



Technopolis Plc

Quarterly report January-September 2017

October 31, 2017

TECHNOPOLIS
more than squares

GROWTH CONTINUES INTO THE SECOND HALF

January–September 2017

- Net sales up 5.4% y-o-y to EUR 134.2 (127.3) million
- EBITDA up 5.4% y-o-y to EUR 74.5 (70.7) million
- Financial occupancy rate rose to 94.4% (92.7%)
- EPRA earnings up 16.4% y-o-y to EUR 46.4 (39.9) million
- EPRA earnings per share were EUR 0.30 (0.33) *
- EPRA NAV per share was EUR 4.44 (4.12)
- Fair value of investment properties at the end of the period was EUR 1,635.9 (12/16: 1,624.2) million

Q3/2017

- Net sales up 2.5% y-o-y to EUR 44.1 (43.0) million
- EBITDA was EUR 25.4 (25.3) million
- EPRA earnings up 18.9% y-o-y to EUR 16.3 (13.7) million
- EPRA earnings per share were EUR 0.10 (0.11) *

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

* Rights issue in the comparison period.

KEY INDICATORS

	Q3/ 2017	Q3/ 2016	Change %	Jan–Sep, 2017	Jan–Sep, 2016	Change %	2016
FINANCIAL (IFRS)							
Net sales, EURm	44.1	43.0	2.5	134.2	127.3	5.4	172.1
EBITDA, EURm	25.4	25.3	0.2	74.5	70.7	5.4	93.1
Equity ratio, %	-	-	-	44.4	39.5	-	41.5
Loan-to-value (LTV), %	-	-	-	52.4	58.7	-	58.2
FINANCIAL (EPRA)							
EPRA earnings, EURm	16.3	13.7	18.9	46.4	39.9	16.4	52.6
EPRA earnings / share, EUR	0.10	0.11	-7.2	0.30	0.33	-10.3	0.40
Return on equity, %*	-	-	-	8.7	9.2	-	8.6
Financial occupancy rate, %	-	-	-	94.4	92.7	-	93.4
Net rental yield, %	-	-	-	7.2	7.4	-	7.4
EPRA NAV / share, EUR	-	-	-	4.44	4.12	7.8	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

“The strong growth we experienced in the first half, has continued into the second half, but at a more moderate pace. In January–September our net sales and EBITDA grew hand-in-hand, 5.4% year-on-year. The two main drivers behind this positive development were the growth in service income and rising occupancy. Our financial occupancy rate increased 1.7 percentage points year-on-year to 94.4% at the end of the review period. The biggest improvement was in Finland, especially Oulu.

Service income for January–September grew nearly 16% year-on-year and reached EUR 18.4 (15.9) million. The share of service income in Group net sales (service penetration) was 13.7% (12.5%). Service EBITDA reached EUR 2.1 (1.2) million (+72.8% y-o-y growth), which translates into an EBITDA margin of 11.4% (7.6%). All of our campuses showed a year-on-year improvement, both in terms of service income and service penetration for the first nine months.

However, both the service EBITDA margin and the penetration were slightly down from the end of June (12.6% EBITDA margin and 14.2% penetration in January–June) due to seasonal fluctuations. The majority of this quarter-on-quarter decline resulted from reduced conference service demand during the summer vacation period.

In purely operational terms, the company generated a robust performance. Like-for-like growth for the first nine months was 4.8% and 4.1% year-on-year for the Group net sales and EBITDA, respectively. It is worth mentioning that this was achieved in an environment where rental growth has been fairly modest, especially in Finland.

Yield compression is the primary driver behind fair value changes, which increased EUR 16.4 (0.7) million in January–September and were a significant contributor at the operating profit level.

I am pleased to end by saying that we have now signed the first agreement on a new stand-alone UMA coworking space in Stockholm, Sweden. Our aim is to open it in April 2018, and our intention is to expand our footprint both in Stockholm and in the other major cities in the Nordic–Baltic Sea area.”

FINANCIAL PERFORMANCE

	Q3/ 2017	Q3/ 2016	Change %	Jan– Sep, 2017	Jan– Sep, 2016	Change %	2016
Net sales, Group, EURm	44.1	43.0	2.5	134.2	127.3	5.4	172.1
Rental income, EURm	38.5	38.1	1.1	115.8	111.4	3.9	149.7
<i>% of Net sales</i>	<i>87.3</i>	<i>88.5</i>	-	<i>86.3</i>	<i>87.5</i>	-	<i>87.0</i>
Service income, EURm	5.6	4.9	13.5	18.4	15.9	15.7	22.4
<i>% of Net sales</i>	<i>12.7</i>	<i>11.5</i>	-	<i>13.7</i>	<i>12.5</i>	-	<i>13.0</i>
EBITDA, Group, EURm	25.4	25.3	0.2	74.5	70.7	5.4	93.1
<i>EBITDA %</i>	<i>57.5</i>	<i>58.9</i>	-	<i>55.5</i>	<i>55.5</i>	-	<i>54.1</i>
EBITDA, rental, EURm	26.6	26.3	1.4	77.6	74.8	3.8	98.9
<i>EBITDA %, rental</i>	<i>69.2</i>	<i>68.9</i>	-	<i>67.1</i>	<i>67.2</i>	-	<i>66.1</i>
EBITDA, services, EURm	0.5	0.3	50.0	2.1	1.2	72.8	2.1
<i>EBITDA %, services</i>	<i>8.6</i>	<i>6.5</i>	-	<i>11.4</i>	<i>7.6</i>	-	<i>9.4</i>
Operating profit, EURm	31.1	26.6	17.1	87.8	68.5	28.1	89.3
<i>Operating profit %</i>	<i>70.5</i>	<i>61.8</i>	-	<i>65.4</i>	<i>53.8</i>	-	<i>51.9</i>
Net result, EURm	20.6	16.5	24.8	56.7	40.5	40.2	52.4
EPS, EUR	0.11	0.11	-3.9	0.30	0.27	12.3	0.33

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

Net Sales and Income

January–September 2017

The Group's net sales for January–September reached EUR 134.2 (127.3) million, up 5.4% from the corresponding period in the previous year. Changes in foreign exchange rates increased net sales by EUR 1.2 million mainly due to strengthening of the Russian ruble. On a constant currency basis net sales were up 4.4%.

Rental income amounted to EUR 115.8 (111.4) million, up 3.9% compared to the corresponding period in 2016. The main driver was the increase in the financial occupancy rate, especially in Oulu, Finland. The financial occupancy rate at the end of the period was 94.4% (92.7%). Also the restructuring of the property portfolio positively affected rental income. The acquisition of the Gårda campus in Gothenburg, Sweden took place in July 2016 and the 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.

Service income continued on a positive trend increasing by 15.7% year-on-year and amounting to EUR 18.4 (15.9) million in January–September. The share of service income in Group net sales, service penetration, was 13.7% (12.5%). Both service income and service penetration grew across all campuses year-on-year. The largest absolute growth was seen in Tampere, Oulu and the Helsinki Metropolitan Area in Finland. In relative terms, the biggest growth came from Vilnius (Lithuania), Tampere (Finland) and St. Petersburg (Russia).

Q3/2017

The Group's net sales in the third quarter were up 2.5% year-on-year, at EUR 44.1 (43.0) million. On a constant currency basis net sales were up 1.6%. Revenue contributions from the Gårda acquisition done in July 2016 are included in the numbers of the comparison period.

Rental income in the third quarter grew 1.1% year-on-year and was EUR 38.5 (38.1) million. Service income grew 13.5% year-on-year, and was EUR 5.6 (4.9) million. Service income decreased 17.6% quarter-on-quarter due to seasonal fluctuations. The majority of this decline resulted from reduced conference service demand during the summer vacation period.

Rental income and service income comprised 87.3% (88.5%) and 12.7% (11.5%), respectively, of the Group's third quarter net sales.

Profitability

January–September 2017

Premises expenses in January–September increased 2.3% year-on-year and were EUR 29.3 (28.7) million. The Group's administrative costs totaled EUR 9.9 (9.8) million. Other operating expenses were EUR 20.5 (19.1) million, up 7.7%, mainly due to increased service volume. Property taxes are allocated evenly over the financial year and EUR 6.1 (5.5) million was booked in the first nine months.

The Group's EBITDA for January–September was up 5.4% year-on-year and totaled EUR 74.5 (70.7) million. The EBITDA margin was flat at 55.5% (55.5%). Changes in foreign currency exchange rates increased EBITDA by EUR 0.9 (-1.2) million mainly through the strengthening of the Russian ruble against the euro. On a constant currency basis, EBITDA grew 4.1% and the EBITDA margin was 55.4%.

EBITDA in January–September for rental operations amounted to EUR 77.6 (74.8) million. EBITDA for services was up 72.8% and reached EUR 2.1 (1.2) million. The EBITDA margin for rental operations remained at the previous year's level and was 67.1% (67.2%) however, the EBITDA margin for services clearly improved and reached 11.4% (7.6%). The improvement was generated by scale benefits through higher service income and growth in more profitable services. In addition to rental and service EBITDAs, the Group EBITDA includes Group-level expenses and intracompany eliminations as indicated in the table on page 28.

At the end of September 2017, the fair value of Technopolis' investment properties was EUR 1,635.9 (9/16: 1,652.9; 12/16: 1,624.2) million. In January–September, fair value changes totaled EUR 16.4 (0.7) million. The

biggest positive impact came from changes in yield requirements but was, to an extent, off-set by modernizations and occupancy assumptions, particularly in the Finnish business units in the second quarter. Also, the ongoing organic investments in Tallinn, Estonia and Vilnius, Lithuania contributed positively to fair values.

Fair value changes in January–September 2017:

EURm	Yield requirement	Occupancy assumption	Modernizations	Other changes	Projects in progress	Total
Finland	14.3	-6.1	-5.5	0.4	1.3	4.4
Baltic Rim	8.8	0.7	-2.5	-2.7	6.5	10.8
Scandinavia	3.3	0.0	-1.5	-0.6	0.0	1.2
TOTAL	26.4	-5.4	-9.5	-2.9	7.8	16.4

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

Operating profit in the first nine months rose to EUR 87.8 (68.5) million, mainly due to positive fair value changes in investment properties, which was driven, primarily by yield compression. Net financial expenses, including unrealized exchange rate gains and losses, were slightly down from the previous year at EUR 17.7 (19.0) million due to a decrease in interest-bearing debt.

Pre-tax profits rose to EUR 70.1 (49.5) million. Taxes increased to EUR 13.4 (9.1) million due to higher deferred taxes. Current taxes were EUR 0.7 (4.8) million, which include a EUR 1.8 million adjustment in the second quarter related to divestitures that took place in 2016. The **net result** for the period increased by 40.2% to EUR 56.7 (40.5) million. **EPS** increased to EUR 0.30 (0.27).

EPRA Earnings in January–September 2017 increased by 16.4% year-on-year and amounted to EUR 46.4 (39.9) million. The increase was mainly caused by the completion of the Delta campus in Vilnius, Lithuania, as well as other organic investments. **EPRA Earnings per share** amounted to EUR 0.30 (0.33). The per share number decreased year-on-year due to the rights issue-adjusted number of shares in 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.

Q3/2017

Premises expenses in the third quarter were EUR 9.0 (9.0) million. Administrative costs were EUR 3.1 (2.8) million. Increase was mainly due to non-recurring items. Other operating expenses were EUR 6.6 (6.0) million.

The **EBITDA** from **rental operations** in the third quarter was EUR 26.6 (26.3) million, representing a margin of 69.2% (68.9%). EBITDA for **services** was EUR 0.5 (0.3) million, translating into an EBITDA margin of 8.6% (6.5%). Service EBITDA was clearly down quarter-on-quarter due to seasonal fluctuations. The majority of this decline resulted from reduced conference service demand during the summer vacation period. Conference services are one the largest and most profitable service areas.

Group EBITDA in the third quarter was flat at EUR 25.4 (25.3) million. The EBITDA margin was 57.5% (58.9%). Revenue contributions from the the Gårda acquisition done in July 2016 are included in the numbers of the comparison period.

The Group EBITDA comprises Group-level expenses and intracompany eliminations as indicated in the table on page 28. Group EBITDA was flat mainly due to non-recurring items in administrative costs. On a constant currency basis, the Group EBITDA decreased 1.0% and the EBITDA margin was 57.4%.

Operating profit in the third quarter rose to EUR 31.1 (26.6) million, primarily due to fair value changes in investment properties.

In the third quarter, pre-tax profits rose to EUR 25.4 (19.8) million. Taxes increased to EUR 4.8 (3.3) million. Current taxes were EUR 1.0 (0.6) million. The net result for the period rose by 24.8 % to EUR 20.6 (16.5) million.

EPS in the third quarter was EUR 0.11 (0.11).

EPRA earnings in the third quarter were up 18.9% and amounted to EUR 16.3 (13.7). EPRA earnings per share were EUR 0.10 (0.11). The per share number decreased year-on-year due to the rights issue-adjusted number of shares in 2016.

BALANCE SHEET, FINANCING AND CASH FLOW

Balance Sheet and Financing

	30 Sep '17	30 Sep '16	Change, %	31 Dec '16	Change, %
Balance sheet total, EURm	1,771.8	1,841.0	-3.8	1,825.1	-2.9
Interest-bearing debt, EURm	887.7	991.2	-10.4	959.9	-7.5
Cash and equivalents, EURm	39.3	98.7	-60.2	128.0	-69.3
Average loan maturity, yrs	4.6	5.1	-10.0	5.1	-10.0
Loan-to-value (LTV), %	52.4	58.7	-	58.2	-
Equity ratio, %	44.4	39.5	-	41.5	-
Interest coverage, multiple	5.2	4.7	10.6	4.6	130.9

The Group's balance sheet total on September 30, 2017 was EUR 1,771.8 (1,841.0) million, with liabilities accounting for EUR 989.5 (1,118.6) million.

The Group's equity attributable to the parent company shareholders was EUR 717.9 (662.7) 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 4.10 (3.75) and the equity ratio 44.4% (39.5%). The loan-to-value ratio (LTV) was 52.4% (58.7%). LTV decreased mainly due to the paying down of maturing debt and increase in fair values of investment properties. At the end of the period, the Group's net interest coverage ratio was 5.2 (4.7).

On September 30, 2017, the Group's interest-bearing liabilities amounted to EUR 887.7 (991.2) million. Long-term interest bearing liabilities were EUR 785.1 (836.9) million and short-term interest-bearing liabilities EUR 102.7 (154.3) million. Interest-bearing liabilities were composed of EUR 643.2 (687.8) million of bank loans, EUR 150.0 (150.0) million of unsecured senior bond and EUR 34.9 (91.2) million of commercial papers, EUR 24.5 (33.4) million of financial leases, and EUR 35.1 (30.2) 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 2.44% (2.30%).

On September 30, 2017, Technopolis had EUR 70.0 (90.0) million in unused committed long-term credit facilities and a EUR 25.1 (25.1) million short-term credit limit of which EUR 21.4 (0.0) 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 (91.2) million was outstanding at the end of the period. Cash and cash equivalents were EUR 39.3 (98.7) 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

	Q3/ 2017	Q3/ 2016	Change %	Jan- Sep, 2017	Jan- Sep, 2016	Change %	2016
Financial expenses, EURm	-5.9	-7.0	15.3	-18.4	-22.1	17.0	-28.4
Financial income, EURm	0.3	0.3	-12.4	0.7	3.2	-79.0	3.3
Net financial expenses, EURm	-5.7	-6.7	15.4	-17.7	-19.0	6.7	-25.1
Average interest rate, %*	-	-	-	2.44	2.30	-	2.34

* Excluding hybrid loan.

Financial expenses in January–September were EUR 3.8 million lower than in the corresponding period a year earlier. This was due to the paying down of interest bearing debt and realized foreign currency exchange rate loss related to the repayment of a euro-denominated loan in the Russian subsidiary in the comparison period.

Financial Risk Management

On September 30, 2017, the Group's interest-bearing liabilities amounted to EUR 887.7 (991.2) million. The average capital-weighted loan maturity was 4.6 (5.1) years at the end of the period. A total of 64.0% (55.9%) of the Group's interest-bearing liabilities were either interest rate hedged or fixed-rate loans. The Group's interest fixing period was 4.5 (2.1) years, including forward starting hedges in 2019–2021. A one percentage point increase in market rates would cause a EUR 2.5 (2.6) million increase in interest costs per annum.

The Group is exposed to foreign exchange rate fluctuations 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 September 30, 2017 are presented below. The table does not include the conversion impacts of FX changes on the Group 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	-7.4	-7.4	42.9%
RUB +10	0.0	9.0	9.0	43.4%
NOK -10	0.0	-8.0	-8.0	43.4%
NOK +10	0.0	9.8	9.8	43.3%
SEK -10	0.0	-4.4	-4.4	43.6%
SEK +10	0.0	5.3	5.3	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 September, the Russian subsidiary had equity of RUB 5.54 billion, the Norwegian subsidiaries' equity totaled NOK 828.0 million, and the Swedish subsidiaries' equity was SEK 462.2 million.

Capital Expenditure and Cash Flow

CAPEX, EUR million	Q3/ 2017	Q3/ 2016	Change %	Jan– Sep, 2017	Jan– Sep, 2016	Change %	2016
Acquisition of properties	4.9	123.4	-96.0	5.8	149.0	-96.1	53.0
Organic growth projects	16.7	9.1	84.7	39.6	29.6	33.8	46.3
Modernizations and other investments	2.4	4.4	-45.0	8.3	11.7	-29.1	19.0
Total CAPEX incl. acquisitions	24.1	136.8	-82.4	53.7	190.3	-71.8	118.3
CAPEX by segment:							
Finland	10.2	7.3	39.9	19.5	23.0	-15.5	37.3
Baltic Rim	13.9	5.5	150.1	32.7	16.1	103.3	23.6
Scandinavia	0.0	124.0	n/m	1.5	151.2	-99.0	57.4
Total CAPEX incl. acquisitions	24.1	136.8	-82.4	53.7	190.3	-71.8	118.3
Divestitures	2.1	0.0	n/m	2.1	1.4	54.9	64.0

In the first nine months of the year, **cash flow from operations** was EUR 55.4 (52.2) million. Cash flow **from investments** was EUR -57.3 (-107.6) million, of which investments in investment properties were EUR -51.9 (-50.0) million. Cash outflow was mainly directed at organic growth projects. **Financing cash flow** was EUR -86.1 (+113.9) million, of which EUR 74.3 (129.6) million was used in paying down long and short term debt and EUR 20.3 (19.8) million was used for dividend payments in April. **Cash and cash equivalents** on September 30, were EUR 39.3 (98.7) million. The **net change in cash** in January–September was EUR -88.0 (58.5) million.

PROPERTY PORTFOLIO, LEASING, OCCUPANCY AND CUSTOMER BASE

Property Portfolio

At the end of September 2017, the fair value of Technopolis' investment properties was EUR 1,635.9 (9/16: 1,652.9; 12/16: 1,624.2) million. Technopolis had a total rentable area of 750,700 (778,200) m², of which 11,400 (9,500) m² was under renovation. Nearly all properties are office properties. In addition, 38,900 (31,900) 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 September 30, 2017, Technopolis had a total of approximately 1,700 customers. The ten largest customers let approximately 22.0% of rented space and the single largest customer 4.2%. In January–September, 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 the period was 94.4% (92.7%) and the technical occupancy rate was 93.3% (90.7%).

On September 30, 2017 Technopolis had a total of 2,914 existing rental agreements. In January–September, the Company agreed 315 (416) new contracts (including extended or renewed contracts) covering a rentable area of 87,500 (67,000) m². During the same time period, 260 (264) contracts were ended covering a rentable area of 37,700 (32,100) m².

Lease stock, % of space	Sep 30,	Jun 30,	Mar 31,	Dec 31,	Sep 30,
Maturity, years	2017	2017	2017	2016	2016
< 1	16	16	21	19	18
1–3	21	21	20	21	22
3–5	19	19	18	17	17
> 5	16	16	15	16	15
Open-ended leases	29	29	25	27	28
Average lease term in months	34	34	34	35	35
Lease stock, EUR million	389.9	397.6	389.1	392.7	430.0

BUSINESS SEGMENTS

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

Finland

Finland segment comprise of the Helsinki Metropolitan Area (HMA), Tampere, Kuopio, Jyväskylä, and Oulu business units.

Finland	Q3/ 2017	Q3/ 2016	Change %	Jan– Sep, 2017	Jan– Sep, 2016	Change %	2016
Net sales, EURm	29.0	29.6	-1.8	88.1	90.6	-2.7	120.5
Rental income, EURm	24.6	25.4	-3.0	73.4	77.3	-5.0	102.0
Service income, EURm	4.4	4.2	6.1	14.7	13.2	11.1	18.6
EBITDA, EURm	16.3	16.8	-2.8	47.4	50.2	-5.5	64.3
EBITDA %	56.1	56.7	-	53.8	55.4	-	53.4
Fair value of investment properties, EURm*	-	-	-	994.2	1,183.0	-16.0	997.6

Number of campuses*	-	-	-	16	16	0.0	15
Rentable area, m ² *	-	-	-	478,500	530,000	-9.7	486,500
Average rent, EUR/m ² /month*	-	-	-	17.6	17.3	1.5	17.0
Financial occupancy rate, %*	-	-	-	93.0	90.7	-	90.7
Market yield requirement, average, %*	-	-	-	7.5	7.7	-	7.6

* At the end of the period.

Note: 9/17: 10,900 m² under renovation, 9/16: 7,200 m² under renovation.

Rentable area, rental income and EBITDA decreased due to divestitures in Lappeenranta, Tampere and Oulu. This decline was partly offset by the completion of the Yliopistonrinne campus in Tampere. Average rent was EUR 17.6 (17.3) per m² per month. The occupancy rate increased, mainly due to improvement in Oulu. Fair values decreased mainly due to divestitures of properties in Lappeenranta and Tampere in November 2016.

Baltic Rim

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

Baltic Rim	Q3/ 2017	Q3/ 2016	Change %	Jan– Sep, 2017	Jan– Sep, 2016	Change %	2016
Net sales, EURm	8.8	7.2	22.5	26.6	21.6	23.5	29.5
Rental income, EURm	7.9	6.9	14.7	24.0	19.9	20.6	26.9
Service income, EURm	0.9	0.4	99.4	2.6	1.8	44.3	2.6
EBITDA, EURm	5.5	4.5	22.0	16.0	12.0	34.0	16.6
EBITDA %	62.0	62.3	-	60.2	55.5	-	56.1
Fair value of investment properties, EURm*	-	-	-	313.2	261.8	19.6	292.3
Number of campuses*	-	-	-	3	3	0.0	3
Rentable area, m ² *	-	-	-	170,100	148,300	14.7	161,200
Average rent, EUR/m ² /month*	-	-	-	15.2	14.4	5.1	14.9
Financial occupancy rate, %*	-	-	-	99.4	98.9	-	99.7
Market yield requirement, average, %*	-	-	-	8.2	8.7	-	8.7

* At the end of the period.

Note: 9/17: 500 m² under renovation, 9/16: 0 m² under renovation.

Rentable area, net sales and EBITDA increased year-on-year, mainly due to the completion of a new building in Vilnius, Lithuania. Rental growth also had a positive effect. The appreciating Russian ruble had a positive impact of EUR 1.1 (-0.8) million on net sales and EUR 0.8 (-0.7) million on EBITDA compared to January–September in the previous year. Occupancy 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	Q3/ 2017	Q3/ 2016	Change %	Jan– Sep, 2017	Jan– Sep, 2016	Change %	2016
Net sales, EURm	6.3	6.3	0.1	19.4	15.2	28.0	22.0
Rental income, EURm	6.0	6.1	-2.6	18.4	14.4	27.4	20.7
Service income, EURm	0.3	0.3	23.6	1.1	0.9	23.4	1.4
EBITDA, EURm	3.7	4.1	-10.7	11.0	8.5	29.3	12.2
EBITDA %	58.3	65.4	-	56.8	56.2	-	55.4

Fair value of investment properties, EURm*	-	-	-	328.5	334.0	-1.6	334.3
Number of campuses*	-	-	-	2	2	0.0	2
Rentable area, m ² *	-	-	-	102,100	99,900	2.2	98,700
Average rent, EUR/m ² /month *	-	-	-	19.5	19.5	0.0	22.3
Financial occupancy rate, %*	-	-	-	94.1	94.8	-	96.8
Market yield requirement, average, %*	-	-	-	5.4	5.5	-	5.5

* At the end of the period.

Note: 9/17: 0 m² under renovation, 9/16: 2,300 m² under renovation.

In January–September, rentable area, rental income, net sales and EBITDA increased year-on-year mainly due to the acquisition of the Gothenburg campus in Sweden. The Gothenburg campus, in practice, is almost a single tenant campus for time being, which explains the low level of service income in Scandinavia. The appreciating Norwegian krone had a minor positive impact on net sales and EBITDA. Financial occupancy decreased slightly after space under renovation was returned to the rentable area in Oslo.

GROUP STRATEGY AND FINANCIAL TARGETS

In the summer 2017, 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 September 30, 2017 were as follows:

Area	Name	Pre-let rate, %	Rentable area, m ²	Total investment, EURm	Stabilized yield, % ¹⁾	Completion
Helsinki	Ruoholahti 3	41.8	10,300	33.2	7.0	7/2018
Tallinn	Lõõtsa 12	39.6	9,700	13.6	9.0	7/2018
Vilnius ²⁾	Penta	48.8	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 neighbouring land plot with an expansion potential of at least 20,000 m²

Of the organic expansion projects under construction, the Penta campus in Vilnius Lithuania was partly completed after the review period in October and 45.1% of the rentable area was handed over to an anchor customer on October 4, 2017.

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

Technopolis Plc signed an agreement on September 6, 2017 to divest part of its holdings in Jyväskylä, Finland. The transaction included the Viveca office space and a land plot located in the Hippos sports park area. The buyer was an entity owned by group of local private investors. The divested assets had a total rentable area of 6,800 m². The divestiture was executed at fair value.

In April 2017, Technopolis acquired an office building under construction bordering its own campus in the Ozas district of Vilnius, Lithuania. In connection with the acquisition, the company signed a sale and purchase agreement to acquire a neighboring land plot with expansion potential of at least 20,000 m². The plot acquisition was closed on September 15, 2017. The land plot deal will enable continued organic growth in the coming years. The total investment, including the office property, amounted to EUR 32 million. The acquisition was financed with the company's own liquid funds. The seller of the plot was ICOR Group.

Expansion and Profitability of the Service Business

Service business growth and profitability improvement are progressing as planned. In January–September service income grew 15.7 % year-on-year and reached EUR 18.4 (15.9) million. Service penetration was 13.7% (12.5%). 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 in the first nine months of the year, there was an impressive year-on-year service income growth of over 35% in the international business units, on average.

EBITDA in the service business was up 72.8% year-on-year and reached EUR 2.1 (1.2) million, with a margin of 11.4% (7.6%). Services business profitability benefited from scale economies and an increase in the relative share of higher-margin services. All but one business unit improved in service business profitability compared to the corresponding period in the previous year. However, service EBITDA was clearly down quarter-on-quarter due to seasonal fluctuations. The majority of this decline resulted from reduced conference service demand during the summer vacation period. Conference services are one the largest and most profitable service areas.

The fastest-growing service areas are work-place solutions and moving services as well as conference services.

Development of UMA Coworking Network

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 both in the existing Technopolis countries, and in other locations in the Nordic-Baltic Sea region.

After the review period in October, the company signed the first agreement for a new stand-alone UMA coworking space in Stockholm, Sweden. The rentable area of that space is around 2,350 m², and the targeted opening is in April 2018.

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	14.3	n/a	n/a	n/a	n/a
City average	14.0	11.2	14.8	n/a	10.0
Market yield					
CBD	4.3	7.5	6.75	8.0–9.0	7.75
City average	4.3–6.7	7.5–8.5	6.75–8.0	8.5–10.0*	7.75–10.0
TECHNOPOLIS					
Office vacancy rate	7.9	9.5	3.6	4.4	7.6

Source: Catella

* Fringe area, not city average.

Note: Market information as of 6/17, Technopolis numbers as of 9/17.

On average, the annual investment volume in 2006–2016 in Finland has been worth EUR 3.75 billion. By the end of August 2017, total investments of EUR 6.4 billion were made. Consequently, the 2017 volume is likely to exceed last year's record by a wide margin. Approximately 80% of the investments were made by non-Finnish investors. However, it is worth noting that over 50% of the 2017 volume consists of one single deal, which is the largest single real estate deal in the history of the Finnish market. Excluding that one deal, the transaction volume was lower than in the corresponding period a year earlier. Office and retail premises have been the most attractive assets. The transaction market and the rental market are in different cycles; transactions are driven by global capital markets and the rental market is driven by the national economy.

In the Helsinki Metropolitan Area (HMA), economic growth has had a positive impact on the rental market in attractive areas. However, users are looking for space efficiency, which translates into higher demand for smaller premises. Despite the economy picking up, the amount of vacant office space in the HMA increased by 5,000 m² in the first half of the year. A total of 1.2 million m² of office premises are currently vacant in the HMA. The vacancy rate is 14 per cent. Due to active new construction, the conversions and demolitions of existing premises are not reducing the office stock. In June 2017, the upper gross rental levels on average, were at EUR 32, EUR 23 and EUR 18.75 per square meter per month in CBD, Ruoholahti and Aviapolis, respectively. The difference in rental levels between CBD and surroundings has decreased. In CBD, the rents have been on a moderated rise.

In 2016, ten office construction projects were launched in the HMA. In 2017, five projects had been launched by the end of August with an aggregate area of 87,000 m².

In the **Oulu** area, quality assets in good locations are of interest to clients, and they are also willing to pay for them. There is still a great deal of office space available, but the highest demand is seen for modern spaces in the CBD, which is currently lacking in high-quality premises. New and old office premises also clearly differ in terms of rent per square meter. The rents are between EUR 12–22 per m² per month.

In **Tampere**, the economic activity has not yet been reflected in the demand for facilities. The vacancy rate at present is a record high at 14.6%. Office yields vary between 6.75% and 8.0%. Rental levels for offices are between EUR 14–20 per m² per month.

In the **Jyväskylä** office market, the need for premises has increased due to organic growth as well as the arrival of new businesses in the city. Office vacancy has declined and is now at 10%. New construction continues to be brisk. Office rents 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*	3.7	7.25	4.5	2.7	5.2
Class B / city average*	5.8	9.0 [†]	9.0*	7.9/6.2*	9.2
Market yield					
Class A / CBD*	4.25	3.75**	<7.0	3.1	9.5–11.5***
Class B / city average*	n/a	4.5–5.25	8.0–9.25	6.5**	n/a
TECHNOPOLIS					
Office vacancy rate	0.0	8.3	1.0	0.6	0.0

Sources: Gothenburg and Oslo, CBRE; St. Petersburg: JLL; Tallinn and Vilnius: Newsec and Colliers

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

** Prime office and retail yield.

*** Prime office and shopping mall yields in 9/17.

Note: Market information as of 6/17, Technopolis and St Petersburg numbers as of 9/17.

In the first half of 2017, the investment volume in the **Nordic countries** ended up at EUR 17.5 billion, of which 44% were cross-border and 56% domestic deals. Prime office yields have been declining in all the Nordic countries since the end of 2013. Stockholm has the lowest market yields in the Nordics, only 3.5% in the CBD. Oslo, Norway has the second-lowest cap rates, at 3.75%. In Stockholm, prime office property rents have also risen rapidly in recent years, which clearly distinguishes Sweden from other Nordic countries. (Sources: Catella, JLL)

In **Gothenburg, Sweden**, the investment volume in the first half of 2017 reached approximately SEK 7.3 billion, of which SEK 2.7 billion was office premises. The current office stock is approximately 3.1 million m², of which 800,000 m² is in CBD. The supply is still very low and remains unchanged from the beginning of the year. The vacancy is estimated at 5.8%, which is the lowest in the past ten years. Practically all newly built spaces are fully let upon completion. High demand in central Gothenburg pushed up market rents increase in more external locations such as Gårda and Lindholmen. The annual prime rent in Gårda is currently at SEK 2,500 per m². In Gothenburg, the yield requirements have been declining for a long time and are now at 4.0% in the CBD-area and at around 4.25 in the rest of the inner city area. Prime yields in Gårda are around 4.75%. (Source: CBRE, JLL)

In [Oslo, Norway](#), the transaction volume (as of September 25, 2017) has already reached nearly NOK 57 billion, with international investors representing 23% of the volume. In all areas of the Oslo market, there are reports of increased rental rates on newly concluded contracts (+1% on average, +2.3% in CBD, from January 2017). Average rent is at NOK 2,060 per m² and NOK 4,300 per m² for prime offices in CBD. For new buildings in Fornebu, rents are typically around NOK 2,050 per m². Vacancy rates have decreased significantly in Fornebu since January, and are now around 9%. Prime yields are historically low at 3.75% in the CBD and around 5.25% in Fornebu. (Source: Cushman and Wakefield, JLL and CBRE)

The office market in [Tallinn, Estonia](#) is growing, and the quality of the new buildings has improved radically over the past decade. In 2017, some additional 23,500 m² is expected to be delivered in the office market. The average vacancy rate for contemporary office space in Tallinn is currently at 9.0%. In the Class A segment, the vacancy is 4.5%. Vacancies in the most sought-after areas and new Class A buildings however, are marginal. Rent levels in the Class A segment range between EUR 13.5–17.0 per m² per month. Average yields for prime office assets are currently slightly below 7%. (Source: Newsec, Colliers)

At the end of June 2017, the gross leasable area (GLA) of office stock in [Vilnius, Lithuania](#) stood at 565,110 m². This represents an increase of 20.1% year-on-year. It is estimated that the office stock will grow by seven more office projects during the rest of 2017, adding another 49,740 m² to the GLA. Despite the very active development of new office projects, the demand for modern, high-quality office space has remained strong. However, vacancies have increased and the average office vacancy stood at 6.2% at the end of June. Prime yields are facing downward pressure, and reached 6.5% for office and retail properties. On average, the rental rates for prime offices are EUR 13.5–16.5 per m² per month. Rental rates are expected to remain stable. (Source: Colliers)

The office stock in [St. Petersburg, Russia](#), now stands at 3.09 million m², of which Class A premises represent 29.7% and Class B 70.3%, yet quality office stock in the city remains modest. In January–September 2017, the mining/exploration and IT sectors showed high leasing activity representing over 53% of all rental activity. The average vacancy rate in St. Petersburg at the end of September was 5.2% in Class A offices and 9.2% in Class B offices. Rental rates in rubles are on the increase. The average rental rate is at around RUB 1,691 per m² per month for Class A offices and RUB 1,183 per m² per month for Class B. Prime yields remain flat. (Source: JLL)

SUSTAINABILITY AT TECHNOPOLIS

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

In September, Technopolis received the full five stars and the prestigious Green Star status in the Global Real Estate Sustainability Benchmark (GRESB). The company received the Green Star status for the fourth year in a row. Technopolis also received the EPRA gold sBPR award, an acknowledgment of its sustainability data disclosure.

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

Key Sustainability Indicators	Jan–Sep, 2017	Jan–Sep, 2011	Change %	Target 2020
CO ₂ emissions, CO ₂ e kg/m ²	28	58	-52	-60%
Energy consumption, kWh/m ²	161	177	-9	-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).

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–September, the Group employed an average of 235 (249) people. On average, real estate operations employed 76 (82) people, service operations 105 (112), and Group administration 54 (55). The number of personnel at the period end was 232 (249).

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 the committees are:

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

Nomination Board

Technopolis' Nomination Board consists of three members nominated by three major shareholders of the company. In addition, the Chairman of the Board of Directors of the company participates in the work of the Nomination Board as an expert. The Nomination Board is responsible for preparing proposals to the General Meeting concerning the election and remuneration of the members of the Board of Directors.

The three major shareholders of Technopolis based on the company's shareholders' register held by Euroclear Finland Ltd on September 1, 2017, nominated the following representatives to the Nomination Board on September 4, 2017:

- Risto Murto, President and CEO of Varma Mutual Pension Insurance Company,
- Timo Ritakallio, President and CEO of Ilmarinen Mutual Pension Insurance Company,
- Päivi Laajala, Mayor of City of Oulu.

The Chairman of Technopolis Plc's Board of Directors, Juha Laaksonen, participates in the work of the Nomination Board as an expert. Risto Murto acts as Chairman of the Nomination Board.

SHARES, SHARE CAPITAL AND TRADING

At the end of September 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).

A 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 4,018 shares of Technopolis Plc were returned to the Company on June 5, 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 11,174 shares of Technopolis Plc were returned to the Company on January 11, 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 September 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	Q3/ 2017	Q3/ 2016	Change %	Jan– Sep, 2017	Jan– Sep, 2016	Change %	2016
Lowest price, EUR	3.63	3.00	21.0	2.96	2.89	2.4	2.89
Highest price, EUR	4.04	3.48	16.1	4.04	3.48	16.1	3.48
Closing price (end of period), EUR	-	-	-	3.93	3.26	20.6	3.13

Volume weighted average price, EUR	3.79	3.26	16.3	3.34	3.20	4.4	3.16
Share turnover, million shares	8.5	15.4	-44.9	37.2	32.3	15.3	49.7
Share turnover, EURm	32.2	50.3	-36.0	124.3	103.5	20.1	157.1
Market capitalization (end of period), EURm	-	-	-	624.1	517.7	20.6	497.0

* Market capitalization is based on 158,793,662 shares.

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.

Disclosures of Changes in Holdings

After the review period on October 10, 2017, the Company received a flagging notification in accordance with chapter 9, section 10 of the Finnish Securities Market Act. According to the flagging notification, the total ownership in Technopolis Plc held by BlackRock, Inc., based on the total sum which consists of the indirect holdings and the total number of financial instruments referred to in chapter 9, section 6a of the Securities Markets Act, increased on October 9, 2017 to 7,944,316 shares thus, totaling 5.00% of all shares in Technopolis Plc.

There were no disclosures of changes in holdings received during January–September 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 60.8 % of the Group's assets (fair values of investment properties) and 65.7% of year-to-date 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.

Helsinki, October 30, 2017,

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	7-9/ 2017	7-9/ 2016	1-9/ 2017	1-9/ 2016	1-12/ 2016
Rent income	38.5	38.1	115.8	111.4	149.6
Service income	5.6	4.9	18.4	15.9	22.4
Net sales total	44.1	43.0	134.2	127.3	172.1
Other operating income	0.0	0.1	0.0	0.9	0.4
Premises expenses	-9.0	-9.0	-29.3	-28.7	-39.5
Administration costs ¹⁾	-3.1	-2.8	-9.9	-9.8	-13.6
Other operating expenses	-6.6	-6.0	-20.5	-19.1	-26.3
EBITDA	25.4	25.3	74.5	70.7	93.1
Change in fair value of investment properties	6.7	2.2	16.4	0.7	0.2
Depreciation	-1.0	-1.0	-3.1	-2.9	-4.0
Operating profit/loss	31.1	26.6	87.8	68.5	89.3
Unrealized exchange rate profit/loss	0.1	0.2	-0.2	0.4	0.3
Finance income and expenses	-5.8	-6.9	-17.5	-19.4	-25.5
Result before taxes	25.4	19.8	70.1	49.5	64.2
Deferred taxes	-3.8	-2.7	-12.7	-4.3	-5.0
Current taxes	-1.0	-0.6	-0.7	-4.8	-6.8
Net result for the period	20.6	16.5	56.7	40.5	52.4
Distribution:					
To parent company shareholders	17.9	14.7	50.6	35.9	47.3
To non-controlling shareholders	2.7	1.9	6.2	4.6	5.1
	20.6	16.5	56.7	40.5	52.4
Earnings per share, basic, EUR ²⁾	0.11	0.11	0.30	0.27	0.33
Earnings per share, diluted, EUR ²⁾	0.11	0.11	0.30	0.27	0.33

STATEMENT OF COMPREHENSIVE INCOME

EUR million	7-9/ 2017	7-9/ 2016	1-9/ 2017	1-9/ 2016	1-12/ 2016
Net result for the period	20.6	16.5	56.7	40.5	52.4
Other comprehensive income items					
Items that may be reclassified subsequently to profit or loss:					
Translation difference	-1.2	2.2	-9.8	11.0	17.7
Available-for-sale financial assets	0.0	0.0	0.0	0.0	0.0
Derivatives	0.5	-1.9	8.6	-19.4	-4.3
Taxes related to other comprehensive income items	-0.1	0.3	-1.7	3.8	0.7
Other comprehensive income items after taxes for the period	-0.9	0.7	-2.9	-4.6	14.2
Comprehensive income for the period, total	19.8	17.2	53.8	35.9	66.6
Distribution:					
To parent company shareholders	16.9	15.1	47.9	30.7	61.0
To non-controlling shareholders	2.8	2.1	5.9	5.1	5.6
	19.8	17.2	53.8	35.9	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	Sep 30, 2017	Sep 30, 2016	Dec 31, 2016
Non-current assets			
Intangible assets	6.4	5.4	5.7
Tangible assets	12.8	15.8	9.8
Completed investment properties	1,635.9	1,652.9	1,624.2
Investment properties under construction	49.7	26.3	22.6
Investments	6.3	6.6	6.5
Deferred tax assets	12.8	20.2	16.6
Non-current assets	1,724.0	1,727.2	1,685.3
Current assets	47.9	113.8	139.8
Assets, total	1,771.8	1,841.0	1,825.1

SHAREHOLDERS' EQUITY AND LIABILITIES

EUR million	Sep 30, 2017	Sep 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	329.5	310.6	322.6
Translation difference	-19.6	-17.0	-10.1
Retained earnings	167.8	143.6	143.5
Net profit for the period	50.6	35.9	47.3
Parent company's shareholders' interests	717.9	662.7	693.0
Non-controlling interests	64.4	59.7	59.9
Shareholders' equity, total	782.3	722.4	752.9
Liabilities			
Non-current liabilities			
Interest-bearing liabilities	785.1	836.9	825.8
Non-interest-bearing liabilities	2.8	2.4	2.6
Deferred tax liabilities	50.3	38.1	38.1
Non-current liabilities, total	838.1	877.4	866.6
Current liabilities			
Interest-bearing liabilities	102.7	154.3	134.0
Non-interest-bearing liabilities	48.8	87.0	71.7
Current liabilities, total	151.4	241.3	205.7
Liabilities, total	989.5	1,118.6	1,072.3
Shareholders' equity and liabilities, total	1,771.8	1,841.0	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					35.9	4.6	40.5
Other comprehensive income items							
Translation difference				10.4		0.5	11.0
Derivatives			-15.6			0.0	-15.6
Available-for-sale financial assets			0.0				0.0
Comprehensive income for the period			-15.5	10.4	35.9	5.1	35.9
Related party transactions							
Dividend					-17.8	-1.2	-18.9
Share issue			125.5				125.5
Acquisition of own shares			-1.1		0.0		-1.1
Interest paid to equity related bond					-4.5		-4.5
Investment of non-controlling interests						-24.0	-24.0
Other changes		0.0	-0.9		-0.3	0.0	-1.2
Related party transactions		0.0	123.4		-22.5	-25.2	75.8
Equity September 30, 2016	96.9	18.6	384.8	-17.0	179.4	59.7	722.4
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					50.6	6.2	56.7
Other comprehensive income items							
Translation difference				-9.5		-0.3	-9.8
Derivatives			6.9			0.0	6.9
Available-for-sale financial assets			0.0				0.0
Comprehensive income for the period			6.9	-9.5	50.6	5.9	53.8
Related party transactions							
Dividend					-18.8	-1.4	-20.2
Interest paid to equity related bond					-4.5		-4.5
Other changes			0.0		0.3	0.0	0.3
Related party transactions			0.0		-23.0	-1.4	-24.4
Equity September 30, 2017	96.9	18.5	403.7	-19.6	218.3	64.4	782.3

STATEMENT OF CASH FLOWS

EUR million	1-9/ 2017	1-9/ 2016	1-12/ 2016
Cash flows from operating activities			
Net result for the period	56.7	40.5	52.4
Adjustments:			
Change in fair value of investment properties	-16.4	-0.7	-0.2
Depreciation	3.1	2.9	4.0
Share of profits of associates	0.0	0.0	0.0
Gains from disposals	0.3	-0.9	-0.4
Other adjustments for non-cash transactions	0.5	-0.6	-0.5
Financial income and expenses	17.5	19.7	25.8
Taxes	13.4	9.1	11.8
Increase / decrease in working capital	0.1	5.4	-3.0
Interests received	0.4	0.4	0.3
Dividends received	0.1	0.0	0.1
Interests paid and fees	-12.7	-12.9	-17.0
Other financial items in operating activities	-5.0	-5.8	-9.7
Taxes paid	-2.5	-4.9	-3.4
Net cash provided by operating activities	55.4	52.2	60.2
Cash flows from investing activities			
Investments in investment properties	-51.9	-50.0	-87.0
Investments in tangible and intangible assets	-1.8	-6.5	-4.1
Investments in other securities	0.0	-0.5	-0.5
Granted loans	-0.1	0.0	0.0
Repayments of loan receivables	0.1	0.0	0.0
Proceeds from sale of investments	-0.2	0.1	1.2
Proceeds from sale of tangible and intangible assets	2.3	1.0	3.9
Acquisition of subsidiaries	-5.8	-53.1	-53.0
Sale of subsidiaries	-	1.4	64.0
Net cash used in investing activities	-57.3	-107.6	-75.5
Cash flows from financing activities			
Increase in long-term loans	13.0	144.5	183.0
Decrease in long-term loans	-51.7	-189.9	-203.2
Dividends paid and return of capital	-20.3	-19.8	-20.0
Paid share issue	-	125.5	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	-22.6	60.3	23.9
Net cash provided by financing activities	-86.1	113.9	102.5
Net increase/decrease in cash assets:	-88.0	58.5	87.3
Effects of exchange rate fluctuations on cash held	-0.7	0.8	1.4
Cash and cash equivalents at period-start	128.0	39.4	39.4
Cash and cash equivalents at period-end	39.3	98.7	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	7-9/ 2017	7-9/ 2016	1-9/ 2017	1-9/ 2016	1-12/ 2016
Net sales					
Finland	29.0	29.6	88.1	90.6	120.5
Baltic Rim	8.8	7.2	26.6	21.6	29.5
Scandinavia	6.3	6.3	19.4	15.2	22.0
Total	44.1	43.0	134.2	127.3	172.1
EBITDA					
Finland	16.3	16.8	47.4	50.2	64.3
Baltic Rim	5.5	4.5	16.0	12.0	16.6
Scandinavia	3.7	4.1	11.0	8.5	12.2
Total	25.4	25.3	74.5	70.7	93.1
Assets					
Finland	-	-	1,112.0	1,255.0	1,221.0
Baltic Rim	-	-	373.7	307.4	327.6
Scandinavia	-	-	347.2	349.2	351.5
Eliminations	-	-	-61.1	-70.5	-75.0
Total	-	-	1,771.8	1,841.0	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 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	7-9/ 2017	7-9/ 2016	1-9/ 2017	1-9/ 2016	1-12/ 2016
Net sales	44.1	43.0	134.2	127.3	172.1
Other operating income	0.0	0.0	0.0	0.0	0.0
Other operating expenses	-18.5	-17.8	-59.4	-57.5	-79.5
Depreciation	-1.0	-1.0	-3.1	-2.9	-4.0
Operating profit/loss	24.6	24.3	71.7	66.9	88.6
Financial income and expenses, total	-5.6	-6.9	-17.5	-18.1	-24.3
Result before taxes	19.0	17.4	54.2	48.7	64.3
Taxes for direct result items	-1.1	-2.5	-2.9	-4.9	-5.9
Non-controlling interests	-1.6	-1.2	-4.8	-3.9	-5.7
Direct result for the period	16.3	13.7	46.4	39.9	52.6

INDIRECT RESULT

Indirect income and expenses	-0.3	0.1	-0.3	0.9	0.5
Change in fair value of investment properties	6.7	2.2	16.4	0.7	0.2
Operating profit/loss	6.5	2.3	16.1	1.7	0.7
Other indirect financial income and expenses	0.0	0.1	-0.2	-0.9	-0.8
Result before taxes	6.4	2.4	15.9	0.8	-0.1
Taxes for indirect result items	-3.7	-0.8	-10.4	-4.2	-5.9
Non-controlling interests	-1.1	-0.7	-1.3	-0.7	0.6
Indirect result for the period	1.7	1.0	4.1	-4.1	-5.4
Result for the period to the parent company shareholders, total	17.9	14.7	50.6	35.9	47.3
Earnings per share, diluted ³⁾					
From direct result	0.10	0.11	0.30	0.33	0.40
From indirect result	0.01	0.01	0.03	-0.03	-0.04
From net result for the period	0.11	0.12	0.32	0.30	0.36
Effect of the interest expenses from equity related bond	-0.01	-0.01	-0.02	-0.03	-0.03
From adjusted net result for the period	0.11	0.11	0.30	0.27	0.33

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

KEY INDICATORS

	Sep 30, 2017	Sep 30, 2016	Dec 31, 2016
Change in net sales, %	5.4	-1.2	0.9
Operating profit/loss/net sales, %	65.4	53.8	51.9
Change in EBITDA, %	5.7	-3.0	0.1
Service revenue of Net Sales, %	13.7	12.5	13.0
Interest coverage ratio	5.2	4.7	4.6
Equity ratio, %	44.4	39.5	41.5
Loan to value, %	52.4	58.7	58.2
Group company personnel during the period, average	235	249	248
Gross expenditure on assets, MEUR	52.3	201.5	221.0
Net rental yield of investment properties, % ⁴⁾	7.2	7.4	7.4
Financial occupancy rate, %	94.4	92.7	93.4
Earnings/share ⁶⁾			
basic, EUR	0.30	0.27	0.33
diluted, EUR	0.30	0.27	0.33
Cash flows from operating activities/share, EUR ⁶⁾	0.35	0.43	0.46
Equity/share, EUR ⁶⁾	4.10	3.75	3.95
Average issue-adjusted number of shares ^{5,6)}			
basic	156,867,527	121,316,031	130,247,085
diluted	156,867,527	121,316,031	130,247,085
Issue-adjusted number of shares at the end of period	156,890,289	156,846,091	156,846,091

The numbers indicating change in the table refer to comparison with the corresponding period a year earlier unless otherwise stated.

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	7-9/ 2017	7-9/ 2016	1-9/ 2017	1-9/ 2016	1-12/ 2016
Change in fair value, Finland	4.0	3.2	7.3	5.3	7.5
Change in fair value, Baltic Rim	2.8	-0.4	6.8	1.6	1.3
Change in fair value, Scandinavia	0.8	1.3	2.7	0.2	2.1
Change in fair value	7.5	4.1	16.9	7.1	10.9
Changes in acquisition costs of investment properties in financial year	-2.4	-4.4	-8.3	-11.7	-19.0
Changes in fair value of projects in progress	1.6	2.5	7.8	5.4	8.3
Effect on profit of change in value of investment properties	6.7	2.2	16.4	0.7	0.2

CONTINGENT LIABILITIES

EUR million	Sep 30, 2017	Sep 30, 2016	Dec 31, 2016
Pledges and guarantees on own debt			
Mortgages of properties	962.6	1,020.3	1,009.9
Pledged securities and investment properties	740.6	777.7	712.9
Pledges for land lease payments	3.6	4.4	3.6
Other guarantee liabilities	153.9	146.2	152.5
Leasing liabilities, land	78.1	81.0	64.3
Leasing liabilities, machinery and equipment	0.2	5.4	5.1
Project liabilities	0.0	0.0	0.0
Interest rate and currency swaps			
Nominal values	589.9	648.4	639.2
Fair values	-10.8	-34.8	-19.6

BREAKDOWN OF FINANCIAL ASSETS AND LIABILITIES
September 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			1.1	1.1
Current assets						
Trade and other receivables						
Sales receivables	2.0				2.0	2.0
Other current receivables	6.6				6.6	6.6
Cash and cash equivalents	39.3				39.3	39.3
Derivatives						
Interest rate swaps (level 2)					0.0	0.0
Total	47.9				47.9	47.9
Non-current liabilities						
Financial liabilities recognized at amortized cost						
Non-current finance lease liabilities (level 2)			21.3		21.3	21.4
Non-current interest-bearing liabilities (level 2)			763.8		763.8	767.4
Non-current non-interest-bearing liabilities (level 2)			2.8		2.8	2.8
Other non-current liabilities			50.3		50.3	50.3
Total			838.1		838.1	841.8
Current liabilities						
Financial liabilities at fair value through profit or loss						
Derivatives						
Interest rate swaps, meeting the criteria for hedge accounting (level 2)				10.8	10.8	10.8
Financial liabilities recognized at amortized cost						
Current finance lease liabilities			3.2		3.2	3.2
Other current interest-bearing liabilities			99.4		99.4	99.4
Trade and other payables			34.6		34.6	34.6
Purchase price liabilities			3.3		3.3	3.3
Total			140.6	10.8	151.4	151.4

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

EPRA Direct result

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

EPRA Net rental yield

Rental income from Group-owned properties
100 - Direct expenses from Group-owned properties
x Fair value of completed investment properties that have been Group-owned for the whole fiscal year on reporting date

EPRA Net asset value/share

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.

EUR million	7-9/ 2017	7-9/ 2016	1-9/ 2017	1-9/ 2016	1-12/ 2016
Net sales	44.1	43.0	134.2	127.3	172.1
Items affecting comparability (currency impact)	-0.4	0.1	-1.2	1.7	1.5
Net sales on a constant currency basis	43.7	43.1	133.0	129.0	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.

EUR million	7-9/ 2017	7-9/ 2016	1-9/ 2017	1-9/ 2016	1-12/ 2016
EBITDA	25.4	25.3	74.5	70.7	93.1
Items affecting comparability (currency impact)	-0.3	0.1	-0.9	1.2	1.0
EBITDA on a constant currency basis	25.1	25.5	73.6	71.9	94.1

EBITDA by business area

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

EUR million	7-9/ 2017	7-9/ 2016	1-9/ 2017	1-9/ 2016	1-12/ 2016
EBITDA from rental operations	26.6	26.3	77.6	74.8	98.9
EBITDA %, Rental operations	69.2	68.9	67.1	67.2	66.1
EBITDA from services	0.5	0.3	2.1	1.2	2.1
EBITDA %, Services	8.6	6.5	11.4	7.6	9.4
Items affecting comparability in EBITDA	-1.7	-1.2	-5.2	-5.3	-8.0
EBITDA in total	25.4	25.3	74.5	70.7	93.1

EPRA Net rental yield

	Sep 30, 2017	Sep 30, 2016	Dec 31, 2016
Rent income	115.8	111.4	149.6
Items affecting comparability in rent income	-2.7	-1.2	-8.6
Rent income used in net rental yield calculation	113.0	110.2	141.0
Premises expenses	-29.3	-28.7	-39.5
Items affecting comparability in premises expenses	-1.6	-3.3	-1.3
Premises expenses used in net rental yield calculation	-30.8	-31.9	-40.9
Fair value of completed investment properties	1,635.9	1,652.9	1,624.2
Building rights	-67.4	-69.8	-70.3
Other items affecting comparability	-42.4	-170.9	-194.9
Fair value of investment properties used in net rental yield calculation	1,526.1	1,412.1	1,358.9

EPRA Net asset value

	Sep 30, 2017	Sep 30, 2016	Dec 31, 2016
Equity to parent company shareholders	717.9	662.7	693.0
Items affecting comparability:			
- Hedging reserve	-6.1	-25.0	-13.0
+ Deferred taxes from investment properties	47.0	33.2	32.8
- Equity related bond	74.2	74.2	74.2
Net asset value	696.8	646.7	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](#).

Follow us



Contacts:

Keith Silverang, CEO
tel. +358 40 566 7785

Sami Laine, CFO
tel. +358 40 502 7083

Minna Karttunen, Head of IR
tel. +358 40 513 3225