



**GreenBox POS**

**New Token Deployment Investor Call**

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## C O R P O R A T E P A R T I C I P A N T S

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## C O N F E R E N C E C A L L P A R T I C I P A N T S

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## P R E S E N T A T I O N

### Operator

Greetings. Welcome to the GreenBox POS New Token Deployment Investor Call.

Please note this conference is being recorded.

I will now turn the conference over to your GreenBox POS Chairman, Ben Errez. You may begin.

### Ben Errez

Hello, all.

We will be talking today about a billion dollar opportunity for GreenBox and its shareholders, so, what is it? How are we going to get there? How long will this take? Stay tuned.

On this very first slide, I have a quote from Fredi Nisan, our CEO. The quote says as follows, for those of you unable to read this slide: "The development and addition of new secure token technology to our ecosystem is a step towards the future of business currency transactional space. Witnessed in recent developments and guidance handed down by regulators, the transactional environment is evolving rapidly. We anticipate the exchange volume from the GreenBox secure token will create a sizable new revenue stream."

To perhaps lighten up the environment, I will add another quote from Charlie Munger, one of my favorite fintech speakers, and he says as follows: "I will give you time to absorb the data and think about it. After that, you will be on board with the plan, because you are smart and I am right." I'll try to fill in the sizable shoes of Charlie Munger.

The standard forward-looking statement. This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The rest you can read for yourself.

What is this secure token technology? GBOXT, which is the temporary name for that token, is a secure token technology which is designed, built, and wholly owned by the Company. This token utilizes the payment media within the GreenBox ecosystem, and has a dual role both as reserve and transactional media. This token is based on GreenBox Blockchain technology. It will be launched as a stable coin attached to the U.S. dollar, and later decoupled from the minted currency.

Revenues from token utilization within the Company's payment infrastructure are projected to be approximately 2.5% of deployed revolver seed capital per month at stabilization. This proxy is infinitely scalable as a revolver capital. This grows with adoption of this token.

I would like to add a small reference to Circle, and a lot of you on this call perhaps know and understand the similarities between this deployment and the Circle ecosystem, so first and foremost, I'm going to say, Circle, if you are listening, we will eat your lunch.

This is why. Circle earns on-boarding and off-boarding fees. We will do exactly the same. GreenBox, on top of that, earns transactional fees as exit (phon) fees such as ACH and push-to-card, and earns custodial fees, and more on that when we discuss the use cases.

What is the problem that is associated with the existing architecture? Current crypto architectures are limited to two potential structures: one is volatile and the other one is stable. The deployment of this currency operates on top of either a centralized or a decentralized network, with a limited or scarce minting. Deployments typically target either transactional or reserve functionality. These existing currencies cannot be reversed and cannot be deleted, and also, they all have life spans that goes beyond the transactions they were created for.

Programmable stable coins currencies are the digital equivalent of minted currency, and gain their stability and value from the underlying minted currency. For example, USDC has an equivalent representation of U.S. dollars in a custodial account, and they are behaving the same, so, for example, if the U.S. dollar exerts through dramatic hyperinflation scenario, so will the USDC.

Volatile deployments gain value by adoption, and utilization, of course, but have no intrinsic value, and one good example for that is Bitcoin, right? Bitcoin is based on the idea that I can buy today for whatever price and sell it tomorrow for a bigger price. But at some point, that has to end. Both volatile and stable coin architecture tend to have settlement times are slow, measured days, and lack of liquidity and volatility are limiting factors in utilization of crypto-currencies today are the transactional currency.

How do we address these problems? Here are some of our integrated solutions. GBOXT, again, I remind you this is a temporary name, provide centralized node separating the asset visibility on the decentralized network from access to its value, which is in the centralized cold storage. This has created un-hackable platform architecture and conduction governance structure. The GBOXT executes instant settlements just like the GreenBox transactional space.

How is that achieved? It is performed on a centralized ledger and immediately echoed into the block, or onto the block, for a decentralized verification. GBOXT provides instant liquidity, and on top of that, provides direct exchange connectivity for exiting through any fiat or crypto media. GBOXT provides smart contract-based architecture, allowing for the token to be deleted upon exit, and have the same lifecycle as the underlying transaction, enabling, for example, barter programs, right? If you have three

chickens, and I have two goats, and we agree that this is a fair exchange, once you have the goats and I have the chickens, transaction is over. This is no reason for the exchange media to continue and exist.

GBOXT is reversible, allowing for refunds or loyalty programs to utilize the platform architecture, currently unique benefits in the marketplace. And lastly, GBOXT can add exit to a Visa debit card, including into virtual cards that lean on (phon), Apple Pay, or Google Wallet, into any device, and both fiat and crypto are supported.

What are the components that make GBOXT an ecosystem? There are four main elements to this known fiat-based ecosystem, and those include technology, sponsor and custodial bank, auditor, and the revolver seed capital.

On the technology side, this token is based on Gen3 advanced technology for its deployment. Design enables extremely fast transaction and ledger work while making GBOXT un-hackable, as we discussed before. The added safety and security are key advantages to this deployment.

The second element is a custodian bank. GreenBox utilizes crypto world bank infrastructure for its custodial needs, allowing for continuous audit for both the Company and it's on board auditor.

The third element is the auditor, right, and GreenBox uses a national auditor to audit the integrity and stored value of its ecosystem continuously, and attest to its integrity and compliance every 30 days.

The final component to this ecosystem is the revolver seed capital. GreenBox is playing on a JV deployment with its revolver seed capital for the GBOXT ecosystem with a minimum amount of \$100 million, and this joint venture may be spun off into its own NASDAQ IPO by the end of 2021.

A couple more words on that. There's a great value and financial play here with this (inaudible), fetching much higher multiple than GreenBox itself, and so \$1 billion IPO on a \$3 billion valuation, with GreenBox maintaining equity control is within reason.

Remember the initial question, how long will this take? Here is the deployment timeline.

First, on the technology, the token technology is complete and undergoing its final certification and testing phases. Final deployment and certification is expected by the end of this quarter, all right, and I remind you that we are two weeks ahead of the end of the quarter.

On the sponsor bank side, the Company ecosystem will complete on-boarding and integration with the custodial bank infrastructure at the native level we have provided APIs, and that is designed to complete within this quarter or shortly thereafter.

On the audit side, the audit partner, with extensive experience and knowledge of crypto and smart contract technologies, is nearly done with engagement at this point. The auditor access to Blockchain ecosystem and custodial bank accounts is completed to shortly enable monthly regulated at the station of the token technology revenues, consolidation, and reserve requirements. We anticipate completing the on-boarding of the auditor by the end of the quarter.

In that context, I would mention what just happened to the Tether in the state of New York where their custodial reserve account was off regulation. As a result, Tether had to pay \$18 million to the state, and is no longer allowed to transact in the State of New York. That is not going to happen to us.

Lastly, the revolver seed. The ecosystem deployment is planned for Q2 of 2021, and just pay attention to that line, revolver seed capital commitment by the end of this quarter, okay, so remember that we are

launching the token infrastructure that we're discussing here today with a minimum of \$100 million seed investment, and we say here that the Company will identify the source of that within this quarter, which ends in two weeks. We will issue further news on that separately.

Now, let's talk about a few transactional use cases, and I'm giving you fair warning, we're starting with something really cool. Stick it out, okay? Imagine a system that takes e-commerce website and converts it to a simulated brick-and-mortar shopping experience using virtual reality, including a social shopping opportunity in groups, all the way to checkout experience with a virtual GreenBox salesperson, and this is what it looks like, so this is still in development, but we will make a live demo of this system available on our website shortly, and we'll use a separate press release opportunity regarding this, but notice how cool this thing is, and obviously, GreenBox receives revenues each time a merchant, clients, and the customers transact using the token. For a complete (inaudible), notice that the virtual salesperson has a GreenBox t-shirt on; very, very cool.

Here's another use case for the token as a transactional media. Multiservice businesses can use this token in a variety of transfer opportunities, all right; in banks, in trade unions, in sports betting, and other such activities, including peer-to-peer transfer opportunities. GreenBox GBOXT allows for instant settlement and a regulated revolver to transfer money internationally instantaneously utilizing the secure GreenBox Blockchain ecosystem, so imagine that a money service business with the ability to utilize this technology is now direct competitor of Western Union. An amazing opportunity, and we already have a few money services subscribed to utilizing the token ecosystem.

Next, I'd like to discuss a use case, scenario for the token as a reserve media. What does that look like? The reserve capital for GBOXT is heavily regulated custodial low-risk yield account. Why is that important; because that makes it attractive to life insurance companies, endowments, pension plans, and other income- and yield-seeking institutions. Particularly, we also see a great utilization for this custodial account as a safe parking lot for SPAC capital during their pre-commitment phase and after they registered and in possession of their capital, and before, targets merged candidate as identified. This makes this scenario very, very attractive to SPACs, and we already have a few lined up to populate the custodial account with this type of deposit, and more about that in a separate release.

At this point, I would like to give the opportunity to you listeners out there to either text in your questions or speak on this call, and if I know you, I will advise that the you are a familiar person to the Company.

Let me switch to the Q&A platform. Okay, so as you guys line up for the audio questions, I'll take a few that have been texted in already.

The first question is what exchange will the token be listed on?

If we decide to go the spin core (phon) route, then the token will be just like the Company on NASDAQ in collaboration with a SPAC merger opportunity.

Second question is, have any well-known Wall Street funds reached out for potential stakes to take in GreenBox?

I don't think that I can answer this without disclosing material non-public information. I would say that this question is coming from Cash Reed (phon), one of our early investors. Hello, Cash. I wanted to thank you personally for being such a devoted investor.

Another question here is how long of a lead time do you feel you have before competition with other stablecoins come to the picture, and I love this question.

First of all, remember that the GreenBox token is the only token that also has a transactional ecosystem attached to it. There's no other. It's the only token that is un-hackable. It's the only one that provides both traditional roles of currency, right, as transactional and as custodial, and it would be a while before a significant competition would come to the picture. But I would be interested in the opposite, right? How long will it take GreenBox to take over existing opportunity?

For example, I'm sorry, Circle, for picking on you, but it's just such an easy target for us. Imagine everything that Circle offers today in this state. We have exactly the same thing, except with much better technology, with an end-to-end offering scenario, including on-boarding and off-boarding, and with a complete integrated transactional ecosystem, so we did a test here in-house in buying US\$1 on the Circle Network, and we paid \$14 in fees to get that accomplished. That's a lot of (inaudible), and by the way, it cost us \$20 to exit, so quite an expensive scenario for adopting that kind of technology in currency.

This does not exist on the GreenBox ecosystem and the secure token technology, and further, it comes with not only instant settlement scenarios, where it took us a couple of days to get the settlement confirmation on Circle, but also the ability to transact with any other person or merchant on the ecosystem. It allows for the possibility of doing charge-backs, for example, if one of our clients, as they entered into a transaction that was not fulfilled to their satisfaction, we have the ability to reverse that transaction. We have the ability to delete currency, which no other currency has, and remember that the GreenBox has PCI level 1 compliance; the only one in the crypto space that is able to transact with unlimited amount, so I think Circle should watch their back.

The next question is who is giving certification for the token ecosystem, and what does that certification mean?

Look at the certification that (Inaudible), for example, is giving Circle for their ecosystems, and the same thing will happen in our ecosystem. These are regulated requirements, so before you deploy regulatory compliance, privacy issues, security, and the ability to independently verify the number of tokens issued against the custodial account, these are all preliminary requirements before the ecosystem is launched, and then following, the same auditing entity scans the ecosystem continuously, and once every 30 days, provides a certification or attestation to the availability of funds in the custodial account in an amount that is equal or greater to the number of tokens issued.

And then after that, the same auditing entity is responsible for the way revenues are recognized at the (inaudible) level, and then on the consolidated level, together with the current Company, GreenBox, and then on an annual basis, so that's a—that's how all that works.

The next question I love, but I can't answer, but I mention it anyways, and this is from a John Henderson (phon), and thanks, John for being an investor with us. Will your partners Pfizer and Visa be utilizing the GreenBox fee token?

As it pertains to Visa, the same relationships that we have at the corporate level, right, being on Visa Direct and having an issuance license, all of that will extend to the token automatically.

With Pfizer, there are other platforms that they make available to us, such as the transactional platform and the banking platform, but beyond that, I cannot discuss on this call, unfortunately.

The next question is, how proprietary is the GBOXT technology?

That goes back to one of the early slides, can't remember which one, Slide 3 that says that the GreenBox secure token technology is designed, built, and wholly-owned by the Company.

Next one. Do you expect to do an ICO offering?

No. First of all, ICOs are no longer acceptable security, and the correct term for it is STO, but remember that the GreenBox token is not the currency. It is a manifestation of a smart contract in the transactional space. This is why it can be deleted. That's why it can be reversed. That's why it can have a lifecycle that is attached to the validity of the commodities or services that are being negotiated. For example, if you do an acquisition on the Chicago Board of Exchange, by the CBOE, of photons of rice, and let's say that this particular rice has two months lifespan, right. It's perishable, so if you haven't sold it in two months, then the commodity goes down to zero. But why should the media that was generated for it, right, the token, why should it survive? It doesn't make any sense, so this is why this design is the only design that works for commodities.

The next question. What is the advantage of a SPAC or other institution keeping money in the GBOX token rather than the bank?

As I discuss this today, we propose that SPACs do not use tokens, but use instead the token custodial account property. Why? Because that custodial account is a regulated account. The money never moves from there, and it is only balanced against the tokens issued, so, in other words, it's a low-risk, high-yield scenario for SPAC capital and other yield- and income-seeking resources, right; funds the pension fund, etc., as I said in one of the previous slides.

There is one exception, and the first SPAC that we will on-board will have the potential to do the JV opportunity together with us, so we'll go through a merger, then perhaps do a secondary raise, and I suspect that would be in the neighborhood of \$500 million to \$700 million, and then go to the multibillion dollar NASDAQ IPO, with 1B process (phon), and again, that is going to be done that way. If we choose to move in that direction, let GreenBox maintain equity control, and read that as a more than 51% of shares outstanding for this new company, right, for (inaudible). Only the first SPAC will have that opportunity. All the rest of them will just use the custodial account as an opportunity to keep their capital in an environment that directly competes with money market accounts or treasuries, all right, so instead of getting, let's say, 90 to 120 basis points, they'll get a few percentage points better than that just for keeping their capital there.

More questions. How is the ChargeSavvy merger coming along? What is the timeline for that?

This conversation is dedicated to the token deployment. Since the question was asked, I will answer it, and the ChargeSavvy acquisition is going to be finalized very, very soon, probably within this quarter, and that's all I'm going to say about that.

The next question. Do you anticipate the custodian bank to be a traditional name-brand bank, or a newer digital bank?

We expect this custodial bank to be a traditional bank at this point, although I don't in eventuality 100% digital bank is out of the question, but for the moment, we're thinking that the safest deployment is the regulated brick-and-mortar traditional bank that has particular capabilities within their system, so they will allow us to integrate with their transactional computers at the level of APIs, application programming interface, which will allow us to not only access the account in real time without interruption, but also to provide transaction controls without limitations, without the geography limitations, without business hours limitations, etc., and provide extensions to the auditor's own system.

Auditor that they were considering will have its own technology awareness team; not to say a specific Blockchain IT's team that can connect through both our database for viewing of the—and continuous



scanning for issued token, and then verify that in real time against the custodial account, so, for now, we're looking at traditional banks to get that accomplished.

Here's another interesting question. Can you contrast and compare our token with Ripple payment network in XRP?

This is a cheap shot, right, because we're not competing on the same terms. We are so far ahead of where Ripple is today, that it's not a David and Goliath. It perhaps could be David and Goliath if David had nuclear weapon, but I would say this as to highlight some of the differences between XRP and our system. First of all, XRP is volatile, right? XRP is sort of an Altcoin, which is essentially a copy of the Bitcoin model. It's different than Bitcoin because exiting that system is very, very difficult and very costly, and even within the system, there are a lot of limitations. That resulted, for example, in XRP losing the majority of its value in recent months, probably more than 90%. We are not doing volatile currency, right? We are issuing stablecoins, plus we are fully transactional, right, and we have our own transaction ecosystem that has been running clear. This is just an extension of it, but not really a fair comparison from the Ripple side. They do have the size, which we don't have, and the only word I would add to that is yes, yes, sometimes.

Okay, here's a question that someone with incredible insight could ask, so the question is this: do you consider offering GBOXT platform as a white label SaaS solution for financial institutions?

Beautiful, so the answer is yes. First of all, within Gen3, we already have a white label banking solution that now is also inclusive of the token infrastructure. They don't have to have it, but it is available today, but specifically to the SaaS platform, software-as-a-service, for everyone, there are certain extensions to that model that we will be utilizing in Gen4. Again, this is not for Gen4 discussion. This is for the token, but since the question was asked, I would say that Gen4 will definitely have SaaS capabilities, but not only as the software, but also as a network-as-a-service, bank-as-a-service, etc. Beautiful question. Thank you.

Will there be separate shares for GBOXT? Very, very smart question.

As I said, if we choose to complete or to take this token scenario into a SpinCo situation where it will be spun off and do its own IPO on NASDAQ, then definitely there will be separate NASDAQ shares for the Company, and separate for the token. However, I also said that the token itself, the infrastructure, even post-IPO, would be majority-owned by GreenBox, so shareholders of GreenBox of today will never be subject to dilution because of the token, right? They will always have a majority interest in the token infrastructure as well, even if we spin it up.

Let's see. Another great question. How does GreenBox receive revenues from the use of the GBOXT token?

We have two models here, right? The first model is if we deploy this scenario in a JV platform; and the second, while we deploy it on our own. When we deploy it on our own, obviously 100% of all token revenues swim upstream to consolidate with the parent company with GBOX revenues. When we do a SPAC deployment, and as I said, we considered doing that, we will have a revenue share model. The majority of these revenues will continue to come to GreenBox, and some of them will go to the SPAC, and all of that until we jointly spin off this asset into its own IPO. Then there will be two separate companies.

Do we have any callers?

**Operator**



Yes. Our next question is from Jamie DeYoung with Goudy Park Capital. Please proceed with your question.

**Ben Errez**

Hi, Jamie.

**Jamie DeYoung**

Hi, Ben. Thanks for hosting this call and for taking my question.

Can you just try to provide a little bit of clarity around what the processing volume ramp will look like for the token? I'm assuming this should be accretive, kind of a double-digit EBITDA accretion given the timeline you're talking about here with deployment and so forth. Maybe you could elaborate on that?

**Ben Errez**

Sure. First of all, thank you, Jamie, for being a solid investor and shareholder in the Company.

Yes, we do see dramatic increase to the GreenBox revenues, both top line and bottom line, because this—first of all, even if we use the token only as a custodial account, its direct revenues will be majority owned by GBOX, or 100% owned before we allow any SPAC to participate. But as a transactional media, the token can only be used within the GreenBox transactional ecosystem, so all of these commitments that I spoke about during this presentation, for the typical users, just like the money service business conversation, as I had in one of the slides, all of these volumes and all of these revenues flow through the GBOX transactional ecosystem.

So, most definitely, we would need to update our projections for 2021 revenues. I'm not ready to do that today, but there will certainly be an uptick because of this deployment in a very meaningful way, and for that, we'll dedicate the separate conversation. Thanks for the question, Jamie.

**Jamie DeYoung**

(Multiple speakers).

**Ben Errez**

(Multiple speakers).

**Jamie DeYoung**

That's helpful, and just so I'm clear, on the prior call that you hosted, you said that, at the time, guidance for the year, or expectation, was around \$25 million, and EBITDA, based on, I believe, it was the core business pre-acquisition of ChargeSavvy doing around \$90 million to \$100 million of processing volume per month, and then ChargeSavvy did \$400 million of processing volume in 2020, and now that it's on the platform, you would expect the same gross margins for ChargeSavvy as the core business, and you would expect ChargeSavvy to grow in 2021, and then now we have the token in addition to the base business. Is that correct?

**Ben Errez**

Yes. All of these statements are correct.

**Jamie DeYoung**

Okay. Thank you.

**Ben Errez**

I believe we did do—yes, we did say \$25 million. I specifically said \$18 million, but you're right, that was before any acquisition revenues, any white label revenues, and any payment facility, software deployments, and, of course, without this new token technology. We definitely will see shortly an update upward for the 2021 estimate, and I ask everyone to be patient and allow the token to have its moment under the limelight today, but we will definitely provide some update on all of these other points in the coming conversations.

**Jamie DeYoung**

Terrific. Congratulations on the announcement today. It's great to see. Thanks so much.

**Ben Errez**

Thanks, Jamie.

Who's next?

**Operator**

Our next question is from Chris Sakai with Singular Research. Please proceed with your question.

**Ben Errez**

Hi, Chris.

**Christopher Sakai**

Hi, Ben.

Just had a question on the adoption of this token. I know you mentioned about the money service, businesses, and banks. Can you sort of provide any more color there?

**Ben Errez**

Yes, I can. I'm trying to not discuss material non-public information on this call, but yes, we do have some major commitments on the MSB front for utilization of this new token. I can say that this current use commitment are from companies who do billions of dollars per year in transactions on a money service, right, particularly peer-to-peer transactions. I'm hoping to capture some of it, if not all of it, onto our transactional ecosystem, but we will know at the later stage, but just a commitment out of the gate justify us increasing the designed custodial account to hold more than the initial \$100 million that we discussed earlier, but there will be something updates on that as well.

**Christopher Sakai**

Okay. When do you think those updates will occur?

**Ben Errez**

Some of them will begin, I hope, this week.

**Christopher Sakai**

Okay. All right. Thanks. Great.

**Ben Errez**

Thanks, Chris.

Who's the next one?

**Operator**

We have reached the end of the question-and-answer session, and I will now turn the call over to Ben Errez for closing comments.

**Ben Errez**

Okay, so we haven't done this before, but on the call with us, I wanted to recognize my long-time friend and partner and Co-Founder of GreenBox, Fredi Nisan. All of you know him, and he provided the quote on the first slide, and I wanted to give him the opportunity to do the closing comments for this call.

And for me, I want to thank everybody for their time and attention to this conversation, and I'm always available for more questions. All of you know that I'm accessible directly at any time.

Fredi go ahead and introduce the comments.

**Fredi Nisan**

First of all, great job Ben. Thank you very much for doing that, and share with all of our investor the great news. Thank you.

Now, for all of the investors and everybody on the call, some of you I know and talk to, and some of them I did not, but I want to say thank you again for believing in our Company and providing us with the fuel to push forward and actually support what we believe in and the change that we want to create in the financial industry. It's not a small task, but we have the right team to do that. Some of them like Ben, and some of them other lower level employees that have the same belief that we have, and they're all committed to the success of this Company.

I'm very, very excited about the token that will be missing piece to complete our offering, and we believe that now we can really offer technology and support to this financial institutions, and, of course, different tools and instrument for businesses and customers, so again, thank you everybody for believing in us and supporting us for the last three-and-a-half years.

We are going to update you with every new information we have as soon as we have it available to the public to announce, and I'm very excited to what is to come, and thank you again everybody for listening.

**Ben Errez**

Thank you all, and with that, we'll go back to the moderator. Alex, take over.

**Operator**

Thank you. This concludes today's conference. You may disconnect your lines at this time. Thank you for your participation, and have a great evening.

**Ben Errez**

Thank you all.