



January-March 2017 Financial Results

May 4, 2017

Highlights Q1 2017 (1/2)

> Financial performance was strong

- > Net sales up 7.8% and EBITDA 7.7%*
- > Earnings per share EUR 0.10 (0.09)
- > Financial occupancy rate at 93.5% (92.5%)

> Service income growing steadily

- > EBITDA margin for services 11.7% (7.9%),
accounted for already 13.5% of total sales (12.6%).
- > EBITDA margin for rental operations steady at 64.8% (64.8%).

** On a constant currency, net sales up 5.8 % and EBITDA 5.2%.*

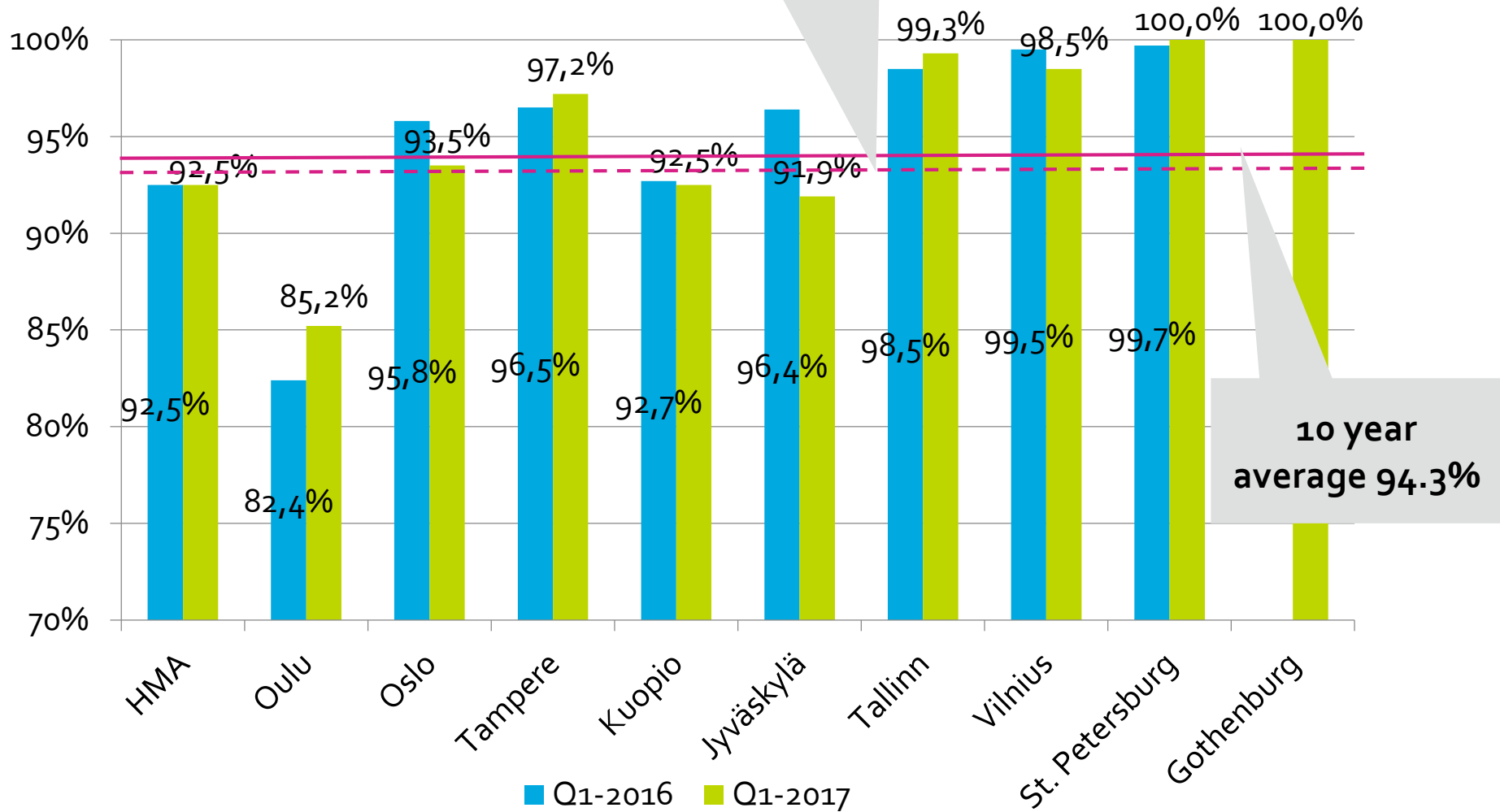
Highlights Q1 2017 (2/2)

- > Organic growth continued
 - > Office property under construction acquired in Vilnius in April
 - > Expansion projects in Helsinki and Tallinn progressing
- > Financial position remained solid
 - > Fair value changes of investment properties EUR +6.0 million (EUR -5.9 million)
 - > Equity ratio 42.8% (38.0%)
 - > Loan to value 53.4% (56.7%)

Above target

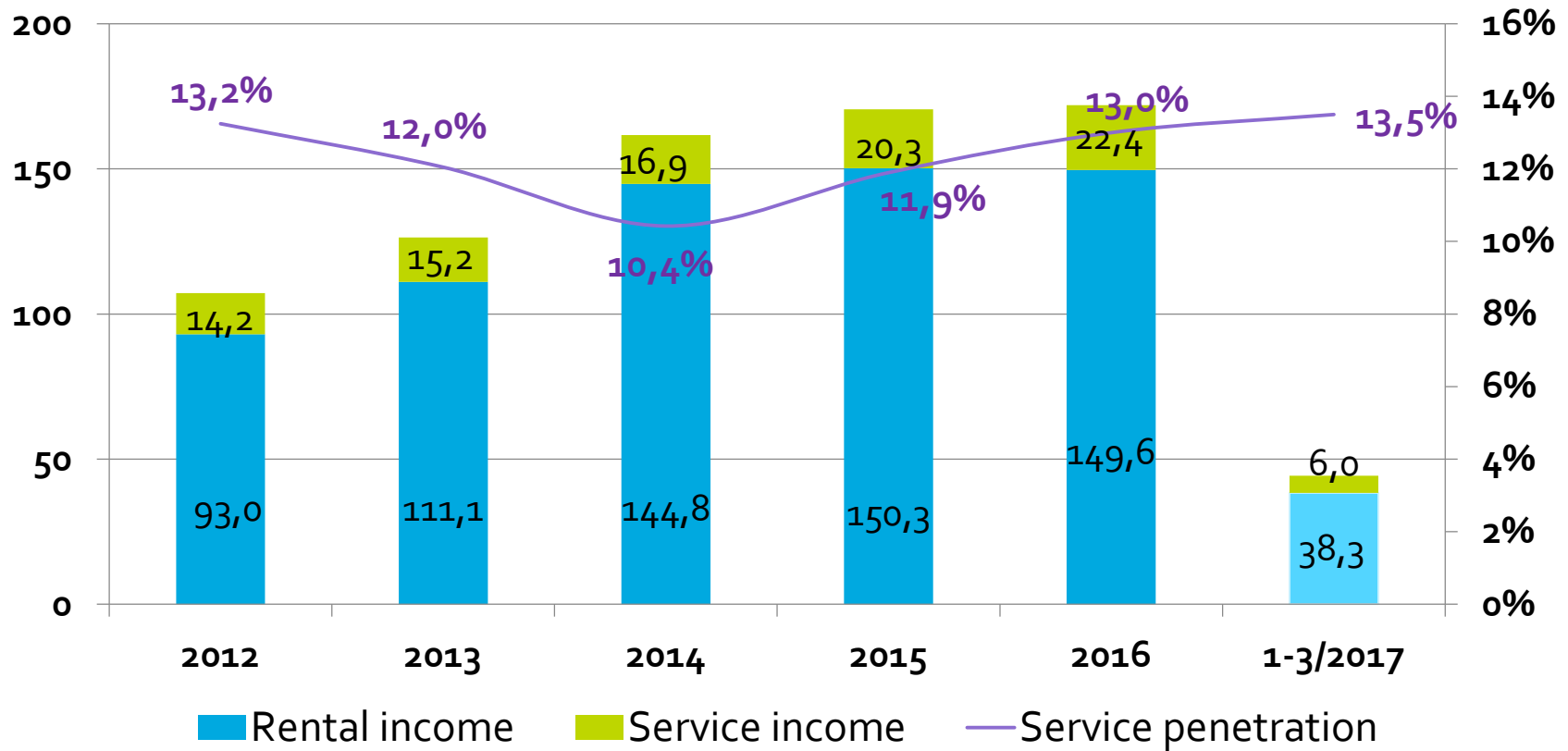


Unit Occupancy



Service Revenue Growth 15.9% y-o-y

EUR million



Organic Growth Projects

Area	Name	m ²	EUR million	Stabilized yield, % ¹⁾	Financial OCR/ Pre-OCR, %	Completion
Vilnius	Delta	21,900	35.4	9.8	90.6	12/2016 ²⁾
Helsinki	Ruoholahti 3	10,300	33.2	7.0	39.0	07/2018
Tallinn	Lõõtsa 12	9,700	13.6	9.0	18.8	07/2018
Vilnius ³⁾	Penta	13,800	32.0 ⁴⁾	8.4	44.0	10/2017

Projects in **green** are not completed as per Mar 31, 2017 i.e. financial occupancy is pre-let rate.

1) Stabilized yield = estimated net operating income / cost

2) Delta building was completed in the first quarter. First customers moved in already in November 2016.

3) Post-fiscal.

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

➤ On March 31, 2017, the projects in progress totaled EUR 78.8 million

Accretive Growth

Our Territory is the Nordic-Baltic Region

Sources of growth

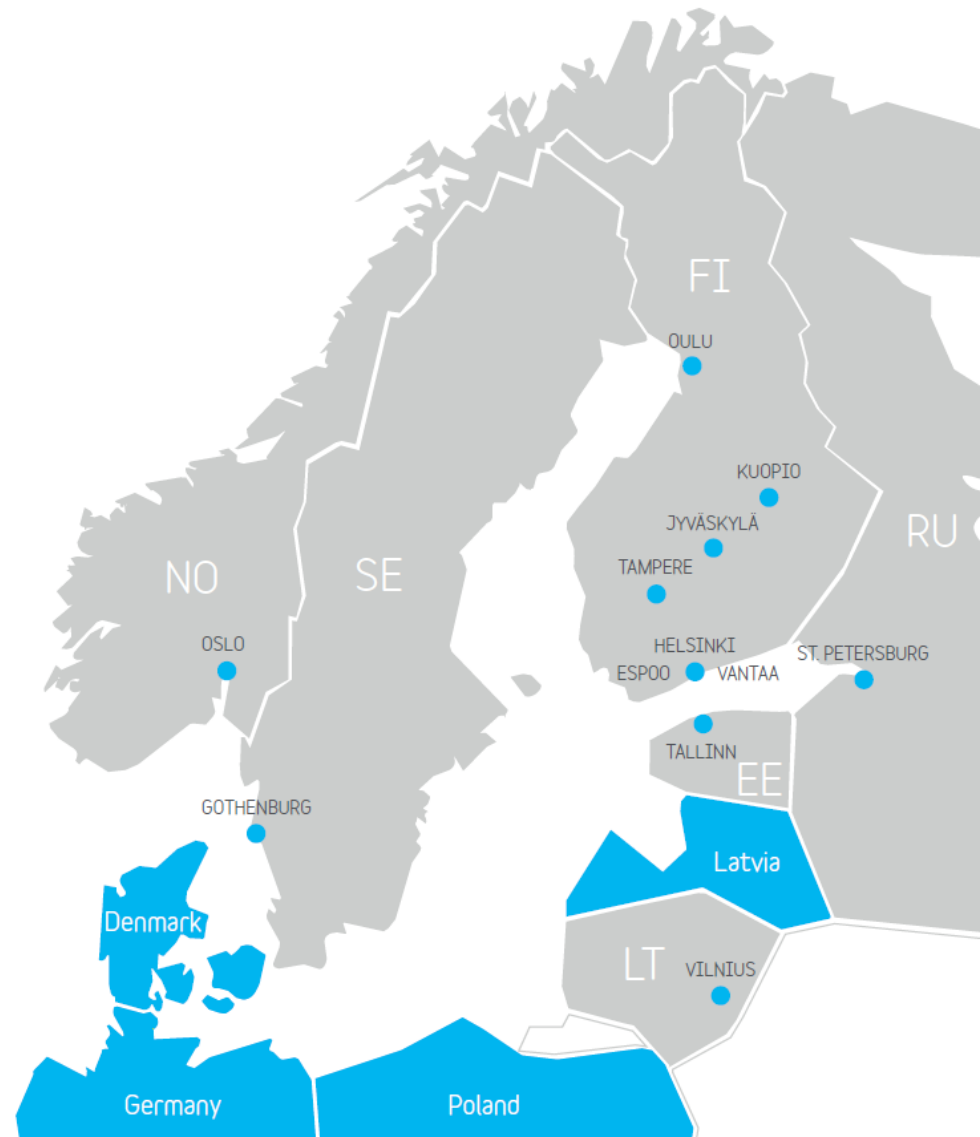
- > Services
- > Organic expansion
- > Selected acquisitions

Investment criteria

- > Value-creation potential
- > Strategic fit
- > Healthy risk-adjusted yield

Divestitures

- > No upside potential
- > No strategic fit in the future
- > Timing



Financing

	1-3/2017	1-3/2016	2016
Interest bearing debt, EUR million	889.5	851.6	959.9
Fixed rate, %	67.8	72.7	56.7
Average interest rate, % *	2.54	2.55	2.34
Capital weighted loan maturity, years	5.1	5.8	5.1
Interest cover ratio, %	4.7	4.6	4.6
Loan to value, %	53.4	56.7	58.2
Equity ratio, %	42.8	38.0	41.5
Cash and equivalents, EUR million	62.5	23.1	128.0

* Excluding the hybrid loan

Guidance for 2017 Unchanged

Technopolis expects its net sales and EBITDA to improve from 2016 based on the company's current investment property portfolio and foreign exchange rates.





Strategic Review

Focus on value creation

A Comprehensive Review of the company's strategy as well as strategic and financial targets is underway

→ Expected completion in June



New CFO Sami Laine
started on May 2, 2017.

Thank you

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2015-2020 Strategic Financial Targets

Target	→ Outcome
Average net sales and EBITDA growth 10% p.a.	Below target
Service penetration 15% by 2020 for like-for-like real estate	Ahead of target
5.5% return on capital employed p.a.	At a target level
Equity ratio above 35% over the cycle	Well above target

Technopolis Investment Story

- Technopolis concept brings both higher yields & lower operational risk
- Proven track record of building & sustaining high occupancy
- Consistently high rental yield relative to cost of capital
- Upside to build service revenue & earnings
- Effective end-to-end control of the customer experience
- Well positioned to exploit trend toward shared working life



Appendices: Financial Performance

Group

	1-3/2017	1-3/2016	2016
Rentable space, m ² *	751,550**	740,400**	746,400**
Rent, €/m ² /mo. avg.*	17.36	16.80	17.12
Financial occupancy rate, %*	93.5**	92.5**	93.4**
Rental income, EUR million	38.3	35.8	149.4
Net sales, EUR million	44.3	41.1	172.1
EBITDA, EUR million	23.6	21.9	93.1
Market yield requirement, avg., % *	7.30	7.57	7.34
Fair value of investment properties, EUR million *	1,644.0	1,447.2	1,624.2

* At the end of the period.

** Under renovation Q1/2017: 16,000 m², 12/2016: 15,250 m²

Fair Value Changes in Q1

EUR million	Market Yield Related	Occupancy Assumption **	Modernization	Other Changes *	Projects in Progress	Total
Finland	4.8	-3.4	-3.2	2.4	0.2	0.8
Baltic Rim	4.7	0.0	-1.2	-1.9	4.3	5.9
Scandinavia	1.0	0.0	-0.9	-0.8	0.0	-0.7
Total	10.5	-3.4	-5.3	-0.3	4.5	6.0

* Other changes include contract and budget changes, maintenance expenses as well as changes in revenue allocations.

Finland

	1-3/2017	1-3/2016	2016
Rentable space, m ² *	483,700**	530,650**	483,700**
Rent, €/m ² /mo. avg.*	17.3	17.2	17.0
Financial occupancy rate, % *	91.3**	90.5**	90.7**
Rental income, EUR million	23.9	25.2	102.0
Net sales, EUR million	28.7	29.6	120.5
EBITDA, EUR million	14.7	15.8	64.3
Market yield requirement, avg., % *	7.6	7.8	7.6
Fair value of investment properties, EUR million *	997.6	994.1	997.6

* At the end of the period.

** 3/2017: 10,350 m² under renovation. 3/2016: 11,800 m² under renovation.

Baltic Rim

	1-3/2017	1-3/2016	2016
Rentable space, m ² *	168,550	148,100	161,200
Rent, €/m ² /mo. avg. *	15.6	14.2	14.9
Financial occupancy rate, % *	99.3	99.1	99.7
Rental income, EUR million	8.0	6.4	26.7
Net sales, EUR million	8.9	7.0	29.5
EBITDA, EUR million	5.3	3.9	16.6
Market yield requirement, avg., % *	8.4	8.6	8.7
Fair value of investment properties, EUR million *	312.0	252.8	292.3

* At the end of the period.

** 3/2017: 2,900 m² under renovation, 3/2016: 0 m².

Scandinavia

	1-3/2017	1-3/2016	2016
Rentable space, m ² *	99,300**	64,200**	98,700**
Rent, €/m ² /mo. avg. *	20.9	20.1	22.3
Financial occupancy rate, % *	95.4**	95.8**	96.8**
Rental income, EUR million	6.3	4.2	20.7
Net sales, EUR million	6.7	4.5	22.0
EBITDA, EUR million	3.6	2.2	12.2
Market yield requirement, avg., % *	5.5	6.1	5.5
Fair value of investment properties, EUR million *	333.1	198.3	334.3

* At the end of the period.

** 3/2017: 2,800 m² under renovation, 3/2016: 3,400 m².

Leases

Lease stock, % of space Maturity in years	1-3/2017	1-3/2016	2016
<1	21	21	19
1-3	20	22	21
3-5	18	14	17
>5	15	17	16
Open-end leases	25	24	27
Av. lease term in months	34	35	35
Lease stock, EUR million	389.1*	407.7	392.7*

* Main reason for the decreasing contract value is the divestitures.

The ten largest customers let approximately 21.9 % of rented space and accounted for 20.6% of rental income.

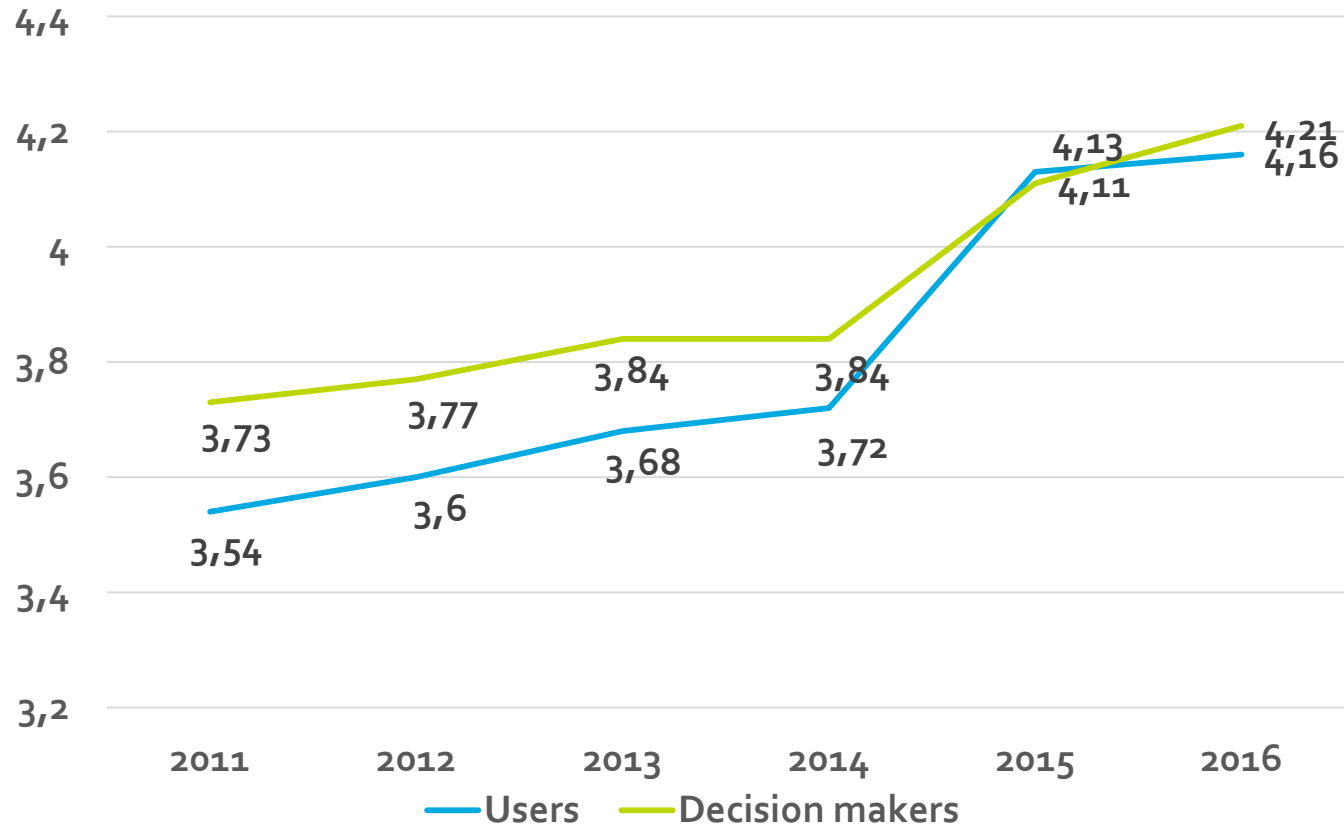
One single largest customer accounted for 4.2% of rented space and one for 4.6% of rental income.

Investment Criteria

- Sufficient scale
- Good quality assets
- Flexibility & adaptability
- Location & connections
- Service infrastructure potential
- Customer mix potential
- Competitive valuation with attractive risk-adjusted return



Customer Satisfaction



Not including nominee-registered shareholders

Shareholders

March 31, 2017	# of shares	% of shares
Varma Mutual Pension Insurance Comp.	38,172,288	24.0
Ilmarinen Mutual Pension Insurance Comp.	16,634,470	10.5
City of Oulu	3,917,926	2.5
OP Group's funds	2,411,438	1.5
Technopolis Plc	1,947,571	1.2
Laakkonen Mikko	1,939,276	1.2
The Finnish Cultural Foundation	1,782,063	1.1
Jenny and Antti Wihuri's Foundation	1,107,597	0.7
Jyrki Hallikainen and company	1,000,000	0.6
Odin Eiendom	980,152	0.6
10 largest shareholders, total	69,892,781	44.0
Foreign and nominee registered, total	53,021,934	33.4
Others, total	35,878,947	22.6
Total amount of shares	158,793,662	100