

Coinbase Global, Inc.
First Quarter 2026 Earnings Call
May 7, 2026

Moderator: Welcome to the Coinbase Q1 2026 Earnings Call. Before we get into the good stuff, some disclaimers. During today's call, we may make forward looking statements that may vary materially from our actual results. Please refer to our SEC filings and this slide of the presentation for more information concerning risks, uncertainties and other factors that could cause these results to differ. In addition, our discussion today will include certain non GAAP financial measures. Reconciliations to the most directly comparable GAAP financial measures are provided in the earnings presentation on our investor relations website.

Alesia Haas, CFO: Hello everyone and welcome to our Q1 2026 earnings call. My name is Alesia Haas and I'm the Chief Financial Officer of Coinbase. You may see a new face on this call with us today might be right over there. I want to introduce you all to Shan Aggarwal. Shan is our Chief Business Officer and he's our newest head of Investor relations. You're going to see a lot more of him, but I want to tell you a story about Shan. Shan is our OG head of IR. Shan led our Series E fundraise back in 2018.

He was my right hand as we went public in 2021 and I could not be more delighted to introduce him to his first public company earnings call and bring him back to this new set of investors that we have with us today. So welcome Shan and I'm going to turn it over to him and he's going to walk us through our agenda and what to expect at our earnings call today.

Shan Aggarwal, Chief Business Officer & Head of IR: Thank you, Alesia and hi everyone. Really excited to be here and back in the IR seat as Alesia mentioned. My name is Shan Aggarwal and I'm the Chief Business Officer and Head of Investor Relations at Coinbase. I'll be emceeding our call today and in addition to Alesia and I, I am joined by my esteemed colleagues. Brian Armstrong, our co-founder and CEO, Emilie Choi, our President and COO, and of course Paul Grewal, our Chief Legal Officer. Alrighty, diving in. Our agenda today is that we'll start with comments from Brian and Alesia on Coinbase's strategy and Q1 performance. We'll then have time to address questions from both our X and analyst communities. So with that, Brian over to you.

Brian Armstrong, Co-Founder and CEO: All right, thanks Shan. So I want to start with our mission, which is to increase economic freedom in the world. Our mission matters for everyone because 4 billion people are locked out of the financial system globally. The unbanked and the unbrokered. Crypto fixes this by giving everyone equal access to property rights, stable Currency and permissionless financial services. Now let's take a look at the state of the market. Despite the crypto market being down, the fundamental growth of the onchain economy is strong. All of finance is moving onchain because crypto provides faster, cheaper and more efficient financial infrastructure.

Crypto trading volumes have grown more than 50x in the last seven years. Stablecoin market cap is now more than \$300 billion and growing fast. Tokenized real world assets are scaling and expected to hit \$16 trillion by 2030. And now crypto has a new AI. There will soon be billions of agents transacting and they need rails that can keep up. Crypto is the only option that checks all three boxes Fast, cheap and global. To summarize, the world economy is moving onchain and Coinbase was built to capitalize on this transition. Here's why.

First, we're the most trusted brand in crypto. Individuals and businesses trust us to store more crypto than any other company in the world. Second, we've pooled global liquidity on our centralized exchange creating a powerful network effect. Third, we're the largest regulated stablecoin platform in the world. And fourth, we have a proven track record of building and scaling frontier products. In short, we believe Coinbase is well positioned to win as the world increasingly moves onchain. You're probably familiar with Coinbase's products, but if not, here's a quick reminder. We serve three main customer groups.

Consumers with our retail, advanced trading and self custody apps. Institutions with our prime brokerage platform. And for developers we have CDP or Coinbase developer platform. Our one stop shop where any company can integrate crypto. And the most powerful part of our product suite is that they are all built on a shared infrastructure that creates network effects and economies of scale across our platform. You can see the full stack architecture of Coinbase here. How it works is our battle tested Custody stores more crypto than any other company. Our settlement rails are fast, cheap and

global.

Our exchange offers deep liquidity from our multiple customer groups. Stablecoins like USDC enable efficient money movement and it's all supported by a decade plus track record of leaning into regulation and compliance around the world. Now let's get into Q1. We faced headwinds with a softer trading market this quarter. But we executed well on what was in our control. We saw huge growth in derivatives trading volume driven by our everything exchange. We hit a new all time high in USDC held in Coinbase products and saw 10x year over year growth in stablecoin transactions on Base. We're also leading on the next frontier with over 90% of onchain agentic transaction volume happening on Base.

So let's walk through some of our key metrics. First, crypto trading market share. Despite the market being down, we continued to grow share globally and reached a new all time high. When market conditions are difficult, we see customers consolidate activity on platforms they trust. Next, let's touch on Assets on Platform. In short, Coinbase stores more crypto than any other platform. And despite asset prices being down, Q1 marked the 12th consecutive quarter of net native unit inflows. This is a key part of our strategy.

Our most trusted brand attracts assets on-platform which leads to customers adopting more products. Finally, I want to highlight stablecoin growth this quarter. USDC growth on our platform has hit another all time high despite broader crypto market performance. We are the largest distributor of USDC with more than 25% of all USDC held in our products and importantly we capture about 50% of all USDC economics. Moving into an update on our 2026 priorities which we've told you about in prior sessions, we've made significant progress against our top three priorities this quarter. As a reminder, these are the Everything Exchange so users can trade every asset in one place. Stablecoins and payments, enabling money to move at the speed of the Internet and bringing trading and payments onchain. I'll give a quick overview of each of these. So first, how we're growing the Everything Exchange.

We heard from customers that they wanted to trade more than just crypto on Coinbase and I'm excited to share that. In the past year we've transformed Coinbase from a primarily spot focused crypto platform into a place where you can now trade any asset class. We've added stock trading, 24/7 equity perps, retail access and geographic expansion for derivatives, we've added prediction markets. We're starting to see real traction now validating our Everything Exchange strategy. Derivatives trading is now over \$200 million in annualized revenue. Prediction markets are scaling fast, reaching \$100 million in annualized revenue in March. That's just two months after launch.

And we added non crypto contracts like silver, gold, and oil which saw more than 4x growth quarter over quarter. Next Coinbase is driving stablecoin adoption worldwide. Coinbase has a full-stack stablecoin solution across USDC, Base, and Coinbase Developer Platform. We're seeing this bundle accelerate adoption of stablecoins. First, total stablecoin supply has doubled over the last two years and USDC is taking a bigger share of that growing pie. Second, stablecoin transaction volume doubled this quarter and USDC and partner Stablecoins drove more than 80% of that total volume. Lastly, the third chart shows how Base is now the dominant chain for all stablecoin transactions with 62% share. And we're also building stablecoin infrastructure for agents.

So, USDC and Base are now powering the majority of onchain stablecoin transactions for AI agents. And when agents pay with crypto onchain, they use USDC 99% of the time and over 90% of those transactions are happening on the Base chain. In Q1 we're seeing agents also use the x402 protocol for a wide variety of use cases including trading, AI, inference, media generation, storage and more. In short, Coinbase is at the center of the agent economy. And lastly, our third priority for 2026, growing onchain. We continue to make DeFi easy to use through our Coinbase app. DEX volumes grew 2x quarter over quarter and borrow/lend balances have grown to over a billion dollars in the last year. So to wrap up, the future of finance is onchain and Coinbase is the company best positioned to power it.

Crypto is updating every aspect of the financial system, Coinbase has a full stack solution across multiple customer groups and agentic commerce is the next frontier. With that, I'll hand it over to Alesia.

Alesia Haas, CFO: Thank you Brian. In Q1 2026, we generated \$1.4 billion of total revenue, a quarterly net loss of \$394 million, and \$303 million of positive Adjusted EBITDA. We're going to unpack these results and more in the following slides. But before we dive deeper in the numbers, I want to step back and give you our assessment of the quarter. Because the headline figures alone don't tell the full story, we are controlling what we can control and the underlying

business performed well. As Brian shared, we reached a new all time high in crypto trading market share. We posted our 12th consecutive quarter of native unit growth. We saw green shoots in the Everything Exchange from derivatives and prediction markets.

We came in under our expense guidance. Against this backdrop, macro conditions were genuinely tough. Total crypto market cap and total crypto trading volume were both down more than 20% quarter over quarter and volatility in the long tail assets were at historic lows. The bottom line is that we saw price headwinds outpace the strong growth in this quarter. But our fundamentals remain strong. Our Q1 results underscore the message. We control what we can control. And when we look at our results versus the outlook we provided in February, we delivered within or better than every range we set.

Total revenue for Q1 was down 21% quarter over quarter reflecting the softer market backdrop. As a reminder, our revenue is inherently non linear. A significant portion moves in line with crypto asset prices and trading volumes. What matters is our ability to build and grow our product suite and assets on our platform through these cycles and show long term growth even amidst the short term volatility. Drilling into our transaction revenue of \$756 million consumer was \$567, down 23% compared to a 35% decline in the overall consumer spot volumes. There were two factors at play here. One, we saw a mix shift towards consumer core trading away from Advanced. Second, we see accelerating contributions from our newer products like derivatives and prediction markets which contribute to our total revenue but are not included in trading volume.

Key business metric which is spot crypto only. On the institutional side, revenue of \$136 million declined 27% alongside volumes subscription and services revenue was \$584 million down 16% quarter over quarter. We saw continued strength in native unit inflows. However, this growth was offset by prices and rates. Stablecoin revenue was \$305 million. Average USDC Held in Coinbase products reached a new all time high of \$19 billion. A quick reminder here. Our USDC contract auto renews every three years into perpetuity. It cannot be terminated.

I also want to flag a reporting change we made in the first quarter. We reclassified \$18 million of corporate stablecoin revenue to other revenue. This change reflects our treatment of cash and USDC as completely fungible within our corporate operations. And this is consistent with our decision earlier this year to report payment stablecoins as cash and cash equivalents on our balance sheet. We've recast historical periods for comparability. Blockchain rewards were \$101 million down on price and protocol reward rates. But importantly we saw native unit growth in staked balances, interest and finance. Fee revenue was \$68 million up 13% quarter over quarter.

Average daily loan balances reached \$1.4 billion and active customers grew double digits. Lastly, I want to highlight Coinbase One is now over 1 million paid subscribers. A sign of the product value proposition is resonating independent of the broader macro market conditions. It's important to know that Coinbase One members generate incrementally higher trading volume, higher revenue. They are our most engaged customers in the products across the portfolio and they exhibit strong unit economics. Revenue diversification is one of our key financial objectives. We are proud to have 12 products generating more than \$100 million in annualized revenue. Our retail derivatives business, as Brian mentioned earlier, reached a new all time high in Q1, generating revenue at an annualized run rate exceeding \$200 million and putting it on track to be our next product to hit the \$250 million product here.

Prediction Markets is also tracking well and it's on track to be the 13th product to cross \$100 million in annualized revenue in its second month of meaningful operations. We remain focused on revenue diversification and we're really encouraged by the breadth of this portfolio and our ability to launch and scale \$100 million plus revenue lines. Our total operating expenses were \$1.4 billion down 5% quarter over quarter. Tech and Dev was to \$526 million, up modestly driven by one time costs related to acquisitions completed in Q4 2025 G&A declined 17% quarter over quarter as we got a head start on expense reductions driving declines in deal related legal costs, customer support costs and policy related expenses. This is our 13th consecutive quarter of positive adjusted EBITDA spanning bull markets, bear markets and everything in between. We believe this track record is one of the clearest demonstrations of our commitment and the durability of our business model. We ended the quarter with over \$10 billion in cash and cash equivalents and total available resources of \$12 billion. We have the flexibility to invest through the cycle.

We can pursue strategic opportunities. We can return capital to shareholders via share repurchases all simultaneously. I wanted to remind you that our 2026 convertible notes are due on June 1st. Unless the notes reach the defined conversion

price, we do intend to retire the \$1.3 billion obligation in Q1. We repurchased approximately 6 million shares for \$1.1 billion. Our cumulative buybacks have roughly offset 90% of shares that we issued for employee compensation since Q4 of 2024 forward. Turning to our outlook, we expect subscription and services revenue in the range of \$565 to \$645 million with an opportunity for quarter over quarter growth. We expect technology and development and general and administrative expenses to continue to come down sequentially with a range of \$820 to \$870 million in Q2, down 4 to 9% from the first quarter.

In addition to our recurring expense outlook, we expect to incur \$50 to \$60 million in restructuring expenses related to the headcount reduction we announced earlier this week. This will be recognized as a standalone restructuring line item in our Q2 financials. As we mentioned in Tuesday's announcement, we are transitioning to be an AI native company. Our product velocity is already increasing rapidly. The number of pull requests per engineer is up almost 80% year over year, and importantly, our focus on quality is scaling even faster. Integration test coverage across core services is up 3x in the last six months. The ability to scale our team members and their ability to iterate and improve our products at these speeds is a game changer for our execution, throughput and efficiency. Before I close, we wanted to provide an annual adjusted expense outlook in addition to our core quarterly expense outlook.

We define adjusted expenses as technology and development general and administrative sales and marketing less the amortization of intangibles. We expect 2026 adjusted expenses to be between \$4.3 and \$4.6 billion. This is roughly \$500 million lower than our Q4 2025 annualized exit rate at the midpoint. And I also want to point out that absent any growth in USDC rewards, we would expect 2026 expenses to be flat to 2025. With that, this concludes our prepared remarks and I will hand it back to Shan to moderate Q and A.

Shan Aggarwal, CBO & Head of IR: Thanks Alesia. We're going to transition over to Q&A for this quarter. We're going to take a mix of questions from both our X and our analyst community. All the questions are being submitted to us in writing and we'll try to get broad coverage across topics that folks are interested in. So to start, we'll talk about one that's top of mind for a lot of folks, regulation. So for Paul the question comes from James Yaro at Goldman Sachs who asks, could you comment on the status of the CLARITY Act? How do you expect this bill to evolve and what are your latest views on the impacts to the business?

Paul Grewal, CLO: Thanks Shan. On CLARITY, we are confident that the bill is going to head to markup this month with a floor vote to follow in early summer. All that translates to our confidence that we're going to see a signed piece of legislation by the end of the summer. And all of this timing follows from real progress that we've seen on particular issue of interest to many, which is the rewards question. Just last week we saw Senator Tillis and Senator Alsbrooks announce a compromise on stablecoin rewards. And while we're certainly not declaring victory here, we appreciate both Senators efforts to work out an important resolution of this issue. And we also appreciate that this is still live legislative process, which means voices are going to continue to weigh in on the question like every other compromise coming out of Washington, everyone's undoubtedly a little unhappy about where things have landed.

But what we can say is that the direction of the text and in particular its preservation of activity based rewards while prohibiting a passive pure bank style deposit style yield, really reflects what to us is an approach that can work and will work going forward. So look, the details do matter a lot here, but from the language that was released, we think it's clear rewards are going to be protected and we can preserve what are the key elements of our current program. As for business impact going forward, there remain a lot of rules that still need to be written once the legislation is passed. So I think it would be premature to get out ahead of that. But what we can say right now is that we are building towards a model that is based on engagement, is based on utility, and we think that these positions are going to serve us and our customers well, no matter what the final framework looks like. I do think it's important to emphasize one further point though, which is we shouldn't lose sight of the broader picture. CLARITY is going to be a significant unlock for the industry, for our customers and for Coinbase, and especially our ability to build new products and services with regulatory clarity in a way that we haven't seen really ever in crypto and you know, on a timeline of years rather than dealing with individual case by case concerns. So this is all exactly what we have spent time, energy, sweat and emotion building towards.

And we're very excited to continue to keep working through next week's markup and beyond to make sure that this bill gets passed.

Shan Aggarwal, CBO & Head of IR: Thanks, Paul. Yeah, a lot of good discussion on the rewards topic, but CLARITY is about much more. And so for Brian, this question from Ken Worthington at JP Morgan. You and the crypto community seem to come to a compromise on legislation, particularly around stablecoin rewards. But you were also concerned about DeFi, regulatory authority and tokenized securities when legislation comes out and gets signed into law. From your perspective, what are the things that you expect to see over the next year in terms of who new will be participating in the crypto ecosystem and what do you expect they will be doing?

Brian Armstrong, Co-Founder and CEO: Yeah, well, you're correct that the CLARITY act is about much more than just stablecoins and rewards. I think as Paul mentioned, it will create a lot of opportunities for people to work on tokenization, having clarity about what's a commodity versus a security, exchanges and custodians, what their roles are. DeFi has an important role to play here. Self custodial wallets. And so there's going to be lots of energy that comes out of it. I think it's going to be a little bit like when the GENIUS act passed for stablecoins and we saw a couple hundred large companies in the US come out in the subsequent months and announce integrations with stablecoins. And so this means that hopefully lots of companies post in a world post CLARITY being passed will come out and start to integrate crypto. They might use it to raise money onchain, they might use it to provide crypto services to their customers.

I think it'll just unlock a lot of institutional capital that'll flow into the space broadly and the opportunity is really there for Coinbase to go provide those services to all these companies coming into crypto post CLARITY being passed into law and actually power integrations for many of them as well via Coinbase developer platform. So we think it's going to be very additive. We want every company to be integrated into the crypto enabled financial system just like they use the internet or AI or any other technology and Coinbase can provide those services to them. So that's what we plan to do.

Shan Aggarwal, CBO & Head of IR: Great. Okay, last question on this theme. This one for Paul and Alesia from Pete Christensen at Citi who asks would changes in stablecoin rewards policy lead to changes in contractual revenue share mechanics with Circle?

Paul Grewal, CLO: Well, fortunately the contracts that we have in place in Circle are set and as Alesia has underscored, they auto-renew. So we expect to continue to go forward with our relationship with Circle under those same terms. Again, the details in the legislation matter, so I can't say until the ink is dried on the final document what the full set of implications may be. But we're confident that this will end in the right place and our relationship will proceed as it has up until this point.

Alesia Haas, CFO: I don't have much to add. I just think it's important that to know that the revenue share is tied to overall USDC supply and adoption and it's really unaffected by any rewards language.

Shan Aggarwal, CBO & Head of IR: Great. Okay, transitioning. We got a question from one of our X analysts @Architect9000 who asks - it was fairly alarming in your note earlier this week, Brian, to hear that non technical developers are pushing code, AI code into production. Is that really true? And how is Coinbase going to marry AI's ability to move fast while preserving high quality and brand trust?

Brian Armstrong, Co-Founder and CEO: Yeah, so I should have made this more clear in my note, but we encourage product managers, designers, other non technical employees to use AI agents to draft code. That's getting easier to do, but human engineers still review all code before it goes into production. In some cases we have multiple review levels from human engineers, just on the most sensitive systems, et cetera. As you can imagine. It's important to realize, and I think your question points at this, AI agents are not just about increasing speed of execution in terms of code or enabling lots more people to write it. It's also going to raise the bar on quality and cybersecurity. And we saw a glimpse of this recently actually with the Mythos model that Anthropic put out, where it's actually able to find security vulnerabilities that 99% plus of human engineers would not have been able to find. So I think that it's important to lean into this as an opportunity to raise quality and Cybersecurity standards with AI agents.

It's a little bit like self driving cars. They're getting to a place where they're actually safer than human drivers. And so there will be a point I think in the future where people will be able to, non technical people will be able to write code, AI agents will be able to review it and check it for security, improve the quality of it, and actually in certain situations have it go to production. But that's not yet the case today. And so we want to make sure at Coinbase, we are leaning into the frontier,

rigorously testing these things oftentimes in parallel to make sure it has a proven track record. And if we see it consistently exceed the standard of what a human could do in certain situations, it would be irresponsible not to automate it further. So that's how we're going to stay on the frontier.

Alesia Haas, CFO: And I just wanted to underscore the comments that I made in opening comments that our investment in quality, our investment in integration testing is exceeding the pace of our growth in new pull requests. So we are definitely investing in the testing required to drive up quality on our platform.

Shan Aggarwal, CBO & Head of IR: All right, thanks for that. Switching gears a little bit for Emilie. Question from Ramsey El Assal at Canner Fitzgerald, who asks, you were gaining market share recently. Can you give us an update on the competitive environment and on the drivers that have enabled you to win share despite the down market?

Emilie Choi, President and COO: Yep. We reached an all time high in Coinbase crypto trading volume market share in Q1 and we gained share in both spot and derivatives globally. In a market where total crypto trading volumes were down 20% plus quarter over quarter. Our market share has grown roughly 5x since Q1 2023. And what we found is that when conditions are difficult, people go to where they trust. So this is the 12th consecutive quarter of net native unit inflows for us. Share gains have been driven by product innovation and expansion of our derivatives platform, including launching derivatives in our flagship Coinbase app and adding support for non crypto contracts. Our Everything Exchange strategy is validating. Retail derivatives are at 200 million plus of annualized revenue, prediction markets are at 100 million plus of annualized revenue in March and incremental revenue cross sold into a customer base we've already acquired.

So it's very positive. We do also believe that share captured in down markets will be sticky as conditions improve.

Shan Aggarwal, CBO & Head of IR: Great. Let's switch gears a little bit and talk about stablecoins. So this question also for you Emilie, from Andrew Jeffrey at William Blair can you talk a little bit about what the extent of your stablecoin movement infrastructure ambitions are? Is Coinbase content with being a CPN participant or is the company looking to expand offerings such as settlement?

Emilie Choi, President and COO: So we have built a faster, cheaper global settlement layer and we intend to fully leverage it. We have the full stack. We are the primary distributor of USDC as the digital dollar base as the settlement layer, our payments APIs as the enterprise integration layer, and X402 is the open standard for the next wave of agentic commerce. We have a vertically integrated stack that no other company in the world owns end to end. We're not playing as a network participant, we are the platform that powers stablecoins. The market opportunity is pretty massive here and we still think it's quite early in the cycle.

Shan Aggarwal, CBO & Head of IR: Okay, let's continue on that theme a little bit and talk about agentic and AI native finance. For Brian: question from Raina Kumar at Oppenheimer. As we get closer to the commercialization of agentic payments at scale, can you talk about the particular opportunity you see for x402? Specifically, how should we think about incremental USDC on platform growth from x402 adoption? And over time, how meaningful could transaction fees on Base and from the X402 facilitator really become?

Brian Armstrong, Co-Founder and CEO: Yeah, so thanks for following X402. For anybody who doesn't know, this is an open protocol that we incubated within Coinbase for agentic commerce. It allows agents to spend small or large amounts attached to any request, whether that's to E-commerce checkout or any other agent in the world. And we're seeing this emerging area of agentic commerce really start to take off. We've subsequently opened this protocol and put it as part of the Linux Foundations and lots of other companies have come in to contribute to it and oversee the governance of it, including Cloudflare, AWS, Stripe, Shopify, Google and so it's currently the most popular open standard for agentic commerce, which is great. So your question asked about how this helps Coinbase. Well, there's a couple ways. One is that 99% of the X402 transactions right now are settled in USDC.

That's from Q1. And so we obviously monetize USDC via our relationship with Circle, which is good. 90% of the agentic stablecoin transaction volumes were settled on Base in Q1. So Base is the leading chain now. And it just makes sense that there's lots of companies who can build on X402. It is truly an open standard, but because it was incubated within Coinbase, we have really great APIs inside Coinbase Developer platform, for instance, that let people integrate with X402,

put it into any checkout that they want to make agentic enabled. And so it's been a really nice thing that's grown from out of Coinbase to become an open standard that has secondary effects on all of our various products. This kind of speaks to the Full Stack solution that Emilie was mentioning.

I think we're really the only company that owns that full stack of incubating X402, Coinbase Developer Platform, Base, and USDC. These are all products that we either co created or helped create. And it's been a really great journey to see all those pieces come together to become the leading stack for agentic commerce.

Shan Aggarwal, CBO & Head of IR: All right, switching gears just slightly, we talked a little bit about stablecoins and payments. You know, one of our top priorities is the Everything Exchange, of course. So Alesia, question from Patrick Moley at Piper Sandler who asks, as you scale the Everything Exchange across equities, prediction markets and commodities, how should investors think about the monetization timeline and the revenue contribution from these new asset classes relative to your core crypto trading business over the next 12 to 18 months?

Alesia Haas, CFO: Thank you for the question, Patrick. So as you heard in our opening comments, the Everything Exchange is already moving the needle. We highlighted retail derivatives growth that's now on track for \$200 million annualized. Prediction markets is one of our fastest growing new products that as of March was 100 million annualized and this is all less than two months after go live. So we are seeing really nice green shoots from these new products that we rolled out with Everything Exchange. We believe that the non-crypto assets are starting to also gain traction. They were 4x quarter over quarter in terms of volume from silver, gold, oil. So this is really tangible signs that our decision to expand out the tradable assets on the Everything Exchange is seeing traction with our customers and seeing engagement.

Alesia Haas, CFO: So we hope to have more news to share with you next quarter. We're not going to give an outlook on a per product basis. Our whole goal is to grow our total trading volume market share, as we did this quarter, to continue to penetrate these new asset classes and engage more and more customers with them.

Shan Aggarwal, CBO & Head of IR: Great. Maybe continuing on that theme, let's talk about something super fun at least within the Coinbase walls. Let's talk about crypto options. So Alesia, Owen Lau at Clear Street asks, could you please give us an update on launching crypto options trading in the US and the timing of that? What are the major hurdles in front of you?

Alesia Haas, CFO: Great question, Owen. So as many of you know, we closed the Deribit transaction last year. Deribit was the clear leader within terms of institutional clients and professional market makers and trading options. We are very focused on this integration right now. It is progressing nicely and we expect to be fully integrated in 2026. This means that we're going to unify spot, perps, futures, options, all on a single platform that's going to provide deep liquidity, that's going to provide efficiency across these various asset classes. This is, you're going to hear incremental milestones as we go through the year towards this outcome. On the US specifically, I cannot give you a timeline on today's call, but we're actively working on it and very optimistic.

So coming soon on a global basis, if I could zoom out and talk about derivatives globally as well, both of our exchanges, both the US and international derivatives exchanges, achieved new all time highs in the quarter in terms of revenue contribution. This is included in our institutional transaction revenue line. And the institutional derivatives revenue more than offset any declines that we saw in option activity in Deribit during the quarter.

Shan Aggarwal, CBO & Head of IR: Great. Next, relatedly for Brian, crypto volumes have remained under pressure. Sorry, this question is from Devin Ryan at Citizens, but crypto volumes have remained under pressure, especially in more speculative token trading, even as the industry narrative has become increasingly optimistic toward stablecoins, tokenization and utility driven onchain activity. Are we in a transition moment where speculative volume is declining before the utility side of the market has produced a step function increase in block space demand? How are you thinking about the timing and magnitude of that shift, and what gives you confidence in the secular growth path for Coinbase transaction volumes?

Brian Armstrong, Co-Founder and CEO: Yeah, so this is really part of the reason why we've been investing in the

Everything Exchange. It's to diversify the asset classes that are there. So in recent quarters this crypto spot trading was down a bit. But as we mentioned, you know, derivatives and prediction markets, some commodities, futures, you know, things like that were up, right. It's true in any given market something's always up, something's down and that's the nature of trading.

So it's important we're diversifying that through the Everything exchange. And then we're also diversifying our revenue from a non trading point of view into what we call subscription and services, of course. And that's now 44% of our net revenue. So that's a nice balancing factor as well. You had asked about utility. I don't think the utility side is really waiting. I think that we're seeing, obviously, stablecoins are growing like crazy. Prediction markets there's really great signs of adoption for tokenization more broadly, agentic commerce that we mentioned.

Even our DeFi integrations such as for DeFi, borrow, lend are growing really nicely. So I think the utility side is already here and we're in kind of this interim period where spot crypto assets were down a bit, other asset classes were up and as we diversify these things will get balanced out where we'll just be in a more upward channel over time.

Shan Aggarwal, CBO & Head of IR: Great. Next for Alesia from Alex Markgraf at KBCM. Can you walk us through the RIF? I think many folks are curious to understand how much is a function of the current environment versus AI leverage and what do you anticipate in terms of cost savings both in quarter and run rate.

Alesia Haas, CFO: Thanks Alex. Hopefully the materials that we provided in the earnings presentation go a long way to providing data for this question, but I want to zoom back. So the restructuring reflects two forces acting simultaneously. It wasn't all one, it's not all the other. And it's hard to just detangle and say what is more or less. We definitely saw market headwinds and we've definitely also seen a transition to AI native operations. So as we shared pull requests are up by engineer by 78% year over year, we are seeing continued growth in that and I think that we're going to only see more and more of our work being done by AI in all of our functions over time. With regard to specific dollars, the actions removed about \$500 million of total costs as compared to the Q4 2025 run rate we provided in our outlook, both Q2 as well as full year outlook the full year adjusted expenses are going to be between 4.3 and 4.6 billion.

And excluding that USDC rewards growth, that's roughly flat year over year in terms of that adjusted OpEx 2025 to 2026.

Shan Aggarwal, CBO & Head of IR: So we'll go to another question from X for Alesia and this one's from @PresidentNoble. Related to fees. Do you plan on lowering fees? Morgan Stanley and other TradFi banks are offering better prices on their brokerages.

Alesia Haas, CFO: Thanks for this. So our position is, as it's been for a long time, our clients are not choosing us because we're the cheapest. However, we do experiment and we do look at different fee schedules for our customers. They're choosing us today because we're the most trusted, we're the easiest to use, the most crypto stored. We have 80 licenses. We have a global regulatory foundation. Customers have the choice between trading on our core platform, Advanced, to go on to Coinbase One. And so with this choice, we believe that customers are choosing us for the right product for their needs, not on fees alone.

But over the long term. We've always said that we believe that fees could come down as things become commoditized. And so our focus on diversifying our revenue is very important and it's more diversified than ever. We have 12 products with over \$100 million of revenue. We've shared with you that we have a really solid forward pipeline of additional products that are scaling and on pace to become our 13th. And so we are not keeping our eye off the ball of the risk of fee compression, but it's not what we're seeing in the near term business.

Brian Armstrong, Co-Founder and CEO: Yeah, and I'll just add that, you know, for customers that are more fee sensitive, we have a couple of really great options already. I mean, one is that with a Coinbase One subscription, they can get zero fee trading. So a lot of customers are taking advantage of that. And then in Coinbase Advanced for our more prosumer traders, there's very competitive pricing that scales down really to just a few bips at the high end based on volume. So I think for many of our customers that want to get lower fees or even zero fee trading, we have great options for them.

Shan Aggarwal, CBO & Head of IR: Great. Next one for Emilie from John Todaro at Needham & Co. Institutional transaction revenue declined more than the retail consumer quarter over quarter. Can you frame up the institutional interest in crypto as of late and if you are surprised to see more weakness in institutional than retail?

Emilie Choi, President and COO: Sure. Listen, I think things ebb and flow between institutional and retail. And that's okay. It's how it's always been for the business. Institutional transaction revenue of 136 million declined 27% quarter on quarter, which is in line with macro institutional trends. Lower volatility, reduced hedging demand specifically at Deribit and options activity declined following all time high volumes in Q4. That weighs disproportionately on our institutional revenue. Deribit open interest share held steady despite that headwind and we feel that the durability of positioning is still very much intact.

Underneath the revenue line, institutional engagement was actually quite strong by the end of the quarter. Most of the downtrend happened in January and active lending clients grew double digits quarter over quarter. Average daily loan balances hit an all time high of 1.4 billion. 45 major financial institutions have moved tokenization from concept to production in Q1. Institutions understand the longer term utility of crypto and they are definitely positioning ahead of regulation. And on top of that we have a very strong institutional pipeline. We've got ETFs including staking, DATs, prime custody activations that are opening new TAM for us.

Shan Aggarwal, CBO & Head of IR: Great. And I think we just have time for one last question, this one from X from @CreditBrian. What is Coinbase or Brian most excited about for the next one to three years?

Brian Armstrong, Co-Founder and CEO: Well, there's lots happening in crypto. I mean the first is just every asset class is coming onchain, right? Whether it's stocks, prediction markets, commodities, fx, tokenization of all these real world assets, which is about \$30 billion today, expected to be \$16 trillion by 2030. So the trading is just going to get more and more efficient and more and more of that will float it to onchain. I think the second one is of course stablecoins. It's just we're in a golden age right now where payments are now fast, cheap and global. They can be under 1 second under 1 cent anywhere in the world. Just like sending a WhatsApp message or something, it just arrives instantly almost for free anywhere in the world. That's never been possible before in payments.

Brian Armstrong, Co-Founder and CEO: And we're going to see more and more payments, global GDP essentially flow to these stablecoin rails and then agentic commerce is really going to be a catalyst on top of all of that, where I think increasingly people will rely on these agents to get work done for them. They'll need to get things paid for. And we launched this website, Agentic.Market for instance, that's just a collection of all the different services out there that are AI agent enabled where agents can connect to them, pay transaction fees through the x402 protocol, and get work done on your behalf. And it's just a really exciting time to be building financial infrastructure that's more efficient for the whole world, plus AI agents. And, you know, that's what I'm excited about doing in the coming years.

Shan Aggarwal, CBO & Head of IR: Alrighty. Well, that concludes today's earnings call. Thank you so much for joining us for this Q1 update, and we look forward to speaking with you all next quarter.