

These minutes will be adopted by the Supervisory Board and signed by the chair of the Supervisory Board as evidence thereof on (+3Months.2024). Up till then, 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. 26 June 2024 in Amsterdam

### **Present**

*Members of the Supervisory Board*

Mr. Drs A.N. Krol (the **Chair**)

M.P. Beys

J.J. van Heijst M.Sc

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

G. St. J. Barker LLB

Mrs. M.T.H. Blokland QCO

M. van der Laan

P.H.J. Mars M.sc

*Board of the Stichting prioriteit APF (the **Priority**)*

G. St. J. Barker LLB

P.H.J. Mars M.sc

*Fund Manager*

J.M. Poot

*Deloitte Accountants N.V.*

J. van de Akker, partner

*Shareholders*

2,171,531 votes present, representing 51.99% of the outstanding capital.

### **Agenda:**

1. Opening
2. Report of the Management Board financial year 2023
3. Current matters
4. Update Monetisation process
5. Adoption of the annual report 2023 and allocation for the result
6. Discharge from liability for 2023 of the Management Board
7. Discharge from liability for 2023 of the Supervisory Board
8. Questions
9. Closing

### 1. Opening

The Chair opens the General Shareholders Meeting (the **Meeting**) of Arcona Property Fund N.V. (the **Fund**) and welcomes the attendees.

The Chair states that the entire board of directors of Arcona Capital Fund Management B.V. (the **Board**) is present at the Meeting.

The Chair notes that the Meeting was convened by means of the announcement on 14 May 2024, therefore before the statutory deadline of 42 days. The annual accounts were made available for inspection within this period at the website of the Fund. The Chair therefore concludes that legally valid decisions can be taken on all announced subjects.

The attendance list shows that 11 shareholders or proxies are present, together representing 2,171,531 shares, being approximately 51.99% of the outstanding share capital.

### 2. Report of the Management Board financial year 2023

The Chair gives the floor to Mr. Poot. Mr. Poot presents and clarifies the key developments in 2023 by means of the presentation which is an integral part of the minutes.

In 2023 the Fund distributed a gross dividend of € 0.1765 (net € 0.15) per share to shareholders and refinanced the Czech portfolio. A solid operational performance has considerably improved most key parameters such as net rental income and earnings per share.

#### Balance sheet and Profit & Loss statement

Mr. Poot gives a clarification on the balance sheet and Profit & Loss statement. The shift from long term debt to short term debt can be explained by the increase of the interest rates which negatively influenced the bank covenants of some loans for which waivers have been obtained. This automatically results in the classification of the loan concerned into short term debt.

Finally, Mr. Poot states that the Profit & Loss statement shows a considerable improvement of the 2023 result compared to 2022. The impact of the increase of the financial expenses in 2023 are visualized in the waterfall graphic. There are no further questions in relation to the financial figures.

### 3. Current matters

The floor is then given to Mr. Barker who gives an update on current matters and the recently announced sales.

Mr. Barker states that the sale of the Záhradnícka asset in Bratislava – which was a combined transaction with the Karlin asset in Prague – further reduces the holdings in Slovakia, which originally comprised 11 assets. Completion is expected end of July, early August.

*Boyana Residence, Sofia, Bulgaria*

Our local asset manager was very successful in selling the apartments. Particularly last year, apartments were sold as high as 50% above valuation, following restructuring of the project's debt and refurbishment of part of the complex. With the last package sale, the Fund has no representation in Bulgaria anymore. Completion is expected in August.

#### *Karlin, Prague, Czechia*

The asset – a core asset at the peak of its value – has been sold to the same purchaser as the asset in Bratislava. The deal has been signed and will be finalized late September, early October. The net proceeds will be used for installing loans and potentially, a new phase of the reverse book building. In general, the market in Czechia is quite positive, with adequate liquidity and some interesting opportunities.

#### *Leaseholds Poland*

Possible purchasers are limited as leaseholds cannot be mortgaged. Currently the market is a little more positive. The aim is to sell one or two leaseholds in H2 2024 in combination with one of the freeholds to make a deal more viable for certain purchasers. Neither Lodz or Torun have any debt against them or a bank loan which means that sale proceeds of around € 3.2 million can be up streamed and fully distributed to shareholders. The old debt was installed by two new loans on NV level which need to be installed by yearend. Regarding Bydgoszcz, the lease expires early 2025 and the freeholder is taking back possession of the property and need to pay the Fund compensation which we currently are negotiating.

#### 4. Update Monetisation process

Guy Barker sums up that during the first six months of the Monetisation Process, the Fund has sold EUR 13 million gross, app. 1/3 of the € 40 million target, so the process is on schedule. The share price has increased over this period. The Fund has another € 25 – € 27 million of assets in view for bringing to the market.

#### *Letna, Kosice, Slovakia*

Slovakia is considered to be a peripheral market and since the takeover of the Fund, the Board has decreased the portfolio representation in Slovakia from 11 assets to one remaining, Letna, valued at > € 12 million. Asset management in Prague is currently in negotiation with the tenant AT&T. Before the negotiations have been finalized, it is strategically not advisable to sell the asset. Officially, Letna is not part of the Monetisation process. However, Slovakia, with the current political developments, is not a country where the Fund needs to maintain a presence.

#### *Focus H2 2024*

Maris, a modern office building in Szczecin, Poland, is potentially an asset to be put on the market when the occupancy has been improved up to a level of approx. 80 – 85%. A new lease has just been signed today, another lease is about to be signed which will bring the occupancy level up to 85%.

In 2023 the Fund was able to absorb the general increase of financial costs due to the overall LTV of <40%. This would not have been the case if the LTV was still 60% plus. Guy Barker concludes by stating that against the background of improving market conditions such as decreasing interest rates, the Fund should

be able to continue to dispose of (non-)core assets whilst maintaining operational performance at robust levels.

#### *Tender Offer*

The floor is then given to Mr. Poot who gives a clarification on the technical elements and the procedure of a reverse bookbuilding, the so-called Tender Offer. When the proceeds of the first two sales have been received, the Fund will announce the conditions (minimum and maximum price, total amount, period between opening and closing of the Tender Offer) at which Fund will purchase her own shares. The order acceptance hierarchy and timetable of events is further explained. On the announcement date – max. 3 days after the closing date of the tender offer – the Fund will announce by means of a Press Release the number of shares repurchased, the *clearing price* and the allocation.

*Mr. Blom* inquires what happens after the acceptance of orders if the amount available is exceeded and whether all brokers are able to give orders. *Mr. Mars* replies that the acceptance of orders on the same price will be pro rata. He believes that all brokers are able to give orders to tender APF shares. If there are any questions, brokers can contact ABN AMRO and ask for their assistance. *Mr. Mars* also mentions that the order book during the Tender Offer with offered shares is not visible for shareholders or the Fund.

*Mr. Lemoine* refers to the announced EGM of SPDI on 10 July 2024 and inquires whether SPDI expects that APF shares will be tendered after the share exchange. *Mr. Beys* replies that after the EGM, SPDI will make an announcement to the market about the decision of the EGM regarding the proposed distribution of APF shares to their shareholders.

*Mr. Blom* asks whether the Fund may delay the Tender Offer in view of the distribution of the APF shares currently held by SPDI. *Mr. Mars* clarifies that the Fund has no intention to wait for the completion of SPDI's distribution of APF shares.

*Mr. Ketelaar* inquires about the available proceeds used for the Tender Offer and the timing. *Mr. Mars* explains that the proceeds of the two sales that are completed first – expected end of August - will be used to install the bank loans relating to the asset (in case of the sale of Bratislava), to install loans on NV-level and to fund the first tranche of the Tender Offer. The proceeds of the third sale, Karlin, will be used to install the bank loan and possibly loans on NV level and/or for the new tranche of the Tender Offer.

#### 5. Adoption of the annual report 2023 and allocation for the result

The Chair then puts the adoption of the annual accounts for the 2023 financial year to a vote.

The Chair notes that the 2023 annual accounts are adopted by the Meeting by acclamation and the result is added to the reserves.

#### 6. Discharge from liability for 2023 of the Management Board for its management

The Chair then puts item 6 to a vote and notes that the Meeting has adopted by acclamation the proposal to discharge the Board for the policy pursued during the past financial year.

7. Discharge from liability for 2023 of the Supervisory Board

The Chair then puts agenda item 7 to a vote and notes that the Meeting has discharged by acclamation the members of the Supervisory Board for their supervision during the past financial year.

8. Questions

*Mr. Blom* asks whether the presentation will be published on the website. *Mr. Mars* confirms this. Further *Mr. Blom* asks the Board's intention for the future of the Fund after the end of the Monetisation process of 18 months mid 2025.

*Mr. Mars* replies that a decision will need to be made in due course by the shareholders. *Mr. Barker* adds that the Fund, once the Monetisation process and Tender Offer have been completed, will then have a new shareholders base and a core portfolio of which 90% consists of modern assets in Czechia and Poland which will offer new opportunities and options like taking the Fund private.

*Mr. Ketelaar* suggests putting the future of the Fund on the agenda of the General Meeting in 2025. *Mr. Barker* states that he is supportive of a broader discussion about the future of the Fund before taking a decision. An Extraordinary General Meeting could be evoked after the close of the Monetisation process to discuss the Fund's future.

9. Closing

Being no further business, the Chair 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 Chair and the secretary of the Meeting on ..... 2024 and signed by them in evidence thereof.

Chair:

Secretary:

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A.N. Krol

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M.T.H. Blokland QCO