

KINGDOM FORGE HOLDINGS

Alabama 5-Pack – Investor Executive Summary

Presented by: KINGDOM FORGE HOLDINGS (KFH)
JULY 2025



EXECUTIVE SUMMARY



Overview

- Portfolio of 5 senior living facilities across Alabama
- Aggregating underperforming assets with significant upside
- Renovating, professionalizing operations, and repositioning rents
- Leveraging Solinity's proven operating platform



Project Summary

- Total Facilities: **5**
- Estimated Total Beds: **(insert current count – need John's confirmation)**
- Acquisition Price Estimate: **~\$52–58M (negotiable)**
- Target All-In Cost: **(Acquisition + Rehab TBD – add placeholder)**
- Average Cost Per Bed Post-Reno: **(Insert est. vs. replacement cost ~\$250–300K/bed)**
- Target Stabilized Occupancy: **~85–90%**



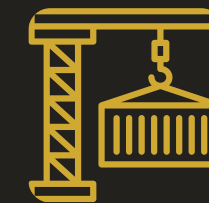
Investor Return Highlights

- Preferred Return: **~8–11% annually**
- Target Equity Multiple: **~1.7–2.0x over 3 years**
- Target IRR: **~15–20%**



Exit Strategy

- Refinance or sale post-stabilization at **~7.5–8% cap rate**
- Return of capital + profit participation



Use of Funds

- Acquisition: **~\$50–58M (negotiable)**
- Renovation: **Estimate TBD (Placeholder: ~\$10–15M range)**
- Fees, reserves, soft costs



Next Steps

- Detailed Pro Forma Available Upon Request.

INVESTMENT THESIS:

Why These Assets?

- Assembled at attractive aggregate pricing below replacement cost
- Solves critical supply gap in underserved Southeastern markets
- Opportunity to professionalize older facilities with modern standards
- Targets middle-market seniors who are underserved by luxury operators

Value Creation Strategy

- Cost basis well below new construction (~\$150–180K/bed post-reno vs. ~\$250–300K new)
- Renovations to reposition rents (+15%)
- Operating expense reduction (~30%) via economies of scale and Solinity management
- Lease-up to ~85–90% occupancy over 18–24 months
- Portfolio synergy benefits via shared staff, procurement, marketing

Solinity Partnership Advantage

- Southeast's proven senior living operator
- Lease-up strategies with demonstrated results
- Professional back-office and resident care systems
- Institutional-quality reporting

Capturing the underserved middle-income senior living demand in Alabama.



SOURCES & USES / RENOVATION PLAN

Sources & Uses (Estimate / Placeholder):

- Total Project Cost: ~\$62–72M
- Developer Fees: ~5% of total cost
- Builder/GC Fees: ~5% of renovation budget
- Reserves and Soft Costs: included
- Equity Required: ~30–35% of total cost
- Debt Financing: ~65–70% LTC



Acquisition

Purchase at ~\$52–58M



Renovation

~\$10–15M (placeholder estimate)



Stabilization

Start: ~65–70% portfolio average

Stabilized: ~85–90% within 18–24 months

Renovation Scope (Per Facility):

- ~\$20–30K/bed average renovation (scope TBD)
- Modernization of units
- Life safety systems upgrades
- Accessibility and compliance improvements
- Common area and amenity updates
- Phased renovation to maintain occupancy



Exact facility-level budgets and scope in development with operator.



PRO FORMA SUMMARY (YEARS 1–3/5)

Operating Assumptions (Portfolio-Level):

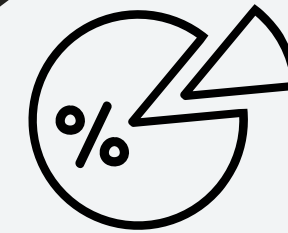
- **Rent Growth Post-Renovation:** +15%
- **Operating Expense Reduction:** -30%
- **Occupancy Ramp:** 18–24 months to ~85–90%
- **Debt Terms:**
- **LTC:** ~65–70%
- **Interest Rate:** ~7.0%
- **Amortization:** 25 years
- **Interest-Only:** ~12–18 months

Projected NOI (Estimates – Placeholder):

- **Year 1:** Ramp-up period
- **Year 2:** Stabilizing
- **Year 3+:** Stabilized NOI Estimate: (Ask John for target range, e.g., ~\$8–10M annually)

Exit Scenario

- **Exit Cap Rate:** ~7.5–8%
- **Estimated Exit Value:** (Placeholder: ~\$100–125M range depending on NOI)
- **Remaining Debt Balance:** (to be calculated)
- **Net Proceeds:** Return of equity + ~50%+ gain



Investor Returns

- **Preferred Return:** ~8–11% annually, paid first
- **Target IRR:** ~15–20% over ~3–5 years
- **Equity Multiple:** ~1.7–2.0X

- **Full 1–5 Year Excel Model In Development. Detailed assumptions available on request.**



MAP / IMAGES / TEAM & PARTNER CREDENTIALS

Regional Highlights:

- Alabama's senior population growth
- Affordable housing needs for middle-market seniors
- Proven demand in secondary/tertiary markets

Professional execution from acquisition to stabilization.

Asset Locations:

- 5 Facilities spread across Alabama
- Regional clusters for operational synergy

Partnership Team:

• **Kingdom Forge Holdings:**
Capital & Development

• **Solinity:** Premier Senior Living Operator

• **Matt & Brandon:** General Contractor/Builder

• **John Moore:** Capital Strategy & Structuring

• **David Barefoot:** Institutional & Family Office Partnerships



INVESTOR Q&A – KEY CONSIDERATIONS

Exit Strategy

- Refinance or sale targeted post-stabilization (Year 3–5)
- Estimated exit cap rate: 7.5–8%
- Return of equity + ~50% gain upon exit

Downside Risk Mitigation

- Assets acquired below replacement cost (~\$150–180K/bed post-reno vs. ~\$250–300K new)
- Renovation + professional operations drive NOI and occupancy improvements
- Phased strategy maintains cash flow during upgrades

Distribution Timing

- Preferred return of ~8–11% annually
- Distributions begin once stabilized cash flow allows; quarterly cadence preferred

Fees

- Developer Fee: 5% of total cost
- GC Fee: 5% of renovation budget
- Market-aligned, performance-driven structure

Who is Solinity?

- Premier senior living operator with a track record of turnaround success
- Deep operational expertise, staffing, and lease-up management
- Trusted partner in KFH's Southeast platform



Thank You!

Contact Us



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Gerente General

**Detailed Financial Model and Facility-Level Assumptions
Available Upon Request. For Illustrative Purposes Only.**