REAL ESTATE CREDIT INVESTMENTS LIMITED

Q1 Investor Presentation

July 2022

www.recreditinvest.com
Ticker: RECI LN

Background

Real Estate Credit Investments (RECI) is a closed-ended investment company which originates and invests in real estate debt secured by commercial real estate in Western Europe, focusing primarily on the United Kingdom, France and Germany.

RECI is externally managed by Cheyne Capital's real estate business which was formed in 2008 and currently manages c. $5bn via private funds and managed accounts. Its investments span the entire spectrum of real estate risk from senior loans, mezzanine loans, special situations to direct asset development and management.

RECI's overarching aim is to deliver a stable quarterly dividend with minimal volatility, through economic and credit cycles via a levered exposure to real estate credit investments. Investments may take different forms but are principally in:

- **Self Originated Deals**: predominantly bilateral senior real estate loans and bonds
- **Market Bonds**: listed real estate debt securities such as Commercial Mortgage Backed Securities (CMBS) bonds.

This quarterly update presentation has been prepared by the Company's Investment Manager to provide investors with an update of the position of the Company as at 30 June 2022, a detailed review of the positions held by the Company, and detail of the Company's strategy with regards to dividends, leverage, and opportunities in the UK and European real estate credit markets

Contents

Key Quarter Updates

- Portfolio
  - 6 new deals completed (£63.5m of commitments) since 31 March 2022, showing strength of opportunity post the initial impact of Covid
  - No defaults in the portfolio
  - Successful and favourable completion on the last remaining hotel loan restructuring
  - Migration of portfolio to senior lending in keeping with the compelling opportunity set therein

- Cash
  - Cash reserves remain robust, targeted at between 5% to 10% of NAV

- Dividend
  - Dividends maintained at 3p per quarter, 8.1% yield, based on share price, as at 30 June 2022

- Employs a mix of flexible, short-dated financing alongside term-matched financing on selected high-quality senior loan deals.

- Opportunities
  - Bank lending remains constrained across Europe and high barriers to entry secures a continued compelling investment landscape, especially in senior lending
  - The Company expects to deploy its currently available cash resources to its near term commitments, and if cash resources permit, in some of the potential new deals in the Cheyne pipeline
  - Cheyne's pipeline includes a mix of UK, French and Spanish opportunities, which all offer attractive yields

Summary : Investment Opportunity

✓ **Attractive returns from low LTV credit exposure to UK and European commercial real estate assets**

- Weighted Average LTV on underlying investments of 59.8% as at 30 June 2022
- Predominantly large, well capitalised, and experienced institutional borrowers

✓ **Quarterly dividends delivered consistently since October 2013**

- The Company has consistently sought to pay a stable quarterly dividend
- This has led to a stable annualised dividend of around 7% of NAV

✓ **Highly granular book**

- 62 positions

✓ **Transparent and conservative leverage**

- Net leverage 17.8% (with £37.6m cash) as at 30 June 2022 versus a leverage limit of 40%

✓ **Access to established real estate investment team at Cheyne, which manages c$5bn AUM**

✓ **Access to pipeline of enhanced return investment opportunities identified by Cheyne**

✓ **Robust mitigation against a rising rates environment**

- A high yielding portfolio, combined with a short weighted average life of under 2 years, ensures minimal exposure to yield widening and the ability to redeploy quickly at higher rates

Summary: Structural Strength - Positioned to Capitalise on Opportunities

- Having successfully navigated through the challenges posed by the COVID-19 pandemic, RECI is well positioned to address future market uncertainty, with a strong portfolio profile and modest leverage comprising,
  - Senior loans and bonds equal to 82% of NAV
  - Weighted average LTV of 59.8%
  - The portfolio is concentrated on credits to large, well capitalised and experienced institutional borrowers
  - Leverage of 1.28x gross (1.18x net of cash held) as at 30 June 2022
  - Started to introduce term financing on senior loan investments
  - Cash on balance sheet of £37.6m
- The Company has good visibility on its liquidity and income profile for the next financial year ending March 2023, and beyond
- The Company is positioned to take advantage of a new pipeline of opportunities from a position of strength

Summary: Fixed & Floating Rate Bonds

- RECI's bond portfolio (including market and self-originated bonds) has approximately 68% of fixed rate bonds and 32% floating rate bonds as at 30 June 2022
- The Levered Yield for the fixed rate bonds is 16.7%
- The fixed rate bonds are resilient to interest rate moves as they have a short dated maturity, with a modified duration of 1.6 years

30 June 2022 Snapshot

Current Position

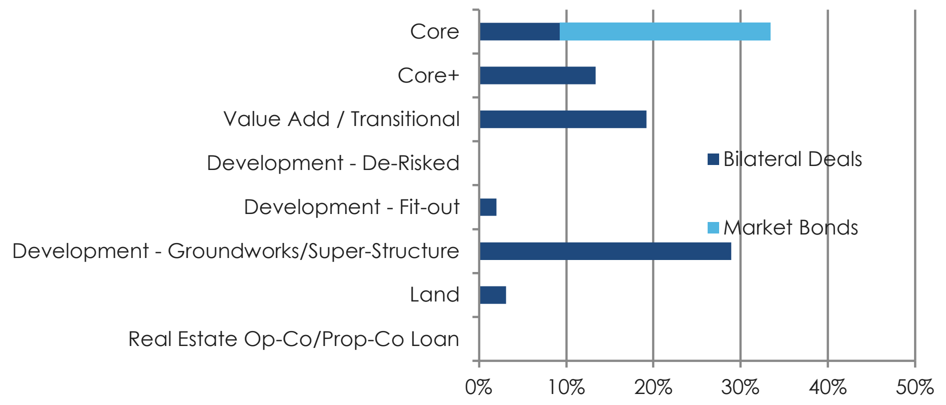
- NAV at end of June 2022 was £1.519
- RECI announced an interim dividend for this financial year of 3p in June 2022
- Six deals fully repaid in the quarter, with six new commitments made

	31-Mar-2022	31-Apr-22	30-May-2022	30-Jun-2022
Bilateral Loans & Bonds (Fair Value)	£287.7m	£275.8m	£289.1m	£319.5m
Public Market Bonds (Market Value)	£97.8m	£97.1m	£94.5m	£93.0m
Cash	£52.8m	£65.5m	£66.4m	£37.6m
Financing	-£104.2m	-£104.3m	-£108.8m	-£108.8m
Other Assets & Liabilities	£9.6m	£11.3m	£7.7m	£6.9m
Net Assets	**£343.7m**	**£348.8m**	**£348.3m**	**£348.2**
Shares Outstanding	**229,332,478**	**229,332,478**	**229,332,478**	**229,332,478**
NAV per share	**£1.499**	**£1.506**	**£1.522**	**£1.519**
Debt to Equity Ratio	30.3%	30.2%	31.2%	31.2%
Net Leverage	14.0%	10.2%	9.3%	17.5%

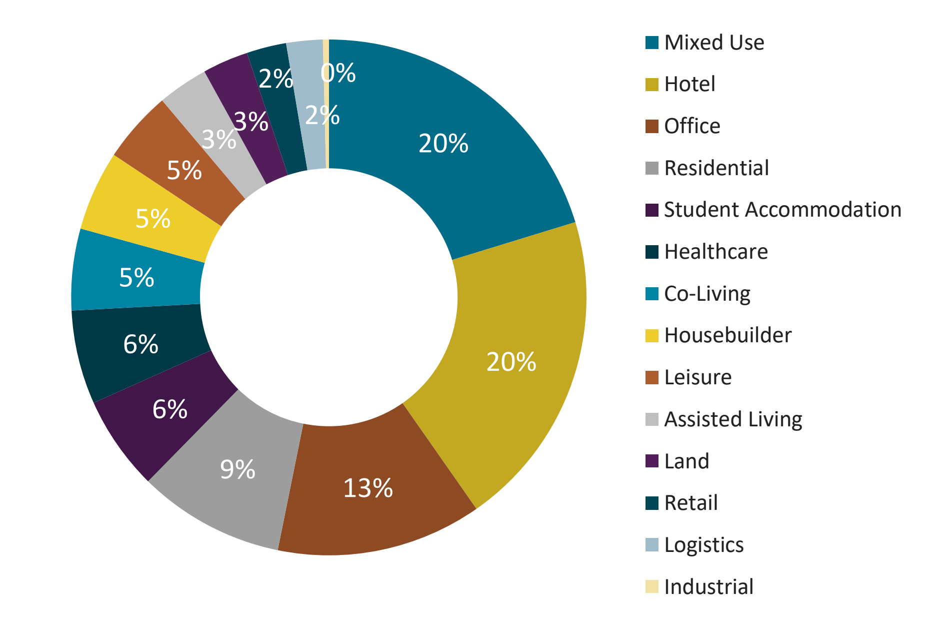
Portfolio Composition

- RECI's investment portfolio was valued at £412.5m as at 30 June 2022
- The bilateral loan portfolio of £319.5m comprises 35 loans, with an average LTV of 62.6%, an average unlevered yield of 7.6% and a weighted average life of 2.0 years
- The public market bond portfolio, currently valued at £93m, has the potential for strong defensive returns

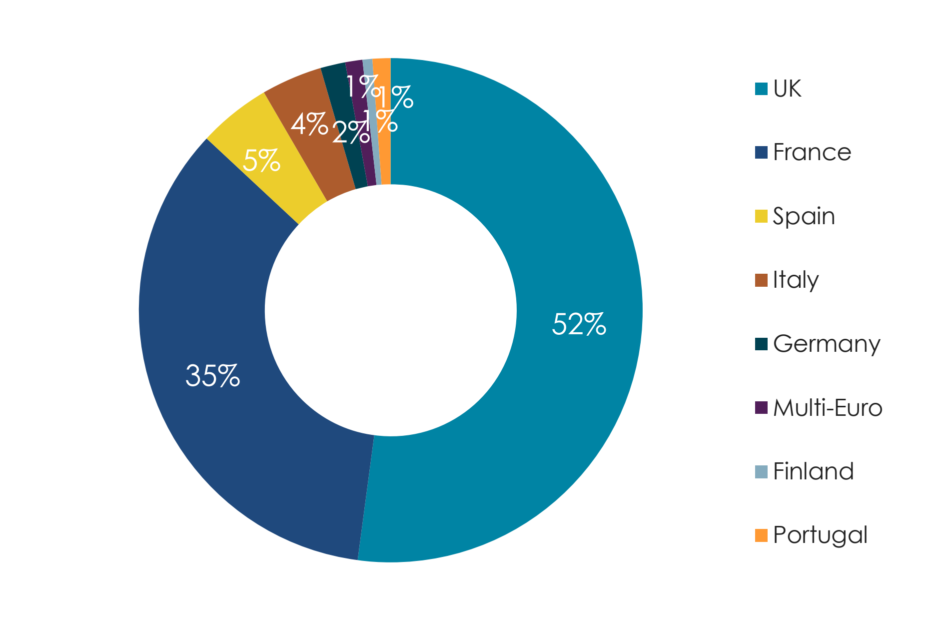
Portfolio by Loan Type[1] (Funded Fair Value)



By Sector (% of FV drawn)



By Geography (% of FV drawn)



1. For Loan Type definitions please refer to slide 24

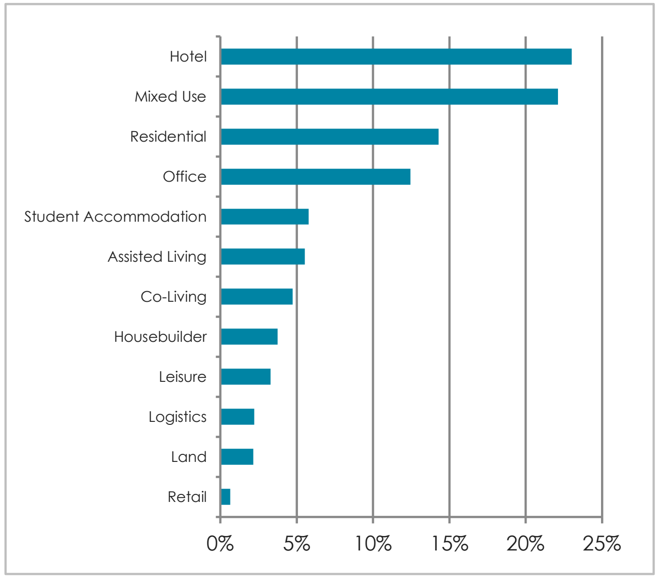
Portfolio Composition – Bilateral Deals[1]

35	£319.5m	62.6%	10.1%	2.0 yrs
Loans	FV of Portfolio	WA LTV	WA Yield[2]	WA Life

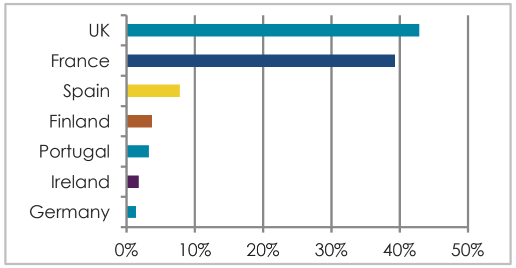
- £319.5m portfolio comprising 35 loans, predominantly senior and mezzanine loans in the UK, France and Spain
- Undrawn loan commitments of £187.5m as at 30 June 2022

Loan Breakdowns by Commitment

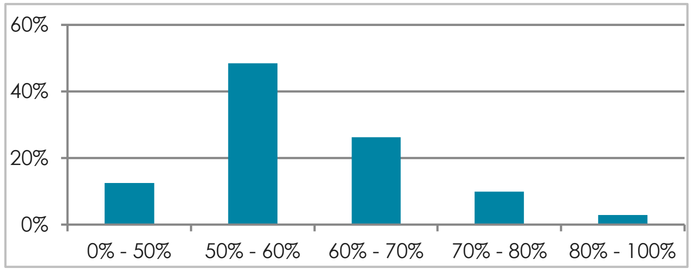
Asset Class Breakdown



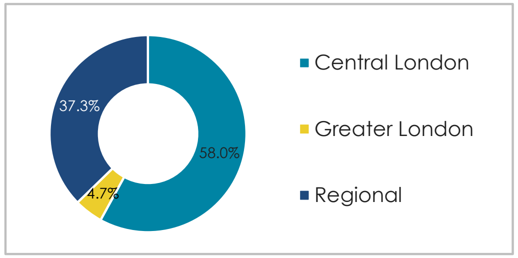
Geographical Breakdown



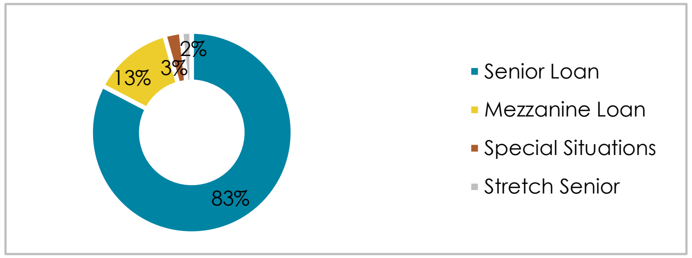
LTV[3]



UK Breakdown



Loan Type Breakdown



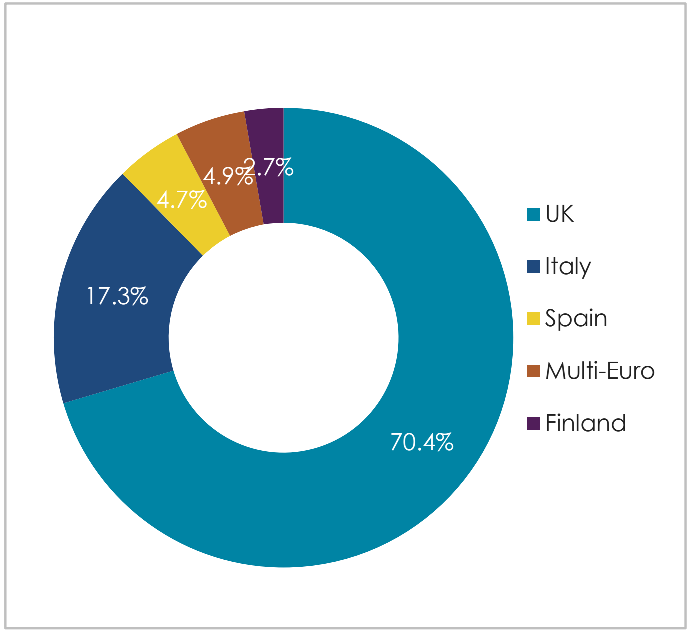
[1]Certain self originated bilateral loans are technically structured as bonds to enhance marketability
[2] Yield stated is the effective accounting yield based on the funded loan balances, which includes interest and fees. Some loans also benefit from equity upside participation, which is only recognised following evidenced delivery, and can result in significant incremental gains in excess of the effective accounting yield. The portfolio includes listed notes, of which some are leveraged.
[3]LTV by commitment (see slide 24 for definition)

Portfolio Composition – Public Market Bond Portfolio

27	£93.0m	52.8%	11.6%	2.1yrs
Bonds	Fair Value	WA LTV	WA Yield [1]	WA Life

- RECI is also invested in listed real estate bonds (mainly CMBS)
- Bond investments are typically senior secured (1st lien) credits at conservative LTV collateralised by core and core+ assets and owned by large institutional sponsors
- European CMBS bonds typically offer enhanced security and attractive value relative to the corporate bond markets and represent an attractive relative risk-adjusted return in their own right
- RECI actively trades its bond book for relative value and also for the efficient management of liquidity in the Company overall. Through time, the bond book has contributed to RECI's NAV growth and yield management strategy
- The bonds are valued on a mark to market ("MTM") basis, where independent 3rd party pricing is obtained based on observable market trading levels (bid/offer). Since the early MTM losses at the start of the Covid-19 crisis, the bond market has stabilised and there have been some positive MTM gains that have been reported in recent months
- RECI has benefited significantly from previous dislocations in the CMBS market resulting from broader financial markets stress (2009, 2011, 2016), and is already seeing opportunities and, as in previous crises, Cheyne is well positioned to take advantage

By Geography



1. Bond portfolio is only partially leveraged. The Company is not utilising its maximum capacity for leverage.

Position Analysis – Top 10 by Commitment as at 30 June 2022

	Description	Commitment	FV of Funded Amount	LTV Attach	LTV Detach	Investment Strategy	Loan Type	Manager Comment
1	Paris prime resi/retail building	£48.9m	£42.5m	0%	67%	Senior Loan	Value Add/ Transitional	Luxury retail and apartments in super-prime Paris location. Sponsor has received bids for the asset significantly above the balance of the loan (and above the purchase price) and is considering an early exit.
2	UK mixed use portfolio, predominantly office/residential	£44.6m	£16.7m	0%	52%	Senior Loan	Core+	Light industrial, office and mid-market residential asset portfolio in the UK. The de-risking of the loan has continued this quarter with further successful sales and quarterly amortisation.
3	London Residential Led Mixed Use Scheme*	£32.7m	£6.4m	0%	55%	Senior Loan	Development	Residential, affordable housing and mixed use over five blocks within Greater London.
4	Office Development in Saint Ouen, Paris	£29.3m	£17.8m	0%	58%	Senior Loan	Development	Refurbishment and extension of a freehold office building
5	UK Health Care Centre*	£24.3m	£24.3m	0%	73%	Market Bond	Core	Stable, income producing UK health care centre
6	London Office	£23.5m	£21.5m	0%	59%	Senior Loan	Core	Fully let 98,246 sq ft new grade A office block located in Hoxton
7	Spanish Villas	£22.5m	£5.4m	0%	49%	Senior Loan	Development	Build-for-sale Luxury Villa Development
8	France Housebuilder Portfolio*	£20.6m	£20.6m	0%	56%	Senior Loan	Development	Income producing residential developer
9	Finland Hotel*	£20.4m	£0.0m	0%	64%	Senior Loan	Development	Development in progress. Expected completion in June 2024
10	French Hotel*	£20.0m	£3.8m	0%	80%	Whole Loan	Development	Development in progress. Expected completion in Q3 2024

*Highlighted deals have been completed in the past 12 months

Recent Deals

Deal Description	Residential
Instrument	Senior Loan
Total RECI Commitment	£13.1m
Location	London, United Kingdom
Collateral	458 residential units
Project Type	Development
LTV	65%

Deal Description	Land
Instrument	Senior Loan
Total RECI Commitment	£11.8m
Location	London, United Kingdom
Collateral	Land
Project Type	Development
LTV	60%

Deal Description	Residential
Instrument	Senior Loan
Total RECI Commitment	£32.7m
Location	London, United Kingdom
Collateral	493 residential units
Project Type	Development
LTV	54.70%

Recent Deals

Deal Description	Hotel
Instrument	Senior Loan
Total RECI Commitment	£17.8m
Location	Multi City, United Kingdom
Collateral	6 Spa Resorts
Project Type	Core+
LTV	67%

Deal Description	Later Living
Instrument	Senior Loan
Total RECI Commitment	£10.6m
Location	London, United Kingdom
Collateral	183 later living units
Project Type	Development
LTV	55%

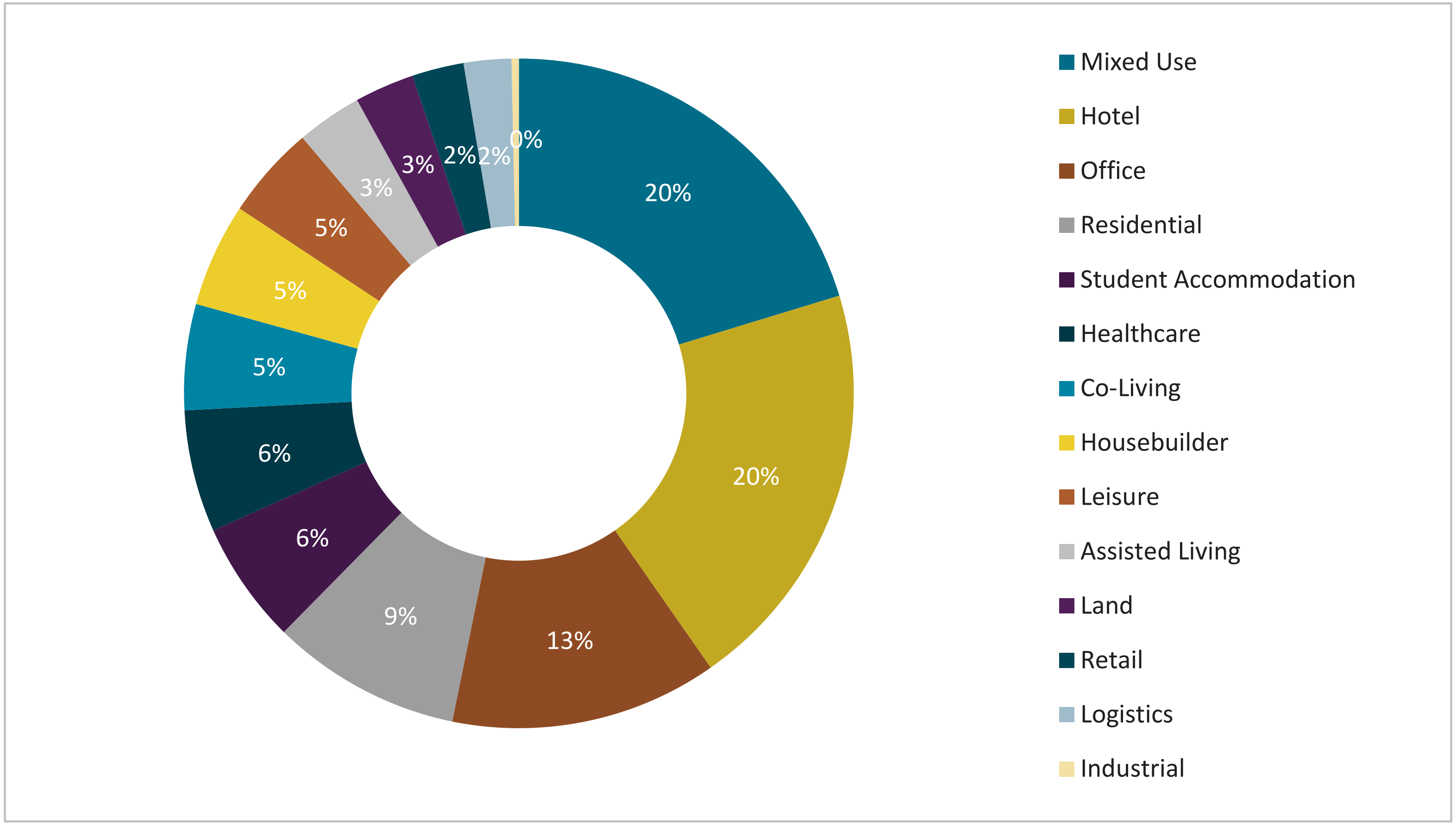
Deal Description	Co-Living
Instrument	Senior Loan
Total RECI Commitment	£5.2m
Location	Multi City, France
Collateral	4 co-living assets
Project Type	Core/ Core+
LTV	65%

Past performance is not a guide to future results. Actual results and developments may differ materially from those expressed or implied herein.

Portfolio Analysis

Sectoral Analysis Overview

RECI investment portfolio remains diverse and granular



The following pages provide a detailed narrative on the Company's exposures by sector

Sectoral Analysis

Mixed-Use (20% of GAV*)

The majority of RECI's exposure to mixed-use assets is to value-add and development loans where the sources of value are typically from the delivery of residential units alongside office assets

Main Positions

1. A senior loan (50% LTV, comprising of an original investment tranche of £35.6m and a development tranche of £16m) to a large established UK operator, representing 4.5% of GAV secured by an well-diversified and relatively liquid mixed use portfolio of 15 assets (17 originally) across the UK (50% in affordable residential and office, 50% in light industrial and retail) including income producing assets, developments under construction and land sites subject to planning. Two assets and the majority of completed residential apartments have been sold and we expect to see further de-risking continue

2. A senior whole loan (75% LTV), representing 11.0% of GAV, secured by an income producing prestigious freehold luxury retail and residential building located in the 8th arrondissement of Paris, at the heart of the Golden Triangle. The loan benefits from significant headroom to current market rents and a widening of cap rates from current levels. This location remains the top retail destination in Paris with rental values and investment yields holding to strong levels

*GAV relates to investment portfolio and excludes cash

Sectoral Analysis

Hospitality (Hotels) (20% of GAV)

This asset class has faced a long period of severely curtailed occupancy levels. The likely end to local lockdowns has led to green shoots of recovery in the sector led mostly by the resumption in leisure demand. This leisure demand has been principally driven by staycation travel, but there are early signs that international tourism has also seen a good pick up RECI's exposure to these sectors represents 16% of its investment portfolio and is characterised by exposures to large well capitalised experienced operators with significant equity exposure. The largest exposure benefits from a superior security package which includes a long term rental guarantee from the tenant (a listed hotel company). Given the material de-risking of each position during the last year, we do expect these positions to realise in a full recovery of principal and interest and also for the maintenance of cash pay interest throughout

Main positions

1. Mezzanine loan (52% - 86% LTV) to a private equity borrower, representing 4.5% of GAV, backed by a portfolio of well located and established core income London hotels that have the additional benefit of a FRI lease. The lease income (rent) is guaranteed for a long term by a well capitalised operator. Post COVID, the loan was successfully restructured and saw the tenant / operator co-invest a significant amount of new capital into the transaction further de-risking the loan and stabilising the position in the long-term. Latest trading from the tenant shows significant improvement in trading as COVID related restrictions are lifted

2. A mezzanine loan (23% LTV) to a private equity borrower, representing 2.4% of GAV, initially backed by a portfolio of 5 core income producing 4-star and 5-star hotels in Paris and 1 in Nice. The hotels are centrally located in Prime locations. The sales of four assets (in May 2020, March 2021, October 2021 and January 2022) were achieved for substantially above the allocated loan amount and above the pre-COVID valuation for both assets, resulting in a further de-levering of the loan and providing for sufficient liquidity to meet lender interest and operating costs until the end of Summer 2022

3. A mezzanine loan (35%-51% LTV) to a large conglomerate, representing 2.0% of GAV, backed by a collection of high-end luxury leisure hotels in France. The hotels have performed above budget in the season so far since reopening. The sponsor continues to inject sufficient equity for continued cover of the loan coupon

Sectoral Analysis

Offices (13% of GAV)

Since COVID prime grade A new refurbishment and new offices, enjoy a favourable demand and lack of supply while grade B offices are facing a negative headwind.

Main Positions

1. Since closing in Q4 2020, the Sponsors managed to get the agreement from the local authorities for ca 4,600 sqm of additional office space, the Building Permit was submitted in December 2020 and approval of the local council was received in June 2021. Building Permit is now free of any third party recourses. Contract with the General Contractor was signed in October 2021 for total amount of €42m. Construction is going according to plan with a PC date of July 2023.

2. A £46m investment financing senior loan (59% LTV) with an experienced Sponsor with more than 20 years of experience a strong relationship with Cheyne demonstrated in the continuous participation in previous deals and current ones in the pipeline. The building reports strong fundamentals and strong ESG credentials in essence a BREEAM excellent rating and the highest EPC rating for a building of this type.

Sectoral Analysis

Student Accommodation (6% of GAV)

Student sector has continued to show resilience during COVID characterised by higher levels of local students offsetting the lower levels of overseas students seen as a result of the last 24 months of disruption. Student market is expecting a return to normal levels of overseas students in the 2022/23 academic year as travel restrictions ease

Main position

1. A senior development loan (66% LTC / 49% LTGDV) to a large student housing operator in the US who are now expanding in to Europe. The operator has entered in to a JV with an institutional Sponsor. The site being developed is in Seville, a prominent university city in Spain with a significant undersupply of PBSA (student to PBSA bed ratio of 5:1, inclusive of dated stock)

2. A senior development loan (76% LTC / 50% LTGDV) to an institutional Sponsor rolling out a PBSA strategy in Iberia. This is the Sponsor's 5th development in Spain. The site is being developed in Pamplona which also suffers from an undersupply of PBSA (student to PBSA bed ratio of 5:1 as per Seville, and inclusive of dated stock)

ESG Analysis

ESG

PHILOSOPHY

Cheyne Capital and its Real Estate team are committed to operating its business in a progressively responsible manner, achieved through the incorporation of high standards of governance and investment stewardship. Cheyne aim for the consideration, assessment and integration of environmental, social and governance (ESG) factors to be a core element of analysis undertaken in our investment processes. We believe that responsible investing (RI) has an important dual purpose as both a key driver of value creation and a moral obligation within our business operations

PROCESS

Cheyne's investment staff, inclusive of portfolio managers and investment analysts are primarily responsible for ensuring that the consideration of ESG issues is implemented into investment decisions. Within the Real Estate strategy, ESG considerations are discussed and recorded at all stages of the investment process:

1. **PRE-INVESTMENT:** analysts and investment staff are primarily responsible for ensuring that the consideration of ESG issues is taken into account prior to any investment decision. This analysis is conducted in-house with the input of external experts where required. Within each investment transaction memo which the lead analyst is tasked with preparing, there is a mandatory section on ESG considerations. These considerations are reviewed and discussed at the Investment Committee meeting before the committee agrees to proceed with the proposed transaction. The Cheyne Capital Credit Committee must review the ESG factors in each transaction before approving the deal to proceed
2. **DURING INVESTMENT:** for existing investments, the team are primarily responsible for ensuring that the consideration of ESG issues is taken into account, along with ongoing review of each fund transaction post-investment. EPC and BREEAM ratings are gathered, if applicable, and recorded during the due diligence phase. Within RE lending, we work to ensure that each sponsor/borrower is cognisant of their ESG commitments and strives to improve these as part of their normal course of business
3. **ON EXIT:** dependent on the fund strategy, ESG considerations are taken into account for exit. For example, due to the nature of the objectives for Cheyne's social impact fund, the "S" in ESG is an integral part of the investment strategy. With regards to exiting a Real Estate loan, the optimisation of the "E" helps to drive value in the underlying project and thus facilitate a more efficient exit strategy

To further augment this approach, the Real Estate Team will this year be adopting a more rigorous, scoring-based framework with the aim being to use our capital to influence ESG principles on projects & opportunities that we are looking to fund. Using this approach we expect some opportunities or investments not to hit the criteria, at which point we will use our knowledge to assist with improvements that could be made which will bring these opportunities back within our scoring framework

ESG – Deal Examples

Earlsfield, UK

The project will be a car-free development and will provide a cycle hub, promoting more cycling in the local area. The subject scheme comprises 109 units (35% of 310) affordable units that will be offered with priority to local people and key workers. The Sponsor is a fund manager who is experienced in managing institutional capital and upholding the highest level of due diligence and governance in investments

ESG

Sustainability – Next Steps

Specifically in respect of sustainability, this is considered as part of our investment decision making process for Real Estate funds, based upon our Sustainability Risks disclosure (https://www.cheynecapital.com/media/2267/cheyne-manco-esg-policy-may-2021.pdf.)

In respect of specific UN Sustainable Development Goals (SDG), we do not as yet embed specific SDGs into our policy, but will be considering this in the future. A number of these goals are, however, relevant to our Real Estate business and we consider the following SDGs as those with which we are most closely aligned:

UNSDG 7: Affordable & Clean Energy
UNSDG 9: Industry, Innovation & Infrastructure
UNSDG 11: Sustainable Cities & Communities
UNSDG 12: Responsible Consumption & Production

More broadly, Cheyne has now engaged an external Real Estate ESG specialist consultant to assist with developing and provide assurance on a comprehensive scorecard based approach. The ultimate aim is to align our principles with industry recognised benchmark standards to identify a minimum ESG standard we will need across our portfolio. The move to a more qualitative system will significantly help us identify and understand ESG based risks in our portfolio more easily, and not only assist us with lowering risk and increasing quality, but will also help us collate and measure the data required to track progress in what is a fast moving but increasing important area of focus. We are currently in the implementation phase of the project, which will include training for the Real Estate team and wider Cheyne employees

Repaid Deals

Repaid Deals

Student Accommodation

- A core mezzanine loan (78% LTV) to an established developer in numerous locations in the UK was repaid, £22.7m, in full with an exit IRR of 10.2% and a multiple of 1.2x.

- A core senior development loan (61.3% LTGDV) to an established developer in Dortmund, Germany was repaid, £3.8m, in full with an exit IRR of 8.1% and a multiple of 1.1x.

Healthcare

- A core stretch senior loan (73.4% LTV) to an established developer in numerous locations in the UK was repaid, £17.0m, in full with an exit IRR of 8.5% and a multiple of 1.3x.

Mixed Use

- A mezzanine value add/transitional loan (87.5% LTV) to an established developer in Paris, France was repaid, £11.6m, in full with an exit IRR of 13.7% and a multiple of 1.4x.

Housebuilder

- A mezzanine development loan (82.5% LTV) to an established developer in numerous locations in South-east UK was repaid, £16.4m, in full with an exit IRR of 1.2% and a multiple of 1.1x.

Appendix

Leverage Review

Balance Sheet / Company Recourse Leverage

RECI's current gross leverage is 29% of NAV (against a maximum permitted leverage of 40%). RECI currently utilises its recourse leverage with flexible repurchase agreements (REPO) on its liquid bonds. RECI has maintained its financing relationships throughout 2020 and 2021. While rates rose in the months following the initial COVID impact, they have now recovered and the WA cost of this financing was just 1.8% as at 30 June 2022

Structured Asset Level Funding (Term-Matched, Non-Recourse Leverage)

RECI can also benefit from optimising the returns on its senior loans by utilising the structured funding relationships Cheyne has with a number of lenders. The Company may choose to enhance the returns via asset level, term matched funding, which has no recourse to the Company and retains the risk profile and governance benefits of a senior loan for the Company. The Company has started to term finance some of its senior loans on this basis, and is in advanced discussions on term financing of several more senior loan positions, and expects these to complete in the coming months

Financing Summary

We believe that the long-term strategy for the Company should be a mix of structured term funding on its senior loan book and REPO financing on its liquid bond book, thereby maintaining a conservative level of recourse leverage supported by strong assets and liquid instruments

The Company will continue to maintain a prudent overall leverage position

	Balance Sheet/Company Leverage[1]	Cash	Net Effective leverage	Asset Level Structured Funding
£ Amount	£98.6m	£37.6m	£60.9m	£11.0m
% of NAV	28.8%	11.0%	17.8%	3.2%
WA cost of finance	1.8%	-	-	4.7%

1. RECI has a limit on balance sheet leverage of 40% of NAV, as set out in its borrowing policy
2. Other forms of funding of RECI's senior loan investments are not recourse lending.

Continuing to deliver an attractive and stable dividend

RECI's dividend policy: it is the intention of the Company to pay a stable quarterly dividend. Since 2013, this has remained at **a fairly constant yield of 7% on the Company's NAV**

- The Company announced an interim dividend of 3p in March 2022
- An annual dividend of 12 pence represents a dividend yield of 8.0% on share price as at 31 March 2022
- The Company has an overarching aim of paying out its total returns in dividends to investors and to provide dividend sustainability

Dividend sustainability will derive from **net distributable income** and **cash coverage**

- **Net distributable income** derives from net regular income (coupon yield from the underlying loans and bonds) and any profits earned above that regular income. To maintain and improve the Company's regular income, the Company has successfully deployed some of the substantial cash reserves (built through the COVID crisis) into attractive high yielding loans and will continue to do so to improve its net income
- Our granular cash forecasting and stress scenarios give us the confidence that the Company can maintain its ample dividend **cash coverage** for the long term

Earnings and Dividends Reconciliation

- **Gross to Net reconciliation** for the full year ended 30 June 2022

	Absolute £m	Per Share	% Perf Annualised
Int Inc Market Bonds	1.0	0.00	1.20%
Int Inc Self Orig Bonds	2.5	0.01	2.90%
Int Inc Self Orig Loans	4.2	0.02	4.90%
Finance costs	-0.5	-0.00	-0.60%
Other income	0.0	0.00	0.00%
Interest income	**7.2**	**0.03**	**8.4%**
Expenses (inc mngt and perf fees)	-1.6	-0.01	-1.90%
Fair Value Adjustments (inc realised and unrealised profit and loss on investments)	-1.2	-0.01	-1.4%
Net loss/profit	**4.4**	**0.02**	**5.10%**

Net Profit of £4.4m, being 0.6x covered against annual dividends paid of £7.0m

The breakdown is based on estimates which have been internally calculated by Cheyne Capital and which have not been externally verified. Actual returns may be different. This is not a profit forecast. The values for each column may not sum to the total due to rounding differences. Percentage returns based on annualised figures (taking quarter end figures multiplied by four) over the NAV per share as at 31 March 2022

RECI: Summary

RECI is well positioned to participate in the healthy pipeline of Cheyne investments, and to deliver on its overarching objective to provide ordinary shareholders with attractive and stable returns, primarily in the form of quarterly dividends

- Focused on senior secured credit, with defensive LTVs
- Strong governance control over its loan book
- Large, experienced, well capitalised borrowers
- Conservative and flexible leverage profile
- Dividend stability and coverage without compromising risk
- Management from Cheyne Capital's Real Estate team

Definitions

- **Asset types:**
  - **Core** – assets that benefit from having long term income
  - **Core +** – assets that benefit from having strong current income, but do require some measure of asset management to optimise its income profile and term
  - **Value add / transitional** – assets that require asset management (typically refurbishment) and re-letting to secure a core income profile
  - **Development: Groundworks/Super-Structure** – assets that are to be built from the ground up and are in the ground-works stage or building the super-structure has commenced. These typically already benefit from the requisite consent to develop
  - **Development: Fit-Out** - assets that have either been built from the ground up and have reached the completion of the super-structure ("topped out"), or assets which are in need of substantial refurbishment works. These typically already benefit from the requisite consent to develop
  - **Development: De-Risked** – development assets which benefit from being substantially pre-sold or pre-let
  - **Real Estate Op-Co/Prop-Co Loan** – loan secured by both the operating company as well as all of the company's real assets
- **LTV (Loan to Value):** The outstanding balance on a loan divided by the current value of an asset. In the case of mezzanine loans, the LTV will represent the highest leverage exposure of the loan
- **LTGDV (Loan to Gross Development Value):** The expected loan balance at the conclusion of a development or value-add project (which will include all amounts advanced towards the development loan facility as well as accrued interest, divided by the expected value of the asset once the project is complete
- **LTC (Loan to Cost):** Reflects the loan to the total cash capitalisation of the project
- **Fair Value:** The current carrying value of an investment on RECI's books as recognised under IFRS
- **Nominal Face Value:** The nominal face value of a bond is the par amount due on that bond
- **FVTPL:** fair value through profit and loss. This represents the net gains or losses recorded on a loan or bond investment in the period which are other than interest income. These may be from trading gains and losses on bonds, fee income or recognition of gains from profit participating loans
- **Yield to Worst**: WA Yield to Worst is based on the current unlevered yield on the bonds - using prices as at 31 March 2021 and assuming that the bonds are extended beyond their scheduled maturity date. The worst case extension dates are based on Cheyne's assumptions of the maximum extensions that will be granted to borrowers by the servicers in the current environment. Pricing assumptions and actual returns may differ materially from those expressed or implied herein

Important Information

This document, which has been issued by Cheyne Capital Management (UK) LLP ("CCM"), comprises the written materials/slides for a presentation concerning Real Estate Credit Investments Limited (the "Company"). This presentation does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any shares in the Company or securities in any other entity nor shall it or any part of it nor the fact of its distribution form the basis of, or be relied on in connection with, any contract or investment decision in relation thereto.

This document contains forward-looking statements that involve substantial risks and uncertainties and actual results and developments may differ materially from those expressed or implied by these statements or a variety of factors. Past performance is no guide to performance in the future, the value of investments can go down as well as up. No reliance may be placed for any purposes whatsoever on the information contained in this document or on its completeness. No representation or warranty, express or implied, is given by or on behalf of the Company, CCM or any of such persons' directors, officers or employees or any other person as to (a) the accuracy or completeness of the information or (b) the opinions contained in this document and no liability is accepted for any such information or opinions.

The information and any opinions contained in this document are provided as at the date of this presentation and are subject to updating, revision, verification, and amendment and such information may change without notice.

This communication is directed only at (i) persons outside the United Kingdom to whom it is lawful to communicate to, or (ii) persons having professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended), or (iii) high net worth companies, unincorporated associations and partnerships and trustees of high value trusts as described in Article 49(2) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) provided that in the case of persons falling into categories (ii) or (iii), the communication is only directed at persons who are also "qualified investors" as defined in section 86 of the Financial Services and Markets Act 2000 (each a "Relevant Person"). Any investment or investment activity to which this communication relates is available only to and will be engaged in only with such Relevant Persons. Persons within the United Kingdom who receive this communication (other than persons falling within (ii) and (iii) above) should not rely on or act upon this communication. You represent and agree that you are a Relevant Person.

Notwithstanding the otherwise confidential nature of this document and its contents, the Company and each recipient (and each of their employees, representatives or other agents) may disclose to any and all persons, without limitation of any kind, the US federal income tax treatment and tax structure of the transaction and all materials of any kind (including opinions or other tax analyses) relating to such tax treatment and tax structure. This authorization to disclose the tax treatment and tax structure does not permit disclosure of information identifying the Company or this particular offering.

You are not our client or customer and we do not owe you any contractual or fiduciary responsibilities and you are not relying on CCM or any of its affiliates for information, advice or recommendations of any sort. Nothing in this document should be construed as a recommendation to invest in any securities or funds, or as legal, accounting or tax advice. This document is being issued inside and outside the United Kingdom by CCM only to and/or is directed only at persons who are professional clients or eligible counterparties for the purposes of the Financial Conduct Authority's ("FCA") Conduct of Business Sourcebook. This document must not be relied or acted upon by any other persons. CCM neither provides investment advice to, nor receives and transmits orders from, investors in RECI nor does it carry on any other activities with or for such investors that constitute "MiFID or equivalent third country business" for the purposes of the FCA Rules.

Neither this document nor any copy of it may be taken or transmitted into the United States of America, its territories or possessions, or distributed, directly or indirectly, in the United States of America, its territories or possessions, or to any US person (as defined in Rule 902 of Regulation S under the US Securities Act of 1933 (the "Securities Act")). This document does not constitute an offer to sell or the solicitation of an offer to buy the securities discussed herein. Neither this document nor any copy of it may be taken or transmitted into Australia, Canada or Japan or to Canadian persons or to any securities analyst or other person in any of those jurisdictions. Any failure to comply with these restrictions may constitute a violation of United States, Australian, Canadian or Japanese securities law. The distribution of this document in other jurisdictions may be restricted by law and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. The securities referred to herein have not been and will not be registered under the applicable securities laws of Canada, Australia or Japan and, subject to certain exceptions, may not be offered or sold within Canada, Australia or Japan or to any national, resident or citizen of Canada, Australia or Japan. The securities mentioned herein have not been, and will not be, registered under the Securities Act, and may not be offered or sold in the United States, or to, or for the account or benefit of, US persons (as such term is defined in Regulation S under the Securities Act) unless they are registered under the Securities Act or pursuant to an exemption from registration. No public offer of the Shares is being made in the United States. In addition, the Company has not been and will not be registered under the US Investment Company Act of 1940 and investors will not be entitled to the benefits of that Act.

Cheyne Capital Management (UK) LLP is a limited liability partnership registered in England (Registered no. OC321484)
Registered Office: Stornoway House, 13 Cleveland Row London SW1A 1DH
Authorised and Regulated by The Financial Conduct Authority