

Arcario Addresses Working Capital Position Amidst Crypto Market Challenges

The Board of Directors at Arcario AB ("Arcario" or the "Company") wishes to communicate the financial challenges arising from the extended crypto market downturn, which has led the Company to anticipate less than three months of available working capital. Arcario is taking proactive measures in acknowledging these challenges, as the previously existing liquidity guarantee from the Company's principal shareholders has now concluded.

Recognizing the significant value of the assets held, the board, in tandem with the management team, is actively exploring a broad spectrum of opportunities to strengthen the company's financial standing. The company is engaging with creditors and diligently working towards a restructuring plan to enhance liquidity.

The strategies under consideration include, but are not restricted to, debt restructuring, infusing fresh capital, divesting certain assets, and the potential of merging with other crypto-oriented entities. Further, an impairment test of the carrying value of its assets will be conducted, which is expected to lead to write downs to reflect recent market dynamics. In the event that the restructuring measures face challenges, the board estimates a working capital span of an additional month.

Despite the current constraints, Arcario and its portfolio companies remain positive as they continue to garner interest from potential strategic partners. A testament to this positive trajectory is K33's investment partnership with Liquid Mercury. Moreover, several other portfolio companies are progressing well in their capital raising endeavors, backed by commitments embodied in signed term sheets.

Arcario notes a rising interest from the US market towards its portfolio. Given the current US regulatory uncertainty and the recent enactment of MiCA in the EU, the European crypto market presents as a lucrative prospect for investors and stakeholders. In alignment with this, Arcario had previously shared its goal to reinstate its US listing process on the OTCQB. This endeavor will resume once the restructuring phase concludes successfully.

In closing, Arcario maintains a positive outlook on the overarching crypto sector. The inherent market trajectory for cryptocurrencies remains robust, and the future prospect for the sector is unequivocally promising.

For further details or queries, please contact Arcario AB's IR team at ir@arcario.com or visit arcario.com/ir.

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About Arcario

Arcario is a Scandinavian trailblazer in the digital asset space, committed to shaping the future of finance as we know it. The company boasts a diversified portfolio that includes K33, a research-led digital assets brokerage, Green Data, an eco-friendly Bitcoin mining operation, and minority stakes in



Press Release
27 September 2023 16:30:00 CEST

LN Markets, a Bitcoin exchange leveraging the Lightning Network, Pure Digital, a digital currency interbank OTC market and Finpeers, a startup democratizing access to private financial markets through tokenization. The Company is listed on Nasdaq First North Growth Market and Mangold Fondkommission is Certified Adviser.

This information is information that Arcario is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2023-09-27 16:30 CEST.

Attachments

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