



## GreenBox Purchases Sky Financial Securing Estimated \$1 Billion Processing Portfolio

*Acquisition Brings Large Processing Volume Portfolio In-House, Enhancing Margins and Creating Additional Revenue Generating Opportunities*

**SAN DIEGO, CA, April 07, 2022 (GLOBE NEWSWIRE)** -- GreenBox POS (NASDAQ: GBOX) ("GreenBox" or the "Company"), an emerging and rapidly growing Fintech company announced today it has entered into and closed on an asset purchase agreement with Sky Financial & Intelligence ("Sky") to purchase a portfolio of merchant accounts for \$16 million in cash and 500,000 restricted common shares. The shares distribution in connection with this transaction is not dilutive at this time, as they were previously loaned to the Company by its senior management in order to maintain compliance with the non-dilution provisions specified in the \$100 million note issued to the Company on November 2, 2021.

One of Sky's portfolios that has been integrated with GreenBox's technology and ecosystem for over a year increased to over \$1B in total processing volume and became a significant part of the Company's 2021 growth success story. Recognizing this portfolio's potential and continued growth, in particular its contribution to processing volume for Q1 2022, the Company elected to purchase the portfolio and wholly own it.

During FY21, \$14.5 million of the purchase price had already been recouped by GreenBox from residuals received by Sky. As a result, the cash outlay to acquire the merchant account portfolios in-house is approximately \$1.5 million in cash and is expected to be recovered in less than 6 months, based on the current rate produced by Sky's portfolio residuals to GreenBox.

There will be no further compensation for Sky as GreenBox leverages the strength of its own sales team for new account acquisition. The Company has expeditiously developed a sales infrastructure through the implementation and training of sales, onboarding, and risk management associates, to allow for the steady flow of account growth from within the organization. This, in turn, reduces commission costs associated with ISOs paving the way for higher margin growth. Additionally, the newly acquired Sky accounts can be offered additional GreenBox customized solutions, including coyni, to drive revenue growth.

GreenBox Chairman Ben Errez commented: "The acquisition of the substantial Sky portfolios is yet another stride forward for us and accomplishes two very important things. By bringing a large merchant account portfolio in-house we eliminate the cost previously incurred from commissions and amplify our margin profile. Second, it allows GreenBox to own these customer relationships, securing a considerable portion of our processing volume base with the bonus of being able to offer additional revenue generating solutions. Lastly, Sky's processing volume played a vital role for us in meeting the fundamental hurdle requirements in our convertible note."

### About GreenBox POS

**GreenBox POS** (NASDAQ: GBOX) is an emerging financial technology company leveraging proprietary blockchain security and token technology to build customized payment solutions. The Company's applications enable an end-to-end suite of turnkey financial products, fraud detection and improving the efficiency of handling large-scale commercial processing volumes for its merchant clients. For more information, please visit the Company's website at [www.greenboxpos.com](http://www.greenboxpos.com).

### Forward-Looking Statements Disclaimer

This release 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. All forward-looking statements are inherently uncertain as they are based on current expectations and assumptions concerning future events or future performance of the Company. Readers are cautioned not to place undue reliance on these forward-looking statements, which are only predictions and speak only as of the date hereof. In evaluating such statements, prospective investors should review carefully various risks and uncertainties identified in this release and matters set out in the Company's SEC filings. These risks and uncertainties could cause the Company's actual results to differ materially from those indicated in the forward-looking statements.

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