

## PRESS RELEASE

Amsterdam, 24 August 2021

### **Recovery of Arcona Property Fund N.V. in the first half of the year**

**Arcona Property Fund N.V., a listed fund that invests in commercial real estate in Central Europe, has published its figures for the first half of 2021. The Fund moved back into profit, net rental income increased by 0.9% and the net asset value increased by 0.6%. Further improvements to the financing structure are expected in the second half of the year.**

The result after tax in the first half of 2021 amounted to EUR 97,000 (H1 2020: -/- EUR 777,000). Net rental income from the comparable portfolio increased to EUR 1.97 million in the first half of 2021, an increase of 0.9% compared to the same period last year (EUR 1.95 million).

The recovery in results is due mainly to a higher occupancy rate and the improved financing structure. The occupancy rate increased from 83.6% (end 2020) to 86.9% as at 30 June 2021. The loan-to-value ratio was 46.3% at the end of June 2021, compared to 47.0% at the end of 2020. In addition, operating costs decreased in the first half year by EUR 310,000 compared to the same period last year. Financial expenses decreased compared to the same period last year by EUR 357,000 due to a revaluation of interest rate derivatives and lower interest expenses.

The net asset value (NAV) per share based on NNNAV was EUR 11.91 per share as at 30 June 2021 (end of 2020: EUR 11.84). Adjusted earnings per share amounted to -/- EUR 0.09 (H1 2020: -/- EUR 0.63). The share price rose by 65.3% to EUR 5.95 in the first half. The discount to NAV decreased to 50%. The average monthly trading volume in the stock increased to EUR 266,000.

In the first half of the year, the Fund successfully refinanced the maturing loans in Poland. Student housing in Košice (Kosmalt), which had severely hampered performance during the COVID-19 pandemic, was successfully sold in May. The net proceeds have been used for the partial repayment of investor loans at the fund level.

#### **Expectations for the second half of the year**

Arcona Property Fund N.V. aims to repay the remaining short-term loans in the second half of the year with the proceeds from the sale of several non-core and non-cash-generating properties in Slovakia, Ukraine and Bulgaria. During the extraordinary shareholders' meeting on October 5, 2021, the use of additional incidental proceeds for a share repurchase programme will be proposed.

The 2021 semi-annual report can be found on the website [www.arconapropertyfund.nl](http://www.arconapropertyfund.nl).

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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 as a closed-end investment fund.

**For more information:**

Arcona Capital Fund Management B.V.

Tel: 020 - 820 4 720

E-mail: [info@arconacapital.com](mailto:info@arconacapital.com)

[www.arconapropertyfund.com](http://www.arconapropertyfund.com)