FINANCIAL HIGHLIGHTS AT A GLANCE[1]

Q2 2025 IFRS NAV:	Q2 2025 IFRS NAV per share:
€21.2mm	**€21.19ps**
(Q1 2025: €22.0mm)	(Q1 2025 : €22.01ps)
(YE 2024: €22.1mm)	(YE 2024: €22.05ps)
Q2 2025 Adjusted NAV[2] of €15.2mm	*Q2 2025 Adjusted NAV[2] of €15.19ps*

COMPANY OVERVIEW

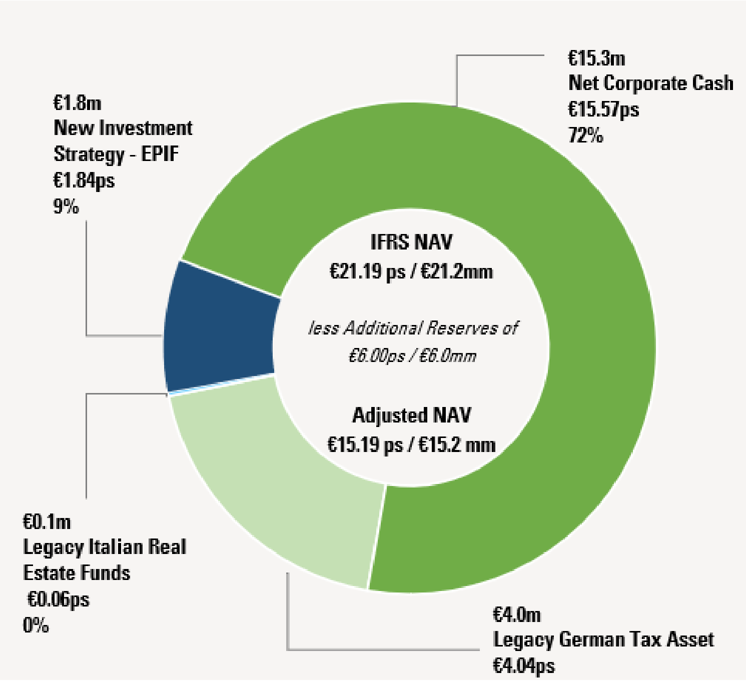
Eurocastle Investment Limited (the "Company" or "Eurocastle") is a publicly traded closed-ended investment company. Having previously focused on Italian performing and non-performing loans and other real estate related assets in Italy (the "Legacy Italian Investments"), in July 2022 the Company announced 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 Manager's deep knowledge of the sector, which offers significant investment opportunities in the current market cycle. To pursue this strategy, 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) an interest in EPIF which has so far acquired two properties in Athens: a small upscale shopping centre, and a 70% interest in two office floors,
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.

The Company's adjusted net asset value (the "Adjusted NAV") is after taking into account reserves for future costs and potential liabilities considered by the Board in light of the realisation plan announced in November 2019 (the "Realisation Plan"). The chart below shows a breakdown of Eurocastle's net assets as at **30 June 2025**.



Net Corporate Cash:

€15.3 million of corporate cash after deducting current liabilities ("Net Corporate Cash") of which €6.3 million is currently committed for the New Investment Strategy.

New Investment Strategy – EPIF:

Eurocastle's 22% 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 in relation to additional tax assessed against a legacy German property subsidiary (inclusive of all interest due to the Company on these amounts). The Company won the first instance appeal in the German courts but the German tax authorities have appealed the decision. The Company expects the matter will eventually be resolved in the Company's favour.

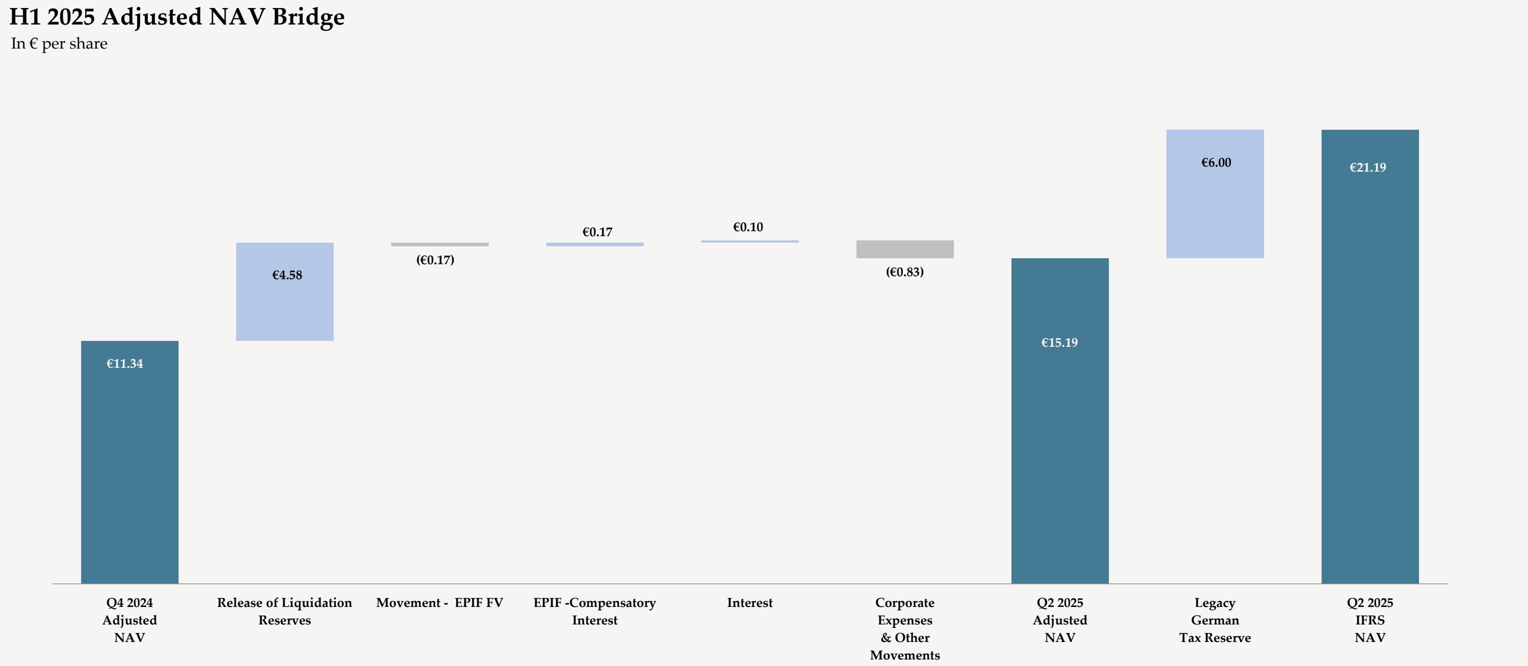
Legacy Italian Real Estate Funds:

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.

Additional Reserves:

Remaining reserves of €6.0 million relates solely to the legacy German tax matter. During the year, €4.6 million of reserves for future costs and potential liabilities were released, reflecting the continued progress made in implementing the New Investment Strategy.

SEE PAGE 7 FOR ALL END NOTES



New Investment Strategy

Eurocastle is pursuing its New Investment Strategy by initially focusing 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. 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 initially closed with Eurocastle committing to invest €8 million alongside a €2 million commitment from its JV Partner. EPIF is now being marketed to potential investors with a target size of €100 million, having secured €61.3 million of commitments as of July 31, 2025.

Eurocastle expects to leverage the relationship of the Company's investment 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 will also receive a 60% share of fees and promote generated from selected co-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[3].

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 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. Accordingly, there is no guarantee that the Company's New Investment Strategy will be effectively implemented nor will there necessarily be a future opportunity for shareholders to achieve an exit from their investment in the Company at a price equal to or higher than the current share price.

For further details on the Company's New Investment Strategy and the Additional Reserves, 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 2025 Business Highlights

Overview

In the first half of 2025, the Company made significant strides in executing its New Investment Strategy. Investor commitments to EPIF laid the groundwork for building a sustainable investment platform with long-term growth potential. At the same time, the Fund continued to develop a strong pipeline of opportunities to deploy capital in line with the strategy.

Investment Realisations & Highlights

- **New Investment Strategy –** By the end of June 2025, EPIF had received €36.3 million of capital commitments, including €8 million from Eurocastle and €2 million from its JV partner. In July 2025, an additional €25 million was raised, bringing total committed capital in the Fund to €61.3 million. In addition, prospective investors representing a further €20 million in commitments are in the final stages of due diligence. EPIF continues to be marketed to potential investors with a target fund size of €100 million.

- By the end of the first half of 2025, the Fund had made two commercial real estate investments in Athens, Greece reflecting its focus on opportunistic investments with strong value-creation potential. The investments comprise the acquisition of a small upscale shopping centre acquired out of a distressed situation and a 70% stake in a vacant office property acquired from a defaulted borrower at a substantial discount to comparable sales in the area.

- To fund these investments, EPIF had called approximately €7.7 million of capital by June 30, 2025. At that date, the Fund reported a NAV of €8.3 million, an 8% increase relative to the capital called, reflecting the appreciation in the value of the real estate acquired to date, net of all set up and running costs. Of the total capital called, Eurocastle invested €1.7 million, while its corresponding share of EPIF's NAV stood at €1.8 million.

- Subsequent to the first half of 2025, EPIF is in the process of closing its third investment, calling €11.5 million of capital to acquire an interest in a large portfolio of Italian real estate assets. The portfolio primarily consists of 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.

- In parallel, EPIF has been underwriting a number of additional opportunities and has an active pipeline of potential investment opportunities totalling over €50 million.

- As at 30 June 2025, the Company has €15.3 million of Net Corporate Cash of which €6.3 million has been committed to the EPIF.

- **Legacy Italian Real Estate Funds –**The remaining NAV for these investments of €0.1 million, or €0.06 per share, reflects cash currently reserved in the funds that is expected to be released once the fund manager resolves certain potential liabilities and liquidates each fund.

- **Additional Reserves -** As at the end of 2024, Eurocastle held Additional Reserves of €10.7 million, of which €6.0 million related to the legacy German tax matter with the balance of approximately €4.6 million held in reserves to allow for future costs and potential liabilities while the Company consolidated in parallel the New Investment Strategy (the "Liquidation Reserves"). With EPIF reaching over €61 million in investor commitments, the Board determined that Eurocastle has established a sustainable platform that it anticipates growing in future years. In light of the Company's strengthened financial position and prospects, the Board reassessed the level of Additional Reserves and approved the release of €4.6 million in outstanding Liquidation Reserves. The remaining Additional Reserves of approximately €6.0 million relate exclusively to the legacy German tax matter.

- **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 Company, in pursuing the reimbursement of this amount through the German fiscal court, won the first instance of its appeal in December 2024. Shortly after, the German tax authorities appealed the decision through the German federal tax court and the Company is currently waiting to be notified of the date of the hearing. The current remaining potential exposure on the matter (excluding associated costs of €0.3 million) is estimated to be €1.7 million and relates to the years 2013 to 2015 which remain subject to ongoing tax audits. As of 30 June 2025, this remaining expected financial impact has not been reflected within the IFRS NAV of the Company. Notwithstanding the Company's expectation that the tax matter will eventually be resolved in the Company's favour, as of 30 June 2025, the full potential liability of €6.0 million, or €6.00 per share, is fully reserved for within the Additional Reserves.

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Income Statement For The Six Months Ended 30 June 2025

	Income Statement H1 2025 *€ Thousands*	Income Statement H1 2024 *€ Thousands*
Portfolio Returns		
New Investment Strategy – EPIF unrealised fair value movement	(179)	-
Legacy Italian Real Estate Funds unrealised fair value movement	-	(18)
Fair value movement on Investments	**(179)**	**(18)**
Additional compensation - EPIF	27	-
Other income	-	16
Compensatory interest on capital returned from new investors in EPIF	175	-
Interest income	206	322
Gain on foreign currency translation	-	1
Total income	**229**	**321**
Operating Expenses		
Manager base and incentive fees	663	40
Remaining operating expenses	430	430
Total expenses	**1,093**	**470**
(Loss) for the period	**(864)**	**(149)**
€ per share	***(0.86)***	***(0.15)***

Balance Sheet and Adjusted NAV Reconciliation as at 30 June 2025

	New Investment Strategy - EPIF *€ Thousands*	Legacy Italian Investments *€ Thousands*	Corporate *€ Thousands*	Total 30 June 2025 *€ Thousands*	Total 31 December 2024 *€ Thousands*
Assets					
Other assets	-	-	436	436	315
Legacy German tax asset	-	-	4,049	4,049	3,974
Investments – New Investment Strategy - EPIF	1,838	-	-	1,838	5,770
Investments – Legacy Italian Real Estate Funds	-	64	-	64	64
Cash and cash equivalents	-	-	15,847	15,847	12,415
Total assets	**1,838**	**64**	**20,332**	**22,234**	**22,538**
Liabilities					
Trade and other payables	-	-	349	349	389
Manager base and incentive fees	-	-	663	663	63
Total liabilities	**-**	**-**	**1,012**	**1,012**	**452**
IFRS Net Asset Value	**1,838**	**64**	**19,320**	**21,222**	**22,086**
Liquidation cash reserve	-	-	-	-	(4,748)
Legacy German tax cash reserve	-	-	(1,963)	(1,963)	(2,008)
Legacy German tax asset reserve	-	-	(4,049)	(4,049)	(3,974)
Adjusted NAV	**1,838**	**64**	**13,308**	**15,210**	**11,356**
Adjusted NAV (€ per Share)	***1.84***	***0.06***	***13.29***	***15.19***	***11.34***

SEE PAGE 7 FOR ALL END NOTES

Additional Reserves

The table below summarises the movement of Eurocastle's Additional Reserves, set as part of the Realisation Plan in 2019. In light of the disposal of the majority of its investments, the Company has taken a prudent view in managing its cash and accordingly implemented various reserves which sought to ensure that the Company could continue to meet known, potential and unknown future liabilities over the period which it anticipated would be required for the Company to complete the realisation of its investments and then be liquidated in an orderly fashion. The Additional Reserves are not accounted for under IFRS as no formal commitments for these future costs and potential liabilities exist.

Eurocastle started the year with €10.7m of Additional Reserves of which €6.0 million related to the legacy German tax matter with the balance of approximately €4.6 million comprising the Liquidation reserves. During the period, in light of the Company's strengthened financial position and prospects, the Board reassessed the level of Additional Reserves and released the Liquidation Reserves.

As at 30 June 2025, the remaining Additional Reserves of €6 million relate exclusively to the legacy German tax matter. Notwithstanding the Company's expectation that the legacy German tax matter will eventually be resolved in the Company's favour, the potential liability is fully reserved for within the Additional Reserves.

	Q4 2024 Additional Reserves *€ million*	**Reserves paid/ payable in 2024** *€ million*	**Q4 2024 Reserves after paid/ payable in 2024** *€ million*	**Q2 2025 Reserves** *€ million*	**2025 Net Movement on Reserves** *€ million*
Legacy German Tax Reserve[3]	(6.0)	-	(6.0)	(6.0)	-
Liquidation Reserve	(4.7)	0.1	(4.6)	-	4.6
Total	**(10.7)**	**0.1**	**(10.6)**	**(6.0)**	**4.6**
Per Share	*(10.71)*	*0.13*	*(10.58)*	*(6.00)*	*4.58*

	Additional Reserves as at announcement of Realisation Plan *€ million*	**Reserves paid/ payable since Realisation Plan** *€ million*	**Reserves after paid/ payable since Realisation Plan** *€ million*	**Q2 2025 Reserves** *€ million*	**Net Movement on Reserves since Realisation Plan** *€ million*
Legacy German Tax Reserve[4]	(7.1)	0.2	(6.9)	(6.0)	0.9
Liquidation Reserve	(12.9)	6.7	(6.2)	-	6.2
Total	**(20.0)**	**6.9**	**(13.1)**	**(6.0)**	**7.1**
Per Share	*(19.93)*	*6.83*	*(13.10)*	*(6.00)*	*7.10*

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 2025 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: 5 August 2025

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 2025, a total of 1,001,555 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 2025 Net Asset Value per share ("NAV per share") – 1,001,555 voting shares in issue; Q4 2024 NAV per share based on 1,001,555 voting shares; Q1 2025 NAV per share based on 1,001,555 voting shares.

[2] In light of the Realisation Plan, the Adjusted NAV reflects the additional reserves for future costs and potential liabilities, which have not been accounted under the IFRS NAV.

[3] 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.

[4] Since March 2022, the Company has made net payments totalling €3.7 million in relation to the legacy German tax matter. Notwithstanding the Company's expectation that the tax matter will be eventually resolved in the Company's favour, as at 30 June 2025, this tax asset was fully reserved for within the Additional Reserves.

INCOME STATEMENT (UNAUDITED)

	Notes	Six months ended 30 June 2025 (unaudited) €'000	Six months ended 30 June 2024 (unaudited) €'000
Portfolio Returns			
Unrealised fair value movements on Legacy Italian Real Estate Funds	4	-	(18)
Unrealised fair value movements on New Strategy Investments	4	(179)	-
Other income			
Other income	5	27	16
Interest income	6	381	322
Gain on foreign currency translation		-	1
Total income		**229**	**321**
Operating expenses			
Other operating expenses	7	1,093	470
Total expenses		**1,093**	**470**
Net operating (loss) before taxation for the period		**(864)**	**(149)**
Taxation expense - current		-	-
Net (loss) after taxation for the period		**(864)**	**(149)**
Attributable to:			
Ordinary equity holders of the Company		(864)	(149)
Net (loss) after taxation		**(864)**	**(149)**
		€	€
Earnings per ordinary share[(1)]			
Basic and diluted	14	(0.86)	(0.15)

The Company had no other comprehensive income for the six months ended 30 June 2025 and for the six months ended 30 June 2024.

[(1)] Earnings per share is based on the weighted average number of shares in the period of 1,001,555 (30 June 2024: 998,440). 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 2025 (Unaudited) €'000	As at 31 December 2024 €'000
Assets			
Cash and cash equivalents	8	15,847	12,415
Other assets	9	436	315
Investments held at fair value	11	1,902	5,834
Legacy German tax asset	9	4,049	3,974
Total assets		**22,234**	**22,538**
Equity and Liabilities			
Capital and reserves			
Issued capital, no par value, unlimited number of shares authorised		1,615,158	1,615,158
Accumulated losses		(1,593,936)	(1,593,072)
Total equity		**21,222**	**22,086**
Liabilities			
Trade and other payables	13	1,012	452
Total liabilities		**1,012**	**452**
Total equity and liabilities		**22,234**	**22,538**

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 5 August 2025 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 2025 (unaudited) €'000	Six months ended 30 June 2024 (unaudited) €'000
Cash flows from operating activities			
(Loss) for the period before taxation		**(864)**	**(149)**
Adjustments for:			
Unrealised fair value movement on Legacy Italian Real Estate Funds	4	-	18
Unrealised fair value movement on New Investment Strategy - EPIF	4,11	179	-
Other operating income and expenses non-cash	5	-	(11)
Interest income	6	(381)	(322)
(Loss) on foreign currency		-	(1)
Total adjustments to (loss) for the period		**(202)**	**(316)**
(Increase) / decrease in other assets	9	(109)	74
Increase / (decrease) in trade and other payables		560	(113)
Movements in working capital		**451**	**(39)**
Return of capital from European Properties Investment Fund, SCA, RAIF ("EPIF")	11	4,030	-
Capital call from EPIF	11	(277)	(149)
Interest received		294	334
Cash movements from operating activities		**4,047**	**185**
Cash generated from/(used in) operations		**3,432**	**(319)**
Net cash flows generated from/(used in) operating activities		**3,432**	**(319)**
Cash flows from investing activities			
Disposal / (Acquisition) of Treasury Investments held at amortised cost	10	-	4,241
Net cash flows from investing activities		**-**	**4,241**
Cash flows from financing activities			
Return of distributions paid	16	-	1
Net increase in cash flows from financing activities		**-**	**1**
Net increase in cash and cash equivalents		**3,432**	**3,923**
Cash and cash equivalents, beginning of the period	8	**12,415**	**13,951**
Total cash and cash equivalents, end of the period	8	**15,847**	**17,874**

STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

	Share capital €'000	Accumulated loss €'000	Total equity €'000
As at 1 January 2024	**1,615,136**	**(1,593,396)**	**21,740**
(Loss) after taxation for the six months ended 30 June 2024 (unaudited)	-	(149)	(149)
Total comprehensive (loss) for the six months ended 30 June 2024 (unaudited)	**-**	**(149)**	**(149)**
Contributions by and distributions to owners:			
Shares issued to Directors (note 15)	22	(22)	-
As at 30 June 2024 (unaudited)	**1,615,158**	**(1,593,567)**	**21,591**
Profit after taxation for the six months ended 31 December 2024	**-**	495	**495**
Total comprehensive income for the six months ended 31 December 2024	**-**	**495**	**495**
As at 31 December 2024	**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 period (unaudited)	**-**	**(864)**	**(864)**
As at 30 June 2025 (unaudited)	**1,615,158**	**(1,593,936)**	**21,222**

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%.

Until December 2019, the activities of the Company included investing indirectly in Italian performing and non-performing loans ("PLs" / "NPLs"), distressed loan assets and other credit receivables, Italian loan servicing platforms, real estate related assets and other related businesses in Italy. On 18 November 2019 the Board of Directors (“Board”) announced a plan to realise the majority of the Company’s assets in order to accelerate the return of value to the Company’s shareholders (the “Realisation Plan”). On 8 July 2022, the Company announced the relaunch of its investment activity and will initially focus 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 investing in this asset class (the "New Investment Strategy"). The Company’s New Investment Strategy seeks to leverage the Manager’s deep knowledge of the sector, which offers significant investment opportunities in the current market cycle.

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 17. 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, as well as reviewing the annual budget, including the additional reserves set aside as part of the Realisation Plan. 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 implementing the strategy, have determined that those reserves relating to potential future costs and liabilities of the business should be released. As a result of all of the above, the Directors have a reasonable expectation that the Company has adequate 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 2025 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 2024.

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:
- valuation of investment in the Fund - refer to note 11

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation

The Company falls under the Collective Investment Schemes exemption for Guernsey tax purposes and is charged €1,864 per annum (2024: €1,934). 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).

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 (see note 13), 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 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.

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 based on credit rating and 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 in two Greek real estate assets. 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 11.

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. 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 2024

From 1 January 2024, IAS 1 has been amended to clarifying the criteria's for the classification of current and non current liabilities. The Company has performed a review of its existing classification of liabilities and concluded that there was no material impact from adopting the amended standard.

New standards issued but not yet effective

The following standard is effective for the annual reporting periods beginning 1 January 2027:
• IFRS 18 "Presentation and Disclosure in Financial Statements".

The Company is assessing the impact of IFRS 18, issued by the IASB in April 2024, which replaces IAS 1 and introduces major amendments to IFRS Standards, including IAS 8. While IFRS 18 does not affect recognition or measurement, it will significantly impact presentation and disclosure, including, but not limited to profit or loss categorisation, aggregation/disaggregation, labelling, and management-defined performance measures.

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 2025, the leverage (as defined by this measure) under the gross and commitment basis was 30.10% and 104.77% respectively (31 December 2024: 45.83% and 102.05%).

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.

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 level of Additional Reserves that were originally set aside as part of the Realisation Plan to ensure that the Company could continue to meet known, potential and unknown future liabilities (not accounted for under IFRS), taking into account investment opportunities and the performance of the 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 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 2025, the Company had net equity of €21.2 million (31 December 2024: €22.1 million) and no direct leverage (31 December 2024: 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 2025, the Company's cash and cash equivalents was €15.8 million (31 December 2024: €12.4 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 in current market conditions that this will be the case. As at 30 June 2025, the Company has placed €13.2 million of its corporate cash in a 35 day notice money market account and €2.7 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 2024: €11.4 million of its corporate cash in a 35 day notice money market account and €1.0 million in a cash management account- rated long term: A+ 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 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:

	Six months ended 30 June 2025 (unaudited)	Six months ended 30 June 2024 (unaudited)
	Fair value movements	Fair value movements
	€'000	€'000
New Investment Strategy- EPIF (note 11)	(179)	-
Legacy Italian Real Estate Funds (note 11)	-	(18)
Total portfolio returns	**(179)**	**(18)**

5. OTHER INCOME

	Six months ended 30 June 2025 (unaudited)	Six months ended 30 June 2024 (unaudited)
	€'000	€'000
Additional Compensation EPIF	27	-
Miscellaneous income	-	16
Total other income	**27**	**16**

The Company is entitled to receive additional compensation related to services provided by its subsidiary in connection with EPIF.

6. INTEREST INCOME

	Six months ended 30 June 2025 (unaudited)	Six months ended 30 June 2024 (unaudited)
	€'000	€'000
Bank interest on cash deposit	131	329
Interest on Legacy German Tax Asset - refer to note 9	75	-
Interest - Additional compensation EPIF	175	-
Bond interest and accretion	-	(7)
Total interest income	**381**	**322**

7. OTHER OPERATING EXPENSES

	Six months ended 30 June 2025 (unaudited)	Six months ended 30 June 2024 (unaudited)
	€'000	€'000
Professional fees	153	187
Manager base and incentive fees (related party, note 17)	663	40
Manager recharge (related party, note 17)	93	66
General and administrative expenses	184	177
Total other operating expenses	**1,093**	**470**

8. CASH AND CASH EQUIVALENTS

	As at 30 June 2025 (unaudited)	As at 31 December 2024
	€'000	€'000
Cash at bank	2,657	1,045
Cash on deposit	13,190	11,370
Total cash and cash equivalents	**15,847**	**12,415**

9. OTHER ASSETS

	As at 30 June 2025 (unaudited) €'000	As at 31 December 2024 €'000
Return of capital receivable - EPIF	328	-
Prepaid expenses and other assets	108	315
Legacy German tax asset	4,049	3,974
Total other assets and Legacy German tax asset	**4,485**	**4,289**

The return of capital receivable reflects the outstanding amount owed by EPIF to the Company as at the reporting date. Settlement of this amount remains pending, as EPIF is awaiting receipt of funds from one of its investors.

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

The Legacy German tax asset, including interest accruing amounting to €0.3 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. TREASURY INVESTMENTS HELD AT AMORTISED COST

On 14 February 2023, the Company invested €4.4 million of its corporate cash in an Italian Inflation-linked Government Bond (the "Bond") in order to i) diversify the credit risk in which its cash is held and ii) improve the yield it is earning on such cash in light of the rising interest rate and inflationary environment. On 15 February 2024, the Company sold the Bond.

11. INVESTMENTS HELD AT FAIR VALUE

The Company directly or indirectly holds the following investments:

	As at 30 June 2025 (unaudited) €'000	As at 31 December 2024 €'000
New Investment Strategy - EPIF	1,838	5,770
Legacy Italian Real Estate Funds	64	64
Total investments	**1,902**	**5,834**

As of 30 June 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	277	-	**277**
Decrease - Return of Capital from EPIF	(4,030)	-	**(4,030)**
Unrealised fair value movement - refer to note 4	(179)	-	**(179)**
Balance as at 30 June 2025 (unaudited)	**1,838**	**64**	**1,902**

As of 31 December 2024, 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 2024	**-**	**82**	**82**
Transfers	267		**267**
Additions - Capital call paid to EPIF	5,454		**5,454**
Additions - Return of advances made prior to EPIF's incorporation	(224)		**(224)**
Unrealised fair value movement - refer to note 4	273	(18)	**255**
Balance as at 31 December 2024	**5,770**	**64**	**5,834**

Refer to the portfolio summary for further details on investments on page 17.

11. 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, a subsidiary of the Company incorporated a Luxembourg fund, European Properties Investment Fund S.C.A., SICAV RAIF (the "Fund" or "EPIF"), to make opportunistic real estate investments across Southern Europe. The Fund is now being marketed to potential investors with a target fund size of €100 million. During the period, EPIF successfully held its first investor close, securing €26.3 million of commitments from 13 investors taking the total fund size to €36.3 million and reducing Eurocastle's interest in the Fund from 80% to approximately 22%. As a result, the new investors reimbursed Eurocastle a total of €4 million of the €5.5 million it had invested to date in EPIF.

To date, EPIF has acquired two properties in Athens. The first acquisition, totalling €6.4 million, was completed in October 2024, while the second, acquired for €0.8 million, was finalised in April 2025.

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.

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 2025 (unaudited):

	Level 1 €'000	Level 2 €'000	Level 3 €'000	Total fair value €'000
New Investment Strategy - EPIF	-	-	1,838	1,838
Legacy Real Estate Funds	-	-	64	64
Total	**-**	**-**	**1,902**	**1,902**

As at 31 December 2024:

	Level 1 €'000	Level 2 €'000	Level 3 €'000	Total fair value €'000
New Investment Strategy - EPIF	-	-	5,770	5,770
Legacy Real Estate Funds		-	64	64
Total	**-**	**-**	**5,834**	**5,834**

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.

11. INVESTMENTS HELD AT FAIR VALUE (CONTINUED)

Transfers between levels

There were no transfers between levels for the period ended 30 June 2025 (31 December 2024: no transfers).

Fair value methodology and sensitivity analysis

Valuation techniques and processes

New Investment Strategy - EPIF

On a quarterly basis, the Company presents the valuations to the Board. This includes a discussion of the major assumptions used in the valuations, which focuses on significant investments and significant changes in the fair value of investments. If considered appropriate, the Board will approve the valuations. Also refer to note 12 for further details.

The fair value of the Company's investment in EPIF is sensitive to the movement in the fair value of the underlying real estate asset owned by the Fund, as it is the most judgemental area.

In accordance with IAS 40, Investment Property, EPIF's first real estate investment has been independently valued at fair value by Pi-Thita Real Estate Consulting I.K.E, an accredited external valuer with a recognised relevant professional qualification and with recent experience in the locations and categories of the investment properties being valued. The valuation basis conforms to the RICS Valuation Professional Standards (the "Red Book"). The basis of the valuation is fair value under IFRS 13 which is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The investment valuation is based on the difference between expected cash inflows and outflows, appropriately discounted.

EPIF's more recent real estate investment in April 2025 is currently valued at its acquisition cost.

The tables below present the sensitivity of the valuation to changes in the most significant assumptions, specifically the discount rate and the exit yield applied:

For the period ended 30 June 2025	Discount rate	New Investment Strategy - EPIF
Fair value	9.36%	1,838
Increase in discount rate by 50bps	9.86%	1,766
Value sensitivity		**(72)**

For the year period ended 30 June 2025	Exit Yield	New Investment Strategy - EPIF
Fair value	6.68%	1,838
Increase in exit yield by 50bps	7.18%	1,776
Value sensitivity		**(62)**

For the year ended 31 December 2024	Discount rate	New Investment Strategy - EPIF
Fair value	9.36%	5,770
Increase in discount rate by 50bps	9.86%	5,570
Value sensitivity		**(200)**

For the year period ended 30 June 2025	Exit Yield	New Investment Strategy - EPIF
Fair value	6.68%	5,770
Increase in exit yield by 50bps	7.18%	5,545
Value sensitivity		**(225)**

12. 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 2025, 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.

13. TRADE AND OTHER PAYABLES

	As at 30 June 2025 (unaudited) €'000	**As at 31 December 2024 €'000**
Due to Manager (related party, refer note 17)	748	95
Accrued expenses and other payables	264	357
Total trade and other payables	**1,012**	**452**

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

14. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing net (loss) / profit after taxation 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

	As at 30 June 2025 (unaudited)	As at 30 June 2024 (unaudited)
Weighted average number of ordinary shares excluding treasury shares*	1,001,555	998,440
Weighted average number of ordinary shares - dilutive	**1,001,555**	**998,440**

*weighted average shares for the period

15. SHARE CAPITAL AND RESERVES

As at 30 June 2025 (unaudited), there were 1,001,555 shares (31 December 2024: 1,001,555) 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 2024	**998,555**
Shares issued to the Directors as part of their in-place compensation arrangements for €nil consideration - 13 June 2024	3,000
As at 30 June 2024 (unaudited)	**1,001,555**
As at 31 December 2024	**1,001,555**
As at 30 June 2025 (unaudited)	**1,001,555**

As at 30 June 2025, the Company held no shares in treasury (31 December 2024: no shares in treasury).

Accumulated loss

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

16. DISTRIBUTIONS PAID AND DECLARED

During the period ended 30 June 2025, no distributions were declared or paid (during the year ended 31 December 2024 no distributions were declared or paid).

17. 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. In 2025, €4.6million of these reserves were released, triggering an amount payable to the Manager under the terms of this incentive fee. As at 30 June 2025, the amount due to the Manager in respect of this incentive fee was €0.6m (31 December 2024: €nil). No further amounts relating to the Deferred Incentive Fee are payable going forward.

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 2025, management fees, incentive fees and expense reimbursements of €0.7 million (31 December 2024: €0.1 million) were due to the Manager. During the period ended 30 June 2025, management fees of €0.06 million (30 June 2024: €0.04 million), €0.60 million of incentive fees (30 June 2024: €nil million), and expense reimbursements of €0.09 million (30 June 2024: €0.07 million) were charged to the income statement.

Total annual remuneration for the Eurocastle directors as at 30 June 2025 was €0.1 million (30 June 2024: €0.1 million), payable quarterly in equal instalments. Dean Dakolias does not receive any remuneration from the Company. Peter Smith resigned as a Company director on 30 October 2024.

Fortress Italian Real Estate Opportunities Series Fund LLC (being the entity through which the majority of the Company's interest in Real Estate Fund Investments are held) are managed by an affiliate of the Manager. The total management fee expense for the six months ended 30 June 2025 is €nil million (30 June 2024: €nil million).

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
Luxira S.à r.l
Luxway S.à r.l (60%)
European Properties Investment Fund S.C.A., SICAV RAIF (22%)

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

Greece:
Castlegate S.A. (22%)
Ionias I.K.E. (15.50%)

As at 30 June 2025, 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

In July 2025, EPIF secured €25 million in additional commitments from two investors, increasing the total fund size to €61.3 million and reducing Eurocastle's interest in the Fund from approximately 22% to 13%. To reflect Eurocastle's revised pro rata share of capital called, the new investors reimbursed €0.7 million of the €1.8 million that Eurocastle had invested in EPIF up to 30 June 2025. This amount includes compensatory interest relating to its early funding of capital that is now attributed to the new investors. The amount paid to Eurocastle is broadly in line with its valuation of the interest in EPIF as at 30 June 2025.

On 28 July, 2025, in anticipation of a forthcoming investment, EPIF called €11.5 million from its investors, of which Eurocastle's share amounts to €1.5 million and is due on 11 August 2025.

19. CONTINGENT LIABILITIES

The Company is exposed to a potential tax risk of up to an estimated €6.0 million associated with the disposal of a legacy property subsidiary in prior years. In February 2022, the Company received revised tax assessments related to this risk covering the period 2008 - 2012 determining an initial liability of €4.6 million with an additional €0.2 million of outstanding interest assessed in March 2023. In July 2023, the Company received revised tax assessments for the periods 2008 and 2009 which resulted in a total reimbursement of €1.1 million of the €4.8 million of additional tax paid by Eurocastle in 2022 and 2023. In respect of the same legacy property subsidiary, the years 2013 - 2015 remain subject to ongoing tax audits, the timings of which are uncertain. The Company estimates that the remaining financial impact (excluding associated costs of €0.3 million) for all these audits, including interest, is approximately €1.7 million. The Company is currently appealing the additional tax assessed through the German tax system, and on 4 December 2024, won the first instance of this appeal in the German courts. On 23 December 2024, the German tax authorities notified their intention to appeal against the judgment. The Company, in light of the recent judgment and having taken independent advice, remains confident that the matter will eventually 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, which would be paid 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 matter will eventually be resolved in the Company's favour, as at 30 June 2025, the potential liability is fully reserved for within the Additional Reserves (see page 5).

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, 2025, net of capital repaid to Eurocastle from new investors committing to the Fund, €1.7 million of this commitment had been paid leaving an outstanding commitment of €6.3 million.