

### **TK Development sells 78-unit rental property at Østre Havn, Aalborg, Denmark**

*Summary:*

- *TK Development is developing and constructing a 6,100 sqm rental property containing 78 apartments at Østre Havn in Aalborg, Denmark.*
- *The project has been sold to Wagner Ejendomme ApS under a conditional sale agreement.*
- *Construction will commence in the second quarter of 2018 and is scheduled for completion and handover on 1 October 2019.*
- *The total selling price is DKK 161.3 million, inclusive of VAT.*

### **TK Development develops, constructs and sells 6,100 sqm apartment project**

A local development plan totalling 34,000 sqm, including part of the areas which TK Development is developing at Østre Havn in Aalborg in cooperation with Frederikshavn Maritime Erhvervspark (Lauritzen-Gruppen), was approved in spring 2016.

Based on this local development plan, TK Development will now initiate a project containing 78 rental apartments. The project will be executed as a 6,100 sqm high-rise building of up to ten storeys, plus a 1,300 sqm basement with storage rooms and parking facilities.

TK Development has sold the total project to Wagner Ejendomme ApS under a conditional sale agreement at a price of DKK 161.3 million. Wagner Ejendomme ApS has taken over the letting process as part of the deal. The sale will be executed on a forward funding basis, meaning that the investor will pay for the project in step with its increase in value during the course of the construction period.

Wagner Ejendomme ApS is a private, Aalborg-based property company founded by Sven Wagner and currently run by Trine Wagner. The company is owned by the Wagner family, which provides management and letting services for a large portfolio of quality properties.

Construction is expected to commence in the second quarter of 2018 and is scheduled for completion and handover to the buyer on 1 October 2019.

TK Development's share of the profit from the project is 70%. The initiation and sale of the project will not affect TK Development's profit guidance for financial year 2017/18, but will underpin the Group's 2018/19 earnings performance. The Group maintains its forecast of a pre-tax profit of DKK 80-90 million for financial year 2018/19.

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