



5/15/2025

Advanced Flower Capital (AFCG)

Company Update: Overweight



Key Highlights:

- Portfolio quality continues to improve.
- There is progress with two of the three loans in non-accrual status.
- Dividend yield now close to 17%. Based on our interest income estimates, the DPS can be sustained.
- We remain Overweight, despite AFCG's higher risk profile (reflected in the stock).

ADE/share \$	FY24a	FY25e	Prev	FY26e	Prev	FY27e
1Q	0.49	0.21 A	0.23	0.26	0.28	0.26
2Q	0.56	0.25 E	0.23	0.27	0.29	0.27
3Q	0.35	0.25 E	0.26	0.28	0.30	0.28
4Q	0.29	0.23 E	0.28	0.26	0.30	0.26
FY	1.69	0.94 E	1.00	1.07	1.17	1.07
Div/share \$	FY24a	FY25e	Prev	FY26e	Prev	FY27e
1Q	0.56	0.23 A	0.23	0.23	0.23	0.26
2Q	0.48	0.23 E	0.23	0.23	0.23	0.26
3Q	0.48	0.23 E	0.23	0.26	0.26	0.26
4Q	0.33	0.23 E	0.23	0.26	0.26	0.26
FY	1.85	0.92 E	0.92	0.98	0.98	1.04
Share price (US\$)	\$5.71		Rating	Overweight		
Share count (mn)	22.6		Price target	No PT		
Market Cap (US\$Mn)	129		Fiscal Year	Dec		
Ticker	AFCG-US		Div Yield	16.8%		

BVPS \$	FY24a	FY25e	FY26e	FY27e
1Q	15.03	8.89	8.89	8.97
2Q	15.21	8.89	8.91	8.97
3Q	9.42	8.89	8.90	8.97
4Q	9.02	8.87	8.88	8.94
Net Debt/Ex	FY24	FY25e	FY26e	FY27e
1Q	21%	54%	77%	75%
2Q	-15%	60%	82%	80%
3Q	13%	66%	86%	84%
4Q	22%	72%	92%	89%
Performance	AFCG-US	MSOS	S&P500	
30d	15%	20%	10%	
90d	-37%	-23%	-3%	
1yr	-55%	-72%	13%	

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Company Update

AFCG has made significant progress in expanding, diversifying, and improving the quality of its loan book (with top operators in mostly licensed restricted markets; smaller loans than in the past). Management is laser focused on solving three loans in non-accruals (two in receivership; one in litigation). The discount to par of almost 40% in part reflects the uncertainty on these three loans, although it seems excessive to us. The dividend yield is now almost at 17%. While 1Q earnings were below the regular dividend (21c vs. 23c), we believe it would be premature to assume another cut (DPS was cut in March from 33c to 23c), especially with our projections for interest income growth. We remain Overweight, although we realize risks are higher with AFCG vs. other alternatives in the space (then again, this is reflected in the yield and the discount to par).

About 1Q25

- Adjusted distributable earnings per share dropped qoq to 21c from 29c, mostly due to lower net interest income (interest income was down the equivalent of 4c per share, and interest expense was up 1c).
- Of the \$8.5Mn in net interest income, we estimate cash interest from loans in accruals was \$6.7Mn (inc half a quarter from the loan to private co U). AFCG also collected \$0.7Mn in cash interest from a loan in non-accruals (sub of priv co G); it did not collect any interest from the two other loans in non-accrual (private co A; private co K). We calculate PIK from loans in accruals was ~\$0.1Mn. The balance (\$1Mn) is mostly explained by accruals of OIDs (\$0.9Mn) and non-recurring fees.
- Cash opex was consistent with the latest qtr (after adjusting for the typically higher mgmt. and incentive fees of 4Q24).
- Loans held at carrying value (CV) were \$305Mn at the end Mar'25 (principal of \$312.5Mn), following new fundings of \$16Mn and loan payments of \$5.2Mn. The bulk of the book is rated risk "3", with two loans adding to \$91Mn in "5" (co K and G; both in non-accruals). AFCG also has a loan receivable held at CV for \$1.9Mn, and a loan held at fair value booked for \$28.6Mn (co A); the principal for this last loan is \$52Mn (CV \$50Mn).
- CECL reserve declined slightly to \$29.7Mn from \$30.4Mn in Dec.

Outlook.

- **Book growth.** Management will be "very selective" about loan book growth. That said, we model continued net book growth, albeit at slower pace than in recent quarters. Undrawn commitments at the end of Mar'25 were \$9.5Mn, and we assume they are deployed over the next 12mo. At the start of 2Q, it disclosed a new \$14Mn commitment

with Standard Wellness (\$10.5Mn funded), and during the 1Q call (on 5/14) it disclosed terms sheets for a new loan (we assume \$20Mn in size, based on the recent range of \$10-30Mn. In terms of repayments, the largest maturity is with Company J for ~\$24Mn (due 9/1/25). Per the 10-Q, during 2Q, company T repaid a \$7.7Mn loan (UT) and company L paid down \$2M. Note: Per the latest corporate deck, AFCG has an “active pipeline” of \$287Mn.

- Regarding the three loans in non-accruals.** Loans with private companies A and K are at present in the hands of receivers (only the one with private co A is booked at fair value), and AFCG expects to recover proceeds from asset sales. In the case of private co A (booked for \$29Mn at fair value), the receiver has sold an asset for \$15Mn (and AFCG should get part of this, exact % TBD), and more assets should be sold. In the case of private co K (\$12Mn principal), we understand the receiver is in the process of selling three assets (it is unclear to us why loan K has not been booked at fair value, but for now we will assume that means management expects proceeds to be in line with principal for this loan). We model combined proceeds of \$25Mn from these two loans over the next 12mo (our own estimate) vs. book value of \$41Mn. The case of subsidiary of private co G (\$79Mn in principal) is tougher to predict as it is in litigation (see 10-Q). At this moment, we would not expect changes in the CECL reserve (\$30Mn). In terms of interest payments, we assume \$0.5Mn per qtr from G (it paid \$0.7Mn in 1Q25 after \$1.7Mn in 4Q24), and nothing from A and K. All three loans are classified as in non-accruals.
- Earnings power.** On our estimated 2Q book, we calculate cash interest near \$7.5Mn from loans in accruals (we factor 1mo of the loan currently in “terms sheet” status), plus PIK of \$0.1Mn, and OID accruals near \$1Mn. We also model \$0.5Mn from company G and another \$0.5Mn in fees. In total, that amounts to ~\$9.5Mn, which is ahead of the \$8.5Mn of 1Q25 (and \$9.2Mn of 4Q24). Our math reflects management’s progress in improving and expanding the quality of the book, while managing the problem loans.
- Dividend.** In 1Q25, ADE was 21c per share compared with the current regular dividend of 23c. The policy is to pay 85-100% of ADE as dividends over the calendar year. The Board makes decisions on DPS typically 15 days before the end of each quarter. At this stage we think it would be premature to model a cut in the dividend, especially in the context of our assumptions for growth in ADE.
- Leverage and liquidity.** Debt to equity was 55% at the end of March (54% if we take net debt), with AFCG now holding a lower cash balance in order to minimize interest expense (cash dropped from \$103.6Mn YE24 to \$3.3Mn at the end of 1Q25). In total, it has two lines of credit with combined limits of \$70Mn (one \$30Mn facility could be increased to \$100Mn in the future under certain conditions), of which it has drawn >\$22Mn at the end of March (vs. \$60Mn YE24). It also has notes payable with a principal of \$90Mn due on 2/1/27.

Valuation. The stock fell 5% (to \$5.47) on 5/14 after the 1Q print. Over the past 90 days, AFCG is down 37% (mostly due to the dividend cut announced in March) vs. -6% for REFI and -12% for mortgage REITs in general (MSOS ETF -23%; S&P500 -3%). Taking the reg DPS of 23c, the yield is 16.8%; even if this were cut to 20c (which we do not model for the base case), the yield would be an attractive 14.6% (<10pt over 10yr T-bills). The discount to BVPS (\$8.89 in 1Q25) is now 39%; in total the discount is worth over \$77Mn (taking the share count at 22.6mn), which seems steep if we assume \$25Mn in proceeds from loans A and K, and an eventual resolution of G (the three loans, taking A at fair value, and G and K at carrying value, are in the books for ~\$118Mn), and factor \$30Mn in CECL reserve.

Table 1: MJ Lenders Valuation Comps

	15-May-25 US\$ price	BVPS	Disc Pm	Regular DPS	Dividend Yield	Z&A Spot EV	mn shares	mn deriv	Total Mkt Cap	Gross Debt	Cash	Net Debt to Equity	Equity	Pref Stock & Min Int
MJ Finco Stocks														
AFCG	\$5.47	\$8.89	-38%	\$0.23	16.8%	153	22.6	0.5	126	148.5	122.2	-13%	201	
IIPR	\$55.32	\$68.38	-19%	\$1.90	13.7%	1,754	28.3	0.3	1,584	297.9	151.2	-8%	1,937	23.6
LIEN	\$9.73	\$13.19	-26%	\$0.34	14.0%	198	22.8		222	0.0	23.9	8%	301	
NLCP	\$14.60	\$19.19	-24%	\$0.43	11.8%	295	20.5	0.1	301	7.6	19.9	3%	394	6.9
REFI	\$14.79	\$14.87	-1%	\$0.47	12.7%	393	21.0	0.4	316	87.2	9.9	-25%	312	

Source: FactSet, company reports, Z&A estimates



Appendix I: Company Financials

15 May 2025

Advanced Flower Capital: Company Update

Exhibit 1: Financial Highlights

US\$ 000s	Dec CY22	Dec CY23	Mar 1Q24	Jun 2Q24	Sep 3Q24	Dec 4Q24	Dec CY24	Mar 1Q25	Jun 2Q25e	Sep 3Q25e	Dec 4Q25e	Dec CY25e	Dec CY26e	Dec CY27e
Net investment income	74,685	64,178	14,758	14,378	8,882	7,637	45,655	6,643	8,283	8,418	8,654	31,998	36,889	41,107
Interest income	81,499	70,535	16,361	15,952	10,455	9,224	51,992	8,458	9,519	9,787	10,147	37,911	43,708	48,508
Interest expense	-6,814	-6,357	-1,603	-1,573	-1,573	-1,587	-6,336	-1,815	-1,236	-1,369	-1,493	-5,913	-6,818	-7,401
<i>guidance</i>								<i>na</i>	<i>na</i>	<i>na</i>	<i>na</i>	<i>na</i>	<i>na</i>	<i>na</i>
<i>consensus</i>														
Opex														
Expenses	-23,405	-21,566	-6,015	-5,244	-2,475	-3,549	-17,284	-2,477	-2,771	-2,834	-3,507	-11,589	-13,221	-14,686
as % of net inv inc		-34%	-41%	-36%	-28%	-46%	-38%	-37%	-33%	-34%	-41%	-36%	-36%	-36%
Income from ops	51,279	42,612	8,743	9,134	6,407	4,087	28,371	4,166	5,512	5,584	5,147	20,408	23,669	26,421
as % of inv inc		66%	59%	64%	72%	54%	62%	63%	67%	66%	59%	64%	64%	64%
<i>consensus</i>														
Per share														
EPS	1.80	1.03	0.00	0.80	0.07	-0.05	0.80	0.18	0.23	0.23	0.21	0.86	0.99	0.99
<i>consensus</i>					<i>0.35</i>	<i>0.37</i>	<i>1.72</i>	<i>0.39</i>	<i>0.39</i>	<i>0.40</i>	<i>0.42</i>	<i>1.60</i>	<i>1.73</i>	<i>0.00</i>
Adj Distributable earnings/share	2.51	2.04	0.49	0.56	0.35	0.29	1.68	0.21	0.25	0.25	0.23	0.94	1.07	1.07
DPS	2.23	2.00	0.56	0.48	0.48	0.33	1.85	0.23	0.23	0.23	0.23	0.92	0.98	1.04
as % of ADEPS	89%	98%	115%	86%	137%	114%	110%	112%	93%	92%	99%	98%	92%	97%
<i>DPS consensus</i>														
BS & CF highlights														
Net cash (debt)	-16,759	-8,388	-65,865	46,986	-26,298	-45,002	-45,002	-107,691	-121,458	-133,315	-145,057	-145,057	-183,700	-198,724
cash	140,373	121,626	82,298	170,298	122,164	103,610	103,610	3,318	3,000	3,000	3,000	3,000	3,000	3,000
gross debt	157,132	130,015	148,163	123,312	148,462	148,612	148,612	111,009	124,458	136,315	148,057	148,057	186,700	201,724
Equity	339,059	320,052	310,622	314,284	206,061	201,376	201,376	200,800	200,794	200,854	200,486	200,486	200,605	224,359
NAV per share	16.99	15.73	15.03	15.21	9.42	9.02	9.02	8.89	8.89	8.89	8.87	8.87	8.88	8.94
<i>consensus</i>														

Source: Z&A estimates, company reports

15 May 2025

Advanced Flower Capital: Company Update

Exhibit 2: Adj Earnings and FactSet Consensus

US\$ 000s	Dec CY22	Dec CY23	Mar 1Q24	Jun 2Q24	Sep 3Q24	Dec 4Q24	Dec CY24	Mar 1Q25	Jun 2Q25e	Sep 3Q25e	Dec 4Q25e	Dec CY25e	Dec CY26e	Dec CY27e
DISTRIBUTABLE EARNINGS														
net income	35,932	20,952	-54	16,446	1,384	-992	16,784	4,068	5,191	5,257	4,829	19,345	22,263	24,854
adjustments to net income:	0	0	0	0	0	0	0	0	0	0	0	0	0	0
stock-based compensation expense	1,338	1,008	543	369	219	260	1,391	554	248	253	260	1,314	1,107	1,233
depreciation and amortization	0	0	0	0	0	0	0	0	0	0	0	0	0	0
unrealized losses, (gains) or other non-cash items	3,593	8,513	3,614	1,420	4,622	152	9,807	685	0	0	0	685	0	0
increase in provision for CECL	11,177	12,133	4,932	-6,190	181	5,311	4,233	-699	166	168	173	-192	738	822
TRS loss, net of dividends	-2,170	-1,159	931	-624	841	1,563	2,711	-64	0	0	0	-64	0	0
one-time events pursuant to changes in GAAP and	0	0	0	0	0	0	0	0	0	0	0	0	0	0
distributable earnings	49,871	41,447	9,966	11,421	7,246	6,294	34,926	4,544	5,605	5,678	5,261	21,089	24,107	26,909
per basic share	2.51	2.04	0.49	0.56	0.35	0.29	1.68	0.21	0.25	0.25	0.23	0.94	1.07	1.07

Source: Z&A estimates, company reports

15 May 2025

Advanced Flower Capital: Company Update

Exhibit 3: Adj Earnings and FactSet Consensus

US\$ 000s	Original Funding Date	Loan Maturity	AFC Loan, net of Syndication	% of total AFCG	Principal Balance	Cash Int Rate	PIK	Fixed/ Floating	Amortization During Term	YTM
Total			375,025	100%	366,253	12.6%	0.6%			18.0%
Public Co. A - Equipment Lc	5-Aug-19	31-Mar-25	4,000	1.1%	1,897	12.0%	na	Fixed	Yes	7.0%
Private Co. A	8-May-20	8-May-24	43,190	11.5%	51,856	13.0%	2.5%	Fixed	No	18.0%
Sub of Private Co. G	30-Apr-21	1-May-26	73,500	19.6%	79,216	12.5%	na	Fixed	No	18.0%
Private Co. J	30-Aug-21	1-Sep-25	28,500	7.6%	23,824	16.3%	2.0%	Floating	Yes	25.0%
Private Co. K	28-Apr-22	3-May-27	13,230	3.5%	12,196	16.3%	2.0%	Floating	Yes	22.0%
Private Co. L	20-Apr-22	1-May-26	34,708	9.3%	33,262	13.0%	na	Floating	Yes	19.0%
Sub of Public Co. M	26-Aug-22	27-Aug-25	2,798	0.7%	2,798	9.5%	na	Fixed	No	23.0%
Private Co. M	31-Jul-23	31-Jul-26	30,000	8.0%	28,099	9.0%	na	Fixed	Yes	18.0%
Private Co. N - Real Estate	22-Mar-24	1-Apr-28	19,328	5.2%	19,328	12.5%	na	Floating	Yes	16.0%
Private Co. N - Non-Real Es ¹	22-Mar-24	1-Apr-28	17,200	4.6%	17,200	12.5%	na	Floating	Yes	16.0%
Private Co. O	20-May-24	1-Jun-28	7,500	2.0%	4,028	13.5%	na	Floating	Yes	18.0%
Private Co. P	18-Jun-24	1-Jul-27	15,126	4.0%	15,610	13.0%	na	Fixed	Yes	16.0%
Private Co. Q	16-Aug-24	1-Sep-28	11,000	2.9%	5,984	13.8%	na	Floating	Yes	17.0%
Private Co. R	4-Oct-24	1-Nov-27	41,000	10.9%	37,990	12.0%	na	Floating	Yes	15.0%
Sub of Public Co S	19-Nov-24	12-Aug-26	10,000	2.7%	10,000	9.5%	na	Fixed	No	10.0%
Private Co. T	18-Dec-24	26-Jul-27	8,946	2.4%	7,965	11.3%	na	Fixed	Yes	12.0%
Private Co. U	14-Feb-25	1-Mar-28	15,000	4.0%	15,000	14.0%	na	Fixed	Yes	16.0%
Post Qtr										
Private Co. V	1-Apr-25	1-Apr-29	3% disc		14,000	12.5%	1.5%			

Source: Z&A estimates, company reports

15 May 2025

Advanced Flower Capital: Company Update

Exhibit 4: Income Statement

US\$ 000s	Original Funding Date	Loan Maturity	AFC Loan, net of Syndication	% of total AFCG	Principal Balance	Cash Int Rate	PIK	Fixed/ Floating	Amortization During Term	YTM
31-Mar-25										
Total			375,025	100%	366,253	12.6%	0.6%			18.0%
Public Co. A - Equipment Lc	5-Aug-19	31-Mar-25	4,000	1.1%	1,897	12.0%	na	Fixed	Yes	7.0%
Private Co. A	8-May-20	8-May-24	43,190	11.5%	51,856	13.0%	2.5%	Fixed	No	18.0%
Sub of Private Co. G	30-Apr-21	1-May-26	73,500	19.6%	79,216	12.5%	na	Fixed	No	18.0%
Private Co. J	30-Aug-21	1-Sep-25	28,500	7.6%	23,824	16.3%	2.0%	Floating	Yes	25.0%
Private Co. K	28-Apr-22	3-May-27	13,230	3.5%	12,196	16.3%	2.0%	Floating	Yes	22.0%
Private Co. L	20-Apr-22	1-May-26	34,708	9.3%	33,262	13.0%	na	Floating	Yes	19.0%
Sub of Public Co. M	26-Aug-22	27-Aug-25	2,798	0.7%	2,798	9.5%	na	Fixed	No	23.0%
Private Co. M	31-Jul-23	31-Jul-26	30,000	8.0%	28,099	9.0%	na	Fixed	Yes	18.0%
Private Co. N - Real Estate	22-Mar-24	1-Apr-28	19,328	5.2%	19,328	12.5%	na	Floating	Yes	16.0%
Private Co. N - Non-Real Es ¹	22-Mar-24	1-Apr-28	17,200	4.6%	17,200	12.5%	na	Floating	Yes	16.0%
Private Co. O	20-May-24	1-Jun-28	7,500	2.0%	4,028	13.5%	na	Floating	Yes	18.0%
Private Co. P	18-Jun-24	1-Jul-27	15,126	4.0%	15,610	13.0%	na	Fixed	Yes	16.0%
Private Co. Q	16-Aug-24	1-Sep-28	11,000	2.9%	5,984	13.8%	na	Floating	Yes	17.0%
Private Co. R	4-Oct-24	1-Nov-27	41,000	10.9%	37,990	12.0%	na	Floating	Yes	15.0%
Sub of Public Co S	19-Nov-24	12-Aug-26	10,000	2.7%	10,000	9.5%	na	Fixed	No	10.0%
Private Co. T	18-Dec-24	26-Jul-27	8,946	2.4%	7,965	11.3%	na	Fixed	Yes	12.0%
Private Co. U	14-Feb-25	1-Mar-28	15,000	4.0%	15,000	14.0%	na	Fixed	Yes	16.0%
Post Qtr										
Private Co. V	1-Apr-25	1-Apr-29	3% disc		14,000	12.5%	1.5%			

Source: Z&A estimates, company reports

15 May 2025

Advanced Flower Capital: Company Update

Exhibit 5: Balance Sheet

US\$ 000s														
BALANCE SHEET	CY22	CY23	1Q24	2Q24	3Q24	4Q24	CY24	1Q25	2Q25e	3Q25e	4Q25e	CY25e	CY26e	CY27e
Loans, net	373,086	338,717	383,522	285,273	242,558	295,249	295,249	305,229	320,229	332,229	344,229	344,229	384,229	424,229
Loans held for investment at fair value, net	99,226	61,721	54,977	34,661	31,372	30,511	30,511	28,572	18,572	18,572	11,572	11,572	0	0
gross	100,636	0	0	0	0	0	0	0	0	0	0	0	0	0
disc	-1,410	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt securities available for sale held at fair value	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loans held for investment at carrying value, net	285,177	301,265	357,852	273,580	234,257	293,262	293,262	304,506	329,671	341,840	361,013	361,013	413,323	454,145
Loan receivable held at carrying value, net	2,221	2,040	2,040	2,040	2,040	1,896	1,896	1,896	1,896	1,896	1,896	1,896	1,896	1,896
(-) Current expected credit loss reserve	-13,538	-26,309	-31,347	-25,009	-25,111	-30,420	-30,420	-29,744	-29,910	-30,078	-30,251	-30,251	-30,989	-31,811
Cash and cash equivalents	140,373	121,626	82,298	170,298	122,164	103,610	103,610	3,318	3,000	3,000	3,000	3,000	3,000	3,000
Accounts receivable	0	1,837	5,690	0	0	0	0	0	0	0	0	0	0	0
Interest receivable	5,257	3,716	4,362	1,729	1,474	1,983	1,983	1,816	2,264	2,301	2,366	2,366	2,613	2,900
Prepaid expenses and other assets	461	688	533	692	423	1,215	1,215	11,291	11,291	11,291	11,291	11,291	11,291	11,291
Receivable for loans and securities sold	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Due from affiliate	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL ASSETS	519,177	466,585	476,406	457,992	366,618	402,057	402,057	321,655	336,785	348,822	360,887	360,887	401,134	441,421
Interest reserve	3,201	0	0	0	0	0	0	0	0	0	0	0	0	0
Accrued interest	1,037	894	2,202	889	2,170	895	895	2,300	2,868	2,915	2,915	2,915	3,220	3,574
Due to affiliate	18	16	20	24	21	7	7	0	0	0	0	0	0	0
Dividends payable	11,404	9,820	9,920	13,020	7,221	7,370	7,370	5,197	5,197	5,197	5,197	5,197	5,875	6,525
Current expected credit loss reserve	754	115	9	157	165	167	167	143	178	181	186	186	205	228
Accrued management and incentive fees	3,892	3,472	3,463	3,985	982	1,932	1,932	816	1,441	1,495	2,151	2,151	2,401	2,651
Accrued direct administrative expenses	1,844	1,486	963	884	878	1,198	1,198	569	825	825	825	825	946	1,050
Accounts payable and other liabilities	837	715	1,045	1,436	658	501	501	821	1,023	1,040	1,069	1,069	1,181	1,311
Payables for securities purchase	0	0	0	0	0	40,000	40,000	0	0	0	0	0	0	0
Senior notes payable, net	97,132	88,015	88,163	88,312	88,462	88,612	88,612	88,759	88,759	88,759	88,759	88,759	88,759	88,759
Line of credit payable, net	60,000	42,000	60,000	35,000	60,000	60,000	60,000	22,250	35,699	47,556	59,298	59,298	97,941	112,965
Total liabilities	180,118	146,533	165,785	143,708	160,557	200,681	200,681	120,855	135,991	147,968	160,401	160,401	200,529	217,062
Preferred stock	0	0	1	0	0	0	0	0	0	0	0	0	0	0
Common stock	204	205	207	207	219	223	223	226	226	226	226	226	226	226
Additional paid in capital	348,818	349,806	350,347	350,591	248,194	251,866	251,866	252,417	252,417	252,417	252,417	252,417	252,417	277,417
Accumulated other comprehensive income	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Accumulated deficit	-9,962	-29,958	-39,933	-36,514	-42,352	-50,713	-50,713	-51,842	-51,849	-51,788	-52,157	-52,157	-52,038	-53,284
Total stockholders equity	339,059	320,052	310,622	314,284	206,061	201,376	201,376	200,800	200,794	200,854	200,486	200,486	200,605	224,359
Non controlling interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL LIABILITIES AND EQUITY	519,177	466,585	476,407	457,992	366,618	402,057	402,057	321,655	336,785	348,822	360,887	360,887	401,134	441,421
Total net assets	339,059	320,052	310,622	314,284	206,061	201,376	201,376	200,800	200,794	200,854	200,486	200,486	200,605	224,359
NET ASSET VALUE PER SHARE	\$16.99	\$15.73	\$15.22	\$15.38	\$9.91	\$9.18	\$9.64	\$9.08	\$8.89	\$8.89	\$8.87	\$8.92	\$8.88	\$8.94

Source: Z&A estimates, company reports

15 May 2025

Advanced Flower Capital: Company Update

Exhibit 6: Cash Flow

US\$ 000s														
SUMMARY CASH FLOW	CY22	CY23	1Q24	2Q24	3Q24	4Q24	CY24	1Q25	2Q25e	3Q25e	4Q25e	CY25e	CY26e	CY27e
Net income	35,932	20,952	-54	16,446	1,384	-3,914	13,862	4,068	5,191	5,257	4,829	19,345	22,263	24,854
(+) adjustments	-3,552	4,864	5,906	-8,285	55	7,690	5,366	-188	414	421	433	1,080	1,844	2,055
(-) purchase of investments	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(+) decrease in operating A&L	-2,116	-4,587	520	2,158	1,205	-1,554	2,329	42	1,239	83	626	1,990	1,238	1,223
Net cash provided in operating activities	30,264	21,229	6,372	10,320	2,644	2,222	21,558	3,921	6,844	5,762	5,888	22,414	25,345	28,132
(-) issuance of and funding on loans	-162,886	-51,757	-84,191	-5,896	40,065	-62,465	-112,487	-15,472	-15,000	-12,000	-12,000	-54,472	-40,000	-40,000
(+) client repayment of loans	120,042	58,964	28,514	24,589	156	5,529	58,788	6,475	0	0	0	6,475	0	0
(+) proceeds from sales of loans	10,600	21,313	1,796	94,265	0	0	96,061	0	0	0	0	0	0	0
(+) other	15,900	0	0	0	-47,211	0	-47,211	-10,080	0	0	0	-10,080	0	0
Net cash used in investing activities	-16,344	28,519	-53,881	112,958	-6,990	-56,936	-4,849	-19,078	-15,000	-12,000	-12,000	-58,078	-40,000	-40,000
(-) debt	-15,000	-25,738	18,000	-25,000	25,000	40,000	58,000	-77,750	13,449	11,856	11,742	-40,702	38,643	15,024
(-) dividends	-41,619	-42,532	-9,820	-9,927	-13,021	-7,221	-39,989	-7,370	0	-5,197	-5,197	-17,764	-21,466	-25,450
(+) share issuance	75,058	0	0	0	12,336	3,512	15,848	0	0	0	0	0	0	25,000
(+) other	-2,290	-225	0	-350	-68,103	-131	-68,584	-16	-5,611	-421	-433	-6,481	-2,522	-2,705
(-) stock options/warrants	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net cash provided from financing activities	16,149	-68,495	8,180	-35,277	-43,788	36,160	-34,725	-85,136	7,838	6,238	6,112	-64,947	14,655	11,868
Increase in cash and cash equivalents	30,069	-18,746	-39,328	88,000	-48,134	-18,553	-18,016	-100,292	-318	0	0	-100,610	0	0
Cash at start of year	109,246	140,373	121,626	82,298	170,298	122,164	121,626	103,610	3,318	3,000	3,000	103,610	3,000	3,000
Cash at end of year	140,373	121,626	82,298	170,298	122,164	103,610	103,610	3,318	3,000	3,000	3,000	3,000	3,000	3,000
Net (debt) cash	-16,759	-8,388	-65,865	46,986	-26,298	-45,002	-45,002	-107,691	-121,458	-133,315	-145,057	-145,057	-183,700	-198,724
Cash	140,373	121,626	82,298	170,298	122,164	103,610	103,610	3,318	3,000	3,000	3,000	3,000	3,000	3,000
Debt	157,132	130,015	148,163	123,312	148,462	148,612	148,612	111,009	124,458	136,315	148,057	148,057	186,700	201,724
debt to equity	46%	41%	48%	39%	72%	74%	74%	55%	62%	68%	74%	74%	93%	90%
net debt to equity	5%	3%	21%	-15%	13%	22%	22%	54%	60%	66%	72%	72%	92%	89%

Source: Z&A estimates, company reports.



Appendix II: Valuation Comps

15 May 2025

Advanced Flower Capital: Company Update

Exhibit 7: Valuation Comps for Lenders to the Cannabis Industry (per latest disclosure – may differ from FactSet headline numbers)

		15-May-25				
		US\$		Disc	Regular	Dividend
		price	BVPS	Prm	DPS	Yield
MJ Finco Stocks						
Advanced Flower Capital	AFCG	\$5.47	\$8.89	-38%	\$0.23	16.8%
Innovative Industrial Properties	IIPR	\$55.32	\$68.38	-19%	\$1.90	13.7%
Chicago Atlantic BDC	LIEN	\$9.73	\$13.19	-26%	\$0.34	14.0%
NewLake Capital Partners	NLCP	\$14.60	\$19.19	-24%	\$0.43	11.8%
Chicago Atlantic Real Estate Finance	REFI	\$14.79	\$14.87	-1%	\$0.47	12.7%

Z&A	mn	mn	Total	Gross		Net Debt		Pref Stock
Spot EV	shares	deriv	Mkt Cap	Debt	Cash	to Equity	Equity	& Min Int
153	22.6	0.5	126	148.5	122.2	-13%	201	
1,754	28.3	0.3	1,584	297.9	151.2	-8%	1,937	23.6
198	22.8		222	0.0	23.9	8%	301	
295	20.5	0.1	301	7.6	19.9	3%	394	6.9
393	21.0	0.4	316	87.2	9.9	-25%	312	

Source: Z&A estimates

15 May 2025

Advanced Flower Capital: Company Update

Exhibit 8: mREITs

US\$Mn			5/14/25				Mkt				Stock Performance		
Company name	Ticker	Listing	Price US\$	Price to BVPS	Div Yield	(mn) Shares	Cap US\$Mn	Debt to Equity	Net (Debt)	Ent Value	Last 30d	Last 90d	Last 12mo
mREITS				0.68x	14.9%						14%	-12%	-19%
Arbor Realty Trust Inc	ABR	NYSE	10.80	0.87x	15.9%	189.3	2,044	427%	-9,315	11,359	3%	-21%	-21%
Ares Commercial Real Estate Corporat	ACRE	NYSE	4.80	0.49x	18.8%	54.5	262	217%	-1,106	1,368	35%	-10%	-29%
Advanced Flower Capital Inc.	AFCG	NASDAQ	5.47	0.61x	25.0%	22.3	122	94%	-85	207	15%	-37%	-55%
Apollo Commercial Real Estate Finance,	ARI	NYSE	9.73	0.73x	11.3%	138.2	1,344	345%	-6,073	7,417	20%	-2%	-3%
Blackstone Mortgage Trust, Inc. Class A	BXMT	NYSE	19.49	0.91x	10.4%	172.8	3,368	424%	-15,401	18,769	11%	1%	7%
Claros Mortgage Trust, Inc.	CMTG	NYSE	2.45	0.18x	34.7%	139.4	341	253%	-4,756	5,097	6%	-22%	-70%
Granite Point Mortgage Trust Inc.	GPMT	NYSE	2.31	0.18x	8.7%	48.8	113	242%	-1,358	1,471	26%	-25%	-33%
KKR Real Estate Finance Trust, Inc.	KREF	NYSE	9.43	0.65x	10.6%	68.7	648	494%	-4,794	5,442	10%	-15%	-3%
Ladder Capital Corp. Class A	LADR	NYSE	10.63	0.90x	8.7%	127.1	1,351	210%	-1,830	3,181	8%	-8%	-5%
Chicago Atlantic Real Estate Finance, In	REFI	NASDAQ	14.79	0.99x	12.7%	20.8	308	34%	-78	386	10%	-6%	-6%
Starwood Property Trust, Inc.	STWD	NYSE	20.02	1.06x	9.6%	337.4	6,755	310%	-19,177	25,932	12%	3%	-1%
TPG RE Finance Trust, Inc.	TRTX	NYSE	7.81	0.57x	12.3%	81.0	633	232%	-2,378	3,011	15%	-9%	-9%
Cannabis "Fincos"													
Advanced Flower Capital Inc.	AFCG	NASDAQ	5.47	0.61x	25.0%	22.3	122	94%	-85	207	15%	-37%	-55%
Innovative Industrial Properties Inc	IIPR	NYSE	55.32	0.83x	13.7%	28.3	1,567	16%	-148	1,715	12%	-25%	-47%
NewLake Capital Partners, Inc.	NLCP	US OTC	14.60	0.76x	10.7%	20.5	300	2%	12	287	10%	-10%	-29%
Chicago Atlantic BDC, Inc.	LIEN	NASDAQ	9.73	0.73x	10.3%	22.8	222	0%	24	198	-9%	-19%	-14%
SHF Holdings Inc Class A	SHFS	NASDAQ	2.24	-0.51x	NA	2.8	6	-97%	-10	16	1%	-73%	-86%
Chicago Atlantic Real Estate Finance, In	REFI	NASDAQ	14.79	0.99x	12.7%	20.8	308	34%	-78	386	10%	-6%	-6%

Source: FactSet, company reports, and Z&A estimates

15 May 2025

Advanced Flower Capital: Company Update

Exhibit 9: Industrial REITs

US\$Mn			5/14/25				Mkt				Stock Performance		
Company name	Ticker	Listing	Price US\$	Price to BVPS	Div Yield	(mn) Shares	Cap US\$Mn	Debt to Equity	Net (Debt)	Ent Value	Last 30d	Last 90d	Last 12mo
Industrial REITs				1.45x	5.5%						10%	-10%	-13%
Americold Realty Trust, Inc.	COLD	NYSE	17.94	1.60x	5.0%	284.3	5,100	116%	-3,633	8,732	-7%	-16%	-24%
EastGroup Properties, Inc.	EGP	NYSE	168.19	2.63x	3.3%	51.8	8,717	47%	-1,550	10,267	8%	-6%	3%
First Industrial Realty Trust, Inc.	FR	NYSE	50.40	2.50x	3.1%	132.3	6,670	84%	-2,184	8,854	10%	-9%	6%
Innovative Industrial Properties Inc	IIPR	NYSE	55.32	0.83x	13.7%	28.3	1,567	16%	-148	1,715	12%	-25%	-47%
Industrial Logistics Properties Trust	ILPT	NASDAQ	3.24	0.40x	1.2%	66.1	214	801%	-4,077	4,292	29%	-19%	-20%
LXP Industrial Trust	LXP	NYSE	8.20	1.17x	6.5%	294.5	2,415	77%	-1,485	3,900	9%	0%	-7%
NewLake Capital Partners, Inc.	NLCP	US OTC	14.60	0.76x	11.8%	20.5	300	2%	12	287	10%	-10%	-29%
Prologis, Inc.	PLD	NYSE	107.60	1.87x	3.6%	926.3	99,668	62%	-31,955	131,623	12%	-10%	0%
Plymouth Industrial REIT, Inc.	PLYM	NYSE	16.18	1.29x	5.9%	45.4	734	115%	-612	1,347	15%	-1%	-22%
Rexford Industrial Realty, Inc.	REXR	NYSE	35.12	0.96x	4.8%	225.3	7,912	42%	-3,449	11,361	8%	-12%	-22%
STAG Industrial, Inc.	STAG	NYSE	34.92	1.88x	4.2%	186.5	6,513	89%	-3,060	9,574	11%	0%	-1%
Terreno Realty Corporation	TRNO	NYSE	57.57	1.52x	3.3%	99.2	5,713	25%	-922	6,635	5%	-13%	5%
Cannabis "Fincos"													
Advanced Flower Capital Inc.	AFCG	NASDAQ	5.47	0.61x	25.0%	22.33	122	94%	-85	207	15%	-37%	-55%
Innovative Industrial Properties Inc	IIPR	NYSE	55.32	0.83x	13.7%	28.33	1567	16%	-148	1715	12%	-25%	-47%
NewLake Capital Partners, Inc.	NLCP	US OTC	14.60	0.76x	11.8%	20.51	300	2%	12	287	10%	-10%	-29%
Chicago Atlantic BDC, Inc.	LIEN	NASDAQ	9.73	0.73x	12.1%	22.82	222	0%	24	198	-9%	-19%	-14%
SHF Holdings Inc Class A	SHFS	NASDAQ	2.24	-0.51x	0.0%	2.78	6	-97%	-10	16	1%	-73%	-86%
Chicago Atlantic Real Estate Finance, In	REFI	NASDAQ	14.79	0.99x	12.7%	20.83	308	34%	-78	386	10%	-6%	-6%

Source: FactSet, company reports, and Z&A estimates

15 May 2025

Advanced Flower Capital: Company Update

Exhibit 10: BDCs

US\$Mn			5/14/25				Mkt				Stock Performance		
Company name	Ticker	Listing	Price US\$	Price to BVPS	Div Yield	(mn) Shares	Cap US\$Mn	Debt to Equity	Net (Debt)	Ent Value	Last 30d	Last 90d	Last 12mo
BDCs				0.88x	13.9%			127%			3%	-11%	-13%
Gladstone Investment Corporation	GAIN	NASDAQ	14.30	1.06x	6.7%	36.8	527	91%	-356	883	8%	7%	0%
Great Elm Capital Corp	GECC	NASDAQ	10.53	0.92x	13.5%	11.5	122	143%	-181	303	11%	-1%	1%
Gladstone Capital Corporation	GLAD	NASDAQ	26.38	1.23x	7.5%	22.2	586	68%	-322	909	9%	-7%	18%
Horizon Technology Finance Corporati	HRZN	NASDAQ	7.55	1.00x	17.5%	39.9	301	155%	-367	668	-8%	-21%	-36%
Chicago Atlantic BDC, Inc.	LIEN	NASDAQ	9.73	0.73x	12.1%	22.8	222	0%	24	198	-9%	-19%	-14%
Logan Ridge Finance Corporation	LRFC	NASDAQ	17.90	0.60x	7.7%	2.7	48	132%	-73	120	-4%	-28%	-21%
Monroe Capital Corp.	MRCC	NASDAQ	6.26	0.73x	16.0%	21.7	136	156%	-283	419	-9%	-27%	-13%
OFS Capital Corp.	OFS	NASDAQ	8.81	0.74x	15.4%	13.4	118	154%	-241	359	7%	9%	-7%
Oxford Square Capital Corp.	OXSQ	NASDAQ	2.46	1.18x	17.1%	69.8	172	85%	-89	260	-2%	-13%	-24%
PennantPark Investment Corporation	PNNT	NYSE	6.95	0.93x	13.5%	65.3	454	158%	-722	1,176	12%	-3%	-5%
Portman Ridge Finance Corporation	PTMN	NASDAQ	12.65	0.67x	20.1%	9.2	116	153%	-193	309	7%	-26%	-36%
Saratoga Investment Corp.	SAR	NYSE	24.04	0.93x	12.3%	15.2	365	199%	-577	942	7%	-4%	4%
Stellus Capital Investment Corp.	SCM	NYSE	13.23	1.00x	12.1%	27.5	364	163%	-573	937	8%	-11%	-7%
TriplePoint Venture Growth BDC Corp.	TPVG	NYSE	6.60	0.77x	19.7%	40.1	265	115%	-320	585	12%	-15%	-28%
WhiteHorse Finance, Inc.	WHF	NASDAQ	9.12	0.75x	16.9%	23.2	212	126%	-326	538	1%	-13%	-29%
Cannabis "Fincos"													
Advanced Flower Capital Inc.	AFCG	NASDAQ	5.47	0.61x	25.0%	22.33	122	94%	-85	207	15%	-37%	-55%
Innovative Industrial Properties Inc	IIPR	NYSE	55.32	0.83x	13.7%	28.33	1567	16%	-148	1715	12%	-25%	-47%
NewLake Capital Partners, Inc.	NLCP	US OTC	14.60	0.73x	12.1%	20.51	300	2%	12	287	10%	-10%	-29%
Chicago Atlantic BDC, Inc.	LIEN	NASDAQ	9.73	0.73x	12.1%	22.82	222	0%	24	198	-9%	-19%	-14%
SHF Holdings Inc Class A	SHFS	NASDAQ	2.24	-0.51x	0.0%	2.78	6	-97%	-10	16	1%	-73%	-86%
Chicago Atlantic Real Estate Finance, In	REFI	NASDAQ	14.79	0.99x	12.7%	20.83	308	34%	-78	386	10%	-6%	-6%

Source: FactSet, company reports, and Z&A estimates

15 May 2025

Advanced Flower Capital: Company Update

Exhibit 11: US MSO Valuation Multiples

US\$Mn 14-May-25	Z&A Spot EV / Sales			Z&A Spot EV / EBITDA			NET DEBT RATIOS				BROADER DEFINITION OF NET DEBT			
							Net Debt/Sales		Net Debt/EBITDA		BDND/Sales		BDND/EBITDA	
	Current	CY25e	CY26e	Current	CY25e	CY26e	Current	CY25	Current	CY25	Current	CY25	Current	CY25
US MSOs	1.4x	1.1x	0.9x	6.6x	5.5x	4.4x								
Ascend Wellness	1.1x	1.1x	1.0x	4.9x	5.1x	4.6x	-0.4x	-0.5x	-2.0x	-2.1x	-0.9x	-1.0x	-4.2x	-4.4x
Ayr Wellness	1.2x	1.2x	1.2x	7.3x	6.1x	5.6x	-0.9x	-0.9x	-5.2x	-4.3x	-1.1x	-1.2x	-6.8x	-5.7x
Cannabist Co	1.1x	1.2x	1.2x	14.5x	11.3x	8.3x	-0.7x	-0.8x	-9.5x	-7.4x	-1.0x	-1.1x	-13.5x	-10.5x
Consortium	1.1x	na	na	3.7x	na	na	-0.6x	na	-2.0x	na	-0.9x	na	-3.2x	na
Cresco Labs	1.3x	1.3x	1.3x	5.5x	5.7x	5.1x	-0.5x	-0.5x	-2.0x	-2.1x	-0.9x	-0.9x	-3.6x	-3.7x
Curaleaf	1.5x	1.5x	1.4x	6.6x	7.0x	6.1x	-0.5x	-0.5x	-2.2x	-2.4x	-0.9x	-0.9x	-3.9x	-4.2x
4Front Ventures	2.1x	na	na	34.4x	na	na	-1.2x	na	-19.6x	na	-2.0x	na	-33.8x	na
Glass House	3.5x	3.3x	2.6x	20.3x	17.2x	11.2x	-0.1x	-0.1x	-0.6x	-0.5x	-0.3x	-0.3x	-1.8x	-1.5x
Vireo Growth (pf)	1.3x	1.3x	1.0x	5.7x	5.1x	3.3x	0.1x	na	0.5x	na	-0.6x	na	-2.1x	na
Green Thumb	1.2x	1.3x	1.2x	3.7x	4.2x	3.9x	0.0x	0.0x	-0.1x	-0.1x	-0.1x	-0.1x	-0.3x	-0.3x
Grown Rogue	1.8x	na	na	2.6x	na	na	0.2x	na	0.3x	na	0.0x	na	0.1x	na
iAnthus	1.1x	na	na	7.5x	na	na	-0.9x	na	-6.1x	na	-1.0x	na	-6.4x	na
Jushi	1.5x	1.5x	1.4x	12.3x	8.3x	6.8x	-0.6x	-0.6x	-5.3x	-3.6x	-1.2x	-1.2x	-10.3x	-6.9x
MariMed	0.9x	0.8x	0.8x	5.9x	5.8x	4.2x	-0.4x	-0.4x	-2.8x	-2.8x	-0.6x	-0.5x	-3.9x	-3.8x
Planet 13	1.0x	0.9x	0.8x	na	16.0x	6.6x	0.1x	0.1x	na	1.3x	-0.2x	-0.2x	na	-3.2x
TerrAscend	1.5x	1.5x	1.4x	7.5x	7.2x	6.3x	-0.6x	-0.6x	-2.9x	-2.7x	-1.0x	-1.1x	-5.1x	-4.9x
TILT	1.1x	na	na	51.2x	na	na	-0.6x	na	-28.6x	na	-1.1x	na	-49.9x	na
Trulieve	1.4x	1.4x	1.4x	3.8x	4.1x	4.2x	-0.2x	-0.2x	-0.6x	-0.7x	-0.7x	-0.7x	-1.8x	-2.0x
Verano	1.1x	1.1x	1.0x	3.7x	3.9x	3.6x	-0.4x	-0.4x	-1.3x	-1.4x	-0.8x	-0.8x	-2.6x	-2.8x
Vext	1.2x	1.0x	0.7x	3.9x	3.5x	1.9x	-0.8x	-0.6x	-2.4x	-2.2x	-0.8x	-0.6x	-2.4x	-2.2x

1) Current is based on the latest reported qtr annualized (Sales and EBITDA); 2) We take FactSet consensus estimates for CY25e and CY26e multiples, if available.

Source: FactSet, company reports, and Z&A estimates

15 May 2025

Advanced Flower Capital: Company Update

Exhibit 12: Stock Performance

14-May-25			
Ticker	Stock Performance		
	Last 30d	Last 90d	Last 12mo
US MSOs			
Ascend	14%	-14%	-74%
Ayr	93%	-39%	-89%
Cannabist	62%	3%	-79%
Consortium	-11%	-32%	-72%
Cresco	16%	-23%	-65%
Curaleaf	10%	-39%	-84%
4Front	-67%	-79%	-97%
GlassHouse	50%	8%	-30%
Gold Flora	MN/A	-29%	-84%
Grown Rogue	0%	-34%	-47%
Green Thumb	10%	-24%	-57%
iAnthus	-52%	-40%	-74%
Jushi	14%	-7%	-49%
MariMed	8%	-35%	-68%
Planet13	11%	-25%	-54%
Schwazze	na	233%	-96%
StateHouse	na	na	-44%
Trulieve	33%	-3%	-62%
TerrAscend	52%	-38%	-77%
Verano	39%	-37%	-85%
Vext	-25%	-21%	-67%
Vireo Growth	9%	-12%	-24%
International			
InterCure	23%	-33%	-46%
PharmaCielo	-36%	2%	109%

Stock Performance			
Ticker	Last 30d	Last 90d	Last 12mo
Canadian LPs			
Aurora	18%	-20%	-25%
Avant	-7%	-22%	-63%
Auxly	14%	73%	78%
Ayurcann	2%	-39%	-41%
Cannara	-1%	2%	50%
Canopy	50%	-21%	-85%
Cronos	18%	4%	-30%
Decibel	14%	-11%	-46%
Entourage	0%	8%	-59%
High Tide	16%	-11%	5%
OGI	18%	-10%	-34%
Rubicon	-20%	12%	14%
SNDL	-6%	-30%	-47%
Tilray	-9%	-54%	-78%
VFF	99%	32%	-23%
Tech			
LFLY	15%	-21%	-88%
SBIG	69%	11%	-49%
MAPS	14%	-14%	7%
Vape parts			
GNLN	-98%	-100%	-100%
ISPR	-15%	-33%	-52%
SMORF	0%	2%	38%
TLLTF	10%	-31%	-80%

Stock Performance			
Ticker	Last 30d	Last 90d	Last 12mo
MJ Fincos			
AFCG	15%	-37%	-55%
IIPR	12%	-25%	-47%
NLCP	10%	-10%	-29%
SHFS	1%	-73%	-86%
LIEN	-9%	-19%	-14%
REFI	10%	-6%	-6%
Pix & Shovel			
AGFY	58%	17%	552%
GRWG	26%	-19%	-61%
HYFM	15%	-42%	-66%
SMG	15%	-11%	-16%
UGRO	-31%	-47%	-79%
CBD			
CVSI	-8%	-33%	-46%
CWEB	24%	-4%	-43%
LFID	-25%	-4%	-73%
Index			
S&P 500	10%	-3%	13%
S&P 477	-1%	-3%	6%
Nasdaq	13%	1%	34%
MSOS ETF	20%	-23%	-72%
YOLO ETF	23%	-14%	-52%
Simple Group Averages			
Large Canada LP:	31%	-16%	-53%
Tier 1 MSOs	21%	-25%	-71%

Source: FactSet



Appendix III: Bio and Disclaimers



Analyst Bio

Pablo Zuanic is a well-known and highly rated equity analyst following the cannabis and psychedelics sector. Over the past five years he launched coverage of over 40 companies in the US, Canada, and overseas (MSOs, LPs, CBD, ancillary, psychedelics), kept close track of sectoral trends, and followed the reform process in the US and elsewhere. His firm Zuanic & Associates publishes equity research on the cannabis and psychedelics sectors, both from a macro/sectoral level in a thematic manner, as well as specific reports on listed stocks. The research service is aimed at institutional investors and corporations. The firm is also available for short-term consulting and research advisory projects. At various points in his career, Pablo was II ranked and called as expert witness in industry investigations. He has a deep global background having covered stocks over the past 20 years in the US, Europe, Latin America, and Asia, across consumer sub sectors. Prior employers include JP Morgan, Barings, and Cantor Fitzgerald. An MBA graduate of Harvard Business School, he started his career as a management consultant, which brings a strategic mindset to his approach to equity research. *Pablo Zuanic can be contacted via the company's portal www.zuanicassociates.com; via email pablo.zuanic@zuanicgroup.com; or via X @420Odysseus.*



Disclosures and Disclaimers

About the firm: Zuanic & Associates is a domestic limited liability company (LLC) registered in the state of New Jersey. The company's registered address is Five Greentree Centre, 525 Route 73, N Suite 104, Marlton, New Jersey 08053, USA. Pablo Zuanic is the registered agent. The firm publishes equity research on selected stocks in the cannabis and psychedelics sector, as well as thematic macro industry notes. The firm also provides consulting and advisory services. Potential conflicts of interest are duly reflected in the respective specific company reports.

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Disclosure: Zuanic & Associates offers advisory and research services, and it also organizes investor events and conferences. The firm is often engaged by various operators in the cannabis industry (both plant touching companies and those providing services, private and public, in North America and overseas) on an ongoing or ad hoc basis. The company discussed in this report is a paying customer of the services provided by the firm.

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