

## **THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser who, if you are taking advice in the United Kingdom, is authorised pursuant to the Financial Services and Markets Act 2000 or, if you are in a territory outside the United Kingdom, is an appropriately authorised independent financial adviser.

If you have sold or otherwise transferred all of your Ordinary Shares in Eurocastle Investment Limited (the “**Company**”), please send this document and the accompanying documentation at once to the purchaser or transferee or to the bank, stockbroker, or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee. However, the foregoing documents must not be mailed, forwarded or transmitted, in whole or in part, in, into or from any Restricted Jurisdiction or any jurisdiction where to do so would constitute a violation of the relevant laws in that jurisdiction. If you have sold or transferred only part of your holding of Ordinary Shares, you should retain this document and consult the bank, stockbroker or other agent through whom the sale or transfer was effected.

The distribution of this document in certain jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. The Tender Offer is not being made, directly or indirectly, in the Restricted Jurisdictions and neither this document nor the accompanying Tender Form may be distributed or sent in, into or from any of the Restricted Jurisdictions and doing so may render invalid any purported tender. Any person (including, without limitation, custodians, nominees and trustees) who may be an Overseas Shareholder or have a contractual or legal obligation to forward this document and/or the accompanying Tender Form should read the paragraph headed “Overseas Shareholders” of Part III of this document before taking any action.

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# **Eurocastle Investment Limited**

*(incorporated in Guernsey on 8 August 2003 under the Companies (Guernsey) Law, 2008 (as amended)  
with registered number 41058)*

## **Tender Offer to purchase up to 1,286,181 Ordinary Shares at €10.26 per Ordinary Share and Approval for Waiver of Obligations under Rule 9 of the City Code on Takeovers and Mergers and Notice of General Meeting**

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**This document should be read as a whole. Your attention is drawn to the letter from the Independent Directors which is set out on pages 3 to 17 of this document which explains the background to and reasons for the Rule 9 Waiver Resolution and Tender Offer and contains the unanimous recommendation of the Independent Directors that you vote in favour of the Rule 9 Waiver Resolution to be proposed at the General Meeting.**

**The Tender Offer is conditional on the passing of the Rule 9 Waiver Resolution at the General Meeting.** Notice of the General Meeting, to be held at Oak House, Hirzel Street, St Peter Port, Guernsey, GY1 2NP on 20 July 2022 at 3.00 p.m. (London time), is set out at the end of this document. The Form of Proxy accompanying this document for use in connection with the General Meeting should be completed and deposited at the Company’s Registrar, JTC Registrars Limited, by post at PO Box 156, Ground Floor, Dorey Court, Admiral Park, St Peter Port, Guernsey, GY1 4EU by no later than 3.00 p.m. (London time) on 18 July 2022. The Form of Proxy (and any power of attorney or other authority under which it is executed) may also be submitted by email to [registrars@jtcgroup.com](mailto:registrars@jtcgroup.com). Documentation will be valid if received by email prior to the deadline noted above, however the original (or a duly certified copy) should follow by post.

The Tender Offer will close at 5.00 p.m. (London time) on 4 August 2022. The Record Date for participation in the Tender Offer is 5.00 p.m. (London time) on 4 August 2022 and the Tender Offer will only be available to Shareholders resident in, or citizens of, a jurisdiction outside the Restricted Jurisdictions on the Register at that time (“**Eligible Shareholders**”).

Eligible Shareholders who hold their Ordinary Shares in uncertificated form (that is, through Euroclear Nederland or in CREST) should arrange for any uncertificated Ordinary Shares they wish to tender to be transferred as described in Part III of this document. Eligible Shareholders who hold their Ordinary Shares in certificated form and who wish to participate in the Tender Offer should ensure that the Tender Form (in respect of their certificated shareholdings) is completed and returned together with their share certificate(s) to the Registrar, JTC Registrars Limited, PO Box 156, Ground Floor, Dorey Court, Admiral Park, St Peter Port, Guernsey, GY1 4EU, so as to be received no later than 5.00 p.m. (London time) on 4 August 2022.

If you hold Ordinary Shares through Euroclear Nederland and have any questions about the procedure for tendering, please contact your bank or broker or alternatively ABN AMRO Bank N.V. (“**ABN AMRO**”), Corporate Broking between 9.00 a.m. and 5.00 p.m. (CET) Monday to Friday on +31 20 383 5454 or via email at [as.exchange.agency@nl.abnamro.com](mailto:as.exchange.agency@nl.abnamro.com). If you hold Ordinary Shares in CREST or in certificated form and have any questions about the procedure for tendering or you want help completing the Tender Form, please contact the Registrar between 9.00 a.m. and 5.00 p.m. (London time) Monday to Friday on 01481 711301 (or on +44 1481 711301 if calling from outside the United Kingdom).

Houlihan Lokey UK Limited (“**Houlihan Lokey**”) which is authorised and regulated in the UK by the Financial Conduct Authority, is acting, in its capacity as financial advisor, exclusively for the Company, through its Independent Directors, and no one else in connection with the Rule 9 Waiver Resolution and will not be responsible to any person other than the Company, for providing the protections afforded to clients of Houlihan Lokey, nor for providing advice in relation to the Rule 9 Waiver Resolution or in relation to the contents of this document or any transaction or arrangement referred to in this document. Neither Houlihan Lokey nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract or in tort, under statute or otherwise) to any person who is not a client of Houlihan Lokey in connection with this document, any statement contained herein or otherwise.

ABN AMRO is acting exclusively for the Company and no one else in connection with the Tender Offer. As such, ABN AMRO does not accept any responsibility or liability to any person other than the Company in connection with the Tender Offer and the contents of this document.

The Tender Offer is made solely by the Company.

#### **Overseas Shareholders**

The Tender Offer is not being made, directly or indirectly, in or into the Restricted Jurisdictions, and the Tender Offer is not capable of acceptance from or within the Restricted Jurisdictions. Accordingly, copies of this document, the Tender Form or any accompanying document are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from the Restricted Jurisdictions, and persons receiving this document, the Tender Form and any accompanying document (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdictions as doing so may invalidate any purported acceptance of the Tender Offer. The availability of the Tender Offer to Shareholders who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are citizens. Such persons should refer to paragraph 2 headed “Overseas Shareholders” of Part III of this document (and, for Shareholders who hold their Ordinary Shares in certificated form, to the relevant provisions of the Tender Form) and inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions.

#### **If you are a resident of Australia, please read the following:**

No offer document, circular or other disclosure document (as defined in the Corporations Act 2001 (Cth) (Corporations Act)) in relation to the Tender Offer has been or will be lodged with the Australian Securities and Investments Commission (ASIC) or any other regulatory authority in Australia and the Tender Offer does not comply with Division 5A of Part 7.9 of the Corporations Act. In addition:

- no offers or applications will be made or invited for the purchase of Ordinary Shares in Australia (including an offer or invitation which is received by a person in Australia); and

- the Tender Offer and any other offering material or advertisement relating to the Ordinary Shares will not be distributed or published in Australia,

unless (i) such action complies with all applicable laws, directives and regulations (including, without limitation, the licensing requirements set out in Chapter 7 of the Corporations Act); (ii) such action does not require any document to be lodged with ASIC or any other regulatory authority in Australia; and (iii) the offer or invitation is made in circumstances specified in Corporations Regulation 7.9.97.

If you reside in Australia, you have been sent this document on the basis that you are (i) a professional investor within the meaning of the Corporations Act; (ii) a person who has net assets of at least A\$2.5 million; (iii) a person who has gross income for each of the last two financial years of at least A\$250,000; or (iv) a business that is not a small business within the meaning of subsection 761G(12) of the Corporations Act.

This document contains general information only and does not take into account the investment objectives, financial situation or particular needs of any particular person. It does not contain any securities recommendations or financial product advice. Before acting on the information contained in this document, investors should consider its appropriateness having regard to their investment objectives, financial situations and needs, and, if necessary, seek expert advice. No person referred to in this document holds an Australian financial services licence.

**If you are a resident of the United States, please read the following:**

The Tender Offer is being made in the United States in reliance on, and compliance with, Section 14(e) of the Exchange Act and Regulation 14E thereunder. The Tender Offer is being made in the United States by the Company and no one else, including its financial advisers.

The Tender Offer is being made for securities of a Guernsey company and is subject to disclosure requirements which are different from certain US disclosure requirements. In addition, US investors should be aware that this document has been prepared in accordance with a UK format and style, which differs from the US format and style. For example, any financial information of the Company reproduced in, or referred to in, this document has been prepared in accordance with International Financial Reporting Standards and thus may not be comparable to financial statements of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States. Furthermore, the payment and settlement procedure with respect to the Tender Offer will comply with the relevant UK and Dutch rules, which differ from United States payment and settlement procedures, particularly with regard to the date of payment of consideration.

This document has not been submitted to or reviewed by the SEC or any state securities commission. Neither the SEC nor any such state securities commission has approved or disapproved of the Tender Offer or passed upon the adequacy or completeness of this document or any other documentation relating to the Tender Offer. Any representation to the contrary is a criminal offence in the United States.

In accordance with standard UK practice and pursuant to Rule 14e-5(b) of the Exchange Act, the Company or its Affiliates, nominees, or its brokers (acting as agents), or its financial advisers, may from time to time make certain purchases of, or arrangements to purchase, directly or indirectly, Ordinary Shares outside of the United States, other than pursuant to the Tender Offer, before or during the period in which the Tender Offer remains open for acceptance, so long as those acquisitions or arrangements comply with applicable law and practice and the provisions of the exemption provided under Rule 14e-5 of the Exchange Act. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will be announced as required by law or regulation by means of a press release, which will also be disseminated in the United States, and will be posted on the website of the Company under "Investor Relations" at [www.eurocastleinv.com](http://www.eurocastleinv.com).

It may be difficult for US Shareholders to enforce their rights and claims arising out of the US federal securities laws, since some of the officers and Directors are residents of countries other than the United States and substantially all of the assets of the Company are located outside the United States. As a result, it may not be possible for US Shareholders to effect service of process within the United States upon the Company (or such persons) or to enforce against any of them judgments of US courts predicated upon the federal or state securities laws of the United States.

For the purposes of this section, the term "Affiliate" has the meaning given in Rule 405 under the US Securities Act of 1933.

**Forward-looking Statements**

This document includes “forward-looking statements” relating to the Rule 9 Waiver Resolution, the Tender Offer and the Company that are subject to risks and uncertainties, including those pertaining to the anticipated benefits to be realised from the Tender Offer. For additional information identifying further important factors that could cause the Company’s actual results to differ materially from those anticipated, see the Company’s Annual Report which can be found on the Company’s website under “Investor Relations” at [www.eurocastleinv.com](http://www.eurocastleinv.com). Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements only speak as of the date on which they are made, and the events discussed herein may not occur. Except as required by law or regulation, the Company does not undertake any obligation to update publicly or revise forward-looking statements, whether as a result of new information, future events or otherwise.

**Publication on website and availability of hard copies**

Subject to certain restrictions relating to persons in the United States or any other Restricted Jurisdiction, you may request a hard copy of this document, the Form of Proxy, the Tender Form and the information incorporated into this document by reference to another source by contacting the Registrar on 01481 711301 (or on +44 1481 711301 if calling from outside the United Kingdom). You may also request that all future documents, announcements and information to be sent to you in relation to the Rule 9 Waiver Resolution and Tender Offer should be in hard copy form.

A copy of this document, together with all information incorporated into this document by reference to another source, will be made available on the Company’s website under “Investor Relations” at [www.eurocastleinv.com](http://www.eurocastleinv.com) by no later than 12 noon (London time) on 11 July 2022. For the avoidance of doubt, the contents of this website are not incorporated into and do not form part of this document.

**This document is dated 8 July 2022**

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**PART I**  
**EXPECTED TIMETABLE OF PRINCIPAL EVENTS**

<b>Event</b>	<b>Time and date (2022)</b>
Announcement of the Tender Offer and posting of this document, Form of Proxy and Tender Form to Shareholders	8 July
Tender Offer opens	8 July
Latest time and date for receipt of Forms of Proxy	3.00 p.m. (London time) on 18 July
General Meeting	3.00 p.m. (London time) on 20 July
Announcement of results of General Meeting	21 July
Latest time and date for receipt of Tender Forms	5.00 p.m. (London time) on 4 August
Record Date for the Tender Offer	5.00 p.m. (London time) on 4 August
Closing Date for the Tender Offer	5.00 p.m. (London time) on 4 August
Announcement of results of the Tender Offer	5 August
Euroclear Nederland accounts credited with Tender Offer proceeds and revised holdings of uncertificated Ordinary Shares	by 9 August
Despatch of cheques (or electronic payment) for Tender Offer proceeds for Ordinary Shares held through CREST and for certificated Ordinary Shares	by 9 August
Despatch of balance share certificates for unsold Ordinary Shares and share certificates for unsuccessful tenders (certificated holders only)	by 9 August

**The above times and/or dates may be subject to change and, in the event of such change, the revised times and/or dates will be notified to Shareholders by a press release on the Company's website, an announcement through a Regulatory Information Service and via newswire in the United States.**

**PART II**  
**LETTER FROM THE INDEPENDENT DIRECTORS**

**EUROCASTLE INVESTMENT LIMITED**

*(incorporated in Guernsey on 8 August 2003 under the Companies (Guernsey) Law, 2008 (as amended)  
with registered number 41058)*

**Independent Directors**

**Registered Office**

Jason Sherwill

Dr. Simon Thornton

Claire Whittet

Oak House

Hirzel Street

St Peter Port

Guernsey GY1 2NP

8 July 2022

Dear Shareholder

**Tender Offer to purchase for cancellation up to 1,286,181 Ordinary Shares at a price of €10.26 per Ordinary Share**

**and**

**Approval for waiver of obligations under Rule 9 of the Code**

**1 Introduction**

In March 2021, the Company announced that in light of a number of potentially attractive investment opportunities created by market turmoil, the Board had decided to conduct a review of the Company's strategic options, including use of available capital. The Board has since concluded its review and decided on a strategy for a relaunch of the Company's investment activity (the "**Relaunch**") combined with the Tender Offer to provide a liquidity opportunity for those Shareholders who do not wish to participate in the Relaunch. The Relaunch process will consist of:

- (i) convening a General Meeting to consider, and if thought fit, pass the Rule 9 Waiver Resolution to permit the consolidation of the controlling aggregate shareholding of the FIG Concert Party (the members of which are not participating in the Tender Offer) which may arise as a result of the cancellation of Ordinary Shares accepted pursuant to the Tender Offer, without triggering a requirement for the FIG Concert Party to make a general offer for the balance of the Ordinary Shares under Rule 9 of the Code (as described in paragraph 2 below);
- (ii) conditional on the passing of the Rule 9 Waiver Resolution, the implementation of the Tender Offer to provide eligible Shareholders who do not wish to participate in the Relaunch with an opportunity to sell all or some of their Ordinary Shares at a material premium to the prevailing market price of an Ordinary Share. If the Rule 9 Waiver Resolution is not passed, the Tender Offer will not proceed and will lapse;
- (iii) the adoption of a new investment strategy to create a Southern European speciality finance and real estate platform with a geographic focus initially in Greece and Italy; and
- (iv) the raising of cash from new and existing institutional investors by way of a private placement of new Ordinary Shares in order to support the new investment strategy (the "**Fundraising**").

Steps (iii) and (iv) are not conditional on the passing of the Rule 9 Waiver Resolution and the Board intends to proceed with these steps even if the Tender Offer lapses as a result of the Rule 9 Waiver Resolution not passing at the General Meeting (subject to market conditions). In such case, the Board may consider

other options to create liquidity for shareholders, but there is no certainty that any alternative transaction will be available.

Further details in relation to each step of the Relaunch are described below.

The Tender Offer and the Rule 9 Waiver Resolution are separate (albeit connected) matters. Shareholders who do not wish to participate in the Tender Offer need take no action in relation to it, but are urged nonetheless to vote in favour of the Rule 9 Waiver Resolution at the General Meeting. The recommendation of the Independent Directors in favour of the Rule 9 Waiver Resolution, and their rationale for the recommendation, are set out in paragraph 12 below, and apply as a voting recommendation to each Shareholder regardless of that Shareholder's intentions in respect of the Tender Offer.

## **2 Background to and reasons for the Rule 9 Waiver Resolution**

### **(A) Buyback Authority**

Pursuant to an ordinary resolution of Shareholders passed at the Company's last annual general meeting, held on 16 June 2021, the Company was authorised to make on-market purchases of Ordinary Shares up to a maximum of 1,851,534 Ordinary Shares, representing approximately 99.68 per cent. of the Ordinary Shares in issue at the time and as at the Latest Practicable Date. Since 16 June 2021, the Company has not repurchased any Ordinary Shares.

Subject to the confirmation of the Waiver, the Directors are proposing to exercise their discretion under the Buyback Authority to implement the Tender Offer to repurchase up to 1,286,181 Ordinary Shares, representing approximately 69.24 per cent. of the Ordinary Shares in issue and 100 per cent. of the Ordinary Shares in issue excluding those held by the FIG Concert Party and the Independent Directors, in each case as at the Latest Practicable Date. The members of the FIG Concert Party and the Independent Directors have each irrevocably undertaken not to tender any Ordinary Shares in the Tender Offer.

The Tender Offer is to be funded from the Company's existing and available cash resources. The maximum funding requirement for the Tender Offer (including costs) is €13.9 million.

### **(B) The FIG Concert Party and Code implications**

As the Company is Guernsey incorporated and managed, the Code applies to the Company.

The members of the FIG Concert Party (which are set out in paragraph 4 of Part VI of this document) are presumed to be acting in concert (as defined in, and for the purposes of, the Code). The FIG Concert Party has an aggregate interest in 539,638 Ordinary Shares, representing approximately 29.05 per cent. of the Ordinary Shares in issue as at the Latest Practicable Date

Under Rule 9 of the Code, when (i) any person who acquires, whether by a series of transactions over a period of time or not, an interest in shares (as defined in the Code) which, taken together with any interest in shares already held by that person or any interest in shares held or acquired by persons acting in concert with them, carry 30 per cent. or more of the voting rights of a company which is subject to the Code, or (ii) any person who, together with persons acting in concert with that person, is interested in shares which in aggregate carry not less than 30 per cent of the voting rights of a company, but does not hold shares carrying more than 50 per cent of such voting rights and such person, or any person acting in concert with that person, acquires an interest in any other shares which increases the percentage of the shares carrying voting rights in which that person is interested, then, in either case, that person is normally required to make an offer to all the remaining shareholders to acquire their shares in the company.

An offer under Rule 9 of the Code would have to be made in cash and at the highest price paid for any interest in shares by that person or by any person acting in concert with it within the 12 months prior to the announcement of the offer. Under Rule 37.1 of the Code, when a company redeems or purchases its own voting shares, any resulting increase in the percentage of shares carrying voting rights in which a



shareholder and any persons acting in concert with them are interested will normally be treated as an acquisition for the purpose of Rule 9 of the Code.

As noted above, the FIG Concert Party has an interest in approximately 29.05 per cent. of the Ordinary Shares in issue. Therefore, if the Tender Offer is implemented, the FIG Concert Party would be in a position where, were it not to participate in the Tender Offer *pro rata* to its existing shareholding, its percentage shareholding may equal or exceed a level representing 30 per cent. of the voting rights of the Company, thereby triggering a requirement to make a general offer for the balance of the Ordinary Shares not held by it, in accordance with Rule 9 of the Code, unless such obligation has been waived by the Panel (see paragraph 2(C) below). As also noted above, the FIG Concert Party has irrevocably undertaken not to participate in the Tender Offer.

### **(C) Proposed Waiver**

The Panel has agreed to waive the obligation on the FIG Concert Party to make an offer that would otherwise arise under Rule 9 of the Code as a result of increases in the shareholding of each member of the FIG Concert Party following the implementation of the Tender Offer, subject to the approval of the Independent Shareholders. Accordingly, the Rule 9 Waiver Resolution is being proposed at the General Meeting to seek this approval. Passing the Rule 9 Waiver Resolution will give the Company the flexibility to implement the Tender Offer without the FIG Concert Party being obliged to make a general offer for the Company under Rule 9 of the Code.

The Independent Directors are of the view that any such obligation (for the FIG Concert Party to make a general offer for the Company) would add unnecessary levels of complexity, time and expense to the Relaunch process without offering Independent Shareholders any substantive benefits over and above those offered by the Tender Offer. In particular, the price per Ordinary Share would be no higher than the Tender Price, meaning that any such offer would present no greater financial advantage to Shareholders than is being offered in the Tender Offer.

Whilst a representative of each member of the FIG Concert Party may attend the General Meeting, no member of the FIG Concert Party (nor any nominee or representative of them) will be entitled to vote on the Rule 9 Waiver Resolution. The Rule 9 Waiver Resolution will, therefore, be taken on a poll of Independent Shareholders.

Members of the FIG Concert Party will not be restricted from making an offer for the Company following the approval of the Rule 9 Waiver Resolution by the Independent Shareholders at the General Meeting. The Manager, on behalf of each member of the FIG Concert Party, has confirmed to the Company that it is solely focussed on ensuring the success of the Relaunch with the Company as a listed entity.

**You should note that, if the Rule 9 Waiver Resolution is passed and the Tender Offer is implemented, the FIG Concert Party could end up holding, in aggregate, more than 50 per cent. of the Company's voting share capital. In those circumstances, the members of the FIG Concert Party would be permitted (for so long as they continue to be treated as acting in concert and subject to Note 4 on Rule 9.1 of the Code) to further increase their aggregate shareholdings without incurring any obligation under Rule 9 of the Code to make a general offer. They will also be able to block and pass ordinary resolutions of the Company as they would control in excess of 50 per cent. of its voting rights. However, in the event that the FIG Concert Party ends up being interested in, in aggregate, not less than 30 per cent but not holding more than 50 per cent of the Company's voting share capital following the passing of the Rule 9 Waiver Resolution and the implementation of the Tender Offer, any further increase in the aggregate shareholdings of the members of the FIG Concert Party in the Company will normally result in the FIG Concert Party having to make a general offer under Rule 9 of the Code.**

Furthermore, you should note that, if the Rule 9 Waiver Resolution is passed and the Tender Offer is implemented, Francesco Colasanti in his individual capacity could end up holding, in aggregate, more than 50 per cent. of the Company's voting share capital. In those circumstances, Francesco Colasanti would be permitted to further increase his aggregate shareholding without incurring any obligation under Rule 9 of the Code to make a general offer. He will also be able to block and pass ordinary resolutions of the Company as he would control in excess of 50 per cent. of its voting rights. However, in the event that Mr. Colasanti ends up being interested in, in aggregate, not less than 30 per cent but not holding more than 50 per cent of the Company's voting share capital following the passing of the Rule 9 Waiver Resolution and the implementation of the Tender Offer, any further increase in his aggregate shareholding in the Company may result in him having to make a general offer under Rule 9 of the Code.

For the avoidance of doubt, the Waiver, if approved, would only apply for as long as the Buyback Authority remains in force. The Waiver also applies only in respect of increases in shareholdings of the FIG Concert Party resulting from the Tender Offer and not in respect of other increases in its holdings.

If the Rule 9 Waiver Resolution is not passed at the General Meeting, the Tender Offer will not proceed and will lapse. The Board intends in any case to proceed with the subsequent steps of the Relaunch (subject to market conditions). While the Board may consider other options to create liquidity for shareholders, there is no certainty that any alternative transaction will be available.

Your attention is drawn to Part V (*Financial and Ratings Information Relating to the Company*) and Part VI (*Additional Information*) of this document which sets out certain further information and financial information respectively that is required to be disclosed pursuant to the rules contained in the Code.

### 3 Background to and reason for the Tender Offer

#### (A) The Realisation Plan

Since 2013, the activities of the Company have primarily been focussed on investing indirectly in Italian performing and non-performing loans and other credit receivables, Italian loan servicing platforms, real estate related assets and other related businesses in Italy. On 18 November 2019, the Board announced a plan to realise the majority of the Company's assets in order to accelerate the return of value to Shareholders (the "**Realisation Plan**"). As part of the Realisation Plan, the Board announced that it did not currently intend to make any material new investments with the proceeds realised from the Company's existing holdings. In December 2019, the Company sold its non-performing loan portfolio and used the majority of those proceeds, together with all of the shares it owned in doValue S.p.A., to repurchase approximately 95 per cent. of the Company's then outstanding Ordinary Shares through a tender offer (the "**December 2019 Tender Offer**"). With respect to the remaining investments, which predominantly comprise the Company's interests in Italian real estate funds, the Company planned to continue to hold and realise these assets in accordance with existing business plans, to support these investments to the extent required to optimise returns and to distribute cash to Shareholders when available. In light of the expectation that the Company's future cashflow would be significantly reduced as a result of the disposal of the majority of its investments pursuant to the Realisation Plan, the Board has taken a prudent view in managing its cash reserves and accordingly implemented various reserves which seek to ensure that the Company could continue to meet known, potential and unknown future liabilities over the period it anticipated would be required to complete the realisation of its investments and be liquidated in an orderly fashion (the "**Additional Reserves**"). The Additional Reserves are not accounted for under IFRS as no formal commitments for these future costs and potential liabilities exist. As at 31 March 2022, the Additional Reserves totalled €13.1 million, of which €6.7 million is specifically related to the Legacy German Tax Matter. The balance of approximately €6.4 million (the "**Liquidation Reserves**") has been put in place to allow for an orderly liquidation process and could potentially be reassessed following a successful Relaunch and Fundraising. The Adjusted NAV, against which the Tender Price is calculated, represents

the Company's latest published NAV adjusted for the Additional Reserves which have not been accounted for under IFRS.

The Company has made significant progress in executing the Realisation Plan since the December 2019 Tender Offer. As at 31 March 2022, the Company had realised approximately 87 per cent. of the NAV of the investments reported at the time of the announcement of the Realisation Plan. As at 31 March 2022, the Company had €3.2 million, or €1.71 per Ordinary Share, of NAV in relation to its investments with the remainder of the Company's assets predominantly comprising cash. As at 31 March 2022, the Company had €16.4 million, or €8.82 per Ordinary Share, of available capital after accounting for the Additional Reserves (as disclosed in the Company's interim management statement for the first quarter of 2022 (which is incorporated by reference into this document)).

## **(B) The Relaunch**

In March 2021, the Company announced that in light of a number of potentially attractive investment opportunities created by market turmoil, the Board had decided to conduct a review of the Company's strategic options, including the use of available capital. The Board has since concluded its review and decided on the following strategy for the Relaunch:

- Step 1:** convene the General Meeting to consider, and if thought fit, pass the Rule 9 Waiver Resolution;
- Step 2:** conditional on the passing of the Rule 9 Waiver Resolution, implement the Tender Offer to provide Eligible Shareholders that do not wish to participate in the Relaunch with an opportunity to sell all or some of their Ordinary Shares at a material premium to the prevailing market price of an Ordinary Share (for further details see section headed "*Tender Offer*" below). If the Rule 9 Waiver Resolution is not passed the Tender Offer will not proceed and will lapse;
- Step 3:** adopt a new investment strategy to create a Southern European speciality finance and real estate platform with a geographic focus initially in Greece and Italy (for further details see section headed "*New Investment Strategy*" below); and
- Step 4:** seek to undertake the Fundraising from new and existing institutional investors by way of a private placement of new Ordinary Shares ("**New Shares**") in order to support the new investment strategy. The quantum of the funds to be raised and the terms (including the price) at which the New Shares could be issued will be determined by the Company, following consultation with the Manager, at the relevant time.

In connection with Steps 3 and 4 above, certain terms of the Management Agreement will be amended (for further details see section headed "*Amendments to the Management Agreement*" below).

## **(C) Tender Offer**

The Tender Offer is conditional on the passing of the Rule 9 Waiver Resolution. Subject to the passing of the Rule 9 Waiver Resolution, all Eligible Shareholders will be entitled to sell all or some of the Ordinary Shares registered in their respective names on the Record Date under the Tender Offer. If the Rule 9 Waiver Resolution is not passed, the Tender Offer will lapse. In such case, the Board may consider other options to create liquidity for shareholders, but there is no certainty that any alternative transaction will be available.

The Board considers that the Tender Offer represents the best route available for Shareholders who wish to realise some or all of their investments in the Company prior to the Relaunch, in particular because there is currently very limited liquidity in the Ordinary Shares, in part as a consequence of the Realisation Plan which has seen the Company repurchase, to date, approximately 95 per cent. of the Ordinary Shares outstanding immediately prior to the December 2019 Tender Offer. The Board notes that over the three months to 6 July 2022 (being the Latest Practicable Date) the average daily value of Ordinary Shares traded on Euronext Amsterdam was €7,877, which is equivalent to approximately 0.1 per cent. of the

aggregate market value of the Ordinary Shares at close on the Latest Practicable Date of €14.9 million. During the three months to the Latest Practicable Date there were 18 Business Days when no trading occurred in the Ordinary Shares.

The Tender Price of €10.26 per Ordinary Share is equal to approximately 97.5 per cent. of the Adjusted NAV as at 31 March 2022 and, based on the Buyback Authority, represents the maximum price at which the Company can purchase Ordinary Shares.

The Tender Price represents:

- a premium of approximately 28.3 per cent. to the closing price of an Ordinary Share on Euronext Amsterdam on 6 July 2022 (being the Latest Practicable Date) of €8.00;
- a premium of approximately 23.6 per cent. to the volume weighted average closing price of an Ordinary Share on Euronext Amsterdam over the three months to the Latest Practicable Date of €8.30; and
- a discount of approximately 2.6 per cent. to the Adjusted NAV of €10.53 per Ordinary Share as at 31 March 2022.

The NAV and the market price of an Ordinary Share are subject to change during the course of the Tender Offer. It, therefore, cannot be certain whether the Tender Price will be greater or less than: (a) the tender offer price of subsequent tender offers (if these are made); or (b) the price at which an Ordinary Share could be sold in the market at any time.

The Company estimates that Eligible Shareholders that participate in the Tender Offer and owned Ordinary Shares at the time the Realisation Plan was announced would generate an annualised return of over 11 per cent. to the December 2019 Tender Offer price of €8.14 per Ordinary Share.

The FIG Concert Party has irrevocably undertaken to the Company not to participate in the Tender Offer. In addition, the Independent Directors have determined to remain invested in the Company throughout its Relaunch and have, therefore, also irrevocably undertaken to the Company not to participate in the Tender Offer. Should all remaining holders of Ordinary Shares tender their full holding, the Company would utilise €13.9 million of its cash to buy back all tendered Ordinary Shares (including costs) and the Ordinary Shares in issue would be reduced by 1,286,181 Ordinary Shares. Following completion of the Tender Offer and assuming all remaining Shareholders tender in full, the Company expects to hold €10.9 million of net corporate cash, or €2.5 million of available capital after accounting for all reserves as at 31 March 2022, with in excess of €3 million expected to be realised from its remaining investments over the next 18 months.

The Board continues to review, on an ongoing basis, the adequacy and amount of the Additional Reserves and confirms that, as at the date of this document, no adjustments to the level of the Additional Reserves as at 31 March 2022 are considered necessary.

The Board highlights that, save for non-material adjustments relating to corporate running costs, the level of the Additional Reserves, and in particular the Liquidation Reserves, will only be fully reassessed once the Board is comfortable that the Company has sufficient cash flow to meet future costs and potential liabilities and that an orderly liquidation of the Company is no longer imminent. The Board currently expects to be able to undertake such a reassessment only once the Fundraising has been completed. There can be no guarantee that any of the Additional Reserves will be released following the Fundraising but to the extent that any of the Additional Reserves are released in the future, the Board notes that the differential between NAV as calculated under IFRS and the Adjusted NAV would be reduced. Any Shareholders who participate in the Tender Offer would not be entitled to receive any additional proceeds if any of the Additional Reserves are subsequently released.

The Company intends to cancel the Ordinary Shares purchased by it pursuant to the Tender Offer.

**Full details of the Tender Offer (including the terms and conditions on which it is made) are set out in Part III of this document and in the Tender Form.**

#### **(D) New Investment Strategy**

The Company's new investment strategy seeks to leverage the Manager's experience over two decades in the Southern European distressed debt market. The Company will approach the new investment strategy with a strong commitment to energy saving and environmentally-friendly investments.

With over €200 billion of non-performing exposures ("NPE") having traded from banks in Italy, Spain and Greece over the past three years and now largely sitting in the hands of investors seeking to accelerate collections<sup>1</sup>, the Manager has identified an opportunity to create a Southern European speciality finance and real estate platform with a geographic focus initially in Greece and Italy.

Through the new investment strategy, the Company will seek to build a large granular portfolio of assets over time, targeting gross unlevered returns in the high single digits increasing to the mid-teens after modest leverage.

The strategy has two key pillars which capitalise on the desire of NPE investors to accelerate collections:

##### **(1) Speciality Finance**

- The platform intends to source opportunities to provide capital to borrowers that are unable to raise financing from traditional banks.
- The platform intends to focus on borrowers which the Company believes are able to agree a discounted pay-off ("DPO") of their debt with NPE investors willing to accept DPOs to drive their own returns.
- Capital is expected to be provided to borrowers with strong collateral asset value to refinance or restructure their debt. The Company believes that borrowers in this position are generally willing to agree attractive terms, in order to rehabilitate their credit and become re-performing.
- New capital would typically be secured against real estate and other hard assets and provided in situations where the borrower is free of other senior creditors. Sustainability criteria will be employed in structuring the Company's investments.

##### **(2) Opportunistic Real Estate**

- The Company has identified an opportunity to build a granular portfolio of real estate coming from NPE portfolios.
- The strategy seeks to take advantage of an anticipated significant supply and demand imbalance for real estate collateral being sold through uncompetitive auctions and from NPE investors seeking to dispose of individual real estate assets they have repossessed.
- The Company believes that high barriers to entry generally limit participation in judicial auctions, while it expects volumes to increase following a backlog of auctions postponed during the COVID-19 pandemic. The Company also expects a significant increase in the auction volumes driven by recent changes in legislation to streamline the auction processes and recent sizeable trades of portfolios to NPE investors actively seeking to realise collateral in order to enhance their returns.
- The Manager expects this significant supply and demand imbalance will likely result in real estate assets being sold at a material discount to their open market value. The Company intends to

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<sup>1</sup> Source: Italy: Deloitte Deleveraging Europe – June 2021 and internal estimates for remainder of 2021. Greece: Estimate based on internal records of marketed and announced transactions.

capitalise on the Manager's experience and knowledge of the market and auction systems to identify assets being sold at a discount to market value which the platform then intends to acquire and sell through an open market process over time. The Company will also seek to improve the environmental performance of such assets.

- In addition, complementing its specialty finance business, the platform may also provide capital to real estate companies who are unable to access traditional financing sources.
- In light of the anticipated granular nature of the opportunity, the strategy is targeting individual real estate acquisitions of below €10 million each, subject to certain exceptions.

While specialty finance and real estate form the core of the Company's new investment strategy, the Company may seek to make opportunistic investments arising from the significant capital to be provided by the European Union's recently established recovery and resilience facility ("RRF") of approximately €724 billion to support business in the wake of the COVID-19 pandemic. The Company will focus on opportunities aligned to its sustainable investing principles.

Approximately €292 billion of the RRF has been allocated to Italy, Greece and Spain. The Manager believes that there is an opportunity for the Company to diversify its investments and generate attractive risk adjusted returns through a relatively low risk, low-involvement strategy of making either direct minority equity or debt co-investment with reputable sponsors that benefit from the RRF subsidies across energy transition, digital transformation, tourism and other sectors with recovery and growth potential.

The Board believes that these investments will provide the Company with stable running cash flows which, once the business is deemed sufficiently established, will provide the Company with the basis to pay a regular stable dividend with a targeted unlevered yield in the high single digits. The Company will commence seeking investments under the new investment strategy using its remaining available cash after taking into account the amount required for the Tender Offer.

**Shareholders should be aware that the implementation and performance of the Company's new investment strategy is subject to risks, uncertainty and assumptions. The Manager is currently in the early stages of trying to establish the platform 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 and debt markets specifically, the availability of appropriate investment opportunities and the ability to raise financing on suitable terms may also affect the success of the Relaunch. Accordingly, there is no guarantee that the Company's new investment strategy will be effectively implemented nor will there necessarily be a future opportunity for Shareholders to achieve an exit from their investments in the Company at a price equal to or better than the current market price of the Ordinary Shares.**

#### **(E) Amendments to the Management Agreement**

Alongside the implementation of the proposed new investment strategy, the Company and the Manager have agreed to amend certain terms of the current Management Agreement. While the full details of the amendments are yet to be finalised, the Company and the Manager have agreed the following high-level terms:

##### **(1) Compensation**

The Manager's compensation is comprised of a base fee and an incentive fee.

- (a) **Base Fee:** The base fee, which was adjusted in 2015 to reduce the amount payable to the Manager based on cash held by the Company on its balance sheet and will remain unchanged after the Relaunch, is 1.5 per cent. per annum on the NAV of the Company's investments, and 0.75 per cent. per annum on cash.

- (b) **Incentive Fee:** Prior to the implementation of the Realisation Plan, incentive compensation payable to the Manager was equal to 25 per cent. of the Euro amount by which the income derived from the Company's Italian investments, after allocated corporate costs, exceeded the net invested capital in the Company's Italian investments multiplied by a hurdle rate of 8 per cent. per annum (calculated on a cumulative but not compounding basis). During execution of the Realisation Plan, the Manager agreed to calculate its incentive compensation on savings on amounts allocated to reserves.

In light of the new investment strategy and the lower risk-adjusted returns that the investments entail compared to the Company's previous headline strategy in Italian non-performing loans, the Manager and the Board have agreed to reduce both the share that the Manager receives in excess of the hurdle from 25 per cent. to 15 per cent. and the required hurdle from 8 per cent. to 5 per cent. In addition, for the purpose of calculating the incentive fee, the Company will consider 'Run Rate Earnings' in accordance with the methodology set out below:

- (i) **Specialty Finance – Net Cash Flow Earnings:** Reflecting the distinct and regular basis of the cash flows that are expected from these investments, income will be recognised based on the actual net cash flow income received in each period. Illustratively, for a loan, this would be any cash received representing interest or arrangement and prepayment fees after deducting servicing costs and any costs of leverage should the Company raise financing against its loan portfolio. To the extent any such investments are sold, income would be recognised at receipt of relevant sale proceeds.
- (ii) **Real Estate – Level Yield:** Similar to how the Company recognised income for its Italian investments prior to the Realisation Plan, income will be recognised on an expected yield basis updated periodically, allowing the Company to report the run rate earnings from these investments in line with their expected annualised returns.

Together the above will represent the Company's run rate earnings ("**Run Rate Earnings**").

## (2) Term

At the inception of the Company, the initial term of the Management Agreement was 10 years after which it automatically renewed for successive three-year periods. The last renewal was in August 2019. In light of the Company having largely liquidated its previous investments and the Relaunch with a new strategy and potential capital raise, the Board has agreed that in order to provide stability for the Company and the new platform, the Management Agreement should be reset with a new term of 7 years commencing on 13 August 2022 with the renewal and termination conditions thereafter in line with the existing agreement.

In addition, it is anticipated that the Manager will be able to sub-contract certain activities to a local partner, enabling the Company to take advantage of the Manager's long-term strategic relationships that greatly benefit participation in such niche markets.

## 4 Directors, management, employees, research and development and continuation of the business of the Company

The Manager, on behalf of each member of the FIG Concert Party, has confirmed to the Company that, following any increase in its aggregate shareholding as a result of the implementation of the Tender Offer, the FIG Concert Party intends to support the implementation of the proposed new investment strategy in connection with the Relaunch (as summarised in paragraph 3 above, subject to market conditions and the other variable factors described therein).

The Manager, on behalf of each member of the FIG Concert Party, has also confirmed to the Company that the FIG Concert Party has no intention or desire to make any material changes in respect of (i) the structure and composition of the Board, including the balance between independent and non-independent directors and the number of FIG-affiliated directors on the Board, (ii) the location and places of business of the Company, including its headquarters and headquarters' functions, nor (iii) the deployment or redeployment of the fixed assets of the Company, in each case following any increase in its aggregate shareholding as a result of the implementation of the Tender Offer. It is however noted that the Manager is considering a potential change to one of the non-Independent Directors, such proposal to be finalised and approved in the ordinary course.

The Company notes that it does not (i) have a research and development function, (ii) have any employees or office holders other than the Directors, nor (iii) maintain any pension schemes. The Manager, on behalf of each member of the FIG Concert Party, has confirmed to the Company that the FIG Concert Party has no intention to change these positions. In particular, the FIG Concert Party has no intention to make any changes in respect of the continued employment, the conditions of employment and the balance of skills and functions of the Company's employees and management.

The Manager, on behalf of each member of the FIG Concert Party, has furthermore confirmed to the Company that the FIG Concert Party has no intention to make any changes in respect of the existing stock exchanges and platforms on which the Ordinary Shares are traded nor to take any actions which might result in the current listing being cancelled. The FIG Concert Party therefore expects that the Ordinary Shares will remain listed on Euronext Amsterdam following completion of the Tender Offer and remains committed to the Company as a publicly traded entity.

The Manager, on behalf of each member of the FIG Concert Party, has confirmed that the FIG Concert Party does not intend to put in place any incentivisation arrangements, as envisaged by Rule 16.2 of the Code, between it (or any member of it) and the Directors following any increase in their shareholding as a result of the implementation of the Tender Offer.

## **5 Irrevocable undertakings**

The Company has received irrevocable undertakings from the Manager, on behalf of each member of the FIG Concert Party (including the non-independent Directors), not to participate in the Tender Offer with respect to any of their Ordinary Shares equating to, in aggregate, approximately 29.05 per cent. of the Ordinary Shares in issue as at the Latest Practicable Date.

The Independent Directors have also determined to remain invested in the Company throughout its Relaunch and have therefore irrevocably undertaken to the Company not to participate in the Tender Offer with respect to any of their Ordinary Shares equating to, in aggregate, approximately 1.71 per cent. of the Ordinary Shares in issue as at the Latest Practicable Date.

The maximum size of the Tender Offer has therefore been set at 69.24 per cent of the Ordinary Shares in issue as at the Latest Practicable Date, enabling the Company to repurchase up to all of the Ordinary Shares in issue which are not subject to irrevocable undertakings.

## **6 Financial and trading prospects of the Company**

Please refer to the Company's financial statements for the period commencing on 1 January 2022 and ended on 31 March 2022, together with the press release announcing the financial results of the Company, for further information on the Company's current trading and prospects. These can be found on the Company's website under "Investor Relations" at [www.eurocastleinv.com](http://www.eurocastleinv.com).

Save for the commitment to implement the Tender Offer and associated costs, the Board confirms that there has been no material change in the financial position or performance of the Company since 31 March 2022.



## 7 Overseas Shareholders

The attention of Shareholders who are not resident in the United Kingdom is drawn to the section headed "Overseas Shareholders" in Part III of this document and, for Shareholders who hold their Ordinary Shares in certificated form, also to the relevant provisions of the Tender Form.

## 8 Taxation

A summary of the general tax position of UK resident Shareholders in respect of the Tender Offer is set out in Part IV of this document.

**Any Shareholder who is in any doubt as to his or her tax position should consult an appropriate professional adviser.**

## 9 Notification of Interests

Following the Tender Offer, a Shareholder's interest in the Company's issued share capital may change, giving rise to an obligation on the Shareholder in question to make a notification or a further notification to the AFM under paragraph 5.3.3 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*).

**If Shareholders are in any doubt as to whether they should make a notification to the AFM, or as to the form of that notification, then Shareholders are advised to consult their solicitor or other professional adviser without delay.**

## 10 Action to be taken in relation to the General Meeting

The Form of Proxy accompanying this document for use in connection with the General Meeting should be completed in accordance with the instructions thereon and deposited at the Company's Registrar, JTC Registrars Limited, by post at PO Box 156, Ground Floor, Dorey Court, Admiral Park, St Peter Port, Guernsey, GY1 4EU by no later than 3.00 p.m. (London time) on 18 July 2022. The Form of Proxy (and any power of attorney or other authority under which it is executed) may also be submitted by email to [registrars@jtcgroup.com](mailto:registrars@jtcgroup.com). Documentation will be valid if received by email prior to the deadline noted above, however the original (or a duly certified copy) should follow by post.

Voting on the Rule 9 Waiver Resolution at the General Meeting will be taken on a poll of Independent Shareholders.

## 11 Action to be taken in relation to the Tender Offer

The procedure for tendering Ordinary Shares depends on whether Ordinary Shares are held in uncertificated or certificated form, and is summarised below:

*(i) Ordinary Shares held in uncertificated form through Euroclear Nederland*

Eligible Shareholders who hold their Ordinary Shares in uncertificated form through an Admitted Institution and who wish to tender all or any of their existing holdings of Ordinary Shares are requested to make their acceptance known through their bank or broker no later than 5.00 p.m. (London time) on 4 August 2022. The relevant bank or broker or Euroclear Nederland may set an earlier deadline for communication by Shareholders in order to permit the bank or broker to communicate acceptances to ABN AMRO, as agent for the Company.

The Admitted Institutions may tender Ordinary Shares for acceptance only to ABN AMRO, as agent for the Company, and only in writing. In tendering the acceptances, each Admitted Institution is required to declare (i) its remaining holding after the tender of Ordinary Shares ("**Remaining Holding**") through Euroclear Nederland per the Record Date, (ii) that it has the tendered Ordinary Shares in its administration, (iii) that each Shareholder who accepts the Tender Offer (a) irrevocably represents and warrants that the Ordinary Shares are being tendered in compliance with the restrictions outlined in this document and (b) irrevocably represents and warrants that he/she is not

over-tendering his/her position, (iv) that it undertakes to transfer the Ordinary Shares free from all liens, charges, encumbrances, equitable interests, rights of pre-emption or other third party rights of any nature and together with all the rights attaching thereto on the Settlement Date, (v) that it authorises Euroclear Nederland to inform ABN AMRO of its Remaining Holding per the Record Date and (vi) that, on request from the Company (or ABN AMRO acting as agent on its behalf), it will provide the legal name of the beneficial Shareholder wishing to tender. The acceptances from Shareholders of Ordinary Shares in the book-entry system of Euroclear Nederland shall constitute irrevocable instructions to the relevant Admitted Institutions to block any attempt to transfer the Ordinary Shares tendered, so that on or prior to the Settlement Date no transfer of such Ordinary Shares may be effected (other than to the Company on or prior to the Settlement Date) and to debit the securities account in which such Ordinary Shares are held on the Settlement Date in respect of the Ordinary Shares tendered, against payment by the Company to Euroclear Nederland of the Tender Price in respect of those Ordinary Shares on the Settlement Date.

*(ii) Ordinary Shares held in uncertificated form in CREST*

Eligible Shareholders who hold their Ordinary Shares in uncertificated form in CREST and who wish to tender all or any of their existing holdings of Ordinary Shares should tender electronically through CREST so that the TTE Instruction settles no later than 5.00 p.m. (London time) on 4 August 2022. Further details of the procedures for tendering and settlement are set out in Part III of this document.

If Eligible Shareholders who hold Ordinary Shares in uncertificated form through CREST wish to receive payment of any proceeds from the repurchase of Ordinary Shares otherwise than by cheque, they should also complete a CREST Payment Form and return this to the Registrar.

*(iii) Ordinary Shares held in certificated form*

Eligible Shareholders who hold their Ordinary Shares in certificated form and who wish to tender all or any of their existing holdings of Ordinary Shares should complete and return the Tender Form in accordance with the instructions printed thereon (including a witnessed signature) and in Part III of this document to the Registrar. Eligible Shareholders who hold their Ordinary Shares in certificated form should also return with the Tender Form, their share certificate(s) and/or other document(s) of title in respect of the Ordinary Shares tendered. Share certificates must be received in physical form. Completed Tender Forms and share certificates must be received by not later than 5.00 p.m. (London time) on 4 August 2022. Further details of the procedures for tendering and settlement are set out in Part III of this document and in the accompanying Tender Form.

**Shareholders should note that they will not be able to withdraw their Ordinary Shares once tendered (unless the Tender Offer lapses).**

**Additional Information**

Eligible Shareholders who do not wish to sell any Ordinary Shares under the Tender Offer need take no action in relation to the Tender Form. They are however urged nonetheless to vote in favour of the Rule 9 Waiver Resolution at the General Meeting. The recommendation of the Independent Directors in favour of the Rule 9 Waiver Resolution, and their rationale for the recommendation, are set out in paragraph 12 below, and apply as a voting recommendation to each Shareholder regardless of that Shareholder's intentions in respect of the Tender Offer.

If an Eligible Shareholder holds Ordinary Shares through Euroclear Nederland and has any questions about the procedure for tendering, it should contact its bank or broker or alternatively ABN AMRO between 9.00 a.m. and 5.00 p.m. (CET) Monday to Friday on +31 20 383 5454 or via email at [as.exchange.agency@nl.abnamro.com](mailto:as.exchange.agency@nl.abnamro.com).

If an Eligible Shareholder holds Ordinary Shares in CREST or in certificated form and has any questions about the procedure for tendering, or it wants help completing the Tender Form (in the case of certificated

Ordinary Shares), it should contact the Registrar between 9.00 a.m. and 5.00 p.m. (London time) Monday to Friday on 01481 711301 (or on +44 1481 711301 if calling from outside the United Kingdom).

Neither ABN AMRO nor the Registrar will give advice on the merits of the Tender Offer or provide legal, financial or taxation advice, and accordingly for such advice Shareholders should consult their stockbroker, solicitor, accountant, bank manager or other independent professional adviser.

## 12 Views of the Board and the Independent Directors' Recommendations

### (i) *The Rule 9 Waiver Resolution*

The Company has applied to the Panel for the Waiver and is proposing the Rule 9 Waiver Resolution in order to permit the Tender Offer to proceed without triggering any obligation on the part of the FIG Concert Party to make a general offer to all Shareholders under Rule 9 of the Code subject to the approval of Independent Shareholders. As set out below, the Board considers that the Tender Offer, giving Independent Shareholders an opportunity (that may not otherwise be available to them) to obtain liquidity ahead of the Relaunch at a premium to the prevailing market price (the "**Liquidity Opportunity**"), is in the best interests of the Company and Independent Shareholders as a whole. The Independent Directors are of the view that any obligation on the FIG Concert Party to make a general offer to Shareholders under Rule 9 of the Code as a result of the Tender Offer would add unnecessary levels of complexity, time and expense to the Relaunch process without offering Independent Shareholders any substantive benefits over and above those offered by the Tender Offer. In particular, the price per Ordinary Share would be no higher than the Tender Price, meaning that any such offer would present no greater financial advantage to Shareholders than is being offered in the Tender Offer.

The Independent Directors, who have been so advised by Houlihan Lokey, consider the Waiver, and accordingly the proposals set out in the Rule 9 Waiver Resolution, to be fair and reasonable and in the best interests of the Independent Shareholders and the Company as a whole. In providing advice to the Independent Directors, Houlihan Lokey has taken into account the Independent Directors' commercial assessments, the confirmations of the FIG Concert Party's future intentions expressed in paragraph 4 above and the fact that the Tender Offer provides Independent Shareholders with the Liquidity Opportunity.

Accordingly, the Independent Directors unanimously recommend that the Independent Shareholders vote in favour of the Rule 9 Waiver Resolution to approve the Waiver as the Independent Directors have undertaken to do in respect of their own shareholdings of 31,716 Ordinary Shares, in aggregate, representing approximately 1.71 per cent. of the Ordinary Shares in issue as at the Latest Practicable Date.

In accordance with the provisions of the Code, each member of the FIG Concert Party is considered to be interested in the outcome of the Rule 9 Waiver Resolution and, accordingly, none of them will vote on this resolution.

Randal Nardone and Peter Smith are members of the FIG Concert Party and are not considered to be independent for the purposes of the Rule 9 Waiver Resolution. Accordingly, Randal Nardone and Peter Smith have taken no part in any decisions relating to the Waiver or the Rule 9 Waiver Resolution. These matters have been dealt with solely by the Independent Directors.

### (ii) *The Tender Offer*

The Board considers that it is appropriate to offer Shareholders an opportunity to realise their investments in the Company prior to the Relaunch. This is because the Relaunch heralds a significant change to the Company's existing strategy, as described in paragraph 3 above, and the implementation and performance of the new strategy is subject to risks, uncertainty and

assumptions. The Manager is currently in the early stages of trying to establish the platform 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 and debt markets specifically, the availability of appropriate investment opportunities and the ability to raise financing on suitable terms may also affect the success of the Relaunch. Accordingly, there is no guarantee that the new investment strategy will be effectively implemented nor will there necessarily be a future opportunity for Shareholders to achieve an exit from their investments in the Company at a price equal to or better than the current market price of Ordinary Shares.

In this context, the Board also considers that the Tender Offer represents the best route available for Shareholders who wish to realise some or all of their investments in the Company prior to the Relaunch, in particular because:

- there is very limited liquidity in the Ordinary Shares, in part as a consequence of the Realisation Plan which has seen the Company repurchase, to date, approximately 95 per cent. of the Ordinary Shares outstanding immediately prior to the December 2019 Tender Offer;
- as described in paragraph 3 above, the Tender Price represents a premium of approximately 28.3 per cent. to the closing price of an Ordinary Share on Euronext Amsterdam on 6 July 2022 (being the Latest Practicable Date) of €8.00, a premium of approximately 23.6 per cent. to the volume weighted average closing price of an Ordinary Share on Euronext Amsterdam over the three months to the Latest Practicable Date of €8.30, and a discount of only 2.6 per cent. to the Adjusted NAV of €10.53 per Ordinary Share and;
- the Tender Offer has been priced at the maximum price authorised under the Buyback Authority.

The Board further considers the Tender Offer to be in the best interests of Shareholders as a whole as, amongst other things, it will ensure, as far as possible, that Shareholders who remain invested in the Company are those who are committed to the Relaunch. Furthermore, the Company has been trading at a discount to its Adjusted NAV and, in light of the Company's available capital, the Board believes that the implementation of the Tender Offer at a premium to the prevailing market price balances the interests of Shareholders seeking liquidity while representing an accretive and expeditious use of available cash for the Company and its remaining Shareholders.

Given the potential risks and uncertainties associated with the Relaunch described above, the Independent Directors do not consider it appropriate for them to provide a recommendation to Shareholders as to whether or not they should participate in the Tender Offer. Such a decision is a personal matter for Shareholders, having regard to their own individual circumstances and appetite for risk. Shareholders are therefore recommended to consult their own duly authorised independent advisers in making a decision as to whether or not to participate in the Tender Offer.

The Independent Directors, who have been so advised by Houlihan Lokey, consider the financial terms of the Tender Offer to be fair and reasonable both in respect of Shareholders who elect to participate in the Tender Offer and in respect of Shareholders who do not elect to participate in the Tender Offer. In providing advice to the Independent Directors, Houlihan Lokey has taken into account the Independent Directors' commercial assessments, in particular (but without limitation): (a) their confirmation that as at the date of this document no adjustments to the Additional Reserves are considered necessary; and (b) their view that the level of the Additional Reserves, and in particular the Liquidation Reserves, will only be fully reassessed once the Board is comfortable that the Company has sufficient cash flow to meet future costs and potential liabilities and that an orderly liquidation of the Company is no longer imminent, as set out in paragraph 3 above.

The Independent Directors have each determined to remain invested in the Company throughout its Relaunch and, therefore, have undertaken not to tender any of their Ordinary Shares, equating to, in aggregate, approximately 1.71 per cent. of the Ordinary Shares in issue as at the Latest Practicable Date, in the Tender Offer.

As further set out above, the Tender Offer is conditional on the passing of the Rule 9 Waiver Resolution. If the Tender Offer lapses as a result of the Rule 9 Waiver Resolution not passing at the General Meeting, the Board may consider other options to create liquidity for shareholders, but there is no certainty that any alternative transaction will be available.

Yours faithfully

The Independent Directors

## PART III

### TERMS OF THE TENDER OFFER

Shareholders on the Register at the Record Date (other than certain Overseas Shareholders, as described in paragraph 2 of this Part III) are hereby invited to tender Ordinary Shares for purchase by the Company on the terms and subject to the conditions set out in this document and, for Shareholders who hold their Ordinary Shares in certificated form, in the accompanying Tender Form.

Shareholders do not have to tender any Ordinary Shares if they do not wish to do so. The rights of Shareholders who choose not to tender their Ordinary Shares will be unaffected.

#### 1 Terms and Conditions of the Tender Offer

The Company hereby invites offers of Ordinary Shares by Eligible Shareholders for purchase by the Company on and subject to the following terms and conditions:

- 1.1 The consideration under the Tender Offer is a fixed price of €10.26 in cash per Ordinary Share.
- 1.2 The Tender Offer is for up to 1,286,181 Ordinary Shares in aggregate, representing approximately 69.24 per cent. of the Ordinary Shares in issue and 100 per cent. of the Ordinary Shares in issue excluding those held by the FIG Concert Party and the Independent Directors who have each undertaken not to tender their Ordinary Shares, in each case as at the Latest Practicable Date. The aggregate number of Ordinary Shares purchased pursuant to the Tender Offer shall not in any event exceed 1,286,181 Ordinary Shares.
- 1.3 The Tender Offer is conditional on the passing of the Rule 9 Waiver Resolution. If the Rule 9 Waiver Resolution is not passed at the General Meeting, the Tender Offer will not proceed and will lapse. Subject to the passing of the Rule 9 Waiver Resolution, the Tender Offer is irrevocable.
- 1.4 The Tender Offer will close at 5.00 p.m. (London time) on 4 August 2022 in accordance with the terms and conditions of the Tender Offer and certain applicable provisions of the Exchange Act and no Tender Forms or TTE Instructions received after that time will be accepted in whole or in part, except to the extent that the Company extends the period for tendering under the Tender Offer, in which case a new date for the Tender Offer will be given. The Company reserves the right, subject to applicable legal and regulatory requirements, to extend the period for tendering under the Tender Offer at any time prior to 5.00 p.m. (London time) on 4 August 2022. Any material change to the expected timetable will be notified to Shareholders by way of a press release on the Company's website, an announcement through a Regulatory Information Service and via newswires in the United States. Any such extension will comply with all applicable legal and regulatory requirements including, but not limited to, the duration of such extension. **Notwithstanding any such extension, Shareholders will not be able to withdraw any Ordinary Shares tendered (unless the Tender Offer lapses).**
- 1.5 The Tender Forms which have been, or are deemed to be, validly and properly completed and received by the Registrar by 5.00 p.m. (London time) on 4 August 2022 will become final, binding and irrevocable at such time as they are received.
- 1.6 The Tender Offer is only available to Shareholders (other than certain Overseas Shareholders) on the Register at the Record Date, and only in respect of the number of Ordinary Shares registered in their names on that date. Each Ordinary Share may only be tendered once and the total number of Ordinary Shares tendered by any Eligible Shareholder may not exceed the total number of Ordinary Shares held by such Eligible Shareholder. If the total number of Ordinary Shares tendered does exceed the total number of Ordinary Shares held by such Eligible Shareholder at 5.00 p.m. (London time) on the Record Date (unless the Tender Offer is extended), that Eligible Shareholder will be taken to have tendered all Ordinary Shares held by it.

- 1.7 Ordinary Shares successfully tendered will be acquired by the Company on-market through the available systems of Euronext, with full title guarantee, fully paid and free from all liens, charges, equitable interests and encumbrances and with all rights attaching to the same and will be cancelled and will not rank for any future dividends or other distributions.
- 1.8 Each Eligible Shareholder (other than the members of the FIG Concert Party and the Independent Directors who have undertaken to not tender their Ordinary Shares) will be entitled to sell all of the Ordinary Shares registered in its respective name on the Record Date under the Tender Offer. All Ordinary Shares validly tendered by Eligible Shareholders will be accepted and repurchased in full.
- 1.9 All tenders in respect of Ordinary Shares held in uncertificated form through Euroclear Nederland must be made in accordance with the instructions set out in paragraph 3(a) of this Part III. Eligible Shareholders tendering such uncertificated Ordinary Shares held through Euroclear Nederland must make their acceptance known through their bank or broker no later than 5.00 p.m. (London time) on 4 August 2022 as described in this Part III.
- 1.10 All tenders in respect of Ordinary Shares held in uncertificated form in CREST must be made in accordance with the instructions set out in paragraph 3(b) of this Part III. Eligible Shareholders tendering such uncertificated Ordinary Shares held in CREST must arrange for any uncertificated Ordinary Shares they wish to tender to be transferred into escrow so that the transfer settles by no later than 5.00 p.m. (London time) on 4 August 2022 as described in this Part III. Such tenders will only be valid when the procedures contained in this document and in the relevant parts of the CREST manual are complied with in full. For the purposes of this document, the time of receipt of a TTE Instruction or an electronic tender shall be the time at which the relevant instruction settles in CREST.
- 1.11 All tenders in respect of Ordinary Shares held in certificated form must be made on the accompanying Tender Form duly completed in accordance with the instructions set out in paragraph 3(c) of this Part III and in the Tender Form (which constitutes part of the terms of the Tender Offer). Such tenders will only be valid if the procedures contained in this document and in the Tender Form are complied with in full.
- 1.12 In respect of Ordinary Shares in certificated form, the terms, provisions, instructions and authorities contained in or deemed to be incorporated in the Tender Form constitute part of the terms of the Tender Offer. The provisions of this Part III shall be deemed to be incorporated into and form part of the Tender Form.
- 1.13 The Tender Offer, all acceptances of it and all elections in respect of it, the Tender Form, all contracts made pursuant to the Tender Offer, all action taken or made or deemed to be taken or made pursuant to any of these terms and the relationship between a Shareholder and the Company, ABN AMRO or the Registrar are governed by and shall be construed in accordance with the law of England and Wales.
- 1.14 Subject to paragraph 1.15 of this Part III, the Courts of England and Wales have exclusive jurisdiction to settle any dispute which may arise in connection with the creation, validity, effect, interpretation or performance of, or the legal relationships established by the Tender Offer and the Tender Form or otherwise arising in connection with the Tender Offer and the Tender Form. The execution of a Tender Form or making of an acceptance in respect of the Tender Offer by or on behalf of a Shareholder constitutes such Shareholder's irrevocable submission to the jurisdiction of the Courts of England and Wales.
- 1.15 The agreement in paragraph 1.14 of this Part III is included for the benefit of the Company, ABN AMRO and the Registrar and accordingly, notwithstanding the exclusive agreement in that paragraph, the Company, ABN AMRO and the Registrar shall each retain the right to, and may in

its absolute discretion, bring proceedings in the courts of any other country which may have jurisdiction. The execution of a Tender Form or the making of an acceptance in respect of the Tender Offer by or on behalf of a Shareholder constitutes such Shareholder's irrevocable submission to the jurisdiction of the courts of any such country.

- 1.16 Further copies of the Tender Form may be obtained on request from the Registrar by calling 01481 711301 (or +44 1481 711301 if calling from outside the United Kingdom), between 9.00 a.m. and 5.00 p.m. (London time) Monday to Friday and from the Company's website under "Investor Relations" at [www.eurocastleinv.com](http://www.eurocastleinv.com).
- 1.17 Holdings in certificated form under the same name with different designations will be treated as separate holdings of Shareholders for the purposes of the application of terms of the Tender Offer and a separate Tender Form will need to be submitted in order to tender each such separate holding.
- 1.18 Any omission or failure to send, or make available, this document, the Tender Form or any other document relating to the Tender Offer and/or notice required to be despatched under the terms of the Tender Offer to, or any failure to receive the same by any person to whom the Tender Offer is, or should be made, shall not invalidate the Tender Offer in any way or create any implication that the Tender Offer has not been made to any such person.
- 1.19 All powers of attorney, appointments of agents and authorities conferred by or referred to in this document or (where relevant) the Tender Form are given by way of security for the performance of the obligations of the Shareholders concerned and are irrevocable.
- 1.20 All questions as to the number of Ordinary Shares tendered, the price to be paid therefor and the validity, form, eligibility (including the time of receipt) and acceptance for payment of any tender of Ordinary Shares will be determined by the Company in its discretion, which determination shall be final and binding on all the parties (except as otherwise required under applicable law).
- 1.21 It is expected that the results of the Tender Offer will be announced on 5 August 2022.
- 1.22 All documents and remittances sent by or to Shareholders will be sent at the risk of the Shareholder concerned. If the Tender Offer does not become unconditional and therefore lapses, in respect of Ordinary Shares held in certificated form, certificates and other documents of title will be returned by post to Shareholders not later than 5 Business Days after the date of such lapse, or, in the case of Ordinary Shares held in uncertificated form, the Receiving Agent will provide instructions to Euroclear to transfer all Ordinary Shares held in escrow by TFE Instruction to the accounts to which those Ordinary Shares relate.
- 1.23 The Company reserves the absolute right to reject any or all tenders it determines not to be in proper form or the acceptance or payment for which may, in the opinion of the Company, be unlawful. The Company reserves the absolute right to waive any of the terms of the Tender Offer and any defect or irregularity in the tender of any particular Ordinary Shares or any particular holder thereof to the extent permitted by applicable law. No tender of Ordinary Shares will otherwise be deemed to be validly made until all defects and irregularities have been cured or waived. The consideration under the Tender Offer will not be despatched until after the Tender Form is complete in all respects and the share certificate(s) and/or other document(s) of title satisfactory to the Company have been received or (as the case may be) the relevant TTE Instruction has settled.
- 1.24 The Company will not levy commissions and dealing charges on any Ordinary Shares purchased by it pursuant to the Tender Offer.
- 1.25 The failure of any person to receive a copy of this document or, for a person who holds his Ordinary Shares in certificated form, the Tender Form shall not invalidate any aspect of the Tender Offer.



None of the Company, ABN AMRO, the Registrar or any other person will incur any liability in respect of any person failing to receive this document and/or, for a person who holds its Ordinary Shares in certificated form, the Tender Form, or otherwise any liability to any person for any loss or alleged loss arising from any decision as to the treatment of acceptances of the Tender Offer or otherwise in connection therewith.

- 1.26 None of the Company, ABN AMRO, the Registrar or any other person is or will be obliged to give notice of any defects or irregularities in tenders, and none of them will incur any liability for failure to give any such notice.
- 1.27 No acknowledgement of receipt of any Tender Form, share certificate(s), other document(s) of title and/or TTE Instructions (as appropriate) will be given.
- 1.28 All communications, notices, certificates, documents of title and remittances to be delivered by or sent to or from any Shareholders shall be delivered by or sent to or from them (or their designated agents) at their risk. No acknowledgement of receipt of any Tender Form, transfer by means of CREST, communication, notice, share certificate(s) and/or other document(s) of title shall be given by or on behalf of the Company.
- 1.29 Any reference in this Part III to any law or regulation of any jurisdiction includes: (i) any subordinate legislation or regulation made under it; (ii) any law or regulation which it has amended, supplemented or replaced; and (iii) any law or regulation amending, supplementing or replacing it (whether before or after the date of this document).

## **2 Overseas Shareholders**

- 2.1 The making of the Tender Offer in, or to persons resident in, jurisdictions outside the United Kingdom and the United States, including to custodians, nominees or trustees for persons who are citizens, residents or nationals of jurisdictions outside the United Kingdom and the United States may be prohibited or affected by the laws of the relevant overseas jurisdiction. Shareholders who are Overseas Shareholders should inform themselves about and observe any applicable legal or regulatory requirements. It is the responsibility of any such Shareholder wishing to tender Ordinary Shares to satisfy himself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdiction. If a Shareholder is in any doubt about its position, it should consult its professional adviser in the relevant jurisdiction. Any such Shareholder will be responsible for any such issue, transfer or other taxes by whomsoever payable and the Company and any person acting on their behalf shall be fully indemnified and held harmless by such Shareholder for any such issue, transfer or other taxes such person may be required to pay. No steps have been taken to register or qualify the Tender Offer or to authorise the extending of this Tender Offer or the distribution of this document, the Tender Form or any related documents in any territory outside the United Kingdom and the United States.
- 2.2 In particular, the Tender Offer is not being made, directly or indirectly, in or into the Restricted Jurisdictions.
- 2.3 Copies of this document, the Tender Form and any related documents must not be mailed or otherwise distributed or sent in, into or from any of the Restricted Jurisdictions, including to Shareholders with registered addresses in any of the Restricted Jurisdictions or to persons who are custodians, nominees or trustees holding shares for persons in any of the Restricted Jurisdictions. Persons receiving such documents (including, without limitation, custodians, nominees and trustees) should not distribute, send or mail them in, into or from any of the Restricted Jurisdictions or use such mails or any such means, instrumentality or facility in connection with the Tender Offer

to do so, and so doing may render invalid any purported tender under the Tender Offer. Persons wishing to tender under the Tender Offer should not use such mails or any such means, instrumentality or facility for any purpose, directly or indirectly, relating to any tender under the Tender Offer. Envelopes containing Tender Forms should not be postmarked in any of the Restricted Jurisdictions or otherwise despatched from any of the Restricted Jurisdictions and all tendering Shareholders must provide addresses outside the Restricted Jurisdictions for the remittance of cash or return of any documents.

- 2.4 A Shareholder will be deemed not to have tendered Ordinary Shares pursuant to the Tender Offer if: (i) such Shareholder is unable to make the representations and warranties set out in paragraph 6 (headed "Effect of Tender") of this Part III; (ii) such Shareholder completes a Tender Form with an address in any of the Restricted Jurisdictions or has a registered address in any of the Restricted Jurisdictions and in either case such Shareholder does not insert in the Tender Form the name and address of the person or agent outside any of the Restricted Jurisdictions to whom he wishes the consideration to which he is entitled under the Tender Offer to be sent, subject to the provisions of this paragraph and applicable law; or (iii) such Shareholder inserts in such Tender Form the name and address of the person or agent in any of the Restricted Jurisdictions to whom he wishes the consideration to which such Shareholder is entitled under the Tender Offer to be sent; or (iv) the Tender Form received from him is in an envelope postmarked in, or which otherwise appears to the Company, ABN AMRO, the Registrar or their agents to have been sent from, any of the Restricted Jurisdictions. The Company reserves the right, in its absolute discretion, to investigate in relation to any acceptance whether the representations and warranties referred to in paragraphs 6.4(viii) and 6.4(ix) of paragraph 6 (headed "Effect of Tender") of this Part III given by any Shareholder are correct and, if such investigation is undertaken and as a result the Company determines (for any reason) that such representation and warranty is not correct, such acceptance shall not be valid.
- 2.5 If, in connection with making the Tender Offer, notwithstanding the restrictions described above, any person (including, without limitation, custodians, nominees and trustees), whether pursuant to a contractual or legal obligation or otherwise, forwards this document, the Tender Form or any related documents in, into or from any of the Restricted Jurisdictions, such person should:
- (i) inform the recipient of such fact;
  - (ii) explain to the recipient that such action may invalidate any purported acceptance by the recipient; and
  - (iii) draw the attention of the recipient to this paragraph 2.
- 2.6 The provisions in this paragraph 2 and/or any other terms of the Tender Offer relating to Overseas Shareholders may be waived, varied or modified as regards a specific Shareholder or on a general basis by the Company or its agents in their absolute discretion but only if the Company or its agents is/are satisfied that such waiver, variation or modification will not constitute or give rise to breach of applicable securities or other laws. References to a "Shareholder" shall include references to the persons executing Tender Forms and, in the event of more than one person executing Tender Forms, the provisions in this paragraph 2 shall apply to them jointly and severally.

**Overseas Shareholders should inform themselves about and observe any applicable legal or regulatory requirements. If Shareholders are in any doubt about their position, they should consult their professional adviser in the relevant territory.**

### **3 Procedure for Tendering**

**There are different procedures for tendering Ordinary Shares depending on whether Ordinary Shares are held in uncertificated or certificated form**

If an Eligible Shareholder holds Ordinary Shares in uncertificated form in Euroclear Nederland it should make its acceptance known to its bank or broker. The procedure for tendering Ordinary Shares held through Euroclear Nederland is set out in paragraph 3(a) of this Part III.

If an Eligible Shareholder holds Ordinary Shares in uncertificated form in CREST it may only tender such Ordinary Shares by arranging for the transfer of such Ordinary Shares into escrow in accordance with the procedure set out in paragraph 3(b) of this Part III. If those Ordinary Shares are held under different Member Account IDs, it should send a separate TTE Instruction for each Member Account ID. If Eligible Shareholders who hold Ordinary Shares in uncertificated form in CREST wish to receive payment of any proceeds from the repurchase of Ordinary Shares otherwise than by cheque, they should also complete a CREST Payment Form and return this to the Registrar.

If an Eligible Shareholder holds Ordinary Shares in certificated form, it may only tender such Ordinary Shares by completing and returning the Tender Form in accordance with the instructions set out in paragraph 3(c) of this Part III and the instructions printed thereon.

If an Eligible Shareholder holds Ordinary Shares in certificated form but under different designations, it should complete a separate Tender Form, as appropriate, in respect of each designation. Additional Tender Forms and CREST Payment Forms are available from the Registrar by telephone on 01481 711301 (or on +44 1481 711301 if calling from outside the United Kingdom).

**(a) Ordinary Shares held in uncertificated form through Euroclear Nederland**

Eligible Shareholders who hold their Ordinary Shares in uncertificated form through an Admitted Institution and who wish to tender all or any of their existing holdings of Ordinary Shares are requested to make their acceptance known through their bank or broker no later than 5.00 p.m. (London time) on 4 August 2022, unless the acceptance period is extended. The relevant bank or broker or Euroclear Nederland may set an earlier deadline for communication by Shareholders in order to permit the bank or broker to communicate acceptances to ABN AMRO, as agent for the Company.

The Admitted Institutions may tender Ordinary Shares for acceptance only to ABN AMRO, as agent for the Company, and only in writing. In tendering the acceptances, each Admitted Institution is required to declare (i) its remaining holding after the tender of Ordinary Shares ("**Remaining Holding**") through Euroclear Nederland per the Record Date, (ii) that it has the tendered Ordinary Shares in its administration, (iii) that each Shareholder who accepts the Tender Offer (a) irrevocably represents and warrants that the Ordinary Shares are being tendered in compliance with the restrictions outlined in this document, and (b) irrevocably represents and warrants that he/she is not over-tendering his/her position, (iv) that it undertakes to transfer the Ordinary Shares free and clear of any rights of pledge or usufruct, liens or attachments or similar charges to the Company on the Settlement Date, (v) that it authorises Euroclear Nederland to inform ABN AMRO of its Remaining Holding per the Record Date, and (vi) that, on request from the Company (or ABN AMRO acting as agent on its behalf), it will provide the legal name of the beneficial Shareholder wishing to tender.

The acceptances from Shareholders of Ordinary Shares in the book-entry system of Euroclear Nederland shall constitute irrevocable instructions to the relevant Admitted Institutions to block any attempt to transfer the Ordinary Shares tendered, so that on or prior to the Settlement Date no transfer of such Ordinary Shares may be effected (other than to the Company on or prior to the Settlement Date), and to debit the securities account in which such Ordinary Shares are held on the Settlement Date in respect of the Ordinary Shares tendered, against payment by the Company to Euroclear Nederland of the Tender Price in respect of those Ordinary Shares on the Settlement Date. If an Eligible Shareholder holds Ordinary Shares through Euroclear Nederland and has any questions about the procedure for tendering, it should contact its bank or broker or alternatively ABN AMRO between 9.00 a.m. and 5.00 p.m. (CET) Monday to Friday on +31 20 383 5454 or via email

at [as.exchange.agency@nl.abnamro.com](mailto:as.exchange.agency@nl.abnamro.com). Please note that calls to ABN AMRO may be monitored or recorded and that ABN AMRO will not give advice on the merits of the Tender Offer or provide legal, financial or taxation advice, and accordingly, for such advice an Eligible Shareholder should consult its stockbroker, solicitor, accountant, bank manager or other independent professional adviser.

**(b) Ordinary Shares held in uncertificated form in CREST**

If the Ordinary Shares which an Eligible Shareholder wishes to tender are held in uncertificated form in CREST, then to tender such shares it must take (or procure the taking of) the action set out below to transfer (by means of a TTE Instruction) the number of Ordinary Shares which it wishes to tender under the Tender Offer to the appropriate escrow account, specifying JTC Registrars Limited (in its capacity as a CREST participant under the relevant Participant ID and Member Account ID referred to below) as the Escrow Agent, as soon as possible and in any event **so that the TTE Instruction settles by no later than 5.00 p.m. (London time) on 4 August 2022**. Please note that settlement cannot take place on weekends or bank holidays (or other times at which the CREST system is non-operational) and each Eligible Shareholder should therefore ensure it times the input of any TTE Instructions accordingly. No tenders received after that time will be accepted.

A correctly completed electronic transfer of Ordinary Shares made in accordance with this paragraph 3(b) (which has not been validly withdrawn) shall constitute an irrevocable offer to sell the number of Ordinary Shares at the Tender Price on the terms of the Tender Offer, by transferring such shares to the relevant escrow account as detailed in paragraph 3(b)(i) of this Part III. If an Eligible Shareholder is a CREST sponsored member, it should refer to its CREST sponsor before taking any action. Its CREST sponsor will be able to confirm details of the Participant ID and the Member Account ID under which an Eligible Shareholder's Ordinary Shares are held. In addition, only the relevant CREST sponsor will be able to send the TTE Instruction to Euroclear UK in relation to the Ordinary Shares which an Eligible Shareholder wishes to tender.

After settlement of a TTE Instruction, an Eligible Shareholder will not be able to access in CREST, for any transaction or charging purposes, the Ordinary Shares the subject of such TTE Instruction, notwithstanding that they will be held by JTC Registrars Limited as the Escrow Agent until completion or lapsing of the Tender Offer. If the relevant tender is accepted, the Escrow Agent will transfer the Ordinary Shares to itself for cancellation, returning any Ordinary Shares not successful in the Tender Offer to the relevant Eligible Shareholder.

Eligible Shareholders are recommended to refer to the CREST manual published by Euroclear UK for further information on the CREST procedures outlined below. This can be downloaded from the Euroclear UK website at [www.euroclear.co.uk](http://www.euroclear.co.uk).

**Eligible Shareholders should note that Euroclear UK does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in connection with a TTE Instruction and its settlement. Each Eligible Shareholder should therefore ensure that all necessary action is taken by it (or by its CREST sponsor) to enable a TTE Instruction relating to its Ordinary Shares to settle prior to 5.00 p.m. (London time) on 4 August 2022. Reference is made to those sections of the CREST manual concerning practical limitations of the CREST system and timings.**

*(i) Electronic Transfer Instructions*

To tender Ordinary Shares in uncertificated form an Eligible Shareholder should send (or if it is a CREST sponsored member, procure its CREST sponsor sends) to Euroclear UK a TTE Instruction in relation to such Ordinary Shares. A TTE Instruction to Euroclear UK must be

properly authenticated in accordance with Euroclear UK's specifications for transfers to escrow and must contain the following additional details:

- (a) the number of Ordinary Shares in respect of which it wishes to tender and which are to be transferred to an escrow account;
- (b) its Member Account ID;
- (c) its Participant ID;
- (d) the Participant ID of the Escrow Agent, in its capacity as a CREST receiving agent. This is 7RA80;
- (e) the Member Account ID of the Escrow Agent. For the purposes of the Tender Offer this will be ECCP;
- (f) the ISIN of the Ordinary Shares, which is GB00B94QM994;
- (g) the intended settlement date. This should be as soon as possible and, in any event, not later than 5.00 p.m. (London time) on 9 August 2022;
- (h) input with standard delivery instruction of priority 80;
- (i) the corporate action number for the Tender Offer. This is allocated by Euroclear UK and can be found by viewing the relevant corporate action details in CREST; and
- (j) the contact name and telephone number inserted in the shared note field.

An appropriate announcement through a Regulatory Information Service will be made if any of the details contained in this paragraph 3(b)(i) are altered.

If Eligible Shareholders who hold Ordinary Shares in uncertificated form through CREST wish to receive payment of any proceeds from the repurchase of Ordinary Shares otherwise than by cheque, they should also complete a CREST Payment Form and return this to the Registrar.

(ii) *Deposits of Ordinary Shares into, and withdrawals of Ordinary Shares from, CREST*

Normal CREST procedures (including timings) apply in relation to any Ordinary Shares that are, or are to be, converted from uncertificated to certificated form, or from certificated to uncertificated form, during the course of the Tender Offer (whether such conversion arises as a result of a transfer of Ordinary Shares or otherwise). Shareholders who are proposing to convert any such Ordinary Shares are recommended to ensure that the conversion procedures are implemented in sufficient time to enable the person holding or acquiring the Ordinary Shares as a result of the conversion to take all necessary steps in connection with such person's participation in the Tender Offer (in particular, as regards delivery of share certificates and/or other documents of title or transfers to an escrow balance as described above) prior to 5.00 p.m. (London time) on 4 August 2022.

If an Eligible Shareholder is in any doubt as to the procedure for transferring its Ordinary Shares electronically, it should telephone the Registrar between 9.00 a.m. and 5.00 p.m. (London time) Monday to Friday on 01481 711301 (or on +44 1481 711301 if calling from outside the United Kingdom). Please note that calls to the Registrar may be monitored or recorded and that the Registrar will not be able to give advice on the merits of the Tender Offer or to provide legal, financial or taxation advice, and accordingly, for such advice an Eligible Shareholder should consult its stockbroker, solicitor, accountant, bank manager or other independent professional adviser.

Each Eligible Shareholder is reminded that, if it is a CREST sponsored member, it should contact its CREST sponsor before taking any action.

Shareholders should note that once tendered, Ordinary Shares may not be sold, transferred, charged or otherwise disposed of.

**(c) Ordinary Shares held in certificated form (that is, not in Euroclear Nederland or CREST)**

To tender its Ordinary Shares held in certificated form an Eligible Shareholder must complete, sign and have witnessed the Tender Form. The completed, signed and witnessed Tender Form should be sent either by post or by hand during normal business hours only to JTC Registrars Limited, PO Box 156, Ground Floor, Dorey Court, Admiral Park, St Peter Port, Guernsey GY1 4EU **as soon as possible and, in any event, so as to be received not later than 5.00 p.m. (London time) on 4 August 2022**. No tenders received after that time will be accepted. No acknowledgement of receipt of documents will be given. Any Tender Form received in an envelope postmarked in a Restricted Jurisdiction or otherwise appearing to the Company or its agents to have been sent from any of those jurisdictions may be rejected as an invalid tender. For further information on Overseas Shareholders, see paragraph 2 (headed "Overseas Shareholders") of this Part III.

The completed and signed Tender Form should be accompanied, where possible, by the relevant share certificate(s) and/or other document(s) of title.

If an Eligible Shareholder's share certificate(s) and/or other document(s) of title is/are not readily available (for example, if they are with its stockbroker, bank or other agent) or are lost, the Tender Form should nevertheless be completed, signed and returned as described above **so as to be received by the Registrar, not later than 5.00 p.m. (London time) on 4 August 2022**, together with any share certificate(s) and/or documents(s) of title that it may have available with a note of explanation stating that the remaining documents will follow as soon as possible or that it has lost one or more of its share certificate(s) and/or other document(s) of title. The relevant share certificate(s) and document(s) of title should be forwarded as soon as possible thereafter and, in any event, so as to arrive by not later than 5.00 p.m. (London time) on 4 August 2022.

In respect of those Ordinary Shares for which its share certificate(s) is/are lost, an Eligible Shareholder should complete a letter of indemnity, which can be obtained by either (i) emailing the Registrar at [registrars@jtcgroup.com](mailto:registrars@jtcgroup.com) and requesting the same: or (ii) writing to JTC Registrars Limited, PO Box 156, Ground Floor, Dorey Court, Admiral Park, St Peter Port, Guernsey GY1 4EU. **This indemnity should be returned as described above so as to be received by the Registrar, not later than 5.00 p.m. (London time) on 4 August 2022.**

Where an Eligible Shareholder has returned a letter of indemnity in respect of unavailable share certificate(s) and it subsequently finds or obtains the relevant share certificate(s), it should immediately deliver the share certificate(s) by hand during normal business hours only or by post to the Registrar, as described above.

If a Shareholder does not return his share certificate(s) by 5.00 p.m. (London time) on 4 August 2022, the Company may deem (in its absolute discretion) that such Shareholder has only tendered the number of Ordinary Shares in respect of which share certificates have been received.

#### **4 Tenders through Euroclear Nederland**

Each Shareholder by whom, or on whose behalf, a tender through an Admitted Institution is made irrevocably undertakes, represents, warrants and agrees to and with the Company and ABN AMRO (so as to bind them, their personal representatives, heirs, successors and assigns) on the date that such Ordinary Shares are tendered up to and including the Settlement Date that:

- (a) the tender of any Ordinary Shares constitutes an acceptance by the Shareholder of the Tender Offer, on the terms and subject to the conditions and restrictions of the Tender Offer;
- (b) such Shareholder is not over-tendering his/her position and will deliver the Ordinary Shares on the Closing Date;
- (c) such Shareholder has full power and authority to tender, sell and deliver, and has not entered into any other agreement to tender, sell or deliver the Ordinary Shares stated to have been tendered to any party other than the Company (together with all rights attaching thereto) and, when such Ordinary Shares are purchased by the Company for cash, the Company acquires such Ordinary Shares, with full title guarantee and free from all liens, charges, encumbrances, equitable interests, rights of pre-emption or other third party rights of any nature and together with all the rights attaching thereto;
- (d) such Ordinary Shares are being tendered in compliance with the restrictions set out in this document and the securities and other applicable laws or regulations of the jurisdiction in which the Shareholder is located or of which it is a resident and no registration, approval or filing with any regulatory authority of such jurisdiction is required in connection with the tendering of such Ordinary Shares; and
- (e) if requested by the Company (or ABN AMRO acting as agent on its behalf), it will provide the legal name of the beneficial Shareholder wishing to tender.

## **5 Tenders through CREST**

Each Shareholder by whom, or on whose behalf, a tender through CREST is made irrevocably undertakes, represents, warrants and agrees to and with the Company and the Registrar (so as to bind him, his personal representatives, heirs, successors and assigns) on the date that such Ordinary Shares are tendered up to and including the Settlement Date that:

- 5.1 the input of the TTE Instruction shall constitute an offer to sell to the Company at the Tender Price such number of Ordinary Shares as are specified in the TTE Instruction or deemed to be tendered, in each case, on and subject to the terms and conditions set out or referred to in this document and that once the TTE Instruction has settled, such tender shall be irrevocable;
- 5.2 such Shareholder has full power and authority to tender, sell, assign or transfer the Ordinary Shares in respect of which such offer is accepted (together with all rights attaching thereto) and, when the same are purchased by the Company, the Company will acquire such Ordinary Shares with full title guarantee, fully paid and free from all liens, charges, encumbrances, equitable interests, rights of pre-emption or other third party rights of any nature and together with all rights attaching thereto, on 4 August 2022, including the right to take the Ordinary Shares and to receive all dividends and other distributions declared, paid or made on or after 4 August 2022;
- 5.3 the input of the TTE Instruction will constitute the irrevocable appointment of the Registrar as the Shareholder's escrow agent and an irrevocable instruction and authority to the Escrow Agent to transfer to itself by means of CREST and then to transfer to the Company (or to such person or persons as the Company may direct) by means of CREST all or any of the Relevant Shares (as defined below) in respect of which the Tender Offer is accepted or deemed to be accepted. For the purposes of this paragraph 5.3, "Relevant Shares" means Ordinary Shares in uncertificated form in CREST and in respect of which a transfer or transfers to escrow has or have been effected pursuant to the procedures described in this Part III;
- 5.4 such Shareholder will ratify and confirm each and every act or thing which may be done or effected by the Company, or any of its Directors or any person nominated by them or the Escrow Agent in the proper exercise of its or his/her powers and/or authorities hereunder;

- 5.5 it shall do all such acts and things as shall be necessary or expedient and execute any additional documents deemed by the Company to be desirable, in each case to complete the purchase of the Ordinary Shares and/or to perfect any of the authorities expressed to be given hereunder;
- 5.6 such Shareholder, if an Overseas Shareholder, has fully observed and complied with any applicable legal requirements so that the invitation under the Tender Offer may be lawfully made to him under the laws of the relevant jurisdiction;
- 5.7 the creation of a CREST payment obligation in favour of such Shareholder's payment bank in accordance with the CREST payment arrangements as referred to in paragraph 3 of this Part III will, to the extent of the obligations so created, discharge fully any obligation of the Company to pay to such Shareholder the cash consideration to which he is entitled under the Tender Offer;
- 5.8 the input of the TTE Instruction constitutes such Shareholder's submission to the jurisdiction of the Courts of England and Wales in relation to all matters arising out of or in connection with the Tender Offer;
- 5.9 if, for any reason, any Ordinary Shares in respect of which a TTE Instruction has been made are, prior to 5.00 p.m. (London time) on 4 August 2022, converted into certificated form, the tender through CREST in respect of such Ordinary Shares shall cease to be valid and the Shareholder will need to comply with the procedures for tendering Ordinary Shares in certificated form as set out in this Part III in respect of the Ordinary Shares so converted, if he wishes to make a valid tender of such Ordinary Shares pursuant to the Tender Offer; and
- 5.10 if the appointment of attorney and/or agent provision under sub-paragraph 5.3 above shall be unenforceable or invalid or shall not operate so as to afford any director or officer of the Company, or the Registrar the benefit or authority expressed to be given therein, the Shareholder shall with all practicable speed do all such acts and things and execute all such documents that may be required to enable the Company or the Registrar to secure the full benefits of sub-paragraph 5.3 above.

## 6 Effect of Tender

Each Shareholder who tenders Ordinary Shares, or on whose behalf Ordinary Shares are tendered, irrevocably undertakes, represents, warrants and agrees to and with the Company and the Registrar (so as to bind him, his personal or legal representatives, heirs, successors and assigns) on the date that such Ordinary Shares are tendered up to and including the Settlement Date that:

- 6.1 in respect of an Eligible Shareholder by whom, or on whose behalf, a Tender Form is executed, the execution of the Tender Form shall constitute an offer to sell to the Company at the Tender Price, the number of Ordinary Shares inserted in the Tender Form or deemed to be inserted, in each case on and subject to the terms and conditions set out and referred to in this document and the Tender Form;
- 6.2 such Shareholder has full power and authority to tender, sell, assign or transfer the Ordinary Shares in respect of which such offer is accepted (together with all rights attaching thereto) and when the same are purchased, the Company will acquire such Ordinary Shares with full title guarantee and free from all liens, charges, encumbrances, equitable interests, rights of pre-emption or other third party rights of any nature together with all rights attaching thereto on 4 August 2022, including the right to vote and to receive all dividends and other distributions declared, paid or made on or after 4 August 2022;
- 6.3 the execution of the Tender Form will constitute the irrevocable appointment of any director or officer of the Company, or other person(s) nominated by the Company, as such Shareholder's attorney and/or agent ("**attorney**") and an irrevocable instruction and authorisation for the attorney to complete and execute all or any instruments of transfer and/or other documents at the attorney's



discretion in relation to the Ordinary Shares being tendered by that Shareholder in favour of the Company and to deliver such instrument(s) of transfer and/or other documents at the discretion of the attorney, together with the share certificate(s) and/or any other document(s) relating to such Ordinary Shares, for registration within six months of the Closing Date and to do all such other acts and things as may, in the opinion of such attorney, be necessary or expedient for the purpose of or in connection with the Tender Offer and to vest in the Company or its nominee(s) such Ordinary Shares;

- 6.4 such Shareholder agrees to ratify and confirm each and every act or thing which may be done or effected by such attorney and/or by the Company, or any of its Directors in the proper exercise of its or his or her powers and/or authorities hereunder:
- (i) such Shareholder holding Ordinary Shares in certificated form will deliver to the Registrar their share certificate(s) and/or other document(s) of title in respect of the Ordinary Shares being tendered by that Shareholder or an indemnity acceptable to the Company in lieu thereof or will procure the delivery of such document(s) to such person as soon as possible thereafter and, in any event, before 5.00 p.m. (London time) on 4 August 2022;
  - (ii) the provisions of the Tender Form shall be deemed to be incorporated into the terms and conditions of the Tender Offer;
  - (iii) such Shareholder shall do all such things and acts as shall be necessary or expedient and execute any additional documents deemed by the Company to be desirable to complete the Company's purchase of the Ordinary Shares and/or to perfect any of the authorities expressly given hereunder;
  - (iv) such Shareholder, if an Overseas Shareholder, has fully observed and complied with any applicable legal requirements so that the invitation under the Tender Offer may be lawfully made to him under the laws of the relevant jurisdiction;
  - (v) such Shareholder is not a resident of the Restricted Jurisdictions, does not hold any Ordinary Shares which he has tendered on behalf of a resident of the Restricted Jurisdictions and has not received or sent copies or originals of this document, the Tender Form or any related document in, into or from the Restricted Jurisdictions and has not otherwise utilised in connection with the Tender Offer, directly or indirectly, the mails of or any means or instrumentality (including, without limitation, facsimile transmission, telex, telephone and internet) of interstate or foreign commerce of, or any facility of a national securities exchange of, the Restricted Jurisdictions, the Tender Form has not been mailed or otherwise been sent in, into or from the Restricted Jurisdictions and such Shareholder is tendering Ordinary Shares pursuant to the Tender Offer from outside the Restricted Jurisdictions and such Shareholder is not an agent or fiduciary acting on a non-discretionary basis for the principal who has given any instructions with respect to the Tender Offer from within the Restricted Jurisdictions;
  - (vi) on execution each Tender Form takes effect as a deed;
  - (vii) that the execution of a Tender Form constitutes an irrevocable authorisation and request to the Company to procure the despatch by post of a cheque drawn in Euro at a branch of a UK clearing bank for the cash consideration to which a tendering Shareholder is entitled, at the risk of such Shareholder, to the person whose name and address outside any of the Restricted Jurisdictions is set out in the Tender Form;
  - (viii) that the execution of a Tender Form constitutes such Shareholder's submission to the jurisdiction of the Courts of England and Wales in relation to all matters arising out of or in connection with the Tender Offer or the Tender Form;

- (ix) the execution of the Tender Form constitutes a warranty by such Shareholder that the information given by or on behalf of the Shareholder in the Tender Form will be true in all respects at the time the Company purchases the Ordinary Shares referred to in paragraph 6.1 of this Part III as if it had been given afresh at such time and shall not be extinguished by such purchase; and
- (x) the Company will be taken to have accepted a Shareholder's offer referred to in paragraph 6.1 of this Part III by paying to such Shareholder the Tender Price for each Ordinary Share tendered in accordance with this Tender Offer.

A reference in this paragraph 6 headed "Effect of Tender" to a Shareholder includes a reference to the person or persons executing the Tender Form and, in the event of more than one person executing a Tender Form, the provisions of this paragraph 6 will apply to them jointly and severally.

## **7 Purchase of Ordinary Shares and Settlement**

Upon the terms and conditions of the Tender Offer (including the passing of the Rule 9 Waiver Resolution), the Company expects to complete the purchase of Ordinary Shares on or around 9 August 2022. Payment for the Ordinary Shares which are to be purchased pursuant to the Tender Offer will be made by 9 August 2022 and will be made in cash only.

Delivery of cash for the Ordinary Shares to be purchased by the Company pursuant to the Tender Offer will be made by ABN AMRO (on behalf of the Company) or the Registrar, as described below. Under no circumstances will interest be paid on the cash to be paid by the Company notwithstanding any delay in making such payment.

Settlement of the consideration to which any Eligible Shareholder is entitled pursuant to valid tenders accepted by the Company will be made as follows:

### **(a) Ordinary Shares in uncertificated form held through Euroclear Nederland**

Where an accepted tender relates to Ordinary Shares held by Shareholders in uncertificated form through Euroclear Nederland, the consideration will be paid in Euro through Euroclear Nederland by ABN AMRO (as agent for, and on behalf of, the Company) in favour of the relevant Admitted Institutions of tendering Shareholders by 9 August 2022, against delivery of the Ordinary Shares tendered.

### **(b) Ordinary Shares in uncertificated form in CREST**

Where an accepted tender relates to Ordinary Shares held by Shareholders in uncertificated form in CREST, unless a CREST Payment Form is delivered to the Registrar, payment for the consideration will be made by cheque made payable to the registered Shareholder and sent to their address on the Company's register of Shareholders and despatched by 9 August 2022 by the Registrar (on behalf of the Company) by post, at the risk of the person(s) so entitled. Such address must be outside of the Restricted Jurisdictions. All payments will be made in Euro by cheque, drawn on a branch of an Irish clearing bank.

If Eligible Shareholders hold Ordinary Shares in uncertificated form in CREST and wish to receive payment of any proceeds from the repurchase of Ordinary Shares otherwise than by cheque, they should also complete a CREST Payment Form and return this to the Registrar.

### **(c) Ordinary Shares in certificated form**

Where an accepted tender relates to Ordinary Shares held by Shareholders in certificated form, payment for the consideration will be made by cheque made payable to the registered Shareholder and sent to their address on the Company's register of Shareholders and despatched by 9 August 2022 by the Registrar (on behalf of the Company) by post, at the risk of the person(s) whose name

and address is set out in the Tender Form. Such address must be outside of the Restricted Jurisdictions. All payments will be made in Euro by cheque, drawn on a branch of an Irish clearing bank.

The Company reserves the right to settle all or any part of the consideration referred to in this paragraph 7, for all or any tendering Shareholder(s), in the manner referred to in paragraph 7(c) above if, for any reason, it wishes to do so.

## **PART IV UNITED KINGDOM TAXATION**

**THIS SUMMARY IS NOT INTENDED AS TAX ADVICE TO ANY PARTICULAR SHAREHOLDER, WHICH CAN BE RENDERED ONLY IN LIGHT OF THAT SHAREHOLDER'S PARTICULAR TAX SITUATION. ACCORDINGLY, EACH SHAREHOLDER IS URGED TO CONSULT SUCH SHAREHOLDER'S TAX ADVISER WITH RESPECT TO THE SPECIFIC TAX CONSEQUENCES OF SELLING SHARES PURSUANT TO THE TENDER OFFER TO SUCH SHAREHOLDER. ALL SHAREHOLDERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.**

The following summary of the tax treatment in the United Kingdom is intended as a general guide only and is not intended to be exhaustive. It is based on certain aspects of current United Kingdom tax law as applied in England and Wales and H.M. Revenue & Customs' published practice (which may not be binding on H.M. Revenue & Customs) as at the date of this document, both of which are subject to change, possibly with retrospective effect. It does not constitute tax advice. The summary is drafted on the basis that the Company is resident for tax purposes solely in Guernsey and, other than in respect of the paragraph below entitled "Stamp duty and stamp duty reserve tax ("SDRT")", it relates only to Shareholders who are only resident in the United Kingdom for tax purposes, who beneficially own their Ordinary Shares, and who hold their Ordinary Shares as investments. It may not be applicable to certain Shareholders, including insurance companies, dealers in securities, and Shareholders who hold their shares by virtue of an office or employment. Each Shareholder is liable for its own taxes and has no recourse to the Company, the Board, ABN AMRO or any of their respective affiliates with respect to taxes arising in connection with the Tender Offer.

### **Taxation of Corporate Shareholders**

A sale of Ordinary Shares pursuant to the Tender Offer by a Shareholder within the charge to United Kingdom corporation tax may, depending on the Shareholder's individual circumstances (including the availability of exemptions, reliefs, or allowable losses), give rise to a liability to United Kingdom corporation tax on chargeable gains. Such liability will be calculated by reference to any amount received up to the par value of those Ordinary Shares (broadly being the nominal value of the Ordinary Shares (which is nil) plus any premium on issue). Any amount received pursuant to the sale in excess of the par value of such Ordinary Shares will be an income distribution for United Kingdom corporation tax purposes. Shareholders who are within the charge to United Kingdom corporation tax will be subject to corporation tax on distributions paid by the Company, unless (subject to special rules for such Shareholders that are small companies) the distribution falls within an exempt class and certain other conditions are met (as set out in Part 9A of the Corporation Tax Act 2009). Each Shareholder's position will depend on its own individual circumstances, although it would normally be expected that the distributions paid by the Company would fall within an exempt class. However, if the Shareholder benefits from the distribution exemption (set out in Part 9A of CTA 2009) in respect of such income distribution, the full consideration received for such Ordinary Shares will be treated as disposal proceeds for the purposes of United Kingdom corporation tax on chargeable gains.

### **Taxation of Individuals**

On the assumption that a sale of Ordinary Shares pursuant to the Tender Offer is treated as a capital transaction as a matter of Guernsey corporate law, any such sale by a United Kingdom resident individual Shareholder should give rise to a chargeable gain for the purposes of United Kingdom taxation of capital gains.

### **Transactions in Securities**

The attention of Shareholders is drawn to the provisions of Chapter 1 of Part 13 of the Income Tax Act 2007 and Part 15 of the Corporation Tax Act 2010. Under these provisions, H.M. Revenue & Customs is permitted in certain circumstances to counteract tax advantages arising in relation to a transaction or transactions in securities (which would include the Tender Offer). If these provisions were to be applied by H.M. Revenue & Customs to the proposed Tender Offer, in broad terms, Shareholders successfully tendering their Ordinary Shares under the Tender Offer might be liable to taxation as if they had received an income rather than a capital amount.

It is not expected that the Company will make any application to H.M. Revenue & Customs for clearance that the provisions of Chapter 1 of Part 13 of the Income Tax Act 2007 or Part 15 of the Corporation Tax Act 2010 will not apply in relation to the Tender Offer.

### **Stamp duty and stamp duty reserve tax ("SDRT")**

The sale of Ordinary Shares to the Company through ABN AMRO, acting for and on behalf of the Company as agent pursuant to the Tender Offer, will not give rise to any liability to United Kingdom stamp duty or SDRT for the selling Shareholder.

**PART V**  
**FINANCIAL AND RATINGS INFORMATION RELATING TO THE COMPANY**

**Part A: Financial information relating to the Company**

The following sets out financial information in respect of the Company as required by Rule 24.3(e) of the Code. The documents referred to below are incorporated into this document by reference pursuant to Rule 24.15 of the Code:

<b>Document</b>	<b>Section</b>	<b>Page reference in relevant document</b>
Interim unaudited management statement for the period commencing on 1 January 2022 and ending on 31 March 2022	Q1 2022 Business Highlights	4
	Balance sheet and Adjusted NAV reconciliation	5
Audited financial statements for the year ended 31 December 2021 (included in the Company's 2021 Annual Report)	Independent auditor's report	9 to 15
	Income statement	17
	Balance sheet	18
	Cash flow statement	19
	Statement of changes in equity	20
	Notes to the financial statements	21 to 34
Audited financial statements for the year ended 31 December 2020 (included in the Company's 2020 Annual Report)	Independent auditor's report	11 to 16
	Income statement	18
	Balance sheet	19
	Cash flow statement	20
	Statement of changes in equity	21
	Notes to the financial statements	22 to 36

Each of the above documents is available on the Company's website under "Investor Relations" at [www.eurocastleinv.com](http://www.eurocastleinv.com). If you are reading this document in hard copy, please enter the web address above in your web browser to be brought to the relevant document. If you are reading this document in soft copy, please click on the web address above to be brought to the relevant document.

The information is available in "read-only" format and can be printed from the web address detailed above.

**No incorporation of website information**

Neither the content of the Company's website, nor the content of any website accessible from hyperlinks on the Company's website, is incorporated into, or forms part of, this document.

**Part B: Company ratings and outlook information**

No ratings agency has publicly accorded any current credit rating or outlook for the Company.

## **PART VI**

### **ADDITIONAL INFORMATION**

#### **1 Responsibility**

- 1.1 The Directors, whose names appear in paragraph 3 of this Part VI, accept responsibility for the information contained in this document (including any expressions of opinion), save that:
  - 1.1.1 Randal Nardone and Peter Smith, who have not participated in the Independent Director's consideration of the Waiver, take no responsibility for the recommendations by the Independent Directors set out in paragraph 12 of Part II of this document; and
  - 1.1.2 the only responsibility accepted by the Directors in respect of the information in this document relating to the FIG Concert Party has been to ensure that such information has been correctly and fairly reproduced or presented (and no steps have been taken by the Directors to verify this information).
- 1.2 Randal Nardone and Peter Smith, being directors of the Company and members of the FIG Concert Party, accept responsibility for the information contained in this document which relates to the FIG Concert Party.
- 1.3 To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document (including any expressions of opinion) for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

#### **2 Information on the Company**

- 2.1 Eurocastle Investment Limited is a public company limited by shares incorporated in Guernsey on 8 August 2003 with registered number 41058. The Ordinary Shares are listed on Euronext Amsterdam, regulated by the AFM, which is also the Company's home state regulatory (following the departure of the United Kingdom from the European Union). The Company is also regulated by the Guernsey Financial Services Commission as an authorised closed-ended collective investment scheme.
- 2.2 The principal legislation under which the Company operates is the Companies (Guernsey) Law, 2008 (as amended).
- 2.3 The Company's registered office is at Oak House, Hirzel Street, St Peter Port, Guernsey, GY1 2NP.
- 2.4 Since 2013, the activities of the Company have primarily been focussed on investing indirectly in Italian performing and non-performing loans, distressed loan assets and other credit receivables, Italian loan servicing platforms, real estate related assets and other related businesses in Italy. On 18 November 2019, the Board announced a plan to realise the majority of the Company's assets in order to accelerate the return of value to the Company's shareholders. As part of this realisation plan, the Board announced that it did not currently intend to make any material new investments with the proceeds realised from the Company's existing holdings. With respect to the remaining investments, which predominantly comprise the Company's interests in Italian real estate funds, the Company planned to continue to hold and realise these assets in accordance with existing business plans and to support these investments to the extent required to optimise returns and distribute cash to Shareholders when available. Following a strategic review, the Board has identified a number of new potentially attractive investment opportunities and has decided to relaunch the Company's investment activity as further described in paragraph 3 of Part II of this document.

### 3 Directors

3.1 The Directors of the Company and their respective functions as at the date of this document are as follows:

<b>Director</b>	<b>Position held</b>
Randal Nardone	Director
Peter Smith	Director
Jason Sherwill	Independent Director
Dr. Simon Thornton	Independent Director
Claire Whittet	Independent Director

3.2 Randal Nardone and Peter Smith are not considered to be independent directors because they are members of the FIG Concert Party.

3.3 With the exception of the FIG Concert Party, the Directors are unaware of any agreements, arrangements or understandings between any of the Directors and any of the Shareholders which would amount to such Shareholders acting in concert with any of the Directors.

### 4 Information on the FIG Concert Party

#### 4.1 Composition of the FIG Concert Party

The members of the FIG Concert Party are set out in the table below:

<b>Person acting in concert</b>	<b>Address</b>	<b>Reason for their membership of the FIG Concert Party</b>
FIG LLC	1345 Avenue of the Americas, 46th Floor, New York, NY 10105, United States	The Manager, other entities and funds managed by the Manager and shareholders
Francesco Colasanti	1345 Avenue of the Americas, 46th Floor, New York, NY 10105, United States	Employee of the Manager and shareholder
Other principals of FIG LLC	1345 Avenue of the Americas, 46th Floor, New York, NY 10105, United States	Principals of the Manager and shareholders
Other employees of FIG LLC	1345 Avenue of the Americas, 46th Floor, New York, NY 10105, United States	Employees of the Manager and shareholders

There are no other persons deemed to be acting in concert with the FIG Concert Party for the purposes of the Code.

#### 4.2 The Manager

The Manager is an affiliate of Fortress Investment Group LLC ("**Fortress**"), a global alternative asset manager founded in 1998 and headquartered in New York City, United States that manages assets on behalf of over 1,900 institutional clients and private investors worldwide across a range of credit



and real estate, private equity and alternative asset investment strategies. As of 31 December 2021, Fortress had approximately US\$53.3 billion of assets under management. On 27 December 2017, SoftBank Group Corp (“**SoftBank**”), acquired Fortress. Fortress currently operates within SoftBank as an independent business.

Fortress conducts its investment management business through the Manager, a limited liability company incorporated in the state of Delaware with registered number 2854297 and having its registered address at 1345 Avenue of the Americas, 46th Floor, New York, NY 10105, United States and registered with the SEC as an investment adviser, to a wide range of clients, including pooled investment vehicles, single investor managed accounts and permanent capital vehicles and other publicly traded vehicles.

The Manager has externally managed the Company since August 2003 pursuant to the Management Agreement under which, subject to the supervision of the Board, it formulates investment strategies, arranges for the acquisition of assets and financing, monitors the performance of the Company’s assets and provides certain advisory, administrative and managerial services in connection with the day-to-day operations of the Company. 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).

#### **4.3 Francesco Colasanti**

Mr. Colasanti is a Managing Director at Fortress and is Co-Head of the European Credit and European Non-Performing Loan businesses. Mr. Colasanti joined the Fortress team in Italy in 2001 and has led its main investment processes in the real estate, non-performing loan and traditional private equity sectors. He serves on the Investment Committee of the Fortress Italian NPL Opportunities Fund and the Fortress European NPL Opportunities Fund II and has been integral in building Fortress’ Non-Performing Loan business in Italy and Greece.

Since 2005, Mr. Colasanti has contributed, on behalf of Fortress, to the creation and development of Torre SGR S.p.A. (“**Torre**”), a regulated Italian real estate fund manager. He served as Torre’s CEO until January 2016 and was a director until April 2022. He has also played a key role in the growth of Italfondario S.p.A., which was the largest independent special servicer in Italy prior to being acquired by doValue in 2016. In addition, in 2015, Mr. Colasanti led the acquisition of doValue S.p.A. (formerly UCCMB and then doBank) and played an integral role in taking the company public in 2017. Mr. Colasanti was a member of the Board of Italfondario S.p.A. from February 2012 until April 2017 and has been a member of the board of doValue since October 2015.

Mr. Colasanti has been deeply involved in Eurocastle’s investment strategy since 2013 and has overseen the strategic review conducted by the Company leading to formulation of the Relaunch. Mr. Colasanti is expected to take a key role in Eurocastle’s transformation into a European speciality finance platform following implementation of the Relaunch.

Prior to joining Fortress, Mr. Colasanti worked for PricewaterhouseCoopers on the audit and transaction support team. Mr. Colasanti received a degree in Economics and Business from LUISS University of Rome.

#### **4.4 Information on the FIG Concert Party’s interests in the Company**

- 4.4.1 The shareholdings of each member of the FIG Concert Party in the Company are set out in paragraph 6(b)(ii) of this Part VI.
- 4.4.2 Assuming the Tender Offer is implemented in full and none of the Ordinary Shares held by the FIG Concert Party or the Independent Directors were purchased by the Company, the

members of the FIG Concert Party will be interested in 539,638 Ordinary Shares, representing a maximum of 94.45 per cent of the voting rights of the Company. A table showing the respective interests of the members of the FIG Concert Party in Ordinary Shares assuming the Tender Offer is implemented and none of the Ordinary Shares held by the FIG Concert Party or the Independent Directors were purchased by the Company is set out below:

<b>Name</b>	<b>Nature of interest or rights concerned</b>	<b>Number of interest or rights concerned after Tender Offer*</b>	<b>Percentage of issued share capital after Tender Offer*</b>
The Manager .....	Ordinary Shares	5,289	0.9
Francesco Colasanti .....	Ordinary Shares	433,462	75.9
Other principals of the Manager .....	Ordinary Shares	15,887	2.8
Other employees of the Manager .....	Ordinary Shares	84,212	14.7
Other entities and funds managed by the Manager .....	Ordinary Shares	788	0.1
<b>TOTAL</b> .....	Ordinary Shares	539,638	94.45

Note:

\* Assuming the Tender Offer is implemented in full in accordance with the Buyback Authority and none of the Ordinary Shares held by the FIG Concert Party or the Independent Directors were purchased by the Company.

#### **4.5 Financial information and ratings of the FIG Concert Party**

4.5.1 No financial information is publicly available in respect of any member of the FIG Concert Party. No member of the FIG Concert Party has publicly available accounts.

4.5.2 There are no current ratings or outlooks publicly accorded to any member of the FIG Concert Party by ratings agencies.

### **5 Relationships, arrangements and understandings**

5.1 The FIG Concert Party has not entered into any relationships (whether personal, financial or commercial), arrangements or understandings with (i) any of the Independent Directors (or their close relatives and related trusts); (ii) any of the Independent Shareholders (or any person who is, or is presumed to be, acting in concert with any such shareholder); or (iii) Houlihan Lokey (or any person who is, or is presumed to be, acting in concert with Houlihan Lokey) which has any connection with or dependence upon the proposals set out in this document or the implementation of the Tender Offer.

5.2 The FIG Concert Party has not entered into or proposed to enter into any form of incentivisation arrangements with members of the Company's management.

## 6 Interests and Dealings

### (a) Definitions

For the purposes of this paragraph 6:

- (i) “**acting in concert**” has the meaning given to it in the Code;
- (ii) “**dealing**” or “**dealt**” includes the following:
  - (1) the acquisition or disposal of relevant securities, of the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to securities or of general control of securities;
  - (2) the taking, granting, acquisition, disposal, entering into, closing out, termination, exercise (by either party) or variation of an option (including a traded option contract) in respect of any relevant securities;
  - (3) subscribing or agreeing to subscribe for relevant securities;
  - (4) the exercise or conversion, whether in respect of new or existing securities, of any relevant securities carrying conversion or subscription rights;
  - (5) the acquisition or, disposal of, entering into, closing out, exercise (by either party) of any rights under, or variation of, a derivative referenced, directly or indirectly, to relevant securities;
  - (6) entering into, terminating or varying the terms of any agreement to purchase or sell relevant securities;
  - (7) the redemption or purchase of, or taking or exercising an option over, any of its own relevant securities by the members of the FIG Concert Party; and
  - (8) any other action resulting, or which may result, in an increase or decrease in the number of relevant securities in which a person is interested or in respect of which they have a short position;
- (iii) “**Disclosure Period**” means the period starting on 8 July 2021 (being the date 12 months prior to the publication of this document) and ending on 6 July 2022 (being the latest practicable date prior to the publication of this document);
- (iv) “**derivative**” includes any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of an underlying security;
- (v) “**Financial Collateral Arrangement**” means an arrangement of the kind referred to in Note 4 on Rule 4.6 of the Code;
- (vi) “**relevant securities**” includes: (1) Ordinary Shares and any other securities of the Company conferring voting rights; (2) equity share capital of the Company; and (3) any securities convertible into or rights to subscribe for the securities of the Company, described in (1) and (2) above and securities convertible into, rights to subscribe or, options (including traded options) in respect of and derivatives referenced to any of the foregoing;
- (vii) “**short position**” means any short position (whether conditional or absolute and whether in the money or otherwise) including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery; and

(viii) a person is treated as “**interested**” in securities if they have a long economic exposure, whether absolute or conditional, to changes in the price of those securities (and a person who only has a short position in securities is not treated as interested in those securities). In particular, a person is treated as “**interested**” in securities if:

- (1) they own them;
- (2) they have the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to them or has general control of them;
- (3) by virtue of any agreement to purchase, option or derivative, they:
  - (a) have the right or option to acquire them or call for their delivery; or
  - (b) are under an obligation to take delivery of them,

whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise; or

- (4) they are a party to any derivative:
  - (a) whose value is determined by reference to their price; and
  - (b) which results, or may result, in them having a long position in them.

**(b) Interests in relevant securities**

As at the Latest Practicable Date:

(i) The following Directors and their respective related parties had an interest in, a right to subscribe in or a short position in certain Company relevant securities. The nature of the interests or rights concerned and number of Company relevant securities to which these apply are listed below:

Name	Nature of interest or rights concerned	Number of interest or rights concerned	Percentage of current issued share capital
Randal Nardone*	Ordinary Shares	7,662	0.4
Jason Sherwill	Ordinary Shares	13,965	0.8
Dr. Simon Thornton	Ordinary Shares	12,427	0.7
Claire Whittet	Ordinary Shares	5,324	0.3
<b>TOTAL</b>	Ordinary Shares	<b>39,378</b>	<b>2.12</b>

Note:

\* In addition, Randal Nardone is a member of Fortress Operating Entity I LP and Principal Holdings I LP (each being a member of the FIG Concert Party) and, as a result of these relationships, he holds a further, indirect, interest in the ordinary share capital of the Company. Fortress Operating Entity I LP and Principal Holdings I LP hold 38 and 750 Ordinary Shares respectively (representing in each case less than 1 per cent. of the ordinary share capital of the Company).

- (ii) The following members of the FIG Concert Party had an interest in, a right to subscribe in or a short position in certain Company relevant securities. The nature of the interests or rights concerned and number of Company relevant securities to which these apply are listed below:

<b>Name</b>	<b>Nature of interest or rights concerned</b>	<b>Number of interest or rights concerned</b>	<b>Percentage of current issued share capital</b>
The Manager .....	Ordinary Shares	5,289	0.3
Francesco Colasanti .....	Ordinary Shares	433,462	23.3
Other principals of the Manager .....	Ordinary Shares	15,887	0.9
Other employees of the Manager .....	Ordinary Shares	84,212	4.5
Other entities and funds managed by the Manager .....	Ordinary Shares	788	0.0
<b>TOTAL</b> .....	Ordinary Shares	539,638	29.05

**(c) Interests and Dealings - General**

Save as disclosed in this document, as at the Latest Practicable Date,

- (i) none of:
- (a) the Directors or their respective related parties;
  - (b) any person acting in concert with the Company;
  - (c) the members of the FIG Concert Party; or
  - (d) any person acting in concert with any member of the FIG Concert Party,
- had an interest in, a right to subscribe in respect of, or any short position in relation to Company relevant securities;
- (ii) none of the Company or the Directors had an interest in, a right to subscribe in respect of, or any short position in relation to relevant securities of any member of the FIG Concert Party;
- (iii) none of the members of the FIG Concert Party or any persons acting in concert with any member of the FIG Concert Party have dealt in any Company relevant securities during the Disclosure Period;
- (iv) none of the Company or any person acting in concert with the Company has borrowed or lent any Company relevant securities (including for these purposes any Financial Collateral Arrangements) during the Disclosure Period, save for any borrowed shares which have been either on-lent or sold; and
- (v) none of the members of the FIG Concert Party or persons acting in concert with any member of the FIG Concert Party has borrowed or lent any Company relevant securities (including for these purposes any Financial Collateral Arrangements) during the Disclosure Period, save for any borrowed shares which have been either on-lent or sold.

## 7 Service Contracts and Letters of Appointment of Directors

7.1 The main terms on which the Directors are employed are set out below:

Name	Contract date	Salary per annum (€) year ended 31.12.2021	Notice by the Company	Notice by the Director
Randal Nardone	22/08/2006	-	1 month	1 month
Peter Smith	18/11/2011	-	1 month	1 month
Jason Sherwill	31/03/2017	35,000	1 month	1 month
Dr. Simon Thornton	31/03/2017	40,000	1 month	1 month
Claire Whittet	31/03/2017	35,000	1 month	1 month

7.2 Randal Nardone and Peter Smith do not receive any remuneration in respect of their role as directors of the Company.

7.3 None of the Directors' service contracts or letters of appointment have been entered into or amended during the period of six months prior to the date of this document.

## 8 Market Quotations

Set out below are the closing middle market quotations for the Ordinary Shares as derived from Bloomberg, for the first dealing day of each of the six months preceding the date of this document and for the Latest Practicable Date.

Date	Price per Ordinary Share (€)
1 February 2022	8.15
1 March 2022	8.90
1 April 2022	8.35
3 May 2022	8.60
1 June 2022	8.00
1 July 2022	8.00
6 July 2022	8.00

## 9 Independent Advice and Consent

Houlihan Lokey, of 1 Curzon Street, London, W1J 5HD, United Kingdom, has provided competent and independent advice to the Independent Directors, in accordance with the requirements of paragraph 4(a) of Appendix I to the Code, in relation to the granting of the Waiver. Houlihan Lokey has given and not withdrawn its written consent to the issue of this document with the inclusion herein of the references to its name in the form and context in which they appear.

## 10 Other Information

10.1 Save as disclosed in this document, no agreement, arrangement or understanding (including any compensation arrangement), exists between the Directors, recent directors, Shareholders or recent shareholders of the Company having any connection with or dependence upon the proposals set out in this document

10.2 Save as disclosed in this document, there is no agreement, arrangement or understanding whereby the beneficial ownership of any of the Ordinary Shares to be acquired by the Company pursuant to the Tender Offer will be transferred to any other person. Such Ordinary Shares will be cancelled and the issued share capital of the Company reduced by the nominal amount of those Ordinary Shares so purchased.

## **11 No Significant Change**

Save as disclosed in this document, the Directors are not aware of any significant change in the financial or trading position of the Company since 31 March 2022, being the end of the last financial period for which either audited financial information or interim financial information was published.

## **12 Documents available on website**

Copies of the following documents will be available from the date of this document on the Company's website under "Investor Relations" at [www.eurocastleinv.com](http://www.eurocastleinv.com) up to and including the date of General Meeting and will be available for inspection during usual business hours on any Business Day at the registered office of the Company from the date of this document up to the date of the General Meeting and at the place of the meeting for 15 minutes prior to the meeting and during the meeting:

- 12.1 the memorandum and articles of incorporation of Company;
- 12.2 the interim unaudited management statement of the Company for the period commencing 1 January 2022 and ending 31 March 2022 (the contents of which are incorporated in this document by reference);
- 12.3 the published audited accounts of the Company for the financial periods ended 31 December 2021 and 31 December 2020 (the contents of which are incorporated in this document by reference);
- 12.4 the irrevocable undertaking from the Manager on behalf of each member of the FIG Concert Party referred to in paragraph 5 of Part II of this document; and
- 12.5 the written consent referred to in paragraph 9 of this Part VI.

## **13 Incorporation by reference**

Parts of other documents are incorporated by reference in, and form part of, this document.

Part V of this document sets out the financial information incorporated by reference into this document.

Any person who has received this document may request a copy of such documents incorporated by reference. A copy of any such documents or information incorporated by reference in this document will not be sent to such persons unless requested from the Registrar at JTC Registrars Limited, PO Box 156, Ground Floor, Dorey Court, Admiral Park, St Peter Port, Guernsey, GY1 4EU or by telephone between 9.00 a.m. and 5.00 p.m. (London time) Monday to Friday on 01481 711301 (or on +44 1481 711301 if calling from outside the United Kingdom).

Neither the content of the Company's website, nor the content of any website accessible from hyperlinks on the Company's website, is incorporated into, or forms part of, this document.

**PART VII**  
**NOTICE OF GENERAL MEETING**

**EUROCASTLE INVESTMENT LIMITED**

*(Incorporated in Guernsey on 8 August 2003 under the Companies (Guernsey) Law, 2008 (as amended)  
with registered number 41058)*

NOTICE IS HEREBY GIVEN that a General Meeting of the Shareholders of Eurocastle Investment Limited (the “**Company**”) will be held at Oak House, Hirzel Street, St Peter Port, Guernsey GY1 2NP on 20 July 2022 at 3.00 p.m. (London time) for the purpose of considering and, if thought fit, passing the following resolution:

**Ordinary Resolution**

That the waiver granted by the Panel on Takeovers and Mergers of any obligation which might otherwise fall on the FIG Concert Party to make an offer to the shareholders of the Company pursuant to Rule 9 of the City Code on Takeovers and Mergers as a result of any increase in its shareholding from approximately 29.05 per cent. to a maximum of 94.45 per cent. of the Company’s share capital as a result of the implementation of the Tender Offer, be and is hereby approved.

By order of the Board  
Oak Group Limited  
Secretary  
Dated 8 July 2022

Registered Office:  
Oak House  
Hirzel Street  
St Peter Port  
Guernsey, GY1 2NP  
Channel Island

**NOTES:**

- 1** A member entitled to attend and vote at the General Meeting is entitled to appoint a proxy (or proxies) to attend and vote instead of him. A proxy need not be a member of the Company. A form of proxy is attached which should be completed in accordance with the instructions printed on it. The appointment of a proxy will not prevent a member from subsequently attending and voting at the meeting in person. If you do not intend to attend the meeting, please complete and return the form of proxy as soon as possible. A shareholder may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights in respect of different shares held by such shareholder.
- 2** To be effective, a form of proxy, and any power of attorney or other authority under which it is executed (or a duly certified copy of any such power or authority), must be deposited at the offices of the Company’s Registrar, JTC Registrars Limited, P.O. Box 156, Ground Floor, Dorey Court, Admiral Park, St Peter Port, Guernsey GY1 4EU (Tel: +44 1481 711301) not less than 48 hours (excluding non-working days) before the time for holding the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used. A form of proxy, and any power of attorney or other authority under which it is executed may also be submitted by email to [registrars@jtcgroup.com](mailto:registrars@jtcgroup.com). Documentation will be valid if received by email prior to the deadline noted above, however the original (or a duly certified copy) should follow by post.
- 3** As at 6 July 2022 (being the latest practicable date before the publication of this notice), the issued ordinary share capital of the Company comprised 1,857,535 Ordinary Shares. The Company did not hold any



Ordinary Shares in treasury. Each Ordinary Share carries the right to one vote at general meetings of the Company and, therefore, the total number of voting rights in the Company as at 6 July 2022 was 1,857,535.

- 4 Entitlement to attend and vote at the General Meeting, and the number of votes which may be cast thereat, will be determined by reference to the Company's register of members 48 hours before the time of the meeting or, if the meeting is adjourned, before the time fixed for the adjourned meeting (as the case may be). In each case, changes to the register of members after such time will be disregarded.
- 5 In accordance with the provisions of the Code, each member of the FIG Concert Party is considered to be interested in the outcome of the resolution proposed at the General Meeting and, accordingly, each of them will not vote on it. As at the Latest Practicable Date, the FIG Concert Party has an interest in 539,638 Ordinary Shares, representing approximately 29.05 per cent. of the ordinary issued share capital of the Company.
- 6 Shareholders holding their shares through Euroclear Nederland via banks and brokers are not included in the register of members; such shares are included in the register of members under the name of Euroclear Nominees Limited. If Shareholders who hold their shares through Euroclear Nederland wish to: (i) attend the General Meeting; (ii) appoint a proxy to attend, speak and vote on their behalf; or (iii) give voting instructions without attending the meeting, they must go to [www.abnamro.com/evoting](http://www.abnamro.com/evoting) and submit their attendance request for the meeting or their voting instructions accordingly. Shareholders holding their shares through Euroclear Nederland will be asked to identify themselves at the General Meeting using a valid passport, identity card or driving licence.
- 7 Completion and return of the Form of Proxy will not preclude a holder of Ordinary Shares from subsequently attending, speaking and voting in person at the General Meeting should they so wish.
- 8 If you submit more than one valid Form of Proxy, the Form of Proxy received last before the latest time for the receipt of proxies will take precedence. If the Company is unable to determine which Form of Proxy was last validly received, none of them shall be treated as valid in respect of the same.
- 9 In the case of joint holders, such persons shall not have the right to vote individually in respect of an Ordinary Share but shall elect one of their number to represent them and vote in person or by proxy in their name. In default of such an election, the vote of the person first named in the register of members of the Company tendering a vote will be accepted to the exclusion of the votes of the other joint holders.
- 10 Defined terms used but not defined in this notice shall have the same meaning given to them in the Company's circular to shareholders of which this notice forms part.

## **PART VIII DEFINITIONS**

<b>ABN AMRO</b>	ABN AMRO Bank N.V.
<b>Additional Reserves</b>	reserves implemented by the Board which seek to ensure that the Company could continue to meet known, potential and unknown future liabilities over the period it anticipated would be required to complete the realisation of its investments and be liquidated in an orderly fashion
<b>Adjusted NAV</b>	€19.56 million, or €10.53 per share, representing the Company's latest published NAV of €32.67 million, or €17.59 per share and adjusted for the Additional Reserves which have not been accounted for under IFRS
<b>Admitted Institutions</b>	the institutions admitted to Euroclear Nederland
<b>AFM</b>	the Netherlands Authority for the Financial Markets ( <i>Stichting Autoriteit Financiële Markten</i> )
<b>Australia</b>	the Commonwealth of Australia, its states, territories and possessions and all areas subject to its jurisdiction and any political sub-division thereof
<b>Business Day</b>	a day (other than Saturdays, Sundays and public holidays in the England and Wales, Guernsey, the Netherlands and the United States) on which banks are normally open for business in the City of London
<b>Buyback Authority</b>	the authority approved at the annual general meeting of the Company held on 16 June 2021, which permits the Company to repurchase on-market up to a maximum of 1,851,534 of its Ordinary Shares in issue
<b>Canada</b>	Canada, its provinces and territories and all areas subject to its jurisdiction and all political sub-divisions thereof
<b>certificated or in certificated form</b>	Ordinary Shares not in CREST and in relation to which share certificates have been issued
<b>Closing Date</b>	the latest time and date for (i) receipt of the tender instruction of uncertificated Ordinary Shares held by Eligible Shareholders through Euroclear Nederland, and (ii) the receipt of TTE Instructions from CREST in relation to the tender of uncertificated Ordinary Shares held by Eligible Shareholders in CREST, and (iii) the receipt of a completed Tender Form by holders of certificated Ordinary Shares
<b>Code</b>	the City Code on Takeovers and Mergers
<b>Company</b>	Eurocastle Investment Limited, a company incorporated in Guernsey with registered number 41058
<b>CREST</b>	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear UK is the Operator (as defined in the CREST Regulations)
<b>CREST member</b>	a person who has been admitted by Euroclear UK as a system-member (as defined in the CREST Regulations)

<b>CREST participant</b>	a person who is, in relation to CREST, a system-participant (as defined in the CREST Regulations)
<b>CREST Regulations</b>	the Uncertificated Securities (Guernsey) Regulations 2009 (SI 2009 No. 48)
<b>CREST sponsor</b>	a CREST participant admitted to CREST as a CREST sponsor being a sponsoring system-participant (as defined in the CREST Regulations)
<b>CREST sponsored member</b>	a CREST member admitted to CREST as a sponsored member
<b>CREST Payment Form</b>	the form for use in connection with the Tender Offer by Eligible Shareholders who hold their Ordinary Shares in uncertificated form through CREST and who wish to receive any proceeds payable to them under the Tender Offer otherwise than by way of cheque
<b>CTA 2009</b>	the Corporate Tax Act 2009
<b>Directors or Board</b>	the directors of the Company
<b>Eligible Shareholders</b>	Shareholders resident in, or citizens of, a jurisdiction outside the Restricted Jurisdictions on the Register at the Record Date
<b>Escrow Agent</b>	JTC Registrars Limited
<b>Euro or €</b>	the currency of the member states of the European Union that have adopted the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957) as amended by the Treaty on European Union (signed in Maastricht on 7 February 1992)
<b>Euroclear Nederland</b>	Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V., the central securities depository and settlement system in the Netherlands
<b>Euroclear UK</b>	Euroclear UK & Ireland International Limited
<b>Euronext Amsterdam</b>	the regulated market operated by Euronext Amsterdam N.V.
<b>Exchange Act</b>	the US Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder
<b>FIG Concert Party</b>	the Manager and affiliated entities and individuals which the Company considers to be acting in concert (as defined in, and for the purposes of, the Code), together holding 29.05 per cent. of the Ordinary Shares in issue as at the Latest Practicable Date, further details of which are set out in Part VI to this document
<b>Financial Conduct Authority or FCA</b>	the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of Part VI of the UK Financial Services and Markets Act 2000
<b>Form of Proxy</b>	the form of proxy accompanying this document for use by Shareholders in relation to the General Meeting
<b>Fundraising</b>	the proposed raising of cash by the Company from new and existing institutional investors by way of a private placement

	of new Ordinary Shares in order to support the new investment strategy
<b>General Meeting or GM</b>	the general meeting of the Company convened for 3.00 p.m. on 20 July 2022 at Oak House, Hirzel Street, St Peter Port, Guernsey, GY1 2NP and any adjournment thereof, for the purpose of considering the Rule 9 Waiver Resolution
<b>Guernsey</b>	the Island of Guernsey
<b>Houlihan Lokey</b>	Houlihan Lokey UK Limited
<b>IFRS</b>	International Financial Reporting Standards as adopted by the European Union
<b>Independent Directors</b>	Jason Sherwill, Dr. Simon Thornton and Claire Whittet
<b>Independent Shareholders</b>	the Shareholders other than members of the FIG Concert Party
<b>Japan</b>	Japan, its cities, prefectures, territories and possessions and all areas subject to its jurisdiction and any political sub-division thereof
<b>Latest Practicable Date</b>	6 July 2022, being the latest practicable date prior to the date of this document
<b>Legacy German Tax Matter</b>	the exposure of the Company to a potential tax risk associated with the disposal of a legacy property subsidiary in prior years as described in the section headed " <i>Subsequent event to 31 December 2021</i> " and notes 16 and 17 of the " <i>Notes to the Financial Statements</i> " in pages 2 and 34 of the Company's 2021 Annual Report
<b>Liquidation Reserves</b>	reserves implemented by the Board in the amount of approximately €6.4 million to allow for an orderly liquidation process of the Company
<b>Management Agreement</b>	the agreement entered into between the Company and the Manager in August 2003 pursuant to which the Manager, under the supervision of the Board, 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
<b>Manager</b>	FIG LLC, a limited liability company incorporated in the state of Delaware with registered number 2854297 and having its registered address at 1345 Avenue of the Americas, 46th Floor, New York, NY 10105, United States
<b>Member Account ID</b>	the identification code or number attached to any member account in CREST
<b>NAV</b>	net asset value as calculated under IFRS
<b>Notice of General Meeting</b>	the notice convening the GM, which is set out at Part VII of this document
<b>Ordinary Shares</b>	ordinary shares of no par value in the capital of the Company

<b>Overseas Shareholders</b>	Shareholders who are citizens or nationals of, or resident in, jurisdictions outside the United Kingdom
<b>Panel</b>	the Panel on Takeovers and Mergers
<b>Participant ID</b>	the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant
<b>Realisation Plan</b>	the plan announced by the Board on 18 November 2019 to realise the majority of the Company's assets in order to accelerate the return of value to the Company's shareholders
<b>Receiving Agent</b>	JTC Registrars Limited
<b>Record Date</b>	5.00 p.m. (London time) on 4 August 2022
<b>Register</b>	the register of members of the Company
<b>Registrar</b>	JTC Registrars Limited
<b>Regulatory Information Service</b>	any information service authorised from time to time by the Financial Conduct Authority for the purpose of disseminating regulatory announcements
<b>Relaunch</b>	the proposed relaunch of the Company's investment activity, as described in paragraph 3 of Part II of this document
<b>Restricted Jurisdictions</b>	Canada, Japan and any jurisdiction where extension or acceptance of the Tender Offer would violate the laws of that jurisdiction
<b>Rule 9 Waiver Resolution</b>	the ordinary resolution of the Independent Shareholders to be taken on a poll concerning the Waiver to be proposed at the General Meeting and set out in the Notice of General Meeting in Part VII of this document
<b>SEC</b>	the US Securities and Exchange Commission
<b>Settlement Date</b>	the date on which, in accordance with the terms and subject to the conditions and restrictions of the Tender Offer, the Tender Price shall be paid to Shareholders for each Ordinary Share validly tendered and delivered (or defectively tendered provided that such defect has been waived by the Company and delivered under the Tender Offer), being no later than 9 August 2022.
<b>Shareholders</b>	the holders of Ordinary Shares in the Company
<b>Tender Form</b>	the tender form accompanying this document for use in connection with the Tender Offer by Eligible Shareholders who hold their Ordinary Shares in certificated form
<b>Tender Offer</b>	the invitation by the Company to eligible Shareholders to tender Ordinary Shares for purchase on-market by the Company on the terms and subject to the conditions set out in this document and the Tender Form
<b>Tender Price</b>	€10.26, being the price per Ordinary Share at which Ordinary Shares will be purchased pursuant to the Tender Offer
<b>TFE Instruction</b>	a Transfer from Escrow Instruction (as defined in the CREST Manual) made in respect of Ordinary Shares;

<b>TTE Instruction</b>	a Transfer to Escrow Instruction (as defined in the CREST Manual) made in respect of Ordinary Shares;
<b>uncertificated or in uncertificated form</b>	recorded on the Register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
<b>United Kingdom or UK</b>	the United Kingdom of Great Britain and Northern Ireland
<b>United States or US</b>	the United States of America, its territories and possessions, any state of the United States of America, the District of Columbia and all other areas subject to its jurisdiction and any political sub-division thereof
<b>US Shareholders</b>	Shareholders whose place of residence, seat or place of habitual abode is the United States.
<b>Waiver</b>	the waiver granted by the Panel (subject to the passing of the Rule 9 Waiver Resolution) in respect of the FIG Concert Party to make a mandatory general offer for the entire issued share capital of the Company not already held by the FIG Concert Party which might otherwise be imposed on the FIG Concert Party under Rule 9 of the Code as a result of the implementation of the Tender Offer, as more particularly described in paragraph 2 of Part II of this document