



S3 LB Real Estate Credit Fund III LP

April 2025

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S3 Capital Overview



S3 Capital is a leading private real estate credit manager based in New York City, specializing in providing tailored bridge and construction financing to middle-market developers. Our focus is on fueling the growth of residential real estate projects in Tier-1 cities throughout the United States.

S3 Capital

Established in 2013

LOANS SINCE
INCEPTION¹

700+

ORIGINATED
IN EXCESS OF¹

\$6.5B

AUM¹

\$3.0B+

CURRENT
LOANS¹

~200

Small Balance Loans

Loans Up To \$20M

- Preferred return driven strategy
- Fund I, II, III & IV have already matured
- Fund V and VI are currently active
- Robust proprietary deal flow
- Fund V closed in November 2021
- Fund VI held its final close in April 2024

Middle Market Loans

Loans \$20M - \$250M

- Fund I – collection of special purpose vehicles that originated 21 loans with total commitments of \$1B², fully realized
- S3 Real Estate Credit Fund II held its final close in October 2023 - portfolio of 14 loans, totaling \$599 million in commitments, was contributed to seed the fund. An additional 20 loans have been originated, with 15 loans totaling ~\$650 million realized to date
- S3 LB Real Estate Credit Fund III held its first close in November 2024 with total equity commitments of \$335 million³; 8 loans originated to date

THE ARCHES
NEW YORK, NY



PASEO SOUTH I
NASHVILLE, TN



PROJECT O
FT LAUDERDALE, FL



1. Data as of March 31st, 2025, and includes unfunded loan commitments

2. The Fund I portfolio consisted entirely of real estate-related debt investments exceeding \$20 million, all of which were directly originated by S3 Capital affiliates beginning in November 2015, when S3 Capital commenced this investment strategy. Two land loans were less than \$20M, but S3 intends to convert to larger construction loans

3. Includes co-investments

* PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. See "Disclaimer & Important Information" at the end of this presentation.

Historical Track Record¹

- Residential construction loan focus
- Over 700 loans originated
- 500+ loans realized
- 38 consecutive quarters of at least 2.5% cash distributions to investors
- Zero capital losses since inception



| Investment | Small Balance Fund I ² | Small Balance Fund II ² | Small Balance Fund III ² | Small Balance Fund IV ² | Small Balance Fund V ² | Small Balance Fund VI ² | S3 RE Credit Fund I (SPVs) ³ | S3 RE Credit Fund II | S3 RE Credit Fund III |
|--------------------------|-----------------------------------|------------------------------------|-------------------------------------|------------------------------------|-----------------------------------|------------------------------------|-----------------------------------------|----------------------|-----------------------|
| Vintage | 2015 - 2018 | 2017 - 2020 | 2018 - 2021 | 2020 - 2024 | 2021 - current | 2024 - current | 2015 - 2024 | 2022 – current | 2024 - current |
| Total Equity Commitments | \$60M | \$45M | \$125M | \$45M | \$175M | \$100M | N/A | \$350M ⁵ | \$335M ⁵ |
| Target Net IRR | 10% | 10% | 10% | 10% | 10%+ ⁴ | 10%+ ⁴ | 10.5 - 13% | 12 - 14% | 12 - 14% |
| Actual Net IRR | 10% | 10% | 10% | 10% | 10% | 11.64% | 10.5 - 13% | 15.04% ⁶ | N/A |

1. Data as of December 31, 2024

2. Small Balance Funds are preferred return strategies originating loans between \$1 million to \$20 million

3. Return range shown for Fund I reflects special purpose vehicles sponsored by S3 Capital and its affiliates, which utilized a preferred return strategy

4. Floor of 10% preferred equity return with upside above SOFR at 3.75%

5. Includes co-investments

6. The internal rate of return since inception is computed using capital contributions, distributions, and ending partners' capital, net of all fees and General Partner carried interest allocations, as of the valuation date

Why S3 Capital?

Since our founding in 2013, S3 Capital has consistently delivered attractive risk-adjusted returns through a highly selective investment approach and disciplined execution, focusing on Tier-1 markets nationally.

Real Estate Firm That Lends:

- Our roots as real estate developers and a continued robust property management operation provides both a perspective and expertise critical to successful lending across market environments – on the way in, during, and if needed, in working out a loan.

Strong Relationships:

- We have developed a deep network of high-caliber sponsors and brokers throughout the country over the past 11 years, allowing us to identify opportunities before other market participants

In-House Construction Team:

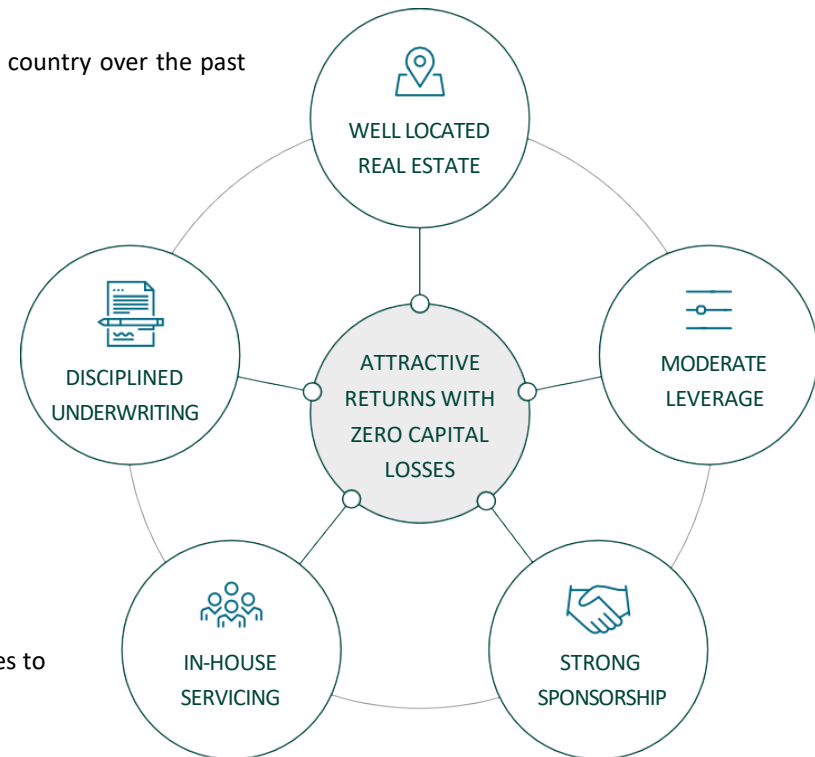
- Our market leading in-house construction team serves as an added layer of risk mitigation
- The team visits each loan site at least 1x per month, and draws are not funded without their approval

In-House Servicing:

- The fund provides in-house servicing through its middle and back-office teams, staying in constant communication with borrowers to monitor investments and address potential issues early

Consistent Performance Over Time:

- The firm has had over 38 quarters in a row of distributions of 2.5% or more to investors
- Underlying loans maintain an average loan-to-value of less than 65% with zero capital losses to date





Stable, Vertically Integrated and Accomplished Management Team

100+ Years of Combined Experience

Joshua Crane

Co-Founder and Principal

Robert Schwartz

Co-Founder and Principal

Adam Feit

Adam previously served as Associate General Counsel of Arbor Realty Trust, Inc. and received his J.D. from NYU

Paul Foschi

Paul has over 30 years of direct construction experience and served as a Senior Project Executive at a major New York City GC for over a decade

Ari Kalton

Ari previously served as a Controller for DH Property Holdings and spent 10 years at PWC

Matan Kurman

Matan previously worked in acquisitions at Brookwood Financial Partners. He holds an MBA from Brandeis University

Shawn Safdie

Shawn has about 25 years of experience in the real estate credit business, primarily focusing on bridge lending

Michelle Fang

Michelle has worked with investors for 30 years. She was previously a member of Principal Real Estate's management team.

General Counsel

+3 Staff Attorneys
+1 Administrative Professional

Total - 5

Construction

+3 Construction Management Professionals

Total - 4

Compliance & Accounting

+6 Accounting & Compliance Professionals

Total - 7

Operations & Investments

+9 Underwriting & Analytics Professionals

Total - 10

Head of Origination

+1 Origination Professional

Total - 2

Marketing & Capital Raising

+1 Associate

Total - 2

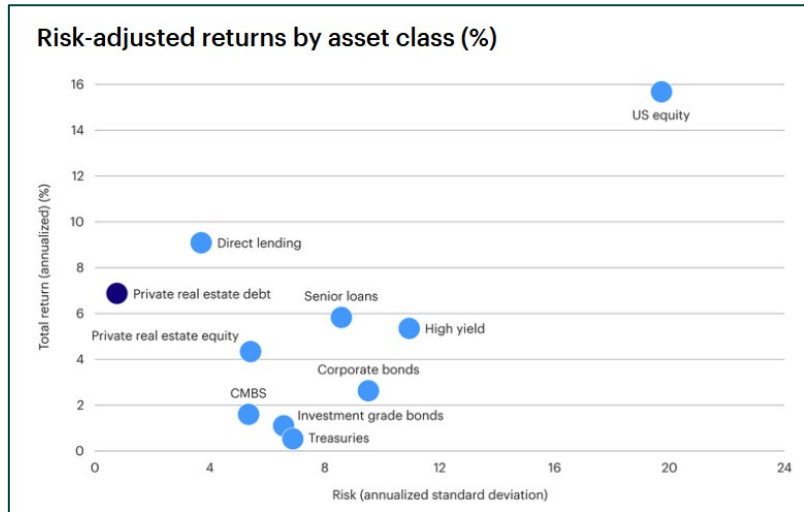
Total number of S3 employees - 33¹

1. Total includes one office manager

The Opportunity

Why Real Estate Credit?

- **Relative Value:** Debt can offer more attractive risk-adjusted returns while maintaining a lower risk profile than equity.¹
- **Cap-Rate Uncertainty:** While property values can fluctuate with changes in cap rates, real estate credit investments—such as loans—are primarily driven by interest payments from borrowers, which are more stable.
- **Real Assets as Collateral:** As opposed to other types of credit, real estate credit benefits from the ability to leverage tangible assets as collateral.



Source: Invesco Real Estate¹

Why Construction Loans?

- **Margin of Safety:** Construction loan debt yields (NOI / Loan Amount) are typically ~300 basis points higher than market capitalization rates (NOI / Price), leading to a greater resiliency of value.
- **Brand New Assets:** Participating in construction lending allows us to bring brand new, class-A assets to locations benefitting from demand for Tier-1 markets at roughly 65% loan-to-value.
- **Barriers to Entry:** Construction lending has a high barrier to entry due to the infrastructure and expertise required to successfully manage construction projects, resulting in less competition.

1. <https://www.invesco.com/us/en/insights/why-complement-direct-lending-with-real-estate-debt.html>

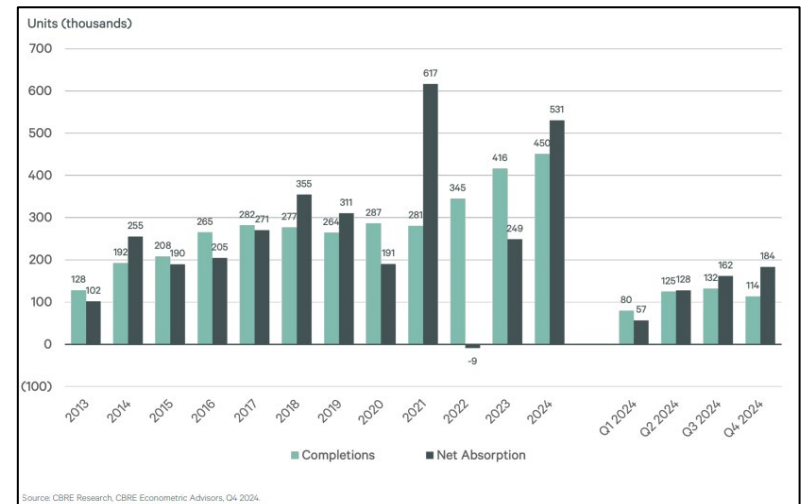
Why Mid-Market?

- **Less Competition:** Most large private lenders and multinational banks focus on loans greater than \$200M, making mid-market lending less competitive.
- **More Pricing Power:** Given there is less competition in the market, we have the ability to set higher interest rates on our loans, generating higher yield.
- **Lower Risk:** S3 focuses on concrete and steel mid-rise multifamily projects in urban infill locations. Such projects allow for reduced construction and duration risk.

Why Now? Current Market Opportunity

- **Compelling Fundamentals:** Housing affordability and demographic shifts in recent years have driven demand for multifamily rentals historically high. Despite recent oversupply concerns, in Q4 2024, net absorption increased by 118% year-over-year to the highest Q4 absorption on record, outpacing supply by 61%.¹
- **Developers Gearing up to Meet Demand:** Recent Census data indicates that developers are gearing up to enter the market, as multifamily permits exceeded new construction starts in November 2024.²
- **Regional Bank Disruption:** Regional banks, which have historically accounted for around 70% of all bank construction and land development lending,³ have curtailed lending and tightened credit in the aftermath of the Silicon Valley Bank, Signature Bank, and First Republic Bank failures.

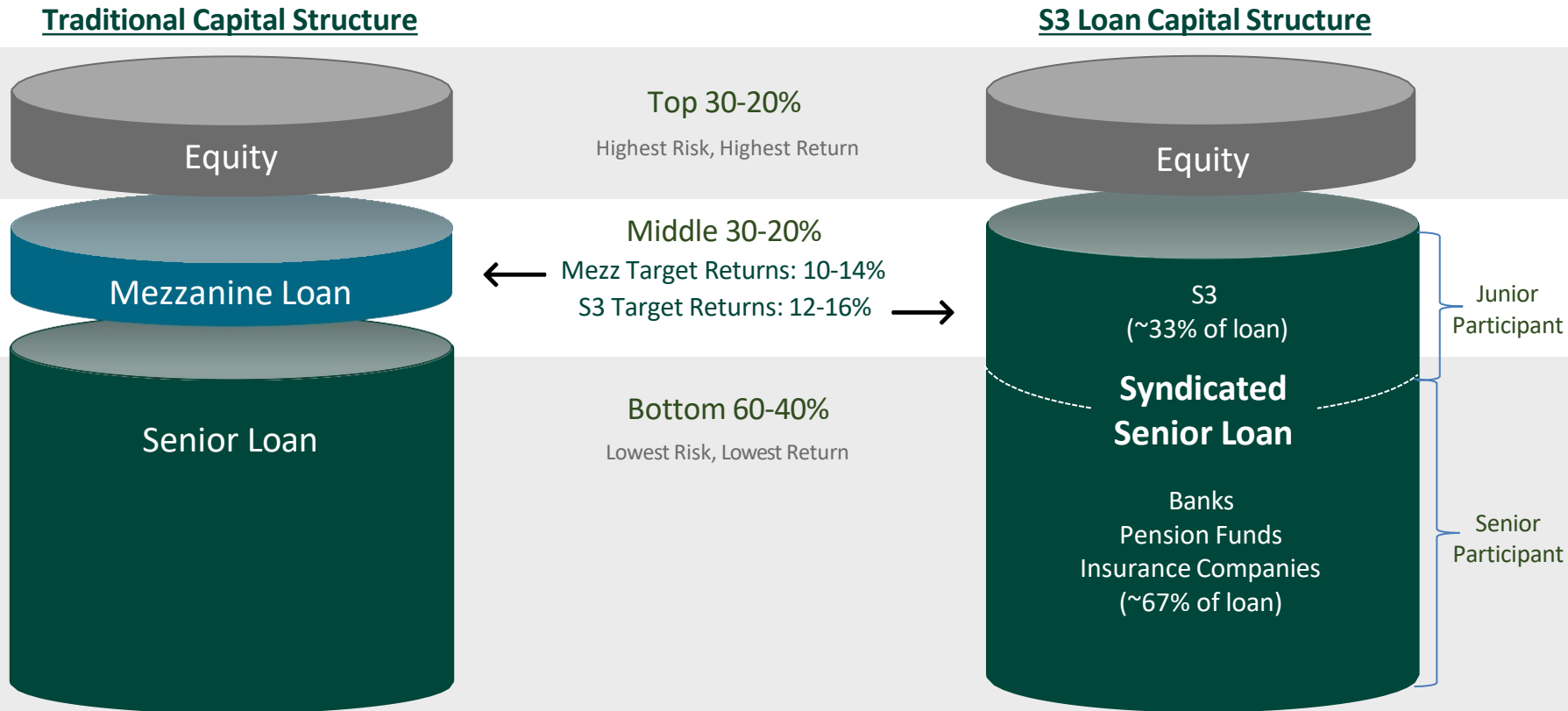
United States: Multifamily Completions (Supply) vs Net Absorption (Demand)



1. CBRE Research, CBRE Econometric Advisors, Q4 2024; <https://www.cbre.com/insights/figures/q4-2024-us-multifamily-figures>
2. <https://fred.stlouisfed.org/series/PERMITS>; <https://fred.stlouisfed.org/series/HOUSTSF>
3. <https://fred.stlouisfed.org/series/CLDACBM027SBOG>

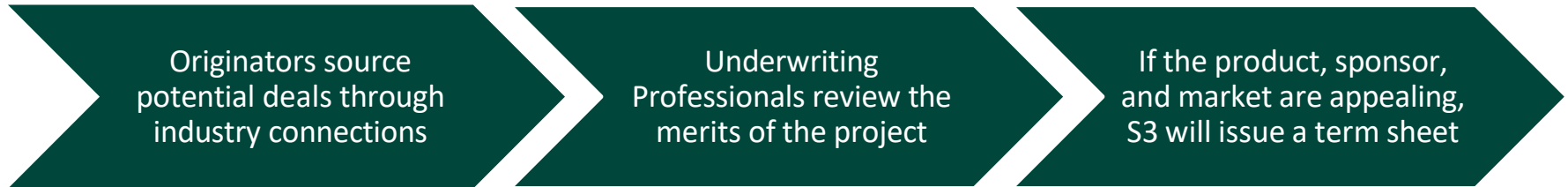
S3's Position in the Capital Stack

S3 originates and manages the whole loan while retaining the junior piece, roughly 33% of the loan amount. Traditionally, a borrower will capitalize a project with a senior loan and a mezzanine loan. The mezzanine loan is at a higher rate than the senior loan, but it is in a less secure position in the capital stack. S3 utilizes “Syndicated Senior Loans” to maximize the risk-adjusted returns and create efficiencies for our borrowers.



Loan Syndication Process

Origination



Term Sheet Statistics

- LTV: S3 provides up to 65% of the Loan-to-Value of a project
- Rate: S3 charges borrowers a floating rate above SOFR, typically around 600 bps +/- 50 bps

Senior Participation

- S3 brings in an individual lender/credit facility to lend on the first approximate 66% of the loan. The lending partner charges S3 a floating rate over SOFR, typically around 400 bps
- S3 captures the approximate 250 bps spread on 2/3 of its loan, resulting in a total of around 5% added yield
- S3 remains as the junior participant, which generates a yield of around 650 over bps SOFR, and additionally yields 5% from leveraging the senior participant, which generates a combined return of approximately 16% for the Fund

Highlights

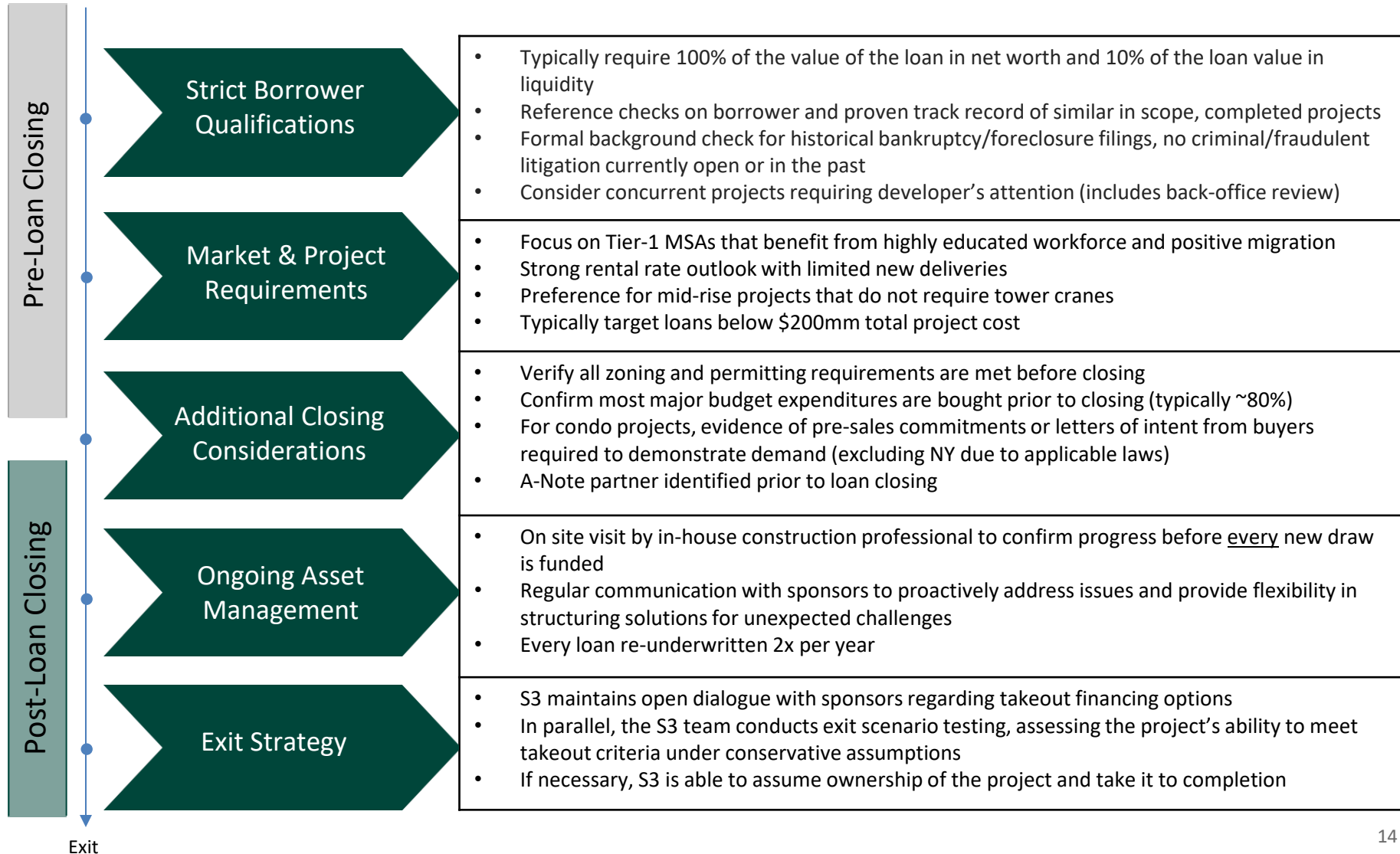
- Leverage providers diversified across the portfolio
- S3 is always the first, and typically the only, lien on the property
- S3 manages all servicing and monitoring for the entire loan
- Draws are fulfilled on a pro-rata basis, in which S3 and the participating lender fund simultaneously

Advantages of Syndicated Senior Loans

Why syndicated debt is more appealing for investors and borrowers than a traditional capitalization structure

| <u>Advantages for Investors</u> | <u>Advantages for Borrowers</u> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><u>Security:</u> Senior first liens offer greater safety than mezzanine loans due to their higher priority in case of project issues. Mezzanine lenders, often lacking a dedicated construction management group, may result in insufficient oversight.</p> | <p><u>One-Stop Execution:</u> By working with S3, developers can secure project financing through one deal with a single lender rather than working with multiple debt investors.</p> |
| <p><u>Favorable Terms:</u> Investors in syndicated debt receive favorable terms because borrowers are willing to pay a premium to secure one loan that can cover the entirety or most of their construction budget rather than having to secure a mezzanine lender atop their senior loan.</p> | <p><u>Streamlined Process:</u> The construction process only goes through one investment committee, which will streamline construction and lead to faster completion and quicker exits.</p> |
| <p><u>In-House Servicing:</u> S3 can respond quickly to borrower needs through its committed pool of capital, and our “boots-on-the-ground” approach helps minimize execution risk throughout the life of the construction project.</p> | <p><u>Flexible Solutions:</u> Through our deep development experience and integrated operating infrastructure, S3 provides its borrowers with flexible financing.</p> |

Risk Mitigation Strategies



Fund Overview



S3 LB Real Estate Credit Fund III LP

Middle Market Real Estate Credit Vehicle

Well Located
Multifamily
Assets

\$650M
Target Raise



Target IRR
12-14% Net
to Investors



Mid-Market
Construction
Lending

6 Year
Fund Term



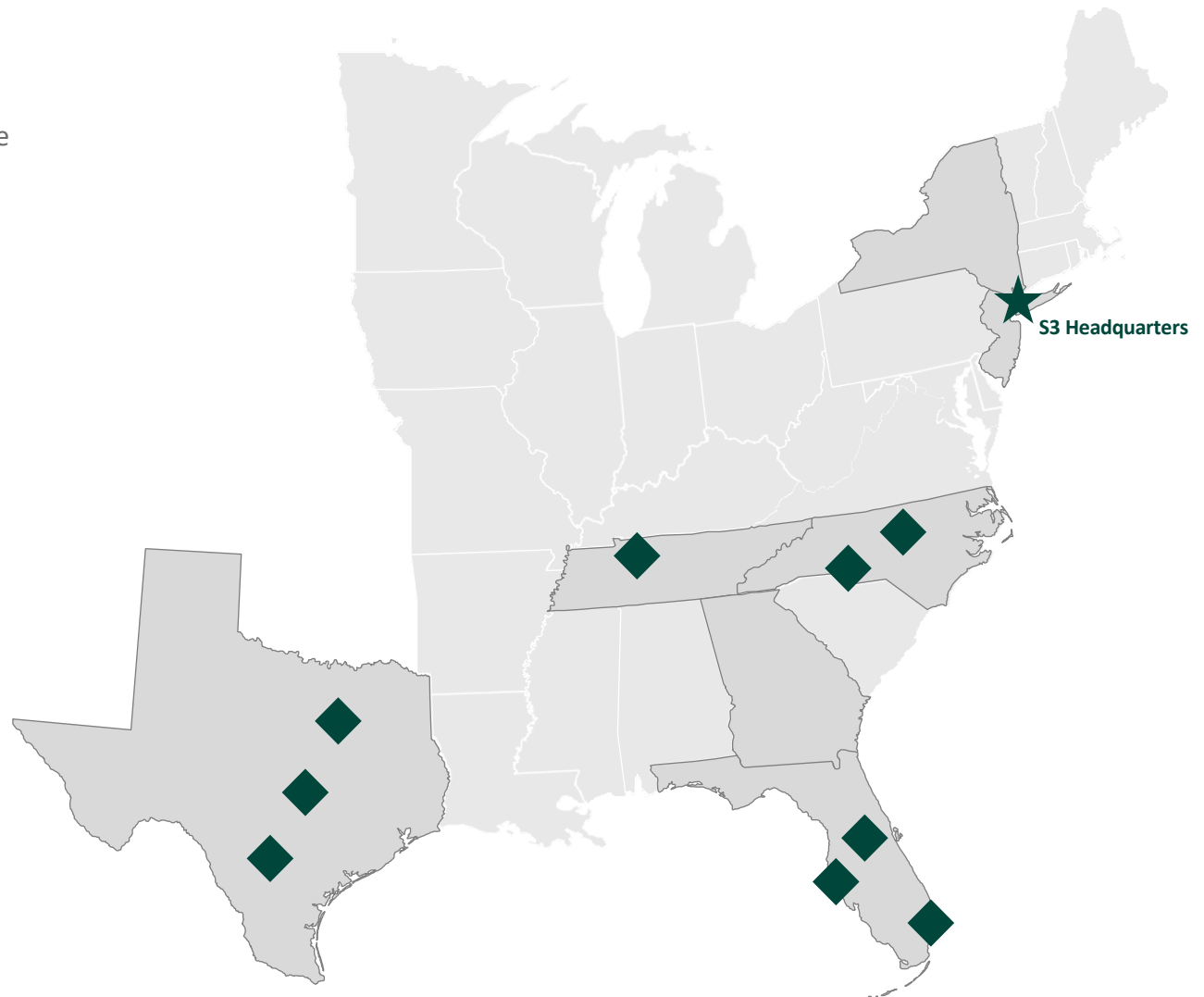
Geographic Focus

Market Selection Criteria

- Population growth for prime renter age cohorts
- Employment growth
- Housing affordability
- Strong net migration trends

Target Markets

- New York
- New Jersey
- Charlotte
- Nashville
- Southeast Florida
- Orlando
- Tampa
- Austin San Antonio
- Dallas / Fort Worth
- Raleigh / Durham



Summary of Terms

| | |
|--------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| THE FUND | S3 LB Real Estate Credit Fund III LP, and S3 LB Real Estate Credit Fund A III LP, each a Delaware limited partnership |
| INVESTMENT STRATEGY | Real estate-related debt investments in residential properties throughout the United States |
| RETURN OBJECTIVE | The Fund seeks to achieve a long-term, total net IRR of 12-14% |
| FUND TYPE | Closed-End |
| TERM | 6 years plus two 1-year extension options |
| INVESTMENT PERIOD | 4 years |
| CAPITAL CALL LINE | \$50M up to 20% of capital commitments |
| DISTRIBUTIONS | The Fund intends to make quarterly distributions of available cash |
| MANAGEMENT FEE | Commitment of less than \$50 million - 1.5% per annum of Investment Contributions Commitment of greater than \$50 million – 1.35% per annum of Investment Contributions |
| CARRIED INTEREST | 20% carried interest after return of capital and a 7% preferred return, with no General Partner catch-up. Carried interest to be paid according to a “European waterfall” towards the end of the term once the Fund returns all capital contributions and the preferred return. |
| INVESTOR QUALIFICATION | The fund requires investors to be a, “Qualified Investor” as defined by the SEC. Typical qualifications require either (a) net worth of \$2.2mm or (b) a commitment to the partnership of at least \$1.1mm. |
| GP COMMITMENT | The lesser of 2% of fund commitments or \$20M |
| OTHER FEES AND EXPENSES | The General Partner (and not the Fund) will pay for all investment related expenses incurred by the Fund in the acquisition, financing, and disposition of Fund investments. In exchange, the General Partner will retain the origination fees charged to borrowers in connection with Fund investments, in an amount up to 1.5% of the total committed loan amount. |
| KEY PERSON EVENT | In the event that at any time one of Joshua Crane, Robert Schwartz or Matan Kurman fail to fulfill their time commitment obligations to the Fund, a temporary suspension period will commence. |
| INVESTMENT OPPORTUNITIES | The General Partner generally expects to offer to the Fund investment opportunities that are consistent with the Fund’s strategy, target return and other objectives |



S3 LB Real Estate Credit Fund III LP¹

Current Investments

| Address | Neighborhood | Date | | Committed | Fund Exposure* | S3 Spread* |
|-------------------------------------------|----------------------------|------------|------------|----------------------|----------------------|--------------|
| | | Start | Maturity | | | |
| 133 Kent Avenue | Williamsburg, Brooklyn, NY | 11/27/2024 | 11/30/2026 | \$85,000,000 | \$21,250,000 | 16.2% |
| ICG @ Atlantica | Davenport, FL | 12/9/2024 | 5/31/2027 | \$65,350,000 | \$19,605,000 | 11.3% |
| 9927 E Bay Harbor Dr | Bay Harbor, FL | 12/20/2024 | 6/30/2027 | \$55,700,000 | \$13,925,000 | 16.3% |
| 282 4th Avenue | Gowanus, Brooklyn, NY | 12/31/2024 | 4/30/2025 | \$4,800,000 | \$1,512,000 | 12.5% |
| 250 W 49th St | Midtown, Manhattan, NY | 1/13/2025 | 1/31/2027 | \$79,000,000 | \$19,750,000 | 17.3% |
| 1305 4th St | Sarasota, FL | 2/21/2025 | 2/28/2027 | \$50,000,000 | \$15,000,000 | 10.5% |
| 2892 Nostrand Ave | Midwood, Brooklyn, NY | 3/18/2025 | 3/31/2027 | \$23,000,000 | \$6,900,000 | 13.5% |
| Astoria Cove | Astoria, Queens, NY | 3/21/2025 | 9/30/2027 | \$300,000,000 | \$105,000,000 | 11.3% |
| Total Fund III Portfolio - 8 Loans | | | | \$662,850,000 | \$202,942,000 | 13.1% |

*A Note Partner Identified but not closed for some loans, S3 spread represents levered spread over SOFR

Loans Under Deposit*

| Location | Est. Closing | Total Loan |
|--------------------------|--------------|-----------------------|
| Hialeah, FL | Q2 2025 | \$ 28,300,000 |
| Denton, TX | Q2 2025 | \$ 46,500,000 |
| Park Slope, Brooklyn, NY | Q2 2025 | \$ 21,000,000 |
| North Bay Village, FL | Q2 2025 | \$ 67,000,000 |
| Hallandale Beach, FL | Q2 2025 | \$ 107,000,000 |
| Satellite Beach, FL | Q2 2025 | \$ 26,000,000 |
| Gowanus, Brooklyn, NY | Q2 2025 | \$ 24,000,000 |
| Oakland Park, FL | Q2 2025 | \$ 59,500,000 |
| Roselle, NJ | TBD | \$ 46,500,000 |
| Kensington, MD | TBD | \$ 40,000,000 |
| Bushwick, Brooklyn, NY | TBD | \$ 27,500,000 |
| Bay Harbor Islands, FL | TBD | \$ 26,000,000 |
| Total | | \$ 519,300,000 |

*Loans under deposit anticipated for Fund III. Loan size, terms, & conditions are subject to final due diligence

S3 RE Credit Fund III – Loan Snapshot

133 Kent Ave, Brooklyn, NY



The Opportunity

- Financing provided for the development of a 43-unit condo building with 17,000 square feet of pre-sold retail space in Williamsburg, Brooklyn
- Repeat sponsors who have successfully completed five similar projects in the same area
- Well-located site in a corner lot close to North 5th Street pier and park, and prime retail including Trader Joe's, CVS, and Whole Foods
- High quality build and amenity package; most units have a private outdoor space, which is a unique differentiator in the greater New York City market. Comparable properties have sold for more than \$1,700 per square foot

Loan Overview

| | | |
|--------------|---------------------------------------------------|---------------------------------------------------|
| LOCATION | LOAN TYPE | RATE |
| Brooklyn, NY | Construction loan for ground up condo development | 6.25% over 1-month term SOFR, with a floor of 10% |
| STATUS | TERM | LTV ² |
| Active | 24 months; 11/27/24 – 11/30/26 | 65% |

Key Metrics

TOTAL PROJECT COST

\$107.2M

S3 LOAN

\$85.0M

B-NOTE

\$21.3M

RESIDENTIAL BASIS PSF¹

\$1,040

S3 SPREAD³

16.2% over SOFR

1. Subtracts retail out of basis
2. Represents peak proceeds to stabilized value
3. Levered

S3 RE Credit Fund III – Loan Snapshot

ICG at Atlantica – Phase II, Davenport, FL



The Opportunity

- Financing provided for the development of eight 4-story luxury rental buildings consisting of 352 units and 598 parking spots
- Sponsor was referred by a general contractor that S3 previously collaborated with. Sponsor recently completed and fully repaid the construction loan on the 360-unit Phase I, adjacent to Phase II
- 81% of the 360 units in Phase I had leased at time of underwriting Phase II
- Davenport population has grown by 73% since 2020 leading to strong demand for housing. Unlike Phase I, the project will deliver at a time of limited supply following mass absorption in recent years
- Major employers like Disney, Advent Health, Darden Restaurants, and University of Central Florida also have large operations in the area
- The project is constructed with concrete masonry units (CMUs), offering greater durability and stability compared to traditional stick-built structures

Loan Overview

| | | |
|---------------|----------------------------------------------------|---------------------------------------------------|
| LOCATION | LOAN TYPE | RATE |
| Davenport, FL | Construction loan for ground up rental development | 6.50% over 1-month term SOFR, with a floor of 10% |
| STATUS | TERM | LTV ² |
| Active | 30 months; 12/9/24 – 5/31/27 | 65% |

Key Metrics

TOTAL PROJECT COST

\$102.4M

S3 LOAN

\$65.4M

B-NOTE

\$19.6M

DEBT YIELD¹

8.0%

S3 SPREAD³

11.3% over SOFR

1. Based on NOI at stabilization divided by fully funded loan value
 2. Represents peak proceeds to stabilized value
 3. Levered

S3 RE Credit Fund III – Loan Snapshot

9927 E Bay Harbor Drive, Bay Harbor Islands, FL



The Opportunity

- Financing provided for the development of a 33-unit condo building with 13 boat slips in Bay Harbor
- Walking distance to Bal Harbour Village, a luxury outdoor shopping center with adjacent beach access
- Subject will offer an array of unit sizes and price points which will enable the sponsor to cater to a larger range of prospective residents with different preferences and budgets
- Sponsor has completed 63 previous projects with over 20 years of experience in commercial real estate development

Loan Overview

| | | |
|----------------|---------------------------------------------------|-----------------------------------------------------|
| LOCATION | LOAN TYPE | RATE |
| Bay Harbor, FL | Construction loan for ground up condo development | 6.00% over 1-month term SOFR, with a floor of 9.25% |
| STATUS | TERM | LTV ³ |
| Active | 30 months; 12/20/24 – 6/30/27 | 45% |

Key Metrics

TOTAL PROJECT COST

\$92.8M

S3 LOAN

\$55.7M

B-NOTE¹

\$13.9M

LOAN BASIS PSF²

\$536

S3 SPREAD⁴

16.3% over SOFR

1. B Note amount based on anticipated terms with identified A Note partner
2. Subtracts marina out of basis
3. Represents peak proceeds to stabilized value
4. Levered, indicative spread based on anticipated terms with identified A Note partner

S3 RE Credit Fund III – Loan Snapshot

282 4th Ave, Gowanus, NY



The Opportunity

- \$4.8M loan provided for purchase of land; will convert into \$24M loan for future development of a residential apartment building in Gowanus, Brooklyn
- Repeat sponsor- all past deals done with S3 have finished within 15 months of commencing (on average 13.5 months)
- Almost every unit has a spacious terrace or balcony as well as an in-unit washer and dryer
- Site is 421-a vested, allowing the sponsor to benefit from the tax abatement program

Loan Overview

| | | |
|-------------|---------------------------------------------------|---------------------------------------------------|
| LOCATION | LOAN TYPE | RATE |
| Gowanus, NY | Land loan for future ground up rental development | 6.50% over 1-month term SOFR, with a floor of 10% |
| STATUS | TERM | LOAN TO PURCHASE ³ |
| Active | 4 months; 12/31/24 – 4/30/25 | 61% |

Key Metrics

PURCHASE PRICE

\$7.9M

S3 LOAN

\$4.8M

B-NOTE¹

\$1.5M

FUTURE DEBT YIELD²

8.0%

S3 SPREAD⁴

12.5% over SOFR

1. B Note amount based on anticipated terms with identified A Note partner
2. Represents anticipated debt yield for future construction loan; Based on NOI at stabilization divided by fully funded loan value
3. Represents peak proceeds to land purchase price
4. Levered, indicative spread based on anticipated terms with identified A Note partner

S3 RE Credit Fund III – Loan Snapshot

250 W 49th Street, New York, NY



The Opportunity

- Financing provided for the development of a 138-unit rental building in Midtown West
- Repeat sponsor with extensive experience in the New York City market; the previous projects that S3 financed were similar in scope and successfully realized
- Site is fully 421-a vested, and the project will benefit from the 35-year tax abatement program
- Projected debt yield on the untrended net operating income is 8.6%, a ~50% premium over the current market capitalization rate

Loan Overview

| | | |
|--------------|----------------------------------------------------|-----------------------------------------------------|
| LOCATION | LOAN TYPE | RATE |
| New York, NY | Construction loan for ground up rental development | 6.25% over 1-month term SOFR, with a floor of 9.25% |
| STATUS | TERM | LTV ³ |
| Active | 24 months; 1/13/25 – 1/31/27 | 61% |

Key Metrics

TOTAL PROJECT COST

\$99.1M

S3 LOAN

\$79.0M

B-NOTE¹

\$19.8M

DEBT YIELD²

8.6%

S3 SPREAD⁴

17.3% over SOFR

1. B Note amount based on anticipated terms with identified A Note partner
2. Based on NOI at stabilization divided by fully funded loan value
3. Represents peak proceeds to stabilized value
4. Levered, indicative spread based on anticipated terms with identified A Note partner

S3 RE Credit Fund III – Loan Snapshot

1305 4th Street, Sarasota, FL



The Opportunity

- Financing provided for the development of a 6-story, 60-unit mixed use condo building in the Rosemary District of downtown Sarasota
- S3 identified a unique value proposition in the Sarasota market:
 - Average starting price for new condo construction in downtown Sarasota is approximately ~\$3.9 million, according to MLS active inventory
 - The Gallery is pricing 97% of its residences under \$2 million, filling the much-needed void of new construction in this price range
 - Pre-sales for The Gallery have already exceeded 1/3 of units

Loan Overview

| | | |
|--------------|---------------------------------------------------|-----------------------------------------------------|
| LOCATION | LOAN TYPE | RATE |
| Sarasota, FL | Construction loan for ground up condo development | 6.25% over 1-month term SOFR, with a floor of 9.75% |
| STATUS | TERM | LTV ³ |
| Active | 24 months; 2/21/25 – 2/28/27 | 61% |

Key Metrics

TOTAL PROJECT COST

\$72.1M

S3 LOAN

\$50.0M

B-NOTE¹

\$15.0M

LOAN BASIS PSF²

\$550

S3 SPREAD⁴

10.5% over SOFR

1. B Note amount based on anticipated terms with identified A Note partner
2. Subtracts retail out of basis
3. Represents peak proceeds to stabilized value
4. Levered, indicative spread based on anticipated terms with identified A Note partner

S3 RE Credit Fund III – Loan Snapshot

2892 Nostrand Ave, Brooklyn, NY



The Opportunity

- Financing provided for the development of a 9-story, 74-unit rental building on the border of Midwood and Marine Park in Brooklyn
- The sponsor received rare zoning approval to build a multifamily property in the area, making it one of the few lots in the immediate area that is allowed to build multifamily units
- Prime location with easy access to localized retail
- Project qualifies for the 421-a tax abatement program, enhancing overall returns for the project
- An additional property is cross collateralized under the loan terms, providing added downside protection for S3

Loan Overview

| | | |
|--------------|----------------------------------------------------|------------------------------------------------------|
| LOCATION | LOAN TYPE | RATE |
| Brooklyn, NY | Construction loan for ground up rental development | 6.50% over 1-month term SOFR, with a floor of 10.00% |
| STATUS | TERM | LTV ³ |
| Active | 24 months; 3/18/25 – 3/31/27 | 66% |

Key Metrics

TOTAL PROJECT COST

\$34.5M

S3 LOAN

\$23.0M

B-NOTE¹

\$6.9M

DEBT YIELD²

8.4%

S3 SPREAD⁴

13.5% over SOFR

1. B Note amount based on anticipated terms with identified A Note partner
2. Based on NOI at stabilization divided by fully funded loan value
3. Represents peak proceeds to stabilized value
4. Levered, indicative spread based on anticipated terms with identified A Note partner

S3 RE Credit Fund III – Loan Snapshot

Astoria Cove, Queens, NY



The Opportunity

- Financing provided for the development of four rental buildings, one 26-story tower and three mid-rise buildings, totaling 731 apartments above ground floor retail and 318 parking spaces in Astoria, Queens
- Project sits along the East River with views of the NYC skyline; the development aims to transform the Astoria Waterfront
- Experienced sponsor team boasts years of experience assembling and managing large-scale residential projects
- Site is fully 421-a vested, project will benefit from 35-year tax abatement
- Two of the four buildings are mid-construction, and their completion is expected by the end of 2025
- Deal structured as two loans (\$94m and \$206m) that are cross collateralized

Loan Overview

| | | |
|------------|----------------------------------------------------|------------------------------------------------------|
| LOCATION | LOAN TYPE | RATE |
| Queens, NY | Construction loan for ground up rental development | 6.50% over 1-month term SOFR, with a floor of 10.00% |
| STATUS | TERM | LTV ² |
| Active | 30 months; 3/21/25 – 9/30/27 | 63% |

Key Metrics

TOTAL PROJECT COST

\$396.0M

S3 LOAN

\$300.0M

B-NOTE

\$105.0M

DEBT YIELD¹

8.2%

S3 SPREAD³

11.3% over SOFR

1. Based on NOI at stabilization divided by fully funded loan value
 2. Represents peak proceeds to stabilized value
 3. Levered

Case Study – S3 RE Credit Fund II

7711 River Road, North Bergen, NJ



The Opportunity

- Financing provided for the development of a 157-unit rental building in North Bergen
- Repeat sponsor who has successfully delivered 1,100+ units in North Bergen and the surrounding areas
- Easy commute to Manhattan, situated near Palisades Medical Center as well as strong local retail and a riverside park
- Project will benefit from a long term 30-year PILOT tax abatement program, where real estate taxes will be capped at 11% of annual effective gross income
- Proven concept and the project is the newest of its kind in the area, and is supported by strong leasing in older comparable buildings

Loan Overview

| | | |
|------------------|----------------------------------------------------|------------------------------------------------------|
| LOCATION | LOAN TYPE | RATE |
| North Bergen, NJ | Construction loan for ground up rental development | 6.75% over 1-month term SOFR, with a floor of 10.25% |
| STATUS | TERM | LTV ² |
| Active | 24 months; 12/30/24 – 12/31/26 | 64% |

Key Metrics

TOTAL PROJECT COST

\$74.1M

S3 LOAN

\$59.0M

B-NOTE

\$14.8M

DEBT YIELD¹

8.6%

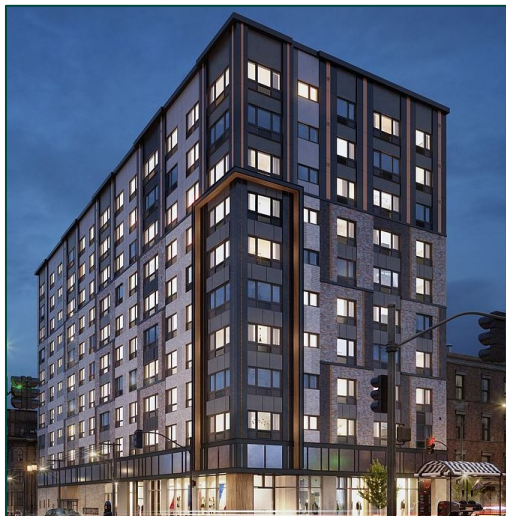
S3 SPREAD³

13.0% over SOFR

1. Based on NOI at stabilization divided by fully funded loan value
 2. Represents peak proceeds to stabilized value
 3. Levered

Case Study – S3 RE Credit Fund I (SPV)

4901 Bergenline Ave, West New York, NJ



Loan Default – Workout Strategy

- Financing provided for the development of a 10-story, 97-unit rental building with ground floor retail and 54 parking spaces
- **June 2022:** sponsorship files for Chapter 11 Bankruptcy and default is triggered
- **September 2022:** S3 partially pays down A Note lender and converts to note-on-note structure
- **November 2022:** S3 approves liquidation plan in exchange for stipulation for the borrower to finish the construction out of equity and continue monthly servicing of contract interest
- **May 2023:** Project completes construction, marketing and leasing begins
- **Result:** In March 2024, S3 agrees to let the sponsor refinance the loan with a new lender in exchange for a full principal payoff, full contract interest, and default interest

Loan Overview

| | | |
|-------------------|----------------------------------------------------|--------------------------|
| LOCATION | LOAN TYPE | RATE |
| West New York, NJ | Construction loan for ground up rental development | 7.25% over 1-month LIBOR |
| STATUS | TERM | Exit LTV ² |
| Realized | Initial term: 30 months Actual term: 69 months | 59% |

Key Metrics

TOTAL PROJECT COST

\$49.4M

S3 LOAN

\$39.0M

B-NOTE

\$14.0M

DEBT YIELD¹

7.7%

IRR³

19.6%

1. Calculated as NOI at exit divided by peak B Note loan value
 2. Total loan amount as a percentage of the completed project's final appraised value
 3. IRR does not reflect the impact of fund fees or expenses, including carried interest

Case Study – S3 RE Credit Fund II

3333 North Federal Highway, Ft Lauderdale, FL



The Opportunity

- Financing provided for the development of a 274-unit residential building above commercial space in Fort Lauderdale
- After months of extensive research, this loan marked S3's entrance into the South Florida market
- Miami-Fort Lauderdale-West Palm Beach MSA is the 7th most populous in the United States
- AutoNation, Microsoft, CBS, Citi, American Express, Citrix Systems, and Hilton Worldwide Holdings are among the Fortune 500 companies with operations in the area
- S3 saw a unique opportunity to enter the market with a local sponsor who wasn't building an ultra-luxury product in an oversupplied area

Loan Overview

| | | |
|---------------------|----------------------------------------------------|-------------------------------------------------|
| LOCATION | LOAN TYPE | RATE |
| Fort Lauderdale, FL | Construction loan for ground up rental development | 7.00% over 1-month LIBOR, with a floor of 7.25% |
| STATUS | TERM | Exit LTV ² |
| Realized | 25 months; 6/3/21 – 7/14/23 | 62% |

Key Metrics

TOTAL PROJECT COST

\$86.1M

S3 LOAN

\$67.5M

B-NOTE

\$15.5M

DEBT YIELD¹

7.8%

IRR³

21%

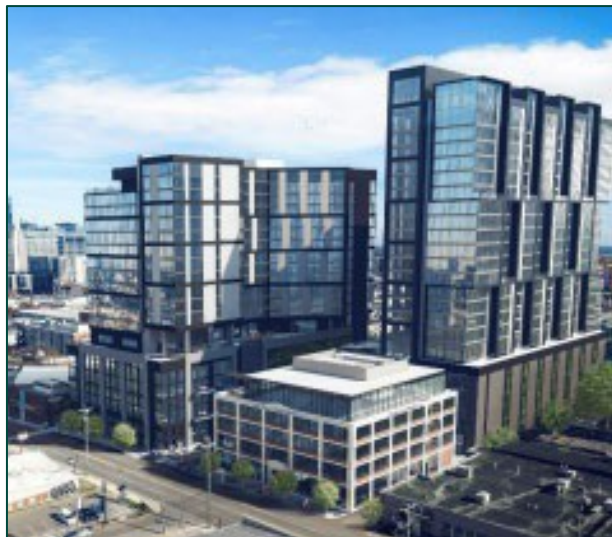
1. Calculated as NOI at exit divided by peak B Note loan value

2. Total loan amount as a percentage of the completed project's final appraised value

3. IRR does not reflect the impact of fund fees or expenses, including carried interest

Case Study – S3 RE Credit Fund II

620 8th Avenue South, Nashville, TN



The Opportunity

- Financing provided for the development of a new 278-unit residential building above retail and office space in Nashville
- Sponsor is a national developer with over \$2 billion in completed projects
- The new development is located in one of Nashville's most sought after neighborhoods, the Gulch
- Market was thriving at time of underwriting, and despite cooling market conditions over the course of the loan's lifecycle due to the impacts of COVID-19, S3 was refinanced out and achieved a 15% IRR³

Loan Overview

| | | |
|---------------|----------------------------------------------------|-------------------------------------------------|
| LOCATION | LOAN TYPE | RATE |
| Nashville, TN | Construction loan for ground up rental development | 7.00% over 1-month LIBOR, with a floor of 7.25% |
| STATUS | TERM | Exit LTV ² |
| Realized | 32 months; 2/7/22 – 10/31/24 | 57% |

Key Metrics

TOTAL PROJECT COST

\$120.1M

S3 LOAN

\$71.0M

B-NOTE

\$31.0M

DEBT YIELD¹

7.0%

IRR³

15%

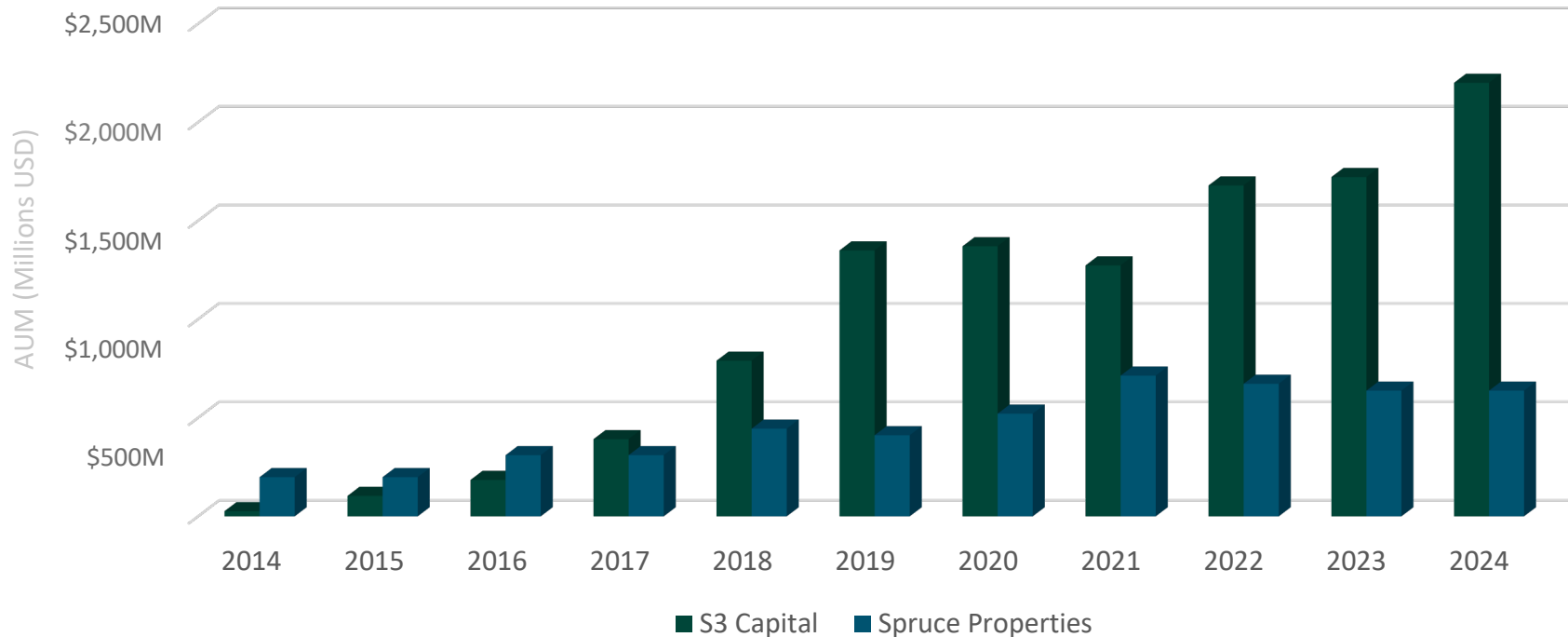
1. Calculated as NOI at exit divided by peak B Note loan value
 2. Total loan amount as a percentage of the completed project's final appraised value
 3. IRR does not reflect the impact of fund fees or expenses, including carried interest

Appendix



Firm Background and Growth

S3 Capital traces its roots back to Spruce Capital, a private real estate firm founded in 2008. In 2013, S3 was created to fill the gap in institutional-quality, middle-market construction lending in NYC. Today, S3 is one of the most active bridge and construction lenders on the East Coast, managing a portfolio of over 190 loans totaling more than \$2 billion.¹



* Spruce Properties is an affiliate of S3 Capital and is under common control with S3 Capital; however, Spruce Properties' performance is not indicative of S3's past or future performance

1. Data as of December 31st, 2024 and includes unfunded loan commitments

* PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. See "Disclaimer & Important Information" at the end of this presentation.

Management Biographies

JOSHUA CRANE Co-Founder & Principal

Joshua Crane is a Co-Founder and Principal of both S3 Capital & Spruce Properties and is responsible for sourcing and executing on all aspects of the business. He manages S3 Capital and is a member of its investment committee. Previously, he was a partner at Irongate, where he developed the Trump International Hotel & Tower at Waikiki Beach Walk. Joshua also worked at Stellar Management, where he was involved in the acquisition of Independence Plaza, a 1,330-unit rental building in New York City's Tribeca, and 2,000 units in Washington, D.C. The firm also bought and sold more than one million square feet of NYC office buildings. Joshua began his career at Salomon Brothers in their Mergers and Acquisitions group. He graduated from the Wharton School at the University of Pennsylvania.

ROBERT SCHWARTZ Co-Founder & Principal

Robert Schwartz is Co-Founder and Principal of both S3 Capital & Spruce Properties and is responsible for all aspects of the business including acquisitions, financing, and management. He manages S3 Capital and is a member of its investment committee. Prior to founding S3, Robert helped run a successful family business where he established the family's real estate investment program. Robert began his career as an investment banker at DLJ and UBS. He is a graduate of the Wharton School at the University of Pennsylvania, where he serves on the Executive Board.

MATAN KURMAN Managing Director

Matan Kurman is the head of operations and underwriting at S3 Capital. He joined S3 Capital Partners at its inception to manage day-to-day operations and underwriting of loans. Prior to working for S3 Capital Partners, he worked in acquisitions at Brookwood Financial Partners in Beverly, MA. He earned his undergraduate degree from Ben-Gurion University of the Negev in Beersheba, Israel with a B.A. in political science, and his MBA from Brandeis University in Waltham, MA. He is fluent in English and Hebrew.

SHAWN SAFDIE Credit Origination

Shawn Safdie is head of debt origination at S3 Capital Partners where he focuses on loan origination, business development, structuring, and underwriting. He excels at developing and maintaining relationships and executing transactions. Shawn has more than fifteen years of experience in the real estate credit business and has always focused on the bridge lending space. He has a B.A. in Business Management & Finance from CUNY Brooklyn College.

Management Biographies

MICHELLE FANG Marketing and Capital Raising

Michelle Fang began working with S3 Capital in December 2024, focusing on helping to bring S3's investment capabilities and private credit funds to institutional investors. Michelle has worked in the institutional investment management industry for 30 years. Prior to S3 Capital, Michelle was a Senior Managing Director at Principal Real Estate, where she led the global marketing and product development team and served on the firm's management team. Previously, Michelle held real estate product and marketing roles with Metropolitan Real Estate Equity Management (now part of Carlyle) and GE Asset Management, and before that worked in marketing and product management across multiple asset classes for Bankers Trust and SEI Investments.

ADAM FEIT General Counsel

Adam Feit is the General Counsel of Spruce Properties / S3 Capital, where he is responsible for all legal matters related to the company's business, including corporate operations, real estate transactions and all other legal issues. Adam previously served as Associate General Counsel of Arbor Realty Trust, Inc., a publicly traded real estate investment company. Prior to joining Arbor, Adam was an associate at Willkie Farr & Gallagher, LLP and Weil, Gotshal & Manges LLP, two preeminent international law firms, where he advised clients on all aspects of complex real estate transactions. Adam received his J.D. from the New York University School of Law and his B.A. from the University of Pennsylvania where he graduated *summa cum laude*.

ARI KALTON Chief Financial Officer

Ari Kalton is the Chief Financial Officer of S3 Capital and Spruce Properties. Ari oversees the financial reporting, tax, treasury and accounting for the firm and is responsible for implementing the firm's overall compliance program. Ari previously served as a Controller for DH Property Holdings overseeing all aspects of their financial reporting, accounting and cash management functions. He also served as a Director in the Alternative Investments Assurance Practice in PricewaterhouseCoopers. Ari is a New York State Certified Public Accountant who graduated from Yeshiva University with a Bachelor's of Science in Accounting.

PAUL FOSCHI Construction

Paul Foschi joined S3 Capital Partners in 2024. He is responsible for managing the S3 construction portfolio and overseeing the construction draw process. Mr. Foschi has more than 30 years of hands-on construction experience and previously worked at a major New York construction company as Senior Project Executive for more than a decade. Paul has extensive experience directing high-rise new construction and large-scale renovation projects in hospitality, multi-family residential, commercial office, interiors and laboratory facilities. He graduated from Georgia Tech with a Bachelors of Architecture as a Tau Sigma Delta Honoree.

Strategic Partners and Advisory Board Members

Emanuel Stern – Tall Pines Capital

Emanuel founded Tall Pines in 2014 as a single-family office investment vehicle. Emanuel served as long-time President and Chief Operating Officer of Hartz Mountain Industries, the largest privately held commercial real estate portfolio in the US, overseeing the transformation of the platform into a more diversified real estate developer with more than 200 properties and 38 million square feet of industrial, retail, residential, and hotel assets in the New York Metro area. Emanuel began his career at the New York City Department of Parks and Recreation under Commissioner Betsy Gotbaum, where he ran the stadia division as a facilities manager. Emanuel is a graduate of Tufts University and received a Masters of Public Affairs from Columbia University.

Lloyd Goldman – BLDG Management

Lloyd Goldman is principal and president of BLDG Management Co., Inc., which is consistently ranked as one of New York's most powerful real estate owner and investor, with significant real estate holdings that include residential, commercial and industrial properties around the United States, including the new World Trade Center site. In 2012, Goldman was elected the president of American Associates, Ben-Gurion University of the Negev (AABGU). He is involved in many nonprofit organizations, including Conservation International, The Educational Alliance and the We Are Family Foundation. He is a trustee of the North Shore-Long Island Jewish Health System and is vice chairman of the Health System Foundation. He serves on M&T Bank's New York City Director's Advisory Council and Mortgage Investment Council.



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