



2024

Pinnacle Overview

- Founded in 2002
- Over \$1.75 billion underwritten and funded to date by management team while at Pinnacle with its Lender Partners
- Headquartered in Indianapolis with sales and loan underwriting offices located across the United States
- Established lender to the following industry segments:
 - Restaurants (Franchisee, Chain Restaurants, and Franchisors)
 - Specialty Retail
 - Wealth Advisors
- Originate, structure, underwrite, advise, acquire and service proprietary financing programs for its managed accounts and lender partners
- Experienced professionals with diverse backgrounds in investment banking, real estate, commercial banking, mortgage lending and other related industries
- On average originations of over \$125 Million per year

Introduction to Pinnacle Leadership

Management	Experience
Bill Wildman CEO	<ul style="list-style-type: none">▪ 37 years in finance industry, 30 years in franchise finance – Founder of Pinnacle▪ VP at Provident Bank, established national restaurant franchise lending platform▪ VP at Atherton Capital, established national specialty retail lending platform▪ Bridge Funding Group, VP, National Sales Manager, franchise lending
Mylan Dawson Chief Operating Officer	<ul style="list-style-type: none">▪ Experienced advisor on capital structure, planning and financial and strategic transactions▪ Leader of transaction teams including clients, lawyers, accountants and investors▪ Practiced law for five years focusing on commercial transactions & litigation, banking law, bankruptcy law, real estate law and collections▪ Managing Director at Grandwood Capital LLC
Timothy Morris Chief Credit Officer	<ul style="list-style-type: none">▪ Highly experienced commercial lending and leasing risk officer across multiple product types and international geographies. Significant capability in cash flow and asset based lending with restructuring and workout experience.▪ GE Capital 1983-2016.▪ Chief Risk Officer. Managed underwriting and portfolio management team across five business segments (>\$12B assets) including corporate lending, equipment & fleet leasing, and franchise restaurant and real estate finance
Sue Hacker Nelson	<ul style="list-style-type: none">▪ 20+ years in management roles at not-for-profit institutions▪ Skilled executive in project management and planning▪ Client Services, Marketing and Company Administration

Pinnacle Commercial Capital “Recipe” For Success

Experience

- 30+ years focusing on restaurant/QSR segment
- Deep personal relationships with best operators
- Trusted “brand” in the lending space

Credit Enhancements & Risk Reduction Strategies

- Adapting to market dynamics amongst brands
- Relationships with franchisors and their expansion plans
- Corporate franchisor guarantees and incentives

Disciplined Underwriting Approach

- Rigorous underwriting standards
- Willingness to say “NO” if loan does not meet high standards

Focus On The Customer

- Personally meet with every borrower, regardless of size of the loan
- Highly visible presence in the industry
- Lender of choice to many franchisees

Business Strategy

Corporate Finance

- Complete, diversified suite of financial loan product offerings.

Provider
Senior Debt

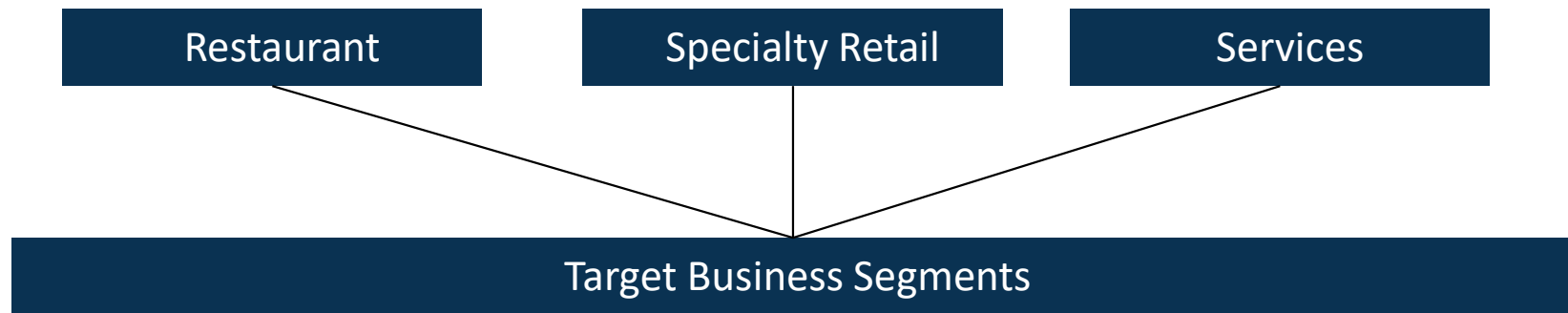
- Products designed for a variety of opportunities such as: business or real estate acquisitions, refinancing's, development, site improvements, generational transfers and estate planning or succession.

Structured Finance

- Custom-tailored finance programs.
- Provide committed funds for specific initiatives.
- Provide franchisor sponsored lending programs.
- Provide sourcing arrangement with strategic partners to provide additional transaction flow and leverage relationships with equity sponsors and franchisors.

Target Market

- Borrowers for this program are to be creditworthy private small to medium size business owners of established successful branded business chains and franchised brands focused on consumer and service driven industries.
- Targeted industries and business owners provide products and services that have become, and are expected to remain, staples of the American economy.



Restaurants
Automotive parts and services
Wealth management advisors
Car washes

Borrower Focus

Target Company Characteristics

- ✓ \$5 - \$300+ million in annual revenues
- ✓ Experienced, deep management team
- ✓ Simple economic model
- ✓ Stable predictable cash flows
- ✓ Diversified customer base nationwide
- ✓ Prime location real estate
- ✓ Benchmark against other concept business owners
- ✓ Recognizable high quality or emerging brands
- ✓ Established corporate parent
- ✓ Cooperative or supplier support
- ✓ Standardized operations
- ✓ Proven financial and operational track record, no first-time owners

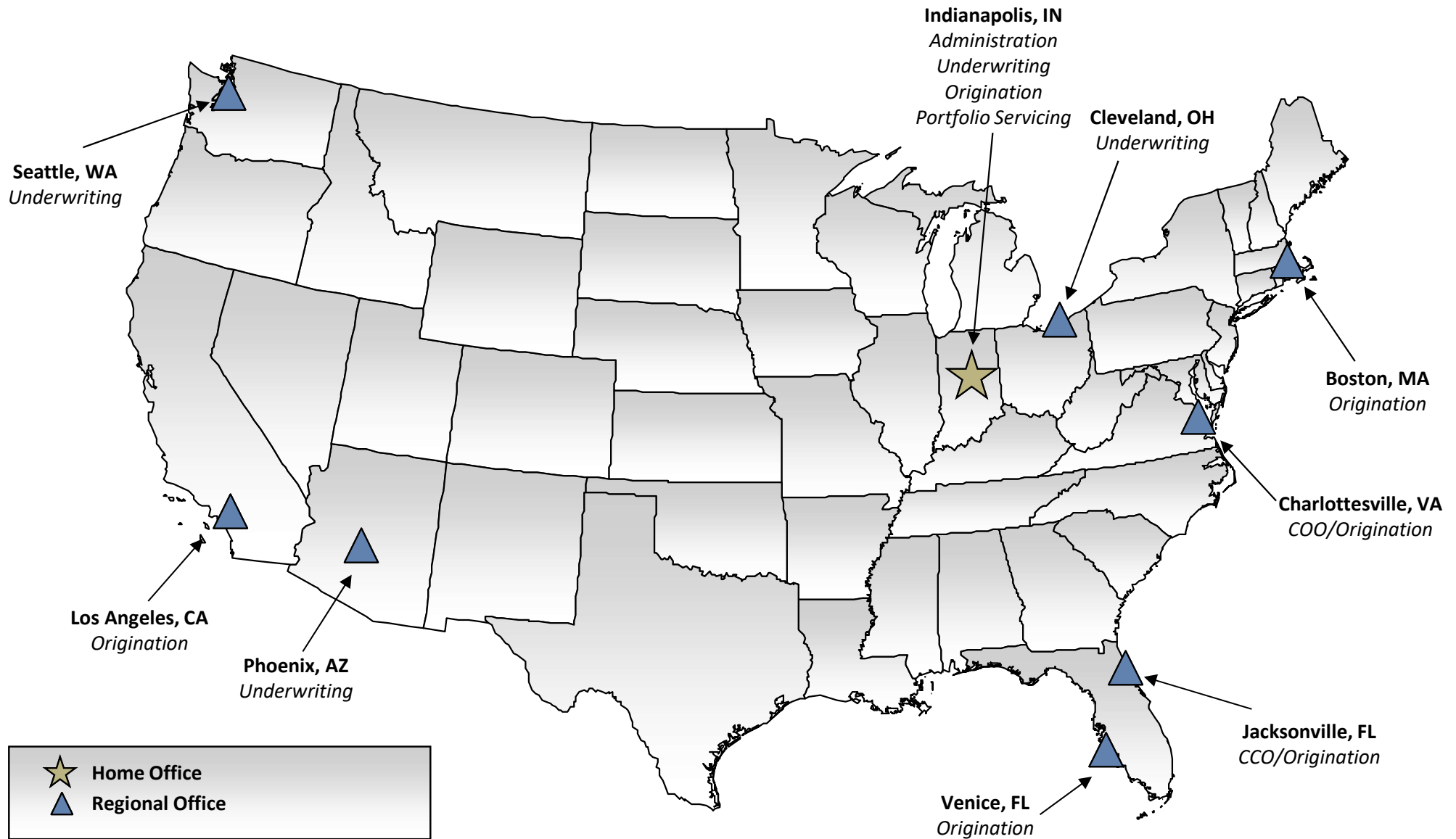
Target Deal

- ✓ \$1 - \$30 million loan amount⁽¹⁾; average \$4 - \$8 million franchisee transactions
- ✓ \$0.50-\$1.5million loan amount average for Franchisor Sponsored Funding Programs
- ✓ \$25-\$50 million loan amount ⁽²⁾; average \$25 -\$35 million franchisor transactions
- ✓ 3 – 10 year maturity depending on product and collateral type
- ✓ Secured by business cash flows, contractual income (fees, royalties or commissions), real estate, inventory, fixed assets and personal guarantees

(1) Exposure to any one credit or borrower group not to exceed \$30 million.

(2) Exposure to any one credit of borrower group not to exceed \$50 million

Office Locations



Products

Enterprise Value Loans

- Based on cash flow multiple & secured by FF&E, leasehold mortgage or revenue capture of earned income
- Predominately used by restaurants, specialty retail, wealth management companies and auto aftermarket

Real Estate Mortgage Loans

- Used for owner-operator locations, in which the borrower also holds the title to the real estate
- Traditional real estate valuation supported by third party appraisal and other third party reports

Combination Loans

- Incorporates both an enterprise value approach combined with a real estate valuation, used primarily with restaurant and specialty retail franchise or other branded businesses including chain restaurants

Third Party Real Estate

- Real estate loan product to accommodate landlords of approved branded concepts in which we have relationship with tenant
- Individual units or portfolios
- Low LTV typically 65% - 70%

Construction-to Perm Loans

- Experienced multi-unit operators for new store development with a conversion feature into a long-term permanent loan
- Must be part of a refinance or larger established credit facility with cash flow support

Sponsored Program Loans

- Re-imaging
- Brand initiatives
- Remodel initiatives
- Conversion Programs
- New Development
- Refranchising

Franchise Concepts

Tier 1

Tier 2

Tier 3

Tier 4



it's *DINER*time

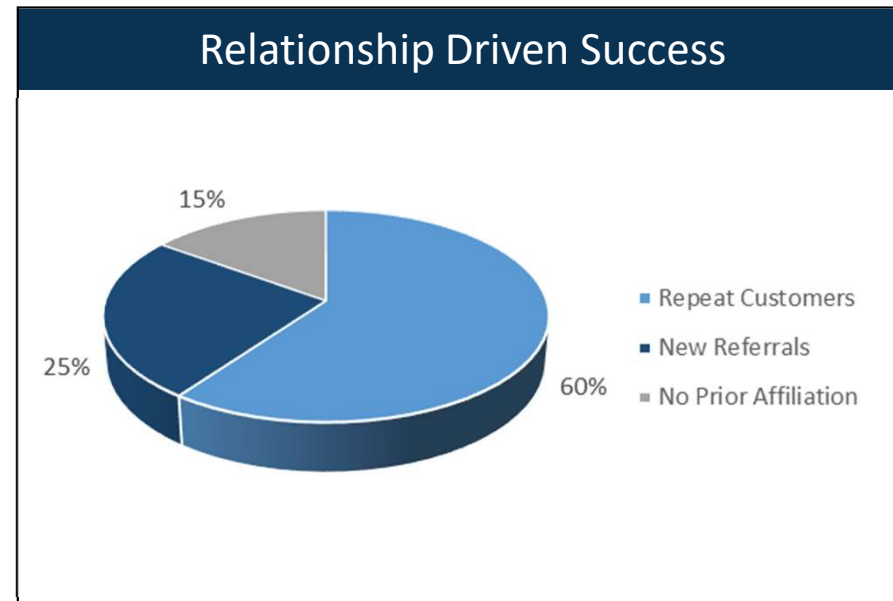


SLIM CHICKENS



Origination

- The Pinnacle team has developed an extensive relationship network with franchisors and franchisees.
- Pinnacle maintains a highly visible presence in the industry.
 - Frequent attendance at industry conferences and trade shows.
 - Identification of new underserved concepts.
 - Networking through industry contacts.
 - Frequent speaker at franchisor sponsored conferences
 - Active monitoring of major franchisees.
 - Prior experience as both a franchise operator as well as a franchise financier.
- Due to Pinnacle's market experience, and exceptional customer service, Pinnacle has become a lender of choice to many franchisees.
 - Focus on personal relationships and customized service.
 - Dynamic versus static underwriting.
- Individual franchisee relationships complemented by participation in parent franchisor programs or preferred funding relationships:
 - Financing of re-image initiatives: Hardee's, Denny's, JIB.
 - Preferred Funding Status: Yum Brands, Wingstop, CKE, JIB, Denny's



Pinnacle Professionals have Successfully Originated over \$1.6 Billion in Loans.

Underwriting Process

- Pinnacle's credit department is comprised of credit professionals that have extensive experience in underwriting, documentation, closing and portfolio management of franchise and branded business loans.
 - Defined credit philosophy in underwriting franchise loans.
 - Established Risk Assessment Criteria (RAC) articulates this philosophy and ensures that loans are underwritten in accordance with Pinnacle's credit philosophy.
- Proprietary underwriting models, templates and forms that ensure loans are underwritten, processed and closed in a timely manner.

Analyzes Each Concept / Market

- Economic factors that impact a concept or market (changes in commodity prices, cost of labor, etc.).
- Ranking concept within its own segment.
- Identifying the challenges the concept is facing (competition, brand value, menu positioning).

Quality of Underlying Collateral

- Locations and demographic.
- Proximity to competition, intrusion and market analysis.
- Third party appraisals on all fee property collateral and wealth advisor assets.

Cash Flow Lender

- Repayment is the on-going cash flow of the borrower's business.
- Secondary credit support comes from the value of secured collateral and strength of personal guarantees.
- Credit decisions based on historical cash flow and measured pro forma cash flow or adjusted for unsubstantiated improvements.

Relationship Lender

- Personally meet with every borrower, regardless of size of the loan.
- Focus on a borrower's depth of management, including number of units operated and years of operating experience.

Key Investment Considerations

✓ Focused on an Underserved Business

- Traditional capital sources largely, until now, have ignored franchise finance market.
- Demand for capital significantly exceeds current supply having a significant effect on the economy.

✓ Experienced Management

- Over 150 years of combined experience in financial services, investment banking and real estate investments.
 - Pinnacle representatives have experience as franchisees and operators of both restaurants and specialty retail concepts.
 - Pinnacle representatives have experience in company reorganizations and restructurings.
- Extensive industry database.
 - Pinnacle maintains an active database for concepts that it provides capital to or which it might target.
 - Pinnacle maintains client relationships with franchise boards and associations representing selected franchisees in specific brands.
 - Pinnacle conducts regular due diligence sessions with franchisors.
- Seasoned contacts at financial institutions, investment banks, equity funds, law firms, accounting firms and rating agencies.

✓ Established Business Lines

- Active pipeline of corporate finance and portfolio acquisition opportunities.
- Several structured finance programs under development.

✓ Differentiated Products

- Offer senior debt, senior stretch, subordinated and mezzanine debt and preferred equity.
- Pinnacle has a captive real estate lender for long term (25 year) mortgage financing.
- Specialize in creatively and efficiently providing structured financial solutions.

✓ Emphasis on Credit

- Underwriting centric approach.
- Employ proprietary models and methods to analyze risk rating, capacity analysis, pipeline management, compliance tracking and credit scoring.

Some Recent Successes

Franchisor
\$85 Million
Refinance



Wienerschnitzel
Franchisee
\$1.5 Million
Acquisition



Dominos Franchisee
\$20 Million
Acquisition & Refinance



Qdoba Franchisee \$2.1
Million Refinance &
Development



Marco's Franchisee
\$4.1 Million
Refinance



The Habit Franchisee
\$950,000 Acquisition



Denny's Franchisee
\$17 Million
Refinance



Mountain Mike's
Franchisee
\$1.4 Million
Refi & Development



Dave's Hot Franchisee
\$1.2 Million Development



Mountain Mike's
Franchisee
\$400,000 Acquisition



Crisp & Greens Franchisee
\$800,000 Development



Slim Chicken's Franchisee
\$1.5 Million Development

