



Contact:

Oak Fund Services (Guernsey) Limited
 Company Administrator
 Attn: Hannah Crocker
 Tel: +44 1481 723450

Eurocastle Releases Third Quarter 2024 Interim Management Results

Guernsey, 18 December 2024 – Eurocastle Investment Limited (Euronext Amsterdam: ECT) (“Eurocastle” or the “Company”) today has released its interim management statement for the quarter ended 30 September 2024.

- ◆ **IFRS NAV** of €21.37 million, or €21.34 per share (€21.59 million, or €21.56 per share as at Q2 2024).
- ◆ **ADJUSTED NET ASSET VALUE (“NAV”)**¹ of €10.93 million, or €10.91 per share² (€11.08 million, or €11.07 per share as at Q2 2024). Assuming the German tax authorities decide not to appeal the recent judgment in favour of Eurocastle on the German tax matter and consequently a full release of the connected reserve of €5.4 million, or €5.41 per share, the Adjusted NAV would be €16.32 per share.

	Q2 2024 NAV		Q3 FV Movement		Q3 2024 NAV		Pro Forma Movements ³		Q3 2024 Pro Forma NAV ³	
	€'m	€ p.s.	€'m	€ p.s.	€'m	€ p.s.	€'m	€ p.s.	€'m	€ p.s.
New Investment Strategy - Greece	0.27	0.27	(0.16)	(0.16)	0.11	0.11	5.23	5.22	5.34	5.33
Legacy Italian Real Estate Funds	0.06	0.06	-	-	0.06	0.06	-	-	0.06	0.06
Net Corporate Cash ⁴	17.53	17.51	(0.06)	(0.06)	17.47	17.45	(1.50)	(1.50)	15.97	15.95
Legacy German Tax Asset	3.73	3.72	-	-	3.73	3.72	(3.73)	(3.72)	-	-
IFRS NAV	21.59	21.56	(0.22)	(0.22)	21.37	21.34	-	-	21.37	21.34
Additional Reserves ⁵	(10.51)	(10.49)	0.07	0.06	(10.44)	(10.43)	5.41	5.41	(5.03)	(5.02)
Adjusted NAV	11.08	11.07	(0.15)	(0.16)	10.93	10.91	5.41	5.41	16.34	16.32
<i>Ordinary shares outstanding</i>	<i>1,001,555</i>				<i>1,001,555</i>				<i>1,001,555</i>	

As at 30 September 2024, pro forma for the closing in October of the Company’s first investment under its New Investment Strategy and assuming no appeal is made by the German tax authorities in relation to the German tax matter, the Company’s assets comprise:

1. €15.97 million, or €15.95 per share, of net corporate cash³ which is primarily available to fund new investments under the New Investment Strategy.
2. €5.3 million, or €5.33 per share, in the Company’s first investment under the New Investment Strategy, a share in a Luxembourg fund which has acquired a boutique retail complex in an affluent part of Athens, Greece.
3. Residual interests in two legacy Italian Real Estate Fund Investments with a NAV of €0.1 million, or €0.06 per share, where the underlying apartments are now all sold with both funds currently in liquidation.

¹ In light of the Realisation Plan announced in 2019, the Adjusted NAV as at 30 September 2024 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 30 September 2024.

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

³ Adjusts to reflect i) Eurocastle investing a further €5.2 million in October 2024 under the New Investment Strategy for the new Luxembourg fund to close on its first acquisition and ii) a reversal of the Additional Reserve related to the Legacy German Tax Matter in the event the tax authorities decide not to appeal the recent judgment by the German fiscal court, or the Company prevails on any such appeal.

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.

BUSINESS UPDATES

▪ **New Investment Strategy** –

Eurocastle has now launched a Luxembourg regulated fund, European Properties Investment Fund S.C.A., SICAV RAIF (the “Fund”), to make opportunistic real estate investments across Southern Europe. The Fund completed its first close on August 6, 2024 for €10 million, with the Company committing €8 million alongside a €2 million commitment from its JV partner. The Fund is now being marketed to potential investors with a target fund size of €100 million. In addition to generating attractive risk adjusted returns on its share of any investments made by the Fund, Eurocastle also anticipates receiving a 60% share of fees and promote 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 promote 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.

In addition, the Fund made its first acquisition, being part of a boutique retail complex in an affluent part of Athens, in October 2024, with Eurocastle investing a total of €5.3 million into the Fund. The asset was acquired from one of the largest Greek banks out of a distressed situation. The Fund’s strategy is to lease-up the last 20% of the building which is currently vacant and then seek an exit in the open market. In parallel with executing this first investment, the Fund has been underwriting a number of additional opportunities.

- **Legacy German Tax Matter** – On 5 December 2024, Eurocastle won its appeal in the German courts against additional tax assessed in relation to a German property subsidiary for the period 2008 to 2012. The tax authorities now have a period to either appeal the judgment or issue revised tax assessments. The Company expects to be notified of their decision during the first quarter of 2025.

The Company estimates its total exposure to the tax matter, which relates to the period 2008 – 2015, at up to €5.4 million of which the Company paid €3.7 million in respect of 2008 – 2012 while it sought reimbursement through the appeal made in the German courts. The remainder of the estimated exposure, associated with the same point under dispute, relates to the years 2013 – 2015 which remain subject to ongoing tax audits.

- **Additional Reserves** – During Q3 2024, the Company reduced these reserves from €10.5 million to €10.4 million, or €10.43 per share, with the reduction of €0.1 million reflecting reserves being utilised in line with anticipated costs. As at 30 September 2024, of the total Additional Reserves of €10.4 million, €5.4 million related to the legacy German tax matter with the balance of approximately €5.0 million in place to allow for future costs and potential liabilities while the Company establishes in parallel the New Investment Strategy.

The Board anticipates reviewing the appropriate level of reserves once it has further clarity on the amount of commitments received by the Fund and the outcome on the Legacy German Tax Matter.

Income Statement for the Quarter ended 30 September 2024 and the First Nine Months of 2024 (unaudited)

	Income Statement Q3 2024 € Thousands	Income Statement 9 Months 2024 € Thousands
Legacy Real Estate Funds unrealised fair value movement	-	(18)
New Investment Strategy adjustment linked to implementation costs	(156)	(156)
Other income	(5)	12
Interest income	160	482
Total income	(1)	320
<i>Operating Expenses</i>		
Manager base and incentive fees	20	60
Remaining operating expenses	201	631
Total expenses	221	691
(Loss) for the period	(222)	(371)
<i>€ per share</i>	<i>(0.22)</i>	<i>(0.37)</i>

Balance Sheet and Adjusted NAV Reconciliation as at 30 September 2024 and as at 31 December 2023

	30 September 2024 Total € Thousands	31 December 2023 Total € Thousands
Assets		
New Investment Strategy - Greece	111	118
Legacy German tax asset	3,727	3,727
Investments – Legacy Real Estate Funds	63	82
Other assets	17	92
Cash and cash equivalents	17,724	13,951
Treasury Investments	-	4,236
Total assets	21,642	22,206
Liabilities		
Trade and other payables	253	425
Manager base and incentive fees	20	41
Total liabilities	273	466
IFRS Net Asset Value	21,369	21,740
Liquidation cash reserve	(5,006)	(5,185)
Legacy German tax cash reserve	(1,709)	(1,728)
Legacy German tax asset reserve	(3,727)	(3,727)
Adjusted NAV	10,927	11,100
<i>Adjusted NAV (€ per Share)</i>	<i>10.91</i>	<i>11.12</i>

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).

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.