BayFirst Financial Corp. (NASDAQ:BAFN)

2022 – Third Quarter Results (Unaudited)

Cautionary Statement Concerning Forward-Looking Information

BAYFIRST

In addition to the historical information contained herein, this presentation includes "forward-looking statements" within the meaning of such term in the Private Securities Litigation Reform Act of 1995. These statements are subject to many risks and uncertainties, including, but not limited to, the effects of the COVID-19 pandemic, global military hostilities, or climate change, including their effects on the economic environment, our customers and our operations, as well as any changes to federal, state or local government laws, regulations or orders in connection with them; the ability of the Company to implement its strategy and expand its banking operations; changes in interest rates and other general economic, business and political conditions, including changes in the financial markets; changes in business plans as circumstances warrant; risks related to mergers and acquisitions; changes in benchmark interest rates used to price loans and deposits, changes in tax laws, regulations and guidance; and other risks detailed from time to time in filings made by the Company with the SEC, including, but not limited to those “Risk Factors” described in our most recent Form 10-K and Form 10-Q. Readers should note that the forward-looking statements included herein are not a guarantee of future events, and that actual events may differ materially from those made in or suggested by the forward-looking statements.

Forward-looking statements generally can be identified by the use of forward-looking terminology such as "will," "propose," "may," "plan," "seek," "expect," "intend," "estimate," "anticipate," "believe," "continue," or similar terminology. Any forward-looking statements presented herein are made only as of the date of this document, and we do not undertake any obligation to update or revise any forward-looking statements to reflect changes in assumptions, the occurrence of unanticipated events, or otherwise.

About BayFirst Financial Corp.

BAYFIRST

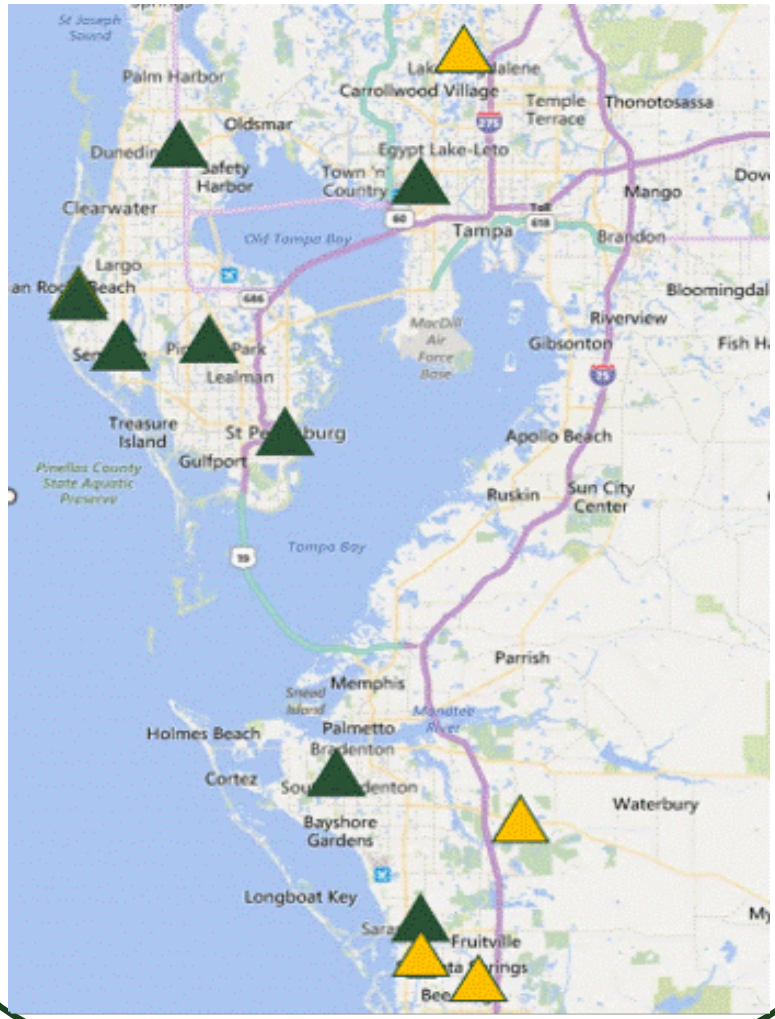
Overview

- Growth-oriented community bank ranked 2nd in the attractive Tampa Bay - St. Petersburg MSA(1)
- Ranked #8 SBA 7(a) originator through CreditBench, an in-house government guaranteed loan origination platform(2)
  - Record SBA production of $139 million in third quarter of 2022
- Discontinued network of nationwide residential mortgage loan production offices
- Strong insider ownership ~17%
- BayFirst adheres to the principles of its Environmental, Social and Governance (ESG) Policy Statement

By the Numbers(3)

BAFN Nasdaq Ticker	**0.83x** P/TBVPS	**$930M** Total Assets	**0.13% | 1.90%** LTM | 2021 ROAA
$16.63 Stock Price	**146.6x** P/LTM EPS	**$671M** Total Loans	**4.63%** MRQ NIM
$67M Mkt. Cap	**1.9%** Div. Yield	**$786M** Total Deposits	**51.4%** LTM non-Int. Inc. / Revenue

Banking Centers



Existing

Planned

1. Deposit market share ranking of banks with assets less than $10B headquartered in the MSA
2. As of September 2022
3. Market data as of October 28, 2022; Financial data as of September 30, 2022 unless otherwise indicated

Experienced Leadership Team



Anthony N. Leo

Chief Executive Officer & Director of BayFirst and the Bank

- Joined BayFirst in Q4 2013; Prior to joining BayFirst, provided management consulting and regulatory advisory services to community banks throughout the state of Florida and served as the interim CEO of three troubled banks between 2009 and 2013
- Managing Director and Executive Vice President of Community Banks, Inc. (Nasdaq: CMTY) in Harrisburg, PA from 1993 until its sale to Susquehanna Bancshares, Inc. (NasdaqGS: SUSQ) in 2007
- B.A. in Political Science from George Washington University and a J.D. from George Washington University Law School



Robin Oliver

EVP, Chief Financial Officer and Chief Operating Officer of BayFirst and the Bank

- Joined BayFirst in Q2 2018; Prior to joining BayFirst, Controller of Central Bank & Trust Co., a $2.5 billion privately held financial institution in Lexington, Kentucky, from May 2014 to June 2018
- Approximately 16 years with Crowe Horwath LLP as an auditor in the financial institution practice; served over 80 financial institution clients with assets ranging from $50 million to $4.5 billion throughout career, including several SEC registrants and FDICIA reporting institutions
- B.S. in Accounting from the University of Kentucky



Thomas G. Zernick

President of BayFirst and the Bank

- Joined BayFirst in Q1 2016
- Previous experience includes Florida Market President of Stearns Bank, SBA Product Manager of HomeBanc, and Community Bank President and SBA President of Republic Bank (MI)
- B.A. in Business Administration from University of Notre Dame

Experienced Leadership Team



Brandi Jaber

EVP, Chief Production Officer

- Joined BayFirst in Q4 2017; Prior to joining BayFirst, over fifteen years of Mortgage Banking administration experience as well as Human Resources experience supporting mid-size financial institutions
- B.B.S from The University of Florida and M.B.A from The University of Tampa



John Macaluso

EVP, Chief Technology Officer

- Joined BayFirst in Q4 2020
- 37 years information technology experience
- Served as CTO for Fiserv, Inc.
- B.A. from University of South Florida



Matthew Luckey

EVP, Chief Banking Officer

- Joined BayFirst in Q3 2015
- Previous experience includes commercial banking positions with The Bank of Tampa, Synovus Bank and SunTrust
- B.B.A. from The University of Georgia

Innovative Community Bank

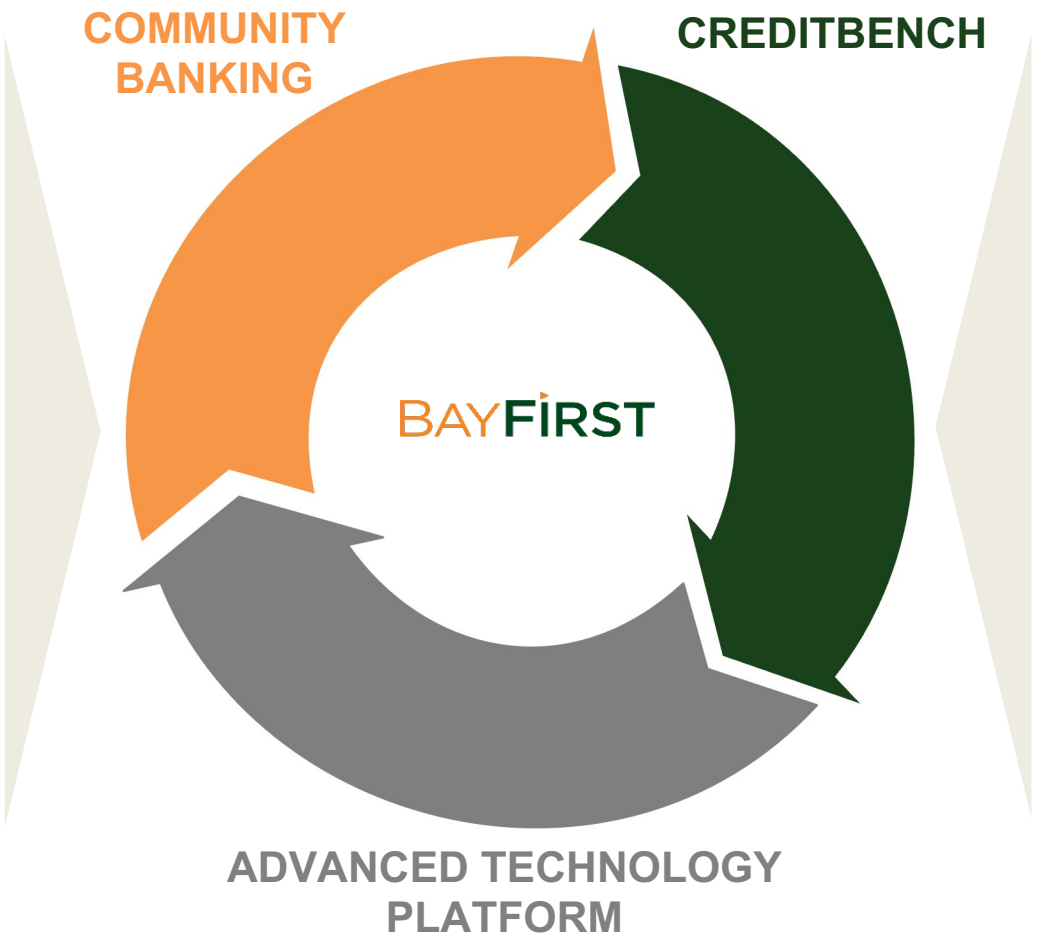
Technology driven community bank with diversified revenue streams

Community Banking

- **8 banking centers in Tampa Bay**, **expected to grow to 10 to 12 banking** centers over the next two years
  - **9 commercial** and **2 consumer production officers**
- **Full suite of commercial and consumer loan and deposit products** to meet the needs of Tampa Bay individuals, families and small businesses

Technology Driven

- **Advanced technology platform to support innovative products and services while improving efficiencies**
- **PowerLOS for SBA and commercial lending**
- **Working with fintechs to offer new and innovative services through Mulesoft API platform**



Creditbench

- **BayFirst's in-house SBA lending platform**
  - **Record SBA production of $139 million in third quarter of 2022**
- **#8 SBA lender as of SBA's fiscal year ended 9/30/2022**
- **#1 SBA lender in the five county Tampa Bay area at SBA's FY ended 9/30/22**
- **FlashCap:**
  - Includes **BOLT SBA 7(a) loans for $150K or less**, a **traditional core platform that focuses on $350K and above**, and is **anchored by 7 experienced core lenders**
  - Loan generation from **organic sales** and **FinTech partners**
- **Building national sales team**, currently 4 lenders

(1) Market data through September 30, 2022

Community Banking Performance

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Q3' 2022 Highlights

Q3'2022 Loan Production Summary:

- Loan production during the quarter was $62.9 million[(1)]
- Loans held for investment increased by a net $25.2 million QoQ [(1)]

Q3'2022 Deposit Summary:

- Q3'2022 deposit balance grew $110.7 million YoY
- Deposit portfolio increased by 8.2% in number of accounts (to 14,130 totaling $785.7 million) QoQ

Branch & Deposits Market Share

($ in 000s) #	Branch	Year Opened	Total Deposits 9/30/2022	9/30/2021	9/30/2020
1	Saint Petersburg	1999	$ 251,956	$ 212,631	$ 189,836
2	Sarasota	2018	170,616	148,021	98,686
3	Seminole	2016	138,761	157,561	117,639
4	Pinellas Park	2005	66,538	63,561	50,024
5	Countryside	2018	67,068	60,214	47,429
6	West Tampa	2020	65,271	33,046	6,528
7	Bellair Bluffs	2022	23,017	—	—
8	West Bradenton	2022	2,509	—	—
Total Branches (8)			$ 785,736	$ 675,034	$ 510,142

[(1)] Excludes SBA loan production and residential mortgage production from discontinued operations

CreditBench (SBA lending)

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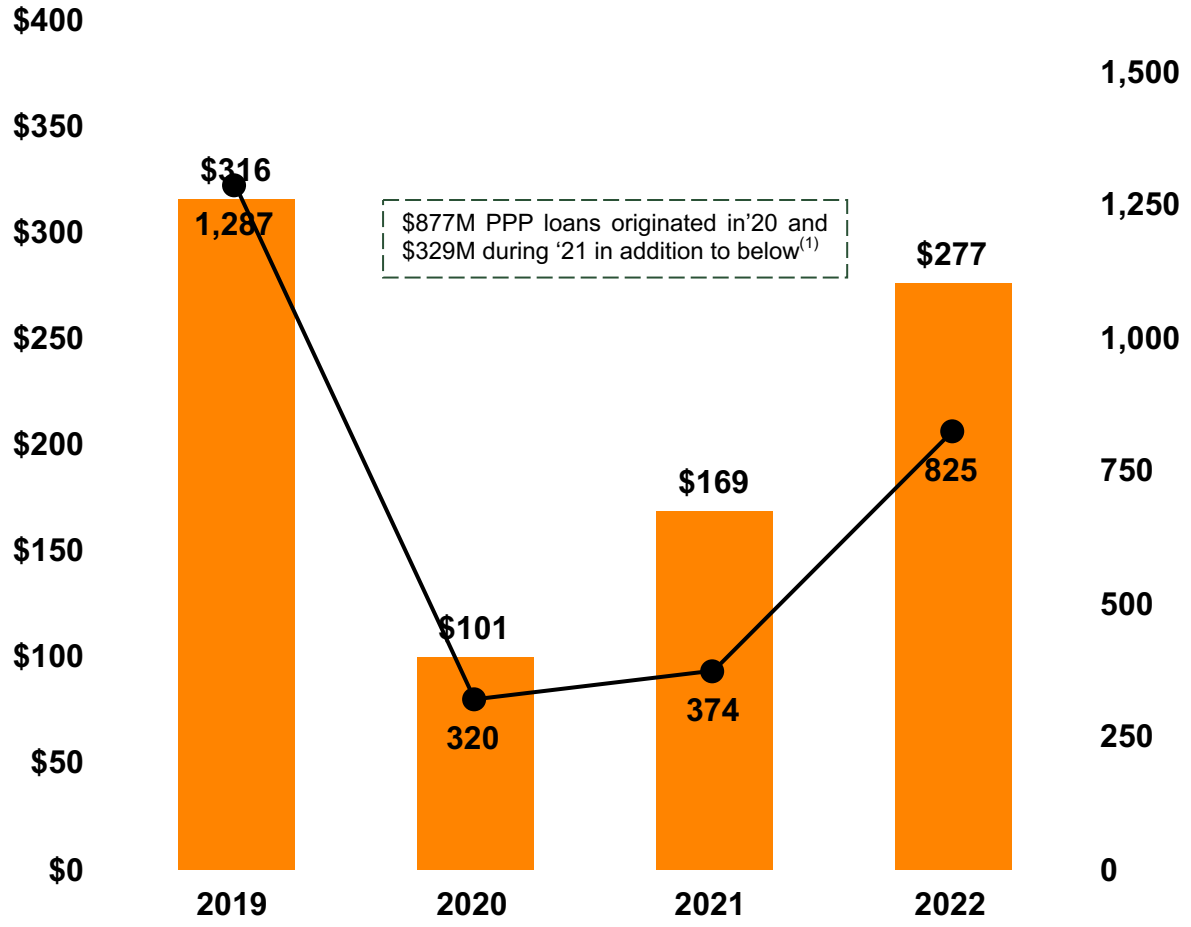
Q3' 2022 Highlights

- Pre- Pandemic: ~80% of loan production sourced through third-party partners
- Post- Pandemic: **over ~80% of production in-house** through CreditBench
- Ranked #8 in total SBA production in the SBA fiscal year ending September 30, 2022
- **Total Q3'2022 SBA loan production increased** 54.7% or $49.2 million (to $139.2 million) from Q2'2022 volume, and 194.6% from Q3'2021
- **Launched BOLT,** an SBA 7(a) loan product designed to provide working capital loans of $150 thousand or less to businesses throughout the country
  - **June:** originated **58 loans totaling $7.5M**
  - **July:** originated **103 loans totaling $13.6M**
  - **August:** originated **179 loans totaling $23.3M**
  - **September:** originated **143 loans totaling $19.2M**
  - New automation program launched through its proprietary loan origination system PowerLOS and Open API, allowing increased volume and speed while limiting additional staff

SBA Loan Amount ($M) and Volume



1. CreditBench concentrated on PPP loan production for years 2020 to 2021

Source: SBA U.S. Small Business Administration 7 (a) & 504 Lender Report. Market data as of August 30, 2022

Record Organic Growth

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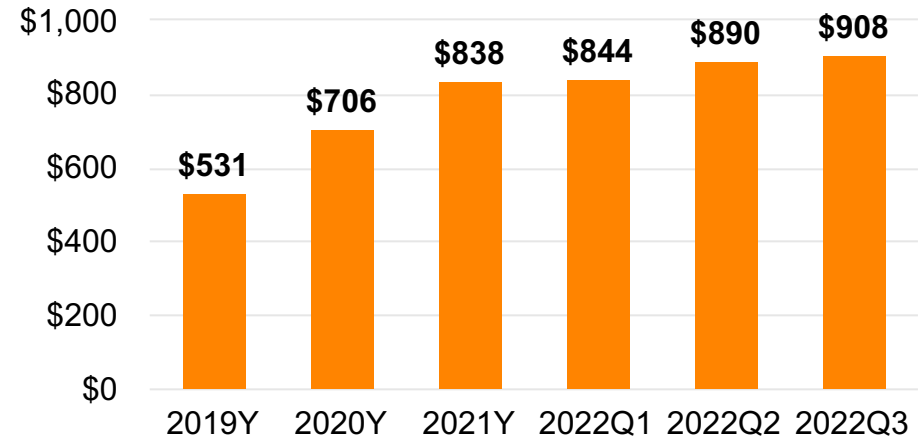
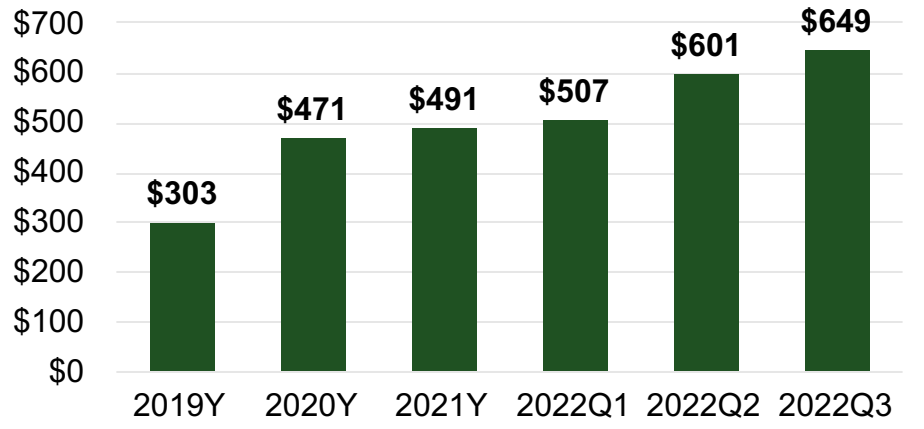
Strong balance sheet on track for continued organic growth

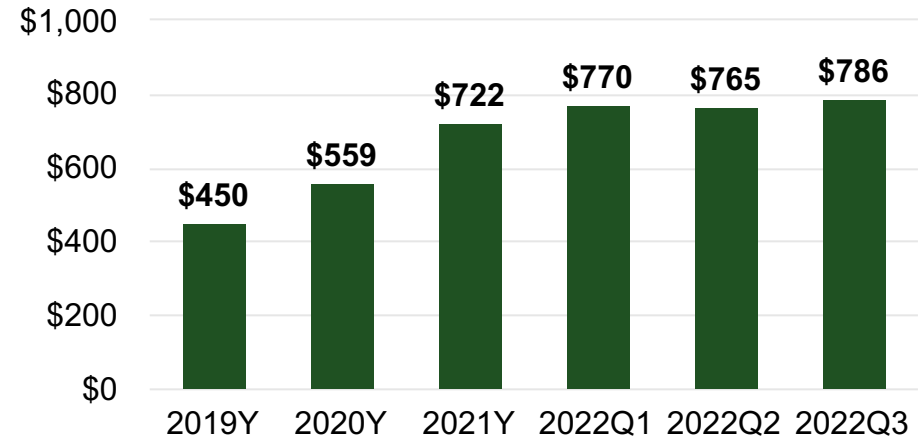
Total Assets excluding PPP Loans ($M)



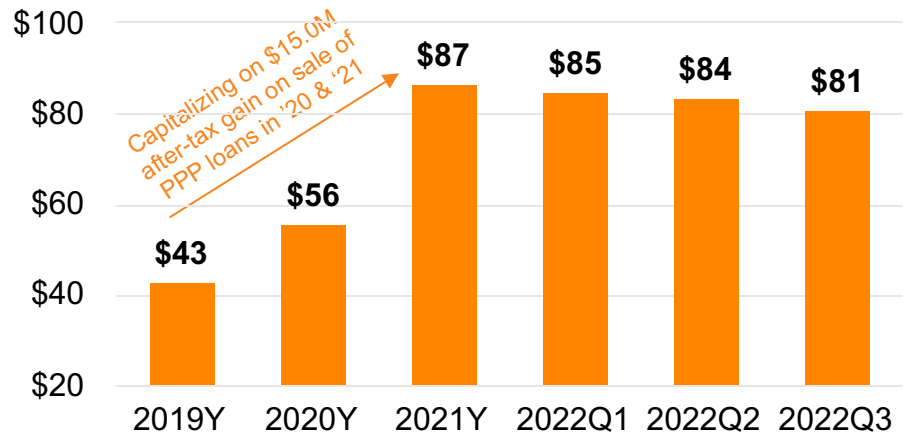
Total Net Loans HFI excluding PPP loans ($M)



Total Deposits ($M)



Tangible Common Equity ($M)



Loan and Deposit Composition

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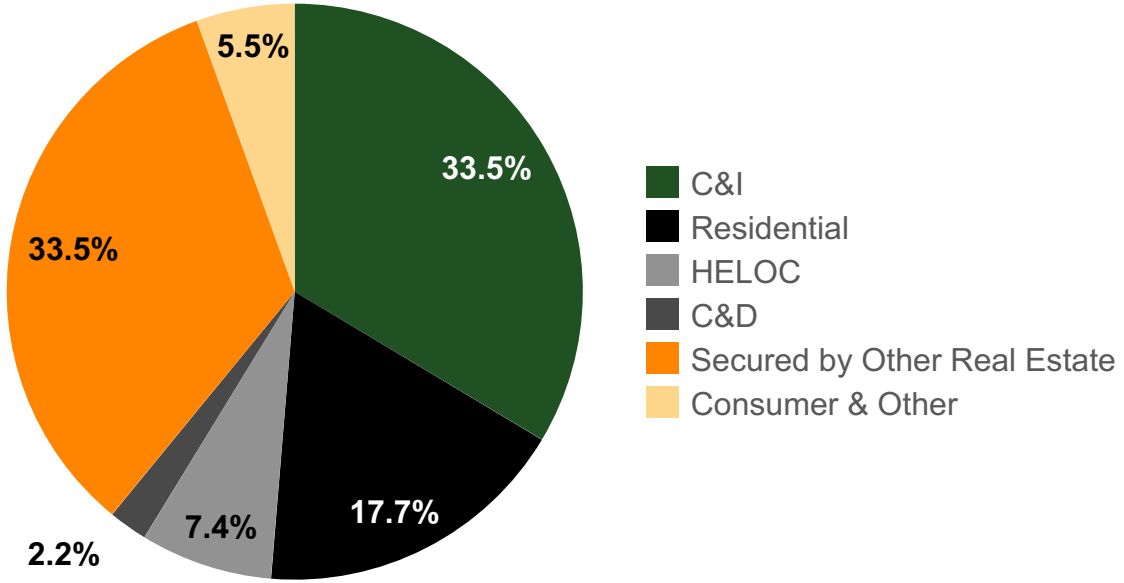
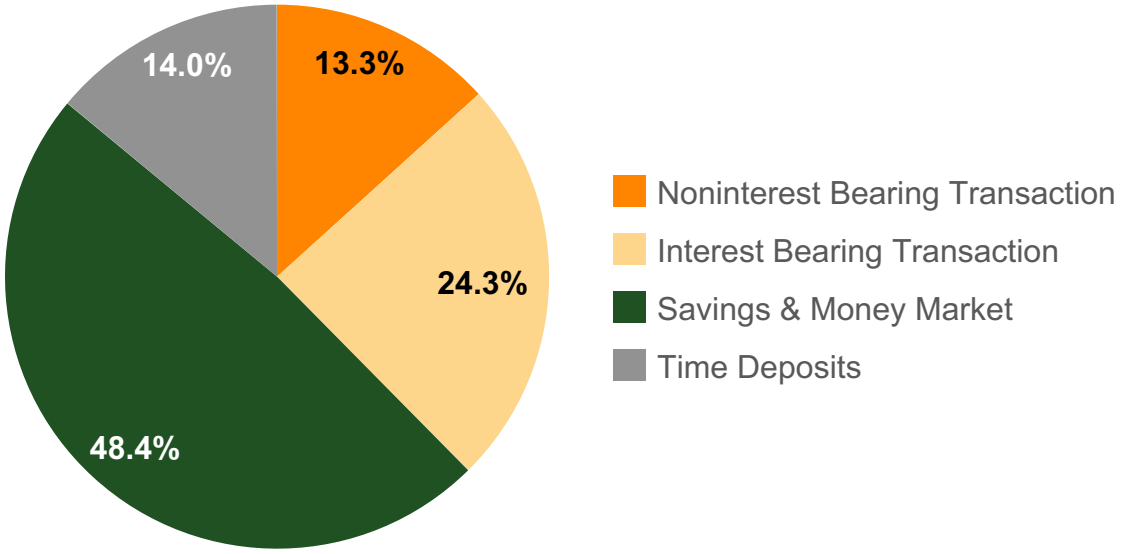
Composition of Loans Held for Investment as of September 30, 2022



Deposit Portfolio Composition as of September 30, 2022



Continuing/Discontinued Operations

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($000s)	Continuing Operations				Discontinued Operations			
	Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021	2022	2021	2022	2021
Interest income	$ 11,284	$ 8,805	$ 26,046	$ 36,664	$ 862	$ 740	$ 2,466	$ 2,770
Interest expense	2,114	1,529	4,620	5,884	—	—	—	—
Net interest income	9,170	7,276	21,426	30,780	862	740	2,466	2,770
Provision for loan losses	750	(3,000)	(1,400)	(1,000)	—	—	—	—
Non-interest income	9,804	610	23,146	16,377	7,116	21,382	30,540	76,986
Total net revenue	18,224	10,886	45,972	48,157	7,978	22,122	33,006	79,756
Non-interest expense	14,158	12,566	41,719	37,016	13,951	18,663	39,712	61,602
(Loss)/income before income taxes	4,066	(1,680)	4,253	11,141	(5,973)	3,459	(6,706)	18,154
Income tax (benefit)/expense	983	(362)	888	2,968	(1,488)	861	(1,670)	4,520
Net (loss)/income	$ 3,083	$ (1,318)	$ 3,365	$ 8,173	$ (4,485)	$ 2,598	$ (5,036)	$ 13,634

Positioned to Return to Strong Profitability

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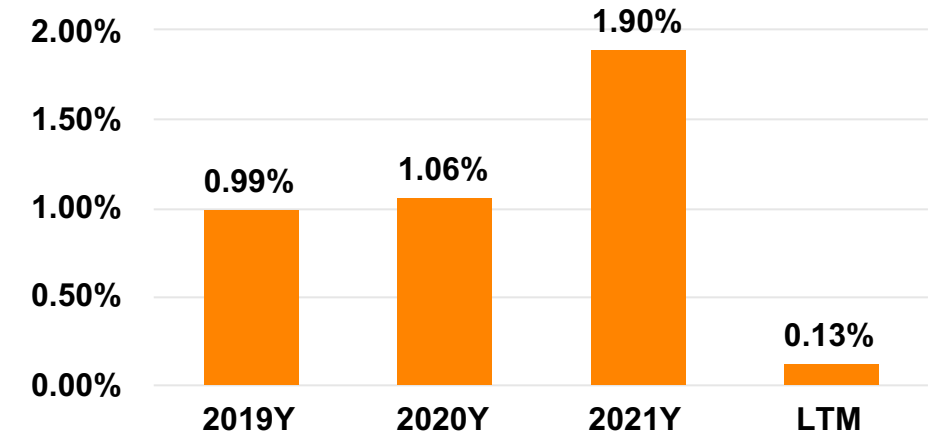
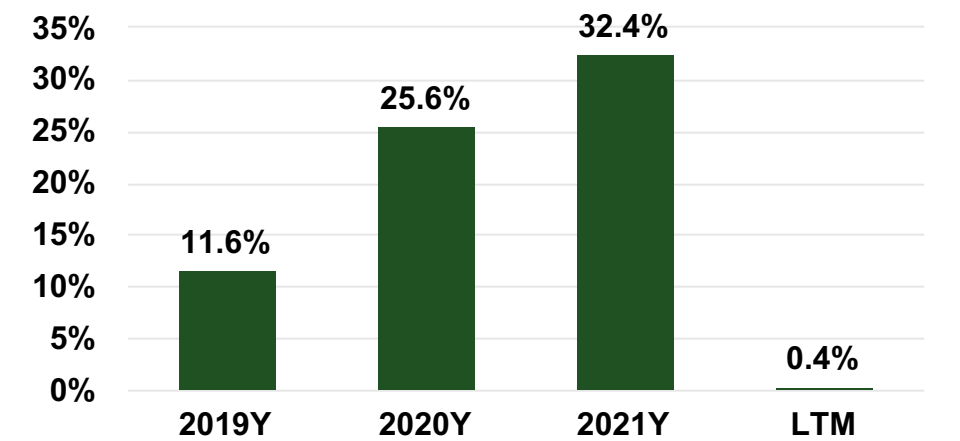
Volatility in first three quarters of 2022 due to discontinued operations mortgage: company repositioned for future

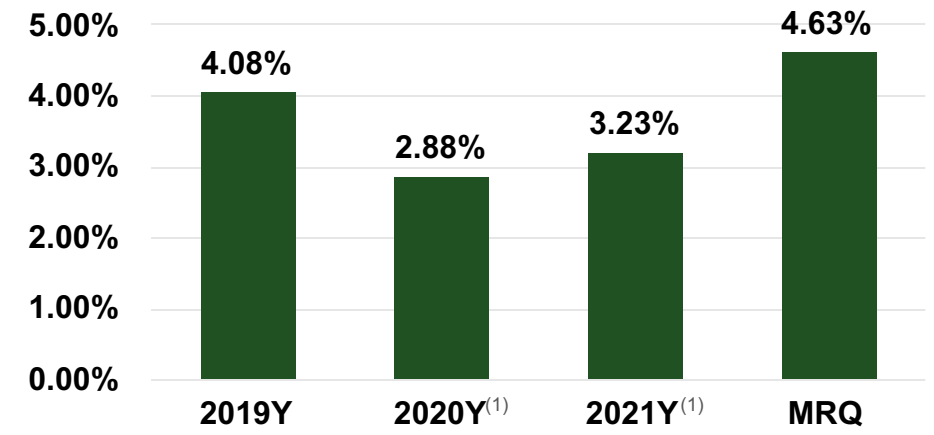
ROAA (%)



ROATCE (%)

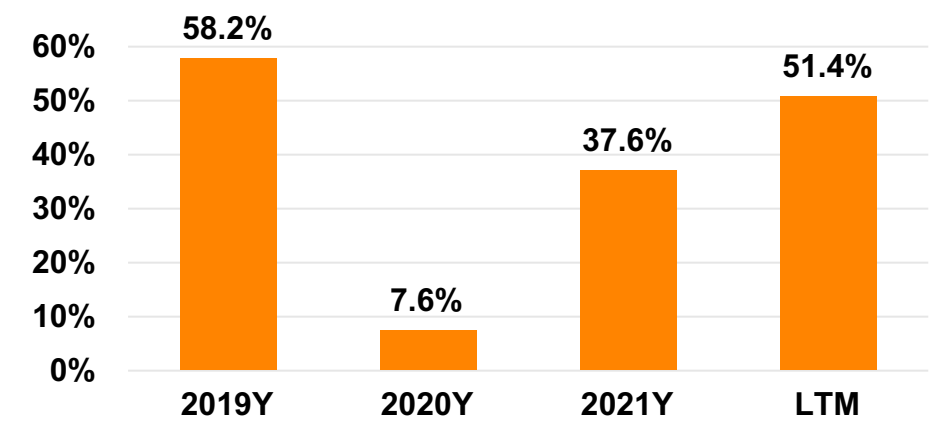


Net Interest Margin (%)



(1) The NIM was artificially depressed due to impact of significant PPP loan portfolio

Non-Interest Income / Total Revenue from Continuing Operations



Shareholder Value Creation

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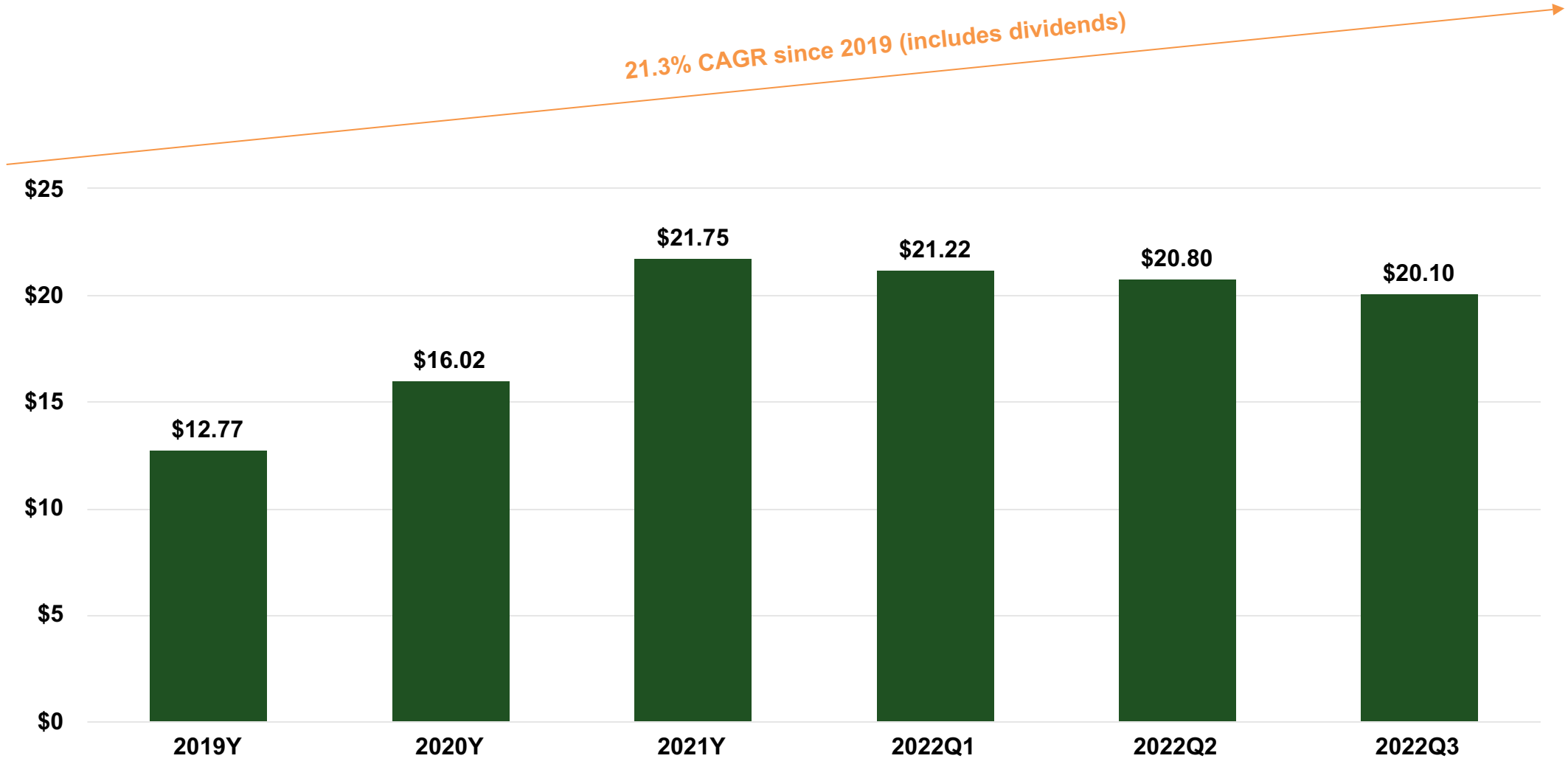
Impressive Tangible Book Value Per Share growth in recent years



Key Company Highlights



- Technology driven community bank with diversified revenue stream
- Experienced management team and dedicated local board
- Scalable platform in the attractive Tampa Bay / St. Petersburg MSA
- Scarcity value with limited community bank competition
- ESG principles and initiatives are management and board priorities
- Strong insider ownership (~17%) among employees, management, and board
- 26th consecutive quarterly cash dividend paid since BayFirst initiated cash dividends in 2016

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Appendix

Investment Securities

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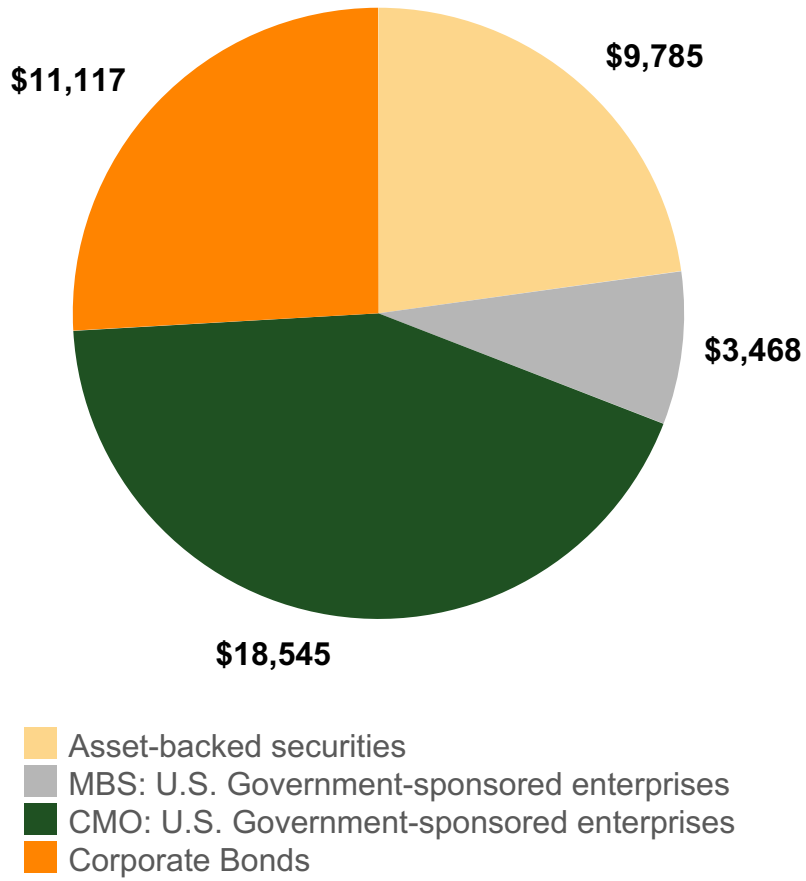
Investment Securities Portfolio Details

- Other Comprehensive Income Loss of $3.8 million reduced Tangible Book Value by $0.94 QoQ as of September 30, 2022
  - We intend and have the ability to hold the available for sale investment securities to maturity; no plan to sell
  - Cash flows could be used to fund future loan growth as needed
  - Retained earnings and investments moving down the curve would earn back capital loss
  - No impact to regulatory capital ratios
- In the second quarter, we moved a recently purchased $1.5 million AFS investment to held to maturity investments. The Company also purchased an additional $3.5 million of corporate bonds which were classified as held to maturity at purchase.

AFS Investment Securities Portfolio as of September 30, 2022 (fair market value, in thousands) (1)



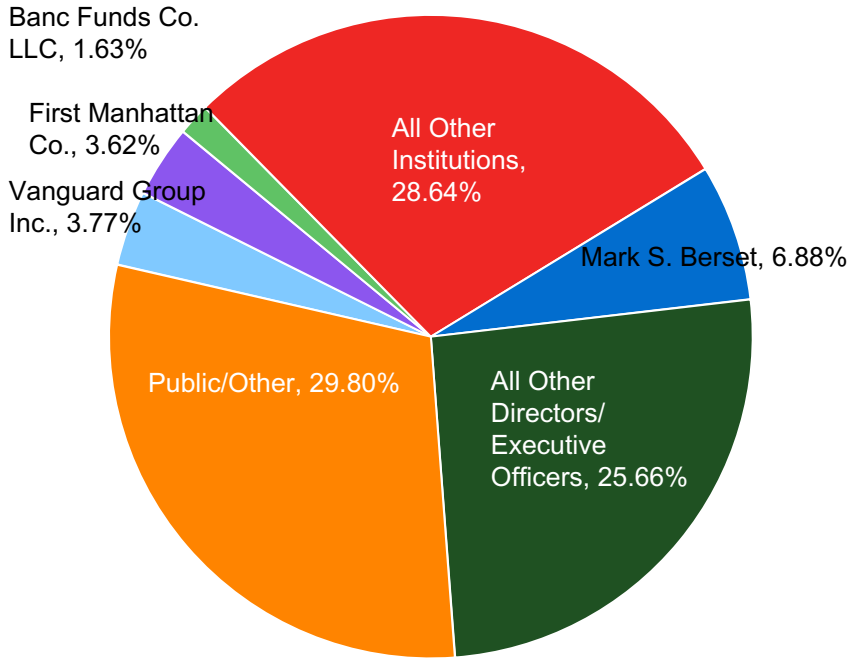
(1) HTM Investment Securities makes up 10% of total investment securities portfolio

Ownership Overview

Top Institutional Shareholders	Total Common Stock % Ownership
Vanguard Group Inc.	3.77 %
First Manhattan Co.	3.62 %
Banc Funds Co. LLC	3.31 %
AllianceBernstein LP	1.63 %
First Home Bank Employee Stock Ownership Plan	1.43 %
Benjamin Partners	1.37 %
BlackRock Inc.	1.15 %
Avantax Planning Partners Inc.	0.95 %
Gator Capital Management LLC	0.87 %
Creative Planning LLC	0.39 %
Other	0.34 %
Total	18.83 %

Top Insider Shareholders	Total Common Stock % Ownership
Mark Steven Berset	6.88 %
George Peter Apostolou	2.16 %
Derek Steven Berset	1.42 %
Harold J. Winner	1.28 %
Anthony Saravanos	1.25 %
Christos Politis	1.03 %
Dennis R. DeLoach III	0.76 %
Anthony Nicholas Leo	0.71 %
Tarek Helal	0.59 %
Bradly William Spoor	0.56 %
Thomas G. Zernick	0.20 %
Other	0.42 %
Total Insider Ownership	17.26 %

Total Common Stock Ownership Mix



Note: Ownership information based on most recently disclosed common shares outstanding of 4,031,937
Source: S&P Capital IQ Pro

Attractive Florida Markets

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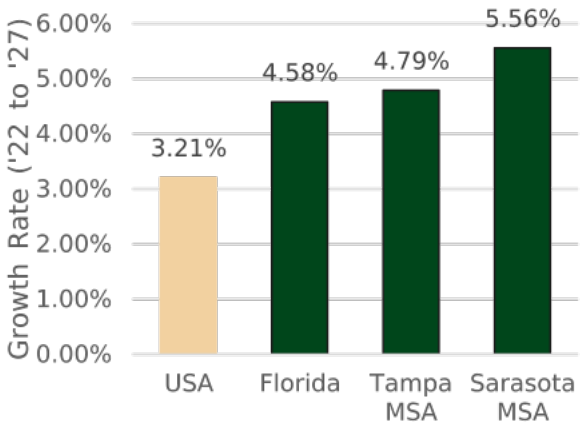
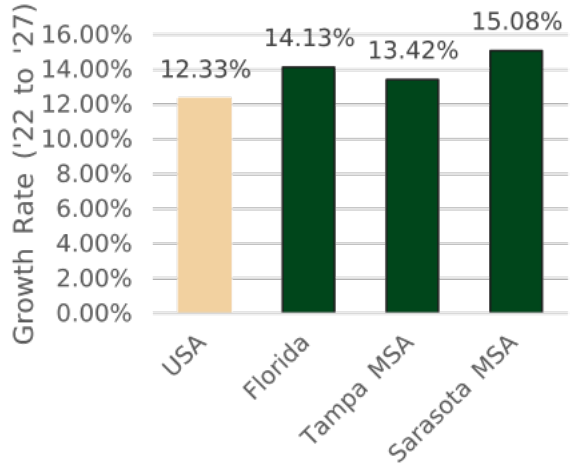
MEANINGFUL ECONOMIC TAILWINDS

…Favorable Population Projections…



…and Higher Expected Household Incomes



#2 state in the U.S.A. for net domestic migration*

Attractive tax policy

Total Deposits in Pinellas, Hillsborough, Manatee and Sarasota Counties of $104bn*

~$1.2T economy, with 3.8% GDP growth in Q3'21

2.5 million small businesses, more than any other Southeastern state

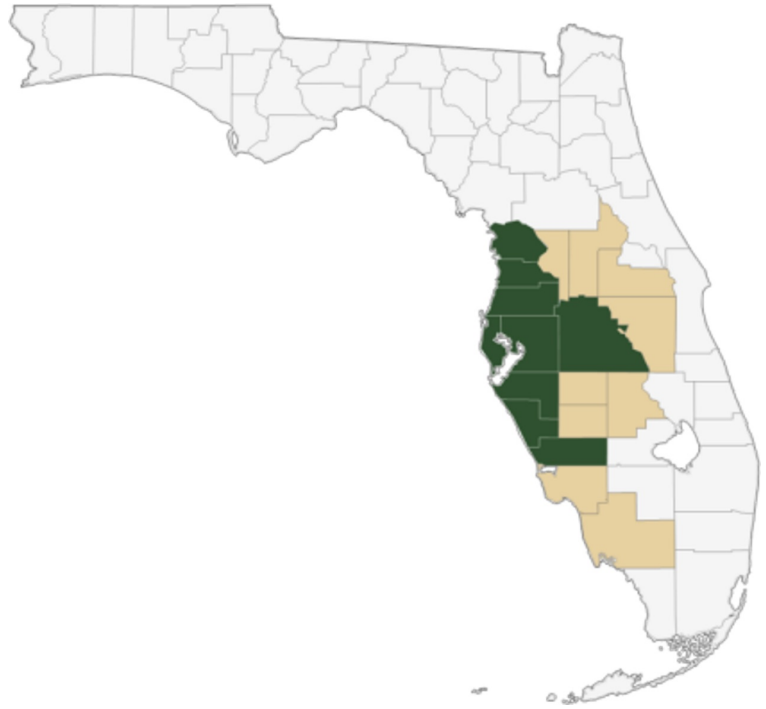
3rd most populous state

Tier 1 Markets:

- Citrus
- Hernando
- Pasco
- Pinellas
- Charlotte
- Hillsborough
- Polk
- Manatee
- Sarasota

Tier 2 Markets:

- Sumter
- Lake
- Orange
- Osceola
- Collier
- Hardee
- DeSoto
- Highlands
- Lee



*Source: S&P Global Market Intelligence as of June 30, 2021, U-haul

Deposit Market Share

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Tampa-St. Petersburg MSA (Total Assets <$10BN and HQ in MSA)					
Rank	Institution	Deposits ($ billions)	Branches (No.)	Average Deposits per Branch ($ millions)	Market Share (%)
1	Tampa Bay Banking Co.	2.9	11	267	65.09 %
2	BayFirst Financial Corp.	0.6	6	103	13.70 %
3	West Florida Bank Corp.	0.4	6	73	9.83 %
4	TCM Bank NA	0.2	1	226	5.00 %
5	Central Financial Holdings Inc.	0.1	1	128	2.83 %
6	Century Bancshares of Florida Inc.	0.1	1	97	2.14 %
7	Waterfall Bank	0.1	1	64	1.41 %

Note: Deposit data as of June 30, 2022
Source: S&P Capital IQ Pro

2023 Strategic Initiatives

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Strategic Pillars:

- Maintain capital levels commensurate with risk profile and projected growth
- Ensure strong risk management and compliance systems commensurate with risk profile
- Promote stability of earnings
- Expand community banking franchise and core deposit base
- Leverage SBA expertise to expand the franchise
- Promote innovation in the delivery of services and operational support
- Promote BayFirst as a premier workplace
- Differentiate the Company through a commitment to social responsibility
- Increase the float of the Company's shares and expand its retail shareholder base

Transformational Initiatives:

- Open two new banking centers
- Expand team of commercial and consumer lenders
- Strive to be a top 5 SBA lender
- Improve omnichannel and digital delivery
- Establish new fintech partnerships
- Optimize efficiency through technology and workflow improvements
- Enhance sales/service culture
- Improve overall customer experience and satisfaction