

Ryvyl Inc. Seeks \$8M Capital Injection Amid Financial Crisis and Strategic Pivot

Filing Information

- **Company:** Ryvyl Inc.
- **CIK:** 1419275
- **Filing Type:** S-1/A
- **Amended Filing:** Yes
- **Filing Date:** July 01, 2025
- **State of Incorporation:** NV
- **Industry (SIC):** SERVICES-MANAGEMENT CONSULTING SERVICES
- **Accession Number:** 0001185185-25-000718
- **Analysis Date:** July 24, 2025

Overview

RYVYL Inc., a financial technology (fintech) company, has filed an amended registration statement for a "best efforts" public offering of up to **\$8.0 million** in securities. The company is facing significant operational and financial challenges, including a **"going concern" warning** from its auditors, non-compliance notices from Nasdaq, and an ongoing SEC investigation.

The most critical development is the recent sale of its European subsidiary, Ryvyl EU, effective June 1, 2025. This sale, which represented a substantial portion of the company's business and 70-80% of its revenue, leaves RYVYL solely focused on its struggling North American operations. The proceeds from this offering are urgently needed for working capital, as the company states its current cash will only fund North American operations through approximately June 30, 2025. Concurrently, management is proposing a major strategic pivot towards acquiring digital assets, contingent on a much larger future capital raise.

Offering Details

Item	Details
Offering Type	Best efforts public offering. The Placement Agent is not obligated to purchase any securities.
Maximum Offering Size	Up to \$8,000,000
Placement Agent	Maxim Group LLC
Securities Offered	Common Units and Pre-Funded Units , totaling up to 9,876,543 units.
- Common Units: Each consists of one share of common stock and one Common Warrant.	

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	- Pre-Funded Units: Each consists of one Pre-Funded Warrant and one Common Warrant (offered to investors to avoid exceeding beneficial ownership limits).
Assumed Price	\$0.81 per Common Unit (based on the Nasdaq closing price of June 27, 2025).
Common Warrants	- Exercise Price: \$0.81 per share (100% of the unit offering price). - Term: Exercisable immediately, expires in five years.
Pre-Funded Warrants	- Exercise Price: \$0.001 per share. - Term: Exercisable immediately, expire once fully exercised.
Use of Proceeds	Net proceeds of approximately \$7.1 million (if fully subscribed) will be used to pay a \$300,000 D&O insurance premium, with the remainder for working capital and general corporate purposes.
Stock Exchange	Common stock is listed on the Nasdaq Capital Market under the symbol " RVYL ".
Dilution	New investors will face immediate and substantial dilution of \$0.72 per share , as the pro forma as-adjusted net tangible book value per share after the offering is projected to be \$0.09.

Key Developments

Sale of European Subsidiary (Ryvyl EU)

- The sale of Ryvyl EU was completed effective June 1, 2025. This transaction was part of a financing deal where RYVYL received \$15 million and sold the subsidiary.
- **Impact:** This represents a strategic divestiture of what was the company's primary revenue-generating and profitable segment. The company now operates solely in North America and anticipates an **immediate revenue reduction of 70-80%**.

Going Concern Warning & Liquidity Crisis

- The company's financial statements include a **going concern warning**, indicating substantial doubt about its ability to continue operations for the next 12 months.
- This is driven by the loss of revenue from its "QuickCard" product and the sale of its profitable European business.
- Management states that without this offering, its North American cash reserves will only be sufficient to fund operations through **approximately June 30, 2025**.

Nasdaq Non-Compliance Notices

- **Stockholders' Equity (April 2025):** The company failed to meet Nasdaq's minimum stockholders' equity requirement of \$2.5 million. Nasdaq has granted an extension until **October 6, 2025**, to regain compliance.

- **Minimum Bid Price (June 2025):** The company's stock has traded below \$1.00 for over 30 consecutive business days. It has until **December 9, 2025**, to regain compliance.
- Failure to resolve these issues could result in the delisting of RYVL stock from Nasdaq.

SEC Investigation and Updated Disclosures

- The company is under an ongoing SEC investigation regarding potential violations of federal securities laws.
- The SEC's concerns focus on two areas of prior disclosures:
 - **Use of Blockchain:** The company has clarified that its QuickCard platform uses a *private* blockchain ledger to immutably *record* transactions after they are processed through traditional gateways. It also clarified that its "tokens" are digital representations of deposits, not cryptocurrency.
 - **Cannabis Business:** The company now explicitly discloses that **cannabis merchants made up a substantial majority of QuickCard's processing volume** before the service was discontinued in early 2024 after its processing partner's bank ceased support for the industry.

Proposed Strategic Pivot to Digital Assets

- Following the sale of Ryvyl EU, management is pursuing an "Enhanced Plan."
- The company has signed a non-binding letter of intent (LOI) to acquire a technology entity with a view to acquiring digital assets.
- This plan is **contingent on raising a minimum of \$100 million** in future financing and would require shareholder approval. This signals a significant potential change in the company's business model.

Company Background

- **Legacy Business:** RYVYL's first product, **QuickCard**, was a payment processing system for historically cash-based, high-risk businesses, primarily cannabis dispensaries. This revenue stream was severely impacted in early 2024.
- **Current Platform:** The company's second-generation platform, **NEMS Core**, is a dual-sided system designed for both payment acceptance (acquiring) and fund distribution (disbursement).
- **Post-Sale Focus:** With the sale of Ryvyl EU, the company's business is now entirely focused on North America, concentrating on treasury management services, BIN sponsorship for credit card processing, and ACH/wire transfers.