



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

April 2023 Investor Presentation | NASDAQ:SHFS

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Disclaimers

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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").

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What We Do

Safe Harbor is a fintech platform with a stellar, 9-year track record of facilitating banking and lending services to the US cannabis industry.

Reasons to Buy

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



Leadership and expert position in an underserved market with extremely high barriers to entry and regulatory oversight



National footprint in 41 states facilitating more than US \$18 billion in deposit activity to date



Tremendous blue-sky through organic growth, commercial lending and M&A / cannabis industry consolidation

The U.S. Cannabis Industry is Growing

37 States

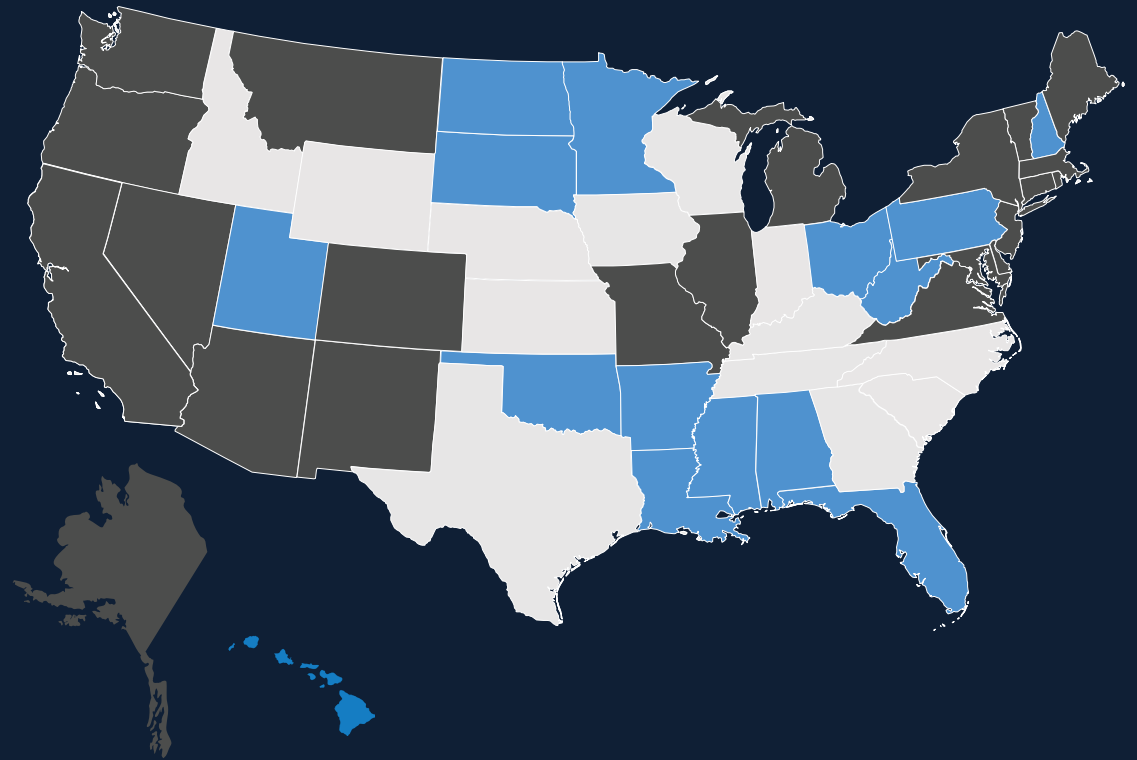
Medical use legal

22 States

Medical and adult-use legal²

12 States

Potentially legalizing in 2023³



>70,000
cannabis-related
businesses (CRBs)



68%

of Americans
support full
federal
legalization

48%

of Americans
live in a state
where cannabis
is legal¹

>\$46B
in sales¹
Expected by 2025



Medical and adult use, source: Wall Street analysis and industry reports

¹ New Frontier Data, *Elections Expand Adult-Use Cannabis Markets to Nearly Half of U.S.*, <https://newfrontierdata.com/cannabis-insights/elections-expand-adult-use-cannabis-markets-to-nearly-half-of-us/> ² USNews.com, *Where Is Marijuana Legal? A Guide to Marijuana Legalization*

<https://www.usnews.com/news/best-states/articles/where-is-marijuana-legal-a-guide-to-marijuana-legalization> ³ Cannabis Business Times, *13 States That Could Legalize Cannabis in 2023*, <https://www.cannabisbusinesstimes.com/news/states-that-may-legalize-cannabis-in-2023/>

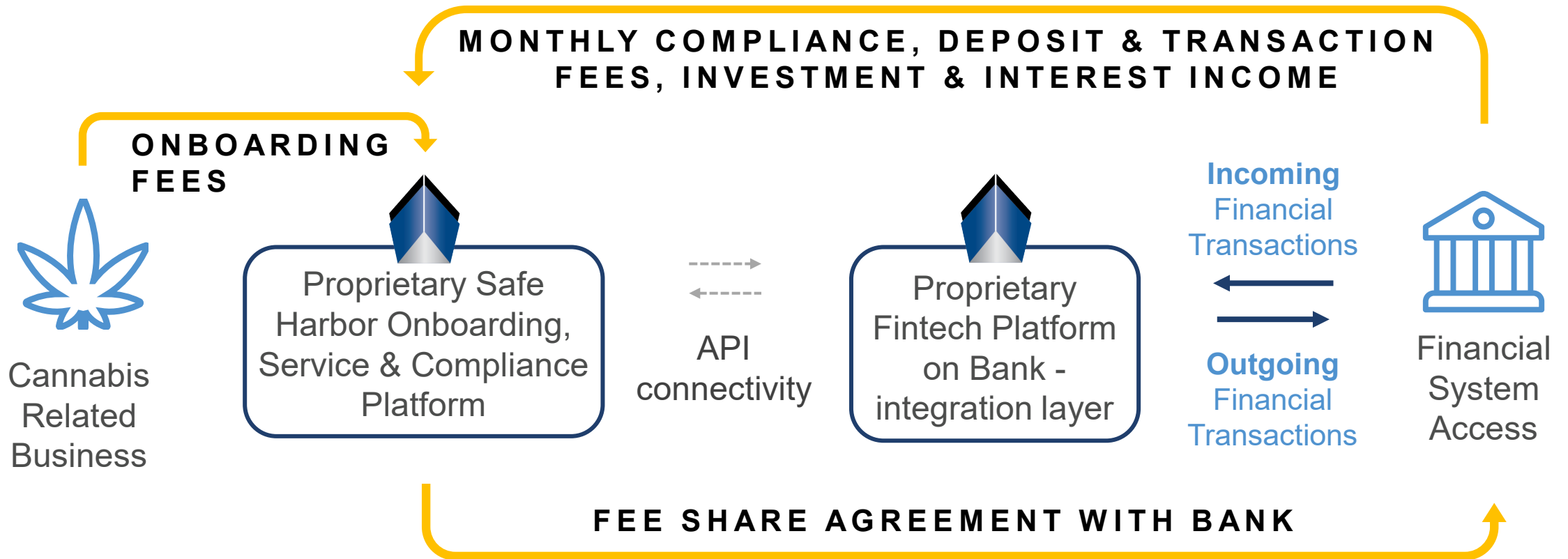
Traditional financial institutions will not bank Cannabis- Related Businesses (CRBs)

High risk, high barriers to entry

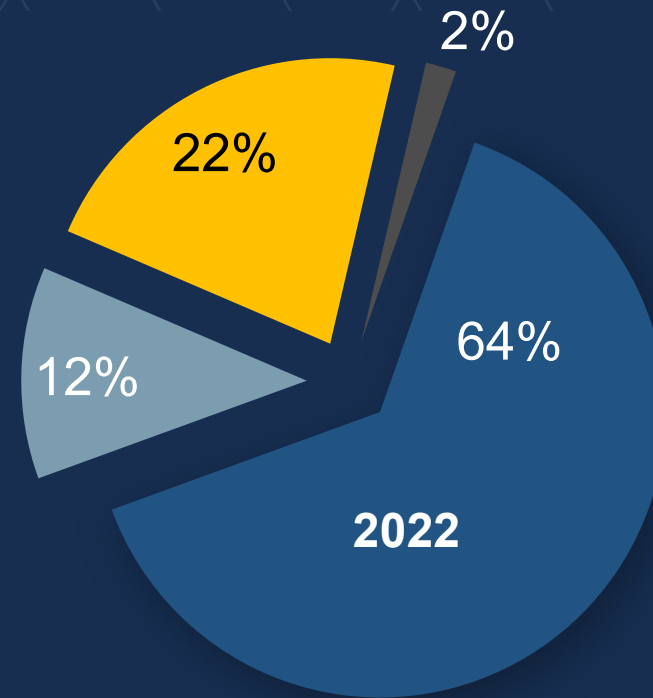
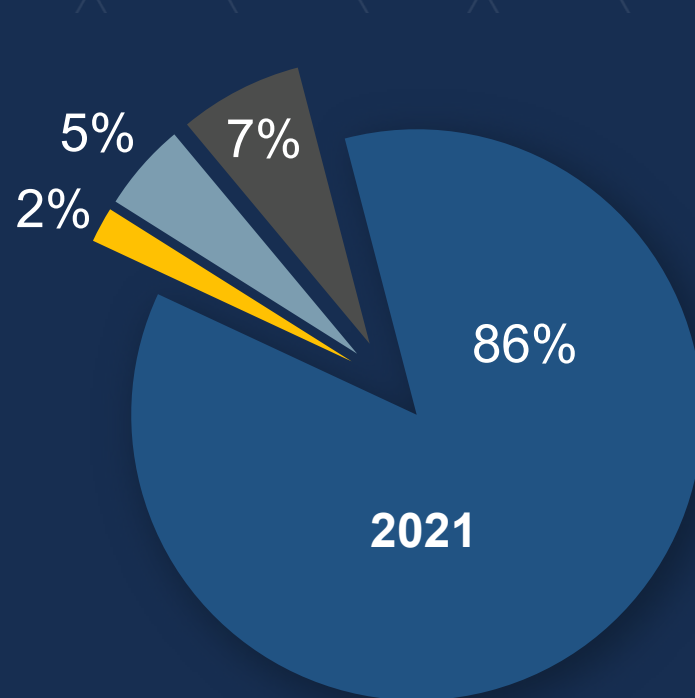
- **No Safe Harbor:** Potential prosecution for providing CRBs with financial services
- **Illegal status:** Conflicting state and federal laws regarding legalization
- **High barriers to entry:** Pending/proposed legislation will not change the cannabis banking environment
- **Bank Secrecy Act:** Complex BSA obligations and fear of non-compliance resulting in severe fines, **high** compliance costs
- **High-risk market:** Like Money Service Businesses (MSBs), CRBs deemed high-risk due to cash-intensive nature of business and black-market history
- **Lack of standards:** Various 2014 FinCEN interpretations and inconsistent examination standards
- **Complex industry:** State-by-state cannabis regulations resulting in complex corporate structures

Proven & compliant cannabis finance infrastructure

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



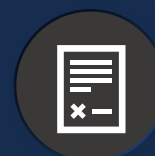
Income Composition



Deposit activity fees



Loan interest income and fees



Program licensing fees



Investment income

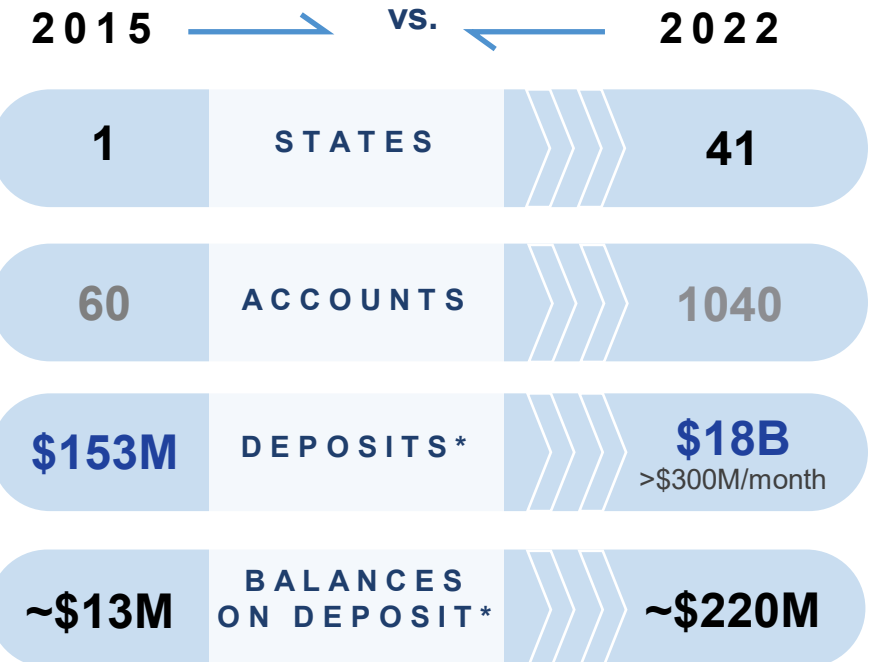
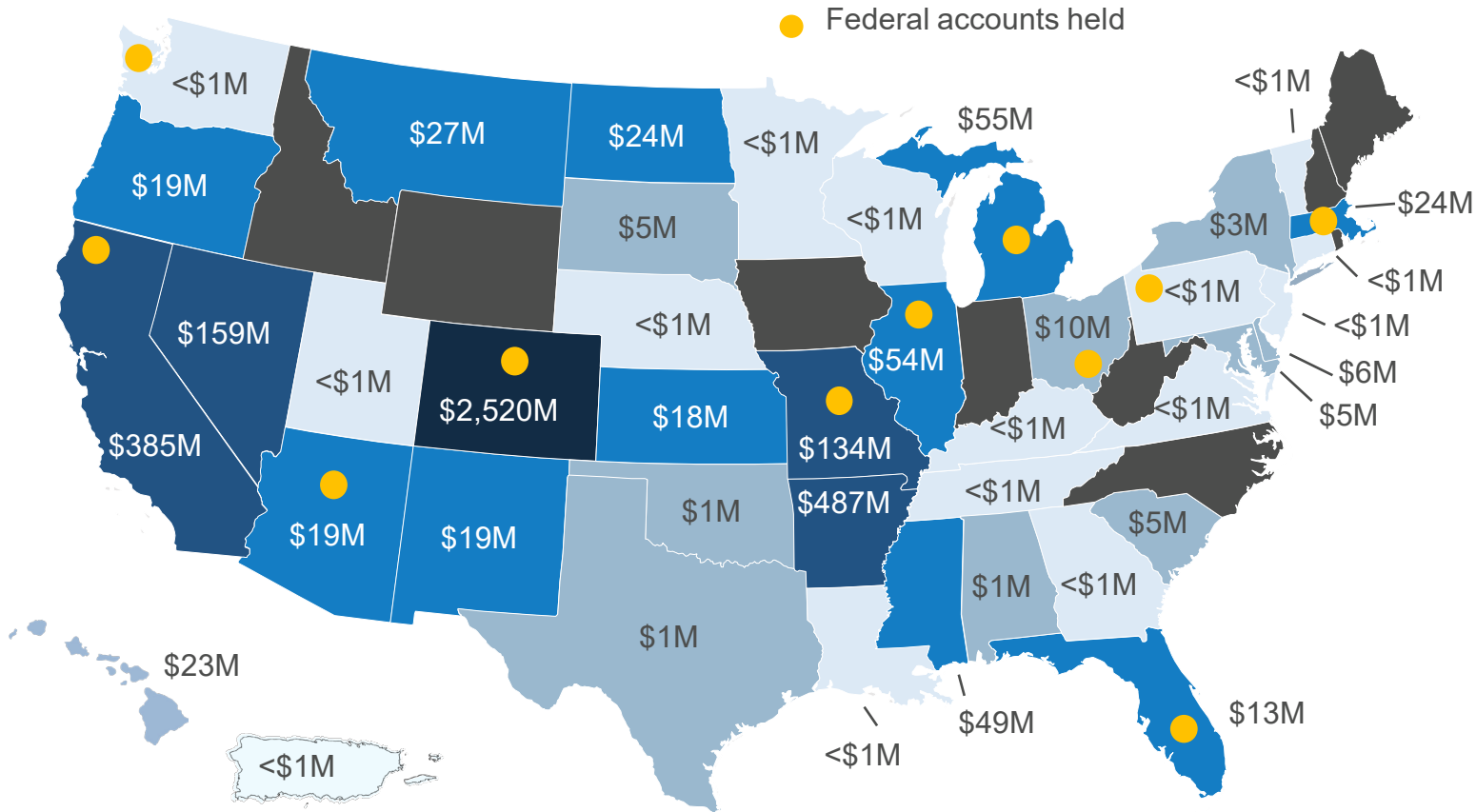
In 9th Year of Success

First-to-market advantage, creating a national leadership position



Growth & expansion

Established National Footprint on which to scale



*Deposits held by the Company's financial institution customers.

Competitive Advantages

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

- **Consistent performance:** in 9th year of successfully providing access to financial services consistently to the industry
- **Cannabis expertise:** 55 years combined management industry experience
- **Brand recognition:** established, reliable, well-performing brand
- **Proprietary, scalable fintech & compliance software:** automated onboarding, compliance & bank interface
- **Barriers to entry:** high-risk markets requiring additional compliance
- **Regulator acceptance:** successfully passed 16 federal and state exams
- **Lending & depository service access:** depository relationships support “Know Your Customer” for better loan underwriting
- **Low cost-of-funds advantage:** based on onboarded deposits
- **Multiple growth opportunities:** consolidation of cannabis financial services providers

Growth Strategy

Organic
Increases in existing CRB revenue and expanded use of fee-based services



Bulk acquisition of client relationships
through M&A and from FIs wanting to exit their service offering in this industry



New commercial lending opportunity
Providing access to capital at normalized commercial banking terms



M&A
Expand deposit base, increase lending capacity, complement technology platform



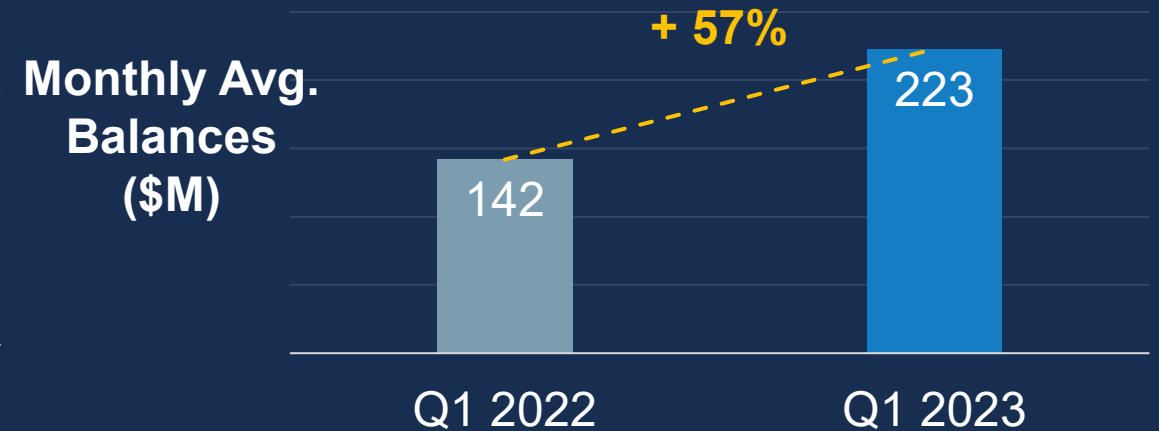
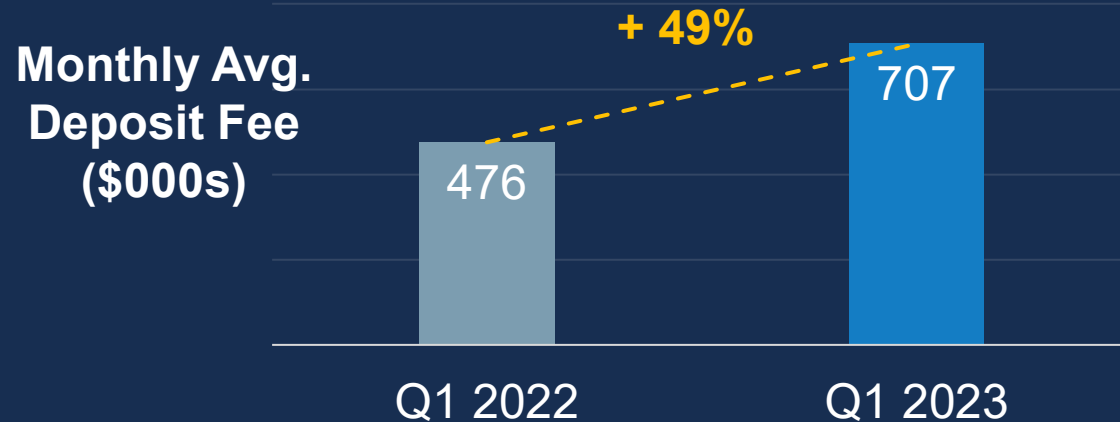
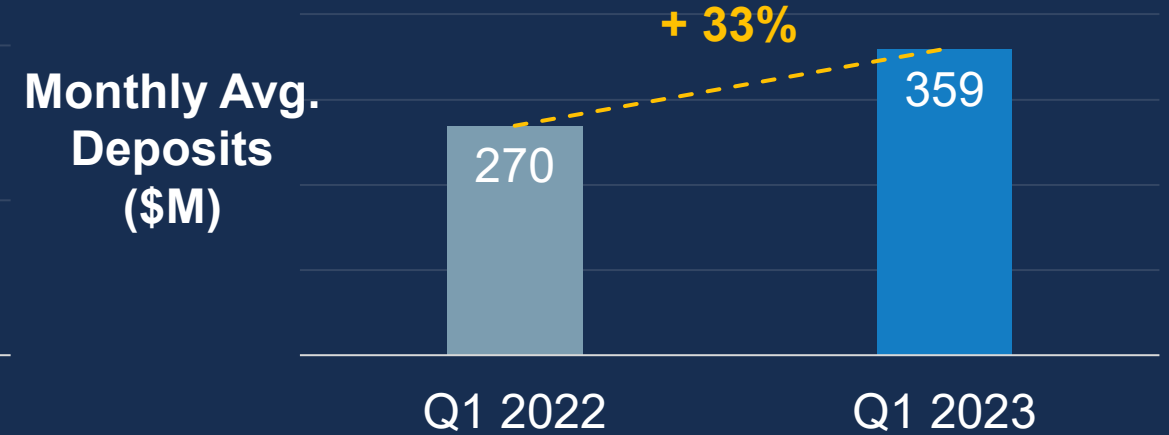
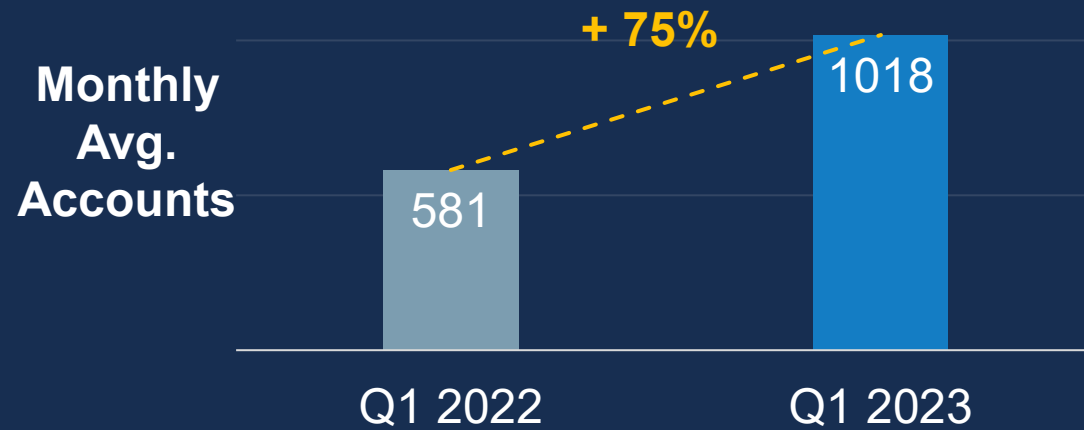
Current legal markets
Acquisition via increased marketing spend, which has been minimal to date



Legalizing markets
New and existing CRBs as they expand to new jurisdictions



Q1 2022 vs. Q1 2023 Growth



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 (= lower cost of funds)
Customer acquisition	Origination team requires active outreach and learning each new client	In-house commercial lending team onboards new accounts / loans to existing >1000 customer accounts with history of financial data
Typical 2-3 yr rate	18-36%	8-14%
Underwriting risk / security	Higher risk required to include projection loans to meet investor expectations	1st: senior secured position 2nd: equipment, licenses & receivables Established 3rd party underwriting; industry expertise ensures proper risk mitigation

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 DENNEY

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, Luminous Capital USA, Inc.

DOUGLAS FAGAN

CEO, Partner Colorado Credit Union

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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Appendix

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Financial Summary

	YE 2022	YE 2021	% change
Revenue	\$9.4M	\$7.0M	34%
Adjusted EBITDA ¹	\$1.3M	\$3.3M	(60%)
Active accounts	1040	572	82%
Loan originations	\$15.8M	\$4.3M	267%
Cash	\$8.4M	\$5.5M	53%

Capitalization Overview



NASDAQ:SHFS

Capitalization

Share Structure (millions)

Common Shares Outstanding ¹	41.1
Fully Diluted Shares Outstanding ²	59.3
Share Price, \$ USD ³	\$0.51
Market Capitalization³	\$21.0
Debt ⁴	\$33.6
Cash & Receivables ⁵	\$8.4
Net Debt	\$25.2
Enterprise Value	\$46.2

Institutional Holders (18.6%)
 Partner Colorado Credit Union (54.9%)
 Management & Insiders (19.7%)

All values reflected in USD