



## PRESS RELEASE

Amsterdam, 9 November 2020

### **Arcona Property Fund N.V. sees recovery in occupancy rates**

**Arcona Property Fund N.V., the listed fund that invests in commercial real estate in Central Europe, saw gross rental income in the third quarter increase by 5% compared to the Covid-19 affected second quarter. In parallel, the Fund's occupancy rate recovered from 82.4% to 86.3%. Compared to the first nine months of 2019, the gross rental income for the first nine months of 2020 was 7% lower, at € 6.1 million.**

Net rental income in Q3 2020 recovered by 10.8% compared to Q2. Net rental income for the first nine months of 2020 was € 3.30 million against € 3.87 million in the same period last year. The result after tax was - / - € 1.56 million at the end of the third quarter. The adjusted earnings amounted to - / - € 425,000 against € 864,000 in the same period last year. The net asset value per share based on the NNNAV was € 12.57 as of September 30, 2020.

#### **Sales**

The sale of two non-core properties in Košice (Slovakia) was completed in October 2020. As a result of the sale, the Fund's loan-to-value ratio (LTV) reduced from 48.6% at the end of September to 46.3%. Three properties remain for sale in Košice, namely Pražská 2, Pražská 4 and Kysucká 16.

The management has also decided to place the shopping centre in Torun (Poland) on the market. The main lease has recently been extended and the centre is almost fully leased, so management does not expect to be able to add any significant additional value to the property in the coming years.

#### **Receipt of funding proposals**

The Fund has received detailed proposals from regional banks for the refinancing of its Bulgarian and Polish portfolios.

In addition, progress is being made on the repayment and / or extension of a number of smaller group-level loans that mature in the next six months.

#### **Current situation in Central Europe with regard to COVID-19**

The countries where Arcona Property Fund N.V. is active face the same or in some cases even stricter government measures than is the case in the Netherlands. The Czech Republic is currently one of the countries in Europe with the highest infection ratios.

Office premises across the region are generally open, although home working is officially encouraged. Retail and hospitality are subject to various restrictions, but the Fund's supermarkets in Poland remain open. In Košice the Fund's student accommodation has

been largely re-leased since September, but the University of Košice switched to online classes in mid-October and many students have temporarily returned home.

**PRESS RELEASE ENDS**

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.

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