



The U.S. Cannabis Industry's Leading Financial Services Platform

February 27, 2023 Investor Presentation | NASDAQ:SHFS

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Disclaimers (cont'd...)

HISTORICAL FINANCIAL INFORMATION OF SAFE HARBOR FINANCIAL

The historical financial information regarding the Company contained in this Presentation has been taken from or prepared based on historical financial statements, which resulted from carved-out operations of Partner Colorado Credit Union ("PCCU").

USE OF PROJECTIONS

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 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 includes certain non-GAAP financial measures such as Adjusted EBITDA. Management of the Company has included the non-GAAP measures to demonstrate certain metrics that are valuable in evaluating historical and prospective results of operations. All non-GAAP data in the presentation are indicated by footnotes. Adjusted EBITDA is a non-GAAP financial measure that we calculate as net profit/loss before taxes and depreciation and amortization expense in the case of EBITDA and further adjusted to exclude non-cash, unusual and/or infrequent costs in the case of Adjusted EBITDA.

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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

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RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

As referenced on page twelve (12) of this discussion, a reconciliation of net income to non-GAAP EBITDA and Adjusted EBITDA is as follows:

	3Q2022	2Q2022	3Q2021
Net Income	\$ 1,056,235	\$ 336,344	\$ 946,063
Interest Expense	\$ 36,002	\$ -	\$ -
Depreciation and amortization expense	\$ 1,625	\$ 1,134	\$ 399
Taxes	\$ -		\$ -
EBITDA	\$ 1,093,862	\$ 337,478	\$ 946,462
Other Adjustments			
Loan loss provision	\$ 88,345	\$ 237,874	\$ 514
Loan origination fees and costs	\$ 102,364	\$ 188,529	\$ -
Adjusted EBITDA	\$ 1,284,571	\$ 763,881	\$ 946,976

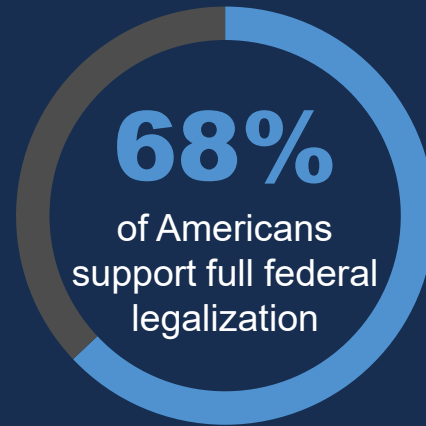
Note: Safe Harbor Financial is not a bank. All banking activities described in this Presentation will be conducted through contractual relationships with insured financial institutions.



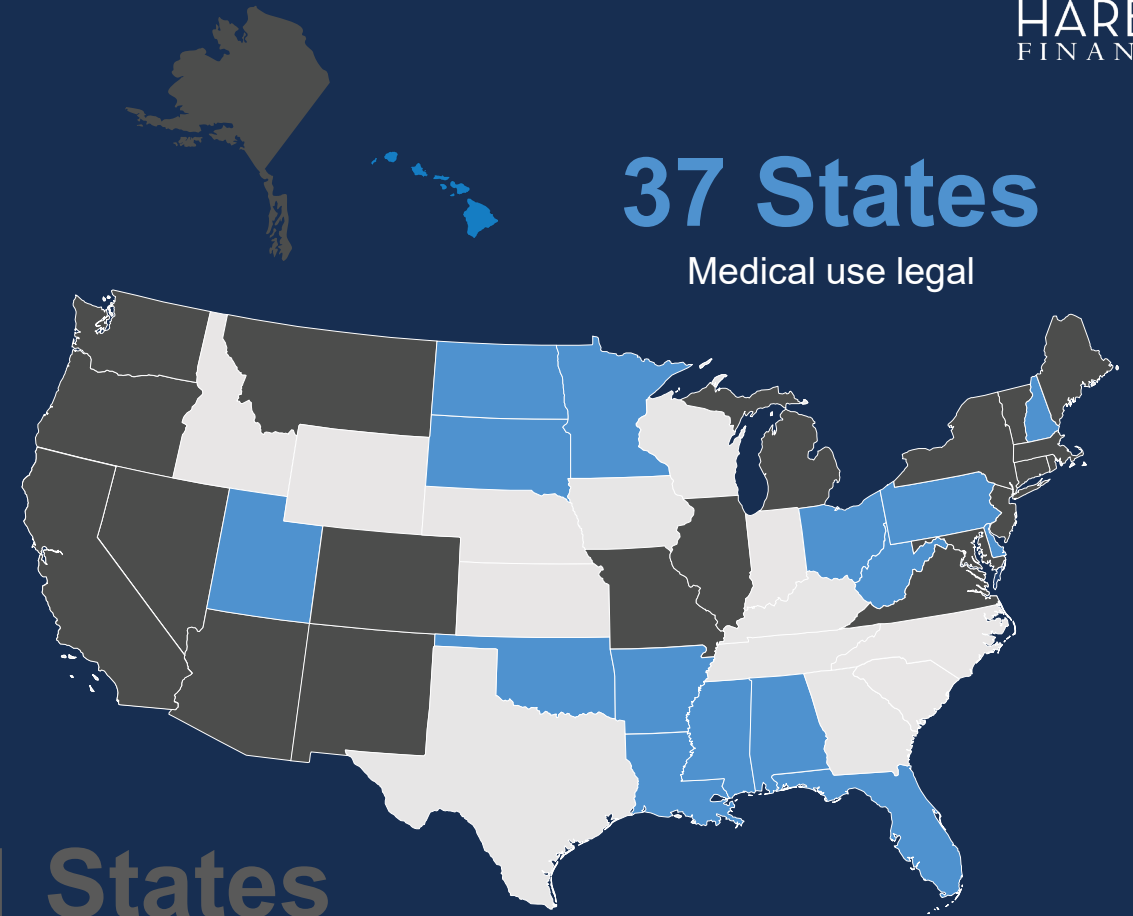
The U.S. Cannabis Industry is Growing



>70,000
cannabis-related
businesses (CRBs)



**>\$46B in
sales¹**
Expected by 2025



¹Medical and adult use, source: Wall Street analysis and industry reports; ²Cannabis Business Times, *13 States That Could Legalize Cannabis in 2023*, <https://www.cannabisbusinesstimes.com/news/states-that-may-legalize-cannabis-in-2023/>

Traditional financial institutions will not bank with Cannabis-Related Businesses

(CRBs)

High risk, high barriers to entry

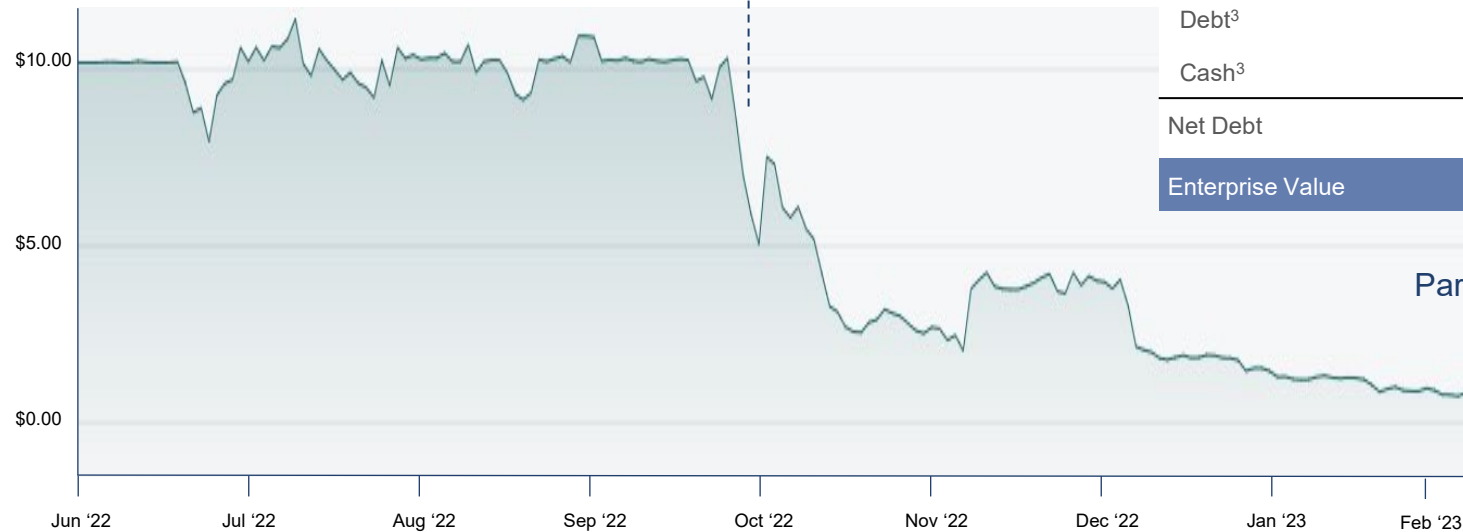
- Many banks, credit unions will not bank with cash-intensive businesses, regardless of industry, due to high cost and compliance risk
- Conflicting state and federal laws regarding legalization
- CRBs deemed high-risk due to cash intensive nature of business and black-market history
- Various 2014 FinCEN interpretations and inconsistent standards
- Complex Bank Secrecy Act (BSA) obligations and fear of non-compliance resulting in severe fines
- Potential prosecution for providing CRBs with financial services
- Complex nature of CRB operations and corporate structures

Capitalization Overview

NASDAQ:SHFS

Special purpose acquisition company (SPAC), Northern Lights Acquisition, closed its acquisition of cannabis financial institution service provider Safe Harbor Financial, taking the company public on the Nasdaq Capital Market and changing its name to SHF Holdings.

Sept 29, 2022 - SHF Holdings shares start trading on the Nasdaq (SHFS)



Capitalization

Share Structure (millions)

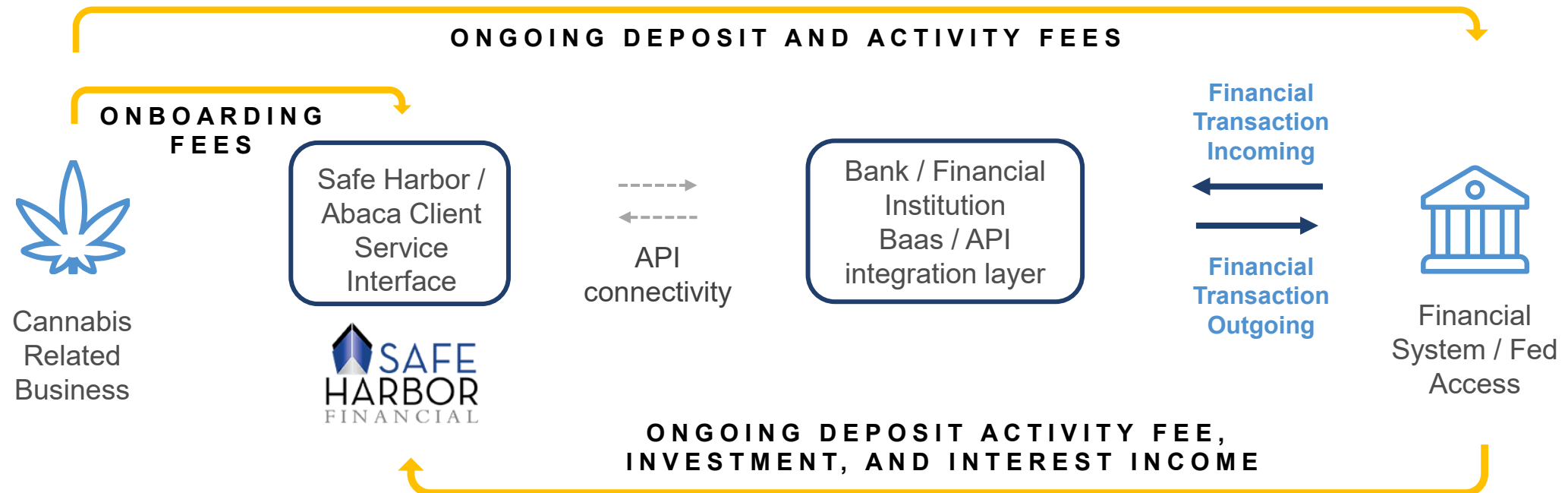
Common Shares Outstanding ¹	27.7
Fully Diluted Shares Outstanding ¹	36.2
Share Price, \$ USD (as of Feb 10 th , 2023)	\$0.80
Market Capitalization ²	\$21.6
Debt ³	64.6
Cash ³	7.3
Net Debt	\$57.3
Enterprise Value	\$78.9

Institutional Holders (37.5%)
 Partner Colorado Credit Union (42.1%)
 Management & Insiders (20.4%)

All values reflected in USD

Fully compliant cannabis finance infrastructure

The most robust suite of specialized financial and treasury services available to the industry



Compliance-first platform, eight years in the making



2015 • Test launch | Initial program development

2016 • Cashless ATM & closed loop services, Out-of-state accounts | National education, Wrote first available cannabis banking book

2017 • Fintech and 3rd party payment processing | Regulator education, National FI Education

2018 • Program Licensing/CUSO* launch, Stood up 8 other FIs on program | MSO accounts, Proprietary Software Development

2019 • International Funds, Attorneys General Relationship | ACH Origination and Payment processing, Expanded BSA focus

2020 • Cannabis lending program established | Expanded Treasury Services

2021 • Decoupled Safe Harbor from Parent | Sundie Seefried (CEO) and team to lead SHF full time

2022 • Acquired Abaca (Nov 22) | Completed de-SPAC and approval for continued listed on NASDAQ, Assembled National Expansion Officer Team

2023

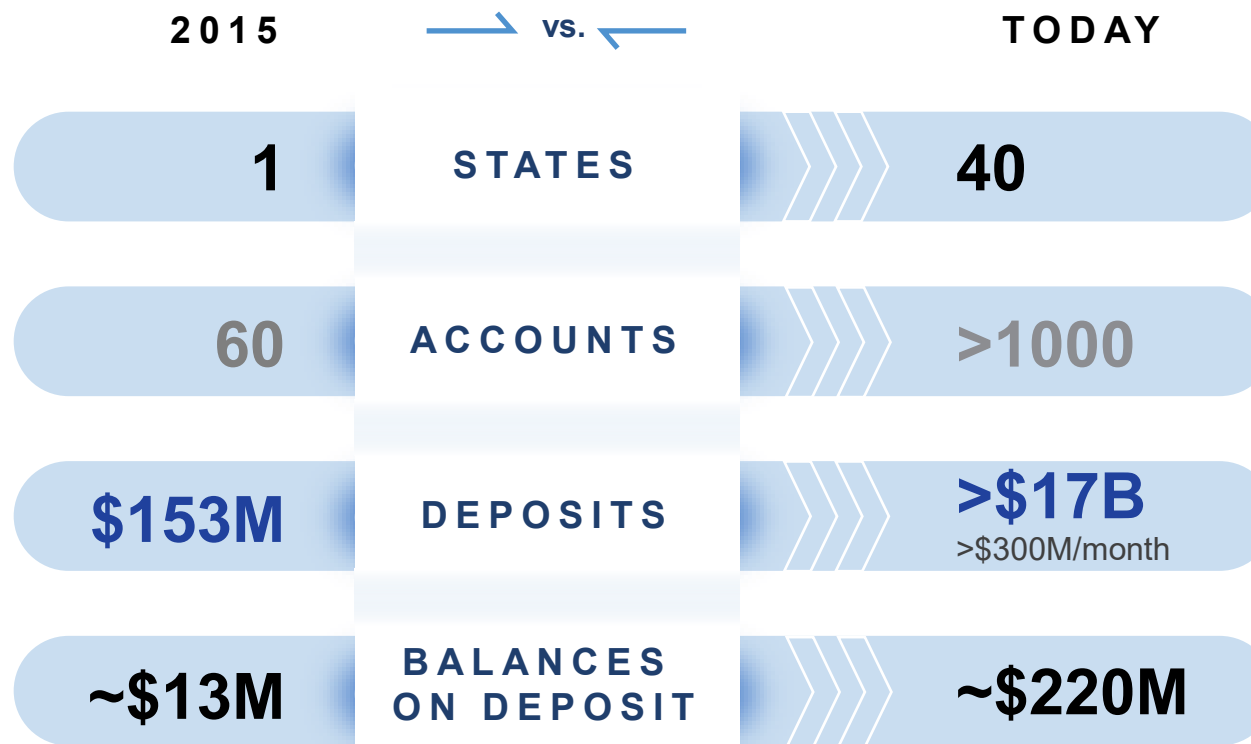


Competitive Advantages

- In 9th year of successfully providing access to financial services consistently to the industry
- Proprietary fintech platform automates onboarding, compliance and fees to enable scale and efficiency
- High barrier to entry
- Successfully passed through 16 federal and state exams
- Meets “Know Your Customer” (KYC) obligations and BSA, anti-money laundering requirements
- Highest standard of accountability, transparency, monitoring, reporting and risk mitigation measures
- Highly reliable and scalable banking and financing solutions
- Whereas competitors manually process and calculate fees, SHF uses software, which enables higher volumes without additional OPEX
- Lending opportunity
- Cost-of-funds advantage based upon deposits onboarded by Safe Harbor
- Commercial banking standards to normalize access to capital

Key Growth Metrics

Free cash flow positive with eight years of Adjusted EBITDA* profitability



*Adjusted EBITDA is a non-GAAP financial measure calculated as net income before taxes and depreciation and amortization expense, excluding non-cash and unusual and/or infrequent costs.

Strong performance...



High CRB
retention rate
(83% in 2021)



Strong cash flow
conversion
(23%*)



Strong margin
profile



Conservative
loan/deposit ratio of
<65%



Diverse client mix
SSOs, MSOs, cultivators,
dispensaries, manufacturers and
ancillary businesses across 40 states



<2% of total deposit fee
income attributed to any
single CRB



Exempt from IRS Code
280E
(which imposes tax rates on CRBs
of up to 80%)

...attractive risk profile

Quarterly Financials

	Q 3 2022	Q 2 2022	Q 3 2021	QOQ CHANGE	YOY CHANGE
Revenue	\$2.4M	\$1.9M	\$1.7M	30%	39%
Net income	\$1.1M	\$0.3M	\$0.9M	227%	12%
Adjusted EBITDA*	\$1.3M	\$0.8M	\$0.9M	70%	35%
Adjusted EBITDA* margin	54%	41%	55%	32%	(1%)
Total deposits	\$8.4M	\$8.1M	\$9.2M	3.5%	(9%)
Total accounts	683	619	559	10%	22%
Average monthly fee	\$715	\$758	\$904	(6%)	(2%)

Growth Strategy



Commercial lending opportunity

Uniquely positioned to capture significant market share with industry-leading lending rates

	CURRENT LENDING ENVIRONMENT	SHF
Loan source	Raises equity / high yield debt to deploy loans	Loans off of managed deposit account balances
Customer acquisition	Origination team requires active outreach and learning each new CRB	Onboards new accounts / loans to existing CRB accounts with history of financial data
Typical 2-3 yr rate	18-36%	8-14%

Financial Lending Program Playbook

PIPELINE	UNDERWRITING	SECURITY
<p>>1000 Existing Accounts with Financial Institution Clients</p> <p>>\$300M in Consideration</p> <p>New CRB customers from Business Development</p> <p>Robust 3rd party origination</p>	<p>BSA onboarding procedures designed for commercial underwriting process = SHF's Proprietary Credit Score</p> <p>In-house commercial lending team & established 3rd party underwriting</p> <p>Cannabis industry expertise ensures proper risk mitigation</p>	<p>1 Real Estate</p> <p>2 Equipment</p> <p>3 Licenses (when possible)</p> <p>4 Receivables</p>

Investment Highlights

The only NASDAQ-listed company with fully compliant cannabis finance infrastructure



Growing U.S. cannabis industry seeking reliable banking and financing solutions



Tested and proven compliant cannabis finance infrastructure



Seasoned management team well versed on the cannabis industry; 55 years of combined experience



Exiting national foundation; servicing >1000 customers across 40 states



Significant barrier to entry, low-risk profile compared to other industry players



High profitability; industry-leading Adjusted EBITDA¹ margins



Platform scalability, new service additions to drive additional margin expansion



Market consolidation of cannabis financial service providers presents significant growth opportunities

Officers



SUNDIE SEEFRIED

Chief Executive Officer

- One of the The CEO Publication's top 20 dynamic U.S. CEOs of 2020
- Author of **Navigating Safe Harbor: Cannabis Banking in a Time of Uncertainty**
- Former 20 year CEO of PCCU and subsidiary, Safe Harbor Services



TYLER BEUERLEIN

Chief Strategic Business Development Officer

- Former Chief Revenue Officer & Chief Business Development Officer for Hypur Ventures
- Former Chairman of the National Cannabis Industry Association Banking and Financial Services Committee



DONNIE EMMI

Chief Legal Officer

- Managing Partner of Hunsaker | Emmi, P.C.
- Counsel at Clark Hill, PLC
- Former Chair of the National Cannabis Industry Association Banking and Financial Services Committee



JIM DENNEDY

Chief Financial Officer

- Former President, COO, and board member of urban-gro, Inc.
- Former CFO of Interurban Capital Group
- Former President & CEO of Agilysis, Inc.



DAN RODA

Executive Vice President & Chief Operating Officer

- Co-Founder and CEO of Abaca
- Former General Counsel at Rock Capital Group
- Former Attorney at Davidson Law Firm

Directors

RICHARD CARLETON

CEO, Canadian Securities Exchange

JOHN DARWIN

*Co-CEO, Northern Lights
Acquisition Corp.*

JOSHUA MANN

*Co-CEO, Northern Lights
Acquisition Corp.*

JENNIFER MEYERS

CFO, Partner Colorado Credit Union

FRED NEIHAUS

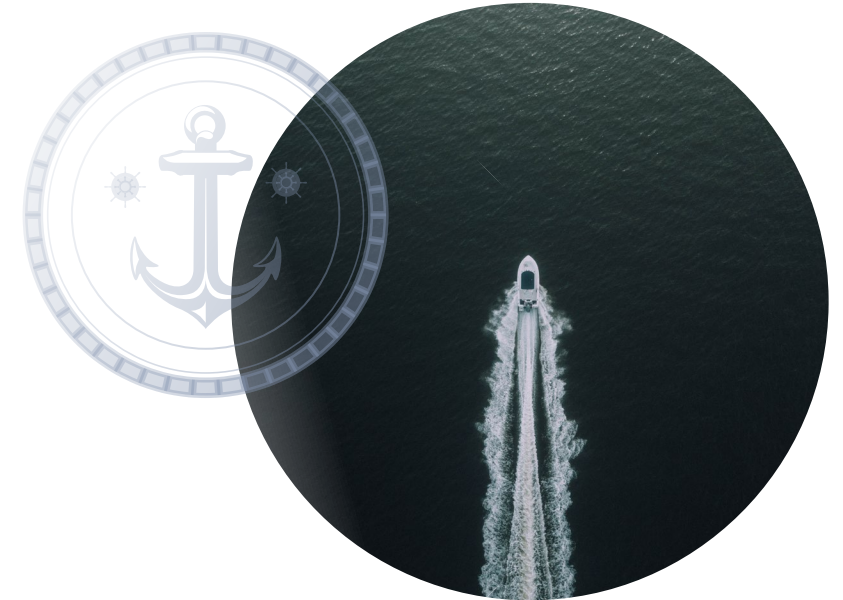
*Managing Partner,
Interactive Global Solutions*

JONATHAN SUMMERS

*Chairman, Billion Pairs Genetic Corp.
and EXMceuticals*

KARL RACINE

*Former Washington D.C. Attorney
General*





THANK YOU

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