



Advancing The Industry

A Thoughtful Lending Partner
Flexible Capital Solutions
Deep Industry Experience

Investor Presentation
NASDAQ: AFCG

Q2 2024

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 AFC Gamma, 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 with 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 quarterly report on Form 10-Q for the quarter ended June 30, 2024, and the other documents we file from time to time with the Securities and Exchange Commission (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 (i) commercial real estate and (ii) cannabis markets; 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; 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 quarterly report on Form 10-Q for the quarter ended June 30, 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, registration statements on Form S-3 and Form S-11, and current reports on Form 8-K.

Legal Disclaimers

Important Notices

This presentation is by AFC Gamma, Inc. (“Advanced Flower Capital”, “AFC” or the “Company”), a publicly traded company that has elected to be taxed as a REIT for federal income tax purposes. 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. AFC is not a registered investment adviser. AFC 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.advancedflowercapital.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. AFC encourages investors, analysts, the media and others interested in AFC 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 AFC 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) increase (decrease) in provision for 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. 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. 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.



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A Leading Lender to the Cannabis Industry

- Advanced Flower Capital 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 2023

Company Highlights⁽¹⁾



- All company highlights data as of August 1, 2024 unless otherwise specified.
- 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.
- Includes amounts committed by predecessor entity before AFC Gamma, Inc.
- See footnote #2 on pg. 19 for management assumption on calculation of YTM.
- Includes potential syndications.
- Q2 2024 dividend was declared prior to spin-off of the commercial real estate portfolio completed on July 9, 2024: calculated \$0.48 per share annualized and divided by closing stock price of \$12.12 as of July 8, 2024.
- Includes cash and cash equivalents and availability under our currently undrawn revolving credit facility.

It's Good to be a Lender

Cycle-Tested Leadership Team

Significant lending, investment management and operator experience navigating rapidly evolving markets and underwriting complex credits

Strong Risk-Adjusted Returns

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

Growing Total Addressable Market

Early mover in cannabis vs. this space 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 operator and lender's lens to underwrite, has consistently delivered optimal results

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

Executive Chairman



30+ years experience

- Founder of Tannenbaum Capital Group, a sponsor to the external managers of several alternative lenders focused on CRE and direct lending
- Founder and former CEO of Fifth Street, a ~\$5 billion credit-focused asset manager

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

Brandon Hetzel

Chief Financial Officer



15+ years experience

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

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

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

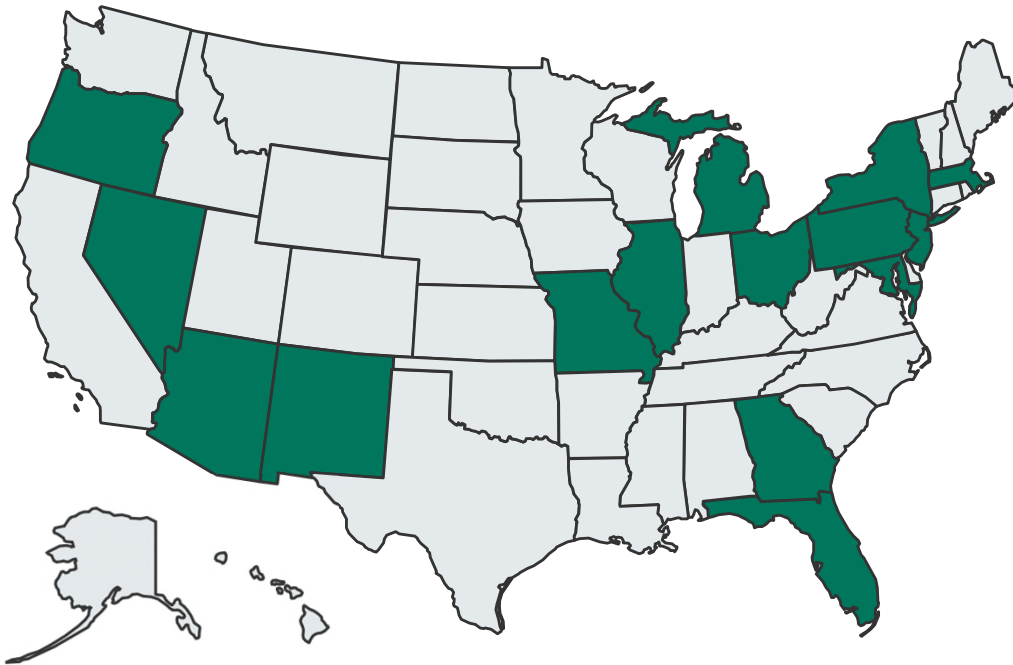
- Former Chief Marketing Officer at Fifth Street Asset Management
- Former CMO at Alliance Bernstein, rebranding the firm in 26 countries around the world

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

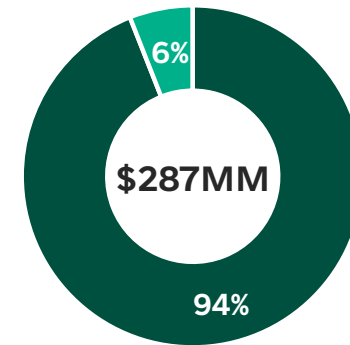
Early Mover Advantage Creates Diverse National Platform

AFC's loan portfolio includes 12 cannabis loans to borrowers with significant operations and/or collateral across 15 states. Our portfolio is diversified across operators, geographies and asset types⁽¹⁾

AFC Nationwide Presence

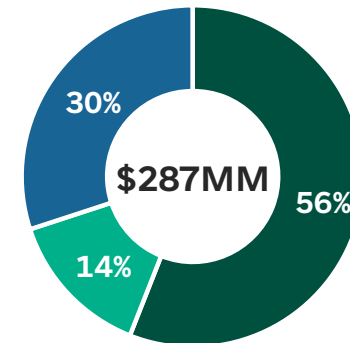


Portfolio by Operator Integration⁽²⁾



■ Vertical ■ Non-Vertical

By Construction Component⁽²⁾



■ Completed Construction ■ Ongoing Construction ■ No Construction

1. As of August 1, 2024.
 2. Calculated based off principal balance as of August 1, 2024; cannabis loans only.

2024 Strategic Goals

Our team aims to optimize the portfolio, advance our underwriting process and expects to 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 new deals** with strong risk-adjusted returns

Successful Loan Exits⁽¹⁾

- March 2024: \$10.5MM to Private Company I
- May 2024: \$24.0MM to Private Company C
- June 2024: \$84.0MM to Subsidiary of Public Company H (our largest loan)
- June 2024: \$16.4MM to Private Company B

Underwriting Focus

- 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⁽²⁾

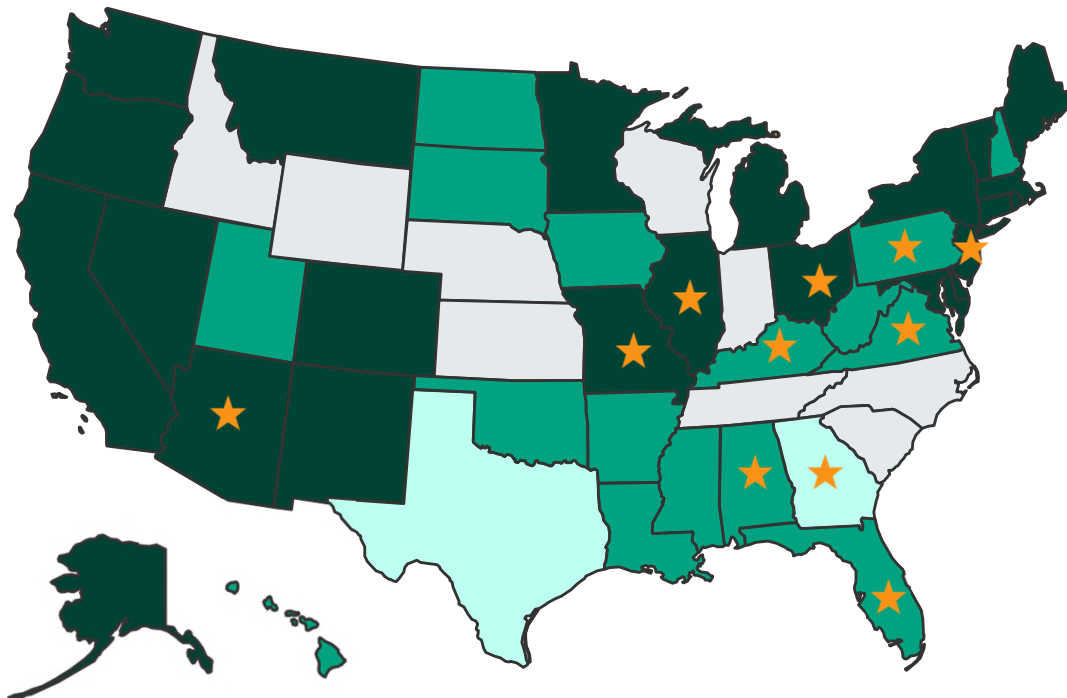
- Closed three deals totaling \$57.3MM of commitments
- Two additional deals in documentation

1. Aggregate loan amounts since inception and fully exited YTD as of August 1, 2024.
 2. YTD as of August 1, 2024; Closed deals include Private Co. N, Private Co. O and Private Co. P.

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



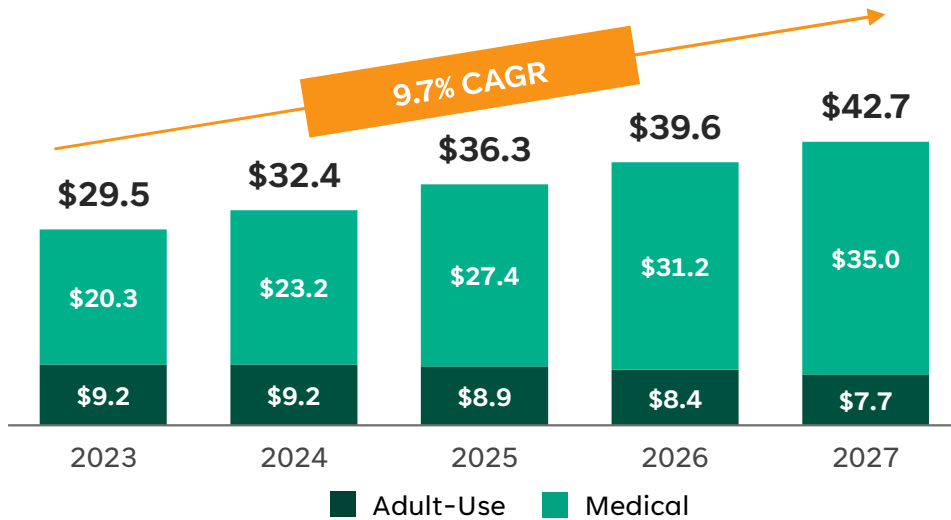
None
 High CBD/Low THC
 Medical
 Adult-Use
 AFC Focus States

- Cannabis is a **\$32 billion legal market** within \$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, **~47 million Americans** could gain access to adult-use cannabis in the next three years⁽³⁾
- Cannabis is a **capital-intensive** industry with limited supply of institutional capital

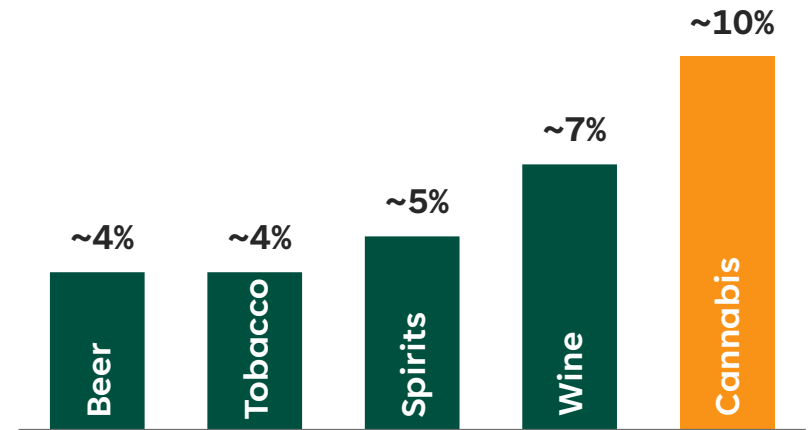
Cannabis Lending is a Multi-Decade Growth Opportunity

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⁾

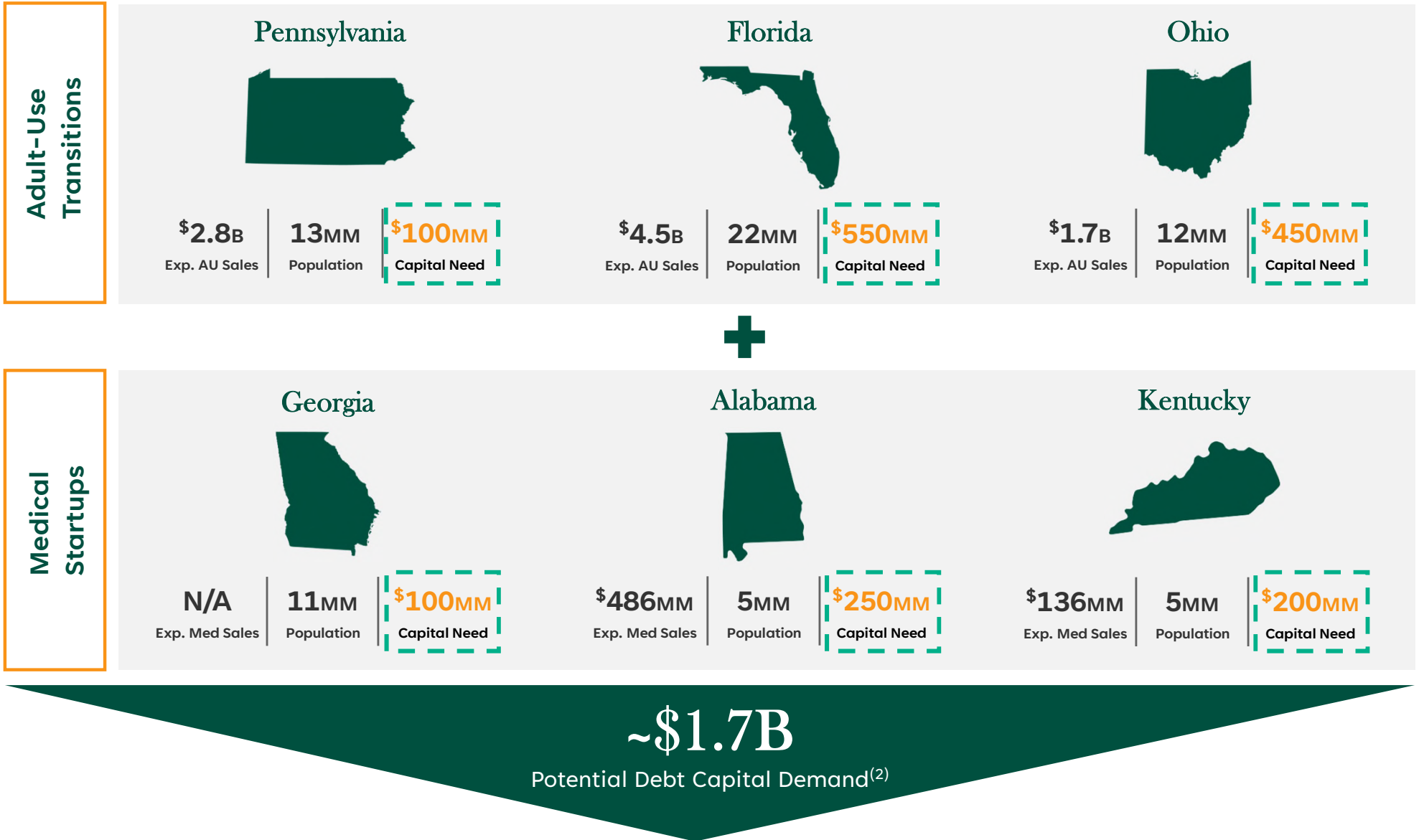
Gen Z and Millennial cannabis usage is **significantly higher than that of past generations**⁽⁴⁾

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⁾



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 2 years – capital raised down 58% on a LTM basis⁽¹⁾
- Rapid rise in rates has increased cost of debt capital
- Very 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

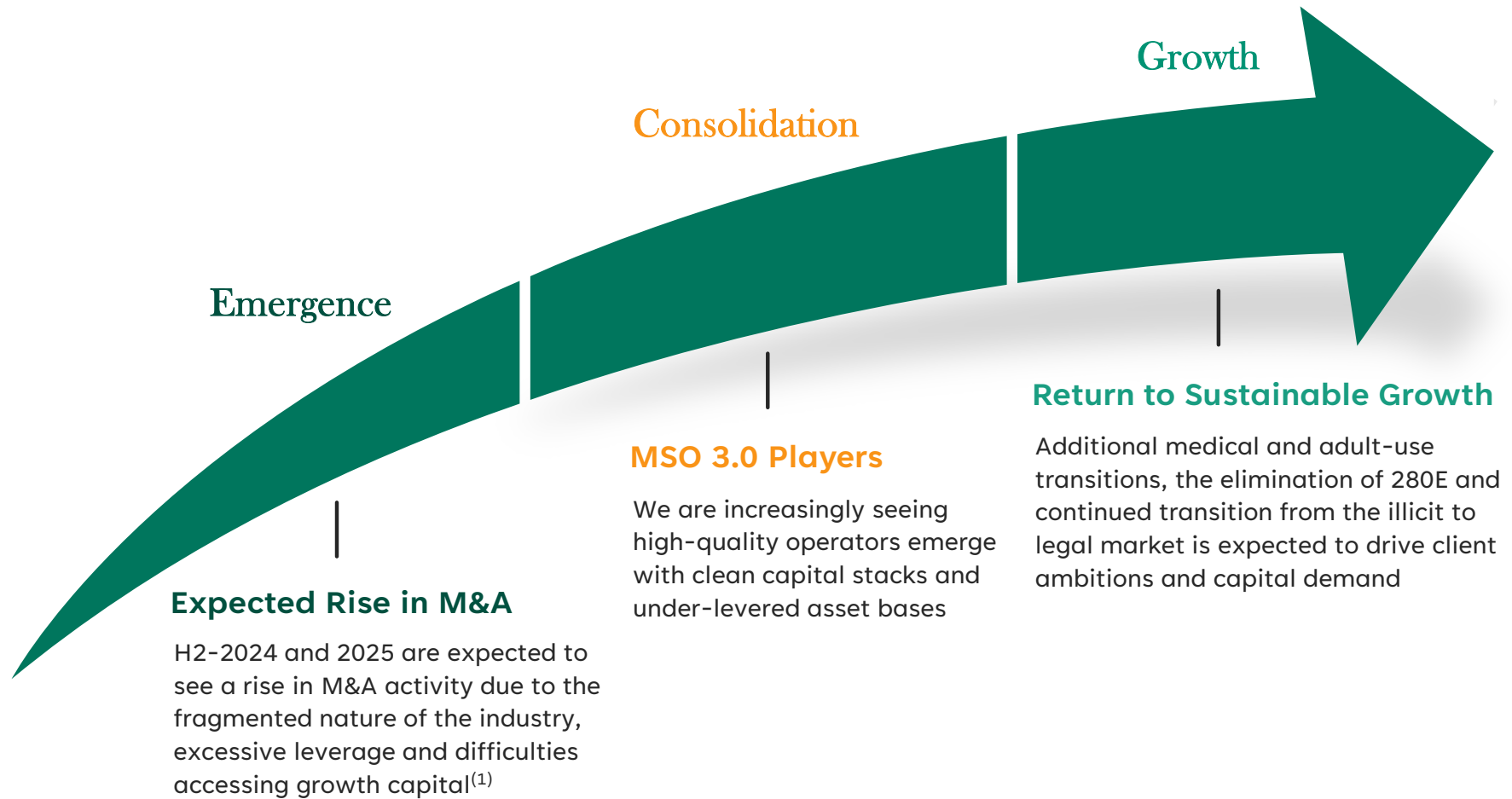
Key Competitors

	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

Borrowers' growth pipeline is expanding, buoyed by legalization and regulatory tailwinds

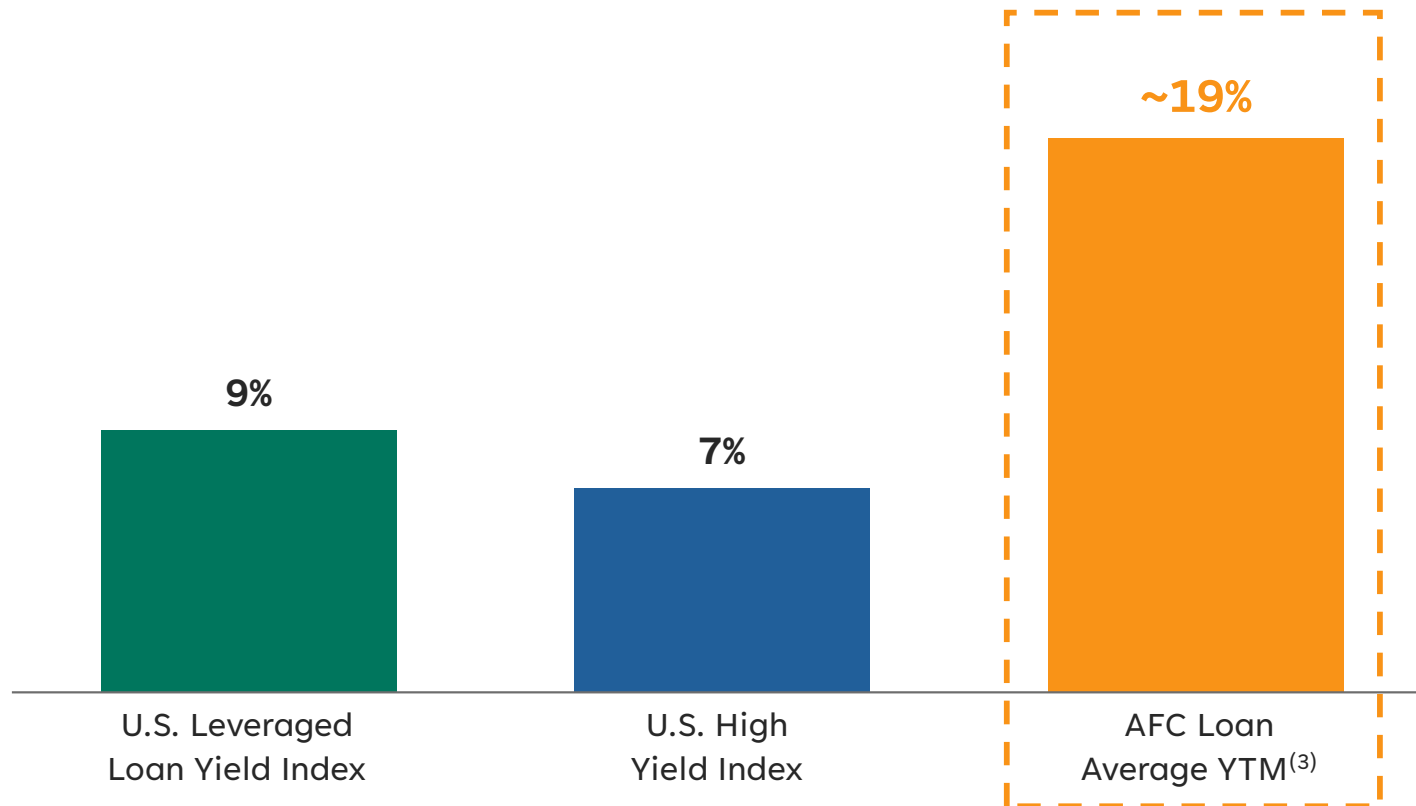


Expanding **borrower pipelines** and **market complexity** favor AFC as a trusted financial partner offering flexibility and efficiency

Cannabis Lending Offers Superior Returns⁽¹⁾⁽²⁾

Cannabis lending offers a significant premium to traditional leveraged finance

AFC Average YTM vs. Benchmarks

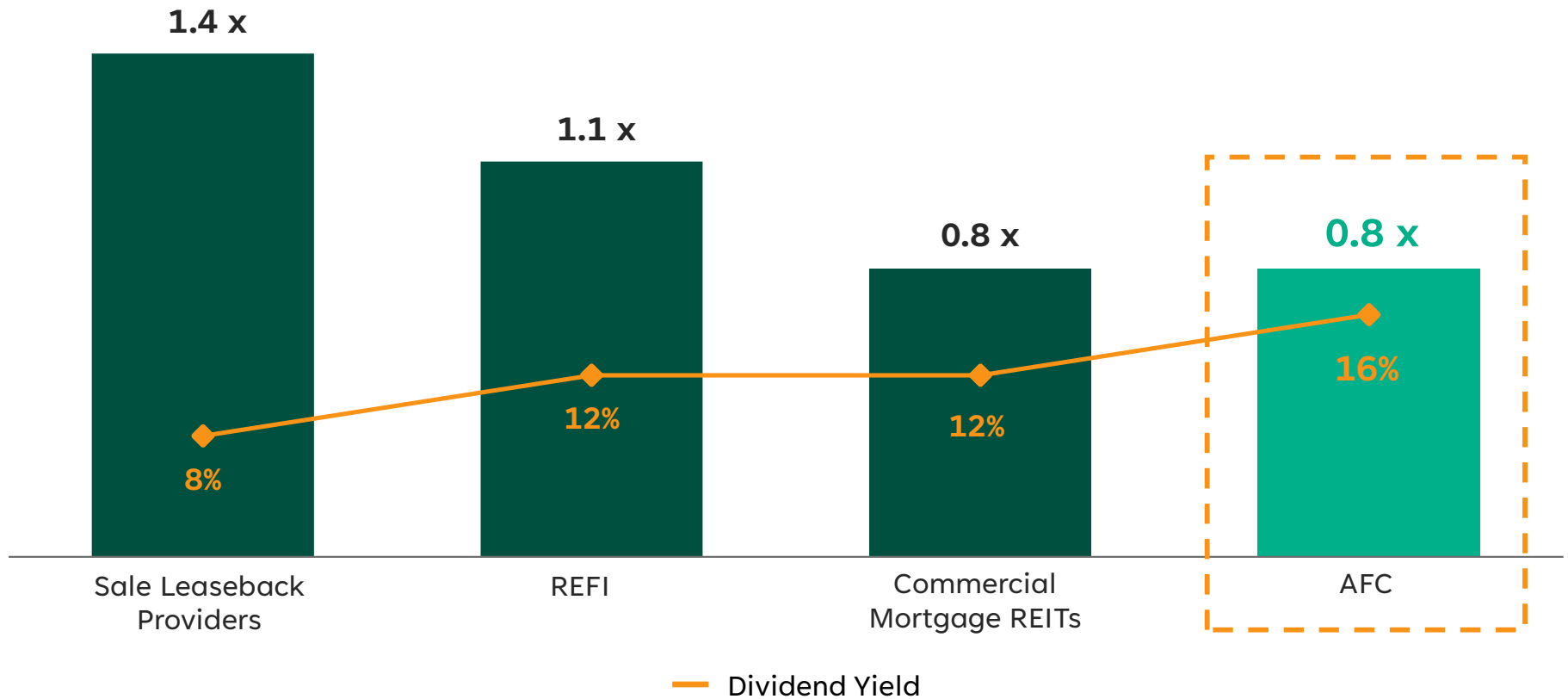


1. Data from Bloomberg: Morningstar LSTA US Leveraged Loan Index, YTM as of August 1, 2024.
 2. Data from Bloomberg: ICE BoA US High Yield Index Effective Yield as of August 1, 2024.
 3. YTM calculation is as of August 1, 2024. See footnote #2 on pg. 19 for management assumption on calculation of YTM.

Current Valuation Presents Attractive Entry Point⁽¹⁾⁽²⁾⁽³⁾

AFC trades in line with commercial mortgage REITs but has a higher dividend profile than that of sale leaseback providers and cannabis equity peers

AFC Price-to-Book vs. Peers



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

1. Price to book and dividend yield calculated based on data sourced from Bloomberg as of August 1, 2024. AFC's price to book value calculated by taking closing stock price of \$12.12 as of July 8, 2024 divided by book value of \$15.21 as of June 30, 2024.
2. AFC's Q2 2024 dividend was declared prior to spin-off of the commercial real estate portfolio completed on July 9, 2024; as a result, AFC's dividend yield is calculated \$0.48 per share annualized and divided by closing stock price of \$12.12 as of July 8, 2024.
3. Mortgage REITs: ABR, ACRE, ARI, BRSP, BXMT, FBRT, KREF, LADR, LFT, NREF, RC, SACH, SEVN, STWD, TRTX; Sale leaseback providers: IIPR, NLCP.



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

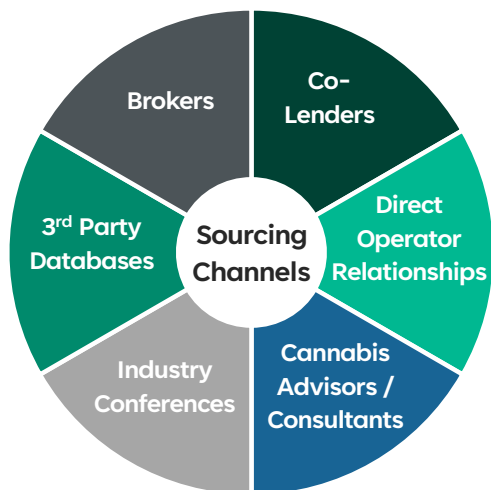


Emphasizing **credit discipline** and **risk management** throughout the investment lifecycle

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

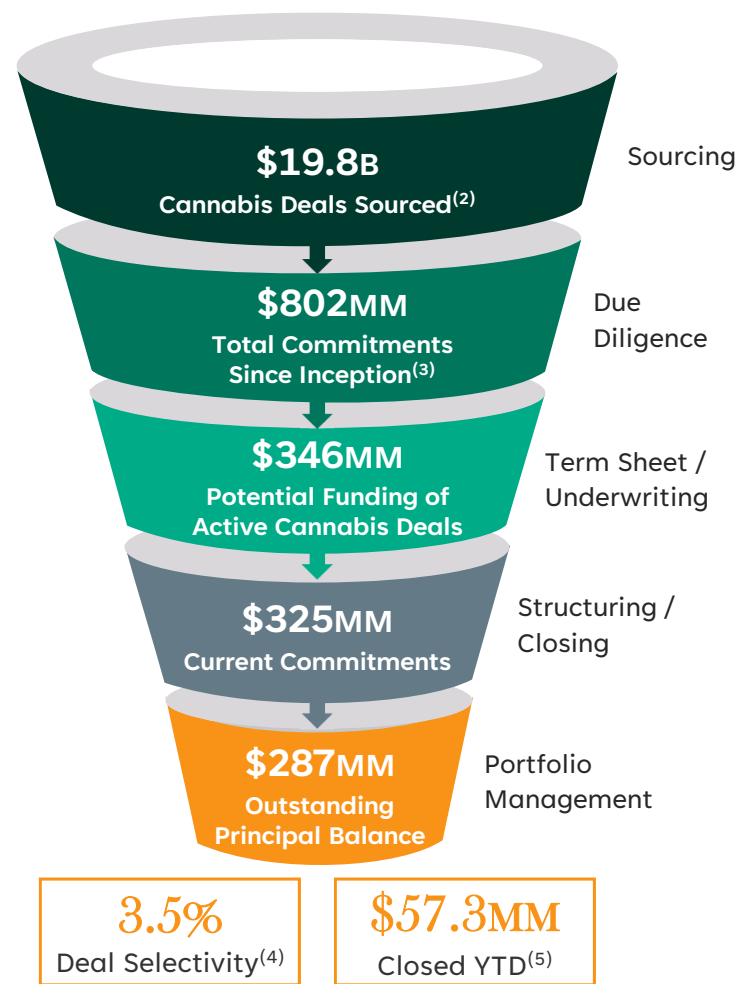
Multiple Origination Channels



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

High-quality and Actionable Pipeline⁽¹⁾

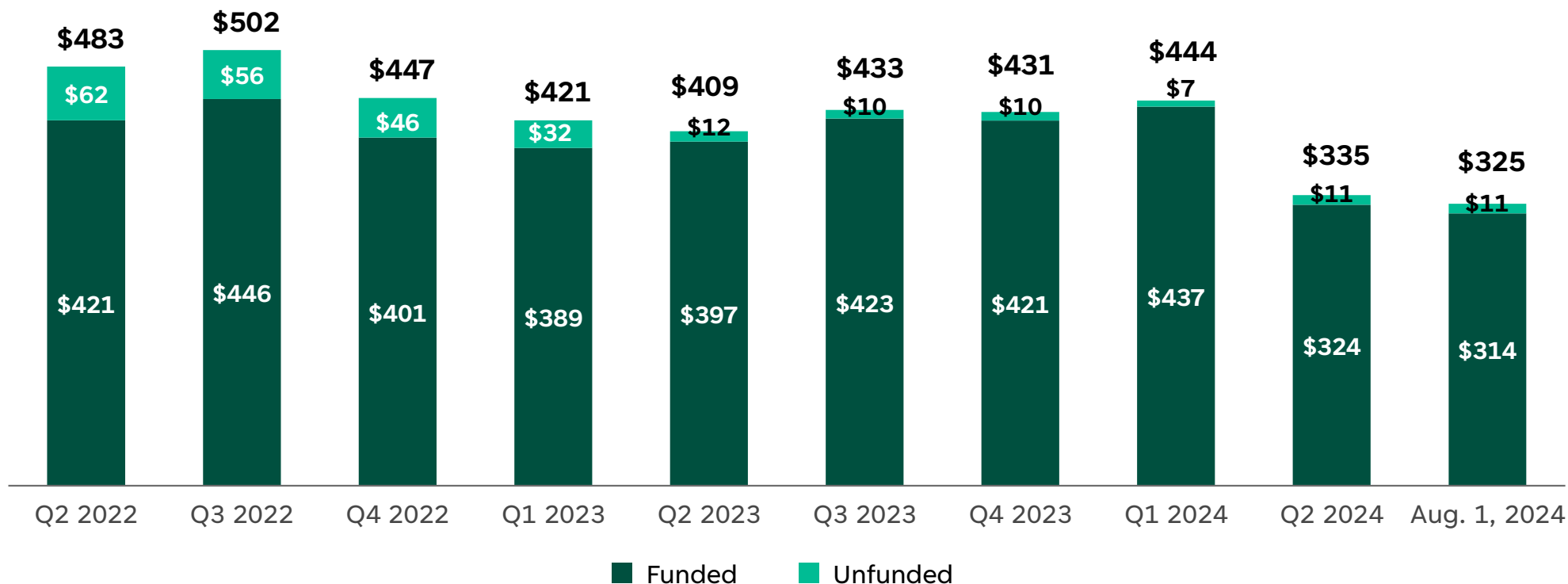


1. All company data as of August 1, 2024 and represents cannabis deals only.
 2. Represents cannabis deals from January 1, 2020 through August 1, 2024 sourced by AFC's manager.
 3. Includes amounts committed by affiliated predecessor entities to Advanced Flower Capital, Inc.
 4. Based on closed portfolio deals to deals sourced / reviewed by AFC's manager from January 1, 2020 through August 1, 2024.
 5. YTD commitments as of August 1, 2024; Deals include Private Co. N, Private Co. O and Private Co. P.

Investment Portfolio Activity

Current Commitments⁽¹⁾

In \$MM



Weighted **average yield-to-maturity of ~19%** as of August 1, 2024⁽²⁾

1. Current Commitments represents the total committed principal value at closing of our outstanding cannabis loans (as of June 30, 2022, September 30, 2022, December 31, 2022, March 31, 2023, June 30, 2023, September 30, 2023, December 31, 2023, March 31, 2024, June 30, 2024 and August 1, 2024) and does not include early pre-payments by borrowers. 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 824 deals, representing approximately \$20 billion in aggregate value*



795 Deals Rejected*



15 Current Deals in Review



12 Current Deals Funded

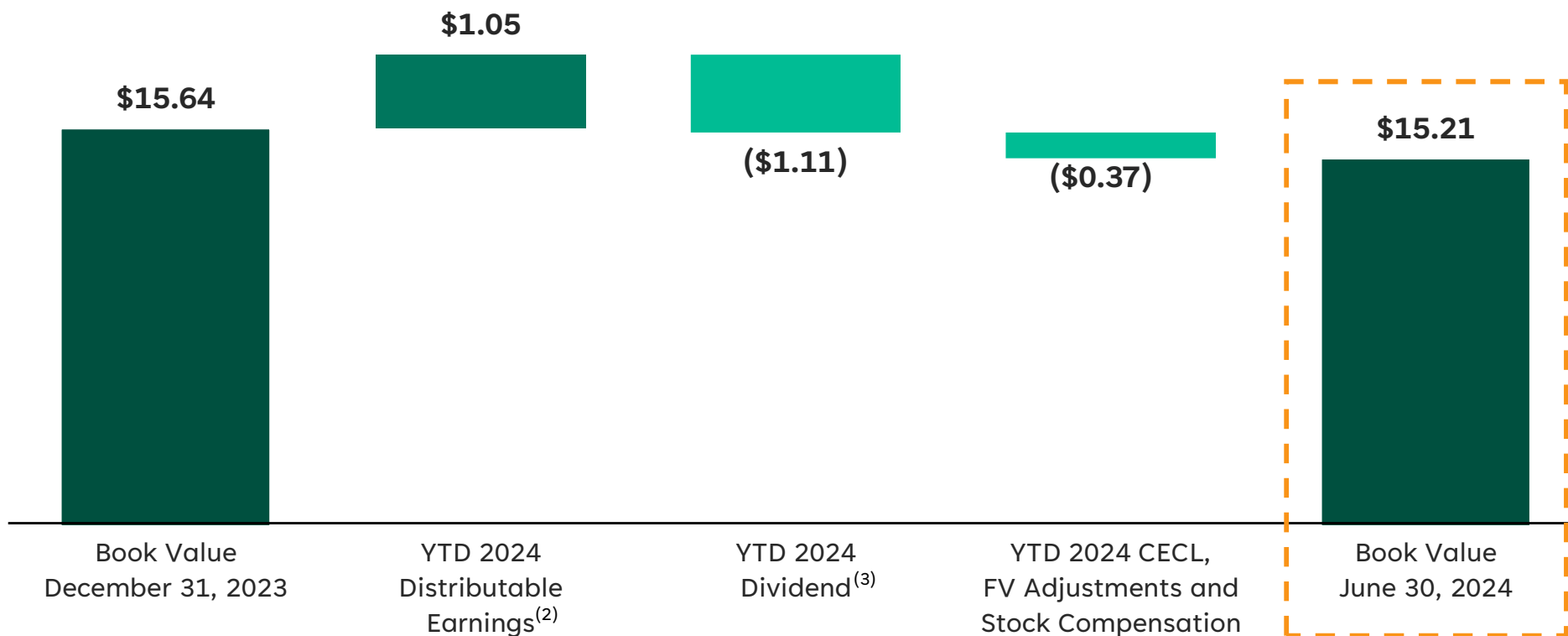
Cannabis Loans	Original Funding Date ⁽¹⁾	Loan Maturity	AFCG Loan, net of Syndication	% of Total	TOTAL OID ⁽²⁾⁽³⁾	Principal Balance as of 8/01/24	Cash Interest Rate ⁽⁴⁾	Paid In Kind ("PIK")	Fixed/Floating	Amortization During Term	YTM ⁽²⁾⁽³⁾
Public Co. A - Equipment Loans	8/5/2019	3/31/2025	4,000,000	1.2%	0.1%	2,041,744	12.0%	N/A	Fixed	Yes	8%
Private Co. A	5/8/2020	5/8/2024	77,785,000	23.9%	7.9%	49,729,397	13.0%	2.8%	Fixed	No	24%
Sub of Private Co. G	4/30/2021	5/1/2026	73,500,000	22.6%	4.0%	79,215,887	11.9%	N/A	Fixed	No	20%
Private Co. K	4/28/2022	5/3/2027	13,229,626	4.1%	4.0%	12,195,762	17.3%	2.0%	Floating	Yes	26%
Private Co. J	8/30/2021	9/1/2025	23,000,000	7.1%	4.0%	20,415,924	17.3%	2.0%	Floating	Yes	25%
Private Co. L	4/20/2022	5/1/2026	43,582,524	13.4%	4.2%	37,114,073	13.7%	N/A	Floating	Yes	19%
Sub of Public Co. M	8/26/2022	8/27/2025	2,797,527	0.9%	8.9%	2,797,527	9.5%	N/A	Fixed	No	23%
Private Co. M	7/31/2023	7/31/2026	30,000,000	9.2%	16.0%	31,099,497	9.0%	N/A	Fixed	Yes	18%
Private Co. N - RE	3/22/2024	4/1/2028	17,491,921	5.4%	4.0%	17,491,921	13.3%	N/A	Floating	Yes	16%
Private Co. N	3/22/2024	4/1/2028	17,200,000	5.3%	4.0%	17,200,000	13.3%	N/A	Floating	Yes	16%
Private Company O	5/20/2024	6/1/2028	7,500,000	2.3%	4.0%	2,728,647	13.8%	N/A	Floating	Yes	18%
Private Company P	6/18/2024	7/1/2027	15,126,433	4.7%	3.0%	15,044,789	13.0%	N/A	Fixed	Yes	16%
Cannabis Portfolio		SubTotal⁽⁵⁾	\$ 325,213,031	100.0%	6.0%	\$ 287,075,169	12.9%	0.7%			19%

*Represents cannabis deals from January 1, 2020 through August 1, 2024 sourced by AFC’s manager.

- 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.
- See footnote #2 on pg. 19 for management assumption on calculation of YTM.
- 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.
- Future Cash Interest Rate on loans with floating rates are based on its August 1, 2024 benchmark rate.
- The Cash Interest Rate, OID and PIK subtotal rates are weighted-average rates.

Q2 2024 Book Value

Book Value⁽¹⁾ In \$/share

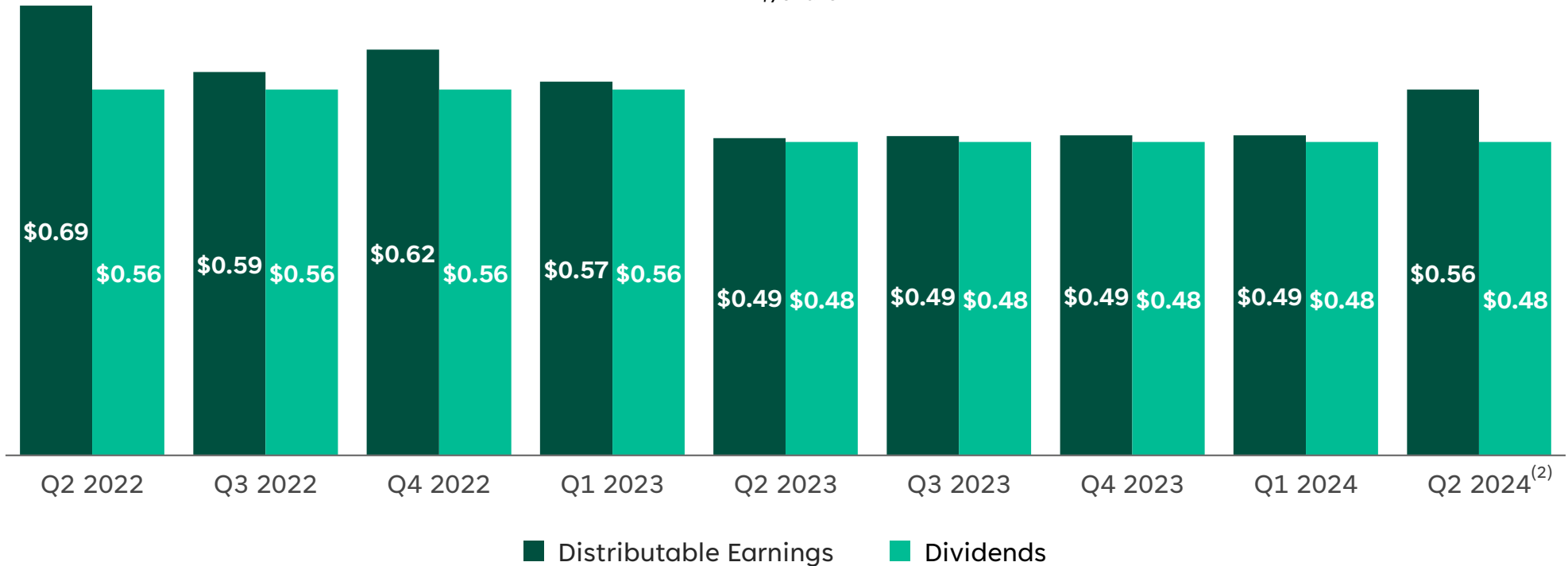


1. June 30, 2024 values per share based on 20,667,094 shares of common stock outstanding as of June 30, 2024. Numbers provided are prior to spin-off of commercial real estate portfolio that was completed on July 9, 2024.
 2. Distributable Earnings is a non-GAAP financial measure. See the Appendix of this presentation for a reconciliation of GAAP Net Income to Distributable Earnings.
 3. Q2 2024 dividend consists of a regular quarterly dividend of \$0.48 per share and a special dividend of \$0.15 per share related to the spin-off of the commercial real estate portfolio which was completed on July 9, 2024.



Shareholder Distributions

Distributable Earnings & Regular Quarterly Dividends⁽¹⁾
In \$/share



For Q2 2024, AFC declared & paid a regular quarterly dividend of \$0.48 per share, which total \$6.65 of dividends paid since going public⁽²⁾



1. Distributable earnings per share based on basic weighted average common share outstanding at the end of each respective quarter.
 2. In Q2 2024, we declared a regular quarterly dividend of \$0.48 per share and a special dividend of \$0.15 per share related to the spin-off of the commercial real estate portfolio which was completed on July 9, 2024.



Appendix

Balance Sheet

	June 30, 2024 (unaudited)	December 31, 2023
Assets		
Loans held for investment at fair value (cost of \$49,618,382 and \$71,644,003 at June 30, 2024 and December 31, 2023, respectively, net)	\$ 34,661,390	\$ 61,720,705
Loans held for investment at carrying value, net	273,580,334	301,265,398
Loan receivable held at carrying value, net	2,040,058	2,040,058
Current expected credit loss reserve	(25,009,024)	(26,309,450)
Loans held for investment at carrying value and loan receivable held at carrying value, net of current expected credit loss reserve	250,611,368	276,996,006
Cash and cash equivalents	170,298,050	121,626,453
Accounts receivable	—	1,837,450
Interest receivable	1,729,188	3,715,995
Prepaid expenses and other assets	691,787	688,446
Total assets	\$ 457,991,783	\$ 466,585,055
Liabilities		
Accrued interest	\$ 888,750	\$ 894,000
Due to affiliate	24,490	16,437
Dividends payable	13,020,269	9,819,695
Current expected credit loss reserve	157,333	115,473
Accrued management and incentive fees	3,985,028	3,471,726
Accrued direct administrative expenses	884,310	1,486,256
Accounts payable and other liabilities	1,436,061	714,685
Senior notes payable, net	88,311,721	88,014,558
Line of credit payable, net	35,000,000	42,000,000
Total liabilities	143,707,962	146,532,830
Commitments and contingencies (Note 10)		
Shareholders' equity		
Preferred stock, par value \$0.01 per share, 10,000 shares authorized at June 30, 2024 and December 31, 2023 and 0 and 125 shares issued and outstanding at June 30, 2024 and December 31, 2023, respectively	—	1
Common stock, par value \$0.01 per share, 50,000,000 shares authorized at June 30, 2024 and December 31, 2023 and 20,667,094 and 20,457,697 shares issued and outstanding at June 30, 2024 and December 31, 2023, respectively	206,671	204,577
Additional paid-in capital	350,591,362	349,805,890
Accumulated (deficit) earnings	(36,514,212)	(29,958,243)
Total shareholders' equity	314,283,821	320,052,225
Total liabilities and shareholders' equity	\$ 457,991,783	\$ 466,585,055

Income Statement

(unaudited)	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Revenue				
Interest income	\$ 19,957,521	\$ 17,675,188	\$ 36,318,581	\$ 36,175,674
Interest expense	(1,573,275)	(1,575,775)	(3,176,438)	(3,243,935)
Net interest income	18,384,246	16,099,413	33,142,143	32,931,739
Expenses				
Management and incentive fees, net (less rebate of \$214,190, \$427,581, 588,993 and 906,225, respectively)	3,985,028	3,313,493	7,447,790	7,017,712
General and administrative expenses	1,053,810	1,075,873	2,106,206	3,082,008
Stock-based compensation	369,343	130,769	912,565	411,347
Professional fees	1,014,208	419,577	1,970,776	840,475
Total expenses	6,422,389	4,939,712	12,437,337	11,351,542
Decrease (increase) in provision for current expected credit losses	6,190,240	1,606,187	1,258,566	903,761
Realized gains (losses) on investments, net	—	—	(93,338)	(26,384)
Gain (loss) on extinguishment of debt	—	—	—	1,986,381
Change in unrealized gains (losses) on loans at fair value, net	(1,420,001)	(462,918)	(5,033,694)	(1,940,609)
Net income before income taxes	16,732,096	12,302,970	16,836,340	22,503,346
Income tax expense	285,975	167,637	444,335	342,739
Net income	\$ 16,446,121	\$ 12,135,333	\$ 16,392,005	\$ 22,160,607
Earnings per common share:				
Basic earnings per common share (in dollars per share)	\$ 0.80	\$ 0.59	\$ 0.79	\$ 1.08
Diluted earnings per common share (in dollars per share)	\$ 0.80	\$ 0.59	\$ 0.79	\$ 1.08
Weighted average number of common shares outstanding:				
Basic weighted average shares of common stock outstanding (in shares)	20,400,004	20,317,341	20,396,940	20,310,606
Diluted weighted average shares of common stock outstanding (in shares)	20,437,799	20,322,857	20,418,897	20,381,724

Reconciliation of GAAP Net Income to Distributable Earnings

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Net income	\$ 16,446,121	\$ 12,135,333	\$ 16,392,005	\$ 22,160,607
Adjustments to net income:				
Stock-based compensation expense	369,343	130,769	912,565	411,347
Depreciation and amortization	—	—	—	—
Unrealized (gains) losses, or other non-cash items	1,420,001	462,918	5,033,694	1,940,609
(Decrease) increase in provision for current expected credit losses	(6,190,240)	(1,606,187)	(1,258,566)	(903,761)
TRS (income) loss, net of dividends	(624,235)	(1,250,400)	306,998	(2,116,604)
One-time events pursuant to changes in GAAP and certain non-cash charges	—	—	—	—
Distributable earnings	\$ 11,420,990	\$ 9,872,433	\$ 21,386,696	\$ 21,492,198
Basic weighted average shares of common stock outstanding (in shares)	20,400,004	20,317,341	20,396,940	20,310,606
Distributable earnings per basic weighted average share	\$ 0.56	\$ 0.49	\$ 1.05	\$ 1.06

Select Investments



Undisclosed Amount



May 2024



\$34,000,000

Sole Lender and Agent
\$34,000,000

March 2024



\$30,000,000

Lender and Agent
\$30,000,000

July 2023



\$63,000,000

Lender and Agent
\$63,000,000

April 2022



\$140,000,000

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

December 2021



\$23,000,000

Lender and Agent
\$23,000,000

July 2021



\$15,500,000

Lead Lender and Agent
\$15,500,000

July 2021



\$86,600,000

Participating Lender
\$86,600,000

May 2021



\$24,000,000

Lead Lender and Agent
\$24,000,000

November 2020



ADVANCED FLOWER CAPITAL



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