

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ [See Attached Schedule](#)

Blank lines for listing Internal Revenue Code sections.

18 Can any resulting loss be recognized? ▶ [See Attached Schedule](#)

Blank lines for indicating if a resulting loss can be recognized.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ [See Attached Schedule](#)

Blank lines for providing other information necessary for the adjustment.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶ D. Scott Wilson Date ▶ 11/12/21

Print your name ▶ D. Scott Wilson Title ▶ EVP/CFO

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.

Pinnacle Financial Corporation
Attachment to Form 9937
EIN 58-1538862

Report of Organization Actions Affecting Basis of Securities

Form 9937 Part I, Box 9:

The securities subject to reporting include all shares of Pinnacle Financial Corporation (“PFC”) common stock issued in exchanged for the outstanding common stock of Liberty First Bank (“LFB”) a result of the merger of LFB with and into PFC, effective October 1, 2021.

For 9937 Part II, Box 14:

On October 1, 2021, LFB completed a merger with PFC. Pursuant to the terms and conditions of the Agreement and Plan of Merger, dated July 6, 2021, LFB merged with and into PFC. As a result of the merger, PFC is the surviving corporation while LFB ceased to exist as a corporation.

As noted in the Agreement and Plan of Merger, dated July 6, 2021, LFB shareholders residing in Georgia will receive a combination of cash and a number of shares of common stock of PFC. Shareholders residing outside of Georgia will receive all cash.

The per share stock consideration means that for every share of LFB common stock, LFB shareholders receive 0.083648084 shares of PFC common stock. The per share cash consideration means that for every share of LFB common stock, LFB shareholders receive \$16.50.

No fractional shares of PFC common stock were issued in the merger, but rather PFC paid cash in lieu of fractional shares. The cash value of a fractional share was based on the share price of \$140.

Prior to the transaction LFB had 1,140,200 shares. The final results of the merger consideration elections of the LFB shareholders was cash for 342,110 LFB shares and conversion of 798,090 LFB shares to 94,063 of PFC Common Stock and cash for fractional shares.

Form 9937 Part II, Box 15:

The merger of LFB with and into PFC qualifies as a tax-free reorganization within the meaning of Section 368(a) of the Internal Revenue Code, as amended. As a result, each Company shareholder will recognize a taxable gain, but not a loss, equal to the lesser of the amount of cash received in the exchange or the amount, if any, by which the sum of the cash received plus the fair market value of the shares of PFC Common Stock received in the exchange (measured at the time of the exchange) exceeds LFB shareholder’s tax basis in the LFB shares surrendered in the exchange.

Gain or loss must be calculated separately for each identifiable block of LFB common shares surrendered in the exchange having a common tax basis. Each LFB shareholder is encouraged to consult their own personal tax advisor regarding the determination of this realized gain or loss on the exchange.

Each LFB shareholder is required to determine the tax basis of the PFC Common Stock received in the exchange by performing the following calculations separately for each identifiable block of LFB common shares surrendered in the exchange having a common tax basis:

- Begin with the aggregate tax basis of LFB common shares surrendered in the exchange;
- Add the amount of taxable gain, if any, determined from the above calculation (excluding any gain or loss resulting from the deemed receipt and sale of fractional shares);
- Subtract the total amount of cash received (excluding any cash received in lieu of fractional shares described below); and
- Subtract the tax basis in any fractional shares of PFC Common Stock that were deemed to have been received in the exchange and immediately sold.

The resulting figure represents the aggregate tax basis of the shares of PFC Common Stock received in the exchange for that identifiable block of LFB common shares transferred. The tax basis of each individual share of PFC Common Stock within this identifiable block is determined by dividing this aggregate tax basis by the number of PFC Common Shares that comprise this identifiable block.

The LFB shareholders who receive cash in lieu of a fractional share of PFC Common Stock are, for purposes of determining the taxability of that cash, deemed to have received the fractional share in the exchange and then as having sold the fractional share for cash. These LFB shareholders will generally recognize a taxable gain or loss equal to the difference between the tax basis of the common shares deemed to have been exchanged for the fractional share and the amount of cash received.

Form 8937 Part II, Box 16:

Refer to the description of the basis calculation in Part II, Box 15 above. The closing price per share of PFC common stock on the day of closing was established by valuation at \$140.

Form 8937 Part II, Box 17:

PFC acquisition of LFB, pursuant to the merger completed on October 1, 2021, was structured to qualify as a reorganization within the meaning of Section 368(a), and Section 368-2(g) of the Internal Revenue Code, as amended. In general, the income tax consequences to the shareholders are determined under Internal Revenue Code, sections 354 and 361 of the Code.

Form 8937 Part II Box 18:

In general, none of the LFB shareholders who received PFC Common Stock and cash for all of their LFB stock will recognize any loss. An LFB shareholder who received cash in lieu of a fractional share of the LFB common stock may recognize loss if the amount of cash received is less than the basis in the fractional share, as applicable.

Form 8937 Part II, Box 19:

In general, any adjustment to the tax basis that causes gain or loss recognized by an LFB shareholder as a result of the completion of the merger should be reported for the taxable year which includes October 1, 2021. A calendar year shareholder should report the transaction on a 2021 federal income tax return. The holding period of PFC common stock received in exchange for shares of LFB common stock will include the holding period of the LFB common stock for which it is exchanged. A holder of LFB common stock who received cash in lieu of a fractional share of PFC common stock will generally be treated as having received the fractional share pursuant to the merger and then as having sold the fractional share of common stock for cash.

No ruling from the Internal Revenue Service (the "IRS") has been requested, or will be obtained, regarding the U.S. federal income tax consequences of the merger described in this report. This report is not binding on the IRS and the IRS and the U.S. Courts could disagree with one or more of the positions described above. The information in this form does not constitute tax advice and each holder LFB common stock is urged to consult its tax advisor with respect to the application of United States federal income tax laws to the holder's particular situation.