10 April 2019

DOLPHIN CAPITAL INVESTORS LIMITED

("**DCI**" or "**Dolphin**" or the "**Company**"
and together with its subsidiaries the "**Group**")

Proposed Extension Of Divestment Period, Proposed Amendments to Investment Management Agreement and Proposed Continuation Vote

Posting of Circular to Shareholders and Notice Of Extraordinary General Meeting

1 INTRODUCTION

The Company was admitted to trading on AIM on 8 December 2005 as a newly incorporated, BVI registered, closed-ended investing company. At the time of Admission, the directors of the Company undertook in the Admission Document that, shortly before the tenth anniversary of the initial admission of the Company's share capital to trading on AIM (being 8 December 2015), the Board would convene a Shareholders' meeting at which a resolution (requiring more than 50 per cent. of Common Shares voting at an extraordinary general meeting of the Company) would be proposed to determine the future of the Company.

On 5 June 2015 the Shareholders of the Company passed a written resolution adopting a revised strategy (the "**June 2015 Strategy**") for the Company which envisaged that the Company would continue in existence for at least a further five years, and relieved the Board of the obligation to convene such a Shareholders' meeting by 8 December 2015.

Notwithstanding the above, the Board indicated in the circular to Shareholders issued on 3 June 2015 that it was appropriate for Shareholders to have an opportunity to review the life of the Company and, although the Company would have no fixed life, the Board committed to convene and hold a Shareholders' meeting prior to 31 December 2016 at which an ordinary resolution for the continuation of the Company would be proposed.

The Board convened an EGM on 16 December 2016 at which Shareholders voted against the continuation of the Company as then constituted and approved the New Asset Strategy proposed by the Board with the objective of disposing of all of the Company's assets by 31 December 2019. The Board indicated in the relevant circular to Share holders issued on 2 December 2016 that Shareholders would be provided with the opportunity to assess the New Asset Strategy and consider the future of the Company shortly before the end of the divestment period.

Accordingly, the Board is pleased to convene an EGM Notice of the Company to be held at 10:00 a.m. (UK Time) on 2 May 2019 at the offices of Grant Thornton at 30 Finsbury Square, London EC2P 2YU at which the Resolution is being proposed in accordance with this commitment.

The purpose of this announcement is to explain in detail the proposed Resolution and inform the Company's Shareholders about the EGM at which the Resolution will be proposed.

The circular, containing details of the respective Resolution (the "Circular"), is today being posted to Shareholders. The Form of Proxy and Form of Instruction for use at the EGM accompany the Circular which is available on the Company's website: www.dolphinci.com.

Defined terms used in this announcement shall have the same meanings as in the Circular.

2 THE NEW ASSET STRATEGY

The New Asset Strategy was adopted on 19 December 2016 with the objective of disposing of all of the Company's assets by 31 December 2019 and involved a package of measures effecting changes to the Company's investing policy, distribution policy and the remuneration structure for the Investment Manager.

The core investing policy change arose as the Board and the Investment Manager concluded that shareholder value creation could best be achieved through an orderly sale of all the Company's projects rather than the continued application of the June 2015 Strategy. Pursuant to the New Asset Strategy, it was decided that the Company's remaining assets would be selectively marketed by the Company in a controlled, orderly and timely manner in order to realise their value. The Board and the Investment Manager, working with the Company's advisers, explored the best manner in which this could be achieved on an asset by asset basis, in the light of prevailing market conditions and circumstances, in order to maximise returns to Shareholders.

Following the adoption of the New Asset Strategy, the Company has executed a number of significant transactions which are summarized in the table below:

Asset	**Net Equity Consideration**	**Net Asset Value** *(latest before transaction)*	**Debt reduction**
Amanera (The Americas)	€64.5m[1]	€83.3m	€55.0m
Pearl Island (Panama)	€27.0m	€53.6m	nil
Sitia Bay (Greece)	€14.0m	€14.0m	nil
Triopetra (Greece)	€4.1m	€2.1m	nil
Nikki Beach (Greece)	€1.7m	€1.0m	nil
Amanzoe (Greece)	€5.8m	(€3.7m)	€73.6m
Total	**€117.1m**	**€150.3m**	**€128.6m**

[1]*Including an amount of c. €58 million which was paid through the retirement of the Company's issued convertible bonds as further discussed in the Company's announcement issued on 8 December 2016.*

The Board, however, indicated in the circular to Shareholders issued on 2 December 2016 that Shareholders would be provided with the opportunity to assess the New Asset Strategy and consider the future of the Company at the end of the Divestment Period and that, providing that there are assets remaining in the Company's portfolio, shortly before the end of the Divestment Period, the Board would convene a Shareholders' meeting at which appropriate resolutions would be proposed.

The remaining assets of the Company comprise the following:

	Asset	Land site (hectares)	DCI's stake	Investment cost[1] (€m)	Debt (€m)	DCI gross asset value (€m)
1	Kilada Hills Golf Resort	235	100%	91	-	
2	Kea Resort	65	67%	10	-	
3	Scorpio Bay Resort	172	100%	15	-	
4	Lavender Bay Resort	310	100%	27	-	
5	Plaka Bay Resort	442	100%	13	-	
6	Apollo Heights Resort	461	100%	25	17.4	
7	Livka Bay Resort	63	100%	31	7.1	
8	La Vanta	8	100%	18	-	
	TOTAL	**1,756**		**230**	**24.5**	**188**
	Aristo Cyprus	1,448	47.9%	192	-	43
	Itacaré Investment	n/a	13%	2	-	1
	GRAND TOTAL	**3,204**		**424**	**24.5**	**232**

[1] *Figures as at 31 December 2018*

3 PROPOSED RESOLUTION

The Board proposes to continue to pursue the New Asset Strategy by extending the Divestment Period for an additional two years, combined with certain changes in the remuneration structure for the Investment Manager. These are designed to further align its interests with those of shareholders. It is also proposed that a formal continuation vote will be held at the end of the extended Divestment Period.

Extension of Divestment Period

The Board is encouraged by the asset and project disposals achieved since the adoption of the New Strategy which have enabled the Company to significantly reduce its overall leverage levels and meet all its operational expenses. However, the Board considers that the timeline for the full disposal, in an orderly manner, of the remaining assets of the Company to maximize realized returns and cash distributions to Shareholders by the end of 2019 is unlikely to be achieved.

In particular, the Board expects that the the generation of meaningful distributions for shareholders will be linked to the sale of the Company's three major projects: the Kilada Hills Golf Resort, the Kea Resort and its strategic shareholding position in Aristo Developers Limited ("Aristo"). The first two of these projects require up to two years of development to maximize sale proceeds to facilitate material distributions to Shareholders, whilst the Company's divestment from Aristo requires the ability to structure and implement an exit transaction for a minority position, which is significantly hindered by the existing disposal deadline.

Shareholders should note that the Board would intend to make distributions on the receipt of the net proceeds of sale of each of the three major assets, and otherwise as appropriate.

Notwithstanding the proposal for a two year extension of the Divestment Period, the Board and the Investment Manager will nevertheless work towards disposing of these assets earlier if feasible and will always take advantage of any opportunistic deals for the disposal of all assets, whilst at the same time minimising operating costs.

Subject to Shareholder consent at the EGM, it is proposed that the Company will adopt the extension of the Divestment Period for two years to 31 December 2021.

Adjustment to the Investment Manager Remuneration

The Board and the Investment Manager recognise the importance of facilitating meaningful distributions to Shareholders, and believe that this will be best served through both a further reduction of the fixed management fees incurred by the Company during the Extended Divestment Period, and by aligning the variable management fees to actual distributions made by the Company to Shareholders.

In order to achieve these objectives and further align the interests of Shareholders and the Investment Manager in terms of generating tangible Shareholder returns, the Company and the Investment Manager have, conditionally upon the approval of the Resolution at the EGM, entered into the Amended IMA which amends the fees payable to the Investment Manager.

The Investment Manager currently receives an annual management fee equal to €4 million for 2019 (reduced from €6 million for 2017 and €5 million for 2018) and a variable management fee which is payable upon the execution of asset divestments by the Company and is equal to a percentage of the enterprise value (i.e. the consideration paid for the net asset value of the asset plus any loans or other liabilities assumed by its purchaser) of any asset disposed of by the Company during the Divestment Period at a valuation at or in excess of 50 per cent. of its latest reported NAV. The VMF percentage is equal to 1.3 per cent. of enterprise value for divestments concluded in 2019 at 50 per cent. of latest reported NAV and progressively increases to 4.3 per cent. for divestments concluded above 100 per cent. of latest reported NAV.

Subject to the Resolution becoming effective, the management fees during the Extended Divestment Period will be amended as follows:

i. Annual Management Fee

The AMF during the Extended Divestment Period will be further reduced to €3.6 million per annum. Additionally, the term of the Amended IMA will expire at the earlier of the end of the Extended Divestment Period or the sale of all of the Company's assets.

ii. Variable Management Fee

In order to align any VMF payments made to the Investment Manager to actual distributions made to the Company's shareholders, the VMF during the Extended Divestment Period will not be linked to the execution of each asset divestment by the Company but rather to the timing and quantum of distributions made by the Company to Shareholders.

The revised VMF during the Extended Divestment Period would be equal to a percentage of the actual distribution made by the Company to its Shareholders (and not the enterprise value as currently is the case) as set out in the table below:

Cumulative Shareholder Distributions	**% applied** ***(on increments)***
up to but excluding €30m	Nil
between €30m up to but excluding €50m	2.0%
between €50m up to but excluding €75m	3.0%
between €75m up to but excluding €100m	4.0%
between €100m up to but excluding €125m	5.0%
€125m or more	6.0%

As an advance against any VMF entitlement, an amount equal to 2 per cent. on actual cash generated from asset sales and divestments by the Company, after all related transactional and other costs, in excess of €30 million shall become payable to the Investment Manager. Such advances shall be offset against the final VMF entitlement at the end of the Extended Divestment Period.

The Independent Directors believe that the revised terms of the Amended IMA are appropriate to provide a suitable level of incentivisation to the Investment Manager to expedite the pace of disposals and maximise sales prices. It shall further ensure that the Investment Manager's remuneration is intrinsically linked to distributions to Shareholders.

The Investment Manager is entitled to a performance fee payable under the terms of the current IMA. There will be no change to this entitlement. However, any performance fees earned under this arrangement will be fully deducted from any future AMF and VMF payable over the term of the Amended IMA.

The Investment Manager has estimated that over the Extended Divestment Period, the Company may be capable of realizing gross cash proceeds ranging between approximately €100 million to €200 million based on asset sales prices ranging between 50 per cent. to 100 per cent. of NAV as at 31 December 2018. After deduction of estimated fixed management fees, operating and financing expenses, the Investment Manager currently estimates that this would equate to approximately €85 million to €185 million being available for distribution to Shareholders.

These figures are illustrative estimates only. The exact timing, form and value of property disposals and of any payments to Shareholders is uncertain and will depend, amongst other things, on the speed and price at which each asset of the Company is realised. The sale of some assets may only be possible at prices substantially less than the values used to calculate the NAV per Common Share. The Company's investments comprise principally illiquid real estate investments. Some investments may take a substantial length of time to realise. There can be no guarantee that the Company will be able to realise its investments and distribute pro rata net proceeds to the Shareholders within a specific period of time. Additionally there are inherent risks in the Company's development activities, debt structure and joint venture arrangements. Any projections, market outlooks or illustrative estimates are forward-looking statements and are based upon certain assumptions. Other events which were not taken into account may occur and may significantly affect the performance of the Company or any investment. Any outlooks and assumptions should not be construed to be indicative of the actual events which will occur.

The Independent Directors, having consulted with the Nominated Adviser, believe the entry into of the Amended IMA is fair and reasonable insofar as Shareholders are concerned.

Continuation Resolution

The Board believes that it is appropriate for Shareholders to have an opportunity to review the effectiveness of the New Asset Strategy and the results achieved by the Board and the Investment Manager and, accordingly, although the Company will have no fixed life, shortly before 31 December 2021, the Board will convene and hold a Shareholders' meeting at which an ordinary resolution for the continuation of the Company will be proposed. If any such resolution is not passed, proposals will be put by the Board to the Shareholders within six months after the date of the resolution to the effect that the Company be wound up, liquidated, reconstructed or unitised.

4 RECOMMENDATION

The Independent Directors consider the Resolution to be in the best interests of Shareholders as a whole. Accordingly, the Independent Directors recommend all Shareholders to vote **FOR** the Resolution to be proposed at the EGM.

In the event that the Resolution fails, the Board will formulate new proposals to be put to Shareholders as soon as reasonably practicable and, in any event, by 31 December 2019.

For further information, please contact:

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