Financial Highlights at a Glance[1]

Q2 2026 NAV:	Q2 2026 NAV per share:
€22.0mm	€21.81ps
(Q1 2026: €21.1mm)	(Q1 2026: €20.99ps)
(YE 2025: €20.6mm)	(YE 2025: €20.51ps)

Company Overview

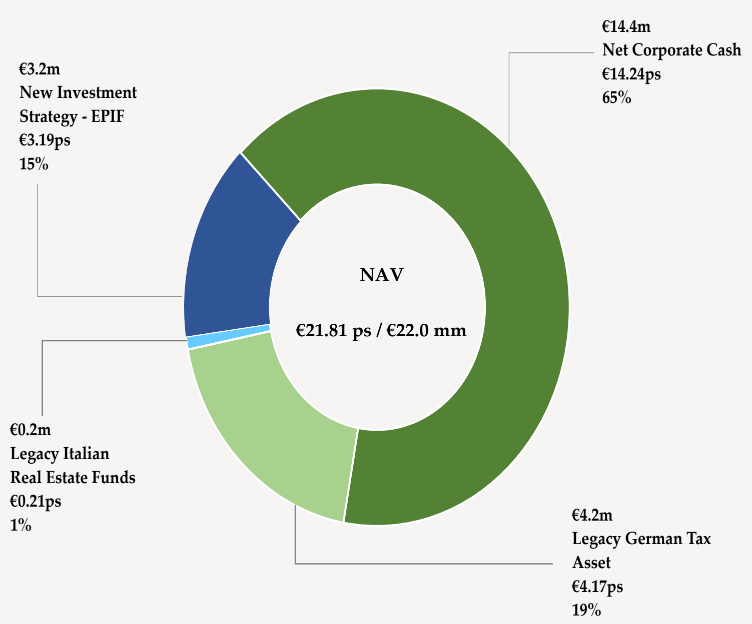
Eurocastle Investment Limited (the "Company" or "Eurocastle") is a publicly traded closed-ended investment company. Having previously focused on Italian performing and non-performing loans and other real estate related assets in Italy (the "Legacy Italian Investments"), in July 2022 the Company announced the decision to refocus its investment programme on opportunistic real estate in Greece with a plan to expand across Southern Europe, where the Manager has an extensive footprint and a long track record of investing in this asset class (the "New Investment Strategy"). The Company's New Investment Strategy seeks to leverage the Fortress Investment Group's (the "Manager") deep knowledge of the sector, which the Company believes offers significant investment opportunities in the current market cycle. To pursue this strategy, in 2024 Eurocastle launched a Luxembourg fund, European Properties Investment Fund S.C.A., SICAV RAIF (the "Fund" or "EPIF").

Portfolio Overview

Eurocastle's net assets comprise

i) Net Corporate Cash available to make new investments under the New Investment Strategy;
ii) A ~10% interest in EPIF where the Company generates returns through its investment in the Fund, alongside asset management fee and incentive income earned by certain subsidiaries from third party investors. To date, EPIF has acquired properties in Athens and an interest in a large portfolio of Italian real estate assets,
iii) a tax asset representing amounts paid in relation to additional tax assessed against a legacy German property subsidiary; and
iv) residual interests in two legacy Italian real estate funds in liquidation.

The chart below shows a breakdown of Eurocastle's net assets as at **30 June 2026**.



Net Corporate Cash:

€14.4 million of corporate cash after deducting current liabilities ("Net Corporate Cash") of which €6.7 million is Eurocastle's remaining uncalled commitment in EPIF.

New Investment Strategy – EPIF:

Eurocastle's 10% share in the Fund reflects the value of the real estate assets acquired to date, net of Fund costs.

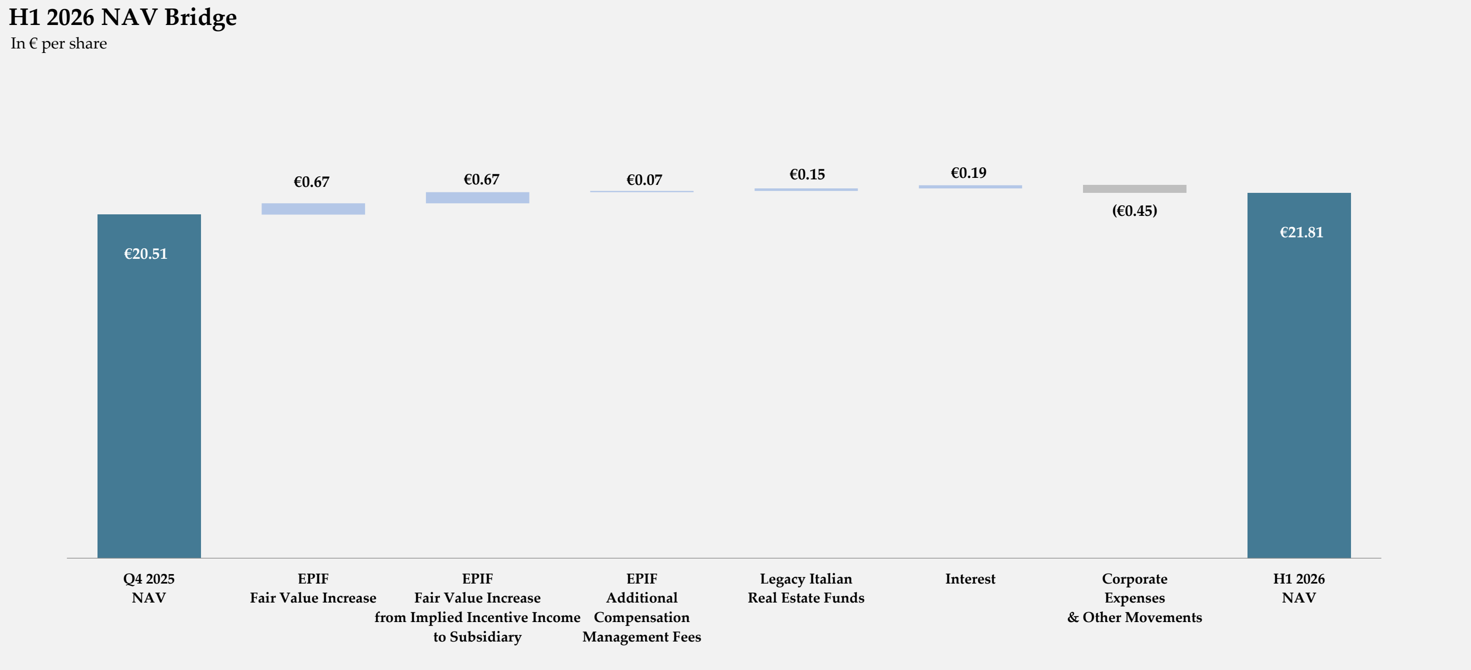
Legacy German Tax Asset:

Amounts paid (and associated interest accrued) 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 and is awaiting the next appeal hearing. The Company also benefits from a contractual arrangement whereby, should the outcome ultimately be unfavourable, the Company would expect to be reimbursed this amount.

Legacy Italian Real Estate Funds:

Interests in two private Italian real estate development funds which are now in liquidation following the sale of all underlying apartment units. The remaining NAV is represented entirely by cash currently reserved in the funds.

SEE PAGE 6 FOR ALL END NOTES



New Investment Strategy

Eurocastle is pursuing its New Investment Strategy by initially focusing on opportunistic real estate across Southern Europe, where the Manager has an extensive footprint and a long track record of investing in this asset class. In order to support its new investment programme, in 2024, Eurocastle launched a Luxembourg fund, European Properties Investment Fund S.C.A., SICAV RAIF (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 the potential for attractive risk adjusted returns. The Fund held its initial close in 2024 with Eurocastle committing to invest €8 million alongside a €2 million commitment from its JV Partner . EPIF has since secured over €72 million of further commitments, bringing the total Fund size to €82.3 million of commitments as of the date of this report.

Eurocastle leverages the relationship of the Manager with a local partner in Greece (the "JV Partner") to source investments, with a focus on opportunities arising from judicial auctions and consensual sales through which it can potentially acquire real estate assets that are currently collateral to defaulted claims or owned by banks or investors as a consequence of a repossession process.

In addition to generating attractive risk adjusted returns on its share of any investments made by the Fund, a subsidiary of Eurocastle is entitled to receive a 60% share of fees and incentive income generated from external investors with the remaining 40% paid to the JV Partner. Such amounts include annual management fees representing 1.5% of the Fund's net asset value and incentive income of 20% of the Fund's total net profit (subject to a return hurdle of 8% per annum). The Company sees the Fund as an attractive opportunity to earn enhanced returns on the capital it invests while also building a meaningful base for future investments[2].

Alongside EPIF, the Board will continue to monitor the market environment for raising new capital in order to assess pursuing all elements of its New Investment Strategy, which would require additional capital to achieve meaningful scale.

Shareholders should however be aware that the implementation and performance of the Company's New Investment Strategy is subject to risks, uncertainty, and assumptions. The Company is currently in the early stages of pursuing the New Investment Strategy and there can be no certainty that it will have success in doing so. There is likewise no certainty that it will be able to attain sufficient scale to achieve the desired returns. In addition, changes in economic conditions generally and the real estate market specifically, the availability of appropriate investment opportunities and the ability to raise financing on suitable terms, may also affect the success of the New Investment Strategy.

For further details on the Company's New Investment Strategy, please refer to the Circular published in July 2022 and available on the Company's website under the Periodic Reports and Shareholder Communications section.

H1 2026 Business Highlights

Overview

Having substantially completed the fund-raising process for EPIF in 2025, establishing the foundations of a scalable investment platform with long-term growth potential, the Company increased its focus on both realising value from EPIF's existing investments and building a pipeline of opportunities to deploy the remaining capital in line with the Fund's strategy.

The first half of 2026 marked a significant milestone for EPIF. In addition to completing two new investments, the Fund successfully realised its interest in the largest underlying asset within its Italian real estate portfolio investment, generating a 3.8x multiple on invested capital for that asset. The disposal followed a favourable leasing outcome and resulted in a significant distribution to EPIF's investors, validating the Fund's opportunistic investment strategy and demonstrating its ability to crystallise value.

As a result, EPIF's NAV increased by 31% during the first half of 2026. Eurocastle's share of EPIF's NAV increased by €1.4 million, or €1.41 per share, over the period, representing a 56% increase and includes the additional incentive income that would be payable to Eurocastle if EPIF were realised at its current NAV.

New Investment Strategy – EPIF

- As at the end of the first half of 2026, EPIF had called €22.7 million of capital from its investors, representing 28% of total investor commitments, primarily to acquire five investments. Since inception, the Fund has returned €9.1 million to investors and at 30 June 2026 had a remaining NAV of €22.8 million, representing a life-to-date multiple of 1.40x on called capital.
- Of the total capital called, Eurocastle has contributed €2.2 million, or €1.3 million net of distributions received to date. As at June 30 2026, Eurocastle's share of EPIF's NAV was €3.2 million, with the majority of the increase recognised during the first half of 2026 following the disposal discussed above.
- To date, EPIF has completed five investments, including two new investments in 2026 totalling €2.5 million across two Greek opportunities:
  - **Investments 1&2** - €7.2 million invested in two separate transactions in October 2024 and April 2025 in two commercial real estate properties in Athens, Greece, reflecting its focus on opportunistic investments with strong value-creation potential.
  - **Investment 3** - €11.5 million invested in August 2025 to acquire an interest in a large portfolio of Italian real estate assets predominantly comprising office properties leased to government agencies. The assets are currently undergoing a disposal process, with EPIF acquiring its stake at a significant discount to the portfolio's reported value. As highlighted above, the Fund has successfully disposed of its interest in the largest underlying asset at 3.8x capital invested, following a favourable development in the asset's leasing status.
  - **Investment 4** - €1.4 million invested in March 2026 to acquire a residential property in Athens from a distressed seller, with a primary strategy to sell on as a development project.
  - **Investment 5** - €1.0 million invested in June 2026 to acquire a non-performing loan secured by a centrally located parking garage in Piraeus.
- While encouraged by the performance of the existing portfolio, EPIF's focus continues to be on capital deployment. The pipeline has grown to over €40 million, comprising a range of opportunities with a primary focus in Greece where we are beginning to see signs of increased transaction activity as banks and loan servicers increasingly explore ways to monetise the significant proportion of distressed real estate assets associated with their non-performing loan portfolios.

- **Net Corporate Cash –** As at 30 June 2026, the Company has €14.4 million of Net Corporate Cash, of which €6.7 million is Eurocastle's remaining uncalled commitment in EPIF.

- **Legacy Italian Real Estate Funds** –The remaining NAV for these investments of €0.2 million, or €0.21 per share, reflecting cash currently reserved by the underlying funds pending resolution of certain contingent liabilities and final liquidation.

- During the period, one of these funds reached a favourable settlement on a long-running dispute with a contractor, resulting in an additional €150,000 of value to Eurocastle that had not previously been recognized.

- **Legacy German Tax Matter** - As previously announced, to date the Company has paid a net amount of €3.7 million in relation to the Legacy German Tax Matter against which it raised a corresponding tax asset. The current remaining potential exposure on the matter (excluding associated costs of €0.3 million) is estimated to be €2.5 million and relates to the years 2013 to 2015 which remain subject to ongoing tax audits. The Company has entered into a contractual arrangement pursuant to which, should the outcome of the various discussions and appeals be unfavourable, the Company would expect to be reimbursed up to €6.2 million.

SEE PAGE 6 FOR ALL END NOTES

Income Statement For The Six Months Ended 30 June 2026

	Income Statement H1 2026 *€ Thousands*	Income Statement H1 2025 *€ Thousands*
Portfolio Returns		
New Investment Strategy – EPIF unrealised fair value movement	1,359	(179)
Legacy Italian Real Estate Funds unrealised fair value movement	150	-
Fair value movement on Investments	**1,509**	**(179)**
Additional compensation - EPIF	66	27
Other income	1	-
Compensatory interest on capital returned from new investors in EPIF	-	175
Interest income	187	206
Total income	**1,763**	**229**
Operating Expenses		
Manager base and incentive fees	39	663
Remaining operating expenses	350	430
Total expenses	**389**	**1,093**
Profit/(Loss) for the period	**1,374**	**(864)**
€ per share	***1.36***	***(0.86)***

Balance Sheet and Adjusted NAV Reconciliation as at 30 June 2026

	New Investment Strategy - EPIF *€ Thousands*	Legacy Italian Investments *€ Thousands*	Corporate *€ Thousands*	Total 30 June 2026 *€ Thousands*	Total 31 December 2025 *€ Thousands*
Assets					
Other assets	-	-	236	236	436
Legacy German tax asset	-	-	4,199	4,199	4,049
Investments – New Investment Strategy - EPIF	3,219	-	-	3,219	1,838
Investments – Legacy Italian Real Estate Funds	-	214	-	214	64
Cash and cash equivalents	-	-	14,465	14,465	15,847
Total assets	**3,219**	**214**	**18,900**	**22,333**	**22,234**
Liabilities					
Trade and other payables	-	-	234	234	349
Manager base and incentive fees	-	-	123	123	663
Total liabilities	**-**	**-**	**357**	**357**	**1,012**
Net Asset Value	**3,219**	**214**	**18,543**	**21,976**	**21,222**
Net Asset Value (€ per Share)	***3.19***	***0.21***	***18.41***	***21.81***	***21.19***

SEE PAGE 6 FOR ALL END NOTES

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.

Statement of Directors’ Responsibility in Respect of the Interim Financial Statements

To the best of our knowledge, and in accordance with the applicable reporting principles of interim financial reporting, the interim financial statements give a true and fair view of the assets, liabilities, financial position and profit for the Company, and the interim management report of the Company includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal opportunities and risks associated with the expected development of the Company for the remaining months of the financial year.

Independent Auditors Review

These interim financial statements as at 30 June 2026 have not been reviewed or audited by our auditors, BDO LLP.

Registered Office

Oak House
Hirzel Street
St. Peter Port
Guernsey
GY1 2NP

On behalf of the Board

Simon J. Thornton
Director and Audit Committee
Chairman Date: 6 August 2026

ENDNOTES

[1] Per share calculations for Eurocastle throughout this document are based on the weighted average number of outstanding voting shares and therefore exclude shares held in treasury. As at 30 June 2026, a total of 1,007,555 shares were in issue all of which were voting shares and no shares were held in treasury. Amounts per share are therefore calculated on the following basis: H1 2026 Net Asset Value per share ("NAV per share") – 1,007,555 voting shares in issue; YE 2025 and Q1 2026 NAV per share based on 1,004,555 voting shares.

[2] References to the Fund in this document do not constitute an offer to sell or a solicitation of an offer to buy any security and may not be relied upon in connection with the purchase or sale of any security. Any such offer would only be made by means of formal offering documents, which would govern in all respects.

INCOME STATEMENT (UNAUDITED)

	Notes	Six months ended 30 June 2026 (unaudited) €'000	Six months ended 30 June 2025 (unaudited) €'000
Portfolio Returns			
Unrealised fair value movements on Legacy Italian Real Estate Funds	4	150	-
Unrealised fair value movements on New Strategy Investments	4	1,359	(179)
Other income			
Other income	5	67	27
Interest income	6	187	381
Gain on foreign currency translation		-	-
Total income		**1,763**	**229**
Operating expenses			
Other operating expenses	7	389	1,093
Total expenses		**389**	**1,093**
Net operating profit / (loss) before taxation for the period		**1,374**	**(864)**
Net profit / (loss) for the period		**1,374**	**(864)**
Attributable to:			
Ordinary equity holders of the Company		1,374	(864)
Net profit / (loss) for the period		**1,374**	**(864)**
		€	€
Earnings per ordinary share[1]			
Basic and diluted	13	1.37	(0.86)

The Company had no other comprehensive income for the six months ended 30 June 2026 and for the six months ended 30 June 2025.

[1] Earnings per share is based on the weighted average number of shares in the period of 1,004,604 (30 June 2025: 1,001,555). Refer to note 14.

See notes to the financial statements which form an integral part of these financial statements.

BALANCE SHEET (UNAUDITED)

	Notes	As at 30 June 2026 (Unaudited) €'000	As at 31 December 2025 €'000
Assets			
Cash and cash equivalents	8	14,465	14,293
Other assets	9	236	224
Investments held at fair value	10	3,433	2,494
Legacy German tax asset	9	4,199	4,124
Total assets		**22,333**	**21,135**
Equity and Liabilities			
Capital and reserves			
Issued capital, no par value, unlimited number of shares authorised		1,615,227	1,615,185
Accumulated losses		(1,593,251)	(1,594,583)
Total equity		**21,976**	**20,602**
Liabilities			
Trade and other payables	12	357	533
Total liabilities		**357**	**533**
Total equity and liabilities		**22,333**	**21,135**

See notes to the financial statements which form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 6 August 2026 and signed on its behalf by:

Simon J. Thornton
Director and Audit Committee Chairman

EUROCASTLE INVESTMENT LIMITED
CASH FLOW STATEMENT (UNAUDITED)

	Notes	Six months ended 30 June 2026 (unaudited) €'000	Six months ended 30 June 2025 (unaudited) €'000
Cash flows from operating activities			
Profit/(Loss) for the period before taxation		**1,374**	**(864)**
Adjustments for:			
Unrealised fair value movement on Legacy Italian Real Estate Funds	4	(150)	-
Unrealised fair value movement on New Investment Strategy - EPIF	4,10	(1,359)	179
Interest income	6	(187)	(381)
Total adjustments to profit/(loss) for the period		**(1,696)**	**(202)**
(Increase) in other assets	9	(12)	(109)
(Decrease) / increase in trade and other payables		(176)	560
Movements in working capital		**(188)**	**451**
Return of capital from European Properties Investment Fund, SCA, RAIF ("EPIF")	10	853	4,030
Capital call from EPIF	10	(283)	(277)
Interest received		112	294
Cash movements from operating activities		**682**	**4,047**
Net cash flows generated from operating activities		**172**	**3,432**
Net increase in cash and cash equivalents		**172**	**3,432**
Cash and cash equivalents, beginning of the period	8	**14,293**	**12,415**
Total cash and cash equivalents, end of the period	8	**14,465**	**15,847**

See notes to the financial statements which form an integral part of these financial statements.

	Share capital €'000	Accumulated loss €'000	Total equity €'000
As at 1 January 2025	**1,615,158**	**(1,593,072)**	**22,086**
(Loss) after taxation for the six months ended 30 June 2025 (unaudited)	-	(864)	(864)
Total comprehensive (loss) for the six months ended 30 June 2025 (unaudited)	**-**	**(864)**	**(864)**
Contributions by and distributions to owners:			
Shares issued to Directors (note 14)	27	(27)	-
As at 30 June 2025 (unaudited)	**1,615,185**	**(1,593,963)**	**21,222**
(Loss) after taxation for the six months ended 31 December 2025	**-**	(620)	**(620)**
Total comprehensive (loss) for the six months ended 31 December 2025	**-**	**(620)**	**(620)**
As at 31 December 2025	**1,615,185**	**(1,594,583)**	**20,602**
Profit after taxation for the six months ended 30 June 2026 (unaudited)	-	1,374	1,374
Total comprehensive profit for the period (unaudited)	**-**	**1,374**	**1,374**
Contributions by and distributions to owners:			
Shares issued to Directors (note 14)	42	(42)	-
As at 30 June 2026 (unaudited)	**1,615,227**	**(1,593,251)**	**21,976**

See notes to the financial statements which form an integral part of these financial statements.

1. BACKGROUND

Eurocastle Investment Limited ("Eurocastle", the "Company") was incorporated in Guernsey, Channel Islands on 8 August 2003 and commenced its operations on 21 October 2003. Eurocastle is a Euro denominated Guernsey closed-end investment company listed on Euronext Amsterdam (formerly listed on the London Stock Exchange) regulated by the Nederlands Authority for Financial Markets ("AFM"), which is also now its home state regulator as a result of Brexit. Eurocastle is subject to EU transparency rules as a result of its listing on an EU regulated market and, consequently, shareholders are required to notify Eurocastle and the AFM when their holding of the issued share capital and/or of the voting rights in Eurocastle reaches, exceeds or falls below certain thresholds, whereby the lowest threshold is 3%.

Having previously focused on Italian performing and non-performing loans and other real estate related assets in Italy, in July 2022 the Company announced the decision to refocus its investment programme on opportunistic small to mid-size real estate and real estate related assets in Southern Europe (the "New Investment Strategy"). The Company's New Investment Strategy seeks to leverage Fortress Investment Group's (the "Manager") deep knowledge of the sector, which offers significant investment opportunities in the current market cycle. To pursue this strategy, during 2024 Eurocastle launched a Luxembourg regulated fund, European Properties Investment Fund S.C.A., SICAV RAIF (the "Fund" or "EPIF") through which it invests alongside selected co-investors. In addition to generating attractive risk adjusted returns on its share of any investments made, certain subsidiaries of Eurocastle also anticipate receiving market standard management fees and incentive income from third-party investors. The Company intends to grow the platform and views this structure as an attractive means of enhancing returns on the capital it invests while also building a meaningful base for future investments.

Eurocastle is externally managed by its investment manager, FIG LLC (the "Manager"). The Manager is indirectly owned by affiliates of Mubadala Investment Company PJSC ("Mubadala") and by certain members of FIG LLC management and employees. The Manager continues to operate as an independent investment manager under the Fortress brand, with full autonomy over investment processes and decision making, personnel and operations. Eurocastle has entered into a management agreement (the "Management Agreement") under which the Manager advises the Company on various aspects of its business and manages its day-to-day operations, subject to the supervision of the Company's Board of Directors. For its services, the Manager receives an annual management fee and incentive compensation (as well as reimbursement for expenses, including expenses of certain employees providing asset management and finance services), as described in note 16. The Company has no ownership interest in the Manager.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The Directors have assessed, and continue to have a reasonable expectation, that the Company will be able to continue in operation and meet its liabilities as they fall due. The Directors have reviewed the Company's processes to control those risks to which the Company is exposed, as disclosed in note 3, together with annual cash flow projections. The Directors have also reviewed forecasts that have been sensitised to reflect plausible downside scenarios. The Directors have determined that there is no material uncertainty that casts doubt on the entity's ability to continue as a going concern. The Directors have also considered the above in light of the New Investment Strategy and given the progress the Company has made to date in its implementation. During 2025, the Board determined that the reserves relating to the Realisation Plan were no longer required and they were released in full. This decision was taken in light of having secured additional investor commitments in EPIF and the entry into a contractual arrangement in respect of a Legacy German Tax Matter. As a result of all of the above, the Directors have a reasonable expectation that the Company has sufficient resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

The six months ended 30 June 2026 interim condensed financial statements of the Company have been prepared in accordance with International IAS 34 'Interim Financial Reporting' as issued by the International Accounting Standards Board ("IASB") as adopted by the European Union on a going concern basis and under the historical cost convention, except for investments which are measured at fair value. The financial information has been prepared in accordance with the Company's principal accounting policies as set out in the Annual Report for the year ended 31 December 2025.

Significant estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The area involving significant judgements is:
- treatment of potential tax liability associated with the Legacy German Tax Matter - refer to note 19

The areas involving significant estimates are:

- valuation of investment in the Fund - refer to note 10
- recoverability of the German Legacy tax asset - refer to note 9 and 19

Interest income

Interest income is recognised in the income statement as it accrues, taking into account the effective yield of the asset or an applicable floating rate. Interest income includes the amortisation of any discount or premium or other differences between the initial carrying amount of an interest bearing instrument and its amount at maturity calculated on an effective interest rate basis. Interest income includes compensatory interest received by Eurocastle in respect of capital returned following subsequent subscriptions to the Fund. Under the terms of the Fund, any capital returned to existing investors as a result of such subsequent subscriptions is required to include compensatory interest calculated at an annual rate of 8%.

Taxation

The Company falls under the Collective Investment Schemes exemption for Guernsey tax purposes and is charged €1,858 per annum (2025: €1,864). The Company is granted this exemption status on an annual basis and therefore the Company is treated as not being resident in Guernsey for tax purposes and is not liable for Guernsey tax on non-Guernsey source income (which for these purposes includes Guernsey bank deposit interest).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tax asset

Tax assets are recognised when amounts have been paid in relation to a disputed matter where there is uncertainty over the tax treatment and the Company deems it probable that the ultimate tax authority (i.e. the relevant jurisdictional tax court) will determine that the tax is not due. The accounting policy adopted by the Company relating to the tax balance is to account for the transaction at amounts that do not reflect time value of money considering that there is no clear guidance on long term receivable tax assets under IAS 12.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, cash on deposit and in hand with an original maturity of three months or less.

Capital and reserves

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity via the reserves as a deduction from the issue proceeds.

Where the Company purchases and cancels its own equity shares, the consideration paid, including any directly attributable incremental costs is deducted from equity attributable to the Company's equity holders.

Financial Instruments

Recognition

A financial asset or liability is recognised on the date the Company becomes party to contractual provisions of the instrument.

All financial assets and liabilities are initially recognised on the trade date, i.e. the date that the Company becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

Classification

Financial Assets

Financial assets held at fair value through profit or loss are investments that are initially recognised at fair value with any subsequent movements in fair value recognised in the income statement. Subsequent to initial recognition, all financial assets at fair value through profit and loss are measured at fair value. Gains and losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" category are presented in the statement of comprehensive income within the net changes in fair value of financial assets at fair value through profit or loss in the period in which they arise.

Financial assets held under a business model whose objective is to collect contractual cash flows representing solely payments of principal and interest are measured at amortised cost, and tested for impairment.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. Financial assets comprise of cash and cash equivalents, other assets and investments held at fair value.

Fair value measurement

The Company has invested in a Luxembourg real estate investment fund, European Properties Investment Fund S.C.A., SICAV RAIF, ("EPIF"). EPIF is unquoted and, to date, has invested across four property acquisitions and a minority interests in two Italian real estate funds. The fair value of Eurocastle's holding in this investment is based on the Company's share of the total net asset value of EPIF. The fair value of the underlying investment in EPIF is calculated using methodology which is consistent with the International Private Equity and Venture Capital Valuation Guidelines ("IPEV"). For further details please refer to note 10.

Segment Reporting

The Company operates in one geographical segment, being Europe. The Board of Directors assesses its business through two primary segments; the New Investment Strategy and Legacy Italian Investments. The Company's New Investment Strategy, which is expected to grow after successfully establishing its investment platform, currently comprises its investment in EPIF and related income earned by a subsidiary of the Company, with underlying investments located in Greece and Italy. The Company's Legacy Italian Investments are made up of Legacy Italian Real Estate Funds that are currently in liquidation.

New standards, interpretations and amendments effective from 1 January 2026

The following amendments are effective for the annual reporting periods beginning 1 January 2026:

• Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures);

• Contract referencing Nature-Dependent Electricity (Amendments to IFRS 9 and IFRS 7).

New standards issued but not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Company has decided not to adopt early.

The following standards and amendments are effective for the annual reporting period beginning 1 January 2027:

• *IFRS 18 Presentation and Disclosure in Financial Statements;*

• *IFRS 19 Subsidiaries without Public Accountability: Disclosures.*

The Company is currently assessing the effect of these new accounting standards and amendments.

IFRS 18 Presentation and Disclosure in Financial Statements, which was issued by the IASB in April 2024 supersedes IAS 1 and will result in major consequential amendments to IFRS Accounting Standards including IAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though IFRS 18 will not have any effect on the recognition and measurement of items in the financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures. The Company does not expect to be eligible to apply IFRS 19.

3. FINANCIAL RISK MANAGEMENT

Alternative Investment Fund Managers Directive ("AIFMD") Leverage

The AIFMD prescribes two methods of measuring and expressing leverage and requires disclosure of the maximum amount of leverage the Company might be subject to. The definition of leverage is wider than that of gearing and includes those assets on balance sheet that are subject to market based valuation changes. For the purposes of AIFMD reporting, leverage is the ratio between the fair value of the assets under management and the net asset value of the Company. The ratio is required to be calculated on a gross basis and a commitment basis, under the European Commission's Delegated Regulation (commonly known as the Level 2 Regulation). The gross basis does not take into account any netting or hedging, whereas the commitment basis takes into account both netting and hedging. As at 30 June 2026, the leverage (as defined by this measure) under the gross and commitment basis was 35.80% and 101.62% respectively (31 December 2025: 33.20% and 102.65%).

Risk Management

This section provides details of the Company's exposure to risk and describes the methods used by the Company to control risk. The most important type of financial risk to which the Company is exposed currently is credit risk and market risk.

Capital Risk Management

The Company's capital is represented by ordinary shares with no par value and which carry one vote each. The shares are entitled to dividends when declared. The Company has no additional restrictions or specific capital requirements on the issuance and re-purchase of ordinary shares. The movements of capital are shown in the statement of changes in equity.

In order to meet the Company's capital management objectives, the Manager and the Board monitor and review the broad structure of the Company's capital on an ongoing basis. This review includes:

- Working capital requirements and follow-on investment capital for Legacy Italian Investments along with investments under the Company's New Investment Strategy;
- The possible timing and extent of returning capital to shareholders through distributions and share repurchases;
- The potential raising of new capital in order to pursue opportunities arising from the New Investment Strategy.

The Additional Reserves originally established under the Realisation Plan to ensure that the Company could continue to meet known, potential, and unknown future liabilities (not recognised under IFRS) were fully released during 2025. This release followed the Board's assessment that Eurocastle has established a sustainable platform, which it expects to grow, supported by EPIF reaching a material level of commitments and the Company entering into a contractual agreement relating to the German Legacy Tax Matter.

The Company's objectives when managing capital are to safeguard the Company's ability to meet its obligations as they fall due and to achieve positive returns in all market environments. In order to maintain or adjust the capital structure, the Company may raise or return capital from or to shareholders through the issue and repurchase of voting shares and/or capital distribution. As at 30 June 2026, the Company had net equity of €21.9 million (31 December 2025: €20.6 million) and no direct leverage (31 December 2025: no direct leverage).

Credit Risk

Credit risk is the risk of the financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's cash and cash equivalents. As at 30 June 2026, the Company's cash and cash equivalents was €14.5 million (31 December 2025: €14.3 million).

Banking arrangements

The Company's banking arrangements are with major financial institutions with investment grade credit ratings with which the Company and its affiliates may also have other financial relationships. While it is not anticipated that any of these counterparties will fail to meet their obligations, there is no certainty that this will be the case. As at 30 June 2026, the Company has placed €12.7 million of its corporate cash in a 35 day notice money market account and €1.8 million in a cash management account with a financial institution rated long term: AA by Fitch; A1 by Moody's; and A+ by S&P (31 December 2025: €12 million of its corporate cash in a 35 day notice money market account and €1.7 million in a cash management account- rated long term: AA- by Fitch; A1 by Moody's; and A by S&P).

The Company monitors on a regular basis the credit worthiness of the various financial institutions to mitigate credit risk exposure with respect to its banking arrangements.

Market Risk

Market risk encompasses the following macro-economic and political risks:

Macro-economic and political risks

The implementation and performance of the Company's New Investment Strategy is subject to risks and uncertainty related to the wider geopolitical environment globally and more specifically in Southern Europe. The Manager is currently in the early stages of pursuing the New Investment Strategy and there can be no certainty that it will have success in doing so. There is likewise no certainty that it will be able to attain sufficient scale to achieve the desired returns. In addition, changes in economic conditions generally and the real estate market specifically, the availability of appropriate investment opportunities and the ability to raise financing on suitable terms, may also affect the success of the New Investment Strategy as well as the value of any of the Company's investments made under the strategy. The current instability in the wider geopolitical environment, the war in Ukraine, the conflicts in the Middle East, the potential fallout from the United States tariff increases and risk of a global trade war, the ongoing energy and cost of living crisis and increase in interest rates, may affect the value of the Company's existing assets. The Company aims to manage this risk within acceptable parameters while optimising returns by regular monitoring of the underlying performance and realisation strategy for all investments.

Interest rate risk

The Company is exposed to interest rates on banking deposits held in the ordinary course of business. The Company's interest rate risk is not considered to be significant. Management monitors interest risk on a continuous basis.

Foreign Currency Risk

The majority of the Company's assets and liabilities are denominated in Euros. The Company's foreign currency risk is not considered to be significant.

Liquidity Risk

The Company's objectives when managing capital are to safeguard the Company's ability to meet its financial obligations as they fall due in order to support the business and to maximise shareholder value. The Company expects that its cash in hand and cash flow provided by treasury investments will satisfy its liquidity needs over the next twelve months.

The Board have assessed future costs and potential liabilities in conjunction with the New Investment Strategy and have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due.

4. PORTFOLIO RETURNS

Movements on investments are summarised below:

	Period ended 30 June 2026		Period ended 30 June 2025	
	Unrealised fair value movements	Total fair value movements	Unrealised fair value movements	Total fair value movements
	€'000	€'000	€'000	€'000
Legacy Italian Real Estate Funds (note 10)	150	150	-	-
New Investment Strategy- EPIF (note 10)	1,359	1,359	(179)	(179)
Total portfolio returns	**1,359**	**1,359**	**(179)**	**(179)**

5. OTHER INCOME

	Six months ended 30 June 2026 (unaudited)	Six months ended 30 June 2025 (unaudited)
	€'000	€'000
Additional Compensation EPIF	67	27
Total other income	**67**	**27**

Pursuant to an agreement dated 14 February 2025 between the Company and Luxway S.à r.l. (also referred to as the "General Partner"), a subsidiary of the Company, the Company is entitled to a fee in consideration for the services to be performed by the Company for the General Partner. The fee is calculated based on the Management Fee received by the General Partner from third party investors in the Fund. Also refer note 16.

6. INTEREST INCOME

	Six months ended 30 June 2026 (unaudited)	Six months ended 30 June 2025 (unaudited)
	€'000	€'000
Bank interest on cash deposit	112	131
Interest on Legacy German tax asset (note 9 and i)	75	75
Interest - Additional compensation EPIF (note 10 and ii)	-	175
Total interest income	**187**	**381**

(i) As a result of the Company having won the first instance of its appeal in relation to the Legacy German Tax Matter, and while the tax authorities challenge the decision, the Company has accrued for interest due on the tax amount paid should it finally prevail in the case. The amounts above represent the interest accrued during the current and previous period. Interest accrues at a rate of 6% per annum on the balance of additional tax assessed and paid but excluding any amount representing late payment interest. Of the €3.7 million of tax paid to date, €2.5 million represents the additional tax assessed upon which the interest of 6% per annum accrues.

(ii) As a result of Eurocastle's ownership interest in EPIF decreasing from 80% to 10% during 2025, the Company received a return of €5.3 million of capital previously contributed to EPIF, together with€0.2 million of compensatory interest. Under the terms of the Fund, any capital returned to existing investors following subsequent subscriptions is required to include compensatory interest calculated at an annual rate of 8%.

7. OTHER OPERATING EXPENSES

	Six months ended 30 June 2026 (unaudited)	Six months ended 30 June 2025 (unaudited)
	€'000	€'000
Professional fees (iii)	94	153
Manager base and incentive fees (related party, note 16 and iv)	38	663
Manager recharge (related party, note 16)	78	93
General and administrative expenses	179	184
Total other operating expenses	**389**	**1,093**

(iii) Professional fees include audit fees of €0.1 million (2025: €0.1 million).

(iv) Manager base and incentive fees for the previous accounting period include an incentive fee in favour of the Manager of €0.6 million. This fee had been deferred at the time of the Realisation Plan and was triggered during 2025 following the release of all remaining Additional Reserves.

8. CASH AND CASH EQUIVALENTS

	As at 30 June 2026 (unaudited)	As at 31 December 2025
	€'000	€'000
Cash at bank	1,805	1,741
Cash on deposit	12,660	12,552
Total cash and cash equivalents	**14,465**	**14,293**

9. OTHER ASSETS

	As at 30 June 2026 (unaudited)	As at 31 December 2025
	€'000	€'000
Prepaid expenses and other assets	236	224
Legacy German tax asset	4,199	4,124
Total other assets and Legacy German tax asset	**4,435**	**4,348**

Prepaid expenses and other receivables are expected to mature in less than one year.

The Legacy German tax asset, including interest accruing amounting to €0.5 million on the tax paid by the Company, is expected to be resolved in more than one year (refer to notes 5 and 20).

10. INVESTMENTS HELD AT FAIR VALUE

The Company directly or indirectly holds the following investments:

	As at 30 June 2026 (unaudited)	As at 31 December 2025
	€'000	€'000
New Investment Strategy - EPIF	3,219	2,430
Legacy Italian Real Estate Funds	214	64
Total investments	**3,433**	**2,494**

As of 30 June 2026, the movements in the New Investment Strategy - EPIF and Legacy Italian portfolio were as follows:

	New Investment Strategy - EPIF	Legacy Italian Real Estate Funds	Total Investments
	Fair value accounted	Fair value accounted	
	€'000	€'000	€'000
Balance as at 1 January 2026	**2,430**	**64**	**2,494**
Increase - Capital call paid to EPIF	283	-	**283**
Decrease - Return of Capital from EPIF	(853)	-	**(853)**
Unrealised fair value movement - refer to note 4	1,359	150	**1,509**
Balance as at 30 June 2025 (unaudited)	**3,219**	**214**	**3,433**

As of 31 December 2025, the movements in the New Investment Strategy - EPIF and Legacy Italian portfolio were as follows:

	New Investment Strategy - EPIF	Legacy Italian Real Estate Funds	Total Investments
	Fair value accounted	Fair value accounted	
	€'000	€'000	€'000
Balance as at 1 January 2025	**5,770**	**64**	**5,834**
Increase - Capital call paid to EPIF	1,777	-	**1,777**
Decrease - Return of Capital from EPIF	(5,341)	-	**(5,341)**
Unrealised fair value movement - refer to note 4	224	-	**224**
Balance as at 31 December 2025	**2,430**	**64**	**2,494**

Refer to the portfolio summary for further details on investments on page 16.

10. INVESTMENTS HELD AT FAIR VALUE (CONTINUED)

Portfolio summary

During the period the Company's investments were categorised as follows:

New Investment Strategy - EPIF

On 14 June 2024, the Company incorporated a Luxembourg-regulated fund, European Properties Investment Fund S.C.A., SICAV-RAIF (the “Fund” or "EPIF"), to make opportunistic real estate investments across Southern Europe. During 2025 and 2026, EPIF successfully held multiple investor closes, securing an additional €72.3 million of commitments from 18 investors, bringing the total Fund size to €82.3 million and reducing Eurocastle’s interest in EPIF from 80% to approximately 10%. During the current period, Eurocastle received distributions of €0.9 million and invested an additional €0.3 million. Eurocastle’s net capital invested in EPIF amounts to €1.3 million as at the end of the period.

To date, EPIF has invested €21.1 million across four property acquisitions and a minority interests in two Italian real estate funds. During the current period, €2.4 million was deployed across two property investments. In June 2026, EPIF realized its investment in one of the Italian real estate funds, generating a gain of €3.8 million for the Fund.

Legacy Italian Real Estate Funds

The Company owns interests in two Italian Real Estate Funds currently in liquidation.

Real Estate Fund Investment II:

The Company's interest is held through a joint venture (ownership percentage: 49.7%) investment in Torre Real Estate Fund III Value Added – Sub fund A ("RE Torre Fund"). Real Estate Fund Investment II is managed by Torre, an affiliate of the Manager. The Company expects to receive a distribution amounting to €0.2 million in the near future.

Real Estate Fund Investment V:

The Company's interest is held through a joint venture (ownership percentage: 49.6%) in Torre Real Estate Fund III Value Added – Sub fund B.

Real Estate Fund Investment V is managed by Torre, an affiliate of the Manager.

Fair value hierarchy

The following table shows an analysis of the fair value assets on the balance sheet by level of

hierarchy: **As at 30 June 2026 (unaudited):**

	Level 1 €'000	Level 2 €'000	Level 3 €'000	Total fair value €'000
New Investment Strategy - EPIF	-	-	3,219	3,219
Legacy Real Estate Funds	-	-	214	214
Total	**-**	**-**	**3,433**	**3,433**

As at 31 December 2025:

	Level 1 €'000	Level 2 €'000	Level 3 €'000	Total fair value €'000
New Investment Strategy - EPIF	-	-	2,430	2,430
Legacy Real Estate Funds		-	64	64
Total	**-**	**-**	**2,494**	**2,494**

Explanation of the fair value hierarchy:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: Use of a model with inputs (other than quoted prices included in Level 1) that are directly and indirectly observable market data.
- Level 3: Use of a model with inputs that are not based on observable market data.

Changes in the observability of significant valuation inputs during the reporting period may result in a transfer of assets and liabilities within the fair value hierarchy. The Company recognises transfers between levels of the fair value hierarchy when there is a significant change in either its principal market or the level of observability of the inputs to the valuation techniques as at the end of the reporting period.

10. INVESTMENTS HELD AT FAIR VALUE (CONTINUED)

Transfers between levels

There were no transfers between levels for the period ended 30 June 2026 (31 December 2025: no transfers).

Fair value methodology and sensitivity analysis

New Investment Strategy - EPIF

Critical accounting estimates and judgements

The fair value of investments in EPIF, which is not quoted in an active market, is determined primarily by reference to the latest available NAV statement of the Fund, as calculated by its fund manager. In determining fair value, the Company may make adjustments to the reported NAV to reflect factors including:

- the liquidity of the Fund and its underlying investments;
- the valuation date of the net asset value provided;
- any restrictions on redemptions; and
- the basis of accounting applied by the Fund and, where this differs from fair value, any fair valuation information provided by EPIF's advisers.

The models used to determine fair values are validated and periodically reviewed by experienced personnel of the Company, independent of the party that created them. The carrying value of the investment may differ materially from the amounts ultimately realised upon redemption.

Fair value estimation

The fair value of financial assets that are not traded in an active market is determined by using valuation techniques. The Company uses internally developed models, which are usually based on valuation methods and techniques generally recognised as standard within the industry.

Certain inputs to these models are not directly observable in the market and are therefore estimated based on management assumptions. As a result, the output of these models represents an estimate of value that cannot be determined with certainty, and the valuation techniques applied may not fully reflect all factors relevant to the Fund's underlying positions. Accordingly, valuations are adjusted where appropriate to reflect additional considerations, including model risk, liquidity risk and counterparty risk.

A 10% decrease in EPIF NAV would reduce the fair value by approximately €0.5 million (14%), while a 10% increase would have an almost equivalent positive effect.

11. CONTRACTUAL MATURITIES

Contractual maturities

Investments in the New Investment Strategy and Legacy Italian real estate funds have been funded through equity. The investment in the New Investment Strategy is expected to be realised in more than one year.

As at 30 June 2026, the Company had no contractual maturities on financial liabilities, outside of trade and other payables which are all due within one year.

Fair values of financial assets and financial liabilities

The Company's financial assets consist of investments, other debtors and cash and cash equivalents. The Company's financial liabilities consist of trade and other payables. The financial assets and liabilities are measured at either fair value or amortised cost. The amortised cost of these balances approximate their fair value.

12. TRADE AND OTHER PAYABLES

	As at 30 June 2026 (unaudited) €'000	As at 31 December 2025 €'000
Due to Manager (related party, refer note 16)	123	72
Accrued expenses and other payables	234	461
Total trade and other payables	**357**	**533**

All the trade and other payables are recognised at amortised cost and are expected to mature in less than one year.

13. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing net profit / (loss) by the weighted average number of ordinary shares outstanding during the period.There are currently no instruments that would give rise to a dilutive effect on the Company's shares.

The following is a reconciliation of the weighted average number of ordinary shares outstanding on a diluted basis:

	As at 30 June 2026 (unaudited)	As at 30 June 2025 (unaudited)
Weighted average number of ordinary shares excluding treasury shares*	1,004,604	1,001,555
Weighted average number of ordinary shares - dilutive	**1,004,604**	**1,001,555**

*weighted average shares for the period

14. SHARE CAPITAL AND RESERVES

As at 30 June 2026 (unaudited), there were 1,007,555 shares (31 December 2025: 1,004,555) issued of which no shares (31 December 2024: no shares) were held in treasury. All shares are fully paid up.

The movement in issued share capital is shown as follows:

	Number of shares
	Voting shares
As at 1 January 2025	**1,001,555**
Shares issued to the Directors as part of their in-place compensation arrangements for €nil consideration - 6 August 2025	3,000
As at 30 June 2025 (unaudited)	**1,004,555**
As at 31 December 2025	**1,004,555**
Shares issued to the Directors as part of their in-place compensation arrangements for €nil consideration - 29 June 2026	3,000
As at 30 June 2026 (unaudited)	**1,007,555**

As at 30 June 2026, the Company held no shares in treasury (31 December 2025: no shares in treasury).

Accumulated loss

The reserve represents the cumulative gains and losses and transactions with shareholders (e.g. dividends) not recognised elsewhere.

15. DISTRIBUTIONS PAID AND DECLARED

During the period ended 30 June 2026, no distributions were declared or paid (during the year ended 31 December 2025 no distributions were declared or paid).

16. MANAGEMENT AGREEMENT AND RELATED PARTY TRANSACTIONS

The Company entered into the Management Agreement with the Manager in August 2003. Pursuant to the Management Agreement, the Manager, under the supervision of the Board of Directors, will formulate investment strategies, arrange for the acquisition of assets, arrange for financing, monitor the performance of the Company's assets and provide certain advisory, administrative and managerial services in connection with the operations of the Company. The management fee paid to the Manager is equal to (i) 1.5% of the Company's Adjusted NAV reported quarterly, excluding net corporate cash, and (ii) 0.75% on net corporate cash attributable to certain reserves.

The Manager is also entitled to an incentive fee, which was crystallised in respect of the Company's existing investments at the time of implementation of the Realisation Plan in 2019, resulting in a saving to the Company of €2.4 million (the "Deferred Incentive Fee"). The Manager is entitled to earn back a portion of this saving if excess amounts are released from certain reserves put in place by the Board to fund future costs and potential liabilities. During 2025, all remaining Additional Reserves were released, resulting in a final payment of approximately €0.6 million to the Manager under the Deferred Incentive Fee arrangement. As at 30 June 2026, no further amounts remain payable under this arrangement.

The Management Agreement provides that the Company will reimburse the Manager for various expenses incurred by the Manager or its officers, employees and agents on the Company's behalf, including the cost of legal, accounting, tax, auditing, finance, administrative, asset management, property management and other similar services rendered for the Company by providers retained by the Manager or, if provided by the Manager's or its affiliates' employees, in amounts which are no greater than those that would be payable to external professionals or consultants engaged to perform such services pursuant to agreements negotiated on an arms-length basis. Such expenses have been included in the income statement.

When it was signed in 2003 the Management Agreement provided for an initial term of ten years with automatic three year extensions, subject to certain termination rights. The Management Agreement may be terminated by the Company by payment of a termination fee, as defined in the Management Agreement, equal to the amount of management fees earned by the Manager during the 12 consecutive calendar months immediately preceding the termination, upon the vote of a majority of the holders of the outstanding ordinary shares. In addition, unless an arrangement is made between the Company and the Manager, incentive compensation (as outlined above) will continue to be payable to the Manager post-termination.

In connection with the New Investment Strategy, certain terms of the Management Agreement are expected to be amended to reflect the anticipated return profile of the New Investment Strategy.

The Manager is deemed to be the key employee for reporting purposes. As at 30 June 2026, management fees, incentive fees and expense reimbursements of €0.1 million (31 December 2025: €0.1 million) were due to the Manager. During the period ended 30 June 2026, management fees of €0.04 million (30 June 2025: €0.06 million), €nil million of incentive fees (30 June 2025: 0.60 million), and expense reimbursements of €0.07 million (30 June 2025: €0.09 million) were charged to the income statement - also refer to note 7.

Total annual remuneration for the Eurocastle directors as at 30 June 2026 was €0.1 million (30 June 2025: €0.1 million), payable quarterly in equal instalments. Dean Dakolias and Alex Gillette did not receive any remuneration from the Company. Dean Dakolias resigned as a Company director on 3 November 2025. Alex Gillette was appointed as a new director on 12 December 2025.

The Manager, its principals and certain employees of the Manager hold a total of 558,733 shares in the Company, of which 433,462 are beneficially owned by a senior executive of the Manager with primary responsibility for the Company.

The Company is also entitled to a fee in consideration for the services to be performed by the Company for the General Partner. The fee is calculated based on the Management Fee received by the General Partner from third party investors in the Fund. Also refer to note 5.

17. INVESTMENT IN SUBSIDIARIES

The Company has investments in the following subsidiaries (unless otherwise stated the Company has a 100% interest in the entity):

Luxembourg:
Luxgate S.à r.l
Luxway S.à r.l (60%, 2025:60%)
European Properties Investment Fund S.C.A., SICAV RAIF (9.93%, 2025: 9.98%)

United States of America:
Fortress Italian Real Estate Opportunities Series Fund LLC - Series 2

Indirect subsidiaries:

Luxembourg:
Luxira S.à r.l (9.93%, 2025: 9.98%)

Greece:
Castlegate S.A.(9.93%, 2025: 9.98%)
Ionias I.K.E. (9.93%, 2025: 9.98%)
Mesogeios I.K.E. (9.93%, 2025: 9.98%)

As at 30 June 2026, the unconsolidated subsidiaries do not have any significant restrictions (e.g. resulting from borrowing arrangements, regulatory requirements or contractual arrangements) on the ability to transfer funds to the Company in the form of cash dividends or to repay loans or advances made to the unconsolidated subsidiary by the Company.

18. SUBSEQUENT EVENTS

No subsequent events.

19. CONTINGENT LIABILITIES

The Company is exposed to a potential tax risk of up to an estimated €6.2 million associated with the disposal of a legacy property subsidiary in prior years. During 2022 and 2023, the Company received revised tax assessments related to this risk covering the period 2008 – 2012, which resulted in a net payment by Eurocastle to the German tax authorities of€3.7m.

On 23 June 2025, a draft tax audit report relating to the period 2013–2015 was issued, which the Company's advisers are currently contesting with the German tax authorities. The Company estimates that the current remaining potential exposure to the matter (excluding associated costs of €0.3 million) is estimated to be €2.5 million.

In parallel, the Company continues to appeal the additional tax assessed for the period 2008 - 2012 through the German courts. In December 2024, the Company won the first instance of this appeal. During 2025, the German tax authorities notified their intention to appeal the judgment, with a second hearing yet to be scheduled. The Company, in light of the judgment and having taken independent advice, remains confident that the matter will ultimately be resolved in its favour. In the meantime, €2.5 million of the €3.7 million of additional tax paid by the Company, being the additional tax assessed before late payment interest, is accruing interest at 6% per annum. This interest would be payable to the Company should it finally prevail in the case.

The Company has been advised that, based on average court timings for the German federal court systems, this matter can be expected to be resolved in approximately two years, but notes that it can take considerably longer and, in rare cases, up to ten years in total.

Notwithstanding the Company's expectation that the tax matters will eventually be resolved in its favour, in October 2025 the Company entered into a contractual arrangement in respect of the Legacy German Tax Matter at a cost of approximately €0.8 million. Under this arrangement, should the outcome of the various discussions and appeals be unfavourable, the Company would expect to be reimbursed up to €6.2 million, being the aggregate estimated exposure to the matter (excluding associated costs of €0.3 million). As a result, the remaining Additional Reserves related exclusively to the Legacy German Tax Matter, were released during the period.

As at 30 June 2026, of the total estimated exposure relating to the Legacy German Tax Matter of €6.2 million, €3.7 million has been paid and is recognised as a tax asset on the Company's balance sheet. The remaining €2.5m relates to the open audit period for the years 2013-2015 and is considered a contingent liability, as there was no present obligation at the balance sheet date and no formal demand for payment has been made.

20. COMMITMENTS

In August 2024 the Company entered into a subscription agreement with EPIF committing a total amount of €8 million. As at June 30, 2026, net of capital repaid to Eurocastle from new investors committing to the Fund, €1.3 million of this commitment had been paid leaving an outstanding commitment of€6.7 million.