

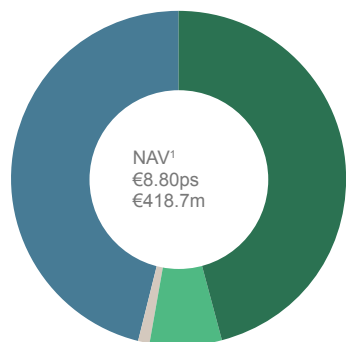


Eurocastle Investment Limited is a publicly traded closed-ended investment company that focuses on investing in Italian performing and non-performing loans, Italian loan servicing platforms and other real estate related assets in Italy. The Company believes that the markets in which it seeks to make investments, and in particular Italy, continue to be characterised by a significant imbalance between sellers and buyers of investments driven in large part by banks' requirements to deleverage. The Company believes that this imbalance creates attractive investment opportunities due to there being a limited universe of buyers with access to deep market knowledge, industry relationships and servicing expertise.

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### Portfolio Overview

Eurocastle's current portfolio of Italian Investments is made up of three key segments: the doBank Group, Italian NPLs and Real Estate Funds, with the remainder comprising Net Corporate Cash. The chart below shows the segmental net assets as at 30 September 2018.



46%	doBank Group	€190.8m / €4.01ps
46%	Italian NPLs <sup>2</sup>	€194.5m / €4.09ps
7%	Real Estate Funds <sup>2</sup>	€27.7m / €0.58ps
1%	Net Corporate Cash <sup>2</sup>	€5.7m / €0.12ps

**doBank:** 25.5% interest (20 million shares) in the largest third party Italian NPL servicer managing €83.5 billion GBV. Listed on the Milan Stock Exchange in July 2017 (DOB:IM). Valuation: €9.50 per doBank share (as at 30 September 2018)

**Italian NPLs:** Interests across 24 loan pools including Romeo, FINO and 22 other NPL pools.

**RE Funds:** Interests in one publicly listed and two private Italian real estate redevelopment funds

Valuation:

- Redevelopment funds expected future cash-flows discounted at an average 19% yield
- Listed fund carried at closing price of €731 per fund unit as at 30 September 2018 (28% discount to Fund's NAV)

**Net Corporate Cash:** Corporate cash net of estimated commitments and liabilities

Ticker	ECT:NA	NAV <sup>1</sup>	€418.7m
Listing	Euronext	NAV per share <sup>3</sup>	€8.80
Voting shares <sup>3</sup>	47,608,559	Q3 NFFO <sup>4</sup>	€7.2m
Share price	€6.54	Q3 NFFO per share <sup>3</sup>	€0.15
Market capitalisation	€311.4m	Share price (discount) to NAV <sup>5</sup>	(21%)
Company website	www.eurocastleinv.com	Q3 Distribution per share (ex-div / payment - 21/29 Nov 2018)	€0.15

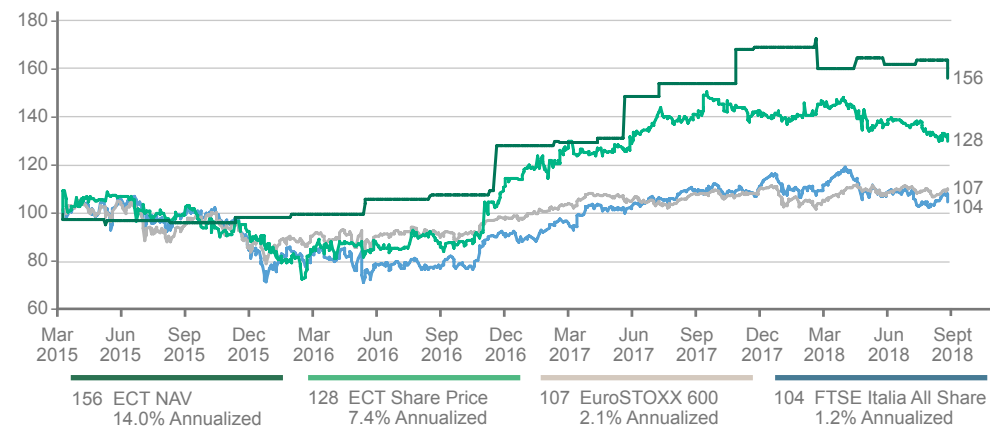
### Company Performance

	Q3'17	Q4'17	Q1'18	Q2'18	Q3'18
Current regular distributions per share	€0.15	€0.15	€0.15	€0.15	€0.15
Supplemental distributions per share	€0.98	€0.12	€0.18 <sup>6</sup>	–	–
Total distributions per share	€1.13	€0.27	€0.33 <sup>6</sup>	€0.15	€0.15
Dividend yield <sup>7</sup>	49.7%	13.2%	7.3% <sup>7</sup>	8.3%	9.2%
NAV per share (pre quarterly distribution)	€10.49	€10.56	€9.58	€9.38	€8.80

**Since Last Equity Raise:**

NAV total return per share <sup>8</sup>	€12.09	€13.29	€12.58	€12.71	€12.28
Total return on NAV	20.2%	21.7%	17.5%	16.4%	14.0%

### NAV Per Share and Share Price Total Return Indices Since Last Equity Raise in 2015



## Business Highlights

### doBank Financial Performance

- Strong operational results for 9M18 with EBITDA (€54.4 million) and Net Income (€34.8 million) substantially up (by 30% and 29% respectively) versus 9M17.
- Key drivers were the progressive on-boarding of €12.1 billion of new mandates, helping take gross collections to €1.33 billion, up 8% versus 9M17, together with an increase in the EBITDA margin by 5% to 34% demonstrating the operational leverage of the business.
- Recently awarded two new mandates with a total GBV of €2.8 billion bringing total new servicing contracts for the year to €15 billion GBV and total AUM to €84 billion.

### Positive NPL Performance

- Strong performance of the NPL portfolios drove valuations up by €0.24 per share, or 12% for the quarter<sup>9</sup>.
- NPL portfolios continue to perform well through the unique expertise and active management by the Company's Manager and its NPL servicer, doBank, with the unlevered pace of life to date collections of the entire portfolio representing 129% of underwriting and unlevered profitability on fully resolved loans of 162% versus underwriting.

### Share tender and Open Market Buy-back

- In August, the Company closed on a fully subscribed share tender, repurchasing 5 million, or 9.48%, of the ordinary voting shares in issue; returning capital of €40 million at a 9% discount to the Q3 2018 NAV and an 11% premium to the share price at the time. The tender was earnings accretive, increasing Q3 NFFO per share by approximately 10.5%, or €0.01 per share, and Q3 NAV per share by approximately 1.7%, or €0.15 per share.
- Following the tender, on 6 August 2018, the Company implemented its first open market buyback programme. Up to 30 September 2018, Eurocastle had bought back 106,605 ordinary shares at an average price of €7.03 per ordinary share, representing a 20% discount to Q3 NAV. As of 14 November 2018, a further €0.8 million of shares have been bought back. The current programme ends on 15 November 2018.

## Business Highlights Subsequent to 30 September 2018

### New Investment

- In November, committed to a €29.5 million investment to acquire a shared interest in a portfolio of €675 million GBV of Italian NPLs. The portfolio is predominantly secured by real estate claims to SME borrowers and the transaction is expected to close by the end of November.

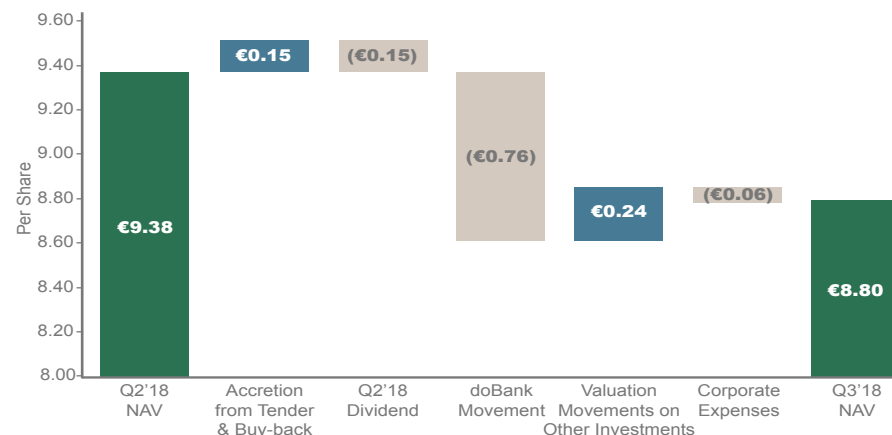
### Share Tender and Renewal of Share Buy-Back Programme

- On 15 November 2018, the Company announced a tender offer for the repurchase of up to €15 million of ordinary shares in the Company for a fixed price of €6.50 per share, representing a premium of 7.5% to the volume weighted average closing price on Euronext Amsterdam of €6.05 per ordinary share over the last month and a discount of approximately 21.5% to the Company's Pro Forma NAV<sup>10</sup> of €8.29 per share as at 14 November 2018.
- In addition, the current buy-back programme ending 15 November 2018 will resume on 20 December 2018 following settlement of the tender offer. Under the share buy-back programme, the Company is seeking to buy back shares up to an aggregate market value equivalent to €2.0 million. The share buy-back programme will end no later than 6 March 2019.

## Financial Highlights

- Net Asset Value ("NAV") of €418.7 million, or €8.80 per share reflecting i) a quarterly net increase of €0.18 per share predominantly from the positive performance of ECT's NPL portfolios (up €0.24 per share, or 12%, in the quarter) and ii) a €0.76 per share decrease due to doBank's recent share price decline (investment marked at €9.50 per doBank share as at 30 September 18 vs €11.30 as at 30 June 2018).
- Normalised FFO ("NFFO") of €7.2 million, or €0.15 per share. In line with the current regular dividend, the Board declared a dividend in November of €0.15 per share for the third quarter of 2018.

### NAV Bridge



Fund domicile & type	Guernsey closed-ended investment company
Investment manager	FIG LLC
Distribution policy <sup>11</sup>	Regular current quarterly dividend of €0.15 per share + other distributions as outlined on page 14 of the 2017 Annual Report
Administrator	International Administration Group (Guernsey) Limited
Registrar	Ansons Registrars Limited
Broker	Liberum Capital Limited

## Endnotes

- <sup>1</sup> Q3 NAV is before deducting the third quarter dividend of €0.15 per share declared on 14 November 2018.
- <sup>2</sup> NAV adjusted for outstanding commitments. NAV of Italian NPLs includes i) €64.7 million unfunded committed investment relating to the deferred purchase price on FINO, of which €46.6 million payable in February 2019 with the remainder within the next few years and ii) an additional €29.5 million in the €675 million GBV NPL pool committed in November 2018. NAV of Real Estate Funds includes a remaining unfunded commitment estimated at €0.4 million in RE Fund Investment V. NAV of Net Corporate Cash deducts outstanding commitments listed above.
- <sup>3</sup> As at 30 September 2018, a total of 66.1 million shares were in issue of which 47.6 million were voting shares and 18.5 million were held in treasury. Amounts per share are therefore calculated on the following basis: Q3 2018 Net Asset Value per share ("NAV per share") – 47.6 million voting shares in issue; Q3 2018 NFFO per share – 49.6 million weighted average voting shares; Q3 2018 dividends estimated on 47.6 million voting shares.
- <sup>4</sup> Normalised FFO ("NFFO") is a non-IFRS measure used to explain the financial performance of the Company, as outlined on page 13 of the 2017 Annual Report.
- <sup>5</sup> The NAV discount of 21% as at 30 September 2018, stated after taking into account the additional incentive fees of €25.6 million or €0.54 per share, which would be due if all investments were realised at their Q3 2018 fair value. Please refer to page 14 of the 2017 Annual Report for further details.
- <sup>6</sup> Q1 2018 distribution of €0.33 per share includes €0.18 per share, which is classified by the Company as a capital distribution.
- <sup>7</sup> Dividend yield represents the annualised dividend over the share price as at the relevant quarter end date. The Q1 2018 dividend yield of 7.3% does not include the distribution of €0.18 per share which is classified by the Company as a capital distribution.
- <sup>8</sup> NAV including cumulative distributions since the last equity raise in 2015.
- <sup>9</sup> Represents the fair value increase of NPLs for the third quarter of €11.3 million as a percentage of their previous quarters carrying value net of outstanding commitments (€98.2 million) as reported in the Company's accounts.
- <sup>10</sup> Pro forma NAV means the Company's last published 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 value of the doBank S.P.A. ("doBank") share price as at market close on 14 November 2018; (ii) the Company's open market buy-back activity subsequent to 30 September and up to 14 November 2018; and (iii) movements in the Incremental Incentive Fee as a result of changes in the value of the doBank share price since the Company's last reporting date. Please refer to Tender Offer Circular for further details on the calculation.
- <sup>11</sup> The distribution policy is outlined on page 14 of the 2017 Annual Report.

## About the Investment Manager

Eurocastle is externally managed by its investment manager, FIG LLC (the "Manager"). The Manager was acquired by Softbank Group Corp (9984: Tokyo) ("Softbank") on December 27, 2017 and operates as an independent business within Softbank under the continuing leadership of Pete Briger, Wes Edens and Randal Nardone.

## Disclaimers

This document and its contents contain statements about future events and expectations that are forward-looking statements. These statements typically contain words such as "expects", "believes", "estimated", "will", "intends", "could", "should", "shall", "risk", "estimates", "aims", "plans", "predicts", "projects", "continues", "assumes", "positioned", "anticipates" and "targets" and other variations thereon or words of comparable terminology. Any statement in these materials that is not a statement of historical fact is a forward-looking statement that involves known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. None of the future projections, expectations, estimates or prospects in this document should be taken as forecasts or promises nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such future projections, expectations, estimates or prospects have been prepared are correct or exhaustive or, in the case of the assumptions, fully stated in this document. Eurocastle Investment Limited (the "Company") assumes no obligations to update any forward-looking statements contained herein to reflect actual results, changes in assumptions or changes in factors affecting these statements.

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The doBank securities may not be offered or sold in the United States unless they are registered under the United States Securities Act of 1933 or exempt from registration. The securities are not and are not intended to be registered in the United States.

None of the Company nor any of its shareholders, directors, officers or employees nor FIG LLC nor any of its shareholders, affiliates (within the meaning of Rule 405 under the US Securities Act of 1933 (the "Securities Act")), directors, officers or employees nor any other person accepts any liability (in negligence or otherwise) whatsoever for any loss howsoever arising from any use of this document or its contents or otherwise arising in connection therewith. Neither the Company nor its advisers and/or agents undertake any obligation to provide the recipient with access to any additional information or to update this document or any additional information or to correct any inaccuracies in any such information which may become apparent.

Investors are required to make their own independent investigation and appraisal of the business and financial condition of the Company and neither the Company or any other person has authorised a third party to make such a recommendation. Each investor should consult with his or her own advisers as to the legal, tax, business, financial and related aspects of a purchase of shares in the Company.

For the purposes of the Alternative Investment Fund Managers Directive (the "Directive"), the Company is a non-EU AIF whose AIFM is FIG LLC, itself a non-EU AIFM. Each Member State of the European Economic Area is adopting or has adopted legislation implementing the Directive into national law. Under the Directive, marketing to any investor domiciled or with a registered office in the European Economic Area will be restricted by such laws and no such marketing shall take place except as permitted by such laws.

The securities of the Company have not been and will not be registered under the Securities Act or any US state securities laws or the laws of any other jurisdiction, and the Company will not be registered as an "investment company" under the US Investment Company Act of 1940 (the "Investment Company Act"). This document is not being distributed to, and the securities of the Company may not be offered or sold within the United States or to, or for the account or benefit of, a US person (a "US Person") as defined in Rule 902(k) under the Securities Act, except pursuant to an exemption from, or in a transaction not subject to, the Securities Act. Accordingly, each recipient of this document and each owner of the securities must be either (A) not a US Person and located outside the United States or (B) (i) a qualified institutional buyer as defined in Rule 144A under the Securities Act or an accredited investor as defined in Rule 501(a) under the Securities Act and also (ii) a qualified purchaser or a knowledgeable employee as defined in Section 2(a)(51) of, or Rule 3c-5(a)(4) under, the Investment Company Act.

To Eurocastle's knowledge, there are no established standards for the calculation of internal rates of return for portfolios of the type to be held by Eurocastle. The use of a methodology other than the one used herein may result in a different, and possibly lower, internal rate of return. In addition, the current unrealised or projected values that form the basis for projected internal rates of return may not be realised in the future, which would materially and adversely affect actual internal rates of return for the applicable investments and potentially the overall portfolio of which they are a part.

The opinions and statements presented herein are based on general information gathered at the time of writing and are subject to change without notice.