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 9, 2023**

Chicago Atlantic Real Estate Finance, Inc.
(Exact name of registrant as specified in its charter)

Maryland	**001-41123**	**86-3125132**
(State or other jurisdiction of incorporation or organization)	(Commission File Number)	(IRS Employer Identification Number)

1680 Michigan Avenue, Suite 700, Miami Beach, Florida 33139
(Address of principal executive offices) (zip code)

Registrant’s telephone number, including area code **(312) 809-7002**

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 (*see* General Instruction A.2. below):

☐ 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	The Nasdaq Global Market LLC

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 9, 2023, Chicago Atlantic Real Estate Finance, Inc. (the “Company”) issued a press release announcing its financial results for the quarter ended March 31, 2023. 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 9, 2023, the Company disseminated a presentation to be used in connection with its conference call to discuss its financial results for the quarter ended March 31, 2023, which will be held on Tuesday, May 9, 2023 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 May 9, 2023.
99.2	First Quarter 2023 Earnings Supplemental Presentation, dated May 9, 2023.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this Current Report on Form 8-K to be signed on its behalf by the undersigned hereunto duly authorized.

CHICAGO ATLANTIC REAL ESTATE FINANCE, INC.

Date: May 9, 2023

By: /s/ Anthony Cappell
Name: Anthony Cappell
Title: Chief Executive Officer

Exhibit 99.1

Chicago Atlantic Real Estate Finance Announces First Quarter 2023 Financial Results

CHICAGO— (May 9, 2023) Chicago Atlantic Real Estate Finance, Inc. (NASDAQ: REFI) ("Chicago Atlantic" or the "Company"), a commercial real estate finance company, today announced its results for the first quarter ended March 31, 2023.

John Mazarakis, Executive Chairman of Chicago Atlantic, noted, "The better-than-anticipated results reflect the benefit of four principal paydowns during the quarter and the timing of our redeployment of the proceeds. We are entering what we believe will be a period of favorable demand for capital from a proven lending platform such as ours. With our fortress balance sheet, we have purposefully reined in our originations to continue to focus on higher yielding investments and funding vertically integrated operators with the strongest credit profile."

Tony Cappell, Chief Executive Officer, added, "Our portfolio has continued to perform well with the percentage of floating rate loans increasing to 88%, the weighted average yield to maturity remaining above 19% and our loan to values well below the rest of the lenders in the industry. The balance sheet is under levered, and we have over $50 million of liquidity available to selectively fund the best operators in the cannabis industry."

Portfolio Performance

- As of March 31, 2023, total loan commitments of approximately $328.1 million ($313.9 million funded, $14.2 million in future fundings) across 24 portfolio companies.

- Weighted average yield to maturity was approximately 19.4% as of March 31, 2023 compared with approximately 19.7% as of December 31, 2022.

- Real estate collateral coverage was 1.6x compared with 1.7x as of December 31, 2022.

- Loan to enterprise value (calculated as outstanding principal balance divided by total value of collateral) was approximately 41.0% and 44.1% as of March 31, 2023 and December 31, 2022, respectively

- The percentage of loans which bear a variable interest rate increased to 88.0% as of March 31, 2023 compared with 83.1% as of December 31, 2022.

Investment Activity

- During the first quarter, Chicago Atlantic had total gross originations of $34.1 million, of which $33.3 million and $0.8 million were funded to new borrowers and an existing borrower, respectively. New originations were offset by principal repayments of $59.2 million, of which $57.8 million was attributable to unscheduled early repayments and sales.

- On February 15, 2023, the Company completed a direct offering of 395,779 shares of common stock to institutional investors at a price of $15.16 per share, raising net proceeds of approximately $6 million. The Company completed the offering without the use of underwriters or placement agents.

- On February 27, 2023, the Company extended the maturity date of its revolving credit facility to December 2024, and maintained its one-year extension option, subject to customary conditions. The Company currently has total liquidity of approximately $52.6 million, comprised of $3.1 million in cash and $49.5 million of availability under the credit facility.

Dividends

- On April 14, 2023, Chicago Atlantic paid a regular quarterly cash dividend of $0.47 per share of common stock for the first quarter of 2023 to common stockholders of record on March 31, 2023.

First Quarter 2023 Financial Results

- Net interest income of approximately $14.9 million, representing a sequential increase of 1.0%; primarily due to approximately $1.0 million of interest income from prepayment fees and acceleration of original issue discounts, the increase in the prime rate from 7.50% to 8.00%, and improved yield terms on facilities amended and/or restructured during the quarter. These increases were partially offset by the impact of timing of early principal repayments.

- Total expenses of approximately $4.1 million before provision for current expected credit losses, representing a sequential decrease of 18.0%; primarily attributable to a $1.2 million decrease in net management and incentive fees.

- Net Income of approximately $10.7 million, or $0.60 per weighted average diluted common share, representing a sequential increase of 46.3%.

- The total reserve for current expected credit losses of $4.1 million increased sequentially by $0.1 million and amounts to approximately 1.3% of the portfolio principal balance of $320.2 million as of March 31, 2023.

- Distributable Earnings of approximately $11.1 million, or $0.62 per weighted average diluted common share, representing a sequential increase of 10.6%.

- Book value per common share of $15.04 as of March 31, 2023 compared with $14.86 as of December 31, 2022, primarily due to first quarter distributable earnings in excess of the regular quarterly dividend of $0.47.

- As of March 31, 2023, the Company had $37.5 million outstanding on its $92.5 million secured credit facility, resulting in a leverage ratio (debt to book equity) of approximately 14%. Subsequent to quarter end, the Company has borrowed an incremental $5.5 million on the credit facility.

2023 Outlook

Chicago Atlantic affirmed its 2023 outlook previously issued on March 9, 2023.

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 2023 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 over 40 employees and has deployed over $1.8 billion across more than 50 loans.

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
(615) 942-7077
IR@REFI.reit

CHICAGO ATLANTIC REAL ESTATE FINANCE, INC.
CONSOLIDATED BALANCE SHEETS

	March 31, 2023 (unaudited)	December 31, 2022
Assets		
Loans held for investment	$ 316,226,144	$ 339,273,538
Current expected credit loss reserve	(4,051,934)	(3,940,939)
Loans held for investment at carrying value, net	312,174,210	335,332,599
Cash	4,640,905	5,715,827
Interest receivable	4,159,748	1,204,412
Other receivables and assets, net	1,668,629	1,018,212
Related party receivables	237,885	-
Total Assets	**$ 322,881,377**	**$ 343,271,050**
Liabilities		
Revolving loan	$ 37,500,000	$ 58,000,000
Dividend payable	8,667,701	13,618,591
Management and incentive fees payable	2,138,005	3,295,600
Related party payable	1,270,126	1,397,515
Accounts payable and other liabilities	962,153	1,058,128
Interest reserve	220,064	1,868,193
Total Liabilities	**50,758,049**	**79,238,027**
Commitments and contingencies (Note 8)		
Stockholders' equity		
Common stock, par value $0.01 per share, 100,000,000 shares authorized and 18,088,683 and 17,766,936 shares issued and outstanding, respectively	180,887	176,859
Additional paid-in-capital	274,925,072	268,995,848
Accumulated earnings (deficit)	(2,982,631)	(5,139,684)
Total stockholders' equity	**272,123,328**	**264,033,023**
Total liabilities and stockholders' equity	**$ 322,881,377**	**$ 343,271,050**

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

	For the three months ended March 31, 2023	For the three months ended December 31, 2022	For the three months ended March 31, 2022
Revenues			
Interest income	$ 16,527,304	$ 15,993,588	$ 9,833,053
Interest expense	(1,618,296)	(1,230,966	(72,268)
Net interest income	14,909,008	14,762,622	9,760,785
Expenses			
Management and incentive fees, net	2,138,005	3,295,600	671,505
Provision for current expected credit losses	96,119	2,483,512	51,343
General and administrative expense	1,274,825	1,118,171	556,141
Professional fees	569,375	502,355	556,904
Stock based compensation	138,335	107,267	120,940
Total expenses	4,216,659	7,506,905	1,956,833
Net Income before income taxes	**10,692,349**	**7,255,717**	**7,803,952**
Income tax expense	-	-	-
Net Income	**$ 10,692,349**	**$ 7,255,717**	**$ 7,803,952**
Earnings per common share:			
Basic earnings per common share (in dollars per share)	$ 0.60	$ 0.41	$ 0.44
Diluted earnings per common share (in dollars per share)	$ 0.60	$ 0.41	$ 0.44
Weighted average number of common shares outstanding:			
Basic weighted average shares of common stock outstanding (in shares)	17,879,444	17,657,913	17,641,090
Diluted weighted average shares of common stock outstanding (in shares)	17,960,103	17,742,065	17,737,975

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.

	For the three months ended March 31, 2023	For the three months ended December 31, 2022	For the three months ended March 31, 2022
Net Income	$ 10,692,349	7,255,717	7,803,952
Adjustments to net income			
Non-cash equity compensation expense	138,335	107,267	120,940
Depreciation and amortization	167,304	183,820	72,268
Provision for current expected credit losses	96,119	2,483,512	51,343
Distributable Earnings	**11,094,107**	**10,030,316**	**8,048,503**
Adjustments to Distributable Earnings	-	-	-
Adjusted Distributable Earnings	**11,094,107**	**10,030,316**	**8,048,503**
Basic distributable earnings per common share (in dollars per share)	$ 0.62	$ 0.57	$ 0.46
Diluted distributable earnings per common share (in dollars per share)	$ 0.62	$ 0.57	$ 0.46
Weighted average number of common shares outstanding:			
Basic weighted average shares of common stock outstanding (in shares)	17,879,444	17,657,913	17,641,090
Diluted weighted average shares of common stock outstanding (in shares)	17,960,103	17,742,065	17,737,975

Exhibit 99.2


CHICAGO ATLANTIC
REAL ESTATE FINANCE
First Quarter 2023 Earnings Supplemental
May 9, 2023

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, 2023, 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 $1.9B 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

$1.9B
in loans closed since platform inception(1)

53
cannabis loans closed across platform(1)

$600+mm
near-term pipeline under evaluation(1)

$328.0mm
current commitments(2) with substantial pipeline

1.6x
real estate collateral coverage in current portfolio(2)

19.4%
gross portfolio yield(2)

Note:
(1) As of May 1, 2023
(2) As of March 31, 2023

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[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]
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]
Co-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-President

- Former Principal at BC Partners Credit, leading their cannabis practice
- Underwritten $138mm in cannabis credit transactions
- 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
Interim 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

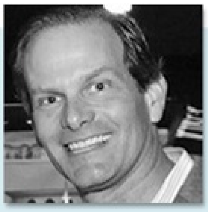
- Current investor in Chicago Atlantic
- Founder and CEO of Gulbrandsen Companies, a holding company for specialty chemical manufacturing companies
  - Products sold in over 45 countries
  - Over 900 employees in 7 facilities worldwide
- BS in Chemical Engineering and BA in History from Cornell University

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

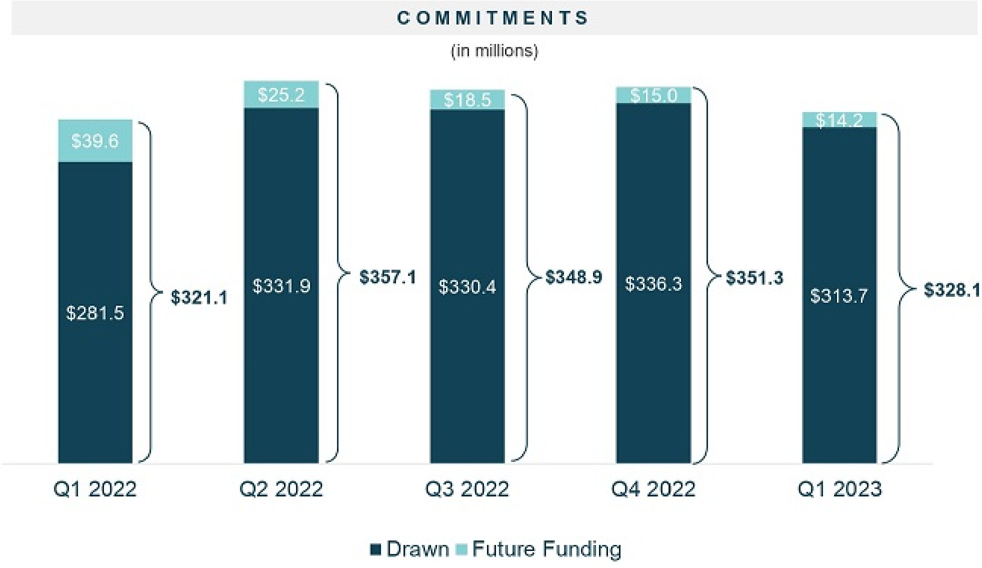
- Former CFO at J.P. Morgan Securities and Managing Director at JPMorgan Chase
- Current member of board of directors of GTJ REIT, SEC-registered equity REIT
- Former auditor at Goldstein, Golub and Kessler
- CPA and BA in Accounting from University of Albany and MBA from New York University's Stern 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, 2023

Portfolio Diversity

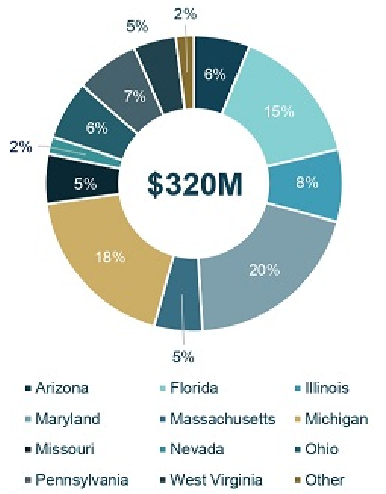
Our portfolio is diversified across operators, geographies, and asset types

PRINCIPAL OUTSTANDING(1)

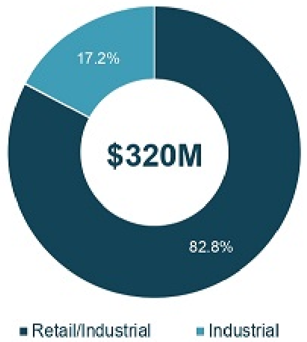
By Loan

Top 10 Loans = 71.6% of principal outstanding

By Location



By Real Estate Collateral Type



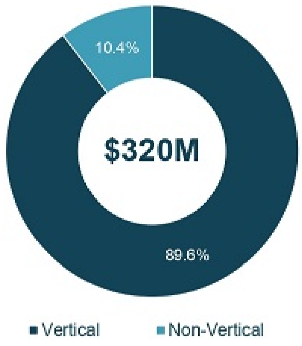
Note: (1) As of March 31, 2023

Portfolio Diversity (Continued)

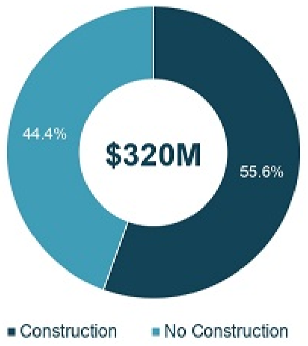
Our portfolio is diversified across operators, geographies, and asset types

PRINCIPAL OUTSTANDING(1)

By Operator Integration



By Construction Component



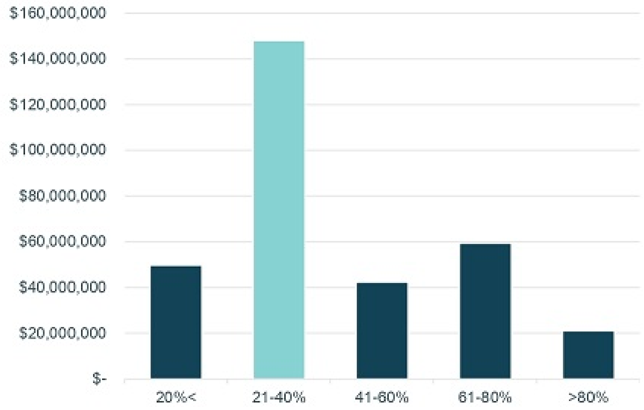
Percentage of Real Estate Collateral by State and Operator Type(2)

Note: (1) As of March 31, 2023
(2) SSO = single state operator, MSO = multi-state operator

Loan Collateral Coverage

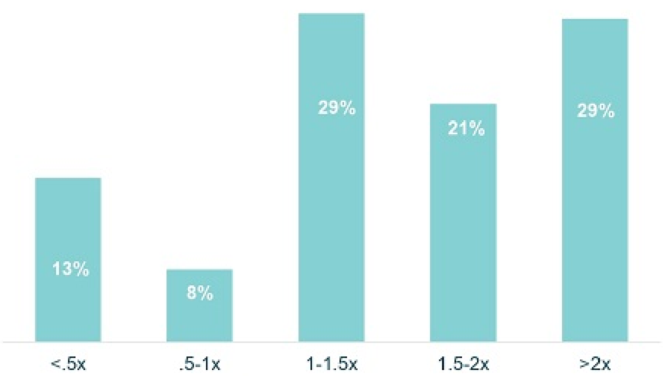
41% loan to enterprise value and 1.6x real estate collateral coverage

PRINCIPAL BY LTEV RATIO (1)



Portfolio Weighted Average (41.0%)

REAL ESTATE COLLATERAL COVERAGE (2)



Portfolio Weighted Average (1.6x)

(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 (LTEV) is calculated as total loan principal outstanding divided by total value of collateral.

(2) See page 18 for real estate collateral coverage by loan. Expressed as percentage of total carrying value of $316.2 million as of March 31, 2023.

Portfolio Overview (as of March 31, 2023)

Loan	Initial Funding Date(1)	Maturity Date(2)	Total Commitment(3)	Principal Balance as of 3/31/20232	Percentage of Our Loan Portfolio	Future Fundings	Interest Rate(4)	Periodic Payment(5)	YTM IRR(6)
1	10/27/22	10/30/26	$ 30,000,000	$ 30,000,000	9.2%	$ -	P + 6.50%(7)	I/O	16.8%
2	3/5/21	12/31/24	$ 35,891,667	$ 37,596,132	11.8%	$ -	P + 6.65% Cash(7)(8), 4.25% PIK	P&I	18.0%
3	3/25/21	11/29/24	$ 20,105,628	$ 20,942,803	6.5%	$ -	13.91% Cash, 2.59% PIK(10)	P&I	22.8%
4	4/19/21	12/31/23	$ 12,900,000	$ 12,075,490	3.8%	$ -	18.72%(7)(8)(9)	P&I	24.5%
5	4/19/21	4/30/25	$ 3,500,000	$ 2,666,000	0.8%	$ 834,000	P + 12.25%(7)	P&I	22.8%
6	8/20/21	2/20/24	$ 6,000,000	$ 4,275,000	1.4%	$ 1,500,000	P + 9.00% Cash (7), 2.5% PIK	P&I	21.1%
7	8/24/21	6/30/25	$ 25,000,000	$ 25,623,762	8.0%	$ -	P + 6.00% Cash(7), 2.5% PIK	P&I	18.1%
8	9/1/21	9/1/24	$ 9,500,000	$ 10,535,399	3.3%	$ -	19.25% PIK	P&I	25.8%
9	9/3/21	6/30/24	$ 15,000,000	$ 16,013,359	5.1%	$ -	P + 10.75% Cash(7), 6% PIK	P&I	19.0%
10	9/20/21	9/30/24	$ 470,411	$ 235,205	0.1%	$ -	11.00%	P&I	21.4%
11	9/30/21	9/30/24	$ 32,000,000	$ 32,809,285	10.2%	$ -	P + 8.75% Cash(7), 2% PIK	I/O	21.7%
12	11/8/21	10/31/24	$ 13,574,667	$ 13,038,000	4.1%	$ -	P + 9.25% Cash(7)	P&I	19.7%
13	11/22/21	11/1/24	$ 13,100,000	$ 13,166,720	4.1%	$ -	P + 6.00% Cash(7), 1.5% PIK	I/O	18.5%
14	12/27/21	12/27/26	$ 5,000,000	$ 5,194,514	1.6%	$ -	P + 12.25% Cash(7), 2.5% PIK	P&I	23.5%
15	12/29/21	12/29/23	$ 6,000,000	$ 3,835,398	1.2%	$ 2,400,000	P + 7.50% Cash,(7) 5% PIK	I/O	26.9%
16	12/30/21	12/31/24	$ 13,000,000	$ 7,050,000	2.2%	$ 5,500,000	P + 9.25%(7)	I/O	22.5%
17	1/18/22	1/31/25	$ 15,000,000	$ 15,000,000	4.7%	$ -	P + 4.75%(7)	P&I	14.1%
18	2/3/22	2/28/25	$ 11,662,050	$ 12,677,075	4.0%	$ -	P + 6.00% Cash(7), 5% PIK	P&I	21.5%
19	3/11/22	8/29/25	$ 20,000,000	$ 20,637,961	6.5%	$ -	11.00% Cash, 3% PIK	P&I	15.5%
20	5/9/22	5/30/25	$ 17,000,000	$ 17,425,500	5.5%	$ -	11.00% Cash, 2% PIK	P&I	14.7%
21	7/1/22	6/30/26	$ 9,000,000	$ 5,114,907	1.6%	$ 4,000,000	P + 8.50% Cash(7), 3% PIK	P&I	26.4%
22	1/24/23	1/24/26	$ 11,250,000	$ 11,278,897	3.4%	$ -	P + 5.75% Cash(7), 1.4% PIK	P&I	19.9%
23	3/27/23	3/31/26	$ 2,000,000	$ 2,000,000	0.6%	$ -	P + 7.50% (7)	P&I	18.3%
24	3/31/23	9/27/26	$ 1,000,000	$ 1,000,000	0.3%	$ -	P + 10.50%(7)	P&I	21.2%
		Subtotal	**$ 327,954,423**	**$ 320,191,407**	**100.0%**	**$ 14,234,000**	**17.6%**	**Wtd. Average**	**19.4%**

Total Commitment: $328.0M

Portfolio Overview (continued)

Notes:

(1) All loans originated prior to April 1, 2021 were purchased from affiliated entities at fair value plus accrued interest on or subsequent to April 1, 2021

(2) Certain loans are subject to contractual extension options and may be subject to performance based or other conditions as stipulated in the loan agreement. Actual maturities may differ from contractual maturities stated herein as certain borrowers may have the right to prepay with or without paying a prepayment penalty. The Company may also extend contractual maturities and amend other terms of the loans in connection with loan modifications.

(3) Total Commitment excludes future amounts to be advanced at sole discretion of the lender.

(4) "P" = prime rate and depicts floating rate loans that pay interest at the prime rate plus a specific percentage; "PIK" = paid in kind interest.

(5) P&I = principal and interest. I/O = interest only. P&I loans may include interest only periods for a portion of the loan term.

(6) Estimated YTM includes a variety of fees and features that affect the total yield, which may include, but is not limited to, OID, exit fees, prepayment fees, unused fees and contingent features. OID is recognized as a discount to the funded loan principal and is accreted to income over the term of the loan. The estimated YTM calculations require management to make estimates and assumptions, including, but not limited to, the timing and amounts of loan draws on delayed draw loans, the timing and collectability of exit fees, the probability and timing of prepayments and the probability of contingent features occurring. For example, certain credit agreements contain provisions pursuant to which certain PIK interest rates and fees earned by us under such credit agreements will decrease upon the satisfaction of certain specified criteria which we believe may improve the risk profile of the applicable borrower. To be conservative, we have not assumed any prepayment penalties or early payoffs in our estimated YTM calculation. Estimated YTM is based on current management estimates and assumptions, which may change. Actual results could differ from those estimates and assumptions.

(7) This Loan is subject to prime rate floor.

(8) This Loan is subject to an interest rate cap.

(9) The aggregate loan commitment to Loan #4 includes a $10.9 million initial commitment which has a base interest rate of 15.00% and a second commitment of $2.0 million which has an interest rate of 39%. The statistics presented reflect the weighted average of the terms under all advances for the total aggregate loan commitment.

(10) The aggregate loan commitment to Loan #3 includes $15.9 million advanced which has a base interest rate of 13.625%, 2.75% PIK and a second commitment of $4.2 million which has an interest rate of 15.00%, 2.00% PIK. The statistics presented reflect the weighted average of the terms under all advances for the total aggregate loan commitment.

Loan Origination Pipeline

Driven by proprietary deal sourcing

Over 500 **Qualified** Deals Sourced and Reviewed

$600+mm[1] in Potential Fundings

$170mm+[1]
Terms Issued

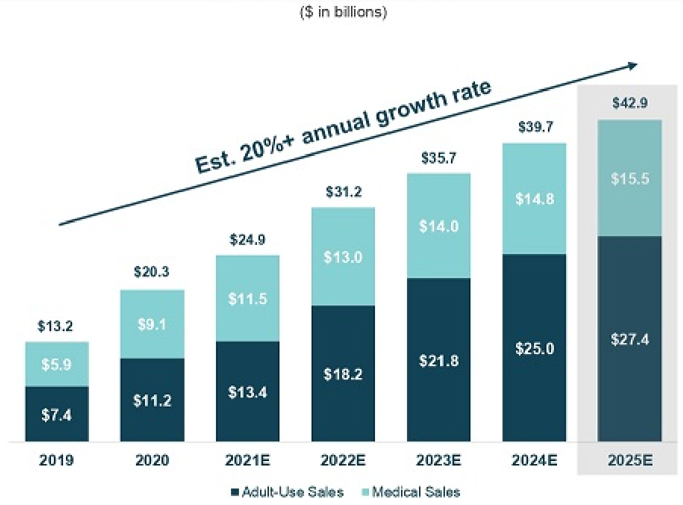
Total current pipeline of $600+mm[1]

- 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, 2023

Compelling Market Opportunity

U.S. CANNABIS SALES[1]



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
- State and local governments deemed cannabis essential businesses during pandemic
- Wave of East Coast Legalization

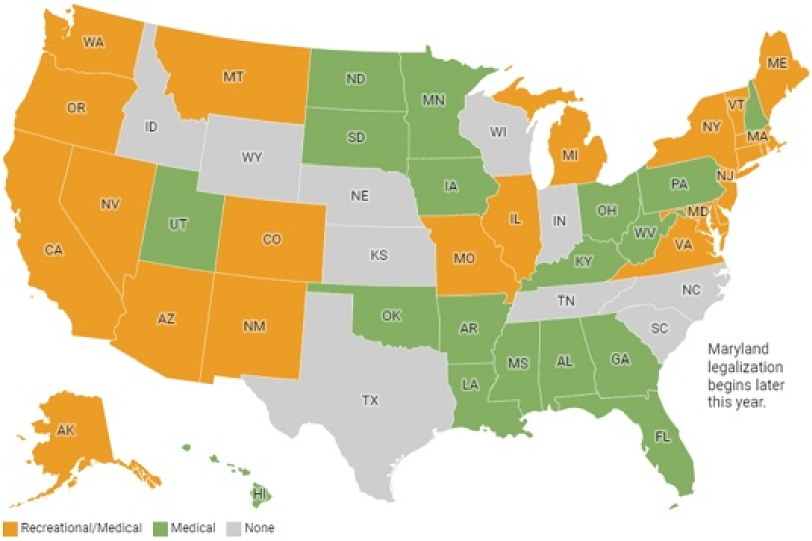
Note:
(1) Per New Frontier Data

Compelling Market Opportunity

LEGISLATIVE TAILWINDS

- Continued state-level legalization, including transition from medical to adult-use cannabis.
- Adult-use sales have begun in Missouri and Connecticut
- Thus far in 2023, adult-use cannabis has been legalized in Delaware, while medicinal cannabis has been legalized in Kentucky.

CURRENT LEGALIZATION[1]: 40 STATES



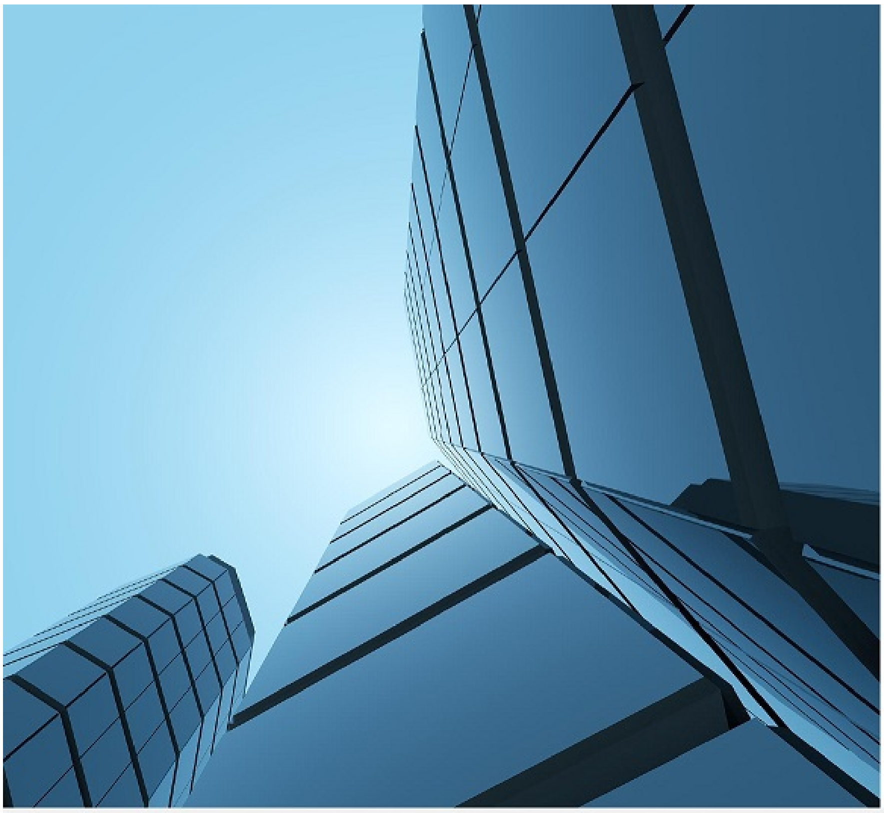
Note:
(1) Per MJBiz Daily, as of May 2023

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



CHICAGOATLANTIC
REAL ESTATE FINANCE

Appendix

Q1 2023 Financial Overview

Collateral Overview (as of March 31, 2023)

Loan	Investment[1]	Location	Property Type	Principal Balance as of 3/31/2023	Implied Real Estate Collateral for REIT[2]	Our Real Estate Collateral Coverage as of 3/31/2023[4]
1	Senior Real Estate Corporate Loan[3]	Multi-State	Retail/Industrial	$ 30,000,000	$ 5,326,286	0.2x
2	Senior Real Estate Corporate Loan	Michigan	Retail/Industrial	$ 37,596,132	$ 60,451,600	1.6x
3	Senior Real Estate Corporate Loan[3]	Multi-State	Retail/Industrial	$ 20,942,803	$ 20,666,650	1.0x
4	Senior Real Estate Corporate Loan[3]	Arizona	Industrial	$ 12,075,490	$ 23,900,000	2.0x
5	Senior Real Estate Corporate Loan	Massachusetts	Retail/Industrial	$ 2,666,000	$ 900,000	0.3x
6	Senior Real Estate Corporate Loan[3]	Michigan	Retail/Industrial	$ 4,275,000	$ 14,800,000	3.5x
7	Senior Real Estate Corporate Loan[3]	Multi-State	Retail/Industrial	$ 25,623,762	$ 60,034,121	2.3x
8	Senior Real Estate Corporate Loan[3]	West Virginia	Retail/Industrial	$ 10,535,399	$ 15,360,000	1.5x
9	Senior Real Estate Corporate Loan[3]	Pennsylvania	Retail/Industrial	$ 16,013,359	$ 16,750,000	1.0x
10	Senior Loan[3]	Michigan	Retail	$ 235,205	$ 5,730,000	24.4x
11	Senior Real Estate Corporate Loan[3]	Maryland	Industrial	$ 32,809,285	$ 33,440,000	1.0x
12	Senior Real Estate Corporate Loan[3]	Multi-State	Retail/Industrial	$ 13,038,000	$ 17,789,062	1.4x
13	Senior Real Estate Corporate Loan	Michigan	Retail/Industrial	$ 13,166,720	$ 40,887,132	3.1x
14	Senior Real Estate Corporate Loan	Multi-State	Retail/Industrial	$ 5,194,514	$ -	0.0x
15	Senior Real Estate Corporate Loan[3]	Michigan	Retail/Industrial	$ 3,835,398	$ 9,760,000	2.5x
16	Senior Real Estate Corporate Loan[3]	Multi-State	Retail/Industrial	$ 7,050,000	$ 3,500,000	0.5x
17	Senior Real Estate Corporate Loan	Florida	Retail/Industrial	$ 15,000,000	$ 37,525,000	2.5x
18	Senior Real Estate Corporate Loan	Ohio	Retail/Industrial	$ 12,677,075	$ 32,790,000	2.6x
19	Senior Real Estate Corporate Loan	Florida	Retail/Industrial	$ 20,637,961	$ 28,000,000	1.4x
20	Senior Real Estate Corporate Loan[3]	Missouri	Retail/Industrial	$ 17,425,500	$ 27,580,000	1.6x
21	Senior Real Estate Corporate Loan	Illinois	Retail/Industrial	$ 5,114,907	$ 10,400,000	2.0x
22	Senior Real Estate Corporate Loan	Maryland	Retail/Industrial	$ 11,278,897	$ 33,600,000	3.0x
23	Senior Real Estate Corporate Loan	Arizona	Retail/Industrial	$ 2,000,000	$ -	0.0x
24	Senior Real Estate Corporate Loan	Oregon	Retail/Industrial	$ 1,000,000	$ 3,600,000	3.6x
				$ 320,191,407	**$ 502,699,581**	**1.6x**

Collateral Overview (continued)

Notes:

(1) Senior Real Estate Corporate Loans are structured as loans to owner operators secured by real estate. Senior Loans are loans to a property owner and leased to third party tenant.

(2) Real estate is based on appraised value as is, or on a comparable cost basis, as completed. The real estate values shown in the collateral table are estimates by a third-party appraiser of the market value of the subject real property in its current physical condition, use, and zoning as of the appraisal date. The appraisals assume that the highest and best use is use as a cannabis cultivator or dispensary, as applicable. The appraisals recognize that the current use is highly regulated by the state in which the property is located; however, there are sales of comparable properties that demonstrate that there is a market for such properties. The appraisals utilize these comparable sales for the appraised property's value in use. For properties used for cannabis cultivation, the appraisals use similar sized warehouses in their conclusion of the subject's "as-is" value without licenses to cultivate cannabis. However, the appraised value is assumed to be realized from a purchase by another state-licensed cannabis operator or a third party purchaser that would lease the subject property to a state-licensed cannabis operator. The regulatory requirements related to real property used in cannabis-related operations may cause significant delays or difficulties in transferring a property to another cannabis operator, as the state regulator may require inspection and approval of the new tenant/user. Further, the value is also determined using the income approach, based on market lease rates for comparable properties, whether dispensaries or cultivation facilities. It indicates the value to a third-party owner that leases to a dispensary or cultivation facility. Finally, the appraisal contains a value based on the cost for another operator to construct a similar facility, which we refer to as the "cost approach." We believe the cost approach provides an indication of what another state-licensed operator would pay for a separate facility instead of constructing it itself. The appraisal's opinion of value reflects current conditions and the likely actions of market participants as of the date of appraisal. It is based on the available information gathered and provided to the appraiser, and does not predict future performance. Changing market or property conditions can and likely will have an effect on the subject's value.

(3) Certain affiliated co-lenders subordinated their interest in the real estate collateral to the Company, thus increasing the collateral coverage for the applicable loan.

(4) The real estate collateral coverage ratio represents a weighted portfolio average real estate collateral coverage ratio.

Balance Sheet

		March 31, 2023 (unaudited)		December 31, 2022
Assets				
Loans held for investment	$	316,226,144	$	339,273,538
Current expected credit loss reserve		(4,051,934)		(3,940,939)
Loans held for investment at carrying value, net		312,174,210		335,332,599
Cash		4,640,905		5,715,827
Interest receivable		4,159,748		1,204,412
Other receivables and assets, net		1,668,629		1,018,212
Related party receivables		237,885		-
Total Assets	$	**322,881,377**	$	**343,271,050**
Liabilities				
Revolving loan	$	37,500,000	$	58,000,000
Dividend payable		8,667,701		13,618,591
Management and incentive fees payable		2,138,005		3,295,600
Related party payable		1,270,126		1,397,515
Accounts payable and other liabilities		962,153		1,058,128
Interest reserve		220,064		1,868,193
Total Liabilities		**50,758,049**		**79,238,027**
Commitments and contingencies (Note 8)				
Stockholders' equity				
Common stock, par value $0.01 per share, 100,000,000 shares authorized and 18,088,683 and 17,766,936 shares issued and outstanding, respectively		180,887		176,859
Additional paid-in-capital		274,925,072		268,995,848
Accumulated earnings (deficit)		(2,982,631)		(5,139,684)
Total stockholders' equity		**272,123,328**		**264,033,023**
Total liabilities and stockholders' equity	$	**322,881,377**	$	**343,271,050**

Statement of Operations

		Three months ended March 31, 2023 (unaudited)		Three months ended December 31, 2022 (unaudited)
Revenues				
Interest income	$	16,527,304	$	15,993,588
Interest expense		(1,618,296)		(1,230,966)
Net interest income		14,909,088		14,762,622
Expenses				
Management and incentive fees, net		2,138,005		3,295,600
Provision for current expected credit losses		96,119		2,483,512
General and administrative expense		1,274,825		1,118,171
Professional fees		569,375		502,355
Stock based compensation		138,335		107,267
Total expenses		4,216,659		7,506,905
Net Income before income taxes		**10,692,349**		**7,255,717**
Income tax expense		-		-
Net Income	**$**	**10,692,349**	**$**	**7,255,717**
Earnings per common share:				
Basic earnings per common share (in dollars per share)	$	0.60	$	0.41
Diluted earnings per common share (in dollars per share)	$	0.60	$	0.41
Weighted average number of common shares outstanding:				
Basic weighted average shares of common stock outstanding (in shares)		17,879,444		17,657,913
Diluted weighted average shares of common stock outstanding (in shares)		17,960,103		17,742,065

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

	Three Months ended March 31, 2023 (unaudited)		Three Months ended December 31, 2022 (unaudited)	
Net Income	$	10,692,349	$	7,255,717
Adjustments to net income				
Non-cash equity compensation expense		138,335		107,267
Depreciation and amortization		167,304		183,820
Provision for current expected credit losses		96,119		2,483,512
Distributable Earnings		**11,094,107**		**10,030,316**
Adjustments to Distributable Earnings		-		-
Adjusted Distributable Earnings		**11,094,107**		**10,030,316**
Basic weighted average shares of common stock outstanding (in shares)		17,879,444		17,657,913
Adjusted Distributable Earnings per Weighted Average Share	**$**	**0.62**	**$**	**0.57**
Diluted weighted average shares of common stock outstanding (in shares)		17,960,103		17,742,065
Adjusted Distributable Earnings per Weighted Average Share	**$**	**0.62**	**$**	**0.57**

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 (CEO) and Andreas Bodmeier (Co-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 $700mm in additional assets
  - Synergies from over 30 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%
Incentive Compensation Terms:	
Incentive Fees (of Core Earnings)	20.0%
Hurdle Amount (on Avg. Equity); No Catch-up Provision	8.0%