

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 immediately your own personal financial advice from your independent financial adviser, stockbroker, bank manager, solicitor, accountant, fund manager or other appropriately qualified adviser authorised under the Financial Services and Markets Act 2000, as amended (the "FSMA") if you are in the United Kingdom or, if not, from another appropriately authorised independent adviser.

This document comprises a supplemental prospectus (the "Supplementary Prospectus") to the prospectus dated 21 February 2020 (the "Prospectus") relating to Real Estate Credit Investments Limited (the "Company") prepared in accordance with Regulation (EU) 2017/1129 (the "Prospectus Regulation") and the prospectus regulation rules of the Financial Conduct Authority (the "FCA") (the "Prospectus Regulation Rules"). This Supplementary Prospectus has been approved by the FCA, as competent authority under the Prospectus Regulation and has been filed with the FCA. The FCA only approves this Supplementary Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Company (as the issuer that is the subject of this Supplementary Prospectus). This Supplementary Prospectus has been made available to the public in accordance with Rule 3.2 of the Prospectus Regulation Rules.

The Company has been declared to be an authorised closed-ended investment scheme by the Guernsey Financial Services Commission under Section 8 of The Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended. Neither the States of Guernsey Policy Council nor the Guernsey Financial Services Commission take any responsibility for the soundness of the Company or for the correctness of any statements made or opinions expressed with regard to it.

Applications have been and will be made to the UK Listing Authority and the London Stock Exchange for the New Ordinary Shares issued pursuant to the Placing Programme to be admitted to the premium segment of the Official List and to trading on the Main Market for listed securities ("Admission"). Placings of New Ordinary Shares pursuant to the Placing Programme may occur up to and including 20 February 2021.

If you sell or have sold or otherwise transferred your Ordinary Shares in issue at the date of this Supplementary Prospectus ("**Existing Ordinary Shares**") please send this Supplementary Prospectus as soon as possible to the purchaser or transferee or to the bank, stockbroker or other agent through whom or by whom the sale or transfer was effected, for delivery to the purchaser or transferee. The distribution of this Supplementary Prospectus and any accompanying documents in jurisdictions other than the United Kingdom, including the United States, Australia, Canada, Japan and South Africa, may be restricted by law. Persons into whose possession these documents or the New Ordinary Shares come must inform themselves about and observe all restrictions applicable to them. Any failure to comply with these restrictions may constitute a violation of the securities laws of the relevant jurisdictions. **This Supplementary Prospectus and any accompanying documentation may not be distributed, forwarded, transmitted or otherwise made available, and their contents may not be disclosed, in, into or from any Excluded Territory. Persons within any Excluded Territory who obtain a copy of this Supplementary Prospectus are required to disregard it.**

The Company and each of the Directors, whose names appear on page 10 of this Supplementary Prospectus, accept responsibility for the information contained in this Supplementary Prospectus. To the best of the knowledge of the Company and the Directors, the information contained in this Supplementary Prospectus is in accordance with the facts and the Supplementary Prospectus does not make any omission likely to affect its import.

Cheyne Capital Management (UK) LLP (the "**Investment Manager**") accepts responsibility for the information contained in this Supplementary Prospectus relating to it and all statements attributed to it. To the best of the knowledge of the Investment Manager, the information contained in those parts of this Supplementary Prospectus for which it is responsible is in accordance with the facts and those parts of this Supplementary Prospectus do not make any omission likely to affect their import.

This Supplementary Prospectus is supplemental to, and should be read in conjunction with, the Prospectus. Except as expressly stated herein, or unless the context otherwise requires, the definitions used or referred to in the Prospectus also apply in this Supplementary Prospectus.

Real Estate Credit Investments Limited

(an authorised closed-ended investment scheme limited by shares and incorporated under the laws of Guernsey with registered number 43634)

Supplemental Prospectus to the Placing Programme in respect of up to 150 million New Ordinary Shares

Investment Manager

Cheyne Capital Management (UK) LLP

Sponsor and Bookrunner

Liberum Capital Limited

LIBERUM

This Supplementary Prospectus does not constitute or form part of any offer or invitation to sell or issue, or the solicitation of an offer to acquire, subscribe for or otherwise acquire, any securities other than the securities to which it relates or any offer or invitation to sell or issue, or any solicitation of any offer to purchase, subscribe for or otherwise acquire, such securities by any person in any circumstances in which such offer or solicitation would be unlawful.

Except with the express written consent of the Company given in respect of an investment in the Company, the New Ordinary Shares may not be acquired by: (i) investors using assets of: (A) an “employee benefit plan” as defined in Section 3(3) of the United States Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”) that is subject to Title I of ERISA; (B) a “plan” as defined in Section 4975 of the United States Internal Revenue Code of 1986, as amended (the “**US Tax Code**”), including an individual retirement account or other arrangement that is subject to Section 4975 of the US Tax Code; or (C) an entity whose underlying assets are considered to include “plan assets” by reason of investment by an “employee benefit plan” or “plan” described in preceding clause (A) or (B) in such entity pursuant to the US Plan Assets Regulations; or (ii) a governmental, church, non-US or other employee benefit plan that is subject to any federal, state, local or non-US law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the US Tax Code, unless its purchase, holding, and disposition of the New Ordinary Shares will not constitute or result in a non-exempt violation of any such substantially similar law.

The Company has not been and will not be registered under the US Investment Company Act of 1940, as amended (the “**US Investment Company Act**”) and as such investors are not and will not be entitled to the benefits of the US Investment Company Act. The Ordinary Shares have not been and will not be registered under the US Securities Act, or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered, sold, resold, pledged, delivered, distributed or otherwise transferred, directly or indirectly, into or within the United States or to, or for the account or benefit of, “US persons” as defined in Regulation S under the US Securities Act (“**US Persons**”), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States and in a manner which would not result in the Company being required to register under the US Investment Company Act. In connection with the Placing Programme, subject to certain exceptions, offers and sales of Ordinary Shares will be made only outside the United States in “offshore transactions” to non-US Persons pursuant to Regulation S under the Securities Act. There has been and will be no public offering of the Ordinary Shares in the United States.

Neither the US Securities and Exchange Commission (the “**SEC**”), nor any securities regulatory authority of any state or other jurisdiction of the United States, has approved or disapproved of the Ordinary Shares or passed upon or endorsed the merits of any offering of New Ordinary Shares or the adequacy or accuracy of this Supplementary Prospectus. Any representation to the contrary is a criminal offence in the United States.

The offer and sale of New Ordinary Shares have not been and will not be registered under the securities laws of Australia, South Africa, Canada or Japan. The New Ordinary Shares may not be offered or sold into or within Australia, South Africa, Canada or Japan or to any national, resident or citizen of Australia, South Africa, Canada or Japan.

The distribution of this Supplementary Prospectus and the offer of the New Ordinary Shares in certain jurisdictions may be restricted by law. Other than in the United Kingdom, no action has been or will be taken to permit the possession, issue or distribution of this Supplementary Prospectus (or any other offering or publicity material relating to the New Ordinary Shares) in any jurisdiction where action for that purpose may be required or doing so is restricted by law. Accordingly, neither this Supplementary Prospectus, nor any advertisement, nor any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Supplementary Prospectus comes should inform themselves about and observe any such restrictions. None of the Company, the Investment Manager or Liberum Capital Limited (“**Liberum**”) or any of their respective Affiliates or advisers accepts any legal responsibility to any person, whether or not a prospective investor, for any such restrictions.

In addition, the New Ordinary Shares are subject to restrictions on transferability and resale in certain jurisdictions and may not be transferred or resold except as permitted under applicable securities laws and regulations and under the Articles. Investors may be required to bear the financial risks of their investment in the New Ordinary Shares for an indefinite period of time. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdictions. For further information on restrictions on offers, sales and transfers of the New Ordinary Shares, please refer to “United States Purchase and Transfer Restrictions” in Part VII of the Prospectus.

In making an investment decision, each investor must rely on their own examination, analysis and enquiry of the Company and the terms of the Placing Programme including the merits and risks involved. The investors also acknowledge that: (i) they have not relied on Liberum or any person affiliated with Liberum in connection with any investigation of the accuracy of any information contained in the Prospectus, this Supplementary Prospectus or their investment decision; and (ii) they have relied only on the information contained in the Prospectus and this document. No person has been authorised to give any information or make any representations other than those contained in the Prospectus and this Supplementary Prospectus and, if given or made, such information or representations must not be relied on as having been so authorised. Neither the delivery of this Supplementary Prospectus nor any subscription or sale made under it shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or that the information in it is correct as of any subsequent time.

The Placing Programme will remain open until 20 February 2021 or such earlier time at which the maximum number of New Ordinary Shares to be issued pursuant to the Placing Programme has been issued.

None of the Company, the Investment Manager, Liberum or any of their respective representatives, is making any representation to any prospective investor of the New Ordinary Shares regarding the legality of an investment in the New Ordinary Shares by such prospective investor under the laws applicable to such prospective investor.

The contents of this Supplementary Prospectus should not be construed as legal, financial or tax advice. Each prospective investor should consult his, her or its own legal, financial or tax adviser for legal, financial or tax advice.

Liberum, which is regulated in the United Kingdom by the FCA, is acting for the Company and for no one else and will not regard any other person (whether or not a recipient of this document) as a client in relation to Admission or the Placing Programme and will not be responsible to anyone other than the Company for providing the protections afforded to its clients, nor for providing any advice in connection with Admission, the Placing Programme, the contents of this document or any other matter referred to herein. Nothing in this paragraph shall serve to exclude or limit any responsibilities which Liberum may have under FSMA or the regulatory regime established thereunder. Liberum takes no responsibility whatsoever for any part of the contents of this Supplementary Prospectus or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Group and Admission. Liberum accordingly disclaims to the fullest extent permitted by law, all and any liability whether arising in tort, contract or otherwise (save as referred to above), which it might otherwise have in respect of the Prospectus or any such statement.

26 June 2020

CONTENTS

| | | |
|-----------------|------------------------------------------------------------------------------------------------------|----|
| PART I | SUPPLEMENTAL INFORMATION TO THE SECTION ENTITLED “SUMMARY” IN THE PROSPECTUS | 4 |
| PART II | SUPPLEMENTAL INFORMATION TO THE SECTION ENTITLED “FINANCIAL INFORMATION” IN THE PROSPECTUS..... | 6 |
| PART III | SUPPLEMENTAL INFORMATION TO THE SECTION ENTITLED “ADDITIONAL INFORMATION” IN THE PROSPECTUS | 8 |
| PART IV | ADDITIONAL INFORMATION..... | 10 |

PART I

SUPPLEMENTAL INFORMATION TO THE SECTION ENTITLED “SUMMARY” IN THE PROSPECTUS

The information contained in elements 2(a)(iii) and 2(c)(i) of the summary contained in the Prospectus (the “**Summary**”) is replaced by the following:

| Element | Disclosure Requirement | Disclosure | | | | | | | | | | | | | | | | | | | | | |
|--------------------------------------------|-----------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|----------------------------------------|--------------------------------------------------------|--------------------------|------------|--------------|---------------------------------|-------------|------|---------------------------------------|------------|------|-------------------------------------|------------|------|---------------------------------------|------------|------|--------------------------------------------|------------|------|
| 2(a)(iii) | Major Shareholders | <p>Insofar as is known to the Company, the following persons are, directly or indirectly, interested in 5 per cent. or more of the issued share capital of the Company as at 31 May 2020:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><i>Ordinary Shareholder</i></th> <th style="text-align: right;"><i>No. of Existing Ordinary Shares</i></th> <th style="text-align: right;"><i>Percentage of Existing Ordinary Shares in issue</i></th> </tr> </thead> <tbody> <tr> <td>Close Asset Mgt (London)</td> <td style="text-align: right;">19,937,865</td> <td style="text-align: right;">8.69</td> </tr> <tr> <td>Bank Leumi Le Israel (Tel-Aviv)</td> <td style="text-align: right;">17,891,509</td> <td style="text-align: right;">7.80</td> </tr> <tr> <td>FIL Investment International (London)</td> <td style="text-align: right;">17,504,504</td> <td style="text-align: right;">7.63</td> </tr> <tr> <td>Premier Miton Investors (Guildford)</td> <td style="text-align: right;">17,060,000</td> <td style="text-align: right;">7.44</td> </tr> <tr> <td>Canaccord Genuity Wealth Mgt (Jersey)</td> <td style="text-align: right;">15,201,123</td> <td style="text-align: right;">6.63</td> </tr> <tr> <td>Smith & Williamson Investment Mgt (London)</td> <td style="text-align: right;">12,887,262</td> <td style="text-align: right;">5.62</td> </tr> </tbody> </table> | <i>Ordinary Shareholder</i> | <i>No. of Existing Ordinary Shares</i> | <i>Percentage of Existing Ordinary Shares in issue</i> | Close Asset Mgt (London) | 19,937,865 | 8.69 | Bank Leumi Le Israel (Tel-Aviv) | 17,891,509 | 7.80 | FIL Investment International (London) | 17,504,504 | 7.63 | Premier Miton Investors (Guildford) | 17,060,000 | 7.44 | Canaccord Genuity Wealth Mgt (Jersey) | 15,201,123 | 6.63 | Smith & Williamson Investment Mgt (London) | 12,887,262 | 5.62 |
| <i>Ordinary Shareholder</i> | <i>No. of Existing Ordinary Shares</i> | <i>Percentage of Existing Ordinary Shares in issue</i> | | | | | | | | | | | | | | | | | | | | | |
| Close Asset Mgt (London) | 19,937,865 | 8.69 | | | | | | | | | | | | | | | | | | | | | |
| Bank Leumi Le Israel (Tel-Aviv) | 17,891,509 | 7.80 | | | | | | | | | | | | | | | | | | | | | |
| FIL Investment International (London) | 17,504,504 | 7.63 | | | | | | | | | | | | | | | | | | | | | |
| Premier Miton Investors (Guildford) | 17,060,000 | 7.44 | | | | | | | | | | | | | | | | | | | | | |
| Canaccord Genuity Wealth Mgt (Jersey) | 15,201,123 | 6.63 | | | | | | | | | | | | | | | | | | | | | |
| Smith & Williamson Investment Mgt (London) | 12,887,262 | 5.62 | | | | | | | | | | | | | | | | | | | | | |
| 2(c)(i) | Additional information relevant to closed end funds | <p>The data set out in the table below is at the date of the latest published net asset value, being 31 May 2020.</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><i>Share Class</i></th> <th style="text-align: right;"><i>Total NAV</i></th> <th style="text-align: right;"><i>No. of shares</i></th> <th style="text-align: right;"><i>NAV per Share</i></th> </tr> </thead> <tbody> <tr> <td>Ordinary</td> <td style="text-align: right;">£341,934,725</td> <td style="text-align: right;">229,332,478</td> <td style="text-align: right;">149.1 pence</td> </tr> </tbody> </table> | <i>Share Class</i> | <i>Total NAV</i> | <i>No. of shares</i> | <i>NAV per Share</i> | Ordinary | £341,934,725 | 229,332,478 | 149.1 pence | | | | | | | | | | | | | |
| <i>Share Class</i> | <i>Total NAV</i> | <i>No. of shares</i> | <i>NAV per Share</i> | | | | | | | | | | | | | | | | | | | | |
| Ordinary | £341,934,725 | 229,332,478 | 149.1 pence | | | | | | | | | | | | | | | | | | | | |

The original disclosure contained in element 2(b)(i) of the Summary covered the period from 31 March 2017 until 30 September 2019. The Company has now published its audited annual reports and accounts for the year ended 31 March 2020 (the “**2020 Annual Report**”). Accordingly, element 2(b)(i) of the Summary is updated by inclusion of the following:

| Element | Disclosure Requirement | Disclosure | | | | | | | | | | | | | | | | | | |
|-------------------------------------------------------------------------------------------|-------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-------------------------------------|--|---|-----------------|------------|-------------------------------------------------------------------------------------------|--------------|--------------------|-------------|---------------|-------------|--------------------------|---------------------|---------------------|--------------------|--------------------------|---------------------------|
| 2(b)(i) | Selected historical financial information | <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;"></th> <th style="text-align: right;"><i>For year ended 31 March 2020</i></th> </tr> <tr> <th></th> <th style="text-align: right;">£</th> </tr> </thead> <tbody> <tr> <td>Interest Income</td> <td style="text-align: right;">26,432,416</td> </tr> <tr> <td>Net gains/losses on financial assets and liabilities at fair value through profit or loss</td> <td style="text-align: right;">(35,925,496)</td> </tr> <tr> <td>Operating Expenses</td> <td style="text-align: right;">(5,580,012)</td> </tr> <tr> <td>Finance Costs</td> <td style="text-align: right;">(1,488,720)</td> </tr> <tr> <td>Net Profit/(Loss)</td> <td style="text-align: right;"><u>(17,421,963)</u></td> </tr> <tr> <td>Total Assets</td> <td style="text-align: right;"><u>441,778,767</u></td> </tr> <tr> <td>Total Liabilities</td> <td style="text-align: right;"><u><u>104,621,570</u></u></td> </tr> </tbody> </table> | | <i>For year ended 31 March 2020</i> | | £ | Interest Income | 26,432,416 | Net gains/losses on financial assets and liabilities at fair value through profit or loss | (35,925,496) | Operating Expenses | (5,580,012) | Finance Costs | (1,488,720) | Net Profit/(Loss) | <u>(17,421,963)</u> | Total Assets | <u>441,778,767</u> | Total Liabilities | <u><u>104,621,570</u></u> |
| | <i>For year ended 31 March 2020</i> | | | | | | | | | | | | | | | | | | | |
| | £ | | | | | | | | | | | | | | | | | | | |
| Interest Income | 26,432,416 | | | | | | | | | | | | | | | | | | | |
| Net gains/losses on financial assets and liabilities at fair value through profit or loss | (35,925,496) | | | | | | | | | | | | | | | | | | | |
| Operating Expenses | (5,580,012) | | | | | | | | | | | | | | | | | | | |
| Finance Costs | (1,488,720) | | | | | | | | | | | | | | | | | | | |
| Net Profit/(Loss) | <u>(17,421,963)</u> | | | | | | | | | | | | | | | | | | | |
| Total Assets | <u>441,778,767</u> | | | | | | | | | | | | | | | | | | | |
| Total Liabilities | <u><u>104,621,570</u></u> | | | | | | | | | | | | | | | | | | | |

The original disclosure contained in elements 2(b)(ii) and 2(b)(iii) of the Summary covered the period from 31 March 2016 until 30 September 2019. The Company has now published the 2020 Annual Report. Accordingly, elements 2(b)(ii) and 2(b)(iii) of the Summary are updated by inclusion of the following:

| Element | Disclosure Requirement | Disclosure |
|------------------|---------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2(b)(ii) | Income statement for closed end funds | <p style="text-align: right;"><i>For year ended 31 March 2020</i></p> <p>Total net income (17,421,963) Net Profit/(Loss) (17,421,963) Performance fee (accrued/paid) 951,125 Investment management fee (accrued/paid) 4,135,296 Any other material fees (accrued/paid) to service providers 313,147 Earnings/(Loss) per share (8.7p)</p> |
| 2(b)(iii) | Balance sheet for closed end funds | <p style="text-align: right;"><i>As at 31 March 2020</i></p> <p>Total Net Asset 441,778,767 Leverage ratio 0.29</p> |

PART II

SUPPLEMENTAL INFORMATION TO THE SECTION ENTITLED “FINANCIAL INFORMATION” IN THE PROSPECTUS

On 25 June 2020, the Company published the 2020 Annual Report. The information below supplements the information contained in Part V of the Prospectus.

Statutory accounts for the financial year ended 31 March 2020

Statutory accounts for the Company and the Group prepared in accordance with International Financial Reporting Standards for the financial year ended 31 March 2020, in respect of which the Company's auditors, Deloitte LLP, Chartered Accountants, of Regency Court, Gategny Esplanade, St Peter Port, Guernsey GY1 3HW, made unqualified reports, have been delivered to the Guernsey Financial Services Commission.

During the financial year ended 31 March 2020, the Company announced the following changes to its share capital:

- on 24 May 2019, the Company announced that it raised gross proceeds of £78 million through the issue of 45,882,353 new Ordinary Shares at placing price of 170 pence per share, made pursuant to the 2018 Placing Programme;
- on 1 October 2019, the Company announced that it raised gross proceeds of £17 million through the issue of 10,208,480 new Ordinary Shares at placing price of 167 pence per share, made pursuant to the 2018 Placing Programme; and
- on 4 February 2020, the Company announced that it had raised gross proceeds of £33.5 million through the issue of 19,920,363 new Ordinary Shares at a placing price of 168 pence per share, made pursuant to the Company's general authority to allot and issue equity securities on a non-pre-emptive basis pursuant to the authority granted to the Directors by an extraordinary resolution of the Shareholders passed at the Company's annual general meeting held on 17 September 2019.

Save to the extent disclosed below, as at the date of this Supplementary Prospectus, there has been no significant change in the financial condition or trading position of the Company since 31 March 2020, being the end of the last financial period for which audited financial information has been published. Since 31 March 2020, the following events have taken place:

- on 15 May 2020, the Company announced an interim dividend of 3.0 pence per share, to be paid on 30 July 2020.

The auditors' report and financial statements of the Company for the financial year ended 31 March 2020 was unqualified.

Historical financial information

The published 2020 Annual Report (which has been incorporated by reference in this Supplementary Prospectus) included, on the pages specified in the table below, the following information:

| | <i>Year ended 31 March 2020 Page No(s)</i> |
|-----------------------------------|----------------------------------------------------|
| Independent Auditor's Report | 36-43 |
| Statement of Comprehensive Income | 44 |
| Statement of Financial Position | 45 |
| Statement of Changes in Equity | 46 |
| Statement of Cash Flows | 47 |
| Notes to the Financial Statements | 48-72 |
| Significant Accounting Policies | 48-53 |

Selected financial information

The key audited figures that summarise the financial condition of the Group in respect of the financial year ended 31 March 2020 which have been extracted without material adjustment from the historical financial information referred to above (unless otherwise indicated in the notes below the following table), are set out in the following table:

| | <i>As at</i> <i>31 March 2020</i> £ |
|-------------------------------------------------------------------------------------------|-------------------------------------------|
| Interest Income | 26,432,416 |
| Net gains/losses on financial assets and liabilities at fair value through profit or loss | (35,925,496) |
| Operating Expenses | (5,580,012) |
| Finance Costs | (1,488,720) |
| Net Profit/(Loss) | <u>(17,421,963)</u> |
| Total Assets | <u>441,778,767</u> |
| Total Liabilities | <u><u>104,621,570</u></u> |

Operating and financial review

The published annual report and audited accounts of the Company for the financial period ended 31 March 2020 included, on the pages specified in the table below, descriptions of the Company's financial condition (in both capital and revenue terms), changes in its financial condition and details of the Company's portfolio of investments for this period.

| | <i>As at</i> <i>31 March 2020</i> <i>Page No(s)</i> |
|-----------------------------|-----------------------------------------------------------|
| Chairman's statement | 6-7 |
| Investment Manager's Report | 14-17 |

Availability of annual report and audited accounts for inspection

The 2020 Annual Report is available for inspection on the Company's website (<http://www.recreditinvest.com/financialstatements.html>).

The sections of the 2020 Annual Report deemed relevant to investors for the purposes of this Supplementary Prospectus have been incorporated by reference above. The sections which have not been incorporated are not deemed relevant to investors for the purposes of this Supplementary Prospectus.

Related party transactions

The Company has entered into the following related party transactions (as defined in International Accounting Standard 24) in the period since 1 April 2015 to the date of this Supplementary Prospectus: the Company has made, and will continue to make, certain loan investments through a Luxembourg based entity Stornoway Finance SARL via loan note instruments. This entity has separate compartments for each loan deal. Other funds also managed by the Investment Manager invest *pari passu* in these compartments. Any loans not co-invested on a *pari passu* basis will be noted by the Company in its annual report and accounts.

PART III

SUPPLEMENTAL INFORMATION TO THE SECTION ENTITLED “ADDITIONAL INFORMATION” IN THE PROSPECTUS

1. CHANGES TO SHARE CAPITAL

The share capital of the Company currently consists of Ordinary Shares in issue at the date of this Supplementary Prospectus (“**Existing Ordinary Shares**”) of no par value. The fully paid issued share capital of the Company as at 24 June 2020 was as follows:

| | <i>No. of Shares</i> | <i>Nominal Value</i> |
|--------------------------|----------------------|----------------------|
| Existing Ordinary Shares | 229,332,478 | Nil |

The Company did not hold any Existing Ordinary Shares in treasury as at 24 June 2020.

2. CHANGES TO DIRECTORS’ AND OTHER INTERESTS

The direct and indirect interests of Directors in the Shares as at 24 June 2020 are as follows:

| <i>Name</i> | <i>No. of Existing Ordinary Shares</i> |
|-----------------|----------------------------------------|
| Bob Cowdell | 140,000 |
| Susie Farnon | 38,000 |
| John Hallam | 100,000 |
| Graham Harrison | 25,000 |

Insofar as is known to the Company, the following persons are, directly or indirectly, interested in 5 per cent. or more of the issued share capital of the Company as at 24 June 2020:

| <i>Ordinary Shareholder</i> | <i>No. of Existing Ordinary Shares</i> | <i>Percentage of Existing Ordinary Shares in issue</i> |
|--------------------------------------------|----------------------------------------|--------------------------------------------------------|
| Close Asset Mgt (London) | 19,937,865 | 8.69 |
| Bank Leumi Le Israel (Tel-Aviv) | 17,891,509 | 7.80 |
| FIL Investment International (London) | 17,504,504 | 7.63 |
| Premier Miton Investors (Guildford) | 17,060,000 | 7.44 |
| Canaccord Genuity Wealth Mgt (Jersey) | 15,201,123 | 6.63 |
| Smith & Williamson Investment Mgt (London) | 12,887,262 | 5.62 |

3. CHANGES TO CAPITALISATION AND INDEBTEDNESS INFORMATION OF THE COMPANY

Capitalisation and Indebtedness

The following table shows the audited capitalisation of the Company as at 31 March 2020 (being the last date in respect of which the Company has published audited financial information):

| | <i>As at 31 March 2020 (£ million)</i> |
|-----------------------------|----------------------------------------|
| <i>Shareholders’ equity</i> | |
| Share capital | 229.3 |
| Legal and other reserves | 1.5 |
| Total | <u>230.8</u> |

The following table shows the Company's gross indebtedness as at 31 March 2020 (the last date in respect of which the Company has published audited financial information), which has been extracted from the Company's unaudited fact sheet as at 31 March 2020:

| | |
|-------------------------------|----------------------|
| | <i>As at</i> |
| | <i>31 March 2020</i> |
| | <i>(£ million)</i> |
| <i>Total current debt</i> | |
| Guaranteed | Nil |
| Secured | 97.0 |
| Unguaranteed/unsecured | Nil |
| | <i>As at</i> |
| | <i>31 March 2020</i> |
| | <i>(£ million)</i> |
| <i>Total non-current debt</i> | |
| Guaranteed | Nil |
| Secured | Nil |
| Unguaranteed/unsecured | Nil |

The following table shows the Company's net indebtedness as at 31 March 2020 (the latest date in respect of which the Company has published audited financial information), which has been extracted from the Company's audited annual report as at 31 March 2020:

| | |
|-----------------------------------------------|----------------------|
| | <i>As at</i> |
| | <i>31 March 2020</i> |
| | <i>(£ million)</i> |
| A. Cash | 27.0 |
| B. Cash equivalents | 25.0 |
| C. Trading securities | 389.8 |
| D. Liquidity (A+B+C) | 441.8 |
| E. Current financial receivable | Nil |
| F. Current bank debt | Nil |
| G. Current portion of non-current debt | Nil |
| H. Other current financial debt | 97.0 |
| I. Current financial debt (F+G+H) | 97.0 |
| J. Net current financial indebtedness (I-E-D) | (344.8) |
| K. Non-current bank loans | Nil |
| L. Bonds issued | Nil |
| M. Other non-current loans | Nil |
| N. Non-current financial indebtedness (K+L+M) | Nil |
| O. Net financial indebtedness (J+N) | (344.8) |

As at 31 March 2020, the Company had no indirect or contingent indebtedness and nil net indebtedness.

As at 31 March 2020, the Company did not have any bank borrowings or undrawn committed facilities but did have cash of £27.0 million to fulfil its liquidity requirements.

PART IV

ADDITIONAL INFORMATION

1. PERSONS RESPONSIBLE

The Company and each of the Directors, whose names appear below, accept responsibility for the information contained in this Supplementary Prospectus. To the best of the knowledge of the Company and the Directors, the information contained in this Supplementary Prospectus is in accordance with the facts and the Supplementary Prospectus does not make any omission likely to affect its import.

2. DIRECTORS

Bob Cowdell (*Chairman*)
Susie Farnon
John Hallam
Graham Harrison

3. SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES OR INACCURACIES SINCE THE PROSPECTUS

Save as disclosed in this Supplementary Prospectus, no other significant new factor, material mistake or inaccuracy relating to the information included in the Prospectus has arisen since the publication of the Prospectus.

4. CONSENTS

Each of the Investment Manager and Liberum has given and has not withdrawn its 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.

5. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the 2020 Annual Report and this Supplementary Prospectus are available for inspection on the Company's website (<http://www.recreditinvest.com>) from the date of this Supplementary Prospectus until the date of Admission of the New Ordinary Shares issued pursuant to the final Placing of the Placing Programme.

6. GENERAL

To the extent that there is any inconsistency between any statement included or incorporated by reference in this Supplementary Prospectus and any other statement included or incorporated by reference in the Prospectus, the statements included or incorporated by reference in this Supplementary Prospectus will prevail.

26 June 2020

