

PRESS RELEASE

Amsterdam, 28 April 2022

Arcona Property Fund N.V. publishes 2021 results

Arcona Property Fund N.V. – a listed fund that invests in commercial real estate in Central Europe – has reported its results for 2021. A profit after tax of EUR 3.1 million was recorded in 2021, compared to EUR -/- 3.79 million in 2020. Shareholders' equity increased by 8% over the year. The profit for 2021 was EUR 0.83 per share against EUR -/- 1.01 per share in 2020. During the year, all ratios of the Arcona Property Fund N.V. improved.

The direct result before tax amounted to EUR 1,076,000 against a result of EUR -/- 277,000 in 2020. Net rental income on a comparable basis remained constant at EUR 4.01 million. The occupancy rate increased from 83.6% at the end of 2020 to 90.3% at the end of 2021.

In 2021, two Slovak non-core properties were sold. The proceeds from these sales have been used to repay loans. As a result, the loan-to-value decreased from 47.0% to 42.2% at the end of 2021. Due to the repayment of short-term loans and the refinancing of the Polish portfolio, the average maturity of the loans increased from 2.35 years at the end of 2020 to 3.38 years at the end of 2021.

Outlook

With the sale of the two Pražska office buildings in January 2022, almost all loans have been repaid at fund level. Despite the current challenges such as high inflation, the sharp rise in interest rates in Central Europe and Russia's invasion of Ukraine, the management sees locally continuing interest in real estate. Among other options, a sale of the office building in Brno, which is generating considerable interest, should make it possible to complete the announced share buy-back in 2022.

In the opinion of the management, the situation with Sberbank CZ in the Czech Republic is for the time being under control, despite the fact that this is a situation that has no precedent. Arcona Property Fund N.V. has now received offers from other banks with which it believes it can refinance the existing loan from Sberbank CZ in 2022.

The management is therefore confident that Arcona Property Fund N.V. can continue to trade successfully through the current political and economic volatility.

Dividend

As most free cash generated from operations and sales during 2021 and early 2022 was used for the repayment of high-yielding short-term loans, the Management Board and Supervisory Board have decided not to pay a dividend for 2021.

General Meeting of Shareholders

Arcona Property Fund N.V. intends to hold the General Meeting of Shareholders (AGM) on June 22, 2022. The call for the AGM with the agenda will be published in good time on the website of Arcona Property Fund N.V. The 2021 annual report is available on the website of Arcona Property Fund N.V.

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

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