



PRESS RELEASE

Amsterdam, 14 March 2022

Arcona Property Fund N.V. update on withdrawal of banking licence of Sberbank CZ

Arcona Property Fund N.V. – a listed fund that invests in commercial real estate in Central Europe – has financing with Sberbank CZ in the Czech Republic. Developments in Ukraine and Russia caused a bank run at Sberbank CZ. The Czech National Bank (CNB) subsequently decided to revoke the banking licence of Sberbank CZ.

Arcona Property Fund N.V., through its 100% subsidiary Arcona Capital RE Bohemia s.r.o. (ACREB), took out a loan from Sberbank CZ in 2019. The loan amounted to EUR 8.45 million as at December 31, 2021. The loan has a term until March 31, 2024 and the loan-to-value ratio is approximately 44%. In addition, ACREB has a number of accounts there for daily payments.

The effect of the CNB's actions has been the freezing of all cash deposits on ACREB's accounts with Sberbank CZ. It is also no longer possible to transfer money in and out of accounts at Sberbank CZ. However, the amounts frozen are sufficient to cover interest and principal repayments on the loan in the medium term. The loan is not in default.

ACREB has now opened a new account with Raiffeisen Bank to manage day-to-day business. This will enable payments to be made to suppliers and the subsidiary to continue its normal business operations. As a precautionary measure, an application has also been made to the State Bank Guarantee fund for release of EUR 100,000, being the maximum amount covered by the scheme for individual depositors.

It is currently unclear what will happen to the loan portfolio of Sberbank CZ. It is possible that the authorities will order the transfer or the sale of the loan book to another bank. It is also possible that the loan book of Sberbank CZ will be wound down in an orderly fashion. In such circumstances the plan of ACREB would be to refinance the Sberbank loan with another bank. Management does not currently anticipate that a refinancing on normal market terms would be difficult to arrange.

PRESS RELEASE ENDS

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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