Securitize Corp. Second 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
Mark Palmer — StoneX
Aditi Balachandran — Citigroup
Chris Brendler — Rosenblatt Securities
John Todaro — Needham & Co
Gareth Casetta — Cantor Fitzgerald

Samuel Ross VP, Head of Investor Relations, Securitize

Thank you, Chase. Good morning and thank you all for joining Securitize's second quarter 2026 earnings call. For our prepared remarks today, 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 join 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

Good morning, everyone, and thank you for joining us for our first earnings call as a public company. Close to 9 years ago, when I started the company with my co-founders, this moment was a distant dream. Today, it has become a reality and I am incredibly excited to be here. Before I discuss the quarter, I want to thank the Securitize team, our customers and partners and our investors who believed in Securitize and the opportunity from the start. Now, let me tell you why this moment matters; for more than just us at Securitize.

For years, the debate around tokenization was whether it was real. Would financial assets actually move onto blockchains? Would this remain a crypto experiment at the edge of the financial system? That debate is largely over. The question is no longer whether capital markets move onchain. It is how fast, and which companies will build the regulated infrastructure that enables that transition. We believe this represents one of the largest shifts in financial market infrastructure in a generation. And we intend to be the company that leads that shift.

In an emerging industry like ours, and particularly as a newly public company, the numbers alone do not tell the full story. What matters is what those numbers tell us about our progress towards a much larger goal: the adoption of tokenization across global capital markets. With that in mind, I want to begin somewhere different from where most earnings calls typically begin. First, I want to walk through who we are, and what we do. Then, I'll discuss the size of the opportunity ahead of us and our strategy to win. From there, we'll move into our second quarter business highlights. Given how large and diversified this industry is, we'll break those highlights down across the key areas of the market where we are focusing our efforts. Finally, I'll provide an update on the regulatory environment before handing the presentation over to our CFO to walk through the financials.

Let's start with our stated mission: Tokenize the world. Capital markets today still run on outdated ledger technology. A single transaction can require updates across multiple siloed ledgers, all of which need to be reconciled and coordinated through a web of intermediaries before that transaction can successfully settle. Our thesis is very simple. The underlying plumbing of global finance comes from the 1970's: archaic ledgers, manual settlement cycles, and the constant need to reconcile siloed systems, was built for a world of couriers and physical document transmission. That world has disappeared, but the infrastructure remains. It persists not because it is efficient, but because it is deeply entrenched - and because many institutions have been incentivized to equate that entrenchment with quality. For years, skeptics argued that blockchain was a technology looking for a problem. They insisted that the major incumbents would never adopt it and that regulation would stifle the industry from growing. These claims were made with absolute certainty but the market has already changed dramatically and they are no longer true.

Our technology and regulated stack is modernizing how capital is raised, managed and traded. That means broader access, always on markets, significant operational efficiencies, lower structural cost, fewer intermediaries, and more transparent ownership.

Securitize provides the most comprehensive regulatory stack for asset issuers looking to move their securities on-chain. It begins with our regulated transfer agent, a first in the industry registered back in July 2019 before transfer agents were sexy and crypto companies were purchasing them or registering new ones. We complement this with the largest digital fund administration business in the industry. We have further expanded our stack through our investment adviser, which became a fully registered investment adviser in early Q3. That gives us the ability to manage or co-manage tokenized assets alongside our customers. Together, these capabilities allow us to provide an end-to-end service to asset managers and issuers for their tokenized assets. But issuing is only one side of the story. Tokenized assets also need to reach investors. This is why Securitize has operated a broker-dealer and alternative trading system since late 2020. These capabilities support both primary distribution and secondary market trading of our customers' tokenized assets, giving investors the ability to access them within a strong regulatory framework and the protections they expect from traditional markets.

But tokenizing an asset and putting it on blockchain is only the beginning. To become truly useful for investors, tokenized assets need to be integrated throughout the onchain financial ecosystem. Over the years, Securitize has built the most comprehensive ecosystem of integrations in the tokenization industry. We've integrated with 23 different blockchains, including all the major ecosystems. We work with many of the largest qualified custodians, as well as leading oracles providers that bring asset pricing onchain. We've also built integrations across major DeFi protocols and stablecoins, with support from leading prime brokers and market makers. And all of that is surrounded by an interoperability, security and compliance layer designed for Web3 markets.

And this is how we win. Since 2018, we have been building the largest and most comprehensive technology platform in the tokenization industry. A platform that is supported by the broadest and most compliant regulatory stack. That combination has helped us attract the largest institutions in the world. Companies like Apollo, BNY, BlackRock, or Hamilton Lane have chosen to issue their assets with our technology and put their trust with us. That creates a flywheel. Having high-quality assets drives investor adoption of our platform. Greater investor adoption creates additional demand from issuers, and that, in turn, brings more assets onto the platform.

We're very proud of our work to date, but the real opportunity lies ahead of us. Let's now focus on how we're tackling this accelerating market. Tokenization is growing faster than any other part of the digital asset ecosystem, but the industry is still in its infancy. Today there are roughly $38 billion dollars of assets tokenized on public blockchains excluding stablecoins. However, most analysts predict that figure to grow into a multi-trillion-dollar market over the next five years… with that growth distributed across multiple asset classes.

So lets talk about when and where we see that growth happening. As we stated, our long-term ambition is to tokenize the world, which in time means every single financial asset. But not every asset class is equally ready today to benefit from tokenization. Some categories, like treasuries, are already growing at a meaningful scale. We have established a leadership position there that I will expand on shortly. Other categories, like equities, bonds, and credit, are earlier in their adoption curves and are ready to scale. Some others like Alternative Assets or Real Estate we believe will take longer. The rate of adoption, the size of the addressable market, and the opportunity we see over the next five years informs our strategy and focus.

Today, much of the tokenization economy revolves around the $2 trillion dollar crypto market. Think about the participants in that market. These are retail and institutional users who are already familiar with wallets, transaction signing, stablecoins and other crypto-native tools. That makes it easier for them to benefit from tokenized assets today. But as we've mentioned, the much larger opportunity is the shift to traditional financial institutions and investors. That expands the addressable market 200X from $2 trillion dollars to $400 trillion dollars. So while we continue to scale our business with crypto-native markets, we are also preparing for much broader adoption of tokenized assets by traditional finance participants.

From a monetization perspective, our strategy is also evolving. Today, we primarily monetize the creation and servicing of assets through our transfer agent and fund administration business. Over time, we see an opportunity to move upstream and capture more value from the growing transaction activity these assets generate. That includes trading and on and off-ramping as examples. We have started to do a bit of that but there is a larger opportunity ahead. We also see a large opportunity to become a more active participant in the onchain economy, where tokenized assets can be lent, traded, and used as collateral.

As we mentioned, tokenization creates new opportunities depending on each asset class. In this next section, we'll walk through the three areas where we are most focused today: Treasuries. Yield-bearing assets. And Public Equities. I'll explain why we believe each category matters, how we are approaching it, and the progress we've made in each area.

Before we dive into each area, I want to quickly highlight how productive the second quarter and overall this year has been so far for Securitize. We expanded major institutional partnerships, continued building the utility of our assets across DeFi and onchain markets, and added important new regulatory and market-infrastructure capabilities. These are all important building blocks for the business, and we'll walk through each of them in more detail over the next several slides.

First I want to emphasize that Securitize continues to be the largest tokenization platform in the industry. We were the only platform with more than $4 billion of assets at the end of Q2, and in early Q3 we surpassed $5 billion, becoming the first tokenization platform to reach that milestone as well. Currently no other platform has surpassed the $4B AUM market except us. We've mentioned the diversity of the products we strive to provide. Well, we are also the only platform with more than seven individual assets that exceeded $100 million in AUM, products that span multiple asset classes. We are the leader in permissioned tokenized treasuries. We have the largest tokenized equity in the industry, SECZ our own NYSE listed stock. More on that later. We have the largest tokenized institutional fund - BCAP at close to $1 billion of AUM. We also have one of the largest tokenized credit fund platforms, with more than $450M in AUM. We are not only the largest we are also winning in many categories.

As you can see in this chart on the grey line, crypto marketcap peaked in late Q3 2025 and has since then continued declining each quarter to be now at around 50% of the size that it was back then. While we saw some outflows during Q4 and Q1 as a result of the market downturn, our AUM has recovered successfully and in Q2 we were back at $4.3B and as I mentioned in Q3 we exceeded $5B which is our all-time high in tokenized assets. So we have now basically decoupled from the crypto market direction and are now growing while crypto is declining.

We also closely track transaction volume across our platform. Transaction volume is important for two reasons. First - it is an indicator of the health and utility of our products. Second - we believe it represents an important future monetization opportunity that we have started to explore. There was an unusually large increase in Q4 last year, when one of our customers generated significant peer to peer transaction activity across its holdings, followed by a decline in Q1. Outside of that event, transaction volume across the platform has been growing steadily and in Q2 we had $5.3B dollars in volume and a healthy 170% growth from last quarter.

Our fund services business was also initially impacted by the decline in crypto prices and activity that followed the October 2025 crash that was driven by lower digital asset prices which reduce the value of the assets in the funds and therefore the AUA. Also, a few funds having to close as a result of deteriorated market conditions. However since then, our AUA has remained relatively steady at around $24 billion for the past three quarters. It’s very important to note that our Assets Under Administration stayed consistent even as the larger crypto market cap continued to decline, as you can see here on the gray line on this chart. We believe that speaks to the quality and resilience of the fund managers that use Securitize to service their businesses.

Since we’ve gone public, we’ve had to overhaul our Board of Directors. As you can see we have assembled a very strong board with a combination of both tradfi and crypto as well as company veterans and fresh blood that we think will strongly help us in this new stage as a publicly traded company.

Let’s now look at the business through the lens of each major asset category, starting with yield-bearing assets and treasuries. Yield-bearing assets are in high demand among crypto market participants. They can be used as reserve assets, or treasury-management tools for protocols. They can also be used as collateral for trading and lending across centralized and decentralized markets.

This is why we’ve focused on building a broad spectrum of products in this category. At one end are highly liquid, lower-risk products such as treasuries. We’ll go into more detail on our work with BlackRock and VanEck there shortly. At the other end of the spectrum are higher-yielding products with greater risk or duration, including private credit strategies from firms like Apollo and Hamilton Lane. Earlier this year, we began filling the gap between those categories with the launch of a AAA CLO Product with BNY and more recently in Q2 with the USAFi product with Atlas. For the rest of the year, we will continue to expand that spectrum with products across areas like corporate bonds, asset backed securities, and other high-yield strategies.

Tokenized Treasuries have been one of the fastest-growing categories in the entire digital asset and tokenization ecosystem. The major catalyst for this growth came in March of 2024 when BlackRock chose Securitize to launch BUIDL. The chart speaks for itself. When BUIDL launched, the total AUM in tokenized treasuries had not even reached $1 billion. Today, the market has grown to over $16 billion across a total of 87 total products. That represents market growth of 20x or a CAGR of 250%. As that market has grown, Securitize has solidified its leadership. Today, treasuries tokenized by Securitize represent 20% of that market. And while the growth of that market has been impressive, we believe there is still significant room to grow. If you look at Stablecoins today, they represent about a $300 billion market. In traditional finance, the treasury market is considerably larger than the amount of dollars in circulation. So we expect tokenized treasuries to continue growing with that pattern in mind.

As mentioned, we have established a leadership position through our work with BlackRock and now we are expanding our product portfolio from private treasury funds into registered funds through the launch of BlackRock's second tokenized fund - the Daily Reinvestment Stablecoin Reserve Vehicle or BRSRV. This is the second BlackRock fund tokenized by Securitize, and is a registered fund designed for use as a stablecoin reserve asset to address the opportunity created by the GENIUS Act. Serving registered funds is a significantly more complex and demanding task for a transfer agent so we are very pleased that we managed to meet BlackRock's requirements to manage this newly created registered fund. One detail that is particularly interesting is BlackRock's decision to include the word's "Daily Reinvestment" in the name of the product. That capability illustrates one of the advantages of putting these assets onchain. Using our infrastructure, interest can be efficiently reinvested on a daily basis with a simple blockchain transaction. The process requires significantly less manual intervention and reduces the potential for reconciliation errors. BUIDL, and now BRSRV are differentiated within BlackRock's treasury-based product portfolio, which typically allows for monthly reinvestments only with our two funds being the only ones that do daily reinvesments. Our ability to support daily reinvestment allows interest to compound more frequently and can enhance the resulting return for investors making the product more attractive.

We also announced our partnership with Atlas Capital, founded by renowned economist and longtime crypto skeptic Nouriel Roubini. Atlas has developed a product called USAFi under a novel concept of a "techno-dollar", a diversified strategy combining Treasuries, gold, real assets, and strategic commodities that is designed to be resilient across different macroeconomic environments because it is not just back by dollars and T-Bills. The planned USAFi token will provide a digital representation of that strategy under the novel Dubai's VARA framework. For Securitize, this is significant for two reasons. First, it brings another differentiated yield-bearing asset onchain, with a structure designed, as we mentioned, to be resilient across different macroeconomic environments. Second, this marks our first collaboration under VARA in Dubai and gives us a foothold to expand our issuance business in one of the world's leading digital-asset jurisdictions. It is another example of how we are expanding both the types of assets we tokenize and the markets in which we can operate.

As I mentioned earlier, one reason we are investing heavily in yield-bearing assets is that we believe they can become a superior form of collateral. That applies both to centralized derivative exchanges, across crypto and traditional finance, and to DeFi protocols. In some cases, the advantages come from bringing high-quality assets like treasuries onchain. In other cases, it comes from enhanced collateral mobility. Tokenized assets can be posted, transferred, and redeemed onchain 24/7 and near instantly. The Centralized Trading opportunity is very large, potentially reaching $ 2 trillion dollars by 2028 with potentially $600 billion of that coming from treasuries and tokenized money market funds. On the DeFi Side - Standard Chartered projects the market could reach $2.7 trillion by 2030. Tokenized assets today represent a small percentage of collateral used across lending protocols, but that percentage is growing. If Tokenized assets make up 10% of that market, that would be a $270 billion market cap. We believe this creates a significant opportunity as DeFi protocols are already building mechanisms to integrate tokenized assets into permissionless environments and we are actively supporting this effort with our regulatory expertise.

This shift is already happening - as you can see from this chart. While stablecoin reserves have been from crypto derivative exchanges have been stagnant, or even declining, the use of treasuries is increasing. Securitize has already secured integrations for BlackRock's BUIDL across major crypto derivatives exchanges, including Crypto.com, Deribit, Binance, and more recently in this quarter, OKX using Standard Charter custody solution. These integrations increase the utility of BUIDL and help drive further adoption. The next step is to extend that model to traditional finance derivatives exchanges, like CME, following the CFTC's recognition of tokenized treasuries as an acceptable form of collateral.

We have also continued making progress on the DeFi side. For some time, we have been working to integrate tokenized assets compliantly with all the major DeFi Lending protocols, including Aave and Morpho. This quarter, we unveiled two onchain liquidity facilities through our partnerships with Ethena and Grove, which is part of the Sky ecosystem. We also made progress through integrations with Loopscale and Zharta to enable recursive lending. This allows yield-bearing assets to be leveraged multiple times in an efficient manner while maintaining controls around the collateral and its liquidation. This is extremely difficult to achieve in traditional finance markets, where lending and issuance processes remain much more manual.

On the previous slide, I mentioned our ability to integrate with permisisonless DeFi ecosystems in a compliant way. A key part of that capability is the technology called Vault Registrar, which we released publicly during the quarter. Vault Registrar allows investors to create vaults that function as smart escrow for collateral. But.... We believe this opportunity grows much faster as two supertrends: tokenization and AI converge together. We see this technology as part of the foundation for a compliance layer supporting agent-based tokenized finance. We believe AI-powered agents will increasingly become a standard way that trading occurs on the internet. That will be particularly relevant for tokenized assets because those assets are natively digital, and programmable. We intend to help lead the industry's development toward that future.

Finally, let's move to tokenized equities. This is one of the largest opportunities in the market given that U.S. equities and ETF market alone exceeds $100 trillion. Think about that. If only 2% of that market moves onchain, it would double the size of the crypto market today. But

Tokenized equities currently represent about $2 billion - this is still a rounding error relative to the size of the underlying market. And many of the activities is currently synthetic exposure that is offered outside of the United States regulatory framework.

The SEC recently outlined a taxonomy that divides tokenized equities into three broad categories. First is issuer-sponsored tokenized equities. In this model, the issuer chooses to tokenize its shares through its registered transfer agent. The token represents the share itself, preserving the applicable shareholder rights without introducing counterparty risk. This is the model Securitize demonstrated with our own equity, which I'll discuss in a moment.

The second category is the custodial third-party model. Here, the token does not represent the underlying share. Instead, it represents a claim on an asset held by a regulated intermediary. This is also a regulated model available in the United States, and it is the approach that the DTCC is pursuing. We welcome the involvement of a major incumbent like DTCC into the space. Their entrance into tokenization expands awareness of the opportunity and encourages traditional financial institutions to think seriously about tokens and wallets. At the same time, we believe this model remains more closely tied to the existing intermediated architecture of traditional finance. Long term - we continue to believe there are significant benefits to bringing assets directly onto public blockchains and enabling permisionless innovation around them.

The third category is the synthetic exposure we are seeing through offshore wrappers. These structures are generally not available in the United States given that they are not compliant with US regulations. They introduce additional intermediaries and counterparty risk, while potentially creating multiple derivative representations of the same underlying asset, fragmenting liquidity. We do not believe regulatory arbitrage is the most durable long-term model for tokenized securities, and it is not the approach we are pursuing.

So what is Securitize doing to position itself to win in this large but still-emerging market? We have assembled what we believe is the most comprehensive and consequential set of partnerships in the tokenized equities industry. And we are only at the beginning of connecting tokenized equities and ETFs with existing capital markets infrastructure.

First, Securitize has been selected as the tokenization partner for the first- and third-largest transfer agents in the industry. Computershare is the largest global transfer agent and serves close to 60% of the S&P 500, as well as more than 2,500 U.S. publicly traded companies. Continental Stock Transfer is the third-largest transfer agent and has a particular strength among small- and mid-cap companies, IPOs, and SPACs. Together, these relationships give us access to very different segments of the public-company market.

Second, we have partnered with the New York Stock Exchange, the world's largest equities exchange, as it develops a digital ATS designed to support 24/7 trading and instant settlement of tokenized equities and ETFs alongside its traditional business. Securitize has been selected as a design partner for the ATS, as well as an initial transfer agent and tokenization partner. Our broker-dealer is also expected to connect to their ATS and provide investor flow.

Third, we have partnered with Jump Trading, the largest crypto market makers and one of the largest proprietary trading firms in the world. Jump is acting as a market maker for tokenized equities, beginning with our own SECZ.

And finally, we want tokenization to extend beyond secondary trading into capital formation. We want investors with digital wallets to be able to participate in IPOs and secondary offerings in tokenized form. That is why we have partnered with Cantor Fitzgerald, one of the leading investment banks in SPACs and digital assets, to explore enabling these offerings through our infrastructure and recently expanded regulatory capabilities.

And I want to emphasize that the partnerships we have announced so far are only the beginning. We continue to have conversations with many of the largest participants in the industry that are highly interested in tokenization, and we look forward to building a broader ecosystem for bringing capital markets onchain through tokenization.

We also believe in walking the talk. So when Securitize became a public company, we did something that had never been done before: we made our own equity available onchain on the same day our shares began trading on the New York Stock Exchange. The same share and the same rights but in token format issued on a public blockchain. We do not believe onchain markets yet have the same depth of liquidity as traditional markets. But we do believe the two markets can be complementary and can coexist. So we put our own stock onchain through a regulated structure, using Continental as our transfer agent and Securitize's tokenization infrastructure. Tokenized SECZ was available on listing day, including to eligible investors in the United States. It immediately became the largest tokenized equity in the industry. More importantly, we demonstrated that it is possible to tokenize U.S. public equity within the existing regulatory framework. There is a tendency in crypto to assume that offshore synthetic structures are necessary because compliant tokenization cannot be done in the United States. We have always said that is not the case, and we have now demonstrated otherwise. We issued tokenized SECZ on both Avalanche and Solana, two of our long-standing ecosystem partners. Doing so also demonstrated our ability to support multiple blockchain ecosystems simultaneously through our multichain infrastructure.

But we did more than simply issue the shares onchain. We enabled tokenized SECZ to trade through atomic swap against USDC from self-custody wallets, with Jump Trading acting as a market maker using a very familiar process and UI for any person that has traded crypto onchain before. We did that while operating within the regulatory requirements governing public securities in the United States. So again, it is possible. The next step is to continue increasing the utility of tokenized SECZ and to bring additional equities onchain.

For anyone listening to this call who wants to experience this directly, I encourage you to visit stocks.securitize.io. You can create a Securitize ID, complete a simple KYC process, Connect a wallet, And use USDC to begin trading.

For anyone who has traded crypto before, the experience should feel very familiar. And if you haven't we encourage new users to introduce themselves to the platform and technology we're so proud of. When you purchase tokenized SECZ, you receive the shares directly into your wallet, at pricing tied to the traditional market. The key difference is that settlement happens immediately into your wallet, allowing you to hold, use or transfer the asset directly rather than relying entirely on a third-party broker-dealer to custody it for you.

Let me now close with a brief update on the regulatory environment. Under Chairman Paul Akins, the SEC has taken a much more constructive approach toward tokenized securities. Over the past year, we have seen greater clarity around the use of public blockchains by transfer agents, broker-dealer custody, and the different models for tokenized securities. We have also continued expanding our own regulatory capabilities. Securitize Markets now has the ability to custody and facilitate trading of tokenized securities, support atomic settlement against stablecoins, and participate in initial and secondary tokenized offerings. There are additional regulatory developments under discussion in Washington that should make it easier for tokenized markets to grow, including an innovation exemption and more practical custody frameworks and the SEC has announced that some of this things are coming as soon as Friday this week. We would certainly welcome those developments. But importantly, our business does not depend on them although it will benefit from them. Securitize has spent years building within the existing U.S. regulatory framework. We are already issuing, servicing, trading, and settling tokenized securities today. So additional regulatory clarity can accelerate the market and expand our opportunity. But we do not need to wait for Washington to build the business. We are already operating.

Let me close where I started: with our mission to Tokenize the World. When we founded Securitize nearly nine years ago, that ambition sounded incredibly bold. Today, some of the largest institutions in global finance increasingly share that vision. As BlackRock's Chairman and CEO Larry Fink has said, "Every stock, every bond, every fund — every asset — can be tokenized." We agree with our partners at BlackRock. And if that is where financial markets are going, the opportunity in front of Securitize is enormous. We have spent nearly a decade building the technology, regulatory infrastructure, products, and institutional partnerships required to make that future possible. We are still early, but the direction is becoming clearer every day. And we believe we have never been better positioned to do it. With that, I'll turn it over to our CFO, Francisco Flores, to walk you through our financial results.

Francisco Flores Chief Financial Officer, Securitize

Thank you, Carlos.

Good morning.

I'll just briefly echo Carlos' comments that it's great to be with you all for our first earnings call as a public company and I look forward to engaging with all of our investors and analysts going forward.

For my prepared remarks today, all referenced growth rates are on a year-over-year basis, unless I indicate otherwise.

Now onto the second-quarter results.

Total Revenue was $14.4 million in the quarter, down 5% versus the prior year period, driven by lower Tokenization revenue, partially offset by continued growth in Asset Servicing revenue. Despite the quarterly decline, Total Revenue for the first half of 2026 was $33.9 million, an increase of approximately 16% versus the prior-year period and a record half for the Company. Tokenization revenue was $7.9 million, a decrease of 12% versus the prior year period, primarily due to fewer new on-chain integrations, as the prior-year period had benefited from a number of new protocol launches. As you might recall, tokenization revenue tends to be a bit more volatile on a quarter-to-quarter basis, reflecting the project-based nature of on-chain integrations which can vary between periods based on the number, timing, and mix of completed projects.

Asset Servicing revenue was $6.6 million, an increase of 3% versus the prior year period, driven by growth in the underlying business.

Turning to expenses:

Total operating costs and expenses were $24.1 million, an increase of $8.7 million, or 56%, driven by higher compensation and benefits, higher SG&A — including professional services fees as we prepared to become a public company — and higher cost of revenue.

Compensation and benefits were $10.5 million, an increase of $2.5 million, versus the prior-year period. The increase reflects continued headcount growth, including several senior hires added in connection with our transition to being a publicly traded company.

SG&A expenses were $8.2 million, an increase of $4.7 million versus the prior-year period. The increase was largely attributable to the underlying growth of our businesses, increased conference and marketing expenses heading into our public listing, as well as approximately $1.9 million of one-time costs associated with our public listing - including professional and consulting fees.

Cost of Revenue in the second quarter was $4.0 million, an increase of approximately $0.5 million, or 13%, predominantly driven by revenue-generating headcount expansion. As a reminder, 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. On a sequential-quarter basis, Cost of Revenue decreased $0.5 million, or 11%, consistent with the lower Asset Servicing revenue in the second quarter.

Provision for credit losses increased by $1.2 million versus the prior-year period, primarily related to a terminated contract with a single protocol which was not able to meet its financial obligations. As a result, we do not anticipate any additional financial impact related to this contract going forward.

Turning to non-operating expenses in the second quarter.

Interest expense was $1.1 million, a decrease of $0.3 million versus the prior-year period. Recall, on July 1, 2026, at the close of our business combination, all outstanding convertible notes, approximately $80 million in total, converted into equity. As a result, we do not expect any material interest expense in the third quarter of 2026.

Adjustments to the fair value of complex financial instruments led to a combined expense of $11.7 million. This includes a $4.3 million loss associated with SAFE agreements and a $29.3 million charge for option liabilities, largely offset by a $21.9 million unrealized gain from derivative liabilities. While there are some moving pieces in each of these line items, in the aggregate, the total expense for complex financial instruments was driven by; a combination of actual shares exercised and issued as part of Securitize going public, versus prior estimates, as well as the impact from the final price per share for these shares versus the previously modelled price per share. Importantly, I'll point out that these line items do not have a cash impact. Obviously, given that these expenses were all related to us finalizing the business combination, we do not anticipate any material impact in these line items going forward.

Looking at Adjusted EBITDA;

Adjusted EBITDA was negative $5.5 million, compared to positive $1.8 million in the prior-year period, a decrease of $7.3 million. The decrease was primarily driven by higher Compensation and Benefits as we continued to scale the business, higher SG&A expenses, including professional and consulting costs associated with becoming a public company, and the modest decline in Total Revenue.

For the second quarter of 2026, Securitize reported a GAAP net loss of $21.7 million, compared to a net loss of $6.1 million in the prior-year period, an increase of $15.5 million. The higher year-over-year net loss was primarily driven by higher expenses, including headcount growth to support the expansion of our business and prepare for being a publicly traded company, along with non-recurring costs associated with the Company's public filing process. The higher net loss also reflected higher non-cash fair value losses resulting from the periodic remeasurement of our financing instruments, as well as lower revenue versus the prior-year period.

Net loss per diluted share in the second quarter was $2.37, compared with a loss per share of $0.72 in the prior-year period.

From a capital and balance sheet perspective, let me remind you that when we closed our business combination on July 1st, it resulted in approximately $350 million in net cash and liquid securities on our pro forma balance sheet, with zero debt, or roughly $2.00 per share in net cash.

Now, before I discuss our updated financial outlook for 2026, I thought it would be helpful to ground everyone on where the industry is now versus where it was when we last provided our outlook back in November 2025.

There were several macro assumptions that were embedded into our outlook, which so far, are playing out well short of our initial expectations. For instance, in the fall of 2025, the overall crypto market was nearing all-time highs of $4 trillion. We had assumed at the time that the overall crypto market would continue to grow to roughly $5 trillion by the end of 2026. However, the market has clearly taken a step back with the overall crypto market below $2.2 trillion. Similarly, we had assumed that the overall stablecoin market would grow from approximately $300 billion at the time, to around $450 billion by the end of 2026, though this market has been largely stagnant - currently sitting at roughly $300 billion. Lastly, we assumed that the overall RWA market would grow to roughly $77 billion by year-end 2026, and this market has also experienced more modest growth than we had hoped, now sitting at approximately $38 billion. All of these factors have impacted our AUM growth expectations, which we were initially targeting $9 billion by year-end 2026. And while we have seen a good rebound off the bottom earlier this year, we sit here today in August with AUM of roughly $5.0 billion.

However, despite the industry headwinds, we continue to see very healthy levels of engagement with asset issuers and a strong demand for products – both for tokenized funds and equities. You see this momentum with the announcements Carlos mentioned, such as the NYSE partnership, the Computershare agreement, and Continental announcement, as well as several other initiatives we have in the pipeline that we believe will accelerate our growth trajectory.

And so while we are managing our business through this volatility on the crypto side of the industry, momentum on the tradfi and tokenized equities side of things provide some solid tailwinds to support the business.

As you may recall, when we provided our initial 2026 revenue outlook, we indicated that we had expected $85 million in revenue that was either contracted or based on AUM at that time. And while we continue to expect to recognize the vast majority of this revenue, given the lower AUM trends, and the other industry headwinds I just mentioned, we now expect Total Revenue to be in a range of $70 to $80 million for the full-year 2026. I'd note that at the midpoint of this range, it still implies a growth rate of more than 20% which is quite strong against the current macro backdrop.

In conclusion, the pipeline remains very strong across our businesses, and we see healthy organic growth ahead despite the industry headwinds I just outlined. When we look at the industry leading firms we are already working with, the key partnerships we have entered into so far this year and the strength of our balance sheet, we believe that Securitize is well-positioned to capitalize on the secular tailwinds towards tokenization - which we believe is still in its infancy.

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 begin the question-and-answer session. Please limit yourself to one question and one follow-up. Your first question comes from the line of Devin Ryan with Citizens Bank. Your line is open. Please go ahead.

Devin Ryan Analyst, Citizens Bank

Good morning, Carlos, Francisco and Brett. Congratulations on getting to the public markets here and on your first call. I want to start with a big picture question on the opportunity. You made obviously tremendous progress getting to 5 billion of tokenized AUM and you mentioned 7 assets above 100 million. At the same time, that's very small relative to your current customer base, which has tens of trillions in AUM, and many of them are vocal about wanting a lot of their assets to move on chain over time, so when you talk with your existing asset management partners today, what is driving the decision to think about launching that second or third tokenized product? What are the decision points? What are the gating factors? And then if you can just weave in – how you think about the incremental economics as additional funds launch relative to that kind of initial launch with those partners.

Carlos Domingo Chairman & Chief Executive Officer, Securitize

Thank you. I think most of our partners want to launch one first and then see it move successfully and get familiar with the entire process. And also one thing you need to think about is when we launch a product, the product doesn't just stay there. So if you think about BlackRock BUIDL even though it launched in March 2024, until we announced the second one recently, the BUIDL Reserve we actually have been making a lot of progress in increasing the features of the fund. So it eventually launched on Ethereum only. It was a monthly dividend. Over time we moved it to multiple different chains. We also moved it from monthly to daily dividend, which now the BUIDL Reserve, as we mentioned in the call, is also daily dividend reinvestment. We added on chain data, integrating with Oracle. So there's been a lot of progress in the product itself, improving it to integrate more features before they make the decision to launch the second one. So with the rest of the partners that we have, it's kind of like the same journey. They want to launch something first, see how it's being consumed, how the features can be improved over time before they move into the second one. But obviously we think that most of these products, because they've been successful in the market, will lead to other launches in the future with the same partners.

Francisco Flores Chief Financial Officer, Securitize

Yeah, Carlos, if I could add. Hi, Devin, thank you for your question. In terms of incremental economics, it's important to understand that our platform exhibits high operating leverage. We have already made most of the investments needed to support the infrastructure. So as we continue to scale in terms of AUM and transactions, we will see improved margins flowing down to the bottom line.

Also, as Carlos mentioned, as our business becomes more mature, onboarding new asset managers becomes more efficient because we require less resources. It’s the same dynamic whenever we try to launch new products with existing clients or the second type of an existing product category, we become more efficient. So as we continue to launch products, we will improve our economics considerably.

Carlos Domingo Chairman & Chief Executive Officer, Securitize

It's easier for us to launch another product with an existing asset manager that we already have a contractual relationship than to onboard a new one. The process of onboarding to become a service provider for a large asset manager is very lengthy. Most people don't realize that it's very demanding. There is a lot of due diligence involved, a lot of legal red tape to negotiate contracts, terms, et cetera. So this is why we're looking at not launching with hundreds of different asset managers, but launching with few selected ones and then try to scale from there.

Devin Ryan Analyst, Citizens Bank

Excellent. Thank you so much. And then just my follow up question, I want to dig in a little bit on tokenization revenue and some of the components that go within that because I think, obviously there's a lot of drivers within that line item. And so, if you were just looking at kind of a yield on assets as a brute force way of modeling, and based on the disclosure, I think that's the way some investors are looking at it. And so you had the first-quarter yield over 140 basis points on AUM and then dropped down to a little bit over 70 basis points in the second quarter. It would seem that in order to get to your full-year guidance on revenues that there's probably a step up from the second quarter. I appreciate that they're volatile, but just how should we be thinking about the components of tokenization revenue and how much to get to the 70 to 80 million total revenue guide is based on a spread on AUM growth versus transactional that is going to fluctuate, Again, I think the second quarter is probably a little bit lower yield, but also there's a lot of components that go into it.

Francisco Flores Chief Financial Officer, Securitize

This is a great question. Thank you, Devin. Let me start by saying that currently, our AUM based revenue is not material. It's still growing and it has grown in line with AUM growth. But the majority of the revenue from tokenization is still related to the expansion of our ecosystem by integrating new protocols. Regarding transactional based revenue, this is an opportunity for the medium-to-long term. So currently very little of that volume is being monetized. In regard to the revenue guidance, I think it's important to understand that our revenue model separates tokenization and asset servicing. Asset servicing provides a stable recurring source of revenue, which is growing modestly quarter by quarter. So that is a portion of the updated guidance. And then the remaining portion is currently driven by the protocol integrations, and a small portion of AUM based revenue that is going to become more meaningful in the medium term.

Devin Ryan Analyst, Citizens Bank

Excellent. If I could just squeeze one more because it's related. Just as we hopefully move to a world where tokenized equities are scaling materially, how will the economics on that look relative to the economics on the funds? If you could just walk through briefly for everyone, the revenue opportunities in a tokenized equity world, to the extent we see material scaling there over the next couple of years.

Carlos Domingo Chairman & Chief Executive Officer, Securitize

I can take that one. So on the tokenized equity side, we think that because equities are very liquid assets, there will be a lot more trading than some of the other assets that we hold that don't move a lot because they're more reserve assets like Treasuries or credit or other things like that. So we think that transaction monetization is going to be more meaningful compared to just the pure tokenization and issuance and asset servicing portion of it. So as we announced in the past in the New York Stock Exchange relationship, we're not just the tokenization engine and the transfer agent, but we're also a broker dealer that can bring retail flow that obviously will monetize the transactions. So we think on equities, transaction monetization will become a much bigger component of our revenue as opposed to other assets where is more based on the issuance and the asset servicing.

 **Devin Ryan** Analyst, Citizens Bank

Excellent. I will leave it there, but thanks so much for taking the questions.

Operator

Your next question comes from the line of Mark Palmer with StoneX. Your line is open. Please go ahead.

 **Mark Palmer** Analyst, StoneX

Good morning and thank you for taking my questions. Wanted to ask about the expense base in the second quarter and how we should think about expenses during the balance of the year. And I guess this question is for Francisco. You know, how do you view the portion of the expense base that is structural versus what is transitional and as you are thinking about reaching positive adjusted EBITDA, how does that mesh out with the company's revenue projection or revenue estimate? Thank you.

 **Francisco Flores** Chief Financial Officer, Securitize

Thank you, Mark. So we have disclosed that year-to-date we spent approximately $3.5 million in one-time expenses associated with going public. Those are the one offs that we could separate from the ongoing cost base that we shouldn't see many meaningful expenses going forward. There's still some of these one offs that we will report in Q3 as part of closing the transaction, but nothing meaningful in Q4. And again, going into 2027, we shouldn't expect any one offs associated to this.

Operating expenses are increasing with headcount growth, which we expect modest growth through the remaining months of 2026. But we believe that by the end of this year we will end with the headcount structure that will allow us to operate as a public company and also to take advantage of the market opportunities in front of us. So you should see a very stable cost base in 2027 and going forward with minor increases adjusted for inflation and modest headcount growth. In terms of profitability, I think it's important to understand that most of our costs are fixed. So as we continue to scale volumes, AUM, and transactions, we will convert that directly into improved margins and improved adjusted EBITDA.

I think the only other comment that's important to add around the fact that we are no longer expecting a positive adjusted EBITDA in 2026 is that it’s not related to the economics of the business model itself. It's more related to the structural revenue disruptions caused by the events in the crypto market at the end of 2025. The operating model is pretty efficient in its core structure.

 **Mark Palmer** Analyst, StoneX

Very good. As a follow up question, just wanted to get your take on the state of the competitive environment in the tokenization space. And in particular when you are going after customer mandates for fund launches or equity tokenization, who are you typically bumping into? Are these standalone tokenization platforms that are specifically focused on this service or are you seeing larger entities such as exchanges and custody platforms that are getting involved in tokenization? Thanks very much.

Carlos Domingo Chairman & Chief Executive Officer, Securitize

Thank you. So obviously we are at a point in the market and I've been doing this for nine years, longer than anybody else probably, that there is a lot of talk about tokenization. So pretty much every company in the crypto space out there is figuring out how to participate in the tokenization space as well as all the tradfi companies, both service providers as well as asset managers.

We focus on issuer-led tokenization. So we talk to issuers, whether they are issuers of equities or ETFs, or they are issuers of asset managers that issue funds. We do not directly compete with people that are doing, let's say, third-party tokenization where they create derivatives and synthetics, et cetera. Those do not compete for the same business that we do because they do not approach the issuers. So we don't see them there. We see them in the market with our products, but not in the competitive processes to win mandates with issuers.

For that part, I'm going to break down the asset managers for the funds versus equity because it's completely two different segments of the market that are approached differently. On the equity side of things, we have struck the partnerships with Computershare and with Continental. So obviously within those we don't see any competition. It's just more about convincing the issuer that they need to tokenize because they already have their existing relationship with the existing transfer agent and we've already been chosen as the tokenization platform. And as you know, the other part of the market currently is Equiniti which is in the process of being acquired by Bullish. So that's on equity tokenization.

On the funds side of things, I think we're very focused on the tier one asset managers. We don't go after smaller ones. I think our strength is precisely in being able, as I mentioned, to go through the lengthy and complicated process of being accepted and onboarded by a very large, tradfi company like, for instance, BlackRock and others. So we don't get to see a lot of competition to be honest with you. I don't think that there is anybody out there that has the capabilities and the credibility and experience to be able to compete in this space. It's more about convincing to do it, identifying which product we want to launch, going through the onboarding process, et cetera.

Some banks now are launching RFQs. These are competitive processes. We don't get to see who else gets invited there, but we're participating in those. So hopefully soon we will see who else can compete there. But as I mentioned, there's not many companies because some of them may have a tokenization platform with transfer agents, but if they don't have a broker dealer they cannot participate in distribution. Some others are not regulated entities, so they're just not suitable for working with those companies.

And then on the transfer agency side, I want to emphasize that just registering as a transfer agent is not going to make you eligible to actually work with a large asset manager. It's a very complicated process. You have to have the experience, you have to have the operational capabilities, et cetera, to do it. We just went through the process of onboarding with BlackRock

Carlos Domingo Chairman & Chief Executive Officer, Securitize

for the second fund, which is a registered fund. As I mentioned in my remarks, it is a much more complicated process to manage a registered fund than a private fund. I don't think that there are many of the new tokenization platforms that have registered as transfer agents that can match our experience doing so.

And then of course there's a little bit of the traditional providers that are trying to get into the space. They have good brand names and existing relationships. I think that they lag behind us in terms of technical capabilities because obviously we've been building this for longer and we're a smaller, more nimble company that can move faster when it comes to developing technology.

Brett Redfern President, Securitize

Carlos, I would jump in for one second and thanks for that question, Mark. It's a great question. I think it's really important to point out that you have a global market and what we're seeing offshore is this synthetic product, which is being put out there, which is a very different kind of model than what we've been leaning into as Carlos suggested. That introduces counterparty risk and just won't fly in the U.S. And so when we think about the opportunity in the United States, this is where what we have in particular is uniquely positioned as Carlos mentioned. We have a broker-dealer; we have a transfer agent; we have an alternative trading system, so we will be able to do this in a regulated framework through regulated entities in the U.S. I think that the way we're trading our own stock demonstrates that. A lot of others didn't think you could even trade a security on chain in an NMS environment. So there's a really big difference in terms of just model composition. The other thing is obviously DTCC is trying to do things in the space as well. That is not native tokenization; but more of an entitlement model. We just don't think that has the same breadth of utility. So we think in the niche that we're in, we are particularly well positioned, uniquely.

Mark Palmer Analyst, StoneX

Thanks very much.

Operator

Your next question comes from the line of Aditi Balachandran with Citibank Group. Your line is open. Please go ahead.

Aditi Balachandran Analyst, Citigroup

Hi, thank you. Good morning and congrats on getting to the public markets. So I wanted to dig a little bit more into the DTCC October commercial launch and their tokenization program. So I think that your approach of owning the full stack is a key differentiator here. But do you see a scenario where tokenization is bifurcated or I guess split by asset class? So for example, Securitize would handle the private or foreign securities and DTCC would handle public or domestic equities. Is that something that you guys are thinking about or how you solve for that? Curious to know your thoughts. Thanks.

Carlos Domingo Chairman & Chief Executive Officer, Securitize

Thanks for your question. So first, as I mentioned in my remarks, we commend the fact that an incumbent in the industry and a very large company like DTCC is getting into tokenization. I think it's great. I think it's creating greater awareness towards the value proposition of tokenization. It's forcing all the market participants to think about getting wallets and using tokens, et cetera. Their model is very different than our model and the two models will coexist. So the DTCC is tokenizing the entitlements while the shares continue residing in a centralized securities depository. They're not going to change the settlement cycle. They're not going to change that only approved market participants can create wallets, and access is limited to a private chain so far. Our model differs insofar as it basically takes the shares out of the centralized depository and puts them on a public blockchain, where permissionless innovation can actually happen. I think that the two models will coexist. Obviously, we're going to move forward with what we do. As will the other companies in the space, like Bullish, that are doing the same thing. And then DTCC is going to move forward with what they do. I think both are kind of solving for different problems and going for different audiences. So I do see these two models coexisting in the market.

Aditi Balachandran Analyst, Citigroup

Got it. Thanks for that. And also, I know they're building on the Canton network so how would Securitize's chain agnostic model hold up if Canton emerges as the de facto institutional settlement standard?

Carlos Domingo Chairman & Chief Executive Officer, Securitize

So we're focused primarily on public blockchains. That's where innovation today is happening. And where, as I mentioned, permissionless innovation, where anybody can create protocols or create mechanisms to benefit from tokenization. Canton is more focused on the private side of things. For institutions, that's fine. I think these two models will coexist.

If you remember how other industries evolved over time, the Internet back in the day had the open Internet and it also had America Online and MSN, and those were closed ecosystems as opposed to an open ecosystem when the cloud emerged. And they also have intranets versus the Internet. Cloud also had private clouds versus the public clouds like AWS or Google Cloud or Azure from Microsoft, et cetera. So I think that's how industries evolve over time. When there is a new technology, the more traditional players and the incumbents tend to adopt the technology in a closed ecosystem environment as opposed to the new players that tend to move towards the most open environment where, as I mentioned, permissionless innovation can actually happen.

Brett Redfern President, Securitize

Yeah, I would echo that. The reality is that there are a new set of intermediaries who are entering the space that will operate differently than what you're seeing with some of the traditional financial market intermediaries. As Carlos said, are going to just migrate to walk before you run, taking the baby steps approach. But the reality is that tokenized securities are going to provide global access to US securities on public chains to non DTCC members. And so this will start to expand outside of that ecosystem to a new market and to individuals who want to hold things on their wallets and do things with public chains that can't be done on Canton and some of the incremental steps that you're seeing now.

Aditi Balachandran Analyst, Citigroup

Got it. Thank you.

Operator

Your next question comes from the line of Chris Brendler with Rosenblatt Securities. Your line is open. Please go ahead.

Chris Brendler Analyst, Rosenblatt Securities

Hey, good morning folks. Thanks for taking my question and congrats on your first call as a public company. Wanted to drill down quickly on the revenue guide for this year. Certainly appreciate the headwinds, but as you look out, I don't know if you mentioned this, but is there any sort of sense of where the second-half rebound will be coming? Because I think the 75 or so million is a little bit higher than the first-half run rate. Is that going to be driven more on the tokenization side or are you expecting both asset servicing and tokenization to grow in the second half? And then how does that impact or what does that look like on the cost of revenue side? I know you don't look at it as a gross margin, but it did tick down a little bit this quarter with the pressure on revenues. Will we see that sort of bounce back up if we hit that midpoint of $75 million? Thanks.

Carlos Domingo Chairman & Chief Executive Officer, Securitize

So I'll take part of this question and then I'll give it to Francisco to talk more about the numbers. I think the asset servicing side of business is more stable. So you probably see less volatility from that in the second half. And you'll see more volatility on the tokenization side because there's a little component that is transactions based. It depends on new issuances of new products that drive tokenization revenue, protocol integrations, and things like that. So that's definitely going to be the case in the second half. In terms of why we provide a guidance range, we're still a small company playing in an emerging market. So it's very hard to forecast accurately a particular number. And there is a lot of moving parts on the projects that we're doing that actually have third-party dependencies because we work with large institutions and sometimes it's very hard to forecast exactly when they're going to release a product. Just to give you a simple example, the New York Stock Exchange has announced that they're going to launch their trading platform in Q4. If that happens in early Q4, it's great because we probably will see some revenue happening in Q4. However if it slips or it happens at the end of Q4, then that revenue is not going to happen in 2026. And we have a number of projects like that with dependencies that could move quarter to quarter. So this is why we've provided a range of guidance. Depending on how quickly these projects come to fruition and convert into revenue, you'll either see the revenue in 2026 or you will see it coming in 2027.

Francisco Flores Chief Financial Officer, Securitize

Yeah, I'm just going to add a few comments to Carlos' response. As he said, asset servicing is made of recurring revenue in its majority. We see a modest quarterly growth. Please just take into account that in Q1, asset servicing has a little bit of a seasonal impact with some services that are related to audited financial statements. But if you look at Q2 and factoring a modest quarterly growth, I think that will be a very good reference for the remainder of the year. The rest of the revenue to get to the guidance will come from tokenization, which has very low marginal cost. So what you should expect is to see a very stable asset servicing revenue alongside cost of revenue. And the majority of the revenue associated with tokenization will flow down to the bottom line.

Chris Brendler Analyst, Rosenblatt Securities

That's super helpful, thank you. And then a bigger picture question. A lot of people, myself included, when you're thinking about tokenization of real-world assets, focus on equities just because it seems like a most obvious use case, but also fits their own core business of looking at stocks all day long. But it seems like the opportunity is much bigger. How would you characterize your current discussions? By asset class? Is there a lot of activity in equities or is it more broad across the different potential asset classes? And then from a monetization standpoint, I'm pretty excited about Securitize Markets and having that launch in the fourth quarter, as I'm sure you are as well, and certainly we're early days in the monetization opportunity. So having an exchange and having a marketplace that will allow for trading revenue on a more recurring basis will be a big boost to the model. But how do you juxtapose the opportunity to tokenize multiple different asset classes versus the monetization opportunity that could come with an ATS that I believe would be more equities focused and do you have similar venues or similar trading goals when it comes to non-equities, RWAs? Thank you.

Carlos Domingo Chairman & Chief Executive Officer, Securitize

Thank you for your question. So as we described in the presentation, we have two distinct markets, One market is the asset managers that have funds and assets that want to tokenize them, to put them on chain. And where we are particularly focusing on yield bearing assets and treasuries because we think those are the ones that are more likely to get tokenized and consumed first and where you can drive utility faster. That's one side of the business which is less transactional and where we get a much bigger AUM. As you see, most of our $5 billion AUM comes from that part of the market. And that's where we have been focused on the last two years. So that's one side of the business. The second part of the business is the tokenization of equities, which is a very huge market that still is nascent. So including all these offshore synthetics and things, not much more than around $2 billion compared to $100 trillion plus that you could tokenize. There, we obviously see the market behaving very differently because as you mentioned, there is a significant opportunity to monetize transactions that does not necessarily

necessarily happen on the other market. So there has been more focus on bringing issuers on chain but also enabling trading as we've done with our own stock participating on other trading platforms like we're doing with the New York Stock Exchange, et cetera. Here we will monetize not just the issuance but also the transactions of the assets. So there are two distinct markets, and I think, both are big opportunities. Both are growing and we have the capabilities to serve both. So we are currently focusing on both simultaneously, but they're very distinct and the approach we take in each one is different.

Chris Brendler Analyst, Rosenblatt Securities

That's great. Thank you so much for answering my questions.

Operator

Your next question comes from the line of John Todaro with Needham & Company. Your line is open. Please go ahead.

John Todaro Analyst, Needham & Company

Hey guys, thanks for taking my question and congrats on your first quarter here. My first question is around BlackRock. So how does the BlackRock launching or integrating BUIDL on Circle's ARC chain impact you guys, if at all? And then on that second BlackRock fund, the stablecoin reserve product you mentioned, it was a little bit more complex or demanding of a product if I heard correctly. So does that suggest maybe a little bit higher take rate? How should we think about that? And then I have a follow up.

Carlos Domingo Chairman & Chief Executive Officer, Securitize

All right, so let me answer both questions separately. First, we are the tokenization partner for BlackRock for BUIDL so when it goes to ARC, it will be with us. So it's not just BlackRock doing that. So BUIDL is currently in multiple chains and we are in active discussions with Circle on integrating with ARC. So when you see that happening, it will be done through us, not BlackRock itself doing it with Circle. In terms of B-Reserve, what I mentioned is that B-Reserve is a registered fund, and it was designed to be GENIUS compliant, which requires 2a-7 money market funds as opposed to BUIDL, which is a private fund based on BVI. But registered funds have more demanding operational requirements from a transfer agent perspective. So this is what I explained in my remarks – that the process we had to go through—to get onboarded and approved by BlackRock to be able to serve B-Reserve—was a different one than what we had to go through when we did BUIDL, because they are fundamentally two different types of projects. In terms of take rate, this is still treasuries, so it's not going to be significantly different. Our belief is that because B-Reserve is being designed for the backing of stablecoins, it has a potential of actually growing and scaling a lot faster given how many new stablecoins are being launched in the market. You might have seen the announcements of Open USD, where BlackRock is also a market participant, and many others that if B-Reserve were to be adopted as the reserve asset, it has the potential of actually growing a lot faster than BUIDL did.

John Todaro Analyst, Needham & Company

Okay, that's great. Thank you for that. And then my follow up, that second half 2026 guide, you mentioned some more pointed aspects to what's driving that. But just as we think about the second-half or even longer term, does there start to be some implicit assumption in crypto macro growth returning or should we think the tokenization business is just so decoupled that having a view on crypto markets really won't matter all that much?

Carlos Domingo Chairman & Chief Executive Officer, Securitize

I think long-term, tokenization is completely decoupled from crypto and it shouldn't matter that much what happens with crypto and crypto prices, and that's our thesis. I think short term, they're still correlated because there's a lot of counterparties that we deal with that are crypto native companies that are the ones consuming these assets or driving transactions and activity, et cetera.

We've seen the tradfi institutions coming a lot faster to tokenization than we would have expected even a year ago. But at the same time, some of those projects, as we mentioned before, they move at a different pace. So when that starts to become something that we monetize, that's kind of like the transition that we're going through now from revenue sources that are mainly driven by crypto institutions versus revenue that is driven by more tradfi institutions.

The good news is when that happens, we think that the tradfi opportunity is significantly bigger. It's like several orders of magnitude bigger than the crypto opportunity, because crypto at the end of the day is now a $2 trillion economy that has developed a lot of interesting technology that we are consumers of. But, once the tradfi activity moves, it's going to dwarf the crypto activity.

John Todaro Analyst, Needham & Company

Yep, that makes a ton of sense. Thank you for that. Appreciate it.

Operator

Your next question comes from the line of Gareth Casetta with Cantor Fitzgerald. Your line is open. Please go ahead.

Gareth Casetta Analyst, Cantor Fitzgerald

Hi guys. Thanks for taking the questions. I wanted to touch on the fund administration sector and it seems like the acquisitions of Theorem and MG Stover provided a meaningful uplift to both assets under administration and revenue. So, I was wondering if you could talk about how you think about M&A as a growth driver for that segment over the long term.

Carlos Domingo Chairman & Chief Executive Officer, Securitize

Thank you. Well, we have said it publicly many times already that one of the reasons we wanted to go public is because we think that the crypto industry is now in a major transformational moment where I think that the fundamentals of how crypto companies have operated so far are rapidly changing and it's going to evolve more to be like the fintech space where a lot of the crypto infrastructure is being used to improve capital markets and tradfi, which is our thesis. So going public is going to allow us to tap into those opportunities by adding capabilities faster from other companies in the space. And we hired a head of Corp Dev as soon as we announced the SPAC and knew that we were going to go public. We've been actively looking at many different opportunities. We also think that there are some opportunities in the tradfi space where we can actually leverage our tokenization technology to improve tradfi operations. So we're kind of looking at both sides of the spectrum. But yes, you're going to see us being active on the M&A front in the second half of the year.

Gareth Casetta Analyst, Cantor Fitzgerald

Great, thank you. And I know you touched on it briefly there, but how are you guys thinking about cross-selling in either direction? And I'm wondering if you could touch on within asset servicing what types of levels of tokenization adoption you see today and how you're thinking about that growth.

Carlos Domingo Chairman & Chief Executive Officer, Securitize

Yeah, definitely we see a cross-sell opportunity. One of the reasons we decided to buy a fund administration business versus building one just to serve our existing products was because we thought that by acquiring 600+ customers as well as around 24 billion of assets under administration, there will be cross-selling opportunities. We're already in the process of merging the investor accounts of the two platforms, the ones that Securitize had with Securitize ID with the investors that are on the fund platform. It obviously takes some time because you need to merge those into single accounts, provide the same functionality on both ends, et cetera. But we're now in the process of doing that, so we definitely see that as an opportunity moving forward. And then in terms of asset servicing, the asset servicing portion of our business has two components--It's the transfer agent component as well as the fund administration.

Gareth Casetta Analyst, Cantor Fitzgerald

Awesome, thank you.

Operator

We have reached the end of the Q&A session. I will now turn the call back to Sam Ross for closing remarks.

Samuel Ross VP, Head of Investor Relations, Securitize

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

Operator

This concludes today's call. Thank you for attending.