

These minutes will be adopted by the Supervisory Board and signed by the chairman of the Supervisory Board as evidence thereof on 8 September 2022. Till end November, persons who attended the meeting can send their comments to: info@arconacapital.com

Minutes of the General Meeting of Shareholders of

Arcona Property Fund N.V.

d.d. 22 June 2022 in Amsterdam.

Present

Members of the Supervisory Board

H. H. Kloos RBA

M. P. Beys

Drs. J. J. van Heijst

Drs. B. Vos

*Management Board Arcona Capital Fund Management B.V. (the **Board**)*

G. St. J. Barker LLB FRICS

drs. P.H.J. Mars

H. H. Visscher

Board of the Stichting prioriteit APF (the Priority)

G. St. J. Barker LLB FRICS

H. H. Visscher

Deloitte Accountants N.V.

J. Holland, partner

J. v.d. Akker

On behalf of Arcona Capital Fund Management B.V.

Mrs. M. T. H. Blokland BBA, secretary

Shareholders

2,418,870 votes present, representing 57.07% of the outstanding capital

Agenda

1. Opening
2. Report of the Management Board financial year 2021
3. Current matters
4. Adoption of the annual report 2021 and allocation of the result
5. Discharge from liability for 2021 of the Management Board
6. Discharge from liability for 2021 of the Supervisory Board
7. Composition of the Supervisory Board
 - A. In accordance with the retirement schedule and the maximum appointment term of 12 years, Mr. B. Vos is stepping down
 - B. For the vacancy that arises, St. Prioriteit APF proposes to appoint Mrs. A. N. Krol as a member of the Supervisory Board
 - C. In accordance with the retirement schedule, St. Prioriteit MERE proposes to reappoint Mr. H. H. Kloos as a member of the Supervisory Board
8. Questions
9. Closing

1. Opening

The chairman opens the meeting of Arcona Property Fund N.V. (the **Fund**) and welcomes the attendees.

The chairman furthermore states that the entire board of Directors of Arcona Capital Fund Management B.V. (the **Board**) is present at this meeting.

The chairman notes that the meeting was convened by means of the announcement on 10 May 2022, therefore before the statutory deadline of 42 days. The annual accounts were also made available for inspection within this period via the website of the Fund. The chairman therefore concludes that legally valid decisions can be taken on all announced subjects.

The attendance list shows that 14 shareholders or proxies are present, together representing 2,418,870 shares, being approximately 57.07% of the outstanding share capital.

Before giving the floor to the Board, the chairman states that he has decided not to stand for re-election as chairman of the Supervisory Board and therefore a vote on agenda item 7C. will not be applicable.

2. Report of the Board financial year 2021

Mr. Visscher clarifies on the basis of the presentation the achievements during 2021 such as the sale of non-core assets and the loans refinanced which decreased the debt service during 2021. The presentation is an integral part of the minutes.

Despite the impact of the COVID pandemic on the occupancy, the Board succeeded in selling two non-core assets in Košice and one in Žilina around or above valuation. In April 2021, the Board succeeded in refinancing the Polish Maris office building and the seven Polish freehold regional supermarkets at more favourable conditions. Also the loan of the three leaseholds has been refinanced. This and the instalment of expensive loans on NV-level improved the Fund's financing structure which is demonstrated by the improvement of the loan key figures such as Loan-to-Value and Loan Maturity.

Balance sheet and Profit and Loss statement

Mr. Visscher gives a summary of the figures.

Mr. *Rienks* asks for an explanation of the different numbers for profit per share. Mr. Visscher replies that this is due to differences in calculation and whether the deferred tax taken into account or not. The accountant from Deloitte, Mr. J. Holland, explains further that the differences are related to the different benchmarks of other listed funds in Europe in order to enable comparison of the ratios. At the same time Mr. Holland agreed this may create some confusion.

There are no further questions in relation with the financial figures. Subsequently the tenant mix is clarified showing a favourable diversity which is an important element of asset management.

3. Current matters

The floor is then given to Mr. Barker who gives a clarification on the events in 2022.

In 2022, another two assets in Slovakia have been sold, leaving two other assets in Slovakia in the portfolio: one in Bratislava and the Letna building in Košice. From 2020 onwards the Board sold assets for € 20.2 million, all around or above valuation. The Board is pleased with this result especially when taking into account the questionable quality of the assets sold (in particular Žilina and Kosmalt). This 'cleaning up' of the portfolio had a considerable positive impact on key figures of the portfolio and especially on the occupancy rate.

Ukraine

Due to the Russian invasion and the uncertainty resulting therefrom, the Board resolved to mark down the value of the two Ukrainian plots per 31 March 2022 to zero.

Mr. *Winkelman* asks whether investing in the Ukraine is admitted according to the current investment policy. Mr. Barker confirms this and states that pursuant to the current Registration Document of 19 October 2016 only the undertaking of Real Estate development is not admitted.

Mr. *Kuiper* enquires after the Board's intention to invest in the Ukraine seen the attachments with Russia for a longer period. Mr. Barker explains the business model behind the package deal with SPDI. The Ukrainian plots:

- i) Were a small part of the overall package deal with SPDI of € 25 – 30 million GAV;
- ii) Have been paid for by the issuance of the Fund's shares with a pricing in cash terms of 40% of the appraised value of the sites, and;
- iii) enabled the Fund to acquire the logistic site in Odessa with a nominal value of € 3 million for less than € 1.5 million. The Ukrainian plots represent 3-5% value of the overall Fund. Of course, the Board – nor a lot of other investors investing in the Ukraine – anticipated the Russian invasion.

Mr. *Winkelman* mentions that the nominal value of the acquisition price should also reflect the (potential) value of the warrants and requests to minute the nominal value including this potential conversion. Mr. Barker states that the value of the Fund shares reflects the price of € 1.5 million. It is clearly noted in the press releases and Annual Reports that if the stock price reaches a certain value, the warrants *may* increase the overall price in the future.

Sberbank loan

GB mentions that the conditions of the loan with Sberbank CZ [€ 8.45 million, loan to value of 44%] and with an Interest Rate Swap (IRS) with a positive value of € 294,000 (31 December 2021) are quite favorable. The Board has taken legal advice and is daily monitoring the situation. The Czech National Bank decided to revoke the banking licence of Sberbank CZ.

If possible, the Board would like to keep the Sberbank CZ loan in place but is also in negotiation with another bank for an alternative loan. Currently the deposit, a net amount of € 300,000, is blocked on the Sberbank CZ account. For operational purposes an account with Raiffeisen has been opened.

In the event that the loan book will be transferred to another bank including the swap, then the Fund is 'back in business'.

Acquisition SPDI assets

Delenco

Mr. Barker gives a short summary on the acquired 21.18% stake valued at € 3.81 million in the Delenco office building partly leased to the Romanian Telecoms Authority (ANCOM) as announced in April 2022.

Delenco – EOS

In June the Fund acquired

- The remaining share of 3.17% share in the Delenco office building (total interest: 24.35%);
- The EOS office in Bucharest, fully let to Danone.

As the Delenco building has no debt, the Board discusses with the other stakeholders the refinance options which could result in a cash injection of € 3 million for the Fund.

Mr. *Kuiper* asks whether this is the last part of the SPDI deal. Mr. Barker replies that the original deal – agreed upon under the growth strategy – is not finalised and he will come back to it.

Poland – lease extension

For the supermarket area in Inowroclaw II, the Fund signed a 7-year lease with Carrefour which will replace the current tenant SPAR on more favourable terms.

Sale of assets

Mr. Barker then gives an insight in the potential sales and the strategy of the Board to optimize the proceeds which will be used for the share buyback.

VUP property Brno

Due to the development potential (from office to residential) identified by the Board, several bids have been received substantial above valuation (up to 28% above valuation). The timing on the completion of the sale and subsequently the loan instalment will depend on the developments with Sberbank CZ. The intention is to sign the contract with the purchaser and then agree on a delay of approx. 6 months for completion with one month's notice. The Board expects to be able to complete the deal in September. Upstream potential for the Netherlands is up to € 2 million.

Záhradnícka 46, in Bratislava

The property has also residential redevelopment potential. Bids are expected during the third quarter.

Boyana Residence:

The Fund plans to sell separate plots in order to repay the bank loan with Alpha Bank. The balance will be used for capex to refurbish the apartments for the purpose of sales.

SPDI – land plots

There is an agreement with SPDI to acquire two land plots in/ near Kiev. Conditions to the contract need to be fulfilled by SPDI first. The expectation is that this will not take place in the short term.

Mr. *Kuiper* asks whether this means a delay or cancellation of this part of the deal. Mr. Barker replies that it is (for now) a delay. It could be a permanent delay if SPDI is unable to fulfil the conditions.

Focus 2nd half of the year

Mr. Barker stated that the main aim is to generate cash by means of the presented sales to fund the share buyback.

Mr. *Van Heijst* asks after the meaning of “necessary” dividend in relation with the 1st phase of the share buyback. Mr. Mars explains that in order to avoid a tax claim, ABN AMRO advised the Fund to distribute dividend first and then start the share buyback. Thereafter, for example after three months, a reversed book building process could be started. The first phase (dividend and start of buying shares in the market) takes € 1.5 to € 2.0 million, the second phase (reversed book building) will need more funds.

4. Adoption of the annual report 2021 and allocation of the result

The chairman then puts the adoption of the annual accounts for the 2021 financial year to a vote. The 2021 annual accounts are adopted by the General Meeting of Shareholders and the profit is allocated to the reserves.

5. Discharge from liability of the Management Board for its management

The chairman then puts agenda item 5 to a vote and notes that the General Meeting of Shareholders has discharged the Management Board for the policy pursued during the past financial year.

6. Discharge from liability of the Supervisory Board for its supervision

The chairman then puts agenda item 6 to a vote and notes that the General Meeting of Shareholders has discharged the members of the Supervisory Board for their supervision.

7. Composition of the Supervisory Board

- A** In accordance with the retirement schedule and the maximum appointment term of 12 years, Mr. B. Vos is stepping down;

The chairman thanks Mr. Vos for the pleasant and fruitful cooperation and for his important role for the Fund during some challenging times prior to Arcona Capital taking over the management. Mr. Vos thanks the chairman for the pleasant cooperation as well and wishes him well and thanks the investors for their trust.

- B.** For the vacancy that arises, St. Prioriteit APF proposes to appoint Mrs. A. N. Krol as a member of the Supervisory Board;

Mr. Kuiper asks Mrs. Krol whether she will take a special role within the Supervisory Board.

Mrs. Krol replies that she expects to use her legal and governance expertise for fulfilling her task as Supervisory Director. The chairman then puts agenda item 7B to a vote and notes that the General Meeting of Shareholders has approved the proposal to appoint Nelleke Krol. The chairman congratulates Mrs. Krol on her appointment.

- C.** Mr. H. H. Kloos has decided not to stand for re-election as chairman of the Supervisory Board.

Mr. Barker thanks Mr. Kloos on behalf of the management for his role and expertise the past 10 years and his consistent representation of the shareholders. He adds that the composition of the Supervisory Board is to be reviewed going forward with the aim to obtain a balanced composition of 4 members of which at least two members should be independent.

Mr. Beys thanks the chairman for leading the Supervisory Board with grace and dignity and for transitioning him to the Supervisory Board and congratulates him with a job well done. He then welcomes Mrs. A.N. Krol to the Supervisory Board.

8. Questions

Mr. Van Heijst mentions that he objects to the title of 'warrants'. Effectively they are bonus shares and requests this to be noted.

Mr. Kuiper mentions that a letter from a group of shareholders has been sent to the Supervisory Board to ask for a meeting and discussion on several issues concerning the future of the Fund.

The chairman confirms the commitment from the Supervisory Board that consultations will take place between a group of shareholders and the Supervisory Board.

9. Closing

Being no further business, the chairman thanks the attendees for their input and attention and closes the meeting. A copy of these minutes will be sent to the Board, so that the Board can take note of the decisions made.

These minutes were adopted by the chairman and the secretary of the meeting on 2022 and signed by them in evidence thereof.

Chairman:

Secretary:

H. H. Kloos

M. T. H. Blokland