

Argo Properties N.V. ("The Company")

November 20th, 2022

For the attention of
Israel Securities Authority
www.isa.gov.il

For the attention of
The Tel-Aviv Stock Exchange Ltd.
www.tase.co.il

Re: **Immediate report regarding the convening of an annual general meeting of the Company's shareholders**

The Company announces hereby the convening of an annual general meeting of the Company's shareholders (hereinafter: "**The Company**"), which will be held on Tuesday, January 10th, 2023 at 11:00, in the offices of SBL Lawyers, the address of which is on 27 Oosteinde, Amsterdam 1017 WT, the Netherlands (hereinafter: "**SBL's offices**").

1. **The agenda for the meeting will include the subjects that are enumerated below:**

(A) **Discussion of the Company's annual report for the year 2021, which has been prepared in accordance with Dutch Law (no resolution)**

(B) **Discussion and adoption of the Company's annual statutory financial statements for the year 2021, which have been prepared in accordance with Dutch Law (resolution)**

It is proposed to adopt the Company's annual statutory financial statements for the year 2021, which have been prepared in accordance with Dutch Law (hereinafter: "**the statutory financial statements**"). The statutory financial statements were published on October 23, 2022¹.

(C) **The extension of the period for the preparation of the Company's annual statutory financial statements for the year 2022, which will be prepared in accordance with Dutch Law (resolution)**

It is proposed to extend the period for the preparation of the Company's annual statutory financial statements for the year 2022, which will be prepared in accordance with Dutch Law by five months until October 31, 2023.

(D) **The re-engagement of external auditors in Israel (resolution)**

It is proposed to re-engage Deloitte – Brightman Almagor Zohar & Co. Certified Public Accountants, as the external auditors who are responsible for the audit of the Company's annual reports for the year 2022, which will be prepared in accordance with the Securities Regulations (Periodic and Immediate Reports), 1970 (hereinafter: "**The Reports Regulations**").

(E) **Exemption from liability (resolution)**

It is proposed to exempt the members of the Board of Directors from their liability for the performance of their activities in the 2021 financial year, insofar as the performance of those activities are reflected in the Company's statutory financial statements for the year 2021.

It is clarified that this resolution, which is being presented for approval is a standard resolution in general meetings of shareholders in the Netherlands.

¹ [Reference Number: 2022-01-104529].

As part of the process of the adoption of the financial statements, it is customary in the Netherlands to exempt the members of the Board of Directors from any existing or potential liability, inter alia, vis-à-vis the Company for the performance of their roles and this is solely and exclusively insofar as the performance of their roles is reflected in the Company's annual report or insofar as it is brought to the knowledge of the general meeting, prior to the approval of the Company's financial statements for the year 2021. The scope of the exemption will be subject to the limitations in the Dutch general law, such as the duty of care and the principles of reasonableness and fairness, even though there is no specific provision in the law on this matter. Furthermore, such principles of reasonableness and fairness may, in certain circumstances, prevent the granting of an exemption of the members of the Board of Directors from liability. Such exemption is not binding vis-à-vis a third party and there is nothing in it that makes the provisions of the Securities Laws in Israel, which apply to the Company, including the rights that are afforded to its shareholders under the force thereof, conditional.

- (F) **Reservation and distribution policy (the height and destination of the reservation, the height and form of the dividend) (no resolution) – the company doesn't have a distributable dividend policy.**
- (G) **The appropriation of profits for the year 2021 (resolution) –** on November 17th 2022 the board of directors decided that at this stage of the company business, the company would like to grow its equity base, consequently the board decided, subject to approval of the AGM, that the 2021 distributable profits will be allocated to retained earnings.
- (H) **The re-appointment of Mr. Ron Tira as a non-executive director (who is not an external director) (resolution)**

Further to the immediate report of October 18, 2022 [Document No. 2021-01-127102] and pursuant to the provisions of Section 12.5(i) of the Company's articles of association, on November 8th 2022, a number of shareholders in the Company – Sphera Master Fund LP,² Sphera Small Cap Fund L.P.,³ Arkin Communications Ltd.⁴ and Mr. Ofir Rachamim⁵ which hold a total of 1,129,789, 42,800, 1,073,189 and 840,876 shares in the Company, respectively, constituting 17.05% of the voting rights in the Company approached the Company with a request for the re-appointment of Mr. Ron Tira as a non-executive director (who is not an external director) on the Company's Board of Directors.

⁴ To the best of the Company's knowledge and as informed by the interested person, Sphera Master Fund LP ("**Sphera**") is an exempt limited partnership incorporated in the British Virgin Islands (registration no. 234) and is registered in the Israeli Partnerships Register (partnership no. 530215987) as a limited foreign partnership that directly holds the Company's shares. The general partner of Sphera is Sphera GP L.P, which is also a limited partnership incorporated in the British Virgin Islands (the "**General Partner**"). The general partner of the General Partner is Sphera Fund GP Ltd., which is a private Israeli company fully held (100%) by Sphera Fund Management Ltd., ("**Sphera Fund Management**"), which is a private Israeli company owned by 8 shareholders, none of which hold more than 24.99% of the issued share capital of said corporation. To the best of the Company's knowledge and as informed by the interested person, there are no voting agreements between the shareholders of Sphera Fund Management, and it has no controlling shareholder.

⁵ Sphera Small Cap Fund L.P is a partnership registered in the Cayman Islands no. MC-48466. Its general partner is Sphera Capital GP L.P, a limited partnership registered in the Cayman Islands, the general partner of which is Sphera Capital GP Ltd, a private company incorporated in Israel, and 100% of its issued and paid-up share capital is held by Sphera Capital Ltd. ("**Sphera Capital**"), a private company incorporated in Israel company no. 514605310, owned by 8 shareholders, none of which hold more than 24.99% of the issued share capital of said corporation. To the best of the Company's knowledge and as informed by the interested person, there are no voting agreements between the shareholders of Sphera Capital, and it has no controlling shareholder. It is noted, for cautionary measures, that due to the similarity between the composition of shareholders and composition of the board of directors of Sphera Capital and Sphera Fund Management - Sphera Small Cup and Sphera Master Fund may be considered "joint holders" of the Company's shares, as the term "joint holding" is defined in section 1 of the Securities Law, 5728-1968, thus, each one thereof shall be considered an interested person of the Company.

⁴ Arkin Communications Ltd is, to the best of the Company's knowledge and as informed by the interested person, a private company fully owned and controlled by Mr. Moshe Arkin.

⁵ Who serves as Joint CEO of the Company.

Therefore, it is proposed to re-appoint Mr. Ron Tira as a non-executive director (who is not an external director) on the Board of Directors.

For the details that are enumerated in Regulation 26 of the Reports Regulation in respect of Mr. Ron Tira see section 26 in the Chapter "additional details in regards to the Company" which was included in the Company's Annual Report for 2021, published on February 23rd 2022⁶ (hereunder – the "**2021 Annual Report**").

It should be mentioned that pursuant to the provisions that are determined in Sections 224B(a), 224B(c) and 241(B) of the Companies Law and Section 14.1 of the Company's Articles of Association, Mr. Ron Tira has declared that he has the skills that are required and the ability to dedicate the appropriate time in order to perform his role, and he has detailed such skills and the restrictions that are determined in Sections 226 and 227 of the Companies Law do not exist in respect of him.

Such declaration by Mr. Ron Tira is attached as **Appendix B** to this report (hereinafter: "**Tira's declaration**").

Mr. Ron Tira is entitled to directors' remuneration at the maximum rate, as detailed in the Fourth Schedule to the Companies Regulations (Principles regarding remuneration and expenses for external directors), 2000 (hereinafter: "**The Remuneration Regulations**"), and according to the classification of the Company, as detailed in the First Schedule of the Remuneration Regulations.

(I) The re-appointment of Mr. Peter Bodis as a non-executive director (who is not an external director) (resolution)

Further to the immediate report of October 18, 2022 [Document No. 2022-01-127102] and pursuant to the provisions of Section 12.5(i) of the Company's articles of association, On October 19, 2022, two shareholders in the Company, Cordia International Zrt⁷ and Nurit & Gal Real Estate Holdings Ltd.,⁸ who hold a total of 2,669,604 and 120,538 shares in the Company, accordingly, constituting in aggregate approximately 15.4% of the voting rights in the Company, approached the Company with a request for the reappointment of Mr. Bodis as a non-executive director (who is not an external director) on the Company's Board of Directors. Accordingly, it is proposed to reappoint Mr. Bodis as a non-executive director (who is not an external director) on the Board of Directors.

For the details that are enumerated in Regulation 26 of the Reports Regulation in respect of Mr. Bodis see section 26 in the Chapter "additional details in regards to the Company" which was included in the 2021 Annual Report.

It should be mentioned that pursuant to the provisions that are determined in Sections 224B(a), 224B(c) and 241(B) of the Companies Law, 1999 (hereinafter: "**The Companies Law**") and Section 14.1 of the Company's Articles of Association, Mr. Peter Bodis has declared that he has the skills that are required and the ability to dedicate the appropriate time in order to perform his role, and he has detailed such skills and the restrictions that are determined in Sections 226 and 227 of the Companies Law do not exist in respect of him.

Such declaration by Mr. Peter Bodis is attached as **Appendix B** to this report (hereinafter: "**Bodis declaration**").

⁶ [Ref. No. 2022-01-021733].

⁷ Cordia International Zrt (hereunder – "**Cordia International**") is a Hungarian private company owned and controlled (98%) by Cordia Holding BV. To the best of the Company's knowledge and as informed by the interested person, Cordia Holding is a Dutch private company (76% indirectly) and controlled by Mr. Gavor Futo. Cordia International holds these securities directly (26,313 shares and indirectly (2,643,291 shares) through European Residential Investments KFT (hereinafter – "**ERI**") and Cordia European Residential Investments KFT (hereinafter – "**CERI**"). ERI and CERI are private Hungarian companies fully owned (100%) and controlled by Cordia International.

⁸ As the Company was informed by the interested person, European Residential Investments KFT (company no. in Hungary 01-09-355873) is a Hungarian private company wholly owned and controlled (100%) by Cordia International Zrt.

Mr, Bodis is entitled to directors' remuneration at the maximum rate, as detailed in the Second and Third Schedules to the Remuneration Regulations and according to the classification of the Company, as detailed in the First Schedule of the Remuneration Regulations.

2. The majority that is required

- 2.1 The majority that is required for the approval of the subjects that are set forth in sections 1(B), 1(C), 1(D), 1(E), and 1(G) above is a majority of the votes of the shareholders who are present and participate in the voting (by themselves or by means of letter of appointment or by means of a voting slip or by means of voting through the electronic voting system). If the votes are tied, the resolution will be deemed to have been rejected.
- 2.2 For the purpose of the approval of the subjects that are set forth in Sections 1(H) and 1(I) above, it is required that one of the following conditions be met: (A) more than one third (1/3) of the votes of the shareholders who are present and participate in the voting (by themselves or by means of letter of appointment or by means of a voting slip or by means of voting through the electronic voting system) shall vote in favor of the approval of the reappointment. The votes of abstainers will not be taken into account in the count of the votes of the said shareholders; or (B) the total of the votes of those voting against the approval of the reappointment shall not exceed a rate of fifty percent (50%) of the Company's issued and paid-up share capital.

It should be noted that as of the time of this immediate report there is no shareholder in the Company holding half (50%) or more of the voting rights in the Company or in the right to appoint directors to the Company's Board of Directors or of the right to appoint the Company's Chief Executive Officer and accordingly there is no controlling interest in the Company.

3. The Record Date

Pursuant to the provisions of Section 182(C) of the Companies Law and pursuant to Regulation 3 of the Companies Regulations (Voting in writing and notifications of position), 2005 and the relevant provision in the Dutch Law, anyone who may be a shareholder in the Company at the end of the trading day on Tuesday, December 13th, 2022 shall be entitled to participate in the meeting and to vote in it in person or by means of a proxy.

The letter of appointment or a copy thereof, to the satisfaction of the Board of Directors, is to be deposited in SBL's offices or in the offices of Shimonov & Co., Attorneys, of Mazaha 56, Tel Aviv Street, Tel-Aviv (hereinafter: "**Shimonov's offices**"), no less than 48 hours before the time set for the start of the meeting, or for an unregistered holder of the Company's shares, by means of a voting slip, which is to be passed to the Company via the electronic voting system (in accordance with Mark B in Chapter G2 of the Securities Law, 1968 (hereinafter: "**The electronic voting system**") up to (6) six hours before the time set for the convening of the meeting, or by means of the voting slip, which is attached to this immediate report (hereinafter: "**The voting slip**") up to (4) four hours before the convening of the meeting, and this subject to proof of ownership of the shares pursuant to the Companies Regulations (Proof of ownership of shares for the purpose of voting in a general meeting), 2000.

4. Legal quorum

The meeting may be held with any number of participants whatsoever.

5. The inclusion of additional subjects on the agenda of the meeting

One or more shareholders, holding at least one percent of the voting rights in the Company, is entitled to request from the Company's Board of Directors to include a subject on the agenda of the meeting, and solely that the subject is appropriate for being discussed in the meeting, pursuant to the Company's Board of Directors' determination (hereinafter: "**The additional subject**"). A request by a shareholder for the inclusion of an additional subject on the agenda of the meeting is to be furnished to the Company up to (7) seven days after the calling of the meeting pursuant to this report. If such a request has been submitted, the additional subjects may be added to the agenda for the meeting and their details shall appear on the Securities Authority's website, the address of which is: www.magna.isa.gov.il (hereinafter: "**The distribution website**"). It is clarified that there is nothing in the publication of the updated agenda (which includes the additional subjects), insofar as it may be updated, that changes the determining time.

6. Voting in writing

- A. Shareholders are entitled to vote in the meeting by means of a voting slip, as set forth below.
- B. The addresses of the website on which it is possible to find the wording of the voting slip and notifications of position, within the meanings of those terms in Section 88 of the Companies Law are as follows: The Securities Authority's distribution workshop: www.magna.isa.gov.il (hereinafter: "**The distribution website**") and the Tel-Aviv Stock Exchange Ltd.'s website: www.tase.co.il
- C. Voting in writing is to be done on the second part of the voting slip, as published on the distribution website.
- D. A shareholder is entitled to approach the Company directly and receive the wording of the voting slip and the notification of position from it.
- E. A member of the Stock Exchange will send a link to the wording of the voting slip and statements of position, on the distribution website, without consideration, to any shareholder who is not registered in the registry of shareholders and whose shares are registered with that member of the Stock Exchange, if the shareholder has given notice that he is interested in this, and solely that the notification has been given in respect of a particular securities account and at a time prior to the determining time.
- F. A shareholders whose shares are registered with a member of the Stock Exchange is entitled to receive confirmation of ownership from the member of the Stock Exchange through which he holds his shares, in a branch of the member of the Stock Exchange or by post to his address in consideration for delivery charges alone, if he has requested this. A request on this matter is to be given in advance for a particular securities account.
- G. The last time for furnishing voting papers to the Company⁹ is 4 (four) hours before the time of the convening of the meeting.
- H. The last time for furnishing a notification of position to the Company¹ is up to 10 (10) days before the time of the meeting.
- I. The Company is entitled to furnish the Securities Authority and the Stock Exchange with notification of a position, which will include the Board of Directors' response, as stated in Section 88(C) of the Companies Law up to 5 (five) days before the time of the meeting.

⁹ To SBL's offices or to Shimonov's offices.

7. Review of documents

The Company's shareholders may, at their request, review the declarations by Tira and Bodis, by coordination in advance in Shimonov's offices during generally acceptable working hours. It is also possible to review the declarations by Messrs. Tira and Bodis in SBL's offices and on Israel Security Authority's distribution website, the address of which is www.magna.isa.gov.il.

Yours sincerely

Argo Properties N.V.

By Messrs. Gal Tanenbaum and Ofir Rachamim

Joint CEOs in the Company

Appendix A

Appendix B