EUROCASTLE

Eurocastle Releases First Quarter 2025 Interim Management Statement, Release of Liquidation Reserves and Notice of Annual General Meeting

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EUROCASTLE INVESTMENT LIMITED

FOR IMMEDIATE RELEASE

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Eurocastle Releases First Quarter 2025 Interim Management Statement and Announces Release of €4.6 million of Liquidation Reserves and Annual General Meeting to be held on 5 August 2025

Guernsey, 4 July 2025 – Eurocastle Investment Limited (Euronext Amsterdam: ECT) ("Eurocastle" or the "Company") today has released its interim management statement for the quarter ended 31 March 2025. The Company also announces that, following quarter end, the Luxembourg fund through which it is pursuing the New Investment Strategy ("EPIF") has reached over €61 million of investor commitments, following which the Board has determined that Eurocastle has a sustainable platform that it anticipates growing in future years. As a result, the Board has released €4.6 million of reserves generating a net increase to the Company's Adjusted NAV of €4.0 million, or €4.01 per share after contractual incentive fees of 12.5%.

- **IFRS NAV** of €22.0 million, or €22.01 per share (€22.1 million, or €22.05 per share as at Q4 2024).
- **ADJUSTED NET ASSET VALUE ("NAV")**[1] of €11.4 million, or €11.43 per share[2] (Q4 2024: €11.4 million, or €11.34 per share).
- **PRO FORMA ADJUSTED NAV:** Pro forma for the release of the Liquidation Reserves and net of incentive fees, the Adjusted NAV as at 31 March 2025 would be €15.5 million, or €15.44 per share.

	Q4 2024 NAV		Q1 FV Movement		Q1 2025 NAV		Pro Forma Movements[3]		Q1 2025 Pro Forma NAV	
	€'m	**€ p.s.**	**€'m**	**€ p.s.**	**€'m**	**€ p.s.**	**€'m**	**€ p.s.**	**€'m**	**€ p.s.**
New Investment Strategy - EPIF	5.77	5.76	0.09	0.09	5.86	5.85	-	-	5.86	5.85
Legacy Italian Real Estate Funds	0.06	0.06	-	-	0.06	0.06	-	-	0.06	0.06
Net Corporate Cash[3&4]	12.28	12.26	(0.16)	(0.17)	12.11	12.09	(0.57)	(0.57)	11.54	11.52
Legacy German Tax Asset	3.97	3.97	0.03	0.04	4.01	4.01	-	-	4.01	4.01
IFRS NAV	**22.08**	**22.05**	**(0.04)**	**(0.04)**	**22.04**	**22.01**	**(0.57)**	**(0.57)**	**21.47**	**21.44**
Legacy German Tax Reserve[5]	(5.99)	(5.97)	(0.02)	(0.03)	(6.01)	(6.00)	-	-	(6.01)	(6.00)
Adjusted NAV before Liquidation Reserve	**16.09**	**16.08**	**(0.06)**	**(0.07)**	**16.03**	**16.01**	**(0.57)**	**(0.57)**	**15.46**	**15.44**
Liquidation Reserves[3&5]	(4.74)	(4.74)	0.15	0.16	(4.59)	(4.58)	4.59	4.58	-	-
Adjusted NAV	**11.35**	**11.34**	**0.09**	**0.09**	**11.44**	**11.43**	**4.02**	**4.01**	**15.46**	**15.44**
Ordinary shares outstanding	*1,001,555*				*1,001,555*				*1,001,555*	

As at 31 March 2025, the Company's assets mainly comprise:

1. €12.1 million, or €12.09 per share, of net corporate cash[3] which is available to continue seeking investments under the New Investment Strategy.

2. €5.9 million, or €5.85 per share, in the Company's first investment under the New Investment Strategy - a Luxembourg real estate fund where Eurocastle, as sponsor, generates returns through its share of investments made and certain subsidiaries receive asset management and incentive fees from third party investors.

3. A tax asset of €4.0 million, or €4.01 per share, representing amounts paid (and associated interest) in relation to additional tax assessed against a former German property subsidiary where the Company won the first instance of its appeal in December 2024. The German tax authorities have since appealed the decision and the Company is waiting for the date of the next hearing.

4. Residual interests in two legacy Italian Real Estate Fund Investments with a NAV of €0.06 million, or €0.06 per share, where the underlying apartments are now all sold and both funds are in liquidation.

Q1 2025 BUSINESS UPDATES & SUBSEQUENT EVENTS

- **New Investment Strategy** – In 2024, Eurocastle launched a Luxembourg regulated fund, European Properties Investment Fund S.C.A., SICAV RAIF ("EPIF" or the "Fund"), through which it invests alongside selected co-investors. EPIF's key strategy is to acquire small to mid-size real estate and real estate related assets in Southern Europe with superior risk adjusted returns. The Fund initially closed with Eurocastle committing to invest €8 million alongside a €2 million commitment from its JV Partner. EPIF is now being marketed to potential investors with a target size of €100 million.

In addition to generating attractive risk adjusted returns on its share of any investments made, Eurocastle also anticipates receiving market standard management and incentive fees from third-party investors.

Up to the end of Q1 2025, EPIF had invested approximately €7 million. Eurocastle's 80% share amounted to €5.5 million, while its corresponding share of EPIF's net asset value as at 31 March 2025 stood at €5.9 million, reflecting an increase in the value of the real estate acquired to date.

Subsequent Events to Q1 2025 – Since Q1, EPIF has received commitments of approximately €51 million from 15 investors taking the total fund size to over €61 million. In addition, prospective investors representing a further €20 million in commitments are in the final stages of due diligence.

In June, EPIF completed its second investment, calling approximately €1 million of capital to acquire a 70% interest in a vacant office property in central Athens. The asset was acquired from a defaulted borrower at a substantial discount to comparable sales in the area.

In addition, EPIF has an active pipeline that currently includes approximately €40 million of potential opportunities.

- **Legacy Italian Real Estate Funds** –The remaining NAV for these investments of €0.06 million, or €0.06 per share, reflects cash currently reserved in the funds that is expected to be released once the fund manager resolves certain potential liabilities and liquidates each fund.

- **Legacy German Tax Matter** – Prior to 2024, the Company had paid a net amount of €3.7 million in relation to the Legacy German tax matter against which it has raised a corresponding tax asset (together with associated interest). The Company, in pursuing the reimbursement of this amount through the German fiscal court, won the first instance of its appeal in December 2024. Shortly after, the German tax authorities appealed the decision through the German federal tax court and the Company is currently waiting to be notified of the date of the hearing.

The remaining potential exposure, associated with the same point under dispute, is estimated to be €1.7 million. This relates to the years 2013 to 2015 which remain subject to ongoing tax audits. Notwithstanding the Company's expectation that the tax matter will eventually be resolved in the Company's favour, as at 31 March 2025, the full potential liability of €6.0 million, or €6.00 per share (including associated defence costs and interest accrued), is fully reserved for within the Additional Reserves.

- **Additional Reserves** - As at 31 March 2025, of the total Additional Reserves of €10.6 million, €6.0 million related to the legacy German tax matter with the balance of approximately €4.6 million held in reserves to allow for future costs and potential liabilities while the Company consolidated in parallel the New Investment Strategy (the "Liquidation Reserves").

Subsequent Events to Q1 2025 – In light of the Company's strengthened financial position and prospects, the Board has reviewed the level of Additional Reserves and feel it appropriate to release the Liquidation Reserves.

Income Statement for the Quarter ended 31 March 2025 and Quarter ended 31 March 2024 (unaudited)

	Income Statement Q1 2025	**Income Statement Q1 2024**
	€ Thousands	*€ Thousands*

Portfolio Returns		
New Investment Strategy – EPIF unrealised fair value movement	85	-
Legacy Real Estate Funds unrealised fair value movement	-	(10)
Fair value movement on Investments	**85**	**(10)**
Other income	-	4
Interest income	109	146
Total income	**194**	**141**
Operating Expenses		
Manager base and incentive fees	41	20
Remaining operating expenses	195	227
Total expenses	**236**	**247**
(Loss) for the period	**(42)**	**(106)**
€ per share	***(0.04)***	***(0.11)***

Balance Sheet and Adjusted NAV Reconciliation as at 31 March 2025 and as at 31 December 2024

	31 March 2025	**31 December 2024**
	Total	**Total**
	€ Thousands	*€ Thousands*
Assets		
Other assets	115	315
Legacy German tax asset	4,012	3,974
Investments – New Investment Strategy - EPIF	5,855	5,770
Investments – Legacy Real Estate Funds	64	64
Cash, cash equivalents	12,400	12,415
Total assets	**22,446**	**22,538**
Liabilities		
Trade and other payables	318	389
Manager base and incentive fees	84	63
Total liabilities	**402**	**452**
IFRS Net Asset Value	**22,044**	**22,086**
Liquidation cash reserve	(4,590)	(4,748)
Legacy German tax cash reserve	(2,000)	(2,008)
Legacy German tax asset reserve	(4,012)	(3,974)
Adjusted NAV	**11,442**	**11,356**
Adjusted NAV (€ per Share)	***11.43***	***11.34***

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

ANNUAL GENERAL MEETING

The Company will hold its Annual General Meeting on Tuesday, 5 August 2025, at the Company's registered office at 3:00 pm Guernsey time (4:00 pm CET). Notices and proxy statements will be posted by 14 July 2025 to shareholders of record at close of business on 10 July 2025.

ADDITIONAL INFORMATION

For investment portfolio information, please refer to the Company's most recent Financial Report, which is available on the Company's website (www.eurocastleinv.com).

Terms not otherwise defined in this announcement shall have the meaning given to them in the Circular.

ABOUT EUROCASTLE

Eurocastle Investment Limited ("Eurocastle" or the "Company") is a publicly traded closed-ended investment company. 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.

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", "endeavour", "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.

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[1] In light of the Realisation Plan announced in 2019, the Adjusted NAV as at 31 March 2025 reflects additional reserves for future costs and potential liabilities, which have not been accounted for under the IFRS NAV. No commitments for these future costs and potential liabilities existed as at 31 March 2025.

[2] Per share calculations for Eurocastle throughout this document are based on 1,001,555 shares, unless otherwise stated.

[3] Adjustments to reflect the release of the Liquidation Reserve.

[4] Reflects corporate cash net of accrued liabilities and other assets.

[5] Reserves that were put in place when the Company realised the majority of its investment assets in 2019 in order for the Company to continue in operation and fund its
future costs and potential liabilities. These reserves are not accounted for under IFRS.