

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

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): May 07, 2024

Chicago Atlantic Real Estate Finance, Inc.

(Exact name of Registrant as Specified in Its Charter)

Maryland  
(State or Other Jurisdiction  
of Incorporation)

001-41123  
(Commission File Number)

86-3125132  
(IRS Employer  
Identification No.)

1680 Michigan Avenue Suite 700 Miami Beach, Florida  
(Address of Principal Executive Offices)

33139  
(Zip Code)

Registrant's Telephone Number, Including Area Code: 312 809-7002

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

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

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	REFI	Nasdaq Global Market

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

Emerging growth company

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

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

On May 7, 2024, Chicago Atlantic Real Estate Finance, Inc. (the “Company”) issued a press release announcing its financial results for the first quarter ended March 31, 2024. The text of the press release is included as Exhibit 99.1 to this Form 8-K and is incorporated herein by reference.

The information set forth under this Item 2.02, including Exhibit 99.1, is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section. The information set forth under this Item 2.02, including Exhibit 99.1, shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended, unless it is specifically incorporated by reference therein.

**Item 7.01 Regulation FD Disclosure.**

On May 7, 2024, the Company disseminated a presentation to be used in connection with its conference call to discuss its financial results for the first quarter ended March 31, 2024, which will be held on Tuesday, May 7, 2024 at 9:00 a.m. (eastern time). A copy of the presentation has been posted to the Company’s Investor Relations page of its website and is included herewith as Exhibit 99.2, and by this reference incorporated herein.

The information disclosed under this Item 7.01, including Exhibit 99.2 hereto, is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section. The information provided herein shall not be deemed incorporated by reference into any filing made under the Securities Act of 1933, as amended, except as expressly set forth by specific reference in such filing.

**Item 9.01 Financial Statements and Exhibits.**

d) Exhibits

<b>Exhibit Number</b>	<b>Description</b>
99.1	<a href="#">Press release, dated May 7, 2024.</a>
99.2	<a href="#">First Quarter 2024 Earnings Supplemental Presentation, dated May 7, 2024.</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

**SIGNATURES**

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

CHICAGO ATLANTIC REAL ESTATE FINANCE, INC.

Date: May 7, 2024

By: /s/ Peter Sack  
Peter Sack, Co-Chief Executive Officer



### Chicago Atlantic Real Estate Finance Announces First Quarter 2024 Financial Results

CHICAGO— (May 7, 2024) Chicago Atlantic Real Estate Finance, Inc. (NASDAQ: REFI) (“Chicago Atlantic” or the “Company”), a commercial mortgage real estate investment trust, today announced its results for the first quarter ended March 31, 2024.

John Mazarakis, Executive Chairman of Chicago Atlantic, noted, “We are thrilled with progress toward regulatory reform resulting from the recent news of the DEA’s commitment to the rescheduling of cannabis. Once enacted, the policy change is likely to bring significant benefits to the U.S. cannabis industry, including the elimination of punitive federal tax burdens, increased access to capital, and increased employment and investment opportunity to the expected benefit of our shareholders. While there is still uncertainty as to exactly how and when the rescheduling will conclusively take place, this report signals encouraging progress for the industry as a whole.”

Peter Sack, Co-Chief Executive Officer, added, ““We grew the portfolio this quarter funding one new borrower and drove improvement in book value per share with accretive sourcing of capital through our ATM program. The portfolio demonstrated remarkable stability with the weighted average yield to maturity remaining above 19%, while we continue to be selective in adding new operators to the portfolio. The originations pipeline is robust as operators look to take advantage of improving sentiment in the industry and pursuing growth in states such as Maryland, Missouri, and Ohio.”

#### Portfolio Performance

- As of March 31, 2024, total loan commitments of approximately \$401.3 million (all of which are funded) across 28 portfolio investments.
- Weighted average yield to maturity was approximately 19.4% as of March 31, 2024 and December 31, 2023.
- Real estate collateral coverage was 1.3x as of March 31, 2024 compared with 1.5x as of December 31, 2023.
- Loan to enterprise value (calculated as outstanding principal balance divided by total value of collateral on a weighted average basis) was approximately 40.5% as of March 31, 2024 compared with approximately 44.1% as of December 31, 2023.
- The percentage of loans which bear a variable interest rate was 76.6% as of March 31, 2024 compared with 80.5% as of December 31, 2023.

#### Investment Activity

- During the first quarter, Chicago Atlantic had total gross originations of \$22.5 million, of which \$6.7 million and \$15.8 million was funded to new borrowers and existing borrowers, respectively.
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## Capital Activity and Dividends

- On February 28, 2024, Chicago Atlantic amended its \$100.0 million secured revolving credit facility, without any other change in terms or structure, to extend the maturity date to June 2026 with a one-year extension option, subject to customary conditions. The amendment also increased the accordion feature of the secured revolving credit facility to facilitate additional commitments up to \$150.0 million.
- During the quarter, Chicago Atlantic issued 896,443 shares through its ATM program at a weighted average price of \$15.93, raising net proceeds of approximately \$13.9 million.
- As of March 31, 2024, the Company had \$81.3 million outstanding on its secured revolving credit facility, resulting in a leverage ratio (debt to book equity) of approximately 28%.
- As of May 7, 2024, the Company has \$19.2 million available on its secured revolving credit facility, and total liquidity, net of estimated liabilities, of approximately \$22 million.
- On April 15, 2024, Chicago Atlantic paid a regular quarterly cash dividend of \$0.47 per share of common stock for the first quarter of 2024 to common stockholders of record on March 28, 2024.

## First Quarter 2024 Financial Results

- Net interest income of approximately \$13.2 million, a sequential decrease of 10.8% from \$14.8 million in the fourth quarter of 2023 due to no prepayments and related fees received during the first quarter of 2024 compared with \$1.8 million of prepayment fees and the acceleration of original issue discounts during the three months ended December 31, 2023.
- Total expenses of approximately \$4.1 million before provision for current expected credit losses, representing a sequential decrease of 28.4%; primarily attributable to a decrease in management and incentive fees.
- Net Income of approximately \$8.7 million, or \$0.47 per weighted average diluted common share, representing a sequential decrease of 7.8% on a per share basis.
- The total reserve for current expected credit losses increased sequentially by \$0.4 million to \$5.4 million and amounts to approximately 1.4% of the portfolio principal balance of \$377.6 million as of March 31, 2024.
- Distributable Earnings of approximately \$9.7 million, or \$0.52 per weighted average diluted common share, representing a sequential decrease of 1.9% on a per share basis.
- Book value per common share of \$14.97 as of March 31, 2024 compared with \$14.94 as of December 31, 2023, due to first quarter basic earnings per share in excess of the regular quarterly dividend of \$0.47, and accretion from the issuance of common stock at a premium to book value.

## 2024 Outlook

Chicago Atlantic affirmed its 2024 outlook previously issued on March 12, 2024.

## Conference Call and Quarterly Earnings Supplemental Details

The Company will host a conference call later today at 9:00 a.m. Eastern Time. Interested parties may access the conference call live via webcast on Chicago Atlantic's investor relations website or may participate via telephone by registering using this online form. Upon registration, all telephone participants will receive the dial-in number along with a unique PIN number that can be used to access the call. A replay of the conference call webcast will be archived on the Company's website for at least 30 days.

Chicago Atlantic posted its First Quarter 2024 Earnings Supplemental on the [Investor Relations](#) page of its website. Chicago Atlantic routinely posts important information for investors on its website, [www.refi.reit](http://www.refi.reit). The Company intends to use this website 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. The Company encourages investors, analysts, the media and others interested in Chicago Atlantic to monitor the Investor Relations page of its website, in addition to following its press releases, SEC filings, publicly available earnings calls, presentations, webcasts and other information posted from time to time on the website. Please visit the [IR Resources](#) section of the website to sign up for email notifications.

## **About Chicago Atlantic Real Estate Finance, Inc.**

Chicago Atlantic Real Estate Finance, Inc. (NASDAQ: REFI) is a market-leading commercial mortgage REIT utilizing significant real estate, credit and cannabis expertise to originate senior secured loans primarily to state-licensed cannabis operators in limited-license states in the United States. REFI is part of the Chicago Atlantic platform which has deployed over \$2.0 billion in credit and equity investments to date, and has a team of over 75 professionals with offices in Miami, Florida, and Chicago, Illinois.

### ***Forward-Looking Statements***

This release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that reflect our current views and projections with respect to, among other things, future events and financial performance. Words such as “believes,” “expects,” “will,” “intends,” “plans,” “guidance,” “estimates,” “projects,” “anticipates,” and “future” or similar expressions are intended to identify forward-looking statements. These forward-looking statements, including statements about our future growth and strategies for such growth, are subject to the inherent uncertainties in predicting future results and conditions and are not guarantees of future performance, conditions or results. More information on these risks and other potential factors that could affect our business and financial results is included in our filings with the SEC. New risks and uncertainties arise over time, and it is not possible to predict those events or how they may affect us. We do not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

### **Contact:**

Tripp Sullivan  
SCR Partners  
IR@REFI.reit

**CHICAGO ATLANTIC REAL ESTATE FINANCE, INC.  
CONSOLIDATED BALANCE SHEETS**

	<b>March 31, 2024</b>	<b>December 31, 2023</b>
	<b>(unaudited)</b>	
<b>Assets</b>		
Loans held for investment	\$ 359,317,126	\$ 337,238,122
Loans held for investment - related party (Note 7)	16,527,188	16,402,488
Loans held for investment, at carrying value	375,844,314	353,640,610
Current expected credit loss reserve	(5,356,018)	(4,972,647)
Loans held for investment at carrying value, net	370,488,296	348,667,963
Cash and cash equivalents	6,904,113	7,898,040
Other receivables and assets, net	5,143,318	705,960
Interest receivable	926,852	1,004,140
Related party receivables	192,354	107,225
Debt securities, at fair value	-	842,269
<b>Total Assets</b>	<b>\$ 383,654,933</b>	<b>\$ 359,225,597</b>
<b>Liabilities</b>		
Revolving loan	\$ 81,250,000	\$ 66,000,000
Dividend payable	9,007,244	13,866,656
Related party payables	1,819,428	3,243,775
Management and incentive fees payable	1,754,741	2,051,531
Accounts payable and other liabilities	1,342,872	1,135,355
Interest reserve	2,519,871	1,074,889
<b>Total Liabilities</b>	<b>97,694,156</b>	<b>87,372,206</b>
<b>Commitments and contingencies (Note 8)</b>		
<b>Stockholders' equity</b>		
Common stock, par value \$0.01 per share, 100,000,000 shares authorized and 19,100,282 and 18,197,192 shares issued and outstanding, respectively	191,003	181,972
Additional paid-in-capital	291,858,521	277,483,092
Accumulated deficit	(6,088,747)	(5,811,673)
<b>Total stockholders' equity</b>	<b>285,960,777</b>	<b>271,853,391</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 383,654,933</b>	<b>\$ 359,225,597</b>

**CHICAGO ATLANTIC REAL ESTATE FINANCE, INC.**  
**CONSOLIDATED STATEMENTS OF INCOME**  
(UNAUDITED)

	For the three months ended March 31, 2024	For the three months ended December 31, 2023	For the three months ended March 31, 2023
<b>Revenues</b>			
Interest income	\$ 15,343,667	\$ 16,530,028	\$ 16,527,304
Interest expense	(2,104,050)	(1,690,543)	(1,618,296)
<b>Net interest income</b>	<b>13,239,617</b>	<b>14,839,485</b>	<b>14,909,008</b>
<b>Expenses</b>			
Management and incentive fees, net	1,754,741	3,243,775	2,138,005
General and administrative expense	1,390,267	1,426,554	1,274,825
Professional fees	449,858	555,623	569,375
Stock based compensation	531,293	537,131	138,335
Provision for current expected credit losses	380,279	(253,495)	96,119
<b>Total expenses</b>	<b>4,506,438</b>	<b>5,509,588</b>	<b>4,216,659</b>
Change in unrealized gain on debt securities, at fair value	(75,604)	(37,163)	-
Realized gain on debt securities, at fair value	72,428	104,789	-
<b>Net Income before income taxes</b>	<b>8,730,003</b>	<b>9,397,523</b>	<b>10,692,349</b>
Income tax expense	-	-	-
<b>Net Income</b>	<b>\$ 8,730,003</b>	<b>\$ 9,397,523</b>	<b>\$ 10,692,349</b>
<b>Earnings per common share:</b>			
Basic earnings per common share	\$ 0.48	\$ 0.52	\$ 0.60
Diluted earnings per common share	\$ 0.47	\$ 0.51	\$ 0.60
<b>Weighted average number of common shares outstanding:</b>			
Basic weighted average shares of common stock outstanding	18,273,919	18,182,403	17,879,444
Diluted weighted average shares of common stock outstanding	18,640,492	18,564,530	17,960,103

### Distributable Earnings and Adjusted Distributable Earnings

In addition to using certain financial metrics prepared in accordance with GAAP to evaluate our performance, we also use Distributable Earnings and Adjusted Distributable Earnings to evaluate our performance. Each of Distributable Earnings and Adjusted Distributable Earnings is a measure that is not prepared in accordance with GAAP. We define Distributable Earnings as, for a specified period, the net income (loss) computed in accordance with GAAP, excluding (i) non-cash equity 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 current expected credit losses and (v) 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 define Adjusted Distributable Earnings, for a specified period, as Distributable Earnings excluding certain non-recurring organizational expenses (such as one-time expenses related to our formation and start-up).

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

In our Annual Report on Form 10-K, we defined Distributable Earnings so that, in addition to the exclusions noted above, the term also excluded from net income Incentive Compensation paid to our Manager. We believe that revising the term Distributable Earnings so that it is presented net of Incentive Compensation, while not a direct measure of net taxable income, over time, can be considered a more useful indicator of our ability to pay dividends. This adjustment to the calculation of Distributable Earnings has no impact on period-to-period comparisons. Distributable Earnings and Adjusted Distributable Earnings should not be considered as substitutes for GAAP net income. We caution readers that our methodology for calculating Distributable Earnings and Adjusted 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 and Adjusted Distributable Earnings may not be comparable to similar measures presented by other REITs.

	<b>For the three months ended March 31, 2024 <u>(unaudited)</u></b>	<b>For the three months ended December 31, 2023 <u>(unaudited)</u></b>	<b>For the three months ended March 31, 2023 <u>(unaudited)</u></b>
<b>Net Income</b>	\$ 8,730,003	\$ 9,397,523	\$ 10,692,349
<b>Adjustments to net income</b>			
Stock based compensation	531,293	537,131	138,335
Amortization of debt issuance costs	90,915	145,128	167,304
Provision/(reversal) for current expected credit losses	380,279	(253,495)	96,119
Change in unrealized gain on debt securities, at fair value	75,604	37,163	-
Realized gain on debt securities, at fair value	(72,428)	(104,789)	-
<b>Distributable Earnings</b>	<u>\$ 9,735,666</u>	<u>\$ 9,758,661</u>	<u>\$ 11,094,107</u>
<b>Adjustments to Distributable Earnings</b>			
<b>Adjusted Distributable Earnings</b>	<b>9,735,666</b>	<b>9,758,661</b>	<b>11,094,107</b>
Basic weighted average shares of common stock outstanding (in shares)	18,273,919	18,182,403	17,879,444
<b>Adjusted Distributable Earnings per Weighted Average Share</b>	<b>\$ 0.53</b>	<b>\$ 0.54</b>	<b>\$ 0.62</b>
Diluted weighted average shares of common stock outstanding (in shares)	18,640,492	18,564,530	17,960,103
<b>Adjusted Distributable Earnings per Weighted Average Share</b>	<b>\$ 0.52</b>	<b>\$ 0.53</b>	<b>\$ 0.62</b>



CHICAGOATLANTIC  
REAL ESTATE FINANCE

# First Quarter 2024 Earnings Supplemental

May 7, 2024

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# Important Disclosure Information

This presentation contains forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995, regarding future events and the future results of the Company that are based on current expectations, estimates, forecasts, projections about the industry in which the Company operates and the beliefs and assumptions of the management of the Company. Words such as "address," "anticipate," "believe," "consider," "continue," "develop," "estimate," "expect," "further," "goal," "intend," "may," "plan," "potential," "project," "seek," "should," "target," "will," variations of such words and similar expressions are intended to identify such forward-looking statements. Such statements reflect the current views of the Company and its management with respect to future events and are subject to certain risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, the Company's actual results, performance or achievements could differ materially from the results expressed in, or implied by, these forward-looking statements. This presentation has been prepared by the Company based on information it has obtained from sources it believes to be reliable. Summaries of documents contained in this presentation may not be complete. The Company does not represent that the information herein is complete. The information in this presentation is current only as of March 31, 2024, or such other date noted in this presentation, and the Company's business or financial condition and other information in this presentation may change after that date. The Company undertakes no obligation to update any forward-looking statements in order to reflect any event or circumstance occurring after the date of this presentation or currently unknown facts or conditions. You are urged to review and carefully consider any cautionary statements and other disclosures, including the statements under the heading "Risk Factors" and elsewhere in the Company's filings with the Securities and Exchange Commission.

Factors that may cause actual results to differ materially from current expectations include, among others: the Company's business and investment strategy; the impact of COVID-19 on the Company's business and the global economy; the war between Russia and the Ukraine and market volatility resulting from such conflict; the ability of Chicago Atlantic REIT Manager, LLC (the "Manager") to locate suitable loan opportunities for the Company, monitor and actively manage the Company's loan portfolio and implement the Company's investment strategy; allocation of loan opportunities to the Company by the Manager; the Company's projected operating results; 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 estimated growth in and evolving market dynamics of the cannabis market; the demand for cannabis cultivation and processing facilities; shifts in public opinion regarding cannabis; the state of the U.S. economy generally or in specific geographic regions; economic trends and economic recoveries; the amount and timing of the Company's cash flows, if any, from the Company's loans; the Company's ability to obtain and maintain financing arrangements; the Company's expected leverage; changes in the value of the Company's loans; the Company's expected portfolio of loans; the Company's expected investment and underwriting process; rates of default or decreased recovery rates on the Company's loans; the degree to which any interest rate or other hedging strategies may or may not protect the Company from interest rate volatility; changes in interest rates and impacts of such changes on the Company's results of operations, cash flows and the market value of the Company's loans; interest rate mismatches between the Company's loans and the Company's borrowings used to fund such loans; the departure of any of the executive officers or key personnel supporting and assisting the Company from the Manager or its affiliates; impact of and changes in governmental regulations, tax law and rates, accounting guidance and similar matters; the Company's ability to maintain the Company's exclusion or exemption from registration under the Investment Company Act; the Company's ability to qualify and maintain the Company's qualification as a REIT for U.S. federal income tax purposes; estimates relating to the Company's ability to make distributions to its stockholders in the future; the Company's understanding of its competition; and market trends in the Company's industry, interest rates, real estate values, the securities markets or the general economy.

## Market and Industry Data

In this presentation, the Company relies on and refers to certain information and statistics obtained from third-party sources which it believes to be reliable, including reports by market research firms. The Company has not independently verified the accuracy or completeness of any such third-party information. Because the cannabis industry is relatively new and rapidly evolving, such market and industry data may be subject to significant change in a relatively short time period.



## Company Overview

- Successful IPO in December 2021 (NASDAQ: REFI)
- Track record of identifying market inefficiencies, particularly where risk is fundamentally mispriced
- Ability to redeploy capital quickly
- Access to Sponsor's leading cannabis lending platform as lead or co-lead
- Proprietary sourcing network and direct originations team
- Experienced and robust origination team responsible for sourcing and closing over \$2.1B in credit facilities since 2019
- Sizable and growing loan portfolio offering compelling risk-adjusted returns
- Diversified across operators, geographies and asset types with strong real estate collateral coverage as well as additional collateral

Note:  
(1) As of May 1, 2024, includes potential syndications.  
(2) As of March 31, 2024





## Investment Highlights

-  Pioneer in cannabis lending with first-mover advantage
-  Proprietary and extensive deal sourcing capabilities
-  Differentiated investment approach
-  Compelling opportunity in rapidly growing cannabis market
-  Lender of choice to leading cannabis operators

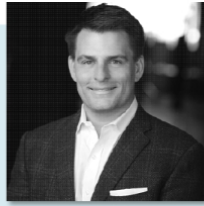
# Industry-Leading Management and Investment Team

*Deep Cannabis, Credit and Real Estate Expertise With Entrepreneurial Approach*



**John Mazarakis<sup>(1)</sup>**  
Executive Chairman

- Originated over \$500mm in cannabis credit transactions
- Developed and owns over 1mm sf of real estate across 4 states
- Founded restaurant group with 30+ units and 1,200+ employees
- MBA from Chicago Booth and BA from University of Delaware



**Tony Cappell<sup>(1)</sup>**  
Co-CEO

- Debt investor with over 15 years of experience, beginning at Wells Fargo Foothill
- Completed over 150 deals, comprising over \$5bn in total credit
- Former Managing Director and Head of Underwriting at Stonegate Capital
- MBA from Chicago Booth and BA from University of Wisconsin



**Andreas Bodmeier<sup>(1)</sup>**  
President and CIO

- Underwritten over \$500mm in cannabis credit transactions
- Former Principal of consulting firm focused on FX and commodity risk management
- Former Senior Advisor, U.S. Dept. of Health and Human Services
- PhD in Finance and MBA from Chicago Booth and MSc from Humboldt University (Berlin)



**Peter Sack<sup>(1)</sup>**  
Co-CEO

- Former Principal at BC Partners Credit, leading their cannabis practice
- Former private equity investor, focusing on distressed industrial opportunities
- MBA from University of Pennsylvania's Wharton School of Business and BA from Yale University



**Phil Silverman**  
CFO

- Finance and accounting expert, with over 10 years of experience, focusing on financial reporting, operations, and internal controls within the asset management industry
- Previously served as CFO of Chicago Atlantic Group, LLC., the Company's Sponsor, since January 2021
- B.S in Finance from Indiana University and is CPA certified

**100 YEARS OF COMBINED EXPERIENCE AND OVER \$8 BILLION IN REAL ESTATE AND COMMERCIAL CREDIT**

Note: (1) Denotes member of Investment Committee

# Veteran Independent Directors

Significant Public Board, REIT, Financial and Corporate Governance Expertise



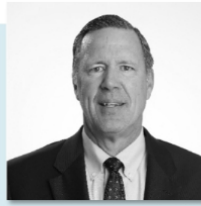
## Jason Papastavrou

- Lead Independent Director
- Founder and CIO of ARIS Capital Management
- Current member of board of directors of GXO Logistics (NYSE:GXO); and, previous board member of XPO Logistics (NYSE:XPO) and United Rentals (NYSE:URI)
- BS in Mathematics and MS and PhD in Electrical Engineering and Computer Science from MIT



## Donald Gulbrandsen

- Current investor in Chicago Atlantic
- Founder and CEO of Gulbrandsen Companies, a holding company for specialty chemical manufacturing companies
  - Products sold in over 45 countries
  - Over 900 employees in 7 facilities worldwide
- BS in Chemical Engineering and BA in History from Cornell University



## Fredrick C. Herbst

- Audit Committee Chair
- Former CFO of Ready Capital (NYSE:RC) and Arbor Realty Trust (NYSE:ABR), two publicly traded, commercial mortgage REITs
- Former Managing Director of Waterfall Asset Management
- Former CFO of Clayton Holdings and The Hurst Companies
- CPA and BA in Accounting from Wittenberg University



## Brandon Konigsberg

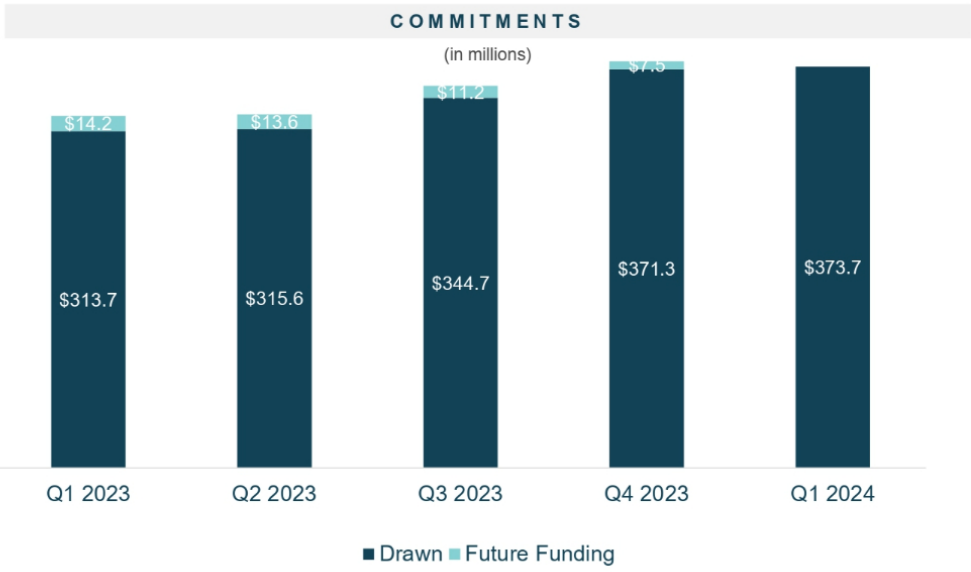
- Former CFO at J.P. Morgan Securities and Managing Director at JPMorgan Chase
- Current member of board of directors of GTJ REIT, SEC-registered equity REIT
- Former auditor at Goldstein, Golub and Kessler
- CPA and BA in Accounting from University of Albany and MBA from New York University's Stern School of Business



## Michael Steiner

- Current investor in Chicago Atlantic
- Founder and President of Service Energy and Petroleum Equipment, which are engaged in distribution of petroleum products
  - Expert in highly regulated industries
- BA in History from Wake Forest University and MBA from University of Delaware

# Investment Portfolio Activity



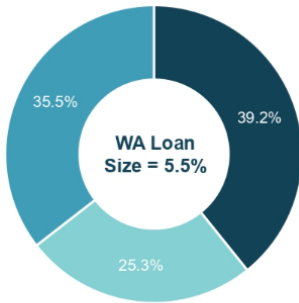
  
Weighted  
average yield  
to maturity of  
**~19.4%**  
as of March 31, 2024

# Portfolio Diversification

Our portfolio is diversified across operators, geographies, and asset types

## PRINCIPAL OUTSTANDING <sup>(1)</sup>

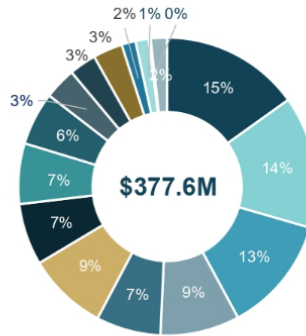
### By Loan



■ Top 5 Loans ■ Next 5 Loans ■ Remaining Loans

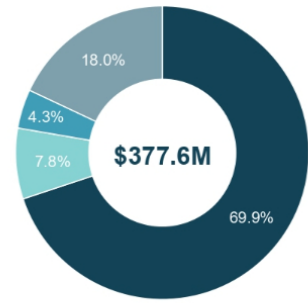
Top 10 Loans = 64.5% of principal outstanding

### By Location



- Michigan
- Florida
- Illinois
- Arizona
- Pennsylvania
- Massachusetts
- Nevada
- Oregon
- Maryland
- Ohio
- Missouri
- New York
- Nebraska
- West Virginia
- Connecticut
- California

### By Real Estate Collateral Type



- Retail/Industrial
- Retail
- None
- Industrial

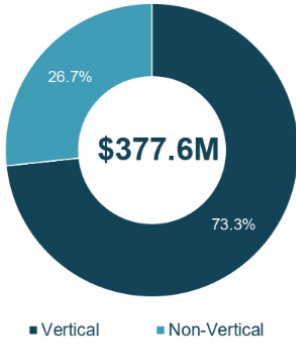
Note: (1) As of March 31, 2024

# Portfolio Diversity (Continued)

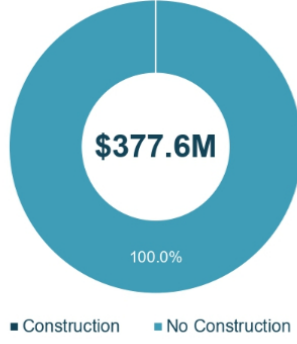
Our portfolio is diversified across operators, geographies, and asset types

## PRINCIPAL OUTSTANDING<sup>1</sup>

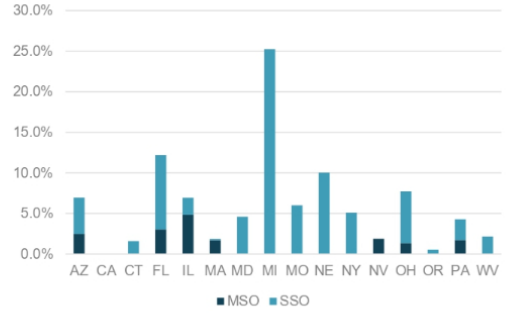
By Operator Integration



By Construction Component<sup>2</sup>



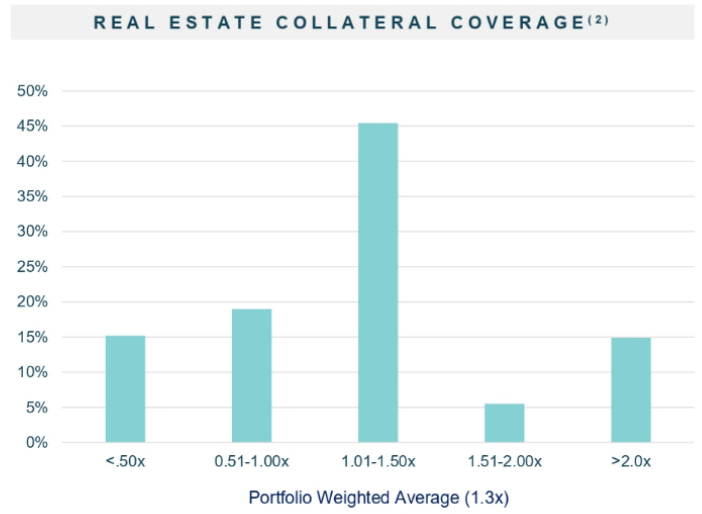
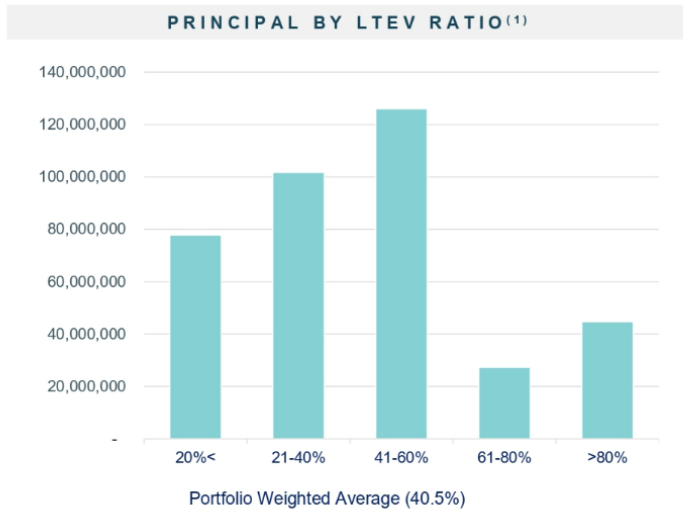
Percentage of Real Estate Collateral by State and Operator Type<sup>3</sup>



Note: (1) As of March 31, 2024  
 (2) Represents principal committed to fund greenfield construction  
 (3) SSO = single state operator, MSO = multi-state operator.

# Loan Collateral Coverage

40.5% loan to enterprise value and 1.3x real estate collateral coverage



(1) Our loans to owner operators in the state-licensed cannabis industry are secured by additional collateral, including personal and corporate guarantee(s), where applicable subject to local laws and regulations. Loan to enterprise value ratio (LTV) is calculated as total loan principal outstanding divided by total value of collateral on a weighted average basis.

(2) See page 18 for real estate collateral coverage by loan. Expressed as percentage of total carrying value, before reserve for current expected credit losses of \$375.8 million as of March 31, 2024.



# Portfolio Overview<sup>1</sup> (as of March 31, 2024)

Loan	Location(s)	Initial Funding Date	Maturity Date	Total Commitment	Principal Balance	Carrying Value	Percent of Portfolio	Future Fundings	Fixed/Floating	Cash Rate	PIK Rate	All-In Rate	YTM IRR
1	Various	10/27/2022	10/30/2026	\$ 30,000,000	\$ 29,820,000	\$ 29,240,287	7.8%	-	Floating	15.00%	0.00%	15.00%	17.4%
2	Michigan	1/13/2022	12/31/2024	35,891,667	39,167,481	39,106,565	10.4%	-	Floating	12.50%	4.25%	16.75%	18.0%
3	Various	3/25/2021	11/29/2024	20,105,628	20,791,605	20,745,924	5.5%	-	Floating	18.88%	2.75%	21.63%	23.5%
4	Arizona	4/19/2021	4/16/2024	14,240,129	16,091,216	16,091,216	4.3%	-	Fixed	0.00%	15.00%	15.00%	30.5%
5	Massachusetts	4/19/2021	4/30/2025	3,500,000	3,036,680	3,036,680	0.8%	-	Floating	20.75%	0.00%	20.75%	22.8%
6	Michigan	8/20/2021	4/15/2024	6,000,000	4,611,348	4,611,348	1.2%	-	Floating	17.50%	0.00%	17.50%	20.9%
7	Illinois, Arizona	8/24/2021	8/30/2025	26,002,665	20,663,292	20,526,374	5.5%	-	Floating	14.50%	2.00%	16.50%	19.5%
8	West Virginia	9/1/2021	9/1/2024	9,500,000	12,094,954	12,068,257	3.2%	-	Floating	17.75%	2.00%	19.75%	25.1%
9	Pennsylvania	9/3/2021	6/30/2024	15,000,000	16,527,188	16,527,188	4.4%	-	Floating	29.25%	3.00%	32.25%	16.3%
11	Maryland	9/30/2021	9/30/2024	32,000,000	33,478,944	33,299,958	8.8%	-	Floating	17.25%	2.00%	19.25%	22.0%
12	Various	11/8/2021	10/31/2024	20,000,000	8,710,222	8,673,452	2.3%	-	Floating	15.50%	0.00%	15.50%	19.5%
13	Michigan	11/22/2021	11/1/2024	13,600,000	13,279,539	13,237,911	3.5%	-	Floating	14.50%	1.50%	16.00%	19.5%
14	Various	12/27/2021	12/27/2026	5,000,000	5,253,125	5,253,125	1.4%	-	Floating	19.75%	2.50%	22.25%	23.2%
16	Florida	12/30/2021	12/31/2024	13,000,000	4,232,500	4,218,180	1.1%	-	Floating	17.75%	0.00%	17.75%	35.7%
17	Florida	1/18/2022	1/31/2025	15,000,000	14,550,000	14,444,659	3.8%	-	Floating	13.25%	0.00%	13.25%	14.8%
18	Ohio	2/3/2022	2/28/2025	22,448,992	20,731,419	20,658,749	5.5%	-	Floating	10.25%	5.00%	15.25%	16.4%
19	Florida	3/11/2022	12/31/2025	20,000,000	19,696,007	19,654,188	5.2%	-	Fixed	11.00%	5.00%	14.00%	16.5%
20	Missouri	5/9/2022	5/30/2025	17,000,000	17,781,166	17,716,484	4.7%	-	Fixed	11.00%	2.00%	13.00%	14.7%
21	Illinois	7/1/2022	7/29/2026	9,000,000	4,976,931	4,925,554	1.3%	-	Floating	17.00%	3.00%	20.00%	27.0%
23	Arizona	3/27/2023	3/31/2026	2,000,000	1,820,000	1,786,818	0.5%	-	Floating	16.00%	0.00%	16.00%	18.9%
24	Oregon	3/31/2023	9/27/2026	1,000,000	760,000	760,000	0.2%	-	Floating	19.00%	0.00%	19.00%	21.7%
25	New York	8/1/2023	6/29/2036	26,309,588	24,834,254	24,834,254	6.6%	-	Fixed	15.00%	0.00%	15.00%	16.6%
26	Connecticut	8/31/2023	2/27/2026	5,450,000	5,450,000	5,345,606	1.4%	-	Fixed	14.00%	0.00%	14.00%	19.1%
27	Nebraska	8/15/2023	6/30/2027	13,061,667	13,061,667	13,061,667	3.5%	-	Floating	17.25%	0.00%	17.25%	19.0%
28	Ohio	9/13/2023	3/13/2025	2,466,705	2,466,706	2,466,706	0.7%	-	Fixed	15.00%	0.00%	15.00%	17.4%
29	Illinois	10/11/2023	10/9/2026	2,000,000	2,010,090	2,010,090	0.5%	-	Fixed	11.40%	1.50%	12.90%	14.8%
30	Missouri, Arizona	12/20/2023	12/31/2026	15,000,000	15,000,000	14,863,074	4.0%	-	Floating	16.25%	0.00%	16.25%	18.1%
31	California, Arizona	1/3/2024	5/3/2026	6,680,000	6,680,000	6,680,000	1.8%	-	Floating	17.25%	0.00%	17.25%	19.0%
				\$ 401,257,040	\$ 377,576,334	375,844,314	100.0%	\$ -		14.80%	2.40%	17.20%	19.4%

<sup>1</sup> Refer to pages 9-10 of the Company's interim financial statements on Form 10-Q as of and for the three months ended March 31, 2024, for supplemental footnote disclosures.

**Total Principal Outstanding: \$377.6M**



# Loan Origination Pipeline

*Driven by proprietary deal sourcing*

Over 700 **Qualified Deals**  
Sourced and Reviewed

**\$18.6mm<sup>1</sup>** in Potential Fundings

**\$39.8mm<sup>1</sup>**  
Terms Issued

**Total current pipeline of  
~\$585mm<sup>1</sup>**

- Continued legalization at the state level creates a new influx of opportunities
- Increase in M&A activity requires additional debt financing
- Robust set of profitable operators and refinancing opportunities

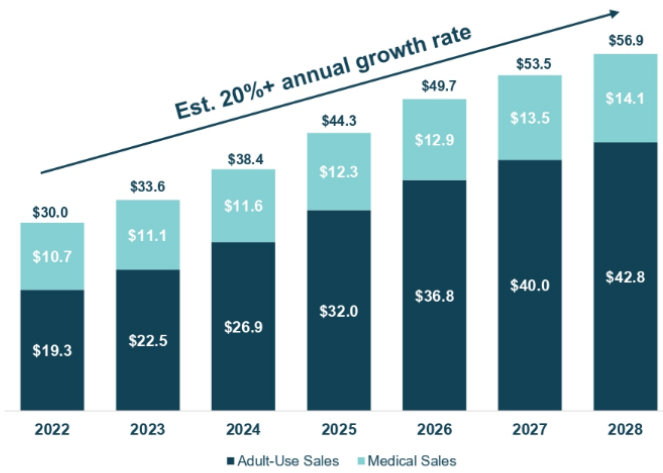


Note:  
(1) As of May 1, 2024, includes potential syndications

# Compelling Market Opportunity

## U.S. CANNABIS SALES <sup>(1)</sup>

(\$ in billions)



Note:  
 (1) Source: MJBiz Factbook 2023; (\$ in billions)

## MARKET DRIVERS

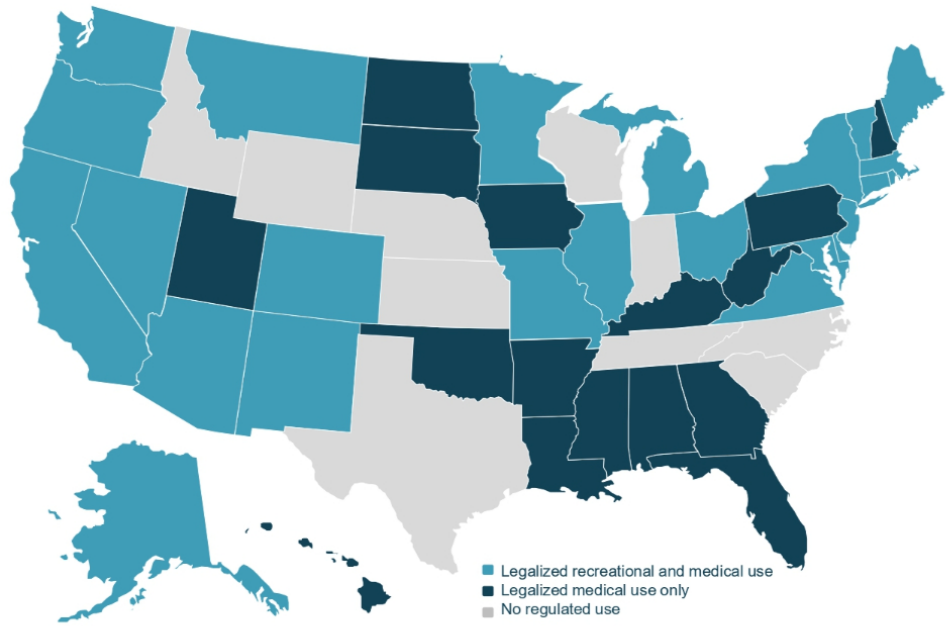
- Sales of the U.S. cannabis industry expected to rival beer (\$100bn), spirits (\$97bn) and wine (\$62bn) by 2030
- Continued legalization at state level expected to drive continued demand for capital
- Highly fragmented industry ripe for consolidation
- Wave of East Coast and Midwest Adult-Use Legalization appears imminent

# Compelling Market Opportunity

## LEGISLATIVE TAILWINDS

- Continued state-level legalization, including transition from medical to adult-use cannabis.
- Adult-use sales began during the first quarter of 2023 in Missouri and Connecticut.
- Adult-use sales began in Maryland on July 1, 2023.
- Adult-use sales expected to commence in Ohio in 2024.

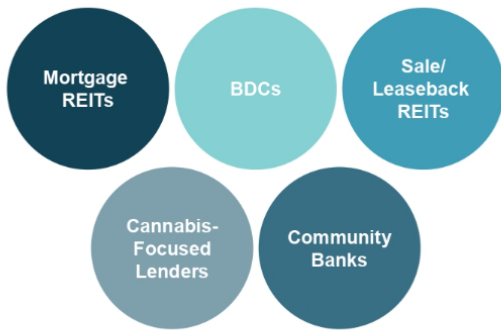
## CURRENT LEGALIZATION<sup>(1)</sup>: 40 STATES



Note:  
(1) Per MJBiz Daily, as of November 2023

# Competitive Landscape

## COMPETITORS: GROUPS



## COMPETITIVE ADVANTAGES

Shorter loan durations	Better diversification
Lower LTVs	Deal leads
Ability to upsize	Close relationships with management teams
We negotiate the deal	REIT shares 50% of the origination fee
Underwrite enterprise value in the borrowers	Our borrower's only source of debt

# Market Performance | Total Net Return (Index Comparison)

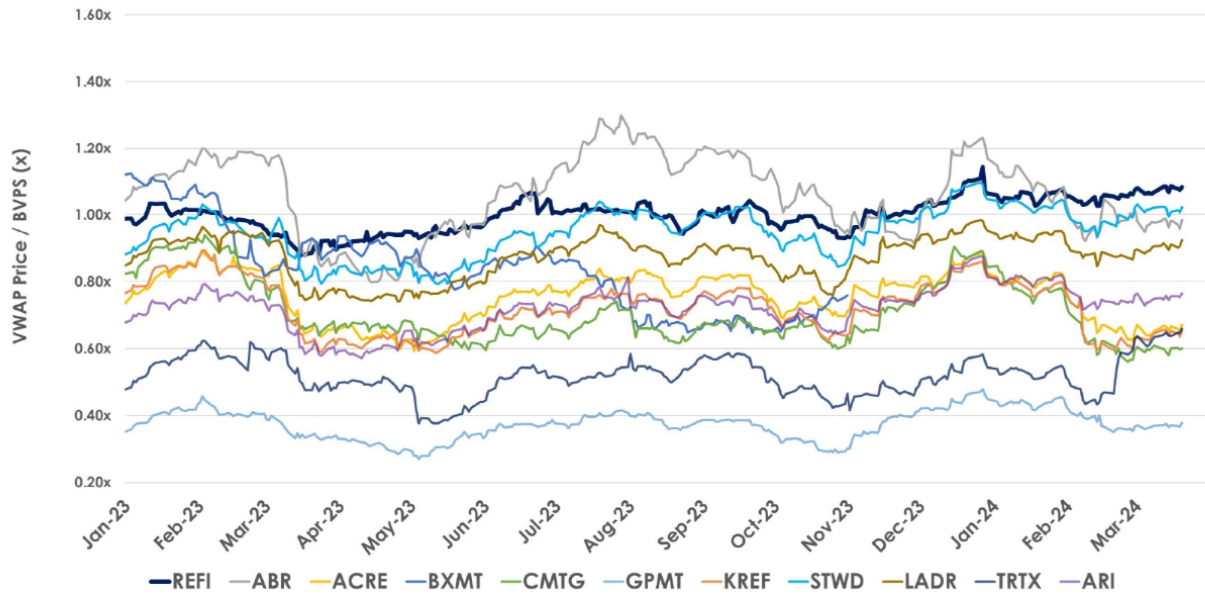
For the period from December 2021 (IPO) through March 31, 2024



Sources: Bloomberg, S&P Global Data Repository (assumes dividend reinvestment)

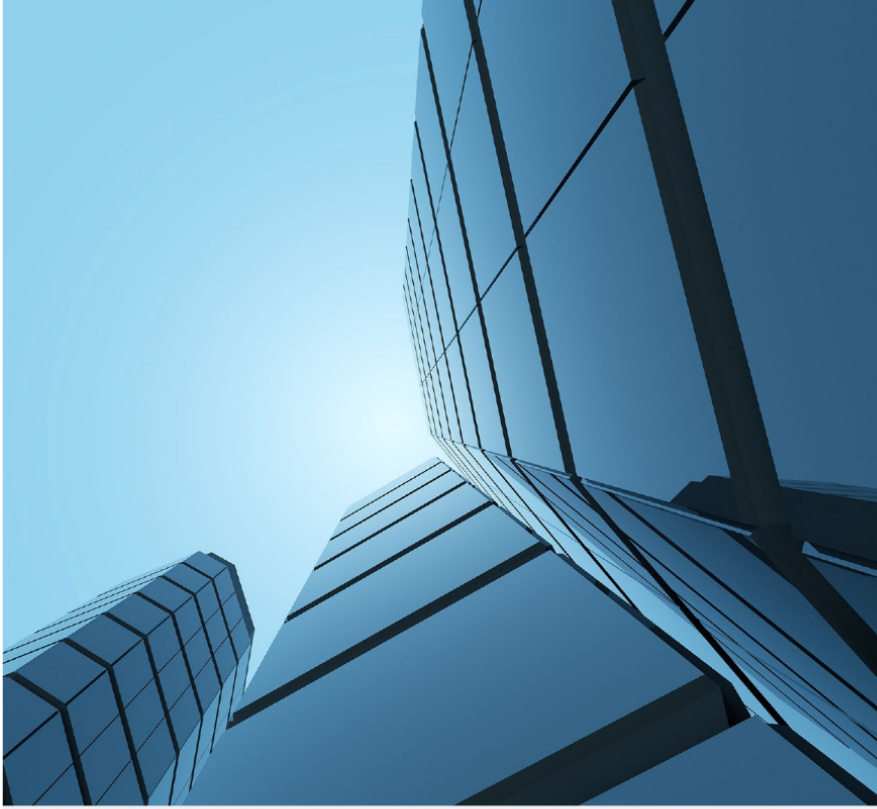
# Market Performance | Price / Book Value per Share (Peers)

For the period from January 1, 2023 through March 31, 2024



Sources: Bloomberg, Capital IQ, Company Filings

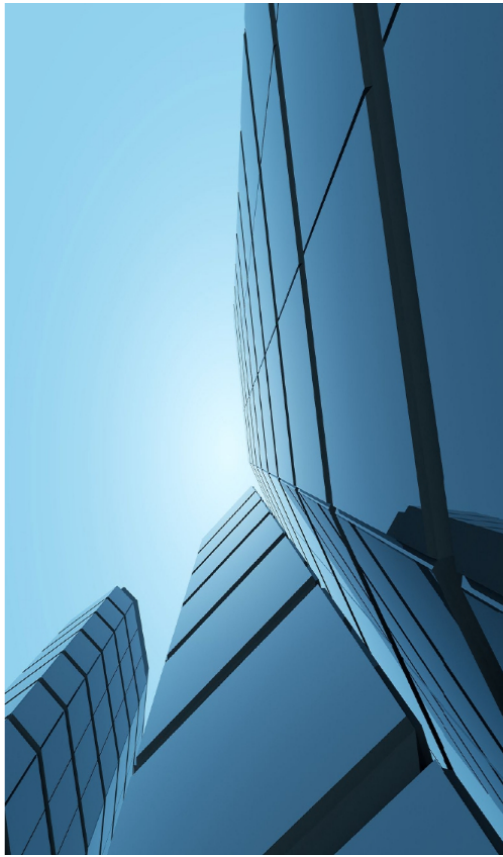
Note: Book value per share amounts are based on latest reported metrics at the time of stock trading. Book values are defined as common equity and exclude other equity classes (preferred)



CHICAGOATLANTIC  
REAL ESTATE FINANCE

## Appendix

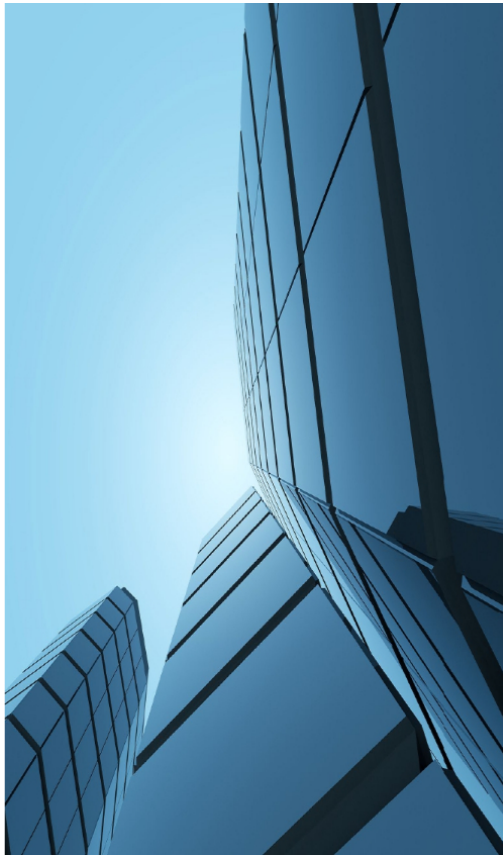
### Q1 2024 Financial Overview



## Consolidated Balance Sheets

	<u>March 31, 2024</u> (unaudited)	<u>December 31,</u> <u>2023</u>
<b>Assets</b>		
Loans held for investment	\$ 359,317,126	\$ 337,238,122
Loans held for investment - related party (Note 7)	16,527,188	16,402,488
Loans held for investment, at carrying value	375,844,314	353,640,610
Current expected credit loss reserve	(5,356,018)	(4,972,647)
Loans held for investment at carrying value, net	370,488,296	348,667,963
Cash and cash equivalents	6,904,113	7,898,040
Other receivables and assets, net	5,143,318	705,960
Interest receivable	926,852	1,004,140
Related party receivables	192,354	107,225
Debt securities, at fair value	-	842,269
<b>Total Assets</b>	<b>\$ 383,654,933</b>	<b>\$ 359,225,597</b>
<b>Liabilities</b>		
Revolving loan	\$ 81,250,000	\$ 66,000,000
Dividend payable	9,007,244	13,866,656
Related party payables	1,819,428	3,243,775
Management and incentive fees payable	1,754,741	2,051,531
Accounts payable and other liabilities	1,342,872	1,135,355
Interest reserve	2,519,871	1,074,889
<b>Total Liabilities</b>	<b>97,694,156</b>	<b>87,372,206</b>
<b>Commitments and contingencies (Note 8)</b>		
<b>Stockholders' equity</b>		
Common stock, par value \$0.01 per share, 100,000,000 shares authorized and 19,100,282 and 18,197,192 shares issued and outstanding, respectively	191,003	181,972
Additional paid-in-capital	291,858,521	277,483,092
Accumulated deficit	(6,088,747)	(5,811,673)
<b>Total stockholders' equity</b>	<b>285,960,777</b>	<b>271,853,391</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 383,654,933</b>	<b>\$ 359,225,597</b>



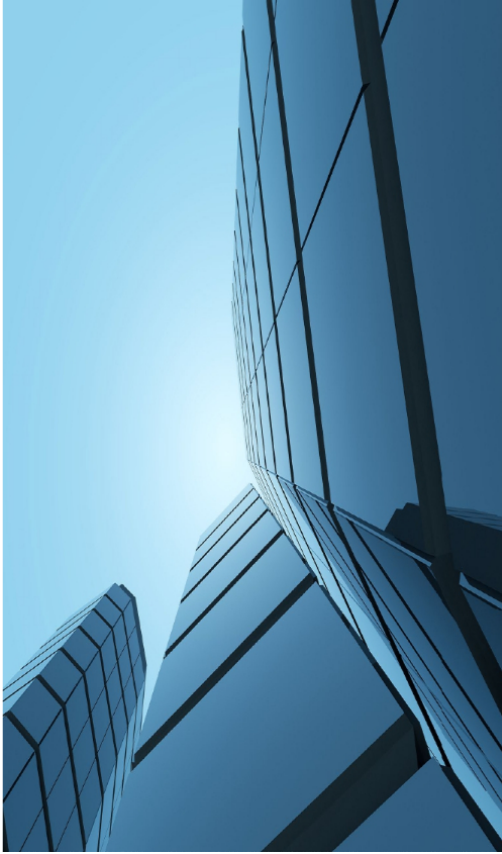


## Consolidated Statements of Operation

	For the three months ended March 31, 2024	For the three months ended December 31, 2023	For the three months ended March 31, 2023
<b>Revenues</b>			
Interest income	\$ 15,343,667	\$ 16,530,028	\$ 16,527,304
Interest expense	(2,104,050)	(1,690,543)	(1,618,296)
<b>Net interest income</b>	<b>13,239,617</b>	<b>14,839,485</b>	<b>14,909,008</b>
<b>Expenses</b>			
Management and incentive fees, net	1,754,741	3,243,775	2,138,005
General and administrative expense	1,390,267	1,426,554	1,274,825
Professional fees	449,858	555,623	569,375
Stock based compensation	531,293	537,131	138,335
Provision for current expected credit losses	380,279	(253,495)	96,119
<b>Total expenses</b>	<b>4,506,438</b>	<b>5,509,588</b>	<b>4,216,659</b>
Change in unrealized gain on debt securities, at fair value	(75,604)	(37,163)	-
Realized gain on debt securities, at fair value	72,428	104,789	-
<b>Net Income before income taxes</b>	<b>8,730,003</b>	<b>9,397,523</b>	<b>10,692,349</b>
Income tax expense	-	-	-
<b>Net Income</b>	<b>\$ 8,730,003</b>	<b>\$ 9,397,523</b>	<b>\$ 10,692,349</b>
<b>Earnings per common share:</b>			
Basic earnings per common share	\$ 0.48	\$ 0.52	\$ 0.60
Diluted earnings per common share	\$ 0.47	\$ 0.51	\$ 0.60
<b>Weighted average number of common shares outstanding:</b>			
Basic weighted average shares of common stock outstanding	18,273,919	18,182,403	17,879,444
Diluted weighted average shares of common stock outstanding	18,640,492	18,564,530	17,960,103

## Reconciliation of Distributable Earnings and Adjusted Distributable Earnings to GAAP Net Income

	For the three months ended March 31, 2024 (unaudited)	For the three months ended December 31, 2023 (unaudited)	For the three months ended March 31, 2023 (unaudited)
<b>Net Income</b>	\$ 8,730,003	\$ 9,397,523	\$ 10,692,349
<b>Adjustments to net income</b>			
Stock based compensation	531,293	537,131	138,335
Amortization of debt issuance costs	90,915	145,128	167,304
Provision/(reversal) for current expected credit losses	380,279	(253,495)	96,119
Change in unrealized gain on debt securities, at fair value	75,604	37,163	-
Realized gain on debt securities, at fair value	(72,428)	(104,789)	-
<b>Distributable Earnings</b>	\$ 9,735,666	\$ 9,758,661	\$ 11,094,107
<b>Adjustments to Distributable Earnings</b>			
<b>Adjusted Distributable Earnings</b>	<b>9,735,666</b>	<b>9,758,661</b>	<b>11,094,107</b>
Basic weighted average shares of common stock outstanding (in shares)	18,273,919	18,182,403	17,879,444
<b>Adjusted Distributable Earnings per Weighted Average Share</b>	<b>\$ 0.53</b>	<b>\$ 0.54</b>	<b>\$ 0.62</b>
Diluted weighted average shares of common stock outstanding (in shares)	18,640,492	18,564,530	17,960,103
<b>Adjusted Distributable Earnings per Weighted Average Share</b>	<b>\$ 0.52</b>	<b>\$ 0.53</b>	<b>\$ 0.62</b>



## Real Estate Collateral Overview

Loan	Investment	Location	Property Type	Principal	Implied Real	Collateral
				Balance as of March 31, 2024	Estate Collateral for REIT	Coverage as of March 31, 2024
1	Senior Real Estate Corporate Loan	Multi-State	Retail/Industrial	\$ 29,820,000	\$ 5,514,857	0.2x
2	Senior Real Estate Corporate Loan	Michigan	Retail/Industrial	39,167,481	56,962,428	1.5x
3	Senior Real Estate Corporate Loan	Multi-State	Retail/Industrial	20,791,605	19,356,702	0.9x
4	Senior Real Estate Corporate Loan	Arizona	Industrial	16,091,216	23,310,000	1.4x
5	Senior Real Estate Corporate Loan	Massachusetts	Retail/Industrial	3,036,680	900,000	0.3x
6	Senior Real Estate Corporate Loan	Michigan	Retail/Industrial	4,611,348	15,850,000	3.4x
7	Senior Real Estate Corporate Loan	Illinois, Arizona	Retail/Industrial	20,663,292	41,706,944	2.0x
8	Senior Real Estate Corporate Loan	West Virginia	Retail/Industrial	12,094,954	14,255,000	1.2x
9	Senior Real Estate Corporate Loan	Pennsylvania	Retail/Industrial	16,527,188	17,000,000	1.0x
11	Senior Real Estate Corporate Loan	Maryland	Industrial	33,478,944	30,400,000	0.9x
12	Senior Real Estate Corporate Loan	Multi-State	Retail/Industrial	8,710,222	1,684,459	0.2x
13	Senior Real Estate Corporate Loan	Michigan	Retail/Industrial	13,279,539	31,783,958	2.4x
14	Senior Loan	Various	None	5,253,125	—	0.0x
16	Senior Loan	Florida	None	4,232,500	—	0.0x
17	Senior Real Estate Corporate Loan	Florida	Retail/Industrial	14,550,000	19,704,000	1.4x
18	Senior Real Estate Corporate Loan	Ohio	Retail/Industrial	20,731,419	40,080,000	1.9x
19	Senior Real Estate Corporate Loan	Florida	Retail/Industrial	19,696,007	27,700,000	1.4x
20	Senior Real Estate Corporate Loan	Missouri	Retail/Industrial	17,781,166	20,252,174	1.1x
21	Senior Real Estate Corporate Loan	Illinois	Retail/Industrial	4,976,931	5,128,390	1.0x
23	Senior Real Estate Corporate Loan	Arizona	Retail/Industrial	1,820,000	3,887,500	2.1x
24	Senior Real Estate Corporate Loan	Oregon	Retail/Industrial	760,000	3,600,000	4.7x
25	Senior Delayed Draw Term Loan	New York	Retail	24,834,254	32,346,357	1.3x
26	Senior Real Estate Corporate Loan	Connecticut	Industrial	5,450,000	6,748,382	1.2x
27	Senior Real Estate Corporate Loan	Nebraska	Industrial	13,061,667	52,853,593	4.0x
28	Senior Real Estate Corporate Loan	Ohio	Retail	2,466,706	2,000,000	0.8x
29	Senior Real Estate Corporate Loan	Illinois	Retail	2,010,090	4,110,000	2.0x
30	Senior Real Estate Corporate Loan	Missouri, Arizona	Retail/Industrial	15,000,000	10,534,286	0.7x
31	Senior Loan	California, Arizona	None	6,680,000	—	0.0x
				<b>\$ 377,576,334</b>	<b>\$ 487,669,030</b>	<b>1.3x</b>

Amounts as of March 31, 2024.

Chicago Atlantic Real Estate Finance, Inc. | 22

# Management Agreement Overview

## External Manager

- Externally-managed by Chicago Atlantic REIT Manager, LLC, a subsidiary of Chicago Atlantic Group, LLC
- John Mazarakis (Executive Chairman), Tony Cappell (Co-CEO) and Andreas Bodmeier (President & CIO) control and beneficially own the Manager
- The Manager is comprised of an experienced team of investment professionals, who currently manage several externally-managed vehicles with over \$800mm in additional assets
  - Synergies from over 75 professionals, spanning real estate credit, asset-based lending and real estate private equity, as well as robust accounting and compliance functions

## Management Agreement and Equity Incentive Plan

- Initial term of three years
- Following the initial term, the agreement automatically renews every year for an additional one-year period, unless Chicago Atlantic or the Manager elects not to renew
- Shareholder-friendly management agreement:
- 8.5% equity incentive plan:
  - 0.5% granted at completion of IPO
  - 8% granted at discretion of Board based on Company performance after IPO

### MANAGEMENT FEES

Annual Base Management Fee (on Equity)	1.5%
Origination Fees (Rebated to REIT)	50.0%
<b>Incentive Compensation Terms:</b>	
Incentive Fees (of Core Earnings)	20.0%
Hurdle Amount (on Avg. Equity); No Catch-up Provision	8.0%