

PRESS RELEASE

Amsterdam, 30 June 2020

Arcona Property Fund N.V. to give company update in annual shareholder meeting

Arcona Property Fund N.V., a listed fund investing in commercial real estate in Central Europe, will hold its Annual General Meeting of Shareholders (AGM) today.

Effects of Covid-19

During the meeting, the management of the Fund will update shareholders about the impact of the Covid-19 pandemic and the progress of the acquisition of the assets of SPDI. In all markets where the Arcona Property Fund operates, anti-Covid measures have now eased substantially. The actual loss of rental income to date now appears to be close to the best-case scenario forecast in March 2020 (a 10.5% decrease on an annual basis). Management observes that the recovery is progressing relatively quickly and considers that the impact on rental income over the full year will remain limited to a decrease of approximately 9%.

Most shops, offices and restaurants in the Czech Republic, Slovakia and Poland have reopened in recent weeks. By June 26, 83% of the budgeted rental income for April and 80% of the budgeted rental income for May had been received.

Portfolio changes

In the course of the third quarter of 2020, the management expects to acquire a land plot in Kiev, Ukraine and two fully-leased office buildings in Bucharest, Romania from SPDI. The two Romanian assets are the EOS building (leased long-term to Danone Romania) and a ca. 25% interest in the Delenco building, mainly occupied by the Romanian telecommunications authority ANCOM.

Arcona Property Fund is negotiating with a number of parties regarding the sale of five of its holdings in Košice, Slovakia. A sale of two buildings (Kriva 18 & Kriva 23) is anticipated in the third quarter of 2020. A number of other parties are interested in the Prazka 2, Prazka 4 and Kysucka 16 buildings. The priority for the proceeds from the sales will be the repayment of loans. At this stage the management does not consider it opportune to allocate any of these funds for the further expansion of the real estate portfolio.

Strategic update

At the shareholders' meeting, the Board of Directors will summarise the conclusions of the Fund's strategic review presented on March 19, 2020. The management first wants to refinance or repay all short-term maturing loans and to complete the SPDI acquisition. Subsequently, possible scenarios can be explored together with the shareholders, such as the sale of the entire fund, the acquisition of new shareholders or the sale of more non-core assets. The management believes that, given the current market conditions, a stable situation must first be created before this process can begin.

The presentation for the AGM can be downloaded from www.arconapropertyfund.nl

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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