



PANTHER PLUS
SERIES

PRIVATE EQUITY INVESTMENTS IN GROWTH
U.S. MIDDLE MARKET COMPANIES

JULY 2023



LEADERSHIP TEAM



RICHARD DE SILVA, MANAGING PARTNER

General Partner, Highland Capital Partners, a venture capital and private equity firm with \$3B in assets under management.

Company operations and turnaround management as CEO or co-founder at three companies; co-founder, IronPlanet (sold to RBA).

MBA, Harvard Business School; M.Phil., Cambridge University; AB, Harvard College.



MARGRET HARDARDOTTIR, MANAGING DIRECTOR

Director of Investor Relations at Drever Capital Management, a real estate investment firm with \$800 million in AUM focused on multifamily and senior housing strategies.

Bainbridge Capital, a middle-market M&A advisory firm based in La Jolla, CA.

BSc. San Diego State University with a degree in Business Administration, Finance, minoring in International Security and Conflict Resolution.



STUART BARDEN, MANAGING DIRECTOR

Vice President, White Oak Global Advisors. Focused on non-sponsored opportunistic and special situation investments.

Associate, Actua Corp. (fka Internet Capital Group).

B.S., Indiana University – Kelley School of Business with a degree in Finance; J.D., Banking, Corporate, Finance, and Securities Law.



BETSY WARD, DIRECTOR OF NATIONAL ACCOUNTS

Senior Vice President of National Accounts at Legendary Capital and brings over 30-years of experience in the broker-dealer community.

Her experience spans Franklin Templeton, Invest Financial, AEI Capital Corporation and GK Development.

LATERAL INVESTMENT MANAGEMENT

Lateral Investment Management, LLC (“Lateral”) is an SEC registered firm* with approximately \$629MM in assets under management as of December 31, 2022.

Lateral, founded in 2014, specializes in alternative investments focused on the private markets. The firm provides growth capital to non-sponsored, lower-middle market companies through the direct origination of preferred equity stakes and loans.

Our private market strategies focus on investing in lower-middle market firms that have limited capital availability due to the structural dislocation in the US capital markets. We partner with owner-operators who have high conviction in their future outlook and want the support of an institutional investor without the loss of control and dilution of a buyout partner.



Lateral Investment Management, LLC (“Lateral”) is an SEC Registered Investment Adviser. Registration does not imply a certain level of skill or training. More information about Lateral can be found in its Form ADV Part 2, which is available upon request. The Units will be offered and sold to both “Accredited Investors” and “Qualified Clients” (as those terms are defined under the Securities Act and Advisors Act, respectively). **This document is not an offer to sell securities of any investment fund or a solicitation of offers to buy any such securities. Securities of the Fund are offered to selected investors only by means of a complete offering memorandum, which contains significant additional information about the terms and risks of an investment in the Fund and shall supersede the information contained herein in its entirety.** Investors may obtain a copy of the Offering Memorandum by contacting Crescent Securities Group, Inc. **An investment in Panther Plus Growth Fund II, LP (the “Fund”) may be considered highly speculative, no liquid market exists and involves a high degree of risk, including the risk of a total loss of investment.** Investors are advised to consider the investment objectives, risks, and charges and expenses of the Fund carefully before investing. Such information may be found in the Offering Memorandum, as may be amended from time to time. Substantial risks are involved in the investment of equity and debt securities. Market movements can be volatile and are difficult to predict. U.S. government activities, particularly those of the Federal Reserve Board and those of policymakers such as the U.S. Congress and applicable administrative agencies, can have a profound effect on interest rates and factors impacting the credit markets generally which, in turn, substantially affect securities prices as well as the liquidity of such markets. The number of initial investments the Fund intends to make will be limited. As a result, the investments the Fund makes may not be adequately diversified to provide protection against certain related risks which may affect all the Fund’s investments. The Fund may invest in securities, instruments and assets that are not, and may not become, publicly traded and therefore may require a substantial length of time to realize a return or fully liquidate. The Management Company may leverage the Fund’s portfolio through margin and other debt in order to increase the amount of capital available for investments. Although leverage may increase the return to the Unitholders, if the Fund earns a greater return on the incremental investments purchased with borrowed funds than it pays for such funds, the use of leverage decreases returns to the Unitholders if the Fund fails to earn as much on such incremental investments as it pays for such funds. There can be no assurance that the investment methods employed on behalf of the Fund will produce profitable results.

INVESTMENT STRATEGY

Lateral focuses on lower middle market companies with:



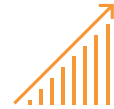
\$20 - \$250MM

REVENUE



\$5 - \$30MM

EBITDA



20%+

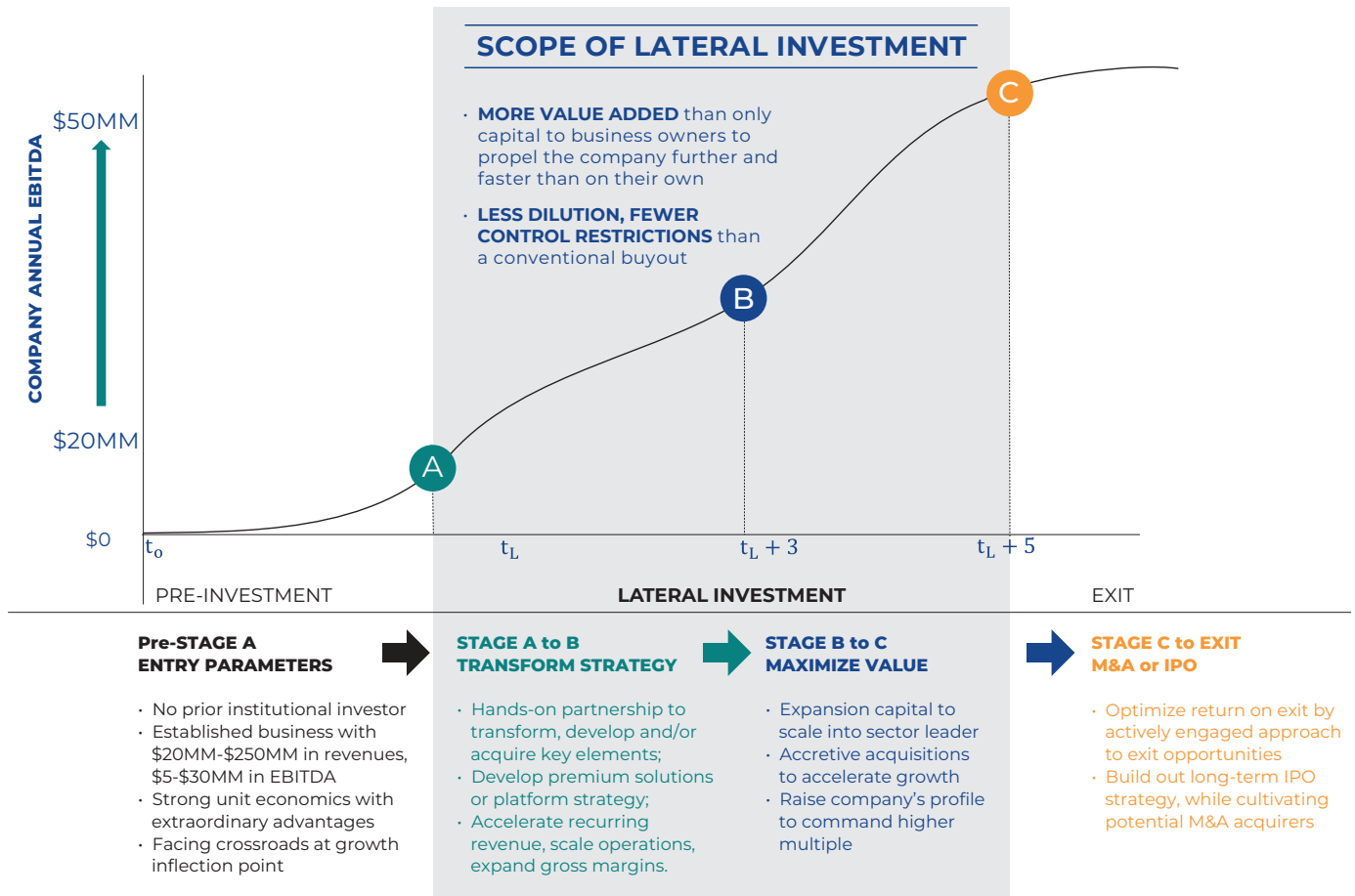
GROWTH RATE

ADDITIONAL CRITERIA INCLUDES:

- Established U.S. businesses, not startups
- Structured investments in preferred equity and debt
- Equity at discounted value, 20 - 80% stakes, 3 - 5-year hold
- Focus on fast-growth segments in large markets



WE PROVIDE CAPITAL FOR GROWING BUSINESSES TO SCALE OPERATIONS & CASH FLOW



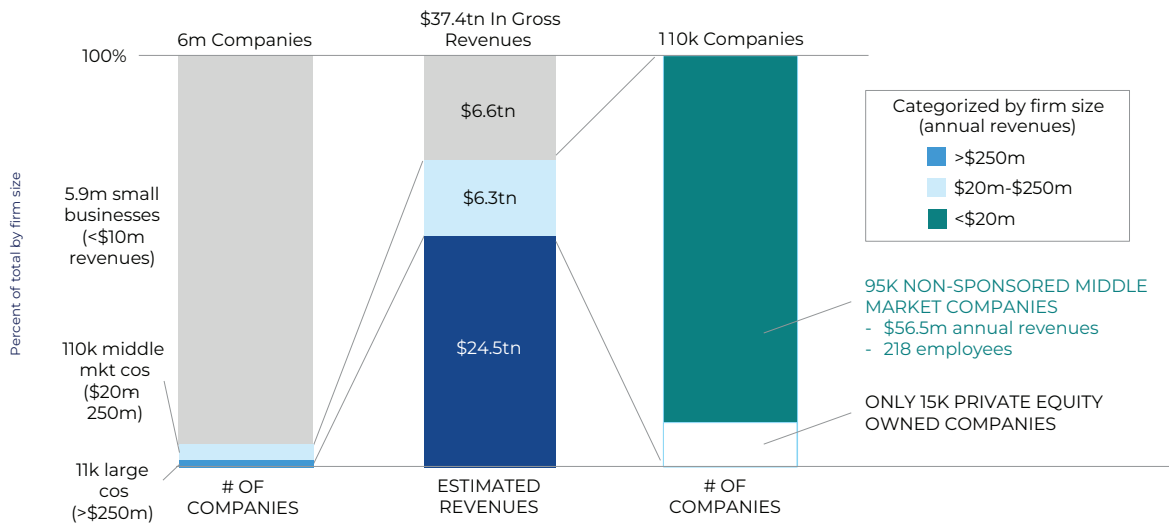
Note: This example is illustrative and does not reflect the results of any specific investment by the Fund. Potential returns are based on assumptions that Lateral believes are reasonable under the current economic and market conditions. Actual realized returns may differ materially as a result of general market conditions, interest rate fluctuations and other factors currently unforeseen by Lateral. There can be no assurance that these potential returns will be achieved, and an investor could lose all or a substantial portion of its investment in the Fund. Prior performance of Lateral, Lateral, or any of their respective affiliates is not indicative of future results for the Fund.



ADDRESSING A DISLOCATION IN THE CAPITAL MARKETS

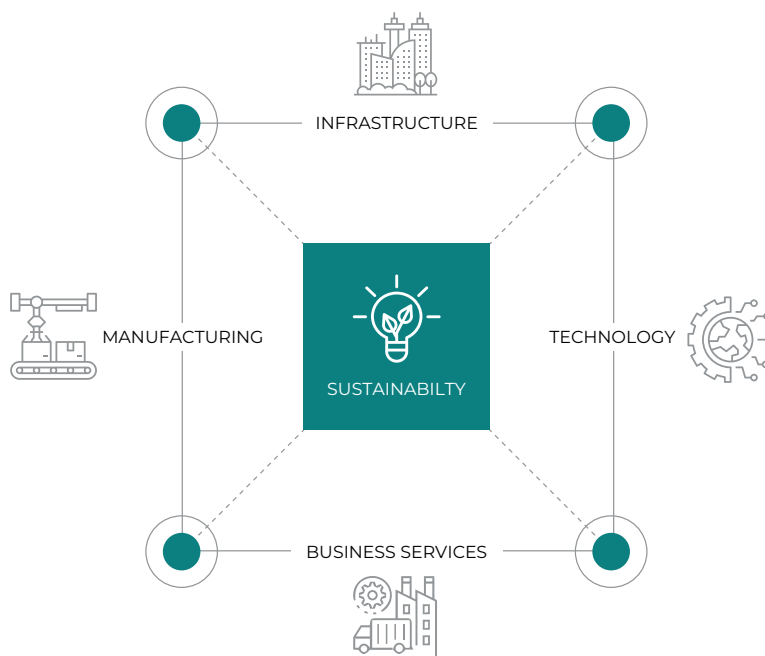
Capital markets primarily serve large PE-backed companies, even though 95k middle market are independently owned, each with over \$56.5mm annual revenues and 218 employees on average.

FIRST INSTITUTIONAL GROWTH IS A LARGE UNDERSERVED MARKET



Source: US Census (data released in May2021) 2017 County Business Patterns and 2017 Economic Census: <https://www.census.gov/data/tables/2017/econ/subb/2017-susb-annual.html>; private equity statistics from McKinsey: <https://www.mckinsey.com/industries/private-equity-an-principal-investors/our-insights/mckinseys-private-markets-annual-review>, Lateral estimates

OUR FOCUS: KEY U.S. INDUSTRIES AT THE INTERSECTION OF DISRUPTIVE CHANGE



MARKET NEED: GROWTH CAPITAL FOR INDEPENDENTLY-OWNED BUSINESSES

- Independently owned business with no prior institutional equity
- Established operating history, growing and profitable or with near term path to profitability
- Short term, discontinuous growth event with 100% potential revenue increase during the next 24-36 months
- Well-defined use of capital: geographic expansion, product line extensions, capital investments, company/asset acquisitions, or recapitalizations

HOW IS LATERAL DIFFERENT?

The types of companies that Lateral Investment Management seeks to invest in are rare and difficult to find. These companies are ambitious but grounded in reality, rather than speculative like their technology-based counterparts, the “Unicorn”. They make physical things or provide tangible and necessary services to other businesses. We call these companies “PANTHER”s that operate in towns across the United States though they are increasingly endangered by the structural dislocation in the U.S. capital markets for middle market companies.

The Panther is focused on execution and delivery and leverages technology and data to achieve its goals. Success is based on the accumulation of productive assets and maximizing the utilization of those assets. The potential outcome is not a binary gulf between IPO riches and a complete shutdown. The Panther’s goal is to grow quickly and increase profitability with operating leverage. Poor execution means slower growth than expected, not going out of business. The Panther is not built for a short-term exit but for long-term profitability and cashflow. Panthers can develop into publicly traded corporations or may stay privately owned profitable businesses. Panthers create wealth for all stakeholders - investors, owner-operators, and employees and are important growth engines in their local communities.

OUR EDGE AS A GROWTH PARTNER: SYSTEMATIC APPROACH TO RISK

Lateral takes a differentiated approach by focusing on non-sponsored, owner-operated companies (with no private equity owner) that are established businesses and require \$15 - \$50M in financing.

Each element of our typical investment process is differentiated from other private equity funds and positions us well for a turbulent economic period:

SOURCING

Lateral follows investment themes and leverages the firm's network of relationships to develop potential deal opportunities. The firm tracks companies for 3-6 months and cultivates and develops a working relationship with the borrower's management team.

UNDERWRITING

Lateral engages in a rigorous underwriting process and hires 3rd party vendors to support asset valuation, accounting due diligence, legal reviews and background checks. We build our own bottom-up financial forecast model and engage directly with 2nd and 3rd tiers of personnel at the borrower to identify risk factors.

PRICING

We attempt to structure our investments according to the associated risk of the loan. We may use a combination of preferred stock, debt and common equity to align interests. In the event of a change in the business or a significant under-performance, we may restructure or modify the investment structure accordingly to protect the return or to seek other remedies to manage risk.

STRUCTURE & DOCUMENTATION

Lateral's financing structures are customized and geared to the specific growth event of the portfolio company. Lateral seeks to mitigate risk by controlling the capital structure.

PORTFOLIO MANAGEMENT & CONTROLS

Lateral generally has visibility to the company's bank accounts and into all significant expenses as well as the flow of cash revenue through an account that we control. We work closely with management teams to support their goals and the success of the business. This cooperation also provides visibility into potential problems and the ability to facilitate action long before a covenant is tripped.

RECOVERY

Lateral takes a multi-layered approach to helping a company recover from a setback in its growth plan or a specific deviation in strategy.

INDUSTRY FOCUS AREA:

MANUFACTURING & INDUSTRIAL

- Industrial production companies which benefit from their on-shore location because of proximity to supply and/or demand, transportation costs, intellectual property or national security considerations
- Premium price, high margin products and well-defined demand such as off-take or other contractual visibility on growth
- Limited currency, commodity or other global trade risk



INFRASTRUCTURE

- Established and proprietary software with cloud-based recurring revenue business models, long term contracts, high switching costs and strong counter-parties.
- Marketplace aggregators in large commerce categories that reduce inefficiency and system costs, while building liquidity and trust.
- Supply chain and logistics management solutions that integrate a multi-tier value chain and provides visibility and reduces waste and inefficiency.

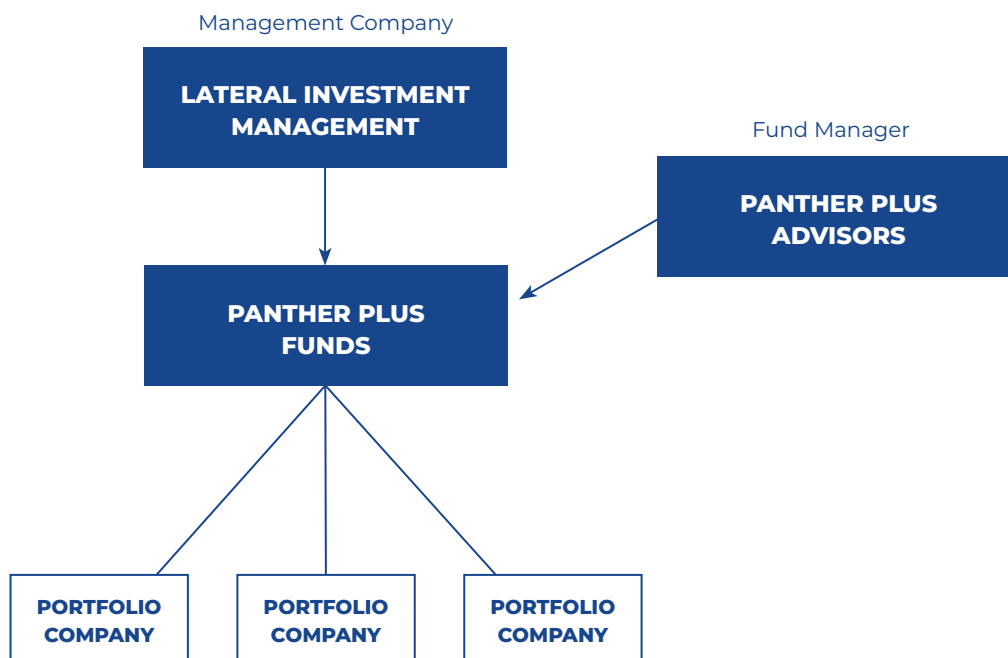


TECHNOLOGY / BUSINESS SERVICES

- Recurring revenue services business with long term contracts, high switching costs and strong counter-parties
- Leverage or lock-in from 3rd party technology or software but no fundamental technology development risk



FUND STRUCTURE



Panther Plus Growth Fund II LP (the “Fund”) seeks to deliver current income returns and long-term capital appreciation to investors via a portfolio of investments in structured private equity or loans in middle market companies based in the United States or Canada. The Fund’s proposed investments consist of a concentrated portfolio of co-investments in preferred and common equity or loans originated by and managed by Lateral Investment Management, LLC (the “Management Company” or “Lateral”). The co-investments will be acquired by the Fund via participation agreements. The participation agreements provide the Fund with the opportunity to invest along the same servicing terms, conditions, price, and rights in the underlying investments in the corresponding portfolio company. Panther Plus Advisors, LLC, a Delaware limited liability company (the “Fund Manager”) serves as the general partner of the Fund.

DISCLOSURES AND RISKS FACTORS

Potential Investment Company Integration among Panther Plus Funds. While each Panther Plus Fund is intended to provide a materially different investment opportunity for each other Panther Plus Fund (see Section I – “Introduction”), the Fund Manager expects a certain degree of common positions and numerous other identical or substantially similar terms among the Panther Plus Funds. Because the Funds and each other Panther Plus Fund is a private fund exempt from registration under the Investment Company Act, the Fund Manager takes the position with respect to each Panther Plus Fund that each offers investors a materially different investment opportunity. Such position may not be respected or otherwise viewed the same by the U.S. Securities and Exchange Commission.

Speculative Nature of Investing in Securities. The Master Fund will indirectly engage in investing, reinvesting, purchasing, holding, selling, exchanging, receiving, acquiring, disposing of, or otherwise trading in, securities. Trading in securities involves substantial risks.

Strategies May Not be Successful. There can be no assurance that the investment methods employed on behalf of the Master Fund will produce profitable results. The Fund Manager has delegated to the Management Company the responsibility for investment selection on behalf of the Master Fund. The Management Company relies primarily upon its own research, analysis, and judgement, and research provided by third party sources in identifying investment opportunities.

Dependence Upon Principals of the Fund Manager and Management Company. The services of Richard de Silva are essential to the continued operations of the Fund Manager and the Management Company. If Mr. de Silva’s services were no longer available, such absence would have an adverse impact upon an investment in the Master Fund.

No Clawback from Fund Manager. The Fund Manager is not obligated to return any distributions or allocations made to the Fund Manager in respect of Carried Interest distributions.

Unitholders Do Not Participate in Management. Unitholders do not participate in the management of the Funds or in the conduct of their business.

Conflicts of Interest. The Fund Manager and its principals and affiliates such as the Management Company may in the future form and manage other investment entities (including, without limitation, investment partnerships, investment companies and mutual funds) and manage separately managed accounts with substantially the same or different objectives as those of the Funds.

FOR A MORE COMPLETE discussion of Risk Factors, please see the Panther Plus Growth Fund II, LP private placement memorandum.

Securities are offered through Crescent Securities Group, Inc., member FINRA/SIPC, 4975 Preston Park Blvd, Suite 820, Plano TX 75093.

NOTES



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