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Eurocastle Releases Third Quarter 2021 Interim Management Statement

Guernsey, 11 November 2021 – Eurocastle Investment Limited (Euronext Amsterdam: ECT) today has released its interim management statement for the quarter ended 30 September 2021.

Q3 2021 BUSINESS HIGHLIGHTS

- ◆ **Adjusted Net Asset Value (“NAV”)**¹ of €18.1 million, or €9.76 per share², up €0.16 per share vs. €9.60 per share at 30 June 2021 due to valuation increases:
 - €0.11 per share increase (3%) in the valuation of the remaining three real estate fund investments.
 - €0.05 per share increase (7%) in the valuation of the remaining three NPL and other loan interests.

	Q2 2021 NAV		Q3 Cash Movement		Q3 FV Movement		Q3 2021 NAV	
	€ million	€ per share	€ million	€ per share	€ million	€ per share	€ million	€ per share
Real Estate Funds	6.4	3.47	(1.2)	(0.67)	0.2	0.11	5.4	2.91
Italian NPLs & Other Loans	1.6	0.88	(0.4)	(0.23)	0.1	0.05	1.3	0.70
Net Corporate Cash ³	9.7	5.25	1.7	0.90	-	-	11.4	6.15
Adjusted NAV	17.8	9.60	-	-	0.3	0.16	18.1	9.76

CASH & CORPORATE OUTLOOK

- The Company received €1.7 million from its investments in the quarter comprising (i) €0.2 million from Real Estate Fund Investment II (~13% of its Q2’21 NAV), (ii) €1.0 million from Real Estate Fund Investment V (~22% of its Q2’21 NAV) and (iii) €0.4 million from the disposal of the assets of one of the NPL pools (~27% of its Q2’21 NAV).
- The Company’s remaining assets now comprise:
 - Interests in two fully developed, luxury residential real estate redevelopment funds in Rome where the apartments in Real Estate Fund Investment II (“REFI II”) are now **all sold** or under contract to be sold and **less than 10%** of the units in Real Estate Fund Investment V (“REFI V”) remain to be sold.
 - Residual minority interests in two predominantly secured NPL pools where the Company’s stakes are under contract to be sold once the underlying portfolio level financing of each is repaid.
 - Net corporate cash of €11.4 million, comprising corporate cash net of liabilities and additional reserves.

¹ In light of the Realisation Plan announced on 18 November 2019, the Adjusted NAV reflects additional reserves for future costs and potential liabilities of €14.9 million, or €8.05 per share, which have not been accounted for under the IFRS NAV. The IFRS NAV as at 30 September 2021 is €33.1 million, or €17.81 per share.

² Per share calculations for Eurocastle throughout this document are based on 1,857,535 shares.

³ Reflects corporate cash net of liabilities and additional reserves.

- The Company has received a preliminary tax audit report relating to a legacy German property investment. The potential liability arising from this audit was disclosed as a contingent liability in the Company's 2020 annual report and had already been fully reflected in the Adjusted NAV as part of the additional reserves established in December 2019. Based on the preliminary report, the Company anticipates that it will receive revised tax assessments before the end of the year. The Company intends to appeal this finding through the German tax courts and, having taken independent advice, considers it probable that the courts will decide the matter in the Company's favour. However, the board intends to pay any amount assessed while pursuing the appeals process in order to prevent further interest accruing against the Company. On payment of the assessed amount the Company expects to recognise a tax asset.
- The strategic options for the Company remain under ongoing review by the Board, with the outcome of the review anticipated to be announced to shareholders before the end of 2021.

NOTICE:

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

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).

ABOUT EUROCASTLE

Eurocastle Investment Limited ("Eurocastle" or the "Company") is a publicly traded closed-ended investment company, focused on Italian performing and non-performing loans, Italian loan servicing platforms and other real estate related assets in Italy. On 18 November 2019, the Company announced a plan to realise the majority of its assets with the aim of accelerating the return of value to shareholders. The Company will not currently seek material new investments from the proceeds of the realisation but will continue to support its existing investments to the extent required in order to optimise returns and distribute cash to shareholders when available (the "Realisation Plan"). 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", "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.