OBOOK HOLDINGS INC.

First Half of 2026 Earnings Call Transcript

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Speakers:

Darren Wang

Founder, Chief Executive Officer

Winnie Lin

Chief Financial Officer

Henry Fan

Investor Relations Director

Presentation

Henry Fan

Investor Relations Director

Hello, everyone, and welcome to OBOOK Holdings Inc.'s First Half 2026 Earnings Conference Call. OBOOK Holdings operates under the OwlTing Group brand, so throughout today's call, we will refer to the company as OwlTing. This call is pre-recorded. I am Henry Fan, Investor Relations Director, and I will be your host today. Joining me are our Founder and Chief Executive Officer, Darren Wang, and our Chief Financial Officer, Winnie Lin.

Before we begin, I would like to remind everyone that today's discussion contains forward-looking statements. These statements are subject to risks and uncertainties that could cause actual results to differ materially from our current expectations. For a more detailed discussion of these risks and uncertainties, please refer to our filings with the U.S. Securities and Exchange Commission.

Over the past several years, we have invested in the regulatory, banking, compliance, settlement and technology infrastructure required to support global stablecoin-enabled payments. During the first half of 2026, we began moving from infrastructure build-out and client onboarding into live production and transaction processing.

As a result, our first-half financial results capture only the early stage of this commercialization, while our more recent operating data reflects a meaningfully different level of activity following period-end. I think that distinction is particularly important when evaluating the company today.

The first half largely reflects the cost base and infrastructure required to prepare the platform for commercialization. The operating data we are seeing more recently begins to show what happens as that infrastructure is increasingly utilized by enterprise customers. So as investors evaluate our progress from here, we believe there are several things that are more important than any single monthly data point.

The first is production conversion: how quickly customers move from signed relationships and integration into recurring live transaction activity. The second is utilization: how transaction activity grows once those customers are in production. And the third is economics: how increasing utilization and a changing revenue mix ultimately translate into gross profit and operating leverage. Those are the links we believe investors should increasingly focus on as OwlPay moves from commercialization toward scale.

Darren will discuss our commercial progress, post-period operating momentum, the development of our enterprise settlement network, and the long-term opportunity we see in stablecoin-enabled global payments. Winnie will then review our first-half financial results and discuss how we expect the financial model to evolve as transaction volume scales.

When we discuss long-term objectives today, including our 2030 revenue target and long-term margin objectives, these are strategic objectives and should not be interpreted as near-term financial guidance.

With that, I will now turn the call over to our Founder and Chief Executive Officer, Darren Wang.

Darren, please go ahead.

Darren Wang

Founder, Chief Executive Officer

Thank you, Henry. Hello everyone, and thank you for joining OBOOK Holdings' First Half 2026 Earnings Conference Call. There is one point I want investors to understand clearly today: OwlTing entering the second half of 2026 is at a very different stage of development from the company reflected in our first-half financial statements.

Over the past several years, we have invested significant time and resources in building the infrastructure required to support global enterprise payments. That includes regulatory licensing, banking connectivity, compliance, stablecoin settlement, local payout capabilities, liquidity management, and the enterprise payment orchestration technology behind OwlPay.

All of these investments have one thing in common: Much of the infrastructure has to be built before revenue can truly scale. During the first half of this year, I believe OwlPay crossed an important inflection point. We began moving from infrastructure build-out into commercialization. And as we enter the second half, the next stage is increasingly about one thing: scale.

Today, I want to use the operating and customer activity we have seen over the past several months to explain why we are increasingly confident in that transition.

From Transaction Growth to a Global Enterprise Settlement Network

I do not want investors to look at our recent operating data simply as growth in transaction volume. To me, the more important implication is that the data is beginning to validate something we have spent the past several years building toward: OwlPay is evolving from a cross-border payment platform into a global enterprise settlement network.

We are not simply seeing more transactions. We are seeing more enterprises move from onboarding into production. We are seeing real payment flows emerge across more markets. We are seeing additional corridors become active. And we are gradually deepening our capabilities across banking, liquidity, routing, and local settlement. When all of these things happen together, the nature of the business begins to change.

The First Signal Is the Pace of Transaction Activity

Let me start with one of the settlement rails within Harbor: the Circle Payments Network, or CPN. CPN is an important settlement rail within Harbor's broader multi-rail architecture. It is not the entirety of Harbor volume. At the beginning of this year, our CPN activity was still at a very early pilot stage. Since then, CPN-settled transaction activity has increased materially as more customers and payment flows have moved into production.

At the same time, transaction execution quality has improved materially as the platform has scaled. So what we are seeing is not simply higher transaction activity. We are seeing higher transaction activity together with improving execution reliability. That matters because enterprise payment infrastructure has to do both.

Higher volume without reliable execution is not scalable infrastructure. The progress we have made across compliance, transaction validation, liquidity management, and settlement operations is increasingly allowing us to support larger and more consistent enterprise transaction flows. The timing of commercialization has been shaped by the pace of enterprise activation and the progression from early pilot activity into recurring production.

As the platform scales, we continue to optimize execution, and we continue to view the opportunity primarily through the lens of long-term production conversion and recurring enterprise utilization. Separately, Visa Direct adds a card-funded payment channel to OwlPay, giving eligible users a more convenient way to initiate and fund transactions alongside traditional bank-based channels. As we continue to expand this capability, we are also streamlining the KYC and onboarding experience while maintaining the required compliance standards.

Based on our current progress, we believe we can begin seeing transaction activity through Visa Direct during the fourth quarter of 2026. Over time, we believe these product improvements can make OwlPay easier to access and support broader adoption.

The Second Signal Is the Expansion of Enterprise Demand

Our enterprise pipeline is also continuing to expand. We are seeing a growing number of enterprises move through our commercial pipeline, with more progressing from initial engagement into signed relationships, integration, and onboarding.

Today, we have approximately 80 signed enterprise relationships, with a broader pipeline extending well beyond that base. The composition of that demand is becoming broader as well.

We are seeing opportunities from payment providers, fintech companies, digital financial infrastructure companies, financial institutions, and enterprises with cross-border treasury and settlement needs. Many of these opportunities are still progressing through sales, integration, or onboarding and are not yet production volume. But they provide an important indication of the breadth of demand we are seeing.

The question we are focused on is no longer simply how many enterprise customers we can sign. The more important questions are: How quickly can we move signed enterprises from onboarding into production? And once they are in production: How much of their existing payment activity can we ultimately capture? That is how we think about production conversion and wallet share.

From Individual Corridors to a Many-to-Many Network

The nature of customer demand is also changing. Increasingly, enterprise customers are looking for payment and settlement connectivity that spans multiple regions rather than a single origin-and-destination corridor. We are seeing demand across major developed and emerging markets, often from customers that need to access multiple regions through a common settlement infrastructure.

Many of these opportunities remain in sales or onboarding and are not yet production volume. But taken together, they provide an important signal. Harbor demand is no longer centered around a small number of individual cross-border routes. It is increasingly developing into a many-to-many settlement network, connecting enterprises across multiple regions and financial systems. That matters because Harbor's long-term value should not depend on any single corridor. The value increasingly comes from network connectivity itself.

We are also beginning to see the same Harbor architecture operate across different banking systems, regulatory environments, and customer requirements. If all of our growth came from one customer or one corridor, we would have proven one use case. Instead, we are beginning to validate a settlement architecture that can be replicated across different markets. What matters to us is not simply the current size of any individual corridor. We are looking at whether a market can become an important node in the broader OwlPay settlement network.

The Nature of Transaction Activity Is Increasingly Enterprise-Driven

Another important indicator is the composition of payment activity itself. Within completed CPN-settled volume, approximately 43% has been related to cross-border supply chain and international trade payments. Another approximately 37% has come from fintech institutions and digital payment providers, including treasury liquidity management, regional settlement account funding, and cross-platform fund movement.

Together, these categories represent close to 80% of current CPN-settled transaction activity. This is important to me because it demonstrates that the activity we are seeing is not primarily dependent on short-term speculation or consumer crypto trading. It is increasingly linked to real economic activity: enterprise trade, treasury management, liquidity management, and cross-border financial flows between institutions. And these use cases can be recurring.

A business does not pay its suppliers only once. A fintech company does not rebalance treasury liquidity only once. Once Harbor becomes integrated into an enterprise customer's operating workflow, those flows can potentially recur daily, weekly, and monthly. That recurring nature is one of the most important differences between enterprise settlement infrastructure and a single payment transaction.

Our signed customer base is also increasingly diversified across areas such as wallet infrastructure, cross-border remittance, stablecoin payment orchestration, B2B off-ramp, international trade settlement, supplier payments, fintech infrastructure, and institutional treasury. This diversity can increase the utility and density of the network over time.

We Have Demonstrated the Ability to Build Direct Settlement Infrastructure

There is another capability that I believe the market may not fully appreciate. OwlPay is not simply connecting third-party payment APIs. We also have experience building and operating direct banking and settlement infrastructure.

The clearest example is the United States. Historically, our direct U.S. bank rails have cumulatively processed more than US$1.4 billion in transaction volume. To me, this is an important proof point. It demonstrates that OwlPay has capabilities beyond orchestration. We have experience building, operating, and scaling direct financial infrastructure. The question for us today is no longer simply whether we can do this. The question is: In which markets does it make the most strategic and economic sense to replicate that capability?

Where we see sufficient transaction density, enterprise demand, regulatory advantage, and attractive economics, we can selectively deepen direct banking and settlement connectivity over time. That can improve settlement reliability, routing flexibility, customer experience, and transaction economics. Importantly, once local infrastructure is established, it does not have to serve only one customer. The same banking, liquidity, and settlement infrastructure can potentially support multiple Harbor enterprise customers and multiple transaction flows. That is one of the ways we believe greater network scale can ultimately create operating leverage.

Our Strategy Is Not to Build Everything Ourselves

Our strategy is not to build every component ourselves in every country. That would not be the most efficient use of capital. Harbor has been designed from the beginning as a multi-provider, multi-rail architecture. CPN remains an important and preferred stablecoin settlement rail for many use cases. At the same time, we integrate direct bank rails, regional banking partners, and other global payment networks.

Our principle is simple: Own what creates differentiation. Integrate what creates reach. In markets where scale, regulation, and economics justify deeper infrastructure, we want to build greater local depth. In other markets, we will continue partnering with leading financial institutions, payment networks, and stablecoin networks. This allows OwlPay to combine two things: global reach and local depth.

Japan

Japan represents an important strategic infrastructure opportunity for OwlPay. We already have an established relationship with SBI and existing local capabilities. Over time, we believe there is a meaningful opportunity to connect Japanese fiat liquidity with global stablecoin rails and support enterprise cross-border settlement, subject to applicable commercial, technical, and regulatory requirements. Japan is a market where our local positioning may allow us to deepen banking, regulatory, and settlement infrastructure as stablecoin adoption develops.

Taiwan

Taiwan also represents an important long-term opportunity. Taiwan is OwlTing's home market and one of Asia's major export and technology economies, with deep commercial relationships across the United States, Japan, Greater China, and the rest of Asia. Its position at the center of the global semiconductor and technology supply chain creates significant and recurring cross-border commercial and treasury flows.

As Taiwan's regulatory framework for digital assets and stablecoins develops, we believe there may be a meaningful opportunity to connect regulated digital money with Taiwan's banking system, fiat liquidity, enterprise payment flows, and global settlement networks.

For OwlPay, the opportunity is broader than stablecoin issuance itself. The larger opportunity is the infrastructure surrounding stablecoins: on- and off-ramps, enterprise payment infrastructure, cross-border payment settlement, local banking connectivity, and connectivity between Taiwan's financial system and global stablecoin networks.

Over the past several years, we have built regulatory, banking, compliance, liquidity, and settlement capabilities across multiple international markets. Our objective is to bring those capabilities together with Taiwan's local financial infrastructure as the market develops. I want to be clear that we are not announcing the issuance or launch of a Taiwan stablecoin today. The regulatory and commercial framework is still developing, and timing will depend on the relevant authorities and market participants.

But we believe Taiwan has the potential to become an important regulated stablecoin market in Asia, and we believe OwlPay can play a role in connecting Taiwan's enterprise economy with global stablecoin payment rails.

A Separate 2026 Scale Milestone

There is another operating metric I want to distinguish from the historical U.S. direct-bank volume I mentioned earlier. Our target is for cumulative processed payment volume during 2026 across our OwlPay payment operations to exceed US$1 billion by year-end. This is a different metric from the more than US$1.4 billion historically processed through our direct U.S. bank rails. The US$1.4 billion figure demonstrates our historical experience operating direct financial infrastructure at scale. The US$1 billion-plus 2026 target is a milestone for the current commercialization and scaling of our broader OwlPay payment operations.

We believe these two metrics demonstrate two different but complementary points: First, we have already demonstrated the ability to build and operate large-scale direct settlement infrastructure. Second, we are now applying that experience across a broader global, multi-rail OwlPay settlement network. We do not view US$1 billion as an end point. We view it as a milestone on the path toward substantially greater recurring enterprise payment activity as more customers move into production, wallet share increases, and more settlement corridors become active.

Four Growth Curves We Are Focused On

As we think about the next phase of OwlPay, I do not believe investors should measure progress based on a single month of TPV. There are four growth curves we are focused on.

First is production conversion. How many signed enterprise customers move from onboarding into recurring production? Second is wallet share. Once a customer is live, how much of that customer's existing payment activity can migrate onto Harbor? Third is geographic and corridor expansion. How many new markets, corridors, and use cases can the same infrastructure support? And fourth is settlement infrastructure depth. In our most important markets, how much can we deepen our banking, liquidity, routing, and local settlement capabilities?

Together, these four factors can reinforce each other. More enterprise customers create more transaction volume. More volume can justify deeper infrastructure in strategically important markets. Deeper infrastructure can improve product reliability, coverage, and economics. And a stronger product can help us win additional customers and increase wallet share with existing customers. That is the flywheel we are trying to build. We are not pursuing volume simply for the sake of volume. We want transaction growth to help us build and deepen a global enterprise settlement network.

The Long-Term Opportunity

I believe the future financial system will not be built around one stablecoin, one blockchain, one bank, or one payment network. It will be a multi-rail world. Enterprises do not want to manage dozens of different providers themselves. They need an infrastructure layer that can help orchestrate stablecoin networks, banking rails, compliance, liquidity, FX, routing, and local settlement.

We want OwlPay to become that layer. Importantly, while the timing of commercialization in 2026 has been shaped by enterprise activation and production ramping, our previously stated long-term target of approximately US$500 million in annual revenue from OwlPay and stablecoin-enabled payment services by 2030 remains unchanged. This remains a long-term strategic target and should not be interpreted as near-term financial guidance.

We do not expect the path to that objective to be linear. What matters today is that the operating foundations behind that opportunity are becoming increasingly measurable: customers moving into production, increasing wallet share, expanding transaction activity, broader corridor coverage, and deeper settlement infrastructure.

Over the past several years, we were building payment infrastructure. During the first half of this year, we began proving that enterprises are willing to use it. And as we enter the second half, our job is to prove that this infrastructure can scale into a global enterprise settlement network. We do not simply want to be a company that processes stablecoin transactions. We want OwlPay to become part of the infrastructure enterprises use to move money globally. That is the company we are building.

Thank you. I will now turn the call over to Winnie to discuss our first-half financial results and how we expect our revenue mix, margin profile, and operating leverage to evolve as this settlement network continues to scale.

Winnie Lin
Chief Financial Officer

Thank you, Darren. When looking at our first-half results, I think the most important point is that OwlTing is in the middle of a significant transition in both its revenue mix and its business model. Our reported first-half financials still largely reflect our historical businesses, including our Taiwan payment gateway, hospitality and e-commerce operations. At the same time, the business that we expect to drive our next phase of growth, stablecoin-enabled cross-border payments and settlement, only began moving from infrastructure build-out and client onboarding into meaningful commercial production during the first half.

So I will spend a few minutes on the reported numbers, but more importantly, I want to explain how we see the financial model evolving from here. For the first half of 2026, total revenue was $3.87 million compared with $3.84 million in the first half of 2025. Payment services revenue was $2.11 million compared with $2.17 million last year. Hospitality software revenue increased approximately 24% to $0.80 million from $0.64 million. What is more important than the headline revenue growth is the change taking place underneath it.

Historically, the majority of our payment revenue has come from our Taiwan payment gateway business. During the first half of 2026, we began to see payment activity increasingly shift toward stablecoin-enabled cross-border payments and settlement through OwlPay. That transition was still at an early stage during the reporting period. Most Harbor clients were progressing through compliance, API integration, corridor activation and initial production. As a result, the first-half income statement contains a relatively small contribution from the business that is now beginning to scale.

We are already seeing early evidence that this change in mix can improve our underlying economics. Reported gross margin was 6.4% compared with 12.5% last year, primarily reflecting share-based compensation recognized within cost of revenue. Excluding share-based compensation, adjusted gross profit increased to approximately $0.59 million from $0.48 million, and adjusted gross margin improved to 15.3% from 12.5%.

We achieved that improvement on essentially flat revenue. That is an important point because, over time, we expect the migration of our payment mix from traditional gateway revenue toward stablecoin-based cross-border payment and settlement to result in structurally higher gross margins.

Our reported net loss for the first half was $18.82 million compared with $3.91 million last year. The increase in reported net loss needs to be understood in the context of several significant non-cash and financing-related items. Approximately $10.4 million was non-cash share-based compensation, approximately $2.5 million related to finance costs associated with our convertible note, and the prior-year period included approximately $2.5 million of net foreign exchange gains that did not repeat this year. By comparison, adjusted operating expenses excluding share-based compensation were $7.24 million compared with $6.79 million last year, an increase of only 6.6%. We believe that distinction is particularly important at this stage of our development.

Over the last several years, we have already made substantial investments in regulatory licenses, banking relationships, compliance infrastructure, settlement connectivity and technology. The objective now is not to recreate that infrastructure every time volume increases. It is to put substantially more payment volume across infrastructure that is already in place. The financial opportunity comes from increasing utilization of infrastructure we have already spent years building. And that is where the financial model begins to change.

As Darren discussed, post-period operating activity has accelerated meaningfully as more enterprise clients have moved into production and transaction activity has increased across the platform. From a financial perspective, what matters is how that acceleration translates into revenue mix, gross margin and operating leverage. At the same time, transaction volume and revenue will not necessarily increase at exactly the same rate from period to period, as transaction economics can vary by corridor, settlement method, customer profile and service mix. This is the transition we want investors to focus on.

The first half was primarily about building and activating the network. The next stage is about monetizing that network. Importantly, the operating cost base needed to support this platform is already largely in place. Our current normalized cash operating expense run rate is approximately $1 million per month, excluding share-based compensation, financing-related items and settlement liquidity requirements. This does not mean our costs will remain fixed.

As payment volume and revenue scale, however, we do not expect operating costs to grow at the same rate. That is the operating leverage embedded in the model. In other words, the next dollar of revenue should not require the next dollar of cost. We expect a growing share of incremental payment revenue to convert into gross profit and, over time, into operating profit as more contracted clients move into recurring production, existing clients increase utilization and we activate additional corridors.

There is also an additional opportunity as our settlement network develops. In selected corridors, greater direct banking and settlement connectivity can allow us to reduce reliance on intermediary layers and improve the economics of the transaction itself over time. This means scale can benefit us in two ways: first, by spreading the cost of existing infrastructure across a larger revenue base; and second, by improving transaction economics as our settlement capabilities deepen.

That is also why we continue to expect our margin profile to look very different at scale than it does today. For our stablecoin payment business, our long-term gross margin target remains approximately 65–70% at scale. That is not a near-term margin forecast. The bridge to that long-term model is driven primarily by three factors: a mix shift toward higher-margin stablecoin payment and settlement products, greater utilization of infrastructure already in place, and more direct banking and settlement connectivity in selected corridors, which we believe can reduce intermediary costs over time.

The same applies to our long-term revenue opportunity. Our previously stated 2030 revenue target of approximately $500 million remains unchanged. This remains a long-term strategic target and should not be interpreted as near-term financial guidance. We do not expect the path toward that target to be linear.

Our focus today is on the operating inputs required to build toward that objective: the number of enterprise clients entering production, payment volume, transaction frequency, corridor expansion, utilization per client, and ultimately the conversion of that activity into recurring revenue and gross profit.

From a liquidity perspective, operating cash outflow was $5.92 million during the first half. We ended June with $10.19 million of cash and cash equivalents, together with an additional $1.67 million of restricted cash.

As transaction activity scales, we will also continue to manage settlement liquidity separately from our operating cost base. We will continue to manage our capital carefully while investing behind what we believe is a significant long-term growth opportunity.

So if I leave investors with one financial takeaway from the first half, it would be this: The key change taking place today is not simply transaction growth. It is the combination of revenue mix shift, increasing infrastructure utilization and improving settlement economics. As these factors come together, our objective is to convert transaction growth into recurring revenue, recurring revenue into gross profit, and ultimately gross profit into operating leverage.

We believe the second half of 2026 should begin to make that progression increasingly visible in our financial results. With that, I will turn it back to Henry for closing remarks.

Henry Fan

Investor Relations Director

Thank you, Winnie, and thank you, Darren. Before we close, I would like to leave investors with three points from today's discussion.

First, the first half of 2026 represents a transition period for OwlTing. The financial statements still largely reflect our historical revenue base, while our stablecoin payment infrastructure was moving through client onboarding and into commercial production.

Second, that transition is now becoming increasingly visible in our operating data. We are seeing more enterprise clients enter production, transaction activity continue to scale, and a growing share of payment flow moves through our stablecoin-enabled cross-border payment and settlement infrastructure.

And third, we believe the financial characteristics of the company should change as that transition progresses. Our infrastructure and operating cost base are largely established, while our revenue mix is moving toward businesses that we believe can support significantly higher margins and operating leverage at scale.

Our focus from here is execution: activating more clients, increasing utilization, expanding corridors, growing recurring payment revenue and demonstrating the financial leverage of the infrastructure we have built. We remain focused on our long-term objective of building OwlTing into a leading regulated global payment infrastructure platform, and we look forward to updating investors on our progress in the periods ahead.

On behalf of the entire OwlTing team, thank you for joining us today and for your continued support.

Thank you, and goodbye.