

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

FORM 8-K

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

Date of Report (Date of earliest event reported): March 4, 2026



**ADVANCED FLOWER CAPITAL INC.**

(Exact name of Registrant as Specified in Its Charter)

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

**001-39995**

(Commission File Number)

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

**477 S. Rosemary Ave., Suite 301**  
**West Palm Beach, FL, 33401**

(Address of principal executive offices, including zip code)

**561-510-2390**

(Registrant's telephone number, including area code)

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

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

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

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

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

Emerging growth company

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

**Item 2.02 Results of Operations and Financial Condition.**

On March 4, 2026, Advanced Flower Capital Inc. (the “Company”) issued a press release announcing its financial and operational results for the fourth quarter and year ended December 31, 2025. A copy of the press release is furnished as Exhibit 99.1 hereto.

On March 4, 2026, the Company furnished a copy of an earnings presentation intended to be used by representatives of the Company announcing its financial and operational results for the fourth quarter and year ended December 31, 2025. A copy of the earnings presentation is furnished as Exhibit 99.2 hereto.

The information contained in Item 2.02 of this Current Report, including Exhibit 99.1 and Exhibit 99.2, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

<b>Exhibit No.</b>	<b>Description</b>
<a href="#">99.1</a>	Press Release issued by Advanced Flower Capital Inc. on March 4, 2026.
<a href="#">99.2</a>	Earnings Presentation of Advanced Flower Capital Inc. on March 4, 2026.

**SIGNATURES**

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

**ADVANCED FLOWER CAPITAL INC.**

By: /s/ Brandon Hetzel  
Brandon Hetzel  
Chief Financial Officer and Treasurer

Date: March 4, 2026



## Advanced Flower Capital Inc. Announces Financial Results for the Fourth Quarter and Full Year 2025

*Fourth quarter 2025 GAAP net income of \$0.9 million or \$0.04 per basic weighted average common share and Distributable Earnings<sup>(1)</sup> of \$(2.8) million or \$(0.12) per basic weighted average common share*

*Full year 2025 GAAP net loss of \$(20.7) million or \$(0.95) per basic weighted average common share and Distributable Earnings of \$8.7 million or \$0.39 per basic weighted average common share*

WEST PALM BEACH, FL, March 4, 2026 – Advanced Flower Capital Inc. (Nasdaq: AFCG) (“AFC,” or the “Company”) today announced its results for the fourth quarter and year ended December 31, 2025.

AFC reported generally accepted accounting principles (“GAAP”) net income of \$0.9 million, or \$0.04 per basic weighted average common share, and Distributable Earnings of \$(2.8) million, or \$(0.12) per basic weighted average common share, for the fourth quarter of 2025. The Company reported GAAP net loss of \$(20.7) million, or \$(0.95) per basic weighted average common share, and Distributable Earnings of \$8.7 million, or \$0.39 per basic weighted average common share, for the full year 2025.

“In 2025, we focused on disciplined portfolio management and the successful completion of our BDC conversion. As a BDC with a broader investment universe, we remain focused on unlocking value from underperforming loans and redeploying that capital into high-quality, cash-flowing businesses in the lower middle market,” said Dan Neville, AFC’s Chief Executive Officer. “In short, we remain committed to resolving legacy positions and leveraging our robust pipeline to drive long-term value for our shareholders.”

### **Common Stock Dividend**

On March 2, 2026, the Company’s Board of Directors declared a regular cash dividend of \$0.05 per common share for the first quarter of 2026. The first quarter 2026 dividend will be payable on April 15, 2026, to shareholders of record as of March 31, 2026.

### **Additional Information**

AFC issued a presentation of its fourth quarter and full year 2025 results, titled “Fourth Quarter and Full Year 2025 Earnings Presentation,” which can be viewed at [advancedflowercapital.com](https://advancedflowercapital.com) on the Investor Relations section of AFC’s website found here: [AFC -- Investor Relations](#). The Company also filed its Annual Report on Form 10-K for the year ended December 31, 2025, with the Securities and Exchange Commission on March 4, 2026.

AFC routinely posts important information for investors on its website, [advancedflowercapital.com](https://advancedflowercapital.com). The Company intends 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 Investor Relations section of its website, in addition to following its press releases, SEC filings, public conference calls, presentations, webcasts and other information posted from time to time on the website. To sign-up for email-notifications, please visit the “Email Alerts” section of the website under the “IR Resources” section.

<sup>1</sup> Distributable Earnings is a non-GAAP financial measure. See the “Non-GAAP Metrics” section of this release for a reconciliation of GAAP Net Income to Distributable Earnings.

### **Conference Call & Discussion of Financial Results**

AFC will host a conference call at 10:00 am (Eastern Time) on Wednesday, March 4, 2026, to discuss its quarterly and annual financial results. All interested parties are welcome to participate. The call will be available through a live audio webcast at the Investor Relations section of AFC's website found here: [AFC -- Investor Relations](#). To participate via telephone, please register in advance at this [link](#). Upon registration, all telephone participants will receive a confirmation email detailing how to join the conference call, including the dial-in number along with a unique passcode and registrant ID that can be used to access the call. The complete webcast will be archived for 90 days on the Investor Relations section of AFC's website.

AFC distributes its earnings releases via its website and email lists. Those interested in receiving firm updates by email can sign up for them [here](#).

### **About AFC**

AFC is a publicly-traded business development company that provides flexible credit solutions to lower middle-market companies. The company primarily originates, structures, invests and manages direct senior debt investments, targeting companies generating annual EBITDA of \$5 to \$50 million. The company seeks to maximize risk-adjusted returns for its shareholders with an opportunistic approach across all industries. AFC is headquartered in West Palm Beach, Florida. For additional information regarding AFC, please visit [advancedflowercapital.com](#).

### **Non-GAAP Metrics**

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

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

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

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

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

**ADVANCED FLOWER CAPITAL INC.  
CONSOLIDATED STATEMENTS OF OPERATIONS**

	Three months ended December 31, 2025	Year ended December 31, 2025
<b>Revenue</b>		
Interest income	\$ 6,640,305	\$ 31,322,137
Interest expense	(1,453,964)	(6,758,536)
<b>Net interest income</b>	<b>5,186,341</b>	<b>24,563,601</b>
<b>Expenses</b>		
Management and incentive fees, net (less rebate of \$229,440 and \$854,432, respectively)	716,181	2,927,867
General and administrative expenses	976,593	3,231,642
Stock-based compensation	5,315,118	6,840,805
Professional fees	363,518	1,451,361
BDC conversion expenses	428,082	1,234,054
<b>Total expenses</b>	<b>7,799,492</b>	<b>15,685,729</b>
Provision for current expected credit losses	(65,786)	(22,590,706)
Gain on extinguishment of debt	359,305	359,305
Change in unrealized gains (losses) on loans at fair value, net	3,520,599	(7,933,276)
<b>Net income (loss) before income taxes</b>	<b>1,200,967</b>	<b>(21,286,805)</b>
Income tax expense (benefit)	286,921	(613,379)
<b>Net income (loss)</b>	<b>\$ 914,046</b>	<b>\$ (20,673,426)</b>
<b>Earnings per common share:</b>		
Basic	\$ 0.04	\$ (0.95)
Diluted	\$ 0.04	\$ (0.95)
<b>Weighted average number of common shares outstanding:</b>		
Basic weighted average shares of common stock outstanding	22,652,344	22,246,019
Diluted weighted average shares of common stock outstanding	22,739,319	22,282,784

The following table provides a reconciliation of GAAP Net income (loss) to Distributable Earnings:

	Three months ended December 31, 2025	Year ended December 31, 2025
<b>Net income (loss)</b>	<b>\$ 914,046</b>	<b>\$ (20,673,426)</b>
Adjustments to net income (loss):		
Stock-based compensation expense	5,315,118	6,840,805
Depreciation and amortization	—	—
Unrealized (gains) losses or other non-cash items	(3,520,599)	7,933,276
(Reversal of) provision for current expected credit losses <sup>2</sup>	(5,197,746)	15,549,928
TRS income, net of dividends	(324,560)	(996,290)
One-time events pursuant to changes in GAAP and certain non-cash charges	—	—
<b>Distributable earnings</b>	<b>\$ (2,813,741)</b>	<b>\$ 8,654,293</b>
Basic weighted average shares of common stock outstanding	22,652,344	22,246,019
<b>Distributable earnings per basic weighted average share</b>	<b>\$ (0.12)</b>	<b>\$ 0.39</b>

**Forward-Looking Statements**

This release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that reflect our current views and projections with respect to, among other things, future events and financial performance. Words such as "believes," "expects," "will," "intends," "plans," "guidance," "estimates," "projects," "anticipates," and "future" or similar expressions are intended to identify forward-looking statements. These forward-looking statements, including statements about our future growth and strategies for such growth, are subject to the inherent uncertainties in predicting future results and conditions and are not guarantees of future performance, conditions or results. Certain factors, including the ability of our adviser to locate suitable loan opportunities for us, monitor and actively manage our loan portfolio and implement our investment strategy; management's current estimate of expected credit losses and current expected credit loss reserve and other factors could cause actual results and performance to differ materially from those projected in these forward-looking statements. More information on these risks and other potential factors that could affect our business and financial results is included in AFC's filings with the SEC, including in the "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of AFC's most recently filed periodic reports on Form 10-K, Form 10-Q and subsequent filings. New risks and uncertainties arise over time, and it is not possible to predict those events or how they may affect AFC. We do not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

<sup>2</sup> The provision for current expected credit losses is presented net of any write-offs.

***Investor Relations Contact***

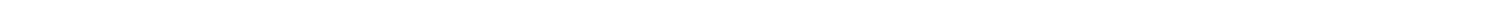
Robyn Tannenbaum  
(561) 510-2293  
[ir@advancedflowercapital.com](mailto:ir@advancedflowercapital.com)



# Investor Presentation

Fourth Quarter & Year Ended 2025

March 4, 2026

A teal-tinted photograph of a skyscraper's facade, viewed from a low angle looking up, creating a strong sense of height and architectural detail. The image is used as a background for the date text.

# Legal Disclaimers

Some of the statements contained in this presentation constitute forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, 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 Advanced Flower Capital Inc. ("Advanced Flower Capital," the "Company," "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," "potential," "should," "seeks," "likely to" or words or phrases of similar meaning. Specifically, this presentation includes forward-looking statements regarding (i) the conversion to a biotechnology development company ("BDC") (the "Conversion") and the other related transactions, as well as the future financial and operating results, plans, objectives, expectations and intentions of the Company; (ii) our portfolio and strategies for the growth thereof; (iii) our working capital, liquidity and capital requirements; (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) the collectability and timing of cash flows, if any, from our loans; (vii) our expected ranges of originations and repayments; (viii) estimates relating to our ability to make distributions to our shareholders in the future; and (ix) our investment strategy.

Actual results could differ significantly from the results and events discussed in the forward-looking statements due to the factors set forth under the heading "Cautionary Note Regarding Forward-Looking Statements" under the heading "Risk Factors" in the Annual Report on Form 10-K that we filed with the Securities and Exchange Commission (the "SEC") on March 4, 2014 and the other documents we file from time to time with the SEC. The forward-looking statements contained in this presentation involve a number of risks and uncertainties, including but not limited to: our new business and investment strategy, our ability to maintain our status as a BDC, our ability to maintain our status under Subchapter M of the Internal Revenue Code or as amended (the "Code") as a RIC and our qualification for tax treatment as a RIC; the ability of our Adviser (as defined below) to locate suitable loan opportunities for us and to monitor and actively manage our portfolio and implement our new investment strategy, our expectations for origination targets and repayments, our ability to obtain our target mix of loan and collateral types with our expected ranges of yields, the allocation of loan opportunities to us by our Adviser, our projected operating results, the state of the U.S. economy generally or in the geographic regions in which we operate, including as a result of the impact of natural disasters, the impact of a protracted decline in the liquidity of credit markets on our business amount, collectability and timing of our cash flows, if any, from our loans, our ability to obtain and maintain competitive financing arrangements, our ability to achieve expected levels of changes in the value of our loans, our being subject to regulations and SEC oversight as a BDC, including limits on issuance of debt, losses that may arise due to the concentration of our portfolio in a limited number of loans and borrowers, our investment and underwriting process, the rates of default or recovery rates on our loans, the degree to which our hedging strategy may or may not protect us from interest rate volatility, the availability of investment opportunities for us within our investment guidelines, changes in interest rates and impacts of 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, impact of changes in governmental regulations, tax law and rates, accounting guidance, tariffs and similar matters, estimates relating to our ability to make distributions to our shareholders 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 our 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 we have filed, or in the future may file, with the SEC, including the Information Statement, our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

**Case Studies.** The selected investment examples, case studies and/or transaction summaries presented or referred to herein may not be representative of all transactions of a given type of investments generally and are intended to be illustrative of the types of investments that have been made or may be made by the Company in employing the Company's investment strategy. It should not be assumed that the Company will make equally successful or comparable investments in the future. Moreover, the actual investments to be made by the Company will be made under different market conditions from those investments presented or referenced and may differ substantially from the investments presented herein as a result of various factors. Prospective investors should also note that the selected investment examples, case studies and/or transaction summaries presented or referred to herein have involved AFC Management, LLC personnel who will be involved with the management and operations of the Company as well as other AFC Management, LLC personnel who will not be involved in the management and operations of the Company. Further investment details are available upon request.

**Logos.** The logos presented herein were not selected based on performance of the applicable company or sponsor to which they pertain. In AFC Management, LLC's and/or the Company's opinion, the logos selected were generally the most applicable examples of the given thesis, theme or trend discussed on the relevant slide(s). All rights to the trademarks and/or logos presented herein belong to their respective owners and the Company's use hereof does not imply an affiliation with, or endorsement by the owners of these logos.

**Third Party Information.** Certain information contained in the materials has been obtained from sources outside AFC, which in certain cases have not been updated through the date of this presentation. While such information is believed to be reliable for purposes used herein, no representations are made as to the accuracy or completeness thereof and none of AFC Management, LLC, the Company or any of their affiliates, takes any responsibility for, and has not independently verified, any such information.



# Legal Disclaimers

## Important Notices

This presentation is by Advanced Flower Capital, a publicly traded company that is a non-diversified, externally managed, closed-end management investment company that has elected to be regulated as a BDC and intends to elect to be taxed as a regulated investment company ("RIC") for federal income tax purposes for the year ending December 31, 2026. During the year ending December 31, 2025, the Company 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 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" or our "Adviser"), 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](http://www.advancedflowercapital.com). We intend to use this webpage as a means of disclosing material information 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, media and others interested in AFC to monitor the "Investor Relations" section of our website, in addition to following our press releases, SEC filings, public conference calls, present 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 "Investor Relations" 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 referred to 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 referred to 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 trends, or other broad-based economic, market or political conditions and should be construed as research or investment advice.

## Non-GAAP Financial Measures

This presentation includes certain non-GAAP financial measures, including Distributable Earnings and Distributable Earnings per share, to evaluate our performance excluding the effect 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. For management description and calculation of Distributable Earnings, see appendix section entitled "Key Definitions and Methodologies", and reconciliation of the applicable GAAP financial measures to non-GAAP financial measures, please refer to the appendix section entitled, "Reconciliation of GAAP Net Income to Distributable Earnings". 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) 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 certain 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 our estimate.

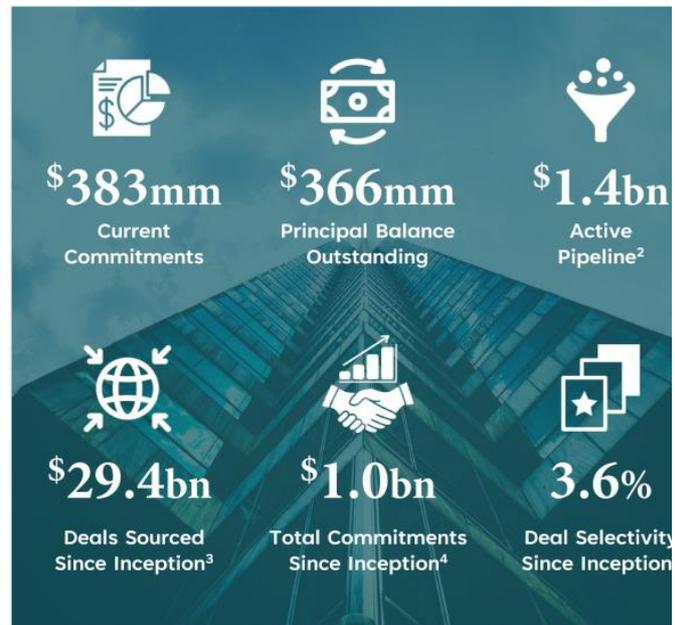


# An Institutional Lender to the U.S. Lower Middle-Markets

## Company Overview

- › AFC is an institutional capital provider specializing in debt investments to (i) lower middle-market businesses across various industries and (ii) companies operating in or adjacent to the cannabis industry
- › We aim to provide attractive risk-adjusted returns through debt investments structured with significant collateral, high interest coverage and favorable pricing
- › We primarily originate, structure, invest and manage debt investments of at least \$10 million
- › Senior members of the team have collectively structured over \$10 billion in loans and taken four companies public<sup>1</sup>
- › On January 1, 2026, AFC completed its conversion from a real estate investment trust (“REIT”) to a business development company (“BDC”) regulated under the Investment Company Act of 1940, as amended (the “1940 Act”) (the “Conversion”)

## By the Numbers



Note: **Past performance does not predict future returns.** Investing involves the risk of loss, and there is no guarantee that the Adviser's strategy will be successful at achieving the Company's objectives or preventing substantial investment losses; Financial and company data as of 2/25/2026 unless otherwise specified.

1. Collective deal experience includes transactions executed prior to AFC's conversion to a BDC structure on 1/1/2026, at AFC and prior firms.
2. 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.
3. Represents all deals from 1/1/2020 through 2/25/2026 sourced by AFC's adviser.
4. Includes amounts committed by affiliated predecessor entities to AFC.
5. Represents the total deal count closed since inception divided by the total count of all deals sourced by AFC's adviser from 1/1/2020 through 2/25/2026.



# Veteran Team, Focused Strategy, Robust Process and Credit Discipline



Note: Past performance does not predict future returns. Investing involves the risk of loss, and there is no guarantee that the Adviser's strategy will be successful at achieving the Company's objectives or preventing substantial investment losses.

# Experienced, Cycle-Tested Management 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

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
- 7+ years focused on mergers and acquisitions and leveraged loans at CIT Group



**BRANDON  
HETZEL**

Chief Financial  
Officer, Treasurer

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

12+ YEARS EXPERIENCE

- Former Corporate & Securities Counsel at AmLaw 100 law firms and Lead Corporate Counsel at a unicorn technology startup
- Advised public and private companies in securities offerings and M&A



**JAMES  
VELGOT**

Chief Marke  
Officer

30+ YEARS EXPERIENCE

- Former Chief Marketing Officer at Fifth Street Asset Management
- Former Global Brand & Strategy at Alliance Bernstein

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



Note: Past performance does not predict future returns. Investing involves the risk of loss, and there is no guarantee that the Adviser's strategy will be successful at achieving the Company's objectives or preventing substantial investment losses.

# It's Good to be a Lender



## Cycle-Tested Management

- › AFC's ability to navigate fast-moving markets and underwrite complex credits draws from a deep well of lending, asset management and operational experience



## Seeking Compelling Investment Returns

- › Working to capture the benefits from direct originations, with the potential to earn premium yields through selective sourcing, disciplined underwriting and innovative structuring



## Disciplined Process

- › Rigorous, repeatable and auditable investment review process applying both an experienced lender's process and an operator's lens to underwrite and structure loans



## Active Portfolio Management

- › Detailed performance monitoring, stringent reporting cadence, robust valuation procedures, and multiple early-warning systems in place, all supported by a culture of credit



## Strong Balance Sheet & Liquidity

- › Prudent cash management for ample liquidity, meaningful asset coverage across investment, and prudent leverage optimized to BD appropriate levels



Note: Past performance does not predict future returns. Investing involves the risk of loss, and there is no guarantee that the Adviser's strategy will be successful at achieving the Company's objectives or preventing substantial investment losses.

# Rationale for Conversion to a BDC

**What is a Business Development Company?** > A closed-end management investment company that has elected to be regulated under the 1940 Act required to invest at least 70% of assets in private or small public companies via long-term debt or equity capital

**What are requirements?** >

Invest at least 70% of assets in eligible U.S. companies	Ordinarily invest via long-term debt or equity capital	Maintain total asset coverage of at least 150%	Report on Forms 10-K, 10-Q and 8-K	Restrict affiliated transaction
--	--	--	------------------------------------	---------------------------------

## What are potential benefits of a BDC structure for AFC?

Enables Investments Outside Cannabis	Increases Flexibility in Loan Structuring	Optimizes Access to Efficient Capital	Diversifies Exposures	Expands Opportunity Set Within Cannabis
As a BDC, AFC can originate direct loans to public and private middle market companies outside of cannabis, a sector facing unique challenges	BDCs can offer deal structures better tailored to borrower needs, such as convertible debt, unsecured loans, revenue-linked loans, or equipment financing	The BDC structure provides AFC capacity to increase leverage as it constructs a diversified portfolio of direct loans to the U.S. lower middle markets	With a broader mandate, AFC can deploy across industries, loan types and borrower profiles, improving loan selectivity while potentially reducing risks in the portfolio	As a BDC, AFC will be able to issue loans to both operators lacking RE (as well as high-growth plant-touching and ancillary businesses like brands, software)



Note: Past performance does not predict future returns. Investing involves the risk of loss, and there is no guarantee that the Adviser's strategy will be successful at achieving the Company's objectives or preventing substantial investment losses.

# Providing Flexible Financing to Lower Middle-Market Companies

Target Characteristics	Investment Focus	Origination Focus
<p><b>CHECK SIZE</b> › At least \$10 million</p>	<ul style="list-style-type: none"> <li>› Private companies headquartered or mostly operating in the United States</li> <li>› Generating EBITDA of \$5 to \$50 million</li> <li>› Diverse industry sectors</li> <li>› Financing is often used for expansion capital, acquisitions, refinancings and recapitalizations</li> <li>› Targeting investments in both sponsored (i.e., PE-backed) and direct lending opportunities</li> </ul>	<ul style="list-style-type: none"> <li>› Focus on originated loans as opposed to broadly syndicated financings</li> <li>› Typically the sole lender in the tranche in which we invest:                             <ul style="list-style-type: none"> <li>▪ Open to partnering with a small number of lenders in “club” deals</li> </ul> </li> </ul>
<p><b>LOAN TYPE</b> › First lien and unitranche debt › Co-investments with affiliate investment vehicles</p>		
<p><b>TERMS</b> › Cash interest › Floating with SOFR floors › OID and prepayment fees</p>		

Credit Characteristics We Seek to Target
<ul style="list-style-type: none"> <li>✓ Market leader with pronounced competitive advantages</li> <li>✓ Proven management team with highly aligned incentives</li> <li>✓ Variable cost structures designed to meet evolving markets</li> <li>✓ Appropriate capital structure with low debt multiples and</li> <li>✓ Conservative leverage and interest coverage ratios</li> </ul>

Credit Characteristics We Seek to Avoid
<ul style="list-style-type: none"> <li>✗ Cyclical end markets exposed to macro or geopolitical factors</li> <li>✗ Sectors with poor credit standards from an oversupply of capacity</li> <li>✗ Highly concentrated customer base</li> <li>✗ Volatile or lumpy cash flows</li> <li>✗ Undifferentiated product or services with low profit margins</li> </ul>



Note: Past performance does not predict future returns. These examples may not be representative of all investments of a given type or of investments generally, both with respect to operating metrics and performance, and it should not be assumed that the Company will make comparable or equally successful investments in the future. Figures are presented for illustrative purposes. Reflects AFC Management, LLC's and/or the Company's views and beliefs as of the date appearing on this material only, subject to change.

# Pursuing Attractive Deals Regardless of Ownership Structure

## Sponsor-Backed Lending

*Financing the businesses of issuers owned by PE*

### Institutional Governance & Reporting

Sponsors typically require regular reporting, clear KPIs and straightforward lender access to performance data

### Standardized Operating Processes

Sponsors typically have organized diligence files, established operating systems and defined documentation processes

### Strategic Support & Resources

Sponsors often bring playbooks, talent networks, and resources to support growth initiatives

### Proactive Portfolio Management

Sponsors typically conduct active monitoring and make timely decisions when performance or conditions shift

### Multiple Levers in Downside Scenario

Sponsors typically have options to support the business – equity infusions, operational changes, strategic alternatives



## Non-Sponsor-Backed Lending

*Financing the businesses of issuers under any ownership structure*

### Owner-Operator Alignment

Leadership is often closely tied to the long-term health of the business and customer relationships

### Operational Continuity

Often long-tenured teams with stable operations, strong industry networks and an institutionalized knowledge base

### Structural Simplicity & Transparency

Often clean organizational structures and limited deal-driven complexities support clarity in underwriting

### Conservative Balance-Sheet Mindset

Frequently a preference for prudent leverage, disciplined cost control and steady cash-flow management

### Long-Term Partnership Focus

Financing decisions are often collaborative and tailored, strengthening long-term lender-borrower alignment

Lending to both borrower types allows us to select what we believe to be the **attractive loans** in our pipeline while **leveraging the distinct advantages of each segment**

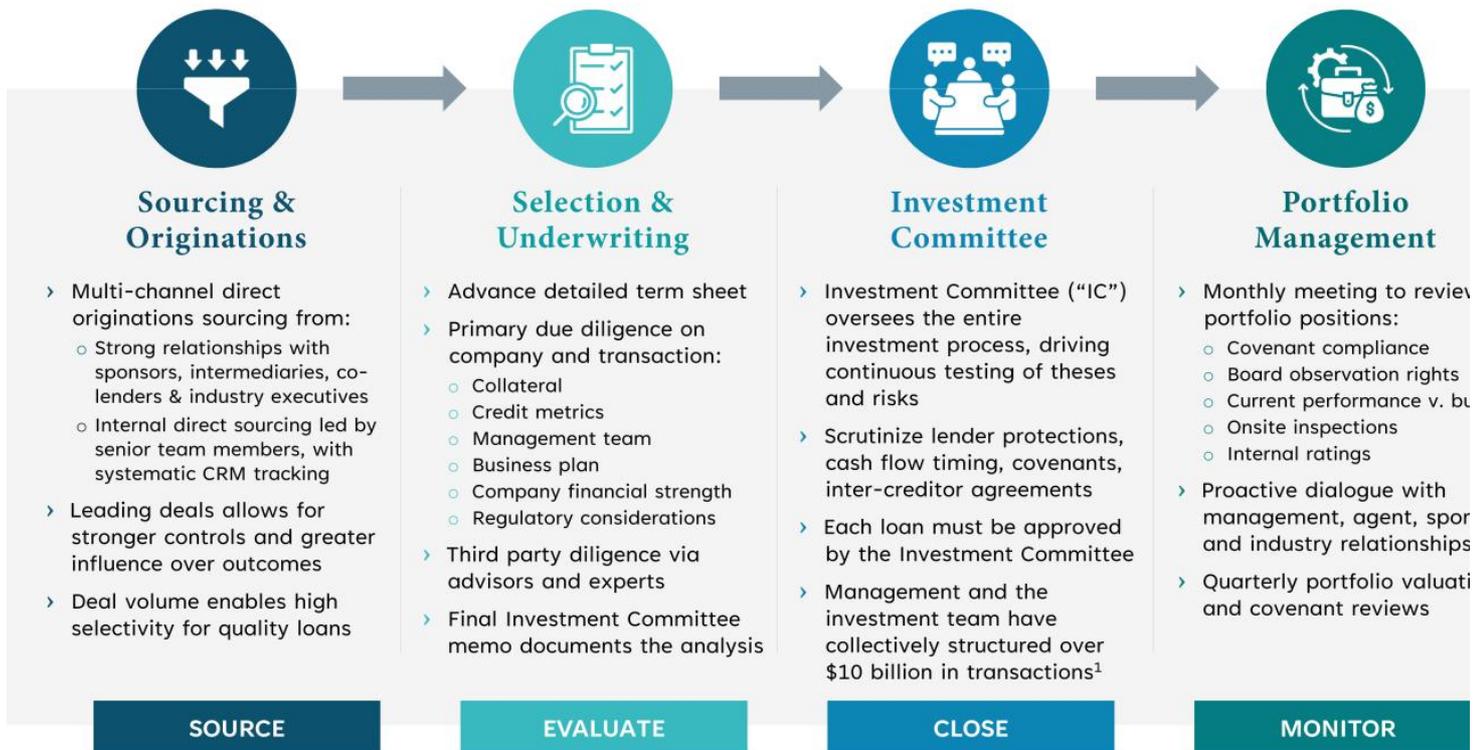
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1. PennantPark, *Sponsor Vs. Non-Sponsor Backed Lending, What You Need to Know*, March 2024. The Alts Institute, *Understanding Private Credit: Sponsored vs. Non-Sponsored Financing*, April 2025. Invesco, *Direct Lending's Evolution: A look into sponsored versus non-sponsored*, 8/12/2025. PGIM, *Enhancing Diversification Through Non-Sponsored Direct Lending*, February 2025.



# Disciplined and Selective Investment Process

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



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



Note: **Past performance does not predict future returns.** Investing involves the risk of loss, and there is no guarantee that the Adviser's strategy will be successful at achieving the Company's objectives or preventing substantial investment losses.  
 1. Collective deal experience includes transactions executed prior to AFC's conversion to a BDC structure on 1/1/2026.

# Broad Sourcing Approach Designed for Robust Proprietary Deal Flow

## Multiple Channels Driving Originations

### NETWORK-BASED DEAL FLOW

- > Co-lenders
- > Owners/operators
- > Brokers
- > PE firms
- > BDCs or REITs
- > Banks
- > Advisory firms
- > Service providers

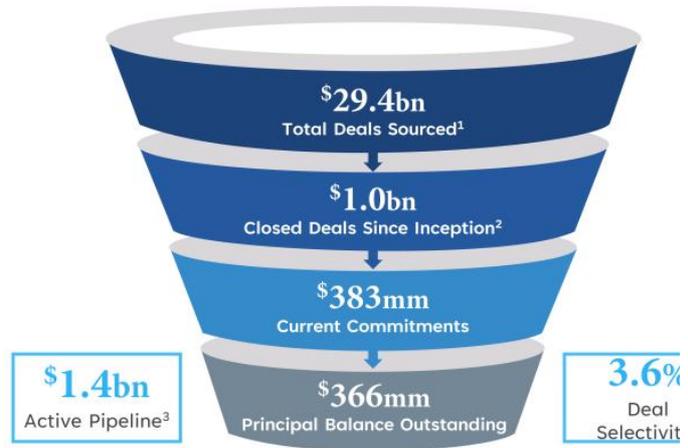
### INTERNAL SOURCING

- > Internal direct origination efforts provide a unique and proprietary flow of deals
- > Pair in-house & 3rd party data for wide visibility on opportunity set in real-time

### AFFILIATED STRATEGIES

- > Opportunities to be allocated from investments originated by affiliate entities

## High-Quality, Actionable Pipeline



## Powerful Deal Flow Engine

### QUALITY INBOUNDS

Reflecting the team's product & market knowledge and diverse specializations

### MARKET PRESENCE

Maintain reputation as a reliable, skillful lender to the lower middle-market

### EXTENSIVE NETWORK

Vast ecosystem of long-standing industry contacts in each target vertical

### FLEXIBLE PARTNERSHIP

Driving repeat business with solutions-oriented flexibility and good-faith negotiation

Note: Past performance does not predict future returns. Investing involves the risk of loss, and there is no guarantee that the Adviser's strategy will be successful at achieving the Company's objectives or preventing substantial investment losses; All company data as of 2/25/2026.

1. Represents deals sourced by AFC's adviser from 1/1/2020 through 2/25/2026.

2. Includes amounts committed by affiliated predecessor entities to AFC.

3. 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.

4. Represents the total deal count closed since inception divided by the total count of all deals sourced by AFC's adviser from 1/1/2020 through 2/25/2026.



# Investment Activity

## Current Commitments<sup>1</sup>

In \$ millions



Note: **Past performance does not predict future returns.** Investing involves the risk of loss, and there is no guarantee that the Adviser's strategy will be successful at achieving the Company's objectives or preventing substantial investment losses. Numbers may not sum due to rounding.

1. Represents total committed principal at closing for outstanding loans as of specified dates (9/30/2024, 12/31/2024, 3/31/2025, 6/30/2025, 9/30/2025, 12/31/2025, and 2/25/2026). Excludes early prepayments.

# AFC Portfolio Summary

AFC's adviser has reviewed 1,104 deals, representing approximately \$29 billion in aggregate value\*

 **1,033** Deals Rejected\*

 **31** Current Deals in Review

 **15** Current Deals Funded

As of 2/25/2026; In \$ millions unless otherwise noted

Loan Name	Original Funding Date <sup>1</sup>	Loan Maturity	AFC Loan, net of Syndication	As % of Total	Total OID <sup>2</sup>	Principal Balance	Cash Interest Rate <sup>3</sup>	Paid In-Kind ("PIK") <sup>2</sup>	Fixed/Floating	Amort. During Term	YTM
Private Co. A	May-20	May-24	\$ 38.1	10.0%	7.7%	\$ 46.8	13.0%	2.6%	Fixed	No	
Sub of Private Co. G	Apr-21	May-26	73.1	19.1%	4.0%	78.8	12.5%	N/A	Fixed	No	
Private Co. K	Apr-22	May-27	13.2	3.5%	4.0%	12.2	15.7%	2.0%	Floating	Yes	
Private Co. M	Jul-23	Jul-26	30.0	7.8%	16.0%	23.1	15.0%	N/A	Fixed	Yes	18
Private Co. N - RE	Mar-24	Apr-28	19.3	5.1%	4.0%	19.3	12.5%	N/A	Floating	Yes	18
Private Co. N	Mar-24	Apr-28	17.2	4.5%	4.0%	17.2	12.5%	N/A	Floating	Yes	18
Private Co. Q	Aug-24	Sep-28	11.0	2.9%	3.0%	8.0	13.8%	N/A	Floating	Yes	18
Private Co. R	Oct-24	Nov-27	41.0	10.7%	2.0%	32.6	12.0%	N/A	Floating	Yes	18
Private Co. U	Feb-25	Mar-28	15.0	3.9%	2.5%	15.0	14.0%	N/A	Fixed	Yes	17
Sub of Private Co. V	Apr-25	Apr-29	14.0	3.7%	3.0%	12.4	12.5%	1.5%	Fixed	Yes	17
Sub of Public Co. S	Aug-25	Aug-30	10.0	2.6%	4.0%	10.0	12.5%	N/A	Fixed	No	18
Private Co. W	Dec-25	Dec-28	6.0	1.6%	-	5.9	10.0%	N/A	Fixed	Yes	20
Sub of Public Co. T	Dec-25	Dec-30	5.0	1.3%	-	5.0	10.5%	N/A	Fixed	No	18
Private Co. X	Jan-26	Feb-31	60.0	15.7%	2.0%	60.0	12.2%	N/A	Floating	Yes	18
Private Co. Y	Feb-26	Feb-30	29.8	7.8%	2.5%	20.1	7.5%	9.0%	Fixed	Yes	18
<b>Total Portfolio<sup>4</sup></b>			<b>\$ 382.7</b>	<b>100.0%</b>	<b>4.4%</b>	<b>\$ 366.4</b>	<b>12.5%</b>	<b>0.9%</b>			

Note: Past performance does not predict future returns. Investing involves the risk of loss, and there is no guarantee that the Adviser's strategy will be successful at achieving AFC's objectives or preventing substantial investment losses. Numbers may not sum due to rounding.

\* Represents deals from 1/1/2020 through 2/25/2026 sourced by AFC's adviser; Totals may not sum due to rounding.

1. Loans originated prior to 7/31/2020 were purchased from affiliated entities at fair value, approximating accreted or amortized cost plus accrued interest on 7/31/2020 and excluding prepayment.

2. See appendix section entitled "Definitions" for management description and calculation of yield to maturity ("YTM"), paid in-kind ("PIK") and Origination Issue Discount ("OID").

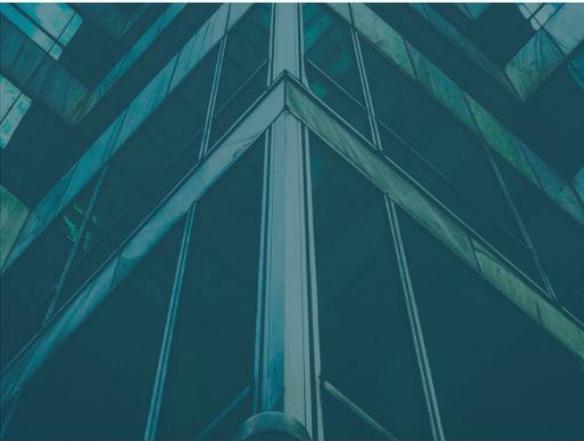
3. Future Cash Interest Rate on loans with floating rates are based on its 2/25/2026 benchmark rate.

4. Portfolio Totals for Cash Interest Rate, Original Issue Discount and Paid In-Kind are calculated as a weighted average rate by principal balance outstanding.





# Appendix



# Consolidated Balance Sheets

	As of December 31,	
	2025	2024
<b>Assets</b>		
Loans held for investment at fair value (cost of \$53,744,253 and \$50,241,018 at December 31, 2025 and 2024, respectively, net)	\$ 26,080,763	\$ 30,510,
Loans held for investment at carrying value, net	253,625,119	293,262,
Loan receivable held at carrying value, net	–	1,895,
Current expected credit loss reserve	(46,059,838)	(30,419,
Loans held for investment at carrying value and loan receivable held at carrying value, net of current expected credit loss reserve	207,565,281	264,738,
Cash and cash equivalents	38,605,507	103,610,
Interest receivable	899,382	1,982,
Prepaid expenses and other assets	2,443,814	1,214,
<b>Total assets</b>	<b>\$ 275,594,747</b>	<b>\$ 402,057,</b>
<b>Liabilities</b>		
Accrued interest	\$ 763,180	\$ 894,
Due to affiliate	–	6,
Dividends payable	–	7,369,
Current expected credit loss reserve	76,469	166,
Accrued management and incentive fees	716,181	1,932,
Accrued direct administrative expenses	374,852	1,197,
Accounts payable and other liabilities	773,585	501,
Senior notes payable, net	76,322,493	88,612,
Line of credit payable	21,000,000	60,000,
Line of credit payable to affiliate	–	40,000,
<b>Total liabilities</b>	<b>100,026,760</b>	<b>200,681,</b>
<b>Commitments and contingencies (Note 9)</b>		
<b>Shareholders' equity</b>		
Preferred stock, par value \$0.01 per share, 10,000 shares authorized at December 31, 2025 and 2024 and 0 shares issued and outstanding at December 31, 2025 and 2024, respectively	–	–
Common stock, par value \$0.01 per share, 50,000,000 shares authorized at December 31, 2025 and 2024 and 23,528,844 and 22,332,927 shares issued and outstanding at December 31, 2025 and 2024, respectively	235,288	223,
Additional paid-in capital	258,694,609	251,865,
Accumulated (deficit) earnings	(83,361,910)	(50,712,
<b>Total shareholders' equity</b>	<b>175,567,987</b>	<b>201,376,</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 275,594,747</b>	<b>\$ 402,057,</b>



# Consolidated Statements of Operations

	Three Months Ended December 31, 2025	Year Ended December 31, 2025
<b>Revenue</b>		
Interest income	\$ 6,640,305	\$ 31,322,000
Interest expense	(1,453,964)	(6,758,000)
<b>Net interest income</b>	<b>5,186,341</b>	<b>24,564,000</b>
<b>Expenses</b>		
Management and incentive fees, net (less rebate of \$229,440 and \$854,432, respectively)	716,181	2,927,000
General and administrative expenses	976,593	3,231,000
Stock-based compensation	5,315,118	6,840,000
Professional fees	363,518	1,451,000
BDC conversion expenses	428,082	1,234,000
<b>Total expenses</b>	<b>7,799,492</b>	<b>15,685,000</b>
Provision for current expected credit losses	(65,786)	(22,590,000)
Gain on extinguishment of debt	359,305	359,000
Change in unrealized gains (losses) on loans at fair value, net	3,520,599	(7,933,000)
<b>Net income (loss) before income taxes</b>	<b>1,200,967</b>	<b>(21,286,000)</b>
Income tax expense (benefit)	286,921	(613,000)
<b>Net income (loss)</b>	<b>\$ 914,046</b>	<b>\$ (20,673,000)</b>
<b>Earnings per common share:</b>		
Basic	\$ 0.04	\$ (0.80)
Diluted	\$ 0.04	\$ (0.80)
<b>Weighted average number of common shares outstanding:</b>		
Basic weighted average shares of common stock outstanding	22,652,344	22,246,000
Diluted weighted average shares of common stock outstanding	22,739,319	22,282,000



## Reconciliation of GAAP Net Income to Distributable Earnings

	Three Months Ended December 31, 2025	Year Ended December 31, 2025
<b>Net income (loss)</b>	<b>\$ 914,046</b>	<b>\$ (20,673,400)</b>
Adjustments to net income (loss):		
Stock-based compensation expense	5,315,118	6,840,000
Depreciation and amortization	-	-
Unrealized (gains) losses or other non-cash items	(3,520,599)	7,933,000
(Reversal of) provision for current expected credit losses <sup>(1)</sup>	(5,197,746)	15,549,000
TRS income, net of dividends	(324,560)	(996,000)
One-time events pursuant to changes in GAAP and certain non-cash charges	-	-
<b>Distributable earnings</b>	<b>\$ (2,813,741)</b>	<b>\$ 8,654,000</b>
Basic weighted average shares of common stock outstanding	22,652,344	22,246,000
<b>Distributable earnings per basic weighted average share</b>	<b>\$ (0.12)</b>	<b>\$ 0.39</b>



Note: For further management description and calculation of Distributable Earnings, see appendix section titled "Definitions".  
1. The provision for current expected credit losses is presented net of any write-offs.

# Definitions

## Distributable Earnings

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 or 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 adviser and our independent directors and after approval by a majority of independent directors. We caution readers that our methodology for calculating Distributable Earnings may differ from the methodologies employed by other REITs. We 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 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-adjustments for current expected credit losses that are difficult to predict in order to include in a GAAP estimate. Please see page 18 for a reconciliation of GAAP income to Distributable Earnings.

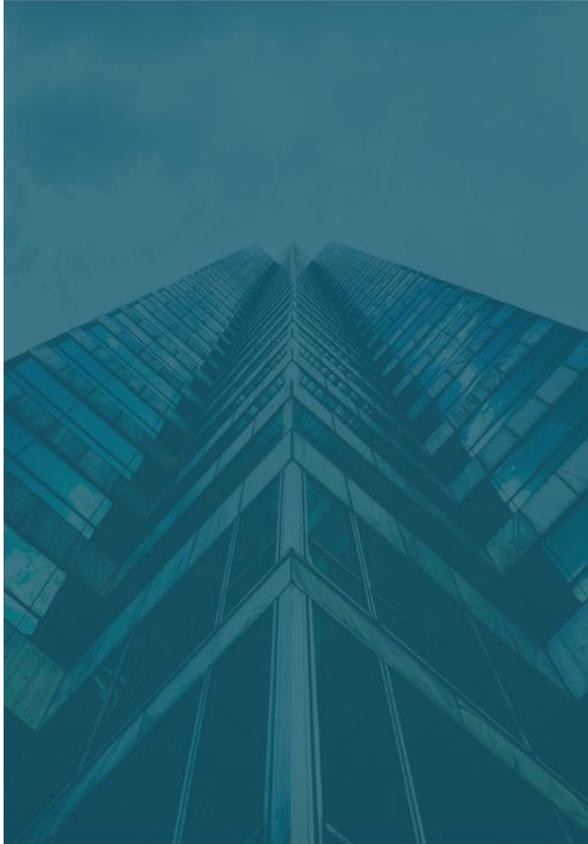
## Origination Issue Discount ("OID")

Origination Issue Discount ("OID") is recognized as a discount to the funded loan principal and is accreted to income over the term of the loan. Loans originated by us on or 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. Estimated YTM Future Cash Interest Rate on loans with floating rates are based on its February 25, 2026, benchmark rate.

## Yield to Maturity ("YTM")

YTM excludes loans on nonaccrual status. Estimated YTM includes a variety of fees and features that affect the total yield, which may include, but is not limited to, exit fees, prepayment fees, unused fees and contingent features. 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 our management estimates and assumptions, which may change. Actual results could differ from those estimates and assumptions.





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