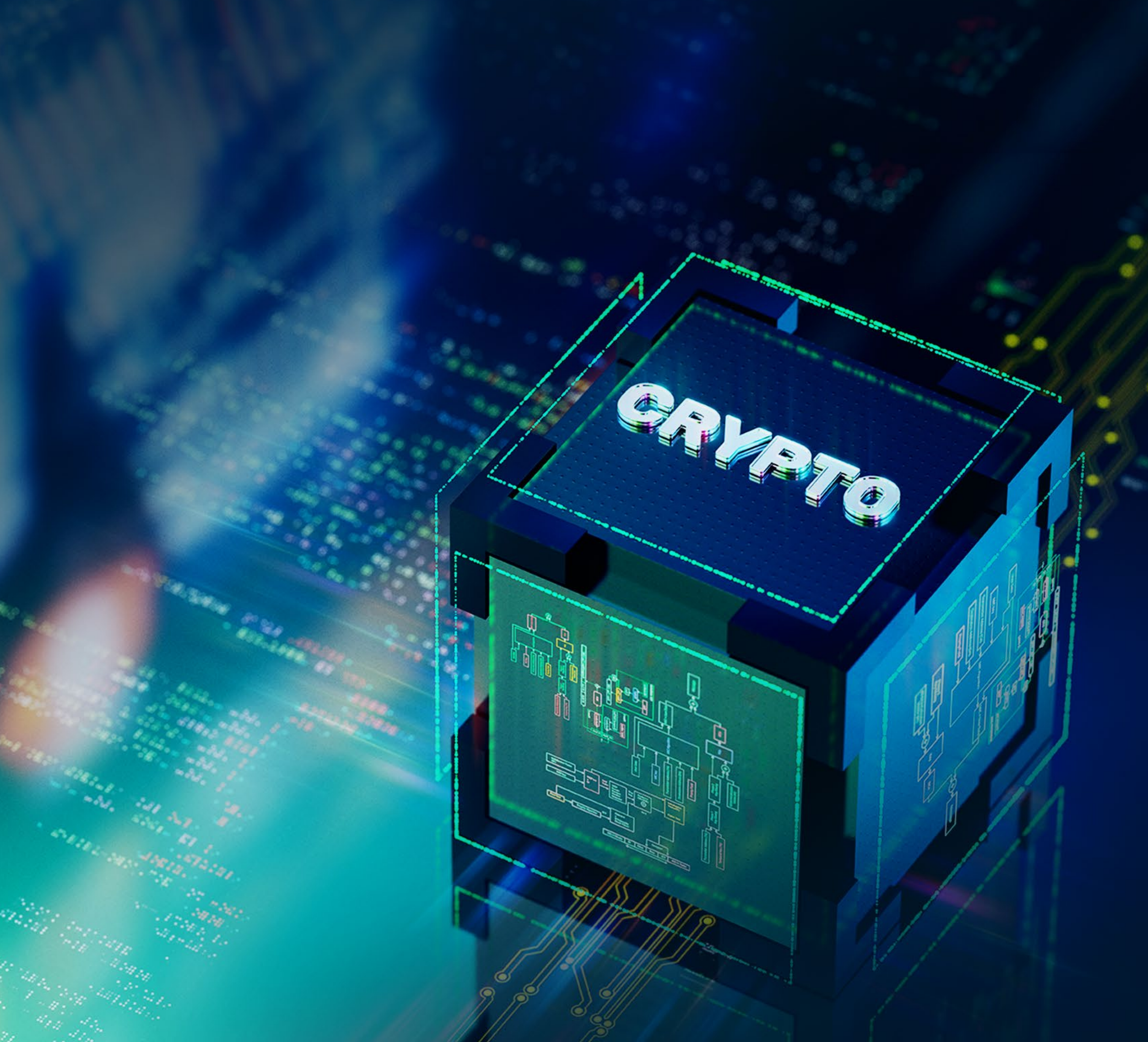
KROLL

# Cryptocurrency Restructuring

Supporting Stakeholders Through Complex Financial and Digital Asset Challenges



# Who We Are

## Cryptocurrency Restructuring: Stabilizing Distress, Securing Value

Kroll is the definitive authority at the intersection of valuation, risk and transactions across the digital asset lifecycle. We support crypto native and traditional finance clients across the digital assets, tokenization and on chain finance ecosystem. Kroll has advised on many of the most significant cryptocurrency restructurings globally, helping courts, creditors, regulators and stakeholders navigate matters involving billions of dollars in digital assets and establishing legal precedents across major jurisdictions.

Cryptocurrency markets move fast, and distress can strike even faster. Exchanges collapse, wallets are compromised and creditor claims mount quickly across borders. In these critical moments, Kroll delivers decisive solutions that safeguard assets, support recovery efforts and protect enterprise value.

Our mandate is clear: stabilize distressed cryptocurrency businesses, secure digital assets and provide stakeholder confidence during complex financial situations, preserving operations and increasing enterprise value. Kroll's track record includes guiding landmark cryptocurrency restructurings worldwide, where our expertise has shaped outcomes and helped define legislation.

Our multidisciplinary cryptocurrency expertise enables us to deliver coordinated solutions across restructuring, insolvency, blockchain forensics, digital asset recovery and regulation, making us a recognized leader in the field. From supporting cross border restructuring plans with forensic recovery strategies to administering large scale cryptocurrency insolvencies, we help investors, regulators and creditors find the solutions they need for complex digital asset challenges with confidence.

## Your Challenges. Our Solutions.

When cryptocurrency businesses face disruption, Kroll delivers integrated solutions that restore stability, safeguard assets and rebuild stakeholder confidence. Here are four key areas where Kroll can help:

### Distressed Platforms

When cryptocurrency platforms falter, operations stall and stakeholder trust erodes, Kroll stabilizes distressed situations, preserves going concern value and designs restructuring pathways that protect investors, creditors, platforms and stakeholder outcomes.

### Asset Safeguarding

Wallets, private keys and records are vulnerable to cyberattacks and fraud, which create financial distress and expose stakeholders to loss. We can secure, trace and realize digital assets within formal restructuring processes, ensuring asset integrity and maximizing recoveries.

### Creditor Confidence

Mounting claims and uncertainty erode confidence among creditors and investors. Kroll manages claims, creditor communications and structured distributions with transparency, restoring trust and protecting a company's reputation.

### Cross-Border Insolvency

Global exposure, with assets and liabilities spread across jurisdictions, complicates recovery. Our experts integrate valuation, tracing and legal recovery across borders, coordinating among stakeholders to deliver equitable outcomes.

# Our Work

**Kroll's Restructuring practice delivers innovative digital asset solutions to complex financial and operational engagements, enabling stakeholders across the globe to respond to market conditions and challenges with confidence and expertise.**

## CASE STUDIES

WazirX

### Reviving WazirX: A Global Crypto Restructuring

**Challenge:** WazirX faced a critical threat after North Korean hackers stole $234 million in tokens from its cold wallet. The highly visible breach sparked fears of a mass withdrawal event and left the business exposed to potential winding up, with $535 million owed to 4.3 million creditors. Ownership disputes, cross-border legal issues and evolving Singapore regulations added further complexity to the crisis.

**Solution:** Kroll's Restructuring team implemented a Singapore Scheme of Arrangement for Zettai Pte Ltd. The plan delivered 85% creditor recoveries in tokens, established a $30 million reserve for recovery efforts and platform reactivation, and introduced a three-year governance and profit-sharing framework. Kroll managed financial modeling, creditor engagement, blockchain forensics, claims adjudication and communications, with participation enabled directly through the WazirX app.

**Impact:** The restructuring prevented liquidation, preserved WazirX as an operating exchange and supported WazirX's return to service. Creditors received equitable recoveries across more than 300 token types, and the platform retained most supported assets to maintain business continuity. The process resolved key legal challenges, preserved user trust and positioned the business for long-term recovery, with Kroll continuing forensic recovery efforts to maximize returns for creditors.

Vauld

## Restructuring Vauld: Navigating a Cryptocurrency Liquidity Crisis

**Challenge:** Vauld, a global cryptocurrency exchange, faced severe liquidity pressure during the 2022 crypto downturn following the collapses of Terra Luna and Three Arrows Capital. Facing $325 million in unsecured liabilities to around 150,000 creditors, the business confronted a liquidity mismatch, distressed counterparties and increasing withdrawal demands, creating an urgent need for restructuring.

**Solution:** Kroll's Restructuring team implemented a Singapore Scheme of Arrangement to restructure $325 million in debt. The plan offered liquidity through a reverse Dutch auction with recoveries of up to 55%, provided immediate token distributions exceeding 30% and created a three-year governance framework with creditor oversight. Kroll also managed financial modeling, claims adjudication, stakeholder engagement and a global distribution process supported by partners including Crypto.com.

**Impact:** The restructuring averted liquidation and enabled an orderly recovery process. Creditors benefited from early liquidity options and ongoing distributions, with significant asset recoveries by 2026 exceeding 60%. The scheme strengthened governance, provided transparent creditor communications and established a secure global distribution framework, helping maximize value and maintain stakeholder confidence.

Argo Blockchain

## Crypto Miner Restructuring

**Challenge:** Dual-listed crypto miner Argo Blockchain faced mounting losses, $40 million in debt and depleted cash reserves. Insolvency would have meant losing its NASDAQ listing, yet new outside investment was conditional on preserving it. The company devised a complex restructuring plan to reduce debt and secure capital without triggering insolvency.

**Solution:** Kroll acted as relevant alternative and valuation expert in the restructuring plan, including preparation of the plan benefits report. Drawing on extensive restructuring, valuation and cryptocurrency expertise across Europe and North America, Kroll provided the critical evidence required to be presented in court for the restructuring plan. Our Issuer Services team also acted as administrative and information agents for the plan.

**Impact:** The court accepted Kroll's expert evidence and sanctioned the restructuring plan, enabling recapitalization and ensuring the company's survival.

Gatecoin

## Landmark Court Decision on Cryptocurrency Trusts

**Challenge:** Gatecoin, one of Hong Kong's earliest cryptocurrency exchanges, entered liquidation with over 10,000 global customers and hundreds of millions of dollars in crypto assets. A critical issue arose: Were these assets company property or held in trust for customers? The uncertainty exposed creditors and stakeholders to significant risk, with claims hinging on whether cryptocurrencies could legally be treated as "property" under Hong Kong law.

**Solution:** Kroll's liquidators applied to the Hong Kong High Court for judicial direction on the ownership of recovered assets. The court confirmed that cryptocurrency is "property" under Hong Kong law and, in specific cases, capable of being held in trust for customers. This ruling aligned Hong Kong with rulings in leading jurisdictions such as the UK, Singapore, Canada and the U.S.

**Impact:** The landmark decision provided certainty for creditors and customers, enabling equitable distribution of assets and reinforcing Hong Kong's position as a progressive jurisdiction in crypto insolvency. By securing judicial clarity, Kroll ensured a fair wind-down process for Gatecoin and set a precedent that strengthens confidence in the treatment of digital assets in future restructurings.

Torque Network

## Landmark Offshore Court Decision on the Recognition of Crypto as Property

**Challenge:** Torque Network was a cryptocurrency exchange operating in Singapore and Vietnam that entered liquidation due to management claims of significant trading losses arising from unauthorized leveraged trades by its CTO. Kroll was appointed as provisional and subsequently joint liquidators of Torque Network, which has over 14,000 creditors in 26 countries with more than $350 million in creditor claims.

**Solution:** Kroll secured British Virgin Islands (BVI) court direction confirming how different wallet categories should be treated, which also gave rise to the landmark BVI court decision that established cryptocurrency as property under BVI law. Kroll also built an online claims portal to efficiently process Torque Network's global creditors, and it carried out investigations that revealed fraud perpetrated by the management team.

**Impact:** By obtaining landmark court recognition of the nature of cryptocurrencies under BVI law, Kroll played an integral role in shaping the offshore landscape for cryptocurrencies. Kroll's efforts allowed efficient handling of a large number of creditors and extensive rationalization of a significant amount of company data to support blockchain investigations, which ultimately resulted in a settlement with management that materially increased recoveries for creditors.

# Kroll Across the Digital Asset Lifecycle

Digital asset issues arise across the spectrum of market entry, operations, investment, disputes and distress. These challenges affect not only crypto native firms but also banks, payment providers, corporates, funds, boards, law firms, creditors, regulators and individuals with exposure to digital assets. Kroll brings together compliance, investigations, diligence, valuation, tax, cybersecurity, disputes and restructuring expertise to support clients across that spectrum.


### Market Entry and Operating Model

Helping clients enter digital assets, tokenization and on chain finance in a controlled, credible and scalable manner.

### Risk Management, Compliance and Independent Assurance

Helping clients strengthen live controls, monitoring and assurance.

### Transactions, Investment, Diligence, Valuations and Tax

Helping clients diligence, value and execute investments, acquisitions and strategic transactions involving digital assets, digital asset businesses and digital asset exposure.

### Investigations, Disputes and Contentious Matters

Helping clients establish facts, trace assets, reconstruct events and support legal, regulatory and contentious outcomes involving digital assets.

### Restructuring, Insolvency and Stakeholder Resolution

Helping clients stabilize distressed situations, run formal processes and preserve and return value to stakeholders

**Scan to discover more at kroll.com/CryptocurrencyRestructuring**

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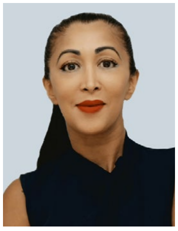

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**About Kroll**

Kroll is a global financial and risk advisory firm and the definitive authority at the intersection of valuation, risk and transactions, trusted by boards, investors and regulators when decisions matter most. Our team of more than 6,500 professionals worldwide combines financial advisory rigor with investigative and risk intelligence capability, delivering the trusted expertise clients need when the stakes are highest. Learn more at Kroll.com.