

PRESS RELEASE

Amsterdam, 14 May 2020

Stable first quarter for Arcona Property Fund N.V.

Arcona Property Fund NV - a listed fund that invests in commercial real estate in Central Europe - saw gross rental income in the first quarter of 2020 increase by 5.2%, in comparison to the same period in 2019, to € 2.21 million. Net rental income increased by 7.6% to € 1.18 million. The increase in rental income was the result of a number of new rental agreements.

Profit before tax was € 176,000 in the first quarter, compared to € 321,000 in the same period of 2019. The profit was lower due to a € 319,000 drop in value of the interest rate swaps and a book loss of ca. €200,000 on the sale of Kalisz.

The occupancy rate increased to 88.2% at the end of March 2020 (December 31, 2019: 86.0%). The loan-to-value ratio was 49.7% at the end of March 2020 (December 31, 2019: 50.0%). The adjusted EPRA earnings per share for the first quarter amounted to € 0.04.

The net asset value based on EPRA-NNAV as of March 31, 2020 was € 12.88 per share, compared to € 13.14 per share on December 31, 2019. The decrease of the EPRA-NNAV was caused by an 8% devaluation of the Czech Crown.

Guy Barker, managing director, explained: "In the first three months of 2020, the Arcona Property Fund has performed in line with expectations. The impact of the COVID-19 pandemic on the portfolio will be visible in the figures from the second quarter. The Fund has now been paid 70% of the invoiced rental income for April and expects to receive additional outstanding amounts in the coming weeks".

"The Fund has met all interest and payment obligations towards the banks since the outbreak of the COVID-19 pandemic. From the beginning of May, the restrictive measures imposed in the Czech Republic, Slovakia and Poland since mid-March are being phased out and shops have re-opened. Rental income received is expected to show an increase in May compared to April and we are now receiving fewer requests to postpone or reduce rents."

"If tenants request a rent reduction, the Fund's asset management team consults with the tenants to see what is possible. The objective here is to keep the tenant and to secure them for a longer period of time in return for, perhaps, a rental discount for a number of months."

PRESS RELEASE ENDS

Arcona Property Fund N.V. is a closed-ended investment fund that invests in commercial property in Central Europe. Shares in the Fund (ISIN-code NL0006311706) can be traded daily via Euronext Amsterdam and the Prague Stock Exchange.

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