

P R E S S R E L E A S E

Amsterdam, 31 August 2022

Arcona Property Fund N.V. shows resilience in first half

Arcona Property Fund N.V., a listed fund that invests in commercial real estate in Central Europe, showed an improvement in its operating result in the first half of 2022. The comparable gross rental income increased by 9.4% to EUR 4.07 million and the net rental income increased by 12.3% to EUR 2.05 million, partly due to an improvement in the occupancy rate.

As a result of the write-down of the real estate in Ukraine, the result after tax effectively amounted to EUR -/- 2.84 million (H1 2021: EUR 97,000). Adjusted for these write-downs, the result before tax in the first half of 2022 amounted to EUR 925,000, EUR 670,000 higher (+ 265%) than the same period last year. The adjusted result after tax was EUR 452,000, or EUR 355,000 higher than the same period last year. Operating costs in the first half decreased to EUR 962,000. Financial costs decreased by 22% to EUR 938,000.

The loan-to-value decreased to 41.8% (end 2021: 42.2%) and the average term of the loans increased to 3.54 years. The net asset value (NAV) based on NNNAV as at 30 June 2022 was EUR 12.00 per share. This NAV does not include the effect of the sale of the office building in Brno. The share price as at 30 June 2022 was EUR 6.25.

Expectations for the second half of the year

In the second half of 2022 and early 2023, Arcona Property Fund N.V. will continue the sales program for non-core real estate in Slovakia and Bulgaria, with the aim of further optimizing the portfolio. This includes the previously announced sale of the Šujanovo náměstí (VUP) 3 building in Brno for a sale price of CZK 106.8 million (EUR 4.32 million), 36% above the appraised value of CZK 78.3 million at the end of 2021. At the same time, the market's interest in certain smaller positions in the Polish portfolio is being tested, with the aim of generating up to EUR 10 million net proceeds from the sale of real estate.

Operating performance is expected to remain robust, although rising Czech interest rates and energy costs could negatively impact net margins.

The half-yearly report 2022 can be found on the website www.arconapropertyfund.nl.

P R E S S R E L E A S E E N D S

Arcona Property Fund N.V. invests in commercial real estate in Central Europe. Shares of the Fund (ISIN code NL0006311706) can be traded daily via Euronext Amsterdam as a closed-end investment fund.

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