



4/2/2025

Advanced Flower Capital (AFCG)

Company Update: Overweight



Key Highlights:

- Updated estimates based on new loan activity. Blended quality further improving.
- Macro (rate swings) and sector (IIPR) issues continue to weigh on AFCG (and MJ fincos).
- 38% discount to BVPS; 16.5% div yield.
- We expect >\$100Mn in new commitments in 2025 (\$29Mn YTD).
- We keep our Overweight stance.

ADE/share \$	FY24a	FY25e	Prev	FY26e	Prev	FY27e
1Q	0.49	0.23	0.23	0.28	0.28	0.31
2Q	0.56	0.23	0.23	0.29	0.29	0.32
3Q	0.35	0.26	0.24	0.30	0.30	0.33
4Q	0.29	0.28	0.26	0.30	0.30	0.34
FY	1.69	1.00	0.96	1.17	1.17	1.31
Div/share \$	FY24a	FY25e	Prev	FY26e	Prev	FY27e
1Q	0.56	0.23	0.23	0.26	0.26	0.28
2Q	0.48	0.23	0.23	0.26	0.26	0.28
3Q	0.48	0.23	0.23	0.26	0.26	0.28
4Q	0.33	0.23	0.23	0.26	0.26	0.28
FY	1.85	0.92	0.92	1.04	1.04	1.12
Share price (US\$)	\$5.57		Rating	Overweight		
Share count (mn)	22.3		Price target	No PT		
Market Cap (US\$Mn)	124		Fiscal Year	Dec		
Ticker	AFCG-US		Div Yield	16.4%		

BVPS \$	FY24a	FY25e	FY26e	FY27e
1Q	15.03	9.00	9.04	9.24
2Q	15.21	8.98	9.06	9.26
3Q	9.42	8.99	9.10	9.28
4Q	9.02	9.02	9.15	9.32
Net Debt/Equity	FY24	FY25e	FY26e	FY27e
1Q	21%	51%	102%	104%
2Q	-15%	67%	109%	110%
3Q	13%	81%	115%	117%
4Q	22%	96%	122%	124%
Performance	AFCG-US	MSOS	S&P500	
30d	-35%	-16%	-5%	
90d	-33%	-32%	-4%	
1yr	-55%	-74%	7%	

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Company Update

We attach update estimates following new loan activity. We rate AFCG Overweight.

- AFCG today announced it has committed a \$14Mn senior secured credit facility to private MSO Standard Wellness Holdings, with \$10.5Mn funded at close (terms were not provided at this time). The new borrower intends to use the proceeds from the loan to acquire a dispensary in Missouri, relocate a dispensary in Utah, and refinance and consolidate various debt facilities. Per its corporate website, Standard Wellness at present has vertical operations in OH (inc 3 stores: Cincinnati, Sandusky, Springfield), MD (1 store in Baltimore, MO (1 store in KC), and cultivation/processing in UT (it will relocate one store).
- So, AFCG has committed \$29Mn in total new loans year to date (\$15Mn to Story OH, disclosed on 2/18 and funded on 3/1; \$14Mn to Standard Wellness). Per management, AFCG has term sheets for other loans, and points to a ~\$380Mn active pipeline. It has said that future loans will typically be in \$10-40Mn range. There is no precise guidance, but we model ~\$400Mn by YE25 (vs. \$370Mn in our last published report of 3/14/25) in loans held for investment at net carrying value vs. \$293Mn at YE24. *Note: We assume the \$30.5Mn balance in loans held for investment at fair value are sold by YE25.*
- As of 3/1, AFCG had \$89Mn available from its credit lines. It may also recover proceeds from underperforming loans (private company A divested its GA assets for \$15Mn; proceeds have not been released yet by the receiver). For projection purposes, we assume a target debt to equity ratio of 140% (equity funding above that; we factor a \$25Mn equity raise by 1Q27 assuming the stock is back to at least par).
- Importantly, the blended quality of the book continues to improve, with loans to operators like Story, Sunburn, Gron, Standard Wellness, and others. *Note: Of the \$357Mn in total principal outstanding at YE24, \$146Mn was in non-accrual status (\$79Mn from loan G; \$55Mn loan(s) A; \$12Mn loan K), with part booked for sale (loans held for investment at fair value were booked at \$30.5Mn).*
- All this will be reflected in more “recurring interest income”. Bottom up, based on AFCG disclosure (the company discloses cash interest and PIK rates by loan), we calculate >75% of total reported “interest income” in 4Q24 came from loans in accruals (factoring cash interest and PIK), with the balance coming from payments in loans classified as in “non-accruals” and from fees. But now with the Standard Wellness loans, by 2Q25 we estimate this ratio could be >85%. Again, based on our math we calculate what we call “recurring interest income” (cash and PIK) should be up in mid/high teens when comparing 2Q25 with 4Q24.
- *Note: Unrealized losses on the B/S at YE24 were reported at \$19.7Mn (or 88c/share); if recovered, and counting \$30Mn in CECL reserves, they could both together represent \$2.24 to BVPS (we note the stock closed at \$6.76 on 3/13/25, about \$2.26 off BVPS).*

- See our [report from 3/15](#) with a review of 4Q24 results and outlook.

Valuation. AFCG shares are down 35% in the last 30 days (MSOS ETF -16%; IIPR -22%; REFI -8%). At \$5.57 the stock trades at a hefty 38% discount to BVPS (and -50% if we factor the \$2.24 per share in CECL reserves and unrealized losses). Interest rate swings and MJ industry challenges (see the latest disclosure at IIPR re three tenants), have resulted in discount to par in the mid to high teens for REFI and IIPR (and as high as 26% for NLCP), but we believe the AFCG 38% discount is overdone. Also, we realize the AFCG dividend represents 100% of the distributable earnings guidance for 1Q25 and 2Q25 and carries more risk than that of peers, however, continued good quality loan growth (see Story, Standard Wellness) makes the 23c DPS sustainable, per our math. The AFCG dividend yield of 16.5% is well ahead direct peers in the 12-13% range. We keep the Overweight stance, in part due to loan book's growth potential and improving quality. Further transformation of the book towards top quality operators (and as underperforming loans are sold and or resolved) should be a key catalyst for the stock.

Table 1: MJ Lenders Valuation Comps

2-Apr-25															
		US\$		Disc	Regular	Dividend	Z&A	mn	mn	Total	Gross	Net Debt			
		price	BVPS	Prm	DP\$	Yield	Spot EV	shares	deriv	Mkt Cap	Debt	Cash	to Equity	Equity	Pref Stock & Min Int
MJ Finco Stocks															
Advanced Flower Capital	AFCG	\$5.57	\$9.02	-38%	\$0.23	16.5%	152	22.3	0.3	126	148.5	122.2	-13%	201	
Innovative Industrial Properties	IIPR	\$55.84	\$68.34	-18%	\$1.80	12.9%	1,769	28.3	0.3	1,599	297.9	151.2	-8%	1,936	23.6
Chicago Atlantic BDC	LIEN	\$11.11	\$13.20	-16%	\$0.34	12.2%	229	22.7		252	0.0	23.9	8%	300	
NewLake Capital Partners	NLCP	\$14.37	\$19.34	-26%	\$0.43	12.0%	298	20.5	0.2	298	7.6	20.2	3%	397	7.2
Chicago Atlantic Real Estate Finance	REFI	\$14.79	\$14.83	0%	\$0.47	12.7%	393	20.9	0.4	315	104.1	26.4	-25%	310	

Source: FactSet, company reports, Z&A estimates

Table 2: MJ Lenders Valuation Comps

			4/1/25				Mkt					
US\$Mn			Price	Price to	Div	(mn)	Cap	Debt to	Net	Ent	1yF Consensus	
Company name	Ticker	Listing	US\$	BVPS	Yield	Shares	US\$Mn	Equity	(Debt)	Value	EV/Rev	EV/EBITDA
mREITS				0.70x	13.9%							
Arbor Realty Trust Inc	ABR	NYSE	11.89	0.94x	14.5%	189.3	2,250	417%	-9,315	11,566	26.7x	WN/A
Ares Commercial Real Estate Corporati	ACRE	NYSE	4.54	0.46x	19.8%	54.5	248	217%	-1,106	1,354	21.7x	15.7x
Advanced Flower Capital Inc.	AFCG	NASDAQ	5.57	0.62x	24.6%	22.3	124	94%	-85	209	4.9x	WN/A
Apollo Commercial Real Estate Finance,	ARI	NYSE	9.58	0.71x	11.5%	138.2	1,324	341%	-6,073	7,397	28.7x	WN/A
Blackstone Mortgage Trust, Inc. Class A	BXMT	NYSE	19.90	0.91x	10.2%	172.8	3,439	415%	-15,401	18,840	42.2x	15.4x
Claros Mortgage Trust, Inc.	CMTG	NYSE	3.66	0.25x	23.2%	139.4	510	243%	-4,756	5,266	26.3x	26.7x
Granite Point Mortgage Trust Inc.	GPMT	NYSE	2.51	0.20x	12.0%	48.8	122	238%	-1,358	1,481	38.5x	WN/A
KKR Real Estate Finance Trust, Inc.	KREF	NYSE	10.66	0.72x	9.4%	68.7	732	483%	-4,794	5,526	36.4x	13.7x
Ladder Capital Corp. Class A	LADR	NYSE	11.40	0.94x	8.1%	127.1	1,449	205%	-1,830	3,279	11.3x	WN/A
Chicago Atlantic Real Estate Finance, In	REFI	NASDAQ	14.79	1.00x	12.7%	20.8	308	34%	-78	386	6.3x	WN/A
Starwood Property Trust, Inc.	STWD	NYSE	19.85	1.04x	9.7%	337.4	6,698	307%	-19,177	25,875	13.3x	15.5x
TPG RE Finance Trust, Inc.	TRTX	NYSE	8.15	0.59x	11.8%	81.0	660	231%	-2,378	3,039	20.5x	19.2x
Cannabis "Fincos"												
Advanced Flower Capital Inc.	AFCG	NASDAQ	5.57	0.62x	24.6%	22.3	124	94%	-85	209	4.9x	
Innovative Industrial Properties Inc	IIPR	NYSE	55.84	0.83x	13.6%	28.3	1,582	16%	-148	1,730	6.2x	
NewLake Capital Partners, Inc.	NLCP	US OTC	14.37	0.74x	10.9%	20.5	295	2%	12	282	5.9x	
Chicago Atlantic BDC, Inc.	LIEN	NASDAQ	11.11	0.84x	9.0%	22.8	253	0%	24	230	WN/A	
SHF Holdings Inc Class A	SHFS	NASDAQ	4.19	0.30x	NA	2.7	11	43%	-12	23	na	
Chicago Atlantic Real Estate Finance, In	REFI	NASDAQ	14.79	1.00x	12.7%	20.8	308	34%	-78	386	6.3x	

Source: FactSet (may not reflect the latest company disclosure and or news flow)



Appendix I: Company Financials

2 April 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 1Q25e	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	8,002	8,025	9,257	9,928	35,212	43,376	51,632
Interest income	81,499	70,535	16,361	15,952	10,455	9,224	51,992	9,483	9,584	11,132	12,112	42,311	53,550	63,131
Interest expense	-6,814	-6,357	-1,603	-1,573	-1,573	-1,587	-6,336	-1,480	-1,560	-1,875	-2,184	-7,099	-10,174	-11,500
<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	-2,997	-3,001	-3,529	-3,726	-13,254	-15,679	-19,736
as % of net inv inc		-34%	-41%	-36%	-28%	-46%	-38%	-37%	-37%	-38%	-38%	-38%	-36%	-38%
Income from ops	51,279	42,612	8,743	9,134	6,407	4,087	28,371	5,005	5,023	5,728	6,202	21,958	27,697	31,896
as % of inv inc		66%	59%	64%	72%	54%	62%	63%	63%	62%	62%	62%	64%	62%
<i>consensus</i>														
Per share														
EPS	1.80	1.03	0.00	0.80	0.07	-0.05	0.80	0.21	0.21	0.24	0.26	0.92	1.17	1.21
<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	0.23	0.23	0.26	0.28	1.00	1.26	1.31
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	1.04	1.12
as % of ADEPS	89%	98%	115%	86%	137%	114%	110%	101%	100%	88%	81%	92%	82%	85%
<i>DPS consensus</i>														
BS & CF highlights														
Net cash (debt)	-16,759	-8,388	-65,865	46,986	-26,298	-45,002	-45,002	-103,335	-133,753	-163,329	-192,709	-192,709	-248,326	-287,332
cash	140,373	121,626	82,298	170,298	122,164	103,610	103,610	30,000	30,000	30,000	30,000	30,000	30,000	30,000
gross debt	157,132	130,015	148,163	123,312	148,462	148,612	148,612	133,335	163,753	193,329	222,709	222,709	278,326	317,332
Equity	339,059	320,052	310,622	314,284	206,061	201,376	201,376	200,944	200,528	200,773	201,465	201,465	204,286	231,438
NAV per share	16.99	15.73	15.03	15.21	9.42	9.02	9.02	9.00	8.98	8.99	9.02	9.02	9.15	9.32
<i>consensus</i>														

Source: Z&A estimates, company reports

2 April 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 1Q25e	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	4,704	4,721	5,381	5,828	20,635	26,048	29,964
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	240	241	278	298	1,056	1,301	1,549
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	0	0	0	0	0	0	0
increase in provision for CECL	11,177	12,133	4,932	-6,190	181	5,311	4,233	160	160	185	199	704	868	1,033
TRS loss, net of dividends	-2,170	-1,159	931	-624	841	1,563	2,711	0	0	0	0	0	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	5,104	5,122	5,844	6,325	22,395	28,217	32,546
per basic share	2.51	2.04	0.49	0.56	0.35	0.29	1.68	0.23	0.23	0.26	0.28	1.00	1.26	1.31

Source: Z&A estimates, company reports

2 April 2025

Advanced Flower Capital: Company Update

Exhibit 3: Income Statement

US\$ 000s														
INCOME STATEMENT	CY22	CY23	1Q24	2Q24	3Q24	4Q24	CY24	1Q25e	2Q25e	3Q25e	4Q25e	CY25e	CY26e	CY27e
Net interest income	74,685	64,178	14,758	14,378	8,882	7,637	45,655	8,002	8,025	9,257	9,928	35,212	43,376	51,632
(+) Interest income	81,499	70,535	16,361	15,952	10,455	9,224	51,992	9,483	9,584	11,132	12,112	42,311	53,550	63,131
(-) Interest expense	-6,814	-6,357	-1,603	-1,573	-1,573	-1,587	-6,336	-1,480	-1,560	-1,875	-2,184	-7,099	-10,174	-11,500
Expenses	-23,405	-21,566	-6,015	-5,244	-2,475	-3,549	-17,284	-2,997	-3,001	-3,529	-3,726	-13,254	-15,679	-19,736
(-) Management and incentive fees	-15,765	-14,064	-3,463	-3,985	-982	-1,932	-10,362	-1,407	-1,409	-1,851	-2,001	-6,669	-10,040	-13,024
(-) General and administrative expenses	-4,700	-5,005	-1,052	-1,032	-857	-1,026	-3,968	-1,030	-1,030	-1,030	-1,030	-4,120	-2,603	-3,098
(-) Stock-based compensation	-1,338	-1,008	-543	-369	-219	-260	-1,391	-240	-241	-278	-298	-1,056	-1,301	-1,549
(-) Organizational expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(-) Professional fees	-1,602	-1,488	-957	142	-417	-332	-1,563	-320	-321	-370	-397	-1,408	-1,735	-2,065
(-) Loss on sale of real estate	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Income from operations	51,279	42,612	8,743	9,134	6,407	4,087	28,371	5,005	5,023	5,728	6,202	21,958	27,697	31,896
(-) provision for current expected credit losses	-11,177	-12,133	-4,932	6,262	-181	-5,311	-4,161	-160	-160	-185	-199	-704	-868	-1,033
(-) realized (losses) gains on sales of investments, net	450	-1,340	-93	0	0	0	-93	0	0	0	0	0	0	0
(-) gain (loss) on extinguishment of debt	0	1,986	0	0	0	0	0	0	0	0	0	0	0	0
(-) change in unrealized (losses) gains on loans at fair	-3,593	-8,513	-3,614	-1,420	-4,622	-152	-9,807	0	0	0	0	0	0	0
Net income	36,959	22,611	104	13,976	1,604	-1,375	14,310	4,845	4,863	5,543	6,003	21,254	26,829	30,863
(-) income tax expense	-1,026	-1,659	-158	-286	-386	383	-448	-141	-142	-161	-175	-619	-781	-899
(-) non-controlled/non-affiliate investments	0	0	0	2,756	166	0	2,922	0	0	0	0	0	0	0
Net income attributable to common stockholders	35,932	20,952	-54	16,446	1,384	-992	16,784	4,704	4,721	5,381	5,828	20,635	26,048	29,964
Basic EPS	1.81	1.03	0.00	0.81	0.07	-0.05	0.81	0.21	0.21	0.24	0.26	0.92	1.17	1.21
FD EPS	1.80	1.03	0.00	0.80	0.07	-0.05	0.80	0.21	0.21	0.24	0.26	0.92	1.17	1.21
basic share count (Mn)	19.8	20.3	20.4	20.4	20.7	21.8	20.8	22.3	22.3	22.3	22.3	22.3	22.3	24.8
diluted share count (Mn)	20.0	20.3	20.4	20.4	20.8	21.9	20.9	22.3	22.3	22.3	22.3	22.3	22.3	24.8

Source: Z&A estimates, company reports

2 April 2025

Advanced Flower Capital: Company Update

Exhibit 4: Balance Sheet

US\$ 000s														
BALANCE SHEET	CY22	CY23	1Q24	2Q24	3Q24	4Q24	CY24	1Q25e	2Q25e	3Q25e	4Q25e	CY25e	CY26e	CY27e
Loans, net	373,086	338,717	383,522	285,273	242,558	295,249	295,249	310,249	340,249	370,249	400,249	400,249	459,295	527,052
Loans held for investment at fair value, net	99,226	61,721	54,977	34,661	31,372	30,511	30,511	30,511	30,511	30,511	30,511	30,511	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	308,422	338,583	368,768	398,967	398,967	489,391	558,180
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	-30,580	-30,740	-30,925	-31,124	-31,124	-31,991	-33,024
Cash and cash equivalents	140,373	121,626	82,298	170,298	122,164	103,610	103,610	30,000	30,000	30,000	30,000	30,000	30,000	30,000
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	2,078	2,084	2,404	2,578	2,578	2,954	3,510
Prepaid expenses and other assets	461	688	533	692	423	1,215	1,215	1,273	1,276	1,473	1,579	1,579	1,809	2,150
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	343,600	373,609	404,125	434,406	434,406	494,058	562,712
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	937	940	1,084	1,084	1,084	1,242	1,476
Due to affiliate	18	16	20	24	21	7	7	7	7	8	9	9	10	12
Dividends payable	11,404	9,820	9,920	13,020	7,221	7,370	7,370	5,137	5,137	5,137	5,137	5,137	5,807	6,953
Current expected credit loss reserve	754	115	9	157	165	167	167	175	175	202	217	217	248	295
Accrued management and incentive fees	3,892	3,472	3,463	3,985	982	1,932	1,932	1,407	1,409	1,851	2,001	2,001	2,641	3,426
Accrued direct administrative expenses	1,844	1,486	963	884	878	1,198	1,198	1,133	1,133	1,133	1,133	1,133	751	892
Accounts payable and other liabilities	837	715	1,045	1,436	658	501	501	525	527	608	652	652	747	887
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	88,612	88,612	88,612	88,612	88,612	88,612	88,612
Line of credit payable, net	60,000	42,000	60,000	35,000	60,000	60,000	60,000	44,723	75,141	104,717	134,097	134,097	189,714	228,720
Total liabilities	180,118	146,533	165,785	143,708	160,557	200,681	200,681	142,656	173,081	203,352	232,942	232,942	289,772	331,274
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	223	223	223	223	223	223	223
Additional paid in capital	348,818	349,806	350,347	350,591	248,194	251,866	251,866	251,866	251,866	251,866	251,866	251,866	251,866	276,866
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	-51,146	-51,561	-51,316	-50,624	-50,624	-47,803	-45,651
Total stockholders equity	339,059	320,052	310,622	314,284	206,061	201,376	201,376	200,944	200,528	200,773	201,465	201,465	204,286	231,438
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	343,600	373,609	404,125	434,406	434,406	494,058	562,712
Total net assets	339,059	320,052	310,622	314,284	206,061	201,376	201,376	200,944	200,528	200,773	201,465	201,465	204,286	231,438
NET ASSET VALUE PER SHARE	\$16.99	\$15.73	\$15.22	\$15.38	\$9.91	\$9.18	\$9.64	\$9.00	\$8.98	\$8.99	\$9.02	\$9.02	\$9.15	\$9.32

Source: Z&A estimates, company reports

2 April 2025

Advanced Flower Capital: Company Update

Exhibit 5: Cash Flow

US\$ 000s														
SUMMARY CASH FLOW	CY22	CY23	1Q24	2Q24	3Q24	4Q24	CY24	1Q25e	2Q25e	3Q25e	4Q25e	CY25e	CY26e	CY27e
Net income	35,932	20,952	-54	16,446	1,384	-3,914	13,862	4,704	4,721	5,381	5,828	20,635	26,048	29,964
(+) adjustments	-3,552	4,864	5,906	-8,285	55	7,690	5,366	400	401	463	496	1,761	2,169	2,582
(-) 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	-42,901	-2	179	-72	-42,796	607	1,599
Net cash provided in operating activities	30,264	21,229	6,372	10,320	2,644	2,222	21,558	-37,797	5,120	6,023	6,253	-20,400	28,824	34,145
(-) issuance of and funding on loans	-162,886	-51,757	-84,191	-5,896	40,065	-62,465	-112,487	-15,000	-30,000	-30,000	-30,000	-105,000	-59,046	-67,757
(+) client repayment of loans	120,042	58,964	28,514	24,589	156	5,529	58,788	0	0	0	0	0	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	0	0	0	0	0	0	0
Net cash used in investing activities	-16,344	28,519	-53,881	112,958	-6,990	-56,936	-4,849	-15,000	-30,000	-30,000	-30,000	-105,000	-59,046	-67,757
(-) debt	-15,000	-25,738	18,000	-25,000	25,000	40,000	58,000	-15,277	30,418	29,576	29,380	74,097	55,617	39,006
(-) dividends	-41,619	-42,532	-9,820	-9,927	-13,021	-7,221	-39,989	-7,370	-5,137	-5,137	-5,137	-22,780	-22,556	-26,666
(+) 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	1,833	-401	-463	-496	473	-2,839	-3,728
(-) 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	-20,814	24,880	23,977	23,747	51,790	30,222	33,612
Increase in cash and cash equivalents	30,069	-18,746	-39,328	88,000	-48,134	-18,553	-18,016	-73,610	0	0	0	-73,610	0	0
Cash at start of year	109,246	140,373	121,626	82,298	170,298	122,164	121,626	103,610	30,000	30,000	30,000	103,610	30,000	30,000
Cash at end of year	140,373	121,626	82,298	170,298	122,164	103,610	103,610	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Net (debt) cash	-16,759	-8,388	-65,865	46,986	-26,298	-45,002	-45,002	-103,335	-133,753	-163,329	-192,709	-192,709	-248,326	-287,332
Cash	140,373	121,626	82,298	170,298	122,164	103,610	103,610	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Debt	157,132	130,015	148,163	123,312	148,462	148,612	148,612	133,335	163,753	193,329	222,709	222,709	278,326	317,332
debt to equity	46%	41%	48%	39%	72%	74%	74%	66%	82%	96%	111%	111%	136%	137%
net debt to equity	5%	3%	21%	-15%	13%	22%	22%	51%	67%	81%	96%	96%	122%	124%

Source: Z&A estimates, company reports.



Appendix II: Valuation Comps

2 April 2025

Advanced Flower Capital: Company Update

Exhibit 6: Valuation Comps for Lenders to the Cannabis Industry (per latest disclosure – may differ from FactSet headline numbers)

		2-Apr-25				
		US\$		Disc	Regular	Dividend
		price	BVPS	Prm	DPS	Yield
MJ Finco Stocks						
Advanced Flower Capital	AFCG	\$5.57	\$9.02	-38%	\$0.23	16.5%
Innovative Industrial Properties	IIPR	\$55.84	\$68.34	-18%	\$1.80	12.9%
Chicago Atlantic BDC	LIEN	\$11.11	\$13.20	-16%	\$0.34	12.2%
NewLake Capital Partners	NLCP	\$14.37	\$19.34	-26%	\$0.43	12.0%
Chicago Atlantic Real Estate Finance	REFI	\$14.79	\$14.83	0%	\$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
152	22.3	0.3	126	148.5	122.2	-13%	201	
1,769	28.3	0.3	1,599	297.9	151.2	-8%	1,936	23.6
229	22.7		252	0.0	23.9	8%	300	
293	20.5	0.2	298	7.6	20.2	3%	397	7.2
393	20.9	0.4	315	104.1	26.4	-25%	310	

Source: Z&A estimates

2 April 2025

Advanced Flower Capital: Company Update

Exhibit 7: mREITs

US\$m			4/1/25				Mkt				1yF Consensus		Stock Performance		
Company name	Ticker	Listing	Price US\$	Price to BVPS	Div Yield	(mn) Shares	US\$m	Debt to Equity	Net (Debt)	Ent Value	EV/Rev	EV/EBITDA	Last 30d	Last 90d	Last 12mo
mREITS				0.70x	13.9%								-3%	-6%	-19%
Arbor Realty Trust Inc	ABR	NYSE	11.89	0.94x	14.5%	189.3	2,250	417%	-9,315	11,566	26.7x	N/A	-4%	-14%	-10%
Ares Commercial Real Estate Corporatic	ACRE	NYSE	4.54	0.46x	19.8%	54.5	248	217%	-1,106	1,354	21.7x	15.7x	-7%	-23%	-39%
Advanced Flower Capital Inc.	AFCG	NASDAQ	5.57	0.62x	24.6%	22.3	124	94%	-85	209	4.9x	N/A	-35%	-33%	-55%
Apollo Commercial Real Estate Finance	ARI	NYSE	9.58	0.71x	11.5%	138.2	1,324	341%	-6,073	7,397	28.7x	N/A	-5%	11%	-14%
Blackstone Mortgage Trust, Inc. Class A	BXMT	NYSE	19.90	0.91x	10.2%	172.8	3,439	415%	-15,401	18,840	42.2x	15.4x	-4%	14%	0%
Claros Mortgage Trust, Inc.	CMTG	NYSE	3.66	0.25x	23.2%	139.4	510	243%	-4,756	5,266	26.3x	26.7x	57%	-19%	-63%
Granite Point Mortgage Trust Inc.	GPMT	NYSE	2.51	0.20x	12.0%	48.8	122	238%	-1,358	1,481	38.5x	N/A	-15%	-10%	-47%
KKR Real Estate Finance Trust, Inc.	KREF	NYSE	10.66	0.72x	9.4%	68.7	732	483%	-4,794	5,526	36.4x	13.7x	-4%	6%	6%
Ladder Capital Corp. Class A	LADR	NYSE	11.40	0.94x	8.1%	127.1	1,449	205%	-1,830	3,279	11.3x	N/A	-4%	2%	2%
Chicago Atlantic Real Estate Finance, Inc.	REFI	NASDAQ	14.79	1.00x	12.7%	20.8	308	34%	-78	386	6.3x	N/A	-8%	-4%	-6%
Starwood Property Trust, Inc.	STWD	NYSE	19.85	1.04x	9.7%	337.4	6,698	307%	-19,177	25,875	13.3x	15.5x	-3%	5%	-2%
TPG RE Finance Trust, Inc.	TRTX	NYSE	8.15	0.59x	11.8%	81.0	660	231%	-2,378	3,039	20.5x	19.2x	-6%	-4%	6%
Cannabis "Fincos"															
Advanced Flower Capital Inc.	AFCG	NASDAQ	5.57	0.62x	24.6%	22.3	124	94%	-85	209	4.9x		-35%	-33%	-55%
Innovative Industrial Properties Inc	IIPR	NYSE	55.84	0.83x	13.6%	28.3	1,582	16%	-148	1,730	6.2x		-22%	-16%	-46%
NewLake Capital Partners, Inc.	NLCP	US OTC	14.37	0.74x	10.9%	20.5	295	2%	12	282	5.9x		-9%	-18%	-25%
Chicago Atlantic BDC, Inc.	LIEN	NASDAQ	11.11	0.84x	9.0%	22.8	253	0%	24	230	N/A		-9%	-9%	16%
SHF Holdings Inc Class A	SHFS	NASDAQ	4.19	0.30x	NA	2.7	11	43%	-12	23	na		-39%	-53%	-78%
Chicago Atlantic Real Estate Finance, Inc.	REFI	NASDAQ	14.79	1.00x	12.7%	20.8	308	34%	-78	386	6.3x		-8%	-4%	-6%

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

2 April 2025

Advanced Flower Capital: Company Update

Exhibit 8: Industrial REITs

US\$Mn			4/1/25				Mkt				1yF Consensus		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	EV/Rev	EV/EBITDA	Last 30d	Last 90d	Last 12mo
Industrial REITS				1.54x	5.3%								-7%	0%	-15%
Americold Realty Trust, Inc.	COLD	NYSE	21.12	1.83x	4.2%	284.3	6,004	112%	-3,633	9,636	3.4x	14.6x	-8%	-1%	-15%
EastGroup Properties, Inc.	EGP	NYSE	176.09	2.77x	3.1%	51.8	9,126	48%	-1,550	10,676	14.6x	20.6x	-4%	10%	-2%
First Industrial Realty Trust, Inc.	FR	NYSE	53.91	2.68x	2.9%	132.3	7,135	84%	-2,184	9,319	12.7x	18.9x	-6%	8%	3%
Innovative Industrial Properties Inc	IIPR	NYSE	55.84	0.83x	13.6%	28.3	1,582	16%	-148	1,730	6.2x	8.9x	-22%	-16%	-46%
Industrial Logistics Properties Trust	ILPT	NASDAQ	3.51	0.41x	1.1%	66.1	232	769%	-4,077	4,309	9.4x	N/A	-11%	-4%	-18%
LXP Industrial Trust	LXP	NYSE	8.67	1.22x	6.1%	294.5	2,553	76%	-1,485	4,038	11.9x	14.8x	-3%	7%	-4%
NewLake Capital Partners, Inc.	NLCP	US OTC	14.37	0.74x	12.0%	20.5	295	2%	12	282	5.9x	N/A	-9%	-18%	-25%
Prologis, Inc.	PLD	NYSE	111.45	1.92x	3.5%	926.3	103,234	62%	-31,955	135,189	16.3x	20.8x	-10%	5%	-14%
Plymouth Industrial REIT, Inc.	PLYM	NYSE	16.31	1.28x	5.9%	45.4	740	113%	-612	1,353	6.6x	9.8x	-6%	-8%	-28%
Rexford Industrial Realty, Inc.	REXR	NYSE	39.14	1.08x	4.3%	225.3	8,818	43%	-3,449	12,267	11.8x	16.6x	-5%	1%	-22%
STAG Industrial, Inc.	STAG	NYSE	36.23	1.95x	4.1%	186.5	6,758	90%	-3,060	9,818	11.6x	15.8x	1%	7%	-6%
Terreno Realty Corporation	TRNO	NYSE	63.36	1.72x	3.0%	99.2	6,288	26%	-922	7,209	15.5x	23.3x	-7%	7%	-5%
Cannabis "Fincos"															
Advanced Flower Capital Inc.	AFCG	NASDAQ	5.57	0.62x	24.6%	22.33	124	94%	-85	209	4.9x		-35%	-33%	-55%
Innovative Industrial Properties Inc	IIPR	NYSE	55.84	0.83x	13.6%	28.33	1582	16%	-148	1730	6.2x		-22%	-16%	-46%
NewLake Capital Partners, Inc.	NLCP	US OTC	14.37	0.74x	12.0%	20.51	295	2%	12	282	5.9x		-9%	-18%	-25%
Chicago Atlantic BDC, Inc.	LIEN	NASDAQ	11.11	0.84x	10.6%	22.82	253	0%	24	230	N/A		-9%	-9%	16%
SHF Holdings Inc Class A	SHFS	NASDAQ	4.19	0.30x	0.0%	2.73	11	43%	-12	23	na		-39%	-53%	-78%
Chicago Atlantic Real Estate Finance, In	REFI	NASDAQ	14.79	1.00x	12.7%	20.83	308	34%	-78	386	6.3x		-8%	-4%	-6%

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

2 April 2025

Advanced Flower Capital: Company Update

Exhibit 9: BDCs

US\$Mn			4/1/25				Mkt					Stock Performance		
Company name	Ticker	Listing	Price US\$	Price to BVPS	Div Yield	(mn) Shares	US\$Mn	Debt to Equity	Net (Debt)	Ent Value	1yF Consensus EV/Rev EV/EBITDA	Last 30d	Last 90d	Last 12mo
BDCs				0.92x	12.8%			123%				-7%	-2%	-4%
Gladstone Investment Corporation	GAIN	NASDAQ	13.46	1.01x	7.1%	36.7	494	82%	-395	889	8.9x	-3%	2%	-5%
Great Elm Capital Corp	GECC	NASDAQ	10.20	0.87x	13.9%	11.5	118	139%	-181	299	6.4x	-10%	-7%	-8%
Gladstone Capital Corporation	GLAD	NASDAQ	27.61	1.28x	7.2%	22.2	614	68%	-322	936	9.7x	-4%	-3%	29%
Horizon Technology Finance Corporati	HRZN	NASDAQ	9.47	1.12x	13.9%	39.9	378	139%	-367	745	7.3x	-4%	5%	-17%
Chicago Atlantic BDC, Inc.	LIEN	NASDAQ	11.11	0.84x	10.6%	22.8	253	0%	24	230	N/A	-9%	-9%	16%
Logan Ridge Finance Corporation	LRFC	NASDAQ	21.80	0.68x	6.3%	2.7	58	122%	-73	130	6.4x	-13%	-13%	-3%
Monroe Capital Corp.	MRCC	NASDAQ	7.66	0.87x	13.1%	21.7	166	152%	-283	449	8.2x	-13%	-10%	6%
OFS Capital Corp.	OFS	NASDAQ	9.48	0.74x	14.3%	13.4	127	143%	-241	368	9.0x	14%	17%	-5%
Oxford Square Capital Corp.	OXSQ	NASDAQ	2.59	1.12x	16.2%	69.8	181	77%	-89	269	N/A	-8%	6%	-18%
PennantPark Investment Corporation	PNNT	NYSE	7.08	0.94x	13.3%	65.3	462	156%	-722	1,184	8.9x	-3%	0%	3%
Portman Ridge Finance Corporation	PTMN	NASDAQ	14.11	0.73x	18.0%	9.2	130	149%	-193	323	5.1x	-19%	-14%	-26%
Saratoga Investment Corp.	SAR	NYSE	25.35	0.94x	11.7%	13.7	346	218%	-763	1,109	8.4x	-2%	6%	9%
Stellus Capital Investment Corp.	SCM	NYSE	14.00	1.04x	11.4%	27.5	385	160%	-573	958	8.7x	-8%	2%	7%
TriplePoint Venture Growth BDC Corp.	TPVG	NYSE	7.00	0.81x	18.6%	40.1	281	115%	-320	601	5.8x	-13%	-5%	-26%
WhiteHorse Finance, Inc.	WHF	NASDAQ	9.58	0.78x	16.1%	23.2	223	124%	-326	548	6.9x	-15%	-1%	-23%
Cannabis "Fincos"														
Advanced Flower Capital Inc.	AFCG	NASDAQ	5.57	0.62x	24.6%	22.33	124	94%	-85	209	4.9x	-35%	-33%	-55%
Innovative Industrial Properties Inc	IIPR	NYSE	55.84	0.83x	13.6%	28.33	1582	16%	-148	1730	6.2x	-22%	-16%	-46%
NewLake Capital Partners, Inc.	NLCP	US OTC	14.37	0.84x	10.6%	20.51	295	2%	12	282	5.9x	-9%	-18%	-25%
Chicago Atlantic BDC, Inc.	LIEN	NASDAQ	11.11	0.84x	10.6%	22.82	253	0%	24	230	N/A	-9%	-9%	16%
SHF Holdings Inc Class A	SHFS	NASDAQ	4.19	0.30x	0.0%	2.73	11	43%	-12	23	na	-39%	-53%	-78%
Chicago Atlantic Real Estate Finance, In	REFI	NASDAQ	14.79	1.00x	12.7%	20.83	308	34%	-78	386	6.3x	-8%	-4%	-6%

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

Exhibit 10: US MSO Valuation Multiples

US\$Mn 2-Apr-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	1.3x	1.1x	0.9x	6.6x	5.3x	4.4x								
Ascend Wellness	1.0x	1.1x	1.0x	3.9x	5.0x	4.5x	-0.4x	-0.4x	-1.6x	-2.0x	-0.8x	-0.9x	-3.4x	-4.3x
Ayr Wellness	1.2x	1.2x	1.2x	7.1x	5.7x	5.5x	-0.9x	-0.9x	-5.2x	-4.1x	-1.1x	-1.2x	-6.8x	-5.5x
Cannabist Co	1.1x	1.1x	1.0x	14.3x	11.0x	7.4x	-0.7x	-0.7x	-9.5x	-7.3x	-1.0x	-1.0x	-13.5x	-10.3x
Consortium	1.1x	na	na	3.8x	na	na	-0.6x	na	-2.0x	na	-0.9x	na	-3.2x	na
Cresco Labs	1.3x	1.3x	1.3x	5.5x	5.6x	5.0x	-0.5x	-0.5x	-2.0x	-2.0x	-0.9x	-0.9x	-3.6x	-3.6x
Curaleaf	1.5x	1.5x	1.4x	6.6x	6.5x	5.9x	-0.5x	-0.5x	-2.2x	-2.2x	-0.9x	-0.9x	-3.9x	-3.8x
4Front Ventures	1.9x	na	na	7.2x	na	na	-1.0x	na	-3.9x	na	-1.8x	na	-6.7x	na
Glass House	2.8x	2.6x	2.1x	16.3x	14.2x	9.2x	-0.1x	-0.1x	-0.6x	-0.5x	-0.3x	-0.3x	-1.8x	-1.6x
Gold Flora	1.0x	0.8x	na	12.0x	na	na	-0.3x	-0.2x	-3.6x	na	-0.9x	-0.7x	-11.0x	na
Goodness Growth	2.0x	1.9x	na	8.1x	8.0x	na	-0.5x	-0.5x	-2.1x	-2.1x	-0.9x	-0.9x	-3.7x	-3.6x
Green Thumb	1.3x	1.3x	1.2x	3.9x	4.3x	4.0x	-0.1x	-0.1x	-0.2x	-0.2x	-0.1x	-0.1x	-0.3x	-0.3x
Grown Rogue	1.9x	na	na	2.7x	na	na	0.2x	na	0.3x	na	0.0x	na	0.1x	na
iAnthus	1.2x	na	na	8.5x	na	na	-0.9x	na	-6.6x	na	-1.0x	na	-6.9x	na
Jushi	1.4x	1.4x	1.3x	11.7x	7.4x	6.2x	-0.6x	-0.6x	-5.2x	-3.3x	-1.2x	-1.2x	-9.8x	-6.2x
MariMed	1.0x	0.9x	0.8x	6.2x	5.8x	4.5x	-0.4x	-0.4x	-2.8x	-2.6x	-0.6x	-0.5x	-3.8x	-3.5x
Planet 13	0.7x	0.7x	0.7x	12.9x	16.3x	11.3x	0.1x	0.1x	2.3x	2.9x	-0.1x	-0.1x	-1.9x	-2.4x
Schwazze	1.1x	1.0x	na	4.6x	na	na	-0.9x	na	-3.8x	na	-1.1x	na	-4.6x	na
TerrAscend	1.6x	1.6x	1.5x	7.9x	7.5x	6.8x	-0.6x	-0.6x	-2.9x	-2.7x	-1.0x	-1.0x	-5.1x	-4.9x
TILT	1.1x	0.9x	na	51.5x	-19.4x	na	-0.6x	-0.5x	-28.6x	10.8x	-1.1x	-0.9x	-49.9x	18.8x
Trulieve	1.3x	1.3x	1.2x	3.4x	3.8x	3.8x	-0.3x	-0.3x	-0.7x	-0.8x	-0.7x	-0.7x	-1.8x	-2.0x
Verano	1.0x	1.0x	1.0x	3.6x	3.5x	3.3x	-0.4x	-0.4x	-1.3x	-1.3x	-0.8x	-0.8x	-2.6x	-2.6x
Vext	1.6x	1.3x	1.1x	4.9x	4.5x	2.4x	-0.8x	-0.7x	-2.4x	-2.2x	-0.8x	-0.7x	-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

2 April 2025

Advanced Flower Capital: Company Update

Exhibit 11: Stock Performance

2-Apr-25	Stock Performance		
	Last	Last	Last
Ticker	30d	90d	12mo
US MSOs			
Ascend	-7%	-8%	-72%
Ayr	-43%	-60%	-93%
Cannabist	-14%	-24%	-86%
Consortium	1%	-17%	-71%
Cresco	-20%	-23%	-66%
Curaleaf	-31%	-42%	-83%
4Front	-57%	-27%	-91%
GlassHouse	-11%	-16%	-39%
Gold Flora	50%	52%	-87%
Vireo Growth	10%	-18%	12%
Grown Rogue	-31%	-37%	-8%
Green Thumb	-17%	-30%	-60%
iAnthus	-21%	19%	-70%
Jushi	-4%	-4%	-59%
MarlMed	-12%	-14%	-62%
Planet13	-23%	-35%	-59%
Schwazze	-9%	-75%	-99%
StateHouse	na	na	-72%
Trulieve	-11%	-27%	-69%
TerrAscend	-8%	-29%	-76%
Verano	-25%	-49%	-89%
Vext	21%	15%	-39%
International			
InterCure	-12%	-9%	-25%
PharmaCielo	0%	0%	104%

	Stock Performance		
	Last	Last	Last
Ticker	30d	90d	12mo
Canadian LPs			
Aurora	-14%	3%	0%
Avant	-2%	116%	-60%
Auxly	-1%	121%	65%
Ayurcann	-16%	8%	-35%
Cannara	-10%	69%	27%
Canopy	-27%	-63%	-88%
Cronos	-13%	-11%	-31%
Decibel	-13%	-8%	-52%
Entourage	8%	-35%	-54%
High Tide	-22%	-36%	-3%
OGI	-10%	-35%	-52%
Rubicon	36%	19%	31%
SNOL	-11%	-20%	-28%
Tilray	-11%	-51%	-74%
VFF	-18%	-23%	-52%
Tech			
LFLY	-19%	-89%	-94%
SBIG	-11%	73%	-56%
MAPS	-14%	-18%	-15%
Vape parts			
GNLN	-58%	-82%	-95%
ISPR	-41%	-45%	-55%
SMORF	31%	31%	87%
TLTTF	-14%	62%	-66%

	Stock Performance		
	Last	Last	Last
Ticker	30d	90d	12mo
MJ Fincos			
AFCG	-35%	-33%	-55%
IIPR	-22%	-16%	-46%
NLCP	-9%	-18%	-25%
SHFS	-39%	-53%	-78%
LIEN	-9%	-9%	16%
REFI	-8%	-4%	-6%
Pix & Shovel			
AGFY	-7%	-40%	215%
GRWG	-8%	-38%	-63%
HYFM	-60%	-66%	-82%
SMG	-6%	-17%	-27%
UGRO	-48%	-55%	-69%
CBD			
CVSI	-3%	-9%	-25%
CWEB	-11%	-5%	-56%
LFID	-60%	-39%	-85%
Index			
S&P 500	-5%	-4%	7%
S&P 477	-3%	5%	10%
Nasdaq	-8%	-2%	21%
MSOS ETF	-16%	-32%	-74%
YOLO ETF	-16%	-27%	-57%
Simple Group Averages			
Large Canada LP:	-17%	-33%	-54%
Tier 1 MSOs	-21%	-34%	-74%

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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