Q4 2025 Earnings Call ***(Corrected version)***

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Company: BitGo Holdings, Inc.
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Company Participants

J. Baylor Myers - BitGo Holdings, Inc., Vice President-Corporate Development
Michael A. Belshe - BitGo Holdings, Inc., Co-Founder, Chief Executive Officer, Chief Technology Officer, President & Director
Edward Reginelli - BitGo Holdings, Inc., Chief Financial Officer

Other Participants

George Sutton - Analyst
Brett Knoblauch - Analyst
Joseph Vafi - Analyst
Brian Dobson - Analyst
Peter Christiansen - Analyst
Ed Engel - Analyst
Brian Bedell - Analyst
Dan Dolev - Analyst
Chris Brendler - Analyst

MANAGEMENT DISCUSSION SECTION

Operator

Hello, everyone. Thank you for joining us and welcome to the BitGo Fourth Quarter and Full Year 2025 Earnings Call. After today's prepared remarks, we will host a question-and-answer session.

I will now hand the call over to Baylor Myers, VP of Corporate Development. Please go ahead.

J. Baylor Myers

Hi, everyone (00:00:36). Thank you for joining us. Our remarks today will include forward-looking statements, including those regarding our future operating results and financial condition, such as our outlook for the next year, our business strategy and plans, market growth and our objectives for future operations. Actual results may vary materially from today's statements. Information concerning risks, uncertainties and other factors that could cause these results to differ will be included in our SEC filings, including those that are stated in the Risk Factors section of our Annual Report on Form 10-K for the year ended December 31, 2025, and in our other filings with the SEC.

These forward-looking statements represent our outlook only as of the date of this call. We undertake no obligation to revise or update any forward-looking statements. Additionally, the matters we'll discuss today will include both GAAP and non-GAAP financial measures. Reconciliations of any non-GAAP financial measures to the most directly comparable GAAP measures are set forth in our earnings press release. Non-GAAP financial measures should be considered in addition to and not as a substitute for GAAP measures.

Joining me today on the call are Mike Belshe, Founder and CEO; as well as Ed Reginelli, our CFO.

With that, I will now turn the call over to Mike.

Michael A. Belshe

Thank you, everyone for joining BitGo's first earnings call as a public company. Since this is our first earnings call, I'm going to give a little more background on BitGo than we will going forward. Some of you may have heard this before during the IPO process, so thank you for your patience as we go through it. But I want to make sure we're all starting from the same place. All right.

So when we founded BitGo over a decade ago, we wanted to create a company that could meaningfully contribute to accelerating the transition to a digital asset economy. At BitGo, we believe that digital assets are already fundamentally reshaping the financial system and are going to continue to do so. The ongoing announcements and news from all major traditional firms, Fidelity to Morgan Stanley to SoFi demonstrate that this is true. Since BitGo's inception, we've been building for a future where all assets will be digital.

Early in my own crypto journey, it became clear that the infrastructure to support the shift to digital assets was non-existent and the ecosystem was incredibly immature. Established financial institutions didn't have a compliant framework, secure custody or even institutional grade security solutions to rely on. So we set out to build the technology to provide this institutional grade infrastructure, which could elevate digital assets to a higher level.

The product we create is now the industry standard, multi-signature threshold MPC wallets that protect against both theft and loss, and this is what BitGo was founded upon. While other early participants built retail products, we established our track record for building institutional-grade infrastructure. In 2014, we introduced enterprise policy controls to digital asset wallets. In 2018, we launched the first US trust company purpose-built for digital assets. We expanded into prime services and liquidity in 2020 and became the first to support qualified custody under the New York DFS framework in 2021.

We've built a globally regulated platform spanning the US, Europe, Asia and the Middle East. As you're probably aware, we recently received our National Bank Charter under the Office of the Comptroller of the Currency, OCC. That made BitGo the first public, federally chartered digital asset infrastructure company. And we scaled our business models for over 1,700 assets across thousands of institutions and over a 1 million users. Through these accomplishments, we've continued to differentiate BitGo in the broader digital asset industry.

To start, we operate purely as infrastructure. We do not manage exchanges. We do not compete with our clients, nor do we have the same kind of exposure to digital assets that retail platforms do. We exist to provide security and compliance that empower institutions to participate in the digital asset economy. Our institutional client base is investing in crypto for the long-term and has proven itself much stickier and less impacted by short-term market cycles than retail users.

It's also important to note that we didn't enter this industry during or because of a hype cycle. We were built and battle-tested through many market cycles, fulfilling a growing and enduring need for our clients.

Bottom-line BitGo today is the digital asset infrastructure company powering institutions, platforms and nations redefining the global economy. And we stand apart as the premier infrastructure provider.

So you can think of us a bit like a hyperscaler for digital assets or a one-stop shop, multi-product platform with institutional-grade infrastructure and mission-critical reliability that our partners can build and scale on regardless of where that takes us globally. We believe that no other company can provide the streamlined and comprehensive suite of solutions that we do. Institutions have been forced many times to piece together providers, opening themselves up to operational risk and increased inefficiency. Our vertical platform was built with security as the foundation and provides wallets, qualified custody, trading, staking, lending, settlement and compliance tools, all within one, unified, scalable infrastructure.

Starting with wallets, these are developed in-house and integrated across our platform, driving client stickiness. We operate regulated trust entities globally and provide qualified custody under the most stringent and rigorous regulatory frameworks in the world. Our Go Network allows clients to settle assets 24 hours a day, 7 days a week directly from cold storage, which is a significant differentiator. The liquidity services we offer enable institutions to trade, stake, borrow, and lend without commingling assets. We're proud to have one of the largest institutional staking platforms in the world. Finally, we also provide infrastructure-as-a-service capabilities. This includes token management, stablecoin issuance, and crypto-as-a-service.

To briefly recap our most recent results, I'm proud of the impressive revenue growth of 424% we achieved for the full year, driven primarily by digital asset sales and gains in subscriptions and services, partially offset by a decline in staking revenue due to digital asset prices. Obviously, BitGo is a long-term believer in digital assets, and we evaluate our business performance independent of short-term price volatility. So, rather than solely citing the USD value of assets on platform, which fluctuates with market prices independent of our business activity, we'd like to also share coin unit growth and price-normalized growth that more directly reflect BitGo's performance rather than the market's pricing.

On a unit basis, BTC on platform grew 8% year-over-year, and our top 5 assets by volume grew 3% year-over-year, growth driven entirely by client inflows, not market price movement.

On that normalized price basis, Assets on Platform grew 16% year-over-year. Asset Staked declined 7% on the same basis. This is a trend we continue to monitor as certain tokens unlock over time. We believe these normalized figures represent BitGo's strong performance in an otherwise very volatile market.

Moving on to our growth strategy. Our platform operates at the center of the digital asset ecosystem, with each new integration, new asset, and new user making BitGo more useful, more defensible, and more essential.

When protocols, fintechs, and issuers build on BitGo, they bring assets and transaction volume onto the platform. That, in turn, increases demand for liquidity, staking services, financing solutions, and compliance infrastructure. Growth in assets and flows naturally gives greater engagement across our product suite. And as we expand functionality, whether through new asset support, prime capabilities, or infrastructure services, we increase cross-sell opportunities and deepen our client relationships.

The result is a scalable platform model that underpins our growth strategy, driving market expansion, client growth, and product expansion that reinforce one another, contributing to revenue growth over time.

Now, starting with the market expansion. We're actively replicating our products in markets globally to ensure that we can serve clients wherever they operate. In 2025, we made more regulatory progress in international markets, notably expanding our license in Germany and becoming a custody broker in Dubai. At the domestic level, our OCC license supports our expansion in the US and allows us to provide digital asset services to clients across all 50 states under a single national regulatory framework.

In 2026, we are actively expanding into additional regions, with several new licenses and registrations already in progress in India, South Korea, the UK, and the Cayman Islands.

We see the biggest opportunity for expansion this year in the APAC region, which represents a significant share of global crypto liquidity and has already established regulatory frameworks for digital asset custody and infrastructure.

These markets are seeing increased engagement from banks, asset managers, and family offices exploring digital assets, stablecoins, and tokenized financial products. Because BitGo already has a strong presence across several of these hubs, we're well-positioned to support institutional clients and adoption as it accelerates demand for regulated client custody, settlement, and prime services.

Onto client growth, we've seen tremendous growth in our client base over time due to a number of factors. In 2025, we saw benefits from expanding internationally, which has helped us win more global clients. In 2026, we were focused on expanding BitGo's role in institutional market infrastructure by increasing our market share in OTC and derivatives while continuing to build next-generation wallet capabilities. At the same time, we're also investing in agentic wallet infrastructure that enables programmable, automated interactions with digital assets, supporting more sophisticated trading, settlements, and treasury use cases for institutional clients.

Finally, product expansion. During the first half of 2025, we launched our stablecoin-as-a-service and our crypto-as-a-service. We started as the issuer for USD1, which has grown to over $5 billion in market cap since its launch, making it one of the fastest growing stablecoins of all time.

We also announced recently that SoFi selected BitGo's stablecoin-as-a-service platform for their SoFiUSD stablecoin. Further, we started off 2026 with the launch of our derivatives business, which we believe substantially improves our trade offerings for 2026. So far, we've seen roughly $3 billion in notional trading volume and over $3 million in revenue. We also see opportunities to expand our lending and trading offerings, as well as entering tokenized equities as real-world asset tokenization has surpassed $25 billion as of July 2025.

Looking ahead, we believe growing regulation of the digital asset industry in the US, as evidenced by the passage of the GENIUS Act and ongoing discussions on the CLARITY Act, positions us well to increase our total addressable market. As more regulation is in place, we expect to see more traditional firms come to us looking to get involved in the digital asset industry with solutions that are secure and safe. We're seeing this now with our ecosystem team and support of the Canton Network, a blockchain designed for traditional finance, where BitGo has been the sole qualified custodian for some time. All of these efforts will help power our product expansion strategy.

We also secured exciting partnerships in 2025 that meaningfully raised our profile, including with Fidelity and BitMine. We started 2026 off strong. We're supporting InvestiFi with nationwide digital asset investing for banks and credit unions. We're selected for custody and staking with both Fidelity's Solana ETF as well as being named for their Bitcoin ETF, and we are accelerating our global ETF partnership with 21Shares. This is a particularly exciting opportunity as we've seen ETF client count grow over 200% year-over-year.

Finally, we can't ignore what's coming with tokenized equities. We see several models emerging to tokenize traditional US equities, and all of them require the infrastructure that BitGo has been building. We're proud to be the custodian on the Figure platform, which launched earlier this year to directly issue equities on blockchain through Figure's OPEN network.

To conclude, I'm proud of our achievements in the fourth quarter and full year 2025, and I'm incredibly excited about the start of our journey as a public company. Being public adds another layer of rigor to our business as we continue to operate with transparency and security. We also believe that access to public markets reinforces BitGo as the steady-state infrastructure player for institutions.

I'm confident BitGo is uniquely positioned within the crypto industry as the digital asset infrastructure company and we have the right strategy in place to drive growth and deliver significant value for our shareholders.

Finally, I want to thank the BitGo team for their continued hard work and dedication to our company and mission that's made executing our IPO and achieving our strong financial results possible.

I'll now turn it over to Ed.

Edward Reginelli

Thank you, Mike, and thank you all for joining us today. Before reviewing our financial performance, I'd like to build on Mike's discussion of BitGo's growth drivers and connect it to how we generate revenue. BitGo makes money through five revenue drivers: digital asset sales, staking, subscriptions and services, stablecoin-as-a-service and interest income.

Starting with digital asset sales, we offer a secure, seamless liquidity solution that simplifies the complexities of digital asset trading. Our revenue reflects the total trading volume generated when the company acts as principal executing trades on behalf of clients through the relationships that BitGo has with various third-party liquidity providers and exchanges.

Second, we earn staking revenue by participating in proof-of-stake blockchain networks, where we validate blocks using either our proprietary staking technology or by partnering with our network of 25-plus leading third-party validators. In exchange for providing clients the ability to stake their assets, the company earns blockchain rewards in the form of the network's native tokens.

Third, subscriptions and services revenue encompasses our core technologies, wallets services, cold storage, development fees, lending services, and crypto-as-a service. This service is very sticky and provides stability and predictability in our financials, because our technology is highly integrated into our clients' operations. This relationship provides the opportunity to upsell additional products and services.

Fourth, stablecoin-as-a-service revenue, which is our newest product offering launched in fiscal year 2025. This service allows institutional clients to issue US dollar backed stablecoins using our regulated trust infrastructure. We earn implementation and ongoing service fees for the issuance, reserve management and transaction processing of white labeled stablecoins.

Lastly, interest income, which represents interest earned from the company's fiat treasury, earned from deposits and various money market products. While we are not entirely immune to market volatility, our diversified revenue model helps insulate us from fluctuations in digital asset prices relative to others in the industry. In addition, a meaningful portion of our revenue is recurring and subscription-based and our performance is driven by a broader set of factors beyond asset prices, including interest rates, industry sentiment and continued investment in emerging ecosystem and products. Finally, our focus on institutional clients results in a stickier customer base, especially through periods of market volatility.

Moving on to our results. Fourth quarter total revenue of $6.2 billion increased 440% year-over-year. For the full year, total revenue of $16.2 billion increased 424% year-over-year. Growth in both periods was driven by higher digital asset trading activity, increased subscription and service revenue and the launch of our stablecoin-as-a-service offering, alongside deeper engagement from existing clients and continued expansion of our client base. This growth was partially offset by a decline in staking revenue due to lower digital asset prices.

On our key operation metrics, as of the end of the year, number of clients grew 104% year-over-year to 5,322, and number of users expanded 14% year-over-year to 1.2 million users. Assets on Platform of $81.6 billion decreased 9% year-over-year, while Assets Staked of $15.6 billion decreased 51% year-over-year. These declines were driven by lower digital asset prices. To reiterate what Mike noted earlier, excluding the impact of price by applying consistent pricing across periods, Assets on Platform increased 16% year-over-year, while Assets Staked decreased only 7%.

On a product level in the fourth quarter, digital asset sales of $6.0 billion increased 531% year-over-year. For the full year, digital asset sales were $15.6 billion, increasing 513% year-over-year. Growth during both periods was driven by higher digital asset trading activity resulting from the continued growth of our OTC services, the expansion of trading pairs on the platform, increased activity from existing clients, and an expanding client base.

With digital asset sales, there are corresponding transaction costs. In the fourth quarter, digital asset sales costs were $6.0 billion, resulting in a take rate of roughly 24 basis points. For the full year 2025, digital asset sales costs were $15.5 billion, with a take rate of approximately 21 basis points.

Staking revenue in the fourth quarter of $58.3 million declined roughly 64% year-over-year. Full year staking revenue of $385.0 million decreased 16% year-over-year. Decreases across both periods were primarily driven by volatility in digital asset prices.

Similar to digital asset sales, staking revenue includes corresponding fees. In the fourth quarter, staking fees were $55.4 million, resulting in a take rate of roughly 7%. For the full year 2025, staking fees were $346 million, with a take rate of approximately 11%.

Subscriptions and services revenue in the fourth quarter of $39.3 million increased 75% year-over-year. Full year subscriptions and services revenue of $121.5 million grew 57% year-over-year, primarily driven by an increase in the number of clients, growth in development fees and higher lending activity.

Custody and wallet solution clients increased to 1,534, with an average quarterly spend of $11.1 thousand per invoice client. In addition, we exited the year with a lending book of approximately $207.4 million, representing an increase of 114% year-over-year.

Stablecoin-as-a-service revenue was approximately $26.6 million in the fourth quarter, with a take rate of approximately 20 basis points on assets under management. For the full year, revenue totaled $66.7 million, with a take rate of approximately 16 basis points on assets under management. As a reminder, this service was launched in fiscal year 2025.

Finally, interest income was $0.5 million in the fourth quarter, up 34% year-over-year. For the full year, interest income totaled $1.5 million, up 63% year-over-year, primarily driven by increased fiat treasury investments.

Total expenses were $6.2 billion for the fourth quarter and $16.1 billion for the full year, principally driven by digital asset sales costs, staking fees and stablecoin sponsor fees as referenced earlier.

Fourth quarter compensation and benefits were $27.9 million, up roughly 19% year-over-year and $104.2 million for the full year, up 30%, driven largely by continued investment in our engineering and commercial teams.

Fourth quarter general and administrative expenses were $24 million, up 29% year-over-year and $76 million for the full year, up 44% year-over-year, primarily reflecting increased third-party costs associated with our IPO initiative, higher legal expenses and variable costs tied to customers and revenue growth.

Net loss in the fourth quarter was $50 million, compared to a net income of $129.4 million in the prior year. Net loss for the full year was $14.8 million, compared to net income of $156.5 million in the prior year. Losses in both periods were primarily driven by unrealized losses on the company's digital asset treasury due to falling digital asset prices.

Fourth quarter adjusted EBITDA of $12.1 million increased 188% year-over-year, while full year adjusted EBITDA of $32.4 million grew 904% year-over-year. We believe we are in the early stages of growth and our priority is to accelerate revenue, while expanding our product capabilities and global footprint. We will continue to make disciplined, long-term investments to support these objectives, even if they temper near-term profitability.

Fourth quarter diluted loss per share was $1.03 compared to prior year earnings per share of $1.07. Full year diluted loss per share was $0.38 versus earnings per share of $0.90 in the prior year.

Moving on to our balance sheet. Our balance sheet remains strong as we ended the year with $318.5 million in total equity. Our balance sheet includes a Bitcoin treasury strategy under which we retain Bitcoin received or acquired in the ordinary course of business and at times allocate cash flows to purchase additional Bitcoin. We remain confident in this strategy and our long-term approach remains unchanged.

Looking ahead, we are committed to a balanced capital allocation strategy over the long-term. As we invest to grow the business, we will remain disciplined in the way we allocate capital and operate as a business in order to minimize risk and maintain liquidity.

As of December 31, 2025, total diluted shares outstanding were 119.9 million shares. As a reminder, we issued an additional 11 million shares in our January 2026 IPO. We hold no long or short-term debt on our balance sheet, since any borrowings are primarily used to fund our lending business and are on a demand basis.

Now turning to expectations for the first quarter of 2026. We've been operating as a publicly-listed company for about 10 weeks. And while the quarter is not complete yet, we want to be transparent and share insights into the current market conditions. The macro environment in the fourth quarter was challenging, and those conditions have carried into the first quarter. Digital asset prices have remained under pressure and geopolitical tensions in the Middle East have added additional volatility. These macro conditions, along with the decline in digital asset prices, have a direct impact on our revenue streams. We are not immune to these dynamics.

With that said, our underlying unit based metrics remain healthy, our client pipeline is strong and the structural demand for our platform remains intact. As Mike noted, we are executing on our 2026 growth strategy and continue to see strong growth in our client base and pipeline.

In our trading business, we expect strong year-over-year growth in the first quarter compared to Q1 2025, supported by the momentum built during fiscal year 2025. We launched our derivatives business in the first quarter of 2026. As spot trading volumes have declined from the fourth quarter of 2025 amid lower digital asset prices and market volatility, client interest in derivatives has increased as a way to generate yield and provide market downside protection.

Please note that a portion of our existing spot trading activity is transitioning to derivatives. While spot trading volumes are reported on a gross basis, derivative trading is reported on a net basis.

Other areas to highlight include continued growth in our stablecoin-as-a-service business, where assets under management exceeded $5 billion during the first quarter, alongside the addition of new notable clients utilizing the service.

We expect solid year-over-year growth in subscriptions and services in the first quarter compared to Q1 2025. However, revenue is expected to be lower than the fourth quarter of 2025, primarily due to a decline in development fees, partially offset by strong recurring revenue base from custody and wealth services and increased lending business.

Staking fees, which are most directly impacted by digital asset prices, are expected to be significantly lower in the first quarter compared to Q1 2025 and down sequentially from Q4 2025. However, we anticipate a meaningful improvement in take rate relative to Q4 2025, driven by the onboarding of a significant token.

BitGo has been around since 2013 and we have experienced many different market environments over the years. I remain confident in our ability to weather the current dynamic macro environment as our near-term opportunities are strong, underpinned by deep client pipeline and several active projects. With a constructive and evolving regulatory backdrop, we continue to see strong momentum and remain positive on the digital asset industry as a whole.

To close, we are pleased with our strong fourth quarter and full year 2025 results which position us well to continue executing on our long-term growth strategy. We remain confident in our ability to drive client growth, asset growth and product expansion and to deliver long-term value for our shareholders.

Thank you for joining us today. I'll now turn it over to the operator for our Q&A session.

QUESTION AND ANSWER SECTION

Operator

We will now begin the question-and-answer session. Your first question comes from George Sutton with Craig-Hallum. Your line is now open. Please go ahead.

Analyst: George Sutton

Question – George Sutton: Thank you, and congrats on your first quarter. So I wanted to ask on the CLARITY Act, Mike, in terms of obviously we're starting to get some sense of what that might look like. I'm just curious if we could use your informed thought process on what you'd like to see or what you're expecting to see relative to how it will impact your business.

Answer – Michael A. Belshe: Hey, George, thank you for the question. Let's see we're excited to see CLARITY pass. We hope that it comes about. I know there's been a lot of debate in the industry about in particular some of the re-litigation of stablecoin points. From my view, most of the work with CLARITY actually comes in the next 18 months after CLARITY is passed, because what it sets up is, okay, CFTCs can do most of the work and send regulation, and that's going to really determine the bulk of what matters. So we hope that it passes soon. I would take it in almost any form. I don't think we should be worrying about the interest that's being returned or not returned. I think we need to get to the next stage, which is getting this fully enacted and legislated so that we don't have to worry about whether we have a full path forward from Congress. So we're very much in favor of getting CLARITY passed. And I think we're at the finish line.

Question – George Sutton: There was a lot of reference to a very strong client pipeline. I wondered if you could just give us any more sense of what you're seeing from a pipeline perspective and how much of that is TradFi focused?

Answer – Michael A. Belshe: Great question. I'm glad you asked. So, look, I mean, you're reading announcements almost every week, Morgan Stanley, Citibank, et cetera. All of these large, major players were not participating in digital assets, just a short 18 months ago. And with infrastructure, I think you also know that it goes through a pretty significant amount of process. It goes to an RFI, then it goes through some iterations, then into an RFP and then finally to a close. So we can't announce everything that's done until the client wants to announce it. But the pipeline has been super strong. And in fact, if anything, I just want to make sure that we have enough sales team out there to make sure that we're connecting with everybody that we need to. So we've been growing the sales team over the last three to four months, just that there's a lot of a lot of work out there.

Question – George Sutton: Right. Thanks. Apreciate it.

Answer – Michael A. Belshe: Thank you.

Operator

Your next question comes from Brett Knoblauch with Cantor Fitzgerald. Your line is now open. Please go ahead.

Analyst: Brett Knoblauch

Question – Brett Knoblauch: Hi, guys. Thank you for taking my question. As we look at maybe the broader crypto space, obviously there's some weakness here. In your prepared remarks, you guys said, you guys are a bit different of a platform and business is entirely correlated to where digital asset prices are going. But then also alluded to the fact that lower digital asset prices will weigh on some of those segments. Could you maybe frame it a bit better, like which segments are you expecting kind of be pressured with, call it, broader crypto down 20% year-to-date versus which segments do you think can grow strongly irrespective of, call it, the macro market for crypto?

Answer – Michael A. Belshe: Yeah. Thanks, Brett. Good to hear from you again. Let's see, I mean, in general, I don't want to sugarcoat it, right, like the asset prices are being down. It affects everybody in the sector. And I think we said (00:33:49) during the IPO roadshow, I will say it again, like, BitGo has some amount of correlation to digital asset prices and you kind of see it in many aspects of our business. We've got a few that are less correlated. One of them is stablecoins, of course, those are not directly correlated to the crypto prices. The other one is trade volume, which we saw a lot of trade volume in up and down markets, those volumes will increase. So it's not a direct correlation just to the asset prices, but of course, it is a direct correlation to what's going on in the space broadly.

Lastly, we do have subscriptions as part of our services. So sometimes people are buying a subscription which caps a monthly minimum, which includes some amount of custody, some amount of trade volume, et cetera. Our transaction volume all under a constant price, so it's a little bit less volatile than the digital asset prices.

Question – Brett Knoblauch: Awesome. Thank you. And then maybe just as a follow-up. You mentioned like agentic wallets, which I think is a really interesting area and kind of a hot topic right now. How are you guys kind of positioned for that with respect to your subscription and services product, is it different bundle, is it included in, maybe the same package. Just broadly, how should we think about agentic wallets and BitGo together?

Answer – Michael A. Belshe: Yeah. Great. Well, actually, we think the product offering that we have is really well suited. Actually for all of the agentic needs and capabilities. So we got our MCP server up, by the way, we've seen it like where AI picks up on that and is able to help put together products and (00:35:27). We're watching that carefully to make sure that we fully understand exactly what clients are looking for and we react to that as quick as we can.

Then, in terms of why our products are kind of designed for this. I mean, when we started doing our institutional grade wallets back in the beginning, I mean, first you've got the basic security components, which is how do you have no single point of failure? How do you have protection against loss? But then the next thing you're doing is you're making it work for institutional business, a group of people, right. And so there's multiple people on the wallet. There's a policy that you can set. You can say, hey, these types of accesses need these permissions. These other types needs these other permissions. You do at risk-based. This turns out to work really well with agents, right. So the agents are effectively like other participants on the wallet. And you can actually do it in both directions. You can both have the agents spending money on your behalf and then going through your controls to approve. And also you can do the reverse where you're doing the spending of money. And then the agent is kind of watching that.

So if you have a large organization and maybe you've federated out different parts of your digital assets to multiple parties, that agent can put other controls on it that you can watch and then they'll decide whether or not to approve. So anyway, I think everything we've built is like perfectly in line for agents. And if you are looking for an agentic wallet, like – please try out BitGo, and give us feedback. We are always iterating and improving.

Question – Brett Knoblauch: Awesome. Thank you, Mike.

Operator

Your next question comes from Joseph Vafi with Canaccord. Your line is now open. Please go ahead.

Analyst: Joseph Vafi

Question – Joseph Vafi: Hey, guys. Good afternoon and congrats to you and to BitGo on getting to this stage of the journey in the company's evolution. Maybe just staying on the agentic for a second. I've been kind of noodling what's going to move the industry forward other than just spot prices. And I think everyone's been thinking that CLARITY could be a big driver. But agentic AI combined with programmable money and assets and blockchain kind of all coming into view here. Do you think that agentic could move the industry forward faster than CLARITY? I'm just trying to get a view from your point-of-view and then a quick follow-up. Thanks.

Answer – Michael A. Belshe: Well, thanks, Joseph. I think it's a little bit apples and oranges. I think they'll move in different speeds. So first off, on CLARITY, I didn't quite say this in my previous answer. Having done the roadshow, having spoken to all kinds of potential investors, many of whom have not been in the digital asset space very much kind of prior to the unlock 2025. All of those guys are looking for CLARITY to kind of be the permission that this is not just something where like under the Biden administration, you have one set of regulators and then under the Trump administration you have a different set of regulators, and under the next administration, we're going to have yet a third set of regulators, each with their own agenda. CLARITY puts a pathway forward where Congress has said, yes, they support this and they've asked the regulators to officially take on that thing.

So I believe there's a significant amount of traditional finance that is very much waiting on CLARITY. And if CLARITY doesn't come through those folks may be kind of in and out as the market goes up and down. So that's a risk.

Let's see on the agentic side. I think we're going through an early phase, where people are learning how to use agents. You see some of the almost mockery that happens where we're all learning it. We're so excited about it and yet we're not quite as productive as we hope that we will ultimately be. So I think the innovation and this kind of exploration wave is just starting.

Clearly, there are going to be very – a lot more robots than there are humans, a lot more AI brains than there are human brains. And so I think, it's only natural that you will see agents operating on our behalf in all kinds of ways. But we're in the early days of figuring out how those get deployed. So both CLARITY will help us and agents are going to help us grow. But I think they're almost just different paths.

Question – Joseph Vafi: Right. Thanks for that color, Mike. And then any other thoughts, Ed here? It sounds like take rate may go higher on staking due to adding a new token. Any other color that you may be able to provide there? Thank you.

Answer – Edward Reginelli: Yeah. So on the...

Answer – Michael A. Belshe: Here's Ed.

Answer – Edward Reginelli: ...on the staking side, we did add a significant token. Canton was the asset we added and that has brought tremendous amount of margin to the product line. Also on other product lines, including our trading business, we've referenced earlier in the conversation about the introduction of derivatives and that has been really successful in Q1. So that's also going to help improve margins. And then as we continue to grow our overall customer base, we'll get incremental revenues from subscriptions and services. The difficult part of the business right now from a revenue perspective, because it's so tied to digital asset prices, is our staking product line. But we still are very confident in that overall product line and expect that to continue to grow. We'll grow, adding new assets to the platform, more units and hopefully we see a recovery in prices.

Question – Joseph Vafi: Got it. Thanks very much, Ed. Thanks. Mike.

Operator

Your next question comes from Brian Dobson with Clear Street. Your line is now open. Please go ahead.

Analyst: Brian Dobson

Question – Brian Dobson: Hey, thanks very much for taking my question and congrats on your first quarter. So, maybe if we can take a step back and a longer view. As you're contemplating, say, the next year or two for the business, which global catalyst do you expect to be most meaningful for the company (00:41:44) sector at large?

Answer – Michael A. Belshe: Sure. Well, there's a lot of questions about like digital asset prices. One thing that we're trying to help describe and always open to feedback on this as well is how do you differentiate, how the market performs versus how BitGo performs? And so the reason we were citing earlier, if you take a look at assets under custody from a normalized price perspective, you can either do it normalize at the beginning of the period, the end of the period, it doesn't really matter. Our assets under custody grew 16% during this year, irrespective of the asset price on the market.

So hopefully that indicates we're doing something right. It's not easy to add billions of dollars of a new asset into custody. And then where is that next thing going to come from? Look, I think mostly it's that the TAM is growing. So the regulatory unlock of 2025 started with just what was now legal in the US to do. The second unlock is the increase of participants in the space. And so kind of back to that comments earlier about pretty much every traditional financial firm has a significant investment in digital assets going right now. You've heard me say this before. Larry Fink of BlackRock says every asset, every bond, every token is going to be digitized. I think there's an increasing number of people that believe that. We just had Paul Atkins this week also saying that within two years everything's going to be digital. So this is just a huge growth in the total addressable market for us. And we think as an infrastructure provider we will be able to serve those clients. Whether you're talking about self-custody, Whether you're talking about custody, whether you're talking about financial services on top.

Question – Brian Dobson: Great. Thank you very much.

Answer – Michael A. Belshe: Thank you.

Operator

Your next question comes from Pete Christiansen with Citibank. Your line is now open. You may go ahead.

Analyst: Peter Christiansen

Question – Peter Christiansen: Thank you. Thank you. Good evening. Congrats, Mike and Ed, Baylor on the successful IPO. I wanted to ask about attach rates. You've had some really impressive client growth over the last couple of quarters. I'm assuming a lot of that is custody-led. Can you just give us a sense how you're seeing the attach rates to some other services in particular, maybe like prime brokerage. How you're seeing that trend?

And then I guess as a follow-up, I want to double tap on PB a little bit. How should we think about BitGo's competitive moat there? Is it – hey, we've got, best-in-class capabilities and it also stretches on to our custody capabilities, what have you. But there's other players out there that may have bigger balance sheets. Just help us understand, what is the competitive strategy there to grow some of these other ancillary services? Thank you.

Answer – Michael A. Belshe: Sure. Thanks, Pete. I'll take part of this and I'll hand it to Ed for the attach rates afterwards. So, look, I mentioned custody and I always kind of hate mentioning custody, because I don't want people to think of us as just a custodian by any means. We've had significant attach rates across the product lines. I think Ed has got the official stats. But we're really trying to move all of the revenue up the stack. And so, that's why we care a lot about the trade volumes increasing significantly on BitGo.

So increasingly, we hope to move as many participants up there. I think when you're helping people make money, whether it's by trading, whether it's by staking or by using their assets, it's a much stronger position to be in. So as it relates to prime brokerage, look the lending book is larger than it's been in the past. The trading volumes are up. The culmination of these two things is where you start to put together and build leverage for your clients.

Right now, I'd say that we're still increasing kind of these individual services and then ultimately we get to prime brokerage. As the competitive moat, I think the difference is a couple of things. A, we have the foundation at the bottom of the stack, which you can actually build on and understand the risk. A lot of prime brokerage is understanding what are the risks that you're taking. And too much of the early prime variants that came a few years ago from various players was not adequately taking into account with the risk that's being taken is.

Obviously if you don't have custody, if you don't have a solid risk around how you're holding it, it's difficult to even talk about like the market risk and counterparty risks that happen on top of it. So we have that strong foundation in the bottom. The fact that our trading volume grew so well in the last year, as we finally have turned that on, partially just unlocked by the new regulatory environment here in the United States. We think all of this grows.

So we are differentiated, and that we can cold storage for that, we got a solid foundation for that. We support more coins than anybody. I think we have some stats coming out, probably in some press releases soon around just how broad the asset support is. I think when you look at other players are probably going to start with Bitcoin, they're going to start with Ethereum, and look, BitGo supports just a much broader spectrum of products today.

Ed, do you have the specific numbers on the attach rates on the various services?

Answer – Edward Reginelli: Yes. So I believe as of the end of last year, about 70% of our revenue generating clients use two or more of our products and about 50% use three or more. As Mike pointed out, the clients are really focused now on yield generating activities and they would much rather be sharing some of those profits compared to just paying for standalone services. So we'll continue to keep driving our customers up our product stack and we also appreciate that too from the standpoint of increasing our margins instead of talking basis points, we're talking percentage points. So we're actively trying to move more and more clients to the trading, staking, lending and other value-added products that we currently offer.

Question – Peter Christiansen: thanks. That's impressive. Very helpful color. Thank you both.

Answer – Michael A. Belshe: Thank you, Pete.

Operator

Your next question comes from Edward Engel with Compass Point. Your line is now open. You may go ahead.

Analyst: Ed Engel

Question – Ed Engel: Hi. Thanks for taking my question. Could you please talk about the launch of derivatives trading in the first quarter? Looks like it's been a strong start so far, but just wanted to get a better idea of when exactly that was launched. And then I guess how you see that ramping throughout the year?

Answer – Michael A. Belshe: Yeah, sure. Yeah. We're very pleased with how that's been going so far. I shouldn't say – am I allowed to say here (00:48:48). Okay. I don't think so. All right. We launched on January 1. And one of the things that, by the way, I want to note, you've got this terrible way of like aggregating gross revenue, which includes gross trading of spot, then derivatives, of course, is not quite equivalent to trading volume. It's equivalent to the derivatives component. So makes it hard to tease out. But we've seen substantial clients moving from pure spot trading over to derivatives. We've seen multibillions of trade volume already in 2026, and we just launched it, I guess, three months ago. So we think this is where the bulk of our trading volume will be probably in about another year or so, but very happy to be having this offering to our clients.

Question – Ed Engel: Great. That's helpful. And then just to try to sneak one in here. Just given that successful launch and then maybe just some of the recent volatility. Is there a world where we could see net trading revenue maybe kind of flat Q-on-Q? I know you said higher year-on-year. It's just that 1Q is a pretty low base?

Answer – Michael A. Belshe: Ed, do you want to take this?

Answer – Edward Reginelli: Yeah. We are projecting that our overall gross trading volume will be down. On a net basis, we will also be down quarter-on-quarter, but will be up substantially versus Q1 of 2025. Q4, we appreciated the benefit of a lot of digital asset trading companies – treasury companies that came to the platform and we had a tremendous amount of volume through them. What we've seen there is behavior changing, those same clients are now using our derivative products, looking for yield, looking for market protection. So overall, we are very positive on our trading derivative business and expect that to be a huge driver of our future growth.

Question – Ed Engel: That's great color. Thank you. And congrats (00:50:48) on being a public company.

Operator

Your next question comes from Brian Bedell with Deutsche Bank. Your line is now open. Please go ahead.

Analyst: Brian Bedell

Question – Brian Bedell: Great. Great. Thanks very much. And also congrats on your first quarter here. Very exciting. First question just on the – coming back to some of your comments, Mike, on CLARITY Act and the pipeline. How do you see that progressing during the year? Obviously, you mentioned, the CLARITY Act can be an unlock for traditional finance firms and the pipeline is strong coming into 1Q. But do you see this being actioned upon relatively quickly if just the act passes or do you expect more of a lagged response as we go throughout the year? From a revenue perspective, I'm thinking about the custody and wallet component of subscription and services.

Answer – Michael A. Belshe: We have not seen any slowdown in terms of readiness to adopt digital assets from traditional financial firms. If anything, I'd say, it's been just as strong. So I think most people had been expecting CLARITY would get passed kind of over the last three, four months. Maybe the Polymarket would probably tell you exactly what the predicted odds are. Maybe that's come down a little bit, but it doesn't seem to have slowed anything down. And I'm not entirely sure that just because we don't – and even if we didn't get CLARITY, I'm hopeful that we will. But even if we didn't, that it would cause a slowdown. It could, but I guess, I just don't know exactly. So far, there's been no slowdown. So I think it's all positive.

Remember, these build-outs take a long time like the decision process for large firms moving into digital assets. The decision alone is 6 to 12 months after that, there's the build-out and then there's finally the deployment. And usually when they deploy, they do it kind of on a risk-adjusted basis, where they do a small amount first and then grow it slowly. So because they've already started the process, I think it takes a while before they drop out. But I guess we're going to see exactly how they go. So far it's been no problem.

Question – Brian Bedell: Yeah. That's great. And then maybe interesting press release on the prediction markets venture. And certainly seems like a differentiated way to, if you go back to market, can you talk a little bit more about that in terms of the OTC platform and how that you expect that to work? Is that going to sit at BitGo and then just talk about, how do you – what types of contracts you're creating? It sounds like it's mostly in the crypto asset class right now and how you're seeing that institutional demand play out.

Answer – Michael A. Belshe: Sure. I think you're referring to our partnership we just announced with Susquehanna, right?

Question – Brian Bedell: Yeah. Yeah. Yeah. Absolutely. Yeah.

Answer – Michael A. Belshe: Yeah. For those that may not have seen it yet. We announced a partnership with Susquehanna that you can have your assets at BitGo and then we can, through our OTC capabilities, we can help you place investments over at Polymarket and Kalshi. And we do that with in partnership with Susquehanna. But that's just started. So I don't have any positive data that – positive or negative to share with you just yet. We did have a lot of reach out and excitement about it. I think it creates a differentiated way to access these markets that wasn't there before. So, look, we're excited to see what happens, why don't we refresh (00:54:31) that one for maybe the next quarterly report.

Question – Brian Bedell: Yeah. Yeah. Fair enough. Thank you.

Operator

Your next question comes from Dan Dolev with Mizuho. Your line is now open. Please go ahead.

Analyst: Dan Dolev

Question – Dan Dolev: Hey, guys. Thanks for taking my questions and also congrats from our end at Mizuho. Really quick question for you. Sounds like stablecoin-as-a-service has been a huge success. I think you recently launched it in the first half of 2025 and it's already grown to like a very significant AUM. I think you mentioned $5 billion. So how big could this become and what are maybe potential new ways to monetize beyond what you're doing today? Thank you, and congrats again.

Answer – Michael A. Belshe: Great. Thank you for the question, Dan. So we started with USD1 last year. We help them get from zero to fully launched in about six weeks on top of the BitGo stablecoin-as-a-service product. It's a modular service, so you can kind of pick and choose some of the components that go into that. We announced just earlier this year that SoFiUSD is going to be built on top of the BitGo stablecoin-as-a-service platform as well. I think that will be the first stablecoin-as-a-service platform and probably get to $1 billion each. SoFi is not there yet, but I think it'll be the next level. We think there's a tremendous opportunity. Look stablecoins are super easy for pretty much everybody in finance to understand. And in terms of payments, it's just better. I know there's some debate that's going on at CLARITY Act, whether or not it gets passed or not. There's a tremendous amount to be done here.

So as the payment rails change, that changes how people are moving money locally and internationally, especially if you ever try to wire money internationally, it's very hard. People are opting to use stablecoins. You're going to start hearing like regular people outside of the business talking about, hey, I want to use some Tether to send some money to a supplier across the globe. These are real things are going to happen.

At BitGo, we've got increasing improvements around what we call our mint and burn dashboard, our ability to convert between these stablecoins. So we're going to have kind of an explosion of different stablecoins available and people might have some USDC, but they want to move to USD1. They got some USDT, but they want to move that to SoFiUSD. And on the banking side, we haven't even seen the tokenized deposits quite come live yet. If you read up on the (00:57:02) you can see how they're addressing the combination of both tokenized deposits and stablecoins. So I think we're in the early innings here. I think it's going to completely revolutionize how we're doing payments. I think you're going to see it used for settlements kind of everywhere. And then that'll carry over hopefully into our Go Network in the coming quarters.

Question – Dan Dolev: Yeah. We agree with that. Well, great stuff. Thanks, again.

Answer – Michael A. Belshe: Thanks, Dan.

Operator

Your next question comes from Chris Brendler with Rosenblatt Securities. Your line is now open. You may go ahead.

Analyst: Chris Brendler

Question – Chris Brendler: Hey, thanks and good afternoon. I'd also add my congratulations on the first quarter out of the gate. I wanted to ask about the OCC approval process. I think it's now complete. But what does that mean for your business? And through which areas can you leverage that new charter? And it seems like it's somewhat unique as well. So it could be a competitive advantage, at least in the near-term. I'd love to hear a little bit of color there. Thanks.

Answer – Michael A. Belshe: Yeah. Thanks, Chris. Yeah. For those that didn't notice, we did get converted over to the OCC National Charter. So it's BitGo Bank & Trust at this point. And it's been huge for our business actually. Now interestingly, from an operational point of view, we've been ready for this for quite some time. You probably know we operate multiple regulated custodians around the planet. We have had a couple in the US, we have Switzerland, we have Germany, we have Dubai, we have Singapore, coming hopefully in 2026 in South Korea. So we've built a playbook for how you run these that incorporates, of course all of the US things that you would expect, but also all of the things from other regulatory regions, et cetera. And I think we've got the most robust custodial platform of anybody in terms of being on top of all the (00:58:57) components.

Just being able to call yourself BitGo Bank & Trust, actually, you're speaking the language of traditional finance. You say the word BitGo, it doesn't say bank in it and people don't quite know exactly what that is. Believe it or not, that does matter. But overall, you can't get a more respected regulatory framework. So it's been great. And of course, it cuts out any ambiguity. I see a few different states are looking to potentially try to regulate stablecoins in their own way. And we could end up with kind of the money transmission licenses of the states. But now it played out for crypto or played out for stablecoins. And by having that National Charter, we are immune from that. So it's very good for our business, it's very good for our clients, and I'm proud that it shows that the BitGo team has met the highest standards that are required.

And one last thing that's interesting we are a fiduciary for our clients funds that are held at BitGo Bank & Trust. And when you take a custodial duty over 100% reserve accounts like what we do, that's fiduciary. Interestingly, when you go to – you roll up your bank, he's not a fiduciary to you. It's a depository. It's a different relationship. So we think this is the right relationship for holding on to billions and billions of dollars of assets. Our clients do see the value in it, and it's been really good.

One last thing, our crypto-as-a-service product has really taken off in 2026 already. We signed more new clients on crypto-as-a-service this year than we did all of last year and we're only three months in. I think the OCC charter had a lot to do that.

Question – Chris Brendler: That's fantastic and really looking forward to see how that progressed throughout the year. A separate question sort of related to the last question, which is on the stablecoin-as-a-service. Really great to see the SoFi news. I would love to hear, just that pipeline, because it feels like stablecoin is an area where it's not as impacted by crypto asset prices volatility, it's not as impacted by the regulatory environment since GENIUS Act is already done. Although the interest or exemption (01:01:05) that fight might have a little bit of impact. But I'd love to see more and more stablecoins being issued through BitGo, how does that pipeline look as you enter 2026?

Answer – Michael A. Belshe: Yeah. There's been a number of others. We haven't mentioned them as much because they're not as bigger brands, but FYUSD launch on top of BitGo stablecoin-as-a-service as well as a few others. There's a healthy pipeline more. Also, the conversion component between all these different stablecoins is an area that we've been growing partnerships with some of the existing players everywhere from PayPal to Fidelity.

Then in terms of how this grows, there's an interesting point that goes with CLARITY. If you're not allowed to get interest on stablecoins, then it kind of encourages everybody to want to be an issuer. Imagine, your role as a bank or a business. You've got some distribution channel of parties and you have – and you want to use stablecoins, you got two choices, either use an existing stablecoin, in which case somebody else gets all the interest, or you build your own. And then you get to participate and figure out how you're going to use the interest that you get off of the reserves. And a lot of parties that have an existing distribution channel, of course, they want to tap into that.

Eventually, I believe, it's – I don't know what arc of time it's going to take to get there. Eventually, we will have interest on stablecoins and when that happens, the calculus changes. Now, being an issuer is no longer so much about keeping the interest from your own distribution channel. Instead, you pay somebody most like an ETF, you pay them an administrative fee, probably 40 to 80 basis points, and then you'll be able to get the interest from them. So suddenly the need to be an issuer will be less.

So it's interesting place where I think, on one hand we here at BitGo are very much in favor of yes you should be able to provide interest on stablecoins and that should be the way it works. I don't think that that's going to happen. I think whether CLARITY act passes or not, it's going to remain kind of constrained and that's going to lead to more people wanting to be their own issuers, and that leads to more people wanting BitGo stablecoin-as-a-service product.

Question – Chris Brendler: That's what I was thinking as well. So interesting time. Thanks so much, Mike.

Answer – Michael A. Belshe: (01:03:24). All right. Thank you so much.

Operator

Thank you for your participation. That is all the time we have today for the question-and-answer session. I will now turn the call back to Mike Belshe, Founder and CEO, for closing remarks.

Thank you, everybody, for joining us today. Appreciate your interest and support of BitGo. Thanks, everybody, for saying congratulations. I think it's not entirely necessary, but it is appreciated. The entire team here at BitGo work super hard. We've been doing it for 12 years. The people feel we're on a mission to really change the way the financial system works, and we're really proud to be a part of it. So thank you and look forward to keeping in touch with all of you on this journey.

Operator

This concludes today's call. Thank you for attending. You may now disconnect.