



AFC Gamma Provides DMA Holdings With \$19.75 Million Senior Secured Credit Facility to Fund Its Massachusetts Expansion

August 24, 2021

Represents AFC Gamma's First Transaction in Massachusetts' Growing Medical and Adult Use Cannabis Market

WEST PALM BEACH, Fla., Aug. 24, 2021 (GLOBE NEWSWIRE) -- AFC Gamma, Inc. (NASDAQ:AFCG) ("AFC") today announced it has provided a credit facility of \$19.75 million to DMA Holdings MA, LLC ("DMA"), a single-state Massachusetts operator. The credit facility is designed to provide DMA with the capital necessary to purchase and expand its Tier 6 cultivation license, as well as complete the buildout of its processing facility and dispensary in Dudley, Massachusetts.

"We are pleased to support DMA as it enters the Massachusetts market, where cannabis for both medicinal and recreational use has been legal since 2016," said Leonard M. Tannenbaum, AFC's Chief Executive Officer. "With a track record of operating success in Colorado, the DMA team has both the operational and financial expertise to thrive in a competitive market."

Joe Villatico, CEO, Rhett Jordan, COO and David Lahar, CFO of DMA, added, "With AFC Gamma's continued support and partnership, and our industry-leading experience, we believe DMA is ideally positioned to buildout our presence and realize the significant opportunities that exist in Massachusetts. AFC Gamma's investment expertise, professionalism and ability to bring quality execution to the cannabis space is unparalleled, and we look forward to continuing to work with AFC Gamma in achieving our growth objectives well into the future."

AFC will hold the entire \$19.75 million credit facility, which consists of a first-lien term loan. The loan is secured by first-lien mortgages on DMA's wholly owned real estate properties in Massachusetts and other commercial-security interests. AFC Management, LLC served as Lead Arranger and Administrative Agent for the transaction.

Peter Cabrera of B6 Real Estate Advisors arranged the financing on behalf of DMA.

Massachusetts Cannabis Snapshot

Massachusetts legalized the use of medical cannabis in 2012, with sales launching in 2015. Adult use cannabis was legalized in 2016, with sales commencing in 2018. Actual adult-use sales through August 12, 2021 have totaled \$755 million, which already exceeds 2020 adult-use sales of \$696 million. For 2021, total adult-use sales are expected to grow to \$1.4 billion and reach as much as \$2.6 billion by 2025.¹

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.

¹ [Booming Massachusetts marijuana market offers select cultivation, retail opportunities](#) (Marijuana Business Daily, August 18, 2021)

About DMA Holdings (MA), LLC

DMA holds licenses for cannabis cultivation, processing, and retail at a 100,000+ square foot facility in Dudley, Massachusetts that is under construction. In addition, DMA plans to acquire two additional dispensary licenses for stores in Lynn and Taunton, Massachusetts. The company is supported by an experienced management team who led successful cannabis companies in other states.

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 company'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 DMA's intended buildout of its cultivation and processing facility and the projected sales of medical and adult use cannabis in Massachusetts are forward-looking statements. 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 construction 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 company'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 Gamma, Inc. Therefore, you should not place undue reliance on these forward-looking statements. The company does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

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