



AFC Gamma Provides Evermore with \$15.5 Million Senior Secured Credit Facility to Support its Maryland Expansion and Streamline Ownership Structure

July 15, 2021

Represents AFC Gamma's First Direct Transaction in Expanding Maryland Medicinal Cannabis Market

WEST PALM BEACH, Fla., July 15, 2021 (GLOBE NEWSWIRE) -- AFC Gamma, Inc. (NASDAQ:AFCG) ("AFC"), a commercial real estate finance company that provides loans to operators in the cannabis industry, today announced that it, along with an affiliate, has provided a credit facility of \$15.5 million to The Evermore Cannabis Company ("Evermore"), a vertically integrated Maryland operator. The credit facility is designed to provide Evermore with additional capital for the expansion of its cultivation and manufacturing facility in Baltimore, Maryland and to consolidate and streamline its ownership structure.

"We are pleased to support Evermore with our first direct investment in Maryland, a fast-growing market with tremendous potential," said Leonard M. Tannenbaum, AFC's Chief Executive Officer. "Following a bridge loan, this credit facility is just the first step in a long-term relationship with Evermore and we look forward to supporting its efforts as it looks to acquire real estate and expand its cultivation and manufacturing facility."

Craig Schulman, Evermore's Chairman & Managing Principal, added, "As we continue expanding in this strong and attractive market, we are excited to have the support and partnership of AFC Gamma, a proven leader in the cannabis space and a flexible lender that was able to accommodate our capital needs quickly and efficiently. We look forward to partnering with AFC Gamma in the months and years ahead as we execute on our growth objectives in Maryland."

AFC will hold \$10.075 million of the credit facility and \$5.425 million was syndicated to an affiliate, which consists of a first-lien term loan. AFC Management, LLC served as Lead Arranger and Administrative Agent for the transaction. Greenvision acted as Evermore's Financial Advisor.

Maryland Cannabis Snapshot

Maryland legalized the use of medical marijuana in 2014, with sales launching in 2017. In 2021, sales surpassed \$135 million for the first three months of the year. The executive director of the Maryland Medical Cannabis Commission ("MMCC") has stated that the industry is on pace to deliver approximately \$550 million in total for the 2021 calendar year. The Maryland cannabis industry hit a major milestone in April of 2021 when total retail sales reached \$1 billion, and given the current growth pace, the MMCC anticipates \$2 billion in sales will be achieved in about half the time.¹ Should adult-use receive approval in the state, BDSA projects Maryland's cannabis market will achieve \$1 billion in annual sales by 2024.²

About AFC Gamma, Inc.

AFC Gamma, Inc. (NASDAQ:AFCG) is an institutional lender to leading cannabis companies with strong operations and cash-flow prospects, real-estate-security and other collateral, and locations in states with favorable supply/demand fundamentals and legislative environments. AFC's platform provides innovative and customized financing solutions through first-lien loans, mortgage loans, construction loans and bridge financings. The senior-management team of the company has a combined approximately 100 years of experience in investment management and disciplined credit investing across a range of economic cycles.

About The Evermore Cannabis Company

Evermore is currently Baltimore City's only licensed medical cannabis cultivator and processor. Evermore consists of principals and team members who are Baltimore natives committed to supporting, educating, and giving back to the communities they serve. Evermore's patient-centric, quality-based approach is founded on and defined by products and services of the highest quality, purity & design.

Evermore will continue to cultivate, process and distribute the same high-quality, lab tested medical cannabis products that patients across Maryland have come to know and love over the past few years. New, infused edible products will soon come to market to join our popular DISCOS line as we strive to exceed industry standards and deliver the most desirable medical cannabis products in Maryland and beyond.

Forward-Looking Statements

This news release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that reflect the AFC's current views and projections with respect to, among other things, future events and financial performance. All statements other than historical facts, including, without limitation, statements regarding The Evermore Cannabis Company intended business and the projected sales of medical marijuana in Maryland are forward-looking statements, and AFC intends such statements to be covered by the safe harbor provisions contained therein. Words such as "believes," "expects," "will," "intends," "plans," "guidance," "estimates," "projects," "anticipates," and "future" or similar expressions are intended to identify forward-looking statements. These forward-looking statements are subject to the inherent uncertainties in predicting future results and conditions and are not guarantees of future performance, conditions or results. Certain factors, including the borrower failing to complete the expansion and consolidation of ownership described above, an unfavorable change in the regulations of the cannabis industry and other important risks and uncertainties discussed under the caption "Risk Factors" in our final prospectus filed with the U.S. Securities Exchange Commission on June 24, 2021, relating to the AFC's Registration Statement on Form S-11, as amended (File No. 333-257248), could cause actual results and performance to differ materially from those projected in these forward-looking statements. New risks and uncertainties arise over time, and it is not possible for the company to predict those events or how they may affect AFC. Therefore, you should not place undue reliance on these forward-looking statements. AFC does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, changes in AFC's expectations or otherwise, except as required by law.

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¹ Maryland's cannabis market hit \$1 billion in sales. The next billion will come quicker. (Baltimore Business Journal, April 26, 2021)

² BDSA. (n.d.). [online] Available at: <https://bdsa.com/> [Accessed 13 Jul. 2021].