

Press Release

Amsterdam, 23 August 2017

Arcona Property Fund N.V. books strong increases in net rental income

Arcona Property Fund N.V. delivered a 47% increase in net rental income over the first six months of 2017. Net rents received jumped to € 2.29 million from € 1.55 million in the equivalent period in 2016. The result after tax was € 2.2 million compared to € 119,000 the year before. The operational result improved from € 230,000 to € 852,000 over the equivalent period.

Arcona Property Fund booked an operational result of € 630,000 in the second quarter of 2017, up from € 222,000 in the first quarter - an increase of 184%. Net rents received increased by 21% from Q1 2017, from € 1,034,000 to € 1,251,000.

The accelerating improvement in the operational results of the Fund is partly due to the purchase and integration of the Polish retail portfolio in late 2016/ early 2017. In addition, the performance has been positively influenced by active management across the whole portfolio, driving down vacancy and bringing in new tenants.

Other noteworthy developments in the first half year of 2017 were:

- Increase in the occupancy rate to 83% [end 2016: 80.7%];
- Increase in the Loan to Value ratio to 52.4% [end 2016: 49.3%];
- 7.1% growth in the intrinsic value per share, to € 12.52 [end 2016: € 11.69];
- 22.2% increase of the share price, to € 6.60 [end 2016: € 5.40];
- Reduction of the discount to intrinsic value to 47.3% [end 2016: 55.5%].

For the full year 2017 the Arcona Property Fund is maintaining its forecast for an operational result of € 2.08 million, as indicated in the press release of 6 July 2017 reporting the acquisition of a Polish office building.

The full half-year 2017 report for the Arcona Property Fund is available on the website www.arconapropertyfund.nl.

Dividend policy

At the General Meeting of Shareholders on 18 May 2017 it was stated that the Arcona Property Fund would shortly publish a guideline for future dividend policy. The management hereby states that the dividend policy going forward shall be to distribute a cash amount equal to ca. 35% of the annual operational result of the Fund.

EINDE PERSBERICHT

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

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