



# Renor

ANNUAL REVIEW 2017

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# Year 2017 in brief

**Business development** was stable in 2017. Net sales grew to EUR 24.8 million. Operating profit amounted to EUR 7.2 million. The profit for the financial year was EUR 3.5 million.

**We were ranked #2** in overall satisfaction in KTI Property Information's customer satisfaction survey.

**The renovation** of Tikkurilan Silkki began in summer 2017 in Vantaa.

**The first detailed plan** allowing housing was confirmed for the Asko area.

**One of Finland's largest** property-specific solar power plants was commissioned at Porin Puuvilla in spring 2017.

MARKET VALUE OF PROPERTY ASSETS

**198.7M€**

NET OPERATING INCOME

**13.6M€**

LEASABLE AREA

**312,000 m<sup>2\*</sup>**

UNUSED BUILDING RIGHTS

**370,000 m<sup>2\*</sup>**

NUMBER OF PERSONNEL

**26**

\*) including Porin Puuvilla



We provide our customers with unique business premises and renewing services in historic properties which we develop into lively city blocks. We are a Finnish property investment company, boldly different and responsible. Our locations are built for life. [www.renor.fi/en](http://www.renor.fi/en)

# Credit for the strong result belongs to customers and the entire Renor organisation

I would characterise our financial performance and the results of our operational development in 2017 as excellent. This strong development was the sum of many factors: our customers were active and they grew at our locations, the return of our properties was at a good level, and we also made good decisions regarding property maintenance and the development of our services.

The development of the content of our property portfolio was balanced during the year. We divested the Porin Askokylä complex of properties in October. One indication of the positive development of our portfolio is that the growth in the occupancy rate and return of the property assets that are currently in use was at least equal to our divestments. The net operating income was EUR 13.6 million in 2017. The market value of our properties stood at approximately EUR 198,7 million at the end of the year.

We measure customer satisfaction based on KTI Property Information Ltd's comparative customer satisfaction study. In 2017, Renor achieved a fine second place in overall satisfaction in the survey. The survey highlighted the technical quality of properties as well as the property owner's capacity to provide good customer service. We are grateful for the feedback we have received and we will continue to develop our solutions further.

In summer 2017, we started the first phase of the renovation of Tikkurilan Silkki, a long-term development project in Vantaa. This represents a significant achievement in restoring the historic

Silkki area to its former glory as part of the Tikkurila district, which is undergoing significant renewal.

## **Building the future responsibly**

We are committed to a sustainable operating model guided by the GRESB evaluation and the comparison data it produces. In 2017, we made good progress in areas such as the use of renewable energy sources, which was exemplified by the increased utilisation of the groundwater reserves at the Asko area in Lahti and the combination of geothermal energy and solar power at Porin Puuvilla. Geothermal solutions are also utilised at the Tikkurilan Silkki city block currently under development in Vantaa.

I would like to take this opportunity to thank our customers, cooperation partners and employees for helping us evolve and build our future together. I also want to thank our Board of Directors and owners for their active support.

Lahti, 28 February 2018

**Timo Valtonen**  
CEO

# WE IMPLEMENT SPACE AND SERVICE SOLUTIONS AND RENOVATE PROPERTIES TO DEVELOP THEM INTO LIVELY CITY BLOCKS.

**R**enor has engaged in determined development efforts that have seen the company achieve a strong position as a provider of unique business premises and service solutions in historically significant locations. I wish to express my warm thanks to Timo for our good collaboration over the past years.

Together with our customers and various stakeholders, we have learned a lot during the recent years. We will continue to move forward with the same curiosity to find out how sustainability, service design and the new trends of working life challenge us to develop further.

**Marko Liimatainen**

CEO as of 1 March 2018  
(photo, right)



”

*I consider our result in the customer satisfaction survey to be excellent, and the credit for this belongs to all Renor employees as well as our partner network. Our results also indicate that our customers are committed to Renor's services and place a high priority on achieving success together.*

- CEO TIMO VALTONEN







The operating environment in Lahti is favourable for Renor. The Asko area plays a central role in the development of city blocks along the railside area and the city centre. In spite of the demand for business premises remaining relatively low in the Lahti market, the Asko area achieved a positive financial and operational result in 2017. This is evidence of the area's strong appeal and our customers' desire to develop their operations in the Asko area.

# THE MOST ATTRACTIVE AREA OF GROWTH IN LAHTI

The Asko area in Lahti grew and developed into an even more diverse complex of premises and services in 2017. The favourable development was reflected in the demand for new premises. The growth of customer companies in the Asko area was particularly noteworthy. More than 300 businesses operated in the Asko area in 2017, with some 2,500 employees in total.

Asset Manager Timo Väisänen is in charge of the business operations.



The Asko area's continuous development and its location along key transport connections have made it an attractive platform for growth for businesses and communities in Lahti. This is evidenced by our customer retention, the positive development of the occupancy rate and the growth of our customers' operations and the premises in use during 2017. The area's occupancy rate rose to 91 per cent.

In the Askotalo building, the Lahti court house began operating in its new premises with a total floor area of nearly 4,000 square metres. Meanwhile, DNA Ltd moved from Askotalo to new premises of more than 2,200 square metres in the Uptalo building. The high level of activity continued with the construction of additional space totalling 1,300 square metres for Rantalainen Accounting Services, Sympa Oy and Cubescom Oy in the Askotalo building.

Our customers in the logistics industry mostly operate at the national scale and their high business activity was reflected in a good occupancy rate. At the end of the year, nearly all of our 100,000 square metres of logistics premises were in use by our customers.

#### **New service facilities opened**

A conference centre with meeting rooms for 8–16 people was opened in the Askotalo building in May. The rooms can also be converted to training and seminar space for 125 participants. Werstas restaurant, the Tori event space attached to the restaurant and the new conference centre together provide versatile facilities for meetings and events for as many as 2,000 guests.

Opened on the fourth floor of the Askotalo building in May 2017, the Suorakulma business centre provides furnished and cooled office premises with broadband internet connections for rental periods starting from one month. All 22 offices in the business centre were leased at the end of the year.

#### **Business and facility services to suit customer needs**

We began the renewal of our service concept in 2017. We developed our business and facility services in the Asko area and appointed a customer service manager for Lahti. We provide a comprehensive range of services in cooperation with our partner network. We offer our customers cleaning, conference, event, furniture, moving and sports services. Autumn 2017 also saw the opening of the first Posti Smartpost service point in Lahti. The Smartpost service point serves not only businesses, but also private customers.

#### **The year 2018**

We expect the attractiveness of the Asko area to develop favourably due to factors including the positive general economic climate, the development prospects of the residential and commercial city blocks in the area as well as the City of Lahti's traffic arrangements in the area.



OCCUPANCY RATE

**91%**

CUSTOMERS

**300**

JOBS

**2,500**

PARKING SPACES

**2,000**



# PROPERTY DEVELOPMENT

– aiming to create a home block

The first detailed plan allowing housing was confirmed for the Asko area in August 2017. It covers approximately 80,000 square metres of building rights for housing, as well as business and office premises. The planned area is bounded by the Askonkatu junction in the west and the Upo bridge in the east.

The detailed plan confirmed for the Asko area in summer 2017 includes approximately 40,000 square metres of residential construction. The goal is for homes to be developed for several thousand residents in the area around the Askotalo building.

The confirmed plan also makes it possible to locate a grocery shop of 2,000 square metres and other local services totalling some 1,000 square metres of space in the area. These services would serve the local area as well as the Lahti travel centre.

## **Traffic arrangements in a rapidly developing area**

The railside area is an urban district connected to Lahti's central business district. Renor is developing the area in close cooperation with the City of Lahti, as the implementation of the confirmed detailed plan includes the renewal of the street network. At the Askonpäivä event in September 2017, the City of Lahti presented the plan for the renewal of the street network to our customers.

Additionally, one of the most significant changes is trunk road 12 being moved to the bypass road, which will see heavy traffic moved away from the city. This will increase safety while making the area more attractive and providing new land use possibilities in the railside area.

The Asko area has an excellent location due to its proximity to the travel centre and convenient accessibility by foot and bicycle. With this in mind, the development of public and private transport services is taken into consideration in the Asko area. The first phase of the new Askonkatu will be completed in autumn 2018.

## **Energy from the groundwater of Salpausselkä**

Geothermal energy is utilised in the Asko area. The use of renewable energy sources and the continuous improvement of energy efficiency require us to engage in systematic long-term development and to possess the necessary technical and economic expertise.

The groundwater project that began in 2016 was expanded in 2017. We continued the investments we began making in 2016 in the building technology systems of the Askotalo building in order to utilise groundwater for heating the premises in addition to cooling. Groundwater was also used for cooling and heating in the Upotalo building.

Marko Liimatainen, CEO, is in charge of property development.





LEASABLE AREA  
**162,000 m<sup>2</sup>**

UNUSED BUILDING RIGHTS  
**290,000 m<sup>2</sup>**

LOT SURFACE AREA  
**31 ha**



#### GEOHERMAL ENERGY IN THE ASKO AREA

Groundwater close to the surface (perched water) has been used in the cooling of office premises and computer server rooms in the Asko area for several years.

In conjunction with the renovation work carried out on the Askotalo building in 2016, the building technology was replaced to enable the use of perched water and deep-lying groundwater for heating and cooling. At the end of 2017, the groundwater well drilled in the summer of the previous year was taken into continuous use. The energy obtained from it is utilised particularly in the Uptalo building. At present, some 600 cubic metres of water is pumped from the well per day.

The plan for 2018 is to drill another groundwater well at a distance of 100 metres from the existing well. The wells will be linked together to enable their concurrent use.





Managing Director Juha Veistonen is in charge of our operations in Pori. Colliers Finland Oy is our commercial management partner, and Tea Siivola is the Shopping Centre Director in Puuvilla.

# THE BIGGEST MEETING PLACE IN SATAKUNTA

The growth of the Puuvilla shopping centre was in line with expectations in 2017. All of the shopping centre's retail premises were in use throughout the year, and total sales grew for the third consecutive year. New businesses and public services moved to the Puuvilla business park.

The Puuvilla shopping centre and business park constitute a city block with diverse services in the centre of Pori. A total of 14 new leases were signed in the city block as a whole. The occupancy rate for the entire block rose to 95 per cent during the year.

## **The shopping centre is a shared arena for everyone**

The Puuvilla shopping centre had its third and so far busiest year in 2017, with a total of 4.9 million visitors. The visitor volume grew by nearly 11 per cent and the shopping centre's total sales grew by 10.6 per cent.

There were significant new additions to the shopping centre's retail offering during the year. Shops such



as the fashion retailers River, Vila and Eewa's shoes, as well as a florist, were well received by customers. Popular pop-up shops brought even more variety to the offering.

In 2017, we were able to link together public and private services and their customers even more closely than before. In addition to shops, the shopping centre's tenants include the city's youth centre and the Puuvilla library. In addition, the Areena section of the shopping centre hosted a number of civic events and the summertime SuomiAreena forum, which attracts nationwide interest.

In a significant recognition received during the year, NCSC Finland chose the Puuvilla shopping centre as Finland's Best Shopping Centre 2017. According to the jury, the factors behind the selection included the high level of satisfaction among the shopping centre's various customer groups, cooperation with tenants, financial success, shopping centre management, architecture and environmental awareness.

#### A year of growth in Puuvilla Business Park

The occupancy rate of Puuvilla Business Park rose to 94 per cent. The new tenants included the engineering design companies Insta Automation and Comatec Oy, among others. The Regional Council of Satakunta increased the size of its premises by approximately 600 square metres.

In the second half of the year, the City of Pori decided that the Pohjois-Pori centre for health and social services will be located in the Puuvilla Business Park. Operating under the name Cotton, the centre's population base comprises 33,000 local residents, and the centre also provides student health care services for 5,000 students. The centre will occupy 4,500 square metres on three floors.

#### A digital city block

Throughout its existence, Puuvilla has also been developed as a digital service platform. Right from the start, businesses have been able to take advantage of digital services for marketing, sales reporting and communications. In 2017, we joined the slice.fi project as a main partner. The service is implemented in cooperation with schools, student associations and other partners in Satakunta. The website was created by students, with more than a hundred local students already contributing to it.

Puuvilla is working together with slice.fi to develop a mobile application that will also be used by the shopping centre's customers. The plan is for the mobile application to be completed in 2018.

#### The year 2018

The year 2018 got off to a busy start at the Puuvilla city block. Kotipizza, Jungle Juice Bar and John's Bakery are set to open at the shopping centre's restaurant world. The Puuvilla Business Park will also see new service facilities introduced in the form of coworking spaces.



#### PUUVILLA SHOPPING CENTRE

OCCUPANCY	96%
CUSTOMERS	70
LEASABLE AREA	41,500 m <sup>2</sup>

#### PUUVILLA BUSINESS PARK

OCCUPANCY RATE	94%
CUSTOMERS	60
LEASABLE AREA	27,000 m <sup>2</sup>





# PROPERTY DEVELOPMENT

## – Expansion of Porin Puuvilla is on the drawing board

The planning of an extension of approximately 6,000 square metres to the Puuvilla shopping centre began in autumn 2017, and a zoning application to allow housing in the Puuvilla block was submitted to the city. The property's eco-efficiency was significantly improved by commissioning a solar power plant.

The planning of a 6,000-square-metre extension to the shopping centre began in autumn 2017. As the extension does not require changes to zoning, the development plan can be put into action as soon as agreements with the anchor tenants have been signed. The plans for the new premises include retail space, restaurants and possibly a cinema and other entertainment.

The development plan for the Puuvilla city block includes the expansion of the shopping centre as well as the construction of residential properties on the same plot as the business park and shopping centre. A zoning change application to allow housing was submitted to the City of Pori in late 2017.

### **Self-sufficiency in energy and renewable energy sources**

Geothermal heat is used to heat the shopping centre in the winter. Geothermal heat pump systems are also used for cooling from spring to autumn. In the summer, condensing heat recovered from machine cooling is stored in the ground for later use. In 2017, the system covered approximately 97 per cent of the shopping centre's entire heating and cooling energy requirements. During the system's first years of use, the share of free energy has been approximately 73 per cent.

- The geothermal heating system reduces emissions by some 1,000 tCO<sub>2</sub> per year. This is equal to the annual carbon dioxide emissions of approximately 100 people (including housing, transport, food, etc.)
- A solar power plant (601 kWp) was built on the roof of the shopping centre in spring 2017. The estimated annual production of the solar power plant is approximately 530 MWh. This is equal to the annual consumption of thirty 150-square-metre electrically heated detached homes.
- Porin Puuvilla Oy acquired certificates of origin for wind power also for 2018, ensuring that the electricity consumed in the city block is zero-emission renewable energy. This also includes the electricity consumed by the users of the premises.
- The Finnish Environment Institute gave its March 2017 Hinku award to the Puuvilla shopping centre in recognition of its extensive use of geothermal heat, waste heat and geothermal cooling. The jury highlighted the shopping centre's determined pursuit of energy conservation and self-sufficiency in energy.



## PUUVILLA CITY BLOCK

LEASABLE AREA 68,500 m<sup>2</sup>

UNUSED BUILDING RIGHTS 69,000 m<sup>2</sup>

JOB 1,500

PARKING SPACES 2,000



THE PUUVILLA PROPERTIES ARE OWNED BY THE MUTUAL REAL ESTATE COMPANY PORIN PUUVILLA OY. PORIN PUUVILLA OY IS OWNED BY RENOR AND ILMARINEN IN EQUAL SHARES.





Tikkurilan Silkki is located along the River Keravanjoki in Vantaa's Tikkurila district, across from the Heureka science centre.

# THE MOST SIGNIFICANT INVESTMENT DECISION OF THE YEAR

Renor owns the Tikkurilan Silkki city block located in the heart of the Tikkurila district. In summer 2017, we signed a lease with the City of Vantaa for office premises of approximately 2,000 square metres. The Education Department of the City of Vantaa will be the main tenant in the Tikkurilan Silkki office building. The signing of the lease made it possible to start the renewal project of the city block. Renor made the investment decision in June and work began immediately.



In the first phase, Renor will invest approximately EUR 13 million in renovating the city block built between 1934 and 1965. In addition to the construction of 5,000 square metres of office premises, this includes parking spaces for 175 cars and a geothermal power plant for the entire block. These projects will be completed at the end of 2018. Renor also took steps in 2017 to prepare for phase two of the project. The aim is to start construction on the second phase of Silkki in summer 2018, at which time multi-purpose facilities, restaurant premises and service facilities will be built. The service premises may also include offices and business premises.

**Responsible construction**

Renor’s property portfolio includes urban properties of historical and functional significance. By finding new use for the city block, we can provide new business premises in the heart of Tikkurila while also making resource efficient use of the existing urban structure and infrastructure.

Sustainability and responsible construction are part of Renor’s strategy and operating culture. In managing the construction work at Tikkurilan Silkki, we are piloting the “guidelines for sustainable construction” we drafted in 2017. This is part of Renor’s development of sustainable business.

Renor’s ideology also involves implementing the most eco-friendly energy solutions possible. To this end, the Silkki block will utilise geothermal heating, and the property will be LEED Gold certified in conjunction with the renovation project.

**Renor diversifies its portfolio – homes also to Tikkurilan Silkki**

In summer 2017, we signed a preliminary property sale agreement with Skanska Talonrakennus Oy on the development of the residential plot at the Tikkurilan Silkki property. The plan is to build approximately 50 homes in the block. This will see Silkki become an urban city block with homes, jobs and service, restaurant and multi-purpose premises around the same yard. The modern, high-quality new apartments will fit in seamlessly with the historic renovated industrial milieu in the best location in Tikkurila. Skanska is expected to start advance marketing for the homes in spring 2018.

**The year 2018**

Our goal is to start renovation work on the second phase of Silkki in summer 2018, subject to leases being signed with anchor tenants. A preliminary agreement was signed in early 2018 with Teatteri Vantaa, which has operated in Tikkurilan Silkki since 1995. The agreement includes a plan for the theatre to relocate to new premises within the Silkki block. The block will also feature high-quality lunch and dinner restaurants as well as café services, and Jokisali will be developed into a versatile centre for conferences and events.



OFFICES	5,000 m <sup>2</sup>
INDIVIDUAL OFFICES	100–1 200 m <sup>2</sup>
MULTI-PURPOSE PREMISES	3,000 m <sup>2</sup>
SERVICES	2,000 m <sup>2</sup>
HOUSING	3,000 m <sup>2</sup>



WSOYTALO building in Porvoo, PMKTALO building in Tampere and the Finlayson area in Forssa are home to almost 300 businesses with more than a thousand employees. Renovation projects were carried out at each of these locations in 2017, including the development of building technology systems. The aim is to make the properties more comfortable and attractive while also continuously improving energy efficiency.

# PREMISES AND SERVICES IN SEVERAL CITIES

**PORVOO** Located in the heart of Porvoo, the WSOYTALO building offers versatile solutions for both private and public sector customers. In 2017, the building housed educational institutes, customer service premises, office premises and various youth and recreational facilities.

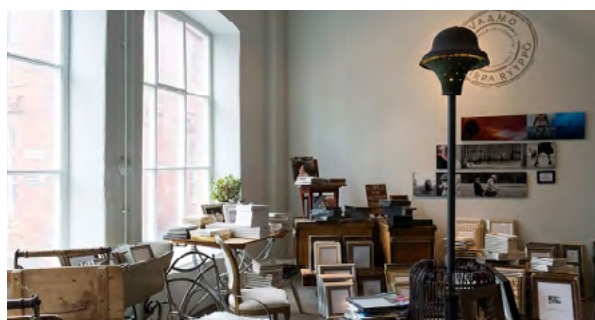
Renovations and repairs were carried out in the WSOYTALO building during the year, including the replacement of the goods lift.

**TAMPERE** The PMK block is located in an office district that is undergoing rapid renewal near the city centre. The block is part of the urban structure development process of the Tampere railway station district and the railway yard area. In 2017, the tenants of the PMKTALO building included several of our most long-term customers, such as Evidensia, which is one of the largest veterinary

hospitals in Tampere, along with the Fressi Syke fitness centre and several customers who use the building's office premises and facilities for recreational activities and training.

The PMK block links the future office buildings bordering Ratapihankatu and the traditional Tammela residential zone in a sustainable way. Renor sold part of the plot in 2016 to facilitate the development of the residential solution. The 12-storey PMK residential tower will be completed in the PMK block at the turn of the year 2018–2019. The construction company is Pohjola Rakennus Oy Häme.

**FORSSA** Characteristic of Forssa, the Finlayson area has become a popular location for jobs with some 100 businesses already operating there. In 2017, we continued to serve our customers in Forssa





by providing office, retail and logistics premises as well as widely used health care and service facilities. We also offered smaller workspace and storage space solutions for individual customers. The Renor-owned Forssa Garage business provides secure year-round storage for boats, motorcycles and cars.

The company has been in operation since 2015. The Vanha Kutomo building in the Finlayson area was awarded the internationally acclaimed BREEAM In-Use environmental certificate in 2017. The environmental certification is a third-party verification of the building and its operations having extensively taken environmental aspects into account. The Vanha Kutomo building is BREEAM In-Use GOOD-certified with regard to both the building and maintenance. The result is excellent, considering that the building has more than 160 years of history.



## PORVOO

LEASABLE AREA  
21,600 m<sup>2</sup>

UNUSED  
BUILDING RIGHTS  
1,700 m<sup>2</sup>

OCCUPANCY RATE  
90%

CUSTOMERS  
98

## TAMPERE

LEASABLE AREA  
15,500 m<sup>2</sup>

OCCUPANCY RATE  
84%

CUSTOMERS  
60

## FORSSA, Vanha Kutomo

LEASABLE AREA  
11,600 m<sup>2</sup>

OCCUPANCY RATE  
88%

CUSTOMERS  
39

## FORSSA, Finlayson factory

LEASABLE AREA  
30,300 m<sup>2</sup>

UNUSED BUILDIN RIGHTS  
4,700 m<sup>2</sup>

OCCUPANCY RATE  
50%

CUSTOMERS  
43



# RESPONSIBLY INTO THE FUTURE

Responsibility is an integral aspect of Renor's business. It means that economic, environmental and social responsibility is observed in business operations and in all stakeholder relations. The annual GRESB evaluation provides guidance and measurement for our responsibility.

## **Responsibility determines the content of the management system**

Responsibility is closely integrated into Renor's management system, which ensures that it is incorporated into everything we do. Examples of our development measures in 2017:

- Renor participated in the international GRESB evaluation of the property sector for the second time in 2017 and received a three-star rating. Renor's score in the Global Real Estate Sustainability Benchmark survey improved by eight points from the previous year and exceeded the average score of Renor's reference group as well as the overall average of all participants.
- We signed the Finnish property sector's energy efficiency agreement (TETS, 2017-2025). As part of that commitment, we conducted energy reviews at our properties, which will be used in setting targets for and implementing continued measures to reduce energy consumption.
- We made a commitment to developing our HR function. We signed a cooperation agreement with Azets Oy for human resource manager and consulting services.
- We organised responsibility training for our personnel.

## **Customers' business success**

We provide our customers with safe and economic business premises solutions and services that suit their operations, and we aim to continuously develop our customer interaction. We measure customer satisfaction based on KTI Property Information Ltd's customer satisfaction survey. In 2017, we were ranked #2 in terms of overall customer satisfaction among twenty business premises providers.

## **Well-being of the work community**

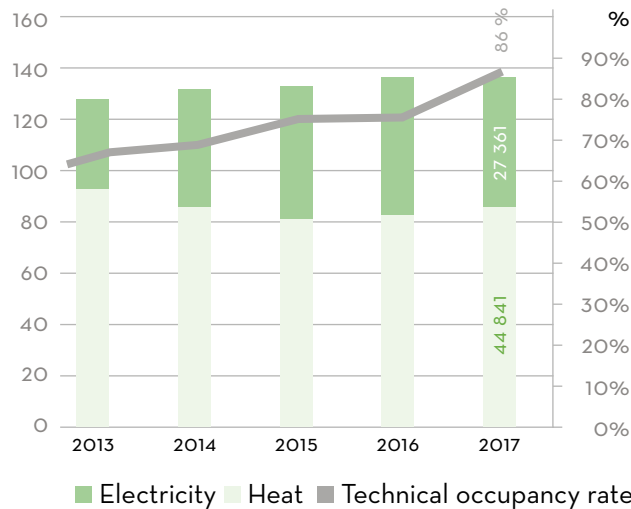
We drafted a work environment development programme for Renor in 2017. Renor employees also completed a work atmosphere survey late in the year.

Our operations are based on the expertise of our personnel, complemented by a group of reliable partners. This means that Renor's employment effect in 2017 was substantially more significant than the number of the company's employees.

## **Participation in local activities**

Our properties are historically significant, familiar and centrally located in their respective regions. This means that we are part of the broader local community wherever we operate. At our properties,

## Specific consumption [kWh/brm<sup>2</sup>]



Pori, LEED Core & Shell, Platinum

**BREEAM**<sup>®</sup>

Lahti and Forssa, BREEAM-In-Use, Good

Year	Heat* and cooling [MWh]	Electricity [MWh]	Total consumption [MWh]	Change in the total consumption compared to the previous year [%]	Specific consumptions [kWh/brm <sup>2</sup> ]	Change in the specific consumption compared to the previous year [%]	Gross of the real estate portfolio [brm <sup>2</sup> ]
2013	34,343	13,269	47,612	5	128	4	413,001
2014	37,107	19,561	56,668	19	132	3	432,391
2015	43,251	27,456	70,707	25	131	0	539,391
2016	44,055	28,714	72,769	3	135	3	539,391
2017	44,841	27,361	72,201	-1	135	0	533,914

\*) weather adjusted

we provide diverse opportunities for activities by local businesses and communities and support local events.

### Responsibility in construction projects

In 2017, Renor defined and documented guidelines entitled Responsibility in Renor's Projects, which summarise the broad topic of responsibility in construction. The guidelines examine projects from multiple perspectives, including future users, the environment, economy and safety. They also help us communicate responsibility-related requirements to our partners. The guidelines were first applied in their current form in the renovation of the Tikkurilan Silkki office building.

### We appreciate our environment

We promote the environmental certification of our properties each year. This requires a long-term approach and special expertise in the renovation and maintenance of properties that are more than 100 years old.

The Vanha Kutomo property in Forssa achieved BREEAM In-Use Good level certification in 2017. Previously certified properties include the Askotalo building in Lahti (BREEAM In-Use, Good) and the Puuvilla shopping centre in Pori

(LEED Core&Shell, Platinum). The LEED EBOM certification of the Puuvilla Business Park (Vanha Kehrämmö) will be completed in 2018. The Tikkurilan Silkki property in Vantaa will be LEED Gold certified in conjunction with its renovation.

# We create the conditions for a good day at work

For our customers' employees to have a good day at work every day, they must have business premises that provide appropriate support for operations, a good service experience, an attractive and comfortable property, and the necessary technical performance.



presence  
service design  
positive customer  
experiences  
together with  
the service network

At Renor, we work with our customers every day. Daily communication and presence at our properties is part of our job description. We also kept in touch with our customers regularly in 2017 by means of the Renor newsletter and property-specific communication.

We appointed our first customer service manager in Lahti in the autumn. We are confident that by developing our job descriptions and service offering, we can deliver even more effective solutions to our customers and help them provide positive customer experiences to their customers. Our current property-specific service portfolio can be viewed on our website, which was redesigned in November 2017. We will continue to develop service design and customer service in its various forms in 2018.

## **Renor employees and partners form a service network**

Renor had 26 employees during the year. One important part of the job description of Renor employees is to manage the various professionals in different fields who work locally at Renor's properties. We use partners in renovating our buildings and the areas around them. We also use partners to provide services and maintain the functionality and comfort of our properties. This means that Renor's employment effect extends beyond the number of employees the company itself has.

## **Occupational well-being and competence development**

In 2017, we invested resources in personnel development and enhancing occupational well-being. We signed a cooperation agreement with Azets Oy for human resource manager and consulting services. As a result of this work, we have prepared a plan for 2018 that includes, among other things, managerial training, work community training and the development of an operating model related to performance reviews. The results of our employee satisfaction survey, which were completed in early 2018, provided good feedback on our work community as well as concrete input for future training programmes.



# Board of directors and owners 31 december 2017

(left to right)

**ERKKA VALKILA**  
Member of the Board and  
Chairman of the Board since 2015  
B.Sc. (Eng.)

**HEIKKI HYPPÖNEN**  
Member of the Board since 2004  
M.Sc. (Econ. & Bus. Admin.)

**TOM JÄRVI**  
Member of the Board since 2017  
M.Sc. (Econ.)



(left to right)

**KARI KOLU**  
Member of the Board since 2004 and  
Deputy Chairman of the Board since 2014  
M.Sc. (Econ.)

**NIILO PELLONMAA**  
Member of the Board since 2004  
B.Sc. (Econ.)

**PÄIVI TOMULA**  
Observer Board Member of Renor  
since 2017  
Master of Laws



Renor is owned through their companies by Heikki Hyppönen, Hannu Katajamäki, Ilpo Kokkila, Kari Kolu, Janne Larma, Niilo Pellonmaa and Jarmo Rytlahti.

## Management team 31 december 2017

(left to right)

**TIMO VALTONEN**  
CEO and Member of the Team since 2011-28 Feb 2018  
M.Sc. (C.E.)

**MIKA HARTIKKA**  
CFO  
Member of the Team since 2005  
M.Sc. (Econ.)



(left to right)

**MARKO LIIMATAINEN**  
CEO since 1 March 2018  
Member of the Team since 2013  
M.Sc. (C.E.)

**TONI PAJULAHTI**  
Maintenance Manager  
Member of the Team since 2013  
B. Eng., Technical Manager

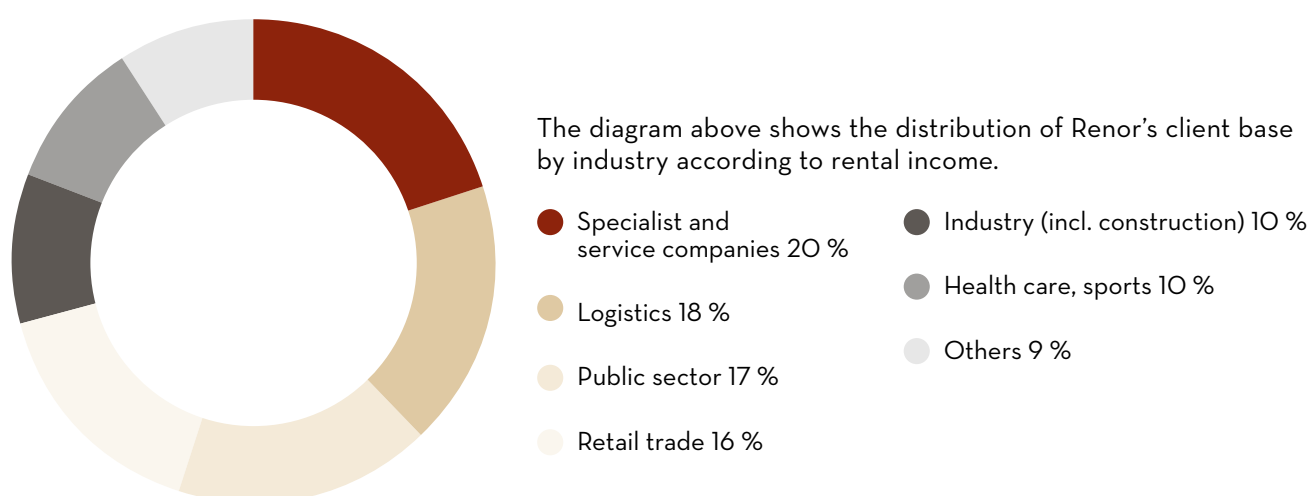
**EMILIA RIIKONEN**  
Legal Counsel  
Secretary of the Team since 2017  
Master of Laws



# Financial year 2017

Renor Group's business remained stable in 2017. Net sales grew by 2.6 per cent to EUR 24.8 million (EUR 24.2 million). The Group's operating profit, excluding gains from the sale of fixed assets, increased by approximately 12 per cent year-on-year. Operating profit was EUR 7.2 million (12.5) and the profit for the financial year was EUR 3.5 million (7.7). The year-on-year decrease in operating profit and the profit for the financial year was primarily attributable to revenue of approximately EUR 6.1 million recognised in the comparison period under other operating income following the sale of properties. During the review period, Renor recognised impairment on non-current assets in the amount of EUR -0.5 million (0.5) and accretion in the amount of EUR 0.5 million (0.0).

Investments in 2017 amounted to EUR 13.9 million (20.3). The most significant investments were made in the Askonalue area in Lahti and in the Tikkurilan Silkki property in Vantaa.



## CONSOLIDATED INCOME STATEMENT

EUR 1,000

	1 JAN– 31 DEC 2017	1 JAN– 31 DEC 2016
<b>Net sales</b>	<b>24,776</b>	<b>24 158</b>
Other operating income	107	6,124
Administrative expenses	-1,597	-1,861
Depreciation and amortization	-4,215	-4,354
Other expenses	-11,893	-11,543
<b>Operating profit</b>	<b>7,178</b>	<b>12,524</b>
Financial income and expenses	-2,818	-2,705
<b>Profit before taxes</b>	<b>4,360</b>	<b>9,819</b>
Income taxes	-883	-2,145
<b>Profit for the period</b>	<b>3,477</b>	<b>7,674</b>

## CONSOLIDATED BALANCE SHEET

EUR 1,000

	1 JAN– 31 DEC 2017	1 JAN– 31 DEC 2016
Investment properties	159,137	155,331
Receivables	2,400	2,652
Cash and cash equivalents	3,428	4,953
<b>Total assets</b>	<b>164,965</b>	<b>162,936</b>
Equity	69,100	69,011
Non-current liabilities	87,994	85,890
Current liabilities	7,871	8,034
<b>Total of shareholders' equity and liabilities</b>	<b>164,965</b>	<b>162,936</b>
Interest-bearing debt, total	84,956	85,488

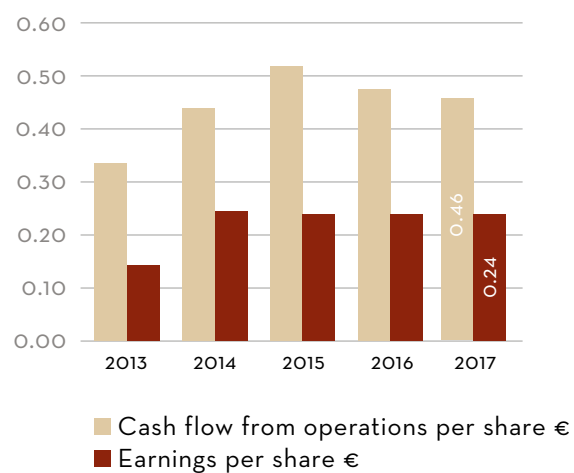
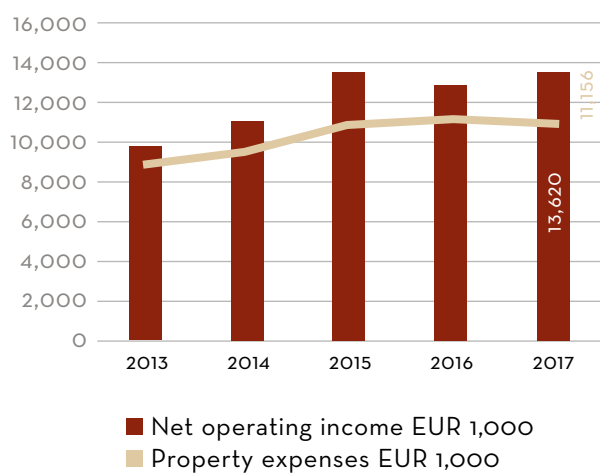
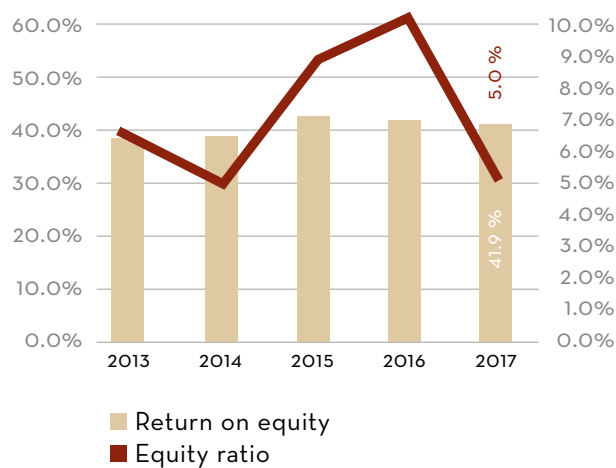
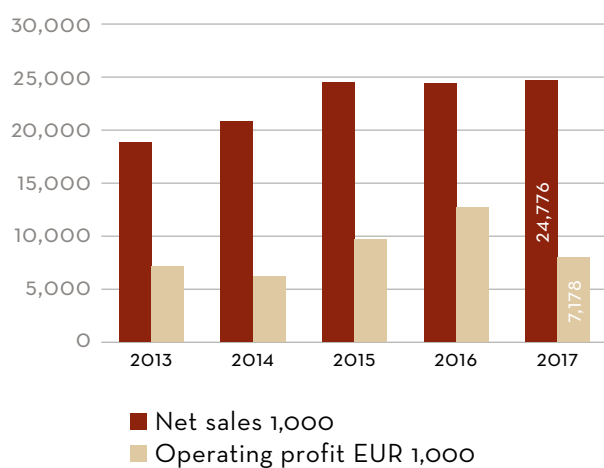
## CONSOLIDATED CASH FLOW STATEMENT

EUR 1,000

	1 JAN– 31 DEC 2017	1 JAN– 31 DEC 2016
Cash flow from operations before financial items and taxes	11,929	11,014
Net financial items	-2,793	-2,810
Taxes paid	-2,112	-1,372
<b>Net cash from operating activities</b>	<b>7,024</b>	<b>6,832</b>
Investments in tangible and intangible assets	-9,842	-20,120
Proceeds from sale of tangible and intangible assets	5,189	11,951
Investments in other securities	-976	-405
<b>Net cash from investment activities</b>	<b>-5,629</b>	<b>-8,574</b>
<b>Cash flow from financing activities</b>	<b>-2,920</b>	<b>3,270</b>
<b>Change in cash and cash equivalents</b>	<b>-1,525</b>	<b>1,528</b>
<b>Cash and cash equivalents at period-end</b>	<b>3,428</b>	<b>4,953</b>



# Key figures 2017

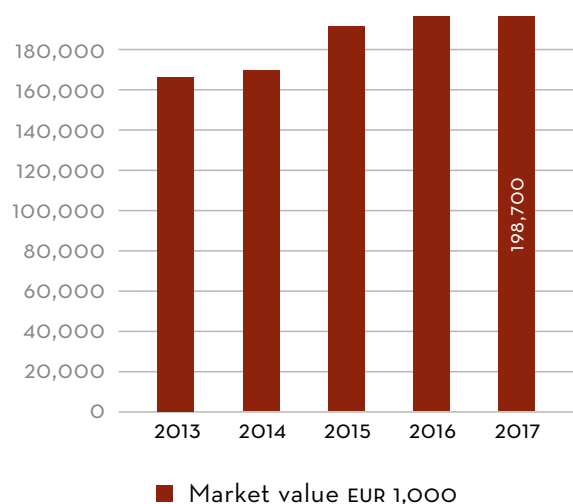


## Renor's property portfolio 31 DEC 2017

	LEASABLE AREA m <sup>2</sup>	UNUSED BUILDING RIGHTS m <sup>2</sup>	ECONOMIC OCCUPANCY RATE %	CUSTOMERS
Asko area, Lahti	162,000	290,000	91	300
Shopping Centre Puuvilla, Pori	41,500	69,000	96	70
Porin Puuvilla Business Park, Pori	27,000		94	60
Finlayson area, Vanha Kutomo building, Forssa	11,600		88	39
Finlayson factory, logistics centre, Forssa	30,300	4,700	50	43
WSOYTALO building, Porvoo	21,600	1,700	90	98
PMKTALO building, Tampere	15,500		84	60
Höyläämötie 3, Helsinki	2,900		59	4
Tikkurilan Silkki, Vantaa*				

\*Renor owns the Tikkurilan Silkki city block located in the heart of the Tikkurila district in Vantaa. The development project began in summer 2017.  
The Porin Askokylä complex of properties was sold in October 2017 to Trevian High Yield Property, a fund managed by Trevian Funds AIFM.

## Market value of property assets



# Photos in the review

We photographed our properties in 2017. We also had the opportunity to photograph our customers' premises.

We wish to express our warmest thanks to the companies that participated. Business premises shown in this Annual Review, in order:

## Cover

Askotalo building, *Tori* for events  
Puuvilla shopping centre  
Photographer, studio Sirpa Ryyppö  
University Consortium of Pori

## Page 6

Askotalo building, *Tori* for events

## Page 7

Upotalo building, stairs  
DNA Ltd, telecom company  
Restaurant Werstas

## Page 9

Hymiö, dental care centre  
Meeting rooms in Askotalo  
Novapak Oy, furnitures and indoor design

## Page 10

EeWa's shoes

## Page 11

Puuvillan kukka, flowers  
Puuvilla shopping centre  
Prizztech Ltd, business development company

## Page 13

University Consortium of Pori  
Puuvilla shopping centre  
Insta Automation Oy

## Page 14-15

Sketch for Tikkurilan Silkki  
Outside, Tikkurilan Silkki, summer 2017

## Page 16

Photographer, studio Sirpa Ryyppö  
Finlayson Oy  
Evidensia, veterinary care centre  
Fitness centre Fressi Syke

## Page 17

Porvoon hierojakoulu, massage therapy school  
KeaKoffee Oy, roastery





# Renor

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FI-01301 VANTAA

Company's switchboard  
+ 358 207 220 800  
Email: [firstname.lastname@renor.fi](mailto:firstname.lastname@renor.fi)  
[www.renor.fi](http://www.renor.fi)

## **FORSSA Finlayson area**

Puuvillakatu 4 A 1  
FI-30100 FORSSA

## **LAHTI Asko area**

Askonkatu 9 E, 3rd floor  
FI-15100 LAHTI

## **PORVOO WSOYTALO**

Mannerheiminkatu 20  
FI-06100 PORVOO

## **TAMPERE PMKTALO**

Erkkiläncatu 11 A, 7th floor  
FI-33100 TAMPERE

## **VANTAA Tikkurilan Silkki**

Silkkitie 5  
FI-01300 VANTAA

## **PORI Porin Puuvilla**

Business Park and Shopping Centre  
Siltapuistokatu 14  
FI-28100 PORI  
Email:  
[firstname.lastname@porinpuuvilla.fi](mailto:firstname.lastname@porinpuuvilla.fi)  
[www.porinpuuvilla.fi](http://www.porinpuuvilla.fi)

