

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

Amsterdam, 31 August 2023

Increase in operational result of Arcona Property Fund N.V. in the first half of 2023

Arcona Property Fund N.V. (the Fund), a listed fund specialized in commercial real estate in Central Europe, reports a positive development of the operating result in the first half of 2023. The result before tax, corrected for indirect results, amounted to EUR 359,000 in the first half of 2023. This is 4.4% higher than the EUR 344,000 result from the comparable portfolio in the same period last year, despite sharp increases in financing rates. The result after tax amounted to EUR -/- 61,000, mainly due to temporary value effects of the sales in Bulgaria. The net asset value as at 30 June 2023 was EUR 11.77.

Comparable gross rental income increased by 14.3% to EUR 4.40 million and net rental income increased by 10.4% to EUR 2.18 million. Fund costs decreased by 15% to EUR 817,000 whilst financial expenses increased by 22% to EUR 1,340,000, mainly due to increased interest charges. The loan-to-value ratio improved by 3.2% to 40.4%.

In June 2023, the sale of parts of the Bulgarian project Boyana Residence was completed. The proceeds of more than EUR 2.85 million have been used to repay short-term loans. The renovation of the apartments has now been completed.

Expectations for the remainder of 2023

The Fund will continue the sales programme of non-core real estate in Slovakia and Bulgaria. In recent months, seven new sales agreements have been signed in Bulgaria for a land plot and six apartments, with a total value of EUR 1.5 million. Four of these sales have not yet been fully completed, with a combined sales price of EUR 1.15 million. The sales price per square metre of an apartment is now approximately 52% above the 2022 appraisal value. Sales results in Bulgaria since the end of the reporting period have more than offset the temporary value effects from sales during that reporting period on the result. This trend is expected to continue in the upcoming months. Including previously completed transactions, the sales volume in Bulgaria now amounts to EUR 4.35 million.

The primary purpose of the sales programme is to generate sufficient funds to start the first tranche of the reverse bookbuilding process. The management also reports positive developments in the letting of vacant space in the Polish and Slovakian portfolios, creating more options for future asset disposals. The goal remains to realize EUR 10 million in net proceeds from the sale of real estate.

While net rental income has increased and operational performance is expected to remain robust, rising interest and energy costs may keep negatively impact net margins in the future.

The semi-annual report for 2023 can be found at 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.

For more information:

Arcona Capital Fund Management B.V.

Phone: 020 – 820 4 720

Email: info@arconacapital.com

www.arconapropertyfund.com