



Investor Presentation

Fourth Quarter &
Year Ended 2024

March 13, 2025

Forward-Looking Statements

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 we intend such statements to be covered by the safe harbor provisions contained therein. Such forward-looking statements are based on the current intent, belief, expectations and views of future events of Advanced Flower Capital Inc. (“Advanced Flower Capital”, “AFC”, the “Company” and “we” “us” and “our”). The forward-looking statements include, without limitation, any statement that may predict, forecast, indicate or imply future results or performance, and may contain the words “believe,” “anticipate,” “expect,” “estimate,” “project,” “could,” “would,” “will,” “can,” “continuing,” “may,” “aim,” “intend,” “ongoing,” “plan,” “predict,” “potential,” “should,” “seeks,” “likely to” or words or phrases of similar meaning. Specifically, this presentation includes forward-looking statements regarding (i) our expectations in the adult-use and medicinal cannabis markets and their impact on our business; (ii) our portfolio and strategies for the growth thereof; (iii) our strategic goals; (iv) potential state and federal legislative and regulatory matters; (v) our expectations and estimates regarding certain tax, legal and accounting matters, including the impact on our financial statements and/or those of our borrowers; (vi) our expectation regarding capital in the cannabis industry; (vii) our expectations regarding our portfolio companies and their businesses, including demand, sales volume, profitability, and future growth; (viii) our expectation of returns from cannabis lending; (ix) the amount, collectability and timing of cash flows, if any, from our loans; (x) our expected ranges of originations and repayments; and (xi) estimates relating to our ability to make distributions to our shareholders in the future.

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 Form 10-K filed with the Securities and Exchange Commission (the “SEC”) on March 13, 2025, as such risk factors may be updated from time to time in our periodic filings with the SEC. The forward looking statements contained in this presentation involve a number of risks and uncertainties, including factors relating to: 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; 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 demand for cannabis cultivation and processing facilities; shifts in public opinion regarding cannabis; 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; 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 and our understanding of our competition. 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, whether as a result of new information, future events or otherwise. The information contained in this presentation should be read in conjunction with our financial statements and notes thereto appearing elsewhere in our annual report on Form 10-K for the year ended December 31, 2024, and other documents we file from time to time with the SEC. 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, quarterly reports on Form 10-Q, and current reports on Form 8-K.

Legal Disclaimers

Important Notices

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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 (reversal of) current expected credit losses, (v) taxable REIT 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 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. Please see the section entitled “Reconciliation of GAAP Net Income to Distributable Earnings” in the Appendix for a reconciliation to the most directly comparable GAAP financial measure. 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 order to include in a GAAP estimate.

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A Leading Lender to the Cannabis Industry

- Advanced Flower Capital (NASDAQ:AFCG) is the first NASDAQ-listed commercial mortgage REIT that provides institutional loans to state law compliant cannabis operators in the United States
- We aim to provide attractive risk-adjusted returns through investments with significant collateral, modest loan to value and favorable pricing, driving target average portfolio gross yields of 12% – 20%+
- Robust investment review process includes market research, management underwriting and in-depth due diligence⁽²⁾
- The management team has collectively structured over \$15 billion in loan transactions and taken four companies public
- AFC’s BBB+ investment grade rating was affirmed by Egan-Jones in September 2024

Company Highlights⁽¹⁾



1. Company highlights data as of March 1, 2025 unless otherwise specified.

2. The diligence we conduct may differ for loans that our manager originates 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.

3. Includes amounts committed by predecessor entity before Advanced Flower Capital.

4. See footnote #2 on pg. 18 for management assumption on calculation of YTM.

5. Includes potential syndications; AFC is in various stages of negotiation and has not completed its due diligence process with respect to these projects. As a result, there can be no assurance that we will move forward with any of these potential investments.

6. Q1 2025 declared dividend of \$0.23 per share annualized and divided by closing stock price of \$8.53 as of March 1, 2025.

7. Includes cash and cash equivalents and availability under our revolving credit facilities.

It's Good to be a Lender

Cycle-Tested Leadership Team

Significant lending, investment management and operational experience, which helps to navigate rapidly evolving markets and underwrite complex credits

Strong Risk-Adjusted Returns

Constrained capital in the marketplace allows us to move up the quality curve and target IRRs of 12-20%+

Growing Total Addressable Market

Early mover in cannabis and one of the few specialized players in a sizable debt market with high barriers to entry

Disciplined & Proven Investment Process

Rigorous, repeatable and dependable investment review process utilizing both an operator and lender's lens to underwrite

Active Portfolio Management

Utilize deep-rooted industry relationships and M&A structuring competency to create good outcomes for both AFC and our borrowers

Strong Balance Sheet

Strong balance sheet with quality real estate, cash flow and license collateral coverage across the portfolio

Experienced, Cycle-Tested Leadership Team

Leonard Tannenbaum

Chairman



30+ years experience

- Founded TCG, an alternative asset management platform focused on real estate and strategic private credit investing
- Founder and CEO of \$5 billion AUM Fifth Street prior to its 2017 sale to Oaktree

Daniel Neville

Chief Executive Officer, Director



15+ years experience

- Former CFO of Ascend Wellness Holdings, responsible for accounting, finance, M&A activity and deal structuring

Robyn Tannenbaum

President



15+ years experience

- 5+ years as Head of Investor Relations for three Fifth Street public entities
- 10+ years experience focused on mergers and acquisitions and leveraged loans at CIT Group

Brandon Hetzel

Chief Financial Officer



15+ years experience

- Former VP of Finance for El-AD National Properties, LLC
- Former manager in REIT audit practice at PwC

Gabriel Katz

Chief Legal Officer



10+ years experience

- Former corporate and securities counsel at national law firms and in-house at unicorn technology company
- Advised public and private companies and funds in public and private securities offerings and mergers and acquisitions

James Velgot

Chief Marketing Officer



30+ years experience

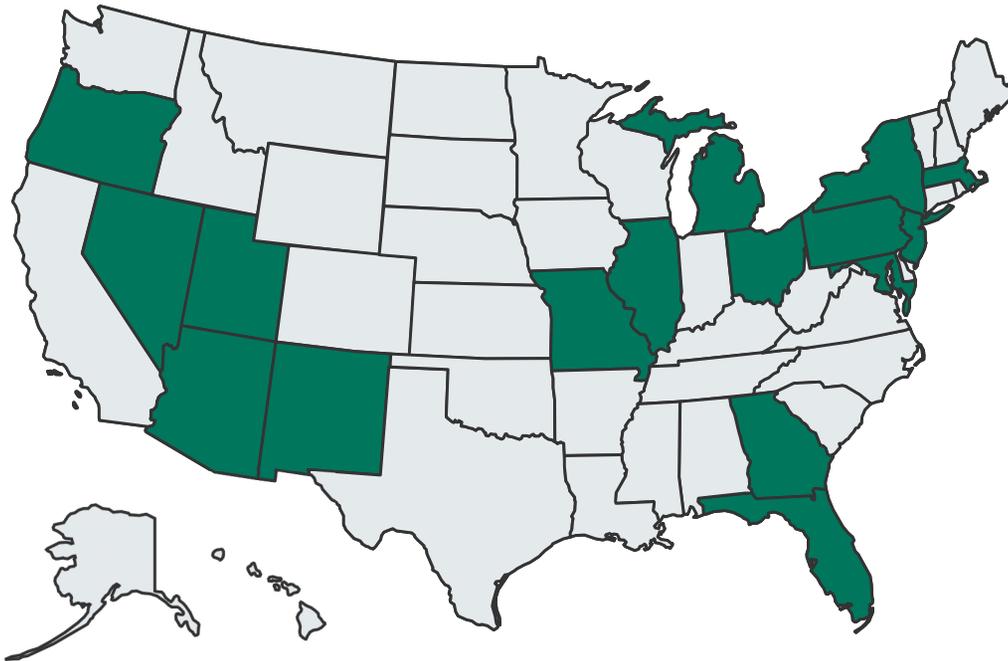
- Former Chief Marketing Officer at Fifth Street Asset Management
- Former CMO at Alliance Bernstein, rebranding the firm in 26 countries around the world

Leadership's focus on **credit quality**, **risk management** and **institutional infrastructure** has supported investments through multiple market cycles

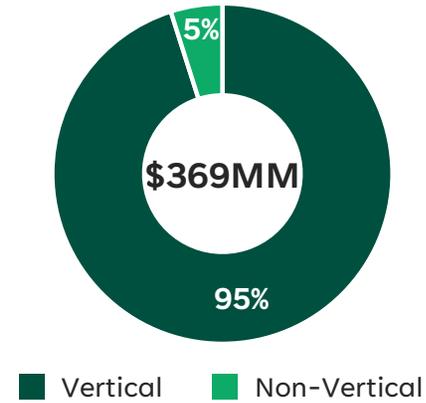
Early Mover Advantage Creates Diverse National Platform

AFC’s loan portfolio includes 17 loans to borrowers with significant operations and/or collateral across 16 states. Our portfolio is diversified across operators, geographies and asset types⁽¹⁾

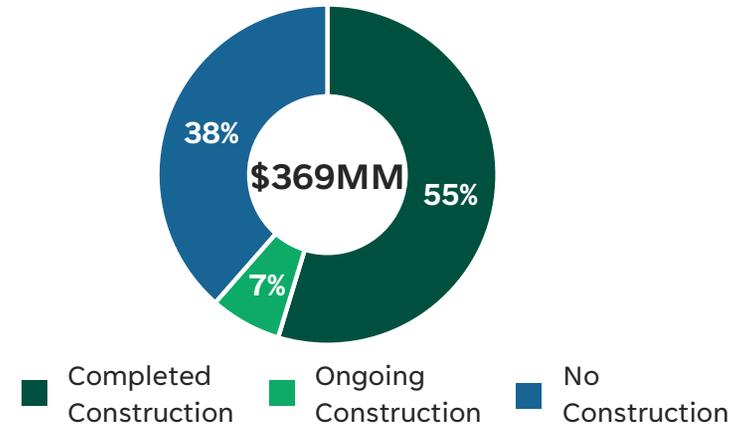
AFC Nationwide Presence



Portfolio by Operator Integration⁽²⁾



By Construction Component⁽²⁾



1. As of March 1, 2025.
 2. Calculated based off principal balance as of March 1, 2025.

2024 Strategic Goal Report Card

In 2024 our team aimed to optimize the portfolio, advance our underwriting process and source \$100+ million in new investments



Active Portfolio Management

Maintain portfolio **health** and optimize **performance**



Advanced Underwriting

Underwrite deals with an **operator's eye** and diversify our portfolio



New Deal Origination

Originate **>\$100MM of deals in 2024** with strong risk-adjusted returns

Underperforming Loan Paydowns⁽¹⁾

- March 2024: \$3.8MM from Private Company I
- June 2024: \$84.0MM from Subsidiary of Public Company H
- June 2024: \$4.2MM from Private Company B
- Multiple dates: \$21.8MM from Private Company L
- Multiple dates: \$5.2MM from Private Company A

Underwriting Focus

- Attractive limited license states in Northeast, Midwest and Sunbelt
- Proven operators with good financial hygiene
- Continued diversification of portfolio
- Move up quality curve while still targeting 12-20%+ IRRs

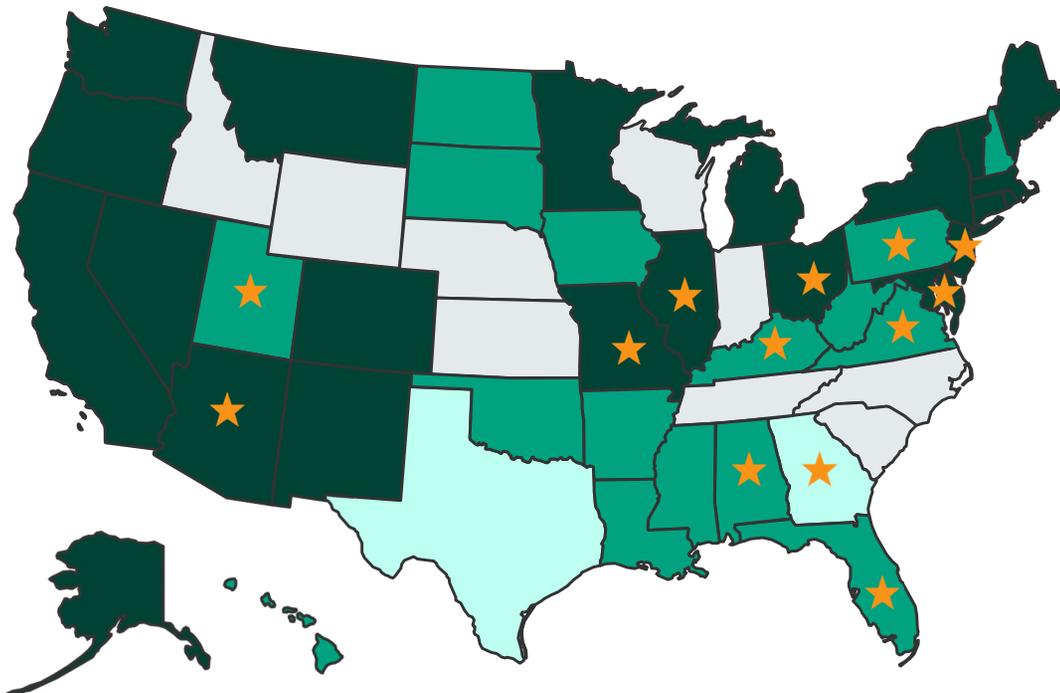
Portfolio Expansion

- Exceeded \$100 million origination target with nine deals closed totaling \$135MM of commitments⁽²⁾
- Continue to pursue active deal pipeline of \$383 million⁽³⁾

Rapid Adoption of State Legalization

41 states and DC have legalized medical cannabis; of those, 24 states and DC have legalized adult-use cannabis, and two states have legalized high-CBD, low-THC with official medical programs⁽¹⁾

Current Legalization by State



None High CBD/Low THC Medical Adult-Use

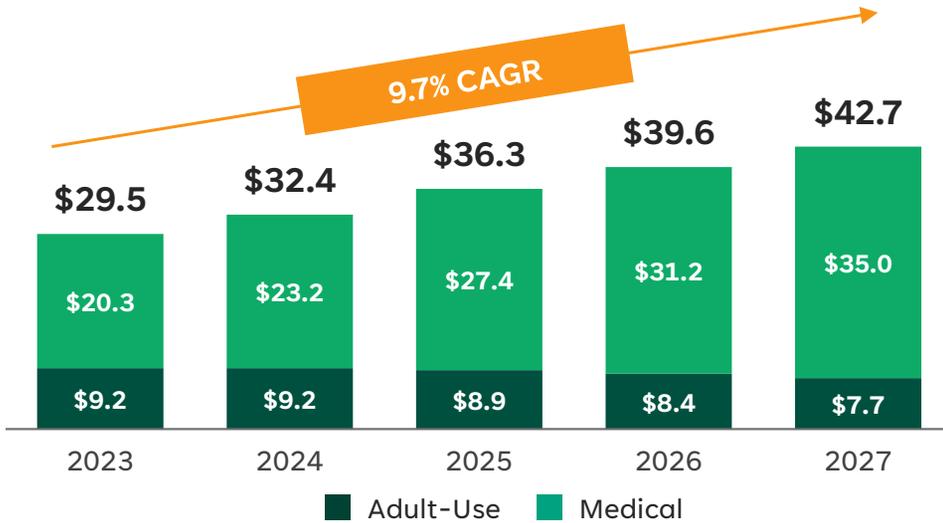
★ AFC Focus States

- Cannabis is a **\$32 billion legal market** with \$100 billion in annual sales⁽²⁾
- The industry is rapidly expanding in the United States with continued legalization at the state level creating an **influx of opportunities**
- As additional states continue to legalize, **~19 million Americans** could gain access to adult-use cannabis in the next two years⁽³⁾
- Cannabis is a **capital-intensive** industry with limited supply of institutional capital

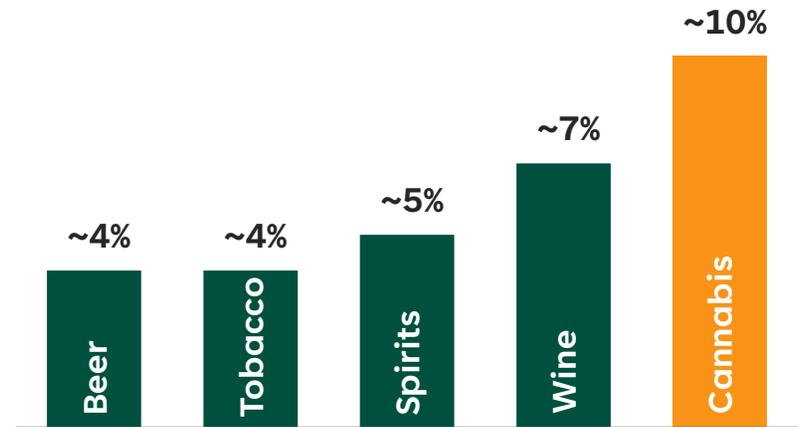
Cannabis Lending is a Multi-Decade Growth Opportunity

The U.S. legal cannabis market is expected to grow at 10% CAGR, to over \$43 billion by 2027⁽¹⁾

U.S. Cannabis Market Size⁽¹⁾



Projected Market Growth by Comparable Product Type⁽²⁾



Recent Trends Support Accelerating Growth

9 out of 10 Americans support adult-use and/or medicinal cannabis⁽³⁾

Gen Z and Millennial cannabis usage is **significantly higher than that of past generations**⁽⁴⁾

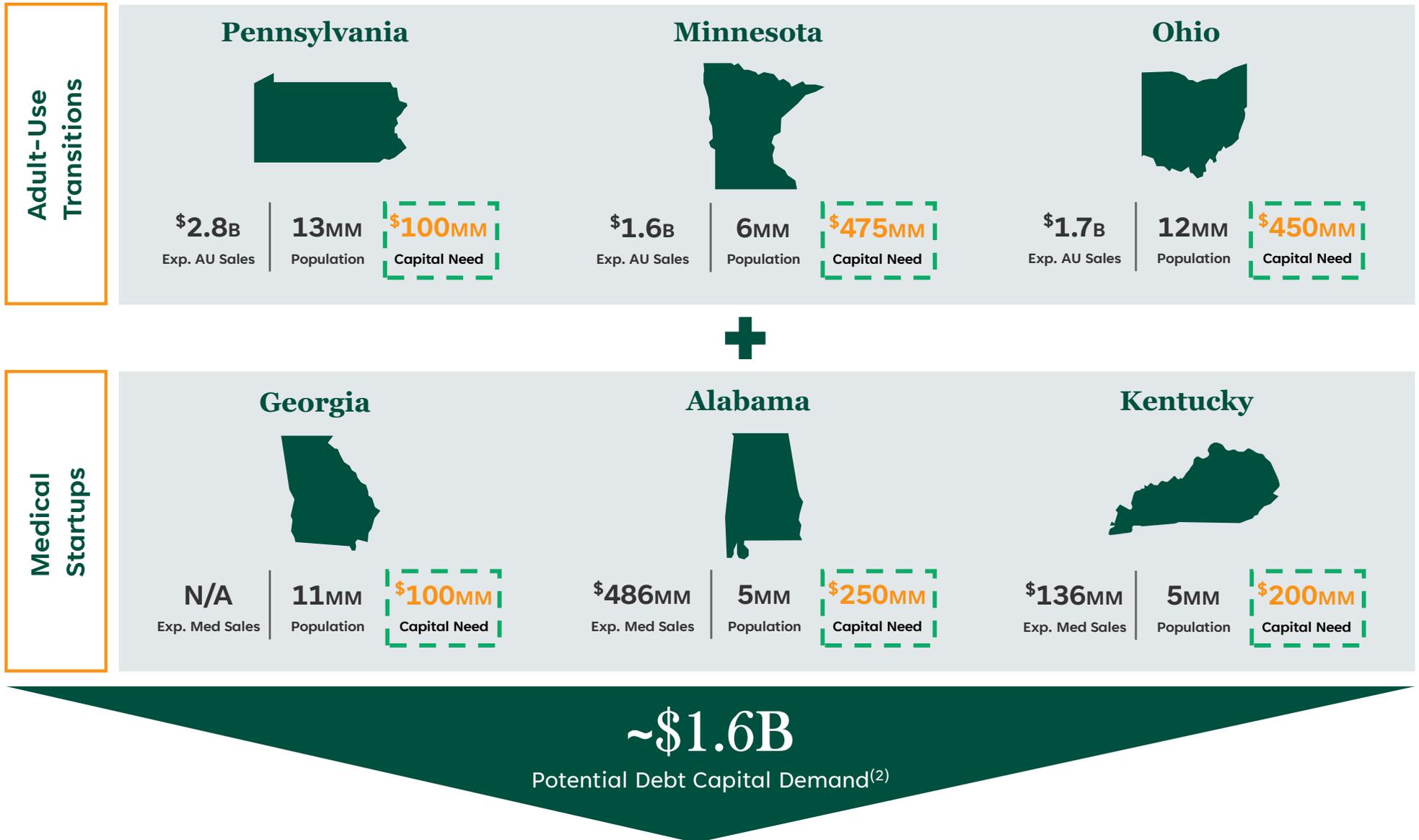
Alcohol sales in legal cannabis states have **underperformed by 1-1.5%** over past 5 years⁽⁵⁾

Cannabis growth trend expected to continue with **increasing adoption** cutting into alcohol purchases⁽⁵⁾



1. BDSA Data representing total pre-tax sales per BDSA as of March 2024. CAGR calculated from 2023 to 2027.
 2. Data reflects 2023 – 2027 CAGR; Sources: New Frontier Data; Grand View; Statista; Cowen.
 3. Pew Research Center, “9 facts about Americans and marijuana”, April 2024.
 4. NY Times, “Marijuana and Psychedelics Use Soars Among Young Adults, Study Finds”, August 2022.
 5. TD Cowen, “Cannabis Beats Booze”, January 2024.

March Toward Legalization Drives Capital Demand⁽¹⁾



1. Sources: Data from MJBiz Factbook 2024, BDSA, FTI Consulting and respective cannabis commissions for each state.
 2. Potential debt capital demand based on internal estimates.

Few Institutional Capital Providers

Cannabis is a capital-intensive industry with a lack of specialized lenders and high barriers to entry

Capital Environment

- Cannabis sector has seen a difficult capital raising environment over the last two years – capital raised down 30% on a LTM basis⁽¹⁾
- Elevated rates have increased the cost of debt capital
- Little equity capital raised over the last two years

Competitive Environment

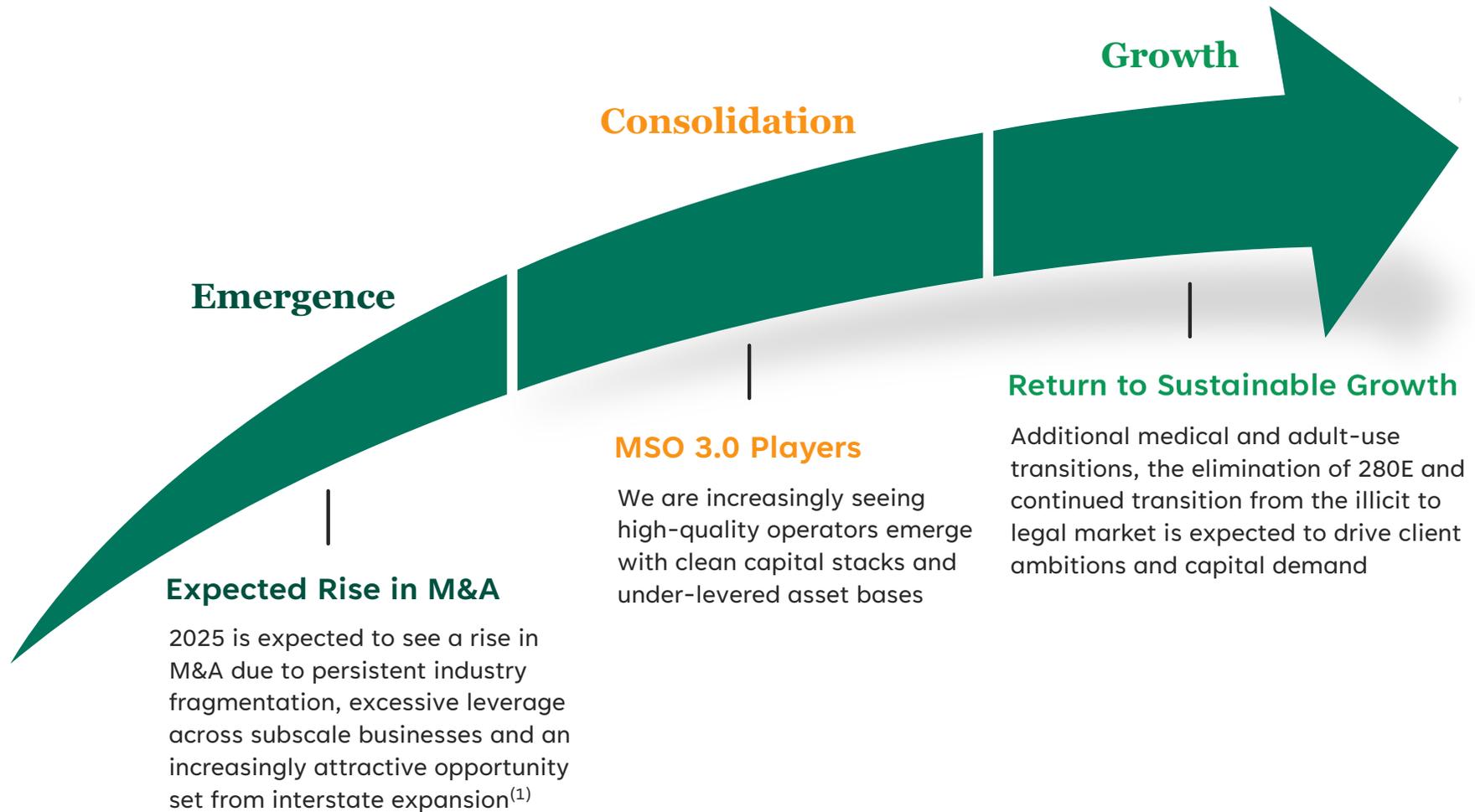
- Few specialized lenders focused on the cannabis industry
- Many portfolios burdened by exposure to underperforming West Coast credits
- A number of players are in the process of winding down and exiting the industry

Key Competitors

	AFC 	Dirt REITs	Regional Banks	Equipment Lessors
Capabilities	✓	✓	✓	✓
Breadth of Service	✓	⊘	⊘	⊘
Specialization	✓	✓	⊘	⊘

AFC is well-positioned to capitalize on the favorable **supply and demand imbalance** for debt capital

Client Ambition Expands Opportunity Set



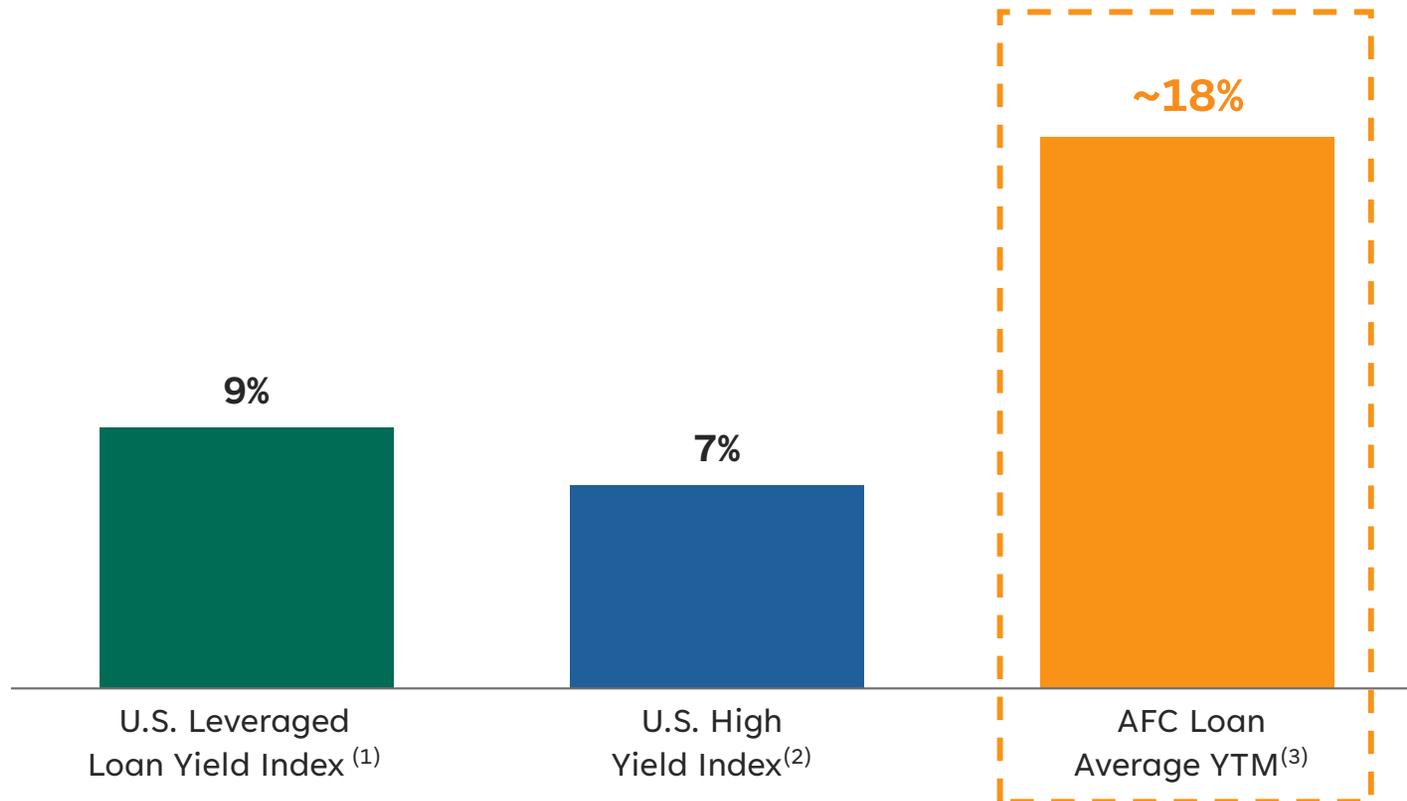
Expanding **borrower pipelines** and **market complexity** favor AFC as a trusted financial partner offering flexibility and efficiency

1. MJBizDaily, "Marijuana experts cite M&A and interstate expansion as areas for opportunity in 2025", December 9, 2024.

Cannabis Lending Offers Superior Returns⁽¹⁾

Cannabis lending offers a significant premium to traditional leveraged finance

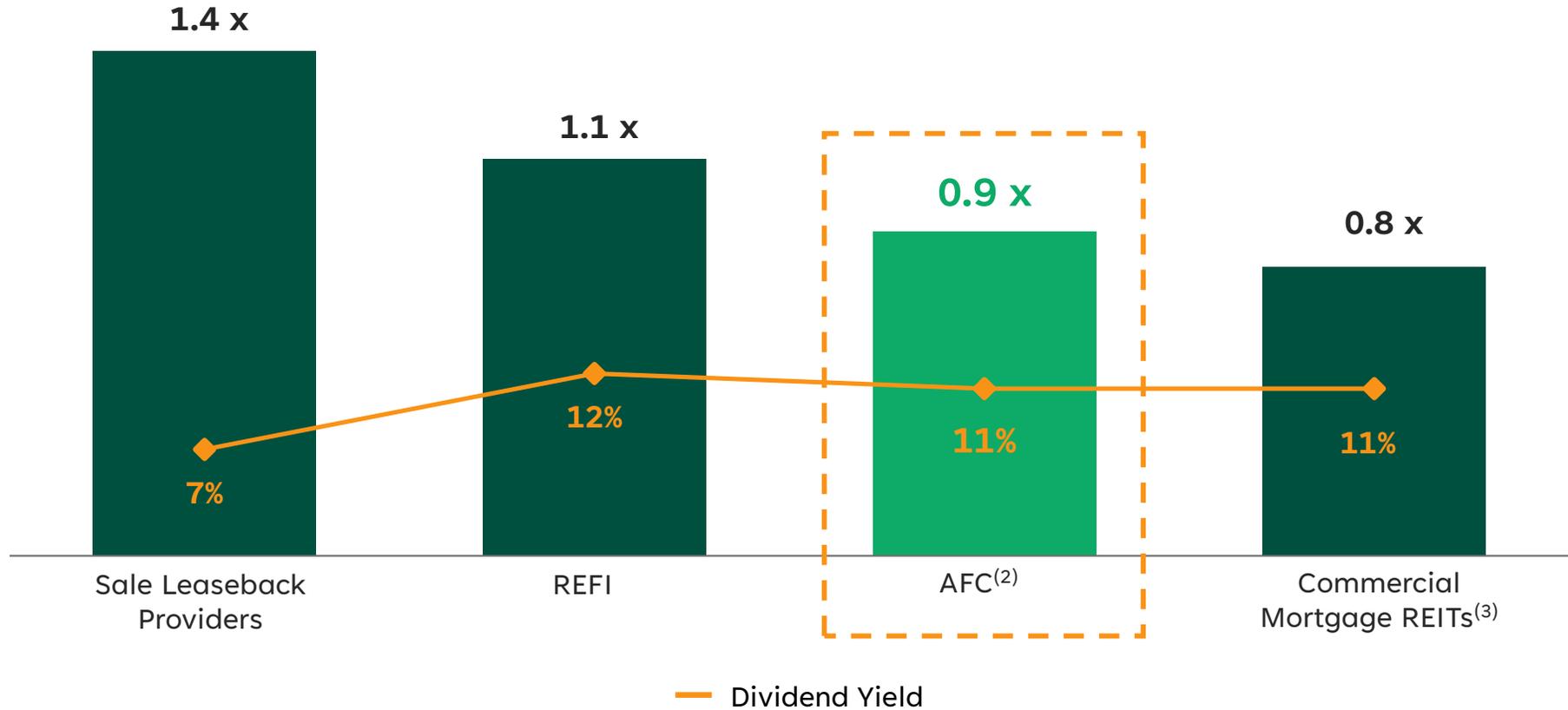
AFC Average YTM vs. Benchmarks



1. Data from Bloomberg: Morningstar LSTA US Leveraged Loan Index, YTM as of March 1, 2025.
 2. Data from Bloomberg: ICE BoA US High Yield Index Effective Yield as of March 1, 2025.
 3. YTM calculation is as of March 1, 2025. See footnote #2 on pg. 18 for management assumption on calculation of YTM.

Current Valuation Presents Attractive Entry Point

AFC Price-to-Book vs. Peers⁽¹⁾



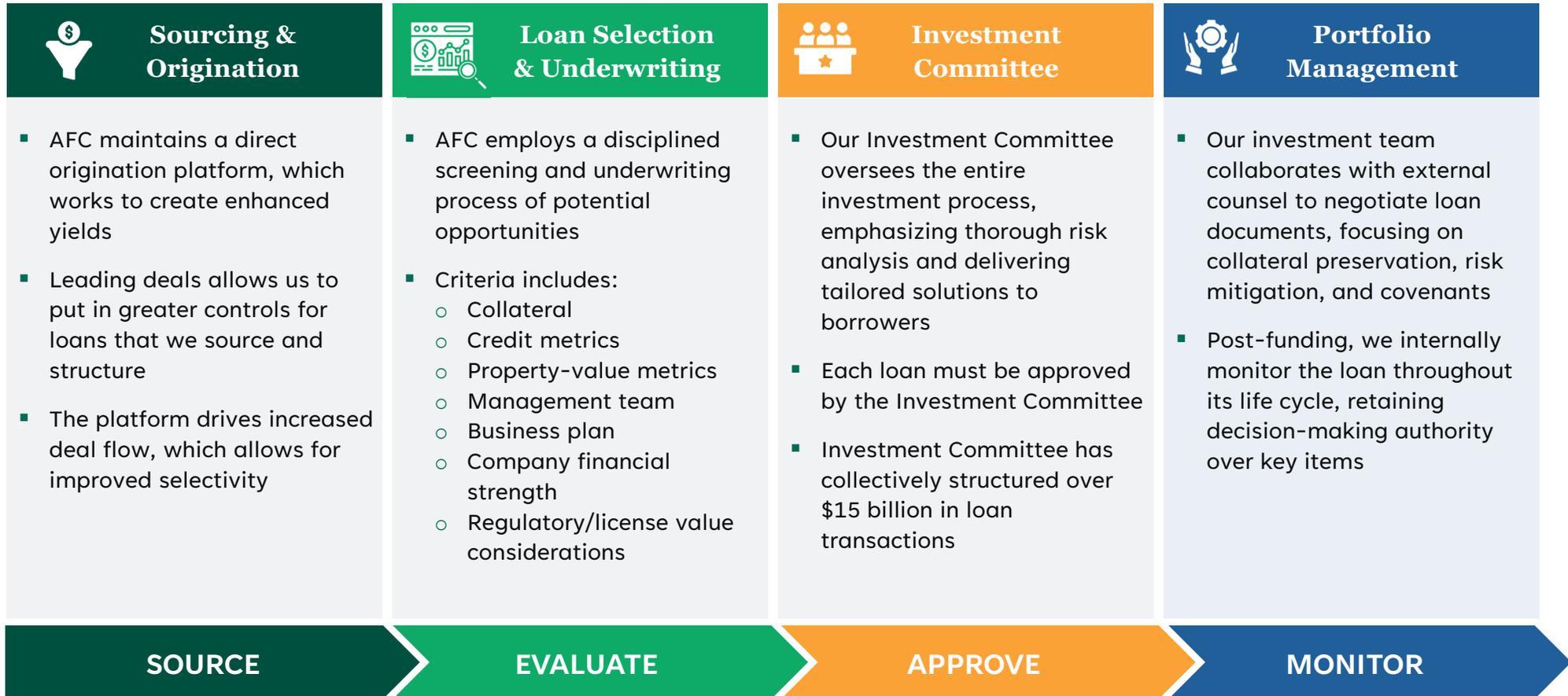
High return income-generating company
 at an **attractive valuation** vs. peer group



1. Price to book and dividend yields calculated based on data sourced from Bloomberg as of March 1, 2025.
 2. AFC's price to book value calculated by taking closing stock price of \$8.53 as of March 1, 2025 divided by book value of \$9.02 as of December 31, 2024; AFC's dividend calculated by taking Q1 2025 declared dividend of \$0.23 per share annualized and dividing by closing stock price of \$8.53 as of March 1, 2025.
 3. Mortgage REITs: ABR, ACRE, ARI, BRSP, BXMT, FBRT, KREF, LADR, LFT, NREF, RC, SEVN, STWD, SUNS, TRTX; Sale leaseback providers: ERPT, IIPR, NLCP, NNN, O, VICI, WPC.

Disciplined and Selective Investment Process

AFC is involved in each phase of the lending process, with an aim to source loans with high return potential and downside protection



Emphasizing **credit discipline** and **risk management** throughout the investment lifecycle

AFC Maintains a Strong Origination Pipeline

Through its direct origination platform, AFC sources deals via various leads in select jurisdictions, maintaining a robust pipeline of active opportunities

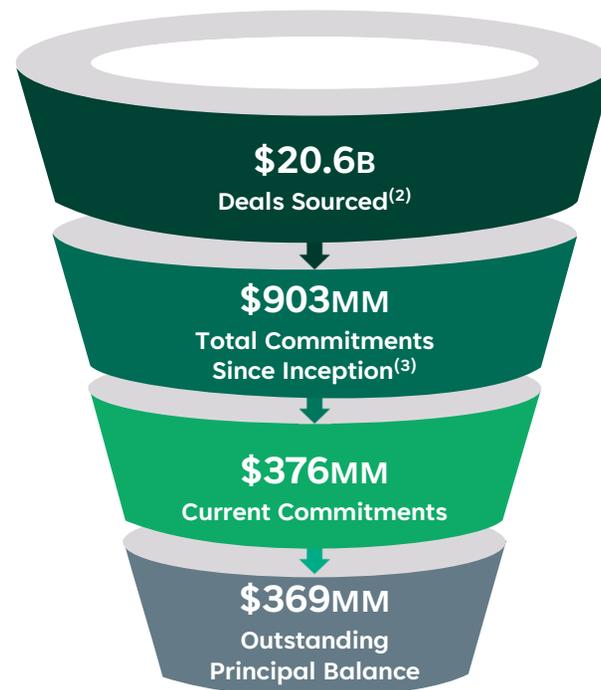
Multiple Origination Channels



Powerful Deal Flow Engine

- ✓ Reputation as a credible, reliable and sector-focused partner
- ✓ Deep network of long-standing relationships
- ✓ Solution-driven flexibility and negotiating in good faith solidify repeat partnerships

Advanced Flower Capital Pipeline⁽¹⁾



\$383MM
Active Pipeline

3.9%
Deal Selectivity⁽⁴⁾

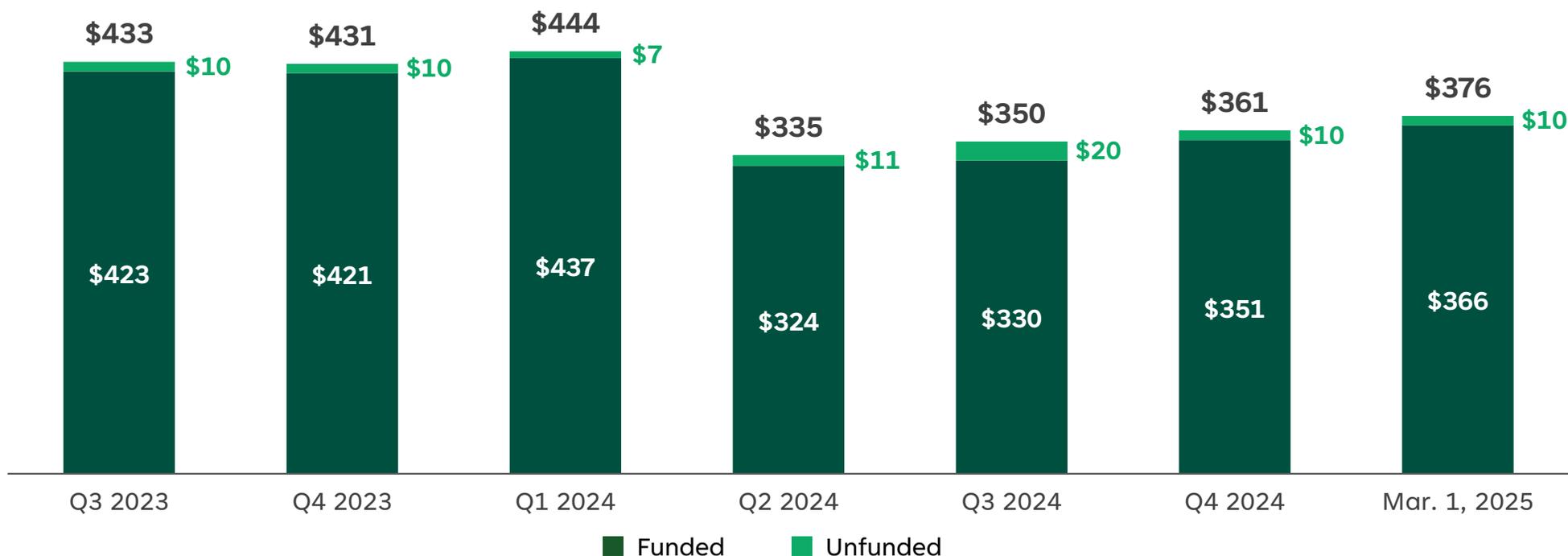


1. All company data as of March 1, 2025.
 2. Represents cannabis deals from January 1, 2020 through March 1, 2025 sourced by AFC's manager.
 3. Includes amounts committed by affiliated predecessor entities to Advanced Flower Capital.
 4. Based on closed portfolio deals to deals sourced / reviewed by AFC's manager from January 1, 2020 through March 1, 2025.

Investment Portfolio Activity

Current Commitments⁽¹⁾

In \$MM



Weighted **average yield-to-maturity of ~18%** as of March 1, 2025⁽²⁾

1. Represents total committed principal at closing for outstanding loans as of specified dates (September 30, 2023, December 31, 2023, March 31, 2024, June 30, 2024, September 30, 2024, December 31, 2024, and March 1, 2025). Excludes early prepayments. Totals may not sum due to rounding.

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.

AFC Cannabis Portfolio Summary

AFC's manager has reviewed 871 deals, representing approximately \$20 billion in aggregate value*



828 Deals Rejected*



9

Current Deals in Review



17

Current Deals Funded

Loan Names	Original Funding Date ⁽¹⁾	Loan Maturity	AFCG Loan, net of Syndication	% of Total	Total OID ⁽²⁾⁽³⁾	Principal Balance as of 3/1/2025	Cash Interest Rate ⁽⁴⁾	Paid In-Kind ("PIK")	Fixed/Floating	Amortization During Term	YTM ⁽²⁾⁽³⁾
Public Co. A - Equipment Loans	Aug-19	Mar-25	\$ 4,000,000	1.1%	0.1%	\$ 1,897,324	12.0%	N/A	Fixed	Yes	7%
Private Co. A	May-20	May-24	44,033,751	11.7%	7.7%	52,699,306	13.0%	2.6%	Fixed	No	18%
Sub of Private Co. G	Apr-21	May-26	73,500,000	19.6%	4.0%	79,215,887	12.5%	N/A	Fixed	No	19%
Private Co. K	Apr-22	May-27	13,229,626	3.5%	4.0%	12,195,762	16.3%	2.0%	Floating	Yes	23%
Private Co. J	Aug-21	Sep-25	28,500,000	7.6%	3.2%	24,018,789	16.3%	2.0%	Floating	Yes	25%
Private Co. L	Apr-22	May-26	34,708,474	9.2%	4.2%	33,551,525	13.0%	N/A	Floating	Yes	19%
Sub of Public Co. M	Aug-22	Aug-25	2,797,527	0.7%	8.9%	2,797,527	9.5%	N/A	Fixed	No	23%
Private Co. M	Jul-23	Jul-26	30,000,000	8.0%	16.0%	28,599,497	9.0%	N/A	Fixed	Yes	18%
Private Co. N - RE	Mar-24	Apr-28	19,327,505	5.1%	4.0%	19,327,505	12.5%	N/A	Floating	Yes	16%
Private Co. N	Mar-24	Apr-28	17,200,000	4.6%	4.0%	17,200,000	12.5%	N/A	Floating	Yes	16%
Private Co. O	May-24	Jun-28	7,500,000	2.0%	4.0%	4,028,133	13.5%	N/A	Floating	Yes	18%
Private Co. P	Jun-24	Jul-27	15,126,433	4.0%	3.0%	15,609,914	13.0%	N/A	Fixed	Yes	16%
Private Co. Q	Aug-24	Sep-28	11,000,000	2.9%	3.0%	5,984,450	13.8%	N/A	Floating	Yes	17%
Private Co. R	Oct-24	Nov-27	41,000,000	10.9%	2.0%	38,492,605	12.0%	N/A	Floating	Yes	15%
Sub of Public Co. S	Nov-24	Aug-26	10,000,000	2.7%	0.0%	10,000,000	9.5%	N/A	Fixed	No	10%
Private Co. T	Dec-24	Jul-27	8,945,972	2.4%	0.0%	8,219,057	11.3%	N/A	Fixed	Yes	12%
Private Co. U	Feb-25	Mar-28	15,000,000	4.0%	2.5%	15,000,000	14.0%	N/A	Fixed	Yes	16%
Portfolio	Sub-Total⁽⁵⁾		\$ 375,869,288	100.0%	4.8%	\$ 368,837,281	12.6%	0.6%			18%

* Represents cannabis deals from January 1, 2020 through March 1, 2025 sourced by AFC's manager; Totals may not sum due to rounding.

1. All loans originated prior to July 31, 2020 were purchased from affiliated entities at fair value which approximated accreted and/or amortized cost plus accrued interest on July 31, 2020 and does not include early pre-payments by borrowers.

2. See footnote #2 on pg. 18 for management assumption on calculation of YTM.

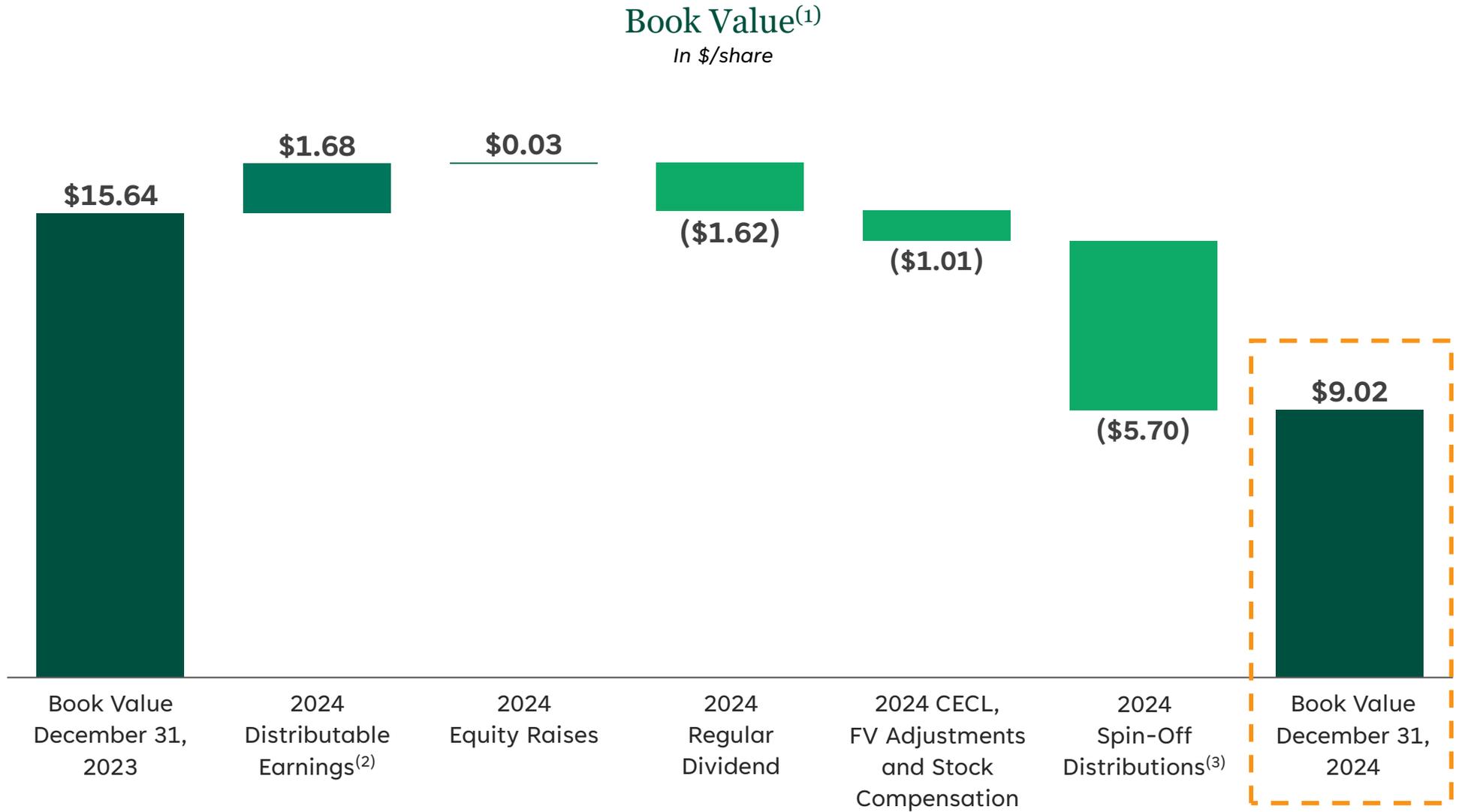
3. Estimated YTM for the loan with Private Co. A is enhanced by purchase discounts attributed to the fair value of equity warrants that were separated from the loans prior to our acquisition of such loans. The purchase discounts accrete to income over the respective remaining terms of the applicable loans.

4. Future Cash Interest Rate on loans with floating rates are based on its March 1, 2025 benchmark rate.

5. The Cash Interest Rate, OID and PIK subtotal rates are weighted-average rates.



Q4 2024 Book Value



1. December 31, 2024 values per share based on 22,332,927 shares of common stock outstanding as of December 31, 2024.
 2. Distributable Earnings is a non-GAAP financial measure. See the Appendix of this presentation for a reconciliation of GAAP Net Income to Distributable Earnings.
 3. Includes \$0.15 special dividend in connection with Spin-Off and distribution of SUNS shares.



Appendix



Consolidated Balance Sheets

	As of December 31,	
	2024	2023
Assets		
Loans held for investment at fair value (cost of \$50,241,018 and \$71,644,003 at December 31, 2024 and 2023, respectively, net)	\$ 30,510,804	\$ 61,720,705
Loans held for investment at carrying value, net	293,262,374	301,265,398
Loan receivable held at carrying value, net	1,895,638	2,040,058
Current expected credit loss reserve	(30,419,677)	(26,309,450)
Loans held for investment at carrying value and loan receivable held at carrying value, net of current expected credit loss reserve	264,738,335	276,996,006
Cash and cash equivalents	103,610,460	90,381,831
Accounts receivable	—	1,837,450
Interest receivable	1,982,897	3,715,995
Prepaid expenses and other assets	1,214,817	688,446
Assets of discontinued operations	—	31,244,622
Total assets	\$ 402,057,313	\$ 466,585,055
Liabilities		
Accrued interest	\$ 894,611	\$ 894,000
Due to affiliate	6,754	16,437
Dividends payable	7,369,866	9,819,695
Current expected credit loss reserve	166,702	115,473
Accrued management and incentive fees	1,932,246	3,471,726
Accrued direct administrative expenses	1,197,518	1,486,256
Accounts payable and other liabilities	501,328	704,685
Senior notes payable, net	88,612,150	88,014,558
Line of credit payable	60,000,000	42,000,000
Line of credit payable to affiliate	40,000,000	—
Liabilities of discontinued operations	—	10,000
Total liabilities	200,681,175	146,532,830
Commitments and contingencies (Note 10)		
Shareholders' equity		
Preferred stock, par value \$0.01 per share, 10,000 shares authorized at December 31, 2024 and 2023 and 0 and 125 shares issued and outstanding at December 31, 2024 and 2023, respectively	—	1
Common stock, par value \$0.01 per share, 50,000,000 shares authorized at December 31, 2024 and 2023 and 22,332,927 and 20,457,697 shares issued and outstanding at December 31, 2024 and 2023, respectively	223,329	204,577
Additional paid-in capital	251,865,763	349,805,890
Accumulated (deficit) earnings	(50,712,954)	(29,958,243)
Total shareholders' equity	201,376,138	320,052,225
Total liabilities and shareholders' equity	\$ 402,057,313	\$ 466,585,055

Consolidated Statements of Operations

	Years ended December 31,	
	2024	2023
Revenue		
Interest income	\$ 51,991,789	\$ 70,290,345
Interest expense	(6,336,308)	(6,357,457)
Net interest income	45,655,481	63,932,888
Expenses		
Management and incentive fees, net (less rebate of \$947,969 and \$1,693,133, respectively)	10,361,821	14,064,305
General and administrative expenses	3,967,764	5,005,134
Stock-based compensation	1,390,978	1,008,148
Professional fees	1,563,484	1,478,410
Total expenses	17,284,047	21,555,997
(Provision for) reversal of current expected credit losses	(4,161,456)	(12,132,718)
Realized gains (losses) on investments, net	(93,338)	(1,340,476)
Gain (loss) on extinguishment of debt	—	1,986,381
Change in unrealized gains (losses) on loans at fair value, net	(9,806,916)	(8,513,364)
Net income from continuing operations before income taxes	14,309,724	22,376,714
Income tax expense	447,587	1,659,337
Net income from continuing operations	13,862,137	20,717,377
Net income from discontinued operations, net of tax	2,922,068	234,622
Net income	\$ 16,784,205	\$ 20,951,999
Basic earnings per common share:		
Continuing operations	\$ 0.64	\$ 1.01
Discontinued operations	\$ 0.14	\$ 0.01
Total basic earnings per common share	\$ 0.78	\$ 1.02
Diluted earnings per common share:		
Continuing operations	\$ 0.64	\$ 1.01
Discontinued operations	\$ 0.14	\$ 0.01
Total diluted earnings per common share	\$ 0.78	\$ 1.02
Weighted average number of common shares outstanding:		
Basic weighted average shares of common stock outstanding	20,821,239	20,321,091
Diluted weighted average shares of common stock outstanding	20,888,980	20,345,919

Reconciliation of GAAP Net Income to Distributable Earnings

	Three months ended December 31, 2024		Year ended December 31, 2024	
Net income (loss)	\$	(991,534)	\$	16,784,205
Adjustments to net income (loss):				
Stock-based compensation expense		259,770		1,390,978
Depreciation and amortization		—		—
Unrealized losses (gains) or other non-cash items		151,520		9,806,916
Provision for (reversal of) current expected credit losses ⁽¹⁾		5,310,506		4,233,310
TRS loss (income), net of dividends		1,563,452		2,711,006
One-time events pursuant to changes in GAAP and certain non-cash charges		—		—
Distributable earnings	\$	6,293,714	\$	34,926,415
Basic weighted average shares of common stock outstanding		21,797,704		20,821,239
Distributable earnings per basic weighted average share	\$	0.29	\$	1.68



1. The provision for current expected credit losses above includes zero and approximately \$71.9 thousand in connection with the Spin-Off for the three months ended December 31, 2024 and year ended December 31, 2024, respectively, which is included in the net income from discontinued operations, net of tax financial statement line on the consolidated statement of operations.

Select Investments



\$15,000,000
Lead Lender and Agent
February 2025



Undisclosed Amount
May 2024



\$34,000,000
Lead Lender and Agent
March 2024



\$30,000,000
Lender and Agent
July 2023



\$63,000,000
Lender and Agent
April 2022



\$140,000,000
Lead Lender and Co-Agent
December 2021

PAID IN FULL



\$23,000,000
Lender and Agent
July 2021



\$15,500,000
Lead Lender and Agent
July 2021

PAID IN FULL



\$86,600,000
Lender and Agent
May 2021

PAID IN FULL



\$24,000,000
Lead Lender and Agent
November 2020

PAID IN FULL



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