



Investor Presentation

Second Quarter 2025

August 14, 2025

Forward-Looking Statements

Some of the statements contained in this presentation constitute forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995, and we intend such statements to be covered by the safe harbor provisions contained therein. Such forward-looking statements are based on the current intent, belief, expectations and views of future events of Advanced Flower Capital Inc. (“Advanced Flower Capital”, “AFC”, the “Company” and “we” “us” and “our”). The forward-looking statements include, without limitation, any statement that may predict, forecast, indicate or imply future results or performance, and may contain the words “believe,” “anticipate,” “expect,” “estimate,” “project,” “could,” “would,” “will,” “can,” “continuing,” “may,” “aim,” “intend,” “ongoing,” “plan,” “predict,” “potential,” “should,” “seeks,” “likely to” or words or phrases of similar meaning. Specifically, this presentation includes forward-looking statements regarding (i) our expectations in the adult-use and medicinal cannabis markets and their impact on our business; (ii) our portfolio and strategies for the growth thereof; (iii) our strategic goals; (iv) potential state and federal legislative and regulatory matters; (v) our expectations and estimates regarding certain tax, legal and accounting matters, including the impact on our financial statements and/or those of our borrowers; (vi) our expectation regarding capital in the cannabis industry; (vii) our expectations regarding our portfolio companies and their businesses, including demand, sales volume, profitability, and future growth; (viii) our expectation of returns from cannabis lending; (ix) the amount, collectability and timing of cash flows, if any, from our loans; (x) our expected ranges of originations and repayments; and (xi) estimates relating to our ability to make distributions to our shareholders in the future.

Actual results could differ significantly from the results and events discussed in the forward-looking statements due to the factors set forth under the heading “Cautionary Note Regarding Forward-Looking Statements” in the Quarterly Report on Form 10-Q that we filed with the Securities and Exchange Commission (the “SEC”) on August 14, 2025 and under the heading “Risk Factors” in the Annual Report on Form 10-K that we filed with the SEC on March 13, 2025, 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 factors relating to: our business and investment strategy; our projected operating results including our projections for distributable earnings, originations and repayments; the estimated growth in and evolving market dynamics of the cannabis market; the impact of economic conditions on our business and the United States; the ability of our manager to locate suitable loan opportunities for us, monitor, service and administer our loans and execute our investment strategy; actions and initiatives of the U.S. or state governments and changes to government policies and the execution and impact of these actions, initiatives and policies, including the fact that cannabis remains illegal under federal law; the demand for cannabis cultivation and processing facilities; shifts in public opinion regarding cannabis; our ability to obtain and maintain financing arrangements; our expected leverage; changes in the value of our loans; our expected portfolio of loans; our expected investment and underwriting process; rates of default or decreased recovery rates on our loans; the degree to which our hedging strategies may or may not protect us from interest rate volatility; changes in interest rates of our loans and impacts of such changes on our results of operations, cash flows and the market value of our loans; our ability to qualify and maintain our qualification as a real estate investment trust (“REIT”) for United States federal income tax purposes; estimates relating to our ability to make distributions to our stockholders in the future and our understanding of our competition.

We have based the forward-looking statements included in this presentation on information available to us on the date of this presentation, and we assume no obligation to update any such forward-looking statements, whether as a result of new information, future events or otherwise. 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 the Information Statement, annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K.

Legal Disclaimers

Important Notices

This presentation is by Advanced Flower Capital 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” or our “manager”), 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) provision for (reversal of) current expected credit losses, (v) taxable REIT subsidiary (“TRS”) (income) loss, net of any dividends received from TRS, and (vi) one-time events pursuant to changes in GAAP and certain non-cash charges, in each case after discussions between our manager and our independent directors and after approval by a majority of such independent directors. We caution readers that our methodology for calculating Distributable Earnings may differ from the methodologies employed by other REITs to calculate the same or similar supplemental performance measures, and as a result, our reported Distributable Earnings may not be comparable to similar measures presented by other REITs. Please see the section entitled “Reconciliation of GAAP Net Income to Distributable Earnings” in the Appendix for a reconciliation to the most directly comparable GAAP financial measure. We have not provided reconciliations of expected distributable earnings for the future period(s), in reliance on the unreasonable efforts exception provided under Item 10(e)(1)(i)(B) of Regulation S-K. We are unable, without unreasonable efforts, to forecast certain items required to develop meaningful comparable GAAP financial measures. These items include changes in unrealized gains, non-cash equity compensation expenses and the impact of non-cash adjustments for current expected credit losses that are difficult to predict in order to include in a GAAP estimate.

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A Leading Lender to the Cannabis Industry

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

Company Highlights⁽¹⁾



1. Financial and company data as of August 1, 2025 unless otherwise specified.
2. The diligence we conduct may differ for loans that our manager originates as compared to the loans for which we are a syndicate partner. For prospective loans in which we are a syndicate partner, we typically focus our own due diligence efforts on the prospective borrower's financial performance.
3. Includes amounts committed by affiliated predecessor entities to Advanced Flower Capital.
4. See footnote #2 on page 17 for management description and calculation of yield to maturity ("YTM").
5. Includes potential syndications; AFC is in various stages of negotiation and has not completed its due diligence process with respect to these projects. As a result, there can be no assurance that we will move forward with any of these potential investments.
6. Q2 2025 dividend of \$0.15 per share annualized and divided by closing stock price of \$4.35 as of August 1, 2025.
7. Represents the total number of closed deals since inception divided by the aggregate count of all deals sourced / reviewed by AFC's manager from January 1, 2020 through August 1, 2025.

It's Good to be a Lender

Cycle-Tested Leadership Team

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

Strong Risk-Adjusted Returns

Constrained capital in the marketplace allows us to move up the quality curve and target an average portfolio gross yield of 12%–20%

Growing Total Addressable Market

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

Disciplined & Proven Investment Process

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

Active Portfolio Management

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

Strong Balance Sheet

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

Experienced, Cycle-Tested Leadership Team

**Leonard
Tannenbaum**

Chairman

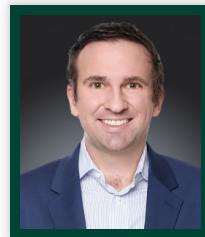


30+ years experience

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

**Daniel
Neville**

Chief Executive
Officer, Director



15+ years experience

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

**Robyn
Tannenbaum**

President



15+ years experience

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

**Brandon
Hetzl**

Chief Financial
Officer



15+ years experience

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

**Gabriel
Katz**

Chief Legal
Officer



11+ 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 Marketing
Officer



30+ years experience

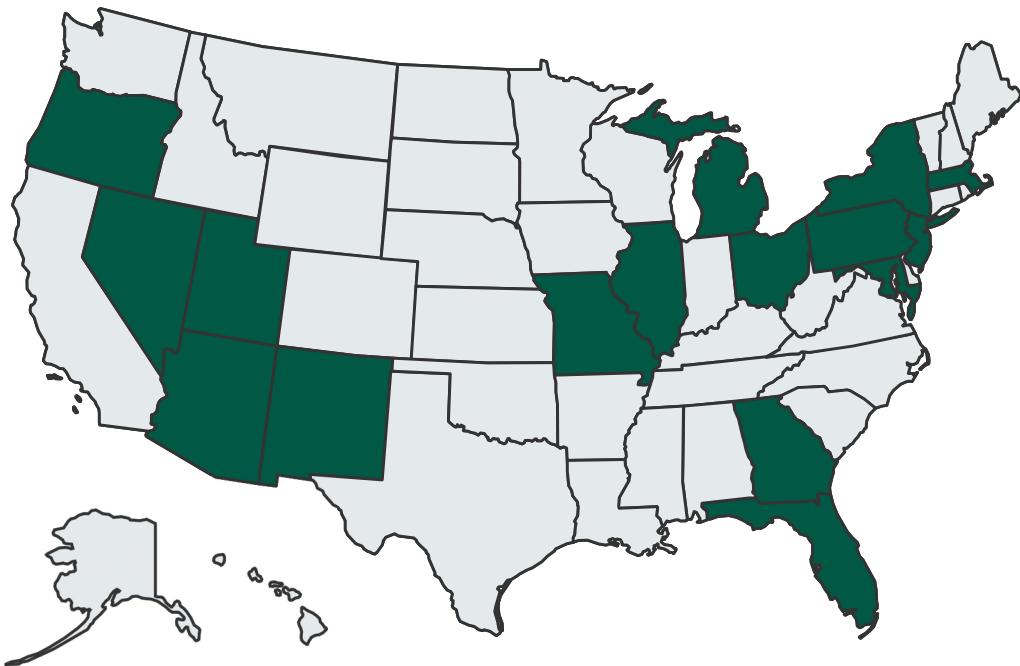
- Former Chief Marketing Officer at Fifth Street Asset Management
- Former Global Head of Brand & Strategic Communications at Alliance Bernstein

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

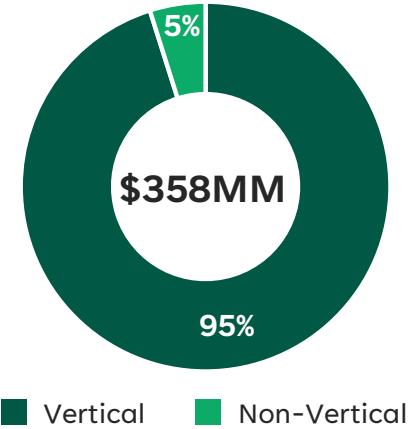
Early Mover Advantage Creates Diverse National Platform

AFC's loan portfolio includes 15 loans to borrowers with significant operations and/or collateral across 16 states. Our portfolio is diversified across operators, geographies and asset types⁽¹⁾

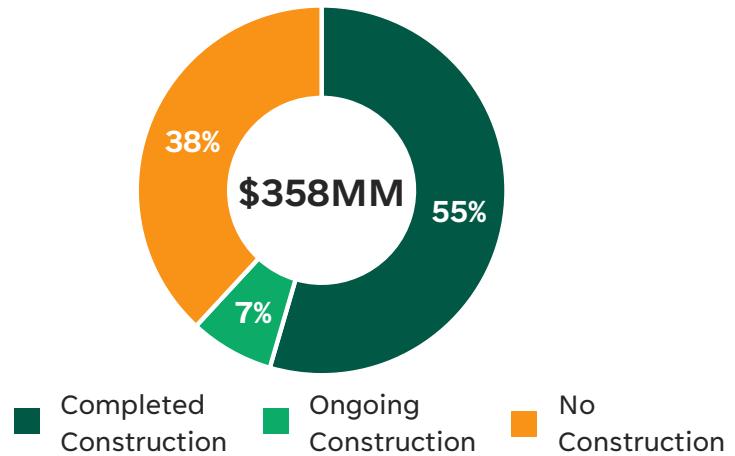
AFC Nationwide Presence



Principal Outstanding by Operator Integration⁽²⁾



By Construction Component⁽²⁾

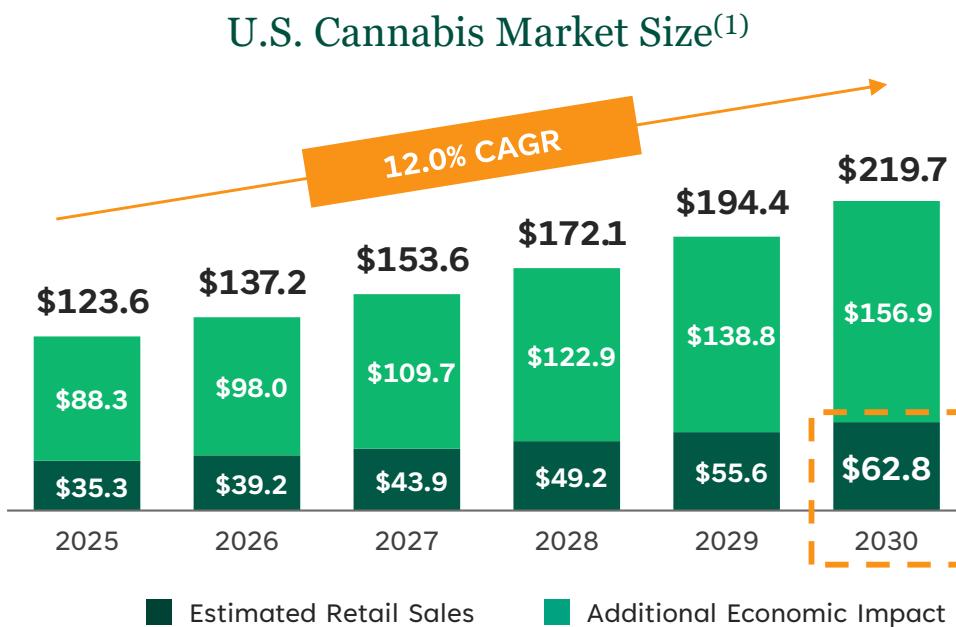


1. As of August 1, 2025.

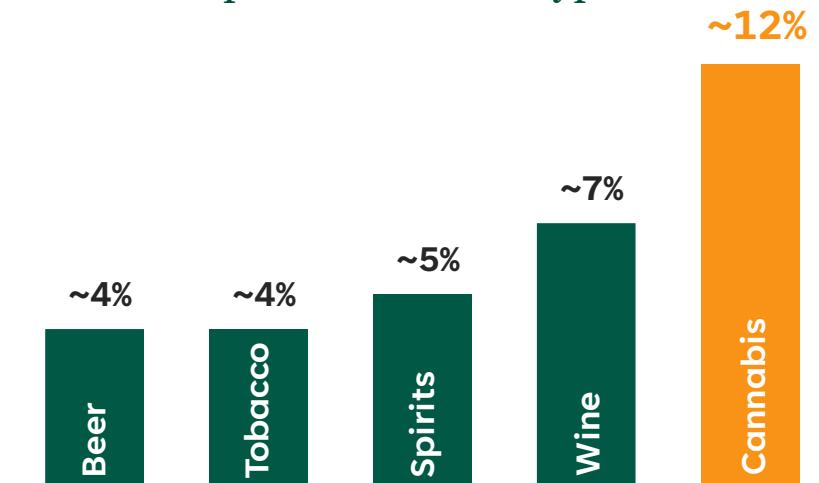
2. Calculated based off principal balance outstanding as of August 1, 2025.

Cannabis Lending is a Multi-Decade Growth Opportunity

The U.S. legal cannabis market is expected to reach \$63 billion by 2030, with the total economic impact surpassing \$200 billion⁽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⁾

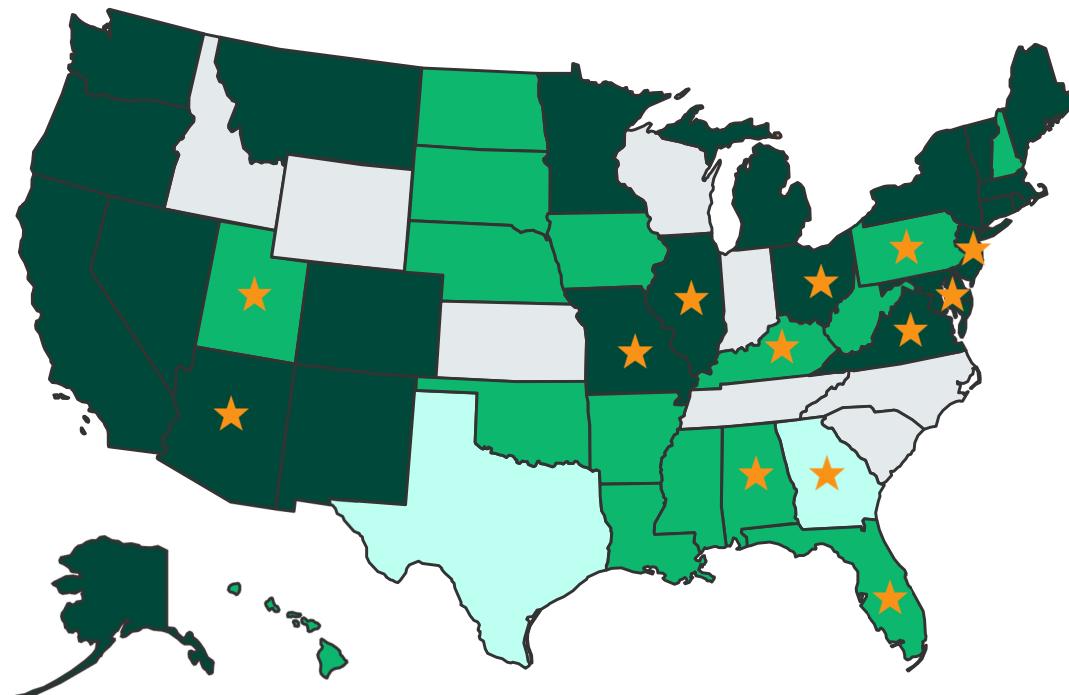
Cannabis growth trend expected to continue with **increasing adoption** cutting into alcohol purchases⁽⁵⁾

1. Source: MJBizFactbook 2025; Data as of April 1, 2025.
 2. Data reflects 2025 – 2030 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.

Rapid Adoption of State Legalization

42 states and DC have legalized medical cannabis; of those, 24 states and DC have legalized adult-use (“AU”) cannabis, and two states have legalized the use of low-THC, high-CBD cannabis products for medical purposes⁽¹⁾

Current Legalization by State



- None
- High CBD/Low THC
- Medical
- Adult-Use

★ AFC Focus States

- Cannabis is a **\$35 billion legal market** projected to grow to \$63 billion by 2030⁽²⁾
- The industry is rapidly expanding in the United States with continued legalization at the state level creating an **influx of opportunities**
- With Pennsylvania’s Congress advancing new Adult-Use legislation in July 2025 and Minnesota’s A-U sales beginning in late summer, **~19 million Americans** could gain access to A-U cannabis by 2026⁽³⁾
- Cannabis is a **capital-intensive industry** with limited supply of institutional capital

1. Sources: Cannabis Business Times, *The Landscape of Legal Cannabis in the U.S.* MJBiz Factbook Q1 2025.
2. Source: MJBizFactbook 2025; Data as of April 1, 2025.

3. Sources: WVIA Public Media, *Pa. lawmakers put forward new recreational cannabis proposals*. MPR News, “An overview of Minnesota’s cannabis industry in 2024 and what to expect in 2025.”

March Toward Legalization Drives Capital Demand⁽¹⁾

Adult-Use Transitions

New states coming online for recreational use unlock fresh market opportunities

Pennsylvania



Minnesota



Ohio



~\$1.6B

Potential
Debt Capital
Demand⁽²⁾

Medical Startups

States legalizing for the first time open doors to new patients and market growth

Georgia



Alabama



Kentucky



Few Institutional Capital Providers

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

Capital Environment

- Cannabis sector has seen a difficult capital raising environment over the last two years – capital raised down 18% on a LTM basis⁽¹⁾
- Elevated rates have increased the cost of debt capital
- Little equity capital raised over the last two years

Competitive Environment

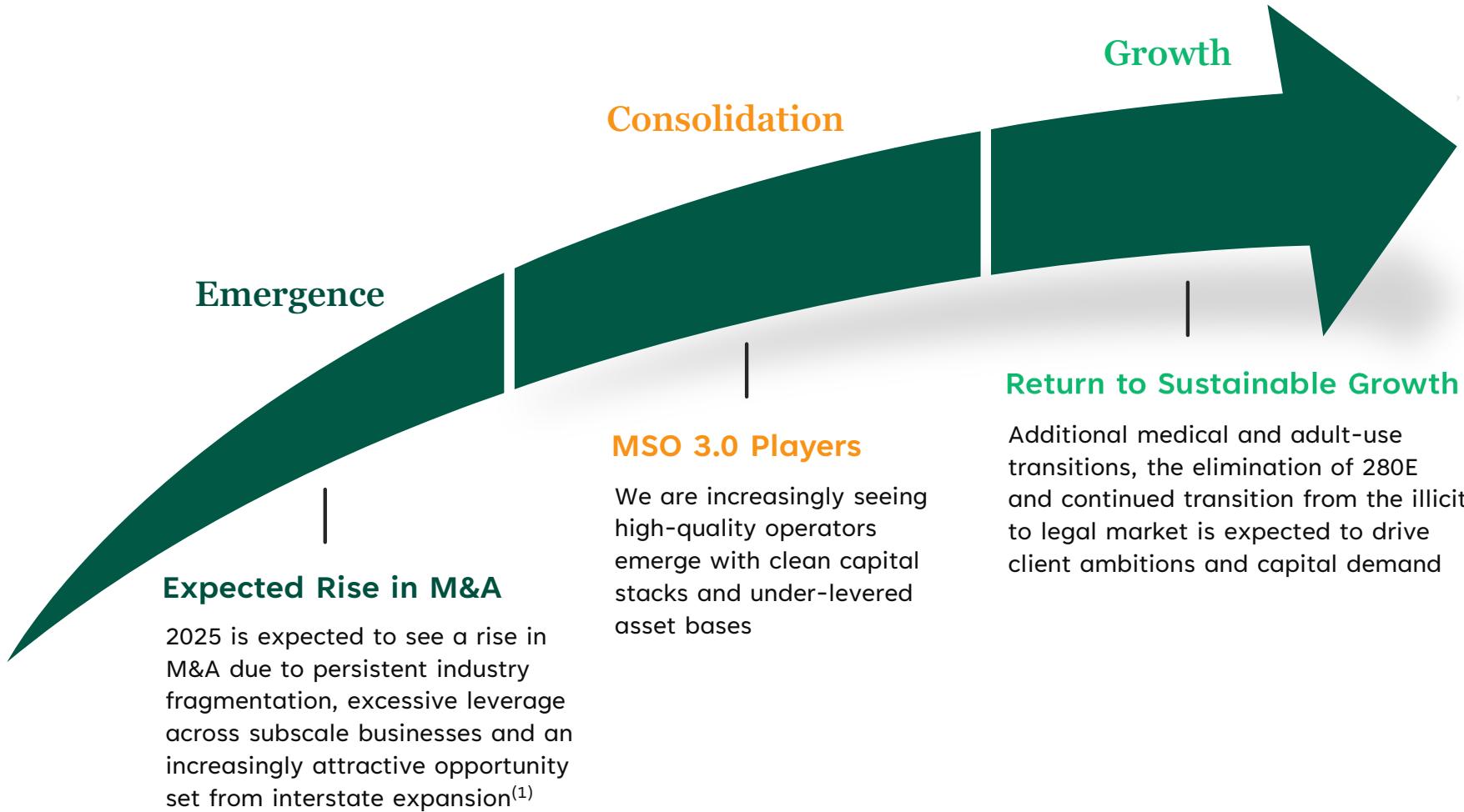
- Few specialized lenders focused on the cannabis industry
- Many portfolios burdened by exposure to underperforming West Coast credits
- Several players are in the process of winding down and exiting the industry

Key Competitors

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

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

Client Ambition Expands Opportunity Set



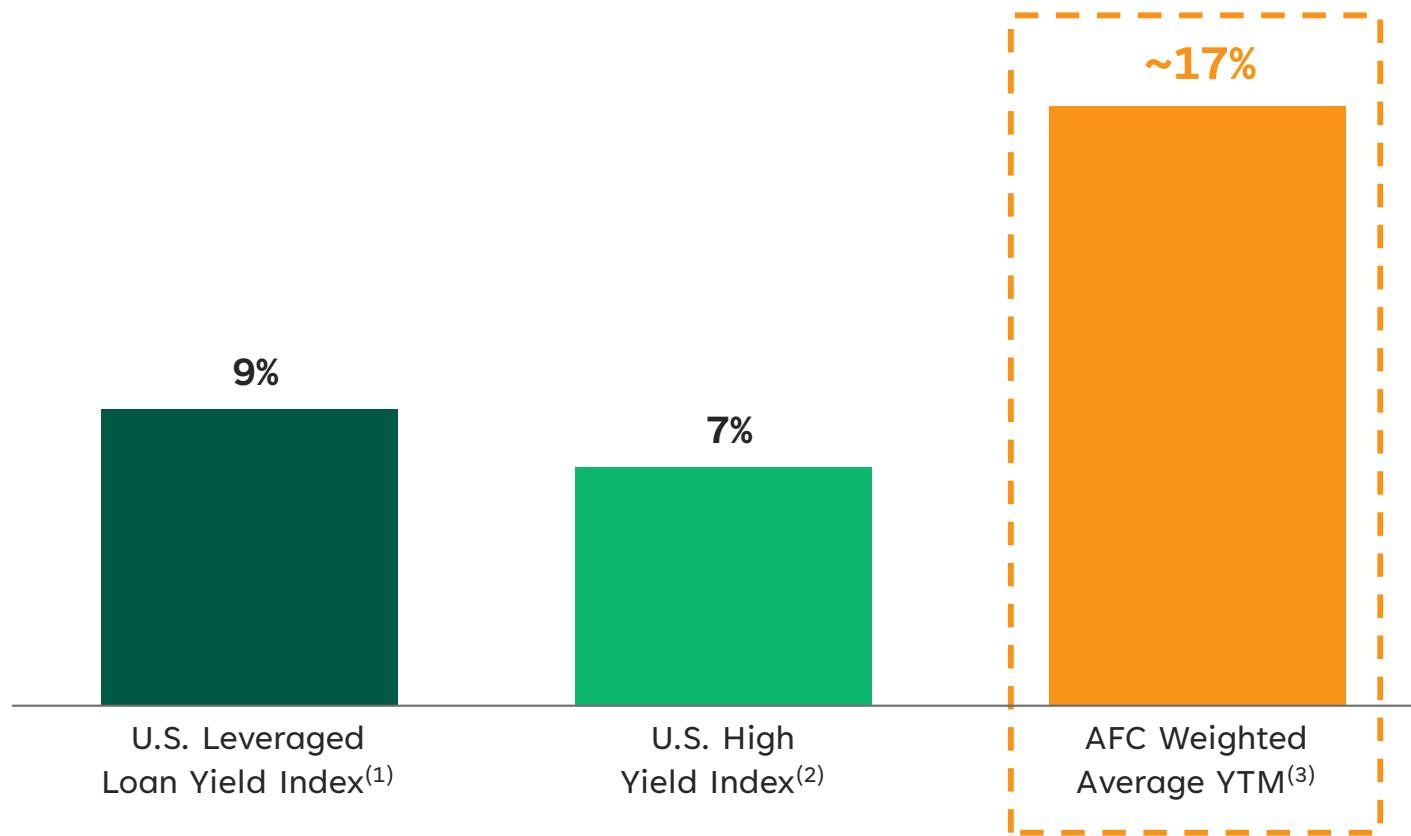
Expanding **borrower pipelines** and **market complexity** favor AFC as a trusted financial partner offering flexibility and efficiency

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

Cannabis Lending Offers Superior Returns

Cannabis lending offers a significant premium to traditional leveraged finance

AFC Weighted Average YTM vs. Benchmarks

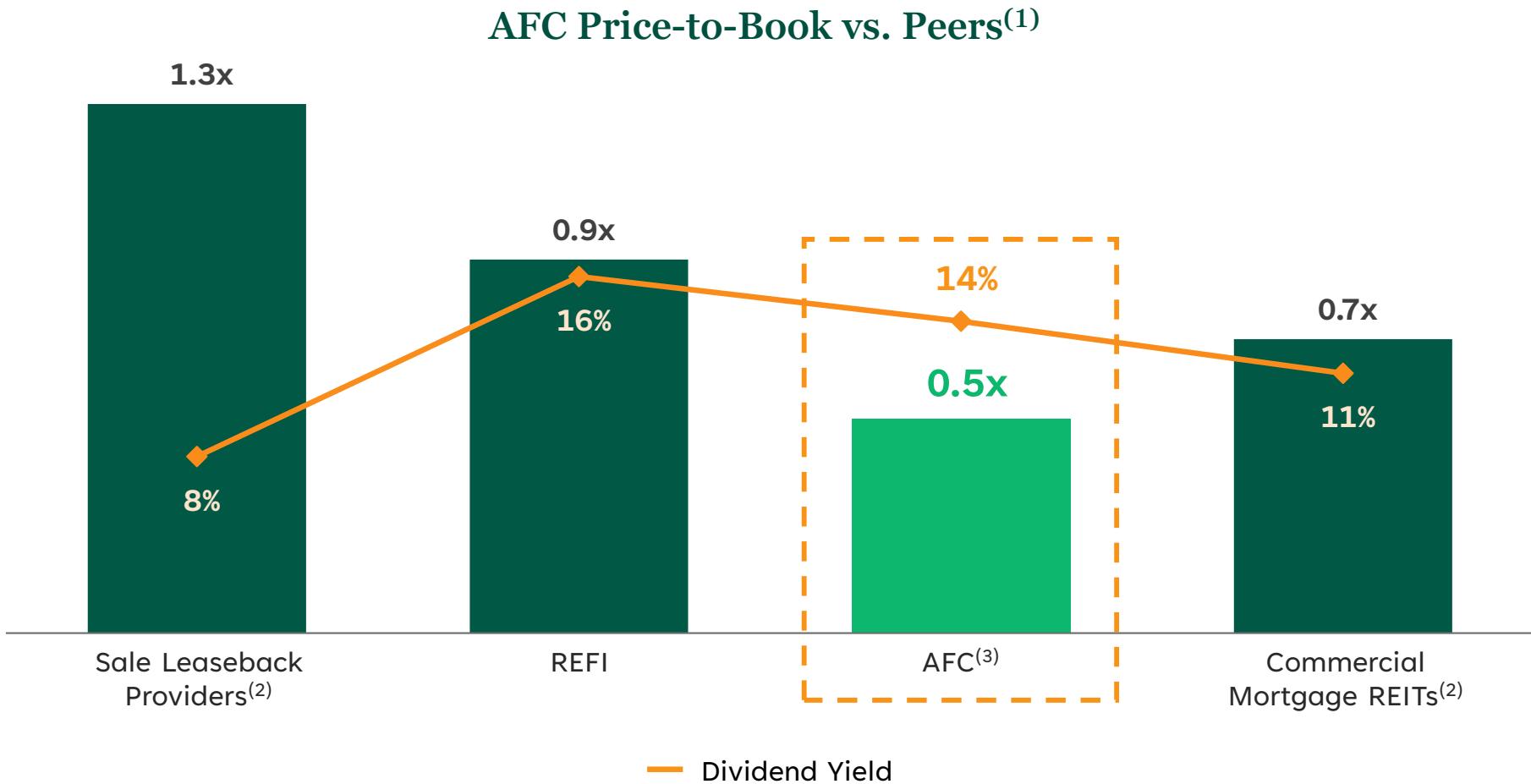


Note: All market, financial and company data as of August 1, 2025.
1. Bloomberg: Morningstar LSTA US Leveraged Loan Index as of July 31, 2025.

2. Bloomberg: ICE BoA US High Yield Index as of August 1, 2025.

3. See footnote #2 on page 17 for management description and calculation of yield to maturity ("YTM").

Current Valuation Presents Attractive Entry Point

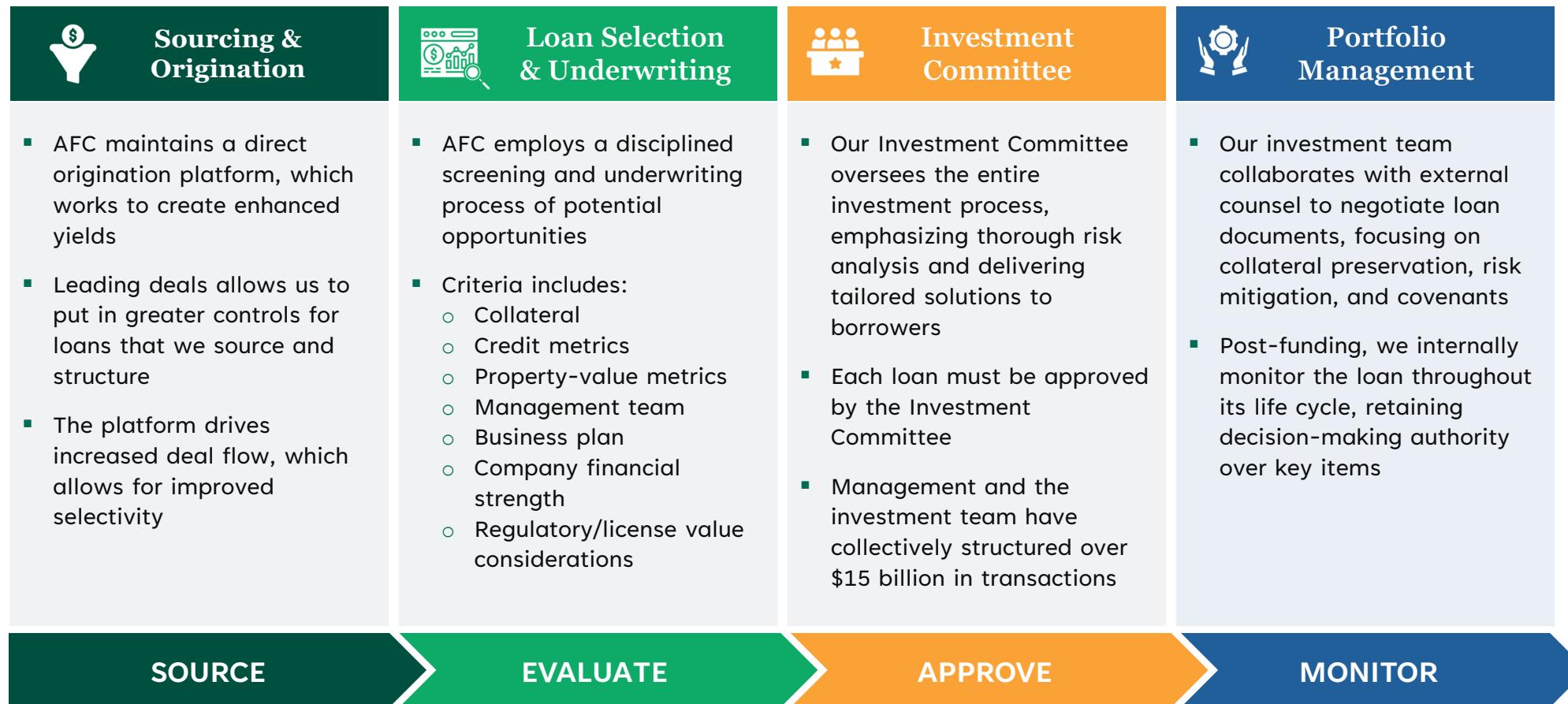


**High return income-generating company
at an attractive valuation vs. peer group**

1. Price to book and dividend yields calculated based on data sourced from Bloomberg as of August 1, 2025.
2. Sale leaseback providers include: EPRT, IIPR, NLCP, NNN, O, VICI, and WPC; Mortgage REITs include: ABR, ACRE, ARI, BRSP, BXMT, FBRT, KREF, LADR, LFT, NREF, RC, SEVN, STWD, SUNS, and TRTX.
3. AFC's price to book value calculated by taking the closing stock price of \$4.35 as of August 1, 2025 divided by book value per share of \$8.18 as of June 30, 2025; AFC's dividend calculated by taking Q2 2025 dividend of \$0.15 per share annualized and dividing by the closing stock price of \$4.35 as of August 1, 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

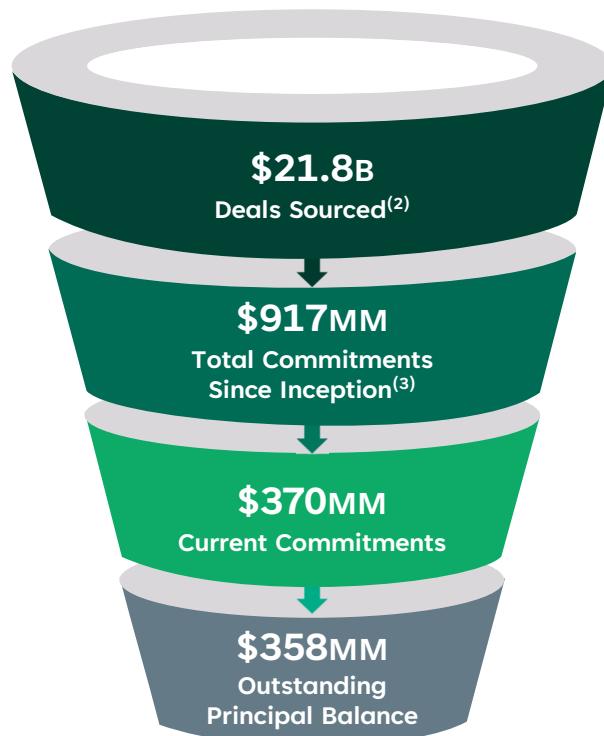
AFC Maintains a Strong Origination Pipeline

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

Multiple Origination Channels



Advanced Flower Capital Pipeline⁽¹⁾



Powerful Deal Flow Engine

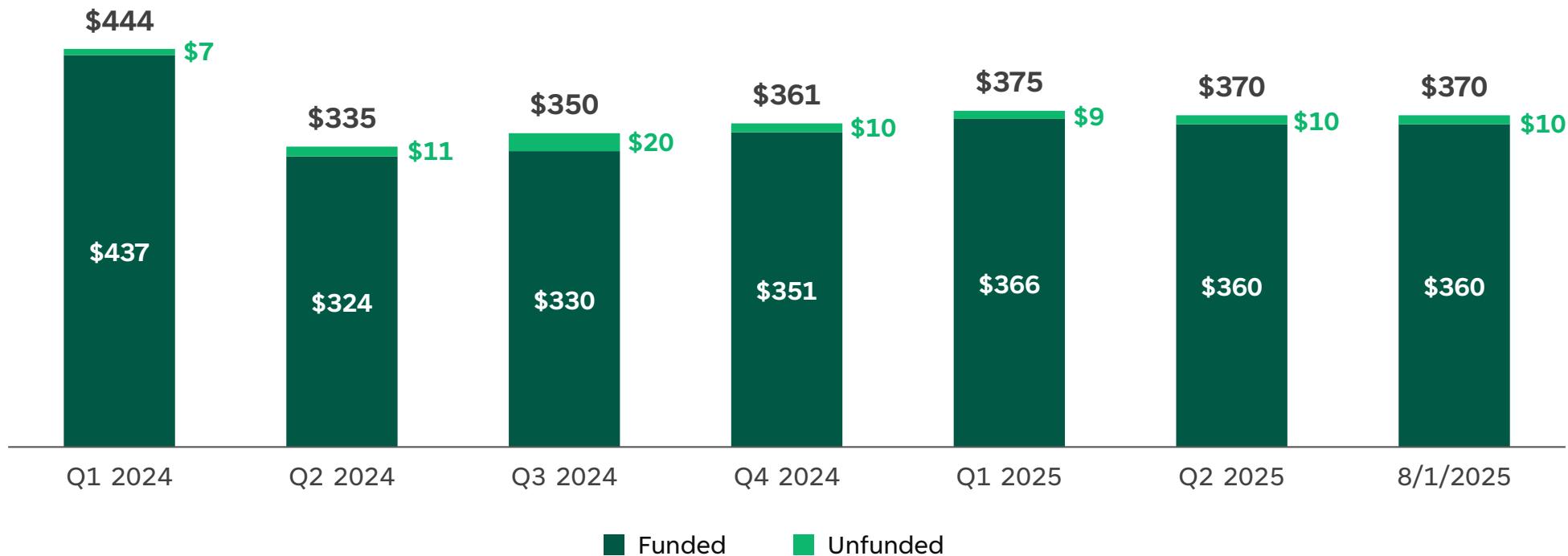
- ✓ Reputation as a credible, reliable and sector-focused partner
- ✓ Deep network of long-standing relationships
- ✓ Solution-driven flexibility and negotiating in good faith solidify repeat partnerships

1. All company data as of August 1, 2025.
 2. Represents deals from January 1, 2020 through August 1, 2025 sourced by AFC's manager.
 3. Includes amounts committed by affiliated predecessor entities to Advanced Flower Capital.
 4. 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.
 5. Represents the total number of closed deals since inception divided by the aggregate count of all deals sourced / reviewed by AFC's manager from January 1, 2020 through August 1, 2025.

Investment Portfolio Activity

Current Commitments⁽¹⁾

In \$MM



Weighted **average yield-to-maturity of ~17%** as of August 1, 2025⁽²⁾

1. Represents total committed principal at closing for outstanding loans as of specified dates (March 31, 2024, June 30, 2024, September 30, 2024, December 31, 2024, March 31, 2025, June 30, 2025, and August 1, 2025). Excludes early prepayments.
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.

Advanced Flower Capital Portfolio Summary

AFC's manager has reviewed 900 deals, representing approximately \$22 billion in aggregate value*



858 Deals Rejected*



7

Current Deals
in Review



15

Current Deals
Funded

As of 8/1/2025; In \$ millions unless otherwise noted

Loan Name	Original Funding Date ⁽¹⁾	Loan Maturity	AFC Loan, net of Syndication	As % of Total	Total OID ⁽²⁾	Principal Balance	Cash Interest Rate ⁽³⁾	Paid In-Kind ("PIK") ⁽²⁾	Fixed/Floating	Amort. During Term	YTM ⁽²⁾
Private Co. A ⁽⁴⁾	May-20	May-24	\$ 42.3	11.4%	7.7%	\$ 51.0	13.0%	2.6%	Fixed	No	17%
Sub of Private Co. G	Apr-21	May-26	73.2	19.8%	4.0%	78.9	12.5%	N/A	Fixed	No	17%
Private Co. K	Apr-22	May-27	13.2	3.6%	4.0%	12.2	16.4%	2.0%	Floating	Yes	21%
Private Co. J	Aug-21	Sep-25	28.5	7.7%	3.2%	23.2	16.4%	2.0%	Floating	Yes	25%
Private Co. L	Apr-22	May-26	32.8	8.8%	4.2%	29.9	13.0%	N/A	Floating	Yes	19%
Private Co. M	Jul-23	Jul-26	30.0	8.1%	16.0%	26.1	9.0%	N/A	Fixed	Yes	18%
Private Co. N - RE	Mar-24	Apr-28	19.3	5.2%	4.0%	19.3	12.5%	N/A	Floating	Yes	16%
Private Co. N	Mar-24	Apr-28	17.2	4.6%	4.0%	17.2	12.5%	N/A	Floating	Yes	16%
Private Co. O	May-24	Jun-28	7.5	2.0%	4.0%	5.2	13.5%	N/A	Floating	Yes	18%
Private Co. P	Jun-24	Jul-27	15.1	4.1%	3.0%	15.6	13.0%	N/A	Fixed	Yes	15%
Private Co. Q	Aug-24	Sep-28	11.0	3.0%	3.0%	6.1	13.8%	N/A	Floating	Yes	18%
Private Co. R	Oct-24	Nov-27	41.0	11.1%	2.0%	35.9	12.0%	N/A	Floating	Yes	15%
Sub of Public Co. S	Nov-24	Aug-26	10.0	2.7%	—	10.0	9.5%	N/A	Fixed	No	10%
Private Co. U	Feb-25	Mar-28	15.0	4.1%	2.5%	15.0	14.0%	N/A	Fixed	Yes	16%
Sub of Private Co. V	Apr-25	Apr-29	14.0	3.8%	3.0%	12.3	12.5%	1.5%	Fixed	Yes	17%
Total Portfolio⁽⁵⁾			\$ 370.1	100.0%	4.9%	\$ 357.9	12.7%	0.6%			17%

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

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

2. See footnote #2 on page 17 for management description and calculation of yield to maturity ("YTM"), PIK and OID.

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

4. 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.

5. Portfolio Totals for the Cash Interest Rate, OID and PIK are calculated as a weighted average rate by principal balance outstanding.



Appendix



Consolidated Balance Sheets

	As of	
	June 30, 2025 (unaudited)	December 31, 2024
Assets		
Loans held for investment at fair value (cost of \$48,318,884 and \$50,241,018 at June 30, 2025 and December 31, 2024, respectively, net)	\$ 26,847,222	\$ 30,510,804
Loans held for investment at carrying value, net	300,946,208	293,262,374
Loan receivable held at carrying value, net	—	1,895,638
Current expected credit loss reserve	(43,834,149)	(30,419,677)
Loans held for investment at carrying value and loan receivable held at carrying value, net of current expected credit loss reserve	257,112,059	264,738,335
Cash and cash equivalents	3,410,065	103,610,460
Interest receivable	1,577,587	1,982,897
Prepaid expenses and other assets	1,643,022	1,214,817
Total assets	\$ 290,589,955	\$ 402,057,313
Liabilities		
Accrued interest	\$ 941,212	\$ 894,611
Due to affiliate	—	6,754
Dividends payable	3,389,267	7,369,866
Current expected credit loss reserve	127,126	166,702
Accrued management and incentive fees	680,358	1,932,246
Accrued direct administrative expenses	677,045	1,197,518
Accounts payable and other liabilities	736,193	501,328
Senior notes payable, net	88,907,680	88,612,150
Line of credit payable	10,400,000	60,000,000
Line of credit payable to affiliate	—	40,000,000
Total liabilities	105,858,881	200,681,175
Commitments and contingencies		
Shareholders' equity		
Preferred stock, par value \$0.01 per share, 10,000 shares authorized at June 30, 2025 and December 31, 2024 and 0 shares issued and outstanding at June 30, 2025 and December 31, 2024, respectively	—	—
Common stock, par value \$0.01 per share, 50,000,000 shares authorized at June 30, 2025 and December 31, 2024 and 22,595,111 and 22,332,927 shares issued and outstanding at June 30, 2025 and December 31, 2024, respectively	225,951	223,329
Additional paid-in capital	252,901,392	251,865,763
Accumulated (deficit) earnings	(68,396,269)	(50,712,954)
Total shareholders' equity	184,731,074	201,376,138
Total liabilities and shareholders' equity	\$ 290,589,955	\$ 402,057,313

Consolidated Statements of Operations

(unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
	Revenue			
Interest income	\$ 8,061,509	\$ 17,977,945	\$ 16,519,757	\$ 32,312,699
Interest expense	(1,858,174)	(1,573,275)	(3,673,445)	(3,176,438)
Net interest income	6,203,335	16,404,670	12,846,312	29,136,261
Expenses				
Management and incentive fees, net (less rebate of \$260,742, \$214,190, \$389,322 and \$588,993, respectively)	680,358	3,985,028	1,496,548	7,447,790
General and administrative expenses	845,750	1,032,785	1,580,707	2,084,638
Stock-based compensation	484,502	369,343	1,038,251	912,565
Professional fees	361,104	367,408	733,040	814,440
BDC conversion expenses	226,780	—	226,780	—
Total expenses	2,598,494	5,754,564	5,075,326	11,259,433
(Provision for) reversal of current expected credit losses	(15,851,566)	6,262,094	(15,152,142)	1,330,420
Realized (losses) gains on investments, net	—	—	—	(93,338)
Change in unrealized gains (losses) on loans at fair value, net	(1,055,970)	(1,420,001)	(1,741,448)	(5,033,694)
Net (loss) income from continuing operations before income taxes	(13,302,695)	15,492,199	(9,122,604)	14,080,216
Income tax (benefit) expense	(138,044)	285,975	(25,638)	444,335
Net (loss) income from continuing operations	(13,164,651)	15,206,224	(9,096,966)	13,635,881
Net income from discontinued operations, net of tax	—	1,239,897	—	2,756,124
Net (loss) income	\$ (13,164,651)	\$ 16,446,121	\$ (9,096,966)	\$ 16,392,005
Basic earnings per common share:				
Continuing operations	\$ (0.60)	\$ 0.74	\$ (0.42)	\$ 0.66
Discontinued operations	\$ —	\$ 0.06	\$ —	\$ 0.13
Total basic earnings per common share	\$ (0.60)	\$ 0.80	\$ (0.42)	\$ 0.79
Diluted earnings per common share:				
Continuing operations	\$ (0.60)	\$ 0.74	\$ (0.42)	\$ 0.66
Discontinued operations	\$ —	\$ 0.06	\$ —	\$ 0.13
Total diluted earnings per common share	\$ (0.60)	\$ 0.80	\$ (0.42)	\$ 0.79
Weighted average number of common shares outstanding:				
Basic weighted average shares of common stock outstanding	22,114,341	20,400,004	22,106,205	20,396,940
Diluted weighted average shares of common stock outstanding	22,116,886	20,437,799	22,112,769	20,418,897

Reconciliation of GAAP Net Income to Distributable Earnings

	Three months ended		Six months ended	
	June 30,		June 30,	
	2025	2024	2025	2024
Net (loss) income	\$ (13,164,651)	\$ 16,446,121	\$ (9,096,966)	\$ 16,392,005
Adjustments to net income (loss):				
Stock-based compensation expense	484,502	369,343	1,038,251	912,565
Depreciation and amortization	—	—	—	—
Unrealized losses (gains) or other non-cash items	1,055,970	1,420,001	1,741,448	5,033,694
Provision for (reversal of) current expected credit losses ⁽¹⁾	14,074,320	(6,190,240)	13,374,896	(1,258,566)
TRS loss (income), net of dividends	934,187	(624,235)	870,605	306,998
One-time events pursuant to changes in GAAP and certain non-cash charges	—	—	—	—
Distributable earnings	\$ 3,384,328	\$ 11,420,990	\$ 7,928,234	\$ 21,386,696
Basic weighted average shares of common stock outstanding	22,114,341	20,400,004	22,106,205	20,396,940
Distributable earnings per basic weighted average share	\$ 0.15	\$ 0.56	\$ 0.36	\$ 1.05

1. The provision for current expected credit losses above includes zero and zero for the three and six months ended June 30, 2025, respectively, and approximately \$71.9 thousand and \$71.9 thousand for the three and six months ended June 30, 2024, respectively, in connection with the Spin-Off, which is included in the net income from discontinued operations, net of tax financial statement line on the consolidated statements of operations.

Select Investments

	STANDARD WELLNESS
\$14,000,000	
Lender and Agent	
April 2025	

	STORY CANNABIS
\$15,000,000	
Lender and Agent	
February 2025	

	grön
Undisclosed Amount	
May 2024	

	SUNBURN CANNABIS
\$34,000,000	
Lender and Agent	
March 2024	

	STORY CANNABIS
\$41,000,000	
Lender and Agent	
October 2024	

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

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

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

	EVERMORE CANNABIS COMPANY
\$15,500,000	
Lender and Agent	
July 2021	

	VERANO™
\$86,600,000	
Lender	
May 2021	

	Organic Remedies
\$24,000,000	
Lender and Agent	
November 2020	



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