

Eurocastle Releases Third Quarter 2020 Interim Management Statement

Contact:
Oak Fund Services (Guernsey) Limited
Company Administrator
Attn: Mark Woodall
Tel: +44 1481 723450

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Guernsey, 12 November 2020 – Eurocastle Investment Limited (Euronext Amsterdam: ECT) [today](#) has released its interim management statement for the quarter ended 30 September 2020.

Q3 2020 BUSINESS HIGHLIGHTS

Adjusted Net Asset Value (“NAV”)¹ of €13.8 million, or €7.46 per share², up €0.20 per share vs. €7.26 per share at 30 June 2020 due to:

- Valuation increases:
 - €0.20 per share increase (4%) in the valuation of the remaining three real estate fund investments.
 - €0.07 per share increase (12%) in the valuation of the remaining three NPL and other loan interests.
- Reserve and legacy movements of (€0.07) per share.

	Q2 2020 NAV		Q3 CASH Movement		Q3 FV Movement		Q3 2020 NAV	
	€million	€per share	€million	€per share	€million	€per share	€million	€per share
Real Estate Funds	10.3	5.57	(2.2)	(1.19)	0.4	0.20	8.5	4.58
Italian NPLs & Other Loans	1.1	0.60	(0.0)	(0.00)	0.1	0.07	1.2	0.67
Net Corporate Cash ³	2.0	1.09	2.2	1.19	(0.1)	(0.07)	4.1	2.21
Adjusted NAV	13.4	7.26	-	-	0.4	0.20	13.8	7.46

CASH & MARKET OUTLOOK

- The Company received €2.2 million from its investments in the quarter, with €1.2 million from Real Estate Fund Investment I (~82% of its Q2'20 NAV) and €1.0 million from Real Estate Fund Investment II (~24% of its Q2'20 NAV). With the uncertainty of another COVID related lockdown looming in Italy, the Directors have elected to retain these cash proceeds in the Company until there is greater certainty around the impact this could have on the Italian residential real estate market.
 - The cash received in the quarter, along with the prudent management of cash reserves, leaves the Company well capitalised to maximize the value of its remaining assets and to weather the uncertainty that COVID-19 has created.
- The Company's current assets comprise:
 - Interests in two real estate redevelopment funds where construction is fully completed. The units are in the process of being sold, however the sales pace is impacted by the continued uncertainty brought about by the coronavirus outbreak. Both developments offer luxury residential apartments with high specification furnishings in Rome.
 - Interests in a public fund which, following the sale of its remaining real estate assets in 2019, is in the process of being liquidated with its residual assets predominantly comprising cash.
 - Residual minority interests in three predominantly secured NPL & Other Loan pools.

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.

¹ In light of the Realisation Plan announced on 18 November 2019, the Adjusted NAV reflects additional reserves for future costs and potential liabilities, which have not been accounted for under the IFRS NAV. The IFRS NAV as at 30 September 2020 is €30.5 million, or €16.46 per share.

² Per share calculations for Eurocastle throughout this document are based on the weighted average shares of 1,853,328 for the period under review.

³ Reflects corporate cash net of liabilities and additional reserves.