Corner Capital
*Energy. Capital. Advisory.*

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

CONFIDENTIAL

Corner Capital
Corner Realty

Investment Banking & Retail Real Estate

# Annual Report

2023-2024

Corner Capital

Corner Realty

# Andy's Corner Comments

Welcome to 2024!

Anticipation is high for what this year will bring, but expectations seem mitigated and uncertain. From interest rates, inflation, and GDP expectations to Main Street vs. Wall Street, Artificial Intelligence, and electricity generation and distribution, everything seems variable. And of course we have a Presidential election. What we always know, however, is our industry will perform and will remain "investable" – as we always do through good times and challenging times.

In September 2023 we added Juan Kemp to our team, after his 26 years with Shell. He is laying groundwork for our future and growing our relationships in the industry, as we intend to continue serving our industry well into the future! The year prior, we re-invigorated Corner Realty, LLC. Our Austin, TX headquarters remains staffed with excellent project managers, analysts, and capital markets experts to lead any client project to a successful conclusion. We hope you will reach out with any opportunity you may be considering; if it is in our domain we can assure you that you will receive honest, accurate, and insightful stewardship of your project.

In this year's Annual Report, we cover the normal topics including *i)* national and regional M&A activity, *ii)* big events and interesting trends, *iii)* Corner Realty overview of services, and *iv)* some of Corner Capital's transactions. Perhaps most interesting, we provide a **short primer** on the integration of **<u>Compressed Natural Gas (CNG)</u>** in our industry, and where it is "taking hold" as well as where it is not. We hope you find this year's Report a "good read" and helpful as we navigate 2024. As always, please reach out to our team, especially Juan, to the throw the ball around anytime!

Sincerely,

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# Investment Banking & Real Estate Professionals

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Section 1

# 2023 Corner Capital & Realty Transaction Case Studies

Corner Capital

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# Company Sale: American Natural Retail PA, LLC

***Trade Channels*: Convenience Retail, Branded Fuel Distributor**

## Client

american natural

A portfolio company of

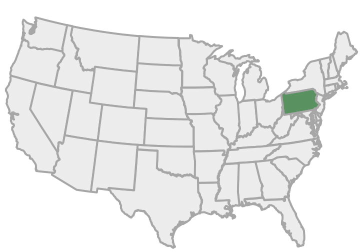
Tiger Infrastructure Partners

Company: American Natural
Headquarters: Pittsburg, PA

## The Trigger

The Client desired an exit from one of the final remaining portfolio companies from Fund I, American Natural Retail ("ANR", or the "Portfolio Company"), as they wind down this fund and returns capital to its investors.

## Geography



## Client Description

Tiger Infrastructure is a Private Equity firm headquartered in New York. Tiger Infrastructure has $3.1B AUM and is principally focused on three industry sectors: Digital Infrastructure, Energy Transition, and Transportation. The portfolio company and Corner Capital / Corner Realty's ultimate client was American Natural, a convenience retail operator in eastern PA.

## The Project

Corner Capital performed a Fair Market Valuation for American Natural Retail. The convenience retail portfolio includes several unbranded, newly constructed stores and several Exxon branded, legacy stores.

As certain stores in the portfolio were not generating adequate cash flow to receive a favorable business valuation, Corner Capital suggested a broad outreach strategy through both Corner Capital and Corner Realty. The Company decided to pursue a "one, some, or all" structured sale process. This approach was designed to obtain the most value by allowing targets to propose on any number of specific assets.

Corner Capital and Corner Realty sourced proposals from each of the potential buyers that it engaged under a non-disclosure agreement and sharing of the marketing material in the Confidential Information Memorandum & data room. After two rounds of negotiations, Giant Oil Co. ("Giant Oil") was selected as the winning bidder. Giant Oil's offer was perceived favorably due to the value received in conjunction with the increased closing certainty associated with a single buyer entity.

Corner Capital assisted in the negotiation of a purchase agreement to satisfy the Company's primary objectives. The agreement incorporated a minimized diligence period and limited buyer exit opportunities to ensure a timely and certain closing.

## The Solution

Corner Capital worked closely with Tiger Infrastructure Partners from valuation, structuring bidding options, sourcing & negotiating LOIs, contractual negotiations, diligence, to closing.

## Acquirer

GIANT OIL INC.

## The Result

The Client's portfolio company, American Natural Retail, successfully marketed and sold its convenience retail assets to Giant Oil Co., which closed December 18, 2023.

## Client Testimonial

***"We are also pleased to commend our advisory firm, Corner Capital, who helped us navigate through every step of the transaction process, and we appreciate their "hands-on" service, and industry expertise."***

***- Jimmy Bromley,***
***CEO, American Natural***

# 2023 CORNER CAPITAL & REALTY TRANSACTION CASE STUDIES

## Company Sale: Sun Pacific Energy, Inc.

***Trade Channels*****: Convenience Retail, Branded Fuel Distributor (130+ dealer accts.), Transportation**

### Client

Sun Pacific Energy

| | |
|---|---|
| Company: | Sun Pacific Energy |
| Headquarters: | Kennewick, WA |
| President/CEO: | Craig/Chris Eerkes |
| Founded: | 1956 |

### The Trigger

The Client sought retirement from the industry after having grown to become one of the largest distributors of branded and unbranded motor fuels in the Pacific Northwest

### Geography

### Client Description

Sun Pacific Energy is a third-generation branded petroleum marketer, convenience retailer, and dealer wholesale fuels distributor headquartered in Kennewick, WA.

### The Project

Corner Capital, with the Company's approval, provided PacWest with an exclusive pre-process preview of the structured sale. The parties came to a general agreement prior to a broad sale process due to PacWest's supply, logistics, and retail operation synergies.

Corner Capital achieved favorable transaction terms through extensive negotiations of the Letters of Intent (LOI) and Purchase and Sale Agreements (PSA). The firm provided guidance to the Company throughout the closing procedure, ultimately ensuring the successful completion of a structured sale of Sun Pacific's business assets.

Established a strike price through an auction-like process, negotiated LOI to identify terms & proceeded to formal diligence & closing all within 60 days.

### The Solution

Corner Capital worked closely with Sun Pacific from valuation, sourcing & negotiating LOIs, contractual negotiations, diligence, to closing.

### Acquirer

Jackson Energy

### The Result

The Client's convenience retail, dealer wholesale, and rolling stock assets were successfully marketed and sold to PacWest Energy, LLC which closed December 7, 2023.

### Client Testimonial

***"In our sale to PacWest, Corner Capital clearly fought for our interests, delivered exceptional value, and were available 24/7 to ensure we closed successfully. They prepared us for all the hurdles of a transaction, and their deep technical knowledge was critical. I am happy to serve as a reference for anyone considering their M&A Services."***

***- Craig Eerkes, CEO, Sun Pacific***

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## 2023 CORNER CAPITAL & REALTY TRANSACTION CASE STUDIES

# Company Sale: New Distributing, Inc.

***Trade Channels:* Convenience Retail, Branded Fuel Distributor**

### Client

Cimarron Stores

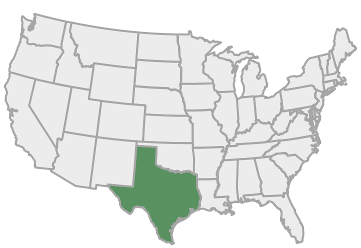
Fastop Your One Stop Shop

| | |
|---|---|
| Company: | New Distributing |
| Headquarters: | Victoria, TX |
| President/CEO: | Jon New |
| Founded: | 1959 |

### The Trigger

The Client sought retirement from the industry after having grown organically over the course of nearly 65 years.

### Geography



### Client Description

Jayen, Inc., doing business as New Distributing, is a third-generation branded petroleum marketer, convenience retailer, and dealer wholesale fuels distributor headquartered in Victoria, TX.

### The Project

Corner Capital performed a Fair Market Valuation for Jayen and outlined strategic options. The Company decided to pursue a structured sale process through Corner Capital.

Corner Capital sourced proposals from each of the potential buyers that it engaged under a non-disclosure agreement and sharing of the marketing material in Corner Capital's Confidential Information Memorandum & data room. Through two rounds of extensively negotiating the most competitive Letters of Intent, separate undisclosed operating groups were selected as the winning bidders to acquire Jayen, Inc. in Corner Capital's structured sale of the Client's business assets.

### The Solution

Corner Capital worked closely with New Distributing from valuation, sourcing & negotiating LOIs, contractual negotiations, diligence, to closing.

### Acquirer

**Saad Ali**
*(Houston, TX)*

### The Result

The Client's convenience retail and dealer wholesale assets were successfully marketed and sold to an separate undisclosed operating groups which closed January 3, 2023.

### Client Testimonial

***"Today's transaction allows us to re-direct our resources and capital to our long-term emphasis on our dealer wholesale supply, commercial fuels, and lubricants. Corner Capital and their team were instrumental in getting our buyers to the closing table and were particularly knowledgeable in the framework and structure of the transaction while retaining the branded fuel supply. We were pleased with their entire efforts."***

***- Jon New, CEO***
***New Distributing, Inc. & Jayen, Inc.***

# Company Sale: Leathers Enterprises

***Trade Channels*:  *Convenience Retail, Branded Fuel Distributor, Dealer Supply, Transportation***

## Client

| | |
|---|---|
| Company: | Leathers Fuels |
| Headquarters: | Fairview, OR |
| President/CEO: | Lila Leathers-Fitz |
| Founded: | 1993 |

## The Trigger

The Client sought retirement from the industry after having grown the business organically over 64 years, including 32 years of outright ownership.

## Geography

## Client Description

Founded in 1993, Leathers Fuels owns a commercial fueling network and Shell branded truck stops. The company also owns and operates its own fuel transport trucks.

## The Project

Corner Capital performed a Fair Market Valuation for Leathers Enterprises and outlined strategic options. The Company decided to pursue a structured sale process through Corner Capital.

Corner Capital sourced proposals from each of the potential buyers that it engaged under a non-disclosure agreement and shared the marketing material in Corner Capital's Confidential Information Memorandum & data room. Through two rounds of extensively negotiating the most competitive Letters of Intent, S&S Petroleum, Inc. was selected as the winning bidder to acquire Leathers Enterprises in Corner Capital's structured sale of the Client's business assets.

## The Solution

Corner Capital worked closely with Leathers from valuation, sourcing & negotiating LOIs, contractual negotiations, insurance procurement, and diligence to closing.

## Acquirer

S&S Petroleum, Inc.

## The Result

The Client's convenience retail, dealer fuel supply, and rolling stock assets were successfully marketed and sold to S&S Petroleum, Inc., which closed on October 12, 2023.

## Client Testimonial

***"We are pleased to commend the Corner Capital team for their stewardship during this process. Their intimate expertise in operations, competitive sale structuring, and transaction management provided great comfort to our family and employees throughout the process."***

***- Brent & Kathy Leathers,***
***Leathers Enterprises, Inc.***

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# 2023 CORNER CAPITAL & REALTY TRANSACTION CASE STUDIES

# Capital Raise: Cole Distributing Co. & Kim's C-Stores

***Trade Channels:* Convenience Retail, Branded Fuel Distributor, Dealer Supply, Transportation**

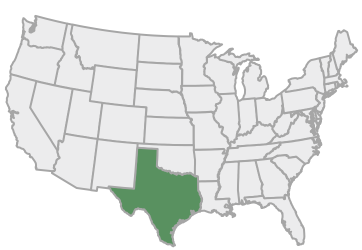
## Client

| | |
|---|---|
| Company: | Kim's / Cole Dist. |
| Headquarters: | Palestine, TX |
| President/CEO: | Kim Cole |
| Founded: | 1985 |

## The Trigger

1. Company-wide financing
2. Cash distribution to Generation 1
3. Ownership transfer to Generation 2
4. New long-term lending relationship

## Geography



## Client Description

Established in 1985, Kim's Convenience has grown from a single location in Palestine, TX to a chain of 20+ stores throughout Texas. Cole Distributing owns and operates a fleet of trucks distributing fuel for top brands including Valero, Shell, and ExxonMobil.

## The Project

The Company's founder and sole owner ("Generation 1") desired to take chips off the table and partially exit the business. Generation 1 considered several options.

Generation 1 chose a comprehensive refinancing of the company to address both generational succession planning and company financing needs.

## The Solution

To select a long-term lending partner that supports its growth objectives.

Secure Senior Term Loan covering refinance and Generation 1 cash-out.

Secure a Revolving Credit Facility for working capital needs

Secure a Development Line of Credit of approximately for new builds and acquisitions.

## The Result

**Senior Term Facility**

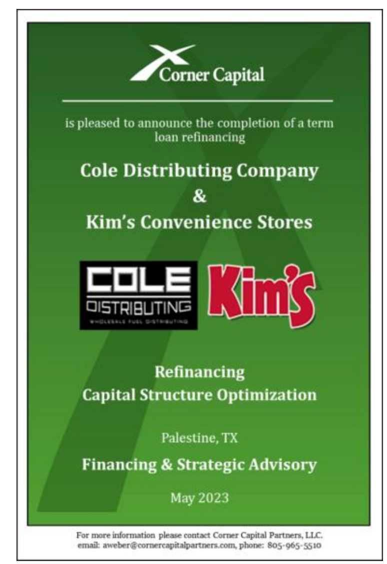
- Cash-out distribution to Generation 1
- Refinance existing debt

**Development Line**

- New site development & small acquisitions

**Revolving Credit Facility**

- Working capital needs



Section 2

# 2023 Capital Markets Recap & 2024 Outlook

# Sean’s Snapshot

## Markets & Mergers in 2023 and Beyond

Two years after reaching a historic peak in 2021, the global M&A (mergers and acquisitions) market recorded its second-lowest annual performance in a decade. In dollar terms, the value of deals across all sectors in 2023 was approximately 16% lower than in 2022. In terms of pricing, the average EV/EBITDA multiple in 2023 was 10% lower than the average seen before the COVID-19 pandemic.

However, if you analyze 2023 M&A activity in terms of deal count rather than deal value, the numbers present a different narrative. According to Pitchbook, over 40,000 M&A deals were announced or completed in 2023, ranking as the third-highest total on record. In other words, the deal market was active in 2023, but there was a shift in focus by buyers towards smaller transactions as a strategy to generate returns in an elevated interest rate environment.

Was M&A activity in our industry as subdued as in the broader market this year? Can we anticipate a third consecutive year of declines in deal activity in 2024, a phenomenon not seen since the 2008 financial crisis? The following pages contain a detailed report from Corner Capital’s investment banking team, which aims to address these questions. But before you dive in, let me provide you with my Snapshot.

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### *Sean’s Snapshot:*

*Despite a challenging macroeconomic backdrop that burdened deal flow in other sectors, Downstream M&A saw an increase in 2023.*

*Valuations in our industry demonstrated resilience, but we were not completely immune to the transaction multiple compression seen in other sectors.*

*We anticipate that 2024 will be a year of active transactions for small to mid-sized companies in the Downstream sector, continuing the trend observed over the past several years.*

# Notable Factors Dampening M&A Activity

Sean's Snapshot (continued)

Several factors converged in 2023 to hinder dealmaking, such as the tightening of monetary policies resulting in increased interest rates, a growing disparity in valuation expectations among buyers and sellers, and escalating geopolitical tensions.

Nevertheless, it appears that these challenges are diminishing, with inflation subsiding and market forecasts indicating a decrease in interest rates in 2024. While geopolitical tensions remain unpredictable, especially with an upcoming election year, and the threat of a recession continues, there is a possibility that the worst may already be behind us.

## Interest Rates

A major milestone is fast approaching – the two-year anniversary of the Federal Reserve's unprecedented cycle of rate hikes. March 2024 is expected to mark a new phase of Fed easing, which, could bring much-needed relief to financial acquirers currently struggling with borrowing costs of 12% or more. Moreover, it is likely to activate the $1.6 trillion of private equity (PE) dry powder that has been waiting on the sideline.

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. In contrast, strategic acquirers focus on achieving return on investment (ROI) through synergies and operational improvements.

There are a number of large acquirers with strong balance sheets and existing acquisition lines with relatively low capital costs that are actively pursuing acquisitions. While this is good for the health of M&A markets in our industry, it also means that smaller regional players will be at a disadvantage when it comes to financing smaller deals. We expect that an increasing number of these regional jobbers will contemplate an exit due to the challenges in growing to a competitive scale.

# Notable Factors Dampening M&A Activity

Sean’s Snapshot (continued)

## Recession Fears

Nobody wants to “buy at the top,” so economic uncertainty played a significant role in subduing broad market M&A activity in 2023. We think recession fears will continue to influence deal volumes and multiples in 2024.

Our industry, however, tends to be insulated from the ebbs and flows of the economic cycle--” People buy beer when times are good, and people buy beer when times are bad.” Although we think Downstream valuations will still moderate if the health of the economy deteriorates, convenience and fuel consolidators are less likely to sit on the sideline when a portfolio of high-quality assets crosses their desk.

## Valuation Disconnects

In times of economic volatility or uncertainty, buyers tend to be more cautious, often valuing businesses lower due to perceived risks, while sellers might maintain higher valuation expectations based on past performance. There has been a significant disconnect between the value that sellers and buyers ascribe to companies positioned for sale, which has stymied transactions across various sectors. However, as more sellers begin to accept that the high valuations of 2021 are no longer realistic, deal volume is expected to rebound.

Due to the non-cyclical nature of the convenience and fuel business, this phenomenon has not hindered deal activity in our industry to the same extent as it has in others. However, it's important to note that this lag in valuation expectations has still led to some “choppy” transactions in our space.

# Other Trends Expected to Continue in 2024

Sean's Snapshot (continued)

## Increased Regulatory Scrutiny

Over the past year, there has been a notable shift in the regulatory landscape for mergers and acquisitions. In 2023, the Federal Trade Commission (FTC) initiated a record number of lawsuits related to mergers, more than in any year of the past decade. In July, the Federal Trade Commission (FTC) and the Department of Justice's (DOJ) Antitrust Division released a draft of new merger guidelines encompassing 13 key points for the agencies to use when evaluating mergers. Most notably, these guidelines propose lowering the thresholds at which mergers would be deemed presumptively anticompetitive. Additionally, the guidelines highlight scrutiny on private equity deals, specifically stating that agencies will examine roll-up acquisitions, which have largely evaded antitrust attention in the past. Regulators plan to assess such deals as part of a series of acquisitions in aggregate.

Earlier this year, for example, the FTC filed an antitrust lawsuit against 7-Eleven's parent company, Seven & I Holdings, which could result in a $77 million fine. This action is in response to alleged violations of a 2018 FTC consent order. The company is accused of acquiring a motor fuel outlet in St. Petersburg, Fla., without providing the FTC with prior notice as required by the order.

However, we do not expect increasing regulatory hurdles to meaningfully impact transaction volume in our industry going forward.

## Rise of Non-Traditional Transaction Processes

Companies with high-quality assets considering a sale or segment divestiture are increasingly likely to adopt "no-process processes". This approach, particularly beneficial for founder- or family-led firms, involves a targeted and concise outreach strategy aimed at expediting the sale process. Typically, this streamlined approach includes the seller and their investment bankers opening a Virtual Data Room (VDR) and sharing a limited selection of due diligence documents with a small handful of qualified buyers, thereby moving towards closing the deal more swiftly and efficiently. While atypical of the way how most M&A deals are done, well-capitalized sellers are seeing advantages in this streamlined approach.

As an example, Corner Capital managed the "no-process process" for Sun Pacific Energy's sale to PacWest Energy late last year.

# Other Trends Expected to Continue in 2024

Sean's Snapshot (continued)

## Major Oil Repositioning

Major oil continues to reposition, as ExxonMobil and BP both made notable retail acquisitions this year. Many of our branded wholesaler clients are concerned about the prospect of competing with their own supplier on the street.

In February, BP announced that it would buy TravelCenters of America for $1.3B, including 280 travel centers (mostly leased) across 44 states. According to BP, the acquisition will provide a platform to support decarbonization efforts, allowing the oil major to offer biogas, EV charging, biofuels, and later hydrogen at TA's locations. The deal will give BP a leveraged short in the volatile U.S. diesel market and help it compete with larger chains such as Love's and Pilot Flying J. We believe BP to be a player in other potential deals as the company seeks to grow its guaranteed network for gasoline and diesel volume.

ExxonMobil entered its first retail joint venture in March by joining Global Partners to purchase 64 Houston-area c-stores from Landmark Group, a Shell JV. Last year, Shell bought out Landmark, it's JV partner, to acquire nearly 200 locations—the 64 sites acquired by the ExxonMobil / Global JV represent the Exxon-branded portion of the original package.

In August, Phillips 66 acquired Hunt & Sons, whose distribution network will assist Phillips 66 in ensuring a steady demand for their renewable diesel gallons. The acquisition is in support of the recent shift to renewable diesel production at P66's Rodeo, California refinery.

## Closing Remarks

It would be great to check in as you continue to navigate evolving capital markets in 2024. Whether to discuss potential capital solutions for growth, you are considering a sale, or you just want to talk about what we are seeing in the market, our team is only a phone call away.

Sincerely,

Sean Stewart, CFA
Corner Capital Advisors

# 2023 Headline Roundup: Mergers & Acquisitions

## 7-Eleven / Sunoco

**Announced Date:** 1/11/2024

**Deal Size:** $1.0B (204 stores)

**Geography:** Texas, New Mexico, Oklahoma

**Trade Channels:** Retail

**Strategic Rationale - Acquiror:**

- 7-Eleven was already the fourth largest convenience store chain in Texas, and with the acquisition of Stripes, it will further reduce competition and expand its market share in the Lone Star state.
- As part of the deal, 7-Eleven will bolster its foothold in New Mexico, which is home to 29 Stripes stores. Pre-closing, 7-Eleven had 14 sites in New Mexico.

**Strategic Rationale - Target:**

- The transaction provided Sunoco with an opportunity to adjust its existing take-or-pay supply agreement with 7-Eleven, which should yield incremental fuel gross profit.
- By divesting the remaining Stripes locations, Sunoco frees capital and operational resources to focus on its midstream efforts. Notably, the company acquired 16 terminals from Zenith Energy for $110 million in 2023.

## Global / Motiva

**Announced Date:** 11/1/2023

**Deal Size:** $305.8M (25 terminals)

**Geography:** Atlantic Coast, Southeast, Texas

**Trade Channels:** Midstream (liquid terminals)

**Target Overview:** Headquartered in Houston, Texas, and fully owned by Aramco, Motiva Enterprises engages in the refining, distribution, and marketing of petroleum products across the Americas. Through enduring brand licensing agreements with Shell and Phillips 66 (for the 76 brand), Motiva's petroleum marketing activities sustain over 5,000 retail gasoline stations.

**Strategic Rationale:** This deal will notably enhance Global's terminal capacity and extend its geographic coverage to include the Atlantic Coast and the U.S. Gulf. The terminals involved in the transaction boast a shell capacity of 8.4 million barrels and are directly connected to key networks of docks and refined product pipelines, including Colonial, Plantation, Enterprise, Explorer, and Magellan. Global presently owns or leases 24 terminals, and this acquisition will boost Global's storage capacity by approximately 83%, bringing it to a total of 18.3 million barrels.

# 2023 Headline Roundup: Mergers & Acquisitions

JACKSON ENERGY / SUN PACIFIC ENERGY

**Announced Date:** 12/7/2023

**Deal Size:** 9 COCO stores & 130+ dealer accounts

**Geography:** Washington / Pacific Northwest

**Trade Channels:** Retail, branded dealer fuel supply

- **Target Overview:** Sun Pacific Energy is a third-generation family business that specializes in branded petroleum marketing, convenience retailing, and wholesale fuel distribution. Based in Kennewick, Washington, the company has established a commanding presence in the branded fuel distribution market in and around the greater Seattle area.
- **Acquiror Overview:** PacWest is a joint venture between Shell and Jacksons Food Stores, a Shell marketer. Additionally, Jacksons co-owns the ExtraMile Convenience Store franchise alongside Chevron USA. Collectively, Jackson Energy, PacWest Energy, and Jacksons Food Stores own, operate, and supply a network of stores spanning nine western states. These entities are vertically integrated, with Jackson Energy supplying fuel to both Jacksons Food Stores and various dealers.
- **Strategic Rationale:** In January 2021, PacWest expanded its portfolio by acquiring the U.S. wholesale distribution assets of California-based fuel distributor R.M. Parks. This acquisition included over 300 branded and unbranded dealer accounts stretching from Sacramento to Los Angeles. Additionally, the acquisition of Sun Pacific supports PacWest's expansion efforts across the Pacific Northwest and elevates the acquirer's foothold in the greater Seattle market.


Corner Capital worked as the exclusive advisor to Sun Pacific Energy during the sale process.

# 2023 Headline Roundup: Mergers & Acquisitions

**Announced Date:** August 2023

**Deal Size:** 13 bulk plants, 38 cardlocks, and 450+ employees

**Geography:** California

**Trade Channels:** Lubricants, commercial fuels, cardlocks

- **Target Overview:** Family-operated fuel and lubricants distributor headquartered in Sacramento, CA with multiple locations across the West Coast. Hunt & Suns owned and operated nearly 40 cardlocks and was one of the largest Pacific Pride and CFN franchisees in California.
- **Strategic Rationale:**
  - Hunt & Sons' distribution network assists Phillips 66 in ensuring a steady demand for renewable diesel, in line with the recent shift to renewable diesel production at their Rodeo, California refinery.
  - Acquiror is well positioned to capture lucrative California Low Carbon Fuel Standard (LCFS) credits.
  - As a platform, Hunt & Sons’ is established as a reliable supplier for a diverse and expanding commercial/industrial customer base.

**Announced Date:** May 2023 & January 2024

**NuStar Deal Size:** 63 Terminal facilities & 9,500 miles of pipeline

**Zenith Deal Size:** 16 Terminal facilities

**Trade Channel:** Midstream (liquid terminals) & Pipeline

- **NuStar Energy:**
  - Following the end of the year, Sunoco declared its intention to acquire NuStar Energy's network of petroleum terminals and additional assets for an estimated $7.3 billion. This proposed deal marks the largest midstream transaction in Sunoco's history.
  - Sunoco commended the potential for enhanced stability and growth opportunities presented by the acquisition. The deal will grant Sunoco ownership of 9,500 miles of pipeline and 63 terminal and storage facilities across the U.S. and Mexico, handling a range of products, including crude oil, refined products, renewable fuels, ammonia, and specialty liquids.
  - The acquisition will help optimize supply for its U.S. East Coast operations and provide stable midstream income, the Company said.
- **Zenith Energy:**
  - On May 1, 2023, SUN completed the acquisition of 16 refined product terminals located across the East Coast and Midwest from Zenith Energy. This acquisition will add approximately 4.2 million barrels of total storage capacity.

# 2023 Headline Roundup: Mergers & Acquisitions

Par Pacific / ExxonMobil

**Announced Date:** 06/01/2023

**Deal Size:** 63,000 BPD Refinery

**Geography:** Montana

**Trade Channel:** Midstream (liquid terminals) & Pipeline

- **Summary of Assets to be Transacted:** Par Pacific has finalized the acquisition of ExxonMobil's Billings Refinery and related logistics in a transformative deal valued at $310 million. This strategic purchase expands Par Pacific's operational reach into the Upper Rockies, incorporating a 63,000 barrel per day refinery and a comprehensive logistics network. The newly acquired assets will operate under the brand Par Montana. It is worth noting that the branded distributor agreements provide for Exxon retail branding to continue.
- **Strategic Rationale**: The acquisition notably increases Par Pacific's operational efficiency and market diversity. The integration of the Billings refinery and logistics network is anticipated to immediately increase earnings and cash flow, underscoring the company's strategy of geographic and operational expansion in niche markets.
- Renewable Energy: This acquisition also paves the way for renewable energy ventures, aligning with Washington's new low carbon fuel standard.

RaceTrac / Gulf

**Announced Date:** 7/5/2023

**Deal Size:** 1,200 branded locations

**Trade Channels:** Retail & Dealer

- **Summary of Assets to be Transacted:** RaceTrac will acquire Gulf's nationally recognized fuel brand across the United States and U.S. territories. Additionally, all of Gulf's branded distributor and license agreements will be acquired by RaceTrac. The deal also grants RaceTrac the exclusive rights to market fuel at Gulf's retail locations along the Massachusetts Turnpike
- **Strategic Rationale:** RaceTrac anticipates substantial growth and operational efficiencies through the Gulf Oil acquisition, chiefly from expanded fuel retail presence and distributor agreements.
- Provides significant scale: This deal, RaceTrac's largest, fortifies its market presence in the fuel retail and distribution sectors across the U.S.
- With close proximity to existing RaceTrac operations, management sees the assets as a seamless extension of their core business.
- **Guidance:** The financial details regarding leverage ratios and balance sheet capacity specific to this deal haven't been publicly disclosed, representing a notable aspect of RaceTrac's growth strategy.

# 2023 Headline Roundup: Mergers & Acquisitions

**Majors Management / Couche-Tard / MAPCO**

**Announced Date:** 4/28/2023

**Deal Size:** 304 Retail Locations & Logistics Fleet – Total Transaction Value of ~$725M

**Trade Channels:** Retail Sites & Transportation Assets

- **Transaction Detail:** Majors Management LLC entered into an agreement to acquire 192 MAPCO Express stores and the MAPCO brand. The deal is contingent on Alimentation Couche-Tard acquiring in a separate transaction 112 company-operated sites in Tennessee, Alabama, Kentucky, and Georgia, the majority of which are fee-owned. Further, Couche-Tard will acquire surplus property and a logistics fleet. Transaction value between the two deals totals ~$725 million.
- **Target Overview:** MAPCO, a subsidiary of COPEC, is based in Franklin, Tennessee and has 304 locations in Tennessee, Alabama, Georgia, Arkansas, Kentucky and Mississippi.
- **Strategic Rationale:** The transaction will grow the market presence of Majors Management, predominantly in Tennessee, Alabama and Georgia, while adding an established brand to its Portfolio. Additionally, Majors will benefit from the MAPCO My Reward$ loyalty program. Similarly, the contingent carve-out for Couche-Tard will bolster Circle K's footprint in the Southeast.

**Maverik / Kum & Go**

**Announced Date:** 4/21/2023

**Deal Size:** 400 Retail Locations & Transport Company

**Trade Channels:** Retail Sites & Transportation Assets

- **Transaction Detail:** Maverik – Adventure's First Stop, with its parent company, FJ Management, will acquire Kum & Go. The transaction includes over 400 locations across 13 states, along with Solar Transport, a tank truck carrier and logistic provider owned by the Krause Group. No financials were disclosed.
- **Target Overview:** Kum & Go is a fourth-generation, family-owned convenience store chain established in Hampton, Iowa, in 1959. The company has been dedicated to meeting customer needs and supporting its communities for 60 years. Similarly, Solar Transport has managed, transported, and delivered petroleum products for 60 years. The Krause Group is the parent company to both entities.
- **Strategic Rationale:** The deal brings together two leading family-owned, customer-centric retailers and enhances both companies' distinct capabilities to create a differentiated value proposition. Additionally, with a combined footprint of over 800 stores spanning 20 states in the Midwest and Rocky Mountain regions, the transaction will mark the entry of eight new states of operation for Maverik.

# 2023 Headline Roundup: Mergers & Acquisitions

Couche-Tard / TotalEnergies

**Announced Date:** 3/16/2023

**Deal Size:** EUR 3,100M

**EV / Corp-EBITDA Multiple:** 8.0x

**Trade Channels:** Retail & Dealer

- **Summary of Assets to be Transacted:** Couche-Tard announced intent to purchase 2,193 stores from TotalEnergies, of which 1,195 are in Germany: 1,225 CODOs, 689 DODOs, 270 COCOs. Car wash operations at 975 sites. Additional sites in Belgium, Luxembourg and the Netherlands.
- **Strategic Rationale:** Couche-Tard projects EUR 120M in synergies over the first 3 years after closing, mostly from top-line growth and merchandise uplift.
  - Provides significant scale: #1 market share in Belgium, #2 Luxembourg, #4 Germany.
  - With close proximity to existing Couche-Tard operations, management views the assets as a natural extension of their core business.
  - Deal offers "strategically-positioned sites in EV growth markets", management said.
- **Guidance:** After incorporating these acquisitions, Couche-Tard is still below its target leverage ratio of 2.25x, and the company told investors that it still has ~$10Bn of incremental balance sheet capacity.

Offen Petroleum / Gas Depot

**Announced Date:** 1/4/2023

**Deal Size:** 150 Dealer Accounts

**Geography:** Midwest / Chicago Area

**Trade Channel:** Dealer

- **Acquiror Profile:** Offen Petroleum, a PE-backed (Court Square) distributor of more than 2.2 billion gallons of motor fuel annually across 40 states.
- **Target Profile:** Gas Depot is a full-service distributor of motor fuels throughout the Midwest. The Company sells motor fuels under the Shell, Marathon, CITGO, BP, Exxon/Mobil, Gulf and Clark brands, as well as unbranded fuels. Gas Depot will continue to operate its own chain of retail locations after the transaction is complete.
- **Strategic Rationale:** Offen will add more than 150 new retail c-store customers and a portfolio of municipal customers upon closing the transaction. Offen further plans to establish an operations center in Chicago and hire the operations personnel of Gas Depot.

# 2023 Headline Roundup: Mergers & Acquisitions

RelaDyne / Grupo Lucalza

**Announced Date:** 3/9/2023

**Deal Size:** 750 employees, & operations in 6 countries. Financial terms not disclosed.

**Trade Channels:**

Lubricants & Commercial Fuels

- **Acquiror Overview:** RelaDyne, headquartered in Cincinnati, Ohio and backed by American Industrial Partners, is one of the largest lubricant distributors in the U.S., providing lubricant sales & distribution and equipment reliability services to the industrial, commercial, and automotive industries.
  - Highly-active acquiror in the lubricants and delivered fuel industries, having completed over 45 acquisitions since inception.
- **Target Overview:** Grupo Lucalza is a provider of lubricants, fuels, filters, batteries, and tire distribution services to automotive, commercial, and industrial markets in Latin America.
  - Recognized as one of the largest distributors of Chevron lubricants in the world, Grupo Lucalza has extended its geographic reach to several countries in the region, including Mexico, Nicaragua, Panama, Dominican Republic, and Guatemala.
- **Strategic Rational:** The acquisition expands RelaDyne's distribution geography beyond the United States and will take advantage of synergistic Chevron relationships, highly-effective distribution capabilities and a mutual commitment to sustained growth.
  - The partnership will allow Grupo Lucalza to absorb best practices in operations, commercialization and services, and serve as a platform for future growth for its associates, customers, and strategic supply partners.

# 2023 Headline Roundup: Mergers & Acquisitions

Oil Majors announce significant retail acquisitions in 2023. Concerns arise amongst branded distributors about the prospect of competing with their own supplier on the street.

bp / TA

**Announced Date:** 2/16/2023

**Deal Size:** Equity: $1.3B | EV: $3.5B

**EV / Corp-EBITDA Multiple:** ~6x

**Trade Channels:** Retail / Truck Stops

- **Transaction Summary:** In February, BP announced that it will buy TravelCenters of America for $1.3B, including 280 travel centers (179 leased) across 44 states. According to BP, the acquisition will provide a platform to support decarbonization efforts, allowing the oil major to offer biogas, EV charging, biofuels, and later hydrogen at TA's locations. The deal will give BP a leveraged short in the volatile U.S. diesel market and help it compete with larger chains such as Love's and Pilot Flying J. We believe BP to be a player in other potential deals as the company seeks to grow its guaranteed network for gasoline and diesel volume.
- BP's offer represented an **84% premium** to TA's average trading price over the 30 days leading up to the company's Feb. 15 sales announcement.
- Management expects to grow EBITDA generated by the assets by $200M by 2025 via synergies and integration value, which amounts to **33%** of TA's TTM EBITDA.

GLOBAL ExxonMobil / LANDMARK INDUSTRIES

**Announced Date:** 3/30/2023

**Deal Size:** 64 C-Stores

**Trade Channel:** Retail

- **Transaction Summary:** ExxonMobil entered its first retail joint venture in March by joining Global Partners to purchase 64 Houston-area c-stores from Landmark Group, a Shell JV. Last year, Shell bought out Landmark, it's JV partner, to acquire nearly 200 locations—the 64 sites acquired by the ExxonMobil / Global JV represent the Exxon-branded portion of the original package.

# 2023 Headline Roundup: Regional M&A

Q3 & Q4 2023

| Announced | Acquiror | Target |
|---|---|---|
| 12/14/23 | GIANT OIL INC. | american natural |
| 12/7/23 | JACKSON ENERGY | SUN PACIFIC ENERGY |
| 11/16/23 | ENERGY DISTRIBUTION PARTNERS | LYKINS ENERGY SOLUTIONS |
| 11/8/23 | Rhoads Energy | Solanco |
| 11/1/23 | U.S. PETROLEUM PARTNERS, LLC | Barrick ENTERPRISES |
| 11/1/23 | OFFEN PETROLEUM | DOUGLASS DISTRIBUTING |
| 10/26/23 | FIRMAMENT | MATADOR GAS |
| 10/23/23 | CADENCE PETROLEUM GROUP | HP OIL COMPANY |
| 10/19/23 | CADENCE PETROLEUM GROUP | NELSON Oil Company |
| 10/12/23 | S&S PETROLEUM, INC. | LEATHERS FUELS |

| Announced | Acquiror | Target |
|---|---|---|
| 10/5/23 | PARMAN ENERGY GROUP | HALL BRAD HALL FUEL |
| 10/5/23 | Palmdale OIL COMPANY | COMO OIL & PROPANE |
| 9/18/23 | LAKES GAS | NORTHEAST OIL & PROPANE |
| 9/15/23 | PHILLIPS 66 | HUNT & SONS |
| 9/12/23 | truenorth | FREE ENTERPRISES INC. |
| 8/23/23 | PMG Petroleum Marketing Group | MYSTIC OIL COMPANY, INC. |
| 8/23/23 | WRE, LLC | Olin |
| 8/17/23 | nouria | H.A. Mapes, inc. |
| 8/10/23 | MERIT CAPITAL PARTNERS | AMERICAN PRODUCERS SUPPLY |
| 7/7/23 | Esso Mobil GLOBAL FUELS | Greenergy |

# 2023 Headline Roundup: Regional M&A

Q1 & Q2 2023

| Announced | Acquiror | Target |
|---|---|---|
| 6/28/23 | RelaDyne | Michigan Petroleum Technologies |
| 6/14/23 | MPC | Diamond Oil Co. |
| 5/11/23 | United Pacific | Boyett Petroleum |
| 5/1/23 | Couche-Tard | Dion's Quik Chik |
| 4/20/23 | Tri Star Energy | Cox |
| 4/17/23 | RelaDyne | Sun Coast Resources Inc. |
| 4/12/23 | Love's | EZ GO |
| 4/12/23 | PMG Petroleum Marketing Group | Short Stop |

| Announced | Acquiror | Target |
|---|---|---|
| 3/28/23 | Kent Kwik | Tom Thumb |
| 3/28/23 | RelaDyne | Allied Oil & Supply, Inc. |
| 2/27/23 | Couche-Tard | Big Red Stores |
| 2/27/23 | WOCO Warrenton Oil Co. | Thoele Convenience Stores |
| 2/18/23 | Stern | Raymond Oil |
| 1/26/23 | Blarney Castle Oil & Propane | Alpena Oil Co. Louie's Fresh Market |
| 1/17/23 | Cadence Petroleum Group | Yoder Oil Co., Inc. |
| 1/16/23 | Colonial Group, Inc. | Strickland Oil Co. |

Corner Capital

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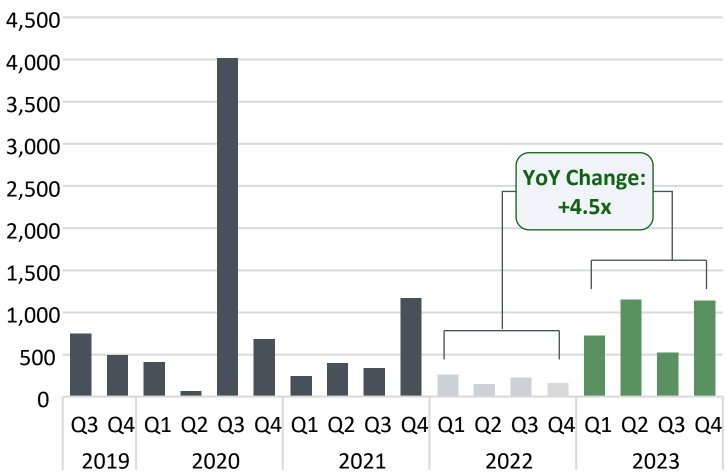
# Deal Flow Diverges Across Sectors

## M&A Activity Slumps Across Most Industries, but Surges in Fuels Distribution & Retail

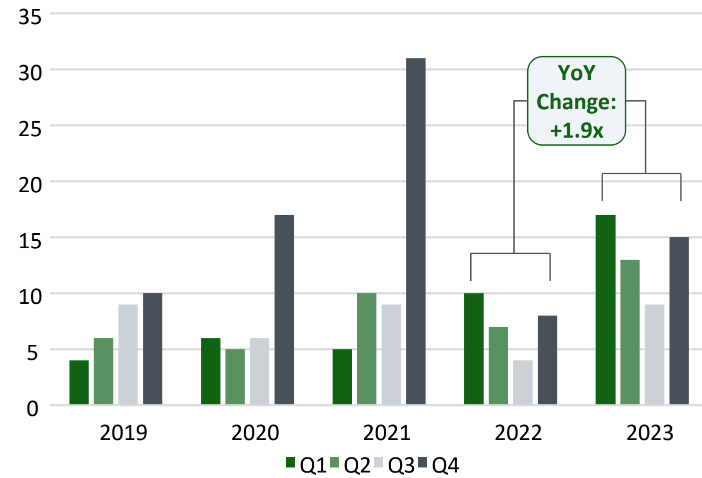
### M&A Activity Summary

- Deal volumes across most industries continued to decline on limited debt capacity for borrowers amid a spike in interest rates and economic uncertainty.
- However, Downstream Energy continues to see some of the **most active years of M&A activity** in recent memory.
- **Contributing Factors:** ***i)*** *lower cost of debt capital due to industry resilience and a strong base of hard assets/real estate for lending,* ***ii)*** *higher synergy potential (60% avg. of target EBITDA in our industry over the past 10 years versus 10% for all other industries), and* ***iii)*** *increased demand for ratable cash flows in times of uncertainty.*

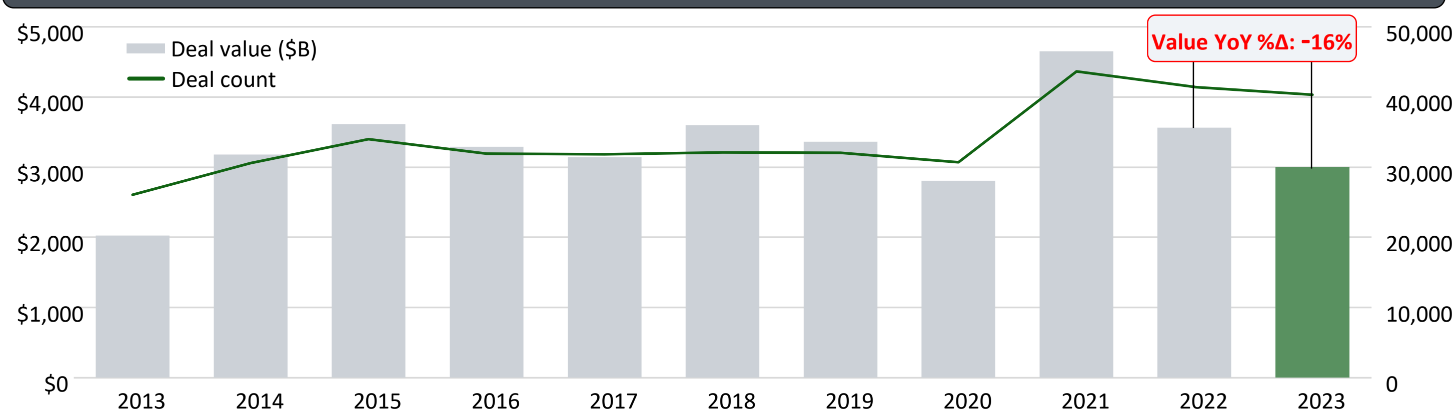
### Count of Retail Sites & Dealer Accounts Transacted




### 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.

## M&A Pricing Multiples

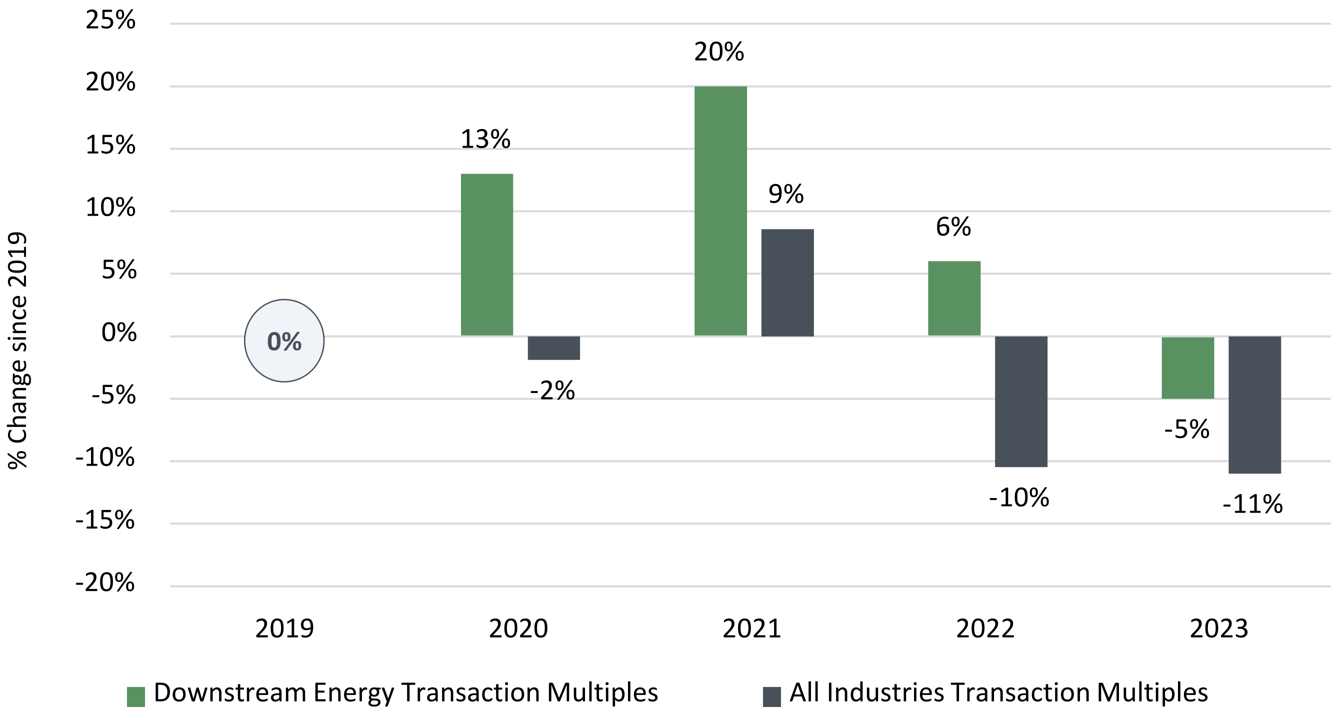
- Relative to other sectors, transaction multiples have held up well in our industry. In 2023, however, private market Downstream Energy valuations saw modest declines. Elevated interest rates, recession fears, and the continued phase-out of accelerated depreciation were all driving factors.
- Although distributors & retailers are still enjoying sustained fuel margins near record levels, the cycle can change quickly and without warning.
- Operators should ensure they have ample capital available to support growth…
- …or consider an exit while valuations are still elevated.



# Valuation Update – M&A Multiples

Downstream Valuations Have Cooled in 2023…but Remain Near Cyclical Peaks

Transaction Multiples (EV / Asset-Level EBITDA)—Avg. Percentage Change Since Pre-COVID 2019




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

# Valuation Update – Public Trading Multiples

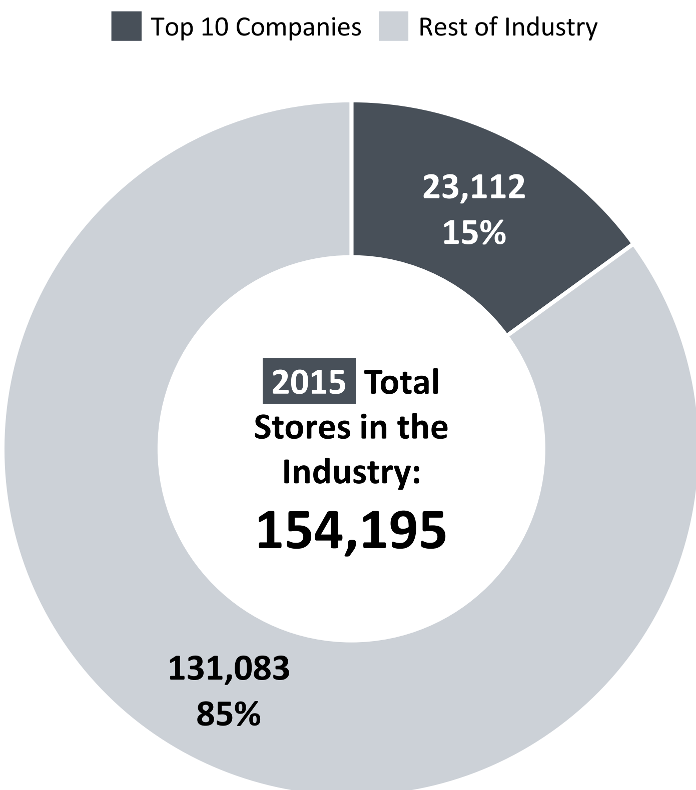
## Retail & Wholesale Fuels Distribution: EV / Corporate EBITDA Multiples

- The table below reflects the median EV / Corporate EBITDA trading multiple of a set of publicly traded Downstream Energy companies.
  - Active Comp Set: ATD, CASY, CAPL, GLP, MPC, MUSA, PKI, Seven & i, SUN.
  - *Certain Historical Periods Include: CST, PTRY, & SUSS+*
- It is important to note that the trading multiples below **include corporate overhead** and are typically 1-3 turns of EBITDA higher than **asset-level EBITDA multiples**. M&A transactions in our industry are usually priced on multiples of **asset-level EBITDA.** Trading multiples may offer a sense of directionality, but **are not** typically accurate predictors of private company transaction prices.

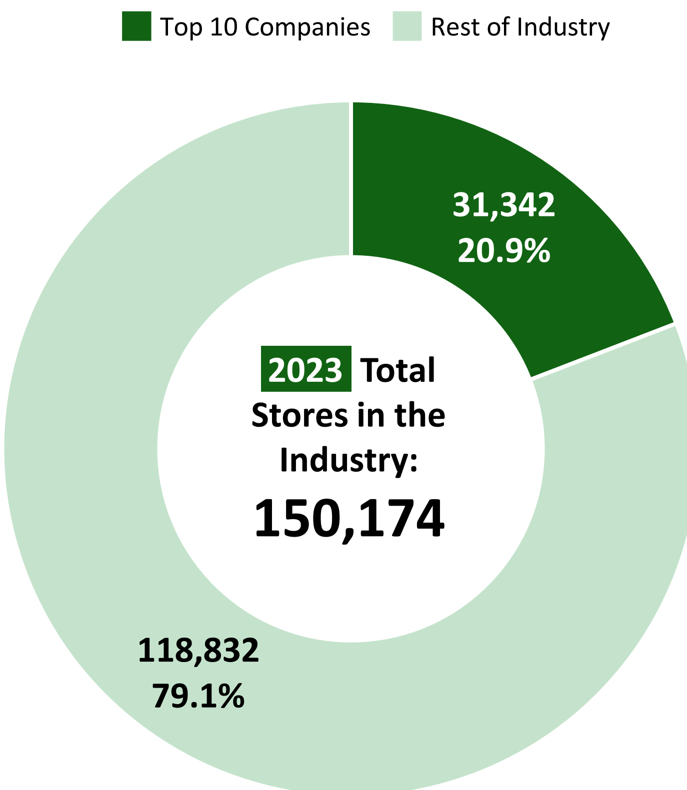
### Quarterly Enterprise Value / Corporate-Level EBITDA Trading Multiples

# Retail Consolidation is REAL

## 2015 Top 100 Convenience Store Chains




## 2023 Top 100 Convenience Store Chains




Source: Convenience Store News Top 100

## 2023 CAPITAL MARKETS RECAP & 2024 OUTLOOK

# Retail Consolidation is REAL

### 2015 Top 100 Convenience Store Chains

| Rank | Company | # of Stores |
|---|---|---|
| 1 | 7-Eleven Inc. | 8,124 |
| 2 | Alimentation Couche-Tard Inc. | 5,373 |
| 3 | Marathon Petroleum Corp. | 2,646 |
| 4 | Casey's General Stores Inc. | 1,890 |
| 5 | Energy Transfer Partners LP | 1,103 |
| 6 | CST Brands Inc. | 1,080 |
| 7 | The Kroger Company | 799 |
| 8 | QuikTrip Corp. | 719 |
| 9 | ARKO Corp./GPM Investments LLC | 693 |
| 10 | Wawa Inc. | 685 |
| ⋮ | | |
| 50 | Terrible Herbst Inc. | 97 |
| ⋮ | | |
| 100 | Enmark Stations Inc. | 63 |

### 2023 Top 100 Convenience Store Chains

| Rank | Company | # of Stores |
|---|---|---|
| 1 | 7-Eleven Inc. | 12,854 |
| 2 | Alimentation Couche-Tard Inc. | 7,008 |
| 3 | Casey's General Stores Inc. | 2,470 |
| 4 | Murphy USA Inc. | 1,712 |
| 5 | EG America | 1,682 |
| 6 | ARKO Corp./GPM Investments LLC | 1,404 |
| 7 | BP America Inc./ Thorntons | 1,224 |
| 8 | ExtraMile Convenience Stores | 1,037 |
| 9 | Wawa Inc. | 988 |
| 10 | QuikTrip Corp. | 963 |
| ⋮ | | |
| 50 | Mountain Express Oil Company | 166 |
| ⋮ | | |
| 100 | Gate Petroleum Co. | 72 |

Source: Convenience Store News Top 100

# Accelerated Depreciation – Valuation Impacts

## Initial Impact on M&A

- The Tax Cuts & Jobs Act ("TCJA") was signed in 2017. TCJA introduced several tax law changes with implications for Downstream Energy M&A. One significant change made by TCJA was Accelerated Depreciation for capital investments.
- TCJA increased the bonus depreciation available in year 1 from 50% -> 100% and increased the scope of eligible assets.
  - This gave acquiring companies a large tax benefit in year 1, therefore increasing M&A multiples.

## Phase-Out Impact on M&A

- As the TCJA bonus depreciation available in year 1 phases out from 100% -> 0% over the next several years, this will have a negative tax impact on acquiring companies.
- We estimate that the accelerated depreciation phase-out could have a downward influence on M&A multiples of up to **1.7x,** depending on the transaction.
  - The scope of impact will vary for each transaction based on ***(i)*** the taxable income of the acquiring company and ***(ii)*** acquisition size.
  - The downward impact will be greatest in acquisitions made by larger acquiring companies with excess taxable income.

TAX CUTS & JOBS ACT

| Bonus Depreciation Percentage | |
|---|---|
| Pre-2018 | 50% |
| 1/1/18 - 12/31/22 | 100% |
| 1/1/23 - 12/31/23 | 80% |
| 1/1/24 - 12/31/24 | 60% |
| 1/1/25 - 12/31/25 | 40% |
| 1/1/26 - 12/31/26 | 20% |
| 2027 and thereafter | 0% |

# Debt Market Update – Issuance Trends

Recovery in Institutional Loan Issuance Continues – Borrowers Favor Private Credit Markets

## LBOs financed in BSL vs Private Credit Markets

Private Credit = BDCs and Credit Funds

- Willing to provide features and structures unavailable in the syndicated loan market.

Recession-Resistant Portfolios:

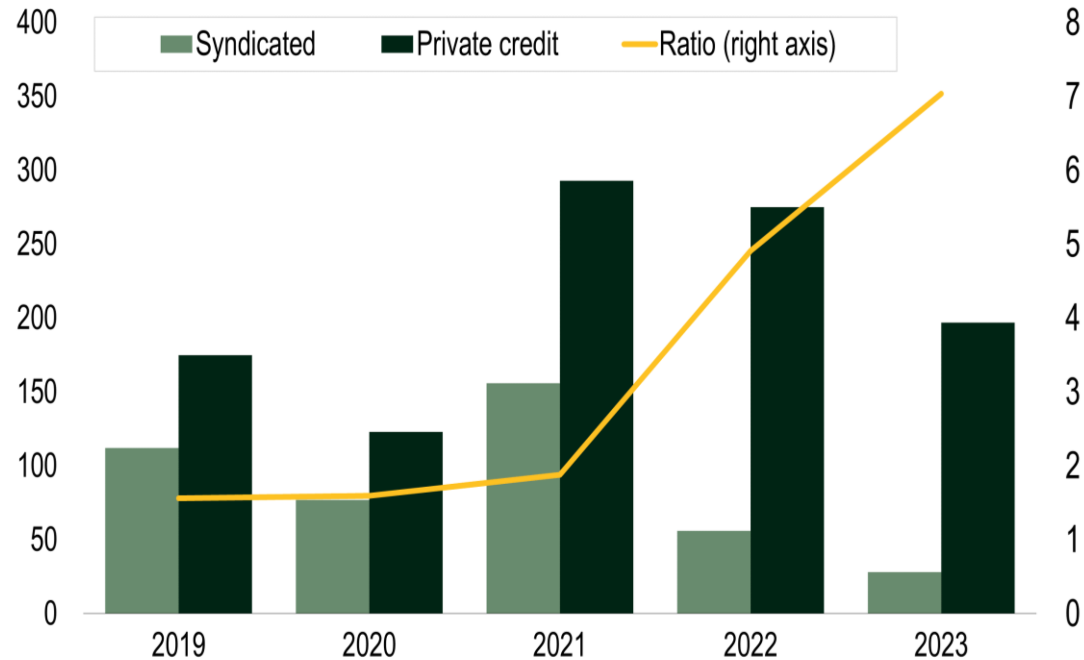
- Remain at the forefront of private credit interest.

Corner Capital Anticipates:

- Increased innovative deal structures and portfolio management opportunities as the private credit market continues to mature.

Outlook in 2024:

- Near-term maturities in the syndicated loan market are expected to drive activity for private credit providers.




**Source**: PitchBook | LCD • Data through Dec. 31, 2023
Private credit count is based on transactions covered by LCD News

Source: PitchBook | LCD

# Debt Market Update – Loan Terms

## All Industries versus Downstream Energy

- The terms in the table below reflect middle-market loan terms across all industries. However, specialty lenders in the Convenience Retail and Wholesale Fuels space have gotten comfortable with the industry's resilience—which has been a contributor to the industries relatively strong deal flow versus other sectors.

| Deal Component | All Industries Jan. 2024 | All Industries Jan. 2023 | Downstream Energy 2023 |
|---|---|---|---|
| **Cash Flow Senior Debt (x EBITDA)** | 3.00x - 4.00x | 3.00x - 4.00x | **5.50x – 6.25x** |
| **Total Debt Limit (Senior + Junior Capital) (x EBITDA)** | 4.00x - 5.50x | 4.00x - 5.50x | *Varies* |
| **Senior Debt Pricing** | Bank: S+3.75% - 5.00%<br>Non-Bank: S+5.00% - 6.00% | Bank: S+3.75% - 5.00%<br>Non-Bank: S+6.00% - 7.50% | **Bank: S+2.00% - 3.00%**<br>Non-Bank: *Varies* |
| **Unitranche & Second Lien Pricing** | S+6.00% - 7.50% | S+6.50% - 8.50% | *Varies* |
| **Subordinated Debt Pricing** | 12.50% - 15.50% | 12.00% - 14.00% | *Varies* |

Source: SPP Capital Partners

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# Headline Roundup: Capital Structure Optimization

*Information as of 4Q 2023*

World Kinect®

**Closing Date:** 6/22/2023

**Offering Size:** $350M

**Maturity:** 2028

**Coupon:** 3.25% / Conversion Premium: 27.5%

**Overview:**

"This transaction diversifies the Company's capital structure while allowing us to reduce interest expense," said Ira M. Birns, Executive Vice President and Chief Financial Officer. "We structured the offering to protect equity investors with the principal amount of the Notes to be paid in cash upon maturity. In addition, dilution upon a conversion of the Notes will be mitigated as a result of the related bond hedge transactions, which increased the effective conversion price of the Notes to approximately $40.14. The conversion price represents a premium of 80% over the closing price of the common stock of $22.30 per share on June 21, 2023, the day that we priced the offering."

**Rationale:**

- World Kinect plans to allocate the funds raised from this offering mainly for general corporate activities. This includes paying off part of the debt under its revolving credit facility, covering the expenses of convertible note hedge transactions, and buying back around 2.24 million shares of its own common stock at a total cost of about $50 million.

**Company Decision:**

- Headquartered in Miami, Florida, World Kinect Corporation engages in the distribution of conventional and renewable liquid fuels, lubricants, electricity, and natural gas, as well as related products and services in the aviation, marine, and land transportation industries in over 200+ countries and territories worldwide.

# Headline Roundup: Credit Challenges

*Information as of 1Q 2023*

MOUNTAIN EXPRESS
OIL COMPANY

- **Mountain Express Files for Chapter 11 Bankruptcy:** The company and its affiliates filed for Chapter 11 bankruptcy protection in the U.S. Bankruptcy Court for the Southern District of Texas March 18, 2023.
- The company said in a press release that it plans a "comprehensive restructuring" and is in "advanced discussions with its secured lenders to obtain debtor-in-possession financing to provide the liquidity necessary to stay in operation".
- According to court filings, Mountain Express owed at least $15M to its creditors, many of which were fuel suppliers with unsecured claims.
- Despite initially attempting to reorganize through Chapter 11 in bankruptcy court, the Company was ultimately forced to liquidate through Chapter 7 due to liquidity issues – no "Debtor-in-Possession" (DIP) financing and vendor/lender pressures.

eG Group

- **EG Group Enters $1.5 Billion Sale-Leaseback Deal with Realty Income Corp:** The British retailer agreed to the sale-leaseback of 415 convenience stores for at 20-year period at a cap rate of **6.9%.**
- Proceeds from the transaction will be used to repay a substantial amount of debt—much of which EG raised during buying sprees over the previous decade.
- A 6.9% cap rate seems relatively attractive given EG's riskier credit profile, but sale-leasebacks may limit future balance sheet flexibility (an opportunity cost rather than an explicit cost).
- To assess the deal's pricing, consider EG's B- "high yield" credit rating versus 7-Eleven's A "investment grade" credit rating. Across all industries, B-rated companies were trading at a spread greater than 400 basis points at the time of the announcement, versus single-A corporates at just 100 basis points.
- Corner Realty (an affiliate of Corner Capital) tracks "sold" vs. "asking" cap rates for 7-Eleven and others. In 2022, the "sold" cap rates in NNN deals for 7-Elevens averaged 4.5%, while the average "ask" for the 7-Eleven NNN transactions on the market today is about ~4.7%.
- That said, we might expect the market to demand about 300bps more in interest per year to compensate for EG's higher credit risk versus a company like 7-Eleven, all else equal. A credit analyst might have expected the cap rate for the deal to be in the mid to high 7% range.

# Headline Roundup: Investor Activism

*Information as of 1Q 2023*

PARKLAND

- **Engine Capital LP Urges Parkland to Explore Strategic Alternatives:** In a letter to Parkland's board, activist investor Engine Capital expressed concerns related to underperformance versus both its retail and refinery peer groups. The activist specifically noted underperformance against Couche-Tard, which trades at an EV / EBITDA multiple of **9.5x** versus Parkland, which trades at **6.5x.** Engine Capital asked the board to take the following actions:
- **1.** Spinoff or sale of non-core assets with the goal of becoming more a focused fuel and convenience retailer.
- **2.** A refresh of the board and addition of directors with convenience merchandising and capital allocation experience.
- **3.** Better align management incentives with shareholder's interest.
- Additionally, the activist suggested the board consider **i)** monetizing or separating the Burnaby refinery and the heating oil and propane distribution businesses, and **ii)** a tax-free spinoff of the refinery and/or the commercial distribution businesses into a separate public company that could optimize its own capital allocation strategy and capital structure.
- Parkland's initial response stated its focus was on "delivering value from the unique and integrated business it has built. The Company is focused on integrating its recent acquisitions, capturing synergies, lowering leverage, and enhancing shareholder returns. The company is also examining opportunities for dispositions where it creates strong returns for the Company's shareholders."

SEVEN&i HOLDINGS

- **ValueAct Capital Renews Pressure on 7-Eleven Parent to Spinoff C-Store Chain:** In a letter, ValueAct said it is disappointed with a recent strategic review conducted by Japan's Seven & I and asked the board why it has not considered either spinning off 7-Eleven or selling the company outright. ValueAct believes the current corporate structure dilutes the benefits of 7-Eleven's financial performance, with the convenience store chain largely responsible for the parent's profits.
- Last year, Seven & I's board (in response to ValueAct) announced it would reevaluate its strategy, which the activist hoped would lead to a restructuring. Instead, ValueAct said the review led to the continuation of the status quo.
- At the end of the first quarter, Seven & I shares were priced at about **$44.97** on the Tokyo Stock Exchange. ValueAct said in its letter that 7-Eleven alone would be worth approximately **$64.59** per share.

Section 3

## Special Report:
## Will CNG Find a Home in the Fuels Business?

Corner Capital

Corner Realty

SPECIAL REPORT: WILL CNG FIND A HOME IN THE FUEL BUSINESS?

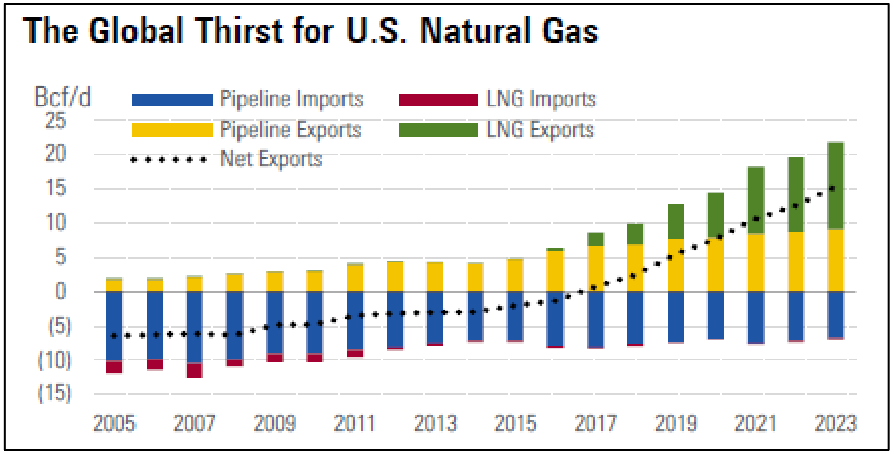
# Global Shift Towards Energy Efficiency

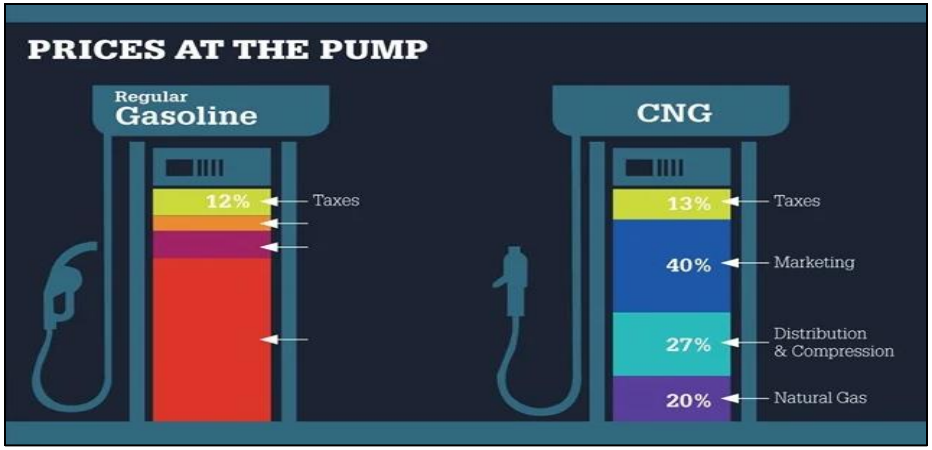
## Industry Evolution & Environmental Impacts

Today's oil and gas industry is in a state of transformation due to pressures to mitigate the environmental impact of operations and businesses. The Paris Agreement and global climate targets play a pivotal role in quantifying the objectives of energy companies to reduce carbon emissions. Consequently, major worldwide energy players are actively investing in cleaner technologies and transitioning from a "fuel supply" focus to a more holistic "energy supply" approach. This collective effort aims to meet shared sustainability standards.

A noteworthy participant in this industry evolution is compressed natural gas (CNG). Produced by compressing natural gas to less than 1% of its volume at standard atmospheric pressure, CNG has emerged as a leading "transition fuel." It has attracted attention as a transportation and operational fuel due to its relative abundance, reduced environmental impact, and cost-effectiveness compared to conventional petroleum fuels (refer to the pump price comparison below).

CNG has been introduced as a fueling option across the energy value chain, with the global CNG market estimated to continue growing at a **CAGR of 8.4%** from 2023 to 2030. In this primer, we focus on CNG's impact and viability in three distinct market sectors: ***(1) Retail Consumer Transportation* *(2)* *Commercial Fleet Operations*** and ***(3) Oilfield Services.***




Source: Rystad, Energy Information Administration. Data as of Sept. 2, 2022 ; Vectorstock.com

# CNG: Consumer Transportation

CNG is a popular alternative fuel for vehicles that is gaining traction due to its environmental and economic benefits. CNG is a clean-burning fuel that produces lower emissions than traditional gasoline or diesel, and it can also be less expensive to use. Nevertheless, there are distinct pros and cons associated with the usage of CNG as a fuel for passenger vehicles, which are explored in detail below:

| Pros | |
|---|---|
| **Environmentally Friendly** | CNG is a cleaner fuel, emitting 90-97% less carbon monoxide and 35-60% less nitrogen oxides compared to traditional gasoline or diesel. |
| **Cost-Effective** | On average, natural gas costs approximately 30% less than diesel or gasoline per gallon at the pump. Despite variations based on location and supply, CNG is frequently significantly cheaper than traditional fuels. |
| **Lower Maintenance** | As a cleaner fuel than traditional options, compressed natural gas reduces wear and tear on vehicles, leading to extended engine and parts lifetimes. |
| **Energy Independence** | Abundant domestic natural gas in the United States makes CNG vehicle adoption crucial for enhancing energy independence and decreasing reliance on imported oil. |
| **Hybrid Flexibility** | Hybrid options and conversion kits enable vehicles to run on both CNG and gasoline, which can mitigate CNG's limited fuel efficiency when traveling long distances. |

| Cons | |
|---|---|
| **Limited Range** | CNG is 3.5 times less energy-dense than gasoline, requiring a larger volume to produce the same amount of energy. This reduced fuel efficiency can lead to range anxiety during long journeys. |
| **Limited Infrastructure** | Compounding the limited range of CNG vehicles, the current availability of CNG fueling stations is significantly lower than that of traditional gas stations, leaving many areas in the United States without CNG stations for hundreds of miles. |
| **High Upfront Costs** | CNG vehicles may cost more than traditional gasoline or diesel counterparts due to their complexity and the need for specialized components like high-pressure fuel tanks, fuel injectors, and regulators. |
| **Reduced Performance** | CNG's limited fuel efficiency results in less power and acceleration when compared with traditional gasoline and diesel vehicles, which may discourage certain consumer demographics. |
| **Tank Size** | The larger size of CNG tanks compared to gasoline and diesel tanks means reduced storage area for luggage and cargo. |

# CNG: Commercial Fleet Applications

Several large companies and organizations across the United States and worldwide have made significant capital investments into CNG-powered vehicles and infrastructure to support their operations.

Whether it be publicly-traded corporations or local utility service providers, decision makers and stakeholders have recognized the value of CNG and its commercial applications.

The table to the right provides a summary of some of the more notable CNG investments made by large organizations over the past several years.

As illustrated in the table, some of the more successful commercial applications of CNG are within the freight delivery, local transportation, and municipal services sectors.

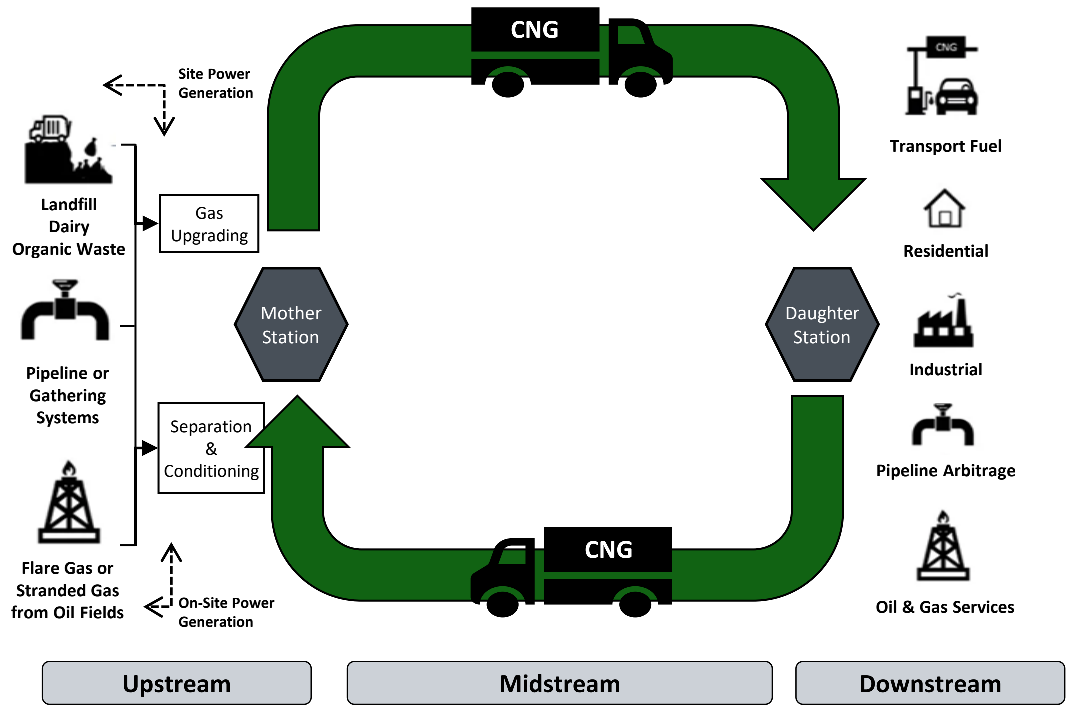
| Organization | CNG Investment |
|---|---|
| Metro | ***LA Metro*** operates the nation's largest fleet of CNG-powered transit buses, utilizing 2,250 buses to transport civilians across the Los Angeles Metroplex. |
| UPS | ***UPS*** invested $450 million in 2019 to purchase 6,000 CNG-fueled trucks. The Company operates a network of 61 CNG fueling stations throughout the United States, Canada, and the United Kingdom. |
| WM | ***Waste Management*** has spent roughly $3 billion on CNG vehicles and related infrastructure, now operating North America's largest CNG-fueled refuse fleet with over 8,400 trucks in operation supported by a network of 137 CNG fueling stations. |
| DFW | ***DFW International Airport*** first adopted natural gas-powered vehicles in 1994, and currently has 350 alternative fuel vehicles in its fleet, including shuttle and transit services. As a result, the airport has reduced their petroleum usage by 3 million gallons annually. |
| Republic Services | ***Republic Services*** operates a fleet of more than 2,500 CNG vehicles supported by 38 CNG fueling stations nationwide. More than 73% of the Company's fleet is powered by CNG, saving roughly 26 million gallons of diesel fuel annually. |
| SD | ***The San Diego Environmental Services Department*** switched its entire fleet of refuse and recycling trucks from diesel fuel to CNG from 2017-2022. The city's fueling infrastructure consists of thirteen CNG stations that can each fuel two vehicles at a time. |
| FedEx | ***FedEx*** purchased 100 CNG-powered trucks to support their 2016 construction of a large-scale CNG fueling facility in Oklahoma City. The facility has both fast-fill and time-fill fueling zones and dispenses approximately 2.5 million gallon equivalents (GGEs) per year. |
| amazon | ***Amazon*** ordered over 1,000 CNG-powered trucks in late 2021 to support its European delivery fleet. The company continued their CNG investment in 2022, partnering with Clean Energy Fuels Corp. on a CNG-fueling station in the greater Chicago area. |

SPECIAL REPORT: WILL CNG FIND A HOME IN THE FUEL BUSINESS?

# CNG: Oilfield Services & Virtual Pipelines

As Major Oil companies shift their strategies to align with sustainability and environmental stewardship targets, oilfield service companies and fuel suppliers must follow suit and provide service/product offerings that meet their customers' demands. While upfront investment and operational expertise is required, the long-term economics and viability of CNG in the oil patch appear favorable.

We previously discussed the environmental and economic benefits of CNG compared to traditional fossil fuels in consumer and commercial transportation applications, and the story is quite similar in the oilfield services sector. In addition to the significant emission reductions, CNG is also historically cheaper to use as an oilfield fuel compared to gasoline and diesel. Since there is no "rack price" associated with CNG, the supply cost is equivalent to the marginal gas supply cost in each region. For regions with substantial natural gas deposits and production (i.e., the Permian Basin and Marsellus Shale), this cost is often economically competitive with gasoline and diesel prices. In fact, over the past few years CNG has been between $1.00-$1.50 cheaper than gasoline and diesel on a gallon equivalent basis.




The CNG supply infrastructure has evolved and matured favorably in recent years with the proliferation of ***"Virtual Pipelines"***, a clean energy infrastructure model that connects industrial facilities, institutions, and municipalities to the natural gas pipeline through a network of pipeline terminals, trucks, and on-site decompression stations. Virtual pipelines negate the need for customers to connect to natural gas grids, providing a customizable supply based on demand. For the oilfield, a virtual CNG pipeline provides a solution in areas where infrastructure constraints limit access to conditioned natural gas.

Furthermore, CNG is secure and less likely to have catastrophic impacts. It is stored in high-gauge cylinders which have a minimal probability of leakage, and even in the event of a spill, the gas would simply rise and mix with the atmosphere because it is lighter than air.

# Fueling the Oilfield: CNG vs. Diesel

At the beginning of the decade, drilling and hydraulic fracturing operations were overwhelmingly powered by diesel-driven equipment, and the fluctuating commodity costs were passed from supplier to service provider to operator. Recently, operations powered by dual-fuel or natural gas-powered equipment have become more widespread and this evolution has delivered economies of scale and a developing infrastructure for CNG fuel supply to displace diesel in the oilfield. The table below outlines some advantages CNG has compared to diesel as an oilfield fuel, particularly in frac operations.

| Oilfield Fuel Consideration | CNG Advantage |
|---|---|
| Scalability | **The systems making up the CNG value chain are flexible and mobile.** Capacity can be scaled as production volumes vary over time. Additionally, gas treatment units and compression systems are modular and easy to transport between job sites. |
| Sourcing and Logistics | **CNG is unfettered by domestic refining capacity and transported more cheaply than diesel.** CNG is most economical when transport distances are relatively short as freight is the largest cost component. Utilizing field gas from existing production that would otherwise be flared can create substantial cost savings. |
| Cost Structure | **Fuel cost arbitrage has made CNG an economical alternative to diesel.** Each mcf of gas can displace about eight gallons of diesel. It is estimated that OFS companies can realize annual savings of $20 million by utilizing CNG in place of diesel for frac operations. |
| Thermal Efficiency | **CNG has a relatively higher coefficient of performance than diesel.** Most diesel engines driving frac pumps have a thermal efficiency ~36%, meaning they only harness a third of the fuel's potential. Conversely; several natural gas engine configurations currently being utilized have a thermal efficiency of ~45%. |
| Fuel Conditioning | **Composition of associated field gas determines level of treatment required to use as fuel.** Field gas composition varies across production areas and must be properly conditioned to use as fuel. Advances in utilizing field gas supports the monetization of stranded gas that would otherwise be flared. |
| Environmental Impact | **CNG is a “Cleaner/Greener” alternative to diesel.** Significant greenhouse gas emission reductions can be achieved by utilizing natural gas engines in place of diesel engines, with carbon dioxide reduced by 20%-30%, carbon monoxide reduced by 70%-90%, and nitrogen oxides reduced by 75%-95%. |

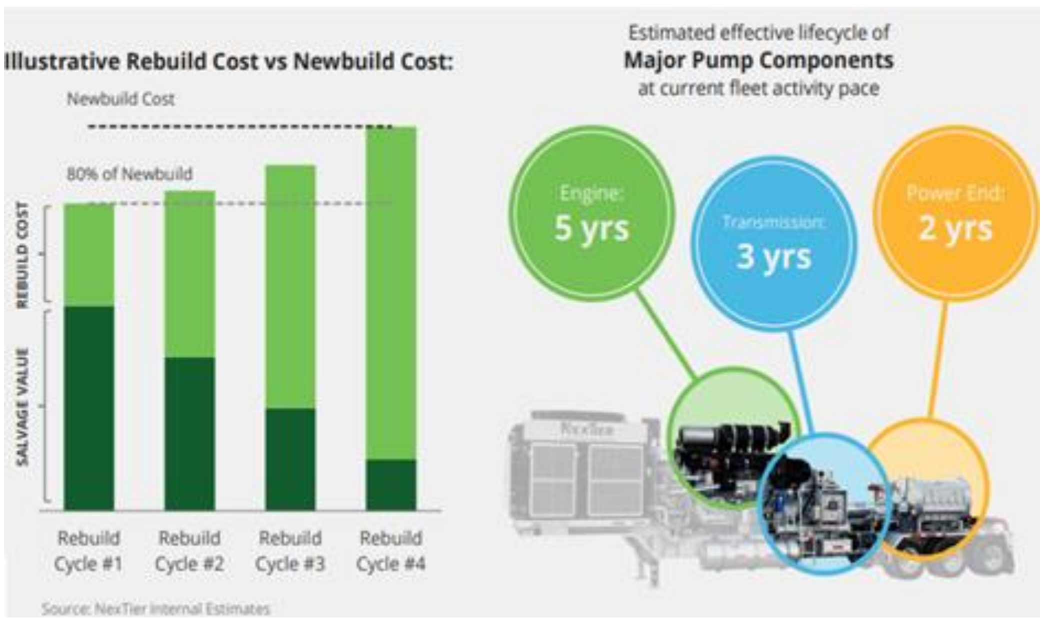
SPECIAL REPORT: WILL CNG FIND A HOME IN THE FUEL BUSINESS?

# The Frac Evolution: Dual-Fuel and Electric Fleets

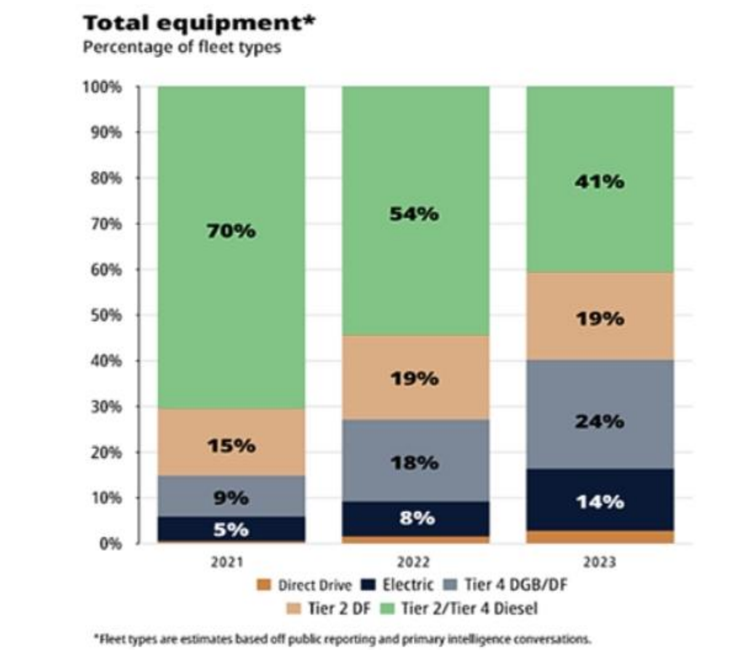
Inflation pressures and increased pumping pressure requirements are changing the way OFS companies approach fleet management. Whereas historically companies would simply refurbish their legacy diesel-driven equipment, current market dynamics are making investments in newbuilds an attractive alternative. With supply chain issues and decreasing salvage values, OFS companies are incentivized to invest in newbuild models or convert existing diesel fleets to Tier 2/Tier 4 dynamic gas blending ("DGB") and dual-fuel ("DF") fleets, which can utilize both diesel and CNG as fuel sources.

The demographic composition of the U.S. frac fleet population looks much different today than it did even 2 years ago-with natural gas-powered fleets occupying a larger percentage as they continue to displace legacy diesel-powered fleets. As technology improves and economies of scale bring cost efficiencies, natural-gas powered fleets should continue to take an increasing share of the market alongside fully electric fleets. At current newbuild replacement pace, diesel fleets could potentially be meaningfully displaced as the base fracking fleet by 2030. In the future, diesel fleets may be utilized for single well pads and recompletions, while multi-well pads with high pressure requirements will be handled by fuel-efficient fleets.

## Overall Cost & Effective Timelines




## Equipment Utilization Over Time




(Source: Rystad Energy ShaleWellCube, Rystad Energy research and analysis)

# Conclusions on CNG Adoption

As we have discussed in this primer, CNG has experienced notable growth as an alternative to traditional fueling options such as gasoline and diesel. Nevertheless, its applications and economic viability vary by industry and end-user demographics, with certain markets appearing to be a more fitting home for CNG compared to others. Below we summarize our conclusions on CNG adoption across different market sectors:

| Market Sector | Conclusions on CNG Adoption |
|---|---|
| **Retail Consumer Transportation** | Several large companies have made significant investments into building out CNG-fueling infrastructure for consumer vehicles (notably Love's investment in Trillium CNG). Despite the cost advantages and environmental benefits that CNG provides, the alternative fuel's drawbacks (limited range, high upfront costs, and reduced vehicle performance) seem to be more impactful to consumers, as gasoline-powered vehicles still own a commanding percentage of the market. |
| **Commercial Fleet Operations** | Commercial CNG vehicles have proliferated nationwide, from rural America to the major metropolitan cities. Compared to consumer transportation, commercial CNG applications seem to have more traction and attract capital investment from large organizations (both corporate and governmental). So far, the most popular and successful uses of CNG in the commercial space have been for courier services and municipal services (public transportation, waste management, etc.) Perhaps the "essential" nature of these sectors, as well as the tax-based funding of many municipalities, has contributed to the success of CNG adoption in these areas. |
| **Oilfield Services** | In recent years, there has been a gradual shift in strategy amongst energy companies in terms of how they approach their operations. While profitability and cost management remain key focus areas, these companies are prioritizing  environmental stewardship and sustainability as core operating principles. In today’s energy environment, carbon footprint implications are considered key elements of capital budgets and balanced scorecards. We expect this shift to continue to accelerate, particularly in the frac and completions segment, where diesel is being gradually displaced by CNG as the preferred fuel in the oilfield. |

Section 4

# Retail Real Estate – 2023 Review & 2024 Outlook

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## 2023 In Review – Net Lease Market

Rapidly rising interest rates, persistently high inflation, tight credit conditions and volatility in capital markets led to a steep reduction in commercial real estate transaction activity throughout 2023. The net lease market, which accounts for 11% of all commercial real estate, saw a 55% YoY decline in transaction volume. Here are some of the key trends, headwinds & highlights we faced throughout 2023:

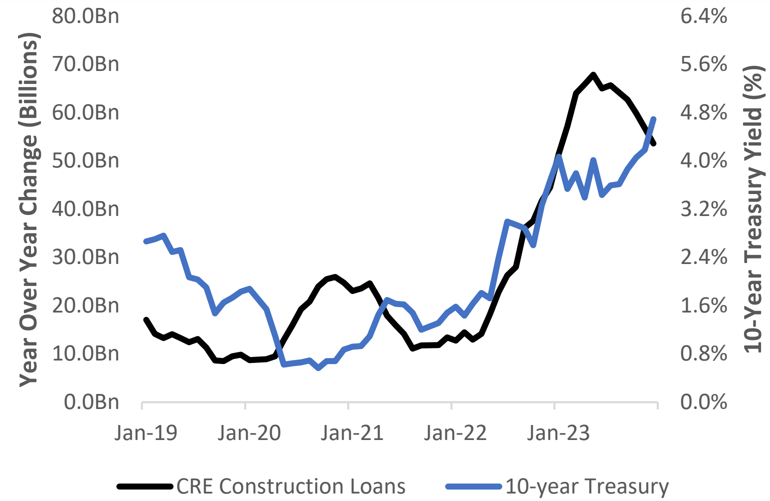
### Alternative Sources of Growth Capital

- As seen on the following chart, operators, distributors & developers halted their new construction development pipelines. Elevated inflation, high cost of capital, strict regulations & delayed development plans were to blame.

Alternatively, they sought after growth using the following strategies:

- 1) **Strategic Acquisitions**: many operators & fuel distributors turned to M&A to continue growth, improve synergies & capitalize on distressed opportunities. In addition to expanding into new markets via acquisitions, many operators focused on 'bolt-on' acquisitions to bolster their presence in existing markets during 2023.
- 2) **Opportunistic Financing**: the relative shortage of cheap capital has driven investors to private equity sponsors, joint venture partners & other creative partnerships to support growth.
- 3) **Sale Leasebacks**: operators & wholesalers increasingly turned to sale leasebacks as a way to increase liquidity amid higher borrowing costs and tighter credit conditions.

### New Construction Loans Issued vs. 10-Year Treasury




### Real Estate Developers Pump the Brakes

- **Buyside Challenges:** After a historically strong market in 2022, real estate investors faced expensive debt, lower depreciation benefits & relatively attractive risk-free rates of return – i.e. U.S. Treasuries.
- **Sellside Challenges:** Lack of buyer-demand led to an over-supply of properties on the market. This backlog of inventory caused many Sellers to reduce asking prices, pause new development projects or wait for the market to return to pre-2023 levels.

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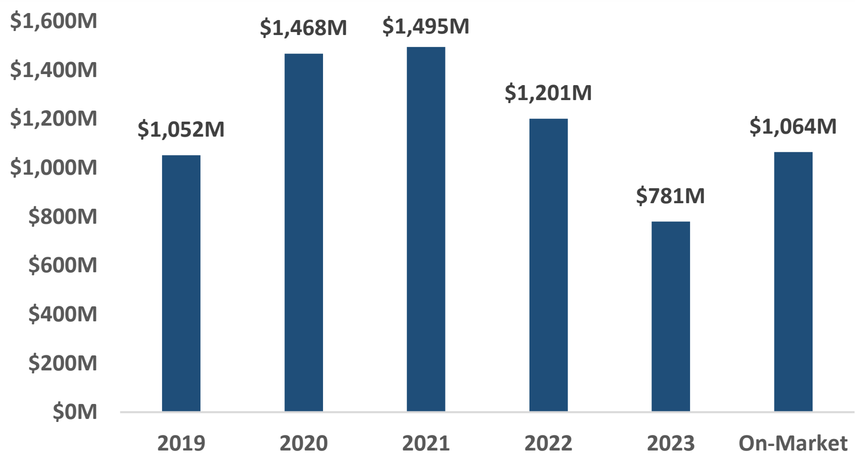
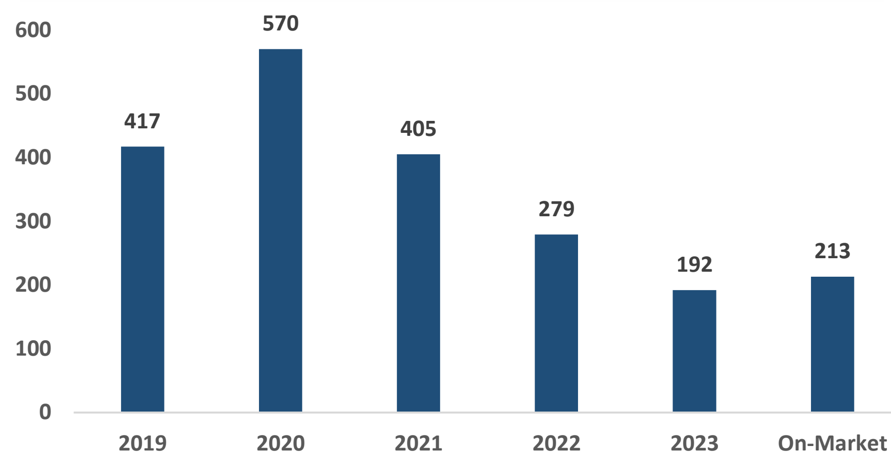
# Net Lease Market – Historical Transaction Volume

The net lease market for c-stores has seen consistent growth in recent years as the market continues to consolidate. 7-Eleven continues to lead the market in terms of net lease transaction volume nationwide. Notably, all major tenants within downstream energy saw a decrease in 2023 transaction volume and have an oversupply of properties currently on-market.

## Total Transaction Volume ($)




## Total # of Transactions




**Transaction Volume**

| | 7-Eleven | Circle K | Wawa | QuikTrip | Sheetz | Murphy USA | Kum & Go | TOTAL |
|---|---|---|---|---|---|---|---|---|
| **On-Market** | $655M | $108M | $159M | $23M | $33M | $34M | $53M | $1,064M |
| **2023** | $466M | $128M | $127M | $21M | $6M | $20M | $13M | $781M |
| **2022** | $713M | $114M | $114M | $71M | $24M | $13M | $152M | $1,201M |
| **2021** | $769M | $115M | $261M | $101M | $27M | $30M | $190M | $1,495M |
| **2020** | $867M | $140M | $218M | $20M | $33M | $18M | $170M | $1,468M |
| **2019** | $479M | $88M | $217M | $104M | $21M | $11M | $133M | $1,052M |

**# of Transactions**

| | 7-Eleven | Circle K | Wawa | QuikTrip | Sheetz | Murphy USA | Kum & Go | TOTAL |
|---|---|---|---|---|---|---|---|---|
| **On-Market** | 116 | 31 | 28 | 4 | 9 | 12 | 13 | 213 |
| **2023** | 107 | 40 | 24 | 7 | 3 | 7 | 4 | 192 |
| **2022** | 156 | 41 | 20 | 16 | 6 | 8 | 32 | 279 |
| **2021** | 220 | 46 | 40 | 33 | 10 | 15 | 41 | 405 |
| **2020** | 339 | 102 | 39 | 23 | 13 | 11 | 43 | 570 |
| **2019** | 215 | 71 | 48 | 31 | 9 | 8 | 35 | 417 |

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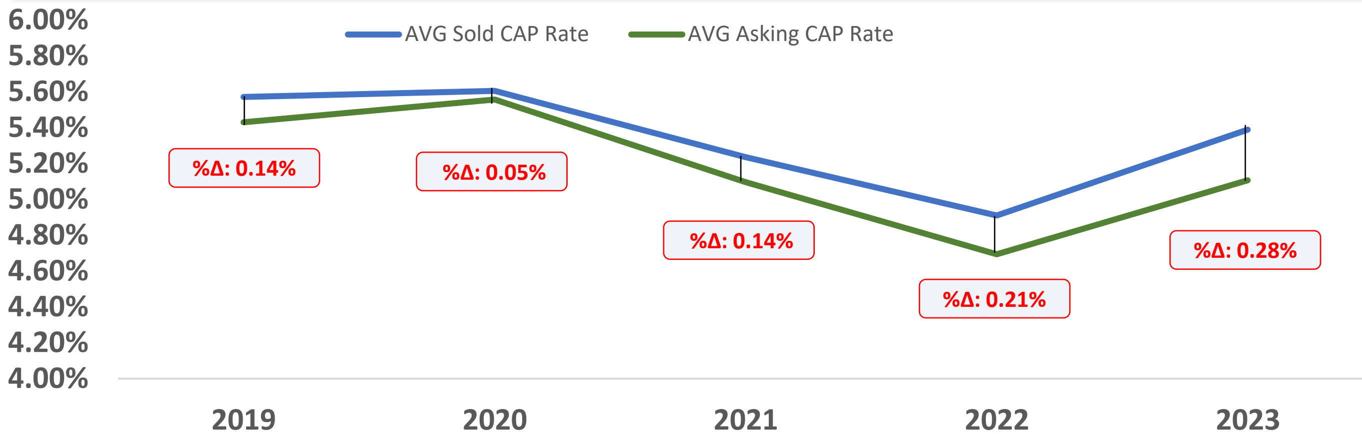
# Net Lease Market – Historical CAP Rates By Tenant

2023 marked the end of a historic bull market for the net lease sector in downstream energy. The bid-ask spread for CAP rates continued to widen – on average, 28 basis points – as Buyers faced costly debt & Sellers hung on to pre-2023 pricing expectations.

- In 2023, 7-Eleven, which serves as a benchmark for the rest of the net lease c-store sector, saw CAP rates increase 30 basis points YoY to 5.16%.
- At the start of 2024, there were $655M worth of 7-Elevens on the market with an average asking CAP rate of 5.17%.

## Spreads Between Asking vs. Sold CAP Rates




| Average Sold CAP Rate | 7-Eleven | Circle K | Wawa | QuikTrip | Sheetz | Murphy USA | Kum & Go | Average |
|---|---|---|---|---|---|---|---|---|
| On-Market | - | - | - | - | - | - | - | - |
| 2023 | 5.16% | 5.80% | 5.10% | 5.71% | 5.53% | 4.97% | 5.45% | 5.39% |
| 2022 | 4.60% | 5.67% | 4.41% | 4.86% | 5.21% | 4.26% | 5.36% | 4.91% |
| 2021 | 4.77% | 5.81% | 4.62% | 6.02% | 5.38% | 4.49% | 5.56% | 5.24% |
| 2020 | 5.10% | 6.62% | 4.79% | 5.89% | 5.80% | 5.16% | 5.87% | 5.60% |
| 2019 | 5.32% | 5.72% | 4.75% | 6.84% | 5.25% | 5.17% | 5.95% | 5.57% |

| Average Asking CAP Rate | 7-Eleven | Circle K | Wawa | QuikTrip | Sheetz | Murphy USA | Kum & Go | Average |
|---|---|---|---|---|---|---|---|---|
| On-Market | 5.17% | 5.55% | 4.75% | 5.38% | 5.18% | 4.97% | 5.59% | 5.23% |
| 2023 | 4.86% | 5.29% | 4.68% | 5.38% | 5.20% | 4.55% | 5.80% | 5.11% |
| 2022 | 4.39% | 5.48% | 4.24% | 4.71% | 4.65% | 4.17% | 5.22% | 4.69% |
| 2021 | 4.63% | 6.07% | 4.53% | 5.26% | 5.04% | 4.44% | 5.69% | 5.09% |
| 2020 | 5.01% | 6.50% | 4.59% | 5.62% | 5.02% | 6.16% | 5.99% | 5.56% |
| 2019 | 5.05% | 5.81% | 4.71% | 5.90% | 5.33% | 5.07% | 6.15% | 5.43% |

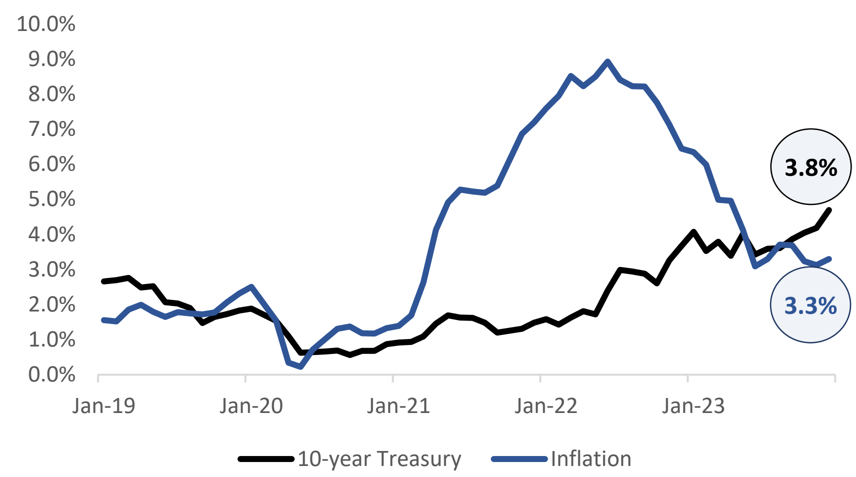
# Looking Ahead to 2024 – Net Lease Market

After a turbulent market in 2023, we enter 2024 with a cautiously optimistic outlook. A record amount of uninvested capital patiently remains on the sidelines, while the net lease market struggles to find price discovery & address supply-demand imbalances. We look forward to helping our clients identify opportunities & invest strategically as we navigate through 2024.

## Dry Powder on the Sidelines

- For the net lease market, one of 2023's biggest headwinds could prove to be 2024's biggest tailwind: U.S. Treasuries.
- After 11 interest rate hikes since 2022, CAP rates & 'risk-free' returns have risen in lockstep. Many investors remained on the sidelines in 2023 and eagerly await an opportunity to resume acquisitions.
- If inflation normalizes & the Fed cuts interest rates in 2024, we expect the net lease & sale leaseback market to be reinvigorated by institutional capital that's been parked on the sidelines.

## Inflation vs. 10-Year Treasury




## 2024 Outlook: New Construction Projects

- The Federal Reserve's signaling for upcoming interest rate cuts would be welcomed by real estate developers and sellers throughout 2024.
- After a steep decline in new construction projects & transaction volume in 2023, we expect construction costs to decrease as inflation normalizes & developers' risk-appetite improves.

## Net Lease Supply & Demand Challenges

- Unless real estate prices decline sharply, the net lease market will face an overwhelming 'backlog' of inventory that never sold during 2023. Until then, spreads between Sellers' asking CAP rates & Buyers' demand will drive a continued slump in transaction volume.
- Decreased bonus depreciation – 60% in 2024 vs. 80% in 2023 – should dampen demand for net lease convenience store assets as well.

Section 5

# 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

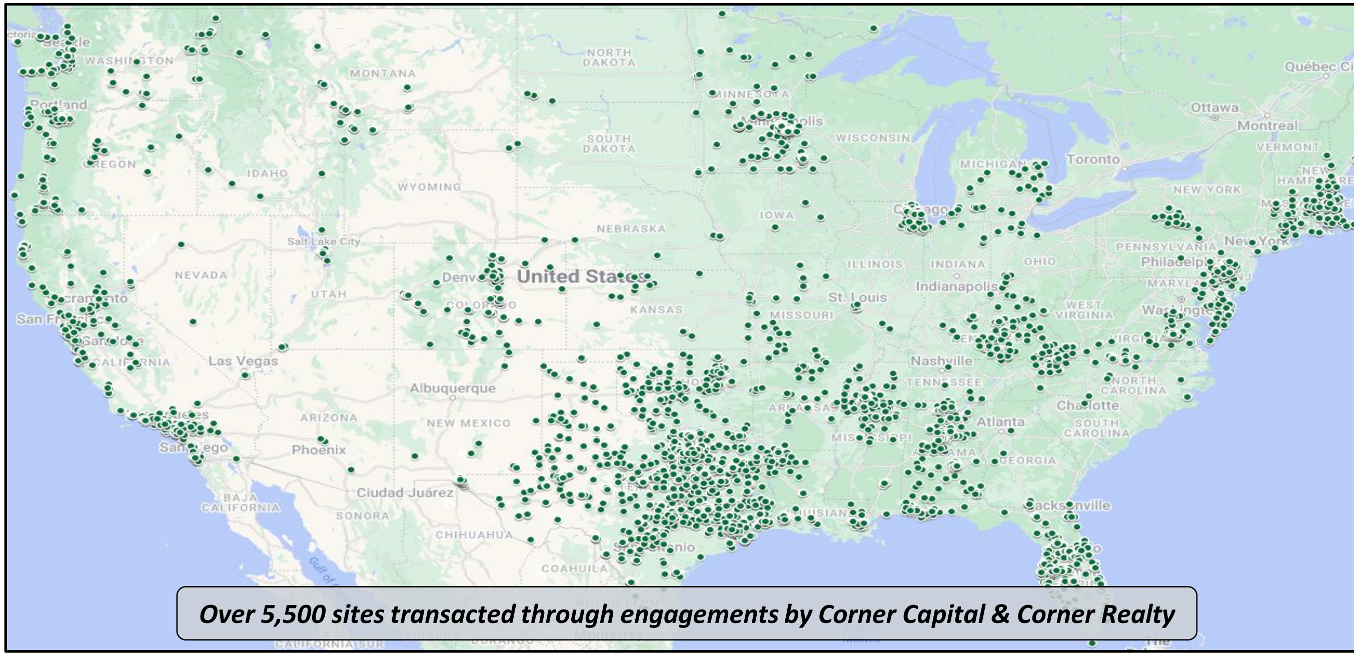


# About Corner Capital & Corner Realty

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

Corner Capital
Energy. Capital. Advisory.

Corner Realty




**Sample Transactions**

| | | | |
|---|---|---|---|
| Sale of Wag-A-Bag to Refuel | Sale of Story Distributing to PKI | Sale of Tiger Tote to Circle K | Sale of Herndon Oil to Tristar Energy |
| Sale of Brenco & Denny Oil to SUN | Sale of LavigneBaker | Sale of Classic Star & Ziptron | Sale of Morgan Oil to Majors |

Panjwani Energy's purchase of Casey's Houston Assets

# 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 OVERVIEW & SERVICES

# Corner Capital Service Lines

Tailored Structures and Processes to Achieve your Financial and Business Goals

- 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.

| | |
|---|---|
| **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. |

Corner Capital

Corner Realty

## 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.

CORNER CAPITAL OVERVIEW & SERVICES

# M&A Process – Illustrative Timeline

Estimated Project Completion – 5 to 6 Months(1)

| 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

Corner Capital

Corner Realty

CORNER CAPITAL OVERVIEW & SERVICES

# 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.

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**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.

Corner Capital

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## 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.



# Corner Capital 2024 Active Client Demographics

Live Projects Across the Country means Real-Time Market Feedback

**Rockies**

1 Active Project: M&A

Trade Channel: Commercial

**Midwest & Northeast**

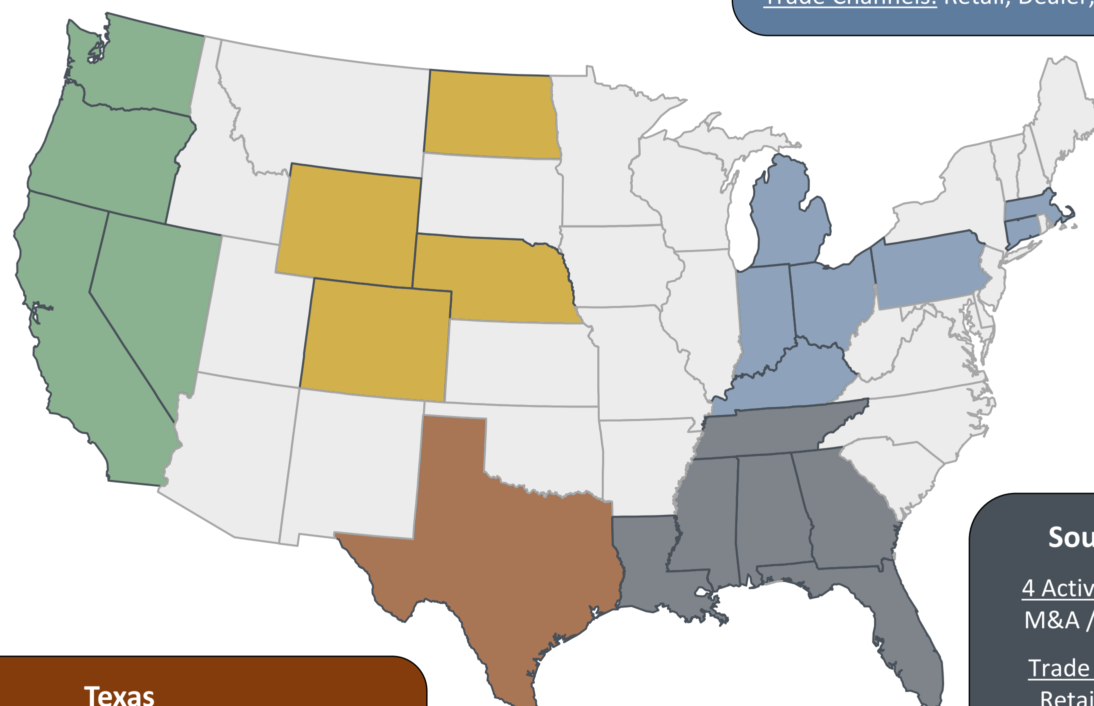
1 Active, & 2 Recently Closed Projects: M&A / Valuation, Debt Raise / Recap

Trade Channels: Retail, Dealer, Commercial

**West Coast**

3 Active Projects: Valuation / M&A

Trade Channels: Retail, Dealer, Carwash, Transport



**Southeast**

4 Active Projects: M&A / Valuation

Trade Channels: Retail, Dealer, Commercial

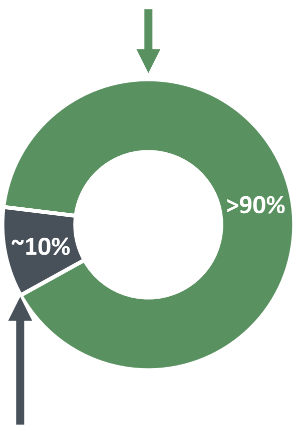
**Texas**

4 Active Projects: M&A and Debt Raise / Recapitalization

Trade Channels: Retail, Dealer, Commercial, Lubes

### 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

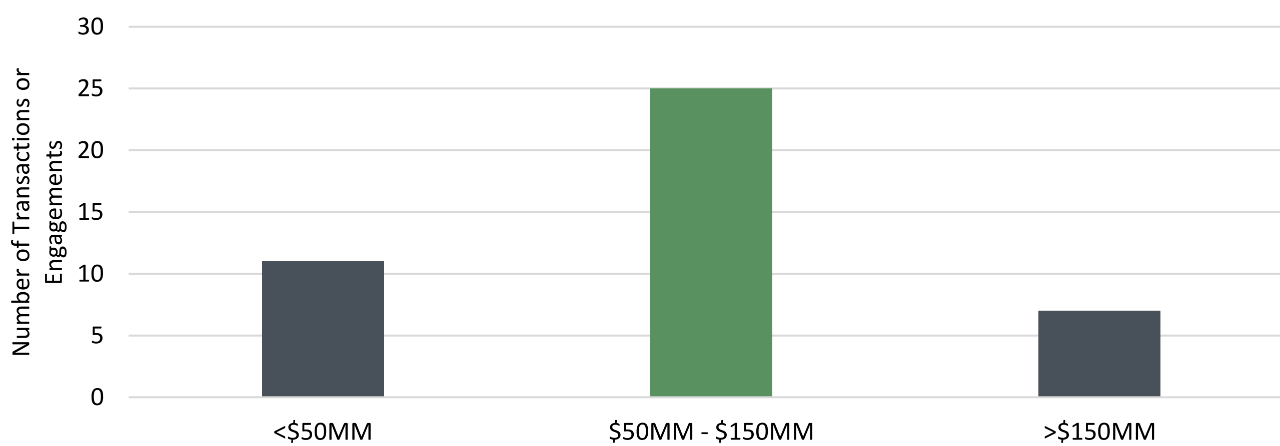
**17** Years of Transaction Experience

**45** Clients and Transactions Across 45 States

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

**60+** Transactions and Engagements Closed Over the Past 5 Years

**Corner Capital Clients by Enterprise Value (Last 5 Years)**



# Investment Banking Team

Corner Capital Investment Bankers have a Combined 175+ Years of Experience

## Project Leads

**Andy Weber**

Founder

*More than **30** 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

***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

***25+** years of industry and M&A experience*

*Previous leadership roles in several business units at Shell including Wholesale, Lubricants, Corporate Mergers & Acquisitions, Shell Joint Ventures, and company-operated retail assets.*

**Sean Stewart, CFA**

Director

***10** years of capital markets experience, and 3 years of industry experience.*

*Previous experience includes a convertible arbitrage hedge fund. Analyzed & valued new convertible debt issues, along with hedging / arbitrage strategies.*

## Project Management

**Barton Taylor**

Associate

**Ben Achilles**

Senior Analyst

**Nick Stricker**

Analyst

## Relationship Management

**Don Mitchell**

Senior Vice President

*30+ years at ExxonMobil*

**Rob Thomas**

Senior Vice President

*34 years at Shell & Motiva*

# Select Transactions and Engagements

## Mergers & Acquisitions

| | | | |
|---|---|---|---|
| American Natural | Sold to | Giant Oil Inc. | *December 2023* |
| Sun Pacific Energy | Sold to | Jackson Energy | *December 2023* |
| Leathers Enterprises | 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. | Sold to | Texas Enterprises, Inc. | *April 2022* |
| Laurel Oil, LLC | 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 | Brad Hall Fuel | *October 2021* |
| Herndon Oil Company | Sold to | Tri Star Energy | *September 2021* |
| Wag-A-Bag, LLC | Sold to | Refuel | *June 2021* |
| Story Distributing Co. | Sold to | Parkland | *February 2021* |
| Acorn Markets, Inc. & Putnam Co. | Sold to | United Refining Company | *December 2020* |
| Nimocks Oil Co., Inc. | | Jordan's | *February 2020* |
| McPherson Dealer Business | Sold to | Majors Management | *February 2020* |
| Brenco Marketing | Sold to | Sunoco | *October 2018* |
| Denny Oil Co. | Sold to | Sunoco | *October 2016* |
| LavigneBaker's New Orleans Assets | Sold to | 7-Eleven | *November 2006* |

## Financing, Restructuring, & Capital Advisory

| | | |
|---|---|---|
| Kim's C-Stores / Cole Distributing | Refi & Cap Structure Optimization | *May 2023* |
| Estepp Energy, LLC | Senior Term Loan, DLOC, Revolver | *December 2022* |
| S & S Fuel Holdings | Refinanced Senior-Term and Mezz Debt | *January 2016* |
| Anabi Holdings | Restructuring | *December 2012* |
| La Lomita | Senior Term Loan, DLOC, Revolver | *November 2012* |
| ASAP Energy | Senior Term Loan, DLOC, Revolver | *June 2014* |
| Appco | Ch. 11 / M&A | *2008-2009* |
| ER Energy Propane | Restructuring / M&A | *June 2018* |

## Special Projects & Strategic Advisory

| | | |
|---|---|---|
| ExxonMobil | Special Project | *Ongoing* |
| Shell | Special Project | *Ongoing* |
| 7-Eleven | Special Project | *Spring 2022* |
| Sunoco | Special Project | *2018-2019* |
| Andretti Group | Strategic Advisory | *Spring 2022* |
| H&S Energy | Strategic Advisory | *Summer 2022* |
| Jackson Energy | Strategic Advisory | *Winter 2021* |
| Marathon | Strategic Advisory | *2017* |
| Cross America | Strategic Advisory | *2018-2021* |
| McCullough Oil | Special Project | *Spring 2023* |

Corner Capital

Corner Realty

Section 6

# Corner Realty Overview & Services

Corner Capital

Corner Realty

## CORNER REALTY OVERVIEW & SERVICES

# Service Line Overview

Dedicated Brokers with Decades of Experience in Retail Portfolio Management

- 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 accelerated processes for larger portfolio divestitures to individual buyer/operators.

| | |
|---|---|
| **Accelerated Sale Projects** | Our buyer 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 accelerated divestitures for large portfolios in a single-site format to optimize proceeds. |
| **Single Site Transactions** | Working with chain retailers and individual owner/operators, our brokers can swiftly move sites to independent operators, investors, and “out of industry” acquirers through our nationwide network and database. Sites can be sold confidentially or heavily marketed through traditional methods through our website and our relationships. |
| **Net Lease Investor Sales** | Our specialist brokers have deep access to nationwide investors seeking Net Lease sites (property purchase subject to a long-term lease) to monetize real estate assets subject to cap rate and lease terms negotiated through the process. |
| **Sale Leasebacks for Redeployment** | 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 operators’ long-term growth strategy. |
| Corner Capital<br>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. |

# How We Help C-Store Operators

- We offer a range of real estate services to business owners. Our services include underwriting your current real estate holdings to show you values on the sale/leaseback market, analyzing your business P&L's to produce a sustainable rent factor, and structuring the lease yield the best marketing pricing. We also help you approach your landlords and get pricing on the sale of the real estate for stores you lease. We use market conditions to potentially restructure your lease and lower your occupancy cost by purchasing and re-selling the real estate on the Sale Leaseback market. Additionally, we can help you find business and real estate sellers through our prospecting. These are great opportunities to discover conversion projects or acquire new business. There is value creation in separating the real estate and converting it to net lease assets, which can in turn fund your business acquisitions. If you are interested in developing new stores, our network can match you with our build-to-suit developer partners that will assist you in site selection, budgeting, construction, and finance the entire project.

## Client Profiles

**Existing Assets – Valuations & Strategic Support**

**Leased Property – Negotiations & Restructuring**

Dealer Network Programs

Convenience Retail

**Owner Acquisitions – Uncover & Securing Opportunity**

**Build-to-Suit Development – From Start to Finish**


Quick Service Restaurants

Travel Centers/ Truck Stops

Corner Capital

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- We drive growth for operators, jobbers, and developers by sourcing and closing on investor-driven appetite for your real estate. 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.



# Net Lease / Sale Leaseback

## 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 to rise, 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

**Public & Private REIT's**

**Private Equity & Family Offices**

**Individual Investors**

**1031 Exchange Market**

# Retail Real Estate Team

Corner Realty Principals bring over 150 years of direct industry experience in Downstream Energy Transactions.

## Principals

**Andy Weber**

Founder

*More than **30** 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

***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.*

## Real Estate Advisory Team

**Will Hartshorn**

Real Estate Acquisitions & Dispositions

**Lennard Keswani**

Analyst

## Buyer Relationship Management

**Juan Kemp**

Managing Director

*27 years at Shell*

**Don Mitchell**

Senior Vice President

*30+ years at ExxonMobil*

**Rob Thomas**

Senior Vice President

*34 years at Shell & Motiva*

Corner Capital

Corner Realty

Appendix

# Corner Capital & Corner Realty Teams

# Investment Banking Professionals



## P.A. (Andy) Weber III - Founder


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|---|---|
| **Email:** | **AWeber@cornercapitalpartners.com** |
| **Direct:** | **(805) 965-5510** |
| **Cell:** | **(805) 895-7280** |
| **Office:** | **Austin, TX** |


Andy Weber began his career at Shell Oil Company, serving in various sales and marketing management capacities, responsible for Shell's investments in dealer and company-operated retail markets including New Orleans, Birmingham, and Chicago. Subsequent to Shell Oil, Andy served as an international consultant in Arthur D. Little's Global Energy Practice, with a principal responsibility for the Downstream Strategy Practice. He and his team developed the Dynamic Brand Management practice model for ADL's marketing practice and utilized the methodology for country and market entries for multi-national energy companies including BP, Mobil, and Kuwait Petroleum in Asia and the United States.

Prior to founding Corner Capital, Andy spent 10 years at Roundtree Capital, a private equity group in Santa Barbara. During this time, Andy was a principal in the company and served as CFO and President with overall responsibilities for the growth of the business from 100 to 230 convenience stores, while distributing motor fuels for Chevron, BP, Fina, Mobil, and Marathon. Outside the retail industry, he conducted Roundtree's M&A and Treasury activity in its food manufacturing investments.

Andy earned his undergraduate degree from the University of Texas and his MBA from Rice University. He is active in the Santa Barbara community, having served on the Boards of Old Spanish Days, Montecito YMCA, All Saints by the Sea Episcopal Church, and the Santa Barbara Historical Museum, and in addition, has two daughters who graduated from the University of California at Berkeley and the University of Kansas.

Corner Capital
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# Investment Banking Professionals



## Carl Ray Polk, Jr. – Managing Partner



| | |
|---|---|
| **Email:** | CRPolkjr@cornercapitaladvisors.com |
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| **Cell:** | **(936) 635-5949** |
| **Office:** | **Lufkin, TX** |



Carl Ray began his career with his family business Polk Oil Co., Inc., founded in 1937 in Lufkin, Texas. Through his early career, Carl Ray ran several business units including lubricants distribution, convenience retailing, QSR management, and wholesale fuel distribution for Exxon, Mobil, Chevron, and Texaco brands.

Carl Ray conducted a buyout of the family shares, and later sold the company to Brookshire Brothers, LTD in 2007. Subsequent to the sale, Carl Ray served as Executive Vice President and as a member of the Board of Directors through 2012.

He is the Past Board Chair of the Texas Petroleum Marketers Association, a former member of Coca-Cola's National Retailers Council, served on several national committees for the National Association of Convenience Stores (NACS), and is a Past Chairman of the Board of Lufkin's Chamber of Commerce. He is currently the 1st VP of the Texas & Southwestern Cattle Raisers Association. Carl Ray received his education from Kilgore College and The University of Texas-Austin, with additional studies in the Mergers and Acquisition Program through the Anderson School of Business at UCLA.

## Juan Kemp – Managing Director



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| **Email:** | jkemp@cornercapitaladvisors.com |
| **Direct:** | **(805) 965-5510** |
| **Cell:** | **(281) 235-3882** |
| **Office:** | **Houston, TX** |



Since starting with Shell in 1995 learning the fuel retailing business, he has managed many fascinating global opportunities for Shell in addition to stewardship of Shell's Retail & Lubricants businesses in the U.S. Throughout this progression, Juan has held more than a dozen roles and responsibilities.

Juan's team building and intellectual skill sets led Shell to assign him oversight positions of some of its most complicated business units including Wholesale, Lubricants, Corporate Mergers & Acquisitions, Shell Joint Ventures, and company-operated retail assets also balanced with strong functional skills in Operations, IT and Strategic Planning.

While at Shell, Juan engaged his businesses with a relentless commercial mindset while empowering a team culture of leadership and strategic partnerships with stakeholders. His proven track record of delivering results balanced with innovative ideas on how to provide "win-win" outcomes will be beneficial to the continued success of Corner Capital. Juan firmly believes strong relationships are forged through trust and respect with his colleagues and business partners.

Juan graduated with a BBA-Marketing from the University of Texas and 8 years later I received his MBA from the University of Miami. He is a Board Member for the Boys & Girls Club of Houston where Juan is very passionate about mentoring and providing resources for young boys and girls.

Corner Capital

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# Investment Banking Professionals



## Sean Stewart, CFA – Director

| | |
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| **Email:** | **SStewart@cornercapitaladvisors.com** |
| **Direct:** | **(805) 965-5510** |
| **Cell:** | **(512) 423-0422** |
| **Office:** | **Austin, TX** |

Sean Stewart, Director, began his career in Hall Capital's New York City portfolio management group, managing investment portfolios for high net-worth families and institutions across various strategies including fixed income, equities, hedge funds, private equity, and real assets.

Subsequently recruited to Advent Capital to work with institutional investors in their long-only convertible strategies, Sean advised on performance drivers for Advent's strategies including benchmarking, portfolio positioning and projected outlook. He also built quantitative tools to help portfolio managers analyze client portfolios and conducted research that aided the company's marketing efforts. During his time at Advent, Sean became Product Manager for Advent's domestic long-only convertible strategies. Sean also spent a year training with the US Army, where he created geospatial intelligence products. Sean finished Geospatial Engineering School at the top of his class as the Distinguished Honor Graduate and continues to serve in the Army Reserve for the foreseeable future. Mr. Stewart received his undergraduate degree in Finance from the University of Arkansas, and he is a CFA Charter holder.

## Barton Taylor – Associate

| | |
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| **Email:** | **BTaylor@cornercapitaladvisors.com** |
| **Direct:** | **(805) 965-5510** |
| **Cell:** | **(832) 723-6908** |
| **Office:** | **Austin, TX** |

Barton Taylor, Associate, began his career in Amegy Bank’s Energy Lending Group, managing relationships for clients whose operations spanned the entire energy value chain in all major North American resource plays. During this time, Barton focused on originating and syndicating large credit facilities for clients comprised of private equity sponsored portfolio companies, closely-held middle market companies, publicly traded firms and MLPs.

After business school, Barton joined the sales team at Dimensional Fund Advisors (DFA), a leading global mutual fund family and investment manager.  At DFA, Barton coordinated business development and client service activities for the firm’s Wirehouse/Broker-Dealer distribution channel. Barton received his Undergraduate degree in Finance from the University of Texas and his Master of Business Administration (MBA) from Rice University.

# Investment Banking Professionals



## Ben Achilles – Senior Analyst



| | |
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| **Office:** | **Austin, TX** |



Ben Achilles, Analyst, assists Corner Capital clients in all aspects of project management, from diligence analysis, market research, financial modeling, and project outreach. Ben began his career as a financial analyst for Public Consulting Group, managing client relationships, developing financing models for client projects, producing financial statement forecasts, and strategy scenario modeling. He was also responsible for developing internal financial systems utilized by clients to assist in projecting strategy options.

In his collegiate career, Ben was selected as one of the ten students to manage Texas Tech's Student Managed Investment Fund as a consumer discretionary industry analyst. During this time, Ben received his undergraduate degree in finance from Texas Tech University

## Nick Stricker, CPA – Analyst



| | |
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| **Email:** | **NStricker@cornercapitaladvisors.com** |
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Prior to joining Corner Capital, Nick Stricker, Analyst, worked in the audit practice at KPMG in Dallas. Nick assisted in the completion of financial statement audits across multiple industries, primarily for asset management clients. Nick led several audit engagements from inception to completion. He performed analytical procedures of various business processes including cash, debt, PP&E, acquisitions, dispositions, derivatives, taxes, and revenue recognition. Additionally, Nick worked with the KPMG Valuation Services group on matters related to real estate valuation and tax effects.

Nick received his undergraduate degree in accounting and master's degree in finance from Texas A&M University. He is licensed as a CPA in the state of Texas.

CORNER CAPITAL TEAM

# Investment Banking Professionals



## Don Mitchell – SVP, Business Development


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|---|---|
| **Email:** | DMitchell@cornercapitaladvisors.com |
| **Direct:** | (805) 965-5510 |
| **Cell:** | (713) 898-6694 |
| **Office:** | Kingwood, TX |


Don Mitchell, Senior Vice President of Business Development, began his career with Exxon in 1971. After managing several different retail markets in North Carolina, Georgia, and Texas, Don was instrumental in Exxon's national entry into convenience retailing in the 1980's. In the early 1990s, Don managed Exxon's state and federal public, legislative, and regulatory affairs activities (including API) and also served as their Western Area Public Affairs Manager. From 1995 until retirement, Don was involved in numerous key branded distributor activities on a regional and national level and served as Market Development Coordinator for ExxonMobil's Western Distributor Area at the time of his retirement.

As a leader within ExxonMobil and throughout the state and local marketing associations, the distributor community and industry overall. Don is a graduate from Lenoir-Rhyne University in Hickory, NC, with a degree in Economics and Marketing, and offices in Houston, Texas.

## Rob Thomas – SVP, Business Development


| | |
|---|---|
| **Email:** | RThomas@cornercapitaladvisors.com |
| **Direct:** | (805) 965-5510 |
| **Cell:** | (904) 616-6902 |
| **Office:** | Inlet Beach, FL |


Rob Thomas, Senior Vice President of Business Development, spent 34 years of service with both Shell Oil Company and Motiva LLC. Rob most recently served as Sales Manager in the Southeast U.S for Shell Oil Company. Early in his career, Rob served in numerous capacities in the field for Shell, responsible for petroleum product sales and managing retail districts from Louisiana to Florida to the Carolinas, as well as Delaware to Maine in the Northeast. Rob also held management positions in Shell's Houston corporate office, including Manager for Credit Card Products & Services, and Manager for Retail Supply & Logistics. Rob's extensive experience and relationships throughout his career builds on Corner Capital's platform of providing in-depth transactional advice to all constituents in the downstream energy sector.

Rob earned an undergraduate degree in Nautical Science & Transportation from the United States Merchant Marine Academy and subsequently spent several years working as a marine deck officer on cargo ships, offshore drilling rigs, and shipyard marine construction. Having become familiar with the energy sector through his family's petroleum distribution business in New Mexico, Rob joined Shell Oil Company in 1986. Rob also earned an MBA from Florida State University.

CORNER REALTY TEAM

# Retail Real Estate Professionals

## Will Hartshorn – Real Estate Acquisitions & Dispositions

| | |
|---|---|
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Will Hartshorn began his career as a commercial real estate broker at Sands Investment Group where he focused exclusively on the downstream energy sector across the country. Throughout his career, he has advised operators, distributors, developers and private investors with their acquisition, disposition and development projects. He specializes in sale leaseback financing, site selection and 1031 exchange engagements within the c-store and travel center industry. Will previously worked for Strategic Investment Group, an investment management firm based in D.C., on their risk management and real estate private equity teams. He received his Economics degree from Wake Forest University.

## Lenny Keswani – Analyst

| | |
|---|---|
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| **Office:** | **Austin, TX** |

Lennard Keswani, Analyst, assists Corner Realty in underwriting, valuation analysis, marketing and transaction management for convenience store, gas station & truck stop assets across the country. During business school, Lennard began his career as a collegiate tennis coach and professional player in the German Bundesliga. Prior to joining Corner Realty, Lennard worked as a commercial underwriter for Pharmacists Mutual Insurance Company and an analyst at Red Dawn Capital, where he performed asset allocations, developed financial models, and underwrote commercial real estate assets. In his free time, Lennard is a co-founder of a Belgian recruiting agency, AWB Group, which creates opportunities for aspiring student-athletes in the United States. Lennard received his Undergraduate degree in Finance from King University and his Master of Business Administration (MBA) from the University of North Greenville.