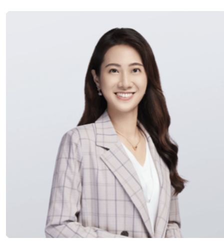
# OBOOK HOLDINGS INC.

## First Half of 2025 Earnings Call Transcript

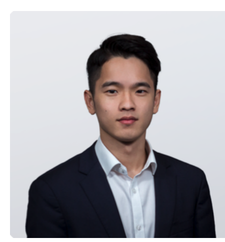
December 29, 2025

**Speakers:**

**Darren Wang**
Founder, Chief Executive Officer



**Winnie Lin**
Chief Financial Officer



**Henry Fan**
Investor Relations Director

# Presentation

**Henry Fan**

*Investor Relations Director*

Good morning and good evening to all and welcome to the OBOOK Holdings Inc. First Half 2025 Results Conference Call. This call is pre-recorded. I am Henry, Investor Relations Director and I will be your speaker host today. I have with me our Founder and Chief Executive Officer, Darren Wang and our Chief Financial Officer, Winnie Lin.

Before we proceed, I would like to remind you that this call may contain forward-looking statements, which are subject to risks and uncertainties that may cause actual results to differ from our current expectations. For detailed discussions of the risks and uncertainties, please refer to our filings with the SEC.

Our remarks today will focus less on near-term revenue fluctuations and more on the foundational infrastructure we've completed to position OwlTing as a regulated global payment infrastructure provider. This was a critical period for us, not just in terms of product readiness, but in building the regulatory and technical architecture needed to serve clients at scale.

As such, we encourage you to view this call through a long-term infrastructure lens. What we've achieved is the rollout of stablecoin payment rails, early signals of enterprise demand reflected in transaction capacity and onboarding momentum, and a monetization framework designed to scale as volume ramps. When we reference capacity or long-term revenue potential today, these should be understood as directional indicators of strategic progress, not short-term financial guidance.

With that, I'll now turn the call over to our Founder and CEO, Darren Wang.

**Darren Wang**

*Founder, Chief Executive Officer*

Thank you, Henry, and thank you all for joining us today. Before I begin, I want to say how excited we are to be reporting our first earnings results as a publicly listed company following our successful direct listing on Nasdaq in October. This is an important milestone for OwlTing, and we're grateful for the support we've received from our partners, clients, and new shareholders as we enter this next phase of growth.

I'd like to start today by returning to first principles. At its core, global money movement remains broken. The infrastructure that underpins it is slow, fragmented, and expensive, built around outdated systems that no longer reflect how commerce should operate in a digital, borderless economy.

At OwlTing, we're not building another fintech application. We are building foundational infrastructure, specifically, stablecoin-based payment rails designed to move value globally, instantly, and compliantly. Our focus is on transforming how institutions and enterprises move money across borders by making that process faster, safer, and more programmable.

That's why we think of 2025 not as a traditional growth year, but as a system completion year. This phase is about finishing the regulatory, banking, settlement, liquidity, and compliance architecture that underpins our platform. These are the core components of a truly global, enterprise-grade financial network.

Once those systems are fully in place, growth becomes a function of activation not capability. That's the shift we're preparing for, and we're already starting to see early signals that the market is ready to move with us.

Let me now turn to what we believe is really setting us apart from our peers, the regulated access to global stablecoin settlement.

Stablecoins, in and of themselves, are not the moat. The true moat lies in building the infrastructure that allows institutions to move stablecoins compliantly, across borders, at scale. That's what we've been focused on for the past five years.

We've built direct connectivity with U.S. banking partners to enable compliant on- and off-ramps. We've secured regulatory access in key jurisdictions including Japan and the European Union. And we've implemented institutional-grade compliance systems, including transaction monitoring, AML, KYC, and sanctions screening, that meet the standards required by financial institutions and payment processors.

Very few companies can legally and efficiently facilitate stablecoin movement across jurisdictions on behalf of enterprise clients. That is the layer we operate in and it's where we see both differentiation and long-term value creation.

Looking ahead, regulation will continue to be a strategic priority not as a one-time milestone, but as an ongoing expansion track. Our objective is to achieve compliance in every commercially available jurisdiction that permits stablecoin-based payments. We intend to scale our licensing footprint, compliance protocols, and local banking partnerships on a jurisdiction-by-jurisdiction basis, without shortcuts.

We believe this methodical, country-specific approach is what allows large institutions to scale with confidence, and it's foundational to our long-term business model.

In the first half of 2025, we made a structural decision that reshaped the trajectory of our platform. We stopped scaling on high-cost, legacy payment rails and completed our transition to a fully stablecoin-native infrastructure.

While this shift resulted in a temporary slowdown in revenue growth, it significantly expanded the long-term capacity of our system. This was an intentional move that reflects our conviction in where the market is headed and what will be required to lead in that environment.

A major milestone in this transition was the completion of our integration with the Circle Payments Network, or CPN. This is a global settlement network designed to enable near-instant, compliant transactions using regulated stablecoins like USDC. OwlTing now operates within CPN as an Originating Financial Institution, which allows us to initiate cross-border stablecoin transactions directly from our infrastructure.

This integration gives us access to critical payment corridors across the US, China, Hong Kong, Latin America, Africa, India, Japan, Korea, Dubai, and the European Union.

Our digital wallet, OwlPay Wallet Pro, now supports intelligent routing of stablecoin payments, automatically optimizing for exchange rates, fees, and service availability in real time. Compared with traditional correspondent banking, the settlement experience is significantly faster, more cost-efficient, and less operationally complex.

It's important to emphasize that stablecoin settlement doesn't scale on rails alone. It requires regulatory licensing, institutional-grade compliance, and banking access to operate effectively at scale. CPN provides the raw settlement infrastructure, but OwlTing provides the operating layer that makes it usable and trusted. That includes compliance enforcement, interoperability across blockchains and banking systems, risk controls, and treasury management. That distinction is what enables institutional adoption, and it's where we believe OwlTing delivers differentiated value.

Recently in December, we took another important step toward building a complete global settlement platform with the launch of OwlPay Cash, our mobile-first remittance application built in collaboration with Visa Direct.

Visa Direct gives us the ability to reach more than 11 billion endpoints globally, enabling real-time fiat payouts across 26 countries, including major remittance corridors like Mexico, India, Colombia, Argentina, and Peru. U.S.-based users can now send funds directly to bank accounts in these markets with transparent foreign-exchange pricing and no monthly fees, offering a seamless and compliant cross-border experience.

In our architecture, each layer plays a defined role. CPN handles the stablecoin settlement layer. Visa Direct powers the last-mile fiat delivery. And OwlTing orchestrates the end-to-end process, managing compliance, FX, liquidity, and the operational bridge between digital assets and traditional banking rails.

We believe this makes OwlPay Cash one of the first end-to-end fiat-to-fiat consumer remittance platforms with true global payout reach. We're also in advanced planning with Visa on a second strategic initiative, expected to be announced in the first half of 2026, which will further expand our distribution and merchant footprint.

As a result of these developments, we've seen a meaningful shift in inbound demand. With the infrastructure now live, we're no longer having exploratory conversations, we're working through a pipeline of qualified enterprise partners representing multi-billion-dollar monthly transaction capacity. These aren't just leads. These counterparties have completed API integrations, passed compliance review, and committed engineering resources to begin moving volume.

As is typical in infrastructure businesses, capacity always precedes monetization. The groundwork we've laid is now translating into real enterprise engagement, and we believe this momentum will become increasingly visible in our financial results starting in 2026.

For us, one of the most important variables in how quickly capacity converts into revenue is regulatory coverage. The more jurisdictions we can operate in compliantly, the more corridors we can activate. This is especially true in cross-border settlement, where local licensing determines whether transactions can flow in or out of a market. That's why we view regulatory expansion not as a back-office function or a cost center, but as a direct growth lever. It determines where and how fast we can scale.

Beyond the core infrastructure buildout, we've also continued to invest in the expansion of our other business segments, which serve as strategic distribution layers that help generate stablecoin-based payment flows. Our hospitality business, OwlNest, gives us access to thousands of merchants with recurring, high-frequency payment needs, many of which are ideal candidates for stablecoin settlement. These use cases often serve as natural on- and off-ramps for our infrastructure.

We also see a significant opportunity through online travel agencies, or OTAs. These platforms move enormous volumes of money globally, often billions of dollars per month across flights, hotels, and vacation packages. While OTAs themselves are not our strategic focus, they are important distribution partners that can drive flow through our rails. We plan to continue expanding OwlNest internationally while cross-selling our payment infrastructure into hospitality and adjacent travel verticals where large-scale transaction flow already exists.

At the end of the day, merchants and platforms generate the volume. Infrastructure captures the value. And we believe we are well positioned to be the infrastructure layer that enables this next phase of digitized, programmable commerce.

To quickly recap, 2025 is a foundational year for OwlTing. We've transitioned to stablecoin-native infrastructure, completed our integration with Circle's CPN network, launched OwlPay Cash with Visa Direct, and made significant progress in expanding regulatory access across key global markets. We are no longer building theoretical products. Rather, we are activating real infrastructure, in production, with enterprise counterparties preparing to move meaningful volume.

Before we proceed, I want to be very clear. When we discuss any long-term scenario numbers today, including 2030, these are internal strategic reference models, not financial guidance, not forecasts, and not company projections. They are used for internal planning to understand infrastructure capacity, and should not be interpreted as earnings guidance or management outlook.

Internally, we've developed a directional target to reach approximately 500 million target in annual revenue from our stablecoin infrastructure business by 2030. This is not forward guidance, it's a strategic model based on what we believe this infrastructure is capable of supporting as adoption accelerates.

We didn't arrive at this number by inferencing a large market size. We built it from the bottom up, layer by layer, based on infrastructure we've already deployed and counterparties we're actively engaged with today.

The model assumes that as stablecoin adoption scales, a meaningful share of institutional cross-border transaction volume, potentially in the hundreds of billions annually, will begin to move through programmable settlement layers like ours. With a blended take rate of roughly 25 basis points across settlement, FX, and embedded compliance services, that volume could translate into meaningful recurring revenue.

Just as important, we've already begun activating enterprise partners with multi-billion-dollar monthly transaction capacity. These clients are not hypothetical. They've completed API integration, passed compliance onboarding, and are preparing to move volume as we open new corridors and jurisdictions.

We believe the conditions are forming for a new category of regulated financial infrastructure, purpose-built for programmable value transfer across stablecoin rails. Our job is to activate that infrastructure over the next several years and scale it responsibly.

We're not chasing speculative upside. We're building the foundation to capture real enterprise flows, and if we execute well, we believe this business can compound into something that is high-growth, high-margin and highly defensible.

With that, I'll turn the call over to our CFO, Winnie, to walk through the financial and operating results.

**Winnie Lin**
*Chief Financial Officer*

Thank you, Darren. Instead of jumping straight into 2025 numbers, I want to start with the big picture, where this business is ultimately headed. First, let's talk about the end state: 2030. Our internal target is to be generating around $500 million in annual revenue by 2030 from stablecoin settlement, on-/off-ramps, and compliance-embedded payment services.

This isn't some top-down market guess. It's a bottom-up model built on three very conservative assumptions: hundreds of billions in annual transaction volume, a blended take rate of 25 to 35 basis points—which is in line with global enterprise settlement benchmarks, and a phased rollout starting in 2026 as our institutional clients come online. Crucially, this doesn't rely on any single token or ecosystem winning. It's simply the economics of running regulated payment infrastructure.

Second, why the economics change so dramatically. As we shift from being an intermediary to actually owning the infrastructure, our unit economics transform. Right now, our margins still carry the cost structure of third-party payment gateways. But once volume moves onto our own stablecoin rails, marginal costs fall off a cliff. Most of our infrastructure, compliance, and licensing expenses are fixed. That means every additional dollar of settlement volume turns into cash flow at a very high rate. This isn't just margin expansion—it's building a completely different cash-flow engine.

Third, putting 2025 in context. 2025 is a deliberate investment year. We intentionally prioritized system completion over short-term revenue acceleration. As a result, we expect 2025 revenue to remain at similar levels to 2024, while materially improving the company's long-term earning power. We view this as value creation being front-loaded into infrastructure, not delayed growth. Starting in 2026, that flips. Activation kicks in, operating leverage becomes clear, and the infrastructure economics start to drive the financials.

Finally, how we'd like investors to think about valuation. We believe OwlTing should be valued as a financial infrastructure platform, not as a SaaS company. Infrastructure companies get valued on three big things: how much volume they can handle, how robust and lasting their rails are, and the regulatory barriers that keep competitors out. Seen through that lens, the move from 2025 to 2026 marks a real structural inflection point in how this business creates and compounds value.

Now turning to the first half of 2025, and please note that all figures are in US dollars and all comparisons are made on a year-over-year basis, unless otherwise stated. We've included a full breakdown of our financials in the earnings press release issued earlier today, so I'll focus here on the key highlights.

Revenue grew to $3.8 million, led by a 16% increase in payment gateway revenue to $2.2 million. This line now contributes over 56% of total revenue, supported by higher transaction volume and account growth. Hospitality services revenue increased to $1.4 million, primarily driven by a 20% YoY increase in OwlNest's subscription-based revenue, and continued expansion in OwlNest's subscribers, which now numbered approximately 2,700. As expected, e-commerce revenue declined to $288 thousand as we reallocated resources to payments infrastructure.

Gross profit was $480 thousand, with margin at 12.5% versus 15% last year. The compression reflects product mix as our payment services continue to scale, but at structurally lower margins. We see this as temporary. As new payment products ramp, we expect leverage to support margin recovery over time.

Operating expenses came in at $6.8 million, up from $4.7 million, driven mainly by one-time Nasdaq listing costs exceeding $2 million. Excluding these non-recurring items, our operating expenses were flat. Sales and marketing declined 21% to $950 thousand, while R&D increased slightly to $1.3 million, focused on scalability and platform security.

Turning to profitability, our net loss narrowed substantially by 27% to $3.9 million despite the listing costs, thanks to the steady revenue growth and lower customer acquisition spend. Importantly, excluding one-time Nasdaq listing expenses, our underlying operating trend improved meaningfully, with lower customer acquisition costs, improving cash burn, and accelerating onboarding.

We also made strong progress on liquidity and cash management. Operating cash outflow was reduced to $1.3 million, compared to $4.4 million in the same period last year, reflecting disciplined cost controls and improved operating efficiency. During our pre-listing financing round, we raised approximately $20 million in total capital through a combination of equity financing and SAFE instruments, of which approximately $14 million was completed in the second half of the year. With improving revenue visibility and prudent expense management, we believe our current cash reserves, together with expected operating cash flows are sufficient to support our near- to medium-term growth plans. We also remain open to strategic capital opportunities that could accelerate expansion in 2026, subject to market conditions.

So in summary, we've entered a key transition year in 2025. Our legacy businesses continue to fund the foundation, but the future is clearly in next-gen, high-margin global payments infrastructure. I want to echo what Darren touched on earlier, OwlTing is not building another fintech application. We are building the underlying infrastructure that will power global stablecoin settlement for institutions around the world.

In 2025, we completed the system, putting in place the regulatory, technical, and operational layers required to scale. In 2026, we move into activation, turning infrastructure into volume through client onboarding and corridor expansion. And by 2030, we believe this foundation will begin to compound, translating into scaled revenue, operating leverage, and long-term shareholder value.

**Henry Fan**

*Investor Relations Director*

Thank you Darren and Winnie. I'd like to take a moment to express our sincere appreciation to our shareholders, partners, and customers for their continued support, and to our incredible OwlTing team around the world for their hard work and commitment during a truly transformational year.

As we look ahead, our long-term mission remains unchanged. We are using blockchain technology to provide businesses with more reliable and transparent data management, reinventing global flow of funds for businesses and consumers, and leading the digital transformation of business operations. We believe the foundations we've laid in 2025 position us for exciting growth and value creation in the years to come.

On behalf of all of us at OwlTing, I want to wish everyone a Happy New Year. We look forward to speaking with many of you in the months ahead. Thank you, and goodbye.