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NEWS RELEASE

FOR IMMEDIATE RELEASE

August 4, 2022

Idaho Department of Finance Issues Notice to Celsius Network
Celsius Notified of the Intent to Issue Order Regarding Violation of Idaho Financial Regulations

Boise, Idaho – The Idaho Department of Finance (the “Department”) is announcing the issuance of a Notice of Intent (the “Notice”) to Order Celsius Network Inc., Celsius Network Limited, Celsius US Holding LLC, Celsius Network LLC, and Celsius Lending LLC (collectively referred to as “Celsius”), to cease and desist from violation of Idaho financial regulation. The Notice informs Celsius of the Department’s intent to enter an order to cease and desist violation of the Idaho Trust Institutions Act (the “ITIA”), the Idaho Uniform Securities Act (the “IUSA”), and the Idaho Money Transmitters Act (the “IMTA”). Celsius is entitled to request a hearing on the allegations of violations prior to issuance of the intended order.

Celsius markets itself, particularly through its website <https://celsius.network/> and mobile phone application, as providing various digital asset related financial services to customers in the United States, including purchase, custody, trading, borrowing, and lending services.

Celsius also advertised it participates in income generating digital asset services such as proprietary trading, staking, lending, and mining. Celsius funds its income generating digital asset activities through the sale of unregistered securities in the form of cryptocurrency interest-earning accounts marketed as “Earn Rewards” or “Earn.” As alleged in the Notice, Celsius marketed Earn Rewards to both retail and institutional passive investors (regardless of sophistication or wealth) and promised a significant rate of return. As further alleged, the investors’ digital assets were at risk in the business and pooled with all business assets, including other investor assets, to be used for many aspects of Celsius’ business. The Department’s Notice alleges that the Earn Rewards accounts are securities under the IUSA but were not registered as securities with the Securities Bureau of the Department, in violation of the IUSA.

In conjunction with its range of financial services, Celsius provides exchange and custodial services for certain digital assets for customers. In offering the exchange services to consumers, the Department alleges that Celsius has engaged in money transmission without licensure in Idaho in violation of the IMTA. Celsius has also engaged in trust business, which includes the custody of digital assets, without proper authorization by the Director of Finance under the ITIA.

Celsius advertised investors could withdraw their assets at any time, subject to certain processing times. On June 12, 2022, Celsius froze withdrawals, preventing investors from withdrawing any assets from the accounts they had with Celsius. As of June 17, 2022, Celsius had more than \$59,000,000

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invested in their Earn Rewards from more than 1,300 Idaho residents and businesses, which represents the potential for significant financial damage to Idahoans. On July 13, 2022, Celsius commenced voluntary Chapter 11 bankruptcy proceedings in the U.S. Bankruptcy Court for the Southern District of New York.

The Department reminds Idahoans that they can verify licensure or registration of financial services and providers by accessing its website, at www.finance.idaho.gov/licensee-search/, or by contacting the Department directly.

Department of Finance press releases and other information can be found on the Internet at <http://finance.idaho.gov> or may be obtained by contacting the Department at (208)-332-8000 or Idaho toll-free at 1-888-346-3378.