



P R E S S R E L E A S E

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Corona puts pressure on Arcona Property Fund N.V.'s quarterly result

Arcona Property Fund N.V., a listed fund investing in commercial real estate in Central Europe, saw gross rental income as a result of the COVID-19 pandemic fall by 6.2% in the first quarter of 2021 to EUR 1.87 million, compared to first quarter of 2020. COVID-19 also had an impact on net rental income and result before tax, which both decreased in Q1 2021 compared to the same period last year, when the impact of COVID-19 was still limited. The quality and stability of the real estate portfolio improved in the first quarter due to the successful refinancing of the Polish portfolio and the sale of Kosmalt.

The net rental income of the comparable portfolio decreased by 12.5% in the first quarter to EUR 930,000. The result before tax was EUR 78,000 negative in the first quarter, against a positive result of EUR 176,000 in the same period of 2020. The result before tax without valuation and sales result improved in Q1 2021 to EUR 50,000 negative against EUR 278,000 negative in the same period of 2020.

The drop in gross rental income was mainly caused by the lower rental income from the Kosmalt property. The gross rental income of Kosmalt decreased from EUR 242,000 in Q1 2020 to EUR 157,000 in Q1 2021. Kosmalt mainly offers student accommodation. The University of Košice has been closed since November 2020, causing the students to stay away and the rental income to fall substantially. Kosmalt has recently been sold for an amount just above the appraisal value.

At the end of the first quarter, the entire Polish portfolio was refinanced, with the average term of the loans being extended by 1.6 years to 3.1 years. The loan-to-value ratio is now 47.5%. The sale of Kosmalt led to an increase in the occupancy rate from 83.6% to 87.9%.

The net asset value based on NNAV increased slightly and amounted to EUR 11.87 per share as of March 31, 2021, compared to EUR 11.84 per share on December 31, 2020.

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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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