

Redwood's Acquisition of Riverbend Lending

April 28, 2022



REDWOOD
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Forward Looking Statements

This presentation contains forward-looking statements, including statements regarding Redwood's expectations with respect to the closing of the acquisition of Riverbend, Riverbend's integration into the Redwood and CoreVest businesses, Riverbend's estimated annual run rate for loan origination volume in 2022, expectations regarding accretion to Redwood's earnings and returns related to the acquisition, and subsequent performance of the combined companies and lending markets in general. Forward-looking statements involve numerous risks and uncertainties. Our actual results may differ from our beliefs, expectations, estimates, and projections and, consequently, you should not rely on these forward-looking statements as predictions of future events. Forward-looking statements are not historical in nature and can be identified by words such as "anticipate," "estimate," "will," "should," "expect," "believe," "intend," "seek," "plan" and similar expressions or their negative forms, or by references to strategy, plans, or intentions. These forward-looking statements are subject to risks and uncertainties, including, among other things, those described in the Company's Annual Report on Form 10-K for the year ended December 31, 2021 under the caption "Risk Factors." Other risks, uncertainties, and factors that could cause actual results to differ materially from those projected may be described from time to time in reports the Company files with the Securities and Exchange Commission, including reports on Form 8-K.

Additionally, this presentation contains estimates and information concerning our industry, including market size and growth rates of the markets in which we participate, that are based on industry publications and reports. This information involves many assumptions and limitations, and you are cautioned not to give undue weight to these estimates. We have not independently verified the accuracy or completeness of the data contained in these industry publications and reports. The industry in which we operate is subject to a high degree of uncertainty and risk due to a variety of factors, including those referred to above, that could cause results to differ materially from those expressed in these publications and reports.

Transaction Overview

Strategic Rationale

- Augments CoreVest American Finance Lender, LLC's ("CoreVest") organic growth strategy through accelerated client base and production capacity
- Expansion of complementary geographic and production footprint with strong repeat sponsor base through which to sell CoreVest products

Riverbend Lending ("Riverbend") Origination Volume & Footprint

- Originated \$280 million of loans in Q1'22 – annualized run rate of ~\$1.1 billion
- Production footprint concentrated in OR, WA and CA (with geographic reach in 33 states) and focused on single-asset bridge and small balance multifamily loans

Financial Impact

- Expected to contribute \$0.15 to \$0.20 of earnings in FY'23, generating an attractive mid-teens return for shareholders⁽¹⁾

Structure / Management

- Expected to integrate Riverbend into Redwood's existing business purpose mortgage banking platform, CoreVest
- Riverbend's executive leadership team (Emilian Halloran and Sean Robbins) will remain with the combined business following the completion of the transaction

Expected Closing

- Expected to close in the second quarter of 2022, subject to customary closing conditions

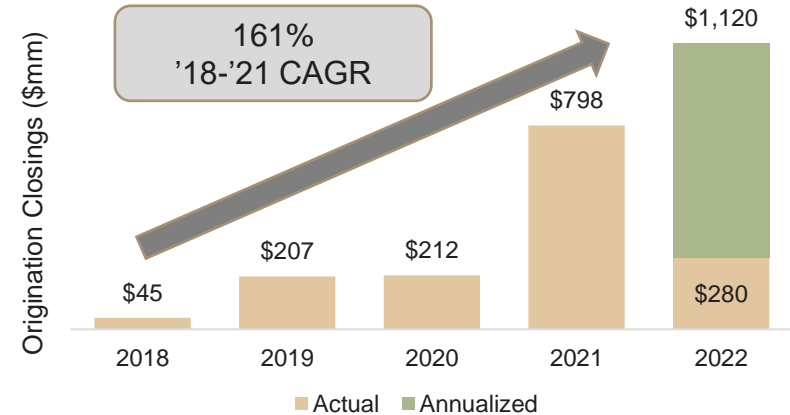
Overview of Riverbend Lending

Riverbend is a best-in-class bridge lender, providing financing to investors acquiring residential and multifamily properties with plans to rehabilitate and sell

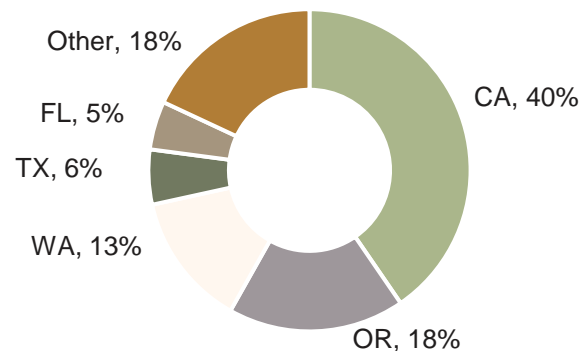
Overview of Riverbend

- Differentiated origination process, underwriting capabilities and distribution platform
- Compelling financial profile with strong origination growth
- Active funding pipeline with expanding footprint
- Experienced leadership with over 60 years of combined industry experience and a significant track record in building, scaling and managing successful lending companies
- Disciplined underwriting has ensured minimal losses since inception

Loan Production

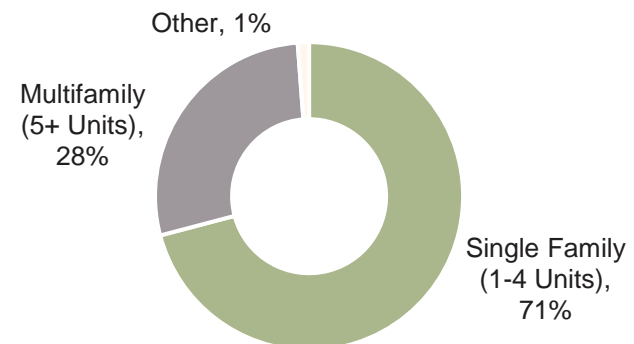


LTM Origination by Geographic Footprint



Riverbend targets experienced borrowers in primary markets throughout 33 states and is actively expanding, providing a complementary geographic footprint to CoreVest

LTM Origination by Type



Riverbend offers numerous loan products, each tailored to a borrower's specific needs

We View the Market for Bridge Lending as Increasingly Attractive

Bridge lending is an attractive asset in a growing industry with less cyclical attributes

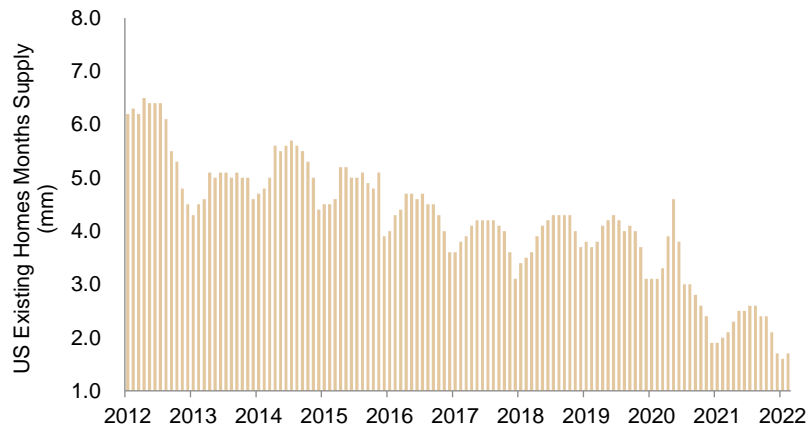
What are Bridge Loans?

- Short-term loans secured by residential properties that are undergoing rehabilitation or construction and not occupied by tenants
 - CoreVest offers a diverse array of bridge products including multifamily, renovate/build-to-rent and fix and flip with Riverbend adding incremental products
- Attractive in the current environment given:
 - ✓ Short duration (typically 12-18 months)
 - ✓ Prudent leverage profile
 - ✓ Attractive coupon
 - ✓ Supportive market tailwinds

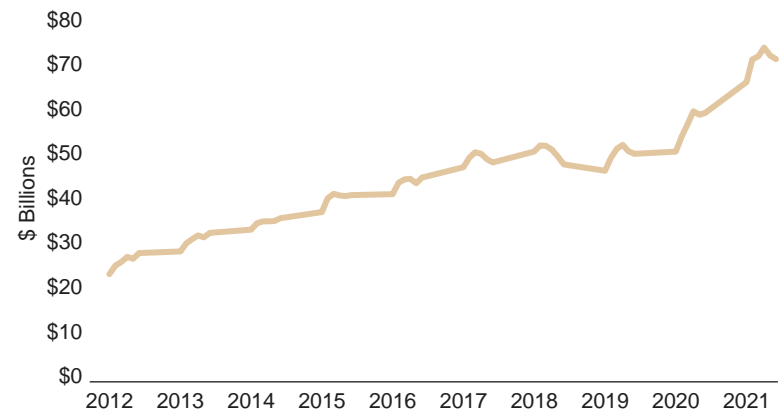
Housing Market Supply and Macro Tailwinds

- ✓ Freddie Mac estimates a current shortage of 3.8mm homes, which continues to support strong demand for new and refurbished homes⁽²⁾
- ✓ The housing market is expected to remain strong as housing starts continue to rise and supply decreases
- ✓ Demand from housing investors is at record levels, exceeding pre-2007 levels
- ✓ As demand for rental properties remains elevated, bridge loans provide real estate investors access to short-term investment capital to fund multifamily rental properties

Existing Home Supply⁽¹⁾



Residential Construction Spend (Seasonally Adjusted)⁽³⁾



CoreVest + Riverbend

LTM Origination
Volumes

\$2.8 billion

\$1.0 billion

Complementary
Products Offered

- ✓ **Bridge Loans** (Multifamily, Renovate-to-Rent / Build-to-Rent / Fix and Flip)
- ✓ **Single Family Rental Loans**
- ✓ **Portfolio Loans** (SFR & Bridge)

- ✓ **Bridge Loans** (Single Asset and Multifamily)
- ✓ **Construction Loans**

Geographic
Reach

48 States

33 States
(plus plans for further expansion)LTM Whole Loan
Sales

\$534 million

\$928 million

2021
Securitizations

\$1.2 billion

N/A

CoreVest + Riverbend

The addition of Riverbend further deepens CoreVest's leadership in Business Purpose Lending



**Diversified and Deep Product Set Across
Complementary Geographic Footprint**

**Experienced Leadership Team with Demonstrated
Performance Across Cycles & Proven Ability to Scale**

**Scale, Infrastructure and Technology to
Drive Productivity and Cost Synergies**

Best in Class Financing and Distribution Capabilities

High-Quality Credit Underwriting and Servicing Processes

Expansive Set of Existing Investors and Partners

Endnotes

Endnotes

Page 3 (Transaction Overview)

Source: Riverbend Lending data as of March 31, 2022 unless otherwise noted.

- (1) Expected 2023 contribution to earnings and returns related to the acquisition of Riverbend are based on our current market observations, estimates and assumptions. Actual results may differ based on these or other factors.

Page 4 (Overview of Riverbend Lending)

Source: Riverbend Lending data as of March 31, 2022 unless otherwise noted. “LTM” refers to data over a lagging twelve month period from March 31, 2021 to March 31, 2022.

Page 5 (We View the Market for Bridge Lending as Increasingly Attractive)

- (1) Source: National Association of Realtors; Bloomberg; Piper Sandler.
- (2) Source: Freddie Mac data as of September 2021.
- (3) Federal Reserve Bank of St. Louis and includes seasonal adjustments to spending figures.

Page 6 (CoreVest + Riverbend)

Source: CoreVest and Riverbend Lending data as of March 31, 2022 unless otherwise noted. “LTM” refers to data over a lagging twelve month period from March 31, 2021 to March 31, 2022.