Securitize Corp. Third Quarter 2026 Earnings Call

Securitize Participants

Carlos Domingo — Chairman & Chief Executive Officer
Francisco Flores — Chief Financial Officer
Brett Redfearn — President (Q&A portion)
Samuel Ross — VP, Head of Investor Relations

Analysts

Devin Ryan — Citizens Bank
Gareth Gacetta — Cantor Fitzgerald
Siddhant Shah — Rosenblatt Securities
John Todaro — Needham & Co
Pete Christiansen — Citigroup

Operator

Ladies and gentlemen, thank you for standing by, and welcome to Securitize's third quarter 2026 earnings results. All participants are in listen-only mode, and this call is being recorded. Following the prepared remarks, we will hold a question-and-answer session. To ask a question, if you have joined via the webinar, please use the raise hand icon, which can be found at the bottom of your webinar application, and be prepared to unmute your line when prompted. I would now like to turn the call over to Sam Ross, Head of Investor Relations. Mr. Ross, please go ahead.



Samuel Ross VP, Head of Investor Relations, Securitize

Thank you, Max. Good evening, and thank you all for joining Securitize's third quarter 2026 earnings call. For today's call, I am joined by our Chairman and Chief Executive Officer, Carlos Domingo, our Chief Financial Officer, Francisco Flores, and our President, Brett Redfearn, who will be joining us for the Q&A portion of the call. I'd like to remind you that today's presentation, which is available for download on our investor relations website, investors.securitize.io, may contain forward-looking statements which are based on management's current expectations and are subject to risks, uncertainties and changes in circumstances. Actual results may differ materially from these statements due to a variety of factors, including those described in our earnings materials as well as in our SEC filings. And with that, I'll turn the call over to Carlos.



Carlos Domingo Chairman & Chief Executive Officer, Securitize

Thank you, Sam, and thank you, everybody, for joining us today. It's great to be with you as we report our third quarter results. This was our first full quarter as a publicly traded company, and we made significant progress both financially and strategically. We delivered a strong recovery in revenue, continued to build and scale our platform and advanced several initiatives that we believe will shape the next phase of tokenized capital markets.

Our mission, as you know, is to tokenize the world, and it remains very simple. It means bringing real financial assets onchain with the rights, protections, and infrastructure that institutions and investors expect from traditional capital markets, but with all the efficiencies provided by blockchains.

I'll begin with the financial and business highlights for the quarter, then spend some time on our progress in tokenized equities, fund tokenization and strategic partnerships. I'll also discuss our planned acquisition of RiverOne, representing an important expansion into credit origination and asset-backed financing, and our additional regulatory capabilities. After that, our CFO, Francisco, will walk you through the financial results and our outlook in more detail.

Let me start with the highlights of the quarter. As many of you know, our second quarter revenue came in below where we wanted. This quarter, we delivered a very strong $18.6 million of revenue, up 29% sequentially and 13% year-over-year. That makes Q3 our second-highest revenue quarter on record. Through the first nine months of the year, we've generated

a record $52.5 million in revenue. We also significantly narrowed our Adjusted EBITDA loss to approximately $2 million, an improvement of about $3.5 million compared to the prior quarter. Our GAAP results reflect accounting items, which Francisco will explain in detail shortly after me.

We achieved a record $5 billion in average tokenized assets on our platform. Securitize Fund Services reached $25.2 billion in assets under administration, and we ended the quarter servicing 669 active funds. Aggregate transaction volume was $4.3 billion, up 20% year-over-year. Taken together, these results show both improved quarterly execution and the growing scale of our platform.

Beyond the financial results, we continue to expand the business in several important areas that we'll go into in detail later. In public equities, we tokenized our own stock, SECZ, when we listed in July on the New York Stock Exchange. And following quarter end, we launched Securitize Stocks, which has already expanded to 25 U.S. equities. In funds, we grew our institutional offerings with the Neuberger Berman High Income Fund, the ARK Venture Fund, and additional work with BlackRock. We expanded integration and distribution opportunities across decentralized finance, stablecoins, global markets and institutional partners.

And Securitize Capital became an SEC-registered investment adviser, adding to our regulated capabilities. The common thread is that we're building much more than a token issuance service. We're building a regulated infrastructure that can support the ownership, trading, servicing and increasingly the financing of financial assets.

Let's start with tokenized equities, which we believe represent one of the largest opportunities for bringing regulated financial markets onchain. As we've mentioned before, the global equities market is enormous. It's estimated to be $169 trillion, and a very, very small portion is represented onchain today. That tells us just how early this market remains.

It's also important to recognize that not all tokenized equities are created equal. There are three fundamentally different approaches. The first one is issuer-sponsored tokenization, where the token represents the actual share and ownership is reflected in the issuer's shareholder register. Second is what are called custodial security entitlements, where tokens are backed one-to-one by underlying shares and holders have legally recognized entitlements. These are regulated under Article 8 of the UCC and are fully legal and compliant in the U.S. And third, there are synthetic products that provide exposure to an asset's price without the same ownership structure. These are mostly offered offshore and, in their current structure, do not comply with U.S. regulations.

Our strategy focuses on the first two approaches: issuer-sponsored shares and backed security entitlements. The differentiation is not just the blockchain technology; it is the legal rights and regulated infrastructure underneath. We bring together transfer agency, broker-dealer capabilities, trading infrastructure, and access to issuer relationships. That is why we believe we're particularly well positioned as this market develops.

As we mentioned before, tokenized stocks are at a very, very early stage. There's about $4.6 billion in the market, represented by this chart, which we'll break down a little bit in a second, as of October 27. That is roughly the level stablecoins had reached in March 2020. Since then,

stablecoins grew substantially, 64 times, as their utility increased. This analogy shows what early-stage adoption can look like. We're not predicting that tokenized stocks will follow the same path or grow at the same rate. The opportunity depends on real investor rights, trading access, liquidity, and practical use cases.

When we went public on the New York Stock Exchange on July 2, we decided to list our own shares on the Solana and Avalanche blockchains from the first day. We were the first company doing this, to showcase how tokenization is possible in the U.S. in a regulated way. As of September 30, at the end of the quarter, and during most of Q3, SECZ was the largest individual tokenized stock, at approximately $378 million in value, roughly 2.6 times the next largest stock represented on this chart, which is a synthetic representation of another company.

In our case, Continental, which is our transfer agent, provides the holder-of-record infrastructure and we provide the tokenization capabilities. For the trading portion of it, Jump helps provide the liquidity and extended-hours trading in the Solana ecosystem. We follow regulations related to pricing for trading, always providing prices that are within the NBBO, or national best bid and offer, therefore providing onchain the same pricing that you can get trading on a traditional broker-dealer, but on a blockchain. SECZ is also accepted as collateral in the onchain lending market, and we will be expanding that lending utility over time.

We demonstrated that the issuer-sponsored model with our own public shares, from the first day of trading, is possible in the U.S. in a regulated way. Subsequently, right after quarter end, we launched Securitize Stocks on October 8 with 12 U.S. equities on Solana, and another 13 on November 2, bringing the offering to 25 of the top and most traded U.S. stocks onchain. Each token is fully backed one-to-one by an underlying share held as a security entitlement under existing law, not a synthetic instrument. The structure is designed to preserve the applicable dividends, voting rights and economic benefits of the underlying shares.

We also do not lend out the backing shares, and we will allow investors who tokenize shares to lend the shares themselves, retaining most of the economics, as opposed to what happens in traditional markets, where shares are being lent out with broker-dealers retaining most of the economics. We also think that for retail investors, being able to borrow against their shares is very important, and something not easily available in today's markets that DeFi markets and blockchain infrastructure can bring to market. Our convertible entitlement token model also creates a pathway for holders to convert into issuer record shares when an issuer adopts a compatible structure, in a seamless way, without having to reissue the tokens or change anything on the investor end.

So let us summarize where we are in terms of 24/7 trading. First, we already have a live U.S. broker-dealer model for Securitize Stocks on Solana, with USDC instant settlement and extended trading hours. Jump is the liquidity partner, alongside infrastructure partners that support trading, clearing, custody and collateral opportunities. Our objective is to expand distribution through additional venues, including the proposed New York Stock Exchange digital ATS that is launching in Q4, and the OKX-ICE JV tokenized securities venue, or TSV, that is launching in the coming days. Full 24/7 trading remains a goal, and the additional

venues are subject to their respective launch and regulatory milestones. It's important to distinguish what is live from what is planned. As trading moves onchain, there might be multiple regulatory routes, and our existing business is built to work within today's rules.

Another important regulatory milestone this quarter was the long-awaited SEC innovation exemption that was published on September 17, which provides conditional relief for trading stocks onchain using permissioned automated market maker pools. It includes safeguards around equivalent rights, issuer notice and objections, and limits on eligible securities and trading volumes. We welcome responsible innovation in market structure. Just as important, Securitize's existing regulated broker-dealer approach does not depend on this exemption, but we will be supporting multiple venues, including multiple TSVs.

Given a bit of confusion in the market between the two models, we wanted to bring a table here to explain how regulated venues like the one we run differ from the TSVs under the innovation exemption. From a regulatory perspective, we operate with a fully registered broker-dealer and ATS, and our licenses are permanent, allowing us to operate without any expiration date. The innovation exemption is an exemption. It allows people to operate without an exchange license, and it expires in September 2031. More importantly, what we do is fully regulated and therefore does not require issuer consent. It's not required for convertible entitlement tokens, and only issuer-sponsored tokens will require collaboration with the issuer and their transfer agent. However, the innovation exemption requires a 30-day issuer opt-out, given the exempt nature of the trading venue. You can also see here another important difference in terms of the execution paths that you can choose under a fully regulated broker-dealer or under the innovation exemption, as well as how pricing works. In our case, we have to follow national best bid and offer pricing, while the innovation exemption TSVs are exempt from the order protection rule. We welcome additional innovation, and we will continue to build within the existing regulatory framework.

Let's move to fund tokenization, which remains foundational to our institutional business. As we mentioned in the previous earnings announcement, we continue working on unlocking opportunities across the yield curve. This creates new types of opportunities to generate yield and also introduces underwriting, credit and liquidity considerations that tokenization itself does not eliminate. What is especially exciting is the utility after issuance. Eligible holders can use tokenized assets as collateral or connect them with other onchain services.

In Q3, in August, we released a new fund with Neuberger Berman for high income. That is an illustration of this progression along the yield curve. Let's review the fund a bit. This fund offers tokenized access to actively managed high income credit strategies. The fund launched on Avalanche, Ethereum, Solana and Sui, supported by Securitize's broader regulated and servicing infrastructure. Eligible holders can use HINC as collateral in the Loopscale USDG lending market, and soon in the Aave market, where we have submitted a governance proposal, which has already been approved. The fund has a net 30-day yield of 7.13%, making it a very attractive asset for DeFi collateral markets.

Subsequently, we launched a new fund with ARK. It's the ARK Venture Fund with ARK Invest, which is an existing registered crossover investment product that we've put onchain with a

$500 minimum for investors. This is a retail product, essentially. The fund provides a mix of private and public companies and contains many of the most desirable companies out there, both public and private, like SpaceX, Kalshi, OpenAI, Anthropic, Stripe, and proudly, it also includes equity in Securitize.

Let's move into tokenized treasuries. As you know, and as we mentioned last quarter, tokenized treasuries have grown dramatically since we launched BlackRock's BUIDL in March 2024. The market is approximately 14 times larger than it was at that launch. Securitize accounted for approximately 14% of tokenized U.S. treasury funds as of September 30, reflecting the position we have built in the category alongside major institutional partners. What matters most is that institutional cash and interest rate products have demonstrated real demand for tokenized infrastructure. And we continue working to make those assets more useful for liquidity, settlement and collateral.

In Q3, we also deepened our partnership with BlackRock and continued expanding well beyond the initial launch in March 2024. During the quarter, we supported the launch of B-Reserve, BlackRock's new registered money market fund designed to serve as a GENIUS-compliant asset for eligible stablecoin issuers. Securitize provides the tokenization and transfer agent infrastructure. We also expanded BUIDL to Tempo, connecting an established institutional cash product with another blockchain ecosystem. We think Tempo is going to be one of the important players there, given the support from Stripe, one of the largest fintechs in the world. We're also adding liquidity capabilities through atomic on- and off-ramps designed to allow eligible investors to move instantly between the institutional share class of BUIDL and USDC, with Ethena as the liquidity provider. These initiatives show how tokenized funds and stablecoin infrastructure are becoming more closely connected, creating opportunities for greater liquidity and utility.

All right, let's move into partnerships and how we connect regulated securities infrastructure with distribution, payments and onchain utility. In Q3, we announced a very exciting partnership with a company called Socios.com, where we are exploring how regulated tokenized equity could open new ownership opportunities around professional sports. Socios.com is the largest fan engagement company, where they issue fan tokens for fans of multiple professional sports teams. And they have recognized that fans want to move beyond owning fan tokens into having ownership in the clubs that they support. Given that providing equity ownership must be done in a regulated manner, Socios.com has partnered with Securitize to bring securities issuance, onboarding, and investor infrastructure to its sports relationships and fan engagement capabilities. It's an example of how the addressable market extends beyond conventional funds and public equities.

Also, stablecoins are one of the most important infrastructures for our products to be successful. You want to have onchain not just tokenized securities, but also tokenized dollars, so things like redemptions, clearing and settlement, trading, et cetera, can become more efficient. This quarter, we joined two partner networks supporting USDG and OUSD, bringing stablecoin infrastructure closer to our tokenized funds and securities. USDG is already integrated in our platform and is being used in the HINC collateral market on Loopscale.

These stablecoin rails can support more efficient funding, settlement and onchain lending for eligible investors. Beyond the operational benefits, the most important thing is that network participation can also create additional economics for Securitize. We mint and distribute a stablecoin rather than simply relying on third-party stablecoin liquidity. By being a member of the network, we retain some of the economics of the underlying assets in the stablecoin.

The next area where we have signed important partnerships is Korea. We're working with major Korean institutions to develop tokenized securities as the local regulatory framework evolves. We think in the future, Korea can become a very important market for us, so we're setting the foundations and preparing for the upcoming regulatory changes. The first collaboration is with KB Securities, one of the largest securities firms in Korea. It combines KB's institutional distribution with Securitize's regulated infrastructure. The initial focus is a tokenized money market fund for institutions on Optimism, with the potential to expand into other investment strategies as securities rules permit in the country. We also announced a memorandum of understanding with LG CNS, a very large Korean system integrator, to explore tokenized assets, stablecoins and market infrastructure for financial institutions in Korea and across Asia.

All right, so let's move to the RiverOne acquisition. As we mentioned when we went public, one of the reasons we wanted to go public is because we think the market is going to consolidate, and we wanted to be in a position to acquire companies, both with the cash on our balance sheet as well as our liquid stock. So today, we're announcing our first planned acquisition, a company called RiverOne, which represents our entry into credit and asset origination, creating opportunities beyond the tokenization and servicing business we've built today.

We spent years building the infrastructure to bring traditional finance assets onchain, first through funds and more recently through public equities. We believe the next big opportunity is credit. With our planned acquisition of RiverOne, we're expanding into asset-backed finance, a large market where stablecoin capital and blockchain infrastructure could create meaningful new opportunities. This is not simply about financing assets we already tokenize. It's about expanding into a new asset class and participating in new parts of the value chain, with the potential for additional revenue streams.

Today, there are approximately $300 billion in stablecoin supply, but very little of it is actually used to finance activity in the real economy. At the same time, U.S. asset-backed finance represents an approximately $6 trillion market, projected to grow to $9 trillion in 2030. We see an opportunity to connect these two markets by directing capital toward appropriately underwritten credit assets that finance business and real economy activity. This is a natural next market for Securitize to pursue. Tokenization doesn't eliminate credit risk, but we believe it can help connect investors, originators, and funding sources in more efficient ways.

RiverOne is a structured credit and asset-backed finance business that works with fintechs, originators, and other capital-intensive companies, directing capital from the stablecoin economy. Its team brings specialized expertise in origination, structuring, underwriting using an AI engine, and managing credit facilities, including financing secured by receivables and

other underlying assets, in a programmatic way. That's compelling for us because RiverOne brings both a new capability and an experienced team that would otherwise take significant time to build internally.

What makes RiverOne especially interesting is the combination of its credit expertise and its proprietary technology. They have three modules in their platform. The first one, called Argo, supports underwriting and credit analysis using an in-house AI underwriting platform that the credit team uses. The second one helps manage the financing facilities, monitor governance, and track performance in a more efficient way, and replaces two to three days of spreadsheet reviews with onchain infrastructure that is much more efficient. Finally, Harbor provides a path to tokenize and distribute credit structures through Securitize's existing infrastructure.

Together, these capabilities could allow us to participate early in the life cycle of credit assets, from origination and structuring through financing with stablecoins and onchain distribution of the tokenized credit products. That creates opportunities for origination fees and participation in financing economics, with the potential for higher-value monetization as the business develops. This is important. We're getting a team with deep experience in asset-backed finance and crypto technology. The strategic rationale is very straightforward. We're building infrastructure to tokenize, service and distribute assets. RiverOne will expand our business into credit origination itself. This acquisition remains subject to closing, and we're excited about the opportunity it could create for Securitize in the coming days when closing happens.

Finally, let's talk a little bit about new regulatory capabilities. Regulation has been central to our strategy from the beginning. In Q3, Securitize Capital became an SEC-registered investment adviser, another important milestone in the development of our regulated platform. As of September 30, Securitize Capital had approximately $439 million in assets under management, exceeding the $150 million allowed for exempt advisers to operate. This registration gives us greater flexibility to scale our advisory business, develop additional institutional strategies, and pursue management fee opportunities.

It reinforces something that has differentiated Securitize from the very beginning. We're not simply a technology provider offering tokenization. We bring together a transfer agent, a broker-dealer, an alternative trading system, investment advisory and fund admin capabilities, with operations both in the U.S. and the EU. That is the infrastructure institutions need as tokenization becomes an increasingly important part of our capital markets.

With this, I'd like to conclude my overview of our strategic progress, and I will turn it over to Francisco for the financial results and outlook. Thank you.



Francisco Flores Chief Financial Officer, Securitize

Thank you, Carlos. Good evening. In my prepared remarks today, all referenced growth rates are on a year-over-year basis unless I indicate otherwise.

Total revenue was $18.6 million in the quarter, up 13% versus the prior-year period, driven by higher tokenization revenue, partially offset by modestly lower asset servicing revenue. On a sequential-quarter basis, total revenue was up 29%. As Carlos mentioned, this was the

second-highest quarter for total revenue in the company's history. Total revenue for the first nine months of 2026 was $52.5 million, an increase of 15% versus the prior-year period and a record nine-month period for the company.

Tokenization revenue was $11.5 million, an increase of 29% versus the prior-year period, largely due to the integration of new protocols as well as higher distribution fees in the current period.

Asset Servicing revenue was $7.2 million, a decrease of 6% versus the prior-year period, primarily driven by lower fund administration and accounting fees in the Securitize Fund Services business due to the decline in assets under administration, partially offset by higher service fees in our transfer agent business.

Turning to expenses:

Total operating costs and expenses were $42.2 million, an increase of $27.3 million, or 183%, predominantly driven by higher SG&A and higher compensation and benefits, including expenses associated with the completion of our business combination. While I'll discuss each one in greater detail momentarily, our total expenses this quarter included approximately $21 million of expenses which we would generally consider to be non-recurring in nature. Core operating expenses, excluding these items, were approximately $21 million.

Cost of Revenue in the third quarter was $4.5 million, an increase of $1.0 million, or 29%, primarily due to higher software, systems, and market data costs and higher costs of revenue-generating employees and contractors. As mentioned last quarter, Cost of Revenue consists largely of direct labor in our blockchain engineering and integration divisions, fund accounting and client-facing personnel, and capitalized software amortization.

SG&A expenses were $20.8 million, an increase of $14.1 million versus the prior-year period. The increase was primarily driven by share-based expenses related to warrant obligations; higher legal, accounting, and consulting fees, including costs associated with operating as a public company; higher advertising, promotion, and public relations costs; and higher insurance costs. These were partially offset by lower software and subscription expenses in the quarter.

Compensation and benefits were $16.5 million, an increase of $12.0 million versus the prior-year period. The increase was primarily driven by higher share-based compensation expense, including $5.3 million of non-cash earnout-related expenses in connection with the closing of the business combination, and higher headcount, including the hiring of corporate roles necessary to become a public company.

Provision for credit losses was approximately $0.3 million, versus approximately $0.1 million in the prior-year period.

Turning to non-operating income and expenses in the third quarter.

Total other expense, net, was $42.6 million, driven by two notable items related to the business combination, partially offset by higher dividend income. Looking at these two notable non-operating items, they combined for $43.9 million of expenses in the quarter. Before I get into

the specifics of each, I'd importantly stress that both of these expenses were non-cash charges.

First, we recognized a $20.6 million loss associated with the settlement of convertible instruments. This was a one-time, non-cash charge from converting our pre-closing convertible notes, SAFEs, and preferred stock options into equity at the close of the transaction, reflecting the difference between the value of the shares issued and the carrying value of those instruments. Given that this was related to finalizing the business combination, we do not anticipate any impact from these instruments in future periods.

Additionally, we recognized a $23.2 million charge for the change in fair value of earnout liabilities. If you recall, both Securitize and sponsor earnout shares were granted as part of the business combination. Given that the SECZ share price on September 30, 2026 was $14.59 versus $11.78 at the time of closing, accounting rules required us to recognize a corresponding expense. Note that this line item will fluctuate quarterly and is entirely non-cash. For example, if our share price at year-end were at today's level, we would expect to report a meaningful non-cash gain in the fourth quarter.

Separately, within other non-operating income and expenses, dividend income was $2.0 million, driven by the higher average balance of dividend-bearing investments, reflecting the investment of cash received in connection with the business combination. However, given our intention to strategically leverage our balance sheet in a dynamic way, we would caution against assuming that we will generate this type of dividend income on a quarterly basis going forward.

Looking at Adjusted EBITDA:

Adjusted EBITDA was negative $2.0 million, compared to negative $5.5 million in the prior quarter, representing a sequential improvement of $3.5 million. Compared to positive Adjusted EBITDA of $3.6 million in the prior-year period, this represents a decrease of $5.6 million, driven by higher compensation and benefits as we continue to scale the business and higher SG&A expenses, including professional and consulting costs associated with becoming a public company, partially offset by higher total revenue.

For the third quarter of 2026, Securitize reported a GAAP net loss of $66.3 million, compared to net income of $4.0 million in the prior-year period, a decrease of $70.3 million. The higher year-over-year net loss was driven by higher expenses, including headcount growth to support the expansion of our business and prepare for being a publicly traded company, and stock-based compensation, along with non-recurring costs associated with the Company's business combination. The higher net loss also reflected losses on convertible instruments and the change in fair value of earnout liabilities, both of which were related to the closing of our business combination in July 2026.

Net loss per diluted share in the third quarter was $0.41. I would note that given the accounting rules around share count as a private company, there is no meaningful earnings per share comparison to the prior-year period to highlight.

Again, I think it's important to put our results into context. While our reported GAAP net loss appears significant, approximately 90% of it, or roughly $60 million, was attributable to charges that were mostly non-cash in nature, including those associated with closing the business combination and the warrant-related expenses.

From a capital and balance sheet perspective, Securitize remains in a very strong position, with roughly $300 million in net cash and liquid securities on our balance sheet and zero debt, or a little bit less than $2.00 in net cash per share, as of September 30, 2026. We will continue to leverage this balance sheet strength to grow our businesses, both organically and inorganically, but we'll be disciplined around financial returns for these investments.

And as you likely saw in our press release, our Board of Directors has approved a share repurchase program to repurchase up to $50 million of our common shares through the end of 2027. Given the volatility in our shares since becoming a public company, this authorization provides us the flexibility to be opportunistic when we see significant market dislocations. This is just another tool in the toolkit that our strong balance sheet allows us to pursue.

Now, before I turn to our outlook for 2026, I wanted to cover one small housekeeping item. As it pertains to the RiverOne acquisition that Carlos discussed, we're not disclosing financial terms for that transaction today. I'd note the deal was attractive to us from both a strategic and financial point of view. We also do not expect the acquisition to have a material financial impact on our fourth quarter 2026 results.

Now, on to our financial outlook for the full year 2026. We're quite pleased with the strong third quarter and the momentum we're seeing in our businesses. However, as previously discussed, the timing of revenue recognition for certain tokenization initiatives and onchain integrations is influenced by project milestones and execution schedules, which can result in some variability between quarters. As a result, we continue to expect Total Revenue to be in the range of $70 to $80 million for the full year 2026. Looking ahead to the fourth quarter, we expect improved core operating results, supported by continued revenue momentum and disciplined cost management, as we move beyond the significant transaction-related impacts of the business combination in Q3.

So I'll just wrap up my prepared remarks by saying how proud I am of our team and our financial results for our initial quarter as a public company. We posted the second-best revenue quarter in our history to date. And while there was some expected expense noise in the quarter from the closing of our business combination, we managed the business tightly and saw a modest $2.0 million Adjusted EBITDA loss, significantly improving from the previous quarter. We remain extremely excited about the opportunities ahead, and our balance sheet strength, with approximately $300 million of cash on hand, positions Securitize well to capitalize on what we still see as the infancy of the secular trend towards tokenization.

And with that, we'd be happy to take your questions. Operator, please go ahead and open the line for Q&A.

Question & Answer Session

Operator

We will now move to our question-and-answer session. If you have joined via the webinar, please use the raise hand icon, which can be found at the bottom of your webinar application. When you are called on, please unmute your line and ask your question. We kindly ask that you limit yourself to one question and one follow-up. We will now pause a moment to assemble the queue. Your first question comes from Devin Ryan with Citizens. Devin, please unmute and ask your question.



Devin Ryan Analyst, Citizens Bank

Great. Hi, Carlos. Hi, Francisco, and Sam as well. How are you?



Carlos Domingo Chairman & Chief Executive Officer, Securitize

Good.



Samuel Ross VP, Head of Investor Relations, Securitize

Good seeing you.



Devin Ryan Analyst, Citizens Bank

Good to see you. A question on tokenized equities. Obviously, I think a lot of us are tracking some of the public companies that have opted out of the OKX-ICE tokenization pilot. I think that's also creating some confusion in the market around what the objections actually mean for the broader tokenized equities market. And so I'm curious, from your perspective, are issuers rejecting tokenization itself, or are they just uncomfortable right now with an unaffiliated third party creating a tokenized version of their shares without the issuer and transfer agent being directly involved? I'm curious what you're hearing from conversations. And then, ultimately, the question is, does that push the market more towards Securitize's more issuer-led model, and what do you think issuers would need to see before they become more comfortable participating directly?



Carlos Domingo Chairman & Chief Executive Officer, Securitize

Thank you, Devin. Definitely, all these offshore synthetics, the ten different varieties, are creating a lot of confusion for issuers, and you might have seen how some very public CEOs, like the AMC CEO, have been complaining about their shares being tokenized offshore without

following U.S. regulations. And I think that has also created confusion when the OKX-ICE TSV sent a notification to issuers, which was just a notification sent to the headquarters. In some cases, we've talked to some issuers who don't even know who actually received the tokenization notice. I've talked to the head of digital assets of two of the issuers that opted out, and they didn't even know who the person opting out was.

I think we need to clarify that for what we do, because we're fully regulated, we don't require any opt-out from the issuers. That is strictly for the TSV, because of the exemption situation from the SEC. I think what this is allowing is, we have obviously reached out to many of the issuers that have opted out, as well as discussed with others, and it has allowed us to actually have a conversation with them to be able to explain the differences between the models: the offshore synthetics, the fully regulated U.S.-based issuer-sponsored versus security entitlements, as well as what the TSV is. So this allows us to have these conversations that otherwise would have been hard to have.

We still continue being very bullish about it. Innovations don't always start with incumbents in the industry, so I don't know if going to the largest, most known companies in the world as the first step was the right decision. But we're very pleased to see, and you will see when the announcement of the final launch of the OKX-ICE TSV comes in the coming days, that there have been a lot of other issuers that have positively approved being tokenized and listed on the TSV, and we're going to have enough volume both on our regulated platform, which, as I mentioned, does not require an issuer opt-out, as well as on the OKX-ICE TSV. Then remember that in Q4, the New York Stock Exchange is also launching its digital ATS. That's going to be another opportunity to talk to issuers about another regulated venue coming from the largest stock exchange in the world, et cetera.

So we just think that this is, unfortunately, part of the noise in the industry about the different tokenization models that we need to live with. But overall, we don't think that this is a problem long term for moving into tokenized markets and issuers accepting to tokenize their shares, because, as I've mentioned many times, there is no public company CEO that doesn't want to reach more investors, have better liquidity, or be able to identify, communicate and engage with their investors in a more direct way. So once you manage to explain those advantages, as well as the difference between regulated venues and non-regulated venues, I think that's when you start getting traction with them.



Brett Redfearn President, Securitize

This is Brett Redfearn. I just wanted to add one thing. So, Devin, great question. Tokenization and TSVs are two different things. But just to put a fine point on what Carlos said, if somebody opts out of a TSV, it does not mean they are opting out of tokenization. Tokenization is the form in which the security is offered; the other is an innovative new market type. So as you will see, with all of these issuer opt-outs, we continue to launch tokenized stocks on a regulated platform, and we will continue to do so. That's just a very different thing than opting out of a TSV.



Devin Ryan Analyst, Citizens Bank

Yeah, I appreciate all that color. It's a question we get, and I think just getting some deeper context there is helpful. Just as a follow-up, can you talk a little bit more about the pipeline of potential new partners or new products on the asset management side and how that's been progressing? Obviously, you see the progress with BlackRock and Neuberger and others, where it seems like you have partners that are defining product-market fit. And so if you can give us any sense of how that's maybe igniting new conversations. And is there anything you're watching for on the regulatory side that could drive more of an unlock with asset management partners, where you feel like, either regulatory-wise or through some type of capability, it will bring more of them into the mix as they see some of the larger firms having success with what you've done with them on the tokenization side?



Carlos Domingo Chairman & Chief Executive Officer, Securitize

So without being able to disclose any specific names, what I can tell you, Devin, having been doing this for a long time, is that in the last twelve to eighteen months, the amount of inbound interest we're getting from large asset managers, as well as large banks, some of which have asset management franchises, about figuring out how to get into the tokenization space and tokenize some of their assets, is the highest I've ever seen in the industry since I've been doing this, for close to nine years now. So it's very positive. Those projects take time. With BlackRock, and I've mentioned this publicly many times, it took almost a year from the first conversations until the product actually launched. And when we engage these very large organizations, in many instances they have to go through an internal procurement process, with an RFP that is very formal, where they invite dozens of companies to bid for the projects, et cetera.

But we're very positive that we're going to continue seeing Securitize dominating the tier one asset management space, which I think is where we have our strength, because of the regulatory capabilities that you mentioned, and also because of the credibility that we have as a regulated entity, having already worked with some of the largest asset managers in the world. So conversations take time. The process of being chosen as the tokenization partner and launching products is an enterprise sale type process that takes time, but we're very positive about the space. You will continue seeing further announcements in Q4 and into Q1, with some names that you will recognize very well.



Brett Redfearn President, Securitize

And this is Brett again, Devin. Just to address the part about the regulatory unlock: we remain in the most favorable regulatory environment we've ever seen in terms of what can be done with tokenization and products on the blockchain. Even with the elections, we are in a world where people see that, people are building towards it, and that regulatory unlock continues unabated.



Devin Ryan Analyst, Citizens Bank

Great. Well, I'd love to sit here and keep asking questions. There's a lot to talk about, but I appreciate it, guys, and I'll hop back in the queue. Thank you.

Operator

Thank you. Your next question comes from the line of Gareth Gacetta with Cantor. Gareth, please unmute and ask your question.



Gareth Gacetta Analyst, Cantor Fitzgerald

Hey, guys. Thanks for taking the question. Maybe just double-clicking on the last one and the new fund launches you talked about, I'm wondering if you could detail the difference in economic profile that comes with the different types of roles you're playing, maybe using the new BlackRock fund and ARK as examples. Correct me if I'm wrong, but I think on BlackRock, you are the transfer agent and the token is actually the fund's share itself. Then on ARKVX, the token is an entitlement to shares that Securitize Markets holds as a broker-dealer. So could you just walk through, at a high level, which one of those ends up contributing more to the Securitize top line, and whether there are any other types of involvement structures that you might have with other funds on the platform?



Carlos Domingo Chairman & Chief Executive Officer, Securitize

Yeah. Actually, we can use the three funds that we launched this quarter to illustrate three different models. On B-Reserve, as you mentioned, this is a BlackRock-managed fund that has been created specifically to be onchain and tokenized, and we are the transfer agent and tokenization platform. So we manage the shares of the fund, and as such, we take fees as a service provider, which is a percentage of the fees that the asset manager charges. So I would say this is model number one, as with BUIDL, for instance. We also have distribution fees because we act as a broker-dealer and as a distributor as well, which we're working to be for B-Reserve as well.

The second model is the product that we launched with Neuberger. This is a fund that Securitize Capital, our registered investment adviser, manages, where we take all the fees on the fund, and you can see them in our presentation. The actual underlying assets of the fund are managed by Neuberger, as a sub-adviser to the fund, so we then share fees back with them. Those are the fees that we actually get on that fund.

And the third model is ARKVX with ARK Invest. This is an existing fund where we have basically issued an entitlement against shares that we're keeping in custody. There, the value accrues to us on the distribution portion of it, not so much on the asset servicing side.



Gareth Gacetta Analyst, Cantor Fitzgerald

That's really helpful color. Thank you. And then maybe just a higher-level one on the RiverOne acquisition. Can you walk us through a deal from start to finish: who the actual borrower is, what the collateral is, where the stablecoin capital might come from, and just the overall business model of RiverOne?



Carlos Domingo Chairman & Chief Executive Officer, Securitize

Sure. As we mentioned in the presentation, there is $320 billion in stablecoins out there. If you look at how much of that is being lent out to earn a yield, it's around 10%, which is the stablecoins that are lent out on DeFi markets. The actual yields that you're getting there are pretty low. You can go to Aave and other places to see it. Some stablecoins have a high yield because they're subsidized, but if you're an individual user holding stablecoins and you lend them out on these markets, you're not going to get a very high yield. It could be 3%, 4%; it fluctuates depending on where crypto lending is. And when you do that, you're basically taking protocol risk, because you're lending into a DeFi market. You're also taking collateral risk, because most of the collateral on those markets tends to be other digital assets that are volatile, or in some cases, as has happened in the past, are subject to hacks.

So we think that there is an opportunity to enable stablecoin issuers and stablecoin holders to lend into better lending markets that are built out with a similar structure, all controlled and managed onchain, but against real-world assets that are used as collateral. As for what those real assets are, we've listed some in our presentation, but this could be fintechs, mobility, telecom, payment lenders, et cetera, that have assets that they need to borrow against.

The way it works is that the RiverOne team has an AI underwriting platform that they use to underwrite the creditworthiness of the lender. Then, with that, we can create onchain pools to be able to borrow from stablecoins. Then they have a full onchain management facility for how the credits and the loans are managed. And then on top of that, we can tokenize the loans for the LPs. So the flow is very simple. We are approaching, from one side, stablecoin issuers or holders, to be able to borrow from them. And then we're approaching those that need to borrow, let's say companies that do mortgages or HELOCs, or buy fleets, or things like that, where they need to borrow from somebody. Today, they are borrowing from traditional finance, which is expensive and inefficient. So they can then borrow from stablecoins and probably get a better interest rate, as well as a much more streamlined process, where they can fund the deal faster, and even do it intraday in some cases, without having to go through a very lengthy manual process. That also results in efficiencies in how you manage those loans that create better interest rates.

So we're very excited about it. This is a very emerging space in the industry. I think Figure is probably the only company doing a little bit of that, within themselves, for their HELOC products, but as a broader space, it is very unexplored, we believe. I think there's around $3 billion or so onchain today from asset-backed finance. And if you look at how big the industry is, it's a $6 trillion industry that is predicted to grow to $9 trillion. And because we take the net

interest margin, which is the spread between the borrower and the lender, the monetization opportunities are much higher than just simply originating or distributing assets. So from a take rate perspective, this is going to be a higher-margin business for us once we get it to scale.



Gareth Gacetta Analyst, Cantor Fitzgerald

Awesome. That's really great color. Thanks for taking the questions, and congrats on a big quarter.



Carlos Domingo Chairman & Chief Executive Officer, Securitize

Thank you.

Operator

Your next question comes from the line of Siddhant Shah with Rosenblatt Securities. Please unmute your line and ask your question.



Siddhant Shah Analyst, Rosenblatt Securities

Hi, Carlos, Francisco and Sam. Thank you for taking the question, and congrats on the quarter. Could you just spend some time talking about the revenue model for the various venues that are coming up, like the OKX-ICE TSV and the NYSE ATS, and how that's going to affect the economics for the products you're offering?



Carlos Domingo Chairman & Chief Executive Officer, Securitize

So the OKX-ICE TSV, we expect it to launch pretty soon. I don't want to disclose dates that have not been disclosed by them, but as we put in the deck, it's imminent. We are the provider of the tokens that will trade there, and these will be some issuer-sponsored tokens as well as convertible entitlement tokens. And then we have an arrangement with them to share trading fees that we have not disclosed, but that will essentially be based on volume.

On the New York Stock Exchange ATS, we play two roles as well. One is that we are one of the transfer agents, the first one that was chosen, to be able to supply tokens that will trade on their ATS. And from that perspective, we are also one of the broker-dealers that will connect to the ATS. This ATS doesn't take retail flow directly. Only broker-dealers connect to the ATS, and the broker-dealers bring the retail flow. So as a broker-dealer bringing retail flow, we'll be able to take commissions on trading from the retail people trading, not from the New York Stock Exchange ATS.

So overall, you should think of trading volume as probably being the main driver, same as for the stocks that we're trading today on Solana with Jump, as the main source of revenue growth. But we're also working, as you might have seen, on enabling other interesting opportunities, like the lending of tokenized equities, which is something that today is very hard

to do for retail people. If you have equities in a broker-dealer, you can take margin to trade more, but you cannot just borrow to buy a house or buy a car. This is available for the ultra-high net worth, but not for everybody. So we think that lending markets are also going to be another interesting monetization opportunity for us there.



Siddhant Shah Analyst, Rosenblatt Securities

Awesome. And for the Socios.com sports team ownership partnership, is that similar to the fund admin business? Is that where it would show up? Is that the same revenue model?



Carlos Domingo Chairman & Chief Executive Officer, Securitize

No, no. It's completely different. On that partnership, we're going to be the regulated entity distributing and eventually trading those tokens that represent equity. So we will have distribution fees, which we will share back with Socios.com, because they're bringing the flow of the retail people that they already have on their platform for the fan engagement tokens. And then once those tokens become liquid, they can trade. We have a fully regulated tokenized securities venue in Europe where they can trade. I say Europe because we're going to start in Europe, where these things are easier than in the U.S. In the U.S., there are a lot more regulations around retail ownership of professional sports teams, but in Europe, it is more common. So the driver was that we are a fully regulated entity in Europe, and we can help them leverage their retail base to move into tokens that represent equity, which is regulated, as you know. So there will be distribution fees and trading fees. It would not be asset servicing. Asset servicing is more for funds and things like that, which we manage as a transfer agent or a fund admin. When it comes to equity, the revenue opportunities are distribution and trading, as with stocks as well.



Siddhant Shah Analyst, Rosenblatt Securities

Awesome. Thank you for taking the question, and congrats on the quarter again.



Carlos Domingo Chairman & Chief Executive Officer, Securitize

Thanks, Sid.

Operator

Your next question comes from the line of John Todaro with Needham & Company. Apologies for that. John, please unmute and ask your question.



John Todaro Analyst, Needham & Company

Hey, guys. Thanks for taking my question, and congrats on the progress this quarter and the good results. I have a broad one and then one a little bit more in the weeds, related to modeling. On the broader side, with the number of different product segments you're launching now, how do you see it evolving, in terms of the most near-term impact and then maybe the most medium- or longer-term impact on the tokenization side benefiting the platform? Is it single-name stocks? Is it some of the funds that you've found success in? Just help frame that landscape for us, and then I have that follow-up modeling question.



Carlos Domingo Chairman & Chief Executive Officer, Securitize

Well, on the fund side, this is our bread and butter. It's where the majority of our revenue comes from today, and we definitely continue seeing big opportunities. We just launched three funds this quarter, so we see those contributing significantly to future growth. I think ARK is more about distribution and giving retail access to a product that is otherwise hard to invest in. And we're going to be looking at potential trading opportunities in the future with them. Then on the Neuberger fund, it's more about people that want to use it as collateral for DeFi, because it's a good source of collateral. It's a high-quality, high-yield asset. It was yielding above 7%. So you can borrow at a cheaper rate against it, to either leverage it or create another trading strategy, et cetera. So we see the driver for growth as those integrations that we started doing in Q3.

And then BRSRV is very specific to stablecoins. So as stablecoins start proliferating, and unfortunately, in recent quarters stablecoins have been flat or declining a little bit, but we're still very bullish on the stablecoin space. We think that more people, especially with GENIUS becoming effective in Q1 next year, more companies will want to launch stablecoins, and many of them will want to have the reserve in tokenized form, onchain as well, to provide visibility into the reserves. So we see the growth coming from capturing that stablecoin reserve market.

On the equity side, I think it is very early days, as we show in the presentation. There are very few equities onchain. Most of them are still synthetics. Volumes are also very, very small. But we're very bullish on it as a mid- to long-term opportunity, because we think that a very small percentage of growth in volume could actually provide significant fee opportunities for us. So you're going to see us continue making progress in Q4 in two directions. The first one is continuing to bring more names. The second is supporting new venues where our stocks can trade. If our stocks are the most liquid, the best priced in the market and the most regulated, they will be the winning ones, we believe. So we'll be supporting the launch of the New York Stock Exchange ATS and the OKX-ICE TSV, but also enabling retail integrations with apps that can send retail flow to trade those stocks. We're not a retail B2C company. We're a B2B2C company. So we're more of an infrastructure provider. We want to provide this trading infrastructure for other people to enable their customers to trade stocks onchain. That is the direction of travel. So I think that in Q4, you will still see fund tokenization being the main source of revenue for our company, but we hope that from Q1 onwards, stocks start taking off and start becoming a significant portion of our future revenue.

John Todaro Analyst, Needham & Company

That's great. Thank you for that. Appreciate it. And then just on SG&A spend, I know you're not going to comment on some of the RiverOne financials, but just as that integration goes through, what is a good run rate or framing for SG&A that we should be thinking about?



Francisco Flores Chief Financial Officer, Securitize

Yeah. Hi, John. Thank you. Thanks for asking me a question. I was starting to feel bored here. So as we mentioned, Q3 was affected by some of the business combination expenses. It's good to normalize the view. If we take a look at SG&A, we recognized expenses associated with the warrant expense, as well as some transaction-related expenses. These are roughly $13.4 million that need to be adjusted. If we make the adjustment to normalize the number, we end up with roughly [sic] $7.5 million(1), which could be seen as a run rate, as most of the expenses are skewed towards the fixed side.

You didn't ask, but I think it's also important to normalize compensation and benefits expenses. In that case, we also saw some entries that were related to share-based compensation associated with the business combination. If we also normalize that number, we end up with roughly $9.5 million. It is also a good reference going forward. Bear in mind that we will continue to increase headcount, probably not at a high pace, but we will continue making a few hires towards the end of the year to support the growth of the business. If you factor that part in, it could be a good baseline for the run rate.

John Todaro Analyst, Needham & Company

Understood. Thank you. Appreciate it, gentlemen.



Carlos Domingo Chairman & Chief Executive Officer, Securitize

Keep in mind, we are in an industry that is exploding. So I think that we need to keep a balance between trying to stay close to profitability, as we did this quarter, but without losing growth opportunities. There's a lot of stuff out there. As I mentioned in one of the earlier calls, some of these projects are very intense. But if you don't participate and you miss winning those projects, then you're not going to be there when it launches. So I think it's important that we continue investing in the space and don't miss growth opportunities in the future. And as Francisco mentioned, our balance sheet is super large compared to the cash that we're consuming. So I think we can afford to continue investing in the future of the business.

(1) Note: On the call, Mr. Flores misspoke in reference to the SG&A run rate. In answering the question, he was describing the core SG&A expenses for the quarter as being the reported $20.8 million figure, less the $13.4 million in adjustments, for what should have been approximately $7.5 million, however, he misspoke and stated $4.5 million.

Operator

We will now take our final question from the line of Pete Christiansen with Citi. Pete, please unmute and ask your question.

Pete Christiansen Analyst, Citigroup

Good evening. Thanks for taking my question. A couple of questions here. First, maybe you can help reconcile this a little bit for us, by way of thinking through a scenario over the next couple of quarters: the relationship between tokenized AUM and transaction growth versus tokenization revenue. I'm just curious how we should be thinking about that and the scenarios underlying it, especially if we think about tokenization revenue yield as a percentage of AUM. Does that skew differently over the next couple of quarters or months with equities or some other projects or pipeline items that you're considering?



Francisco Flores Chief Financial Officer, Securitize

I'll take a first stab at it. Thanks, Pete. As we mentioned before, tokenization revenue is still pretty much driven by the integration of protocols. This portion still represents the majority of the revenue. But we're pleased to say that AUM-based and transaction-based revenues are starting to pick up. I would say that this quarter it is still not meaningful, but it's trending in the right direction. Going forward, as Carlos already mentioned, we do believe that the tokenization of equities will bring in additional transactional revenue. But I see the integration of blockchains and protocols still driving most of the results under this category, at least through next year. Going forward, we believe that, with a faster pace of growth in the other revenue streams, such as AUM-based and transaction-based, they will surpass the onchain integration revenue and, in the medium and long term, will become the main driver of our revenue in general.



Carlos Domingo Chairman & Chief Executive Officer, Securitize

On the AUM side as well, it's not linear. I think we've explained this before, but it's worth going over it again. AUM growth or decline, because it's not stable and fluctuates over quarters, doesn't directly correlate linearly with revenue, because it depends on the AUM composition. We have some products that are bigger and fluctuate more, like treasuries or BUIDL, that have a lower take rate, and we have other products that are smaller but that we monetize more. So you might see AUM go up, but revenue doesn't go up by the same amount. But you can also see that AUM sometimes declines a little bit and revenue still continues growing. It's not a straight line, one or the other, because it depends on the composition of the AUM. As we mentioned in the earlier question, depending on how the product is being served by us, we monetize more or less. It also depends on the fees of the product itself: some products, like treasuries, have lower fees, and some other products, like high income or credit products, have much higher fees. So it's not a correlated line. I think you could build a model, because you can go through all the prospectuses of the different funds, and you can reverse engineer

that if you wanted to. I'm not going to do your job, but there is a model that could be built based on that.

Now, on the transaction side, as we mentioned, we put it out as an indication of the health of the platform, because we believe that if a platform is stalled, like platforms out there where somebody invests and nothing happens, then you should suspect that maybe that is not organic usage or adoption of the product, because people move money in and out depending on market conditions, depending on what they're doing with it, et cetera. So we think that it's a healthy metric to track: how many inflows and outflows and other transactions happen on the platform. We are not monetizing that today except for a very, very small percentage. But as things like equities take off, transactions, as I mentioned before, are going to be one of the main metrics of how we monetize, and as we start bringing retail flow, launching other trading venues, et cetera, that will become more meaningful and be monetized in the future.

Pete Christiansen Analyst, Citigroup

No, that's helpful. That's a good suggestion too. I think we're going to have to track these things individually. But, no, that's super helpful. I think the RiverOne acquisition is super interesting. I'm trying to understand it a little bit as an enabler versus an adjacency, that kind of thing. But I guess it comes down to why you needed to acquire them. Why not just partner with an existing private credit manager, that kind of thing? What does having RiverOne in-house enable you to do to really get this specific use case, this specific market opportunity, going?



Carlos Domingo Chairman & Chief Executive Officer, Securitize

So we already partner with private credit companies, and we distribute private credit products. The reason to acquire RiverOne, which is an originator, is precisely to move up in the value chain from a monetization perspective, because that part of the business is much more profitable, or has a higher take rate, than just the pure asset servicing or tokenization of a private credit business, which is something that we were already doing.

And the reason to acquire the platform is because it's very hard to find the combination of skills. Two of the founders have done more than twenty-five years in asset-backed finance but are very tech and crypto forward. And Simon, the other founder, has been doing onchain infrastructure for stablecoin platforms and has worked on the Sky protocol and some of the startups like 0VIX. They already have the full platform built. They have the skills. They have the tech, the AI underwriting, et cetera. So yes, we could have built that, but it was going to take us eighteen to twenty-four months. At the same time, for them, being part of Securitize now gives them an opportunity to become part of a larger, more institutional platform. It will allow them to scale their business much faster than if they had to go and try to convince people to lend them money or to borrow from them, which, being an earlier-stage startup, is more challenging from a credibility perspective. So I think it is a good mix for both. For them, we give them a platform to scale their business much faster. For us, it gives us an adjacency, as you

said at the beginning, getting into another portion of the value chain that we didn't participate in before, and that we believe long term will be higher revenue and more profitable.

Pete Christiansen Analyst, Citigroup

But do you think this is an example? It's like you're almost coaching the market on what onchain lending downstream is going to look like in the future. You're almost an example in this sense. Do you see other credit shops potentially mimicking this type of model at some point?



Carlos Domingo Chairman & Chief Executive Officer, Securitize

Well, once we have this infrastructure, we'll be able to borrow and manage loans onchain from stablecoin holders and providers. We hope that other credit platforms come to us. This is a platform. We're not going to be only the ones providing the loans or doing the lending. You should think of this more as a marketplace in between. And as I mentioned, this is very early days. There are very few people doing this, but I think that, given the scale of the stablecoin economy, it's ripe for this type of approach to come now. We have programmable money, but we don't have programmable credit. That makes no sense. So I think we're going to be the ones, hopefully, bridging the gap between programmable money, which is stablecoins, and programmable credit, and how you can then manage those loans and the lenders in a much more efficient way using onchain infrastructure.

Pete Christiansen Analyst, Citigroup

Interesting thesis. Thanks for your thoughtful answers.

Operator

There are no more questions at this time. I'd now like to turn the call over to Sam Ross, Head of Investor Relations, for closing remarks.



Samuel Ross VP, Head of Investor Relations, Securitize

Great. Well, if there are no further questions, thanks for joining this evening's call, and we look forward to speaking with you all again soon.

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