood at EUR 280 million in 2016. In the first quarter of 2017, the investment volume was EUR 65.6 million, of which 48% was directed at office properties. Gross leasable area (GLA) of Vilnius office stock in Lithuania stood at 540,600 m² at the end of March 2017. This represents an increase of 18.9% year-on-year. It is estimated that the Vilnius office stock will grow by approximately 145,000 m² in 2017–19, of which some 70% will be Class A offices. Demand for office space has continued strong and continues to be driven by financial and ICT companies. Vacancies are on the decline. For the past year, the vacancy rate for Class A properties has been below 1%. On average, the rental rates for prime offices are EUR 14–16 per m² per month. (Source: Colliers, Newsec)

The total real estate investment volume in Q1/2017 in [Russia](#) reached USD 788 million and saw a 66% decline in activity year-on-year. However, the decline is mostly explained by a one single large transaction. Excluding that deal, the decline was 34% year-on-year. Of the total real estate investment volume in Q1/2017, the [St. Petersburg](#) area represented 35%. The office stock in St. Petersburg, Russia, now stands at 3.04 million m², of which Class A premises represent 29.2% and Class B 70.8%, yet quality office stock in the city remains modest. The office stock has increased by less than 1% since year-end 2016. The office market is highly centralized even though the number of business centers is increasing in the outskirts. In the first half of 2017, the mining/exploration sector showed high leasing activity followed by the IT sector. The average vacancy rate in St. Petersburg at the end of June 2017 was 5% in Class A offices and 9% in Class B offices. Rental rates are on the increase. The average rental rate is at around RUB 1,650 per m² per month for Class A offices and RUB 1,177 per m² per month for Class B. (Source: CBRE, JLL)

SUSTAINABILITY WITHIN TECHNOPOLIS GROUP

At Technopolis sustainability is a day-to-day activity that is reflected in the form of eco-efficient premises, motivated employees, services that support success and sense of community.

In April 2017, Technopolis announced that it had become the first company in Finland to launch the LEED (Leadership in Energy and Environmental Design) Volume Program for existing buildings. Technopolis is also the second company worldwide to start using the advanced, more stringent model (v4) for Volume certifications. The Volume Program enables environmental certification of multiple buildings efficiently and spreads sustainability best practices across a real estate portfolio.

Technopolis monitors the job satisfaction and commitment of its personnel with an extensive employee engagement survey. In the survey carried out by an external party in the beginning of 2017, Technopolis received a rating of AA (Good). The result is line with Technopolis' targets.

The corporate sustainability targets that are being followed quarterly include reduction in energy consumption and CO₂ emissions of like-for-like real estate from base year 2011 to 2020. Water intensity (m³ per person) was removed from the quarterly follow-up at the end of 2016 as the calculation method for number of people was updated and hence, 2011 and 2016 became incomparable. A new reduction target will be established in 2017.

Key Sustainability Indicators	H1/ 2017	H1/ 2011	Change %	Target 2020
CO ₂ emissions, CO ₂ e kg/m ²	22	43	-49	-60%
Energy consumption, kWh/m ²	123	132	-7	-12%

For more information, please see the [Sustainability Report 2016](#).

CORPORATE GOVERNANCE

Organization and Personnel

The CEO of Technopolis is Keith Silverang. During the review period, the Group Management Team comprised Keith Silverang, CEO; Juha Juntunen, COO; Kari Kokkonen, Director, Real Estate and Services; Sami Laine, CFO (from May 1, 2017); Outi Raekivi, Director, Legal Affairs; and Reijo Tauriainen, CFO (until April 30, 2017) and Advisor (until July 31, 2017). On March 23, 2017, Sami Laine (b.1971), M.Sc. (Econ.), was appointed as the new CFO of Technopolis Plc.

The Technopolis line organization consists of three geographic units: Finland, the Baltic Rim, and Scandinavia. The Group organization also has centralized real estate development, services, marketing and support services.

During January–June, the Group employed an average of 237 (249) people. On average, real estate operations employed 77 (81) people, service operations 106 (113), and Group administration 54 (55). The number of personnel at the period end was 237 (250).

Annual General Meeting 2017

The Annual General Meeting (AGM) of Technopolis Plc was held on March 23, 2017 in Espoo.

Board of Directors

The Board of Directors comprises six members: Jorma Haapamäki, Juha Laaksonen, Helena Liljedahl, Pekka Ojanpää, Christine Rankin, and Reima Rytsölä. Juha Laaksonen serves as the Chairman of the Board of Directors and Jorma Haapamäki as the Vice Chairman.

Board Committees

Technopolis has two Board committees. The members of those are:

- Audit Committee: Christine Rankin, Chairman; Helena Liljedahl, and Pekka Ojanpää
- Remuneration and HR Committee: Juha Laaksonen, Chairman; Jorma Haapamäki, and Reima Rytsölä

SHARES, SHARE CAPITAL AND TRADING

At the end of June 2017, Technopolis Plc's share capital amounted to EUR 96,913,626.29 (December 31, 2016: 96,913,626.29) and the total number of shares was 158,793,662 (December 31, 2016: 158,793,662). The number of shares held by the company was 1,903,373 (December 31, 2016: 1,947,571).

The dividend of EUR 0.12 per share for the fiscal year 2016 was paid on April 4, 2017. This corresponded to a pay-out ratio of 35.8% on EPRA Earnings.

In accordance with the terms and conditions of the company's 2013–2017 performance share plan, a total of 11,174 shares of Technopolis Plc were returned to the Company on January 11, 2017.

On April 25, 2017, the Board of Directors decided on a directed share issue to the key personnel of the company for the payment of share rewards in accordance with the Performance Share Plan 2013–2017 and the Matching Share Plan 2016. In the share issue, 59,390 treasury shares were issued without consideration to the key personnel entitled to share rewards. The share issue was based on the authorization granted to the Board of Directors by the company's General Meeting of Shareholders held on March 23, 2017.

In accordance with the terms and conditions of the company's 2013–2017 performance share plan, a total of 4,018 shares of Technopolis Plc were returned to the Company on June 5, 2017.

Authorizations of the Board of Directors

The AGM authorized the Board of Directors to decide [on the repurchase and/or on the acceptance as pledge](#) of the company's own shares as follows:

The amount of own shares to be repurchased and/or accepted as pledge shall not exceed 15,850,000 shares, which corresponds to approximately 10% of all the shares in the company. Only the unrestricted equity of the company can be used to repurchase own shares on the basis of the authorization. The company's own shares can be repurchased at the price prevailing in public trading on the date of the repurchase or otherwise at the price prevailing on the market.

The Board of Directors decides how the company's own shares will be repurchased and/or accepted as pledge. They can be repurchased using, inter alia, derivatives. They can also be repurchased otherwise than in proportion to the shareholdings of the shareholders (directed repurchase). The authorization is effective until the end of the next Annual General Meeting; however, no later than June 30, 2018.

By the end of June 2017, the Board had not used this authorization.

The Annual General Meeting authorized the Board of Directors to [decide on the issuance of shares and the issuance of special rights](#) entitling to shares referred to in chapter 10 section 1 of the Companies Act as follows:

The amount of shares to be issued shall not exceed 15,850,000 shares, which corresponds to approximately 10% of all the shares in the company. The Board of Directors decides on all the conditions of the issuance of shares and of special rights entitling the holder to shares. The issuance of shares and of special rights entitling the holder to shares may be carried out in deviation from the shareholders' pre-emptive rights (directed issue). The authorization is effective until the end of the next Annual General Meeting; however, no later than June 30, 2018.

On April 25, 2017, the Board used its authorization to issue shares for the rewards of the Performance Share Plan 2013–2017 and Matching Share Plan 2016. In the share issue, 59,390 treasury shares were issued without consideration to the key personnel entitled to share rewards in accordance with the terms and conditions of the Performance Share Plan 2013–2017 and the Matching Share Plan 2016. After this, the Board authorization to issue or give special rights entitling holders to shares referred to in the Limited Liability Companies Act is valid for 15,790,610 shares.

Trading

Share trading	Q2/ 2017	Q2/ 2016	Change %	H1/ 2017	H1/ 2016	Change %	2016
Lowest price, EUR	2.99	2.92	2.4	2.96	2.89	2.4	2.89
Highest price, EUR	3.75	3.33	12.6	3.75	3.43	9.3	3.48
Closing price (end of period), EUR	-	-	-	3.69	3.09	19.4	3.13
Volume weighted average price, EUR	-	-	-	3.21	3.13	2.6	3.16
Share turnover, million shares	16.0	9.7	64.9	28.7	17.0	68.8	49.70
Share turnover, EURm	52.9	30.3	74.6	92.1	53.1	73.4	157.10
Market capitalization (end of period), EURm	-	-	-	585.95	329.12	78.0	497.02

* Market capitalization in 2017 and FY2016 are based on 15,793,662 shares and H1/2016 market capitalization on 106,511,632 shares. There was a rights issue in September 2016.

Source: Nasdaq Helsinki.

Shareholders

The latest detailed information on Technopolis shareholders and shareholdings can be found on the company's website at www.technopolis.fi/en/.

Liquidity Guarantee

There is no liquidity guarantee in effect for the shares of Technopolis Plc.

Flagging Notifications

The company did not receive any flagging notifications in accordance with chapter 9, section 10 of the Finnish Securities Market Act in January–June 2017.

SHORT-TERM RISKS AND UNCERTAINTIES

The most significant near term risks affecting Technopolis' business are related to sudden changes in the geopolitical and/or macroeconomic environment that could affect either business conditions or the availability or price of funding. Also, geographical concentration is relatively high and Finland represents 61.2% of the Group's assets (fair values of investment properties) and 65.6% of net sales.

Other risks e.g. financial risks are covered in the relevant sections of this quarterly report. For a more detailed information on risks, please see the company's [Annual Report 2016](#). It is the opinion of the Board of Directors that there have been no material changes to the near term risks outlined in the 2016 Financial Report.

EVENTS AFTER THE REVIEW PERIOD

There have been no significant events taking place after the end of the review period.

August 28, 2017, in Helsinki

Technopolis Plc
Board of Directors

FINANCIAL STATEMENTS

The accounting policies applied in this interim report are the same as in the latest annual report. The formulas for calculating key indicators are available on the company website.

The interim report has been prepared in accordance with the IFRS recognition and valuation principles; the IAS 34 requirements have also been complied with.

The figures are unaudited.

Technopolis Group:

CONSOLIDATED INCOME STATEMENT

EUR million	4-6/ 2017	4-6/ 2016	1-6/ 2017	1-6/ 2016	1-12/ 2016
Rent income	39.0	37.4	77.3	73.3	149.6
Service income	6.8	5.8	12.8	11.0	22.4
Net sales total	45.8	43.2	90.1	84.3	172.1
Other operating income	0.0	0.0	0.0	0.8	0.4
Premises expenses	-10.2	-9.2	-20.3	-19.6	-39.5
Administration costs ¹⁾	-3.1	-3.6	-6.7	-7.0	-13.6
Other operating expenses	-6.9	-6.9	-13.9	-13.1	-26.3
EBITDA	25.5	23.5	49.1	45.4	93.1
Change in fair value of investment properties	3.7	-2.0	9.6	-1.5	0.2
Depreciation	-1.0	-0.9	-2.1	-1.9	-4.0
Operating profit/loss	28.2	20.6	56.7	42.0	89.3
Unrealized exchange rate profit/loss	-0.3	0.1	-0.4	0.2	0.3
Finance income and expenses	-5.5	-7.2	-11.7	-12.5	-25.5
Result before taxes	22.3	13.4	44.7	29.7	64.2
Deferred taxes	-5.4	-2.0	-8.8	-1.5	-5.0
Current taxes	0.9	-1.3	0.3	-4.2	-6.8
Net result for the period	17.7	10.1	36.1	23.9	52.4
Distribution:					
To parent company shareholders	16.5	9.5	32.6	21.2	47.3
To non-controlling shareholders	1.3	0.6	3.5	2.7	5.1
	17.7	10.1	36.1	23.9	52.4
Earnings per share, basic, EUR ²⁾	0.10	0.07	0.19	0.16	0.33
Earnings per share, diluted, EUR ²⁾	0.10	0.07	0.19	0.16	0.33

STATEMENT OF COMPREHENSIVE INCOME

Net result for the period	17.7	10.1	36.1	23.9	52.4
Other comprehensive income items					
Items that may be reclassified subsequently to profit or loss:					
Translation difference	-13.5	4.6	-8.5	8.8	17.7
Available-for-sale financial assets	0.0	0.0	0.0	0.0	0.0
Derivatives	4.1	-7.5	8.2	-17.5	-4.3
Taxes related to other comprehensive income items	-0.8	1.5	-1.6	3.5	0.7
Other comprehensive income items after taxes for the period	-10.2	-1.4	-2.0	-5.3	14.2
Comprehensive income for the period, total	7.5	8.7	34.1	18.7	66.6
Distribution:					
To parent company shareholders	6.6	8.4	31.0	15.7	61.0
To non-controlling shareholders	0.9	0.3	3.1	3.0	5.6
	7.5	8.7	34.1	18.7	66.6

¹⁾ Administration costs includes group expenses from key resources and administration.

²⁾ Share related indicators have been adjusted for the rights issue in fall 2016.

STATEMENT OF FINANCIAL POSITION, ASSETS

EUR million	June 30, 2017	June 30, 2016	Dec 31, 2016
Non-current assets			
Intangible assets	6.0	5.3	5.7
Tangible assets	7.3	13.9	9.8
Completed investment properties	1,631.5	1,457.9	1,624.2
Investment properties under construction	35.9	57.3	22.6
Investments	6.3	6.8	6.5
Deferred tax assets	13.0	21.1	16.6
Non-current assets	1,700.0	1,562.3	1,685.3
Current assets	46.5	40.5	139.8
Assets, total	1,746.5	1,602.8	1,825.1

STATEMENT OF FINANCIAL POSITION, SHAREHOLDERS' EQUITY AND LIABILITIES

EUR million	June 30, 2017	June 30, 2016	Dec 31, 2016
Shareholders' equity			
Share capital	96.9	96.9	96.9
Premium fund	18.5	18.6	18.5
Equity related bond	74.2	74.2	74.2
Other funds	329.1	187.6	322.6
Translation difference	-18.3	-18.9	-10.1
Retained earnings	167.6	143.6	143.5
Net profit for the period	32.6	21.2	47.3
Parent company's shareholders' interests	700.8	523.2	693.0
Non-controlling interests	61.6	57.9	59.9
Shareholders' equity, total	762.4	581.0	752.9
Liabilities			
Non-current liabilities			
Interest-bearing liabilities	779.1	771.2	825.8
Non-interest-bearing liabilities	2.7	2.3	2.6
Deferred tax liabilities	44.9	36.7	38.1
Non-current liabilities, total	826.7	810.2	866.6
Current liabilities			
Interest-bearing liabilities	108.4	133.7	134.0
Non-interest-bearing liabilities	49.1	77.8	71.7
Current liabilities, total	157.5	211.6	205.7
Liabilities, total	984.2	1,021.8	1,072.3
Shareholders' equity and liabilities, total	1,746.5	1,602.8	1,825.1

STATEMENT OF CHANGES IN
EQUITY

Equity attributable to owners of the parent

EUR million	Share capital	Premium fund	Other reserves	Translation differences	Retained earnings	Share of non-controlling interests	Total shareholders' equity
Equity January 1, 2016	96.9	18.6	276.9	-27.4	166.1	79.7	610.8
Comprehensive income							
Net profit for the period					21.2	2.7	23.9
Other comprehensive income items							
Translation difference				8.5		0.3	8.8
Derivatives			-14.0			0.0	-14.0
Available-for-sale financial assets		0	0.				0.0
Comprehensive income for the period			-14.0	8.5	21.2	3.0	18.7
Related party transactions							
Dividend					-17.8	-0.9	-18.6
Acquisition of own shares			-1.1		0.0		-1.1
Interest paid to equity related bond					-4.5		-4.5
Changes in subsidiary shares						-24.0	-24.0
Other changes			0.0		-0.2		-0.2
Related party transactions			-1.1		-22.5	-24.9	-48.4
Equity June 30, 2016	96.9	18.6	261.8	-18.9	164.8	57.8	581.0
Equity January 1, 2017	96.9	18.5	396.8	-10.1	190.8	59.9	752.9
Comprehensive income							
Net profit for the period					32.6	3.5	36.1
Other comprehensive income items							
Translation difference				-8.1		-0.4	-8.5
Derivatives			6.5			0.0	6.5
Available-for-sale financial assets			0.0				0.0
Comprehensive income for the period			6.5	-8.1	32.6	3.1	34.1
Related party transactions							
Dividend					-18.8	-1.4	-20.2
Interest paid to equity related bond					-4.5		-4.5
Other changes			0.0		0.1		0.1
Related party transactions			0.0		-23.2	-1.4	-24.6
Equity June 30, 2017	96.9	18.5	403.4	-18.3	200.3	61.6	762.4

STATEMENT OF CASH FLOWS

EUR million	1-6/ 2017	1-6/ 2016	1-12/ 2016
Cash flows from operating activities			
Net result for the period	36.1	23.9	52.4
Adjustments:			
Change in fair value of investment properties	-9.6	1.5	-0.2
Depreciation	2.1	1.9	4.0
Share of profits of associates	0.0	0.0	0.0
Gains from disposals	0.0	-0.8	-0.4
Other adjustments for non-cash transactions	0.5	-0.3	-0.5
Financial income and expenses	11.7	12.8	25.8
Taxes	8.6	5.8	11.8
Increase / decrease in working capital	-4.1	5.9	-3.0
Interests received	0.2	0.1	0.3
Dividends received	0.1	0.0	0.1
Interests paid and fees	-10.7	-10.6	-17.0
Other financial items in operating activities	-2.9	-3.0	-9.7
Taxes paid	-2.3	-2.7	-3.4
Net cash provided by operating activities	29.7	34.7	60.2
Cash flows from investing activities			
Investments in investment properties	-33.0	-26.7	-87.0
Investments in tangible and intangible assets	-1.3	-5.8	-4.1
Investments in other securities	0.0	-0.1	-0.5
Granted loans	-0.1	0.0	0.0
Repayments of loan receivables	0.0	0.3	0.0
Proceeds from sale of investments	0.0	0.0	1.2
Proceeds from sale of tangible and intangible assets	0.2	0.7	3.9
Acquisition of subsidiaries	-0.9	-25.7	-53.0
Sale of subsidiaries	-	1.4	64.0
Net cash used in investing activities	-35.1	-55.9	-75.5
Cash flows from financing activities			
Increase in long-term loans	-	60.3	183.0
Decrease in long-term loans	-44.7	-70.6	-203.2
Dividends paid and return of capital	-20.3	-18.9	-20.0
Paid share issue	-	-	125.5
Acquisition of own shares	-	-1.1	-1.1
Hybrid bond interest paid	-5.6	-5.6	-5.6
Sale of subsidiaries, no change in control	1.1	-	-
Change in short-term loans	-21.5	43.3	23.9
Net cash provided by financing activities	-91.0	7.5	102.5
Net increase/decrease in cash assets	-96.4	-13.7	87.3
Effects of exchange rate fluctuations on cash held	-0.6	0.5	1.4
Cash and cash equivalents at period-start	128.0	39.4	39.4
Cash and cash equivalents at period-end	31.0	26.1	128.0

FINANCIAL INFORMATION BY SEGMENTS

On the closing date, Technopolis Group had three reporting segments: Finland, Baltic Rim and Scandinavia. The Group has combined its operating segments into reporting segments based on geographic location. The operating segments combined into the Finland segment are the Helsinki Metropolitan Area, Tampere, Kuopio, Jyväskylä, and Oulu business units. The operating segments combined into the Baltic Rim reporting segment are the St. Petersburg, Vilnius and Tallinn business units, whereas the Scandinavian reporting segment is comprised of the Oslo and Gothenburg business units. The combined operating segments all have similar financial characteristics and performance. The operating segments have similar space and service businesses. The segmentation is based on the Group's existing internal reporting and the organization of its business operations. The net sales of the segments are comprised mainly of rental and service revenue.

SEGMENT INFORMATION

EUR million	4-6/ 2017	4-6/ 2016	1-6/ 2017	1-6/ 2016	1-12/ 2016
Net sales					
Finland	30.4	31.4	59.1	61.0	120.5
Baltic Rim	8.9	7.4	17.8	14.4	29.5
Scandinavia	6.5	4.4	13.1	8.9	22.0
Total	45.8	43.2	90.1	84.3	172.1
EBITDA					
Finland	16.4	17.7	31.2	33.5	64.3
Baltic Rim	5.3	3.5	10.6	7.5	16.6
Scandinavia	3.8	2.3	7.4	4.4	12.2
Total	25.5	23.5	49.1	45.4	93.1
Assets					
Finland	-	-	1,113.8	1,121.8	1,221.0
Baltic Rim	-	-	353.3	302.9	327.6
Scandinavia	-	-	340.4	214.1	351.5
Eliminations	-	-	-60.8	-35.9	-75.0
Total	-	-	1,746.5	1,602.8	1,825.1

EPRA EARNINGS

Technopolis presents its official financial statements by applying the IFRS standards. The statement of comprehensive income includes a number of items unrelated to the company's actual business operations. Therefore, the company presents its direct result, which better reflects its real result.

The direct result presents the company's net result for the period excluding the change in the fair value of investment properties, the change in the fair value of non-hedge financial instruments, unrealized exchange rate gains and losses and other items, such as gains and losses on disposals. Additionally, the direct result presents the related taxes, deferred tax assets and liabilities and share of non-controlling interests.

Items excluded from the direct result and their tax effects and share of non-controlling interests are presented in the statement of income showing the indirect result.

DIRECT RESULT

EUR million	4-6/ 2017	4-6/ 2016	1-6/ 2017	1-6/ 2016	1-12/ 2016
Net sales	45.8	43.2	90.1	84.3	172.1
Other operating income	0.0	0.0	0.0	0.0	0.0
Other operating expenses	-20.2	-19.8	-41.0	-39.8	-79.5
Depreciation	-1.0	-0.9	-2.1	-1.9	-4.0
Operating profit/loss	24.5	22.5	47.0	42.6	88.6
Financial income and expenses, total	-5.6	-6.0	-11.8	-11.2	-24.3
Result before taxes	18.9	16.5	35.2	31.3	64.3
Taxes for direct result items	-1.3	-1.7	-1.8	-2.4	-5.9
Non-controlling interests	-1.6	-0.9	-3.2	-2.7	-5.7
Direct result for the period	16.0	14.0	30.1	26.3	52.6

INDIRECT RESULT

Indirect income and expenses	0.0	0.0	0.0	0.9	0.5
Change in fair value of investment properties	3.7	-2.0	9.6	-1.5	0.2
Operating profit/loss	3.7	-1.9	9.6	-0.6	0.7
Other indirect financial income and expenses	-0.3	-1.2	-0.2	-1.0	-0.8
Result before taxes	3.4	-3.1	9.5	-1.6	-0.1
Taxes for indirect result items	-3.2	-1.6	-6.7	-3.4	-5.9
Non-controlling interests	0.4	0.2	-0.3	0.0	0.6
Indirect result for the period	0.5	-4.5	2.5	-5.1	-5.4
Result for the period to the parent company shareholders, total	16.5	9.5	32.6	21.2	47.3
Earnings per share, diluted ³⁾					
From direct result	0.10	0.12	0.19	0.22	0.40
From indirect result	0.00	-0.04	0.02	-0.04	-0.04
From net result for the period	0.10	0.08	0.21	0.18	0.36
Effect of the interest expenses from equity related bond	-0.01	-0.01	-0.01	-0.02	-0.03
From adjusted net result for the period	0.10	0.07	0.19	0.16	0.33

³⁾ Share related indicators have been adjusted for the rights issue in fall 2016.

KEY INDICATORS

	June 30, 2017	June 30, 2016	Dec 31, 2016
Change in net sales, %	6.9	-5.4	0.9
Operating profit/loss/net sales, %	62.9	49.8	51.9
Change in EBITDA, %	8.2	-9.6	0.1
Service revenue of Net Sales, %	14.2	13.0	13.0
Interest coverage ratio	5.1	4.8	4.6
Equity ratio, %	43.9	36.5	41.5
Loan to value, %	53.2	59.4	58.2
Group company personnel during the period, average	237	249	248
Gross expenditure on assets, MEUR	27.4	29.3	221.0
Net rental yield of investment properties, % ⁴⁾	7.0	7.3	7.4
Financial occupancy rate, %	94.4	93.4	93.4
Earnings/share ⁶⁾			
basic, EUR	0.19	0.16	0.33
diluted, EUR	0.19	0.16	0.33
Cash flows from operating activities/share, EUR ⁶⁾	0.19	0.29	0.46
Equity/share, EUR ⁶⁾	3.99	3.74	3.95
Average issue-adjusted number of shares ^{5,6)}			
basic	156,855,957	120,087,644	130,247,085
diluted	156,855,957	120,087,644	130,247,085
Issue-adjusted number of shares at the end of period	156,890,289	120,156,947	156,846,091

⁴⁾ The figure does not include properties commissioned and acquired during the fiscal year.

⁵⁾ Own shares held by the company (1,903,373 shares) are excluded from the number of shares.

⁶⁾ Share related indicators have been adjusted for the rights issue in fall 2016.

CHANGE IN VALUE OF INVESTMENT PROPERTIES

EUR million	4-6/ 2017	4-6/ 2016	1-6/ 2017	1-6/ 2016	1-12/ 2016
Change in fair value, Finland	0.7	1.6	3.3	2.1	7.5
Change in fair value, Baltic Rim	0.9	0.0	4.1	2.0	1.3
Change in fair value, Scandinavia	1.5	-1.1	1.9	-1.1	2.1
Change in fair value	3.1	0.4	9.3	3.0	10.9
Changes in acquisition costs of investment properties in financial year	-1.2	-3.6	-5.9	-7.3	-19.0
Changes in fair value of projects in progress	1.7	1.2	6.2	2.9	8.3
Effect on profit of change in value of investment properties	3.7	-2.0	9.6	-1.5	0.2

CONTINGENT LIABILITIES

EUR million	June 30, 2017	June 30, 2016	Dec 31, 2016
Pledges and guarantees on own debt			
Mortgages of properties	974.7	928.4	1,009.9
Pledged securities and investment properties	740.6	742.3	712.9
Pledges for land lease payments	3.6	4.4	3.6
Other guarantee liabilities	144.9	64.6	152.5
Leasing liabilities, land	78.1	65.1	64.3
Leasing liabilities, machinery and equipment	0.2	5.3	5.1
Project liabilities	0.0	0.0	0.0
Interest rate and currency swaps			
Nominal values	600.9	623.3	639.2
Fair values	-10.6	-32.8	-19.6

BREAKDOWN OF FINANCIAL ASSETS AND LIABILITIES June 30, 2017

The following table provides a list of the groups of financial assets and liabilities used for valuation in accordance with IAS 39.

EUR million	Loans and other receivables	Available-for-sale financial assets	Financial liabilities measured at amortized purchase price	Financial assets/liabilities measured at fair value	Total	Fair value of financial assets/liabilities
Non-current financial assets						
Assets measured at fair value						
Available-for-sale investments						
Available-for-sale quoted financial assets (level 1)		0.7			0.7	0.7
Available for sale non-quoted financial assets (level 3)		0.8			0.8	0.8
Other non-current receivables	-0.3				-0.3	-0.3
Total	-0.3	1.4			1.2	1.2
Current assets						
Trade and other receivables						
Sales receivables	3.5				3.5	3.5
Other current receivables	12.0				12.0	12.0
Cash and cash equivalents	31.0				31.0	31.0
Total	46.5				46.5	46.5
Non-current liabilities						
Financial liabilities recognized at amortized cost						
Non-current finance lease liabilities (level 2)			28.9		28.9	29.0
Non-current interest-bearing liabilities (level 2)			750.2		750.2	753.3
Non-current non-interest-bearing liabilities (level 2)			2.7		2.7	2.7
Other non-current liabilities			44.9		44.9	44.9
Total			826.7		826.7	829.9
Current liabilities						
Financial liabilities at fair value through profit or loss						
Derivatives						
Interest rate swaps, meeting the criteria for hedge accounting (level 2)				11.5	11.5	11.5
Financial liabilities recognized at amortized cost						
Current finance lease liabilities			3.3		3.3	3.3
Other current interest-bearing liabilities			105.0		105.0	105.0
Trade and other payables			34.3		34.3	34.3
Purchase price liabilities			3.3		3.3	3.3
Total			146.0	11.5	157.5	157.5

ALTERNATIVE PERFORMANCE MEASURES USED IN TECHNOLIS FINANCIAL REPORTING

The new guidelines of the European Securities and Markets Authority (ESMA) regarding Alternative Performance Measures (APMs) entered into force on July 3, 2016. This had no impact on the performance measures used by Technopolis, but in compliance with the ESMA guidelines. Technopolis publishes a list of the APMs that the company reports, their definitions and reconciliations to IFRS line items.

Technopolis reports APMs to reflect the underlying business performance and to enhance comparability between financial periods. APMs i.e. performance measures not based on financial statements standards provide notable supplemental information to management, investors, securities analysts and other interested parties by excluding items that may not be indicative of Technopolis's operating result or cash flows. APMs may not be considered as a substitute for measures of performance in accordance with the IFRS.

Certain items that are not related to normal business operations but that have a significant impact on the income statement of the reporting period have been classified as items affecting comparability. Items affecting comparability include e.g. fair value changes of investment properties and non-hedge financial instruments, unrealized currency exchange rate gains and losses as well as gains and losses on disposals.

Net sales on a constant currency basis, EBITDA, EBITDA on a constant currency basis, EBITDA margin and EBITDA by business area are presented as alternative performance measures as the Company believes they enhance understanding of its operative performance.

EPRA (European Public Real Estate Association) is an organization of listed real estate companies that publishes recommendations for the industry on the presentation of financial information, for instance, aiming to create uniform calculation models for real estate investment companies. Technopolis reports the following APMs based on EPRA recommendation: direct result, direct result per share, net rental yield and net asset value per share. The Company's management monitors these performance measures regularly. They are also of interest to investors and analysts familiar with the real estate industry, and make comparison between real estate companies easier.

DEFINITIONS OF ALTERNATIVE PERFORMANCE MEASURES

Net sales on a constant currency basis

Net sales - impact of currency exchange rate changes

EBITDA on a constant currency basis EBITDA - impact of currency exchange rate changes

EBITDA by business area

EBITDA from rental operations + EBITDA from services
- group-level expenses and eliminations

Direct result (EPRA)

See paragraph "EPRA Earnings" in the Tables section of this report.

Net rental yield, % (EPRA)

Rental income from Group-owned properties
100 × $\frac{\text{Direct expenses from Group-owned properties}}{\text{Fair value of completed investment properties that have been Group-owned for the whole fiscal year on reporting date}}$

Net asset value/share (EPRA)

Equity to parent company shareholders
- Hedging reserve
+ Deferred taxes from investment properties
- Equity related bond

Issue-adjusted number of shares, basic, on reporting date

ROE, % (based on EPRA earnings)

EPRA earnings before taxes
- taxes from operative items

Equity + non-controlling interests for year, average

RECONCILIATIONS

For the APMs that include items affecting comparability, the reconciliations to the most directly reconcilable line item or sum presented in the IFRS financial statements can be found in the tables below. The reconciliation of direct result is presented elsewhere in the Tables section of this half year report.

Net sales on a constant currency basis

Items affecting comparability (currency impact) consist of the impact of the Norwegian krone, the Russian ruble and Swedish krona exchange rate changes against euro on net sales. The currency impact has been calculated by deducting from net sales the net sales of the reporting period calculated using the NOK, RUB and SEK exchange rates of the comparison period.

	4-6/ 2017	4-6/ 2016	1-6/ 2017	1-6/ 2016	1-12/ 2016
Net sales	45.8	43.2	90.1	84.3	172.1
Items affecting comparability (currency impact)	-0.3	0.9	-1.1	1.6	1.5
Net sales on a constant currency basis	45.5	44.1	88.9	85.9	173.6

EBITDA on a constant currency basis

Items affecting comparability (currency impact) consist of the impact of the Norwegian krone, the Russian ruble and Swedish krona exchange rate changes against euro on EBITDA. The currency impact has been calculated by deducting from EBITDA the EBITDA of the reporting period calculated using the NOK, RUB and SEK exchange rates of the comparison period.

	4-6/ 2017	4-6/ 2016	1-6/ 2017	1-6/ 2016	1-12/ 2016
EBITDA	25.5	23.5	49.1	45.4	93.1
Items affecting comparability (currency impact)	-0.2	0.6	-0.8	1.1	1.0
EBITDA on a constant currency basis	25.3	24.1	48.3	46.4	94.1

EBITDA by business area

The items affecting comparability in EBITDA by business area include Group-level expenses and eliminations.

	4-6/ 2017	4-6/ 2016	1-6/ 2017	1-6/ 2016	1-12/ 2016
EBITDA	25.5	23.5	49.1	45.4	93.1
EBITDA from rental operations	26.2	25.3	51.0	48.5	98.9
EBITDA %, Rental operations	67.1	67.6	66.0	66.2	66.1
EBITDA from services	0.9	0.5	1.6	0.9	2.1
EBITDA %, Services	13.4	8.3	12.6	8.1	9.4
Items affecting comparability in EBITDA	-1.5	-2.3	-3.5	-4.1	-8.0
EBITDA in total	25.5	23.5	49.1	45.4	93.1

EPRA Net rental yield %

	June 30, 2017	June 30, 2016	Dec 31, 2016
Rent income	77.3	73.3	149.6
Items affecting comparability in rent income	-1.7	0.7	-8.6
Rent income used in net rental yield calculation	75.5	74.0	141.0
Premises expenses	-20.3	-19.6	-39.5
Items affecting comparability in premises expenses	-1.8	-2.4	-1.3
Premises expenses used in net rental yield calculation	-22.2	-22.1	-40.9
Fair value of completed investment properties	1,631.5	1,457.9	1,624.2
Building rights	-67.4	-43.6	-70.3
Other items affecting comparability	-39.1	0.0	-194.9
Fair value of investment properties used in net rental yield calculation	1,525.0	1,414.3	1,358.9

EPRA Net asset value

	June 30, 2017	June 30, 2016	Dec 31, 2016
Equity to parent company shareholders	700.8	523.2	693.0
Items affecting comparability:			
- Hedging reserve	-6.4	-23.5	-13.0
+ Deferred taxes from investment properties	41.5	30.3	32.8
- Equity related bond	74.2	74.2	74.2
Net asset value	674.6	502.7	664.5

Technopolis provides the best addresses for success in six countries in the Nordic-Baltic region. The company develops, owns and operates a chain of 20 smart business parks that combine services with flexible and modern office space. The company's core value is to continuously exceed customer expectations by providing outstanding solutions to 1,700 companies and their 50,000 employees in Finland, Norway, Sweden, Estonia, Russia and Lithuania. The Technopolis Plc share (TPS1V) is listed on Nasdaq Helsinki.

For more information, please visit our [website](#).

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Next publication: Interim Report January – September on October 31, 2017.

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