



Advanced Flower Capital Announces Dividend for the Second Quarter 2025

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WEST PALM BEACH, Fla., June 13, 2025 (GLOBE NEWSWIRE) -- Advanced Flower Capital Inc. (Nasdaq: AFCG) ("AFC" or the "Company") today announced its dividend for the quarter ending June 30, 2025.

The Board of Directors of AFC declared a quarterly dividend of \$0.15 per outstanding share of common stock for the quarter ending June 30, 2025. The dividend is payable on July 15, 2025 to the common stockholders of record on June 30, 2025.

The Board of Directors evaluates the Company's Distributable Earnings (as defined below) each quarter to determine the dividend level. The second quarter dividend was impacted due to a realized loss during the quarter related to the loan to Public Company A.

About Advanced Flower Capital Inc.

Advanced Flower Capital Inc. (Nasdaq: AFCG) is a leading commercial mortgage real estate investment trust ("REIT") that provides institutional loans to state law compliant cannabis operators in the U.S. Through the management team's deep network and significant credit and cannabis expertise, AFC originates, structures, underwrites and manages loans ranging from \$10 million to over \$100 million, typically secured by quality real estate assets, license value and cash flows. It is based in West Palm Beach, Florida.

Non-GAAP Metrics

In addition to using certain financial metrics prepared in accordance with GAAP to evaluate our performance, we also use "Distributable Earnings" to evaluate our performance excluding the effects of certain transactions and GAAP adjustments we believe are not necessarily indicative of our current loan activity and operations. Distributable Earnings is a measure that is not prepared in accordance with GAAP. Distributable Earnings and the other capitalized terms not defined in this section have the meanings ascribed to such terms in our most-recently filed Quarterly Report on Form 10-Q. We use this non-GAAP financial measure both to explain our results to shareholders and the investment community and in the internal evaluation and management of our businesses. Our management believes that this non-GAAP financial measure and the information it provides is useful to investors since this measure permits investors and shareholders to assess the overall performance of our business using the same tools that our management uses to evaluate our past performance and prospects for future performance.

The determination of Distributable Earnings is substantially similar to the determination of Core Earnings under our Management Agreement, provided that Core Earnings is a component of the calculation of any Incentive Compensation earned under the Management Agreement for the applicable time period, and thus Core Earnings is calculated without giving effect to Incentive Compensation expense, while the calculation of Distributable Earnings accounts for any Incentive Compensation earned for such time period.

We define Distributable Earnings as, for a specified period, the net income (loss) computed in accordance with GAAP, excluding (i) stock-based compensation expense, (ii) depreciation and amortization, (iii) any unrealized gains, losses or other non-cash items recorded in net income (loss) for the period, regardless of whether such items are included in other comprehensive income or loss, or in net income (loss); provided that Distributable Earnings does not exclude, in the case of investments with a deferred interest feature (such as original issue discount, debt instruments with PIK interest and zero coupon securities), accrued income that we have not yet received in cash, (iv) provision for (reversal of) current expected credit losses, (v) taxable REIT (as defined below) subsidiary ("TRS") (income) loss, net of any dividends received from TRS and (vi) one-time events pursuant to changes in GAAP and certain non-cash charges, in each case after discussions between our Manager and our independent directors and after approval by a majority of such independent directors.

We believe providing Distributable Earnings on a supplemental basis to our net income as determined in accordance with GAAP is helpful to shareholders in assessing the overall performance of our business. As a REIT, we are required to distribute at least 90% of our annual REIT taxable income, subject to certain adjustments, and to pay tax at regular corporate rates to the extent that we annually distribute less than 100% of such taxable income. Given these requirements and our belief that dividends are generally one of the principal reasons that shareholders invest in our common stock, we generally intend to attempt to pay dividends to our shareholders in an amount at least equal to such REIT taxable income, if and to the extent authorized by our Board of Directors. Distributable Earnings is one of many factors considered by our Board of Directors in authorizing dividends and, while not a direct measure of net taxable income, over time, the measure can be considered a useful indicator of our dividends.

Distributable Earnings is a non-GAAP financial measure and should not be considered as a substitute for GAAP net income. We caution readers that our methodology for calculating Distributable Earnings may differ from the methodologies employed by other REITs to calculate the same or similar supplemental performance measures, and as a result, our reported Distributable Earnings may not be comparable to similar measures presented by other REITs.

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, operating results and borrower activity. All statements other than historical facts, 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, risks and uncertainties discussed under the caption "Risk Factors" and elsewhere in AFC's most recently filed periodic reports on Form 10-K and Form 10-Q and subsequent filings, could cause actual results and performance to differ materially from those projected in these forward-looking statements.

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