

EAST BALKAN PROPERTIES PLC

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Dear Shareholder

East Balkan Properties plc is pleased to announce a capital distribution of £420.00 per share, funded from the disposal of Equest Logistics Centre in Bucharest. The rate of £420.00 per share applies to both the voting and non-voting shares, and the payment date will be Wednesday 25 March 2020. Cheques will be posted to holders of certificated shares this week 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 14.0 pence per pre-consolidation share.

During 2020 the board intend to proceed with a corporate restructuring under which the residual assets are transferred to a new spinout entity with a simplified holding structure and low cost base. Following completion of the spinout, which will be subject to shareholder approval, it is the intention of the board to proceed with a further capital distribution and seek approval for winding-up of the Company. Under the terms of the spinout it is anticipated that shareholders will be given the opportunity to participate in the new entity should they wish. Further details will be provided in a circular to be published with the annual report.

Regards



Graham Smith
Director