

PRESS RELEASE

Amsterdam, 6 December 2019

Arcona Property Fund N.V. completes acquisition of Boyana Residence

Arcona Property Fund N.V. has completed the acquisition of the Boyana Residence (Boyana) project of Secure Property Development & Investment (SPDI). The appraisal value of the Boyana property is € 8,181,000. Arcona Property Fund finances the acquisition with the issue of 315,591 new shares and 77,201 warrants. A seller's loan of € 750,000 is also being taken over. As a result of the acquisition, the loan-to-value of the fund decreases from 50.6% to 49.8%.

The project in the chic residential area of Boyana, eight kilometers south of the center of Sofia, has € 3.25 million in bank financing from Alpha Bank. The project consists of an apartment complex with 67 apartments and 16,740 m² of development land. Of the 67 apartments, 34 apartments have already been sold. The 33 remaining apartments will be sold after a limited renovation. 174 apartments can be developed on the development grounds.

After the acquisition of Boyana and the delivery of the shares, the fund ratios of Arcona Property Fund are as follows:

- Fund assets: € 108.2 million.
- Equity: € 49.2 million.
- Number of outstanding ordinary shares in Arcona Property Fund: 3,748,683.
- Net asset value (EPRA-NNNAV) per Arcona Property Fund share: € 13.19.

The warrants give the right to 77,201 shares in Arcona Property Fund. As indicated in the press release of 7 August 2019, the warrants can be converted into Arcona Property Fund shares if the share price of Arcona Property Fund reaches a price level of € 8.10 before 1 November 2024, or earlier if a prospectus regarding the shares and / or the warrants are published.

The Arcona Property Fund shares are not delivered to SPDI, but to an escrow agent, the Boyana Foundation. The Boyana Foundation holds the shares until Arcona Property Fund has reached agreement with Alpha Bank on the extension of the loan that has since been canceled. If no agreement is reached with the bank, the Boyana Foundation will return the shares to Arcona Property Fund. If agreement is reached, the shares will be delivered to SPDI.

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.

For more information:

Arcona Capital Fund Management B.V.

Tel: 020 - 820 4 720

E-mail: info@arconacapital.com

www.arconapropertyfund.nl