



GreenState

Smart Modular & Vertical Farming

Newsletter | **December 2024**

Dear **GreenState Supporter**

On this December 13th, we are excited to share important updates with our valued GreenState community.

This December Newsletter covers the following topics:

- 1 Signed Termsheet with an institutional investor and partner for the XL farm in Switzerland
- 2 Update on the GrowBorg Project
- 3 Update on the GSIRA Project
- 4 Executive interview with CFO Mr. Christian Hörler
- 5 Closing of the financial round

*Extras: Bilanz 300 interview: GreenState AG — "From Crowd Financing to Crowd Sourcing"

1 Signed Termsheet with an institutional investor and partner for the XL farm in Switzerland

For the GreenState AG team, no task is impossible. When a strategic goal is set, our 100 employees work with a single vision: Get the job DONE.



This vision has led to another success. Our Founder and CEO traveled to Amsterdam, Netherlands, where he met with Growy Ltd.'s owners, founders, and executives. After two days of negotiations, farm visits, product tastings, and introductions, the termsheet figures were defined and signed in December.



Under the agreement, Growy and their Dutch banking partner will invest CHF 12,500,000 in the XL Vertical Farm in Switzerland, with GreenState AG contributing an additional CHF 2,500,000. This totals CHF 15,000,000 for the development of this cutting-edge mega farm.



At full capacity, the farm will produce up to 400 tonnes of lettuce, herbs, and microgreens annually. Utilizing fully automated processes, this state-of-the-art facility is designed to ensure high profit margins

GreenState, with its Swiss offtake partners, will guarantee 150 tonnes in annual offtake agreements. The company will also maintain marketing and branding activities, while supporting construction and operations for the next 10 years. Growy will provide technological expertise, with data shared at the partnership level.



The most exciting aspect of this joint venture is its future potential. The first XL farm in Switzerland serves as a pilot project, and if successful, GreenState and Growy plan to build 10 additional farms worldwide over the next five years. This ambitious goal requires GreenState to contribute CHF 2,500,000 to CHF 3,500,000 per farm while supporting technological, marketing, and financing activities. Growy will provide hardware and technology expertise, while their Dutch banking partner will offer debt financing for 50-60% of each project.

Our commitment is clear: work diligently to achieve this goal and expand our vertical farming business to 10 XL farms worldwide.

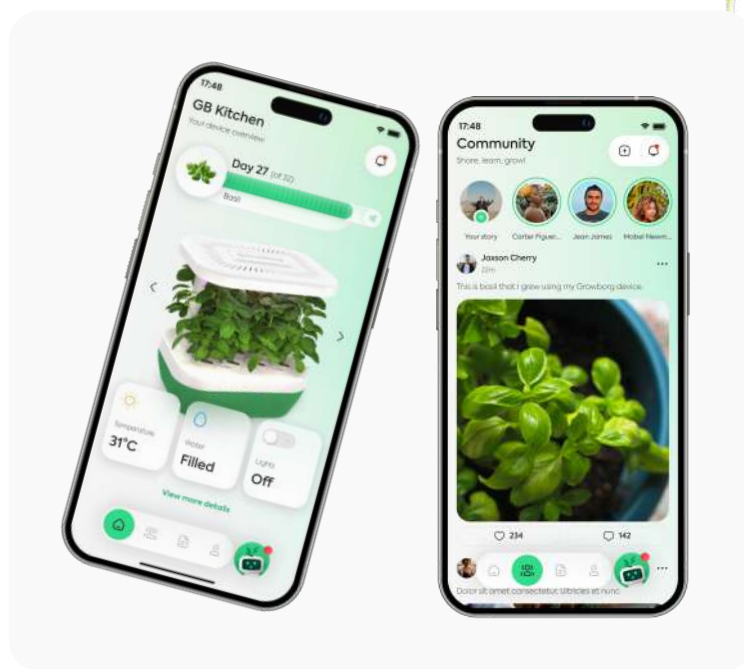


2 Update on the GrowBorg Project

Our agile organizational model, centered around project leaders rather than traditional hierarchical bosses, has proven highly effective. This structure has eliminated communication barriers and enabled us to complete projects in record time. GrowBorg exemplifies this efficiency. In just seven months, we've progressed from the initial concept to the final product. While this timeline may seem ambitious, you can verify our progress from our first communications about GrowBorg earlier this summer.

 **GrowBorg.ai**

The project has now reached its final phase. All hardware and software components have been built and tested, and we are transitioning to serial production. Component imports to Switzerland will be completed by the end of February, with assembly of the first 5,000 GrowBorgs beginning in March.



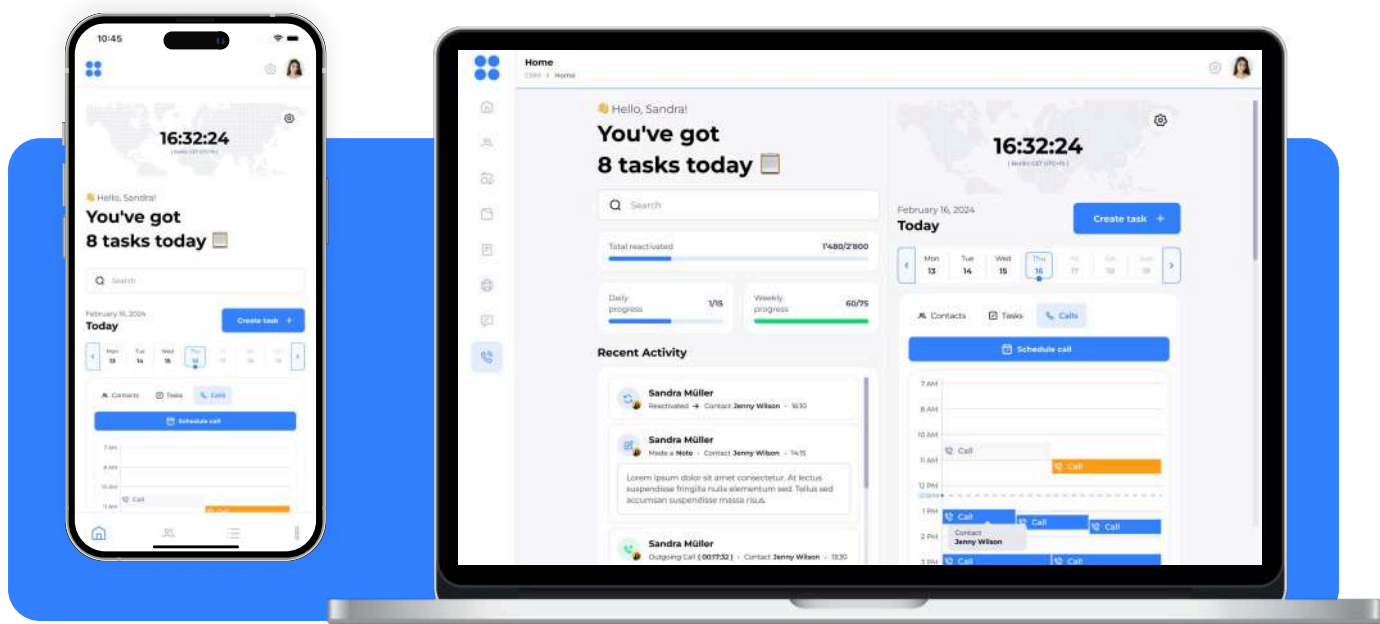
The GrowBorg Product Launch is scheduled for March 1st. Please note that seating will be limited, and the location will be announced soon.

****What is GrowBorg?****

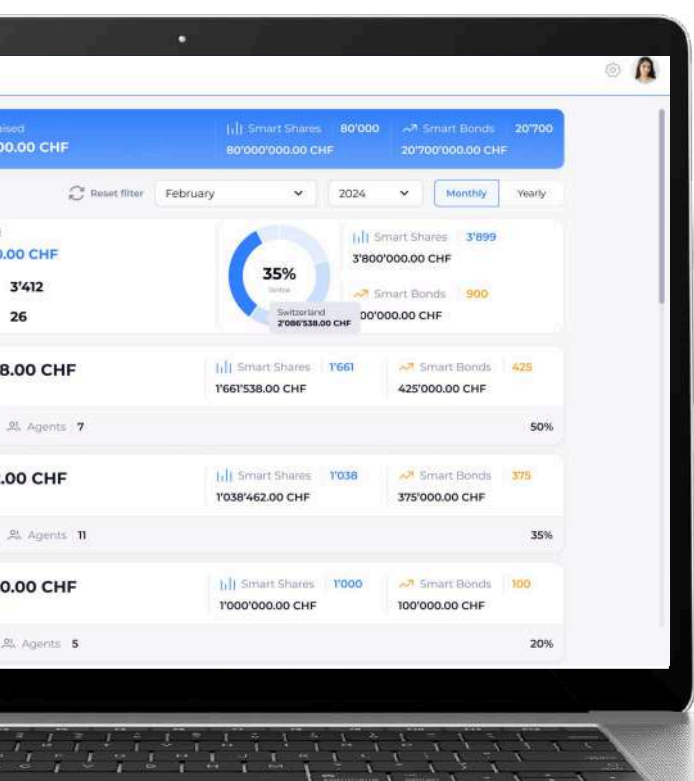
GrowBorg is a gamified home-growing device that connects to your mobile application through the "Mesh 5 communication protocol" and links users within the GrowBorg community. In an industry first, 10,000 home-growing devices will connect to two industrial vertical farms with one goal: creating the largest artificial intelligence learning models for the agtech industry. GrowBorg will be the largest crowd-sourcing device in the agtech sector to date. While we must keep certain details about the device and application under wraps until March 1st, we're excited to share a video showing how we decorated the GreenState Christmas tree with our custom-developed motherboards—a milestone in consumer tech history.

3 Update on the GSIRA Project

Digital transformation presents challenges but remains essential. We've received numerous inquiries about GreenState's ERP system and our entry into this sector.



Here's our vision: GSIRA isn't a typical ERP—it's a "Consumer Centric Platform" bridging the digital gap between companies and their clients. This platform enables direct company-customer communication, bringing internal resources and customers together. It's specifically designed for small and medium enterprises that can't afford big tech companies' expensive fees.



This solution will help family businesses compete effectively in global markets. Built on microservices architecture, the software includes various modules: account profiles, portfolios, onboarding, invoicing, credit card payments, e-commerce, mob-commerce, contract signing, CRM, administrator functions, user accounts, and more. Our newest feature, to be tested with GrowBorg, is an internal social media component. This gives SMEs their own digital customer community, reducing dependence on major social media platforms.

Even before launch, we've sold five licenses this year, generating nearly CHF 100,000 in revenue.

4 Executive interview: CFO Mr. Christian Hörler

The GreenState project attracted me because it pursues the greater good—growing food locally and sustainably without pesticides. Beyond profit, it sets an example for future generations by balancing capital gains with corporate responsibility. I cherish my role at GreenState and our corporate culture, though my position sometimes makes me the voice of prudence.

As a board member and Chief Financial Officer of this young company, I oversee finances where budgets and administrative roles are still evolving. While we embrace agility, my responsibility is to maintain the highest standards in finances and regulatory compliance. This includes optimizing funds, managing costs, and maximizing profitability.

My corporate administrative duties include overseeing capital transactions, managing banking relationships, and ensuring proper capitalization for a potential exit strategy.

Our rapid growth necessitates additional internal staff, allowing me to focus on strategic leadership and guide the company toward our planned Initial Public Offering. This goal aligns with our XL Farm development, global expansion, and upcoming project launches.



For operational cash flow, we're targeting 10X annual growth, aiming to reach CHF 10,000,000 in 2025.



5 Closing of Financial Round

The current financial round remains open until December 31, 2024, for investors interested in share subscription under the Kapitalband Law at CHF 18 per share. Notary appointments are scheduled for January, pending document approval, with digital share delivery expected in early February 2025.



This financial round is capped at CHF 5,400,000 total capital, following a "first come, first served" policy, with priority given to existing shareholders. All subscription agreements require physical signatures and must be mailed to: GreenState AG, Pflanzschulstrasse 3, 8400 Winterthur, Switzerland.



EXTRAS: BILANZ 300 INTERVIEW

GreenState AG - „From Crowd Financing to Crowd Sourcing“

Our CEO recently gave an interview to Bilanz and Smart Media discussing GreenState AG's growth potential for the coming year, exploring the theme "From Crowd Financing to Crowd Sourcing."



Rekord: 152 Milliardäre

BILANZ

Das Schweizer Wirtschaftsmagazin

12

Dezember 2014

CHF 10,-
Euro 10,-

300

Die Reichsten



PLUS

FAMILY OFFICES
Die Tricks der
Geldvermehrer

LONZA
Ein Fechter an
der Spitze

ORELL FÜSSL
Der verschleierte
Gelddrucker



From Crowd Funding to Crowd Sourcing

Vom ersten Tag an verfolgte die GreenState AG eine unkonventionelle Art, ihr Geschäft zu betreiben. Ihr Fokus lag auf «gross denken, klein anfangen und schnell skalieren». Dieser Ansatz war zu unkonventionell für Venture-Capital-Unternehmen, also begann die GreenState AG, ihre Aktivitäten durch eine Crowdfunding-Kampagne in den sozialen Medien zu finanzieren. Die Kampagne ist inzwischen für ihre proaktiven Slogans wie «Kiwi aus Winterthur» und «Drachenfrucht aus Zürich» bekannt.



Arsenije Grgur
Vorsitzender und CEO
GreenState AG

Innovative Technologien wie maschinelles Lernen fanden dabei Anwendung sowohl im präzisen Anbau von Kräutern als auch in der individuellen Betreuung der Kundschaft.

In den ersten Tagen war GreenState-Gründer und CEO Arsenije Grgur nicht klar, dass die Crowdfunding-Kampagne nicht nur potenzielle Investor:innen anziehen, sondern auch Tausende von Datenpunkten generieren und die Entwicklung der Gemeinschaft fördern würde.

In kurzer Zeit baute GreenState eine kleine «Armee» von Unternehmensbotschaftern auf, die in das Unternehmen investierten und aktiv für sein Geschäft warben. Wann immer das Management Probleme mit Crowdfunding und CRM-Implementierung hatte, wurden

schnell, einfach und kostengünstig Lösungen gefunden. Sogar der erste Kunde, Manor, wurde durch Crowdfunding-Aktivitäten gewonnen.

Die Unternehmensführung erkannte frühzeitig das enorme Potenzial der Daten, die im Betrieb generiert wurden – ein Rohstoff von unschätzbarem Wert in der digitalen Wirtschaft. Dieser strategische Weitblick mündete in der Entwicklung einer massgeschneiderten Softwarelösung, die nicht nur grosse Datenmengen effizient analysieren konnte, sondern auch die Interaktion mit der stetig

wachsenden Community auf ein neues Niveau hob. Innovative Technologien wie maschinelles Lernen fanden dabei Anwendung sowohl im präzisen Anbau von Kräutern als auch in der individuellen Betreuung der Kundschaft. Das Unternehmen setzte damit neue Massstäbe, indem es Technologie und landwirtschaftliches Know-how in einer Weise verknüpfte, die nachhaltige Erfolge sichert.

Durch die Übernahme der Yasai AG wurde GreenState zum Marktführer in der vertikalen Landwirtschaft und trat mit seinen Kräuterprodukten in Coop und Migros ein. Über die Marktdurchdringung und den Eintritt in die Supermärkte hinaus hat GreenState zwei vertikale Farmen mit einem Softwaresystem verbunden. Jetzt empfängt und verarbeitet ein einziges maschinelles Lernmodell Daten von zwei industriellen vertikalen Farmen. Die beiden Unternehmen haben noch grössere Ziele: bis 2026 soll die XL Vertical Farm AI Factory in der Schweiz gebaut werden, mit 10 000 m² und einer jährlichen Produktion von 200 Tonnen.

Aber GreenState bleibt nicht dabei stehen. Im Gegenteil, GreenState konzentriert sich voll und ganz darauf, seinen Erfolg im Crowd Data Sourcing zu monetarisieren. Im Jahr 2025 wird GreenState mehrere Untermarken in den Bereichen E-Commerce, Unterhaltungselektronik, Internet der Dinge, künstliche Intelligenz und Software-as-a-Service-Kundenplattform mit einem einzigen Ziel einführen: Crowd Sourcing.

Während das Unternehmen in eine neue Finanzierungsphase eintritt und einen möglichen Börsengang in den nächsten 18 Monaten in Erwägung zieht, werden alle Marketing- und technischen Bemühungen darauf ausgerichtet sein, dieselbe Crowd-Strategie zum Sammeln von Daten und zum Aufbau von Communities für verschiedene Fokusgruppen und Geschäftsmodelle umzusetzen.

Laut Grgur ist dies erst der Anfang ihrer Reise und in den nächsten fünf Jahren wird GreenState technologisch weit fortgeschrittener sein als heute.

Weitere Informationen unter:
greenstate.ch



GreenState
Smart Modular & Vertical Farming





GreenState

Smart Modular & Vertical Farming

GreenState AG (Headquarters)

Pflanzschulstrasse 3, 8400 Winterthur (Switzerland)

GreenState AG (Farm)

Badstrasse 21c, 8212 Neuhausen am Rheinfall (Switzerland)

+41 (0) 52 208 94 01

www.greenstate.ch

info@greenstate.ch

Yours sincerely,

The GreenState AG Team

This page concerns a capital increase of GreenState AG, which is directed exclusively at investors who have been informed by the issuer in accordance with FIDLEG:

- have been informed about information, documentation, accountability, transparency and due diligence obligations.
- have undergone an appropriateness and suitability test.

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