The Vitalia — Highlands of Belgrade

Distressed Acquisition · Case Study

How we turn a distressed situation into a sound investment.

Cohort Equity Real Estate Partners · 31 August 2026

⚠ Illustrative case study. Not an offer to sell or a solicitation to buy any security.

The Asset

The Vitalia at Highlands of Belgrade — a 40-unit residential strata development in upper St. Andrew, Kingston. Construction stalled after pandemic-related delays, and the project fell into distress.

40 Units

Across two blocks — 20 in Block A, 20 in Block B

8 Units Pre-Sold

Under contract

Block B: 65–70% Complete

Block A completion runs months 1–6

Gross Sellout

J$1,893.0M; net of selling costs J$1,751.1M

Cost to Complete

J$283.0M including 10% contingency (Michael Allen & Associates, June 2026)

Independent Valuation (K.B. Real Estate, January 2026)

As-is: **J$1.2B** · On completion: **J$2.145B**

Vitalia — Interior Renderings

Professional Team

Advisers appointed and to be appointed on completion of the acquisition.

Quantity Surveyor

CPM Consultants – Shardon Haye

APPOINTED

Cost-to-complete verification. Ongoing certification of drawdowns against the completion budget.

Valuation

K.B. Real Estate

APPOINTED

Independent valuation, January 2026 — as-is J$1.2B, on completion J$2.145B. Retained for update valuations at close.

Attorneys-at-Law

MH&Co · Ziadie, Reid & Co

APPOINTED

Bazil-Lee Wiliams — corporate & commercial finance and securities

Victor Ziadie — carriage of sale

Main Contractor

[Firm to be confirmed]

TO APPOINT

Block A completion works over months 1–6 under a fixed-price contract with retention and liquidated damages.

MEP Engineers

Satyn Consultants – Colin Francis

TO APPOINT

Certification of works, statutory approvals and sign-off for strata completion and handover.

Sales & Marketing

Valerie Levy & Company – Tanya Sue Brice

APPOINTED

Absorption of the unsold units, pricing strategy and management of the pre-sale contract pipeline.

The Transaction

Vitalia Management Company Limited is acquiring four defaulted loan facilities from the lender, secured on the development.

Aggregate principal of the facilities	J$1,206.7M
Agreed full and final cash settlement	J$1,000.0M
Acquisition price as % of principal	**82.9%**
Discount captured at close	J$206.7M

The SPV acquires the secured debt at a 17.1% discount to principal, completes the development, and sells the 40 units. Personal guarantees are assigned to the Purchaser at close and released to the original principals; recourse is limited to the asset and the issuing vehicle.

The Development Margin

Where the return comes from: the project's profit before any financing, and the cushion that sits ahead of your capital. Base case.

Net sales proceeds (after selling costs)	J$1,751.1M
Less: total project cost before financing	(J$1,389.1M)
Unlevered development profit	**J$361.9M**
Development margin — on cost / on net sales	26.1% / 20.7%

This margin comes from the discount captured on the acquired debt, rather than from a ground-up development spread. That J$361.9M of project profit is the first loss-absorbing layer, and behind it the J$233.0M common class absorbs shortfalls before the preferred is touched. Figures are before note interest, fees and facility cost.

The Capital Stack

Ranked last loss to first loss.

Senior Secured Note
J$700.0M at 12.50%

Completion Facility
J$70.0M limit at 13.00%

SPV Preferred Equity
J$200.0M · 15% IRR, capped

Common Equity
J$233.0M · 18% target

Sponsor Equity
J$90M contributed in kind · First Loss

Ranked from Last Loss (Top) to First Loss (Bottom)

Layer	Amount	Rate
Senior secured note	J$700.0M	12.50%
Completion facility (secured on J$90M contributed property)	J$70.0M limit	13.00%
This tranche — preferred equity	**J$200.0M**	**15% IRR, capped**
Common equity — junior to this tranche	J$233.0M	18% target

The senior note is capped at 70% of the J$1,000M acquisition price and is being placed separately with institutional investors. This tranche and the J$233.0M common class fund the balance of the acquisition and the completion works. Sponsor interests are a 10.8% carry on the common pool plus J$90M of property contributed in kind as facility collateral — first loss; no sponsor cash ranks ahead of this tranche.

Distribution Waterfall

On the distribution date, residual SPV cash is applied in order:

First — This Tranche, in Full

Return of preferred capital, J$200,000,000, plus the accrual — a capped payout of J$283,644,650 (15% IRR)

Second — The Common Class

89.2% of the remaining pool to the J$233.0M common equity investors

Third — Sponsor Carry

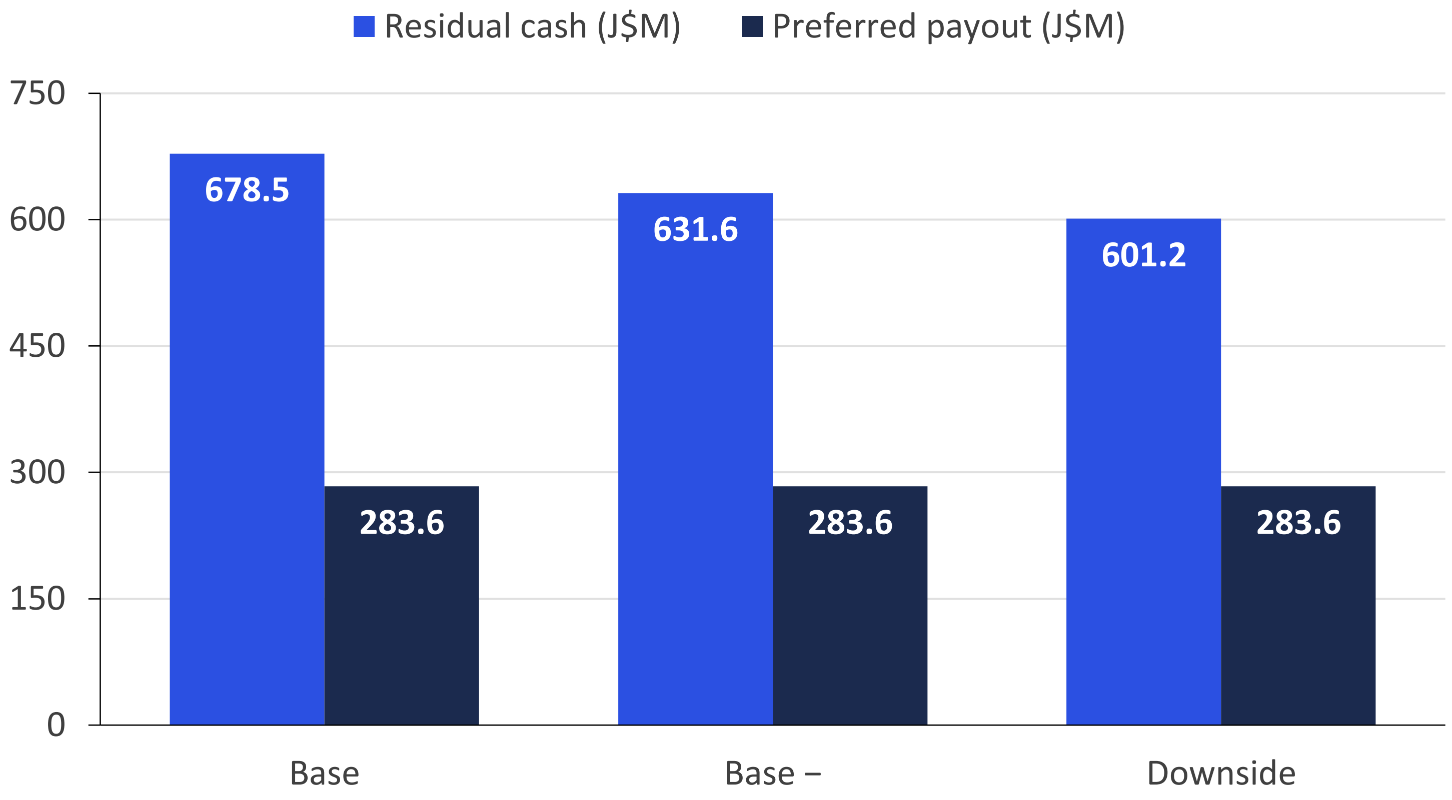
10.8% of the remaining pool, split among the sponsor and its co-investors. This tranche participates in none of it — its claim is fixed and senior.

This tranche's capital and accrual rank **ahead of the entire common pool** — J$394.9M of junior claims at Base absorb any shortfall first.

Indicative Returns

Modelled on the issuer's financial model (August 2026). Base is current list pricing; Base– is 3% below list; Downside is the stress case. The preferred payout is identical in every scenario — the common class absorbs all variability.

Scenario	Residual cash	Preferred payout	Coverage	IRR	Multiple
Base	J$678.5M	J$283.6M	**2.39×**	**15.0%**	1.42×
Base –	J$631.6M	J$283.6M	**2.23×**	**15.0%**	1.42×
Downside	J$601.2M	J$283.6M	**2.12×**	**15.0%**	1.42×



These figures assume the Block A budget is met. Returns are stated gross of tax.

Contact

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Former Director, a state mortgage bank · Director, ISP Finance Services Limited (JSE-listed) · M.S. Real Estate, New York University

~17%

Discount captured on the debt

~2×

As-is to completed value on the asset

Covered in Every Scenario

2.1–2.4×

Save for the confidentiality provision, nothing in this presentation or the accompanying term sheet is legally binding. All figures derive from the Issuer's financial model as at 31 August 2026 and are estimates.