

Refinancing of the Sillebroen shopping centre, Denmark

Summary:

- *TK Development has entered into an agreement with PKA on a five-year refinancing scheme of the Sillebroen shopping centre in Denmark with DKK 500.0 million.*
- *The refinancing is part of the plans for the shopping centre, where additional leasing and operations optimisation are to contribute to a sale of the centre in the medium term.*

TK Development implements a five-year refinancing scheme of the Sillebroen shopping centre, Denmark

Since the construction of the Sillebroen shopping centre in Frederikssund, Denmark, TK Development has had the centre financed by two foreign banks. This was short-term financing, which has now, through the subsidiary KAS Frederikssund Shoppingcenter, been refinanced by the PKA pension fund, from which a five-year financing loan of DKK 500.0 million has been obtained.

The Sillebroen shopping centre opened in 2010, but because of the financial crisis the running-in and maturing phases took longer than expected. As stated in company announcement no. 2/2015, management focuses on improving the influx of customers and revenue of the shopping centre, including attracting new shops and concepts. An extension of the centre by some 1,400 m² to about 26,400 m² is currently in progress with a view to opening a Nordisk Film cinema in the autumn of 2016. Most recently, new shops such as Imerco, Søstrene Grene and Normal have opened, taking the occupancy rate to 95 %. The leases intensify the influx of customers and improve the shopping centre revenue, and the new tenants contribute to the planned improvement and optimisation of the tenant mix of the centre, while also underpinning the sales perspectives for the centre in the medium term.

PKA is one of Denmark's largest pension companies with 270,000 members and total assets of DKK 215 billion. TK Development finds it interesting to extend its business relations to this sector, including to PKA, which has both the will and the capacity to contribute to both investment and financing solutions for attractive property projects.

The refinancing implemented does not affect the Group's earnings expectations for the 2015/16 financial year.

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