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**Eurocastle Releases Financial Results for the Nine Months Ended 30 September 2019 and  
 Announces Share Buyback Programme Transactions from 11 November 2019 to 13 November 2019 and  
 end of Fifth Buyback Programme**

Guernsey, 18 November 2019 – Eurocastle Investment Limited (Euronext Amsterdam: ECT) today has released its financial results for the nine months ended 30 September 2019.

- ◆ **Net Asset Value (“NAV”)** of €27.5 million, or €8.97 per share<sup>1</sup>.
- ◆ **Normalised FFO<sup>2</sup>** of €25.7 million, or €0.60 per share, for the third quarter of 2019; of which €0.45 per share from the sale of 5 million doValue shares in the quarter and the subsequent tender which settled on 16 September 2019.

	Q3 2019		Q2 2019		YTD 2019		YTD 2018	
	€million	€per share <sup>1</sup>						
NAV	327.5	8.97	428.2	9.81	327.5	8.97	418.7	8.80
Normalised FFO <sup>2</sup>	25.7	0.60	4.3	0.10	36.6	0.83	21.8	0.42
Distributions <sup>1</sup>	-	-	6.5	0.15	13.3	0.30	31.7	0.63

### **THIRD QUARTER 2019 BUSINESS HIGHLIGHTS**

#### **doValue Business Update**

- On 8 August 2019, the Company sold 25% of its interest in doValue at €1.045 per doValue share, with net proceeds of €1.7 million, or €1.42 per Eurocastle share, realising 12% of the Company’s Q2 NAV in cash, and a 2.9x investment multiple on the portion of doValue shares sold.
- First full quarter after completion of the Altamira acquisition in June 2019:
  - In addition to €10 billion of new AuM, which has been onboarded in 2019, doValue has recently been awarded new mandates with a total GBV of €7.8 billion bringing total AuM to €140 billion.
  - 44%<sup>3</sup> year on year increase in gross revenues (5% year on year increase on a constant perimeter basis<sup>4</sup>).
  - YTD 2019 EBITDA<sup>3</sup> of €90.6 million and Net Income<sup>3</sup> of €44.7 million, up by 61% and 30% respectively vs. YTD 2018 (up 13% and 17% respectively on a constant perimeter basis<sup>4</sup>).
  - EBITDA margin, excluding non-recurring items, up by 4% to 39% vs. YTD 2018 (up 3% on a constant perimeter basis<sup>4</sup>).
- On 8 November 2019, doValue updated its 2020-2022 business plan targets; €7bn GBV per year growth on average along with an improvement in the group collection rate and lower outsourcing fees; targeting 3% to 5% annual CAGR in EBITDA (excluding non-recurring items).

#### **Investment Performance**

- Following the announced sale of all assets in the listed real estate fund and significant realisations from one of the private funds, the Company realised €12.0 million in Q3 2019 from its real estate investments, representing 61% of the Company’s Q2 carrying value.

#### **Capital Activity**

- Eurocastle completed a share tender on 16 September 2019, distributing the net proceeds from the doValue sale and additional available capital through a repurchase of €60.0 million of shares at €8.45 per share, at a premium to the share price at the time of announcement of approximately 12%.
- In Q3 2019 Eurocastle bought back 75,697 ordinary shares under the buyback programme at an average price of €7.52 per ordinary share, representing a 16% discount to the Q3 NAV. The programme ended on 13 November 2019, with a further €0.7 million worth of shares bought back. The Company has chosen not to extend the programme in light of its realisation plan announced today.

<sup>1</sup> Per share calculations for Eurocastle throughout this document are based on the weighted average of outstanding voting shares and therefore exclude shares held in treasury. As at 30 September 2019, 55.4 million shares were in issue of which 36.5 million were voting shares and 18.9 million were held in treasury. Amounts per share are therefore calculated on the following basis: Q3 2019 Net Asset Value per share (“NAV per share”) on 36.5 million voting shares, Q3 2019 NFFO on 42.8 million weighted average voting shares, YTD 2019 NFFO on 44.2 million weighted average shares, Q2 2019 NAV per share on 43.7 million voting shares, Q2 2019 NFFO on 44.9 million weighted average shares, 30 September 2018 NAV per share based on 47.6 million voting shares and YTD 2018 NFFO per share – based on 51.7 million weighted average voting shares. Q2 2019 distribution based on 6.5 million voting shares.

<sup>2</sup> Normalised FFO (“NFFO”) is a non-IFRS measure used to explain the financial performance of the Company, as outlined on page 3 of this announcement.

<sup>3</sup> EBITDA and Net Income excluding non-recurring items; YTD 2019 EBITDA reported at €78.8 million, YTD 2019 Net Income reported at €8.6 million.

<sup>4</sup> To improve comparability with YTD 2019 results, doValue presented combined Altamira A.M. Q3 2018 results with their YTD 2018 results.

## **EVENTS SUBSEQUENT TO 30 SEPTEMBER 2019**

- On 18 November 2019, the Company announced that the Board of Directors has resolved to realise the majority of the Company's assets in order to accelerate the return of value to the Company's shareholders (the "Realisation Plan").
- The Realisation Plan comprises the sale of the Company's investments in the Italian loan pools (the "NPL Sale") at a 5% to their Q3 2019 NAV and a tender offer to exchange Eurocastle shares for doValue shares together with the distributable proceeds from the NPL Sale.
- As stated in the Circular published by the Company today, the Realisation Plan is subject to shareholder approval at the General Meeting scheduled for 2 December 2019.
- The Company's Distribution Policy, including the regular quarterly dividend, will not apply with effect from Q3 2019.

For further information of the Company as at 30 September 2019, please refer to the Company's most recent Investor Factsheet and Circular, which can be found under the investor relations section on the Company's website ([www.eurocastleinv.com](http://www.eurocastleinv.com)).

## **NORMALISED FFO**

Normalised FFO (“NFFO”) is a non-IFRS financial measure that, with respect to all of the Company’s Italian Investments other than doValue, recognises i) income on an expected yield basis updated periodically, allowing Eurocastle to report the run rate earnings from these investments in line with their expected annualised returns and ii) any additional gains or losses not previously recognised through NFFO at the point investments are realised. Cash flow receipts are therefore allocated by the Company between income and capital in accordance with this expected yield methodology. With respect to doValue, following the IPO, the Company recognises NFFO based on its share of doValue’s reported annual net income excluding non-recurring items after tax together with any gains or losses arising from the sale of its shares. The income cash flow profile of each of the Company’s investments may not exactly equal the NFFO recognised by the Company each period but will do so over the life of each investment.

<b>Normalised FFO for the Nine Months Ended 30 September 2019</b>	<b>Average Net</b>	<b>Annualised</b>	<b>YTD 2019</b>
	<b>Invested Capital<sup>1</sup></b>	<b>Yield</b>	
	<i>€ Thousands</i>		<i>€ Thousands</i>
doValue	78,901	67%	39,683
Italian NPLs & Other Loans	116,144	18%	15,457
Real Estate Fund Investments	29,874	(18)%	(4,008)
<b>Italian Investments NFFO before expenses</b>	<b>224,919</b>	<b>30%</b>	<b>51,132</b>
Legacy portfolios			261
Manager base & incentive fees			(12,211)
Other operating expenses			(2,594)
<b>Normalised FFO</b>			<b>36,588</b>
<i>€ per share</i>			0.83

<b>Normalised FFO for the Three Months Ended 30 September 2019</b>	<b>Average Net</b>	<b>Annualised</b>	<b>Q3 2019</b>
	<b>Invested Capital<sup>1</sup></b>	<b>Yield</b>	
	<i>€ Thousands</i>		<i>€ Thousands</i>
doValue	74,401	164%	30,512
Italian NPLs & Other Loans	123,635	16%	5,068
Real Estate Fund Investments	27,999	(10)%	(673)
<b>Italian Investments NFFO before expenses</b>	<b>226,035</b>	<b>62%</b>	<b>34,907</b>
Legacy portfolios			37
Manager base & incentive fees			(8,263)
Other operating expenses			(950)
<b>Normalised FFO</b>			<b>25,731</b>
<i>€ per share</i>			0.60

<b>Income Statement for the Nine and Three Months ended 30 September 2019 (Unaudited)</b>	<b>YTD 2019</b>	<b>Q3 2019</b>
	<i>€ Thousands</i>	<i>€ Thousands</i>
<b><u>Portfolio Returns</u></b>		
doValue	28,691	(29,321)
Italian NPLs & Other Loans	11,286	4,633
Real Estate Funds	925	355
<b>Fair value movement on Italian investments</b>	<b>40,902</b>	<b>(24,333)</b>
<b>Fair value movements on residual Legacy entities</b>	<b>261</b>	<b>37</b>
<b>Loss on foreign currency translation</b>	<b>(3)</b>	<b>2</b>
<b>Total income</b>	<b>41,160</b>	<b>(24,294)</b>
<b><u>Operating Expenses</u></b>		
<b>Interest expense</b>	<b>102</b>	<b>12</b>
Manager base and incentive fees	12,211	8,263
Remaining operating expenses	2,489	940
<b>Other Operating expenses</b>	<b>14,700</b>	<b>9,203</b>
<b>Total expenses</b>	<b>14,802</b>	<b>9,215</b>
<b>Net profit / (loss) for the period</b>	<b>26,358</b>	<b>(33,509)</b>
<i>€ per share</i>	<b>0.60</b>	<b>(0.78)</b>

<sup>1</sup> Time weighted average of invested capital (net of any capital returned) over the relevant period.

<b>Balance Sheet and NAV Reconciliation as at 30 September 2019 (Unaudited)</b>	<b>Italian Investments</b> <i>€ Thousands</i>	<b>Corporate</b> <i>€ Thousands</i>	<b>Total</b> <i>€ Thousands</i>
<b>Assets</b>			
Cash and cash equivalents	-	38,157	38,157
Other assets	-	147	147
Investments:			
doValue	153,294	-	153,294
Italian NPLs & Other Loans	131,141	-	131,141
Real Estate Funds	15,546	-	15,546
<b>Total assets</b>	<b>299,981</b>	<b>38,304</b>	<b>338,285</b>
<b>Liabilities</b>			
Trade and other payables	-	2,508	2,508
Manager base and incentive fees	-	8,263	8,263
<b>Total liabilities</b>	<b>-</b>	<b>10,771</b>	<b>10,771</b>
<b>Net Asset Value</b>	<b>299,981</b>	<b>27,533</b>	<b>327,514</b>
FINO deferred purchase price commitment	17,826	(17,826)	-
<b>NAV (segments adjusted for outstanding commitments)<sup>1</sup></b>	<b>317,807</b>	<b>9,707</b>	<b>327,514</b>
NAV (€per share) <sup>2</sup>	<b>8.71</b>	<b>0.26</b>	<b>8.97</b>

<sup>1</sup> NAV segments adjusted for €17.8 million carrying value of unfunded committed investment relating to the deferred purchase price ("DPP") of €18.1 million on FINO, payable in August 2020.

<sup>2</sup> Amounts per share calculated on 36.5 million outstanding voting shares.

## Share Buyback Programme Transactions from 11 November 2019 to 13 November 2019 and end of Fifth Buyback Programme

The Company announces that between 11 November 2019 and 13 November 2019, under its fifth non-discretionary share buyback programme with Liberum Capital Limited (acting as the Company's broker) announced on 9 August 2019 and commenced on 16 September 2019 (the "Fifth Buyback Programme"), it bought back 9,825 of its ordinary shares at an average price of €7.08 per ordinary share. The purchased shares will all be held as treasury shares. The Fifth Buyback Programme ended on 13 November 2019.

The purpose of the share buyback programme is to reduce the share capital of the Company and the programme is executed in compliance with the provisions of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 and the Commission Delegated Regulation (EU) 2016/1052 of 8 March 2016, collectively referred to as the Safe Harbour rules.

The following transactions have been made under the buyback programme:

Accumulated, most recent announcement	Platform code	Volume	Volume Weighted Average Price	Gross Value (€)
11/11/2019	BATE	161	7.04	1,133
	XLON	2,653	7.04	18,679
	CHIX	159	7.06	1,123
	TRQX	204	7.04	1,436
	<b>Total</b>	<b>3,177</b>	<b>7.04</b>	<b>22,371</b>
12/11/2019	BATE	153	7.08	1,083
	XLON	2,779	7.08	19,671
	CHIX	154	7.08	1,090
	TRQX	205	7.08	1,451
	<b>Total</b>	<b>3,291</b>	<b>7.08</b>	<b>23,296</b>
13/11/2019	BATE	152	7.12	1,082
	XLON	2,846	7.12	20,256
	CHIX	153	7.12	1,089
	TRQX	206	7.12	1,467
	<b>Total</b>	<b>3,357</b>	<b>7.12</b>	<b>23,894</b>

Following the above transactions:

- The total number of ordinary shares of the Company in issue is 55,379,438
- The total number of ordinary shares held by Eurocastle in treasury is 18,977,196 (equal to 34.3% of the Company's share capital)
- The total number of voting rights exercisable by holders of ordinary shares of the Company is 36,402,242 as voting rights of shares held in treasury are suspended.

Set out below are all trades completed between 11 November 2019 and 13 November 2019:

	Platform code	Volume	Price	Gross Value (€)
11/11/2019	XLON	85	7.08	601.80
	XLON	412	7.08	2,916.96
	CHIX	100	7.06	706.00
	CHIX	59	7.06	416.54
	TRQX	100	7.04	704.00
	BATE	161	7.04	1,133.44
	TRQX	104	7.04	732.16
	XLON	463	7.04	3,259.52
	XLON	300	7.04	2,112.00
	XLON	128	7.04	901.12
	XLON	100	7.04	704.00
	XLON	100	7.04	704.00
	XLON	172	7.04	1,210.88
	XLON	66	7.02	463.32
	XLON	388	7.02	2,723.76

	XLON	439	7.02	3,081.78
		<b>3,177</b>	<b>7.04</b>	<b>22,371.28</b>
12/11/2019	XLON	17	7.08	120.36
	XLON	100	7.08	708.00
	XLON	100	7.08	708.00
	XLON	100	7.08	708.00
	XLON	98	7.08	693.84
	TRQX	205	7.08	1,451.40
	CHIX	154	7.08	1,090.32
	BATE	153	7.08	1,083.24
	XLON	225	7.08	1,593.00
	XLON	508	7.08	3,596.64
	XLON	31	7.08	219.48
	XLON	37	7.08	261.96
	XLON	492	7.08	3,483.36
	XLON	33	7.08	233.64
	XLON	210	7.06	1,482.60
	XLON	38	7.08	269.04
	XLON	492	7.08	3,483.36
	XLON	298	7.08	2,109.84
		<b>3,291</b>	<b>7.08</b>	<b>23,296.08</b>
13/11/2019	XLON	926	7.12	6,593.12
	BATE	152	7.12	1,082.24
	CHIX	153	7.12	1,089.36
	TRQX	206	7.12	1,466.72
	XLON	392	7.10	2,783.20
	XLON	360	7.12	2,563.20
	XLON	396	7.12	2,819.52
	XLON	412	7.12	2,933.44
	XLON	360	7.12	2,563.20
		<b>3,357</b>	<b>7.12</b>	<b>23,894.00</b>

## **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](http://www.eurocastleinv.com).