



The Leading Financial Services Platform for the US Cannabis Industry

November 2022

Nasdaq: SHFS

Disclaimers

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Disclaimers

HISTORICAL FINANCIAL INFORMATION OF SAFE HARBOR FINANCIAL

The historical financial information regarding the Company contained in this Presentation relating to the target company acquired in the business combination, SHF, LLC d/b/a Safe Harbor Financial (the “Target”), has been taken from or prepared based on historical financial statements of the Target. The Target was the result of carved-out operations of Partner Colorado Credit Union (“PCCU”). The predecessor to the Target, Eagle Legacy Services, PLLC d/b/a Safe Harbor Services (“SHS”), was established as a limited liability company, acting as a credit union service organization in accordance with applicable laws, in order to provide financial, lending and operational services primarily to the cannabis industry and cannabis related businesses, and was a wholly owned subsidiary of PCCU. The historical financial information for the Target included in this Presentation include the results of SHS as well as the results of certain attributable to certain credit union branches of PCCU.

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The financial, operational, industry and market projections, estimates and targets in this Presentation are forward-looking statements that are based on assumptions and estimates that are inherently subject to significant uncertainties and contingencies, many of which are beyond the Company’s or the Target’s control. While all financial, operational, industry and market projections, estimates and targets are necessarily speculative, the Company believes that the presentation of prospective financial, operational, industry and market information involves increasingly higher levels of uncertainty the further out the projection, estimate or target extends from the date of preparation. These projections, estimates and targets are subject to a broad range of significant risks and uncertainties that could cause actual results to differ materially and adversely from those contained in the projections, estimates and targets, including the risks and uncertainties described above under “Cautionary Statement Regarding Forward-Looking Statements.” The inclusion of any projections, estimates and targets in this Presentation is not an indication that the Company or any of its affiliates, control persons, officers, directors, managers, employees, representatives or advisors considered or consider such projections, estimates and targets to be a reliable prediction of future events.

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This Presentation contains certain information concerning the Company’s services and industry, including market size and anticipated growth rates, that are based on industry surveys and publications or other publicly available information, and the Company’s internal sources. This information involves many assumptions and limitations. Accordingly, there can be no guarantee as to the accuracy or reliability of such assumptions. You are cautioned not to give undue weight to this information. No representations are made as to the reasonableness of the assumptions made in such information, the accuracy or completeness of any projections or modeling in such information, or the accuracy or completeness of any other information contained herein. Any data or information about past performance contained herein are not an indication as to future performance. Neither the Company nor any of its affiliates, control persons, officers, directors, managers, employees, representatives or advisors have independently verified the accuracy or completeness of such third-party information. In addition, projections, assumptions, estimates, targets and trends of the future performance of the industry in which the Company operates, and its future performance, are necessarily subject to uncertainty and risks, including those described above. These and other factors could cause the actual results to differ materially and adversely from any projections, assumptions, estimates, targets and trends described in such third-party information. Neither the Company nor any its affiliates, control persons, officers, directors, managers, employees, representatives or advisors assume any obligation to update the information included in this Presentation.

Note: Safe Harbor Financial is not an insured financial institution and all banking activities described in this Presentation will be conducted through contractual relationships with insured financial institutions

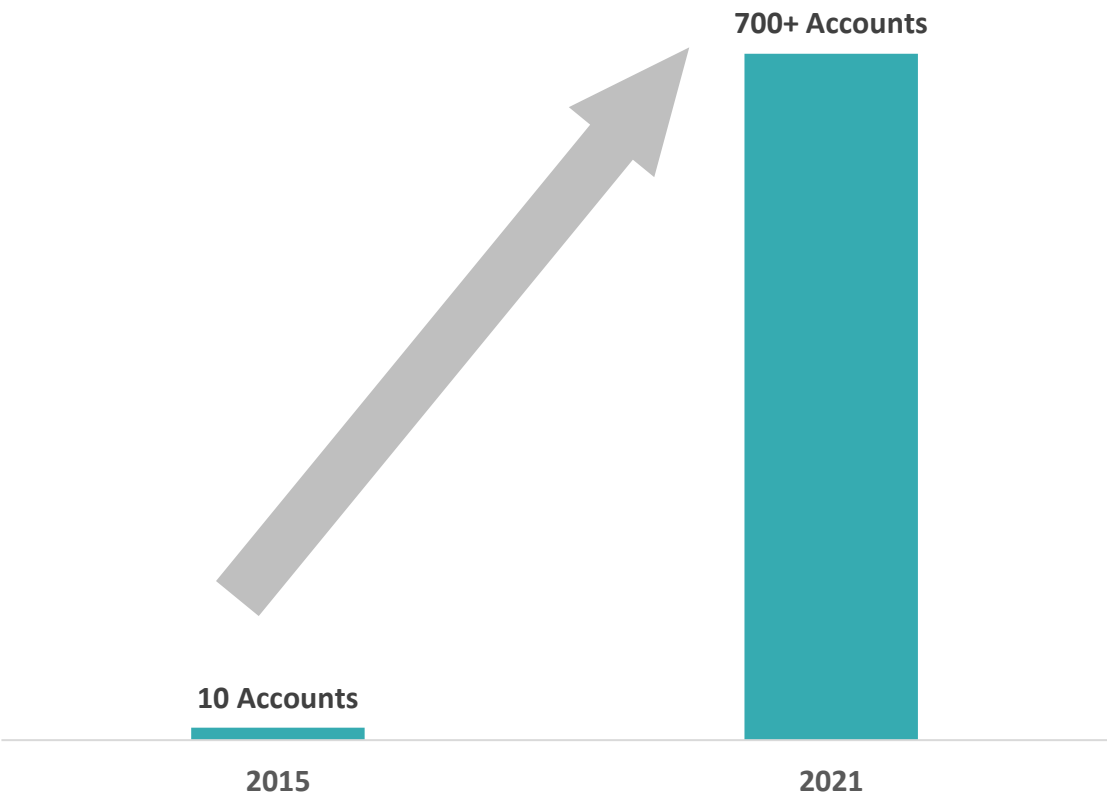


Despite rapid growth of the cannabis industry, cannabis related businesses (CRBs) have limited access to reliable banking and financing solutions.

Safe Harbor Financial's mission is to be the trusted, full-service provider of access to compliant banking services to CRBs.

Safe Harbor Financial's Overview

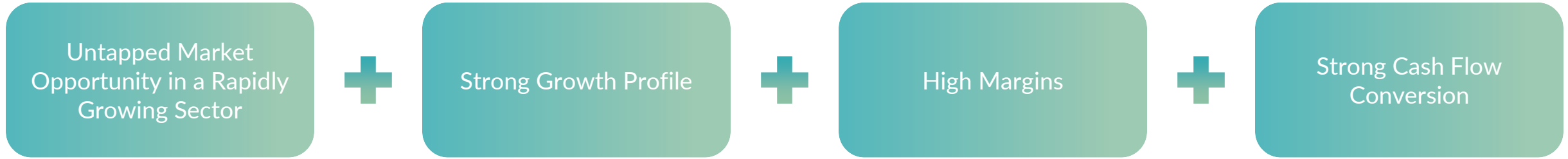
Safe Harbor Financial is a financial services technology firm that serves the regulated cannabis industry and implements the highest standard of accountability, transparency, monitoring, reporting and risk mitigation measures while meeting BSA obligations in-line with FinCEN guidance on cannabis related businesses.



*SHF relationships continue to grow at a rate of 15+ new accounts onboard per month

Note: Cannabis Funds Processed includes SHF's predecessor

SHF Presents a Compelling Investment Opportunity

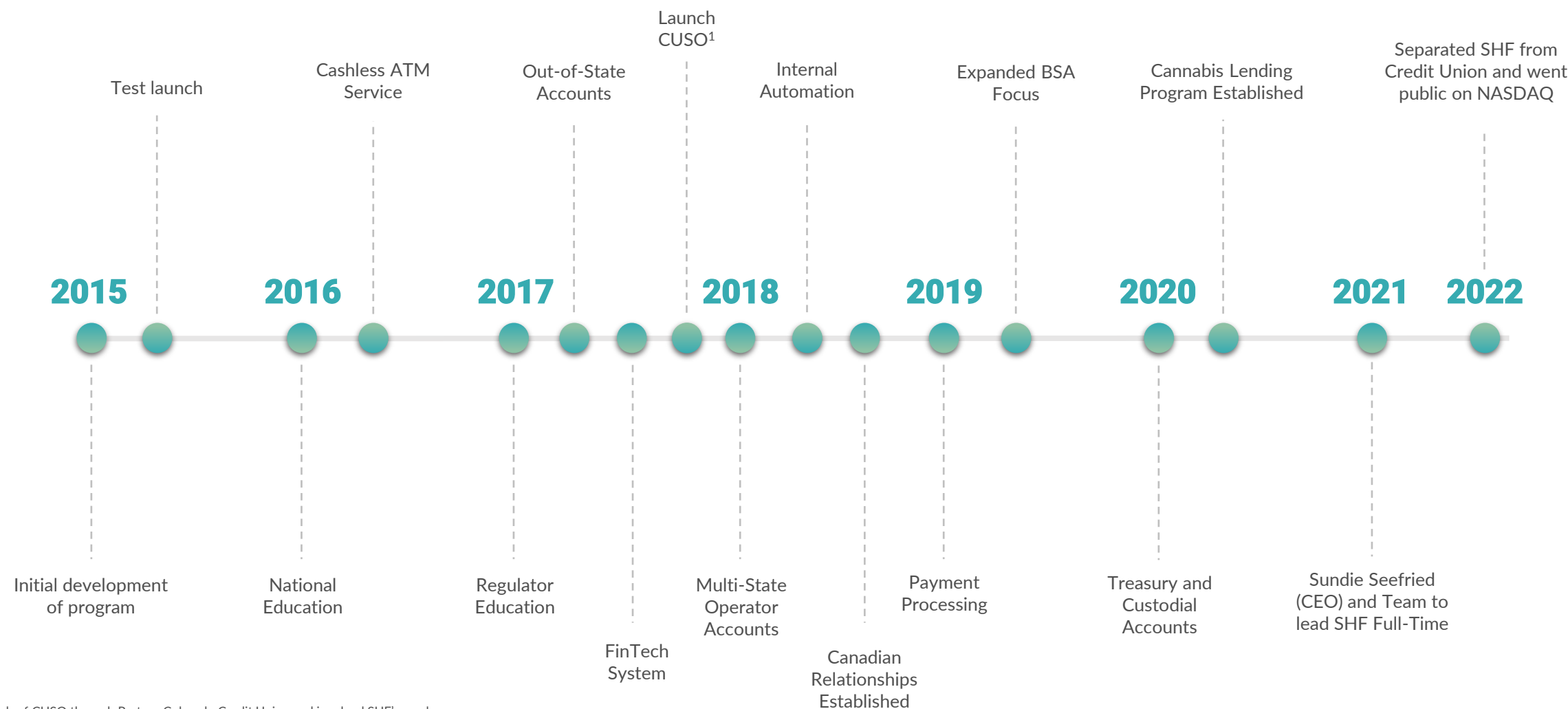


Key Operating Advantages

- 01 NASDAQ listed publicly traded company with exposure to the large and growing cannabis industry
- 02 Ramp-up of new CRB and ancillary accounts onboarded per month driven by scaling of the business model
- 03 Scalability of proprietary lending platform and account onboarding and compliance related services drives additional margin expansion
- 04 Ongoing growth in the cannabis sector provides SHF the ability to charge onboarding fees
- 05 SHF benefits from exemption from IRS Code 280E which imposes tax rates on CRBs 80%+ in some cases

Pioneering the Cannabis Financial Services Industry Since 2015

Safe Harbor Financial has built the industry standard cannabis banking technology platform with over \$14 billion processed in cannabis related funds, while concurrently maintaining compliance through rigorous state and federal examinations.

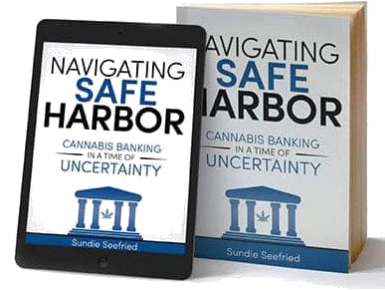


1. Launch of CUSO through Partner Colorado Credit Union and involved SHF's predecessor

Nationally Recognized CEO and Industry Thought-Leader



Sundie Seefried
Chief Executive Officer



"A pioneering program for marijuana-related businesses in Colorado that is providing banking services to the industry while keeping our communities safer."

- Congressman Ed Perlmutter, Colorado

**The
New York
Times**

Where Pot Entrepreneurs Go When the Banks Just Say No - The New York Times (nytimes.com)

"But in three years it has established itself, entirely through word of mouth, as the marijuana industry's biggest banker. These clients deposited \$931 million in 2017. No other United States bank or credit union has probably taken as much."



How A Cottage Industry Filled The Cannabis Banking Gap - Law360

"The requirements that we have to go through at this point in time to know that money, know that business and know those owners will never change," Seefried said. "So that is a heavy burden that we will continue to have to carry even after the SAFE Act."

THE CEO
PUBLICATION

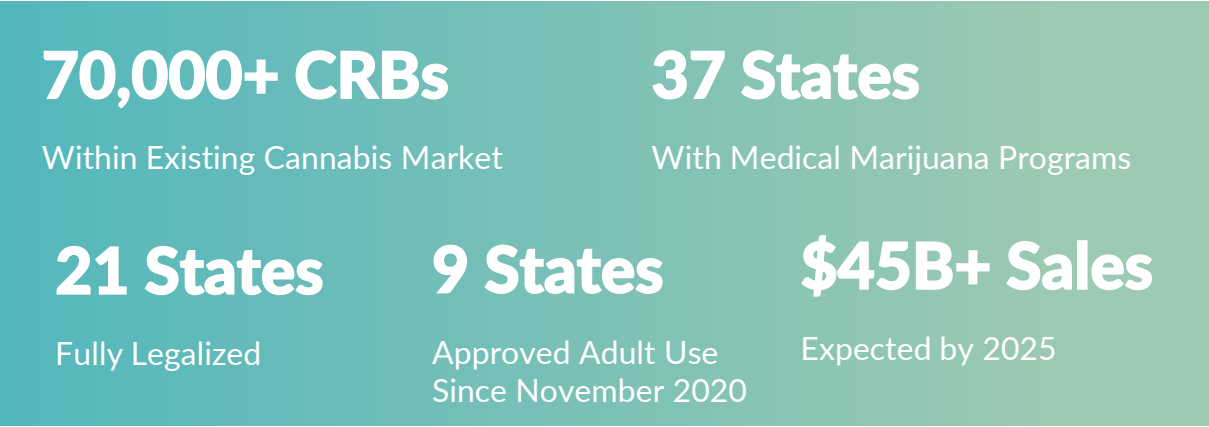
Fueling the Fire of Success | Sundie Seefried – THE CEO PUBLICATION

"Opportunity lays where others don't or won't do something even though a demand exists," Seefried says. "In addition, one must be in sync with fundamental drives and motivations. As a Credit Union leader, it was important to serve the community and benefit our members."

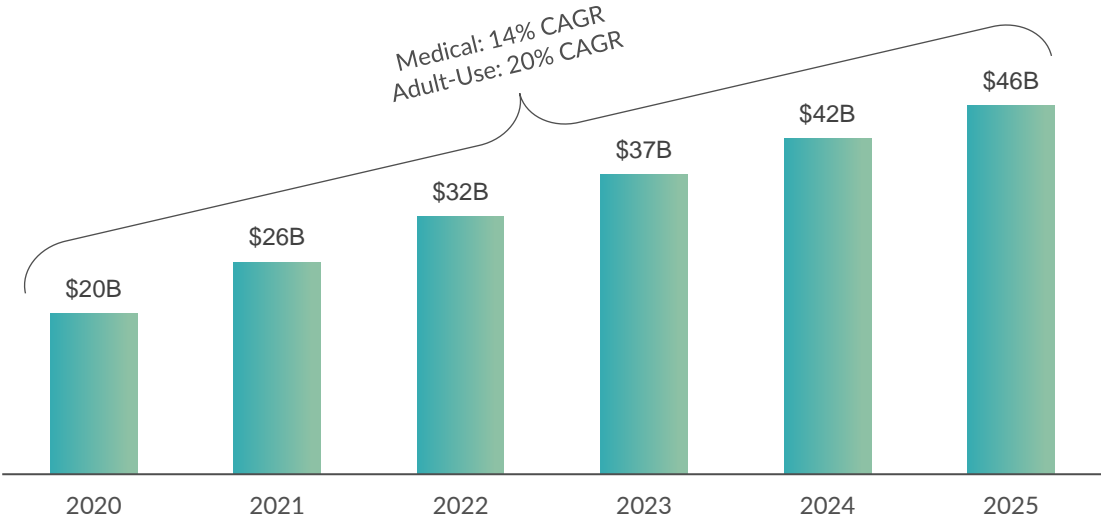
Note: SHF has no affiliation with the third parties referenced in this Presentation.

Rapidly Growing and Fragmented Market

Cannabis-related businesses are quickly scaling and require a safe commercial banking solution.

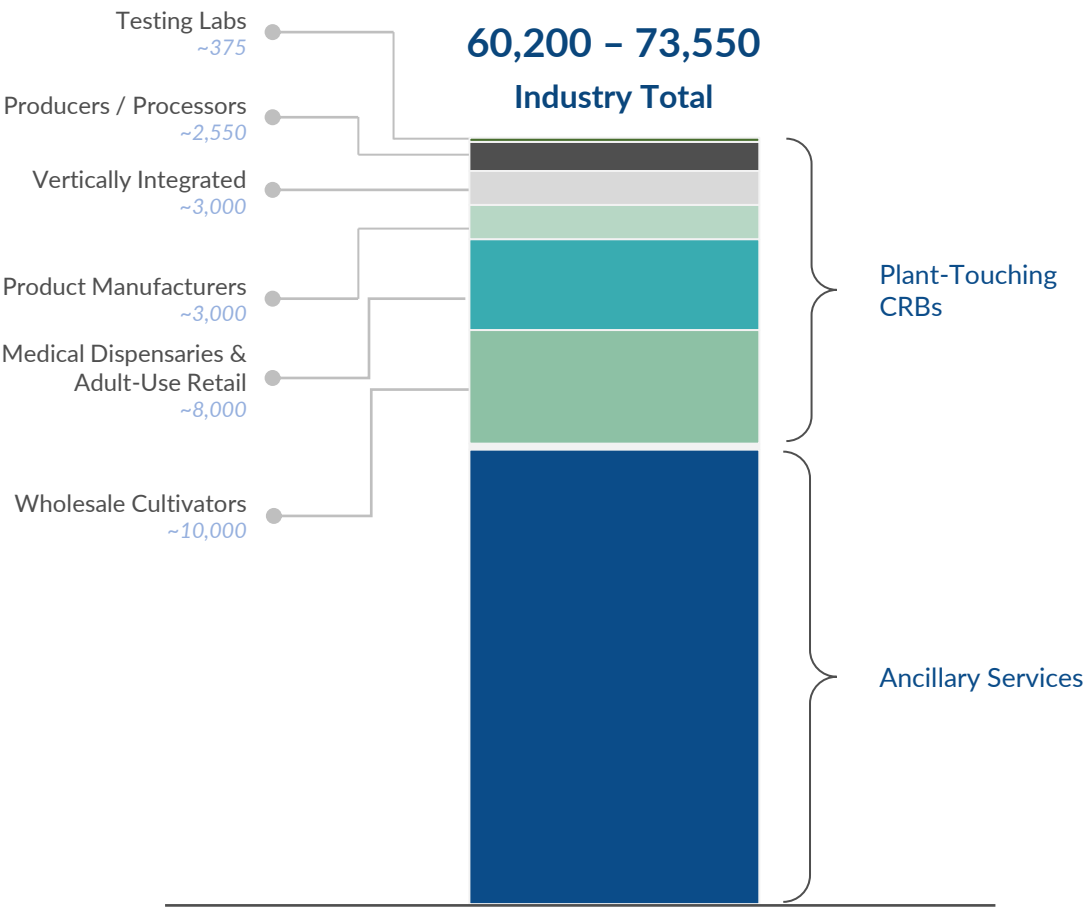


US Cannabis Retail Sales Estimates (2020 – 2025)¹



1. Medical and adult use
Source: Wall Street analysis and industry reports
9 | Safe Harbor Financial (NASDAQ: SHFS)

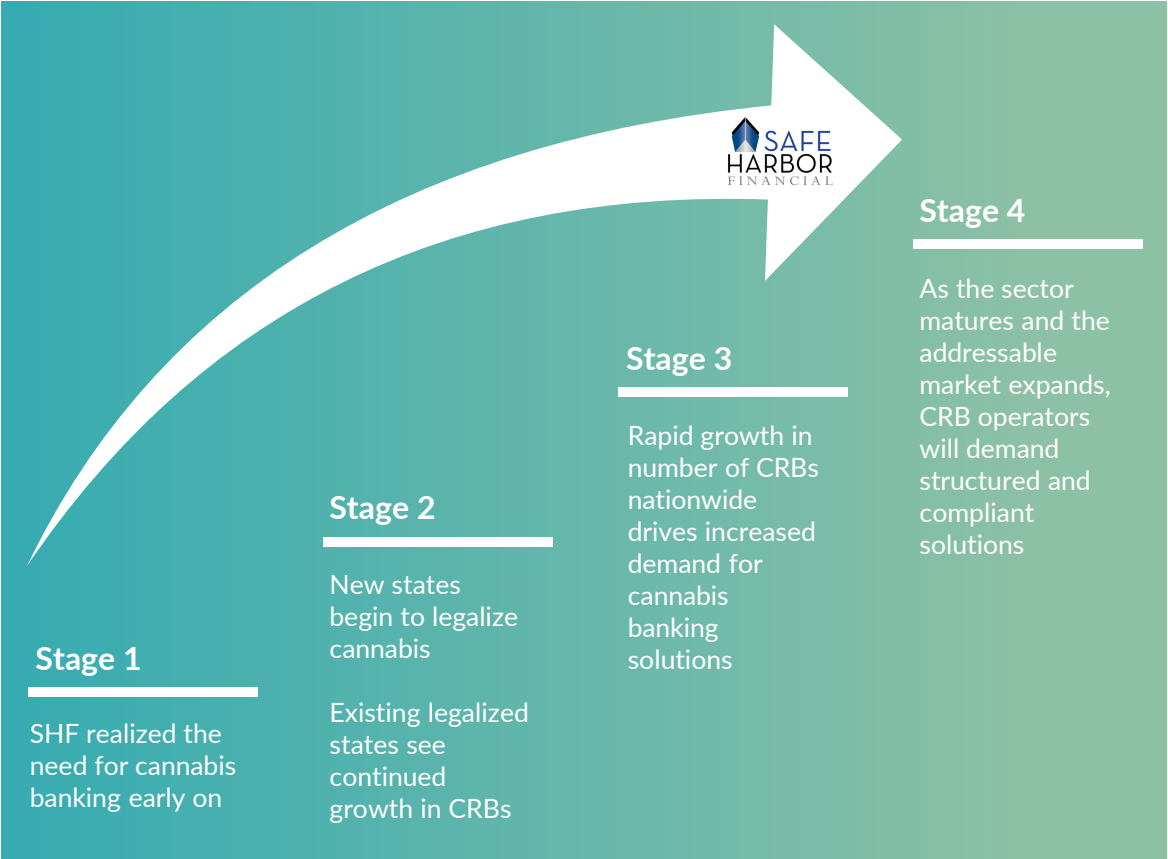
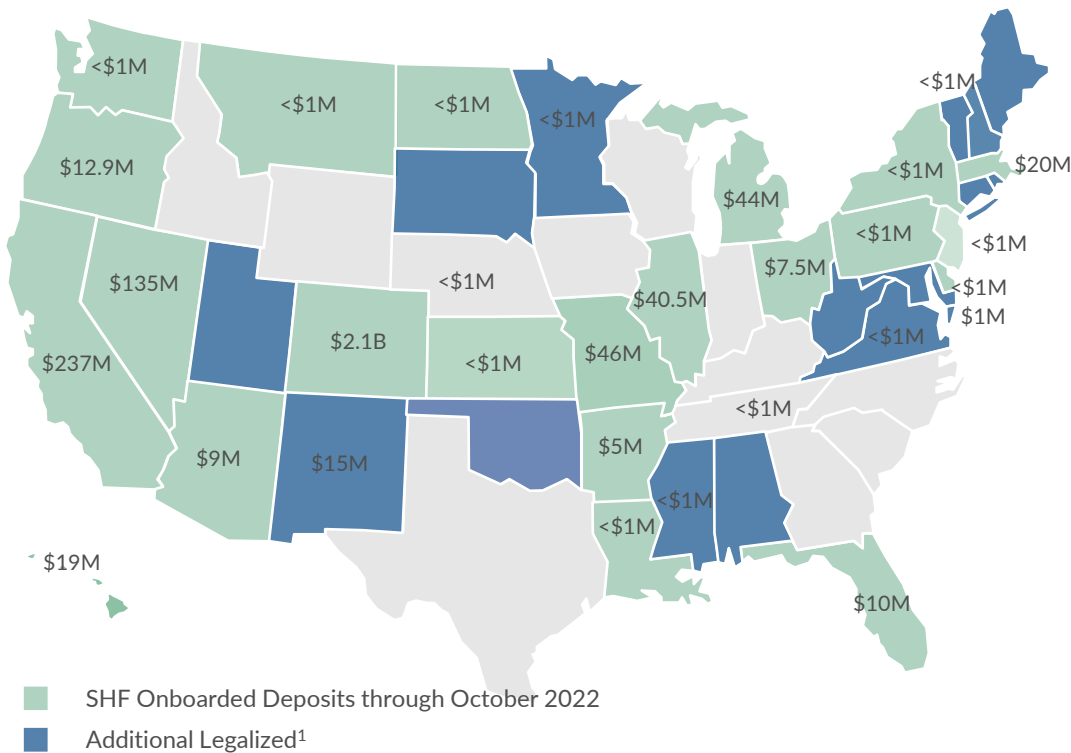
Estimated Number of US Cannabis-Related Businesses in 2021



Uniquely Positioned to Capture National Market Share

Safe Harbor Financial has established continued growth which will be further compounded by geographic expansion and industry growth.

Safe Harbor Financial’s presence in legalized medical and recreational states has led to significant deposit growth to the deposits at client financial institutions



Safe Harbor Financial has laid the foundation to become the leading provider of access to financial services focused on the cannabis industry

High Barriers of Entry – Safe Harbor Financial’s Advantage

Legal Environment

An evolving legal environment at the federal level poses a challenge to new entrants. Without an established system of measures and protocols in place, competitors are at a severe disadvantage.

Regulatory Pressure

The uncertain legal environment paired with high levels of scrutiny faced by the cannabis industry causes most financial institutions to shy away from the industry.



Complexity of Business

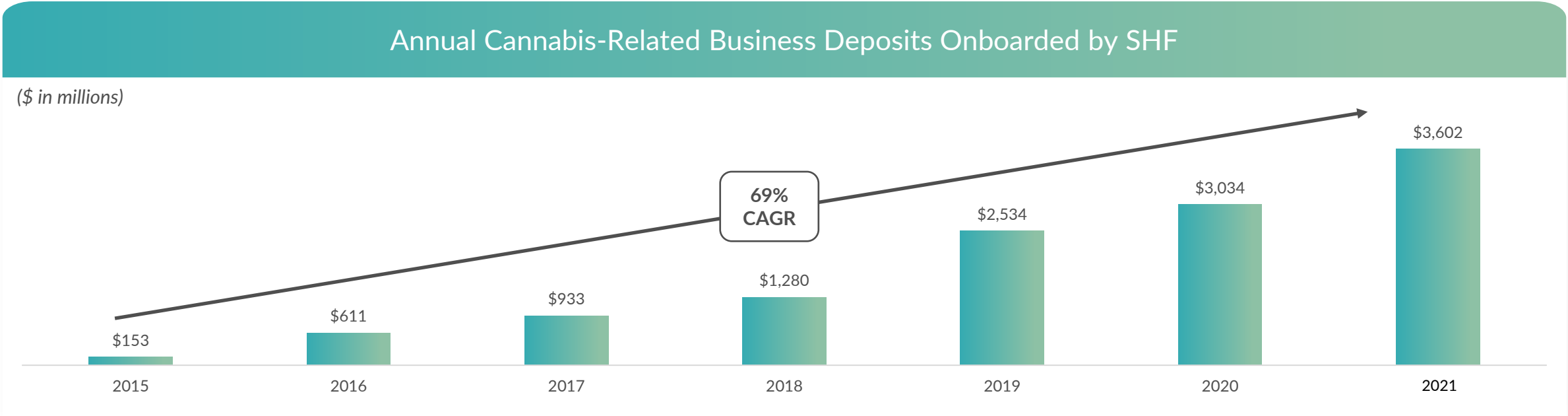
The complex nature of cannabis business models demands significant hands-on resources by institutions.

BSA/AML Regulation

Most institutions are unwilling to take on the risk of steep BSA penalties for non-compliance, and those that do require a great deal of trust, training and resources to meet standards and monitor activity.

Methodical Growth

Safe Harbor Financial has strong customer deposit growth which will be further fueled by expanding relationships with our client financial institutions.



- ✓ Diverse client mix of multi-state and single-state operators
 - ✓ Customer retention rate of 83.4% in 2021
- ✓ No customer accounted for more than 2% of deposit fee income
- ✓ Little to no historical marketing expense for customer acquisition

Continuing to Build the Cannabis Financial Services Ecosystem

With existing and upcoming CRBs lacking access to a full-suite of financial service solutions, Safe Harbor Financial is strategically positioned to expand its base of onboarded CRB accounts, increase service offerings, and capture additional market share.

**Safe Harbor Financial's
Full Solutions
Capabilities Will
Continue To Attract
Sticky Long-Term
Customers**



Additional Capabilities

- Commercial Lending
- Courier Services
- Remote Deposit Services,
- ACH
- Wire Payments
- Savings and Investment Options

The Cannabis Lending Opportunity

Leveraging its growing managed deposit base, Safe Harbor Financial is capable of providing growth capital to CRBs at better rates than other industry participants while still maintaining similar net interest spreads.

Commercial Lending Opportunity in the Cannabis Industry

Safe Harbor Financial is one of the first providers of debt at commercial lending rates establishing long-term market share of operators while maintaining compelling yields.

Current Lending Environment

- Raises equity or high yield debt to deploy loans
- Origination team requiring active outreach and learning each new client

Typical Rate:
18-36% over 2-3 years

Safe Harbor Financial

- Loans off of managed deposit account balances
- Loan to existing customer accounts with history of financial data as well as onboard new accounts

Typical Rate:
8-14% over 2-3 years

Safe Harbor Financial is uniquely positioned to capture significant market share with industry leading lending rates

Safe Harbor Financial Lending Program Playbook

Loan Pipeline



Underwriting



Security / Collateral			
01 Real estate	02 Equipment	03 Licenses (when able)	04 Receivables

Growth Strategies

01

Organic Growth of Current SHF Customers

- Deposits at PCCU have grown at approximately 69% CAGR since 2015 and have a customer retention rate of approximately 83%
- Customer revenue growth will lead to larger deposits and transactions which increases deposit fee income and lending capacity
- Expand additional service offerings to existing clients

02

New Customers in Existing Legal Markets

- Leverage existing position as a leader of financial services in the 20 states in which Safe Harbor Financial currently services to expand customer base
- Historically growth has been driven primarily by word of mouth; plan to increase marketing and awareness significantly

03

New Medical and Recreational Cannabis Markets

- As existing customers expand into new cannabis markets, expect them to remain Safe Harbor Financial customers
- Ability to service customers across all legal medical and recreational cannabis markets enables new operators to become Safe Harbor Financial clients

04

Lending to Current and New Customers

- Existing customer base of approximately 700 CRB's provides an immediate pipeline of lending opportunities for client growth and expansion projects
- Expect innate low cost of capital to result in winning competitive loan mandates with new and prospective customers given the high interest rates currently offered to CRBs

05

M&A Opportunities

- M&A strategy will initially focus on opportunities to expand deposit base, increase lending capacity and complement technology platform
- As a leading provider of financial services to CRB's, well positioned to consolidate additional financial service provider's client bases and other offerings in the value chain



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Thank You