FALCON SERVICES, LLC

Q1 2026 Reporting Submission

April 14, 2026

Trust Bank, N.A.
Attn: Portfolio Management
Re: Credit Agreement dated June 14, 2024

Re: Falcon Services, LLC — Q1 2026 reporting package

Per Sections 6.01(a), 6.01(c), 6.01(d), and 6.01(e) of the Credit Agreement, please find attached the Q1 2026 reporting package. As I noted in my January 22 onboarding letter, this is the first reporting cycle I am leading as CFO. My team and I have walked through the close workpapers with both the controller and our independent accountants, and the certificate reflects two restatements versus the preliminary pack circulated April 1 — both methodological, both fully reflected in the totals you see, and neither changing the reported compliance status under §7.13.

Both Financial Covenants are in compliance: leverage of 4.78x against the 5.25x cap (cushion 0.47 turns), FCCR of 1.35x against the 1.25x floor (cushion 0.10 turns). Liquidity of $18.4M remains comfortably above the $12.5M minimum. The cushion compression on both leverage and FCCR continues the trend reported by my predecessor in the Q4 2025 certificate; the FCCR cushion in particular is now narrow enough that I want to flag it expressly rather than embed it in the workbook.

The principal drivers of the Q1 2026 trajectory are the operating-lease step-up from the two Q4 2025 facility openings (Charlotte Tech Center 4 and Phoenix Service Hub Southwest), the Tranche B interest run-rate ahead of the April 2026 reset, and a working-capital absorption from DSO expansion to 58 days at quarter-end. The DSO expansion is concentrated in two large customers and Q1 receipts have been confirmed for both; we expect DSO to step back through the year. The accompanying Financials-Q1-2026.xlsx Working Capital tab and the Underwriting-Model-2024-05.xlsx Ops Plan tab show the gap to the original underwriting basis.

I would like to schedule a working call with the Administrative Agent in early May to walk through the Q2 covenant forecast (incorporating the Tranche B reset) and our DSO recovery plan before the Q2 close. Priya Iyer (Controller) and I are available at the lender group's convenience.

Regards,

/s/ Daniel Whitfield

Daniel Whitfield
Chief Financial Officer, Falcon Services, LLC
d.whitfield@falconservices.com | (704) 555-0188

cc: Pinecrest Partners

Sample disclosure: synthetic borrower materials prepared for public demonstration. Not derived from any actual borrower, lender, sponsor, or transaction.