



PRESS RELEASE

Amsterdam, 9 May 2018

Good Q1 2018 for the Arcona Property Fund

Arcona Property Fund N.V., the listed fund that invests in commercial real estate in Central Europe, reports an operational result (before tax, valuation gains, and non-recurring items) for Q1 2018 of € 400,000, compared to € 200,000 in Q1 2017. For the full year 2018 the Fund is maintaining its forecast of an operational result of € 2.4 million from the existing portfolio. The aim is to distribute ca. 35% of this amount to shareholders.

The gross rental income of the Fund climbed to € 2.19 million in the first three months of 2018, up from € 1.98 million in Q1 2017. The net rental income over the period was € 1.16 million, compared to € 1.03 million the previous year.

The occupancy rate of the Fund's portfolio reached 84.5% by the end of Q1 2018, up from 84% end 2017, whilst the loan to value ratio declined to 51.7%, from 52.7% end 2017.

Guy Barker, Managing Director of the fund manager Arcona Capital, commented: "We are pleased with the results of the Fund over the first three months of the year. Our priority remains, however, further growth in both the overall Fund volume and in the liquidity of the Fund's stock on the exchange. We are currently progressing a number of opportunities to realise our stated aim of a Fund volume of € 500 million by 2022."

Arcona Capital has decided to change the method of calculation of the Fund's intrinsic value per share from ERPA-NAV to EPRA-NNAV. This method is the current market standard for real estate funds and, in the opinion of the fund manager, more properly reflects the real value of financial instruments, debts and deferred tax obligations.

The intrinsic value per share on an EPRA-NNAV basis as at 31 March 2018 is € 14.11, compared to € 14.05 as at 31 December 2017. The intrinsic value will be updated publicly on a quarterly basis. On the old EPRA-NAV calculation basis the intrinsic value per share would have been € 13.45 as at 31 March 2018 and € 13.37 as at 31 December 2017.

With effect from Monday 14 May 2018 NIBC Bank N.V. will assume the role of liquidity provider for the Arcona Property Fund. The fund manager expects this to lead to an improvement in the liquidity and price transparency of the Fund's stock.

PRESS RELEASE ENDS

Arcona Property Fund N.V. invests in commercial property in Central Europe. Shares in the Fund are tradeable daily on Euronext Amsterdam as a closed-end investment fund (ISIN-code NL0006311706).

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