

EAST BALKAN PROPERTIES PLC

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15 December 2020

Dear Shareholder

East Balkan Properties plc is pleased to announce a capital distribution of £80.00 per share, funded from the disposal of a property in Sofia by Glorient Investments BG, in which the Company holds a 40% interest. The rate of £80.00 per share applies to both the voting and non-voting shares, and the payment date will be Thursday 31 December 2020. Cheques will be posted to holders of certificated shares, and shareholders who hold their shares in CREST will receive an electronic payment in the normal way.

For information purposes, shareholders are reminded that shares were consolidated at the rate of 3,000 to 1 on 17 December 2018, and this distribution is therefore equivalent to 2.7 pence per pre-consolidation share.

Earlier in the year, we announced our intention to proceed with a corporate restructuring under which the residual assets are transferred to a new entity with a simplified holding structure and low cost base. The transfer is in progress, and we hope to complete it in early 2021. Following completion of the transfer, we will seek shareholder approval to spin out the new entity, make a further capital distribution and seek approval for winding-up of the Company. It is anticipated that shareholders will be given the opportunity to participate in the new spinout entity should they wish. Further details will be provided in a circular to be published in 2021.

Regards



Graham Smith
Director