

PRESS RELEASE

Arcona Capital: Sale of two Office buildings on the city centre outskirts of České Budějovice

Arcona Capital Central European Properties a.s. (ACCEP), has sold its two office buildings in České Budějovice to two local investors

Prague, 25 March 2020: Arcona Capital has signed contracts for the sale of two office buildings in České Budějovice. Total sale prices amount to CZK 56 million, circa 14,5% above the independent valuation level (as at end of 2019) of CZK 49 million.

The properties are located on Kněžkodvorská Street and Senovážné Square, both on the outskirts of the town centre and provide 3 258m² respectively 1 734m² of lettable area. Key tenants are companies with strong covenants like telecommunication provider Cetin from the PPF group and state post giant Česká Pošta. Purchasers are local real estate investors, who focus on smaller to medium size income producing real estate in key regions of the Czech Republic.

Zbynek Laube, Arcona Capital's Head of Asset Management and Development for Central Europe, says: *"We are very pleased about the signing of both deals, especially in the current market and social environment. The achieved sales prices exceeded our expectations, provide very good returns to investors of ACCEP and indicate still positive approach of property investors"*.

The sale demonstrates that the current portfolio of ACCEP has considerable long-term potential for capital growth even in the current challenging market conditions. ACCEP plans to continue to search for such opportunities to realise above-average returns for its investors.

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Note to editors:

Arcona Capital is an independent manager of property funds and real estate assets across Northern and Central Europe. It offers space in over 50 buildings throughout the Czech Republic, whose lettable area exceeds 200,000 square meters. Another eight office buildings are located in Slovakia, namely in Bratislava, Zilina and Kosice.

The Prague office of the company manages a real estate portfolio of private and institutional investors totalling €250 million. In addition to office buildings, Arcona Capital manages funds investing in production facilities, warehouses and retail parks, making it a leading provider of space in the commercial real estate market in the region.