



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

Amsterdam, 21 May 2024

Strong First Quarter for Arcona Property Fund N.V.

Arcona Property Fund N.V. (the Fund), a listed fund that invests in commercial real estate in Central Europe, achieved a pre-tax profit of EUR 555,000 in the first quarter of 2024, a 217% increase compared to the same period in 2023 (EUR 175,000). Gross rental income rose by 2.9% to EUR 1.70 million, while net rental and related income showed a 2.6% increase, reaching EUR 1.16 million. Net profit amounted to EUR 467,000 compared to EUR 84,000 in the same period last year.

The increase in net profit is attributed to higher rental income, a 9.7% reduction in fund costs, the release of the currency translation reserve, and a positive sales result on assets from Boyana Residence. Although total liabilities decreased by 8.7% compared to the same period last year, financing costs rose by approximately 2% to EUR 692,000 due to higher interest rates.

Intrinsic Value

The Triple Net Asset Value (NNNAV) per share was EUR 10.91 as of March 31, 2024, compared to EUR 10.93 at the end of 2023. This slight decline was mainly caused by negative exchange rate effects from a weaker Czech Crown. The loan-to-value ratio decreased by 0.3% to 39.2% in the first quarter.

(Preparation for) Sales

The total value of the assets held for sale increased from EUR 5.25 million at the end of 2023 to EUR 11.30 million at the end of March 2024, due to anticipated sales. A gross profit of EUR 127,000 was realized on the sale of Bulgarian apartments.

Outlook for 2024

The Fund expects its financial performance in 2024 to be strongly influenced by interest rate developments. Despite ongoing economic and geopolitical challenges, the management is confident that market sentiment and liquidity will be strong enough to successfully implement the planned sales strategy. After the repayment of short-term loans, the proceeds will be used for the execution of the announced reverse bookbuilding program.

Annual meeting

The Annual General Meeting of Shareholders (AGM) will be held on June 26, 2024. The notice for the AGM, along with the agenda, has been published on the Fund's website. The 2023 annual report can also be found on the website.

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.

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