

PRESS RELEASE

Amsterdam, 8 November 2017

Arcona Property Fund N.V. drives growth in Q3.

Arcona Property Fund N.V. has closed the third quarter of 2017 with a profit before tax of € 3.3 million, up from € 0.45 million in the same period of 2016. Gross rental income totalled € 2.68 million over the quarter, up from € 1.56 million in the third quarter of 2016. The Q3 operational result – profit before tax excluding valuation gains and one-off charges – grew to € 0.61 million, compared to € 0.34 million in Q3 2016.

Over the first nine months of 2017 the operational result of the Fund was € 1.52 million, up from € 1.01 million over the same period in 2016. Net rental income reached € 3.49 million, up from € 2.23 million over the same period in 2016, an increase of 56,8%.

The performance of the Fund's real estate portfolio, in Poland, Czech Republic and Slovakia, showed further improvements in Q3 compared to the preceding quarter, with the recently purchased Maris office building in Szczecin, Poland, contributing to the results from early July onwards.

The portfolio occupancy rate improved in Q3 from 78.4% to 82.3%, an improvement of 3.9%. Loan to Value ratios increased, from 52.4% to 55% at quarter end as a result of the Maris acquisition and the sale of the Gemerska office building in Slovakia.

The Fund's property at Drahobejlova 27 in Prague was put up for sale during the quarter. The Fund management considers that favourable tax and local market conditions have created an opportune moment to sell this small B-class property. Situated in Prague's 8th district, the building was constructed in 1930 and currently provides 2,387 m² of office space. The sale is expected to be completed early in 2018.

Guy Barker, Managing Director of Arcona Capital Fund Management, explained: "The third quarter results are very much in line with our publicised expectations. Our priority now is further growth in the Fund and an increase in the liquidity of the Fund's stock on the exchange."

"The application for a secondary listing for the Fund on the Prague Stock Exchange is part of our strategy to increase the market visibility of the Arcona Property Fund, to improve the liquidity of the stock and to reduce the discount of the stock price to the intrinsic value per share."

"We continue to work on further acquisitions, principally off-market deals. We maintain our positive forecasts for this year and are confident we will be able to continue the established trend of distributions to shareholders".

PRESS RELEASE ENDS

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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