Corner Capital

Energy. Capital. Advisory.

Mergers & Acquisitions • Financing & Restructuring • Strategic Advisory & Special Projects

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Corner Capital

Corner Realty

Investment Banking & Retail Real Estate

Annual Report

2024-2025

Andy's Corner Comments

There seems to be optimism in our industry since the election, specifically around reduced regulation and policy support for fossil fuels. In this Report, we address some of the expectations around regulatory relief and how that might impact our Downstream Energy sector. We hope you find it interesting.

Within our Corner Companies, we continue to build our expertise, staff, and service lines to better serve you. While our operational experience and insight are unmatched among our peers, we are building our financial services and professionals to round-out our transaction projects and services. Our professionals, including myself, are accumulating FINRA licenses and credentials so that we may perform broader capital-raises, access deeper financial relationships to benefit our clients, and refer tax and wealth managers for our clients.

Our financial credentials extend to all we do in Corner Realty, as we attempt to elevate the traditional real estate brokerage model to provide investment banking-quality underwriting, services, and expertise to real estate clients. We continue to invest and build our Corner Realty affiliate, hiring a full-time industry expert Vice President of Retail Brokerage to ensure our service delivery to both chain and independent operators. Corner Realty's capital markets relationships (public and private REITs, family offices, investors) facilitate growth for a number of clients building their regional retail chains.

Somewhat opportunistically, we have also become involved in two new lines of M&A activity: Agriculture and Collision Repair. We have found that the Agriculture sector is comprised of exactly the same family-friendly profile as our energy clients: 1st through 3rd generation family businesses known for top-quality business execution and a desire to share success with their families. Aside from our role of monetizing a multi-generational business for our family clients, it is fascinating to see the process of food production and distribution literally from the "ground-up".

Our entire team enjoys our industry because of its good-natured relationships and shared successes, which often go back for generations. Don Mitchell recently helped a client he put in business celebrate their 50th business anniversary as he stewarded them through a sale process. As Don always says from his basketball days, "never up, never in!" Please let us know how we might be of assistance to you and yours in 2025!

Sincerely,

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Section 1

2024 Capital Markets Recap & 2025 Outlook

Headline Roundup: Mergers & Acquisitions

Benchmark Transactions Return

noon's / Jacksons

Announced Date: 12/12/2024

Geography: MT

Trade Channels: Retail, Dealer, Transportation

- **Summary of Assets to be Transacted:** Jacksons Food Stores Inc. has acquired the retail, wholesale, and transportation assets of Hi-Noon Petroleum Inc. in Missoula, Montana. Corner Capital served as advisor to the seller.
- **Acquiror/Target Profile:** Jackson Energy and Jacksons Food Stores, Inc. own, operate, and supply 300 stores across ten western states. Hi-Noon Petroleum grew to become one of Montana's prominent distributors of branded motor fuels over the Company's nearly 50 years of operations. Additionally, Hi-Noon had a reputation as a high-quality retailer in the greater Missoula area.
- **Strategic Rationale:** This transaction provided the opportunity for Jackson Energy to break into the Montana market through the acquisition of a quality, multi-channel operator. Additionally, the transaction strengthened Jacksons relationship with HF Sinclair.

Schmidt & Sons, Inc. Fuels & Lubricants Distributor / ENERGEX Kappa Texas Oil Company

Announced Date: 9/12/2024

Geography: TX

Trade Channel: Commercial, Transportation, Lubes

- **Summary of Assets to be Transacted:** Kappa Texas Oil Company acquired the commercial fuels and lubricants business assets from Schmidt & Sons. The transaction included Schmidt & Sons' bulk plants, cardlocks, lubricants business, mobile fuel delivery (wet hosing) business, and transportation rolling stock. Corner Capital served as advisor to the seller.
- **Target Profile:** Schmidt & Sons, Inc. became one of the largest commercial fuel and lubricant distributors in Central Texas, with bulk plant and cardlock assets extending across the region and down to the Rio Grande Valley. The Company was an early pioneer of wet hosing in Texas, a service that significantly fueled its growth and expanded its footprint statewide.
- **Strategic Rationale:** This transaction allowed Grupo Energéticos, based in Monterrey, Mexico, to further solidify its position in the US though its affiliate company, Kappa Texas Oil Company. Kappa Texas has entered US market through multiple acquisitions over the last decade.

Headline Roundup: Mergers & Acquisitions

Benchmark Transactions Return

getGo CAFE + MARKET / Couche-Tard

Announced Date: 8/19/2024

Deal Size: $1,600M

Geography: PA, OH, WV, MD, IN

Trade Channels: Retail

- **Summary of Assets to be Transacted:** Couche-Tard announced it intent to purchase 270 convenience stores from GetGo Café + Market strategically located in Midwest and Northeast.
- **Target Profile:** GetGo Café + Market is owned and operated by Giant Eagle based in suburban Pittsburgh. Through various acquisitions and organic expansions, Giant Eagle has grown competing with the likes of 7-Eleven and Sheetz in the Northeastern US market. Giant Eagle operates 211 supermarkets, 8 standalone pharmacies, and 270 GetGo convenience stores.
- **Strategic Rationale:** This transaction will allow Giant Eagle to focus on its core supermarket business, while Couche-Tard significantly grows its store footprint. Leadership was drawn to GetGo's "outstanding" loyalty and food programs noting that it plans to continue running GetGo's beloved myPerks reward platform at GetGo stores while continuing to grow Couche-Tard's Inner Circle loyalty program.

Delek US / FEMSA

Announced Date: 8/1/2024

Deal Size: $385M

Geography: TX, NM, AR

Trade Channel: Retail

- **Acquiror Profile:** Monterrey, Mexico-based FEMSA is one of the largest conglomerates in Mexico. FEMSA has several business segments, including convenience retail, beverage, pharmacy, financial & digital services, and logistics & fuel distribution. FEMSA operates over 24,000 convenience stores worldwide, with the majority located in Mexico.
- **Target Profile:** Delek US Holdings, Inc. is a diverse energy company with assets across several downstream energy verticals. Delek is based in Tennessee with operations in 9 states across its business segments. The transaction included Delek's retail business, which is includes 249 stores in the Southwestern US operating under the DK brand.
- **Strategic Rationale:** FEMSA is using this acquisition of 249 stores to break into the U.S. market with plans "to be one of the strongest competitors in the U.S. market." The fragmented Southwest U.S. market offers an opportunity to build a platform over time to achieve scale. Delek intends to have FEMSA as a competitive partner for ongoing and expanded retail fuel sales.

Headline Roundup: Mergers & Acquisitions

Benchmark Transactions Return

Casey's / CEFCO

Announced Date: 7/26/2024

Deal Size: $1,145M

Geography: TX, AL, FL, MS

Trade Channel: Retail, Dealer, Terminals

- **Summary of Assets Transacted:** Casey's acquired Fikes Wholesale Inc (CEFCO Convenience Stores) 198 retail stores, dealer network, a fuel terminal and a commissary serving its Texas stores.
- **Target Profile:** Parent company, Fikes Wholesale Inc., is a supplier of unbranded and branded fuels to retail and commercial trade channels operating as CEFCO convenience stores. CEFCO boasts strong brand loyalty by focusing on quality food and merchandise in key locations. Prior to the transaction, CEFCO had grown to become one of the largest convenience retail and fuel distribution businesses in Texas.
- **Strategic Rationale:** Casey's wants to capture the economic/population growth of the Southern U.S. and Texas. With this 198-store transaction, Casey's expects to achieve significant synergies from increased sales and margin as well as increasing fuel volumes.

H&S / Andretti Petroleum

Announced Date: 3/20/2024

Deal Size: 170 Sites

Geography: CA, OR, WA

Trade Channel: Retail, Dealer, Cardlock, Commercial, Car Wash

- **Acquiror Profile:** Prior to the acquisition, H&S Energy operated approximately 160 convenience stores. H&S stores currently wave the flags of Chevron, 76, Texaco, Shell, Extra Mile along with H&S' own brands.
- **Target Profile:** Andretti Petroleum Group was one of the largest convenience retail, cardlock, and fuels distribution businesses on the West Coast. Andretti has expanded to nearly 170 convenience retail locations on the West Coast. The Company expanded to its current size over a series of notable acquisitions in the 2000's and 2010's. Most notably the acquisition of Colvin Oil in 2017 that doubled Andretti's footprint in Pacific Northwest.
- **Strategic Rationale:** H&S approximately doubled its store footprint with locations that complimented H&S geographical footprint. H&S was able to expand its convenience retail footprint in a strategic geography, and diversify its business segments with the acquired cardlocks, fleet cards, and car washes.

Headline Roundup: Mergers & Acquisitions

Benchmark Transactions Return

Shell / BREWER

Announced Date: 2/9/2024

Deal Size: 45 Retail Sites

Geography: NM

Trade Channels: Retail

- **Summary of Assets to be Transacted:** Shell announced its intent to purchase 45 stores from Brewer Oil Company, that consist of convenience stores, traditional fueling stations, and cardlocks for fleet vehicles.
- **Target Overview:** Brewer Oil Company was based in Albuquerque, New Mexico. The company operated within wholesale fuels, convenience retail, fleet fueling, bulk fuel, and lubricants.
- **Transaction Detail**: The transaction included multiple business segments which were acquired by separate buyers. Shell acquired the retail assets, Arizona Fuels acquired the dealer assets, and Reladyne acquired the commercial & transportation assets.
- **Strategic Rationale:** The acquisition is part of Shell's strategy to strengthen its company-owned footprint within the U.S. as it continues to seek opportunities for retail growth in key markets.
  - Shell serves about 8 million customers per day with a brand presence at approximately 12,000 fueling stations across 50 states.
  - Deal offers strategically-positioned sites in a saturated region of the competitive Southwest market.

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CCA Proprietary Transaction Database

2024 Transaction Snapshot

Date	Target	Acquirer	Channels of Trade	Geography	Store / Dealer Count
12/19/2024	Atlantic States	Moove	Lubricants	NY, NJ, CT	-
12/12/2024	**Hi-Noon Petroleum, Inc.**	**Jacksons Food Stores, Inc.**	**Retail**	**MT**	**49**
12/11/2024	Arrowrock Supply	AMCON Distribution Co.	Retail, Dealer, Commercial	ID,CO, WY, NE	100+
11/25/2024	Hutch’s Convenience Store	Couche-Tard (Laval)	Retail	KS, OK	20
11/19/2024	EG Group	Minit Mart	Retail	KS, MO	19
11/15/2024	Minit Mart	Breaktime Corner Market (BTMC)	Retail	IL , Midwest	39
11/18/2024	PetroTex Fuels, Inc.	Sunoco LP	Retail	TX	38
10/31/2024	Enmarket (Owned by Colonial Group)	Nouria Energy Corp.	Retail	GA, SC, NC	132
10/29/2024	Markham Enterprises	SpartanNash	Retail	MI	3
10/1/2024	Hough Petroleum	Globe Petroleum	Comm, Lubes	NJ	-
9/30/2024	Citgo (Auction)	Amber Energy (Elliott)	Refiner Mktr	National	-
9/27/2024	Jolley Convenience Store	Stewart's Shops	Retail	NY, VT, NH	45
9/19/2024	WTG Fuels	ThompsonGas	Comm, Lubes	TX, OK	58
9/18/2024	Oakcrest Market	Casey’s	Retail	AR	4
9/17/2024	JH Reaben Oil (Triangle Stop)	Legacy Markets (Fruition PE)	Retail	NC	10
9/12/2024	**Schmidt & Sons**	**Kappa Texas Oil**	**Comm, Lubes**	**TX**	**9**
9/5/2024	Robison / Singer Energy Group	Star Group, LP	Comm, Heating Oil	NY	-
9/3/2024	Ramos Oil Company	Phillips 66	Commercial, Cardlock, Lubes	CA	28
8/29/2024	Wagner Stores	True North Energy	Retail	WI	15
8/26/2024	Lavigne Oil Company	Waring Oil Company	Comm, Cardlock	LA	2
8/26/2024	Mini Mart	Fischer’s Neighborhood Market	Retail	TX	17
8/19/2024	GetGo Café + Market	Alimentation Couche-Tard	Retail	PA, OH, WV, MD, IN	270

CCA Proprietary Transaction Database

2024 Transaction Snapshot

Date	Target	Acquirer	Channels of Trade	Geography	Store / Dealer Count
8/6/2024	Maassen Oil Company	Palmdale Oil Company	Comm, Lubes	Florida	-
8/1/2024	Delek U.S. Holdings	FEMSA	Retail	Southwest US (TX, NM)	249
7/31/2024	Nickey Petroleum	SC Fuels	Commercial, Cardlock	California	-
7/26/2024	Fike's Wholesale Inc. (CEFCO)	Casey's	Retail	TX, AL, FL, MS	198
7/15/2024	Pump N' Pantry	United Refining Company	Retail	Pennsylvania	14
6/14/2024	Land O'Sun Management	Anabi	Retail	Florida	17
6/5/2024	EG America	Breaktime Corner Market	Retail	ND, MT	23
5/17/2024	Jack's Convenience Stores	Kent Co's	Retail	Texas	8
4/12/2024	Mathisen Oil	California Fuels and Lubricants	Lubes, Comm	California	-
4/11/2024	SQRL	Gas Hub Investments LLC	Retail	National	320
4/4/2024	M. Spiegel & Sons Oil (SOS)	Atlantis Management Group LLC	Retail, Dealer	New York	70
3/20/2024	Andretti	H&S Energy	Retail	CA, OR, WA	158
3/18/2024	Shop Quik Convenience Stores	U-Stop Convenience Shops	Retail	KS	11
3/5/2024	Low Bob's Discount Tobacco	Smoker Friendly	Retail	IN	54
2/23/2024	Applegreen	CrossAmerica Partners	Retail	MI, MN, WI	59
2/9/2024	Brewer Oil Co	Shell	Retail, Cardlock	New Mexico	45
2/9/2024	Brewer Oil Co	AZ Fuels	Dealer	New Mexico	-
2/9/2024	Brewer Oil Co	Reladyne (PCMO/Lubes)	Comm, Transp.	New Mexico	-
1/26/2024	Gitty Up-N-Go	Midstates Petroleum	Retail, Dealer	Alabama	20
1/25/2024	Indore Oil Co.	Thompson-Kenny LLC	Dealer	Alabama	22
1/17/2024	DC Oil CO.	Kent Oil, Inc.	Retail	Alabama	13
1/11/2024	Stripes	7-Eleven	Retail	National	204

Broad M&A Rebound

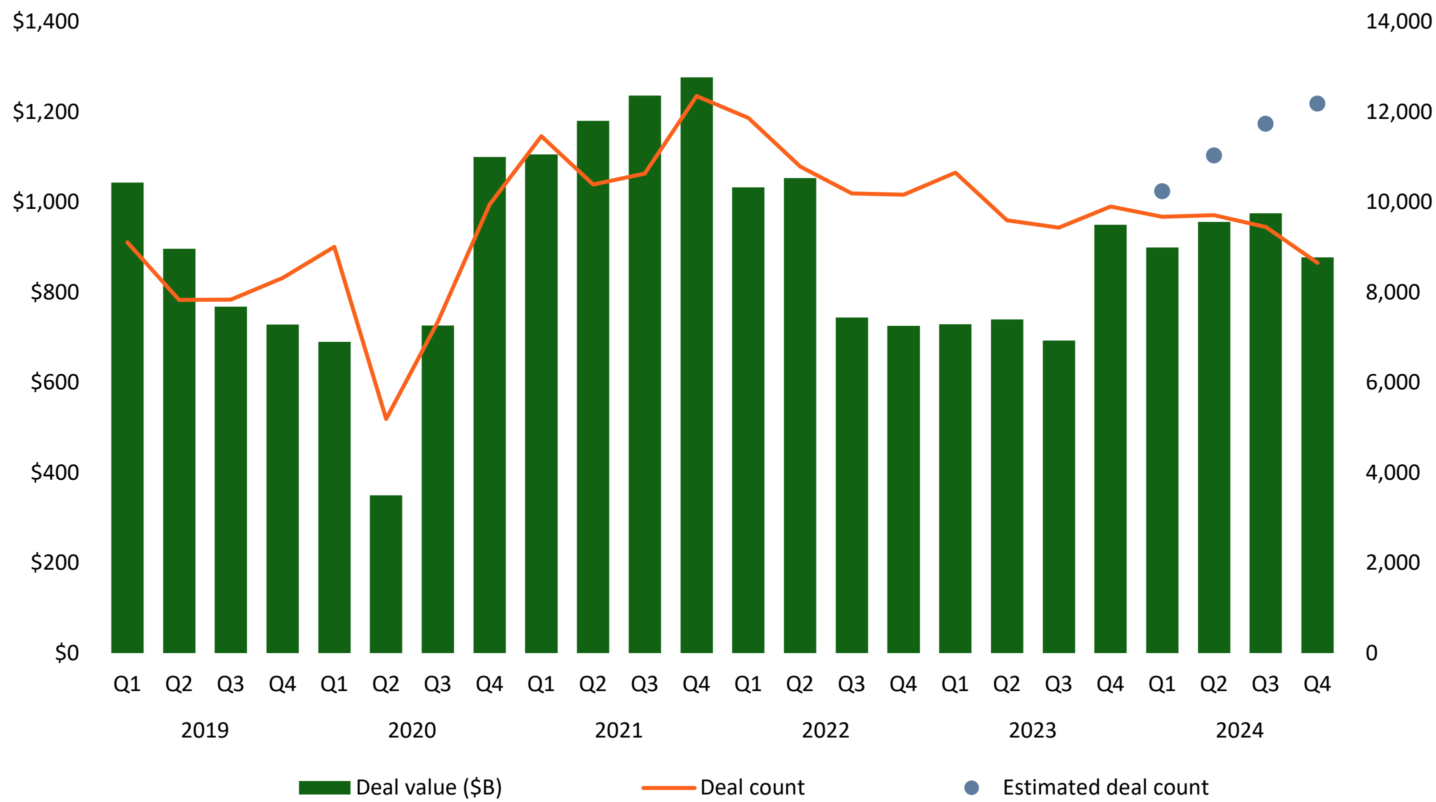
- 2024 shows a rebound in broad market M&A activity after two years of declines following 2021's peak.
- Higher deal counts on lower deal values demonstrate a continuation of the trend favoring smaller deal sizes.
- Recovery fueled by banks re-entering the market, lending to acquirers, and competing with non-banks that moved in while they were absent following the SVB crisis.

Broad Market M&A Activity (All Sectors)

Across all sectors, transaction volume begins to recover

Global M&A Activity (All Sectors)

Deal Value (left axis – bars) & Deal Count (right axis – line)



Source: PitchBook | Global M&A Report • Data through December 31, 2024

- Although broad market data indicates lower transaction multiples in most sectors, multiples in our industry remain near their 2021 peak.
- Contrary to other sectors, acquirers in the Downstream Energy space are typically strategic rather than financial buyers. This distinction is significant considering that private equity (PE) groups often depend on financial leverage, which has become more costly, to drive returns.
- Other factors contributing to our industry's valuation resilience:
  - Resilience across economic cycles.
  - Strong base of hard assets/real estate for lending.
  - Higher synergy potential.

Broad Market Valuation Update (All Sectors)

M&A multiples across all sectors remain depressed relative to 2021's peak

Broad Market Valuations (All Sectors)

EV/EBITDA Multiples for all M&A

Source: PitchBook | Global M&A Report • Data through December 31, 2024

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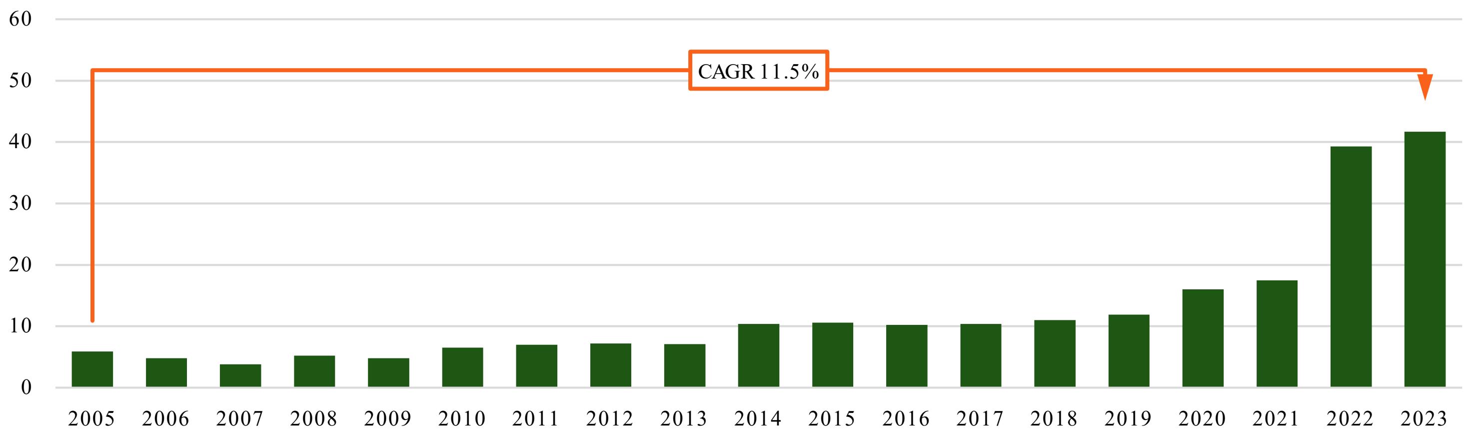
- Record industry profitability driven by elevated fuel margins and 18 consecutive years of inside sales growth along with the dynamic category shift towards higher margin food service.
- Our industry's cyclical resilience insulated M&A transaction volumes and EBITDA multiples from many of the trends burdening broader M&A markets over the past several years.
- However, this surging profitability growth contributed to lower seller interest and downstream transaction counts in 2024.

Downstream Energy – Macro Trends

Record profitability and sustained cash flow growth throughout the economic cycle

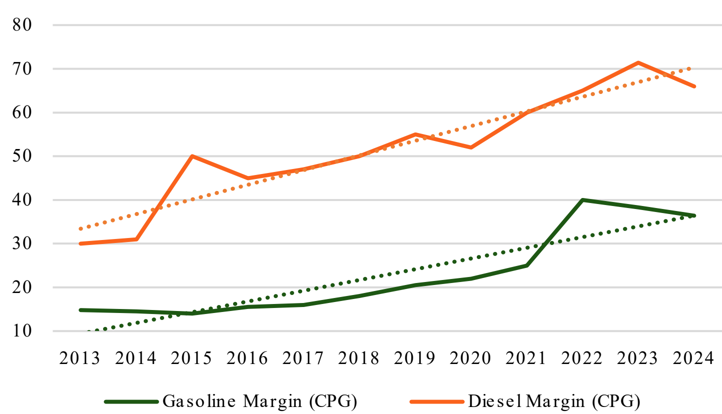
Industry Pretax Income[1]

(Values in $ Billions)



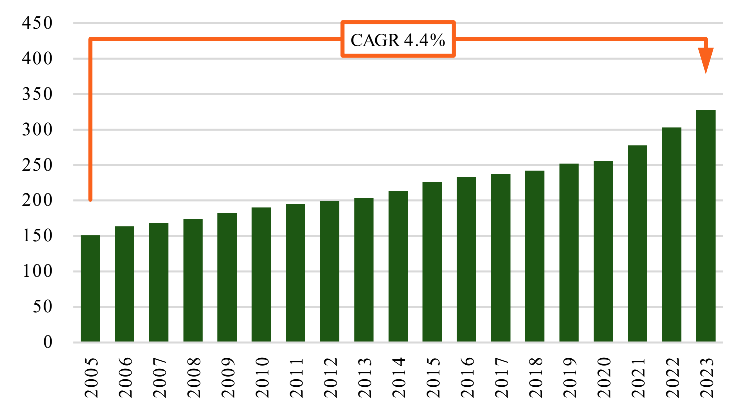
National Rack-to-Retail Fuel Margins

(Values in Cents-per-Gallon)



Industry Inside Sales[1]

(Values in $ Billions)



Source: NACS SOI Report | Global M&A Report • Data through 12/31/2024
National Rack-to-Retail Margins Source: OPIS Marginpro

[1] Data through 12/31/2023, as 2024 data was not yet available at the time this report was released.

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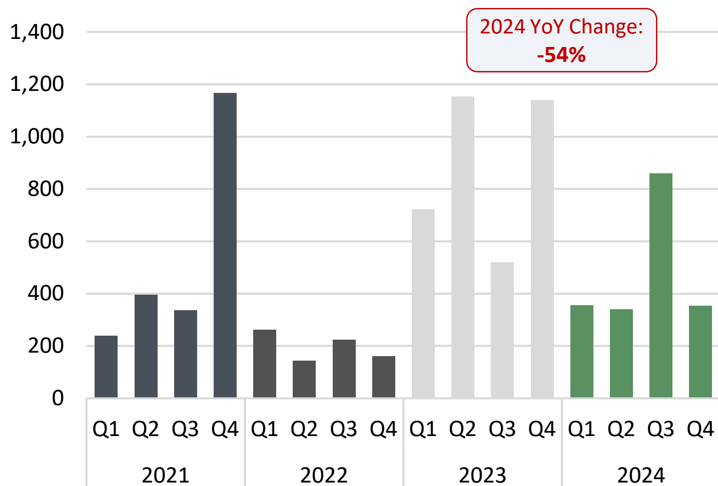
Deal Flow Diverges Across Sectors

M&A Activity Recovers Across Most Industries, Downstream Energy Slows

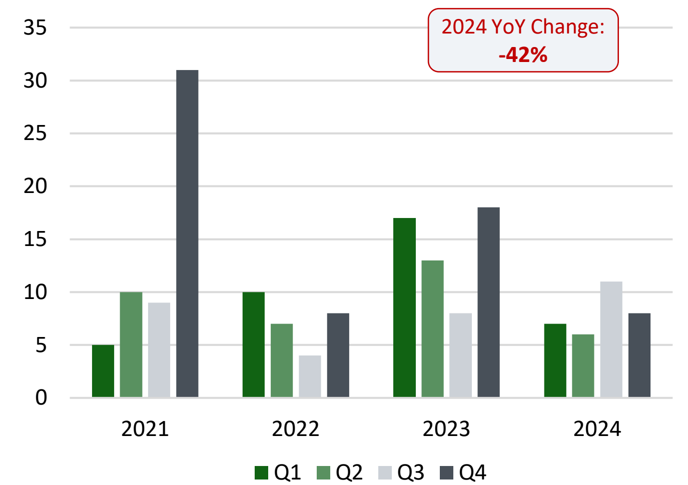
M&A Activity Summary

- Deal volumes across most industries rebounded marginally in 2024, despite limited debt capacity for borrowers amid elevated interest rates and economic uncertainty.
- In contrast, the Downstream Energy industry saw decreased deal volume in 2024.
- The reduced deal volume is in part due to the limited presence of regional, mid-size convenience retailers and wholesale fuel distributors. As the national consolidators continue to acquire the regional players, there are fewer deals available on the market.

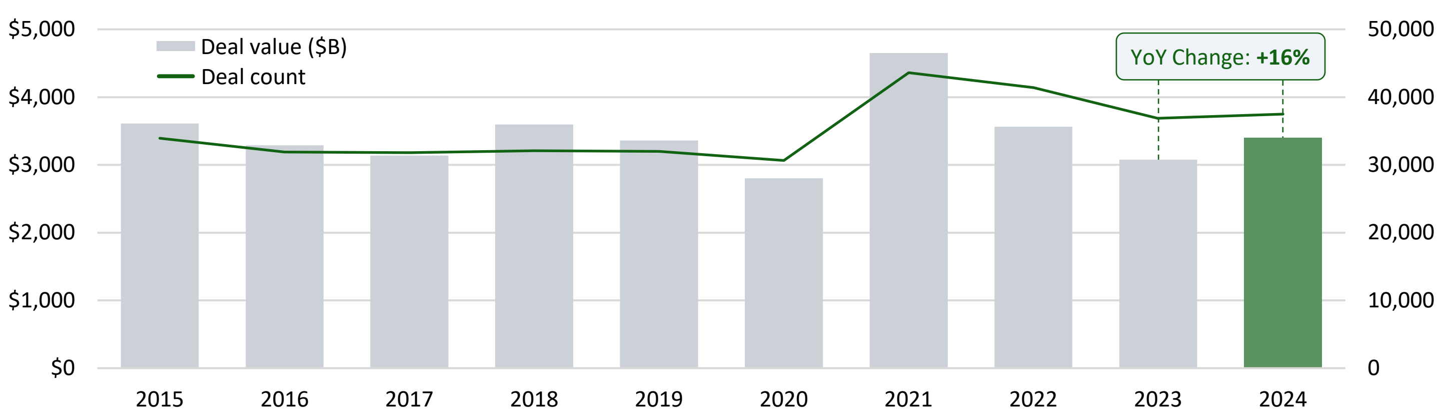
Count of Retail Sites & Dealer Accounts Transacted



Deal Count: C&G / Fuels Distribution



All Sectors: Deal Value (*left axis*) and Deal Counts (*right axis*)



Sources: M&A activity across all sectors—Pitchbook | Downstream M&A—Corner Capital Proprietary Transactions Database.

Historical Downstream M&A Activity

Quarterly & Annual Deal Counts—Convenience Retailers & Petroleum Marketers

- Relatively slow year for convenience retail & wholesale fuel distribution M&A in 2024– 43% decrease in deal count from 2023.
- We are seeing a "**Seller's market**" – strong interest and appetite from national/regional consolidators with a limited (but growing) number of opportunities on the market. CCA pipeline inquiries from Caseys, Offen, Circle K, SEVERAL Oil Majors, 7-Eleven, etc.

C&G and Fuels Distribution—Deal Counts by Quarter (*bar charts*) and by Year (*circles*)

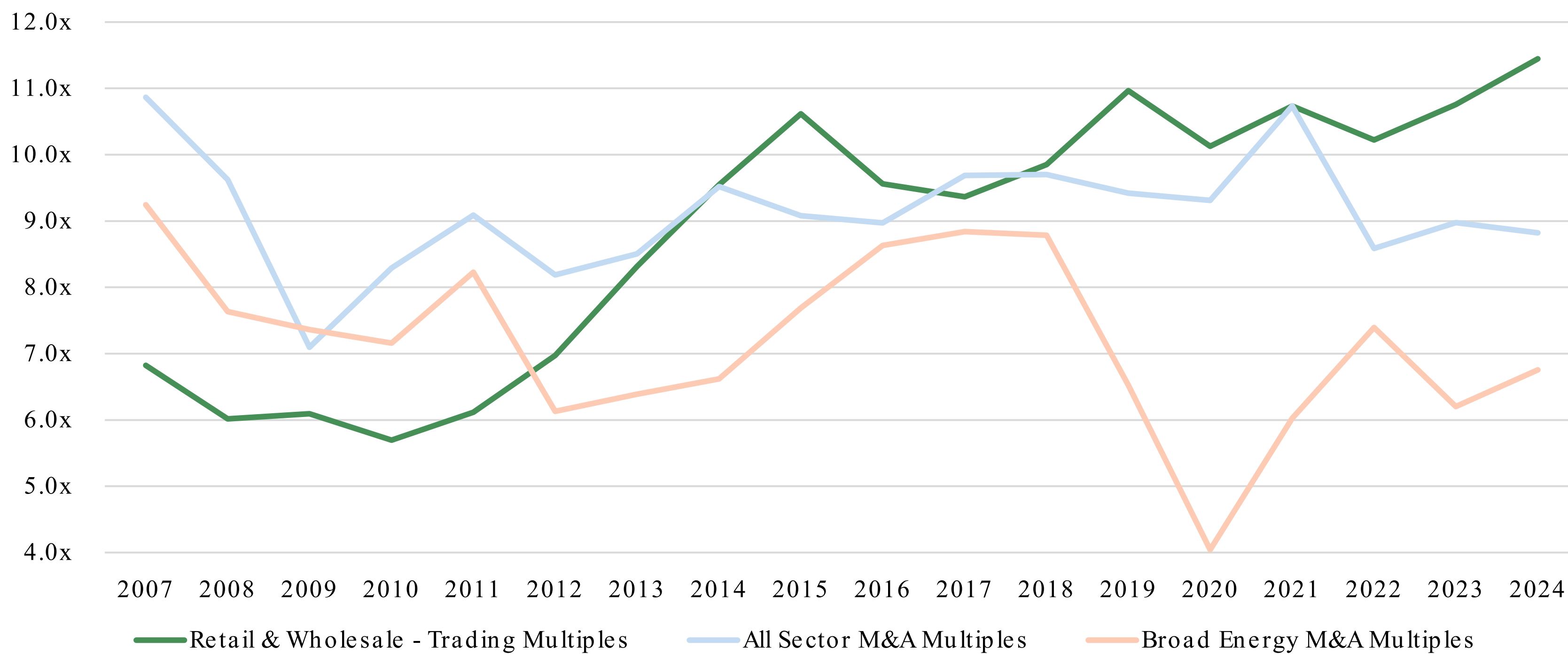
Source: Corner Capital Proprietary Transactions Database.
Includes transactions with 10+ convenience stores or 25+ dealer supply accounts.

Public Trading Multiples – Industry Valuation Update

Downstream public trading comps signal potential higher private M&A multiples

Enterprise Value/Corporate EBITDA Multiples

Retail & Wholesale values are forward EV/EBITDA trading multiples; All Sectors & Broad Energy values are transaction multiples



Retail & Wholesale multiples are the market cap weighted average of the following downstream energy companies:

7-Eleven, Casey's, Sunoco, Global Partners, Circle K, Murphy USA, Parkland, CrossAmerica Partners

(1) Historical public trading data for CST, Susser, and Kangaroo express was included in applicable historical periods..

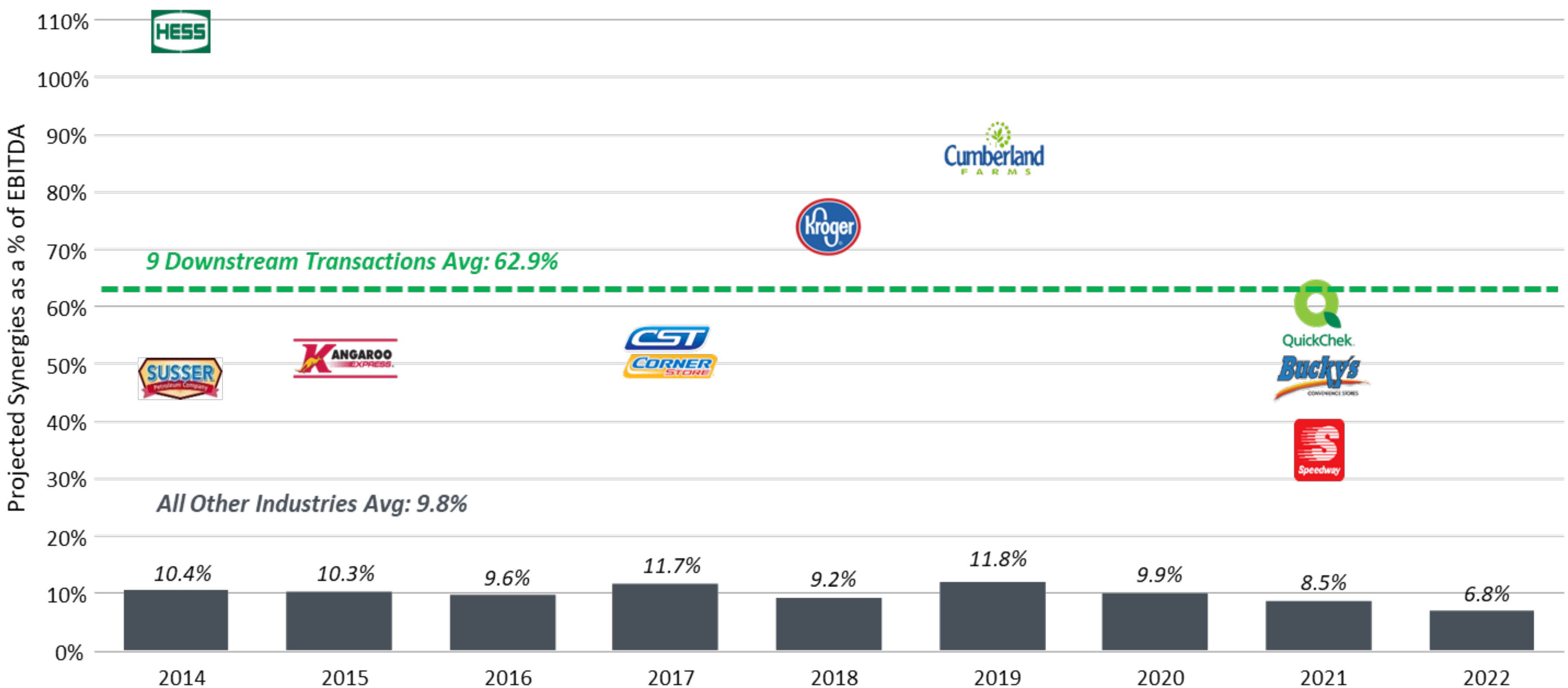
Source: Pitchbook Data as of Dec. 31, 2024.

Analysis of Downstream M&A Synergies

Strategic acquirers have been able to realize synergies, which supports M&A multiples

Acquisition Synergies: Select Downstream M&A Transactions vs. All Other Sectors

(Expressed as projected post-closing synergy dollars as a percentage of target company TTM EBITDA)



Running a disciplined, competitive sale process to maximize proceeds has never been so important because making strategic buyers compete for the limited opportunities in the market increases the likelihood that buyers “dip into” their post-closing synergies projection in the form of excess purchase price for the seller.

Analysis of Downstream M&A Synergies

2024 M&A Spotlight: 7-Eleven & Casey’s

- Downstream industry consolidators have been able to realize incredible synergies from a combination of lower fuel procurement costs, merchandise and foodservice gross profit improvements, and expense savings, which in total are well more than expected synergies for transactions in other industries.

7-ELEVEN → SUNOCO	
Enterprise Value / Announced Date	$840M | 01-2024
TTM EBITDA / Multiple	$77.1M | 10.9x
Total Synergies / % of TTM EBITDA	$32.5M | 42.2%
Synergistic EBITDA / Multiple	$110M | 7.6x

Casey's → CEFCO	
Enterprise Value / Announced Date	$980M | 07-2024
TTM EBITDA / Multiple	$89M | 11.0x
Total Synergies / % of TTM EBITDA	$45M | 50.6%
Synergistic EBITDA / Multiple	$134M | 7.3x

Lubricants Distribution – M&A Update

Select Lubricants Distribution Consolidators

HALL BRAD HALL FUEL
BRENNTAG
CADENCE PETROLEUM GROUP / WELLSPRING CAPITAL MANAGEMENT LLC
World Kinect
FUCHS
Mansfield Energy. Simplified.
OFFEN PETROLEUM / COURT SQUARE
Parkland FUEL CORPORATION
PetroChoice LUBRICATION SOLUTIONS / cosan moove
POLSINELLO LUBRICANTS
RelaDyne / AMERICAN INDUSTRIAL PARTNERS
US Lubricants a U.S. Venture company
CHRISTENSEN FUELS · LUBRICANTS · PROPANE · FLEET CARD
Pilot Thomas LOGISTICS
McPHERSON MOP OIL PRODUCTS Est. 1971
DIESEL DIRECT

Acquisition Multiples

- Lubricants multiples are rarely published, but CCA's experience indicates a range for most transactions of **5.0x to 6.5x.**
  - High quality, larger distributors may trade between **7.0x to 8.0x.**
- Many large, active consolidators like RelaDyne, Cadence, and PetroChoice are owned by PE funds.
  - PetroChoice acquired in 2022 by Cosan S.A.'s subsidiary Moove from Golden Gate Capital.
  - RelaDyne acquired in 2021 by AIP from Audax.
  - Cadence acquired in 2020 by Wellspring Capital from Tenex Capital.
- These PE transactions were believed to be priced around 8.0x to 10.0x, so these acquirers would need to pay less than that range for add-ons to be accretive.
- Regional distributors, however, do not face similar pricing constraints for acquisitions.

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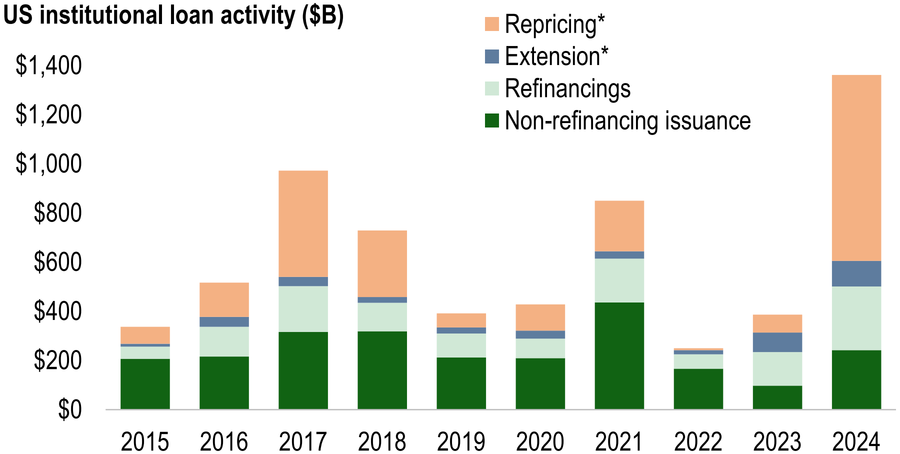
Overarching Themes – Debt Capital Markets

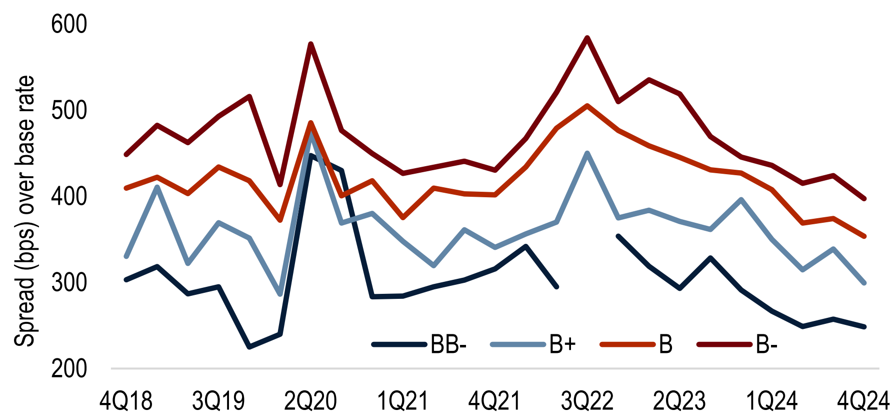
2024 features record overall activity, fueled by repricings…

US institutional loan activity ($B)



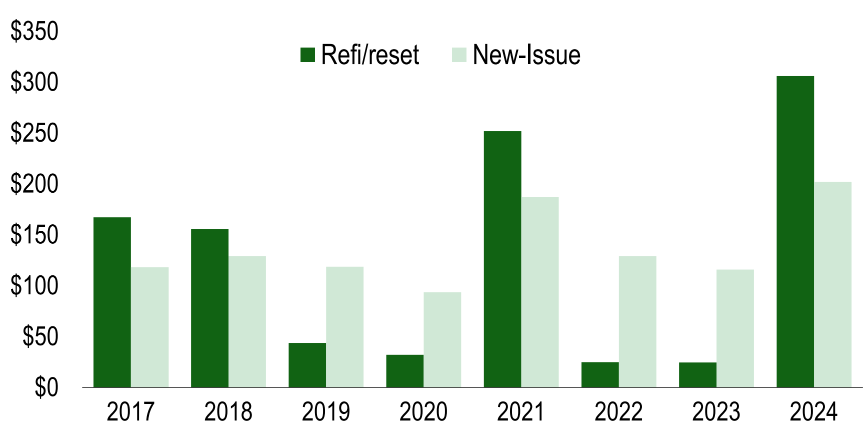
While supply/demand imbalance brings spreads to multiyear lows.

New-issue TLB spread by borrower rating



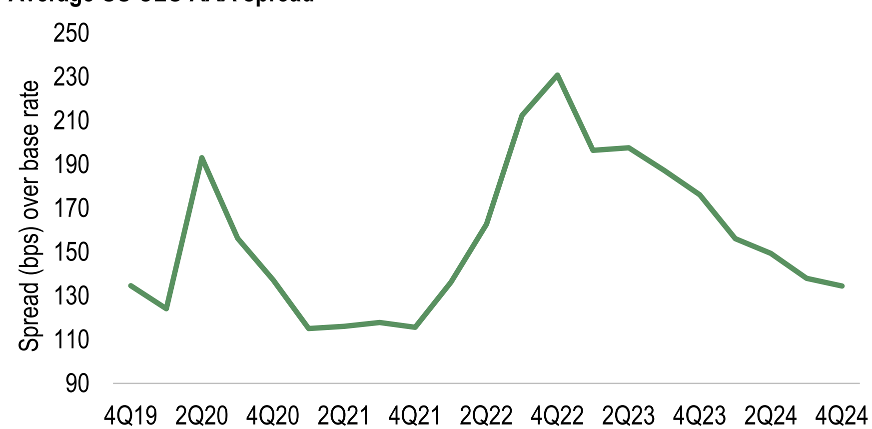
CLO issuance and resets likewise set new records…

US CLO refi/reset and new-issue volume ($B)



…as triple-A spreads narrow to lows in the SOFR era.

Average US CLO AAA spread

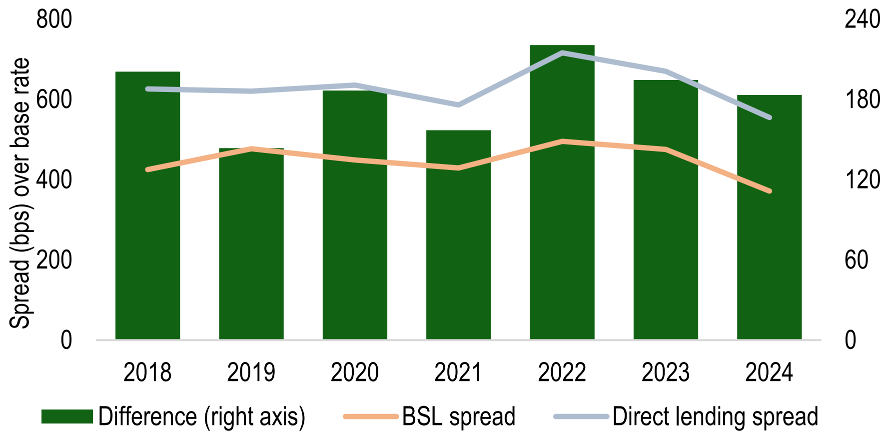


Source: PitchBook | LCD • Data through Dec. 31, 2024

Overarching Themes – Debt Capital Markets

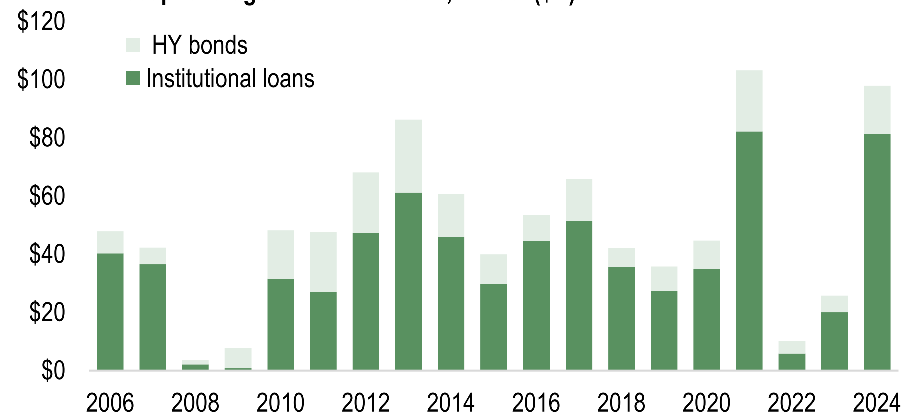
The illiquidity premium shrinks as lenders compete for deals.

Spread of LBOs financed in BSL vs direct lending market



Sponsors agitate for payouts after lean years through the rate hikes.

Dividend recap leveraged finance volume, annual ($B)



Key takeaways:

- With $1.4 trillion of overall activity in the new-issue market, 2024 cements its place in the record books
- Speculative-grade borrowers reprice and refinance existing term loans at record clip in 2024
- Despite three rate cuts (the last on Dec. 18, after the market had all but wrapped for the year) and a massive repricing wave, loans gain 9.4% just from coupon-clipping in 2024
- Q4 is the second-busiest quarter ever as focus shifts back to opportunistic deals
- Investor demand for loans surges to a three-year high in Q4 as net supply declines
- Technical imbalance pushes new-issue spreads for single B borrowers to post-GFC lows

Source: PitchBook | LCD • Data through Dec. 31, 2024

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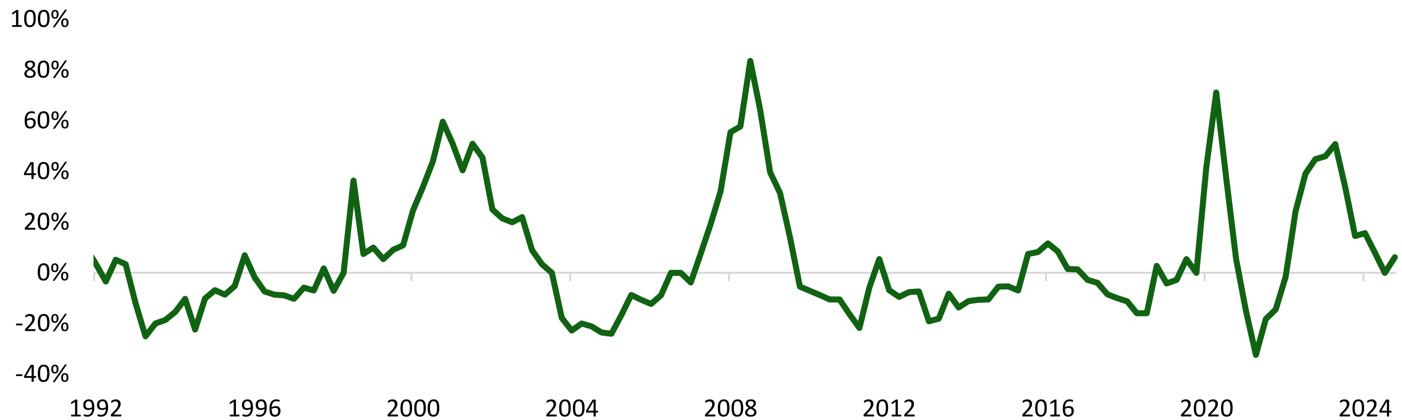
- As the Federal Reserve lowered interest rates by 100bps in 2024, there was a corresponding easing of commercial banks' lending standards to large and middle market firms.
- Banks eased lending standards in 2024, as net % of banks tightening standards decreased from 34% in 10/2023 to 0% in 10/2024. **However**, in early 2025, economic concerns are once again driving a decline in credit availability.
- **<u>HOWEVER</u>, specialty lenders in the convenience retail & wholesale fuels space remain comfortable with our industry's resilience. We are seeing clients move away from riskier local lenders in favor of national, industry-focused banks that offer significantly superior pricing.**

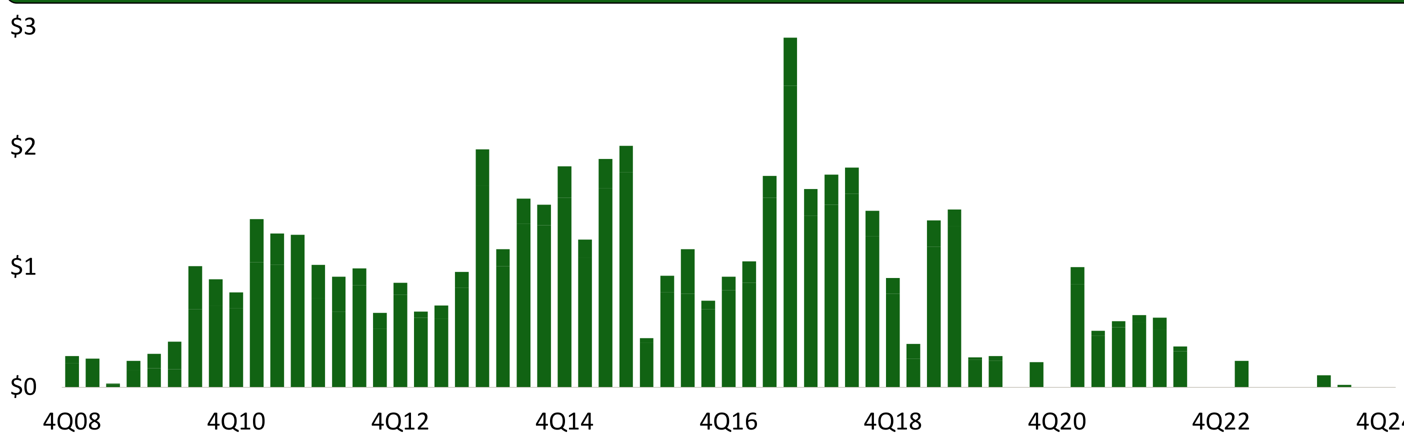
Debt Market Update – Credit Conditions

Banks Eased Lending Standards in 2024, Loan Issuance for MM Buyouts Remains Depressed

Net % of Commercial Banks Tightening Lending Standards



Leveraged Buyout Middle-Market Volume by Quarter ($B)



Sources: Tightening Standards—Federal Reserve | Issuance—Pitchbook/LCD.

Corner Capital

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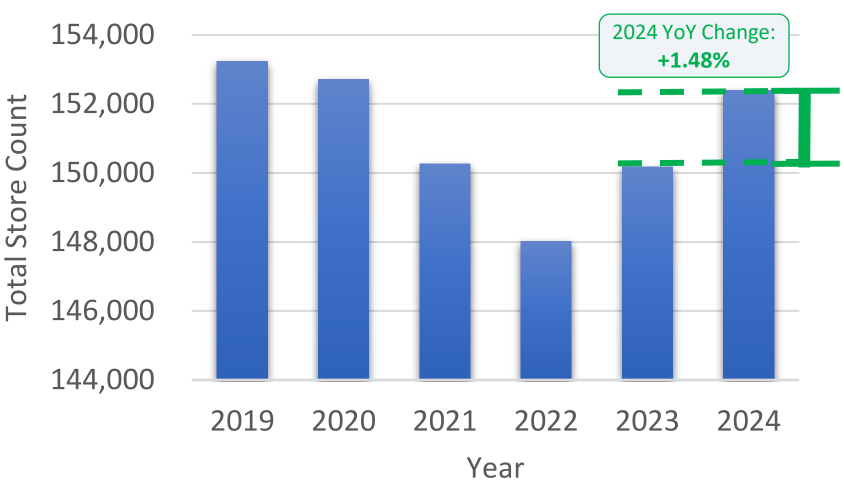
Big Getting Bigger, Small Getting Smaller

Total US Store Count

While the total **U.S. convenience store industry grew by 1.48% in 2024 (total store count)**, several the largest brands expanded at a significantly faster pace via organic growth and new development, highlighting strategic acquisitions and market positioning efforts. As you can see, this trend was prevalent for both the public and private players.

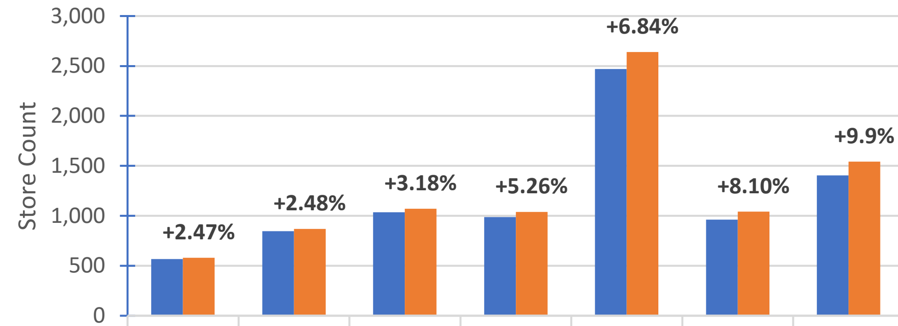
<u>Key Players Outperforming Industry Growth:</u>

- GPM Investments LLC: 9.90% growth (1,404 to 1,543 stores)
- QuikTrip: 8.10% growth (963 to 1,041 stores)
- Casey's: 6.84% growth (2,470 to 2,639 stores)
- WaWa Inc.: 5.26% growth (988 to 1,040 stores)



Source: NACS/NIQ TDLinx • Data through 2/25/2025

The Largest Brands Outpacing the Market



	Racetrac	Kwik Trip	ExtraMile	WaWa Inc.	Casey's	QuiktTrip	GPM
2023	566	847	1,037	988	2,470	963	1,404
2024	580	868	1,070	1,040	2,639	1,041	1,543

Source: NACS/NIQ TDLinx • Data through 2/25/2025

- **Aggressive Expansion and Acquisitions**: The highest-growth brands are aggressively expanding through acquisitions and new store openings in **high-growth markets like Texas, Florida, and the Southeast**.
- **Foodservice and Alternative Revenue Models**: Companies like **Casey's and Pilot Flying J** continue to benefit from strong in-store sales, particularly in foodservice offerings, which provide **higher-margin revenue streams** than traditional fuel sales.
- **Industry Consolidation Continues**: As smaller independent operators face rising costs, larger chains are leveraging economies of scale to **grow and consolidate market share** and enhance operational efficiencies.

Section 2

Special Report:

Regulatory Changes in the U.S. Refined Fuels Market (2024–2025)

Corner Capital

Corner Realty

SPECIAL REPORT: Regulatory Changes in the U.S. Refined Fuels Market (2024–2025)

Under President Donald Trump's second term, U.S. refined fuels policy has shifted toward deregulation and fossil fuel expansion. The following report outlines key regulatory changes across emissions standards, renewable fuel mandates, fuel infrastructure, tax incentives, EPA fuel composition rules, and broader market impacts. It also highlights the roles of government agencies, industry responses, and potential long-term effects on the fuel and convenience space.

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Emissions Standards for Fuels and Vehicles

Vehicle Emissions Rollbacks: The Trump administration has moved quickly to reverse or relax vehicle emissions and fuel economy standards. President Trump revoked his predecessor's executive order that aimed for 50% of new vehicles to be electric by 2030.[1] The Environmental Protection Agency (EPA) is expected to withdraw proposed tailpipe greenhouse gas rules that would have sharply tightened standards for model years 2027–2032.[2] Similarly, the Department of Transportation (via NHTSA) may halt the escalation of Corporate Average Fuel Economy (CAFE) targets implemented under President Biden. These steps reflect a policy shift away from electrification and efficiency, prioritizing internal combustion vehicles and reducing regulatory compliance costs for automakers.

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California Waiver and Federal Standards: A significant development involves California's authority to set stricter fuel and vehicle standards. In 2022, the EPA (under Biden) restored California's Clean Air Act waiver, allowing the state (and others that adopt its rules) to enforce more stringent tailpipe emissions limits and zero-emission vehicle mandates. The Trump EPA has signaled it will *reassess* and likely rescind this waiver, once again asserting federal primacy over vehicle standards. The Justice Department even sought to pause ongoing Supreme Court litigation on the California standards while policy is reversed.[3] If California's waiver is revoked, states would lose the ability to require cleaner fuels or higher EV sales than federal rules, a move welcomed by some fuel producers but opposed by state air regulators.

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Fuel Quality and Emissions: With respect to fuel composition standards (such as sulfur content in gasoline or diesel), no new federal tightening has been proposed under the Trump administration. Existing Tier 3 gasoline (10 ppm sulfur) and Tier 2 diesel (15 ppm sulfur) rules remain in effect, but enforcement may be less aggressive. The administration's overall stance is to *roll back environmental protections* that could hinder fuel production.[2] For instance, any pending rules to cut fuel benzene or vapor pressure might be shelved. The EPA and Department of Energy have instead focused on ensuring ample fuel supply; President Trump declared a **"national energy emergency"** to waive or expedite environmental restrictions that could delay fuel production or refining.[2] This approach, led by the EPA's new leadership and coordinated with agencies like the Department of Transportation, favors fuel availability over new emissions curbs. Industry groups such as the American Petroleum Institute (API) have applauded the return to a single national standard and the easing of what they view as overzealous emissions rules, whereas environmental organizations and some automakers caution that regulatory whiplash and legal battles (as seen with the California waiver) create long-term uncertainty.[2] In summary, federal agencies – chiefly the EPA and NHTSA – are relaxing emissions standards for both fuels and vehicles in 2024–25, reinforcing the role of gasoline and diesel in transportation but prompting legal challenges from states and environmental groups.

Source: Reuters

SPECIAL REPORT: Renewable Fuel Mandates and the Renewable Fuel Standard

Ethanol-blended fuel being dispensed at an Iowa gas station. The Renewable Fuel Standard (RFS) requires blending biofuels like ethanol into gasoline, a policy area seeing significant attention in 2024–25.

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RFS Volume Requirements: The Renewable Fuel Standard (RFS), administered by the EPA, remains a key policy for refined fuels. In mid-2023, the EPA had set biofuel blending obligations for 2023, 2024, and 2025 at **20.94**, **21.54**, and **22.33** billion gallons, respectively.[1] The new administration now faces the task of establishing RFS "renewable volume obligations" for 2026 and beyond.[1] President Trump's EPA, led by Administrator Lee Zeldin, is expected to adopt a less aggressive stance on escalating mandates. Zeldin has a record of skepticism toward the RFS – he previously sponsored legislation to repeal or curtail it.[4] This suggests that future RFS volumes may be lower than those set by the prior administration, aligning with efforts to ease burdens on refiners. Indeed, during Trump's first term, policies like expanded small-refinery exemptions caused the price of RFS compliance credits (RINs) to drop, effectively loosening the mandate.[4] A similar approach now could mean more waivers and flexibility for oil refineries, translating to a "less robust RFS" than under President Biden.[4] However, drastic reductions in biofuel mandates could face strong opposition in Congress, where farm-belt lawmakers of both parties staunchly support ethanol.[4] While the EPA can adjust blending volumes, it cannot unilaterally abolish the program – a repeal would require an act of Congress, which analysts view as highly unlikely.[4]


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Year-Round Ethanol (E15) and Higher Blends: A major focus is expanding sales of E15 ethanol blends (15% ethanol gasoline). In 2024, eight Midwestern states secured EPA approval to allow E15 sales year-round, eliminating a volatility waiver that had restricted summertime sales.[5] However, the implementation has been delayed into 2024, with states like Ohio requesting further postponement to avoid supply disruptions.[5] The Trump administration has signaled support for ethanol but via emergency measures rather than permanent regulation. An energy emergency executive order explicitly mentioned granting waivers to allow E15 nationally during summer months.[5] In effect, President Trump can **authorize temporary nationwide E15 sales each summer** to boost fuel supply, instead of immediately enforcing the patchwork state E15 rules. Biofuel advocates (e.g. the Iowa Renewable Fuels Association) are simultaneously urging Congress to pass legislation for **permanent nationwide E15 access**.[5] The White House has signaled bipartisan openness to resolving E15's legal status. However, oil refiners remain divided – smaller refiners resist the logistical challenges of new fuel blends, while larger energy companies with renewable investments support expansion. Notably, both the API (representing oil interests) and biofuel groups like the Renewable Fuels Association (RFA) have found common ground in promoting liquid fuels. In early 2025 they jointly urged EPA Administrator Zeldin to maintain "strong, steady volumes" for ethanol and biofuels, citing growing production capacity.[1] This unusual alliance – oil and ethanol groups traditionally clash – is rooted in a shared interest: countering the threat of electric vehicles and ensuring gasoline (blended with biofuel) remains dominant.[1]

Source: Reuters, pillsburylaw, dtnpf

SPECIAL REPORT: Renewable Fuel Mandates and the Renewable Fuel Standard

Small Refinery Exemptions and Compliance: The EPA's handling of compliance exemptions is another pivotal issue. Under Trump's first term, the agency issued an unprecedented number of **Small Refinery Exemptions (SREs)**, which waive certain refineries from RFS blending requirements. This practice, revived in the final days of Trump's previous tenure,[6] is expected to continue, effectively reducing the total volumes of biofuel that must be blended. Refiners argue these waivers are needed to alleviate undue hardship and prevent higher compliance costs from raising fuel prices. Biofuel producers, however, vehemently oppose excessive SREs, as they erode demand for ethanol/biodiesel; the RFA and others have already signaled they will fight unjustified waivers. Key agencies involved in RFS policy include the EPA's Office of Transportation and Air Quality (which drafts volume rules and grants waivers) and the Department of Agriculture (a supporter of farm-based biofuels). In 2024–25, we see a balancing act: the administration is inclined to **favor refinery relief**, yet must contend with a pro-RFS Congress and the fact that even many oil companies have now invested in biofuels (for example, several major refiners retrofitted plants to produce renewable diesel).[4] In the long term, while deregulation under Trump may slow the growth of renewable fuels (and temper RIN credit prices), the RFS program itself remains entrenched. Industry experts predict only modest adjustments to volumes and continued albeit contentious coexistence of petroleum and biofuels in the fuel mix.

SPECIAL REPORT: Pipeline and Infrastructure Regulations

Accelerated Permitting and "Energy Emergency", along with Infrastructure/Distribution Impacts

Accelerated Permitting and "Energy Emergency": President Trump has made the expansion of oil and gas infrastructure a centerpiece of his second-term energy agenda. On Inauguration Day 2025, he declared a **national energy emergency** to fast-track permits for pipelines, refineries, export terminals, and power projects.[2] This extraordinary move directs all relevant federal agencies (such as the Army Corps of Engineers, Department of the Interior, and Federal Energy Regulatory Commission) to *cut red tape* and prioritize energy infrastructure approvals. Under this emergency status, environmental reviews under laws like NEPA (National Environmental Policy Act) can be streamlined or bypassed to speed up construction.[2] The administration has also created a special **National Energy Council**, chaired by North Dakota's governor (now Secretary of Interior), to coordinate inter-agency efforts toward "energy dominance."[4] In practical terms, these steps aim to remove delays in building and upgrading pipelines for crude oil, refined fuels, and natural gas, as well as expanding domestic drilling on federal lands. The revival of the long-stalled **Keystone XL oil pipeline** is one symbolic project President Trump has vowed to re-approve,[4] signaling to industry that previously canceled pipelines are back on the table. Additionally, the administration has lifted moratoriums on federal oil leasing – for example, reversing protections in Arctic and offshore areas to enable new drilling and associated pipeline development.[4] Key agencies involved include the Department of the Interior (leasing federal lands, pipeline rights-of-way), the Department of Energy (which oversees LNG export permits and pipeline safety via PHMSA), and independent regulators like FERC (for interstate gas pipelines). Together, they are under pressure to expedite approvals in line with Trump's emergency declaration.

Source: Reuters, pillsburylaw, dtnpf

SPECIAL REPORT: Pipeline and Infrastructure Regulations

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Infrastructure and Distribution Impacts: Easing pipeline and infrastructure regulations is expected to improve fuel distribution and potentially lower regional price disparities. By authorizing new pipelines (or expanding capacity on existing ones), bottlenecks in fuel transport can be reduced. For instance, increased pipeline capacity from refining centers on the Gulf Coast to other regions would bolster supply security and could prevent the kind of price spikes seen when infrastructure is disrupted (e.g. hurricanes or cyberattacks on pipelines). The administration's actions also include **lifting a freeze on LNG export terminal permits** and promoting pipelines for natural gas, which indirectly benefits refineries and petrochemical facilities by ensuring ample feedstock and energy supply.[2] From a regulatory standpoint, the Trump administration and Republican-led Congress are pursuing **permitting reform legislation** to codify these changes – potentially limiting the length of environmental reviews and curbing states' ability to block projects under water or air quality grounds. Industry reaction has been strongly positive in the oil and pipeline sector: companies view faster permitting as crucial to meeting energy demand and increasing exports. The American Petroleum Institute has praised efforts to "unleash infrastructure," while pipeline operators note that clarity and speed in permitting reduce costs. However, environmental and community groups are alarmed. Organizations like Earthjustice have already prepared legal challenges, arguing that declaring an emergency to bypass standard reviews is *"rare and untested"* – potentially violating environmental laws.[2] There is concern that rushing projects could lead to inadequate oversight of safety and environmental impact (e.g. oil spill risks or greenhouse gas emissions from new pipelines). Nonetheless, in the near term (2024–2025), the regulatory climate strongly favors infrastructure expansion. The long-term effect could be an increase in U.S. oil and refined product output if new pipelines allow more efficient transport, though analysts caution that actual production gains may be limited by market conditions. (Notably, U.S. oil output was already at record levels in 2024 due to high global prices, so it's uncertain how much additional boost deregulation alone will provide.)[2] Overall, the government's pro-infrastructure stance – coordinated across agencies – is reshaping how quickly fuel pipelines and related projects come to fruition, with implications for fuel availability, regional pricing, and environmental oversight.

Source: Reuters

SPECIAL REPORT: Tax Policies and Incentives for Downstream Energy

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Adjustments to Clean Energy Tax Credits: The Inflation Reduction Act (IRA) of 2022 introduced numerous tax credits affecting the energy sector – including incentives for biofuels, electric vehicles, and alternative fuels. Under the new administration, some of these policies are being reconsidered. Republican leaders (including President Trump) campaigned on *rolling back parts of the IRA*, particularly credits seen as favoring electrification over fossil fuels.[4,7] In 2025, a unified Republican Congress is expected to take a surgical approach: **retaining credits with bipartisan support (e.g. biofuel and carbon capture incentives) while targeting others for repeal or reduction.**[7] One likely target is the federal **EV tax credit**. The consumer credit for electric vehicles (up to $7,500 per car under section 30D) and the commercial EV credit (section 45W) may be scaled back or eliminated, as Republicans argue these subsidize EV adoption at the expense of liquid fuel industries.[7] By curbing EV purchase incentives, the administration aims to prolong gasoline demand and reduce federal spending. At the same time, credits that benefit liquid fuels are being preserved or even promoted. The **Section 45Z Clean Fuel Production Credit**, which begins in 2025, provides incentives per gallon for low-carbon fuels and has strong bipartisan backing.[7] The biofuels industry is lobbying to extend 45Z beyond its current 2027 end-date and to tweak its lifecycle emissions criteria so that corn ethanol and biodiesel can fully qualify.[7,8] Given rural political support, the Trump administration is expected to support biofuel-related incentives – or at least not repeal them – even as it questions some "green" subsidies. Similarly, tax credits for **carbon capture and storage** (45Q) and for hydrogen production (45V) are likely to remain in place, as these have cross-party appeal and align with goals of boosting domestic energy production (including "blue" hydrogen and enhanced oil recovery).[9,7]

NACS

SIGMA

18 NATSO

Extension of Fuel Industry Incentives: A pressing issue at the end of 2024 was the pending expiration of several traditional fuel tax credits. These include the **biodiesel blenders' credit** ($1 per gallon, Section 40A), the **alternative fuel vehicle refueling property credit**, and the excise credits for alternative fuels (like propane or CNG) under Sections 6426/6427. [8] Industry groups representing fuel retailers, truck stops (NATSO), fuel marketers (SIGMA), and convenience stores (NACS) joined biofuel producers in urging Congress to pass a **"bridge" tax package** to extend these incentives.[8] Their concern was that, absent an extension, there would be an *unsteady transition* to the new IRA provisions. The IRA's technology-neutral credits (like 45Z for fuels and 48C/48E for clean infrastructure) are set to replace older incentives starting in 2025, but guidance on how to use them has been delayed.[8] In late 2024, these groups warned that a gap or confusion in incentives could lead to **"unnecessary disruption" in fuel markets**, potentially raising prices and complicating tax compliance. [8] The result has been a rare alignment of downstream petroleum interests and biofuel producers: both want stable, clear tax policy. Congress is considering short-term extensions into 2025 for credits like the biodiesel $1/gal credit and the alternative fuel $0.50/gal credit, to give the industry more certainty while the new 45Z credit ramps up.[8] Treasury and the IRS (key agencies for implementing these credits) have been working to issue guidance, but the Trump administration put a hold on some IRA-related web resources and reviews all pending rules for consistency with its policies. [7]

SPECIAL REPORT: Tax Policies and Incentives for Downstream Energy

For convenience retailers specifically, these tax policies influence the fuels they offer and infrastructure investments (e.g. installing higher-blend ethanol or EV charging equipment). A rollback of EV charging credits and an extension of liquid fuel credits would incline gas station owners to focus on traditional fuel upgrades (such as offering E15 or biodiesel blends) rather than electric chargers, at least for now. In the long run, the scaled-back federal support for electric vehicles could slow EV market penetration, indirectly supporting gasoline demand at convenience stores. On the other hand, continued (or expanded) credits for renewable diesel, ethanol, and related infrastructure might encourage downstream operators to diversify into those fuels. Industry reaction here splits along lines: renewable fuel advocates welcome support for 45Z and related credits, but the clean transportation sector (EV manufacturers, charging companies) has criticized moves to undermine EV tax incentives, arguing it cedes ground in the transition to electric mobility. Nonetheless, given the **bipartisan popularity of biofuel and manufacturing incentives**, the most likely outcome is that many IRA credits remain intact (especially those benefiting red-state industries), with only selective pruning to reduce costs. [4,7] For 2024–2025, downstream fuel businesses can expect federal tax policy to tilt in their favor on traditional fuels (through retained blending credits and possibly lower corporate taxes), while support for electric alternatives becomes more uncertain.

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Fuel Blend Standards (Gasoline Composition): The EPA's regulations on fuel formulations – such as Reid Vapor Pressure (RVP) limits, sulfur content, and additive requirements – play a crucial role in refined fuel compliance. Under President Trump, the EPA has exercised emergency powers to waive certain fuel specifications when deemed in the public interest. For example, to address high pump prices and supply issues, the administration has been willing to **temporarily lift RVP restrictions** in summer, allowing the sale of both E15 and conventional gasoline blends that might normally be barred in hot months. The 2024 driving season saw the EPA invoke emergency fuel waivers to permit E15 (15% ethanol gas) nationwide from June through September, citing the national energy emergency. [5] This builds on precedent from 2022–2023, when emergency waivers under the Clean Air Act were used to expand fuel supply during crises. Beyond waivers, permanent changes to fuel composition rules are under review. One pending change is the Midwestern states' petition to adopt lower-volatility gasoline (to accommodate E15 year-round). As noted, the EPA had delayed that rule's implementation to spring 2024, and now the Trump administration appears inclined to **delay it further, likely to 2025 or 2026**.[5] The rationale is to give refiners and distributors more time to adjust their operations to produce compliant fuel for those states, or alternatively to pursue a uniform national solution through legislation. The net effect is that **no new restrictive fuel specs are being added in 2024–2025** – if anything, rules are being loosened or postponed in favor of flexibility. Regular gasoline and diesel standards (such as octane levels, aromatics limits, etc.) remain at status quo. The EPA's enforcement posture has also softened: refiners have reported a more cooperative approach from regulators on meeting fuel quality requirements, especially if supply challenges arise.

SPECIAL REPORT: Tax Policies and Incentives for Downstream Energy

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Regulatory Compliance and Enforcement: The Trump administration has signaled more leniency in enforcing downstream compliance obligations, particularly in the Renewable Fuel Standard (RFS). **Small refinery exemptions** (SREs) are being granted more freely, reducing blending requirements and RIN credit costs for refiners.[4] By early 2025, EPA Administrator Lee Zeldin was reviewing a backlog of SRE petitions, favoring independent refiners but drawing criticism from ethanol producers. Another compliance area is vapor recovery and emissions. The EPA has eased Obama-era rules that targeted methane leaks and Stage II vapor recovery decommissions. While not widely publicized, these changes reflect the administration's goal to reduce regulatory costs for fuel distributors. **Key regulatory agencies** include the EPA's Office of Air and Radiation (which writes fuel regulations) and the EPA enforcement division, which oversees state inspections. Since many states follow federal fuel standards, a federal pullback shifts compliance priorities to the state level.

Notably, the **composition of diesel fuel** (ultra-low sulfur diesel) and gasoline (Tier 3 standards) are already at stringent levels due to past rules; the Trump EPA has not attempted to roll those back, as doing so would require lengthy rulemaking and face industry resistance (refiners already invested in compliance technology). Instead, the focus is on avoiding additional requirements. For instance, the Biden administration had been considering regulations to limit the aromatics (benzene, toluene) in gasoline to reduce tailpipe pollution; under Trump, such proposals have been shelved. Another example is **lead in aviation fuel** – while not directly in the "refined fuels for vehicles" market, leaded avgas is an EPA topic that the prior administration was examining. The current EPA has delayed any finding that could label leaded avgas as endangering public health, deferring compliance burdens on that niche fuel segment into the future.

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Industry and Agency Reactions: Fuel producers back EPA's relaxed compliance rules, citing cost savings and flexibility, while ethanol producers push for stable E15 regulations, arguing that uncertainty discourages investment.[5] This has led to broad lobbying from farmers, fuel marketers, and convenience store groups for a permanent E15 policy. Rather than tightening fuel standards, the EPA is responding to waiver petitions (e.g., state E15 requests, refinery exemptions) and coordinating with the Department of Energy (DOE) to approve emergency fuel waivers. If E15 expands nationwide, gasoline will likely contain higher ethanol percentages, benefiting corn growers and lowering pump prices.[8] On the compliance side, frequent waivers may reduce incentives for refiners to invest in biofuel infrastructure, potentially slowing renewable fuel growth. However, large energy firms continue renewable investments, ensuring some projects advance despite looser regulations.[4] In 2024–2025, EPA policies will favor deregulation, expanded waivers, and flexible compliance—benefiting fuel supply and costs short-term but leaving long-term uncertainties, including a permanent E15 resolution.

SPECIAL REPORT: Market Impacts and Long-Term Outlook

Short-Term Market Effects: The deregulatory wave in refined fuels is expected to have several immediate impacts on the market. Firstly, **compliance cost savings** for refineries and fuel importers should increase. Relaxed emissions standards and expanded RFS exemptions reduce the need for expensive upgrades or credit purchases, potentially lowering operating costs. Refiners may pass on a portion of these savings to consumers, contributing to marginally lower gasoline and diesel prices than otherwise would occur. Indeed, industry observers anticipate U.S. *pump prices to trend lower in 2024* due in part to expanded refining capacity and high fuel inventories, trends which Trump's pro-production policies could reinforce.[10] President Trump has explicitly stated his goal of bringing fuel prices down for consumers and refilling the Strategic Petroleum Reserve (SPR) to capacity.[2] Paradoxically, efforts to refill the SPR by purchasing large volumes of crude could **lift oil prices** in the short run, but the administration is likely to time purchases to minimize market disruption.[2]

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Overall, with fewer regulatory hurdles, U.S. refineries can run at higher utilization to meet demand, and new pipeline infrastructure can alleviate regional supply shortages – both factors that help stabilize or reduce retail fuel costs.

Another immediate impact is on the **fuel mix**. As regulatory pressure on electric vehicles wanes, gasoline demand could remain stronger than previously forecast. Auto companies will still produce EVs (due to global market forces and state policies), but a slowdown in EV adoption, combined with modest fuel economy requirements, may result in Americans consuming more gasoline in 2025 than they would have under stricter rules. This supports volumes for fuel wholesalers and convenience retailers, delaying any "peak gasoline demand" scenario. On the renewable fuel side, the collaboration between oil and biofuel interests to maintain robust RFS volumes suggests ethanol and biodiesel will continue to claim a stable share of the fuel market.[8] If year-round E15 is realized nationally (via waivers or legislation), it could slightly increase ethanol's share and boost corn-based fuel sales. In regions where pipelines are expanded or new ones built (e.g. a new refined product pipeline to the East Coast), **price volatility from supply shocks** should lessen, benefiting both consumers and station owners through more predictable supply.

Industry Adaptation: The downstream energy industry (refiners, fuel transporters, gas stations) is broadly supportive of the Trump administration's moves, but with an eye on the future. Many large oil companies and refiners have made investments in renewable fuels and cleaner technologies, and they are unlikely to abandon these despite regulatory relief. This is because global trends (like Europe's sustainable fuel requirements and investor pressure on ESG performance) continue to push diversification. For example, companies like Valero, Chevron, and BP have poured capital into renewable diesel and ethanol ventures.[4] These firms have welcomed the administration's friendly stance but also lobby to keep programs like the RFS stable enough to protect their investments. Similarly, automakers, while relieved at one national standard vs. a California split, have largely committed to electrification in the long term. Even with eased U.S. rules, they must satisfy other markets and state mandates – meaning EV models and improved fuel efficiency will continue to progress, albeit at a pace driven more by market competition than federal mandate.

Environmental and Long-Term Considerations: Deregulation brings the risk of environmental externalities and potential future policy reversals. Environmental advocates argue that rolling back emissions standards and climate initiatives may **harm air quality and climate goals**. They warn of higher greenhouse gas output from transportation and the power sector as a result of these policies, which could lead to more aggressive measures down the line when political leadership shifts. Indeed, some of Trump's executive orders (like withdrawing from the Paris Climate Agreement again) have long-term implications for climate cooperation and could invite international and state-level countermeasures.[2] States like California and New York are likely to pursue their own strict fuel and vehicle regulations if federal policy retreats, potentially creating a fragmented market in the 2025+ timeframe. This patchwork possibility is a concern for industry, which prefers uniform rules. Legal battles are almost certain – for instance, the EPA's reversal of California's waiver will be litigated in courts, and environmental groups are already challenging the usage of a national emergency to override environmental statutes.[2] Such litigation introduces uncertainty: a court could reinstate a stricter rule or block a pipeline permit, which would force sudden compliance changes.

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Nonetheless, in the **2024–2025 period**, the dominant effect is a more free-handed operating environment for the refined fuels sector. Key government agencies – the EPA, Department of Energy, Interior, and even Treasury – are all steering policy to bolster fossil fuel production and use. Industry reaction has been largely positive, with oil producers and refiners seeing this as an opportunity to increase output and improve margins, and fuel retailers expecting stable or growing demand for their core products. The National Association of Convenience Stores (NACS) and others in retail have emphasized the need for **regulatory certainty** and are actively engaging Congress to ensure that incentives (tax credits) and rules (like E15 allowance) are clarified.[8] Their goal is to avoid supply disruptions or cost spikes that could arise from poorly coordinated policy shifts.

Long-Term Outlook: The potential long-term effects on the sector include a slower transition to alternative fuels and technologies. By prioritizing liquid fuels and easing regulations, the Trump administration may extend the dominance of gasoline and diesel for a few more years than expected, giving refineries and retailers a longer runway for traditional business models. However, this also means the U.S. could lag in certain innovations (such as EV infrastructure or advanced vehicle tech) compared to other countries, which might eventually impact the competitiveness of U.S. automakers and technology firms. For the oil and biofuel industries, one positive long-term effect is the reinforcement of a **"liquid fuels alliance"** – the notion that petroleum and biofuels stakeholders can work together to defend their combined market (combustion engines) against electrification.[1] This could lead to collaborative efforts to improve fuel quality (higher octane gasoline for efficiency, more renewable content) without fundamentally moving away from combustible fuels.

SPECIAL REPORT: Market Impacts and Long-Term Outlook

On the flip side, public demand for cleaner air and action on climate change isn't vanishing; it's likely that a future administration or Congress could restore stricter policies. The refined fuel industry is aware of this pendulum and thus is cautious in long-term planning. Companies continue to advocate for **"durable regulation"** – rules that won't flip every four years – as evidenced by calls for multi-year RFS standards.[1] The investments being made now (e.g. new pipelines, refinery upgrades, renewable fuel plants) assume at least a decade or more of demand for liquid fuels. If deregulation successfully keeps fuel prices affordable and avoids major environmental incidents, it could strengthen the political case for these policies enduring. If, however, there are negative outcomes (like a significant oil spill attributed to lax oversight or a spike in pollution-related health issues), it could spur a regulatory backlash.

In conclusion, the 2024–2025 period under President Trump's second term marks a **decisive swing toward deregulation** in the refined fuels arena. Emissions standards for vehicles are being rolled back to favor combustion engines, renewable fuel rules are being moderated (yet kept broadly intact due to bipartisan support), pipeline and infrastructure development is being aggressively promoted, and tax/incentive structures are being realigned to support traditional energy over electrification. Government agencies like the EPA, DOE, and DOT are coordinating closely to implement these changes, while industry players largely cheer the reduction of compliance burdens. Consumers may benefit from stable or lower fuel prices and continued availability of familiar fuel options. However, the long-term trajectory – balancing energy security, economic interests, and environmental responsibility – remains complex. As the refined fuels sector adapts to the current regulatory landscape, it is also keeping an eye on future shifts, ensuring that it can navigate whatever course U.S. policy takes beyond 2025.

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Section 3

Corner Capital Overview & Services

Corner Capital

Corner Realty

Industry Veterans

- Investment Banking and Real Estate Brokerage services supported by decades of petroleum retailing, distribution, and c-store operations and transactions experience
- Discrete M&A, Valuation, Financing processes to maintain confidentiality and exclusivity
- Scalable real estate model for regional and national projects utilizing our Keller Williams partnership
- Talented, dedicated, experienced leaders for each client project

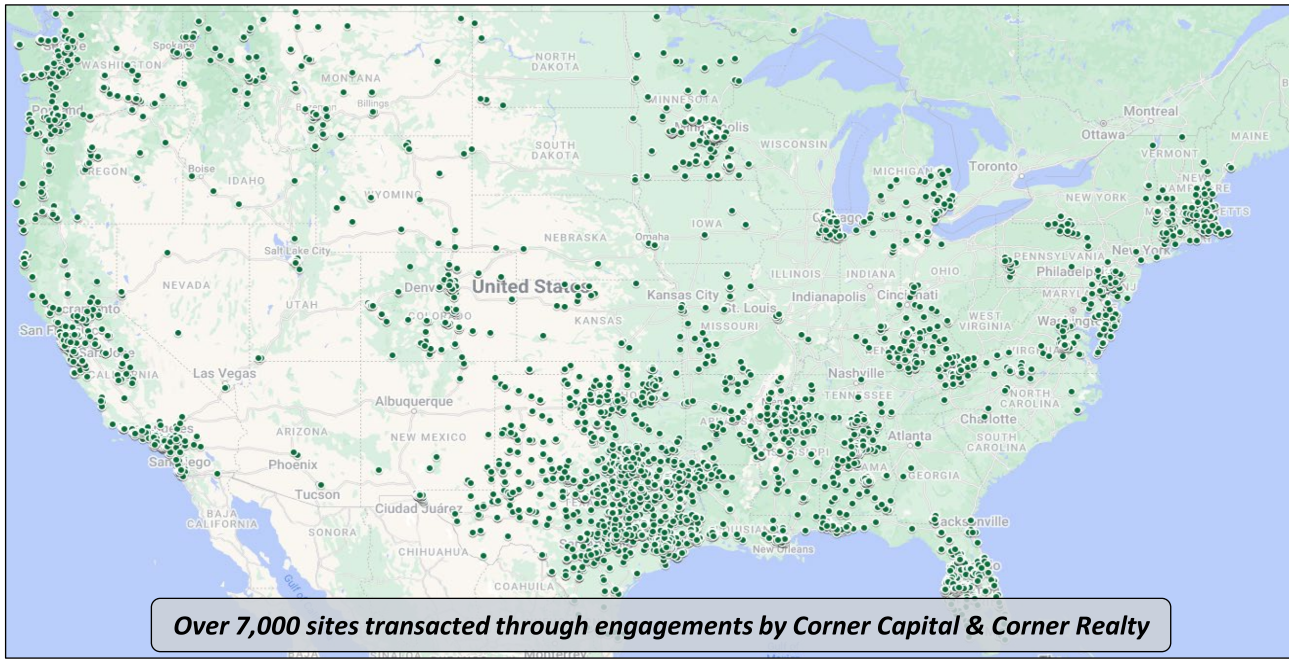
CORNER CAPITAL OVERVIEW & SERVICES

About Corner Capital & Corner Realty

Services Designed to Meet the Complete Needs of Retailers & Distributors Nationwide

Corner Capital
Energy. Capital. Advisory.

Corner Realty



Over 7,000 sites transacted through engagements by Corner Capital & Corner Realty

Sample Transactions

- Sale of Hi-Noon to Jacksons Food Stores
- Sale of Story Distributing to PKI
- Sale of Tiger Tote to Circle K
- Sale of Herndon Oil to Tristar Energy
- Panjwani Energy's purchase of Casey's Houston Assets
- Sale of Brenco & Denny Oil to SUN
- Sale of LavigneBaker
- Sale of Classic Star & Ziptron
- Sale of Morgan Oil to Majors

Corner Capital vs. Corner Realty

	Corner Capital	Corner Realty
Trade Channels	Retail, Wholesale, Lubricants, Commercial, Transportation, Related Industries	Real estate, Convenience Retail, QSR, Other Retail
Transaction Profile	Whole company, business segments, entire chain, multi-channel	Usually, single site transactions from an operating portfolio or single sites to monetize real estate
Buyer Profile	Larger regional operators, consolidators, PE, Major Oil, strategics	Individual operators, strategics, real estate investors for single sites
Services	Valuation, M&A, Financing/Capital, Distressed/Turnaround, Bankruptcy	Site Valuation, Single Site Sales, Net Lease, Sale-Leaseback

Corner Capital

Corner Realty

- Corner Capital's unique experience provides its clients with creative financial engineering, optimizing business values, and the understanding of their strategic importance to your company.
- We have pulled tanks, financed accounts receivable, installed inventory accounting, created lending platforms, and sold our businesses – all specifically in the downstream energy industry.

Corner Capital Service Lines

Tailored Structures and Processes to Achieve your Financial and Business Goals

Valuations & Advisory	Valuation/Operational advisory for institutional and operator clients, providing opinions on asset values, market trends, deal dynamics, comparable analytics, and due diligence.
Mergers & Acquisitions	Representation of clients seeking liquidity through a sale of their Company, its assets or certain business divisions. Assistance with acquisitions of other companies, corporate unit divestitures, combined enterprise valuations, and market comparables.
Financial Engineering	Raising debt & other capital for recapitalizations, acquisitions, management buyouts. Restructuring and creditor/debtor representation for financially distressed credits.
Credit & Special Needs	Valuation and exits of distressed securities such as loan sales and restructuring options. Serving as Chief Restructuring Officer in pre/post bankruptcy situations.
Sponsor	Corner Capital will invest its own capital in a balance sheet structure to assist in unique opportunities in the industry.
Corner Realty	National retail brokerage for accelerated store dispositions, net lease transactions, and retail real estate transactions.

How Clients use Valuations

Corner Capital Clients Request our Fair Market Valuations for Multiple Purposes:

Governance & Discipline

RATIONALE: Reporting to Multiple Shareholders or the Board of Directors

- Many clients prefer to perform annual or bi-annual valuations as part of a best-practices effort to stay in touch with market values and trends. Valuations can be utilized to understand current market pricing for future acquisitions. For clients with other business holdings, the valuation is helpful for their portfolio assessments as well.

Family & Owner Buyouts

RATIONALE: Assistance with Structuring, Sourcing, and Closing a Partnership Buyout

- In 2022, Corner Capital performed multiple valuations at the request of a Board of Directors or a controlling shareholder. In three of these projects, our Fair Market Valuation Report was utilized for related-party buyouts of another partner. In two of these cases, Corner Capital was able to structure and source capital for our clients to complete the partner buyout.

Company/Segment Exits

RATIONALE: Determining whether it is the Right Time to Keep or Sell the Company

- Most clients tend to request valuations as a pre-cursor to selling their business or a segment of their business. Our clients desire to understand and optimize their business' values. Our valuation projects incorporate exit structures and scenarios to achieve the best results through our process and is driven by our clients' post-sale objectives and lifestyle needs.

M&A Process – Illustrative Timeline

Estimated Project Completion – 5 to 6 Months(1)

CCA Process Objectives

- Facilitate controlled divestiture process designed to maximize business value.
- Screen qualified buyers, manage negotiations, execute & close the transaction.
- Allow Client to maintain focus on the business during the process.
- Customize sale structure to meet Client objectives. Leverage Corner Realty to optimize value.
- Maintain leverage in LOI and APA negotiations, managing all external parties a smooth and expeditious closing.

Phase I: Underwriting & Diligence	Phase II: Market Outreach	Phase III: Buyer Selection	Phase IV: Buyer Diligence	Phase V: Closing
4 Weeks Collect all diligence information, prepare models, CIM, provide value estimate.	**5 Weeks** Distribute Confidential Information Memorandum (CIM) & data room, buyer screen & outreach, secure NDA's, data room open	**4 Weeks** Provide counteroffers, seek PSA markup, confirm financing, execute PSA.	**60 Days** Buyer operating & environmental diligence, financing diligence (as needed).	**2 Weeks** Manage & monitor diligence efforts and any asset adjustments, net working capital schedules, settlement statements, title conveyance

Month 1

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

Month 2

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

Month 3

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
28	28	29	30	31		

Month 4

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

Month 5

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

Month 6

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

Potential Sale Process Start

Approximate Closing Date

(1) Timing driven by diligence collection.

Financial Engineering Services

Corner Capital's financial expertise and deep industry knowledge across all trade channels allows our firm to help clients facing special situations with unique needs. We work with operators and institutions for traditional refinancing and acquisition debt facilities, as well as play an intermediary role through distressed situations, balance sheet restructuring and sponsor-driven balance sheet investments.

Financing & Credit

- **Financing:** Structure & source all classes of debt financing for industry operators:
  - Senior Secured
  - Asset or Cash Flow Based
  - Mezzanine
  - Convertible
  - Unsecured
- **Credit:** valuation of debt securities and underlying collateral
  - Principal acquisition of mortgage and secured debt collateralized by any downstream energy asset
  - Sale of mortgage debt held by institutions
  - Valuation & execution advisory in support of institutional lenders

Recapitalization

- Provide valuation and structuring services for operators seeking succession/transition plans
  - Utilize the assets and cash flows of the Company to transfer control to other family members
  - Source investor capital for leveraged situations

Distress

- Cash flow challenges, extreme leverage, market shifts
  - Advising operators in negotiation with lenders and other constituencies to avoid Reorganization
  - Serving as Chief Restructuring Officer in Ch. 11
  - Emergency sale of assets or interests in crisis situations

Capital Advisory Project – Illustrative Timeline

Estimated Project Completion – 5 to 6 Months[1]

Sample Process — Refi, Recap, Consolidation, or Cap Raise Project

Project Objectives & Preparation *6 to 8 Weeks*			Market Outreach *3 to 4 Weeks*	Lender Selection *1 to 2 Weeks*	Closing *~90 days*
Valuation CCA typically performs a valuation to determine hard asset and business enterprise values at the start of a capital advisory project. The analysis helps determine how much debt the Company can support from an LTV standpoint.	**Sizing / Structuring** CCA analyzes the Company's balance sheet, existing debt, collateral, and growth goals/objectives to propose a range of possible debt structures at various sizes for the Company's consideration.	**Marketing Package** CCA develops the model, data room, and Confidential Financing Memorandum (CFM), which clearly outlines the Company's requested capital structure and provides the diligence info necessary to solicit proposals from target lending partners.	▪ CCA develops list of potential lenders for the Company's approval. ▪ CCA distributes confidential teasers and collects NDAs from target lenders prior to providing access to the marketing package. ▪ CCA collects / compiles first round term sheets from interested lenders.	▪ CCA coordinates in person meetings and/or conference calls between Company and "final round" target lenders. ▪ CCA negotiates the most competitive initial term sheets during a "best and final" round. ▪ Company selects a lending partner to move forward with.	▪ Additional diligence information compiled. ▪ Formal, binding loan documents negotiated. ▪ Surveys, title work, appraisals (as necessary). ▪ Funding & Closing. ▪ CCA quarterbacks the entire Closing process.

(1) Timing driven by diligence collection and project type.

Pricing Structures—Conceptual Overview

Specialty Industry Lender vs. Local Bank

	Industry Lender *Floating Rate w/ Swaps*	**Local Bank** *Traditional Fixed Rate*
Reference Rate	SOFR + Credit Spread SWAP Rate + Credit Spread 0% Floor	Prime — Credit Spread Typically ~4.75% Lifetime Floor Rate
Bank Rationale	Bank can separate borrower's credit risk from bank's interest rate risk. Large banks have dedicated swap desk to manage their rate risk without disadvantaging the Borrower. Allows bank to be more competitive on loan amortization, spread, and sizing.	Easier for smaller banks to manage/administer a simple pricing structure. Bank does not have scale to efficiently manage their loan level rate risk. Bank accepts interest rate risk, offset at borrower's expense via less favorable spread, LTV, etc.
Flexibility	Borrower may determine how much of their debt should be fixed vs. floating, although many Industry Lenders require a minimum 50% initial hedge.	Borrower must fix 100% of the loan. Fixed for floating swaps typically only available at reasonable pricing for large corporate bond issuers. Swaps are not priced using Prime as the reference rate.

Capital Availability—Conceptual Overview

Specialty Industry Lender vs. Local Bank

	Industry Lender *Leverage Total Enterprise Value*	**Local Bank** *Leverage Hard Asset Value*
Facility Type	• Global Corporate Facility • Enterprise value loan secured by RE and intangibles	• Portfolio of Individual RE Loans • Borrower's debt capital is a portfolio of "bootstrapped" loans from various lenders.
Bank Rationale	• Bank requires sole senior secured priority on all material business assets in order to allow the borrower to leverage the full value of its enterprise.	• Bank only loans against hard assets (land, buildings, FF&E). Each loan secured by different collateral, meaning a different lenders could have senior secured claims on different assets. • However, this "locks up" a borrower's EV. It cannot be loaned against while different lenders have claims to material business assets.
Bank Exposure Limit	• Large Banks with significant scale and geographic diversity likely comfortable at $80MM to $100MM of exposure without a partner. • Industry lenders can offload exposure to a partner at no cost or inconvenience to the borrower. Facility is structured to grow with borrower's EV as needed.	• Typically between $15MM to $25MM • Borrower and Bank would need to shop around for other RE lenders after relatively small exposure limit is reached.

Corner Capital
Corner Realty

Corner Capital Active Client Demographics

Live Projects Across the Country Provide Constant Market Feedback

Active Deals Nationwide

- Corner Capital covers ALL segments of downstream energy across the U.S. as represented by our active projects and client operating profiles in the map to the right.
- We take pride in working with local family-owned and entrepreneurial operators, yet our national presence allows us to provide an independent market perspective for our clients' strategic planning needs.

Mountain West

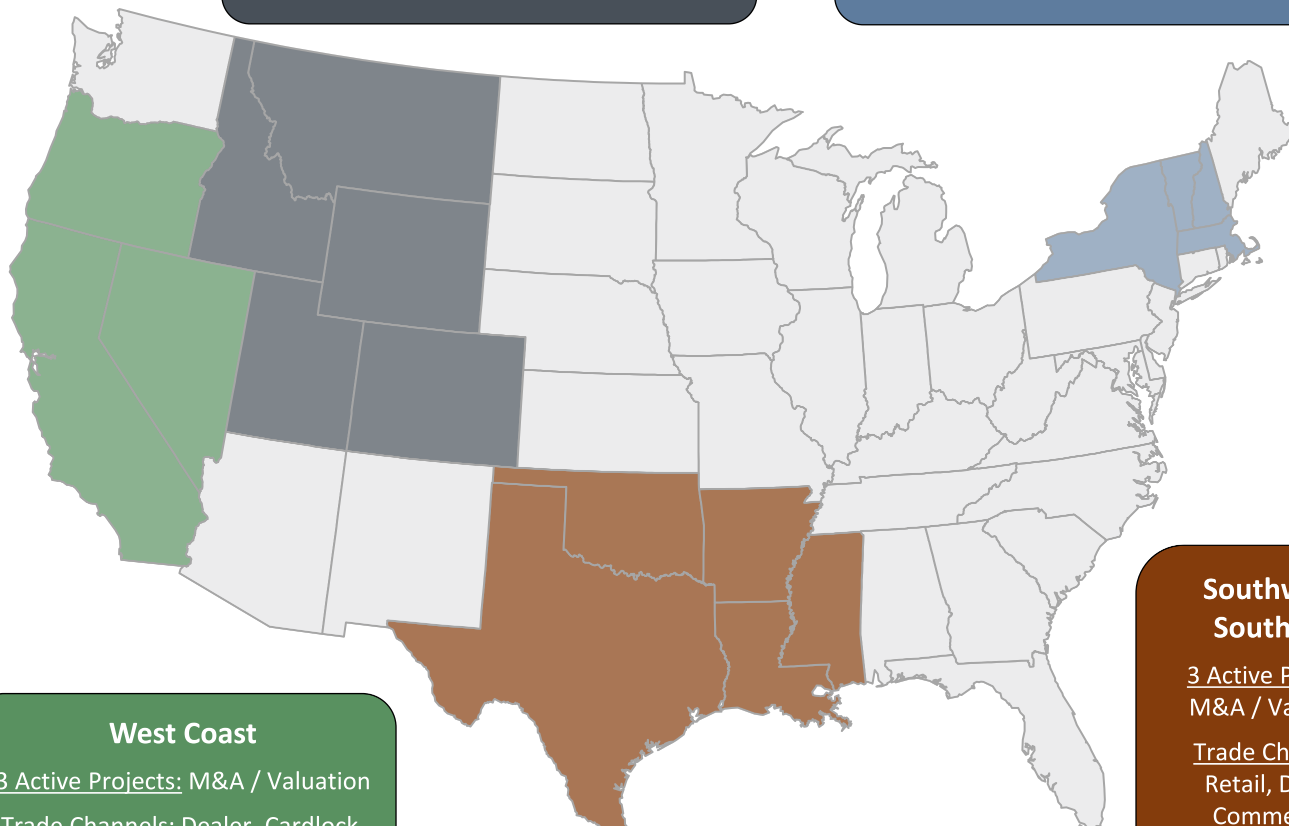
5 Active/Recent Projects: M&A / Valuation

Trade Channels: Retail, Dealer, Commercial

Northeast

1 Active Project: M&A / Valuation

Trade Channels: Retail, Dealer, Transport



West Coast

3 Active Projects: M&A / Valuation

Trade Channels: Dealer, Cardlock, Commercial, Transport, Lubricants

Southwest/ Southeast

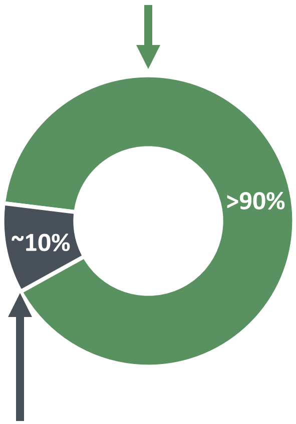
3 Active Projects: M&A / Valuation

Trade Channels: Retail, Dealer, Commercial, Transport

Corner Capital
Corner Realty

CCA Clients by Profile

- Over **<u>90%</u>** of our clients' profiles are: family-owned business, 1st - 3rd generation, and a single monetization event for the family.



- Corner Capital's clients also include major oil companies, consolidators, and financial institutions.

Corner Capital by the Numbers

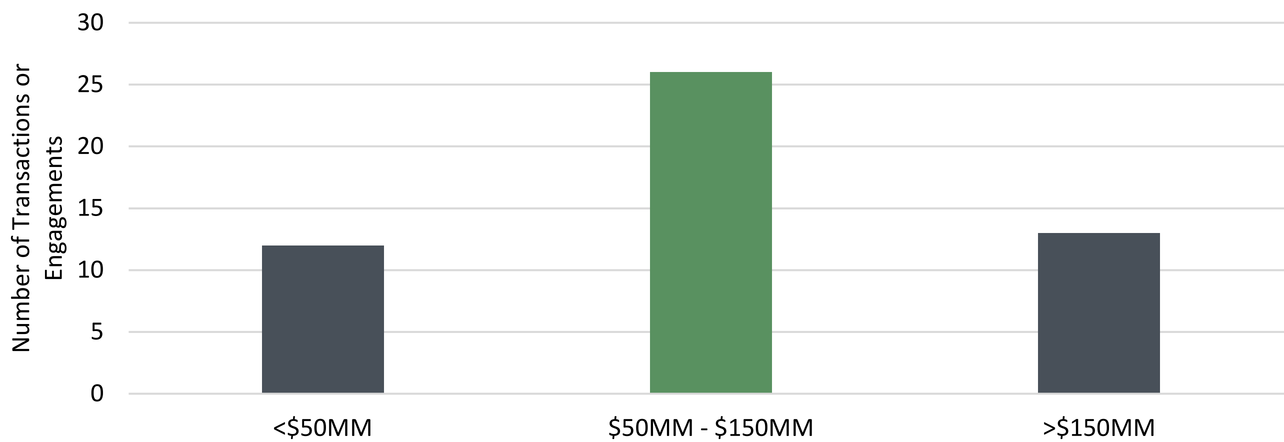
19 Years of Transaction Experience

100+ Clients and Transactions Across 45 States

12 Professionals, Including Former Operators, Oil Company Executives, and Financial Professionals

50+ Transactions and Engagements Closed Over the Past 5 Years

Corner Capital Clients by Enterprise Value (Last 5 Years)



Select Transactions and Engagements

Mergers & Acquisitions

Client	Transaction	Date
Hi – Noon Petroleum (noon's)	Sold to Jacksons	December 2024
Schmidt & Sons, Inc	Sold to Energex Kappa Texas Oil Company	September 2024
American Natural	Sold to Giant Oil Inc.	December 2023
Sun Pacific Energy	Sold to Jackson Energy	December 2023
Leathers Enterprises (Leathers Fuels)	Sold to S&S	October 2023
Morgan Oil Company	Sold to Majors Management	November 2022
Casey's Houston Assets	Acquired by Star Stop	April 2022
Royce Groff Oil Co. (Valley Mart)	Sold to Texas Enterprises, Inc.	April 2022
Laurel Oil, LLC (Rapid Express)	Sold to Clark's	March 2022
W.G. Johnson Oil Company	Sold to Cole Distributing / Kim's	December 2021
Classic Star Group, LP & Ziptron, Inc.	Sold to Hall (Brad Hall Fuel)	October 2021
Herndon Oil Company (Herndon Oil Corporation)	Sold to Tri Star Energy	September 2021
Wag-A-Bag, LLC	Sold to refuel	June 2021
Story Distributing Co. (Story Distributing Company, Fuels & Lubrication Marketing)	Sold to Parkland	February 2021
Acorn Markets, Inc. & Putnam Co.	Sold to United Refining Company	December 2020
Brenco Marketing (Brenco – The Energy is Here)	Sold to Sunoco	October 2018
McPherson Dealer Business (McPherson Oil Products)	Sold to Majors Management	February 2020
Nimocks Oil Co., Inc.	Sold to Jordan's	February 2020

Financing, Restructuring, & Capital Advisory

Client	Engagement	Date
Kim's C-Stores / Cole Distributing	Refi & Cap Structure Optimization	May 2023
Estepp Energy, LLC (Estepp's Friendly Express)	Senior Term Loan, DLOC, Revolver	December 2022
S & S Fuel Holdings (7-Eleven, Sinclair)	Refinanced Senior-Term and Mezz Debt	January 2016
Anabi Holdings	Restructuring	December 2012
La Lomita (El Tigre Food Stores, Tex Best Travel Centers)	Senior Term Loan, DLOC, Revolver	November 2012
ASAP Energy (ASAP Energy Inc.)	Senior Term Loan, DLOC, Revolver	June 2014
Appco	Ch. 11 / M&A	2008-2009
ER Energy Propane (A ThompsonGas Company)	Restructuring / M&A	June 2018

Special Projects & Strategic Advisory

Client	Engagement	Date
HF Sinclair	Special Project	Ongoing
Global Partners LP	Special Project	Spring 2024
ExxonMobil	Special Project	2023 - 2024
Shell	Special Project	Spring 2024
7-Eleven	Special Project	Spring 2022
H&S Energy	Strategic Advisory	Summer 2022
Jackson Energy (Jacksons)	Strategic Advisory	Winter 2021
Sunoco	Special Project	2018-2019
Cross America (CrossAmerica Partners)	Strategic Advisory	2018-2021
McCullough Oil (McCullough Oil Company)	Special Project	Spring 2023

Section 4

Corner Realty Overview & Services

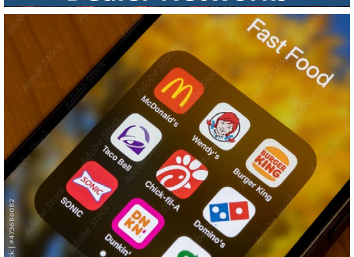
Corner Capital

Corner Realty

Convenience Retail

Travel Centers

Dealer Networks



QSR

CORNER REALTY OVERVIEW & SERVICES

Service Line Overview

Dedicated Brokers with Decades of Experience in Downstream Energy Market

Public Sale Process	Our seller and investor networks seek single and portfolio acquisition opportunities through our relationships and marketing process. Corner Realty can market sites in every state in the U.S. and conducts publicly marketed divestitures for large portfolios in a single-site format to optimize proceeds.
Confidential Sale Process	Corner Realty works with national, regional and local owners to divest sites to operators, fuel distributors, developers, and "out of industry" acquirers through our nationwide network and database. Sites can be sold confidentially or broadly marketed through our existing network, 3rd party marketing platforms & our company websites.
Sale Leaseback Financing	We finance up to 100% of the cost on new construction projects and existing c-stores with operators, developers & fuel distributors across the country. We use the real estate as a financing vehicle to drive our clients' long-term strategy.
Acquisition & Development Opportunities	By leveraging Corner Realty's proprietary database of operators, distributors, investors & brokers, we identify opportunities to acquire existing assets or development opportunities. This allows our clients to expand their presence in existing markets with bolt-on acquisitions or organic growth via new construction projects.
Corner Capital *Energy. Capital. Advisory.*	Company/Business Segment sales across the U.S. covering retail, branded/unbranded distribution channels, lubricants, transportation, and other constituents of Downstream Energy. Services include M&A, financing/capital raises, valuations, special credit and turnaround situations.

Sale Process Overview – Divestment Strategies

Comparative Analysis: Divestment Strategy & Process

	1 Public Process	2 Hybrid Process	3 Confidential Process
Confidentiality	Broad Market Outreach Recipients Under NDA	Phase I: Highly Confidential Phase II: Broad Market Outreach; Recipients Under NDA	Highly Confidential
Timing	3 – 5 Months From Engagement	4 – 6 Months From Engagement	4 – 6 Months From Engagement
Expected Value	Highest Expected Value Highest Execution Risk	Broad Range of Values Expected Execution Risk Mitigated through dual-process	Lower Expected Values Low Execution Risk

Key Considerations

Important Factors Driving a Successful Divestiture

- **Additional Critical Factors:** fuel supply structure, environmental risk, buyers' execution risk, asset quality & remaining life, competition, market timing, & operational synergies.
- **Divestment Strategy Objectives**: Corner Realty to identify critical objectives during the underwriting phase, which will shape the portfolio sale structure & overall process.
- **Buyer Audience**: Corner Realty customizes its sale process to identify the largest pool of active, qualified buyers while meeting our clients' confidentiality expectations.

Public Sale Process

Estimated Project Completion: 3 to 5 Months From Engagement

1 Pre-Market Preparation

2 – 3 Weeks

Marketing Material Preparation & Internal Approval

After collecting all diligence items related to included assets, Corner Realty and seller will review, discuss & approve the following:

- Offering Memorandum
- Non-Disclosure Agreement
- Terms & Conditions
- Draft Purchase & Sale Agreement (PSA)
- Property Specific Package (PSP)

Sample Property Specific Package (PSP) & Bid Package

Internal review & approval of the following PSP diligence items to be made available to qualified bidders:

Bid Package:

- Bid Deadline & Bidding Instructions
- Buyer Qualification Form
- Draft Purchase & Sale Agreement

PSP Diligence Items:

- Historical Financials & Fuel Volumes
- Environmental Diligence
- Surveys, Title Commitments & Tax Bills
- Leases, Subleases & Amendments
- Fuel Supply Agreements
- Virtual Dataroom Access Instructions

CRX Begins Marketing Campaign
('Go Live' Date)

2 Market Outreach

3 to 4 Weeks

- CRX announces Bid Deadline.
- CRX collects NDA's from prospective Buyers and pre-qualifies them as competitive bidders.
- CRX receives & shares all 1st round bids with seller.

3 Buyer Selection

1 Week

- CRX facilitates communication between seller and "final round" target buyers.
- CRX negotiates the most competitive initial term sheets during a "best and final" round.
- Seller selects a buyer to move forward with.

4 PSA Execution → Closing

2 – 3 Months

- Additional diligence information compiled.
- Surveys, title work, appraisals (as necessary).
- Funding & Closing.
- CRX quarterbacks the entire Closing process.

Hybrid Sale Process

Estimated Project Completion: 4 to 6 Months From Engagement

1 Pre-Market Preparation (2 – 3 Weeks)

- Complete diligence collection & underwriting process.
- Preparation of OM, NDA & virtual dataroom.
- Development of **Target List** to be included in discrete outreach.
- All project materials to be reviewed & approved by seller

2 Discrete Outreach (3 Weeks)

- CRX approaches strategic acquirors included in the pre-approved **Target List** to solicit NDAs confidentially.
- Bid Deadline set 3 weeks in advance for Target List recipients.
- CRX and seller to review all offers received in advance of Bid Deadline; either (1) work towards PSA execution or (2) move forward to broad marketing campaign.

3 Broad Marketing Campaign (4 Weeks)

- Bid Deadline announced to kick-off broad marketing campaign.
- CRX manages NDA collection, diligence requests, fields LOI's and advises seller during negotiation process.
- CRX to advise Seller through Buyer Selection process and lead PSA negotiations while working closely with client's legal counsel.

4 PSA → Close (2 – 3 Months)

- Upon execution of PSA, CRX manages & monitors ongoing diligence efforts.
- Removal of contingencies by selected Buyer.
- Funding & Closing.
- CRX quarterbacks the entire Closing process.

Which Buyers Does Each Sale Process Attract?

Discrete Outreach ('Target List')

Private Equity Groups	**Major Oil Companies**
Regional Operators	**Regional Fuel Distributors**
Public Companies	**Public & Private REIT's**

Broad Marketing Campaign

Individual Investors	**Independent Operators**
Developers	**'Out of Industry'**
1031 Exchange Buyers	**Dealer Networks**

Confidential Sale Process

Estimated Project Completion: 4 to 6 Months From Engagement

Process Phases	Timing	Process Overview & Description
Pre-Market Preparation	2 – 3 Weeks	Collection of all remaining diligence for each asset. Preparation of NDA's, virtual dataroom, offering memorandum(s) and Target List for seller's pre-approval.
Discrete Market Outreach	6 – 8 Weeks	Approach all strategic buyers included in Target List to solicit NDAs confidentially. Manage virtual dataroom, buyers' diligence questions and generate LOI's in advance of the bid deadline.
Buyer Selection	1 Week	CRX and seller to review all LOI's received to maximize sale proceeds & buyers' surety of closing.
PSA Negotiations	1 Week	CRX to advise seller through PSA negotiation process, while working closely with client's legal counsel.
PSA → Close	2 – 3 Months	Upon execution of PSA, CRX manages & monitors ongoing diligence efforts until removal of contingencies. CRX to quarterback the entire closing process.

Corner Capital

Corner Realty

- We utilize sale leasebacks on existing c-store assets, new construction projects, and acquisition opportunities to expand the site count and volume of your chain.
- We use real estate as a financing vehicle to drive operators' long-term growth strategy.

Sale Leaseback Financing

Monetizing Real Estate for Redeployment

Existing Assets

- Free up capital to fund new developments & acquisition opportunities
- Increase liquidity & pay down debt
- Redeploy capital from real estate into higher yielding assets: retail operations & fuel distribution

New Construction Projects

- New construction project costs are at historically high levels. We can lower your basis in development projects while keeping your occupancy costs low
- As interest rates continue falling, investors' appetite for net lease assets remains strong. Private investors can provide cheaper cost of capital than conventional financing

Acquisition Leasebacks

- We provide up to 100% financing on acquisition opportunities
- Use real estate as a financing vehicle to scale operations & fuel distribution
- Purchase Options & Right of First Refusals allow operators to control their real estate in the long-term, while monetizing the value today
- Capitalize on RE for non-strategic assets, while keeping business and fuel supply

Public & Private REIT's | **Private Equity & Family Offices** | **Individual Investors** | **1031 Exchange Market**

- Corner Realty transacts with individual buyers and sellers across the country, resulting in local market expertise for single site divestitures and “dealerization” options.

- We are able to utilize mass marketing and/or confidential processes to successfully market and close on a transaction often within a 4-month time frame.

Single-Site Sale Projects

Real Estate & Business Sale

Site Sale Subject to Fuel Supply Agreement

Mass Marketing Process to Individual Buyers

Confidential Marketing Process

~ 4 Month Transaction Process

Corner Realty Marketing Plan

Preliminary Marketing & Underwriting
- Site-level underwriting
- Execute Listing Agreement

Pre-Market Preparation
- Create Offering Memorandum
- Create E-Blast Campaign
- Create Internal Data-Room
- Corner Realty Internal Presentation

Online Marketing
- Corner-realty.com
- Corner Realty Proprietary Database
- 3rd Party Website Campaigns

Targeted Email
- E-Blast to Corner Realty’s Database of operators, jobbers, investors & brokers (twice per month)

Personal Prospecting & Follow-Up

Transaction Management and Deal Closing
- Active Prospecting Calls
- Personal Buyer-Qualification process
- Weekly Client Updates
- Purchase Offers / LOIs

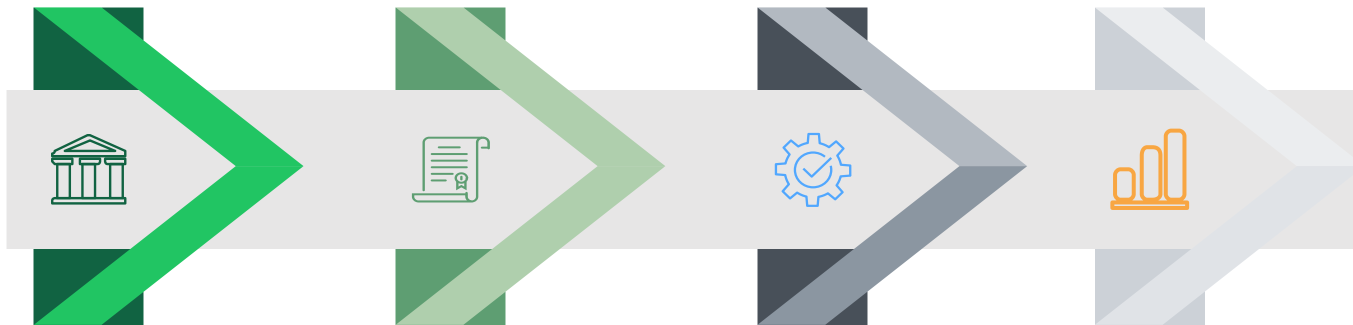
Corner Capital

Corner Realty

- Leveraging the strength and experience of Corner Capital and Keller Williams, Corner Realty and its dedicated brokers have decades of experience in retail portfolio management.
- Long history of financing, single site sale transactions, Net Lease investing, sale leaseback funding, and publicly marketed processes for larger portfolio divestitures to individual buyer/operators.
- We focus on customer service and results, which allows us to competitively deliver premium returns to our clients' investment in our services.

CORNER REALTY OVERVIEW & SERVICES

Why Corner Realty?



Expertise

Our national and regional market knowledge, relationships, and insight into market valuation trends. Broad skill sets solve transactional challenges with over 250+ career years in all trade channels of downstream energy.

Transaction History

Principals and team members have performed over $6 billion in transactions strictly in downstream energy; Client's portfolio represents our preferred transaction size and market niche.

Service

Corner Realty's Principals will be directly responsible for managing each project. All team members contribute their skill sets to each project, creating a "hands-on" approach.

Results

A successfully managed process that allows our clients to remain focused on their daily responsibilities, while Corner Realty manages all aspects of the engagement. We successfully close the transaction to meet the Company's expected return.

Section 5

Corner Capital & Corner Realty Team

Corner Capital

Corner Realty

CORNER CAPITAL & CORNER REALTY TEAM

Investment Banking & Real Estate Professionals

Corner Capital Team has a Combined 250+ Years of Experience

Andy Weber
Founder

aweber@cornercapitalpartners.com
805-895-7280

- Over 35 years of M&A and Downstream Energy experience.
- Founded Corner Capital in 2006.
- Previous roles include Shell Oil, Arthur D. Little, and Roundtree Capital, where he grew a retail business from 100 to 230 c-stores.

Carl Ray Polk, Jr.
Managing Partner

crpolkjr@cornercapitaladvisors.com
936-635-5949

- 30+ years of industry and M&A experience.
- Owned and operated a branded wholesaler, lubricants distributor, and convenience retailer.
- Conducted a buyout of the family business, which he later sold to Brookshire Brothers.

Juan Kemp
Managing Director

jkemp@cornercapitaladvisors.com
281-235-3882

- 30+ years of industry and M&A experience
- Prior to retiring from Shell, Juan managed global M&A opportunities including Shell-Joint Ventures, wholesale, lubricants, and company-operated retail acquisitions and divestitures.

Greg Penman
Managing Director

gpenman@corner-realty.com
805-895-7280

- 25+ years of industry & M&A experience
- Prior experience with BP, Delek, Yesway, Monfort Companies
- Executed strategic market planning, new unit development, & buyside & sell side M&A.

Don Mitchell
SVP, Bus Dev

dmitchell@cornercapitaladvisors.com
713-898-6694

- Don managed Exxon’s state & federal public, legislative, regulatory affairs activities, and also served as their Western Area Public Affairs Manager.
- Don was instrumental in Exxon’s entry into convenience retailing in the 1980’s.

Rob Thomas
SVP, Bus Dev

rthomas@cornercapitaladvisors.com
904-616-6902

- Rob held management positions in Shell’s Houston corporate office, including Manager, Credit Card Products and Services and Manager, Retail Supply and Logistics.
- Rob joined CCA after 34 years of service with both Shell Oil Company and Motiva.

Sean Stewart, CFA
Director

sstewart@cornercapitaladvisors.com
512-423-0422

Will Hartshorn
Director

whartshorn@corner-realty.com
703-576-7683

Nick Stricker
Associate

nstricker@cornercapitaladvisors.com
832-477-2954

Pierce Jones
Director

pjones@corner-realty.com
512-270-1065

Steve Lancia
SVP, Bus Dev

slancia@cornercapitaladvisors.com
914-334-8740

- Steve’s 31-year oil industry career began at Getty Petroleum, later moving to Shell Oil Company in 1995.
- Steve’s roles included managing commercial sales & marketing activities and managing capital brand development.

Dustin Shoemaker
SVP, Bus Dev – Collision Repair

dshoemaker@cornercapitaladvisors.com
936-366-7401

- 20+ years in automotive collision, with 10+ years of collision repair business ownership.
- Experience in M&A transactions, with a focus on sell-side representation in private equity transactions.

Ben Achilles
Senior Analyst

bachilles@cornercapitaladvisors.com
512-797-7266

Tyler Meffert
Analyst

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