



**AFC** *gamma*  
ADVANCED FLOWER CAPITAL



AFC Gamma, Inc.  
Q1 2022 Earnings Presentation  
May 10, 2022

# Forward-Looking Statements

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Some of the statements contained in this presentation constitute forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995 and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and we intend such statements to be covered by the safe harbor provisions contained therein. The information contained in this section should be read in conjunction with our financial statements and notes thereto appearing elsewhere in our quarterly report on Form 10-Q for the quarter ended March 31, 2022. This description contains forward-looking statements that involve risks and uncertainties. We use words such as “anticipate,” “believe,” “project,” “expect,” “intends,” “will,” “should,” “may” and similar expressions to identify forward-looking statements, although not all forward-looking statements include these words.

Actual results could differ significantly from the results discussed in the forward-looking statements due to the factors set forth in “Risk Factors” in our annual report on Form 10-K for the quarter ended March 31, 2022. In addition, some of the statements in this presentation constitute forward-looking statements, which relate to future events or the future performance or financial condition of AFC Gamma, Inc. (“AFCG” and the “Company,” “we,” “us” and “our”). The forward-looking statements contained in this presentation involve a number of risks and uncertainties, including statements concerning: our business and investment strategy; our projected operating results including our projections for distributable earnings, originations and repayments; the estimated growth in and evolving market dynamics of the cannabis market; the impact of economic conditions on our business and the United States; the ability of our Manager to locate suitable loan opportunities for us, monitor, service and administer our loans and execute our investment strategy; allocation of loan opportunities to us by our Manager; our projected operating results; actions and initiatives of the U.S. or state governments and changes to government policies and the execution and impact of these actions, initiatives and policies, including the fact that cannabis remains illegal under federal law; the state of the United States and Canadian economies generally or in specific geographic regions; evolving market dynamics of the cannabis market; the demand for cannabis cultivation and processing facilities; shifts in public opinion regarding cannabis; the state of the U.S. economy generally or in specific geographic regions; economic trends and economic recoveries; the collectability and timing of cash flows, if any, from our loans; our ability to obtain and maintain financing arrangements; our expected leverage; changes in the value of our loans; our expected portfolio of loans; our expected investment and underwriting process; rates of default or decreased recovery rates on our loans; the degree to which our hedging strategies may or may not protect us from interest rate volatility; changes in interest rates of our loans and impacts of such changes on our results of operations, cash flows and the market value of our loans; interest rate mismatches between our loans and our borrowings used to fund such loans; the departure of any of the executive officers or key personnel supporting and assisting us from our Manager or its affiliates; impact of and changes in governmental regulations, tax law and rates, accounting guidance and similar matters; our ability to maintain our exemption from registration under the Investment Company Act of 1940 (the “1940 Act”); our ability to qualify and maintain our qualification as a real estate investment trust (“REIT”) for United States federal income tax purposes; estimates relating to our ability to make distributions to our stockholders in the future; our understanding of our competition; market trends in our industry, interest rates, real estate values, the securities markets or the general economy.

We have based the forward-looking statements included in this presentation on information available to us on the date of this presentation, and we assume no obligation to update any such forward-looking statements. We undertake no obligation to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise. You are advised to consult any additional disclosures that we may make through reports that we have filed or in the future may file with the SEC, including annual reports on Form 10-K, registration statements on Form S-11, quarterly reports on Form 10-Q and current reports on Form 8-K.

# Legal Disclaimers

## Important Notices

This presentation is by AFC Gamma, Inc., a publicly traded company that has elected to be taxed as a REIT for federal income tax purposes and is being furnished in connection with AFCG's financial results. This presentation is provided for informational purposes only and is not an offer to sell, or a solicitation of an offer to buy, any security or instrument. AFCG is not a registered investment adviser. AFCG is managed by AFC Management, LLC ("AFCM"), a registered investment adviser. This presentation is not a communication by AFCM and is not designed to maintain any existing AFCM client or investor or solicit new AFCM clients or investors.

We routinely post important information for investors on our website, [www.afcgamma.com](http://www.afcgamma.com). We intend to use this webpage as a means of disclosing material information, for complying with our disclosure obligations under Regulation FD and to post and update investor presentations and similar materials on a regular basis. AFCG encourages investors, analysts, the media and others interested in AFCG to monitor the Investors section of our website, in addition to following our press releases, SEC filings, public conference calls, presentations, webcasts and other information we post from time to time on our website. To sign-up for email-notifications, please visit the "Email Alerts" section of our website under the "IR Resources" section and enter the required information to enable notifications. Past performance is no guarantee of future results. There is no guarantee that any investment strategy referenced herein will work under all market conditions. You alone assume the responsibility of evaluating the merits and risks associated with any potential investment or investment strategy referenced herein. The information contained herein is not intended to provide, and should not be relied upon for accounting, legal or tax advice or investment recommendations for AFCG or any of its affiliates. Certain information contained in the presentation discusses general market activity, industry or sector trends, or other broad-based economic, market or political conditions and should not be construed as research or investment advice.

## Non-GAAP Financial Measures

This presentation includes certain non-GAAP financial measures, including Distributable Earnings to evaluate our performance excluding the effects of certain transactions and certain GAAP adjustments that we believe are not necessarily indicative of our current loan activity and operations. We believe the non-GAAP financial measures are useful for management, investors, analysts, and other interested parties in evaluating our performance but should not be viewed in isolation and are not a substitute for financial measures computed in accordance with GAAP.

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 Fees earned under the Management Agreement for the applicable time period, and thus Core Earnings is calculated prior to Incentive Fee expense, while the calculation of Distributable Earnings accounts for any Incentive Fees 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 OID, debt instruments with PIK interest and zero coupon securities), accrued income that we have not yet received in cash, (iv) provision for current expected credit losses; (v) taxable REIT subsidiary ("TRS") (income) loss; 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 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. We have not provided reconciliations of expected distributable earnings for the future period(s), in reliance on the unreasonable efforts exception provided under Item 10(e)(1)(i)(B) of Regulation S-K. We are unable, without unreasonable efforts, to forecast certain items required to develop meaningful comparable GAAP financial measures. These items include changes in unrealized gains, non-cash equity compensation expenses and the impact of non-cash adjustments for current expected credit losses that are difficult to predict in advance in order to include in a GAAP estimate.

Please see the section entitled "Reconciliation of Distributable Earnings to GAAP Net Income" in the attached Appendix C for a reconciliation to the most directly comparable GAAP financial measures.



# Agenda

**1** Why AFC Gamma?

**2** Q1 2022 Financial Highlights

**3** Market Opportunity

**4** Corporate Overview

**5** Appendix

# Management Presenters



**Leonard  
Tannenbaum**

Founder, Chief Executive Officer

Over 22 years of experience in credit investing

Founder and former Chief Executive Officer of Fifth Street, a ~\$5 billion credit-focused asset manager



**Jonathan  
Kalikow**

Founder, Head of Real Estate

Over 15 years experience in real estate as part of the Kalikow family office, which manages a real estate firm operating for ~100 years

Co-Founder of Gamma Real Estate, a \$2 billion commercial real estate lender and investor

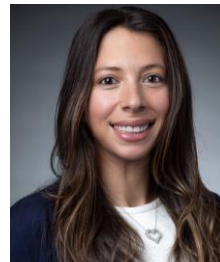


**Brett  
Kaufman**

Chief Financial Officer and Treasurer

Over 25 years of experience in accounting and finance

Formerly Senior Vice President and Chief Financial Officer of Ladenburg Thalmann Financial Services



**Robyn  
Tannenbaum**

Founder, Head of Originations and Investor Relations

Over 7 years of experience in healthcare mergers & acquisitions and leveraged finance at CIT Group

Former Head of Investor Relations at Fifth Street



**Brandon  
Hetzel**

Vice President, Controller

12 years of experience primarily in real estate accounting

Formerly Vice President of Finance for El-Ad National Properties

# Why AFC Gamma?

Backed by years of combined lending expertise and real estate experience, AFC Gamma is well-positioned in the high-growth cannabis industry

## A Leading Institutional Loan Origination Platform

- A premier financing source for cannabis operators
- Extensive loan sourcing, underwriting, structuring and portfolio management expertise
- Current Commitments of ~\$483 million and Outstanding Principal Balance of ~\$422 million<sup>(1)(2)</sup>

## Attractive Risk-Adjusted Returns on Investment

- Attractive supply-demand imbalance created by constrained financing environment
- Targeting loans with gross yields within the range of 12% to 20%, with an estimated weighted average yield-to-maturity of ~18% on the existing portfolio<sup>(1)</sup>
- Stringent and highly disciplined underwriting, combined with an unwavering focus on underlying real estate value, resulting in a high-quality portfolio

## Rapidly Growing Addressable Market

- First-mover advantage results in capturing market share and establishing long-term client relationships
- Total U.S. legal cannabis market increased to \$24.0 billion in 2021, an increase of 29%<sup>(3)</sup>
- U.S. retail sales projected to rise to between \$38.4 billion and \$45.9 billion by 2025<sup>(4)</sup>

## Strong Balance Sheet

- Low leverage balance sheet and strong real estate, cash flow and license coverage across the portfolio
- Raised \$100 million Senior Notes due 2027 in Q4 2021
- Entered into \$60 million senior secured revolving credit facility in April 2022, with commitments from two FDIC-insured banks and the ability to increase the facility to \$100 million (subject to available borrowing base and additional commitments)

(1) Estimated weighted average yield-to-maturity as of May 9, 2022.

(2) Current Commitments represents the total committed principal value at closing of our outstanding loans. Outstanding Principal Balance represents the current principal value of our outstanding loans, which includes impact from amortizations, repayments and capitalized Payment In Kind ("PIK") payments.

(3) Source: Canaccord Genuity Capital Markets, "Cannabis Market Overview" (January 2022)

(4) Source: 2021 Marijuana Business Daily.



# AFCG Company Overview

## A Premier Commercial Mortgage REIT NASDAQ: AFCG

- AFC Gamma, Inc. is a leading NASDAQ-listed provider of institutional loans to the cannabis industry
- Originates and funds loans to established cannabis operators in states with attractive licensing and favorable supply/demand environments
- Objective is to provide compelling risk-adjusted returns with loans that typically include amortization and/or cash flow sweeps, significant collateral and favorable pricing, driving average annual gross yields of approximately 12% – 20%
- Robust investment review process including market research, management underwriting and in-depth due diligence<sup>(3)</sup>
- Founded in July 2020 by veteran investor Leonard Tannenbaum
- Collectively, the management team has directly structured over \$10 billion in loan transactions and taken four companies public
- AFCG received a BBB+ investment grade rating from Egan-Jones in October 2021

## A Leading Lender to the Cannabis Space<sup>(1)</sup>

**\$483MM**

Current Commitments<sup>(2)</sup>

**~18%**

Estimated Yield on  
Existing Portfolio

**1.1x**

Real Estate Collateral  
Coverage on Existing  
Portfolio

**\$783MM**

Active Pipeline<sup>(4)</sup>

**\$24.0Bn**

Retail Cannabis Market  
Size in 2021<sup>(5)</sup>

**50+**

Years Investing  
Experience by Investment  
Committee

(1) All company data as of May 9, 2022.

(2) Current Commitments represents the total committed principal value at closing.

(3) The diligence we conduct differs for loans that AFCM agents as compared to the loans for which we are a syndicate partner. For prospective loans where we are a syndicate partner, we typically focus our own due diligence efforts on the prospective borrower's financial performance.

(4) Includes potential syndications.

(5) Source: Canaccord Genuity Capital Markets, "Cannabis Market Overview" (January 2022)

# Market Opportunity in the Current Environment

## Legalization Fuels Expanding Market Size<sup>(1)</sup>

68%

Americans Support  
Legalization

~20%

Projected Adult-Use Retail  
Cannabis Market CAGR  
2020-2025

\$24.0<sub>Bn</sub>

US Legal Cannabis Market  
Size in 2021<sup>(2)</sup>

>\$38.4<sub>Bn</sub>

Expected Legal Market Size  
by 2025

## Potential Reform at the Federal Level<sup>(3)</sup>

### The SAFE Banking Act

- The SAFE Banking Act would protect the business banking practices (i.e., all lenders and depository institutions) of those operating legally under state law
- Money from state-legal cannabis companies would not be considered as proceeds of a crime, as state-legal cannabis would be carved out of enumerated unlawful activities

### The MORE Act & Other Initiatives

- The MORE Act would end criminalization of cannabis at the federal level by removing it from the list of controlled substances
- In February 2021, the Senators Booker, Wyden and Schumer announced a plan to introduce cannabis reform legislation that would ensure restorative justice, protect public health and implement responsible taxes and regulations to the cannabis industry

(1) Sources: Gallup Poll: "Support for Legal Marijuana Inches Up to New High of 68%" November 2020; 2021 Marijuana Business Factbook; United Nations 2020 World Drug Report.

(2) Source: Canaccord Genuity Capital Markets, "Cannabis Market Overview" (January 2022)

(3) Sources: Secure And Fair Enforcement ("SAFE") Banking Act of 2019; The Marijuana Opportunity Reinvestment and Expungement ("MORE") Act of 2019; "Booker, Wyden, Schumer Joint Statement on Cannabis Reform Legislation," 01 February 2021: <https://www.booker.senate.gov/news/press/booker-wyden-schumer-joint-statement-on-cannabis-reform-legislation>.



# AFCG's Market Opportunity

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## Limited Supply of Capital

- Institutional banks generally decline to provide full services to marijuana-related businesses
- Alternative sources of financing are needed to complete commitments, allowing lenders to demand strong risk-adjusted returns with significant collateral

## Market Challenges for Operators

- Stringent state-by-state regulations and lengthy license approval processes
- Costly and complex distribution process
- Current sizable illicit market in legalized cannabis states

## Opportunistic Solutions

- Rapidly growing industry combined with high-quality cannabis operators running capital-intensive businesses that face significant hurdles accessing capital provides opportunities for AFCG, as a leading U.S. publicly-traded lender focused on the industry



# From Origination to Management

Given our commitment to sourcing loans with high return potential and controlled risk, AFCG is involved in all key phases of the lending process

## 1 Origination

AFCG maintains a direct-origination platform, which works to create enhanced yields and allows us to put in greater controls for loans that AFCM originates and structures. The platform drives increased deal flow, which provides for improved selectivity

## 2 Underwriting

AFCG screens potential deals based on four criteria: company financial strength, the in-state environment for cannabis, regulatory/license value considerations, and property-value metrics<sup>(1)</sup>

## 3 Investment Committee

Our Investment Committee focuses on managing risk via a comprehensive company analysis. Approval from the committee is required for each loan before commitment papers are issued

## 4 Ongoing Review

Our investment team works alongside external counsel to negotiate loan documents, with an emphasis on financial covenants and a limitation of actions that may be adverse to lenders. Once the loan is funded, we monitor the company's performance over the life of the loan

# AFC Gamma's Underwriting Criteria

## Borrower & Operations

- Type of operations – cultivation, processing, manufacturing and distribution
- Mix analysis – wholesale vs. retail
- State regulatory approval
- Quality of management – cultivation experience and financial expertise, among other factors
- Brand analysis – owned brands or produce for others
- Quality control analysis – testing, operational procedures, remediation procedures
- Construction projects – historical ability to hit budget and timeline

## Loan Analysis

- Loan size and capital structure overview – current and pro forma
- Loan economics – interest rate, original issue discount (“OID”), exit fees, prepayment penalties, etc.
- Loan security – real estate, licenses, parent guaranty, cash flow, trademarks, etc.
- Thorough covenant analysis and remedies to breach
- Review of the agent and participants in the syndication process
- Risks and mitigants of the loan – credit risk, business risk, structure risk, etc.
- Assigned Rights are sold concurrently with closing and recognized as additional OID

## Real Estate & Structure

- Type of cultivation (outdoor, greenhouse, indoor), processing capabilities, and distribution abilities
- Size, construction, and suitability of the facility
- Total land and hard/soft costs analysis to determine total basis and estimate replacement costs
- Visual and/or physical site visit to inspect the land, facilities, and specific systems in use
- Real estate metrics:
  - Loan to Cost
  - Loan to Value

## Financial Analysis & Metrics

- Historical and projected cash flow analysis
- Capital structure analysis – current and pro forma
- Loans are structured with covenants such as maximum leverage ratio, debt service coverage ratio, fixed charge coverage ratio, minimum EBITDA, and minimum cash
- Cost per gram of the product
- Full financial model – vertically integrated, wholesaler, distributor, etc.
- Quality of earnings report

## State-by-State Analysis

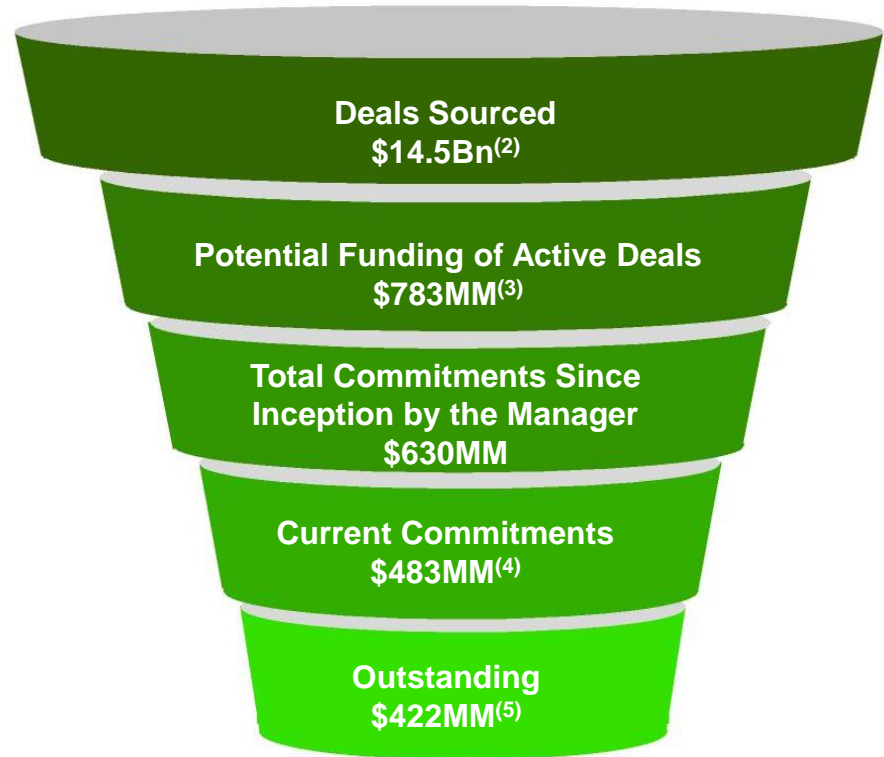
- Legislative environment of every state a company operates within
- Probability analysis of legislative changes in each state
- Growing conditions and seasonality within the state
- Local planning and permits
- Current political climate and importance of cannabis
- License dynamics – number and type (vertical, single)

## License Analysis

- Fully examine the licenses owned in each state
- Review the licenses under application in each state
- Evaluate the transferability of license(s) held by the company
- Analyze the valuation and marketplace for licenses in each state

# AFC Gamma Maintains a Strong Deal Funnel and Pipeline<sup>(1)</sup>

Through its direct origination platform, AFC Gamma continues to source deals across the cannabis industry in various states and maintains a robust pipeline of active opportunities



(1) All company data as of May 9, 2022.

(2) Represents deals sourced by AFCG's manager from January 1, 2020 through May 9, 2022.

(3) Includes potential syndications.

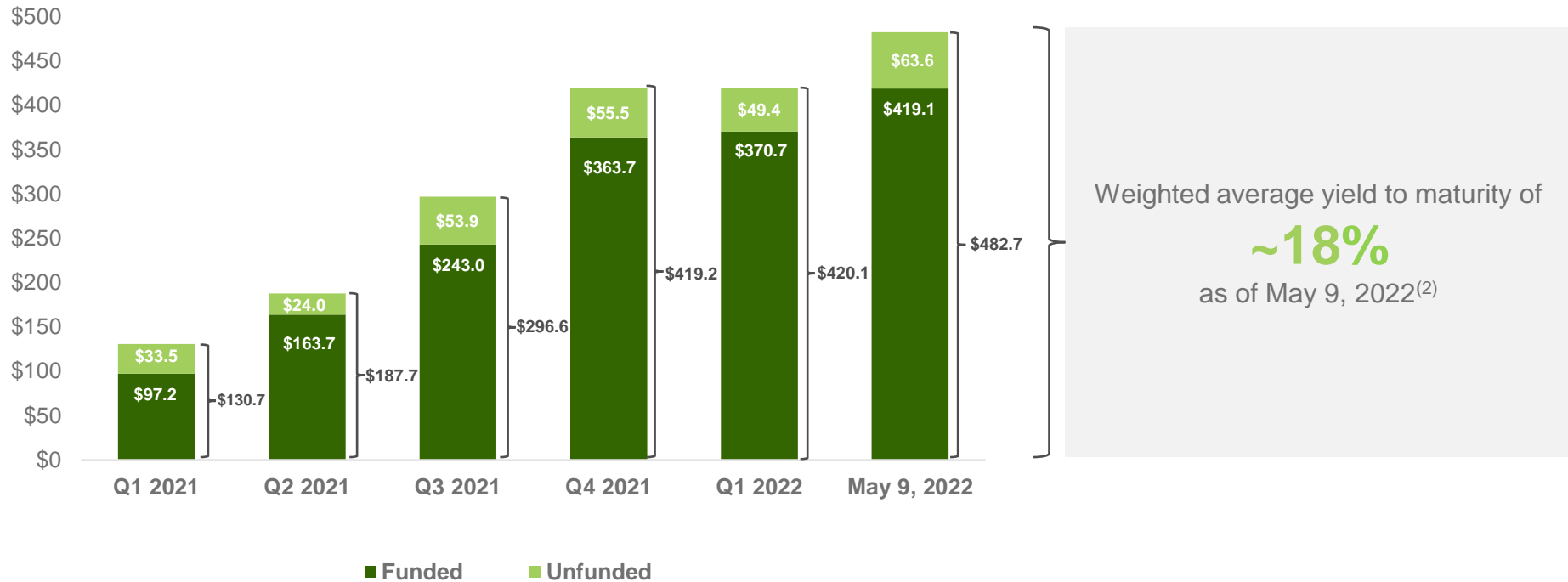
(4) Current Commitments represents the total committed principal value at closing of our outstanding loans.

(5) Outstanding Principal Balance represents the current principal value of our outstanding loans, which includes impact from amortizations, repayments and capitalized PIK payments.

# Investment Portfolio Activity



## Current Commitments<sup>(1)</sup> (in millions)



(1) Current Commitments represents the total committed principal value at closing of our outstanding loans (as of March 31, 2021, June 30, 2021, September 30, 2021, December 31, 2021, March 31, 2022 and May 9, 2022).

(2) 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.

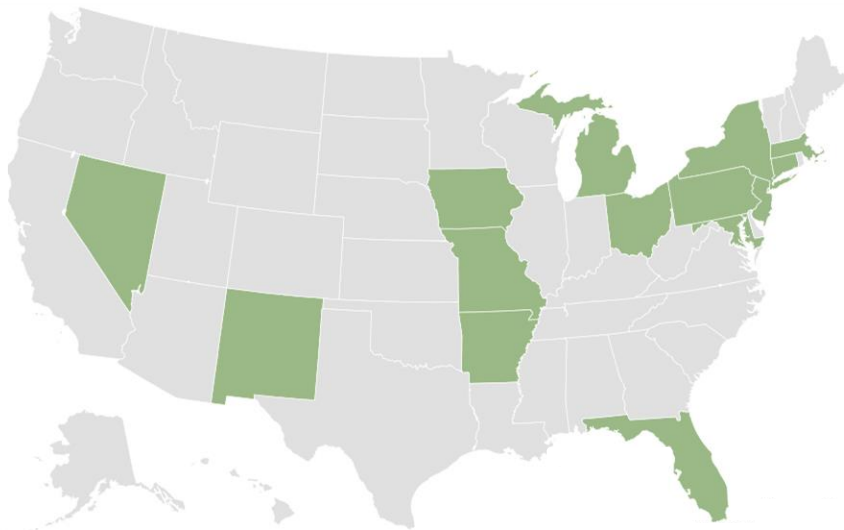
# Diversified Portfolio Across Geography Type

Cannabis is a rapidly expanding market with a limited supply of institutional capital

38 states + DC have legalized medical cannabis; of those, 18 states + DC have legalized adult use cannabis and 2 states have legalized high-CBD, low-THC medical programs<sup>(1)</sup>

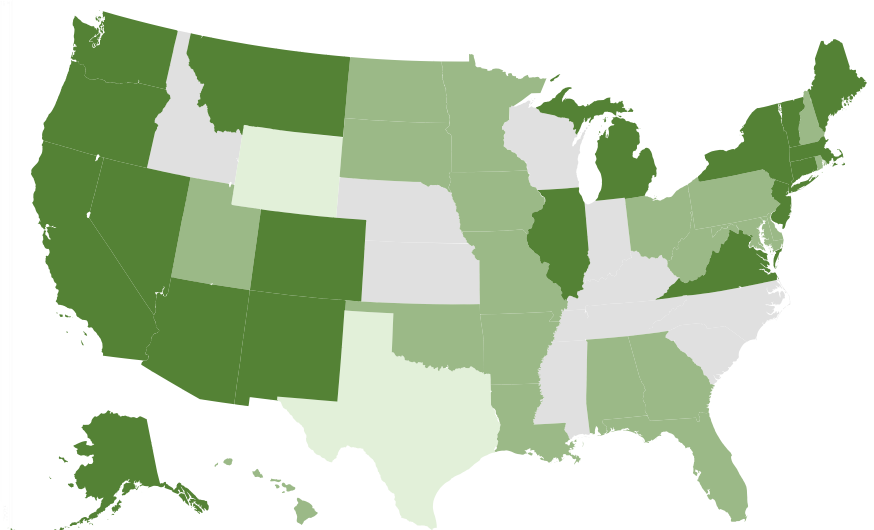
AFCG's loan portfolio includes 13 loans across 16 states as of May 9, 2022

### AFCG Portfolio Diversification<sup>(2)</sup>



● States with AFCG operations and/or collateral supporting loans

### Current Legalization by State



● Legalized ● Medical Only ● High-CBD/Low-THC Medical Programs ● Illegal

(1) The 2018 Farm Bill permits state regulation of the increased cannabidiol ("CBD") and lower tetrahydrocannabinol ("THC") programs.

# AFCG Portfolio Summary

AFCG has reviewed 557 deals, representing \$14.5 billion in Aggregate Value\*

 **13** Funded

 **3** Committed

 **112** In Review

 **419** Rejected

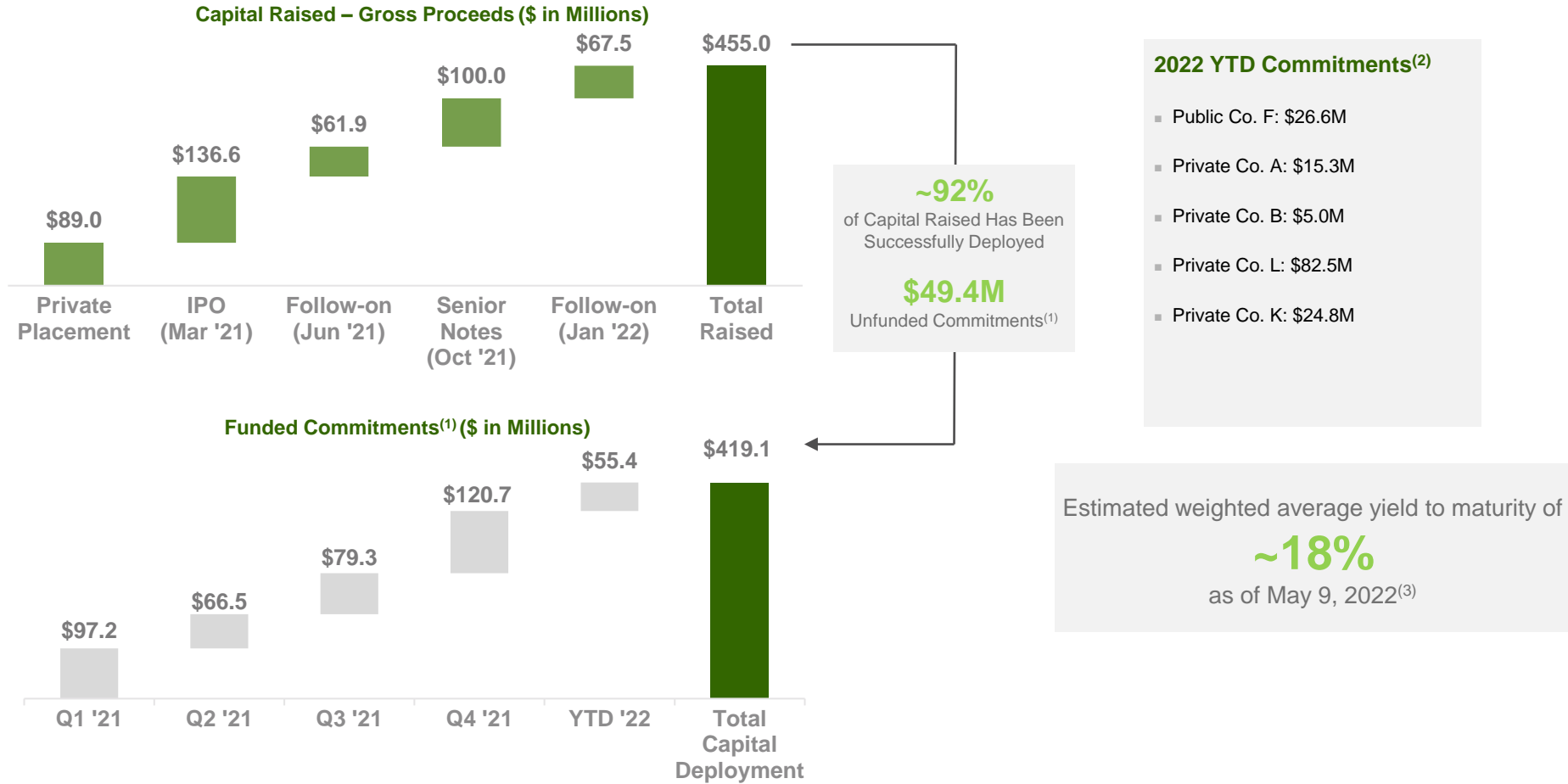
Borrower	Original Funding Date <sup>(1)</sup>	Loan Maturity	AFCG Loan, net of Syndication	% of Total AFCG	TOTAL OID <sup>(2)(3)</sup>	Principal Balance as of 5/9/2022	Cash Interest Rate	Paid In Kind ("PIK")	Fixed/ Floating	Amortization During Term	Estimated YTM <sup>(2)(3)</sup>
Public Co. A - Real Estate Loan	7/3/2019	1/26/2023	\$ 2,940,000	0.6%	5.4%	\$ 2,994,773	10.0%	4.0%	Fixed	No	19%
Public Co. A - Equipment Loans	8/5/2019	3/5/2024	4,000,000	0.8%	0.1%	2,109,755	12.0%	N/A	Fixed	Yes	19%
Private Co. A	5/8/2020	5/8/2024	77,785,000	16.1%	7.9%	80,113,281	12.8%	2.7% <sup>(6)</sup>	Fixed	Yes	22%
Private Co. B	9/10/2020	9/1/2023	15,500,000	3.2%	6.4%	12,967,187	13.0%	4.0%	Fixed	Yes	28%
Private Co. C	11/5/2020	12/1/2025	24,000,000	5.0%	4.0%	24,657,703	13.0%	4.0%	Floating	Yes	23%
Sub of Private Co. G <sup>(4)</sup>	4/30/2021	5/1/2026	65,400,000	13.5%	4.0%	53,663,361	12.5%	1.8%	Floating	Yes	21%
Sub of Private Co. H <sup>(5)</sup>	5/11/2021	5/11/2023	5,781,250	1.2%	2.8%	5,781,250	15.0%	N/A	Fixed	No	20%
Public Co. F <sup>(4)</sup>	5/21/2021	5/30/2023	86,600,000	17.9%	2.0%	86,600,000	8.6%	N/A	Fixed	No	11%
Private Co. I	7/14/2021	8/1/2026	10,430,144	2.2%	4.0%	10,638,253	13.0%	2.5%	Floating	Yes	22%
Private Co. K	4/28/2022	5/3/2027	24,750,000	5.1%	4.0%	9,235,000	13.0%	N/A	Floating	Yes	18%
Private Co. J	8/30/2021	9/1/2025	23,000,000	4.8%	4.0%	23,444,459	13.0%	2.0%	Floating	Yes	20%
Sub of Public Co. H	12/16/2021	1/1/2026	60,000,000	12.4%	4.0%	60,000,000	9.8%	N/A	Fixed	No	14%
Private Co. L	4/20/2022	5/1/2026	82,500,000	17.1%	3.5%	50,000,000	12.0%	N/A	Fixed	Yes	16%
<b>SubTotal</b>			<b>\$ 482,686,394</b>	<b>100.0%</b>	<b>4.2%</b>	<b>\$ 422,205,022</b>	<b>11.4%</b>	<b>1.6%</b>			<b>18%</b>

**Wtd Average**

\* Represents period beginning January 1, 2020 through May 9, 2022.

- (1) All loans originated prior to July 31, 2020 were purchased from an affiliated entity at fair value which approximated accreted and/or amortized cost plus accrued interest on July 31, 2020.
- (2) Estimated YTM includes a variety of fees and features that affect the total yield, which may include, but is not limited to, OID, exit fees, prepayment fees, unused fees and contingent features. OID is recognized as a discount to the funded loan principal and is accreted to income over the term of the loan. Loans originated before July 31, 2020 were acquired by us, net of unaccreted OID, which we accrete to income over the remaining term of the loan. In some cases, additional OID is recognized from additional purchase discounts attributed to the fair value of equity positions that were separated from the loans prior to our acquisition of such loans. The 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, certain credit agreements may 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.
- (3) Estimated YTM for the loans with Public Co. A and Private Co. A is enhanced by purchase discounts attributed to the fair value of equity warrants that were separated from the loans prior to our acquisition of such loans. The purchase discounts accrete to income over the respective remaining terms of the applicable loans.
- (4) Cash Interest and PIK rates for Private Co. G and Public Co. F represent blended rate of three tranches with differing rates
- (5) Loan to Subsidiary of Private Co. H does not reflect the borrower's option to request up to two maturity extensions each for an additional six months from the then-existing loan maturity date. The first extension, which is available at the borrower's sole option, is subject to a payment of a 2.0% fee. The second extension is subject to the approval of all lenders.
- (6) PIK rate for Private Co. A represents a blended rate of the three tranches with differing rates.

# Continuous Strong Momentum In Capital Deployment



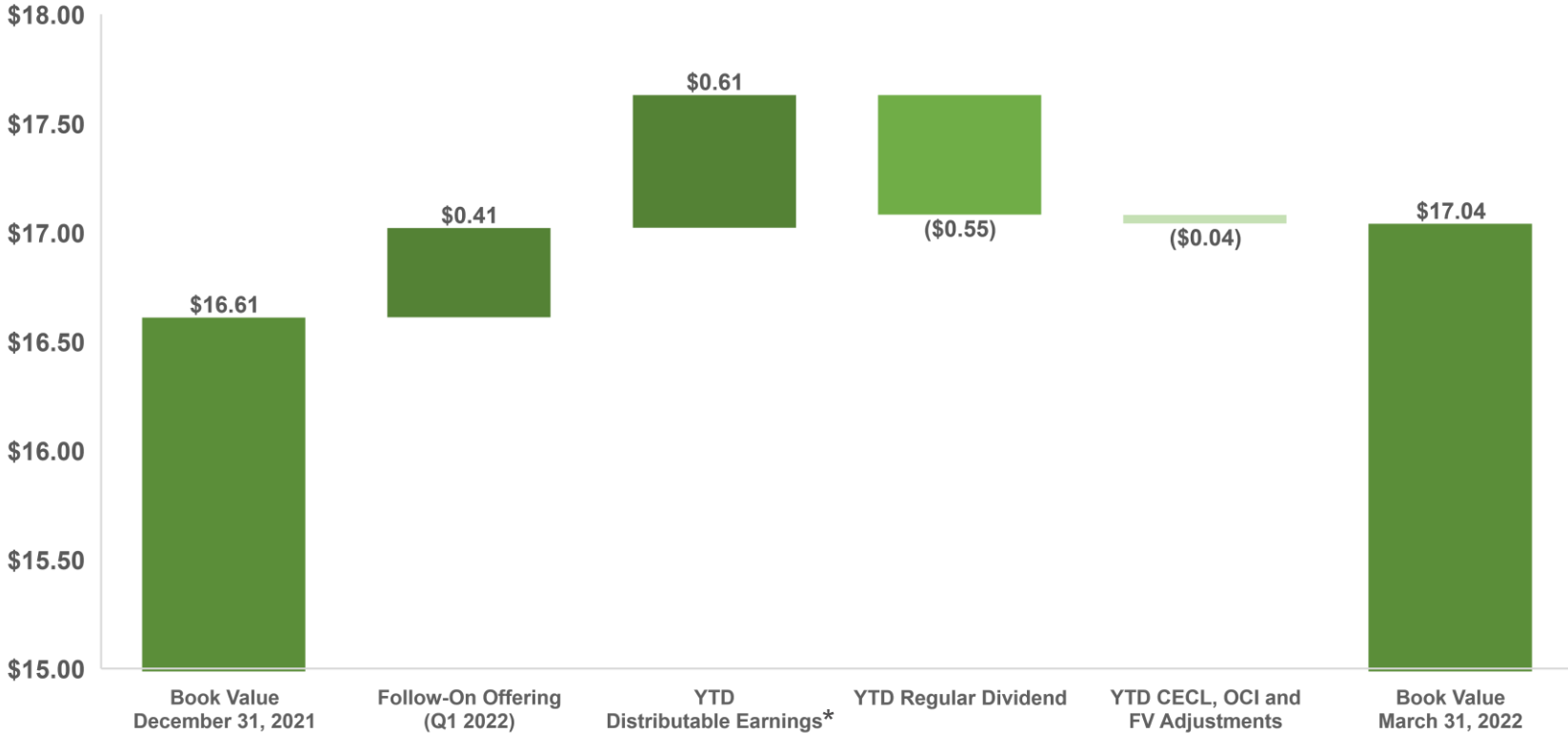
(1) Commitments represents the total committed principal value at closing of our outstanding loans (as of March 31, 2021, June 30, 2021, September 30, 2021, December 31, 2021, and May 9, 2022) and net of repayments of loans.

(2) Represent funded and unfunded credit facilities. Certain of the commitments since January 1, 2022 consist of commitment increases to existing credit facilities.

(3) 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.

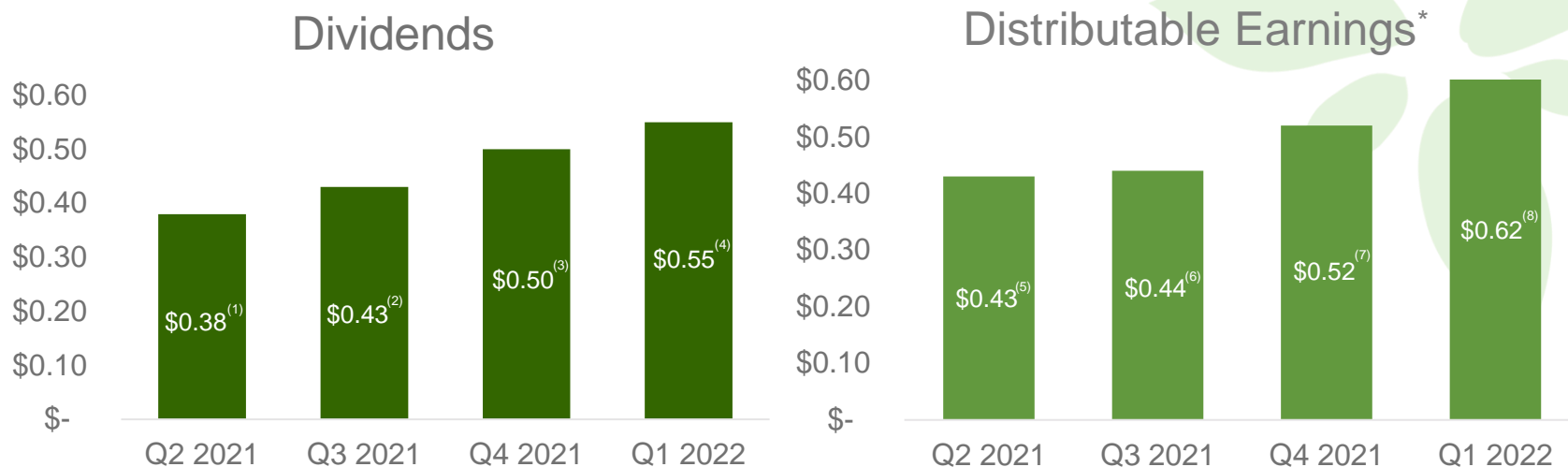


# AFC Gamma Q1 2022 Book Value<sup>(1)</sup>



\* Distributable Earnings is a non-GAAP financial measure. See Appendix C of this presentation for a reconciliation of GAAP Net Income to Distributable Earnings.  
 (1) March 31, 2022 values per share based on 19,742,940 shares of common stock outstanding as of March 31, 2022. Year to Date ("YTD") for the quarter ended March 31, 2022.

# Distributable Earnings & Dividends



For Q1 2022, AFC Gamma previously declared & paid dividend of

**\$0.55 per share,**

an increase of 10% from Q4 2021 and the **third consecutive quarterly increase**

The background is a dark green color with a subtle pattern of lighter green leaves. A white rectangular border frames the central text.

# APPENDIX

Q1 2022 Financial Overview

# APPENDIX A

## AFC Gamma Balance Sheet

	As Of	
	March 31, 2022	December 31, 2021
<b>Assets</b>		
Loans held for investment at fair value (cost of \$92,808,827 and \$74,913,157 at March 31, 2022 and December 31, 2021, respectively, net)	\$ 95,072,832	\$ 77,096,319
Debt securities available for sale held at fair value	-	15,881,250
Loans held for investment at carrying value	265,151,482	257,163,496
Loan receivable at carrying value	2,279,324	2,530,588
Current expected credit loss reserve	<u>(3,390,676)</u>	<u>(2,431,558)</u>
Loans held for investment at carrying value and loan receivable at carrying value, net of current expected credit loss reserve	264,040,130	257,262,526
Cash and cash equivalents	63,615,179	109,246,048
Receivable for loans and securities sold	26,500,000	-
Interest receivable	4,235,265	4,412,938
Prepaid expenses and other assets	<u>604,177</u>	<u>949,279</u>
<b>Total assets</b>	<b><u>\$ 454,067,583</u></b>	<b><u>\$ 464,848,360</u></b>
<b>Liabilities</b>		
Interest reserve	\$ 607,163	4,782,271
Accrued interest	2,409,723	991,840
Due to affiliate	23,122	-
Dividends payable	10,858,617	8,221,406
Current expected credit loss reserve	629,188	683,177
Accrued management and incentive fees	3,847,213	2,823,044
Accrued direct administrative expenses	906,717	1,324,457
Accounts payable and other liabilities	1,615,812	1,528,980
Senior notes payable, net	96,659,635	96,572,656
Line of credit payable to affiliate, net	<u>-</u>	<u>74,845,355</u>
<b>Total liabilities</b>	<b><u>117,557,190</u></b>	<b><u>191,773,186</u></b>
<b>Commitments and contingencies (Note 10)</b>		
<b>Stockholders' Equity</b>		
Preferred stock, par value \$0.01 per share, 10,000 shares authorized at March 31, 2022 and December 31, 2021 and 125 shares issued and outstanding at March 31, 2022 and December 31, 2021	1	1
Common stock, par value \$0.01 per share, 50,000,000 and 25,000,000 shares authorized at March 31, 2022 and December 31, 2021, respectively, and 19,742,940 and 16,442,812 shares issued and outstanding at March 31, 2022 and December 31, 2021, respectively	196,784	163,866
Additional paid-in-capital	338,102,982	274,172,934
Accumulated other comprehensive income (loss)	-	(168,750)
Accumulated (deficit) earnings	<u>(1,789,374)</u>	<u>(1,092,877)</u>
<b>Total stockholders' equity</b>	<b><u>336,510,393</u></b>	<b><u>273,075,174</u></b>
<b>Total liabilities and stockholders' equity</b>	<b><u>\$ 454,067,583</u></b>	<b><u>\$ 464,848,360</u></b>

# APPENDIX B

## AFC Gamma Income Statement

	Three months ended March 31,	
	2022	2021
<b>Revenue</b>		
Interest income	\$ 18,635,853	\$ 4,685,005
Interest expense	(1,700,115)	-
<b>Net interest income</b>	<u>16,935,738</u>	<u>4,685,005</u>
<b>Expenses</b>		
Management and incentive fees, net (less rebate of \$387,493 and \$237,743, respectively)	3,847,213	876,662
General and administrative expenses	1,144,444	462,518
Organizational expenses	-	-
Stock-based compensation	990,023	1,599,115
Professional fees	399,368	135,453
<b>Total expenses</b>	<u>6,381,048</u>	<u>3,073,748</u>
Provision for current expected credit losses	(905,129)	(66,100)
Realized gains (losses) on sales of investments, net	450,000	-
Change in unrealized gains (losses) on loans at fair value, net	80,843	(144,402)
<b>Net income before income taxes</b>	<u>10,180,404</u>	<u>1,400,755</u>
Income tax expense	18,284	-
<b>Net income</b>	<u>\$ 10,162,120</u>	<u>\$ 1,400,755</u>
<b>Earnings per common share:</b>		
Basic earnings per common share (in dollars per share)	\$ 0.53	\$ 0.20
Diluted earnings per common share (in dollars per share)	\$ 0.52	\$ 0.19
<b>Weighted average number of common shares outstanding:</b>		
Basic weighted average shares of common stock outstanding (in shares)	19,319,993	7,144,670
Diluted weighted average shares of common stock outstanding (in shares)	19,591,472	7,485,048

# APPENDIX C

## Reconciliation of GAAP Net Income to Distributable Earnings

	Three months ended March 31,	
	2022	2021
<b>Net Income</b>	\$ 10,162,120	\$ 1,400,755
Adjustments to net income		
Stock-based compensation expense	990,023	1,599,115
Depreciation and amortization	-	-
Unrealized (gain), losses or other non-cash items	(80,843)	144,402
Provision for current expected credit losses	905,129	66,100
TRS (income) loss	(61,071)	-
One-time events pursuant to changes in GAAP and certain non-cash charges	-	-
<b>Distributable Earnings</b>	<b>\$ 11,915,358</b>	<b>\$ 3,210,372</b>
Basic weighted average shares of common stock outstanding (in shares)	19,319,993	7,144,670
<b>Distributable Earnings per weighted Average Share</b>	<b>\$ 0.62</b>	<b>\$ 0.45</b>



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