

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt about what action you should take, you are recommended immediately to seek advice from your legal, tax and other professional advisers.

If you have sold or otherwise transferred all of your Common Shares, or depositary interests representing Common Shares, please forward this document, together with the accompanying BLUE form of proxy (the "**Form of Proxy**") and PURPLE form of instruction (the "**Form of Instruction**") at once to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee.

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## **DOLPHIN CAPITAL INVESTORS LIMITED**

*(incorporated in the British Virgin Islands with registered number 660270)*

### **PROPOSED CONTINUATION VOTE; NEW INVESTING POLICY AND REALISATION STRATEGY; AND NEW INVESTMENT MANAGEMENT AGREEMENT**

### **PROPOSED NEW MEMORANDUM AND ARTICLES OF INCORPORATION**

### **PROPOSED ADOPTION OF ELECTRONIC COMMUNICATIONS**

and

### **NOTICE OF AN EXTRAORDINARY GENERAL MEETING**

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Notice of an Extraordinary General Meeting of the Company (the "**EGM**") to be held at 10:00 a.m. (GMT) on 22 December 2021 at the offices of FIM Capital Limited, 55 Athol St, Douglas, Isle of Man IM1 1LA is set out on page 20 of this document.

Although the EGM is currently intended to be an open meeting allowing Shareholders to attend in person, the Board is not encouraging Shareholders to attend the EGM in person unless considered necessary. Shareholders are instead encouraged to vote by the return of a Form of Proxy or Form of Instruction (as appropriate). In order to comply with any Isle of Man government requirements which may apply at the time the EGM is held, the Board may impose restrictions on entry to the EGM in order to limit or restrict the number of attendees if this is necessary to maintain any required level of social distancing between attendees at the EGM or any restriction on the maximum number of attendees.

The Form of Proxy and Form of Instruction for use at the EGM accompany this document. Whether or not Shareholders propose to attend the EGM, they should complete and return the Form of Proxy (in the case of certificated holders not holding depositary interests representing Common Shares in CREST) or the Form of Instruction (in the case of uncertificated holders holding depositary interests representing Common Shares in CREST).

The BLUE Form of Proxy should be completed and returned to Computershare Investor Services PLC at The Pavilions, Bridgwater Road, Bristol BS99 6ZY so as to be received not later than 10:00 a.m. (GMT) on 20 December 2021.

**Holders of uncertificated depositary interests representing Common Shares will be invited to attend the EGM by Computershare Company Nominees Limited in its capacity as depositary for the Depositary Interests. Holders of Depositary Interests in CREST may transmit voting instructions by utilising the CREST**

voting service in accordance with the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members and, any of those CREST members who have appointed a voting service provider, should refer to their CREST sponsor or voting service provider, who will be able to take appropriate action on their behalf.

Alternatively, holders of Depositary Interests can fill in the PURPLE Form of Instruction and return such Form of Instruction, signed to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY so as to be received not later than 10:00 a.m. (GMT) on 17 December 2021. The completion and return of the Form of Instruction will not preclude a Shareholder from attending the EGM and voting in person if they so wish. Should a Shareholder wish to attend the EGM and/or vote at the meeting they should contact [!UKALLDITeam2@computershare.co.uk](mailto:UKALLDITeam2@computershare.co.uk). As noted above, although the EGM is currently intended to be an open meeting allowing Shareholders to attend in person, the Board is not encouraging Shareholders to attend the EGM in person unless considered necessary.

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## EXPECTED TIMETABLE

Publication of this document	2 December 2021
Latest time and date for receipt of Forms of Instruction	10:00 a.m. on 17 December 2021
Latest time and date for receipt of Forms of Proxy	10:00 a.m. on 20 December 2021
Time and date of the Extraordinary General Meeting	10:00 a.m. on 22 December 2021

*The times and dates set out in the expected timetable of events above and mentioned throughout this document may be adjusted by the Company, in which case details of the new times and dates will be announced through a Regulatory Information Service announcement.*

*References to times in this document are references to GMT unless otherwise stated.*

# PART 1

## LETTER FROM THE CHAIRMAN OF THE COMPANY

### DOLPHIN CAPITAL INVESTORS LIMITED

*(incorporated in the British Virgin Islands with registered number 660270)*

**Directors:**

Martin Adams (Independent Non-executive Chairman)  
Nicolai Huls (Independent Non-executive Director)  
Miltos Kambourides (Non-executive Director)  
Nicholas Paris (Independent Non-executive Director)

**Registered Office:**

Tortola Pier Park,  
Building 1,  
Wickhams Cay 1,  
Road Town, Tortola,  
British Virgin Islands

2 December 2021

Dear Shareholder

**PROPOSED CONTINUATION VOTE; NEW INVESTING POLICY AND REALISATION STRATEGY; AND NEW INVESTMENT MANAGEMENT AGREEMENT**

**PROPOSED NEW MEMORANDUM AND ARTICLES OF INCORPORATION**

**PROPOSED ADOPTION OF ELECTRONIC COMMUNICATIONS**

and

**NOTICE OF AN EXTRAORDINARY GENERAL MEETING**

**1 BACKGROUND**

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 Admission, which would have been on 8 December 2015, the Board would convene a Shareholders' meeting at which a resolution 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 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 a Shareholders' meeting by 8 December 2015.

Notwithstanding the above, the Board indicated in its announcement 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 an extraordinary general meeting prior to 31 December 2016, at which an ordinary resolution for the continuation of the Company would be proposed.

The Board convened an extraordinary general meeting on 16 December 2016 at which Shareholders voted against the continuation of the Company, as then constituted, and approved a “New Asset Strategy” proposed by the then board of directors with the objective of disposing of all of the Company’s assets by 31 December 2019 (the “**New Asset Strategy**”).

On 2 May 2019, the then board of directors convened an extraordinary general meeting at which the divestment period to achieve the New Asset Strategy was extended by two years to 31 December 2021 to facilitate the sale of the Company’s assets by that date. The Investment Manager’s remuneration structure was also amended during this period.

During the five and a half year period of the New Asset Strategy (including the May 2019 extension), the Company has sold the following investments:

<b>Year</b>	<b>Investments realised and distributions received by the Company from investments held</b>	<b>Aggregate net proceeds attributable to the Company after accounting for minority interests and all costs and liabilities</b>	<b>Debt reduction</b>
2017	<ul style="list-style-type: none"> <li>• Panama (Pearl Island)</li> <li>• Aristo (Cyprus)*</li> </ul>	€27.7 million	
2018	<ul style="list-style-type: none"> <li>• Sitia Bay (Greece)</li> <li>• Triopetra (Greece)</li> <li>• Nikki Beach (Greece)</li> <li>• Amanzoe (Greece)</li> <li>• Seafront Villas in Kilada (Greece)</li> </ul>	€31 million	€73.6 million
2019	<ul style="list-style-type: none"> <li>• Sale of preferred shares in Aristo (Cyprus)</li> <li>• Plots in Apollo Heights (Cyprus)</li> </ul>	€6.1 million	
2020	<ul style="list-style-type: none"> <li>• Plots in LaVanta (Turkey)</li> <li>• Plots in Kilada (Greece)</li> </ul>	€2.3 million	
2021	<ul style="list-style-type: none"> <li>• LaVanta (Turkey)</li> <li>• Itacaré (Brazil)</li> </ul>	€4.9 million	

\* *Dividends received*

To date, there have been no distributions from the Company to Shareholders of realisation proceeds because the respective amounts were applied towards reducing the underlying liabilities of the Group and meeting its operating, permitting and development expenses.

The Company (and companies held by the Company) realised €7.2 million of investments during the 2020-2021 period. It is unlikely that the Company will sell any further investments before 31 December 2021. During 2020 and the first half of 2021, the COVID-19 pandemic had a significant negative impact on tourism in Europe and on demand from investors to acquire property for the development of resorts and villas. In Cyprus, demand for property was further depressed by the suspension of the country’s citizenship-for-investment programme.

The purpose of this document is to explain to Shareholders the rationale and new terms on which the Board proposes that the New Investing Policy and Realisation Strategy is implemented in order to more closely align the interests of the Investment Manager with those of Shareholders and the further steps being proposed by the Board to further reduce the Company's operating costs and improve corporate governance.

At the EGM, Shareholders will be asked to vote on the following Resolutions:

- Resolution 1 – an ordinary resolution, to approve (i) the continuation of the Company; (ii) the new Investing Policy and Realisation Strategy (as defined in paragraph 4 of Part 1 of this document); and (iii) the New IMA (as defined in paragraph 5 of Part 1 of this document).
- Resolution 2 – an ordinary resolution to approve the adoption of the New Memorandum and Articles (as defined in paragraph 6 of Part 1 of this document).
- Resolution 3 – an ordinary resolution, which is conditional upon the passing of Resolution 2, that the Company be authorised, subject to and in accordance with the provisions of the New Memorandum and Articles (as from time to time amended or varied), and any applicable laws and regulation to which the Company may be subject from time to time, to send, convey or supply all types of notices, documents or information to the Shareholders of the Company by means of electronic communication and including by means of electronic equipment for the processing (including, without limitation, by means of digital compression), storage and transmission of data, using wires, radio optical technologies, or any other electromagnetic means, including by making such notices, documents or information available on a website.

## 2 THE CURRENT PORTFOLIO

The current investments held by the Company as at 30 June 2021 and at the date of this document comprise the following:

Investment	Land site (hectares)	Equity interest held by DCI	Aggregate Investment cost <sup>1</sup> (€ million)	Limited Recourse Debt (€ million)	DCI gross asset value (€ million)
1 One&Only at Kea Island Resort	65	33%	10	-	
2 Kilada Hills Golf and Country Resort	224	93%	90	-	
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	447	100%	31	-	
7 Livka Bay Resort	63	100%	33	6.2	
<b>TOTAL</b>	<b>1,723</b>		<b>220</b>	<b>6.2</b>	<b>161</b>
Aristo	474	47.90%	186	-	43
Itacaré Investment	n/a	13%	1	-	-
<b>GRAND TOTAL</b>	<b>2,197</b>		<b>408</b>	<b>6.2</b>	<b>204</b>

<sup>1</sup> as at 30 June 2021

Together, these investments had an aggregate Net Asset Value at 30 June 2021 of €152 million.

Over the past five years, since the New Asset Strategy was approved by Shareholders, the pace of realisation of investments by the Company has been disappointing. The Investment Manager believes that, subject to the continued improvement in the investment environment, the pace of realisation of the Company's investments will accelerate. There is an increasing number of private equity funds and family offices, actively looking to expand their exposure to hospitality assets through the acquisition of properties which are branded and/or managed by operating partners, thus reducing direct operational risks. Moreover, the post-pandemic uplift in global travel and rising proportion of consumer spending on experiences looks set to endure, and this should further support hospitality investment volumes and valuations going forward. The Investment Manager expects that

opportunities to acquire newly developed luxury branded residential resorts, such as the One&Only at Kea Island Resort (“**OOKI**”) and the Kilada Hills Golf and Country Resort (“**Kilada**”) near Porto Heli, could be scarce due to the lack of a material development pipeline in Greece. As these projects mature, the Investment Manager expects the Company to be in a position to appeal to a larger investment audience and transact at valuations reflecting the projects’ maturities and intrinsic values. It is the target of the Board and the Investment Manager to dispose of all of the Company’s remaining assets by the end of 2024. The attention of Shareholders is drawn particularly to Section 2 of this document headed "Risk Factors".

Construction activity on the sites of the Company’s two key resorts in Greece: OOKI and Kilada, continued throughout 2021 and progress on site in each case remains on target. The Investment Manager and the Board believe that the value of the Company and distributions to Shareholders will be optimised by continuing to hold and develop these resorts, which represent two of the three largest investments in the portfolio, until they become operational. These resorts are fully permitted and funded and are due to become operational in the summer of 2022 and late 2023 respectively. Following encouraging sales at attractive prices during the summer of 2021, the intention is to continue to develop the infrastructure and common facilities and to sell individual hotel rooms and land plots for villas at both sites. The intention is to de-risk the investments by progressing the development of both resorts and repaying the respective construction debt facilities for both projects. As on-site construction progresses and, first, OOKI and, then, Kilada open for business, it is expected that the sales of the entire interests held by the Company in each resort should be feasible at attractive prices. In due course, this will permit the Company to effect material distributions to Shareholders.

The Company’s third large investment by value is a 47.9 per cent. minority interest in Aristo. The collapse in tourist arrivals during the COVID-19 pandemic of 2020-21 hit the Cyprus economy particularly hard and the suspension of the country’s citizenship-for-investment programme on 1st November 2020 caused an immediate halt to overseas purchases of premium villas and apartments, such as those amongst the product line of Aristo. With tourist numbers recovering in Cyprus and buyers gradually returning to the local holiday property market, there is some room for optimism. The Investment Manager and the Board are working with a view to identifying a sale or re-financing transaction, which would, in due course, enable the Company to realise its investment.

The remaining assets of the Company are development land in Greece, Cyprus and Croatia, where local licences, taxes and planning permissions have been maintained. The Investment Manager will reinvigorate processes to identify potential joint venture partners-operators and/or buyers with a view to accelerating the sale of these individual sites.

### **3 CONTINUATION OF THE COMPANY**

Through the passing of Resolution 1 at the EGM, the Board proposes that Shareholders approve a continuation of the Company without setting a termination date or a date for a further continuation vote in order to provide time to optimise for Shareholders the value that can be realised from the Company’s investments by removing potentially commercially prejudicial deadlines from negotiations with potential buyers. In the event that the Investment Manager does not perform in implementing the new Investing Policy and Realisation Strategy (as outlined further below), the Company will have the option of terminating the New IMA on six months’ notice from the beginning of 2023.

Notwithstanding the absence of a formal date for Shareholders to consider a continuation of the Company, the Board may, at any time, propose a further continuation vote to Shareholders.

#### 4 THE NEW INVESTING POLICY & REALISATION STRATEGY

With the possible exception of limited follow-on commitments to existing projects in order to protect and/or enhance their value, the Company will not make any further investments without Shareholder approval.

The Board intends to use substantially all net proceeds from the sale of the Company's investments to repay the €15.0 million senior secured loan, which was drawn down in June and July 2021. The outstanding loan balance was €12.8 million as at the date of this document. After repaying the loan, all remaining cash held by the Company will be distributed to Shareholders, subject to retaining sufficient funds to meet the Company's liabilities and to cover its reasonable working capital requirements. Given the unpredictable economic recovery, in particular in the tourism and travel sector, the timing of distributions to Shareholders cannot be determined with any certainty.

In order to avoid any ambiguity as to the strategy of the Company, under Resolution 1 at the EGM, Shareholders will be asked to consider approving the following new investing policy and realisation strategy (the "**Investing Policy and Realisation Strategy**") which will constitute the Company's "investing policy" for the purposes of the AIM Rules:

- The Board and the Investment Manager will aim to realise all of the Company's remaining investments by 31 December 2024.
- The Company currently intends, subject to any sales opportunity arising in the interim which will be considered by the Board on a case-by-case basis, to hold and develop the OOKI and Kilada investments until they become operational in order to maximise their realisation values, thus enabling the Company to effect material distributions to Shareholders, but may dispose of either asset on an opportunistic basis if considered to be in the best interests of Shareholders.
- The Board and the Investment Manager will seek to identify a sale or re-financing transaction for the investment in Aristo which would, in due course, enable the Company to sell its 47.9% interest.
- The Company will not make any new investments without Shareholder approval, except for limited follow-on commitments to existing projects in order to protect and/or enhance their values.
- Following the repayment of the Company's senior secured loan, all remaining cash held by the Company will be distributed to Shareholders, subject to retaining sufficient funds to meet the Company's liabilities and to cover the Company's reasonable working capital requirements.

Following the realisation of all the Company's investments and the distribution of the net proceeds to Shareholders, the Board's intention would be to propose to Shareholders the cancellation of the Company's admission to trading on AIM and the appointment of a liquidator to oversee the formal liquidation of the Company.

#### 5 THE NEW IMA

In order to reduce the loss of value to Shareholders from operating costs as the Company implements the proposed new Investing Policy and Realisation Strategy, the Board and the Investment Manager propose to align the Investment Manager's interests with those of Shareholders and improve and

streamline operations to significantly reduce the operating costs and cash outflows of the Company from their previous high levels.

A strategic review undertaken by the Board in consultation with the Investment Manager identified a number of potential improvements and savings. These included:

- reducing the Independent Directors' remuneration;
- negotiating new service and fee terms with most of the Company's service providers;
- appointing FIM Capital Limited to replace the Company's former Jersey based administrator;
- terminating the appointment of the Company's former custodian;
- terminating the appointment of the Company's former public relations adviser; and
- appointing finnCap as the Company's combined Nominated Adviser and Broker to replace the split roles formerly undertaken by Grant Thornton and Panmure Gordon.

Currently, the Company's largest operating cost is the remuneration paid to the Investment Manager.

As the Amended IMA automatically expires on 31 December 2021, the Board has negotiated the New IMA with the Investment Manager which will, if approved by Shareholders through the passing of Resolution 1 at the EGM, enter into effect on 1 January 2022.

The key terms of the New IMA, if approved, will:

- eliminate the annual fixed investment management fees that the Company has been paying to the Investment Manager since the Company was first admitted to trading on AIM. These peaked at €17.9 million in 2011 and currently amount to €3.6 million per annum;
- eliminate the current variable fee arrangement and introduce an incentive fee arrangement payable to the Investment Manager as follows:
  - a fee will only accrue when Shareholders receive a distribution from the Company;
  - no incentive fees will accrue or be payable until Shareholders have first received aggregate distributions of at least €40.0 million, which approximates to the current market capitalisation of the Company;
  - thereafter, an incentive fee payable to the Investment Manager of 15 per cent. will accrue on all distributions paid to Shareholders;
  - once €80.0 million has been distributed to Shareholders, a bonus of €1.0 million for every additional €5.0 million of distributions will be payable to the Investment Manager until a total of €100 million has been distributed to Shareholders. This bonus will amount to a maximum of €5.0 million in total;
  - in order to permit the Investment Manager to meet its working capital commitments, quarterly advances will be paid to the Investment Manager in the amounts of €2.4 million in total for 2022, €2.3 million for 2023 and €1.3 million for 2024. These advances

will be repaid by the Investment Manager to the Company by way of set off against accrued incentive fee entitlements;

- all fees accrued and paid in cash to the Investment Manager with effect from 1 January 2022 under the terms of an asset management agreement entered into between the Investment Manager and the project company for the OOKI investment will also be set off against the accrued incentive fee entitlements; and
- in order to discourage 'cherry picking' through the priority sale of the Company's more attractive investments, 25 per cent. of any incentive fee entitlements payable to the Investment Manager will be held in escrow and released with the last distribution to Shareholders after the last remaining investment has been sold.

No further management, incentive or performance fees will be payable by the Company pursuant to the Amended IMA once it expires on 31 December 2021 with the exception of an amount of €1.3 million of currently accrued and outstanding management fees that DCP has agreed to defer until the Company is able to complete asset sales of at least an equivalent amount.

The New IMA will commence on 1 January 2022 with an initial term of twelve months and, thereafter, may be terminated on six months' notice by either party.

The Independent Directors, having consulted with the Company's Nominated Adviser, finnCap, believe that the terms of the New IMA are fair and reasonable in so far as Shareholders are concerned.

In the event that Resolution 1 is not approved by Shareholders at the EGM, the New IMA will not be adopted and the Board will formulate new proposals to be put to Shareholders as soon as reasonably practicable and, in any event, by 30 June 2022. During this period the Amended IMA will be extended subject to the revised fixed investment management and incentive fee arrangements outlined above.

Shareholders should be aware that the Board is committed to ending, wherever possible, related party transactions and potential conflicts of interest between the Investment Manager, the Company and its subsidiaries, which have arisen periodically during the life of the Company. Details of all ongoing related party transactions and potential conflicts of interest will continue to be disclosed on a regular basis in both the interim and annual report and accounts of the Company.

## **6 AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION**

The Board proposes to improve the rights of Shareholders by adopting the New Memorandum and Articles by the passing of Resolution 2 at the EGM.

The New Memorandum and Articles are intended to more closely align the Company's constitution with the rights offered to shareholders in companies incorporated under the UK Companies Act 2006.

The New Memorandum and Articles contain *inter alia* a requirement for the Company to hold annual general meetings to approve the annual report and accounts; the re-election of Directors by rotation

on a three year cycle; and the ability of Shareholders owning 10 per cent. or more of Common Shares to requisition an EGM at any time.

The objective of the adoption of the New Memorandum and Articles is to improve the Company's corporate governance and the accountability of the Board to Shareholders.

A copy of the New Memorandum and Articles is available for inspection on the Company's website at [www.dolphinci.com](http://www.dolphinci.com).

## **7 RELATED PARTY TRANSACTION**

Dolphin Capital Partners Ltd is considered to be a related party of the Company for the purposes of the AIM Rules as it is the Investment Manager and Miltos Kambourides is both principal of the Investment Manager and a Director. Therefore, the New IMA is considered to be a "Related Party Transaction" under Rule 13 of the AIM Rules. Accordingly, the Independent Directors consider (having consulted with the Nominated Adviser) that the terms of the New IMA are fair and reasonable insofar as the Shareholders are concerned.

## **8 ELECTRONIC COMMUNICATIONS WITH SHAREHOLDERS**

Subject to the adoption of the New Memorandum and Articles by the passing of Resolution 2 at the EGM, the Company will, under the terms of the New Memorandum and Articles have the option to provide notices or documents to any Shareholder using electronic communication at an address for the time being notified to the Company by the Shareholder. However, in order to take advantage of this for certain documents, the AIM Rules require compliance with a specific procedure, summarised below.

The AIM Rules provide companies with the option to satisfy the requirement to send certain documents (including the annual report and accounts) to shareholders by electronic communication, subject to the company's constitution and any legal requirements in its jurisdiction of incorporation and subject to the satisfaction of certain requirements. These requirements include the need for shareholder approval in general meeting enabling the company to utilise the ability to communicate with its shareholders via electronic means. This approval will be granted in relation to the Company if Resolution 3 is passed at the EGM.

Resolution 3 is conditional upon the passing of Resolution 2 at the EGM and the adoption of the New Memorandum and Articles.

Under the AIM Rules, the Company cannot use electronic communications (including by means of the Company's website) for certain documents unless the recipient Shareholder has either, (i) given individual consent, or (ii) having been contacted in writing to request such consent, has not objected within 28 days, in which event their consent can be deemed to have been given. If Resolution 3 is passed at the EGM, the Company will contact Shareholders individually in this regard in due course. Where consent is given or deemed given, each Shareholder will be contacted to alert them to the publication of certain documents on the Company's website. A Shareholder, may continue to receive Company communications in hard copy form if they so wish. Moreover, a Shareholder may, in relation to a particular communication, request a hard copy form of that communication.

## 9 EXTRAORDINARY GENERAL MEETING

The EGM will be held at 10:00 a.m. (GMT) on 22 December 2021 at the offices of FIM Capital Limited, 55 Athol St, Douglas, Isle of Man IM1 1LA.

At the EGM the following resolutions will be proposed:

- Resolution 1 – an ordinary resolution, to approve: (i) the continuation of the Company; (ii) the new Investing Policy and Realisation Strategy; and (iii) the New IMA.
- Resolution 2 – an ordinary resolution to approve the adoption of the New Memorandum and Articles.
- Resolution 3 – an ordinary resolution, which is conditional upon the passing of Resolution 2, that the Company be authorised, subject to and in accordance with the provisions of the New Memorandum and Articles (as from time to time amended or varied), and any applicable laws and regulation to which the Company may be subject from time to time, to send, convey or supply all types of notices, documents or information to the Shareholders of the Company by means of electronic communication and including by means of electronic equipment for the processing (including, without limitation, by means of digital compression), storage and transmission of data, using wires, radio optical technologies, or any other electromagnetic means, including by making such notices, documents or information available on a website.

Whether or not Shareholders propose to attend the EGM, they should complete and return the Form of Proxy or Form of Instruction (as appropriate) in accordance with the instructions in Part 3 of this document.

## 10 RECOMMENDATION

The Independent Directors consider Resolution 1 to be in the best interests of all Shareholders as it is aimed at maximising the realisable value of the Company for Shareholders and seeks to align the interests of the Investment Manager and the Shareholders more closely. Accordingly, the Independent Directors recommend that all Shareholders vote **FOR** Resolution 1 to be proposed at the EGM.

In addition, the Directors consider Resolutions 2 and 3 to be in the best interests of all Shareholders. Accordingly, the Directors recommend that all Shareholders vote **FOR** Resolutions 2 and 3 to be proposed at the EGM.

Yours faithfully,

**Martin M. Adams**  
*Chairman*

## PART 2

### Risk Factors

In considering the proposals and the Resolutions set out in this document, Shareholders should have regard to, and carefully consider, the risk factors described below in addition to the risks as outlined in the Admission Document and the other information set out in this document. The following are those risk factors which the Board considers to be material as at the date of this document (based on the assumption that Resolution 1 is passed at the EGM). If any of the adverse events described below actually occur, the Company's business, financial condition or results or prospects could be materially and adversely affected. Additional risks and uncertainties which were not known to the Board at the date of this document or that the Board considers at the date of this document to be immaterial (based on the assumption that Resolution 1 is passed at the EGM) may also materially and adversely affect the Company's business, financial condition or results or prospects.

#### *Realisation*

The exact timing, form and value of distributions to Shareholders is uncertain and will depend, amongst other things, on the speed and price at which each investment of the Company is realised. The sale of some investments may only be possible at prices substantially less than the values used to calculate the Net Asset Value per Common Share.

#### *Property valuation is inherently subjective and uncertain*

Property and property related assets are inherently difficult to value due to the individual nature of each property. As a result, valuations are subject to uncertainty and there can be no assurance that the estimates resulting from the valuation process will reflect actual sales prices that could be realised by the Company in the future. The Company relies on property valuations in calculating the Net Asset Value.

#### *Liquidity of the Company's investments*

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.

#### *The Company's working capital position*

The Company's future financial position will be dependent upon its ability to realise its remaining investments and the availability of suitable debt financing facilities. To the extent that the Company is unsuccessful in realising investments and/ or appropriate debt financing is unavailable to meet the Company's working capital requirements, the Company may cease to be a going concern and may become insolvent.

#### *Completion of OOKI and Kilada may incur more cost and time than expected*

In terms of the completion of OOKI and Kilada, the Company will be subject to the risks normally associated with property development. These risks include, without limitation, risks relating to the continued availability of planning and other regulatory approvals, the cost and timely completion of construction (including risks

beyond the control of the Company, such as COVID-19 related risks, weather or labour conditions or material shortages), general market and letting risk, and the availability of both construction and permanent financing on favourable terms as well as the generation of funds either from the sales of other Company investments or other joint venture or financing transactions to finance the development of OOKI and Kilada. These risks could result in substantial unanticipated delays or expense and, under certain circumstances, could prevent completion of development activities once undertaken, any of which could have a material adverse effect on the Company's profitability and Net Asset Value.

#### *Impact of COVID-19 pandemic*

The impact of the COVID-19 pandemic and measures to prevent its spread could negatively impact the implementation of the Investing Policy and Realisation Strategy. The COVID-19 pandemic has caused, and may continue to cause, severe economic, market and other disruptions worldwide. Conditions in the hospitality investment market, the sales of second-homes and properties in the markets where the Company operates, bank lending, capital and other financial markets may deteriorate as a result of the pandemic, which could materially impact the Company's ability to dispose of its investments and the Company's access to capital and other sources of funding.

#### *Management of investments*

The Company does not directly employ full time officers or employees and no separate facilities and is reliant on the Investment Manager for the implementation of the Company's Investing Policy and Realisation Strategy. Whilst the Company has taken all reasonable steps to establish and maintain adequate procedures, systems and controls to enable it to comply with its obligations, the Company is reliant upon the performance of the Investment Manager for the majority of its executive functions. In particular, the Investment Manager will be performing services which are integral to the operation of the Company. Failure by the Investment Manager to carry out its obligations to the Company in accordance with the terms of the New IMA could have a materially detrimental impact on the operation of the Company. The Company is also subject to the risk that the Investment Manager will terminate the New IMA and a suitable replacement is not contracted in a timely manner or key personnel of the Investment Manager are not available to the Company with an appropriate time commitment, the ability of the Company to execute its Investing Policy and Realisation Strategy may be adversely affected. Moreover, the future ability of the Company to successfully pursue its Investing Policy and Realisation Strategy may, among other things, depend on the ability of the Investment Manager to retain its existing staff and/or to recruit individuals of similar experience and calibre. Whilst the Investment Manager has endeavoured to ensure that the principal members of its management team are suitably incentivised, the retention of key members of the team cannot be guaranteed.

The foregoing factors are not exhaustive and do not purport to be a complete explanation of all risks and significant considerations relating to the Investing Policy and Realisation Strategy. Accordingly, additional risks and uncertainties not presently known to the Board may also have an adverse effect on the Company's business, financial condition or results or prospects.

## Part 3

### Details of the EGM

The Resolutions will be proposed at the EGM to be held at 10:00 a.m. (GMT) on 22 December 2021 at the offices of FIM Capital Limited, 55 Athol St, Douglas, Isle of Man IM1 1LA.

Although the EGM is currently intended to be an open meeting allowing Shareholders to attend in person, the Board is not encouraging Shareholders to attend the EGM in person unless considered necessary. Shareholders are instead encouraged to vote by the return of a Form of Proxy or Form of Instruction (as appropriate). In order to comply with any Isle of Man government requirements which may apply at the time the EGM is held, the Board may impose restrictions on entry to the EGM in order to limit or restrict the number of attendees if this is necessary to maintain any required level of social distancing between attendees at the EGM or any restriction on the maximum number of attendees.

Whether or not Shareholders propose to attend the EGM, they should complete and return the Form of Proxy or Form of Instruction (as appropriate) in accordance with the instructions below.

#### **Common Shares held in certificated form (i.e. Common Shares NOT held in uncertificated Depository Interest form in CREST)**

Shareholders holding Common Shares in certificated form should complete and return the BLUE Form of Proxy indicating how they wish to vote to **Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY** so as to be received not later than 10:00 a.m. (GMT) on 20 December 2021.

The completion and return of a Form of Proxy will not preclude a Shareholder from attending the EGM and voting in person if they subsequently wish to do so.

#### **Common Shares held in uncertificated form (i.e. Common Shares held in uncertificated Depository Interest form in CREST)**

Holders of Depository Interests will be invited to attend the EGM by Computershare Company Nominees Limited in its capacity as custodian for the Depository Interests and on behalf of the Company. If you wish to attend, please contact: [!UKALLDITeam2@computershare.co.uk](mailto:UKALLDITeam2@computershare.co.uk). As noted above, although the EGM is currently intended to be an open meeting allowing Shareholders to attend in person, the Board is not encouraging Shareholders to attend the EGM in person unless considered necessary.

Holders of Depository Interests in CREST may transmit voting instructions by utilising the CREST voting service in accordance with 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, should refer to their CREST sponsor or voting service provider, who will be able to take appropriate action on their behalf.

In order for instructions made using the CREST voting service to be valid, the appropriate CREST message (a "**CREST Voting Instruction**") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual (available via [www.euroclear.com/CREST](http://www.euroclear.com/CREST)).

To be effective, the CREST Voting Instruction must be transmitted so as to be received by the Company's agent (3RA50) no later than the date as described in the expected timetable on page 3 of this document. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the CREST Voting Instruction by the CREST applications host) from which the Company's agent is able to retrieve the CREST Voting Instruction by enquiry to CREST in the manner prescribed by CREST. Holders of Depository Interests in CREST and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system

timings and limitations will therefore apply in relation to the transmission of CREST Voting Instructions. It is the responsibility of the holder of Depositary Interests concerned to take (or, if the holder of Depositary Interests is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that the CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a CREST Voting Instruction is transmitted by means of the CREST voting service by any particular time. In this connection, holders of Depositary Interests and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

Depositary Interest holders can alternatively vote using the PURPLE Form of Instruction and return such Form of Instruction to **Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY** so as to be received not later than 10:00 a.m. (GMT) on 17 December 2021.

The completion and return of the Form of Instruction will not preclude a Shareholder from attending the EGM and voting in person if they so wish. Should a Shareholder wish to attend the EGM contact: !UKALLDITeam2@computershare.co.uk.

#### **GENERAL**

The quorum for the EGM is two Shareholders present in person or by proxy entitled to vote at the EGM. In the event that a quorum is not achieved the EGM will be adjourned until the same time on 29 December 2021, and the adjourned EGM will be held at the same place as the original meeting.

Shareholders are requested to complete and return the relevant Form of Proxy or Form of Instruction whether or not they intend to attend the EGM. These forms can be returned to Computershare by post using the enclosed pre-paid envelope.

If you have any queries regarding the EGM please contact Computershare Investor Services PLC during normal business hours on +44 370 702 0000. Please note that Computershare Investor Services PLC can only give procedural advice in relation to the EGM and is not authorised to provide investment advice.

## DEFINITIONS

"€"	Euros.
"Admission"	the admission of the common share capital of the Company to trading on AIM which became effective in accordance with the AIM Rules at 8:00 a.m. on 8 December 2005.
"Admission Document"	the AIM admission document of the Company dated 6 December 2005.
"AIM"	the AIM market of the London Stock Exchange.
"AIM Rules"	the AIM Rules for Companies (including the guidance notes thereto) published by the London Stock Exchange governing, inter alia, the continuing obligations of AIM companies (as amended from time-to-time).
"Amended IMA"	the eighth amended and restated investment management agreement dated 9 April 2019 and made between the Company and the Investment Manager, which automatically expires on 31 December 2021.
"Aristo"	Aristo Developers Limited.
"Board" or "Directors"	the Board of Directors of the Company.
"Company" or "DCI"	Dolphin Capital Investors Limited.
"Common Shares"	common shares of €0.01 each in the Company and, save where the context requires otherwise, Depositary Interests representing such common shares.
"CREST"	the computerised settlement system operated by Euroclear which facilitates the transfer of title to shares in uncertificated form.
"Depositary Interests"	de-materialised depositary interests representing Common Shares issues by the depositary, Computershare Investor Services PLC, and settled in CREST.
"EGM" or "Extraordinary General Meeting"	the extraordinary general meeting of the Company to be held at 10:00 a.m. (GMT) on 22 December 2021 at the offices of FIM Capital Limited, 55 Athol St, Douglas, Isle of Man IM1 1LA.
"Euroclear"	Euroclear UK & Ireland Limited, being the operator of CREST.
"Form of Instruction"	the form of instruction for use at the EGM.
"Form of Proxy"	the form of proxy for use at the EGM.
"GMT"	Greenwich Mean Time.
"Group"	together, the Company and its subsidiary undertakings.

<b>"Independent Directors"</b>	the Directors other than Miltos Kambourides.
<b>"Investment Manager"</b>	Dolphin Capital Partners Ltd.
<b>"Net Asset Value"</b>	the value, as at a date, of the assets of the Company after deduction of all liabilities, calculated in accordance with the Company's accounting policy.
<b>"New IMA"</b>	the new investment management agreement entered into, conditionally upon the passing of Resolution 1 at the EGM, between the Company and the Investment Manager, a summary of the key terms of which are set out in Part 1 of this document.
<b>"New Memorandum and Articles"</b>	the new memorandum and articles of association proposed to be adopted by the Company by the passing of Resolution 2 at the EGM.
<b>"Nominated Adviser"</b>	finnCap Ltd.
<b>"Notice of EGM"</b>	the notice of EGM as set out on page 20 of this document.
<b>"Resolutions"</b>	the resolutions to be proposed at the EGM, and a reference to "Resolution 1", "Resolution 2" and "Resolution 3" shall be construed accordingly.
<b>"Shareholder"</b>	a holder of Common Shares.

## NOTICE OF AN EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting of the Company will be held at the offices of FIM Capital Limited, 55 Athol St, Douglas, Isle of Man IM1 1LA at 10:00 a.m. (GMT) on 22 December 2021 for the purpose of considering and, if thought fit, passing the following resolutions which will each be proposed as ordinary resolutions.

### ORDINARY RESOLUTION

1. **THAT:**
  - (a) the Company continue as presently constituted;
  - (b) the text set out under "New Investing Policy and Realisation Strategy" in paragraph 4 of Part 1 of the circular to Shareholders dated 2 December 2021 (the "**Circular**") be and is hereby adopted by the Company as the Company's investing policy for the purposes of the AIM Rules for Companies; and
  - (c) the terms of the New IMA (as defined in the Circular) be and are hereby approved.

### ORDINARY RESOLUTION

2. **THAT** the memorandum and articles of association tabled to the Meeting and signed by the Chairman for the purposes of identification (the "**New Memorandum and Articles**") be adopted as the memorandum and articles of association of the Company in substitution for, and to the exclusion of, the Company's existing memorandum and articles of association.

### ORDINARY RESOLUTION

3. **THAT**, conditionally upon the passing of Resolution 2, the Company be authorised, subject to and in accordance with the provisions of the New Memorandum and Articles (as from time to time amended or varied), and any applicable laws and regulation to which the Company may be subject from time to time, to send, convey or supply all types of notices, documents or information to the shareholders of the Company by means of electronic communication and including by means of electronic equipment for the processing (including, without limitation, by means of digital compression), storage and transmission of data, using wires, radio optical technologies, or any other electromagnetic means, including by making such notices, documents or information available on a website.

Dated: 2 December 2021

By Order of the Board

*Registered Office:  
Tortola Pier Park,  
Building 1,  
Wickhams Cay 1,  
Road Town, Tortola,  
British Virgin Islands*

*NOTES*

1. Although the EGM is currently intended to be an open meeting allowing Shareholders to attend in person, the Board is not encouraging Shareholders to attend the EGM in person unless considered necessary. Shareholders are instead encouraged to vote by the return of a Form of Proxy or Form of Instruction (as appropriate). In order to comply with any Isle of Man government requirements which may apply at the time the EGM is held, the Board may impose restrictions on entry to the EGM in order to limit or restrict the number of attendees if this is necessary to maintain any required level of social distancing between attendees at the EGM or any restriction on the maximum number of attendees.
2. Pursuant to Regulation 41 of the UK Uncertificated Securities Regulations 2001 the Company specifies that only those holders of Common Shares registered in the registrar of members of the Company, or Depositary Interests registered in the register of Depositary Interest holders as at close of business (GMT) on 17 December 2021 (or, if the EGM is adjourned, Shareholders entered on the Company's register of members or Depositary Interest holders not later than 48 hours before the time fixed for the adjourned meeting) shall be entitled to attend and vote at the EGM in respect of the number of Common Shares of Depositary Interests (as appropriate) registered in their name at that time. Changes to entries on the registers after close of business (GMT) on 17 December 2021 shall be disregarded in determining the right of any person to attend or vote at the EGM.
3. To be valid, the Form of Proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power must reach Computershare Investors Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY, (during normal business hours) by not less than not less than 48 working hours before the appointed time for holding the EGM or adjournment (as the case may be).
4. To be valid, the Form of Instruction and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power must reach Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, by not less than 72 working hours before the appointed time for holding the EGM or adjournment (as the case may be).
5. The completion of the Form of Proxy will not preclude a Shareholder from attending the EGM and voting in person. If, a shareholder has appointed a proxy and attends the EGM in person, the proxy appointment will automatically be terminated.
6. The completion of the Form of Instruction will not preclude a Shareholder from attending the EGM and voting in person. If you wish to attend the EGM and/or vote at the EGM you should contact: [!UKALLDIteam2@computershare.co.uk](mailto:UKALLDIteam2@computershare.co.uk).
7. A copy of the New Memorandum and Articles will be available for inspection at the offices of FIM Capital Limited, 55 Athol St, Douglas, Isle of Man IM1 1LA during usual business hours on any weekday (Saturdays, Sundays and Bank Holidays excluded) until the date of the meeting and also on the date and at the place of the meeting. A copy of the New Memorandum and Articles is also available for inspection on the Company's website at [www.dolphinci.com](http://www.dolphinci.com).