



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

April 2024 Investor Presentation  
NASDAQ:SHFS

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In addition to risk factors disclosed in the Company’s reports filed with the SEC from time to time, the following factors, among others, could cause actual results and the timing of events to differ materially from the anticipated results or other expectations expressed in the forward-looking statements: (i) the risk of an economic downturn or recession in the Company’s market areas; (ii) the risk that the Company is not able to expand its business operations as planned; (iii) the outcome of any legal proceedings that may be instituted against the Company; (iv) the ability to maintain the listing of the Company’s securities on The Nasdaq Capital Market; (v) that the trading prices of the Company’s securities may be volatile due to a variety of factors, including changes in the competitive and regulated industries in which the Company operates, variations in performance across competitors, changes in laws and regulations affecting the Company’s business; (vi) the impact of dilution resulting from exercises of the Company’s outstanding warrants or conversion of the Company’s outstanding convertible preferred stock and changes in the Company’s capital structure; (viii) the Company’s ability to implement its business plans, forecasts, and other expectations and realize additional opportunities; (ix) the risk of downturns and the possibility of rapid change in the highly competitive industry in which the Company operates, and the risk of changes in applicable law, rules, regulations and regulatory guidance that could adversely impact the Company’s operations; (x) the risk that the Company’s and its current and future collaborators are unable to successfully develop and commercialize the Company’s products or services, or experience significant delays in doing so; (xi) the risk that the Company may not achieve or sustain profitability; (xii) the risk that the Company will need to raise additional capital to execute its business plan, which may not be available on acceptable terms or at all; (xiii) the risk that the Company experiences difficulties in managing its growth and expanding operations; and (xiv) regulations and laws affecting cannabis related businesses.

Actual results, performance or achievements may differ materially, and potentially adversely, from any projections and forward-looking statements and the assumptions on which those forward-looking statements are based. There can be no assurance that the data contained herein is reflective of future performance to any degree. You are cautioned not to place undue reliance on forward-looking statements as a predictor of future performance as projected financial information and other information are based on estimates and assumptions that are inherently subject to various significant risks, uncertainties and other factors, many of which are beyond our control. All information set forth herein speaks only as of the date hereof in the case of information about the Company or the date of such information in the case of information from persons other than the Company, and we disclaim any intention or obligation to update any forward-looking statements as a result of developments occurring after the date of this communication. Forecasts and estimates regarding the Company’s industry and end markets are based on sources we believe to be reliable, however there can be no assurance these forecasts and estimates will prove accurate in whole or in part. Annualized, pro forma, projected, and estimated numbers are used for illustrative purpose only, are not forecasts and may not reflect actual results.

# Disclaimers

## 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 initially resulted from carved-out operations of Partner Colorado Credit Union (“PCCU”) in 2022.

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## NON-GAAP FINANCIAL MEASURES

In addition to financial information presented in accordance with GAAP, this presentation includes non-GAAP gross profit, non-GAAP net loss, Adjusted EBITDA, Adjusted EBITDA margin, non-GAAP operating expense, and Free Cash Flow, each of which is a non-GAAP financial measure. These are key measures used by our management to help us analyze our financial results, establish budgets and operational goals for managing our business, evaluate our performance, and make strategic decisions. Accordingly, we believe that these non-GAAP financial measures provide useful information to investors and others in understanding and evaluating our operating results in the same manner as our management and board of directors. In addition, we believe these measures are useful for period-to-period comparisons of our business. We also believe that the presentation of these non-GAAP financial measures provides an additional tool for investors to use in comparing our core business and results of operations over multiple periods with other companies in our industry, many of which present similar non-GAAP financial measures to investors, and to analyze our cash performance. However, the non-GAAP financial measures presented may not be comparable to similarly titled measures reported by other companies due to differences in the way that these measures are calculated. These non-GAAP financial measures are presented for supplemental informational purposes only and should not be considered as a substitute for or in isolation from financial information presented in accordance with GAAP. These non-GAAP financial measures have limitations as analytical tools. Please see the Appendix for reconciliations of non-GAAP financial measures to the most directly comparable GAAP financial measures historical periods. Reconciliations are not available on a forward-looking basis without unreasonable effort due to the uncertainty regarding, and the potential variability of, expenses that may be incurred in the future.

## **What We Do**

**Safe Harbor is a fintech platform with a stellar, 9-year track record of facilitating traditional banking and lending services to the US cannabis industry through our network of financial institution clients.**

# Who We Are

The first Nasdaq listed company with compliant cannabis finance infrastructure



Expertise in cannabis banking and lending leveraging a proprietary fintech platform



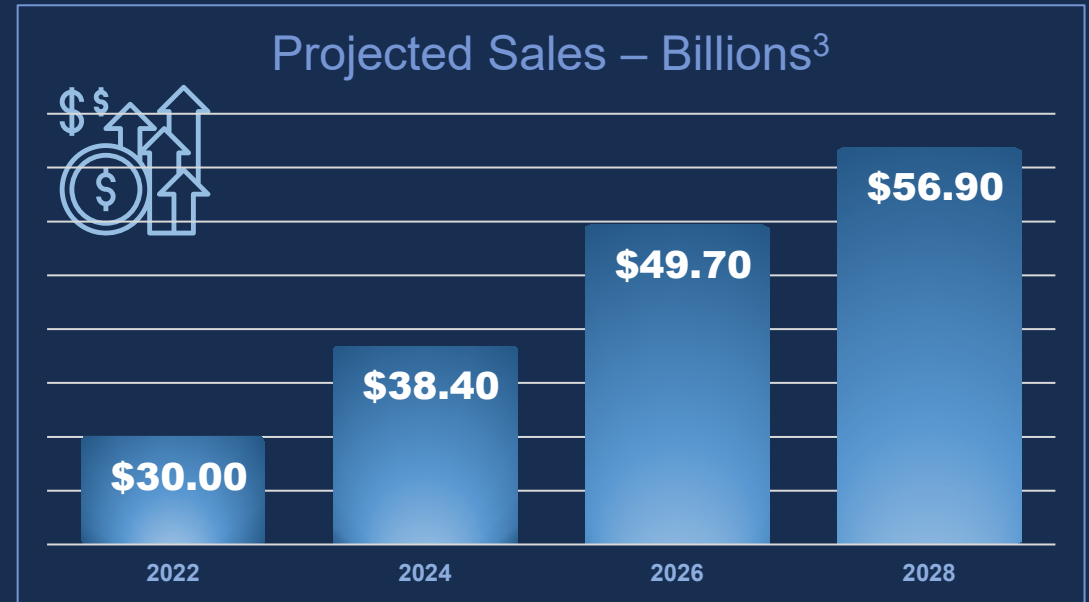
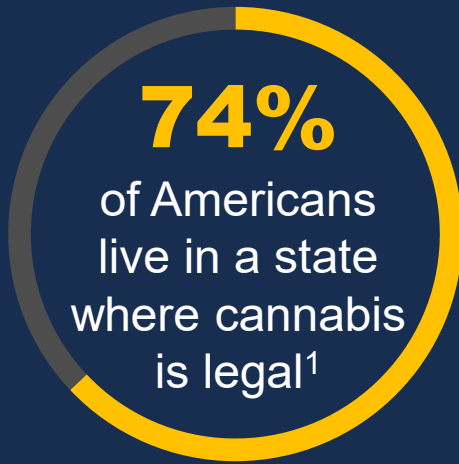
Leadership and expert position in an underserved market with high barriers to entry and regulatory oversight



National footprint in 41 states facilitating more than US \$20 billion in deposit activity

Tremendous organic growth opportunities, merger and acquisition, commercial lending, and cannabis industry consolidation

# The U.S. Cannabis Industry is Growing



## LEGALIZATION<sup>4</sup>

**38 States**  
Medical use legal

**24 States**  
Adult-use legal

**16 States**  
Proposing Legislation<sup>5</sup>

1. <https://www.forbes.com/sites/dariosabaghi/2024/03/05/74-of-americans-live-in-a-legal-marijuana-state-research-finds/?sh=f4564736f215>

2. <https://news.gallup.com/poll/514007/grassroots-support-legalizing-marijuana-hits-record.aspx#:~:text=Seventy%20percent%20of%20U.S.%20adults,of%20Americans%20were%20in%20favor.>

3. <https://mjbizdaily.com/us-cannabis-sales-estimates/>

4. Pew Research Center - "Most Americans now live in a legal marijuana state" dated February 29, 2024, [www.pewresearch.org](http://www.pewresearch.org)

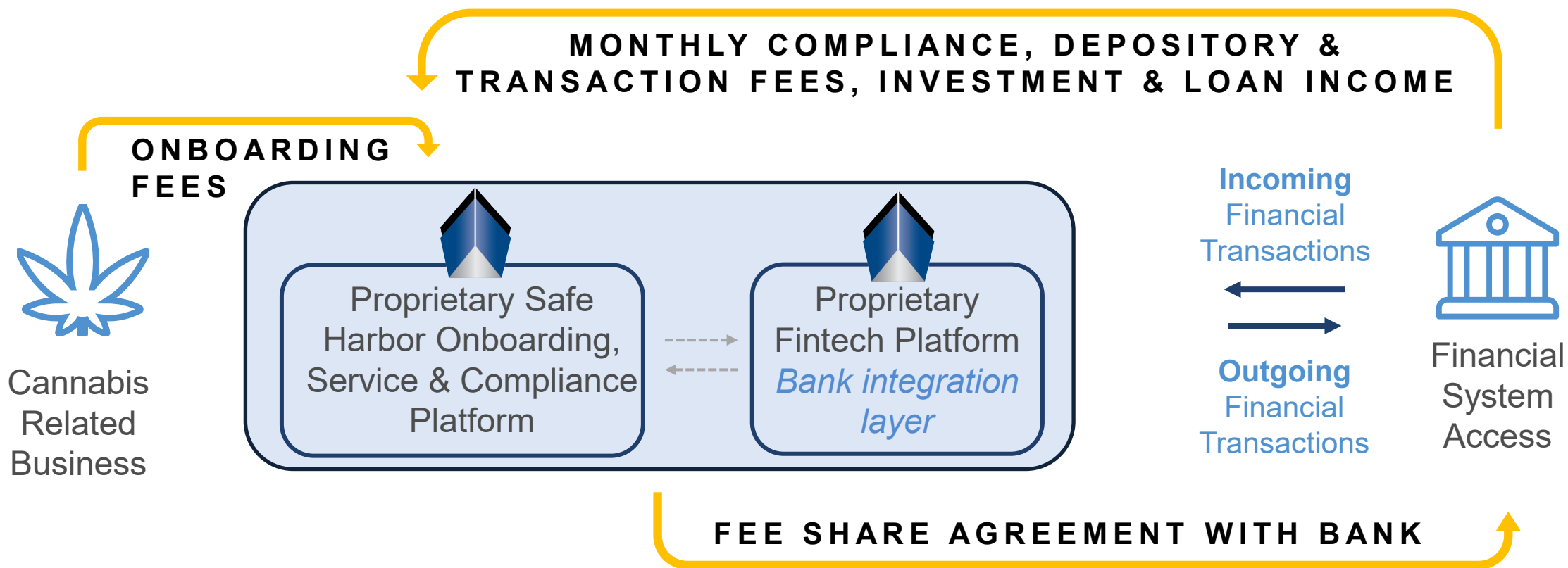
5. <https://www.mpp.org/issues/legislation/key-marijuana-policy-reform/>

# Many traditional financial institutions will not bank Cannabis-Related Businesses (CRBs)

*High risk & high barriers to entry*

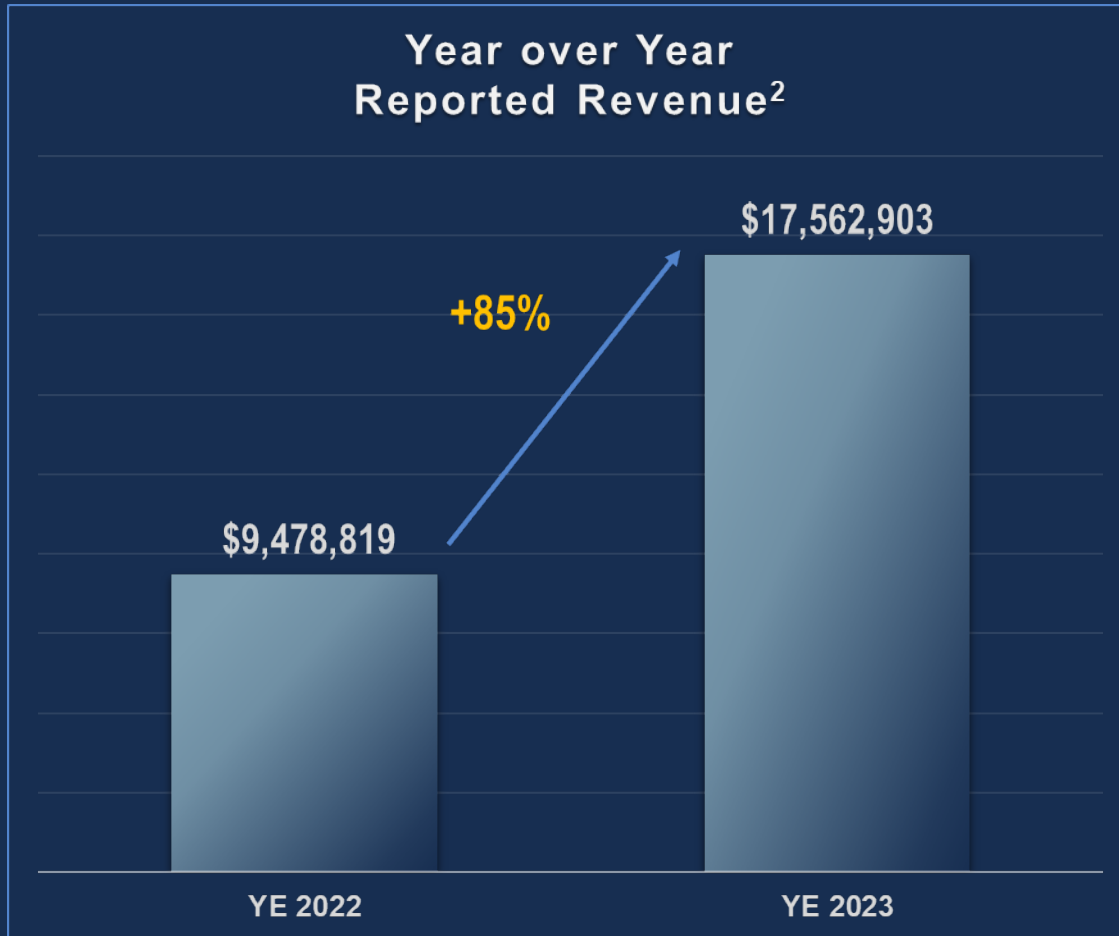
- **No Safe Harbor:** Potential for prosecution for providing CRBs with financial services
- **Illegal status:** Conflicting state and federal laws regarding legalization
- **High barriers to entry:** Pending/proposed legislation may not change the cannabis banking environment
  - **Bank Secrecy Act:** 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
  - **Complex industry:** State-by-state cannabis regulations resulting in complex corporate structures
- **Lack of standards:** Various 2014 FinCEN interpretations and inconsistent examination standards

# Proven & compliant cannabis finance infrastructure



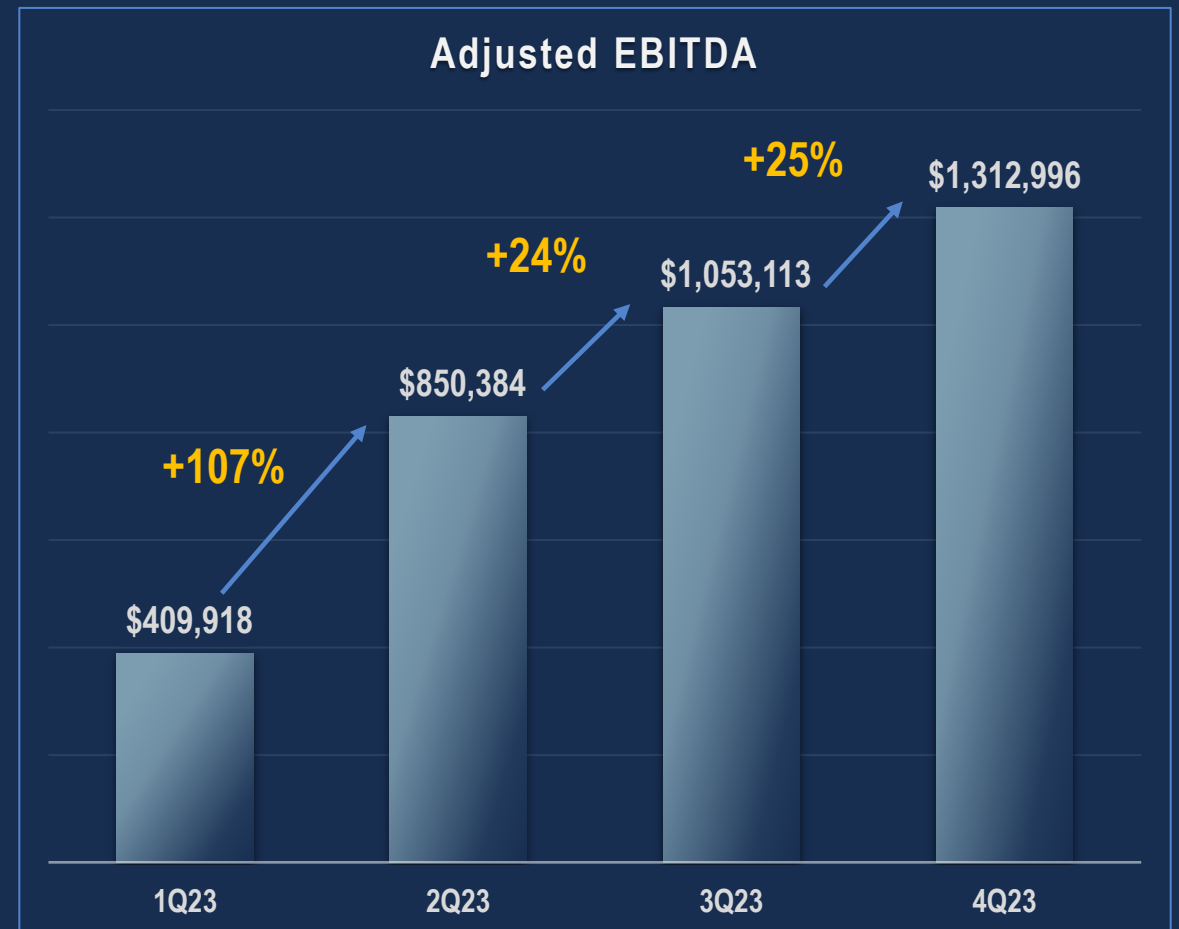
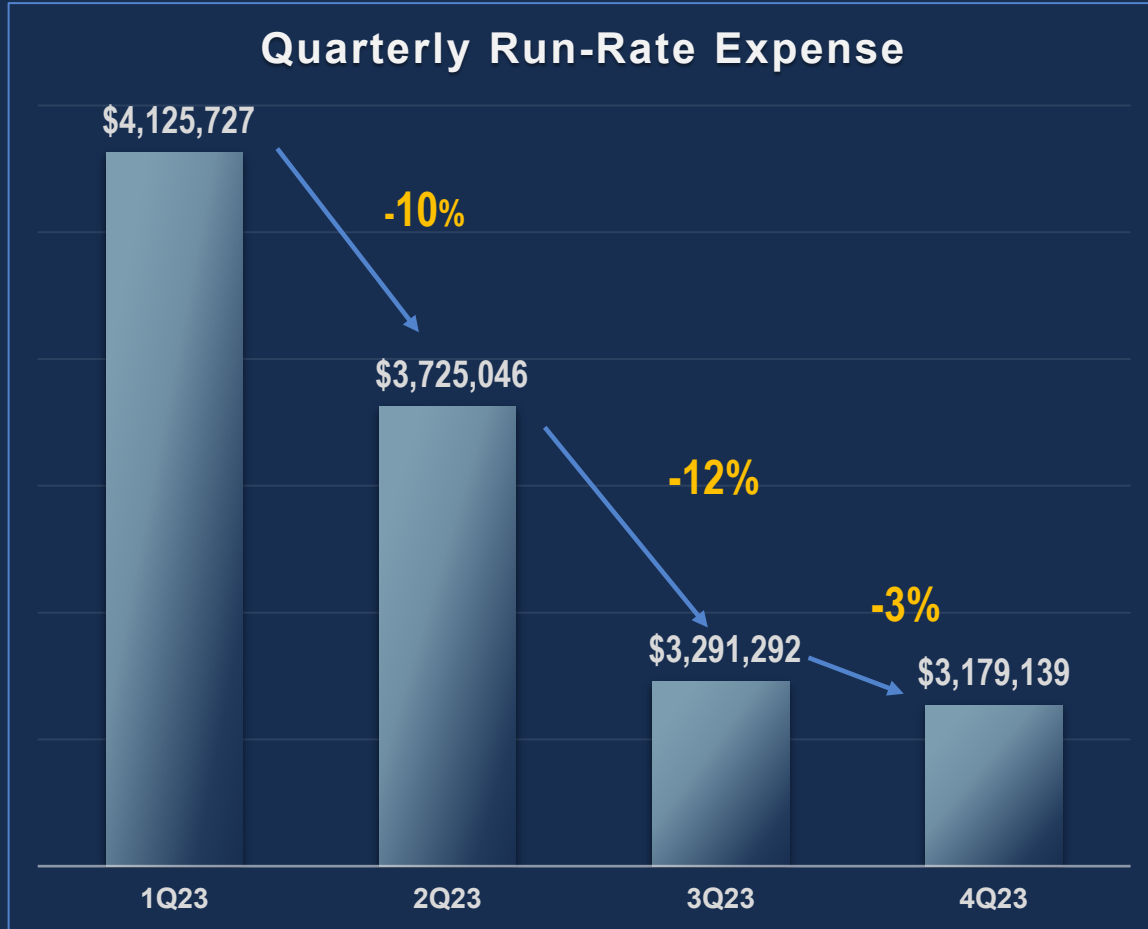


# Revenue Growth Performance<sup>1</sup>



1. Core Revenue is a non-GAAP measurement. It reflects the strategic revenue on which the company focuses its growth initiatives, to include: Deposit activity and onboarding income, Loan interest income and Investment income. A reconciliation to as reported Total Revenue is in the appendix.
2. A strategic shift in the fourth quarter of 2023 led us to apply earned interest to the aggregate daily average balance of SHF customer deposits, with certain exclusions. This method, applied retroactively from the beginning of 2023, resulted in incremental revenue of \$549,000 recognized in the fourth quarter.

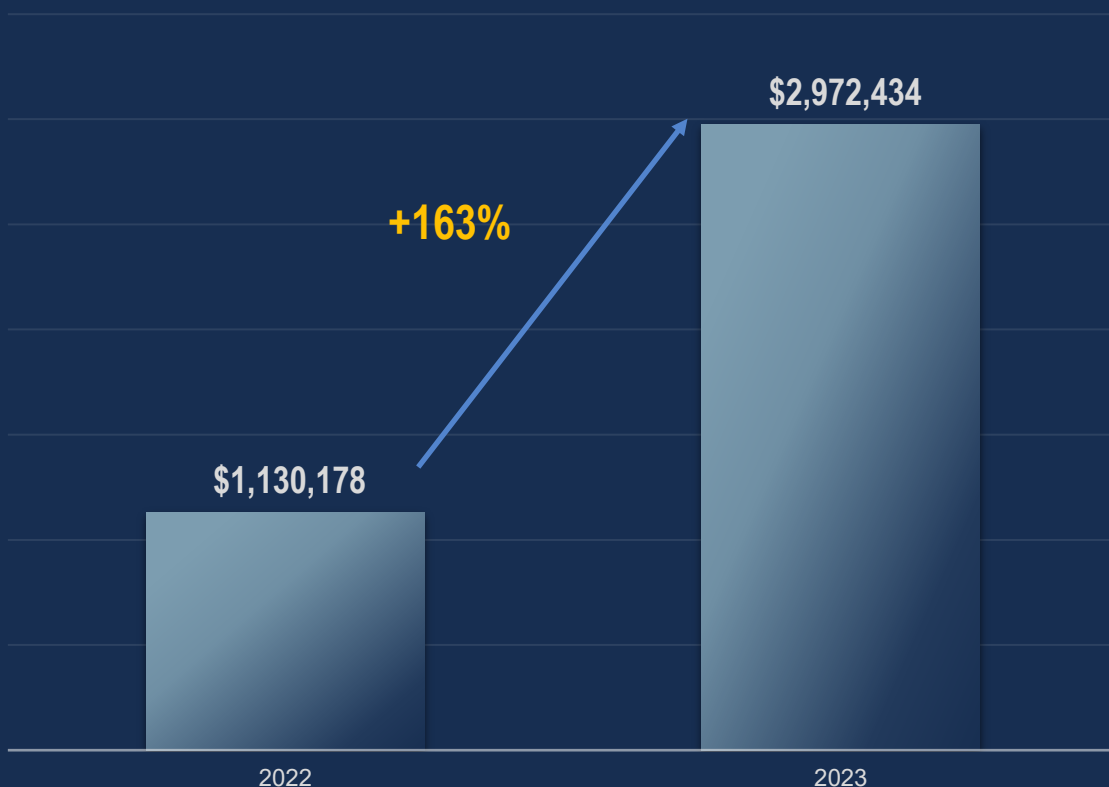
# Expense & Adjusted EBITDA\*



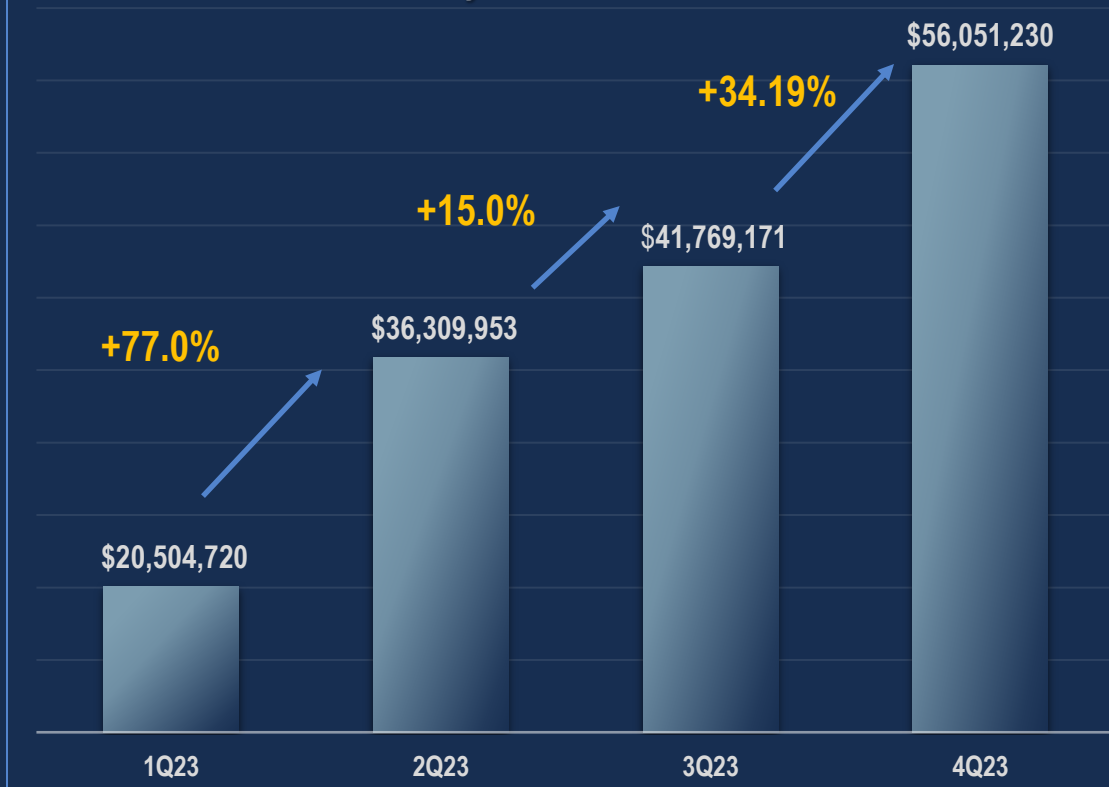
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# Interest Income & Credit Growth

### Year over Year Interest Income<sup>1</sup>



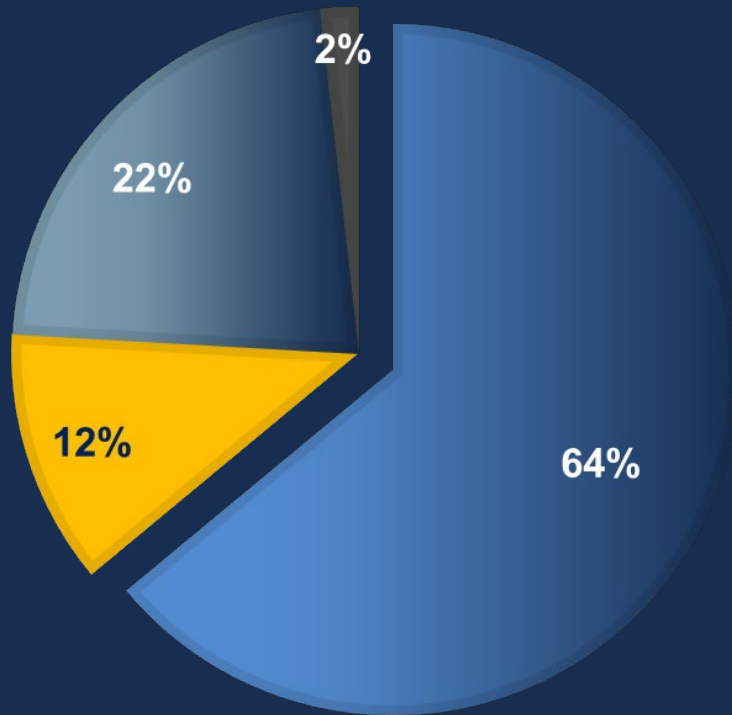
### 2023 Quarterly Credit Growth



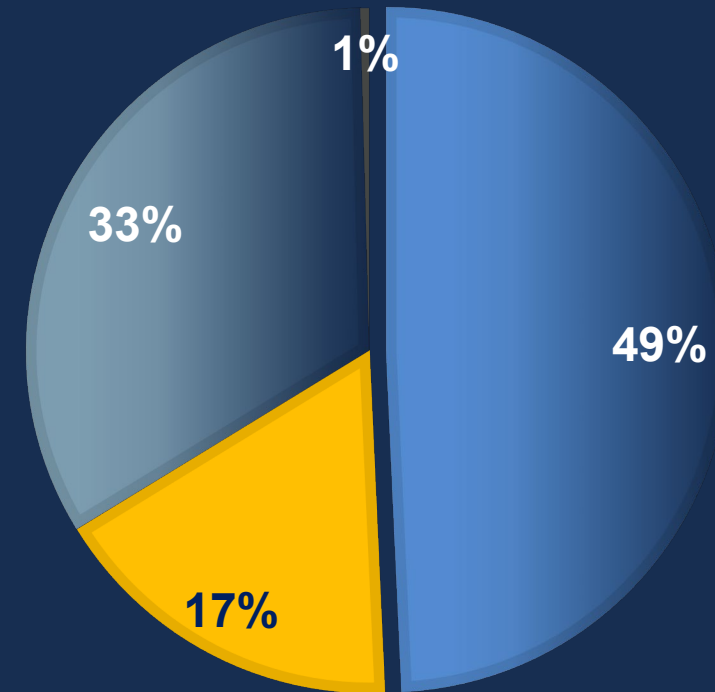
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# Revenue Composition by %

YE 2022



YE 2023



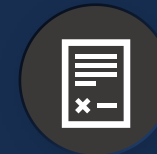
Deposit activity fees



Loan interest income and fees



Investment income



Program licensing fees

# Scaling Revenue

## Present Revenue Streams

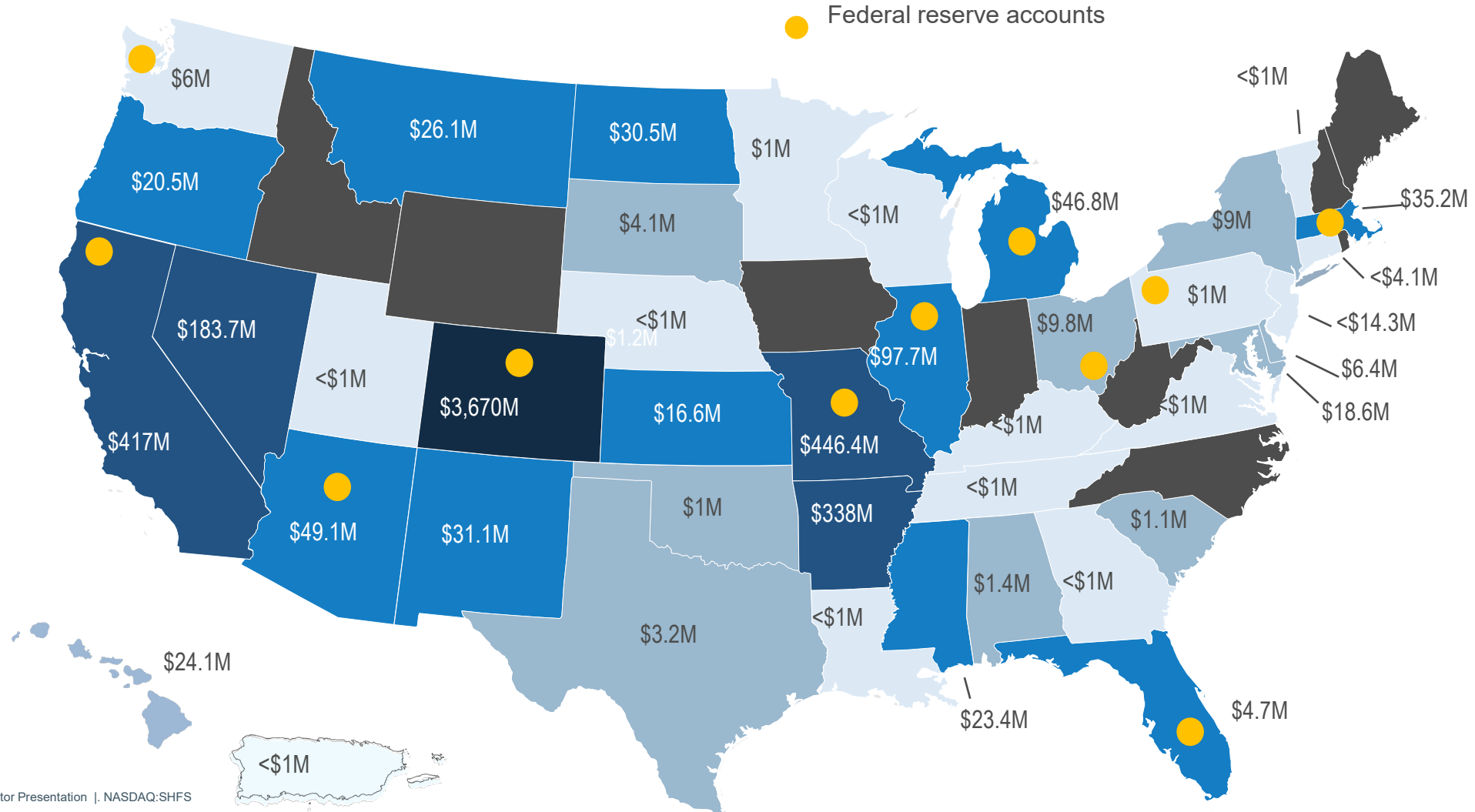
- ❖ Investment Income on Deposits
- ❖ Lending Fees for
  - ❖ Origination
  - ❖ Loan Interest Income
  - ❖ Loan Servicing
- ❖ Deposit Account/Compliance/Onboarding Fees
- ❖ Transaction Fees (3<sup>rd</sup> Party Processing)
- ❖ Program Licensing

## Future Opportunities

- ❖ New Loan Options – LOC Revenue Share
- ❖ Loan Participation Fees (other FIs)
- ❖ Loan Underwriting for 3<sup>rd</sup> Parties
- ❖ Direct Payment Processing
- ❖ Insurance Products
- ❖ Direct Vaulting and Courier Services

# Growth & Expansion

Established National Footprint on which to scale



# Competitive Advantages

*The first Nasdaq listed company with compliant cannabis banking and financial technology infrastructure*

- **Consistent performance:** in 10th year of successfully providing access to financial services consistently to the cannabis industry
- **Lending & depository service access:** depository relationships support “Know Your Customer” for better loan underwriting
- **Low cost-of-funds advantage:** based on onboarded deposits
- **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:** the compliance program has successfully navigated 16 federal and state regulator exams
- **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





# Commercial Lending Opportunity

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

## Lending Options Four Ways to Lend

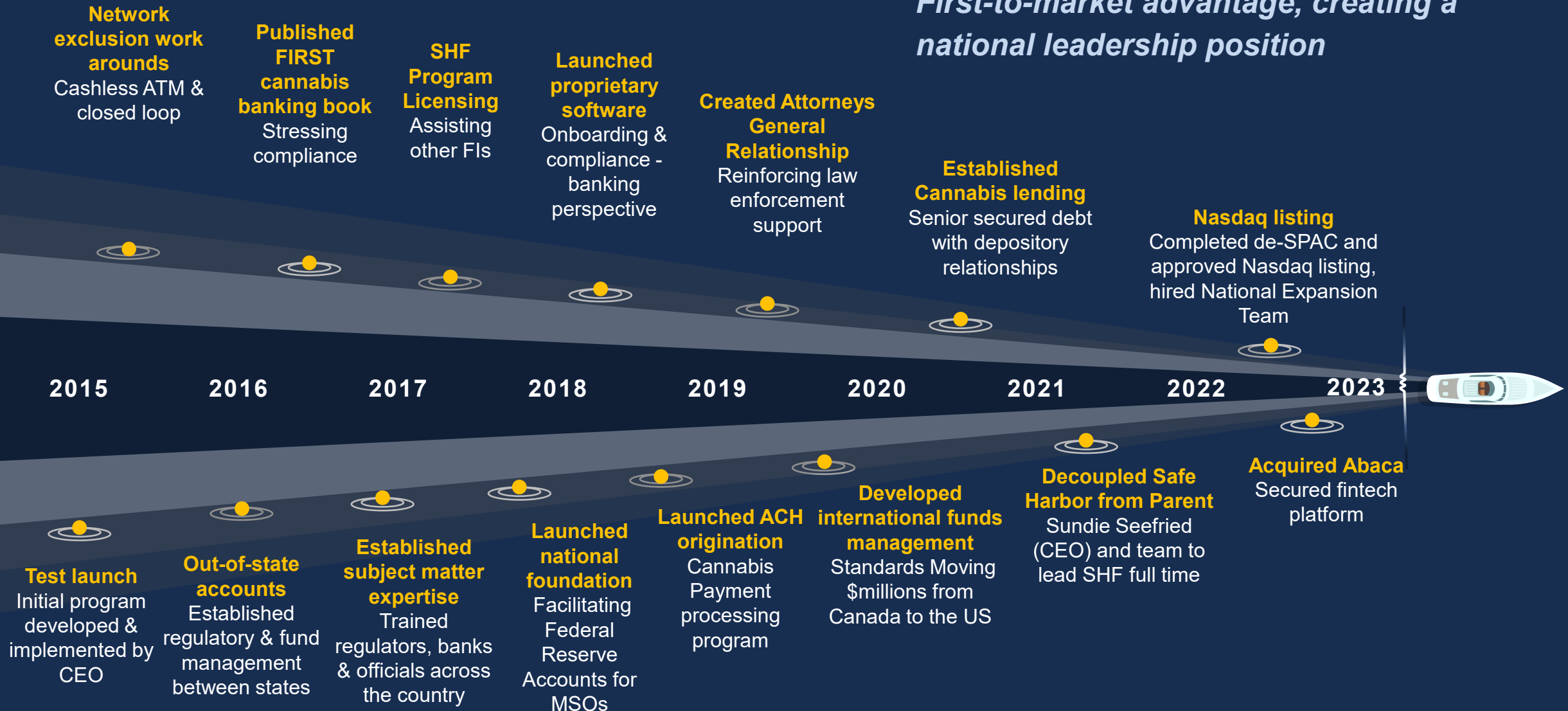
1. Direct on FI Balance Sheet against SHF core deposit base
2. SHF Line of Credit issued by FI
3. FI owned credit with fee share to SHF
4. Participation with 3<sup>rd</sup> Party Partners

## The Safe Harbor Financial Competitive Advantages

1. Lower cost of funds utilizing our own deposit base; allowing for reasonable rates
  - 10-15% pricing
2. Know Your Customer, the business and cash flow on present accounts
3. Ongoing business monitoring due to depository relationship
4. Conservative lending standards; underwritten like normal commercial lending

# In 10<sup>th</sup> Year of Success

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



# Officers – Cannabis Experience Matters



**SUNDIE SEEFRIED**

*Chief Executive Officer*

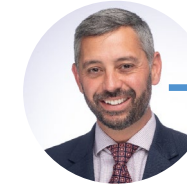
- Cannabis Experience **since 2014**
- Author of **Navigating Safe Harbor: Cannabis Banking in a Time of Uncertainty**
- Former 20 year CEO of PCCU and subsidiary, Safe Harbor Services



**TYLER BEUERLEIN**

*Chief Strategic Business  
Development Officer*

- Cannabis Experience **since 2013**
- 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*

- Cannabis Experience **since 2009**
- 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*

- Cannabis Experience **since 2017**
- 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*

- Cannabis Experience **since 2016**
- 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*

## **JENNIFER MEYERS**

*CFO, Partner Colorado  
Credit Union*

## **JONATHAN SUMMERS**

*Chairman, Billion Pairs  
Genetic Corp. and  
EXMceuticals*

## **JOHN DARWIN**

*Co-CEO, Luminous  
Capital USA, Inc.*

## **FRED NEIHAUS**

*Managing Partner,  
Interactive Global Solutions*

## **KARL RACINE**

*Former Washington  
D.C. Attorney General*

## **DOUGLAS FAGAN**

*CEO, Partner Colorado  
Credit Union*





# THANK YOU

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THANK YOU



# Appendix

April 2024 Investor Presentation  
NASDAQ:SHFS

# Capitalization Overview

Stock	
Company	SHF Holdings, Inc.
Ticker	NASDAQ: SHFS
Stock Price*	\$0.97
Market Cap (millions)*	\$53.092
52 week High and Low*	\$1.55 - \$0.33
Average Volume*	89,567

\*As of April 1, 2024

Capitalization	
Share Structure (millions)	
Common Shares Outstanding (1)	54.56
Fully Diluted Shares Outstanding (2)	71.4
Share Price (USD) (3)	\$0.97
Debt (4)	\$26.1
Cash & Receivables (5)	\$7.1
<b>Enterprise Value</b>	<b>\$65.33M</b>

All values reflected in USD

<sup>1</sup> 54,563,372 shares of class A common as stated in the Form 10-K filing dated April 1, 2024. <sup>2</sup> 71,378,506 fully diluted shares based on issued and outstanding plus warrants, options and PIPE conversions based on "if converted" basis, each of which is disclosed in the Company's Form 10-K filing for 2022 and 2023, as well as Form 8-K filings. <sup>3</sup> As of April 1, 2024. <sup>4</sup> Debt defined as 2023 year end: Accrued Expenses, Deferred Consideration – current portion, Senior secured promissory note - current portion, Deferred Consideration - long term, Forward purchase derivative liability, and Senior secured promissory note - long term. <sup>5</sup> Defined as 2023 year end cash plus accounts receivables – trade plus accounts receivables – related party.

# Reconciliation of Revenue on slide 9 to as reported revenue

Revenue	4Q22	1Q23	2Q23	3Q23	4Q23 <sup>1</sup>
Depository Fees	\$1,884,616	\$2,245,831	\$2,557,410	\$2,233,203	\$1,578,501
Investment Income	\$1,184,647	\$1,417,152	\$1,420,542	\$1,186,246	\$1,820,896
Interest Income	\$468,048	\$466,293	\$604,381	\$906,213	\$995,547
Program/Other Income	\$38,295	\$51,103	(\$10,275)	\$7,312	\$82,548
Total Reported Revenue	\$3,575,606	\$4,180,379	\$4,572,508	\$4,332,974	\$4,477,492
Total Core Revenue	\$3,537,311	\$4,129,276	\$4,582,783	\$4,325,662	\$4,394,494

1. A strategic shift in the fourth quarter of 2023 led us to apply earned interest to the aggregate daily average balance of SHF customer deposits, with certain exclusions. This method, applied retroactively from the beginning of 2023, resulted in incremental revenue of \$549,000 recognized in the fourth quarter.