



ARCONA CAPITAL

PRESS RELEASE

Amsterdam, 1 April 2021

Arcona Property Fund N.V. completes Polish loan refinancing

Arcona Property Fund N.V., a listed fund investing in commercial real estate in Central Europe, has completed the refinancing of its Polish freehold portfolio, consisting of a modern office building and seven regional supermarkets. The seller's loan used to purchase the three leasehold regional Polish supermarkets has also been refinanced with a new loan.

Refinancing office building and regional supermarkets

The new loan to refinance the Maris office building and the regional supermarkets has been provided by HYPO NOE Landesbank für Niederösterreich und Wien AG (HYPO NOE) from Austria. The loan has a volume of EUR 14 million and a term of five years. The interest rate is 6-month Euribor plus a margin of 2.95%. With the loan from HYPO NOE, the short-term loans from BNP Paribas Bank Polska S.A. and DNB Bank Polska S.A. amounting to approximately EUR 13.35 million have been fully refinanced.

The loan from BNP Paribas Bank Polska S.A. had an interest rate of 1-month Euribor plus a margin of 3.25%. The loan from DNB Bank Polska S.A. had an interest rate of 3-month Euribor plus a margin of 3.0%. In addition to a lower interest rate, the new loan also has a more favorable repayment schedule. As a result, the average annual repayment and interest obligation falls from EUR 1,269,000 to approximately EUR 940,000.

Refinancing three leasehold supermarkets

For the other Polish subsidiary, owner of three regional supermarkets on leasehold land, a new loan of EUR 2.2 million has been signed with an investment fund from Poland. The new loan has a term of three years, the interest is Euribor plus a margin of 8.50%. The new loan will be used to pay off the expiring seller's loan. Financing costs will decrease by approximately EUR 100,000 here on an annual basis.

Guy Barker, managing director, said: "We are pleased to be able to announce the full refinancing of three short-term loans with two long-term loans on better terms. In the midst of COVID-related uncertainty, this was not without its challenges. Success was entirely due to our local teams and their good contacts in the market. Due to the refinancing, the weighted average term of the Fund's financing increases from 1.6 to 3.1 years, with a loan to value ratio of 47.5%. This year we plan to refinance / repay the remaining short-term loans, primarily by continuing to sell (non-core) assets. We expect to be able to make further announcements on progress here in the coming quarter".

The entire Polish property portfolio of Arcona Property Fund N.V. is now financed on a long-term basis.

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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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