



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

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Arcona Property Fund N.V. reaches highest occupancy rate in 10 years

The Arcona Property Fund N.V. concluded the third quarter of 2018 with a profit before tax of € 0.26 million. The gross rental income amounted to € 2.63 million, against € 2.68 million in the third quarter of 2017. The operating result in the third quarter amounted to € 0.51 million, compared with € 0.61 million a year earlier. The occupancy rate increased to 86.9% at the end of the quarter, the highest level in ten years. The EPRA NNAV increased to € 13.98 per share.

Over the first nine months of 2018, the operating result of the Fund was 3.9% higher at € 1.58 million, compared with € 1.52 million in the same period in 2017. Gross rental income increased by 4.6% compared to the same period in 2017 to € 6.5 million. Net rental income amounted to € 3.47 million (same period 2017: € 3.49 million), reflecting exceptional maintenance and repair expenditure in the portfolio and rebranding costs for part of the Polish portfolio.

The occupancy rate at the end of the third quarter was 86.9%, an increase of 290 basis points compared to 30 June 2018 (84.0%). The increase was mainly due to improvements in Slovakia, but in Poland the occupancy rate also increased, to 90.0%. The loan to value ratio declined from 51.1% to 50.3% at the end of the third quarter. This decrease was the result of regular repayments and a slight increase in the value of the real estate portfolio due to capital investments and building upgrades.

The occupancy rate has increased further in the fourth quarter. In the Maris building in Poland a lease agreement for 170 m2 for five years has been agreed with Prudential Insurance. Education company S-Comp, which leases the ground floor of the office building Palmovka in Prague, will expand into 319 m2 on the first floor from the beginning of 2019.

P R E S S R E L E A S E E N D S

Arcona Property Fund N.V. invests in commercial property in Central Europe. Common shares in the fund (ISIN-code NL0006311706) are tradeable daily via Euronext Amsterdam as well as via the Prague Stock Exchange as a closed-end investment fund.

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