



# REAL ESTATE CREDIT INVESTMENTS LIMITED

## **Investor Update**

December 2025

[www.recreditinvest.com](http://www.recreditinvest.com)  
Ticker: RECI LN



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## Portfolio Overview – as at 30 September 2025

### Portfolio Overview

- RECI's Net Assets are valued £314.0m as at 30 September 2025.
- The portfolio is comprised of 23 positions in real estate bonds and loans, was valued at £390.1 million including accrued interest, as at 30 September 2025, up from £369.5 million as at 31 March 2025.
- The portfolio had a weighted average levered yield of 10.6% and an average LTV ratio of 64.1% as at 30 September 2025.

### Leverage

- As at 30 September 2025, the Company's gross balance sheet leverage was £107.2 million (34.1% of NAV); its leverage net of cash was £65.9 million (21.0% of NAV); and its net effective leverage, including partial recourse commitment of £6.6 million, was £72.4 million (23.1% of NAV).

### NAV, Share Price and Return

- NAV per share and Share Price were £1.42 and £1.26 respectively on 30 September 2025.
- Dividends of 3.0p per share were declared in the month.
- Total NAV return for the 6 months since March 2025 was 5.9% and dividend yield was 9.6% (both annualised).



## Portfolio Overview – as at 30 September 2025

### Events Since Y/E 2025

Since the year end, three positions **repaid in full**:

- A senior loan to refinance a later living development in London realised c.£22.0m gross proceeds, 8.1% unlevered IRR.
- A senior loan for the development of later living build-to-sell assets across three locations in the UK realised c.£12.5m gross proceeds, 9.3% unlevered IRR.
- A senior loan for the acquisition and development of industrial sites realised c.£59.9m gross proceeds, 8.9% unlevered IRR.

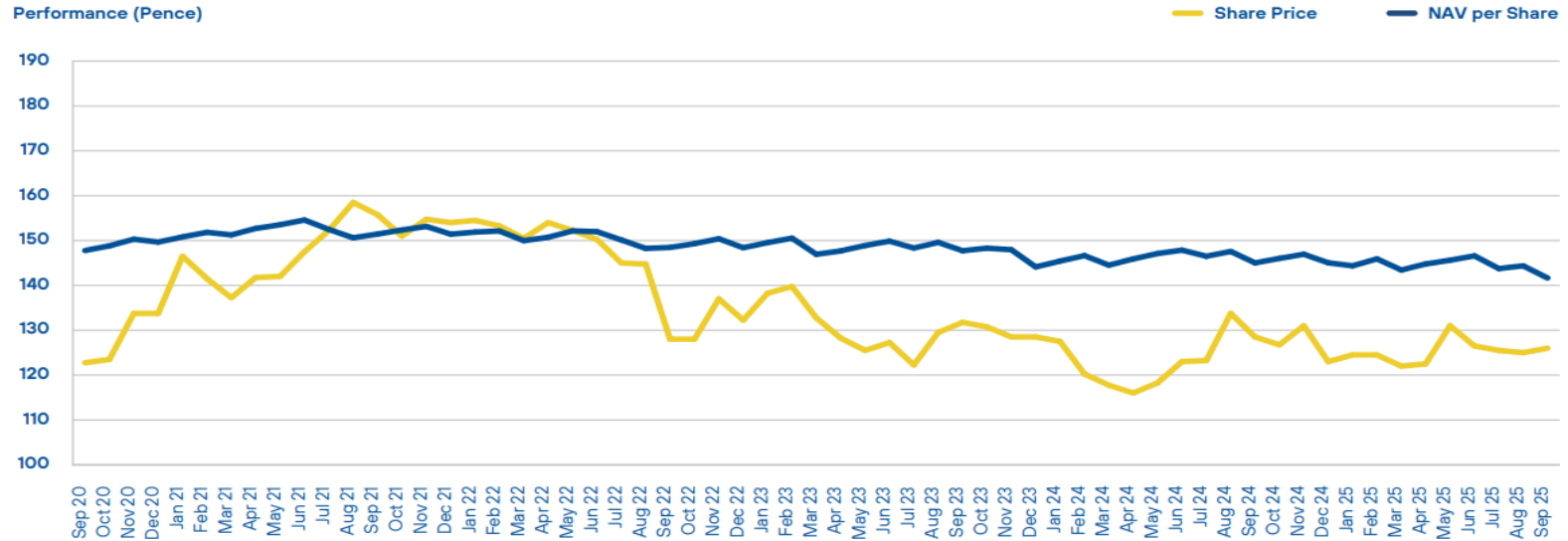
RECI has also **committed** to over £85m (gross) into Cheyne's pipeline of investment opportunities, notably:

- £3.2m in senior secured floating notes issued by a UK housebuilder.
- £23.1m into a loan for the refinancing of two logistics assets in Italy.
- £25.9m was committed into a loan for the acquisition of a newly built, operating, hotel in Spain.
- £17.1m to a senior refinancing loan for an office building in London.
- £15.8m to a senior refinancing loan for industrial sites in the UK.

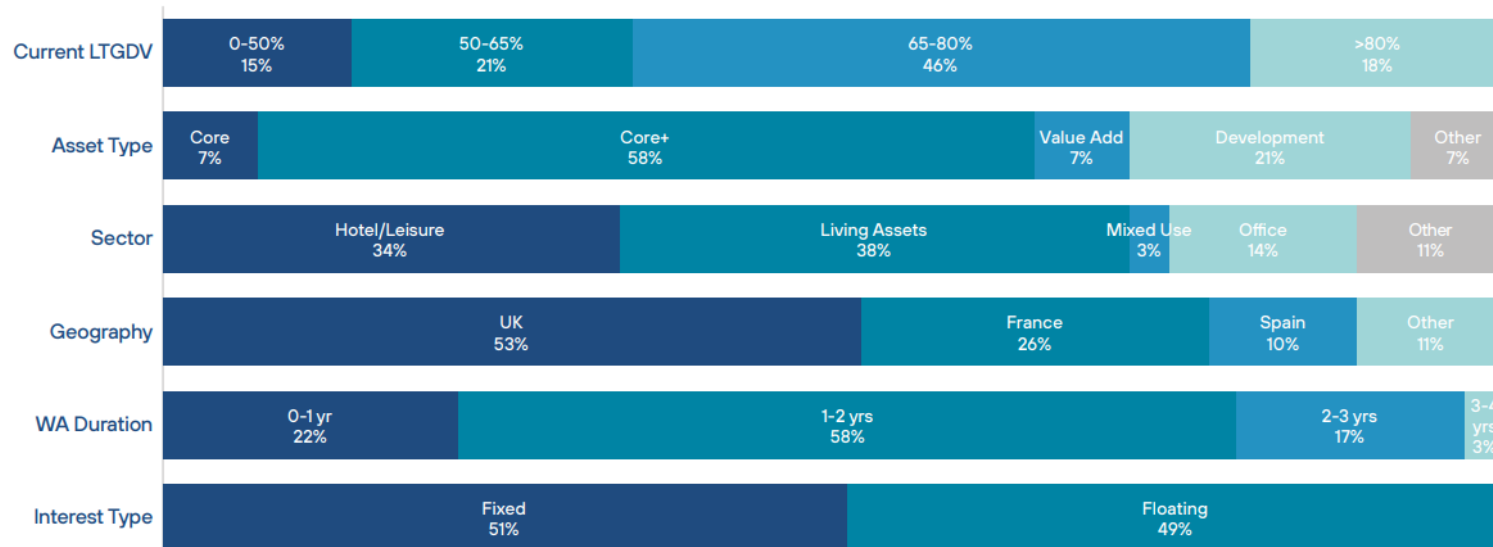
Given the sustained level of repayments forecast to be received in HY2 of 2025/26, RECI is in a strong position to use its excess cash to reinvest into a compelling pipeline of high yielding senior loans, to further its aim of dividend progression.



## Share Price vs NAV per Share



## Portfolio Composition (by commitment)





## Portfolio Composition – Top 10 Assets as at 30 September 2025

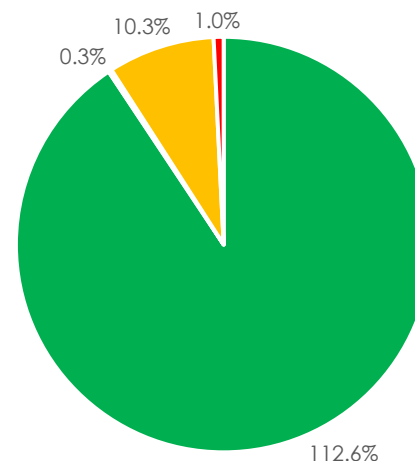
Deal Description	Gross Asset Value (GBP)	% Gross Investments	Current LTV	Investment Strategy	Sector	Country	Asset Type
Student accommodation development in London	£65.9m	16%	69%	Senior Profit Participating Loan	Student Accommodation	United Kingdom	Core+
Senior Loan refinance of four 4-star upscale hotels in central London	£65.3m	16%	29%	Senior Loan	Hotel	United Kingdom	Core+
Co-living development in central London	£33.1m	8%	75%	Senior Profit Participating Loan	Co-Living	United Kingdom	Core+
Senior loan to fund the acquisition of a newly built Hotel located in Costa del Sol, Spain	£26.5m	7%	53%	Senior Loan	Hotel/Residential	Spain	Core+
Residential, affordable housing and mixed-use scheme over five blocks within Greater London	£24.1m	6%	58.0%	Senior Loan	Residential	United Kingdom	Development
Refurbishment and extension of a freehold office in Saint Ouen, Paris	£23.4m	6%	100.0%	Senior Loan	Office	France	Value Add
Senior loan to fund the development of two logistics assets in Italy	£22.3m	6%	59%	Senior Loan	Logistics	Italy	Core+
Senior refinance of 6 stabilised and fully operational properties (hotels and spas) across England	£19.7m	5%	65%	Senior Loan	Hotel	United Kingdom	Core+
Income producing residential developer in France	£17.8m	4%	31.1%	Senior Loan	Housebuilder	France	Development
Senior development loan for the construction of luxury villas in Ibiza, Spain	£17.6m	4%	33.1%	Senior Loan	Residential	Spain	Development

## Position Analysis – Risk Rating as at 30 September 2025

- Following careful analysis of market conditions and asset recoverability, RECI has in instances taken unrealised fair value mark downs to its portfolio.
- RECI's assets are marked at fair value at each month end and any write downs are represented in the monthly NAV.
- As an additional surveillance procedure, the Investment Manager also applies a risk rating to its portfolio.
- The Investment Manager has established four risk ratings:
  1. Performing. Not on Watchlist.
  2. Performing. Watchlist for potential underperformance.
  3. Defaulted. No losses to NAV expected.
  4. Defaulted. Possible loss to NAV.
- As at 30 September 2025, the portfolio is rated as follows:

Key	Risk Rating	Number (#)	Investment Portfolio Fair Value (Gross)	% of NAV
1	Performing. Not on Watchlist.	18	£353.6m	112.6%
2	Performing. Watchlist for potential underperformance.	1	£1.0m	0.3%
3	Defaulted. No further losses to NAV expected.	2	£32.4m	10.3%
4	Defaulted. Possible further loss to NAV.	2	£3.0m	1.0%
<b>Total</b>		<b>23</b>	<b>£390.1m</b>	<b>124.2%</b>

**Risk Rating (Market Value per FS % of NAV)**



- Performing. Not on Watchlist
- Performing. Watchlist for potential underperformance
- Defaulted. No losses to NAV expected
- Defaulted. Possible loss to NAV

## Position Analysis – Risk Rating as at 30 September 2025

- The following four positions (£35.4m Fair Value / 11.3% of NAV) are rated as 'defaulted' positions:

Risk Rating	Type	Seniority	Commitment	Investment Portfolio Fair Value (Gross)	% of NAV	Commentary
3	Bilateral loan	Senior Loan	£30.4m	£24.0m (Target recovery: £24.0m)	7.6%	<ul style="list-style-type: none"> <li>Senior loan to support the acquisition, refurbishment and extension of a freehold office building located in Saint-Ouen, directly adjacent to Paris 17th arrondissement.</li> <li>Post pandemic leasing in Paris remains weak. This asset has seen increased leasing activity, but no material take up, yet. Sponsor has a further 3mm guarantee to inject into the deal which we are working with sponsor on.</li> </ul>
3	Bilateral loan	Senior Loan	£16.8m	£8.4m (Target recovery: £8.6m)	2.7%	<ul style="list-style-type: none"> <li>27,000 sqm Grade A office building located to the east of central Paris</li> <li>Since completion in 2023, letting progress has been slow partly thanks to post-pandemic working patterns leading to reduced tenant occupational requirements</li> <li>Our loan basis allows us to market the vacant office space at an attractive level relative to the local market</li> <li>We continue to work with the asset manager on strategies for letting alongside alternative uses for the building with the aim of optimising the repayment of our loan</li> </ul>
4	Bilateral loan	Special Sits	£14.2m	£3.0m (Target recovery: £3.0m)	1.0%	<ul style="list-style-type: none"> <li>Multi-use development located in north Berlin, Germany</li> <li>We have been moving the asset's business plan forward but stress in the German real estate market has slowed progress in resolving the position. Valuation of the asset remains conservative.</li> </ul>
4	CMBS	CMBS	£0.1m	£0.0m (Target recovery: £0.0m)	0.0%	<ul style="list-style-type: none"> <li>CMBS 1.0 transaction issued in 2006 secured against UK care homes</li> <li>Cheyne continue to expect recovery of Principal</li> </ul>
<b>Total</b>			<b>£61.5m</b>	<b>£35.4m</b>	<b>11.3%</b>	





## RECI – Looking Ahead & Key Priorities

### Credit preservation

- Credit underwriting, credit management, default management

### Moving to dividend sustainability

- Reinvest for dividend growth
- Aim : dividend cover solely from net income

### Book diversity

- Mitigates NAV volatility
- 50+ loan positions is ideal

### Discount to NAV

- Can the gap be closed ? What are the drivers ?
- Higher dividend ? Larger fund ? Investor diversity ?
- All of the above



## RECI – Looking Ahead & Key Priorities

### Growing and diversifying the company

- Delivering a large, well diversified book of investments
- Mitigates risk, NAV volatility and presents dividend sustainability and dividend growth
- Challenge to growth remains

UK & European Real Asset Credit **needs a presence in the public market sphere.** We will continue to explore avenues to deliver that.



## Calculation Methodology

### TERMINOLOGY

- **Unrealised:** Deals not yet exited
- **Realised:** Exited Deals
- **Existing:** Realised + Unrealised
- **Pipeline:** Immediate Pipeline + assumed future transactions until fully committed

### INVESTMENTS

- **Loans:** Senior Loans + Mezzanine Loans
- **Deals:** Senior Loans + Mezzanine Loans + Bonds
- **Fund:** Existing Deals + Pipeline

### OTHER

- **Forecast Unlevered IRR:** Calculated based on blended deal cashflows to date (actuals) and projected cashflows to deal maturity without any leverage
- **Forecast Levered IRR:** Calculated based on blended deal cashflows to date (actuals) and projected cashflows to deal maturity including the impact of leverage already applied.
- **Target IRR:** Calculated based on blended deal cashflows to date (actuals), projected cashflows to deal maturity including the impact of leverage applied and targeted. Financing is assumed to be applied concurrently with drawdowns to fund loans where leverage is targeted.

# QUESTIONS

