

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): August 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 August 7, 2024, Chicago Atlantic Real Estate Finance, Inc. (the “Company”) issued a press release announcing its financial results for the second quarter ended June 30, 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 August 7, 2024, the Company disseminated a presentation to be used in connection with its conference call to discuss its financial results for the second quarter ended June 30, 2024, which will be held on Wednesday, August 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

Exhibit Number	Description
99.1	Press release, dated August 7, 2024.
99.2	Second Quarter 2024 Earnings Supplemental Presentation, dated August 7, 2024.
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: August 7, 2024

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



Chicago Atlantic Real Estate Finance Announces Second Quarter 2024 Financial Results

CHICAGO — (August 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 second quarter ended June 30, 2024.

John Mazarakis, Executive Chairman of Chicago Atlantic, noted, “The pace and direction of federal and state regulations are creating a tailwind in the cannabis industry. The comment period closed on DEA rescheduling with an overwhelmingly positive response – nearly 90% were in favor. The Ohio adult use rollout is happening as we speak, and Florida adult use is on the ballot in November. We have already seen a positive impact to our originations pipeline from both new and existing operators in these states as well as operators with growth opportunities in recent states such as Maryland, Minnesota, and Missouri.”

Peter Sack, Co-Chief Executive Officer, added, “We have continued to grow the portfolio in a measured fashion while maintaining a substantial spread above our cost of capital. Our loan underwriting has always assumed that regulatory reform at the federal level does not occur, resulting in a very conservative posture with relatively low loan to value and loan to enterprise value across the portfolio. We raised more than \$6 million of capital through the ATM program during the quarter and increased the size of the revolving credit facility to \$105 million in total. With the additional capital and capacity, we expect originations to be increasingly active in the second half of the year.”

Portfolio Performance

- As of June 30, 2024, total loan principal outstanding of \$383.3 million, across 31 portfolio investments, with \$6.0 million of unfunded commitments to existing borrowers.
- Weighted average yield to maturity was approximately 18.7% as of June 30, 2024, compared with 19.4% as of March 31, 2024, primarily due to amendments related to improved collateral and grid-based pricing shifting downwards due to strong borrower performance.
- Real estate collateral coverage was 1.3x as of June 30, 2024 and March 31, 2024.
- Loan to enterprise value (calculated as outstanding principal balance divided by total value of collateral on a weighted average basis) was approximately 42.0% as of June 30, 2024 compared with approximately 40.5% as of March 31, 2024.
- The percentage of loans which bear a variable interest rate remained consistent at 76.4% as of June 30, 2024 compared with 76.6% as of March 31, 2024.

Investment Activity

- During the second quarter, Chicago Atlantic had total gross originations of \$20.9 million, of which \$11.2 million and \$9.7 million was funded to new borrowers and existing borrowers, respectively.
-

Capital Activity and Dividends

- During the second quarter, the Company increased the current commitments on its secured revolving credit facility from \$100.0 million to \$105.0 million. The facility matures in June 2026 with a one-year extension option, subject to customary conditions, and can facilitate additional commitments up to \$150.0 million.
- As of June 30, 2024, the Company had \$76.8 million drawn on its secured revolving credit facility, resulting in a consolidated leverage ratio (debt to book equity) of approximately 26%.
- As of August 7, 2024, the Company has approximately \$23.8 million available on its secured revolving credit facility, and total liquidity, net of estimated liabilities, of approximately \$31.5 million.
- During the quarter, Chicago Atlantic issued 410,360 shares through its ATM program at a weighted average price of \$15.76, raising net proceeds of approximately \$6.3 million.
- On July 15, 2024, Chicago Atlantic paid a regular quarterly cash dividend of \$0.47 per share of common stock for the second quarter of 2024 to common stockholders of record on June 28, 2024.

Second Quarter 2024 Financial Results

- Net interest income of approximately \$13.2 million, consistent with the first quarter ended March 31, 2024. Interest expense decreased approximately \$0.3 million due to lower weighted average borrowings during the comparative period ending June 30, 2024.
- Total expenses of approximately \$4.3 million before provision for current expected credit losses, representing a sequential increase of 3.6%; primarily attributable to an increase in stock based compensation expense recognized on additional restricted stock award grants in April 2024.
- Net Income of approximately \$9.2 million, or \$0.46 per weighted average diluted common share, representing a sequential decrease of 2.1% on a per share basis.
- The total reserve for current expected credit losses decreased sequentially by \$0.3 million to \$5.1 million and amounts to approximately 1.3% of the portfolio principal balance of \$383.3 million as of June 30, 2024.
- Distributable Earnings of approximately \$9.8 million, or \$0.50 per weighted average diluted common share, representing a sequential decrease of 3.8% on a per share basis.
- Book value per common share of \$14.92 as of June 30, 2024 compared with \$14.97 as of March 31, 2024. On a fully-diluted basis, there were 20,057,977 and 19,460,282 common shares outstanding as of June 30, 2024 and March 31, 2024, respectively.

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 Second 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. 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 offices in Miami, Florida, and Chicago, Illinois and has deployed over \$2.2 billion in credit and equity investments to date.

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**

	June 30, 2024	December 31, 2023
	(unaudited)	
Assets		
Loans held for investment	\$ 365,460,179	\$ 337,238,122
Loans held for investment - related party (Note 7)	16,402,488	16,402,488
Loans held for investment, at carrying value	381,862,667	353,640,610
Current expected credit loss reserve	(5,080,547)	(4,972,647)
Loans held for investment at carrying value, net	376,782,120	348,667,963
Cash and cash equivalents	7,070,883	7,898,040
Other receivables and assets, net	628,814	705,960
Interest receivable	1,169,611	1,004,140
Related party receivables	838,876	107,225
Debt securities, at fair value	-	842,269
Total Assets	\$ 386,490,304	\$ 359,225,597
Liabilities		
Revolving loan	\$ 76,750,000	\$ 66,000,000
Dividend payable	9,256,736	13,866,656
Related party payables	1,950,416	2,051,531
Management and incentive fees payable	1,774,880	3,243,775
Accounts payable and other liabilities	1,541,560	1,135,355
Interest reserve	2,491,807	1,074,889
Total Liabilities	93,765,399	87,372,206
Commitments and contingencies (Note 8)		
Stockholders' equity		
Common stock, par value \$0.01 per share, 100,000,000 shares authorized and 19,624,458 and 18,197,192 shares issued and outstanding, respectively	196,245	181,972
Additional paid-in-capital	298,922,624	277,483,092
Accumulated deficit	(6,393,964)	(5,811,673)
Total stockholders' equity	292,724,905	271,853,391
Total liabilities and stockholders' equity	\$ 386,490,304	\$ 359,225,597

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

	For the three months ended June 30, 2024	For the three months ended June 30, 2023	For the six months ended June 30, 2024	For the six months ended June 30, 2023
Revenues				
Interest income	\$ 15,022,431	\$ 14,659,222	\$ 30,366,098	\$ 31,186,526
Interest expense	(1,838,932)	(994,926)	(3,942,982)	(2,613,222)
Net interest income	13,183,499	13,664,296	26,423,116	28,573,304
Expenses				
Management and incentive fees, net	1,774,880	1,799,667	3,529,621	3,937,672
General and administrative expense	1,254,535	1,280,401	2,644,802	2,555,226
Professional fees	409,149	537,894	859,007	1,107,269
Stock based compensation	836,333	263,844	1,367,626	402,179
(Reversal) provision for current expected credit losses	(275,471)	1,139,112	104,808	1,235,231
Total expenses	3,999,426	5,020,918	8,505,864	9,237,577
Change in unrealized gain on debt securities, at fair value	-	-	(75,604)	-
Realized gain on debt securities, at fair value	-	-	72,428	-
Net Income before income taxes	9,184,073	8,643,378	17,914,076	19,335,727
Income tax expense	-	-	-	-
Net Income	\$ 9,184,073	\$ 8,643,378	\$ 17,914,076	\$ 19,335,727
Earnings per common share:				
Basic earnings per common share	\$ 0.47	\$ 0.48	\$ 0.95	\$ 1.07
Diluted earnings per common share	\$ 0.46	\$ 0.47	\$ 0.93	\$ 1.07
Weighted average number of common shares outstanding:				
Basic weighted average shares of common stock outstanding	19,378,445	18,094,288	18,826,182	17,989,684
Diluted weighted average shares of common stock outstanding	19,890,376	18,273,512	19,265,434	18,117,919

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.

	Three months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2024	Six months ended June 30, 2023
Net Income	\$ 9,184,073	\$ 8,643,378	\$ 17,914,076	\$ 19,335,727
Adjustments to net income				
Stock based compensation	836,333	263,844	1,367,626	402,179
Amortization of debt issuance costs	91,678	91,798	182,593	259,102
(Reversal) provision for current expected credit losses	(275,471)	1,139,112	104,808	1,235,231
Change in unrealized gain on debt securities, at fair value	-	-	75,604	-
Realized gain on debt securities, at fair value	-	-	(72,428)	-
Distributable Earnings	<u>\$ 9,836,613</u>	<u>\$ 10,138,132</u>	<u>\$ 19,572,279</u>	<u>\$ 21,232,239</u>
Adjustments to Distributable Earnings	-	-	-	-
Adjusted Distributable Earnings	\$ 9,836,613	\$ 10,138,132	\$ 19,572,279	\$ 21,232,239
Basic weighted average shares of common stock outstanding (in shares)	19,378,445	18,094,288	18,826,182	17,989,684
Adjusted Distributable Earnings per Weighted Average Share	\$ 0.51	\$ 0.56	\$ 1.04	\$ 1.18
Diluted weighted average shares of common stock outstanding (in shares)	19,890,376	18,273,512	19,265,434	18,117,919
Adjusted Distributable Earnings per Weighted Average Share	\$ 0.50	\$ 0.56	\$ 1.02	\$ 1.17



CHICAGO ATLANTIC
REAL ESTATE FINANCE

Earnings Supplemental

For the second quarter ended June 30, 2024

Important Disclosure Information

This presentation contains forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995 and Section 21E of the Securities and Exchange Act of 1934, as amended (the "Exchange Act"), 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 June 30, 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; global conflicts, such as the war between Russia and Ukraine and the war between Israel and Hamas and market volatility resulting from such conflicts; the ability of Chicago Atlantic REIT Manager, LLC (the "Manager") to locate suitable loan opportunities for the Company and allocate such opportunities among the Company and affiliates with similar investment strategies, 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 leverage; changes in the value of the Company's loans; the Company's 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 impact of inflation on our operating results; 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 of 1940; the Company's ability to qualify and maintain such 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 economy in general.

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.

Chicago Atlantic Real Estate Finance Company Overview

- Commercial mortgage REIT and institutional lender to state-licensed operators in the cannabis industry.
- Manages a diversified portfolio of borrowers, geographies and asset types with strong real estate collateral coverage and loan-to-enterprise value ratios.
- Aims to provide risk-adjusted total returns for stockholders through consistent dividends and capital appreciation.
- Access to Sponsor's leading cannabis lending platform as lead or co-lead arranger, and its proprietary sourcing network and direct originations team
- Experienced and robust origination team responsible for sourcing and closing over \$2.2B in credit facilities since its inception in 2019.

Note:

(1) As of August 1, 2024, includes potential syndications, and represents originations across Chicago Atlantic platform.

(2) As of June 30, 2024



Industry-Leading Management and Investment Team

Deep Cannabis, Credit and Real Estate Expertise With Entrepreneurial Approach



John Mazarakis⁽¹⁾
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⁽¹⁾
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⁽¹⁾
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⁽¹⁾
Co-CEO

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



Phil Silverman
CFO

- Finance and accounting expert, with over 12 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 holds the CPA designation

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

Target Loan Profile



USES OF CAPITAL	Real estate financing, capital expenditure and growth/acquisition capital
SIZE	\$10-\$40 million
TERM	2-3 years
STRUCTURE	Term loans and delayed draw term loans
COLLATERAL	Mortgage/deed of trust, stock pledge, all asset UCC-1 lien, guarantees
AMORTIZATION	50-150 bps per month
LTV	Below 60%
TARGET	Limited license, vertically integrated operators
SENIOR DEBT TO EBITDA RATIO	Less than 2.0x
OTHER TERMS	Make-whole provisions and prepayment penalties
COVENANTS	Debt service coverage ratio, limited indebtedness, deposit account control agreements, minimum liquidity, monthly reporting requirements

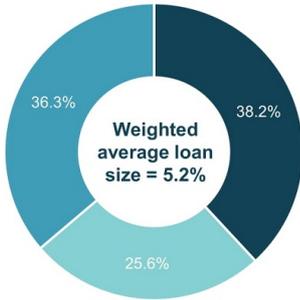
Presented for illustrative purposes only, actual loan characteristics may differ.

Portfolio Diversification

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

PRINCIPAL OUTSTANDING ⁽¹⁾

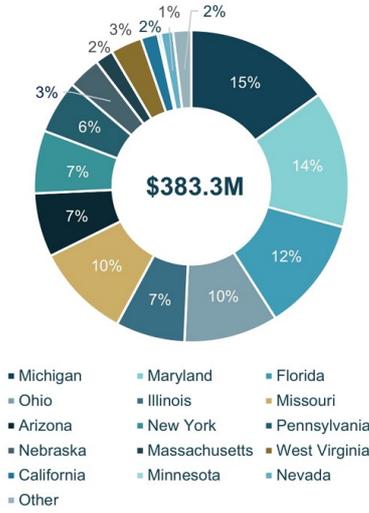
By Loan



■ Top 5 Loans ■ Next 5 Loans ■ Remaining Loans

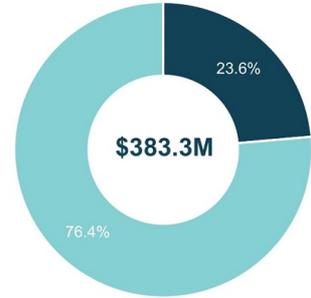
Top 10 Loans = 63.7% of principal outstanding

By Location



■ Michigan ■ Maryland ■ Florida
 ■ Ohio ■ Illinois ■ Missouri
 ■ Arizona ■ New York ■ Pennsylvania
 ■ Nebraska ■ Massachusetts ■ West Virginia
 ■ California ■ Minnesota ■ Nevada
 ■ Other

By Rate Type



■ Fixed-rate ■ Floating-rate

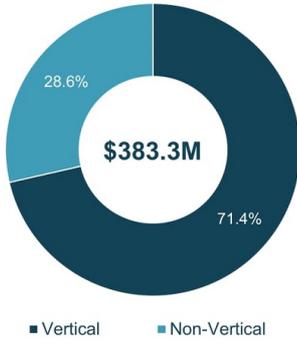
Note: (1) As of June 30, 2024

Portfolio Diversity (Continued)

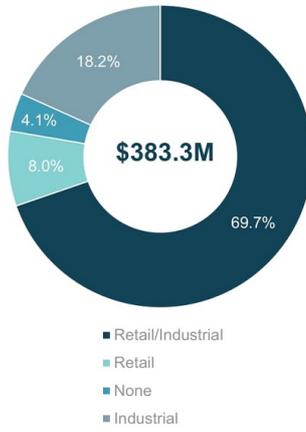
Our portfolio is diversified across operators, geographies, and asset types

PRINCIPAL OUTSTANDING¹

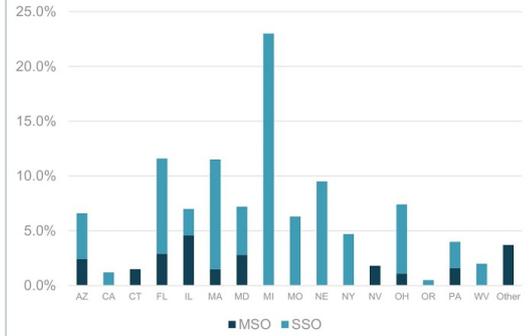
By Operator Integration



By Real Estate Collateral Type



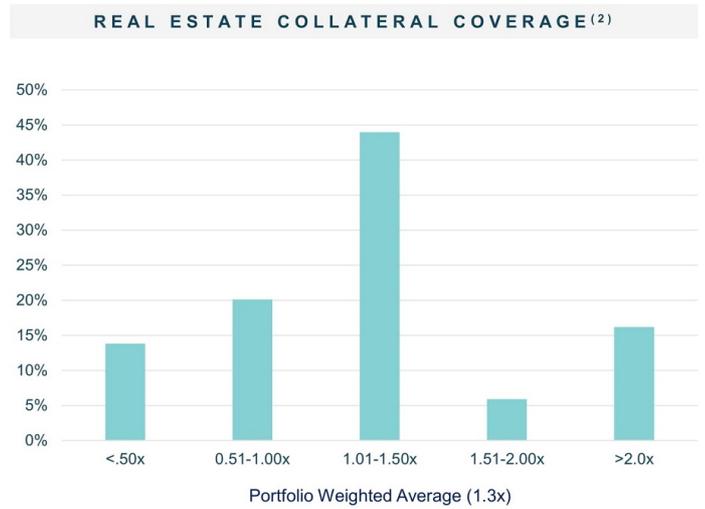
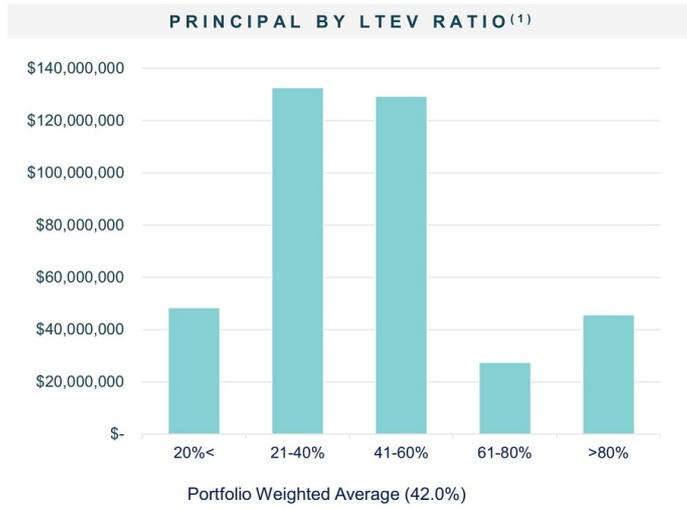
Percentage of Real Estate Collateral by State and Operator Type³



Note: (1) As of June 30, 2024
 (2) Represents principal committed to fund greenfield construction
 (3) SSO = single state operator, MSO = multi-state operator.

Loan Collateral Coverage

42.0% 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 \$382.1 million as of June 30, 2024.

Portfolio Overview¹ (as of June 30, 2024)

Loan	Location(s)	Origination Date	Maturity Date	Principal Balance	Future Fundings	Fixed/Floating	Cash Rate	PIK Rate	YTM IRR
1	Various	10/27/2022	10/30/2026	\$ 25,444,286	-	Floating	15.00%	0.00%	17.4%
2	Michigan	1/13/2022	12/31/2024	39,589,766	-	Floating	12.50%	4.25%	18.0%
3	Various	3/25/2021	11/29/2024	20,926,485	-	Floating	18.88%	2.75%	23.3%
4	Arizona	4/19/2021	6/17/2026	6,626,809	-	Fixed	11.91%	0.00%	26.2%
5	Massachusetts	4/19/2021	4/30/2025	2,879,180	-	Floating	20.75%	0.00%	22.8%
6	Michigan	8/20/2021	1/30/2026	4,818,354	-	Floating	0.00%	15.00%	21.1%
7	Illinois, Arizona	8/24/2021	6/30/2025	20,142,175	-	Floating	14.50%	2.00%	19.5%
8	West Virginia	9/1/2021	9/1/2024	12,406,340	-	Floating	17.75%	10.00%	25.0%
9	Pennsylvania	9/3/2021	6/30/2024	16,402,488	-	Floating	19.25%	3.00%	16.3%
11	Maryland	9/30/2021	9/30/2024	33,648,484	-	Floating	17.25%	2.00%	22.0%
12	Various	11/8/2021	4/30/2025	8,840,876	-	Floating	15.50%	0.00%	19.6%
13	Michigan	11/22/2021	11/1/2024	13,166,557	-	Floating	14.50%	1.50%	20.0%
14	Various	12/27/2021	12/27/2026	5,253,125	-	Floating	19.75%	0.00%	23.2%
16	Florida	12/30/2021	12/31/2024	3,895,000	-	Floating	17.75%	0.00%	25.8%
17	Florida	1/18/2022	1/31/2025	14,100,000	-	Floating	13.25%	0.00%	14.8%
18	Ohio	2/3/2022	2/28/2025	22,679,440	-	Floating	10.25%	5.00%	16.8%
19	Florida	3/11/2022	12/31/2025	19,356,036	-	Fixed	11.00%	5.00%	16.5%
20	Missouri	5/9/2022	5/30/2025	17,530,947	-	Fixed	11.00%	2.00%	14.7%
21	Illinois	7/1/2022	7/29/2026	6,180,437	-	Floating	15.50%	2.00%	23.4%
23	Arizona	3/27/2023	3/31/2026	1,740,000	-	Floating	16.00%	0.00%	18.9%
24	Oregon	3/31/2023	9/27/2026	700,000	-	Floating	19.00%	0.00%	21.7%
25	New York	8/1/2023	6/29/2036	24,978,128	-	Fixed	15.00%	0.00%	16.6%
26	Connecticut	8/31/2023	4/30/2026	6,450,000	-	Fixed	14.00%	0.00%	17.8%
27	Nebraska	8/15/2023	6/30/2027	13,023,788	-	Floating	13.50%	0.00%	15.3%
28	Ohio	9/13/2023	3/13/2025	2,466,705	-	Fixed	15.00%	0.00%	17.4%
29	Illinois	10/11/2023	10/9/2026	2,017,721	-	Fixed	11.40%	1.50%	14.8%
30	Missouri, Arizona	12/20/2023	12/31/2026	20,150,000	-	Floating	16.25%	0.00%	18.1%
31	California, Arizona	1/3/2024	5/3/2026	6,680,000	-	Floating	17.25%	0.00%	19.0%
32	Nevada	4/15/2024	8/15/2027	-	6,000,000	Floating	15.00%	0.00%	17.7%
33	Minnesota	5/20/2024	5/28/2027	1,188,000	-	Fixed	12.00%	0.00%	12.9%
34	Arizona	6/17/2024	5/29/2026	10,000,000	-	Fixed	11.91%	0.00%	12.8%
				\$ 383,281,127			14.5%	2.2%	18.7%



Weighted
average yield
to maturity of
~18.7%

¹ Refer to page 8 of the Company's interim financial statements on Form 10-Q as of and for the periods ended June 30, 2024, for supplemental footnote disclosures.

² As of June 30, 2024.

Distributable Earnings and Dividends¹

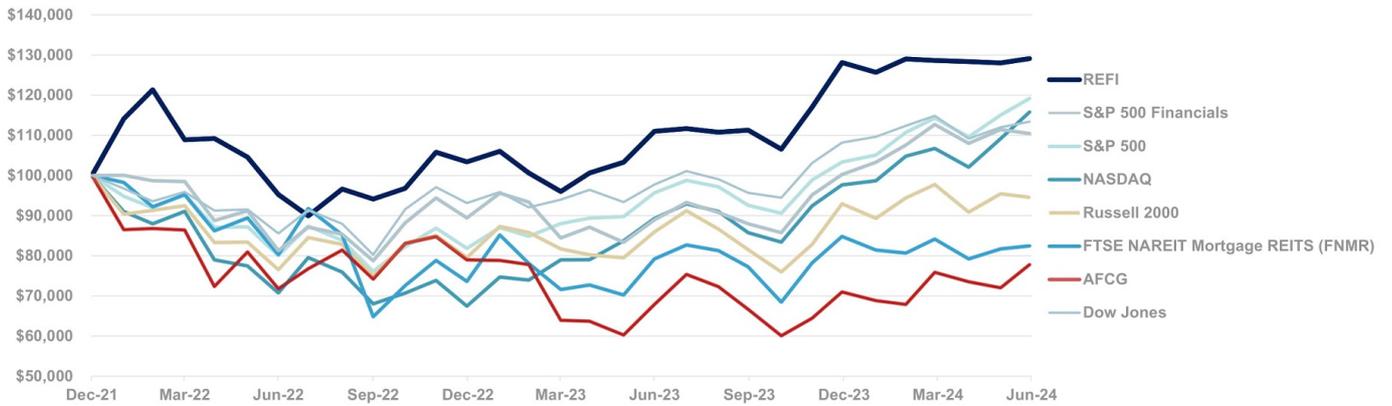


¹Distributable earnings per share based on basic weighted average common shares outstanding at the end of each respective quarter.

Chicago Atlantic Real Estate Finance, Inc (Nasdaq: REFI)

Historical performance vs market

Illustrative Quarterly Growth of \$100,000 Invested, from Dec 31, 2021 to June 30, 2024



- Current capital structure is approximately \$293M in equity plus \$105M in available borrowing capacity.¹
- REFI has consistently traded at a premium to book value since its inception in December 2021.

Source: Bloomberg, S&P Global Data Repository. REFI returns are net of fees and inclusive of dividends, reinvested on the dividend record date. Indices are presented for illustrative purposes only, to show only general trends in the markets for the period and are not intended to imply that the fund is comparable to the indices either in composition or element of risk.
 1 – As of June 30, 2024.

The Cannabis Landscape in the U.S.

Where We See Opportunities



LACK OF TRADITIONAL FINANCING

Banks generally don't lend to firms in this industry, allowing higher interest rates, attractive collateral, and lender-friendly covenants.

HIGH BARRIERS TO ENTRY

Each state has unique investment characteristics, supply and demand dynamics, and legal frameworks, requiring sophisticated understanding of the industry and strong underwriting expertise.

LOW CORRELATIONS TO TRADITIONAL MARKETS

Medical cannabis behaves like pharmaceuticals, recreational cannabis behaves like tobacco and alcohol, both exhibiting low correlation with traditional markets.

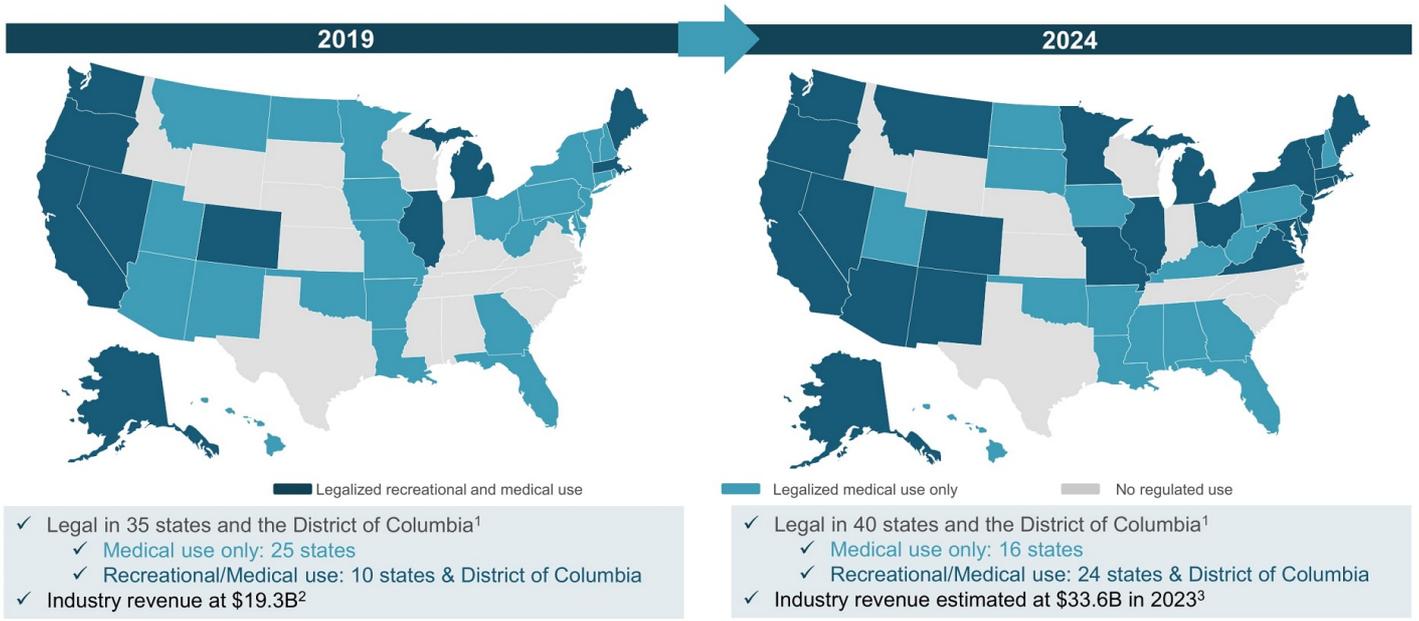
FOCUS ON LIMITED LICENSE STATES

Limited license states have limited competition, lucrative license values, high wholesale prices, and less black-market presence.

THE CANNABIS INDUSTRY
PRESENTS A SPECIAL
OPPORTUNITY TO
GENERATE ALPHA AND
OUTSIZED RISK ADJUSTED
RETURNS

The Evolving U.S Cannabis Landscape

State-level changes since our 2019 formation

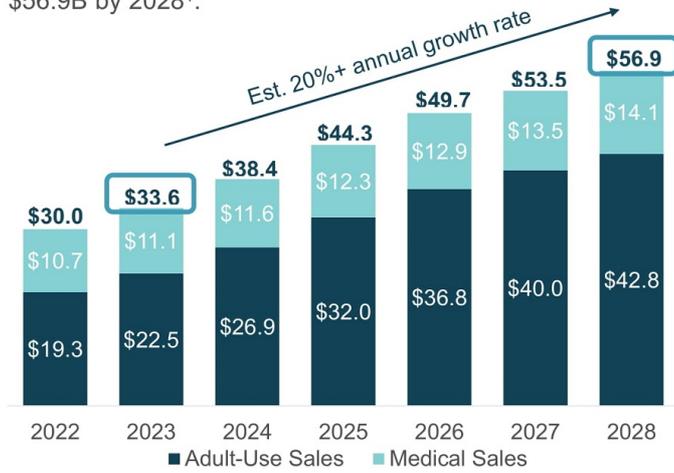


Sources: 1. <https://mibizdaily.com/map-of-us-marijuana-legalization-by-state/> 2. Statista 3. MJBiz Factbook 2023

The Cannabis Landscape in the U.S. (cont'd)

Size of Opportunity and Growth Projections

The U.S. cannabis industry was estimated to be \$33.6B in top line retail revenue in 2023 and is projected to grow to \$56.9B by 2028¹:



Sources:

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

2 - S&P Capital IQ and Company Filings of the 20 largest cannabis companies (ranked by market capitalization); equity and debt figures are as of 12/31/23.

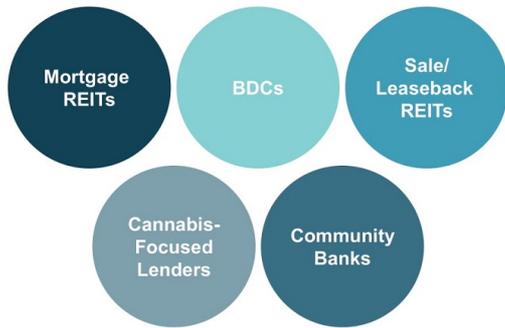
Assuming the cannabis market enterprise value at 1x revenue, and a 35% debt to 65% equity capital structure², the current value of the U.S. cannabis debt market can be estimated to be \$12B.

With the Chicago Atlantic platform's closed cannabis loans to date of \$1.8B, we estimate that Chicago Atlantic roughly represents 15% of the current U.S. cannabis debt market share.

With the projected industry size of \$56.9B in retail sales in 5 years, and assuming we maintain our current debt market share of 15%, the opportunity for the Chicago Atlantic platform could grow to \$3B.

Competitive Investment Landscape

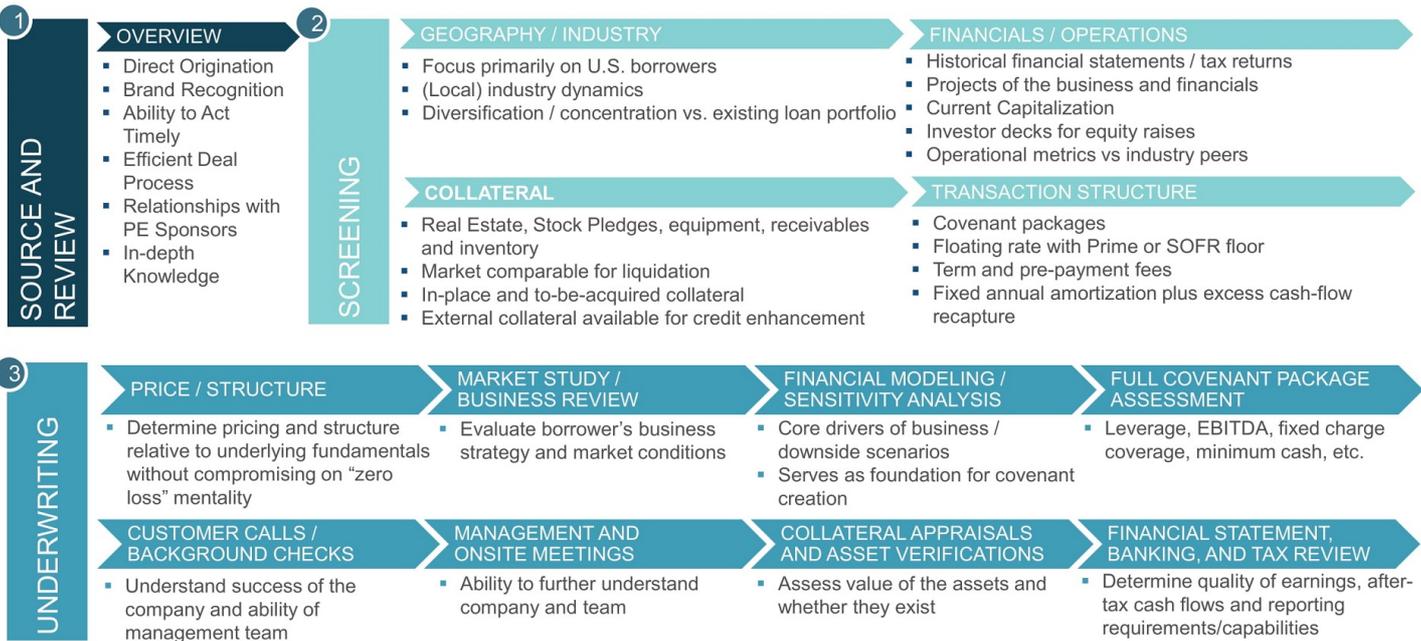
COMPETITORS: GROUPS



COMPETITIVE ADVANTAGES

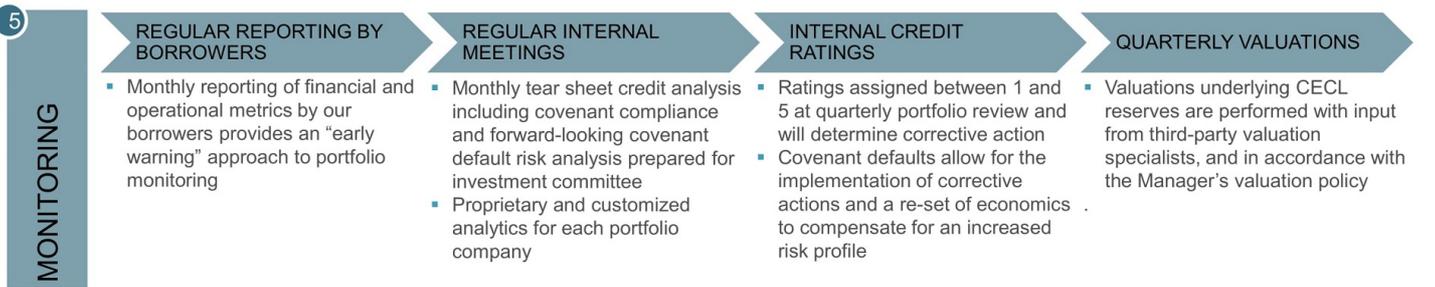
Shorter loan durations	Greater diversification
Lower LTVs	Deal leads
Ability to upsize	Close relationships with management teams
We negotiate the deal	REIT shares 50% of the origination fee
Underwrite enterprise value in the borrowers	Our borrower's only source of debt

Comprehensive Investment Process



Note: This summary of our process is for illustrative purposes only as actual process may differ from time to time, as appropriate to the investment considered.

Comprehensive Investment Process (cont'd)



Note: This summary of our process is for illustrative purposes only as actual process may differ from time to time, as appropriate to the investment considered.

Loan Origination Pipeline

Driven by proprietary deal sourcing

Over 1,000 **Qualified Deals**
Sourced and Reviewed

~\$38mm¹ in Potential Fundings

\$43.7mm²
Term Sheets Executed

**Total current pipeline of
~\$508mm¹**

- 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 August 1, 2024, includes potential syndications, and represents origination opportunities across Chicago Atlantic platform.
(2) As of August 1, 2024, reflects executed term sheets for investments that the Company is expected to participate.



CHICAGOATLANTIC
REAL ESTATE FINANCE

Appendix

Financial Overview

For the second quarter ended June 30, 2024



Consolidated Balance Sheets

	June 30, 2024 (unaudited)	December 31, 2023
Assets		
Loans held for investment	\$ 365,460,179	\$ 337,238,122
Loans held for investment - related party (Note 7)	16,402,488	16,402,488
Loans held for investment, at carrying value	381,862,667	353,640,610
Current expected credit loss reserve	(5,080,547)	(4,972,647)
Loans held for investment at carrying value, net	376,782,120	348,667,963
Cash and cash equivalents	7,070,883	7,898,040
Other receivables and assets, net	628,814	705,960
Interest receivable	1,169,611	1,004,140
Related party receivables	838,876	107,225
Debt securities, at fair value	-	842,269
Total Assets	\$ 386,490,304	\$ 359,225,597
Liabilities		
Revolving loan	\$ 76,750,000	\$ 66,000,000
Dividend payable	9,256,736	13,866,656
Related party payables	1,950,416	2,051,531
Management and incentive fees payable	1,774,880	3,243,775
Accounts payable and other liabilities	1,541,560	1,135,355
Interest reserve	2,491,807	1,074,889
Total Liabilities	93,765,399	87,372,206
Commitments and contingencies (Note 8)		
Stockholders' equity		
Common stock, par value \$0.01 per share, 100,000,000 shares authorized and 19,624,458 and 18,197,192 shares issued and outstanding, respectively	196,245	181,972
Additional paid-in-capital	298,922,624	277,483,092
Accumulated deficit	(6,393,964)	(5,811,673)
Total stockholders' equity	292,724,905	271,853,391
Total liabilities and stockholders' equity	\$ 386,490,304	\$ 359,225,597



Consolidated Statements of Operation

	For the three months ended June 30, 2024	For the three months ended June 30, 2023	For the six months ended June 30, 2024	For the six months ended June 30, 2023
Revenues				
Interest income	\$15,022,431	\$14,659,222	\$30,366,098	\$31,186,526
Interest expense	(1,838,932)	(994,926)	(3,942,982)	(2,613,222)
Net interest income	13,183,499	13,664,296	26,423,116	28,573,304
Expenses				
Management and incentive fees, net	1,774,880	1,799,667	3,529,621	3,937,672
General and administrative expense	1,254,535	1,280,401	2,644,802	2,555,226
Professional fees	409,149	537,894	859,007	1,107,269
Stock based compensation	836,333	263,844	1,367,626	402,179
(Reversal) provision for current expected credit losses	(275,471)	1,139,112	104,808	1,235,231
Total expenses	3,999,426	5,020,918	8,505,864	9,237,577
Change in unrealized gain on debt securities, at fair value	-	-	(75,604)	-
Realized gain on debt securities, at fair value	-	-	72,428	-
Net Income before income taxes	9,184,073	8,643,378	17,914,076	19,335,727
Income tax expense	-	-	-	-
Net Income	\$ 9,184,073	\$ 8,643,378	\$17,914,076	\$19,335,727
Earnings per common share:				
Basic earnings per common share	\$ 0.47	\$ 0.48	\$ 0.95	\$ 1.07
Diluted earnings per common share	\$ 0.46	\$ 0.47	\$ 0.93	\$ 1.07
Weighted average number of common shares outstanding:				
Basic weighted average shares of common stock outstanding	19,378,445	18,094,288	18,826,182	17,989,684
Diluted weighted average shares of common stock outstanding	19,890,376	18,273,512	19,265,434	18,117,919



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

	Three months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2024	Six months ended June 30, 2023
Net Income	\$ 9,184,073	\$ 8,643,378	\$ 17,914,076	\$ 19,335,727
Adjustments to net income				
Stock based compensation	836,333	263,844	1,367,626	402,179
Amortization of debt issuance costs	91,678	91,798	182,593	259,102
(Reversal) provision for current expected credit losses	(275,471)	1,139,112	104,808	1,235,231
Change in unrealized gain on debt securities, at fair value	-	-	75,604	-
Realized gain on debt securities, at fair value	-	-	(72,428)	-
Distributable Earnings	<u>\$ 9,836,613</u>	<u>\$ 10,138,132</u>	<u>\$ 19,572,279</u>	<u>\$ 21,232,239</u>
Adjustments to Distributable Earnings	-	-	-	-
Adjusted Distributable Earnings	\$ 9,836,613	\$ 10,138,132	\$ 19,572,279	\$ 21,232,239
Basic weighted average shares of common stock outstanding (in shares)	19,378,445	18,094,288	18,826,182	17,989,684
Adjusted Distributable Earnings per Weighted Average Share	\$ 0.51	\$ 0.56	\$ 1.04	\$ 1.18
Diluted weighted average shares of common stock outstanding (in shares)	\$ 19,890,376	\$ 18,273,512	\$ 19,265,434	\$ 18,117,919
Adjusted Distributable Earnings per Weighted Average Share	\$ 0.50	\$ 0.56	\$ 1.02	\$ 1.17

About CHICAGOATLANTIC



INCEPTION	The Sponsor is a credit-focused investment firm founded in 2019 REFI completed its IPO in December 2021
SIZE	✓ Sponsor assets under management: \$1.7B ¹ ✓ One of the largest institutional lenders in the cannabis space
TEAM	85 professionals, including over 30 investment professionals ²
INVESTMENT PRINCIPLES	Seeking preservation of capital and income generation predominantly through cannabis investment opportunities that are overlooked or underserved by conventional capital providers
PERFORMANCE	✓ Annualized dividend yield of approximately 12-14%, distributed quarterly ✓ No loss of principal since credit strategy inception
EXTERNAL MANAGER AND AGREEMENT	✓ Chicago Atlantic REIT Manager, LLC, a subsidiary of Chicago Atlantic Group, LP ✓ Management fee of 1.5% of Equity, with 50% pro-rata origination fee offset ✓ Incentive fee of 20% of Core Earnings, with 8% hurdle rate and no catch-up
LOCATIONS	Chicago & Miami

1 - Assets under management represent total committed investor capital, total available leverage including undrawn capital, and capital invested by co-investors and managed by the firm.
2 - As of March 31, 2024.