

***Not for publication or distribution in the United States, Canada, Australia or Japan***

*This announcement does not constitute an offer to sell or the solicitation of an offer to buy the securities of TK Development A/S ("Securities") in the United States, Canada, Australia or Japan or in any other jurisdiction. The securities may not be offered or sold in the United States absent registration or an exemption from the registration requirement under the U.S. Securities Act of 1933, as amended. TK Development A/S has not registered and does not intend to register Securities or any portion thereof in the United States or in any other jurisdiction outside Denmark and does not intend to make a public offering of the Securities, whether directly or indirectly, in the United States or any other jurisdiction outside Denmark.*

**TK Development A/S to publish a prospectus today for the offering of  
56,087,620 new shares with a nominal value of DKK 1 each at DKK 4.11 per new share**

TK Development A/S (the "Company") will today publish a prospectus for the offering of 56,087,620 new shares with preemptive rights to the Company's existing shareholders (the "Offering") pursuant to the authorisation listed in article 2.2.1 of the Company's articles of association. Reference is made to the prospectus in its entirety for a description of the Company and the Offering.

The new shares are being offered to the Company's existing shareholders at the ratio of 4:3, meaning that four (4) preemptive rights will be allocated for each existing share, and that three (3) preemptive rights will be required to subscribe for one (1) new share against payment of the subscription price of DKK 4.11 per new share.

The Company expects to receive gross proceeds from the Offering of DKK 230.5 million, and net proceeds of approximately DKK 218.7 million after deduction of the estimated costs in connection with the Offering.

**Reasons for the Offering**

Several years back, TK Development adopted a strategy of executing a number of projects for its own account with a view to changing the Group's project portfolio from projects requiring cash flow to projects generating cash flow. Not all of these now completed projects have been sold. This means the group has a substantial portion of its financial resources tied up in completed projects. Together with sales of completed projects and plots of land, the Offering is intended to ensure that the group obtains the level of liquidity required for its future operations, its future project flow and, by extension, its long-term earnings.

Without the net proceeds from the Offering, TK Development will not have sufficient liquidity to meet TK Development's current needs for the 12-month period following the Prospectus Date. In connection with TK Development's announcement of its intention to make the Offering, certain significant financing agreements were extended until 1 May 2015 subject to the payment of certain instalments. Management believes that, with the net proceeds from the Offering, the Group's liquidity will be sufficient to meet the Group's current needs for the 12 months following the Prospectus Date. Management's assessment is based on, among other things, the Group having sufficient liquidity available even if in the 12 months following the Prospectus Date the Group sells projects for a significantly lower amount than anticipated by Management, although it does require, as a minimum, the sale of a number of small projects.

The net proceeds from the Offering will mainly be used to reduce interest-bearing debt. Immediately after the completion of the Offering, TK Development is required to reduce operating credit facilities with Nordea by DKK 68.5 million, to reduce project financing with HSH Nordbank AG Copenhagen branch/SNS Property Finance B.V. by DKK 35.0 million and to repay DKK 68.5 million of project financing granted directly or indirectly by a group of shareholders, including members of management. If a specific project remains unsold prior to the completion of the Offering, the group is required to reduce operating credit facilities with Nordea by an additional DKK 15.0 million and to reduce project financing with HSH Nordbank AG Copenhagen branch/SNS Property Finance B.V. by an additional DKK 15.0 million.

### **Advance and underwriting commitments**

A group of existing shareholders has made advance commitments to TK Development, subject to the satisfaction of certain conditions, to exercise preemptive rights allocated on the basis of the existing shares held by each of them to subscribe for a total of 21,024,763 new shares, corresponding to total gross proceeds of DKK 86.4 million.

Furthermore, a number of investors have made underwriting commitments to the Company, subject to the satisfaction of certain conditions, to subscribe, in proportion to their underwriting commitments, for up to 35,313,133 new shares at the subscription price if such new shares have not been subscribed for by existing shareholders pursuant to preemptive rights allocated or by investors pursuant to preemptive rights acquired on expiry of the subscription period, corresponding to total gross proceeds of DKK 145.1 million.

The Company has thus received advance and underwriting commitments for the subscription of a total of 56,337,896 new shares, corresponding to more than the aggregate number of shares in the Offering.

## **Terms and conditions of the Offering**

### ***Offering and subscription ratio***

The Offering comprises 56,087,620 new shares with a nominal value of DKK 1 each with preemptive rights to existing shareholders.

The new shares are being offered with preemptive rights to existing shareholders of TK Development at the ratio of 4:3, meaning that anyone registered with VP SECURITIES A/S as a shareholder of the Company on 14 August 2013 at 12.30 p.m. CET will be allocated four (4) preemptive rights for each existing share held and that three (3) preemptive rights confer the right on the holder to subscribe for one (1) new share.

### ***Trading in preemptive rights***

The trading period for the preemptive rights on NASDAQ OMX Copenhagen A/S commences on 12 August 2013 at 9.00 a.m. CET and closes on 23 August 2013 at 5.00 p.m. CET.

Holders of preemptive rights wishing to sell their preemptive rights should instruct their custodian institution or other financial intermediary accordingly.

### ***Subscription price***

The new shares are being offered at DKK 4.11 per share with a nominal value of DKK 1 each.

### ***Subscription period***

The subscription period commences on 15 August 2013 at 9.00 a.m. CET and closes on 28 August 2013 at 5.00 p.m. CET.

### ***Remaining shares***

Any new shares that have not been subscribed for by the Company's existing shareholders exercising their allocated or acquired preemptive rights or by other investors exercising acquired preemptive rights prior to the expiry of the subscription period ("Remaining Shares") may without compensation to the holders of unexercised preemptive rights be subscribed for by shareholders of the Company who prior to the expiry of the subscription period have made binding commitments to subscribe for new shares at the subscription price. Remaining Shares will be allocated on the basis of an allocation key to be determined by the Board of Directors in consultation with the Lead Manager. See the prospectus for a detailed description of the procedure for subscribing for Remaining Shares.

### ***Listing of the new shares***

After registration with the Danish Business Authority the new shares will be admitted to trading and official listing on NASDAQ OMX Copenhagen A/S under the ISIN code of the existing shares, expectedly on 4 September 2013.

***Expected timetable of events***

|   |   |
|---|---|
| Last day of trading in existing shares cum preemptive rights:   | 9 August 2013   |
| First day of trading in existing shares ex preemptive rights:   | 12 August 2013  |
| Trading period for preemptive rights commences:   | 12 August 2013 at 9.00 a.m. CET   |
| Allocation time for preemptive rights:  | 14 August 2013 at 12.30 p.m. CET  |
| Subscription period for new shares commences:   | 15 August 2013 at 9.00 a.m. CET   |
| Trading period for preemptive rights closes:  | 23 August 2013 at 5.00 p.m. CET   |
| Subscription period for new shares closes:  | 28 August 2013 at 5.00 p.m. CET   |
| Allocation of Remaining Shares  | 30 August 2013 before 12.00 p.m. CET  |
| Payment for Remaining Shares:   | 2 September 2013  |
| Publication of the results of the Offering:   | Expected to take place three business days after expiry of the subscription period, expectedly on 2 September 2013  |
| Completion of the Offering:   | The Offering will be completed only if and when the new shares subscribed for are issued by the Company after registration of the capital increase with the Danish Business Authority, expected to take place on 2 September 2013 |
| Date of admission of the new shares to trading and official listing under the ISIN code of the existing shares: | Expected to take place on 4 September 2013  |

**Lead Manager**

Nordea Bank Danmark A/S is Lead Manager of the Offering.

**Prospectus**

Requests for copies of the prospectus containing detailed information about TK Development and the complete terms and conditions of the Offering may be addressed to:

**Nordea Bank Danmark A/S**  
**Securities Operations / HH 7324**  
PO Box 850  
DK-0900 Copenhagen C  
Tel: +45 33 33 50 92  
Fax: +45 33 33 31 82  
E-mail: [prospekt.ca@nordea.com](mailto:prospekt.ca@nordea.com)

The prospectus will also be available for inspection at the Company's offices in Aalborg and can, subject to certain exceptions, including prohibition on access by persons located in the United States, be downloaded from the Company's website <http://www.tk-development.dk>. The contents of the website do not form part of the prospectus.

Please direct any questions regarding this announcement to Frede Clausen, President and CEO, on tel. +45 8896 1010.

This announcement has been prepared in a Danish-language and an English-language version. In the event of discrepancies, the Danish version shall prevail.

**Forward-looking statements**

*This announcement contains certain forward-looking statements, including statements concerning TK Development's business and the Offering. Such forward-looking statements are based on information, assumptions and beliefs deemed reasonable by the Company. They may change or be changed due to uncertainty relating to the economic, financial, competitive, regulatory and marketing environments. In addition, the Company's business activities and its ability to meet its objectives may be adversely affected if one or more of the risks that are set forth in the prospectus prepared by the Company for the purpose of the Offering should materialise, or if other risks, currently unforeseen or considered insignificant, materialise. TK Development does not undertake to achieve the objectives stated in the prospectus and does not give any assurance that it will achieve the objectives set forth in the prospectus. Investors should carefully consider each of the risk factors described in the prospectus before making any investment decision.*