



EUROCASTLE INVESTMENT LIMITED

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Eurocastle Announces Tender Offer to Repurchase up to €60 million of Ordinary Shares at €8.45 per Ordinary Share

Guernsey. 13 August 2019 – Eurocastle Investment Limited (Euronext Amsterdam: ECT) (“**Eurocastle**” or the “**Company**”) today announces the launch of a tender offer (the “**Tender Offer**”) of up to €60 million of ordinary shares in the Company (“**Ordinary Shares**”) for a fixed price of €8.45 per Ordinary Share.

A circular (the “**Circular**”) to shareholders in relation to the Tender Offer has been posted on the Investor Relations section of the Company’s website under the tab “Periodic Reports and Shareholder Communications – Tender Offer” and has been mailed to eligible shareholders on the register as at close of business on 12 August 2019.

The Tender Offer is being undertaken pursuant to the authority passed at the Company’s Annual General Meeting held on 19 June 2019. The Tender Offer will remain open until 5.00 p.m. (CET) on 10 September 2019 and is being made at a price of €8.45 per existing Ordinary Share in issue (the “**Tender Price**”). The repurchase of Ordinary Shares by the Company pursuant to the Tender Offer will be carried out through ABN AMRO Bank N.V. acting for and on behalf of the Company as agent.

Background to and reasons for the Tender Offer

Following the successful sale of 5 million doValue shares on 8 August 2019, Eurocastle and its Board of Directors (the “**Board**”) has decided to return the net proceeds of approximately €45 million to shareholders, along with a further €15 million of additional available capital, by way of the Tender Offer. In light of the persistent discount at which Eurocastle has been trading to its net asset value (“NAV”) and the Company’s available cash, the Board believes that the implementation of the Tender Offer at a very attractive premium to the prevailing share price, and in line with its Pro Forma NAV, represents an appropriate use of available cash, as it provides liquidity to shareholders at an attractive level.

The Tender Offer

The Circular in relation to the Tender Offer has been posted today on the Investor Relations section of the Company’s website and sent to eligible shareholders.

The Tender Price has been set at €8.45 per share, representing a premium of 12.7% to the volume weighted average closing price on Euronext Amsterdam of €7.50 per Ordinary Share over the last month to 12 August 2019 (the latest practicable date before the publication of this announcement), or a premium of 14.7% taking

into account the Q2 dividend of €0.15 per Ordinary Share. The Tender Price is in line with the Company's Pro Forma NAV¹ of €8.45 per share.

The Tender Offer will provide shareholders who are eligible with an opportunity to sell part or all of their Ordinary Shares and to receive their respective share of the cash which the Company is seeking to return. The Tender Offer will allow the Company to broaden the return of cash to include those shareholders whose Ordinary Shares might not otherwise be purchased by the Company through a general on-market buyback.

Each eligible shareholder will be entitled to sell up to 16.28 per cent. of the Ordinary Shares registered in their respective names on the record date under the Tender Offer, rounded down to the nearest whole number of Ordinary Shares. This is what is known as each eligible shareholder's "**Basic Entitlement**". All Ordinary Shares validly tendered by eligible shareholders up to their respective Basic Entitlement will be accepted and repurchased in full. Tendering shareholders may also be able to participate in the Tender Offer in excess of their Basic Entitlement to the extent that other eligible shareholders tender less than their respective Basic Entitlement, resulting in surplus Ordinary Shares (known as "**Excess Tender Offer Shares**"). Any Excess Tender Offer Shares will be repurchased from tendering Shareholders pro rata to the amount in excess of each eligible shareholder's Basic Entitlement so tendered.

The Tender Offer is being undertaken pursuant to the authority passed at the Company's Annual General Meeting held on 19 June 2019. The repurchase of Ordinary Shares by the Company will be carried out on-market through the available systems of Euronext through ABN AMRO Bank N.V. acting for and on behalf of the Company as agent. The Tender Offer will be financed through the use of the Company's existing and available cash resources.

The Tender Offer is available to eligible shareholders outside Canada and Japan in respect of the number of Ordinary Shares registered in those shareholders' names at 5.00 p.m. (CET) on 10 September 2019.

The formal terms and conditions of the Tender Offer are set out in the Circular and tender form. The results of the Tender Offer will be announced on 11 September 2019 and published on the Company's website (www.eurocastleinv.com).

Expected timetable

	2019
Tender Offer opens.....	13 August
Latest time and date for receipt of Tender Forms.....	5.00 p.m. (CET) on 10 September
Record Date for the Tender Offer.....	5.00 p.m. (CET) on 10 September
Closing Date for the Tender Offer.....	5.00 p.m. (CET) on 10 September
Announcement of results of the Tender Offer.....	11 September
Euroclear Nederland accounts credited with Tender Offer proceeds and revised holdings of uncertificated Ordinary Shares (Settlement Date).....	16 September

¹ Pro forma NAV means the Company's last published Q2 2019 NAV less the additional incentive compensation which would be due by the Company should all investments be realised at their last reported values (the "**Incremental Incentive Fees**"), adjusted for (i) the price per share at which the Company sold 5 million shares in doValue S.p.A. ("**doValue**") on 8 August 2019, being €10.45 per doValue share (the "**doValue 8 August Sale Price**"); (ii) the payment of the Q2 2019 dividend; and (iii) the reduction in the Incremental Incentive Fee reflecting the difference between the doValue 8 August Sale Price and the doValue closing share price as at 30 June 2019.

Despatch of cheques for Tender Offer proceeds for Ordinary Shares held through CREST and for certificated Ordinary Shares.....	16 September
Despatch of balance share certificates for unsold Ordinary Shares and share certificates for unsuccessful tenders (certificated holders only).....	16 September

The above times and dates may be subject to change and, in the event of such change, the revised times and/or dates will be notified to shareholders.

Information in connection with the Tender Offer is available on the Company's website (www.eurocastleinv.com) or can be obtained from ABN AMRO Bank N.V., Corporate Broking (telephone number +31 20 344 2000). If you hold Ordinary Shares in CREST or in certificated form and have any questions about the procedure for tendering or you want to request tender forms, CREST payment forms or for help completing the tender form, please contact the Company's registrar, Anson Registrars Limited, between 9.00 a.m. and 5.00 p.m. (GMT) Monday to Friday (telephone number +44 1481 711301).

Enquires: Please contact the Eurocastle Investor Relations at investorrelations@eurocastle.com or +1 (212) 479-3165.

This announcement does not constitute, or form part of, an offer or any solicitation of an offer for securities in any jurisdiction.

NOTICE:

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

This announcement may contain forward-looking statements, including 'forward-looking statements' within the meaning of the United States Private Securities Litigation Reform Act of 1995. Words such as 'will', 'aim', 'expects', 'anticipates', 'intends', 'looks', 'believes', 'vision', or the negative of these terms and other similar expressions of future performance or results, and their negatives, are intended to identify such forward-looking statements. These forward-looking statements are based upon current expectations and assumptions regarding anticipated developments and other factors affecting Eurocastle Investment Limited (the "**Company**"). They are not historical facts, nor are they guarantees of future performance.

Because these forward-looking statements involve risks and uncertainties, there are important factors that could cause actual results to differ materially from those expressed or implied by these forward-looking statements. These forward-looking statements speak only as of the date of this announcement. Except as required by any applicable law or regulation, the Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

About Eurocastle

Eurocastle Investment Limited is a publicly traded closed-ended investment company that focuses on investing in performing and non-performing loans and other real estate related assets primarily in Italy. The Company is Euro denominated and is listed on Euronext Amsterdam under the symbol "ECT". Eurocastle is managed by an affiliate of Fortress Investment Group LLC, a leading global investment manager. For more information

regarding Eurocastle Investment Limited and to be added to our email distribution list, please visit www.eurocastleinv.com.

Important Notice

The Company is organized under the laws of Guernsey. The Tender Offer described in this press release will be made pursuant to Guernsey law and in compliance with the applicable provisions of Section 14(e) of the US Securities Exchange Act of 1934 (the “**Exchange Act**”), and Regulation 14E thereunder. The Tender Offer will be subject to disclosure and procedure requirements of Guernsey which are different from those of the United States. The Tender Offer will not be made pursuant to the provisions of any other law. Accordingly, the Company and the persons acting in conjunction with the Company will not procure any further registrations, authorizations or approvals of the Tender Offer by any security supervisory authority or similar institutions. The Tender Offer will be made in the United States by the Company and no one else.

The Company, certain affiliated companies and agents and financial advisers may make certain purchases of, or arrangements to purchase, shares outside the Tender Offer during the period in which the Tender Offer remains open for acceptance. If such purchases or arrangements to purchase are made they will be made outside the United States and will comply with applicable law, including the Exchange Act.