

A focus on the future

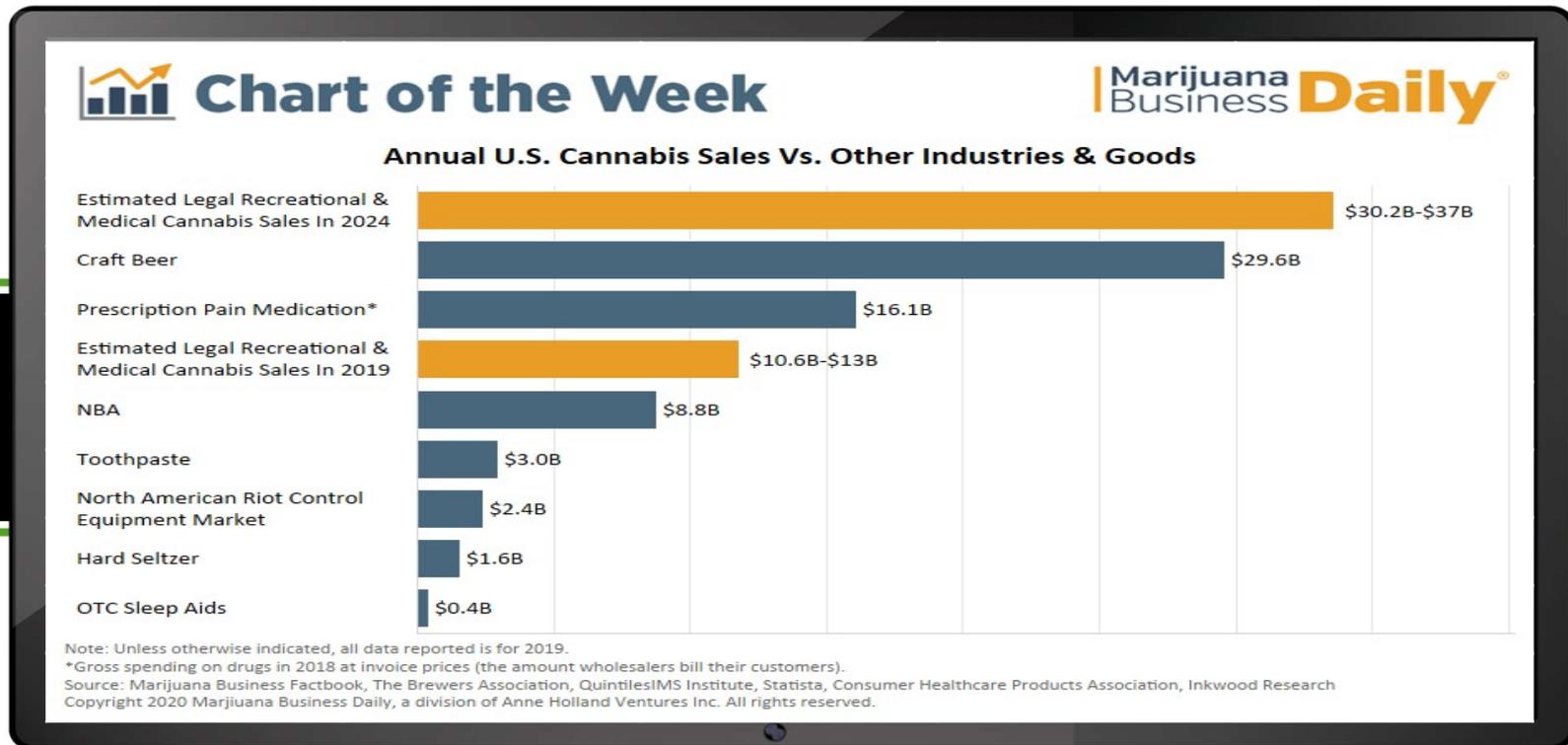
- Compliant Cannabis Banking
- Institutionally Funded Direct Lending →

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Cannabis:

A frontier market that towers over other mature markets



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Worth Street is the Silicon Valley Bank* of Cannabis

Worth Street is headquartered in Colorado, the most mature recreational cannabis market in the United States.

- **Limitless Cannabis Banking Capacity**

Via a unique Reciprocal Services Agreement with a commercial bank that has been transparently servicing the legal cannabis industry since 2009

- **Cannabis Direct Lending**

Our capital markets acumen paired with our Reciprocal Services Agreement enables Worth Street to provide one-of-a-kind institutionally funded direct lending to the cannabis industry and those seeking arms length exposure and upside to the industry.

Worth Street

*There is no relationship between Silicon Valley Bank and Worth Street. This is just a comparative example. Silicon Valley Bank is to US high-tech as Worth Street is to the cannabis industry.



Worth Street is disrupting this rapidly maturing frontier industry

We are at a unique confluence in time where Worth Street can reduce the cost of capital to an industry. ↓

While offering above market yields to lenders/investors. ↑

With a reduced risk profile

With multiple IRR enhancement options

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Cannabis Balance Sheet Challenge



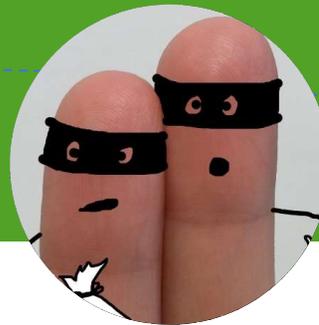
Cash

For many cannabis businesses, cash is their only option. Making growth expensive and slow.



Stock (equity) as a proxy for cash.

Some cannabis companies use stock as a proxy for cash. This is expensive and dilutive to existing shareholders. Most acquisition targets prefer cash over stock. Making acquisitions more expensive.



Hard Asset Lenders Loan to Own

Debt to the cannabis industry has been the domain of the “loan to own” crowd. Loan shark rates of 15%, 20%, 25% and higher are commonplace. This retards growth and stunts the industry.



Worth Street Direct Lending

Worth Street elevates the community banking ethos to reduce the cost of capital to disciplined operators with proven cashflow via a lending vehicle that aligns the interests of both borrower and lender.

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Worth Street is the safe bridge to the cannabis industry

- Thanks to a one-of-a-kind reciprocal services agreement with a commercial bank that has serviced the legal US cannabis industry for more than a decade
- Worth Street insulates the US financial system and our partners from plant touching entities.



- All money movement is subject to AML screening by experienced BSA officers and is enhanced with Reg-Tech from the bank to the individual POS terminals.
- Worth Street's Institutionally Funded Direct Lending does NOT require a DACA, deposit account control agreement.

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Worth Street's Cannabis Direct Lending Underwriting Starts With:



01

Quality of Management

What is the background and experience of the management team?

02

Profitability + Free Cash Flow

If a prospective borrower has free cash flow, then we review the quality of earnings and perform analysis to determine the debt service they can support.

If a company does not have free cash flow, then they are NOT a candidate for our direct lending program.

03

Management Skin in the Game

We prefer borrower management to have sufficient personal capital invested into the borrowing entity to ensure an alignment of interests with our lender/investors.

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Worth Street sources private credit opportunities with credit metrics approaching investment grade but with yields in excess of high yield.

	Bloomberg Barclays U.S. Corporate High-Grade Index ⁽¹⁾		2020 WSAF
	<i>Investment Grade</i> Q2-20	<i>High Yield</i> Q2-20	<i>Private Note</i> Q2-20
Debt to EBITDA	3.5x	5.4x	1.2x
Average Yield ⁽²⁾	1.82%	4.64%	8.00%
Interest Coverage (EBITDA to Total Interest Expense)	5.8x	2.3x	5.5x

⁽¹⁾ "It's Just Absolutely Incredible": What's Going On In The Corporate Bond Market Is Stunning, Zero Hedge, 21-Aug-20 (<https://www.zerohedge.com/markets/its-just-absolutely-incredible-whats-going-corporate-bond-market-stunning>)

⁽²⁾ Bloomberg Barclays US Corporate High Yield Total Return Index Value Unhedged USD, 24-Aug-20 (LF98TRUU:IND) - <https://www.bloomberg.com/quote/LF98TRUU:IND>

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Worth Street: Direct Lending



Syndicated Loans

Participate in smaller loans (down to \$5 million) and participation in larger loans of \$25 million, \$50 million, \$100 million or more. All benefiting from Worth Street's unique direct lending solution.



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Worth Street's one-of-a-kind reciprocal services agreement with an experienced cannabis bank fuels a unique direct lending structure that aligns the borrower & lender/investor interests while reducing risks.



Direct Lender-Investor

Plug into Worth Street's unique direct lending structure. Fuel tried and true roll-up strategies funding the acquisition of proven revenue generating assets.

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How can you disrupt a multi-billion dollar industry?

Become a Lender/Investor in Worth Street originated loans

Partner with Worth Street



Top of the Waterfall

- Amortizing loans
- Sub 4-yr duration
- Pre-payment protection
- Bank servicer/administrator
- 8% coupons or *more*



Potential Equity Participation

- Varies from loan to loan, issuer to issuer
- Warrant Coverage / Cashless exercise
- Blended note IRRs targeting mid-teens
- “Free” option on the growth of a company with a lower cost of capital than its competitors



Additional Drivers of Alpha

- Learn an industry by lending to it
- Unique Long / Short strategies
- Impact a young and rapidly growing industry

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OUR TEAM



Michael Newman

Founder & President

A “Swiss Army Knife” of business skills, Michael developed his core finance and accounting acumen at a Big-8 (now Big-4) accounting and consulting firm. He has a background in entertainment finance and has served in a variety of C-level positions.



Ron New

Managing Director

Before joining Worth Street, Ron has enjoyed a capital markets career spanning more than twenty-five years. Highlights include starting and managing a securitization group, managing taxable fixed income trading and fixed income portfolio manager to name but a few.



Jason Passino

Vice President & Controller

Jason is a financial professional experienced in all facets of accounting and financial reporting. He is experienced with start-up companies all the way through to initial public offerings. He has a background in financial services, biotechnology, pharmaceuticals and biologics.

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Disclaimers

Worth Street is not a bank.

Worth Street was created to address the friction point that state chartered financial institutions encounter due to industry concentration and capacity issues.

Via a unique reciprocal services agreement "RSA" with a commercial bank, Worth Street effectively facilitates limitless cannabis banking capacity.



Worth Street is:

Worth Street is a unique, hybrid financial intermediary company founded to expand access to compliant banking services to the cannabis industry.

Complementary to that, Worth Street has developed an Institutionally Funded Direct Lending vehicle that incorporates our reciprocal services agreement with a commercial bank.



This is not an offering nor a confirmation of terms.

Worth Street was born to disrupt the rapidly expanding, frontier cannabis industry.

If you are an accredited investor and you are interested in participating in loans that meet Worth Street's underwriting criteria and take advantage of our unique lending structure that is serviced and administered by a commercial bank, contact us today.

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THANK YOU

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