



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

Amsterdam, 12 January 2023

Arcona Property Fund N.V. reports slightly lower portfolio values

Arcona Property Fund N.V. has completed the annual revaluation of its real estate portfolio. The appraised value of the 21 properties was set at EUR 82.4 million as at 31 December 2022, a decrease of 1.7% (EUR -/- 1.43 million) compared to the last reported value of the comparable portfolio.

In euros, the value of the 11 Polish assets fell by 3.5%. The three Czech properties increased in value by 1.8%. In Slovakia, Romania and Bulgaria, values decreased by 3.3%, 3.1% and 9.3% respectively.

In Ukraine, as a result of recent developments in the conflict, the management has decided to apply 33% (EUR 980,000) of the original value for the development site in Odessa. In March 2022, after the Russian invasion, the value of this property was written down to nil. For the development site in Zaporozhzhia, which is closer to the current front lines in eastern Ukraine, a value of zero will be retained in the accounts for the time being.

These portfolio valuation figures exclude the asset in Brno, Czech Republic, the sale of which completed on 1 December 2022. The price achieved was EUR 4.43 million, EUR 1.28 million above the valuation as at 31 December 2021 of EUR 3.15 million.

Guy Barker, managing director of Arcona Capital Fund Management B.V.: “During 2022 market sentiment has been negatively affected by the war in Ukraine and by sharp increases in financing rates, energy and service costs. Nevertheless, occupancy levels have held up well and inflation-driven indexation of rents is pushing up rental income. Although transaction activity has decreased, capital values have shown only minimal adjustments across the region (apart from Ukraine). A decisive pricing factor in 2023 will be interest rate expectations.”

The external valuation of the property portfolio (excluding Ukraine) was performed by Knight Frank, Forton/Cushman & Wakefield and CBRE in accordance with Section 4:37k of the Financial Supervision Act.

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

Arcona Property Fund NV invests in commercial real estate in Central Europe. Shares of the Fund (ISIN code NL0006311706) can be traded daily via Euronext Amsterdam as a closed-end investment fund.

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