



EUROCASTLE INVESTMENT LIMITED

2025

ANNUAL REPORT

FINANCIAL HIGHLIGHTS AT A GLANCE¹

YE 2025 IFRS NAV:

€20.6mm

(YE 2024: €22.1mm)

(Q3 2025: €21.1mm)

YE 2025 Adjusted NAV² of €20.6mm

YE 2024 Adjusted NAV² of €11.4mm

YE 2025 IFRS NAV per share:

€20.51ps

(YE 2024: €22.05ps)

(Q3 2025: €21.02ps)

YE 2025 Adjusted NAV² of €20.51ps

YE 2024 Adjusted NAV² of €11.34ps

COMPANY OVERVIEW

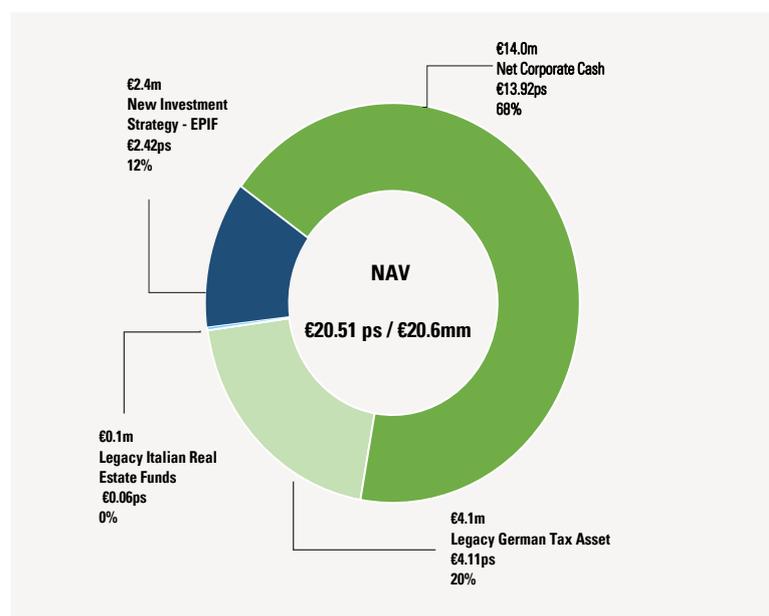
Eurocastle Investment Limited (the “Company” or “Eurocastle”) is a publicly traded closed-ended investment company. Having previously focused on Italian performing and non-performing loans (“NPLs”) and other real estate related assets in Italy (the “Legacy Italian Investments”), in July 2022 the Company 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 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 regulated fund, European Properties Investment Fund S.C.A., SICAV RAIF (the “Fund” or “EPIF”).

PORTFOLIO OVERVIEW

Eurocastle’s net assets comprise:

- Net Corporate Cash available to make new investments under the New Investment Strategy;
- an interest in EPIF which has so far acquired two commercial real estate properties in Athens and an interest in a large portfolio of Italian real estate assets;
- a tax asset representing amounts paid in relation to additional tax assessed against a legacy German property subsidiary; and
- residual interests in two legacy Italian real estate funds in liquidation.

The Company’s adjusted net asset value (the “Adjusted NAV”) previously took 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”). During 2025, the Board determined that the reserves relating to the Realisation Plan were no longer required and these were released in full. This decision was taken in light of having secured a sufficient level of investor commitments in EPIF and the entry into a contractual arrangement in respect of the legacy German tax risk (the “Legacy German Tax Matter”). On this basis, the Board concluded that Eurocastle has established a sustainable platform, adequately shielded from historic potential liabilities, which it expects to grow in future years. As a result, the Company no longer reports a separate Adjusted NAV. The chart below shows a breakdown of Eurocastle’s net assets as at **31 December 2025**.



Net Corporate Cash:

€14.0 million of corporate cash after deducting current liabilities (“Net Corporate Cash”) of which €6.1 million is currently committed for the New Investment Strategy.

New Investment Strategy – EPIF:

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

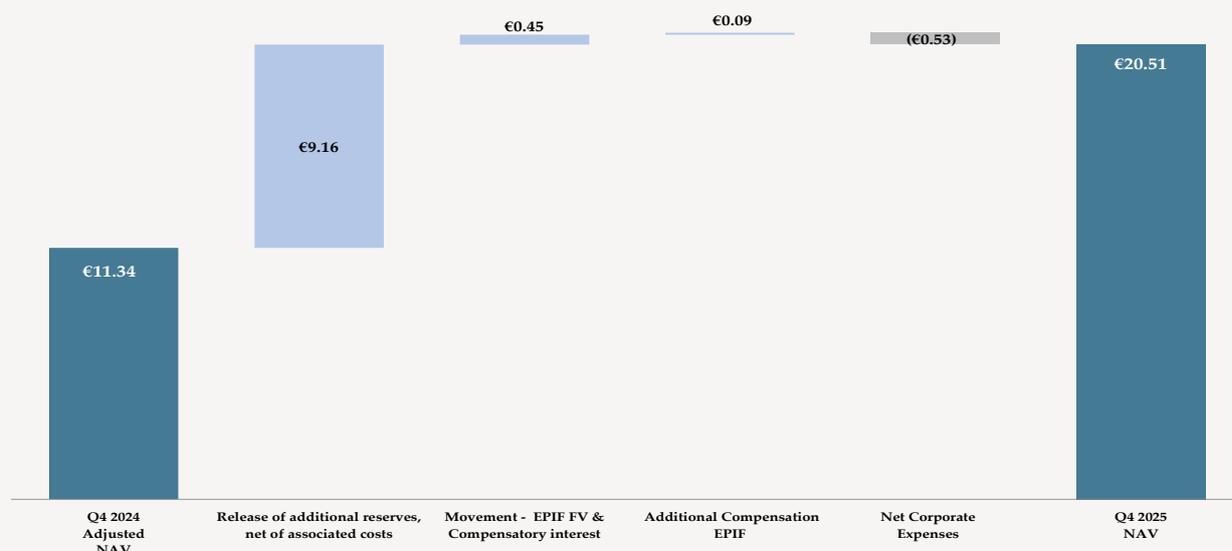
Legacy German Tax Asset:

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 of its appeal in the German courts but the German tax authorities have appealed the decision. Notwithstanding the Company’s and its advisers’ expectation that the matter will eventually be resolved in its favour, the Company entered into a contractual arrangement whereby, should the outcome 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 by cash currently reserved in the funds.

FY 2025 NAV Bridge



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 regulated fund, European Properties Investment Fund S.C.A., SICAV RAIF 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 (as defined below). EPIF has since secured over €70 million of further commitments, bringing the total Fund size to €81.3 million of commitments as of the date of this report.

EPIF 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 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 investments³.

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.

Overview

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

Investment Realisations & Highlights

- **New Investment Strategy** – By the end of 2025, EPIF had received €81.3 million of capital commitments, of which over €71 million were secured during the year. In total, the Fund has invested €18.7 million to acquire three investments:
- **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.
- To fund these investments, EPIF had called approximately €19.2 million of capital by December 31, 2025. At that date, the Fund reported a NAV of €21.7 million, a 13% 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 €1.9 million, while its corresponding share of EPIF's NAV stood at €2.4 million, representing an increase of 26% over the amount invested. The Company's share in EPIF's NAV includes incentive fees that would be due to Eurocastle were the Fund's assets to be realised at NAV as at that date.
- In parallel, EPIF is pursuing a number of additional opportunities and has an active pipeline of potential investment opportunities totaling approximately €30 million.
- As at 31 December 2025, the Company has €14.0 million of Net Corporate Cash to invest under the New Investment Strategy, of which approximately €6.1 million represents Eurocastle's remaining outstanding capital commitment to 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 fund future costs and potential liabilities while the Company consolidated in parallel the New Investment Strategy (the "Liquidation Reserves").
- During 2025, with EPIF reaching over €81 million in investor commitments and the Company having entered into a contractual arrangement in respect of the Legacy German Tax Matter, the Board determined that Eurocastle has established a sustainable platform that it anticipates growing in future years and therefore had adequate resources to address any potential historic liabilities. In light of the Company's strengthened financial position and prospects, the Board approved the release of all Additional Reserves.
- **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. In pursuing the reimbursement of this amount through the German fiscal court, the Company was successful at the first instance of its appeal in December 2024. Shortly after, the German tax authorities appealed the decision and the Company is currently waiting to be notified of the date of the hearing at the German federal tax court. 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. On 23 June 2025, a draft tax audit report relating to this period was issued, which the Company's advisers are currently contesting with the German tax authorities. Notwithstanding the Company's and its adviser's expectation that this matter will eventually be resolved in its favour, on 7 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.

Board Changes

Mr. Constantine (Dean) Michael Dakolias retired as a non-independent director of the Company with effect from 3 November 2025. Mr. Alex Gillette was appointed as a new non independent director on 12 December 2025. The Board believes that Mr Gillette's blend of technical skills and commercial perspective are an ideal fit for the Company as it seeks to build on the successful launch of the New Investment Strategy.

Subsequent Events to 31 December 2025

No subsequent events.

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

	Income Statement 2025 <i>€ Thousands</i>	Income Statement 2024 <i>€ Thousands</i>
Portfolio Returns		
New Investment Strategy – EPIF unrealised fair value movement	224	273
Legacy Italian Real Estate Funds unrealised fair value movement	-	(18)
Fair value movement on Investments	224	255
Additional compensation - EPIF	84	-
Other income	-	113
Compensatory interest on capital returned from new investors in EPIF	229	-
Interest income	398	827
(Loss) on foreign currency translation	-	(1)
Total income	935	1,194
Operating Expenses		
Manager base and incentive fees	701	103
Remaining operating expenses	1,718	745
Other operating expenses	2,419	848
Total expenses	2,419	848
(Loss)/Profit for the year	(1,484)	346
€ per share	(1.48)	0.35

BALANCE SHEET AND ADJUSTED NAV RECONCILIATION AS AT 31 DECEMBER 2025

	New Investment Strategy - EPIF <i>€ Thousands</i>	Legacy Italian Investments <i>€ Thousands</i>	Corporate <i>€ Thousands</i>	Total 2025 <i>€ Thousands</i>	Total 2024 <i>€ Thousands</i>
Assets					
Other assets	-	-	224	224	315
Legacy German tax asset	-	-	4,124	4,124	3,974
Investments – New Investment Strategy - EPIF	2,430	-	-	2,430	5,770
Investments – Legacy Italian Real Estate Funds	-	64	-	64	64
Cash and cash equivalents	-	-	14,293	14,293	12,415
Total assets	2,430	64	18,641	21,135	22,538
Liabilities					
Trade and other payables	-	-	461	461	389
Manager base and incentive fees	-	-	72	72	63
Total liabilities	-	-	533	533	452
IFRS Net Asset Value	2,430	64	18,108	20,602	22,086
Liquidation cash reserve	-	-	-	-	(4,748)
Legacy German tax cash reserve	-	-	-	-	(2,008)
Legacy German tax asset reserve	-	-	-	-	(3,974)
Adjusted NAV	2,430	64	18,108	20,602	11,356
Adjusted NAV (€ per Share)	2.42	0.06	18.03	20.51	11.14

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 took 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 were not accounted for under IFRS as no formal commitments for these future costs and potential liabilities existed.

As at 31 December 2025, the Additional Reserves had been fully released. This release reflected both the successful establishment of the New Investment Strategy platform and the entry into the contractual arrangement in respect of the Legacy German Tax Matter.

	Dec 2024 Additional Reserves € million	Reserves paid/ payable in 2025 € million	Reserves Released in 2025 € million	Q4 2025 Reserves € million
Legacy German Tax Reserve [†]	(6.0)	0.0	(6.0)	-
Liquidation Reserve	(4.7)	0.1	(4.6)	-
Total	(10.7)	0.1	(10.6)	-
<i>Per Share</i>	<i>(10.71)</i>	<i>(0.13)</i>	<i>(10.58)</i>	<i>-</i>

	Additional Reserves as at announcement of Realisation Plan € million	Reserves paid/ payable since Realisation Plan € million	Reserves Released since Realisation Plan € million	Q4 2025 Reserves € million
Legacy German Tax Reserve [†]	(7.1)	0.1	(7.0)	-
Liquidation Reserve	(12.9)	6.7	(6.2)	-
Total	(20.0)	6.8	(13.2)	-
<i>Per Share</i>	<i>(19.93)</i>	<i>6.84</i>	<i>(13.09)</i>	<i>-</i>

DISTRIBUTION

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

DIRECTORS

The Directors who have held office during the year were:

Constantine (Dean) Dakolias – resigned on 3 November 2025.

Claire Whittet⁵

Jason Sherwill⁵

Simon J. Thornton⁵

Alex Gillette (appointed on 12 December 2025)

DIRECTORS INTERESTS

The interests of the Directors in the voting shares of Eurocastle are as follows:

	As at 31-Dec-25	As at 31-Dec-24
Dean Dakolias (resigned on 3 November 2025)	-	-
Claire Whittet	9,324	8,324
Jason Sherwill	21,965	16,965
Simon J. Thornton	16,427	15,427
Alex Gillette (appointed on 12 December 2025)	-	-

SUBSTANTIAL SHAREHOLDINGS

Per the shareholder register and as at 27 March 2026, the following shareholders had an interest in 3% or more of Eurocastle's share capital:

	% Holdings ⁶
Euroclear Nominees Limited	49%
Nederlands Centraal Instituut Voor Giraal Effectenverkeer BV	41%

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 the relevant regulators of certain changes to the percentage of voting rights in Eurocastle held by them.

A number of individual shareholders have made a notification of exceeding the reporting thresholds per the EU transparency rules as implemented in the Netherlands. These notifications are registered in the public register maintained by the Netherlands Authority for Financials Markets (AFM) and can be found at the following website www.afm.nl. The shareholding above has been obtained from the share register, which records legal title to the Company's shares. The shareholdings listed above may therefore not reflect beneficial ownership.

AUDITORS

BDO LLP were re-appointed during the period and have expressed a willingness to continue in office.

CORPORATE GOVERNANCE

The Directors have applied the principles of the Guernsey Code of Corporate Governance which came into effect from the 1 January 2012.

DIRECTORS' REPORT

MANAGEMENT AGREEMENT

The Independent Directors have reviewed the continued appointment of the Manager. In carrying out the review, the Independent Directors considered the past performance of the Company and the capability and resources of the Manager to deliver satisfactory investment performance and have concluded that the continued appointment of the Manager is in the best interest of the shareholders.

DIRECTORS' STATEMENTS AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The Directors who were members of the Board at the time of approving the Directors' Report are listed on page 6. Having made enquiries of fellow Directors and of Eurocastle's auditors, each of these Directors confirms that:

- to the best of each Director's knowledge and belief, there is no information (that is, information needed by the Company's auditors in connection with preparing their report) of which Eurocastle's auditors are unaware; and
- each Director has taken all the steps a Director might reasonably be expected to have taken to be aware of relevant audit information and to establish that Eurocastle's auditors are aware of that information.

GOING CONCERN

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 it is exposed, as disclosed in note 3, together with annual cash flow projections.

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 the progress made to date in its implementation.

During 2025, the Board determined that the reserves relating to the Realisation Plan were no longer required and 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 the Legacy German Tax Matter. On this basis, the Board concluded that Eurocastle has established a sustainable platform which it expects to grow in future years and has adequate resources to fund any potential historic liabilities. As a result of this, 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.

DIRECTORS' STATEMENTS PURSUANT TO THE DISCLOSURE AND TRANSPARENCY RULES

Each of the Directors as at 31 December 2025 (whose names are listed on page 6) confirms that, to the best of each person's knowledge and belief:

- the financial statements, prepared in accordance with International Financial Reporting Standards, as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and loss of the Company; and
- the Report of the Directors contained in the Annual Report 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 risks and uncertainties that they face as disclosed in note 3 of the Annual Report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the financial statements in accordance with applicable Guernsey law and generally accepted accounting principles.

Guernsey Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year. In preparing these financial statements, the Directors should:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue its business.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS (continued)

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies (Guernsey) Law, 2008. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors confirm that they have complied with the above requirements in preparing the Financial Statements.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company website. Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

STATEMENT OF PRINCIPAL ACTIVITIES

The Company seeks to invest in small to mid-size real estate and real estate-related investments across Southern Europe. To pursue this strategy, during 2024 the Company sponsored and launched EPIF, through which the Company invests alongside selected third-party co-investors. In addition to targeting attractive risk-adjusted returns on its invested capital, certain subsidiaries of the Company perform services that earn market-standard management and performance-related fees from third-party investors participating in EPIF.

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.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

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: 27 March 2026

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EUROCASTLE INVESTMENT LIMITED

OPINION ON THE FINANCIAL STATEMENTS

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2025 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; and
- the financial statements have been prepared in accordance with the requirements of the Companies (Guernsey) Law, 2008.

We have audited the financial statements of Eurocastle Investment Limited (the Company') for the year ended 31 December 2025 which comprise of the following: Income Statement, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity and the notes to the financial statements, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards as adopted by the European Union.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENCE

We remain independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

CONCLUSION RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- Evaluating the appropriateness of the forecast cash flows that support the Directors' assessment of going concern by considering historical performance and challenging the forecast assumptions relating to the Company's new investment strategy;
- Assessing the sensitivity of the forecast cash flows to changes in the investment strategy, including the effect of any unfunded commitments crystallising in EPIF and the implications of the German tax asset on liquidity and going concern;
- Challenging the appropriateness of the Directors' assumptions and judgements made with regard to the cash forecasts. These included those in relation to the forecast level of expenditure and the sufficiency of cash reserves required to cover both the base case and the stress-tested scenarios in the forecast, which considered the outcome of any contingent liabilities,
- Reviewing minutes of meetings to identify existence of any further committed investments; and
- Reviewing the disclosures in the financial statements relating to going concern to evaluate whether the disclosure is consistent with the circumstances.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITOR'S REPORT

OVERVIEW

Key audit matter	2025	2024
	Valuation of investments held at fair value	✓
Materiality	<i>Company financial statements as a whole</i>	
	€0.5m (2024: €0.65m) based on 2.5% (2024: 2.9%) of Net assets (2024: Net assets).	

AN OVERVIEW OF THE SCOPE OF OUR AUDIT

Our audit was scoped by obtaining an understanding of the Company and its environment, the applicable financial reporting framework and the Company's system of internal control. We identified and assessed the risks of material misstatement of the Company's financial statements. We then applied professional judgement to focus our audit procedures on the areas that posed the greatest risks to the financial statements. We continually assessed risks throughout our audit, revising the risks where necessary, with the aim of reducing the Company's risk of material misstatement to an acceptable level, in order to provide a basis for our opinion.

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Key audit matter	How the scope of our audit addressed the key audit matter
<p><i>Valuation of investments held at fair value</i> As detailed in note 11 to the financial statements the Company owns an investment held at fair value amounting to Euro 2.5M. Note 2 to the financial statements details the Company's accounting policy for investments held at fair value.</p> <p>The Company's investments are measured at fair value as at the reporting date. The fair value of the Company's investment in European Properties Investment Fund S.C.A., SICAV RAIF (the "Fund") has been determined with reference to the Fund's Net Asset Value ("NAV") as at the reporting date as per International Private Equity and Venture Capital Valuation ("IPEV") Guidelines.</p> <p>Since the investment is valued based upon the latest reported NAV Statement, there is a risk this is inappropriate or inaccurately recorded.</p> <p>Further, where the latest reported NAV statement does not explicitly refer to incentive payments / carried interest there is a risk that management may omit or misstate the value of the adjustment.</p> <p>Furthermore, there is a risk that there is an error in the calculation of the NAV of Fund by its investment manager, such that it is no longer appropriate for the Company to record the fair value of its investment based on the share of the latest reported NAV Statement.</p> <p>Overall we consider the valuation of the investment in Fund to be a significant risk as there are judgments and estimates involved in arriving at its fair value, each of which could materially affect the carrying value of the investment in Fund and hence we consider this to be a key audit matter.</p>	<p>Our audit procedures included, but were not restricted to, the following:</p> <ul style="list-style-type: none"> • We reviewed the latest NAV statement and audited financial statements as at 31 December 2025 of Fund for accuracy and the appropriateness of the valuation methods by: <ul style="list-style-type: none"> ○ confirming the date of the audited financial statements and latest NAV Statement is coterminous with the reporting date of the Company; ○ comparing the value of the investment recorded at the reporting date by management i.e. confirming the attributable interest in the Fund with carrying value of the investment; ○ assessing whether the valuation method is in accordance with the applicable reporting framework and relevant valuation guidelines. ○ confirming whether the NAV Statement includes adjustments for incentive payments/carried interest and, if not, that the Company has adjusted for these where appropriate/applicable. ○ reviewing the audited financial statements and latest NAV Statement for any contradictory information as to whether the NAV Statement has been performed in compliance with fair value principles. ○ reviewing the audited financial statements and latest NAV Statement for any inconsistency based on the understanding obtained of the portfolio and market environment. • We assessed the completeness and accuracy of any adjustments for incentive payments/carried interest, including considering compliance with IPEV valuation guidelines. • We assessed the appropriateness of the valuation process at the investment manager of the Fund and reliability of NAV statement through assessment of the latest audited accounts by: <ul style="list-style-type: none"> ○ conducting meeting with the auditors of the Fund to understand their approach to audit the NAV and assessing their reputation. ○ assessing if the audit opinion is unmodified with respect to net asset value. assessing whether accounting standards and valuation methodology applied is in accordance with the expected appropriate standards for the Company. <p>Key observations:</p> <p>Based on our work, we consider that the valuation of investments as recorded in the balance sheet as at 31 December 2025 to be materially correct.</p>

INDEPENDENT AUDITOR'S REPORT

OUR APPLICATION OF MATERIALITY

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Company financial statements	
	2025	2024
Materiality	€0.50m	€0.65m
Basis for determining materiality	2.5% of Net assets	2.9% of Net assets
Rationale for the benchmark applied	We consider net assets to represent the most appropriate basis for setting materiality as it represents the interest of the users of the financial statements.	
Performance materiality	€0.37m	€0.49m
Basis for determining performance materiality	75% of total materiality The level of performance materiality applied was set after having considered a number of factors including the expected total value of known and likely misstatements and the level of transactions in the year.	

REPORTING THRESHOLD

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of €25,000 (2024: €32,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

OTHER INFORMATION

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OTHER COMPANIES (GUERNSEY) LAW 2008 REPORTING

We have nothing to report in respect of the following matters where the Companies (Guernsey) Law 2008 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the Company; or
- the Company's financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

INDEPENDENT AUDITOR'S REPORT

OTHER REPORTING - EUROPEAN SINGLE ELECTRONIC FORMAT (ESEF)

The Company has prepared its annual report in ESEF. The requirements for this are set out in the Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (hereinafter: the RTS on ESEF).

In our opinion, the annual report prepared in XHTML-format, including the financial statements of the Company, has been prepared in all material respects with the RTS on ESEF.

Management is responsible for preparing the annual report including the financial statements, in accordance with the RTS on ESEF.

Our responsibility is to obtain reasonable assurance for our opinion whether the annual report complies with the RTS on ESEF.

Our procedures included:

- Obtaining an understanding of the entity's financial reporting process, including the preparation of the annual financial report in XHTML-format; and
- Identifying and assessing the risks that the annual report does not comply in all material respects with the RTS on ESEF and designing and performing further assurance procedures responsive to those risks to provide a basis for our opinion, including examining whether the annual financial report in XHTML-format is in accordance with the RTS on ESEF.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Statement of Directors' Responsibilities in respect of the Financial Statements within the Directors' report, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Company and management.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with the Investment Manager, those charged with governance, legal counsel and Audit Committee; and
- Obtaining an understanding of the Company's policies and procedures regarding compliance with laws and regulations;

We considered the significant laws and regulations to be International Financial Reporting Standards as adopted by the European Union, Companies (Guernsey) Law 2008, EU transparency rules, German Tax Laws and the Euronext Rule Book.

INDEPENDENT AUDITOR'S REPORT

The Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be Guernsey Code of Corporate Governance and The Protection of Investors (Bailiwick of Guernsey) Law, 2020.

Our procedures in respect of the above included:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Enquiries of the Investment Manager and those charged with governance relating to the existence of any non-compliance with laws and regulations; and
- Reviewing minutes of meeting of those charged with governance throughout the period for instances of non-compliance with laws and regulations.
- Engaging BDO Guernsey and BDO Netherland as part of our assessment of the compliance of the financial statement disclosures with applicable local laws.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these;

Based on our risk assessment, we considered the areas most susceptible to fraud to be the valuation of investments held at fair value and management override of controls.

Our procedures in respect of the above included:

- In addressing the fraud risk on the valuation of investments held at fair value in Fund, we performed the procedures set out in the key audit matters section above;
- In addressing the risk of management override of controls we:
 - Performed a review of estimates and judgements applied by the Investment Manager in the financial statements to assess their appropriateness and the existence of any systematic bias;
 - Considered the opportunity and incentive to manipulate accounting entries and tested journals which met a defined risk criteria by agreeing to supporting documentation;
 - Reviewed for significant transactions outside the normal course of business; and
 - Performed a review of unadjusted audit differences, if any, for indications of bias or deliberate misstatement.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

USE OF OUR REPORT

This report is made solely to the Company's members, as a body, in accordance with Section 262 of the Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Signed by:



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Jamie Smith

For and behalf of BDO LLP

Chartered Accountants and Recognised Auditor

London, UK

27 March 2026

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

¹ Per share calculations for Eurocastle throughout this document are based on the weighted average of outstanding voting shares and therefore exclude shares held in treasury. As at 31 December 2025, a total of 1,004,555 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: Q4 2025 Net Asset Value per share (“NAV per share”) – 1,004,555 voting shares in issue; Q4 2024 NAV per share based on 1,001,555 voting shares; Q3 2025 NAV per share based on 1,004,555 voting shares.

² In light of the Realisation plan, the Adjusted NAV reflects additional reserves set aside for future costs and potential liabilities, which have not been accounted under 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 the means of formal offering documents, which would govern in all aspects.

⁴ Since March 2022, the Company has made net payments totalling €3.7 million in relation to the legacy German tax matter.

⁵ Independent director.

⁶ Percentages calculated on 1.0 million voting shares in issue.

EUROCASTLE INVESTMENT LIMITED

INCOME STATEMENT

	Notes	Year ended 31 December 2025 €'000	Year ended 31 December 2024 €'000
Portfolio Returns			
Unrealised fair value movements on Legacy Italian investments	4	-	(18)
Unrealised fair value movements on New Strategy Investments	4	224	273
Other income			
Other income	5	84	113
Interest income	6	627	827
(Loss) on foreign currency translation		-	(1)
Total income		935	1,194
Operating expenses			
Other operating expenses	7	2,419	848
Total expenses		2,419	848
Net operating (loss)/profit before taxation		(1,484)	346
(Loss)/Profit for the year		(1,484)	346
Attributable to:			
Ordinary equity holders of the Company		(1,484)	346
(Loss)/Profit for the year		(1,484)	346
		€	€
Earnings per ordinary share⁽¹⁾			
Basic and diluted	14	(1.48)	0.35

The Company had no other comprehensive income in the year ended 31 December 2025 and the year ended 31 December 2024.

⁽¹⁾ Earnings per share is based on the weighted average number of shares in the year of 1,002,768 (31 December 2024: 1,000,211). Refer to note 14.

See notes to the financial statements (page 21 to 31) which form an integral part of these financial statements.

EUROCASTLE INVESTMENT LIMITED

STATEMENT OF FINANCIAL POSITION

	Notes	As at 31 December 2025 €'000	As at 31 December 2024 €'000
Assets			
Cash and cash equivalents	8	14,293	12,415
Other assets	9	224	315
Investments held at fair value	11	2,494	5,834
Legacy German tax asset	9	4,124	3,974
Total assets		21,135	22,538
Equity and Liabilities			
Capital and reserves			
Issued capital, no par value, unlimited number of shares authorised		1,615,185	1,615,158
Accumulated losses		(1,594,583)	(1,593,072)
Total shareholders' equity		20,602	22,086
Total equity		20,602	22,086
Liabilities			
Trade and other payables	13	533	452
Total liabilities		533	452
Total equity and liabilities		21,135	22,538

See notes to the financial statements (page 21 to 31) which form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 27 March 2026 and signed on its behalf by:



Simon J. Thornton
Director and Audit Committee Chairman

EUROCASTLE INVESTMENT LIMITED

STATEMENT OF CASH FLOWS

		Year ended 31 December 2025 €'000	Year ended 31 December 2024 €'000
	Notes		
Cash flows from operating activities			
Net operating (loss)/profit before taxation		(1,484)	346
Adjustments for:			
Unrealised fair value movements on Legacy Italian Real Estate Funds	4	-	18
Unrealised fair value movement on New Investment Strategy - EPIF	4,11	(224)	(273)
Interest income	6	(627)	(827)
Loss on foreign currency translation		-	1
Other operating income and expenses non-cash		-	(14)
Total adjustments to (loss)/profit for the year		(851)	(1,095)
Decrease / (Increase) in other assets	9	89	(205)
Increase / (Decrease) in trade and other payables		81	(36)
Movements in working capital		170	(241)
Return of capital from European Properties Investment Fund, SCA, RAIF ("EPIF")	11	5,341	-
Capital call from EPIF	11	(1,777)	(5,454)
Deposit for New Investment Strategy - EPIF	11	-	(149)
Return of advances settled prior to the incorporation of EPIF	11	-	224
Interest received		479	590
Interest paid		-	-
Cash movements from operating activities		4,043	(4,789)
Net cash flows generated from / (used in) operating activities		1,878	(5,779)
Cash flows from investing activities			
Disposal of Treasury Investments held at amortised cost	10	-	4,241
Net cash flows generated from / (used in) investing activities		-	4,241
Cash flows from financing activities			
Return of distributions paid		-	2
Net increase in cash flows from financing activities		-	2
Net increase / (decrease) in cash and cash equivalents		1,878	(1,536)
Cash and cash equivalents, beginning of the year	8	12,415	13,951
Total cash and cash equivalents, end of the year	8	14,293	12,415

See notes to the financial statements (page 21 to 31) which form an integral part of these financial statements.

EUROCASTLE INVESTMENT LIMITED

STATEMENT OF CHANGES IN EQUITY

	Share capital €'000	Accumulated losses €'000	Total equity €'000
As at 1 January 2024	1,615,136	(1,593,396)	21,740
Profit for the year	-	346	346
Total comprehensive profit for the year	-	346	346
Contributions by and distributions to owners:			
Shares issued to Directors (note 15)	22	(22)	-
As at 31 December 2024	1,615,158	(1,593,072)	22,086
(Loss) for the year	-	(1,484)	(1,484)
Total comprehensive (loss) for the year	-	(1,484)	(1,484)
Contributions by and distributions to owners:			
Shares issued to Directors (note 15)	27	(27)	-
As at 31 December 2025	1,615,185	(1,594,583)	20,602

See notes to the financial statements (page 21 to 31) 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 Netherlands 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 and incentive fees 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 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 it is exposed, as disclosed in note 3, together with annual cash flow projections. 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 the progress made to date in its implementation. During 2025, the Board determined that the reserves relating to the Realisation Plan were no longer required and 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. On this basis, the Board concluded that Eurocastle has established a sustainable platform, which it expects to grow in future years and has adequate resources to fund any potential historic liabilities. As a result of this, 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.

These financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union on a going concern basis and under the historical cost basis of accounting, except for investments at fair value through profit and loss, which are measured at fair value. These financial statements are also prepared in accordance with Guernsey Company Law.

Following the classification of the Company as an investment entity under IFRS 10 in July 2017, the Company does not consolidate the entities it controls and therefore fair values all of its investments (whether through subsidiaries or joint ventures). These separate financial statements of the Company are its only financial statements.

The functional currency of the Company is the Euro (EUR). This determination is based on the primary economic environment in which the entity operates, where the majority of transactions, including revenues and expenses, are denominated in EUR. Consequently, all financial information presented in these financial statements is expressed in Euro. Amounts presented in the financial statements are rounded to the nearest thousand.

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 20

The area involving significant estimation is:

- valuation of investment in the Fund - refer to note 11
- recoverability of the German Legacy tax asset - refer to note 9 and 20

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%.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation

The Company falls under the Collective Investment Schemes exemption for Guernsey tax purposes and is charged EURO 1,836 per annum (2024: EURO 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, 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 income statement 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 regulated real estate investment fund, EPIF. The Fund is unquoted and has, to date, invested in two Greek real estate assets and holds an interest in a large portfolio of Italian 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 2025

The following amendments are effective for the period the period beginning 1 January 2025:

- *Lack of exchangeability (Amendment to IAS 21 The Effects of Changes in Foreign Exchange Rates)*

On 15 August 2023, IASB issued Lack of Exchangeability which amended IAS 21 The Effects of Changes in Foreign Exchange Rates (the "Amendments"). The Amendments introduce requirements to assess when a currency is exchangeable into another currency and when it is not. The Amendments require an entity to estimate the spot exchange rate when it concludes that a currency is not exchangeable into another currency.

These amendments had no effect on the financial statements of the Company.

The following illustrative examples have been issued during 2025 with no effective date:

- *Illustrative examples on reporting uncertainties in financial statements*

On 28 November 2025, the IASB issued Disclosures about Uncertainties in the Financial Statements – Illustrative examples, which amended multiple IFRS Accounting Standards to include illustrative examples demonstrating how companies can apply IFRS Accounting Standards when reporting the effects of uncertainties in their financial statements. The illustrative examples are accompanying materials to IFRS Accounting Standards and do not have an effective date. The IASB had issued a near-final staff draft of the illustrative examples in July 2025. The Company has considered these illustrative examples in its preparation of the financial statements and no additional disclosures or changes in presentation were considered necessary.

New standards, interpretations and amendments issued by 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 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).*

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 31 December 2025, the leverage (as defined by this measure) under the gross and commitment basis was 33.20% and 102.65% 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 types of financial risk to which the Company is exposed is credit risk and market risk.

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

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 the current accounting period. This release followed the Board's assessment that Eurocastle has established a sustainable platform, which it expects to grow, supported by EPIF reaching over €81 million of commitments during the year 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 distributions. At 31 December 2025, the Company had net equity of €20.6 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 31 December 2025, the Company's cash and cash equivalents amounted to €14.3 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 31 December 2025, the Company has placed €12.6 million of its corporate cash in a 35 day notice account and €1.7 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 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 conflict 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 the return and does so 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 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.

EUROCASTLE INVESTMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS

4. PORTFOLIO RETURNS

Movements on investments are summarised below:

	<u>Year ended 31 December 2025</u>		<u>Year ended 31 December 2024</u>	
	Unrealised fair value movements	Total fair value movements	Unrealised fair value movements	Total fair value movements
	€'000	€'000	€'000	€'000
New Investment Strategy - EPIF (note 11)	224	224	273	273
Legacy Italian Real Estate Funds (note 11)	-	-	(18)	(18)
Total portfolio returns	224	224	255	255

5. OTHER INCOME

	Year ended 31 December 2025 €'000	Year ended 31 December 2024 €'000
Additional Compensation EPIF	84	-
Other Income - miscellaneous	-	113
Total other income	84	113

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 17.

6. INTEREST INCOME

	Year ended 31 December 2025 €'000	Year ended 31 December 2024 €'000
Bank interest on cash and cash deposit	248	587
Interest on Legacy German Tax Asset (note 9 and i)	150	247
Interest on return of capital from EPIF (note 11 and ii)	229	-
Bond interest and accretion (note 10)	-	(7)
Total interest income	627	827

(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 year. 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

	Year ended 31 December 2025 €'000	Year ended 31 December 2024 €'000
Professional fees (iii)	354	192
Fees for the Contractual arrangement in respect of the Legacy German Tax Matter (iv)	828	-
Manager base and incentive fees (related party, note 17 and v)	701	103
Manager recharge (related party, note 17)	167	140
General and administrative expenses	369	413
Total other operating expenses	2,419	848

(iii) Professional fees include audit fees of €0.1 million (2024: €0.1 million).

(iv) The current accounting period includes a cost of €0.8 million related to a contractual arrangement in respect of the Legacy German Tax Matter.

(v) Manager base and incentive fees for the current 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

	Year ended 31 December 2025 €'000	Year ended 31 December 2024 €'000
Cash at bank	1,741	1,045
Cash on deposit	12,552	11,370
Total cash and cash equivalents	14,293	12,415

9. OTHER ASSETS

	As at 31 December 2025	As at 31 December 2024
	€'000	€'000
Prepaid expenses and other receivables	224	315
Legacy German tax asset	4,124	3,974
Total other assets and Legacy German tax asset	4,348	4,289

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

The Legacy German tax asset, including interest accrued amounting to €0.40 million on the tax paid by the Company, is expected to be recovered in more than one year (refer to note 6 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 indirectly holds the following investments:

	As at 31 December 2025	As at 31 December 2024
	€'000	€'000
New Investment Strategy - EPIF	2,430	5,770
Legacy Italian Real Estate Funds	64	64
Total investments	2,494	5,834

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 €'000	Fair value accounted €'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

As at 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 €'000	Fair value accounted €'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 on page 27 for further details on investments .

EUROCASTLE INVESTMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS

11. INVESTMENTS HELD AT FAIR VALUE (CONTINUED)

Portfolio summary:

During the year, 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. The Fund is being marketed to potential investors with a target fund size of €100 million. During the period, EPIF successfully held multiple investor closes, securing an additional €71.3 million of commitments from 17 investors, bringing the total Fund size to €81.3 million and reducing Eurocastle's interest in EPIF from 80% to approximately 10%. During the year, following these investor closings — and net of a further €1.8 million of capital called — Eurocastle received a net reimbursement of €3.5 million of the €5.4 million it had initially invested in EPIF in 2024. This reduced Eurocastle's capital invested in EPIF to €1.9 million as at year end.

To date, EPIF has acquired two properties in Athens and an interest in an Italian real estate fund. The first acquisition, with a total investment of €6.4 million, was completed in October 2024; the second, acquired for €0.8 million, was completed in April 2025; and the third, acquired for €11.5 million, was completed in August 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 investment 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 SGR ("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 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 Italian Real Estate Funds	-	-	64	64
Total	-	-	2,494	2,494

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 Italian 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.

Transfers between levels

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

11 INVESTMENTS HELD AT FAIR VALUE (CONTINUED)

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 the 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 use 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€0.4 million (18%), while a 10% increase would have an almost equivalent positive effect.

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 31 December 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 and amortised cost. The amortised cost of these balances approximate their fair value.

EUROCASTLE INVESTMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS

13. TRADE AND OTHER PAYABLES

	As at 31 December 2025 €'000	As at 31 December 2024 €'000
Due to Manager (related party, refer note 17)	72	95
Accrued expenses and other payables	461	357
Total trade and other payables	533	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 profit after taxation by the weighted average number of ordinary shares outstanding during the year. 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 31 December 2025	As at 31 December 2024
Weighted average number of ordinary shares	1,002,768	1,000,211
Weighted average number of ordinary shares - dilutive	1,002,768	1,000,211

15. SHARE CAPITAL AND RESERVES

As at 31 December 2025, there were 1,004,555 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 31 December 2024	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 31 December 2025	1,004,555

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

Accumulated loss

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

16. DIVIDENDS PAID AND DECLARED

During the year ended 31 December 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. Since 1 January 2015, the management fee paid to the Manager has been 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, triggering a final amount payable to the Manager under the Deferred Incentive Fee arrangement of approximately €0.6 million, which was settled during the year. As at 31 December 2025, no further amounts are due in respect of the Deferred Incentive Fee.

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 31 December 2025, management fees and expense reimbursements of €0.1 million (31 December 2024: €0.1 million) were due to the Manager - refer to note 13. During the year ended 31 December 2025, management fees of €0.10 million (31 December 2024: €0.10 million), €0.60 million of incentive fees (31 December 2024: €nil), and expense reimbursements of €0.17 million (31 December 2024: €0.14 million) were charged to the income statement - also refer to note 7.

Total annual remuneration for the Eurocastle directors as at 31 December 2025 was €0.1 million (31 December 2024: €0.1 million), payable quarterly in equal instalments. In addition, the three independent Directors each receive 1,000 Shares per annum for nil consideration as part of their in-place compensation (see note 15 for further details). 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 new director on 12 December 2025.

The Manager, its principals and certain employees of the Manager hold a total of 539,611 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.

18. INVESTMENT IN SUBSIDIARIES

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

Direct subsidiaries:

Luxembourg:

Luxgate S.à r.l

European Properties Investment Fund S.C.A., SICAV RAIF (9.98%, 2024: 80%)

Luxway S.à r.l (60%, 2024:60%)

United States of America:

Fortress Italian Real Estate Opportunities Series Fund LLC - Series 2

Indirect subsidiaries:

Luxembourg:

Luxira S.à r.l (9.98%, 2024: 80%)

Greece:

Castlegate S.A.(9.98%, 2024: 80%)

Ionias I.K.E.(9.98%) - acquired in 2025.

As at 31 December 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.

19. SUBSEQUENT EVENT

No subsequent events.

20. 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 the year, 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 31 December 2025, 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.

21. COMMITMENTS

In August 2024 the Company entered into a subscription agreement with EPIF committing a total amount of €8 million. As at December 31, 2025, net of capital repaid to Eurocastle from new investors committing to the Fund, €1.9 million of this commitment had been paid leaving an outstanding commitment of €6.1 million.

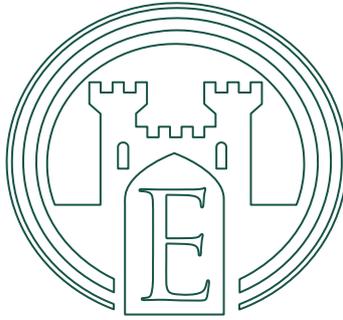


EUROCASTLE INVESTMENT LIMITED

EUROCASTLE INVESTMENT LIMITED is a publicly traded closed-ended investment company. The Company is pursuing its new investment strategy, initially focusing on opportunistic real estate across Southern Europe.

The Company is Euro denominated and is listed on Euronext Amsterdam under the symbol "ECT". Eurocastle is managed by an affiliate of Fortress Investment Group LLC, a leading global investment manager. For more information regarding Eurocastle Investment Limited and to be added to our email distribution list, please visit www.eurocastleinv.com.

2025



CORPORATE INFORMATION

BOARD OF DIRECTORS

Jason Sherwill

Dr. Simon J. Thornton

Claire Whittet

Alex Gillette

INVESTMENT MANAGER

FIG LLC

(an affiliate of Fortress Investment Group LLC)

1345 Avenue of the Americas

46 Floor,

New York, NY 10105

Tel: (212) 798-6100

www.fortress.com

REGISTRAR AND TRANSFER AGENT

JTC Trustees (Guernsey) Limited

P.O. Box 156, Ground Floor,

Dorey Court, Admiral Park, St Peter Port, GY12HT

REGISTERED OFFICE OF THE COMPANY

Oak House

Hirtzel Street

St. Peter Port

Guernsey GY1 2NP

ADMINISTRATOR & SECRETARY OF THE COMPANY

Oak Fund Services

(Guernsey) Limited

P.O. Box 282

Hirzel Street

St. Peter Port

Guernsey GY1 3RH

STOCK LISTING

Euronext Amsterdam, ECT. NA

INDEPENDENT AUDITOR

BDO LLP

55 Baker Street

London W1U 7EU

LEGAL COUNSEL

English & Dutch Legal Advisors

Linklaters LLP

20 Ropemaker Street

London EC2Y 9AR

Guernsey Legal Advisers

Carey Olsen

P.O. Box 98

Carey House

Les Banques

St. Peter Port

Guernsey GY1 4BZ

INVESTOR RELATIONS CONTACT

Eurocastle Investment Limited

c/o Fortress Investment Group

1345 Avenue of the Americas, 46 Floor

New York, NY 10105

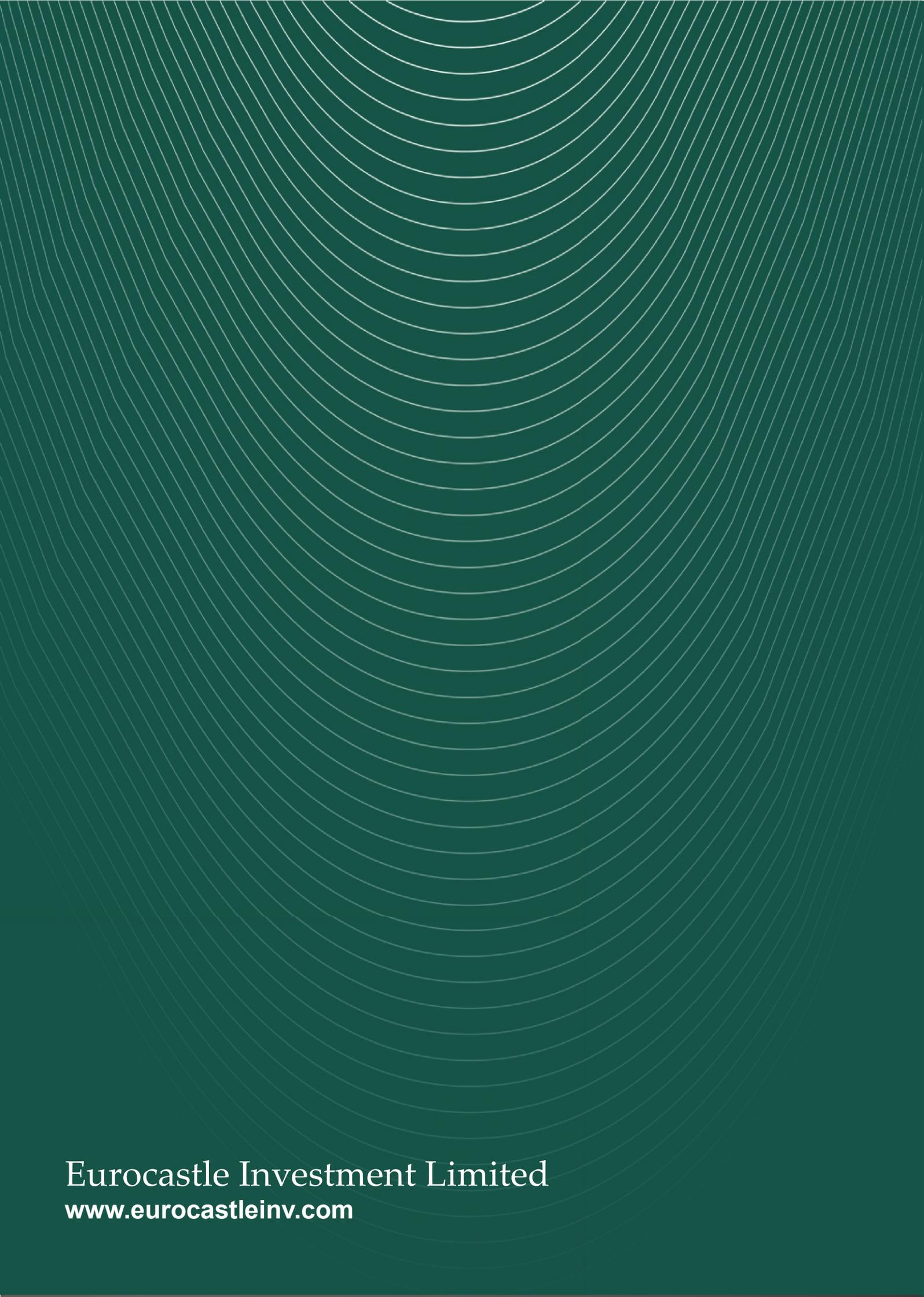
Tel: (212) 823-5563

Email: investorrelations@eurocastle.com

www.eurocastleinv.com

FORWARD-LOOKING STATEMENTS

This report contains statements that constitute forward-looking statements. Such forward-looking statements 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 the 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", "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 we believe that the expectations reflected in such forward-looking statements are based on reasonable assumptions, our 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 achieve its targets regarding asset disposals or asset performance.



Eurocastle Investment Limited
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