

THIS DOCUMENT AND THE ACCOMPANYING FORM OF PROXY ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. IT CONTAINS PROPOSALS RELATING TO PHOENIX SPREE DEUTSCHLAND LIMITED ON WHICH YOU ARE BEING ASKED TO VOTE.

If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, solicitor, accountant or other independent financial adviser, duly authorised under the Financial Services and Markets Act 2000 ("FSMA") if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

If you sell or have sold or otherwise transferred all of your Ordinary Shares please send this document, together with the accompanying Form of Proxy, as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer is or was effected, for delivery to the purchaser or transferee. If you have sold only part of your holding of Ordinary Shares you should retain these documents and consult the stockbroker, bank or other agent through whom the sale was effected.

The Company is a closed ended collective investment fund incorporated as a public company limited by shares in Jersey on 2 April 2007 and is established in Jersey as a listed fund pursuant to the Jersey Listed Fund Guide published by the Jersey Financial Services Commission ("JFSC"), as amended from time to time, and the Collective Investment Funds (Jersey) Law 1988, as amended. The Company is regulated by the JFSC. The JFSC has not reviewed or approved this document.

Your attention is drawn to the letter from the Chairman of the Company on page 3 of this document, which includes a recommendation from the Board that you vote in favour of the Resolutions to be proposed at the General Meeting.

RECOMMENDED PROPOSALS TO AMEND THE COMPANY'S ARTICLES OF ASSOCIATION AND INVESTMENT POLICY

CONTINUATION VOTE AND NOTICE OF GENERAL MEETING

Notice of a General Meeting of Phoenix Spree Deutschland Limited to be held at IFC 5, St Helier, JE1 1ST, Jersey at 11:00 a.m. (GMT) on 12 March 2025 (the "**General Meeting**"). Shareholders are requested to return the Form of Proxy accompanying this document. To be valid, the Form of Proxy must be completed and signed in accordance with the instructions thereon and returned so as to be received by MUFG Corporate Markets (Jersey) Limited, IFC 5, St Helier, JE1 1ST, Jersey, as soon as possible but in any event so as to arrive not later than 11:00 a.m. (GMT) on 10 March 2025. Alternatively, you can submit a proxy vote electronically at www.signalshares.com.

If you are a member of CREST, you may be able to make a proxy appointment or instruction using CREST, such CREST Proxy Instruction to be received by not later than 11:00 a.m. (GMT) on 10 March 2025. Further details can be found in the notes to the Notice of General Meeting. If you are an institutional investor you may also be able to appoint a proxy electronically via the Proxymity platform. For further information regarding Proxymity, please go to www.proxymity.io.

The appointment of a proxy will not prevent you from attending and voting at the General Meeting in person if you wish (and are so entitled).

No person has been authorised to give any information or make any representation other than as contained in this document and, if given or made, such information or representation must not be relied on as having been so authorised. The delivery of this document shall not, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or that the information in it is correct as at any subsequent time.

Lazard & Co., Limited ("**Lazard**"), which is authorised and regulated by the FCA in the United Kingdom, is acting exclusively as financial adviser for the Company and for no one else in connection with the matters described in this document and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Lazard or for providing advice in connection with any matter described in this document. Neither Lazard nor any of its affiliates (nor their respective directors, officers, employees or agents) owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Lazard in connection with this document, any statement contained herein, or otherwise. Lazard has given and not withdrawn its written consent to the inclusion in this document of the references to its name in the form and context in which they appear.

Shareholders should read the whole of this document. Your attention is drawn, in particular, to the letter from the Chairman of the Company on page 3 of this document, which includes a recommendation from the Directors that you vote in favour of the Resolutions to be proposed at the General Meeting and to the risk factors set out on page 9 of this document.

The contents of this document should not be construed as legal, financial or tax advice. Each Shareholder should consult their own legal, financial or tax adviser for legal, financial or tax advice (as appropriate).

17 February 2025

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this circular	17 February 2025
Voting record date and time for the General Meeting	6:00 p.m. (GMT) on 10 February 2025
Latest time and date for receipt of Forms of Proxy, CREST Proxy Instructions and Proxymity Proxy Instructions	11:00 a.m. (GMT) on 10 March 2025
General Meeting	11:00 a.m. (GMT) on 12 March 2025

The times and dates set out in the expected timetable above and mentioned throughout this document may be adjusted by the Company, in which event details of the new times and/or dates will be notified, as required, to the FCA and the London Stock Exchange and, where appropriate, to Shareholders and an announcement will be made through a Regulatory Information Service.

LETTER FROM THE CHAIRMAN OF PHOENIX SPREE DEUTSCHLAND LIMITED

*(a company incorporated in Jersey under the Companies (Jersey) Law 1991 (as amended) with registered number 97031)
Registered Office: IFC 5, St Helier, JE1 1ST, Jersey*

Directors (all non-executive):

Robert Hingley (Chairman)
Jonathan Thompson
Antonia Burgess
Isabel Robins
Steven Wilderspin

17 February 2025

Dear Shareholder,

1. Introduction

The Board has recently explored a range of strategic options to address proactively the Company's material share price discount to EPRA NTA per Ordinary Share and to maximise value for Shareholders. On conclusion of this review, and following consultation with a number of the Company's major shareholders, the Company announced on 17 December 2024 that it considers that a carefully managed portfolio realisation, primarily through the accelerated sale of individual apartment units ("**condominiums**"), offers the optimal path to maximising shareholder value. In addition, the Company announced that it had agreed amended financing terms with the Company's principal lender, Natixis, to enable the Company to accelerate significantly its condominium sales programme in 2025 and beyond. The Company also announced on 17 December 2024 that it had agreed to a strategic disposal of 16 buildings, comprising 385 units, which facilitated an amendment to the financing arrangements.

The Company is required by its Articles of Association to propose a continuation vote by no later than its Annual General Meeting scheduled to be held in June 2025. Given these recent material developments in the Company's business, and recognising the importance of the continuation vote to give certainty over the Company's future strategic direction, the Board now proposes to bring forward the Company's continuation vote, and to propose certain amendments to the Company's Articles of Association and the Company's investment objective and investment policy to facilitate an orderly portfolio disposal process that balances timely capital returns with value optimisation, as previously announced (such proposals being, together, the "**Proposals**"). If the continuation vote as proposed in this circular is passed, the next continuation vote will be proposed at the Company's 2028 annual general meeting and again in 2031 (if required). In effect, the Proposals, if approved, will enable the Company to commence a managed sell down of the Company's portfolio over time.

As the Proposals involve the amendment of the Articles of Association and the Company's Investment Policy, they will require Shareholder approval pursuant to the Companies Law and the Listing Rules, respectively. The purpose of this document is to explain the background to, and the reasons for, the Proposals (including to provide further details of the portfolio realisation strategy), to set out the reasons why the Directors consider that the Proposals are in the best interests of the Company and the Shareholders as a whole, and to recommend that you vote in favour of the Resolutions at the General Meeting.

2. Background to, and reasons for, the Proposals

Background

Whilst the Company's private rented sector ("**PRS**") business has continued to perform strongly, with rental values and growth supported by the positive trends that continue to exist within the Berlin residential property market, the Board has observed that the Company's share price has not reflected the inherent value of the Company's asset portfolio (the "**Portfolio**") since the market downturn began in 2022. Although the Company has repurchased, in total, approximately 8.9 per cent of its initial issued share capital since 2019, the Ordinary Shares have nonetheless continued to trade at a significant discount to EPRA NTA per Ordinary Share.

More broadly, the European real estate sector has had to contend with the significant challenges posed by the current and persistent higher interest rates environment. These include low transaction volumes, declining market values, higher financing costs and weak investor sentiment. In the Company's case, with a market capitalisation below £200 million and an average daily trading volume of 97,455 Ordinary Shares during 2024, these challenges have been compounded by the small scale of the Company relative to the wider listed market.

Since the beginning of the current downturn in European real estate values, the Company's primary focus has been on optimising asset sales and reducing the Company's outstanding debt. The Company is unusual among its listed peers in that 80 per cent of its Portfolio of buildings is already legally split into condominiums. This gives the Company optionality in realising value through asset disposals. The Company can either:

1. Sell whole rental buildings (PRS "buildings" or "properties")

Buildings typically contain approximately 30 individual rental apartments. During the past two years, historically high interest rates and a weakening German economy have significantly impacted buyer sentiment and investment transaction volumes and values. Reflecting these weak market conditions, during 2024, individual PRS buildings were sold by the Company at an average value per sqm of €2,238.

2. Sell constituent units within PRS buildings as individual condominium units

Rather than selling whole PRS buildings, the Company has the option to sell individual units (30 per building in the above example) to private buyers as condominiums. Historically, the Company has done this on a relatively small scale. During 2024, the Company sold individual condominium units at an average value per sqm of €4,295. From beginning to end, the marketing and sales process typically takes 3-5 years for all condominium units in a building to be sold.

A clear divergence has emerged in the German property market, between demand and pricing trends for individual condominium units and PRS properties. Condominium prices and transaction volumes have remained stable, unlike PRS properties, which have seen steep declines in both investor interest and valuations since the market peak in 2022. For the Company, as illustrated by the figures above, realisation proceeds per sqm from condominium sales were 92% higher than PRS building sales in 2024. This bifurcated market dynamic is expected to continue, and has shaped the Company's strategy.

Reflecting these market dynamics, the Company's strategy update in April 2024 noted that the Company was focusing on unlocking value through increased condominium sales, recognising the substantial valuation premium that they command compared to disposals of PRS properties.

Strategic Update

In light of the fact that the Ordinary Shares have traded at a material share price discount to EPRA NTA per Ordinary Share since the onset of the market downturn in 2022, the Board explored a range of strategic options throughout 2024 with a view to proactively addressing this discount and maximising value for Shareholders, including the following:

- **The feasibility of a cash offer for the Company**
The Board instructed Lazard to assist in undertaking a private sale process in order for the Board to assess the feasibility of a cash offer for the Company as a whole. On behalf of the Company, Lazard engaged with a number of potentially interested parties. However, this did not result in any firm proposal to acquire the whole Company and the Board terminated the sale process.
- **The sale of individual PRS buildings and portfolios of PRS buildings**
The Company marketed a significant proportion of its Portfolio as both individual PRS buildings and portfolios of PRS buildings. However, with the exception of the portfolio sale announced on 17 December 2024, which was a prerequisite for the amendment to the Company's debt facility with Natixis, market conditions were not conducive to achieving sales at prices which the Board believed represented fair value for these assets. The few transactions that were agreed in principle generally failed to proceed to completed sales.
- **An amendment of the Company's existing debt facility to enable accelerated condominium sales**
Although the Company has no debt maturing until September 2026, the terms of the Company's then financing arrangements allowed only a relatively small number of buildings from the Portfolio to be marketed as condominiums (as opposed to PRS buildings) at any given time. Therefore, in order to unlock additional value through increased condominium sales, the Company announced on 17 December 2024 that it had reached agreement with the Company's main lender, Natixis, to modify the Company's principal lending facility. As a result, the Company is now able to execute an accelerated condominium sales programme.

Given current market pricing dynamics for individual condominium unit sales versus the alternative of whole building sales as explained above, and in the absence of a firm offer for the Company, the Board has concluded that an accelerated condominium sales strategy currently represents the best outcome for Shareholders. In line with its fiduciary duties, the Board does not rule out adopting an alternative strategy in the future should it appear feasible and provide higher returns for Shareholders.

Lazard & Co., Limited is acting as financial adviser to the Company in relation to the continuation vote.

Portfolio realisation strategy

Following the renegotiation of the Company's principal debt facility with Natixis, the Board believes that the Company is well positioned to accelerate condominium sales. As at 31 December 2024, the Portfolio comprised of 74 buildings, of which 60 are legally split for condominium sales, while the remaining 14 PRS buildings are not legally split for condominium sales and have limited prospects of obtaining consent for such division.

The amendment of the Company's debt facility with Natixis increased the maximum number of buildings permitted in the Company's condominium sales pool from six to forty. Preparation for realisation of the first 10 buildings, comprising 258 units, began in late 2024. These buildings were prioritised due to minimal capital expenditure requirements and are now being actively marketed by Engel & Völkers and Lübke Kelber.

Preparatory work on the next 20 buildings is currently underway. Capital expenditure projects for 10 of these buildings (282 units) is expected to conclude by the end of the first half of the 2025 financial year, enabling their marketing. The final 10 buildings (294 units), requiring more preparation, are anticipated to be market-ready by the third quarter of 2025.

By financial year-end 31 December 2025, the total number of units available for sale by the Company is projected to grow from 108 (prior to the addition of the first tranche of 10 buildings in the fourth quarter of 2024) to 942, with an annualised condominium sales rate exceeding €50 million.

The Company anticipates that the managed portfolio realisation will be conducted over the medium term as it seeks to balance maximising returns for Shareholders and the timeframe for disposal.

Borrowings and returns to Shareholders

Under the Company's amended Natixis debt facility, the Company will not be able to make distributions, including dividends and share buybacks, to Shareholders at any time whilst borrowings remain outstanding under the facility. The Natixis debt facility is currently set to mature in September 2026, and early repayment of the existing debt would not incur any penalties payable by the Company. If the continuation vote is approved at the General Meeting, the Company plans to pursue alternative financing to expedite distributions to Shareholders before the maturity date of the Natixis debt facility.

Acquisitions and capital expenditure

The Company has previously announced that it will not make any new real estate acquisitions. In addition, the Company has determined that capital expenditure will be permitted only where it is deemed necessary or desirable by the Property Advisor in connection with realisation of the Company's assets. It is anticipated that this will primarily be the case where such expenditure is necessary to protect or enhance an asset's realisable value, to carry out minor refurbishments, enhancements, maintenance and modernisation, to comply with statutory or regulatory obligations, to protect other stakeholders, to comply with the terms of any funding arrangement or to facilitate orderly disposals. This will include expenditure required in connection with the accelerated condominium sales strategy.

3. Change to the Company's Investment Policy

In accordance with the Listing Rules, the Company is required to have a published investment policy that contains information about the policies which the Company will follow relating to asset allocation, risk diversification, and gearing, and that includes maximum exposures.

Any proposed material change to the Company's Investment Policy is required to be approved by the FCA and approved by Shareholders. The Company obtained the FCA's approval of the proposed material changes to the Investment Policy on 11 February 2025. The Company adopted its current investment policy and investment objective prior to its admission to trading on the London Stock Exchange in June 2015 and has not proposed or made any material changes to its Investment Policy subsequent to the Company's admission to trading.

The Company's current investment objective is to provide Shareholders with both stable income returns as well as capital growth through investment in German real estate, with a focus on residential properties in Berlin and secondary German cities. The Company's investment objective going forward will be to realise the value of its existing assets through a carefully managed portfolio realisation, resulting in a managed sell down of the Company's portfolio over time, with a view to returning available cash to Shareholders.

If the Proposals are approved by Shareholders, the Company plans to pursue alternative financing in order to expedite distributions to Shareholders before the maturity date of the current Natixis debt facility.

The table below sets out the Company's current investment policy and the proposed changes to the investment policy, which will be proposed to be adopted at the General Meeting.

	Current Investment Policy	New Investment Policy
Investment Objective	The investment objective of the Company is to provide shareholders with both stable income returns as well as capital growth through investment in German real estate, with a focus on residential properties in Berlin and secondary German cities.	The investment objective of the Company is to realise the value of its existing assets through a carefully managed portfolio realisation, resulting in a managed sell down of the Company's portfolio over time, with a view to returning available cash to Shareholders.
Investment Policy: Property type	<p>The Company intends to invest in German real estate with a strong focus on the residential market, particularly multi-apartment rental properties. It is expected that residential property will represent a minimum of 75 per cent. of the lettable space within the Portfolio.</p> <p>The Company may also invest in commercial property although it is expected that the majority of the commercial property within the Portfolio will be located within residential or mixed-use properties.</p> <p>The Company may seek to sub-divide a modest number of well-located multi-apartment rental properties into separately demised single apartments for potential resale to owner-occupiers and/or investors.</p> <p>In limited circumstances, the Company may engage in development work on either its existing or new properties. In the majority of cases, this will involve minor refurbishments, enhancements, maintenance and modernisation to increase rental income and capital value.</p> <p>Occasionally, if the opportunity presents itself, the Company may seek planning permission for development work to be undertaken on properties to allow for the conversion of commercial or unlettable space and vacant land into lettable space or to reconfigure a property to maximise its rental income and capital value. In aggregate, no more than 10 per cent. of the Company's Gross Asset Value will be invested in new or existing development projects (including commitments to spend on those projects) as measured at the time the investment or related commitment to spend is made.</p>	<p>The Company will pursue its investment objective primarily by effecting an accelerated condominium sales strategy and an orderly portfolio realisation process, balancing timely capital returns with value optimisation.</p> <p>The Company will not make any new real estate acquisitions, investments in closed-ended investment funds or other investments except:</p> <ul style="list-style-type: none"> • Capital expenditure will be permitted where it is deemed necessary or desirable by the property advisor in connection with the realisation of the Company's assets, primarily where such expenditure is considered necessary or desirable to protect or enhance an asset's realisable value, to carry out minor refurbishments, enhancements, maintenance and modernisation, to comply with statutory or regulatory obligations, to protect other stakeholders, to comply with the terms of any funding arrangement or to facilitate orderly disposals. This will include expenditure required in connection with the accelerated condominium sales strategy. • The Company may seek planning permission for work to be undertaken on existing properties within the Company's portfolio to allow for the conversion of commercial or unlettable space and vacant land into lettable space or to reconfigure a property to increase its potential resale value.
Investment Policy: Geographical allocation	<p>The Company intends to invest predominantly in Berlin but may also invest in secondary German cities (being those cities with populations of at least 100,000) such as Hanover, Bremen and Nuremberg.</p> <p>The Company will seek to invest in properties which deliver a fully let yield of at least 4 per cent. in Berlin and 5 per cent. in other secondary German cities.</p>	
Investment Policy: Diversification and asset allocation	<p>It is expected that the value of any individual property at the time of acquisition will not exceed 10 per cent. of the Company's Gross Asset Value and the proportion of the Company's rental income deriving from a single tenant will not exceed 5 per cent. of its total rental income at the time of acquisition.</p> <p>The Company may hold properties directly or through special purpose vehicles over which it is able to exercise control, which shall include PSPF. The Company will at all times be able to control such a majority of the voting rights in PSPF as is necessary for it to control PSPF fully. The Company will also procure that PSPF manages its investments in accordance with the Company's investment policy. No fundamental changes will be made to the terms of the VRL that would have a material adverse effect on Shareholders without the approval of Shareholders by ordinary resolution.</p> <p>Pending investment, cash will be held in cash and cash equivalents.</p>	<p>Net proceeds from realisations of assets will be used to repay borrowings and to return capital to Shareholders (net of provisions for the Company's costs, expenses and potential liabilities) in such manner as the Board considers appropriate and when it is able to do so.</p> <p>In accordance with the Listing Rules the Company will invest and manage its assets with the objective of managing investment risk but notes that over time, as a natural consequence of selling its assets, there is likely to be a concentration of value in an increasingly small number of properties.</p> <p>The Company intends that excess cash will be placed on deposit and/or held as cash equivalent securities, other cash equivalents, cash funds or bank cash deposits, pending its return to Shareholders at an appropriate future time.</p>

Investment Policy: Borrowings	<p>The Company may use gearing either at the Company or property investment level, including to fund the acquisition of property and/or to fulfil cash flow requirements.</p> <p>The Company intends to target a consolidated Net Loan to Value ratio of 50 per cent., with an absolute maximum of 60 per cent., calculated at the time of borrowing, although individual SPVs may have a higher Net Loan to Value ratio at any time.</p> <p>The Company may use efficient portfolio management techniques, such as interest rate hedging, to mitigate market volatility.</p>	<p>The Company may maintain existing gearing either at the Company or property investment level, including to fund expenditure that is considered necessary or desirable to protect or enhance an asset's realisable value, to carry out minor refurbishments, enhancements, maintenance and modernisation, to comply with statutory or regulatory obligations, to protect other stakeholders, to comply with the terms of any funding arrangement or to facilitate orderly disposals, in respect of existing assets within the Company's portfolio and/or to fulfil cash flow requirements. As the Company's condominium sales strategy progresses, the Company intends to reduce gearing where appropriate.</p> <p>The Company will have an absolute maximum consolidated Net Loan to Value of 60 per cent., calculated at the time of borrowing, although individual SPVs may have a higher Net Loan to Value ratio at any time.</p> <p>The Company may continue to use efficient portfolio management techniques, such as interest rate hedging, to mitigate market volatility, in respect of its existing borrowings and any re-financing of such borrowings.</p> <p>To enable the Company to expedite the return of capital to Shareholders, the Company is permitted to re-finance existing borrowings.</p>
Investment Policy: Investment Restrictions	<ul style="list-style-type: none"> Neither the Company nor any Subsidiary will conduct any trading activity which is significant in the context of the Group as a whole; The Company will not invest more than 10 per cent. of its Gross Asset Value in other listed closed-ended investment funds, except that this restriction will not apply to investments in listed closed-ended investment funds which themselves have stated investment policies to invest no more than 15 per cent. of their gross assets in other listed closed-ended investment funds; and Where amendments are made to the Listing Rules, the restrictions applying to the Company will be amended so as to reflect the new Listing Rules. 	<ul style="list-style-type: none"> Neither the Company nor any Subsidiary will conduct any trading activity which is significant in the context of the Group as a whole; and The Company will not invest more than 10 per cent. of its Gross Asset Value in other listed closed-ended investment funds, except that this restriction will not apply to investments in listed closed-ended investment funds which themselves have stated investment policies to invest no more than 15 per cent. of their gross assets in other listed closed-ended investment funds.
Changes to the Investment Policy	<p>In accordance with the Listing Rules, no material change will be made to the investment policy without the approval of Shareholders by ordinary resolution. The Board may from time to time make non-material amendments to the investment policy.</p>	<p>In accordance with the Listing Rules, no material change will be made to the investment policy without the approval of Shareholders by ordinary resolution. The Board may from time to time make non-material amendments to the investment policy.</p>

4. The Proposals

To give effect to the Proposals, the Company is now convening the General Meeting to propose the following matters for approval by Shareholders:

Amendments to Articles of Association of the Company

Article 144.3 of the Articles sets out the obligation on the Directors to propose an ordinary resolution that the Company continue as a closed-ended investment company (a "**Continuation Resolution**"), at the Company's 2020 AGM and at every fifth AGM thereafter. Accordingly, the Directors are obliged to propose a Continuation Resolution at the Company's 2025 Annual General Meeting. Article 144.3 also sets out the obligation on the Directors, in the event that a Continuation Resolution is not passed, to formulate proposals to be put to Shareholders as soon as is practicable but, in any event, by no later than six months after the continuation resolution is not passed, to reorganise, unitise or reconstruct the Company or for the Company to be wound up with the aim of enabling Shareholders to realise their holdings in the Company.

The Company proposes to amend Article 144.3 to provide that a Continuation Resolution will be proposed at the General Meeting being convened for March 2025, and again at the Company's annual general meetings to be held in 2028 and 2031, if required. The remaining provisions of the Articles will remain unchanged.

Set out below is the proposed replacement wording for Article 144.3 in full, showing the proposed deletions in strikethrough text and the proposed insertions in underlined text, compared against the current article wording:

*"144.3 Without prejudice to Article 144.1, the Directors shall propose one or more ordinary resolutions at ~~the annual a general meeting to be held in 2020 to be held on or around 12 March 2025 (or any adjournment thereof)~~ and at ~~every fifth annual general meeting thereafter~~ the annual general meetings of the Company (and any adjournments thereof) to be held in 2028 and 2031 that the Company continue as a closed-ended investment company (the "**Continuation Resolution**"). In the event that a Continuation Resolution is not passed, the Directors shall formulate proposals to be put to the Members as soon as is practicable but, in any event, by no later than six months after the Continuation Resolution is not passed, to reorganise, unitise or reconstruct the Company or for the Company to be wound up with the aim of enabling Members to realise their holdings in the Company."*

The changes to the Articles of Association outlined above will be proposed as a special resolution of Shareholders.

Continuation Vote

Conditional upon the Articles of Association being amended as detailed above, the Company will propose a Continuation Resolution as an ordinary resolution.

Change to Investment Objective and Investment Policy

As detailed above, the proposed changes to the Company's investment policy require approval by an ordinary resolution of Shareholders. If adopted, the revised investment policy and investment objective would take effect from the date of adoption.

Changes to Property Advisor Fees

On 5 June 2023, the Company announced its intention to amend the fees payable to the Property Advisor, under the previous Property Advisor and Investor Relations Agreement (the "**PAIR**"). The objective of that proposal (the "**2023 Proposal**") was to incentivise the Property Advisor to evaluate and implement a variety of disposal strategies, including condominium sales, while reducing the level of annual management fees paid by introducing a fee cap. Following a large majority vote in favour of the 2023 Proposal at the Company's AGM held on 28 June 2023, the completion of the amended PAIR on 17 August 2023 formalised the 2023 Proposal.

Subsequent to implementation of the 2023 Proposal, as announced by the Company on 25 July 2024, the Board and the Property Advisor agreed to a permanent cap on the annual fees paid by the Company to the Property Advisor for management, capital expenditure monitoring and investor relations of €4.3 million. This represented a 14 per cent. year-on-year reduction and a 40 per cent. reduction compared to the end-2022 run rate for fees payable by the Company to the Property Advisor. Additionally, the Property Advisor informed the Company that it will use the post-tax proceeds of any future disposal fee received by the Property Advisor from the Company to purchase further Shares, in order to further align the interests of the Property Advisor with Shareholders' interests. Given these arrangements followed the structure set out in the 2023 Proposal approved by Shareholders, and include a further reduction in the level of the fees payable by the Company to the Property Advisor under the PAIR, the Company did not seek approval by Shareholders.

Benefits of the Proposals

The Board consulted with a number of major Shareholders during the course of 2024. Having considered the results of that consultation, the Board believes that the optimal method of delivering value for Shareholders by realising assets in its Portfolio, primarily through condominium sales, represents the best strategic option available to the Company and Shareholders in the near to medium term. Specifically, the Board believes that the Proposals offer the following benefits to Shareholders:

- The Proposals will enable the Company to commence a carefully managed realisation of assets, rather than seeking the sale of PRS buildings within the Portfolio on the open market, which is expected to enable the Company to maximise the value realised on the sale of its investments over time.
- The acceleration in condominium sales will allow the Company to reduce its overall debt levels which is expected to enhance the Company's ability to refinance the current Natixis debt facility before its maturity in September 2026 on favourable terms, which the Company plans to refinance to be able to expedite distributions to Shareholders.
- A successful Continuation Resolution will provide alternative lenders more visibility on the near to medium term strategic direction of the Company and potential realisable asset values, potentially enabling more favourable refinancing terms to be achieved.
- Maintaining the Company's existing listing on the London Stock Exchange will enable certain Shareholders to continue to meet their own investment restrictions, for example, where they are required to hold listed securities or instruments with daily liquidity.

The Company will bear its own costs and expenses incurred in connection with the Proposals and the General Meeting.

If the Proposals are not approved by Shareholders, the Articles provide that the Directors would be obliged to formulate proposals to wind up the Company, which will require the passing of a special resolution by Shareholders. The Company will continue to implement its current strategy of condominium sales, however in the absence of a positive Continuation Vote at the General Meeting, the Company may be unable to achieve desired sales values or volumes, may be unable to refinance its existing debt on favourable terms, or at all, and may be unable to return any value to Shareholders in the near to medium term.

Risks of the Proposals

Your attention is drawn to the risk factors in relation to the Proposals which are set out on page 9 of this document.

5. General Meeting

The Proposals are conditional on the approval by Shareholders of the Resolutions to be proposed at the General Meeting of the Company which has been convened for 11:00 a.m. (GMT) on 12 March 2025.

The first resolution, to amend the Articles of Association, will be proposed as a special resolution ("**Resolution 1**"). A special resolution requires a majority of two-thirds or more of the members entitled to vote and present in person or by proxy to vote in favour in order for it to be passed.

Conditional upon Resolution 1 being passed, a resolution to amend the Investment Policy ("**Resolution 2**") will be proposed as an ordinary resolution. An ordinary resolution requires a majority of the members entitled to vote and present in person or by proxy to vote in favour in order for it to be passed.

Conditional upon Resolution 2 being also passed, a continuation resolution ("**Resolution 3**") will be proposed to Shareholders.

In the event that Resolution 3 is not passed, the Articles provide that the Directors would be obliged to formulate proposals to wind up the Company, which will require the passing of a special resolution by Shareholders.

All Shareholders are entitled to attend and vote at the General Meeting. In accordance with the Articles, all Shareholders entitled to vote and present in person or by proxy at the General Meeting shall upon a show of hands have one vote and upon a poll shall have one vote in respect of each Share held. In order to ensure that a quorum is present at the General Meeting, it is necessary for two or more Shareholders to be present in person or by proxy.

The formal notice convening the General Meeting is set out at the end of this document.

6. Action to be taken by Shareholders

Shareholders will find enclosed with this document a Form of Proxy for use at the General Meeting. The action to be taken in respect of the General Meeting depends on whether you hold your Ordinary Shares in certificated form or in uncertificated form (that is, in CREST).

Certificated Shareholders

Certificated Shareholders may appoint a proxy:

- 1) by completing, signing and returning the enclosed Form of Proxy to the Registrar at MUFG Corporate Markets (Jersey) Limited, IFC 5, St Helier, Jersey, JE1 1ST, and in accordance with the instructions printed thereon; or
- 2) electronically at www.signalshares.com.

Uncertificated Shareholders

CREST members may appoint a proxy:

- 1) using the CREST electronic proxy appointment service and transmitting a CREST Proxy Instruction to the Registrar (CREST ID RA10) in accordance with the procedures set out in the CREST Manual (available via www.euroclear.com); or
- 2) if you are an institutional investor, electronically via the Proximity platform. For further information regarding Proximity, please go to www.proximity.io.

For further details on the forms of instruction, please refer to the Notes to Notice of General Meeting on page 12 of this document.

Whether or not you propose to attend the General Meeting in person, you are strongly encouraged to complete and return your proxy instruction as soon as possible, but in any event so as to be received by the Registrar no later than 11:00 a.m. (GMT) on 10 March 2025.

This will enable your vote to be counted at the General Meeting in the event of your absence. The completion and return of your proxy instruction will not prevent you from attending and voting at the General Meeting, or any adjournment thereof, in person should you wish to do so.

7. Recommendation

If the Proposals are approved by Shareholders, the Board will continue to progress its accelerated condominium sales strategy, but within an extended timeframe that allows for greater control and flexibility to renegotiate the Company's debt facilities and to achieve better pricing for its assets.

The Company has discussed the Proposals with its major shareholders who have indicated their current intention to vote in favour of the Resolutions.

In light of the above, the Board considers that the Proposals are in the best interests of Shareholders as a whole and, accordingly, the Board unanimously recommends that Shareholders vote in favour of the Resolutions.

The Directors intend to vote in favour of the Resolutions in respect of their own beneficial holdings which, as at the Latest Practicable Date, currently represent approximately 0.01 per cent. of the issued share capital of the Company (excluding any Ordinary Shares held in treasury).

Yours faithfully,

Robert Hingley
Chairman

For and on behalf of
Phoenix Spree Deutschland Limited

RISKS ASSOCIATED WITH THE PROPOSALS

In considering your decision in relation to the Proposals, Shareholders are referred to the risks set out below.

Shareholders should read this document carefully and in its entirety and, if you are in any doubt about the contents of this document or the action you should take, you are recommended to immediately seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 or, if you are in a territory outside the United Kingdom, from an appropriately authorised independent financial adviser.

The risks below are not exhaustive and only those risks which are material and currently known to the Board have been disclosed. Additional risks and uncertainties not currently known to the Board, or that the Board currently deems to be immaterial, may also have an adverse effect on the Company and/or the Proposals.

- As a natural consequence of a managed realisation of the Company's existing portfolio of real estate assets, the value of the Company's portfolio will be reduced as individual assets are sold and value realised, and the portfolio will be concentrated in fewer holdings, and the mix of asset exposure will be affected accordingly.
- The Company may experience increased volatility in its EPRA NTA as a result of changes to its portfolio following the approval of the Proposals, including (without limitation), greater portfolio concentration.
- The Company might experience volatility in its share price, both as a function of volatility in its EPRA NTA and a reduction in share liquidity as capital is returned to Shareholders over time, which may result in a continued or possibly wider discount to EPRA NTA per Ordinary Share.
- The timing and nature of asset realisations will vary, and the Company expects that there may be both positive and negative variance from sales prices to valuations. The reasons for such variances may include considerations such as changes in the Berlin residential property market, changes in condition or occupation of the property since the most recent valuation, method of sale (auction, private treaty), tenant, rent payment, lease structure and information availability. Given the diverse nature of the Company's assets (in terms of condition, size and rental income), certain assets may be more in demand than others and possibly realised more quickly at more attractive prices in the then prevailing market conditions.
- The impact of bringing assets to market as part of a publicly announced managed asset realisation process, combined with the time required to negotiate and execute sales of assets, may also have an impact on the timing and quantum of available disposal proceeds. Assets may therefore be realised at values which represent a material discount to the most recently published independent valuations. A material change in governmental, economic, fiscal, monetary or political policy, or changes in real estate markets and other general macroeconomic factors and conditions in Germany may also result in a reduction in the value of the Company's assets upon their sale.
- The impact of bringing assets to market as part of a publicly announced managed asset realisation process may also result in changes in rent collection levels from tenants of the Company's current portfolio and the re-tenanting process due to occupiers and/or tenants being uncertain over who their future landlord may be.
- Sales of the Company's assets may take longer than anticipated, and any returns of available cash to Shareholders may be delayed by a number of factors, including, without limitation, the terms and conditions of the Company's financing arrangements at any given time.
- The returns that Shareholders may receive may be subject to deductions for, among other things, tax, management fees, the paying down of the existing debt as well as the means of returning capital to Shareholders. These costs may reduce the sums available for distribution to Shareholders in the future.
- Potential future returns of capital to Shareholders will decrease the size of the Company's assets, thereby potentially increasing the impact of fixed ongoing costs incurred by the Company on the remaining assets.
- The nature of the Company's existing portfolio of assets exposes it to a variety of financial risks, including interest rate risk.
- The Company may be exposed to future liabilities and/or obligations with respect to the disposal of real estate assets in the portfolio, for example the Company may be required to set aside money for warranty claims or contingent liabilities in respect of property disposals. The Company may be required to pay damages or other costs to the extent that any representations or warranties that it has given to a purchaser prove to be inaccurate or to the extent that it has breached any of its covenants contained in the disposal documentation. The Company may become involved in disputes or litigation in connection with such disposed assets. Certain obligations and liabilities associated with the ownership of real estate assets can also continue to exist notwithstanding any disposal, such as environmental liabilities. Any such claims, litigation or obligations, and any steps which the Company is required to take to meet such costs, for example, increased borrowings, could have an adverse effect on the Company's ability to return value to Shareholders.
- Changes in tax legislation or practice in Germany or elsewhere could affect the value of the investments held by the Company, affect the Company's ability to provide returns to Shareholders, and affect the tax treatment for Shareholders of their Ordinary Shares (including rates of tax and availability of reliefs).

DEFINITIONS

The following definitions apply throughout this document, unless the context requires otherwise:

Articles or Articles of Association	the articles of association of the Company in force from time to time
Board	the board of Directors of the Company
Business Day	a day (except Saturday or Sunday) on which banks in the City of London and Jersey are normally open for business or such other day as the Directors may determine
Companies Law	the Companies (Jersey) Law 1991, as amended, and any subsidiary legislation from time to time made thereunder, including any statutory modifications or re-enactments for the time being in force
Company	Phoenix Spree Deutschland Limited, a company incorporated in Jersey with registered number 97031
CREST	the system of paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear UK & International Limited in accordance with the Uncertificated Securities Regulations 2001 (SI 2001/3755)
CREST Manual	the manual, as amended from time to time, produced by Euroclear UK & International Limited describing the CREST system and supplied by Euroclear UK & International Limited to users and participants thereof
CREST Proxy Instruction	a proxy instruction message submitted through CREST in accordance with the CREST Manual (available via www.euroclear.com)
Directors	the directors of the Company from time to time
EPRA	the European Public Real Estate Association
EPRA NTA	the NTA calculated in accordance with the Best Practice Recommendations published by EPRA in February 2022
EPRA NTA per Ordinary Share	at any date, the EPRA NTA attributable to the Ordinary Shares divided by the number of Ordinary Shares in issue (other than Ordinary Shares held in treasury)
FCA	the UK Financial Conduct Authority
Form of Proxy	the form of proxy which accompanies this document for use by Shareholders who hold their Ordinary Shares in certificated form in relation to voting at the General Meeting
FSMA	the Financial Services and Markets Act 2000 (as amended)
General Meeting or GM	the General Meeting of the Company to be held at IFC 5, St Helier, JE1 1ST, Jersey at 11:00 a.m. (GMT) on 12 March 2025 convened by the Notice of General Meeting (including any adjournment thereof), and at which the Resolutions will be proposed
GMT	Greenwich Mean Time
Latest Practicable Date	10 February 2025
Listing Rules	the listing rules made by the FCA pursuant to Part VI of FSMA
London Stock Exchange or LSE	London Stock Exchange plc
NTA	the value, as at any date, of the assets of the Company after deduction of all liabilities of the Company determined in accordance with the accounting policies adopted by the Company from time-to-time
Notice of General Meeting	the notice of the General Meeting set out at the end of this document
Ordinary Resolution	a resolution passed by a simple majority of the votes of the Shareholders entitled to vote and voting in person or by proxy at the General Meeting
Ordinary Shares	ordinary shares of no par value in the Company
Property Advisor	QSix Residential Limited
Registrar	MUFG Corporate Markets (Jersey) Limited of IFC 5, St Helier, JE1 1ST, Jersey
Resolutions	the resolutions to be proposed at the General Meeting
Shareholder(s)	a holder or holders of Ordinary Shares
Special Resolution	a resolution of the Company passed as a special resolution in accordance with the Companies Law

NOTICE OF GENERAL MEETING

NOTICE IS GIVEN that a General Meeting of Phoenix Spree Deutschland Limited will be held at IFC 5, St Helier, JE1 1ST, Jersey on 12 March 2025 at 11:00 a.m. (GMT) to consider and, if thought fit, pass the following resolutions, of which Resolution 1 will be proposed as a Special Resolution and Resolutions 2 and 3 shall be proposed as Ordinary Resolutions.

SPECIAL RESOLUTION

1. THAT Article 144.3 of the Articles of Association of the Company (the "**Articles**") be deleted in its entirety and replaced with the following words:

*"144.3 Without prejudice to Article 144.1, the Directors shall propose one or more ordinary resolutions at a general meeting to be held on or around 12 March 2025 (or any adjournment thereof) and at the annual general meetings of the Company (and any adjournments thereof) to be held in 2028 and 2031 that the Company continue as a closed-ended investment company (the "**Continuation Resolution**"). In the event that a Continuation Resolution is not passed, the Directors shall formulate proposals to be put to the Members as soon as is practicable but, in any event, by no later than six months after the Continuation Resolution is not passed, to reorganise, unitise or reconstruct the Company or for the Company to be wound up with the aim of enabling Members to realise their holdings in the Company."*

ORDINARY RESOLUTIONS

2. THAT, conditional upon the passing of Resolution 1, the Company adopt the new investment policy, as set out on pages 4 to 6 of the circular to Shareholders of the Company dated 17 February 2025, in substitution for the current investment policy of the Company.
3. THAT, conditional upon the passing of Resolutions 1 and 2, the Company continue as a closed-ended investment company.

By order of the Board of Directors

Apex Financial Services (Alternative Funds) Limited

Secretary
17 February 2025

Registered Office:

IFC 5
St Helier
Jersey
JE1 1ST

Defined terms used in this Notice of General Meeting shall bear the same meanings as those ascribed to them in the circular related to the General Meeting issued by the Company to the Shareholders dated 17 February 2025.

Notes to Notice of General Meeting

1. A Shareholder entitled to attend the GM is entitled to appoint one or more proxies to exercise all or any of the Shareholder's rights to attend and ask questions at the GM. A proxy need not be a Shareholder of the Company and a Shareholder may appoint more than one proxy in relation to a meeting to attend and ask questions on the same occasion provided that each proxy is appointed to exercise the rights attached to a different share or shares held by a Shareholder and the total number of proxies shall not exceed the total number of shares carrying entitlement of the Shareholder to attend and ask questions at the GM. To appoint more than one proxy, the proxy form should be photocopied and the name of the proxy to be appointed indicated on each form together with the number of shares that such proxy is appointed in respect of.
2. In accordance with Article 40 of the Companies (Uncertificated Securities) (Jersey) Order 1999, the Company has fixed 6.00 p.m. (GMT) on 10 February 2025 as the record date for determining the uncertificated members entitled to receive notice of the GM and the Form of Proxy, so that such persons entered on the Company's register of members at that time are the persons so entitled.
3. In order to be valid a proxy instruction must be returned duly completed by one of the following methods no later than 11:00 a.m. (GMT) on 10 March 2025. Submission of a proxy appointment will not preclude a member from attending and voting at the GM should they wish to do so:

- **for certificated Shareholders**

- Hard copy**

- In hard copy form by post, by courier, or by hand to MUFG Corporate Markets (Jersey) Limited, IFC 5, St. Helier, JE1 1ST, Jersey, Channel Islands

- To direct your proxy on how to vote on the resolutions, mark the appropriate box on your proxy form with an 'X'. To abstain from voting on a resolution, select the relevant "Vote withheld" box. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the GM.

- Share portal**

- You may submit your proxy electronically using the Share portal Service at www.signalshares.com. You will be asked to enter your Investor Code (IVC) printed on the share certificate and agree to certain terms and conditions. On submission of your vote, you will be issued with a reference number. For an electronic proxy appointment to be valid, it must be received by the Registrar no later than 11:00 a.m. (GMT) on 10 March 2025. If not already registered for the share portal, you will need your investor code. If you cannot locate your investor code, please contact the Registrar via email at shareholderenquiries@cm.mpms.mufg.com or via the helpline on +44 371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the UK: +44 371 664 0300 will be charged at the applicable international rate. The Registrar is open between 09:00 a.m. – 5:30 p.m., Monday to Friday excluding public holidays in England and Wales.

- **for uncertificated Shareholders**

- Proxymity**

- If you are an institutional investor, you may be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to www.proxymity.io.

- Your proxy must be lodged by 11:00 a.m. (GMT) on 10 March 2025 in order to be considered valid or, if the GM is adjourned, by the time which is 48 hours before the time of the adjourned meeting. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them, and they will govern the electronic appointment of your proxy. An electronic proxy appointment via the Proxymity platform may be revoked completely by sending an authenticated message via the platform instructing the removal of your proxy vote.

- CREST**

- CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the GM and any adjournment(s) of the GM by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members and those CREST members who have appointed a voting service provider(s) should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

- In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST Proxy Instruction must be properly authenticated in accordance with Euroclear UK and International Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Registrar (ID RA10) no later than 11:00 a.m. (GMT) on 10 March 2025. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by CREST) from which the Registrar is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

- CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear UK and International Limited does not make available special procedures in CREST for any particular messages. Normal system timing and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a personal CREST member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by sections of the CREST Manual concerning practical limitations of the CREST system and timings.

- The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 of the United Kingdom, or the relevant provisions of the Companies (Uncertificated Securities) (Jersey) Order 1999.

4. Pursuant to the Companies (Uncertificated Securities) (Jersey) Order 1999, the Company specifies that only those Shareholders registered in the register of members of the Company by close of business on 10 March 2025 shall be entitled to attend and vote at the GM in respect of the number of shares registered in their name at that time. Changes to entries on the register of members after close of business on 10 March 2025 shall be disregarded in determining the rights of any person to attend or vote at the GM (or appoint a proxy).
5. In the case of joint holders, where more than one of the joint holders' purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
6. Any corporation which is a Shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a Shareholder. In the event that a corporation authorises more than one person and more than one of them purports to exercise powers as a Shareholder (a) if they purport to exercise a power in the same way, the power is treated as exercised in that way; and (b) if they do not purport to exercise the power in the same way, the power is treated as not exercised.
7. Any power of attorney or any other authority under which your proxy form is signed (or a duly certified copy of such power or authority) must be returned to the registered office with your proxy form.
8. To change your proxy, simply submit a new proxy appointment using the methods set out above. Where you have appointed a proxy using the hard-copy Form of Proxy and would like to make a change using another hardcopy Form of Proxy, please contact the Registrar: MUFG Corporate Markets (Jersey) Limited, IFC 5, St Helier, JE1 1ST, Jersey. If you submit more than one valid proxy appointment, the appointment last received before the latest time for the receipt of proxies will take precedence.

In order to revoke a proxy appointment, you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to the Registrar. In the case of a Shareholder which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney or other representative of the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice. No other methods of communication will be accepted. In particular, you may not use any electronic address provided either in this Notice of General Meeting or in any related documents (including the Form of Proxy).

The revocation notice must be received by the Registrar, MUFG Corporate Markets (Jersey) Limited, IFC 5, St Helier, JE1 1ST, Jersey by no later than 11:00 a.m. (GMT) on 10 March 2025.

If you attempt to revoke your proxy appointment but the revocation is received after the time specified, then your proxy appointment will remain valid.

9. As at the Latest Practicable Date, the Company's issued share capital consisted of 100,751,410 Ordinary Shares of which 8,924,047 were held in treasury. Each Ordinary Share (excluding Ordinary Shares held in treasury) carries one vote. The total voting rights in the Company as at the Latest Practicable Date are 91,827,363 being the issued share capital minus the Ordinary Shares held in treasury.