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**Eurocastle Releases Fourth Quarter and Year End 2022 Financial Results**

Guernsey, 2 March 2023 – Eurocastle Investment Limited (Euronext Amsterdam: ECT) today will release its annual report for the year ended 31 December 2022.

◆ **Adjusted Net Asset Value (“NAV”)** of €10.3 million<sup>1</sup>, or €10.33 per share<sup>2</sup>, up €0.07 per share vs. Q3 2022 (up €0.54 per share vs. YE 2021) due to:

1. Valuation movements:
  - €0.05 per share, or 6%, increase in Q4 2022 (€0.28 per share increase for FY 2022) on the real estate fund investments following the sale of the final apartment units.
  - No movement in Q4 2022 (€0.12 per share increase for FY 2022) on the NPL and other loan interests which were fully disposed of in the year.
2. Reserve and other movements: €0.02 per share increase in Q4 2022 (€0.13 per share increase for FY 2022).

◆ **IFRS NAV** of €22.4 million, or €22.45 per share (€32.9 million, or €17.73 per share<sup>3</sup>, as at YE 2021).

The tables below summarise the Adjusted NAV by segment:

	YE 2022 NAV		Q3 2022 NAV		YE 2021 NAV	
	€'m	€ p.s.	€'m	€ p.s.	€'m	€ p.s.
Real Estate Funds	0.6	0.63	0.8	0.76	2.8	1.49
Italian NPLs & Other Loans	-	-	1.0	1.01	1.3	0.72
Net Corporate Cash <sup>4</sup>	17.1	17.15	16.2	16.27	28.8	15.52
Legacy German Tax Asset	4.6	4.67	4.6	4.67	-	-
<b>IFRS NAV</b>	<b>22.4</b>	<b>22.45</b>	<b>22.6</b>	<b>22.72</b>	<b>32.9</b>	<b>17.73</b>
Additional Reserves	(12.1)	(12.12)	(12.4)	(12.46)	(14.8)	(7.94)
<b>Adjusted NAV</b>	<b>10.3</b>	<b>10.33</b>	<b>10.2</b>	<b>10.26</b>	<b>18.2</b>	<b>9.79</b>
<i>Ordinary shares outstanding</i>	995,555		995,555		1,857,535	

As at 31 December 2022, the Company’s remaining assets mainly comprise:

1. Two Real Estate Fund Investments with a Q4 2022 NAV of €0.6 million, or €0.63 per share, where the underlying apartments are now **all sold** with both funds currently in liquidation.
2. €17.1 million of net corporate cash.

<sup>1</sup> In light of the Realisation Plan announced in November 2019, the Adjusted NAV as at 31 December 2022 reflects additional reserves for future costs and potential liabilities, which have not been accounted for under the IFRS NAV (“Additional Reserves”). No commitments for these future costs and potential liabilities existed as at 31 December 2022.

<sup>2</sup> Per share calculations for Eurocastle throughout this document are based on 995,555 shares, unless otherwise stated.

<sup>3</sup> Based on 1,857,535 shares outstanding at YE 2021.

<sup>4</sup> Reflects corporate cash net of accrued liabilities and other assets.

## **2022 BUSINESS HIGHLIGHTS**

### **FY 2022 Overview**

During 2022, the Company made significant progress on realising its remaining assets as part of its Realisation Plan, with 96% of its YE 2021 NAV relating to investments realised in the period. As at 31 December 2022, the Company had realised 106% of the NAV of the investments reported at the time of the announcement of the Realisation Plan in November 2019.

In particular, Eurocastle disposed of the two remaining loan pools that the Company had an interest in and all remaining apartment units in its two real estate fund investments were sold. As a result, Eurocastle's investment interests now comprise the residual net assets of its two RE Fund Investments with an NAV of €0.6 million, or 6% of the Company's total Adjusted NAV.

In July, the Company announced the conclusion of its strategic review and the decision to relaunch the Company's investment activity (the "Relaunch"). It also announced a tender offer to provide a liquidity opportunity for those shareholders who did not wish to participate in the Relaunch (the "Tender Offer"). The Tender Offer closed in August with 67% of eligible shares tendered, resulting in Eurocastle accepting 864,980 shares in exchange for €10.26 of cash per share, or €8.9 million in total.

### **Investment Realisations & Highlights**

- During 2022, the Company realised €4.8 million from its investments, of which €3.4 million came from its RE Fund Investments (~91% of their YE 2021 NAV) and €1.5 million from its minority NPL and Other Loan holdings (~109% of their YE 2021 NAV).
- **RE Redevelopment Funds - REFI II & REFI V:** Both funds are now in liquidation with all apartment units sold. During 2022, Eurocastle received €3.4 million comprising (i) €1.0 million from REFI II (~70% of its YE 2021 NAV) and (ii) €2.4 million from REFI V (~103% of its YE 2021 NAV).
- **Italian NPLs & Other Loans:** The Company disposed of its residual minority interest in 2 loan pools, realising €1.3 million and a further €0.2 million in distributions during the year.
- **Additional Reserves:** The Company reduced these reserves from €14.8 million to €12.1 million during the year. The reduction of €2.7 million reflects €1.4 million of reserves being utilised, in line with anticipated costs, and a release of €1.3 million of the existing reserves in the year. The majority of this release relates to the legacy German tax matter following a revision to the estimated total liability. As at 31 December 2022, of the total Additional Reserves of €12.1 million, €6.5 million related to the legacy German tax matter with the balance of approximately €5.5 million in place to allow for an orderly liquidation process.

### **Relaunch Update**

- As at 31 December 2022 the Company has €17.1 million of net corporate cash and approximately €9.7 million of net available cash to commence seeking new investments under the new investment strategy. The Company is currently working with the Manager to finalise the structure and expects to commence investing in the coming weeks.

## **SUBSEQUENT EVENTS TO 31 DECEMBER 2022**

As at 2 March 2023, there were no material subsequent events to disclose.

**Income Statement for the Full Year and Fourth Quarter 2022**

	FY 2022 € Thousands	Q4 2022 € Thousands
<b><u>Portfolio Returns</u></b>		
Italian NPLs & Other Loans realised gain	116	-
Real Estate Funds realised fair value movement	-	-
Real Estate Funds unrealised fair value movement	282	48
<b>Fair value movement on Italian investments</b>	<b>398</b>	<b>48</b>
<b>Fair value movements on residual Legacy entities</b>	<b>9</b>	<b>9</b>
<b>Interest income</b>	<b>68</b>	<b>58</b>
<b>Loss on foreign currency translation</b>	<b>(7)</b>	<b>(5)</b>
<b>Total income</b>	<b>468</b>	<b>109</b>
<b><u>Operating Expenses</u></b>		
<b>Interest expense</b>	<b>12</b>	<b>-</b>
Manager base and incentive fees	92	17
Remaining operating expenses	1,247	243
<b>Other operating expenses</b>	<b>1,339</b>	<b>260</b>
<b>Total expenses</b>	<b>1,351</b>	<b>260</b>
<b>Net loss for the period</b>	<b>(883)</b>	<b>(152)</b>
<b>€ per share</b>	<b>(0.58)</b>	<b>(0.15)</b>

Balance Sheet and Adjusted NAV Reconciliation as at 31 December 2022	Italian Investments € Thousands	Corporate € Thousands	Total € Thousands
<b>Assets</b>			
Cash and cash equivalents	-	17,721	17,721
Other assets	-	109	109
Legacy German tax asset	-	4,645	4,645
Investments:			
Real Estate Funds	628	-	628
<b>Total assets</b>	<b>628</b>	<b>22,475</b>	<b>23,103</b>
<b>Liabilities</b>			
Trade and other payables	-	736	736
Manager base and incentive fees	-	17	17
<b>Total liabilities</b>	<b>-</b>	<b>753</b>	<b>753</b>
<b>IFRS Net Asset Value</b>	<b>628</b>	<b>21,722</b>	<b>22,350</b>
Liquidation cash reserve	-	(5,537)	(5,537)
Legacy German tax cash reserve	-	(1,888)	(1,888)
Legacy German tax asset	-	(4,645)	(4,645)
<b>Adjusted NAV</b>	<b>628</b>	<b>9,652</b>	<b>10,280</b>
<b>Adjusted NAV (€ per Share)</b>	<b>0.63</b>	<b>9.69</b>	<b>10.33</b>

NOTICE:

This announcement contains inside information for the purposes of the Market Abuse Regulation 596/2014.

## **ADDITIONAL INFORMATION**

For investment portfolio information, please refer to the Company's most recent Financial Report, which will be available on the Company's website ([www.eurocastleinv.com](http://www.eurocastleinv.com)).

## **ABOUT EUROCASTLE**

Eurocastle Investment Limited ("Eurocastle" or the "Company") is a publicly traded closed-ended investment company. On 18 November 2019, the Company announced a plan to realise the majority of its assets with the aim of accelerating the return of value to shareholders. On 8 July 2022, the Company announced the relaunch of its investment activity and is currently in the early stages of pursuing its new strategy by initially focusing on opportunistic real estate in Greece with a plan to expand across Southern Europe. For more information regarding Eurocastle Investment Limited and to be added to our email distribution list, please visit [www.eurocastleinv.com](http://www.eurocastleinv.com).

## **FORWARD LOOKING STATEMENTS**

This release contains statements that constitute forward-looking statements. Such forward-looking statements may relate to, among other things, future commitments to sell real estate and achievement of disposal targets, availability of investment and divestment opportunities, timing or certainty of completion of acquisitions and disposals, the operating performance of our investments and financing needs. Forward-looking statements are generally identifiable by use of forward-looking terminology such as "may", "will", "should", "potential", "intend", "expect", "endeavor", "seek", "anticipate", "estimate", "overestimate", "underestimate", "believe", "could", "project", "predict", "project", "continue", "plan", "forecast" or other similar words or expressions. Forward-looking statements are based on certain assumptions, discuss future expectations, describe future plans and strategies, contain projections of results of operations or of financial condition or state other forward-looking information. The Company's ability to predict results or the actual effect of future plans or strategies is limited. Although the Company believes that the expectations reflected in such forward-looking statements are based on reasonable assumptions, its actual results and performance may differ materially from those set forth in the forward-looking statements. These forward-looking statements are subject to risks, uncertainties and other factors that may cause the Company's actual results in future periods to differ materially from forecasted results or stated expectations including the risks regarding Eurocastle's ability to declare dividends or achieve its targets regarding asset disposals or asset performance.