

## P R E S S   R E L E A S E

Amsterdam, 18 May 2023

### **Arcona Property Fund N.V. improves results in first quarter**

**Arcona Property Fund N.V., a listed fund specialized in commercial real estate in Central Europe, achieved a quarterly result before tax of EUR 175,000 and increased gross rental income by 10.7% in the first quarter of 2023 to EUR 1.65 million. Net rental income increased by 11.3% compared to the same quarter in 2022, to EUR 1.13 million. The net asset value per share rose to EUR 11.88 at the end of March 2023, from EUR 11.81 on 31 December 2022. The Boyana Residence project in Bulgaria was successfully refinanced and the Fund completed its first share buyback programme.**

The result before tax, adjusted for valuation and sales results, amounted to EUR 216,000 positive in the first quarter, which is 18% higher than in the same period last year. At the end of March 2023, the loan-to-value ratio was 41.1% (31 December 2022: 43.6%). Particularly due to higher interest levels, financing costs rose by approximately 55% in the first quarter compared to the same period last year, to a total of EUR 681,000.

The Fund successfully refinanced the Boyana Residence project in Bulgaria through new loans of EUR 3.6 million from Dutch investors. These loans enable the Fund to renovate the apartments. The objective is to sell off the entire project within the next 18 months.

As previously communicated, the Fund completed its first share repurchase programme on March 15, 2023, having repurchased 60,976 common shares at an average price of EUR 6.43 per share.

#### **Outlook**

The Fund expects the financial performance in 2023 to be strongly influenced by interest rate developments of loans in euros and Czech crowns. Despite recent interest rate hikes, the management anticipates that 2023 will mark the peak of the current interest rate cycle, relieving short-term pressure on net financial returns at the fund level.

Despite current challenges, such as high inflation, sharp rises in interest rates in Central Europe and the war in Ukraine, the management expects to announce further sales of non-core real estate in 2023. The proceeds thereof, following mandatory repayment of bank and short-term loans, should finance the planned reverse bookbuilding programme. The management will share more details about this programme, such as the anticipated timing and volume, at the General Meeting of Shareholders on June 27, 2023.

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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.

**For more information:**

Arcona Capital Fund Management B.V.

Phone: 020 – 820 4 720

Email: [info@arconacapital.com](mailto:info@arconacapital.com)

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