

# **RYVYL Inc Issues Shareholder Letter**

*Chairman Ben Errez comments on the fallout from recent cryptocurrency crises and implications for RYVYL*

**SAN DIEGO, CA, Dec. 13, 2022 (GLOBE NEWSWIRE)** -- RYVYL Inc. (NASDAQ: RVYL) ("RYVYL" or the "Company"), a company that leverages the security of the blockchain and USD-pegged stablecoin technology with near-real-time attestation to conduct payment transaction today announced a letter to shareholders regarding recent events in the cryptocurrency market and the implications on RYVYL.

## **Management Commentary by Chairman, Ben Errez:**

My fellow shareholders,

It's been a tumultuous end to 2022 for the cryptocurrency marketplace with the fall of FTX and BlockFi among other firms, along with the sharp decline in the price of cryptocurrencies and related securities. In the wake of this crises, we at RYVYL now more than ever want to clearly communicate the conviction that we have in our differentiated suite of payment technology solutions that arm us to seize on a fantastic opportunity and emerge as a leader in the digital payments space.

RYVYL is not a cryptocurrency firm and has no exposure to crypto firms that have recently filed for bankruptcy protection. The collapse of crypto exchanges only strengthens our position and validates the strategy we have taken. Our smart contract token, known as coyni, has a unique architecture as a USD-pegged stablecoin, backed dollar for dollar in a federally insured custodial account with near real-time attestation, ensuring the continuous health and compliance of the ecosystem. Our technology settles through a proprietary blockchain ledger that we believe is the ideal digital payments product on the market today.

To clarify, each coyni digital token is held in a wallet on the platform and matched with one U.S. dollar held in a custodial account by a federally insured financial institution. The dollars backing coyni are not tied up in investments or US treasury notes and are not converted to cryptocurrencies. All industry failures we have seen recently, in both stablecoin and crypto, occurred with ecosystems that did not utilize these safety measures, leading to severe market disruption. We continue to support regulatory oversight along these principles.

One of the most significant points of distinction for us is that coyni has near real-time custodial account attestation. This was no small feat and accomplished only after a lengthy review of IT, compliance and, specifically, SOC 2 compliance certification from Armanino, a top accounting, consulting and technology firm in the U.S.

The recent crypto market collapse will undoubtedly lead to increased regulatory oversight, something which we welcome and believe will be beneficial to our business and growth trajectory. As oversight increases and stablecoin matures, we believe there will be less need for volatile cryptocurrencies. We believe a stablecoin that is properly pegged to fiat currency, both in coverage and compliance reporting, is equivalent to fiat and is likely to eventually be even better than fiat as it has the potential of being adjusted or hedged by commodity. This is where RYVYL can step in. While some large banks work with the Federal Reserve on a recently announced pilot-program leveraging blockchain backed stablecoin technology, we are already in the market as demonstrated by our successful work in American Samoa.

With a closed-loop payment system already in operation, we bring to market our leading-edge digital payment solutions across the banking sector and in multiple countries to quickly achieve scale and market share. While market conditions have made for a challenging year for stocks in our sector and presented obstacles to our acquisition strategy, we believe the latest fallout in the crypto landscape provides all the opportunity we need to become a disruptive force in the digital payments market and deliver sustainable long-term growth for our shareholders.

We thank you for your long-standing support.

Sincerely,

Ben Errez  
RYVYL Co-founder and Chairman

## **About RYVYL**

**RYVYL Inc.** (NASDAQ: **RVYL**) was born from a passion for empowering a new way to conduct business-to-business, consumer-to-business and peer-to-peer payment transactions around the globe. By leveraging unique blockchain security and USD-pegged stablecoin technology with near real-time attestation, RYVYL is reinventing the future of financial transactions using its coyni<sup>®</sup> stablecoin platform as a transactional foundation. Since its founding as GreenBox POS in 2017 in San Diego, RYVYL has developed applications enabling an end-to-end suite of turnkey financial products with enhanced security and data privacy, world-class identity theft protection and rapid speed to settlement. As a result, the platform can log immense volumes of immutable transactional records at the speed of the internet for first-tier partners, merchants and consumers around the globe. [www.rvyyl.com](http://www.rvyyl.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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