

## PRESS RELEASE

Amsterdam, 19 March 2020

### **Arcona Property Fund N.V. update for shareholders**

**Arcona Property Fund N.V. – a listed fund that invests in commercial real estate in Central Europe – had planned to hold an Extraordinary General Meeting of Shareholders today. As notified on 16 March 2020 it has been necessary to cancel the meeting. This press release is therefore intended to inform shareholders of the current progress of the refinancing, sales and acquisition programmes being undertaken by the Fund.**

#### **Refinancing**

In the course of 2019 the Fund successfully refinanced €21.1 million of loans by extending existing bank facilities and by arranging new loans of € 2.5 million. Over the same period four loans were repaid in a total sum of € 4.12 million. The Fund plans to repay or refinance a further € 12.7 million of loans in 2020. It is anticipated this will be achieved by the extension or refinancing of existing bank loans and by the proceeds from sales.

#### **Property sales**

The Fund placed 5 assets in Kosice (Slovakia) on the market in late 2019. A number of bids have been received, some for all 5 assets and some also for individual buildings or a combination thereof. In the coming weeks it is planned to select preferred bidders and proceed to the due diligence stage.

For the vacant retail property in Kalisz, Poland, a bid has recently been accepted at around the level of the current valuation. The expectation is that the sale will be concluded in April 2020.

#### **Update SPDI acquisition**

Arcona Property Fund N.V. and Secure Property Development and Investment PLC (SPDI) expect to sign contracts shortly for the acquisition of the EOS(Danone) asset and the 25% share of the Delenco asset (AnCom) in Bucharest, Romania, together with the remaining two small land sites in the Ukraine.

#### **Results**

The Fund plans to publish its audited 2019 results in early April. The key provisional figures from last year are as follows::

- Gross rental income for 2019 was €11.06 million (2018: € 10,80 million), an increase of 2.4%;
- Net rental income for 2019 was € 5.2 million (2018: € 4.8 million), an increase of 8.3%;
- Balance-sheet assets as at end 2019 were € 107.7 million (2018: € 92,7 million);
- The occupancy rate slipped to 84.3% (2018: 86,9%).

### **New lease agreements**

AT&T have agreed terms to lease a further ca. 750 m<sup>2</sup> in the Letna 45 property in Kosice. In conjunction, the expiry of their existing lease will be extended by two years from April 2023 to April 2025. The total annual rent payable by AT&T will thus rise to ca. €800,000 per year.

For the office building in Zilina, Slovakia, terms have been agreed with Vahostav a.s., an established Slovak construction company, to rent 1,400 m<sup>2</sup> for a five year term at €78,000 per year.

For the neighbourhood shopping centre in Głogów, Poland, terms have been agreed with the national supermarket chain Polomarket for a new ten-year lease on the supermarket (970 m<sup>2</sup>). It is anticipated that the arrival of Polomarket will draw other new retailers into the centre.

The Fund anticipates the signing of contracts on all three deals within the next few weeks., which will increase the overall occupancy rate to 86.8%

### **COVID-19**

The overall market situation is highly volatile due to the evolving COVID-19 pandemic. The Fund's management is closely monitoring developments and will provide shareholders with regular updates.

A detailed company update presentation is available on the Arcona Property Fund website.

### **PRESS RELEASE ENDS**

Arcona Property Fund N.V. invests in commercial property in Central Europe. Shares in the Fund (ISIN-code NL0006311706) are tradeable daily via Euronext Amsterdam and the Prague Stock Exchange as a closed-end investment fund.

### **For more information:**

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