

STOCK EXCHANGE AND PRESS RELEASE

Gabriel Holding A/S

Gabriel Holding A/S signs Letter of Intent concerning sale of Gabriel Ejendomme A/S subsidiary

In March 2016, management started the process of selling the subsidiary Gabriel Ejendomme A/S at the best possible price. The company's most valuable asset is the business park comprising an office block with approximately 6,900 m² of floor area and a large number of building rights on the approximately 35,000 m² site in the centre of Aalborg.

Gabriel Holding A/S has today signed a Letter of Intent with Aalborg-based developer A. Enggaard A/S with a view to selling the entire share capital of its fully-owned subsidiary Gabriel Ejendomme A/S.

The total sale price is DKK 150 million, from which interest-bearing debt and deferred tax of Gabriel Ejendomme A/S must be subtracted. DKK 68 million of the sales price will be paid after approved completion of the period of investigation (until 1 June 2018), while the balance will be paid on approval of the local plan for the area, but on 1 September 2019 at the latest. In addition, the sale agreement contains the possibility of an increase in the selling price provided that certain conditions concerning building possibilities on the property are met. Since an actual building project has not been prepared, it is not possible at present to quantify the value of this option. Management will provide further information once this has been clarified.

The share capital is expected to be transferred with effect from 1 July 2018.

As part of the sale agreement, the operating company Gabriel A/S has entered into a mutually non-terminable 13.5-year lease with Gabriel Ejendomme A/S for the entire commercial area of currently approximately 6,900 m². Gabriel A/S has the right to sublease the area and will continue the letting business known in Aalborg as Gabriel Erhvervspark.

If the sale of the share capital is completed in accordance with the signed Letter of Intent, this will result in net income for the Group of approximately DKK 53 million. This will result in an upward adjustment of the company's pre-tax profit expectations for the year from growth of 15%, equivalent to profit from operations of approximately DKK 54 million for the year before tax, to a total profit before tax of the order of DKK 107 million. The expected sale will not influence the company's revenue.

A sale of the property company is expected to increase the Group's liquidity by approximately DKK 100 million, which management will spend on reducing the Group's debt and include in the company's capital resources.

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