

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT  
Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 22, 2024



**AFC GAMMA, INC.**

(Exact name of Registrant as Specified in Its Charter)

**Maryland**  
(State or Other Jurisdiction of Incorporation)

**001-39995**  
(Commission File Number)

**85-1807125**  
(IRS Employer Identification No.)

**525 Okeechobee Blvd., Suite 1650**  
**West Palm Beach, FL, 33401**  
(Address of principal executive offices, including zip code)

**561-510-2390**  
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instructions A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
<b>Common Stock, par value \$0.01 per share</b>	<b>AFCG</b>	<b>The Nasdaq Stock Market LLC</b>

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 1.01 Entry into a Material Definitive Agreement.**

On February 22, 2024, AFC Gamma, Inc. (the “Company”) entered into an amendment (the “Management Agreement Amendment”) to the Company’s Amended and Restated Management Agreement, dated January 14, 2021, between the Company and AFC Management, LLC (the “Manager”), as amended by the First Amendment to Amended and Restated Management Agreement, dated March 10, 2022, as further amended by the Second Amendment to Amended and Restated Management Agreement, dated November 7, 2022, as further amended by the Third Amendment to Amended and Restated Management Agreement, dated March 6, 2023 and as further amended by the Fourth Amendment to Amended and Restated Management Agreement, dated September 11, 2023 (the “Amended and Restated Management Agreement”).

Pursuant to the Management Agreement Amendment, the Amended and Restated Management Agreement was amended to update the investment guidelines to focus on the Company’s investments in first and second lien loans, typically secured by mortgages and other security interests, to cannabis operators in states that have legalized medical and/or adult use cannabis. Therefore, the investment guidelines were amended such that loans and investments made in respect of (x) first lien or second lien loans secured by mortgages or mezzanine loans to commercial real estate owners, operators and related businesses and (y) the ownership of non-cannabis related commercial real estate assets, were removed and are no longer permitted by the investment guidelines. The Company and the Manager have agreed that the Management Agreement Amendment shall become effective upon the completion of the Spin-Off (as defined below).

The Manager is a wholly-owned subsidiary of Castleground Holdings LLC (f/k/a Advanced Flower Capital Management, LLC) (the “Parent Manager”), which is 75% beneficially owned by Leonard M. Tannenbaum, our Chief Investment Officer and Executive Chairman of the Board, and 10% beneficially owned by Robyn Tannenbaum, our President. In January 2024, Dan Neville, our Chief Executive Officer, also purchased a 1.5% membership interest in certain income of the Parent Manager.

The foregoing description of the Amended and Restated Management Agreement is qualified in its entirety by reference to the full text of the Management Agreement Amendment, which is filed as Exhibit 10.1E to this Current Report on Form 8-K and is incorporated by reference herein.

**Item 7.01 Regulation FD Disclosure.**

On February 22, 2024, the Company issued a press release regarding the Spin-Off (as defined below). A copy of the press release is attached hereto as Exhibit 99.1.

The information contained in this Item 7.01 of this Current Report on Form 8-K, including Exhibit 99.1 referenced herein, is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities of that section and shall not be incorporated by reference into any filing with, the SEC under the Securities Act, or the Exchange Act, except as shall be expressly set forth by specific reference therein.

**Item 8.01 Other Events.**

On February 22, 2024, the Company announced that its Board of Directors has unanimously approved a plan to spin-off (the “Spin-Off”) its commercial real estate (“CRE”) portfolio into an independent, publicly traded REIT, named Sunrise Realty Trust, Inc. (“SUNS”).

The separation and the resulting Spin-Off is expected to be implemented in two steps. First, the Company expects to contribute, and SUNS expects to accept and assume, all of the assets, liabilities and business related to the Company’s commercial real estate lending business not related to the Company’s business of structuring, underwriting, origination and investing in loans to and debt securities of cannabis industry operators, as currently conducted by SUNS, including the operations, properties, services and activities of such business (the “Contribution”), to the extent such assets, liabilities and business are not already held at SUNS. Then, the Company plans to distribute all of the outstanding shares of SUNS common stock (“SUNS Common Stock”) on the distribution date to the Company’s shareholders as of the record date on a pro rata basis (the “Distribution”). The Company and SUNS expect that \$115 million of assets in the aggregate, in a combination of loans and cash, will either be contributed to SUNS in the Contribution or be held by SUNS immediately following the Contribution. Following the distribution, the Company and SUNS expects the SUNS Common Stock to be listed on the Nasdaq Capital Market. The Spin-Off is expected to be completed in mid-2024.

Upon the completion of the Spin-Off, it is expected that Brian Sedrish will serve as SUNS' chief executive officer, Brandon Hetzel will serve as SUNS' chief financial officer (and will remain the chief financial officer of the Company), Mr. Tannenbaum will serve as SUNS' executive chairman (and will remain the executive chairman and chief investment officer of the Company) and Anna Kim will serve as SUNS' chief legal officer. Additionally, following the Spin-Off, SUNS will be externally managed and will be managed by Sunrise Manager LLC, an investment adviser with overlapping ownership to AFCG Manager and certain shared services. AFC Gamma will continue to be externally managed by AFCG Manager.

The Company anticipates that the Company's shareholders as of the record date for the Distribution will receive a special cash dividend of \$0.15 cents per Company common share.

SUNS has filed a registration statement on Form 10 with the Securities and Exchange Commission which provides additional details about the Spin-Off. Nothing in this Current Report on Form 8-K shall constitute a solicitation to buy or an offer to sell shares of common stock of the Company or SUNS Common Stock.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

<b>Exhibit No.</b>	<b>Description</b>
<a href="#">10.1E</a>	Fifth Amendment to Amended and Restated Management Agreement, dated February 22, 2024 by and between AFC Gamma, Inc. and AFC Management, LLC.
<a href="#">99.1</a>	Press Release issued by AFC Gamma, Inc. on February 22, 2024.
104	Cover Page Interactive Data File (embedded within the Inline XBRL Document)

### Special Note Regarding Forward-Looking Statements

This release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that reflect our current views and projections with respect to, among other things, future events and financial performance. 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, including statements about our future growth and strategies for such growth, 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 ability of our manager to locate suitable loan opportunities for us, monitor and actively manage our loan portfolio and implement our investment strategy; the demand for cannabis cultivation and processing facilities; management’s current estimate of expected credit losses and current expected credit loss reserve and other factors could cause actual results and performance to differ materially from those projected in these forward-looking statements. Additionally, these forward-looking statements are based upon current estimates and assumptions and include statements regarding the Company’s plans to spin-off all of the outstanding shares of SUNS to the Company’s shareholders, the Spin-Off enabling each company’s management to more effectively pursue its own distinct investment priorities and strategies, the Spin-Off permitting the Company to allocate its financial resources to meet the unique needs of its business, which will allow it to specialize on its distinct strategic priorities and to more effectively pursue its distinct capital allocation and portfolio management strategies, the Spin-Off allowing each company to more effectively articulate a clear investment thesis to attract a long-term investor base suited to their business and providing investors with a distinct and targeted investment opportunity and the Spin-Off enhancing access to financing to support the SUNS business, which will no longer be subject to the current regulatory environment with respect to lending to cannabis industry operators and the Company’s ability to complete the Spin-Off by mid-2024. While the Company believes these forward-looking statements are reasonable, undue reliance should not be placed on any such forward-looking statements, which are based on information available to us on the date of this release. These forward-looking statements are subject to various risks and uncertainties, many of which are difficult to predict that could cause actual results to differ materially from current expectations and assumptions from those set forth or implied by any forward-looking statements. Readers should carefully review the Company’s financial statements and the notes thereto, as well as the sections entitled “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” of the Company’s Annual Report on Form 10-K for the year ended December 31, 2022 and of the Company’s Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2023, June 30, 2023 and September 30, 2023, and the other documents the Company files from time to time with the SEC, including the registration statement on Form 10 filed by SUNS on February 22, 2024. These filings identify and address other important risks and uncertainties that could cause actual events and results to differ materially from those contained in the forward-looking statements. The information in this release is provided only as of the date of this release, and we undertake no obligation to update any forward-looking statements contained in this release on account of new information, future events, or otherwise, except as required by law.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**AFC GAMMA, INC.**

By: /s/ Brandon Hetzel

Brandon Hetzel

Chief Financial Officer and Treasurer

Date: February 22, 2024

## FIFTH AMENDMENT TO AMENDED AND RESTATED MANAGEMENT AGREEMENT

This Fifth Amendment to Amended and Restated Management Agreement (this “**Amendment**”) is entered into as of February 22, 2024, by and between AFC Gamma, Inc., a Maryland corporation (together with its subsidiaries, the “**Company**”), and AFC Management, LLC, a Delaware limited liability company (the “**Manager**”). The Company and the Manager have agreed that this Agreement shall become effective upon the listing of the common stock, par value \$0.01 per share (the “**SUNS Common Stock**”), of Sunrise Realty Trust, Inc. (“**SUNS**”) on a securities exchange registered as a national securities exchange under Section 6 of the Securities Exchange Act of 1934, as amended (the date of such effectiveness, the “**Effective Date**”).

### RECITALS

WHEREAS, the Company and the Manager entered into the Amended and Restated Management Agreement, dated as of January 14, 2021, as amended by the First Amendment, dated March 10, 2022, the Second Amendment, dated November 7, 2022, the Third Amendment, dated March 6, 2023, and the Fourth Amendment, dated September 11, 2023 (as amended, the “**Management Agreement**”), under which the Company has retained the Manager to administer the business activities and day-to-day operations of the Company and to perform services for the Company in the manner and on the terms set forth therein; and

WHEREAS, the Company and the Manager desire to amend the Management Agreement in certain respects as more fully set forth below.

### AGREEMENT

NOW, THEREFORE, in consideration of the premises and covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Manager, intending to be legally bound hereby, agree as follows:

1. All capitalized terms not defined in this Amendment shall have the meanings assigned to them in the Management Agreement.
2. Upon the Effective Date, the Investment Guidelines, as set forth on Exhibit A to the Management Agreement, are hereby amended and restated in their entirety as set forth on Annex I attached hereto, and made a part hereof for all purposes.
3. Except as expressly modified by this Amendment, the Management Agreement shall continue to be and remain in full force and effect in accordance with its terms. Any future reference to the Management Agreement shall be deemed to be a reference to the Management Agreement as modified by this Amendment.
4. The provisions of Section 16 of the Management Agreement are incorporated herein by reference *mutatis mutandis* with the same force and effect as if expressly written herein.
5. This Amendment may be executed by the parties to this Amendment on any number of separate counterparts (including by facsimile), and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

[Signature Page Follows]

IN WITNESS WHEREOF, each of the parties hereto has executed this Amendment as of the Effective Date.

**AFC GAMMA, INC.**

By: /s/ Gabriel Katz  
Name: Gabriel Katz  
Title: Secretary and Chief Legal Officer

**AFC MANAGEMENT, LLC**

By: /s/ Leonard M. Tannenbaum  
Name: Leonard M. Tannenbaum  
Title: Manager

[Signature Page To Fifth Amendment]

**Annex I**

**Amended Investment Guidelines**

*[See attached.]*



### **Investment Guidelines**

1. No investment shall be made that would cause the Company to fail to qualify as a REIT under the Code.
2. No investment shall be made that would cause the Company to be regulated as an investment company under the Investment Company Act.

3. No investment shall be made that would cause the Company to violate any law, rule or regulation of any governmental body or agency having jurisdiction over the Company (excluding for purposes of this clause, the federal prohibition under the U.S. Controlled Substances Act of the cultivation, processing, sale or possession of cannabis or parts of cannabis including the sale or possession of cannabis paraphernalia, advertising the sale of cannabis, products containing cannabis or cannabis paraphernalia, or controlling or managing real estate on which cannabis is trafficked, as long as such investments are in compliance with applicable state law) or of any securities exchange on which the securities of the Company may be listed or that would otherwise not be permitted by the Company's Governing Instruments.

4. The Company's investments shall be in first and second lien loans, typically secured by mortgages and other security interests, to cannabis operators in states that have legalized medical and/or adult use cannabis (the "Cannabis Investments").

Notwithstanding the foregoing, this paragraph 4 shall not prohibit the Manager from causing the Company to invest in (a) debt securities (including seller notes) with characteristics similar to the Cannabis Investments, or (b) the types of assets described in paragraph 5 below until appropriate investments described in this paragraph 4 are identified.

5. Until appropriate investments are identified, the Manager may cause the Company to invest its available cash in interest-bearing, short-term investments, including money market accounts or funds, commercial mortgage-backed securities, corporate bonds, debt and equity interests of REITs and other investments, in each case subject to the requirements set forth in paragraphs 1 through 3 above.

6. All investments by the Company require the approval of the Investment Committee.

These Investment Guidelines may be amended, restated, modified, supplemented or waived by the Board (which must include a majority of the Independent Directors) and the Manager without the approval of the Company's stockholders.

## **AFC Gamma to Separate Commercial Real Estate Lending Business into Independent Public Company**

- *Post Separation, AFC Gamma to Remain Solely Focused on Lending in Cannabis Industry*
- *Expects to Complete Separation Mid-2024*
- *Company to Host Conference Call at 5:00 p.m. ET Today*

**WEST PALM BEACH, Fla., February 22, 2024**— AFC Gamma, Inc. (NASDAQ:AFCG) (“AFC Gamma”) today announced that its Board of Directors has unanimously approved a plan to spin-off its commercial real estate (“CRE”) portfolio into an independent, publicly traded company that intends to elect REIT status, Sunrise Realty Trust, Inc. (“SUNS”). The spin-off will result in two pure-play debt capital providers – one focused solely on the cannabis industry and a second on CRE in the southern United States. AFC Gamma believes that the separation will allow both companies to focus on their respective portfolios, articulate their own clear investment thesis, and have the flexibility to tailor their business strategies to best capture market opportunities within their specialization. The separation is expected to be completed in mid-2024.

Post separation, based on current portfolio information, it is expected that the two companies will be comprised of the following, with additional potential investments prior to separation:

### **AFC Gamma:**

- Portfolio: 12 funded cannabis loans
- YTM: 21%<sup>(1)</sup>
- Assets: ~\$330 million<sup>(2)</sup>

### **SUNS:**

- Portfolio: 2 funded CRE loans
- YTM: 16%<sup>(1)</sup>
- Assets: ~\$115 million<sup>(2)</sup>

“AFC Gamma’s Board and management team continuously evaluate strategic options to best position the company to drive value for shareholders. AFC Gamma has solidified its position as a leading institutional lender to state-licensed cannabis operators, and we believe now is the right time to spin off our traditional commercial real estate operations into a standalone public company,” said Daniel Neville, AFC Gamma’s Chief Executive Officer. “As separate companies, we believe each business will be better positioned to pursue tailored growth strategies. Furthermore, each company will benefit from separate cost of capital and will be able to attract an investor base ideally suited for the growth opportunities of its industry.”

“Separating Sunrise Realty Trust, our commercial real estate portfolio, from AFC Gamma sharpens both companies’ focus on each of their strategic priorities and enhances their respective financial flexibility,” said Leonard M. Tannenbaum, AFC Gamma’s Executive Chairman. “This transaction also gives AFC Gamma shareholders ownership of a separate company structured with the resources and flexibility to maximize value.”

### **Separation of Sunrise Realty Trust, Inc. (SUNS)**

SUNS will focus on originating CRE debt investments and providing capital to high-quality borrowers and sponsors with transitional business plans in the Southern U.S., collateralized by CRE assets with opportunities for near-term value creation, as well as recapitalization opportunities. SUNS’ target investment mix will likely include high quality residential for rent and for-sale condominiums, industrial, office, retail, hospitality, mixed-use and specialty-use real estate. SUNS intends to create a diversified

investment portfolio, targeting investments in senior mortgage loans, mezzanine loans, whole loans, B-notes and debt-like preferred equity securities across CRE asset classes.

As two separate companies, AFC Gamma and SUNS each plan to have some overlapping corporate management but will have distinct investment teams and boards of directors comprised primarily of independent directors. Upon completion of the spin-off, Brian Sedrish, current Chief Executive Officer of Southern Realty Trust Inc., is expected to lead SUNS as CEO. Following close, AFC Gamma and SUNS will have different external managers.

Mr. Sedrish stated, “We believe that CRE debt markets today present a significant opportunity to capitalize on market dislocations precipitated by the rise in interest rates, declining liquidity and a retrenchment of banks from CRE lending. With an experienced management team that has a proven track record in CRE credit and structured finance, we aim to successfully execute our business strategy and generate compelling risk-adjusted returns and long-term value for our shareholders.”

#### **Details of the Separation**

The separation of the CRE portfolio and the resulting spin-off will be completed in two steps. First, AFC Gamma will contribute, and SUNS will accept and assume, all the assets, liabilities and business related to AFC Gamma’s commercial real estate lending business, as currently conducted by SUNS, including the operations, properties, services and activities of such business. Then, a pro-rata distribution of SUNS’ common stock to AFC Gamma’s shareholders will occur (the “distribution”). Upon completion of the transaction, SUNS’ common stock is expected to be listed on the NASDAQ under the symbol “SUNS.”

In addition, the company anticipates that AFC Gamma shareholders as of the record date for the distribution will receive a special cash dividend of \$0.15 cents per common share.

SUNS plans to file a registration statement on Form 10 today, February 22, 2024 with the Securities and Exchange Commission (“SEC”) with respect to the shares of SUNS common stock being distributed. Work to effect the separation and distribution is underway and further details will be disclosed during the next several months.

AFC Gamma shareholder approval is not required to approve the distribution and effect the spin-off transaction, and shareholders are not required to take any action to receive shares of SUNS common stock. The planned separation and distribution is subject to final approval by AFC Gamma’s Board of Directors, the Form 10 registration statement being declared effective by the SEC and satisfaction of other conditions, as set forth in the separation and distribution agreement.

#### **Advisors**

O'Melveny & Myers LLP is serving as legal counsel to AFC Gamma and SUNS in connection with the spin-off.

#### **Conference Call and Webcast**

AFC Gamma will host a conference call today at 5:00 p.m. Eastern Time to discuss this announcement. All interested parties are welcome to participate. A presentation and the call will be available through a live audio webcast at the Investor Relations section of AFC Gamma’s website at [www.afcgamma.com](http://www.afcgamma.com).

To participate via telephone, please register in advance at this [link](#). Upon registration, all telephone participants will receive a confirmation email detailing how to join the conference call, including the dial-in number along with a unique passcode and registrant ID that can be used to access the call.

#### **About Brian Sedrish**

Mr. Sedrish has over 20 years of leadership experience within real estate private equity, focusing on institutional commercial real estate opportunities. He was formerly a Managing Director and Portfolio Manager at Related Fund Management (“RFM”) and the Head of Commercial Real Estate Acquisitions Special Situations for Deutsche Bank. Mr. Sedrish has held roles at Fortress Investment Group, Goldman Sachs and Lazard Freres. He received an MBA from the Kellogg School of Management at Northwestern, a Masters in Public Administration from Harvard University and a B.A. in Economics from the University of Michigan.

#### **About AFC Gamma, Inc.**

AFC Gamma, Inc. (NASDAQ:AFCG) is a publicly-traded, institutional lender that originates, structures and underwrites loans secured by commercial real estate and other types of financing solutions. AFC Gamma targets direct lending and bridge loan opportunities typically ranging from \$5 million to \$100 million across multiple real estate sectors, with a specialization in lending to state-law compliant cannabis operators. It is based in West Palm Beach, Florida.

#### **Forward Looking Statements**

This release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that reflect our current views and projections with respect to, among other things, future events and financial performance. 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, including statements about our future growth and strategies for such growth, 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 ability of our manager to locate suitable loan opportunities for us, monitor and actively manage our loan portfolio and implement our investment strategy; the demand for cannabis cultivation and processing facilities; management’s current estimate of expected credit losses and current expected credit loss reserve and other factors could cause actual results and performance to differ materially from those projected in these forward-looking statements. Additionally, these forward-looking statements are based upon current estimates and assumptions and include statements regarding AFC Gamma’s plans to spin-off all of the outstanding shares of SUNS to AFC Gamma’s shareholders, the spin-off enabling each company’s management to more effectively pursue its own distinct investment priorities and strategies, the spin-off permitting AFC Gamma to allocate its financial resources to meet the unique needs of its business, which will allow it to specialize on its distinct strategic priorities and to more effectively pursue its distinct capital allocation and portfolio management strategies, the spin-off allowing each company to more effectively articulate a clear investment thesis to attract a long-term investor base suited to their business and providing investors with a distinct and targeted investment opportunity and the spin-off enhancing access to financing to support the SUNS business, which will no longer be subject to the current regulatory environment with respect to lending to cannabis industry operators. While AFC Gamma believes these forward-looking statements are reasonable, undue reliance should not be placed on any such forward-looking statements, which are based on information available to us on the date of this release. These forward-

looking statements are subject to various risks and uncertainties, many of which are difficult to predict that could cause actual results to differ materially from current expectations and assumptions from those set forth or implied by any forward-looking statements. Readers should carefully review AFC Gamma's financial statements and the notes thereto, as well as the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" of AFC Gamma's Annual Report on Form 10-K for the year ended December 31, 2022 and of AFC Gamma's Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2023, June 30, 2023 and September 30, 2023, and the other documents AFC Gamma files from time to time with the SEC. These filings identify and address other important risks and uncertainties that could cause actual events and results to differ materially from those contained in the forward-looking statements. The information in this release is provided only as of the date of this release, and we undertake no obligation to update any forward-looking statements contained in this release on account of new information, future events, or otherwise, except as required by law.

*(1) Estimated YTM calculations require management to make estimates and assumptions, including, but not limited to, the timing and amounts of loan draws on delayed draw loans, the timing collectability of exit fees, the probability and timing of prepayments and the probability of contingent features occurring. For example, our credit agreements with certain borrowers contain provisions pursuant to which certain PIK interest rates and fees earned by us under such credit agreements will decrease upon the satisfaction of certain specified criteria, which we believe may improve the risk profile of the applicable borrower. To be conservative, we have not assumed any prepayment penalties or early payoffs in our estimated YTM calculation. Estimated YTM is based on current management estimates and assumptions, which may change. Actual results could differ from those estimates and assumptions.*

*(2) Based on September 30, 2023 balance sheet, numbers are approximate as if AFC Gamma and Sunrise Realty Trust were separated today.*

#### **INVESTOR CONTACT:**

Robyn Tannenbaum  
561-510-2293  
ir@afcgamma.com  
www.afcgamma.com

#### **MEDIA CONTACT:**

Collected Strategies  
Jim Golden / Jack Kelleher / Taylor Koedding  
afcg-cs@collectedstrategies.com