These minutes will be signed by the Chairman of the Supervisory Board on 3 February 2022. Until then, individuals who attended the meeting can send a substantive response to: info@arconacapital.com

In case of inconsistencies between the Dutch and English version of these minutes, the English version will prevail.

Minutes of the Extraordinary General Meeting of Shareholders of

Arcona Property Fund N.V.

d.d. 5 October 2021 in Amsterdam.

Present

Members of the Supervisory Board
H. H. Kloos RBA, chairman
MS. B. Vos
MS. J. J. van Heijst
MS. M. P. Beys

Board of Directors Arcona Capital Fund Management B.V. (the Board)
G. St. J. Barker LLB FRICS
MS. P. H. J. Mars
H. H. Visscher

On behalf of Stichting Prioriteit MERE (the Priority)
G. St. J. Barker LLB FRICS
H. H. Visscher

On behalf of Arcona Capital Fund Management B.V.
Ir. J. M. Poot, Fund Manager
Mrs. M. T. H. Blokland BBA, secretary

Shareholders
2,045,958 votes representing 54.43% of the outstanding capital

Agenda

1. Opening;
2. Future strategy;
3. Share buyback programme as proposed by the Management Board;
4. Questions;
5. Closure.

1. Opening

The chairman opens the meeting of Arcona Property Fund N.V. (**the Fund**), warmly welcomes everyone and further declares that the entire board of Arcona Capital Fund Management B.V. (**the Board**) is present at this meeting.

The chairman notes that the meeting has been convened by means of the announcement on 23 August 2021, therefore before the statutory deadline of 42 days. The chairman therefore notes that legally valid decisions can be taken on all matters announced.

The list of attendees shows that 13 shareholders or proxies are present, representing a total of 2,045,958 shares, being approx. 54.43%of the outstanding share capital.

2. Future strategy

The chairman then gives the floor to a member of the Board, Mr Barker, who gives an explanation on the basis of the presentation. The presentation – which is published on the website after the meeting – is an integral part of the minutes.

Mr. Barker indicates that the priority is and remains the repayment of short-term obligations. Due to refinancing and sales, the average unexpired term of the loans in 2021 increased from 1,6 years (early 2021) to 2,84 years (end Q3). This improves the financial stability of the Fund and creates options. The repayment of short-term liabilities in H2 2021 will have an impact on the Fund's long-term strategy.

Moving away from the growth strategy – which the Board will - as communicated in 2016 and supported over the years has to be formally addressed.

Mr. Barker briefly explains the four strategic options for the future as discussed with the Supervisory Board.

1. Growth: There is a consensus among the Board and Supervisory Board members that growth is no longer a viable strategic option. Issuance of shares to fund growth of the portfolio is not attractive with the current discount between Net Asset Value (NAV) and the share price. Deals à la SPDI are scarce in the market. The disappointing market response to raised dividend payments means that a different strategy is needed. The high fixed costs of the Fund arising from its stock exchange listing and the AIFMD regime mean that the current size of the Fund is inefficient.

2. Formal liquidation: The disadvantage of this option is that trading in shares stops and the shareholders cannot exit during the formal process for three to four years. Banks are given priority over shareholders. To Mr. *Riemersma*'s question, Mr. Visscher replies that Euronext makes it mandatory to stop trading during liquidation. Mr Barker continues that refinancing existing loans will also be difficult locally. The Fund would also run a (temporary) legal risk due to non-compliance with its obligation towards SPDI, which may have a negative impact on the expected liquidation value of € 8-9 p/a [calculation made 2 years ago by investment bank NIBC].

3. Sell the Fund and delisting (takeover): The advantage is a potentially faster exit than option 2). The disadvantage will be that bids from third parties are expected to be around the current share price and therefore substantially lower than NAV. If a bid is made, the management will submit it to the shareholders. The management will also compare the offer with other options. The current focus of management on the continuation of the sale of the illiquid buildings in the portfolio should continue to enhance the likely sale price from a takeover. Six illiquid Slovakian properties have already been sold. The Polish and Czech portfolios mainly consist of liquid assets. Any bidder will have to be able to refinance loans and negotiate with the local banks and/or enter into a partnership with major shareholders.

4. Share buyback. The advantage for the shareholders is that they can potentially sell their positions at a higher value than the current stock price while – like option 2) – the assets are made liquid. By reducing the number of shares outstanding, earnings per share increase while the price-to-earnings (P/E) ratio decreases or the share price rises. Mr. Barker indicates that this strategy will be made possible by an accelerated and active but controlled asset sale programme in which a maximum return will be aimed for. Mr. Barker estimates the timetable for the sale of non-core assets in Slovakia, Ukraine and Bulgaria at around six to twelve months. The short-term liabilities amount to € 5 million. Mr. Barker expects to be able to realize freely available cash flow of a total of € 20 to € 25 million with a controlled sale of the illiquid/ non-core assets. So far, the management has been able to sell most buildings at or above appraised value. Timing is of great importance for the asset sales. The more aggressive the sale timescale, the lower the selling price. Within nine months, Mr. Barker expects to be able to release € 10 to € 15 million from the sale of further illiquid buildings in Slovakia. With the proceeds, the share repurchase programme can be fully funded. In parallel, the other illiquid assets will continue to be marketed.

Mr. *Bogerd* inquires after the calculation of the NAV and whether the warrants have been included in this. Mr. Barker replies that the warrants have not yet been converted into shares because they have not yet reached the strike price. The issue of new shares from the warrants affects the NAV but not fundamentally. The NAV is based on the book value minus debts and taxes. Mr. Barker believes that, ultimately, an asset value per share of € 11.90 is achievable in the event of a controlled sale.

If there is a formal liquidation, the tax is 100% included in the NAV.

Mr. Barker illustrates by reference to the recent sale of the Kosmalt asset that it is possible to sell illiquid assets at appraised value, provided that they are not sold under time pressure. Kosmalt is a student accommodation block that was largely empty in 2020/2021 due to the closure of the University of Košice in the COVID-19 pandemic.

Nevertheless, the management sold the building for valuation at the end of 2020. Sales at or above valuation take time but prevent a significant hit on NAV. If sales are made below appraised value, this also has an impact on the market´s perception of the valuations of the other assets in the portfolio.

Mr. *Bogerd* asks how many warrants have been issued and will be issued in the future. Mr. Visscher replies that 144.264 warrants have been issued with a strike price of € 8.10. For the second phase, 146,000 warrants will be issued with a strike price of € 7.20. The shares are issued 'free of charge' if the share price reaches the afore mentioned levels.

Mr. *Blom* asks what happens after the repurchase of own shares. Mr. Barker replies that the purchase programme will be maintained for a longer period of time so that the effect is not lost. An acceleration of the sale of non-core assets will have to finance this. In addition, Mr. Barker expects that there will also be an element of dividend.

Mr. Mars explains two possible ways of repurchase: The continuous repurchase of small amounts of shares or ‘reserved bookbuilding’ in which shareholders must indicate at what price they want to dispose of their shares.

Mr. Barker aims to make the core portfolio attractive for sale by selling the illiquid assets in Slovakia, Ukraine and Bulgaria. In addition, for the Letna building in Slovakia – not a non-core asset because leased to AT&T until 2025 and contributing to a large extent to the operating result – it may be the right time to sell it (with four years still to run on the lease).

Mr. *Blom* then asks about phase 3 of the SPDI acquisition. Mr. Barker replies that phase 3 is subject to certain conditions, currently not met, and he does not expect the arrangements with SPDI to affect the plans as presented today.

Mr. *Van Heijst* is given the floor by the chairman and notes that the strategy outlined by the Management Board to repurchase own shares will not offer a real solution to the Fund's problems such as:

1. the excessively high cost level resulting in a small profit for H1 2021;
2. the persistent discount between NAV and stock price; and
3. the low degree of tradability of the shares on the stock exchange.

It is possible that the difference between NAV and share price will be reduced by the repurchase of own shares. However, it is wrongly assumed that there will be no increasing supply of shares. The recent rise in the share price can be directly linked to the buying appetite of one party. Share ownership has become concentrated around a limited number of parties. For these parties, the strategy offered is not a solution. Should one of these parties wants to sell a block of shares of considerable size, there is no expected buyer or if there is one, he/she will offer then a lower share price. Mr. *Van Heijst* sees provoking a takeover bid for the shares or for the real estate portfolios as the only solution, but this has not been put to the vote today. Incidentally, he supports the proposal under item 3 because depositing the proceeds on a bank account only costs money. Mr*. Van Heijst* concludes by saying that more decisiveness is needed to tackle the problems that have been going on for years. The promises made in 2016 have not been fulfilled. The shareholders want a more clearly formulated strategy as an agenda item on the next EGM, thus Mr. *Van Heijst*.

Mr. *Kuiper* notes that he supports the proposal for a new EGM with an agenda item introduced by the shareholders. The Board’s strategy is too one-sided, according to Mr. *Kuiper*.

3. <u>Share buyback programme as proposed by the Management Board;</u>

When putting agenda item 3 to the vote, the chairman notes that the proposal of the Board has been adopted by the Extraordinary General Meeting of Shareholders.

4. <u>Questions</u>

Mr. *Riemersma* notes that it is widely supported among the shareholders that a structural solution must be found and that the stretching of time has taken long enough.

Mr. *Kuiper* points to the risk of liquidity problems which can result from a small portfolio in combination with the block of fixed costs. He considers a decent and fast settlement of the Fund important and advises the Board to take advantage of a favourable real estate market.

Mr. Vos notes that the Supervisory Directors are on the same page. As discussed with the Board, it is expected that in the second half of 2022 the non-core buildings will be sold for a reasonable price. The sale of the remaining portfolio will then be considerably easier and faster and can be realized by the end of 2022 / H1 2023. During the Supervisory Board meeting with the Board, it was agreed that the Board will report on the sale of the non-core buildings monthly.

Mr. *Kuiper* believes that the sale of non-core buildings alone takes too long and the existing problems are still there. Sometimes, a discount has to be accepted and furthermore he would rather have € 10 per share today than € 11 per share over a year.

Mr. Vos explains that the sale of the core portfolio will require a maximum period of six months. Currently there are also several bids for non-core buildings. If the Board would start selling one building far below appraised value, the entire portfolio would devalue. If the mentioned sales terms can be realized, the Supervisory Board is satisfied.

Mr. *Jacobs* urges urgency for both core and non-core buildings. In the long term, inflation is expected, which can be detrimental.

Mr. *Bogerd* wonders why a time order should be maintained and notes that all bids can be negotiated. The chairman notes that when the core buildings are sold first, there is a danger that you will be left with an unsellable rump portfolio.

Mr. *Kuiper* asks about the underlying contracts and fines involved in the event of a takeover. Mr. Visscher replies that in the event of an offer, an NDA is signed and then the underlying contracts will be made public to the bidder.

Mr. *Jacobse* asks about the listing on the stock exchange in Prague. Mr. Barker notes that a new prospectus is required for access to the Prague Stock Exchange. This is a costly process and does not seem to be a good way to spend the Fund´s current cash resources. Should a new prospectus be provided, a listing in Prague will be added to it.

5. Closing

With nothing more to be discussed, the chairman thanks the attendees for their input and attention and closes the meeting. A copy of these minutes shall be sent to the Board so that the decision-making process can be noted.

These minutes are adopted by the chairman and the secretary of the meeting on .... 2021 and signed by them in witness thereto.

Chairman:	Secretary:
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H. H. KLoos	M. T. H. Blokland