

Webull Corporation

Fourth Quarter and Full Year 2025 Earnings Conference Call

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CORPORATE PARTICIPANTS

Anthony Denier - *President, Chief Executive Officer, US*

H.C. Wang - *Chief Financial Officer*

Carlos Questell - *Head of Investor Relations*

PRESENTATION

Operator

Good afternoon and welcome to the Webull Corporation Fourth Quarter and Full Year 2025 Earnings Conference Call. All participants will be in a listen-only mode. Should you need assistance, please signal a conference specialist by pressing the "*" key followed by "0." After today's presentation, there will be an opportunity to ask questions. To ask a question, you may press "*" then "1" on your telephone keypad, to withdraw your question, please press "*" then "2." Please note, this event is being recorded.

I would now like to turn the conference over to Carlos Questel, Head of Investor Relations. Please go ahead.

Carlos Questel

Good morning, good afternoon, and good evening, everyone. Welcome to Webull's fourth quarter and full year 2025 conference call. Earlier today, we issued a press release detailing our fourth quarter and full year results. A copy of the release can be found on our IR website at webullcorp.com under the investor relations tab. Please note that this call is being recorded and will be available for replay via our IR website.

During the call, we'll be making forward-looking statements about the company's performance and business outlook. These statements are based on how we see things today and contain elements of uncertainty. For additional information concerning the factors that can cause actual results to differ materially, please refer to the cautionary statement and risk factors contained in our filings with the Securities and Exchange Commission and press release, both of which can be accessed via our website.

Today's presentation will include a discussion on adjusted operating expenses, adjusted operating profit, and adjusted net income, all non-GAAP financial measures. Reconciliation of these non-GAAP financial measures to their most directly comparative GAAP measures are included in the press release that we issued today. It is important to note that although we believe that these non-GAAP measures provide useful information about operating results, they should not be considered in isolation or construed as an alternative to their directly comparative GAAP measures.

Furthermore, other companies may calculate similarly titled measures differently, limiting their usefulness as comparative measures to our data. We encourage investors and others to review our financial information in its entirety and not rely on a single financial measure.

With me today is our Group President and US CEO, Anthony Denier, and our Group CFO, H.C. Wang. We will begin with prepared remarks and then take questions at the end.

With that, I would now like to turn it over to Anthony.

Anthony Denier

Thank you, Carlos, and hello, everyone. Thanks for joining us today. Webull's fourth quarter and full-year results show strong progress and returns for our first full year as a public company. Our full-year results reflect our success as we continue to enhance our offerings for our growing base of active traders and investors, expand our client base globally, and extend our capabilities to new markets, including institutional investors.

Following our public listing in April of last year, we have been executing on an ambitious plan to address the growing requirements of our user base of sophisticated active investors looking for autonomy from traditional brokerages. We're proud to report that we offer that platform today, and it provides our users with a one-stop shop for securities trading, as well as offering in crypto, futures, prediction markets, and more. And what's more interesting is it's all enhanced by AI.

AI is dramatically changing the investing industry, and we at Webull are on the forefront of many of those changes. We're proud to be shaping the future of active, self-directed trading through the integration of AI via Vega, our AI assistant for trading and platform guidance, delivering real-time insights and AI-generated trading ideas.

Launched at the end of last year, Vega is already integral to our continued growth, providing our users with market data, information, and associated analysis, as well as real-time portfolio monitoring with user-controlled management of positions and risk preferences.

Since launching just a few months ago, Vega currently assists 1.2 million global users each week, with 10% of weekly active users deploying the tool to answer over 10 million questions since creation. AI deployment across our platform also extends within our organization with AI implementation across customer service, R&D, and internal operations. We're looking to integrate AI into every aspect of our internal business to optimize and scale a global business that provides a differentiated, sophisticated, regulatory compliant trading platform to users across markets.

I'm proud of the Webull team for a strong first year as a public company. I'm also proud of our leadership in the development of our AI capabilities over the past year. As we establish Webull as a leading investment platform for active traders, I want to be sure you understand how important the scale we have achieved is to our strategies going forward. We are poised to bring our solutions to brokerage firms, high net worth individuals, family offices, and wealth advisors. I look forward to chatting with all of you about B2B opportunities in 2026.

With that, let me now walk you through the key highlights from 2025 in more detail. Here on slides two, three, and four, I'll walk you through our 2025 highlights. We are proud of our performance in 2025, delivering record revenue and a solid operating profit margin improvement from the prior year. We recorded revenue of \$571 million, representing 46% growth from 2024, driven by record trading volumes across all asset categories.

First, customer assets reached \$24.6 billion, inclusive of approximately \$1 billion in assets from the acquisition of Webull Pay, representing an 81% increase from 2024. Second, equity trading volume increased by 59% year-over-year to \$732 billion, while options volume rose by 19% to 550 million contracts. And our newer products, including futures, prediction markets, and crypto, all delivered strong growth during 2025.

We recorded an elevated but disciplined increase in adjusted operating expenses of \$460.7 million, representing an annual increase of 24% as we continue to invest in strategic product offerings and market expansion to support long-term growth. Operating profitability was strong with a 14.6 percentage point increase in adjusted operating profit margin on our annual basis to 19.3%, representing an adjusted operating profit of \$110.3 million for the year. As our industry undergo structural changes, we will continue to invest proactively to capture outside share overtime.

Turning now to slide five and our 2025 roadmap. I'm really pleased with this progress. Webull Premium, our subscription-based service for active traders and long-term investors, has reached 102,000 subscribers by year-end, surpassing the 100,000 target we set for ourselves. Our premium subscribers contribute 30% of our AUM, 60% of overall margin debit balances and our most active customers. Looking ahead, we aim to double our premium subscriber base in the coming year while continuing to enhance the product with additional features, making it the best value product for active traders.

One of our proudest moments of 2025 was the introduction of Vega, our AI tool that combines news, earnings, and technical data to deliver a focused, intuitive experience that helps both new and seasoned investors navigate modern trading and make smarter decisions. Since its release, approximately one in eight users have used the assistant before trading, and Vega continues to play a role in not only bringing people to our platform, but keeping them there, as reflected in the 1.2 million users a week who utilize this exciting technology.

We also launched BlackRock model portfolios, which provide a robo-advisor offering and allow users to access a range of diversified portfolios across various asset classes, including alternative and digital assets. In line with expanded digital asset offerings, 2025 marked the reintroduction of crypto trading for our US customers with the acquisition of Webull Pay and the launch of crypto trading in Australia and Brazil. We are also actively exploring digital asset licenses in a number of other markets and expect to bring them online in the coming year.

The introduction of prediction markets to our asset classes has also been an exciting innovation this year. This offering provides an engaging and accessible trading experience that lowers barriers to entry for users. This quarter, more than 152 million prediction contracts were traded, with 81 million in December alone. We're excited to continue the momentum around prediction markets with the introduction of sports prediction markets across all the major sports leagues.

And while Webull has always been a global player, 2025 has been a year of further global expansion. We now have more than 760,000 funded accounts outside the US. APAC customer assets have surpassed \$3 billion, and our partnership with Meritz Financial Group has increased access to the US market for Korean investors.

Canada is also on track to soon reach \$1.5 billion in customer assets, fast on the heels of surpassing \$1 billion only four months ago. Additionally, we launched our platform in the Netherlands and are now licensed in four additional EU markets, Germany, Italy, Spain, and Portugal. We prioritize delivering US products to international markets from the start and it is just good business to have diversified revenue streams globally.

Looking ahead to 2026. On slide six, you'll see that we have identified three main priorities for the year. First, we will sustain and grow our elite offerings for active traders, leveraging AI tools that enhance the trading experience and allow us to maintain price leadership across the market. Second, we will continue growing our global business by cementing our position in existing markets and continuing to add to our localized product offerings. Finally as I noted earlier, we will be building on last year's partnership with Meritz to expand our B2B platform.

On slide seven, I'll discuss our growth in both users and funded accounts for Q4. During the fourth quarter, we added roughly 1 million registered users, bringing the platform to a total of 26.8 million registered users. We saw steady sequential growth throughout the year, posting a more than 3 million user increase year-over-year and representing a 15% increase. Our

investments in marketing are yielding results and are indicative of a strong fit between our offerings and market demand.

As previously mentioned, Webull's roots as a global market data platform mean there is a significant number of registered users in geographies where our trading platform is not yet available. We continue to offer best-in-class market data and information to all users, regardless of their brokerage status, a feature of our platform that has only been bolstered by the introduction of Vega to all Webull accounts.

On the right side of the slide, you can see funded account metrics. Funded accounts, defined as accounts where customers have made an initial deposit that has remained above 0 for 45 consecutive calendar days as of the record date, showed steady growth. We added approximately 100,000 new funded accounts this quarter, bringing the total number of funded accounts to 5.03 million, an 8% year-over-year increase. As we continue to innovate and enhance our offerings, we're also happy to report that our quarterly retention rate remained high at approximately 97%.

Turning to slide eight, Webull customer assets reached an all-time high of \$24.6 billion in the fourth quarter, representing an 81% increase on a year-over-year basis and a \$3.4 billion sequential increase. You all know that trading volumes were high in the fourth quarter. Our growth in customer assets reflects this. Customers deposited over \$3.9 billion during the quarter, an incredible 225% increase year-over-year and a sequential increase of \$1.8 billion, bringing cumulative net deposits for the full year to \$8.6 billion.

Lastly, on slide nine, you'll see trading volumes for the quarter. While we saw strong growth in our newer products, particularly prediction markets and crypto, equity and options remain our core offerings and trading volumes continue to grow.

Equity notional volume reached \$239 billion, up 87% year-over-year and 17% sequentially, while options contract volume totaled \$154 million this quarter, up 38% year-over-year and up 5% sequentially. These results underscore the strength and resilience of our active trader base, which remains highly engaged through periods of market volatility. Our customers continue to trade consistently across core asset classes, reflecting a disciplined, long-term approach rather than short-term momentum-driven behavior.

With that, I'll pass the call over to H.C. for a closer look at our financial results for the quarter.

H.C. Wang

Thank you, Anthony, and thanks to everyone for joining us today. In the fourth quarter, Webull generated total revenue of \$165.2 million, representing 50% year-over-year growth. This strong performance reflects continued strength across both trading and interest-related income streams. On the expense side, adjusted operating expenses were \$143.6 million, up 62% year-over-year, primarily driven by increased marketing and branding investment.

Let me take a moment to frame this clearly. The increase in marketing spend is intentional and strategic. We're capitalizing on a strong equity market backdrop, multiple industry catalysts, and the branding tailwind from our recent listing to accelerate customer acquisition, AUM growth, and international expansion. Over time, we remain confident in our ability to scale revenues ahead of expenses, supported by the operating leverage in our model. I will now walk through profitability and then the key components of revenues and expenses in more detail.

Turning to slide 11, we continue to demonstrate consistent profitability. Webull has now delivered five consecutive quarters of operating profitability, with each quarter generating over \$20 million in adjusted operating profit. In Q4, adjusted operating profit was \$21.6 million, representing a 13% adjusted operating profit margin. Adjusted net income was \$14.6 million, or 8.8% of revenue.

For the full year, we generated \$84 million in adjusted net income in our first year as a public company. As we look ahead, our approach remains consistent: we will continue to balance disciplined execution, profitability with targeted investments to capture long-term growth.

Turning to slide 12, our trading-related revenues continue to grow, supported by momentum from the third quarter and strong trading activity across asset classes. Trading-related revenues increased 56% year-over-year to \$112.5 million, and DARTs increased to \$1.2 million in the fourth quarter.

We're seeing broad-based engagement across equities, options, futures, crypto, and prediction markets. Importantly, our users continue to trade consistently across market conditions. This reflects a base of active traders who remain engaged through volatility rather than being driven by short-term momentum-based behavior. We believe this positions us well for sustained growth on trading revenues over time.

Turning to slide 13, interest related income continues to scale along with client assets. In the fourth quarter, interest related income grew 31% year-over-year to \$43.5 million, primarily driven by higher interest earned on client cash, margin lending, and corporate cash. Specifically, customer margin balances increased 43% year-over-year to \$689 million at the end of Q4, reflecting higher utilization from our premium customers.

Sequentially, interest-related income was roughly flat as declines in fully-paid stock lending revenues offset increases in other categories. This reflects the normalization of borrowing rates for certain hard-to-borrow securities, which had elevated stock lending revenues in the prior quarter.

As I've mentioned on this call before, our business model is relatively resilient to interest rate changes. Over the long term, as we continue to grow client assets globally, we expect this revenue stream to continue to expand.

Finally, let's turn to slide 14 for a closer look at operating expenses. Adjusted operating expenses increased 62% year-over-year, with the majority of the increase driven by marketing and branding investments. These investments are focused on accelerating customer acquisition and AUM growth, and we are already seeing strong early returns, as reflected in our record \$3.9 billion of net deposits in the quarter.

It's also important to note that excluding marketing, our cost base remains well-controlled. We achieved our highest operating profit margin 'X' marketing in the fourth quarter at 45% demonstrating the strong operating leverage of our platform.

We expect that our margins should continue to improve as we further scale and diversify our revenue base, which will give us the flexibility we need to invest opportunistically in customers and AUM growth particularly during periods of market expansion.

Now, thank you everyone, with that I'll turn the call back to Anthony before we open the line for questions.

Anthony Denier

Thanks H.C. Q4 was another record-breaking quarter for Webull on multiple fronts as we focus on growing revenue, growing AUM all while maintaining fiscal responsibility. This is now our fourth reporting quarter as a publicly listed company and Webull has delivered growth and profitability every quarter. As we marked a monumental milestone for the platform, I want to recognize our global team for an outstanding year. It's clear that the team's dedication has been central to the progress we've made as a company and will continue as we look forward to the next year of supporting our user base of active securities traders, expanding our platform for investors across existing and new markets and continually looking to expand our client base including with B2B offerings. We look forward to engaging with you at several upcoming industry and investor conferences.

On that note, we welcome any questions you may have either here on the call or one-on-one.

QUESTION AND ANSWER

Operator

We will now begin the question-and-answer session. To ask a question, you may press "*" then "1" on your telephone keypad. If you are using a speakerphone, please pick up your handset before pressing the keys. To withdraw your question, please press "*" then "2." At this time, we will pause momentarily to assemble our roster.

Our first question is from Chris Brendler with Rosenblatt. Please go ahead.

Chris Brendler

Hi, thanks and good afternoon. Congratulations on the strong results. I'd ask the most obvious question first, which is just maybe dive into the marketing spend in the fourth quarter a little bit, in terms of the sequential increase, how much of that went to new customer acquisition? How much of that went to incentives on folks bringing over balances? And if you could comment at all about the run rate from here as we think about 2026? Do we expect this elevated level to continue? That'd be great. Thanks.

Anthony Denier

Hey Chris, Anthony here. Thanks for the question. So the Q4 marketing expense was certainly higher, and that is...that's actually illustrated in the success in the AUM growth we've had. The majority of the marketing spend we do; you don't see Webull on Super Bowl Sunday; you don't see us on billboards around town. We focus a lot of our marketing spend on where it's most impactful for the customers that we are focused on acquiring, and those are high net worth active trading customers, right? And that's reflected in the net, net deposits we received in Q4, right?

So, record net deposits, \$8.6 billion over the course of the whole year, \$3.9 billion over the course of just Q4 alone, and that successful marketing campaign is the main driver for the higher marketing costs we see in Q4. Now, going forward, we're going to be very conscious on maintaining a strong operating margin, so I do not expect that the marketing cost will be as high going forward, but again we're opportunistic. Where we have an opportunity to grow and to invest in growth, we will take that opportunity. So Q1 is looking much lighter than Q4 was, but that was a lot because of the success of Q4.

Chris Brendler

Makes sense. Thanks a lot.

H.C. Wang

Hi Chris. Just I am going to add on top of Anthony. So if you look at our marketing expense as a percentage of revenue, it was about 35% in 2024, and that as a percentage of revenue has actually come down to about 23%, 24% in 2025. So as we continue into the new year, we'll continue to obviously invest in customer acquisition AUM growth, but we'll also be keeping an eye on this ratio percentage of revenue spent on marketing.

An important point I think Anthony had alluded to is that we're, the majority of our marketing spend is actually performance-based. So these are for successful deposits, for successful account openings, these are that we can track. These are not...these are not fixed branding investments that are committed early in the year, so we have a lot of flexibility to dynamically calibrate and adjust the marketing spend as we see where the market is going.

Chris Brendler

Makes total sense. Thanks H.C, appreciate that color. Since we're already in March and markets have changed a little bit since last year, certainly seeing a lot of trading volume, but you know, also some volatility. Can you comment at all about 2026 year-to-date in terms of the trends in DARTs and equity versus option? That'd be great.

Anthony Denier

Yes, no problem. I think the market is setting itself up for an interesting rest of the year. But, looking back, we're almost at the end of the first quarter already. And, I can say confidently now that, I mean, January is probably the second-best month we have ever had as a company since inception. So Q1 is certainly looking strong. When there is volatility, especially with our customer base, there is a lot of activity and a lot of trading. When the markets start getting harder to read, whether there is geopolitical headlines, that we are reading multiple times a day now that could change the direction of the market at any time, we see a lot more concentration in our options business.

And the margin in our options business is quite higher than our equities business. So that's actually a net positive for us. And I think in a volatile tape, which seems like it is going to be in the foreseeable future, I think we are extremely well-positioned with just our core customer base, right? You see a lot of our competitors looking to target active traders. We have only targeted active traders since day one. That is our core, that is our flywheel, right? And it'll constantly help us when there is volatility in the market. The activity between a casual retail trader and an active retail trader is very different.

So the second part, I think that where we have an advantage is our global distribution, right? We are now operating in 14 different countries around the world. And it's great to have diversity of revenue streams with different product types, with a volatile market and a questionable, a questionable outcome of which direction the market's going to go. And then lastly is our B2B business, which has done nothing but expand since we made our first announcement only three months ago. We will continue to build on those partnerships. It is a long-term and slow-growing business when you are dealing with B2B relationships, but they are consistent through different changing markets over time.

Chris Brendler

That's great color. One last one, if you don't mind, is the prediction market change. It's super exciting to see the success after such a late in the year launch, certainly get ramped very quickly. How should we think about prediction markets in contributing to earnings and profitability in 2026?

Anthony Denier

So prediction markets are exciting for our business. I think it opens up our TAM to a completely new demographic of customer. It is a great re-engagement tool for customers that have gone dormant or have slowed their activity on the platform. It's a great calling card to come back and rediscover investing and trading. I do not believe that prediction markets are going to be any part of our core business going forward. I think our core business is in the active securities trader. I think the prediction markets are a great tool that we can use to engage with and keep clients engaged with their portfolio, allowing them to speculate, to hedge, and allowing them to have access to new tools and a new on-ramp to gather a new customer base.

Chris Brendler

Makes total sense. Thanks so much, and congrats again.

Operator

The next question is from Mike Grondahl with Northland Securities. Please go ahead.

Mike Grondahl

Hey, guys. Thank you. I wanted to follow-up on the \$3.9 billion in net new deposits. You know, you guys really called out the marketing spend, and we know what you've done there for people moving balances. But I didn't hear you mention crypto, that new offering, or Meritz, that rollout. You know, do you want to attribute any of that big growth to crypto or Meritz? I guess drill down a little bit deeper there, Anthony?

Anthony Denier

Yes. So, firstly any of the B2B relationships that we have onboarded, they are not attributable to net deposits. Those net deposits are purely coming from retail. Crypto, however, is included because our crypto business is only attributed to retail right now. To give you a little bit of color on how Meritz is going, we have been obviously quiet in terms of the revenue attributed to this new partnership because we still are growing it and it's still very early. But we have to-date traded north of \$1 billion notional in equity for Korean customers through our relationship with Meritz. That number is growing on a week-to-week basis, and we expect them to be a very important partner for our B2B business in the longer term.

On the crypto side, we've been...I talked about this before. The availability and the opportunity for us for crypto is a wide-open field, and I am extremely excited about the ability to be best-in-class for active crypto trading. But it's still too early. The amount of trading that we are doing on crypto versus our securities business is still de minimis. We are still waiting to roll out a couple of key products towards the end of this quarter, and I think there will be much more material conversations to have for Q2 in terms of crypto revenue contribution.

Mike Grondahl

Got it. And just going back to Meritz, how ramped up is that relationship? Is it still early innings, middle innings? And then what does the pipeline look like for other international partnerships or opportunities?

Anthony Denier

For the Meritz relationship, again, a very key one for one of the largest active trading regions in Korea, very, very early innings. I mean, we are still not even out of the second inning yet. First inning was getting them onboarded. Second inning is where we are, is we are still testing. And some of that test phase we are working out the different trade flows that they want to send to us, and that number has been growing on a steady basis. I expect...I expect to be 10 times at the end of this year where we are today to give some context. And pipeline for B2B, that's where the B2B gets really exciting.

As you guys know, onboarding institutional investors is not as quick as onboarding a retail customer. So these relationships do take time to build, but the pipeline is primed and ready. We have multiple businesses that are looking to connect with us on multiple reasons. We are beating our competition in price. We are beating our competition in technology. We are beating our competition on having boots on the ground where these B2B relationships are and we are beating them on product diversification. There is very few competitors that we have in this space that can match us on all those fronts. So I expect the B2B business to be equal, if not greater, over the next several years than our current retail business.

Mike Grondahl

Great to hear. Thanks, guys.

Operator

The next question is from Kareem Seif with Bank of America. Please go ahead.

Kareem Seif

Hi, good evening. Can you guys hear me, okay?

Anthony Denier

Yes, sir.

Kareem Seif

Okay, perfect. Congrats on a strong quarter. My first question is on, capital priorities and M&A. So could you give us an update about your capital priorities for this year? And what are some of the key focus areas for M&A in terms of size and target markets?

H. C. Wang

I will take this one. I think our answer hasn't really changed. You know, we will continue to be very focused on investing in growth. That means customer acquisition, AUM acquisition, and continually invest in technology, especially AI, right, to make us the best-in-class platform for active traders and also in geographical expansion where we're currently operating. So I would say it's primarily in organic growth as we see a lot of opportunities in our current space where we are gaining share across a number of markets.

In terms of the M&A opportunities, I think it's something, I think we will be opportunistic. We don't have a strategy necessarily saying that we have to grow through acquisitions, but if something interesting that does come along, we will obviously evaluate it from a risk/reward perspective.

Kareem Seif

Got it. Thank you so much. And then for my follow-up, I wanted to know if there are any plans to publish monthly metrics such as DARTs, account growth, net deposits, similar to what some

of your peers provide. And if so, could you share the timing or the context around when you might start? Thank you.

H.C. Wang

Yes, thanks for the suggestion. I think we are...we are listening, we are evaluating, and also balancing with, I guess, where we are in terms of the maturity of the business. So, if you've noted, we have actually disclosed more granular data in terms of DARTs and also the interest earning asset balances in this quarterly presentation. So we want to be transparent and give more information to our investors and research analysts. So when we are...when we're ready, we will be...we will be releasing data probably on a more regular cadence. Thank you.

Kareem Seif

Perfect. Thank you so much.

Operator

The next question is from Ed Engel with Compass Point. Please go ahead.

Ed Engel

Hi, thanks for taking the question. Wanted to kind of drill down some of the success you are seeing on the performance marketing side. Is there any specific segment or segments that are kind of driving a lot of the growth there, whether it's US, international, or kind of these new products like crypto and prediction markets?

Anthony Denier

What I have been most impressed with, especially over the course of 2025, was the growth of the international contribution, meaning our non-US broker dealers that are contributing into our US product flow, mainly in the form of equities and options business. We have more than doubled the amount of incoming flow over the course of 2025. So a doubling effect, which I am very confident that that trend will continue into 2026 as we continue to export kind of the US retail experience to retail investors outside the US, to all of our broker-dealer affiliates in the Webull Corporation umbrella.

Looking at things like a retail customer sitting in, you know, sitting in another country is still reading the same investment blogs, is still looking at the same Reddit channels, talking about using options to trade volatility or ahead of an earnings cycle, right? But that customer usually does not have access to that US product where they live. If they do have access to it, usually they have to be some ultra-high net worth customer or they are going to pay some ridiculously high fees or have a very bad user experience. We are bringing that US experience outside of the US, and been extremely successful in doing so. We are continuing to push that agenda. We are the first true zero commission platform in Hong Kong. And when we went to zero commission in Hong Kong, I believe it was November of 2025, our Hong Kong customer order flow nearly doubled immediately. We will continue to push pricing, price compression and better user experience everywhere globally. So, that international cohort is really important for us.

And then when we look at product types, you mentioned crypto of course, crypto is extremely important for our demographic of customer. Like I mentioned earlier, we will be focusing on targeting active crypto traders with price compression here in the US. We have licenses and are offering crypto currently in Brazil and Australia. And I believe that we will have...I want to be careful, I don't want to make too many promises but we will have probably two more licenses that trade crypto before the next earnings call and continue to expand on that for expanding our user base for the products that we offer.

And then lastly, I think prediction markets as a new product is something that's extremely interesting for our B2B business. In order to offer predictive markets, you have to have multiple licenses and you have to have the ability to offer technology on a quick delivery schedule that you can then offer these products to other platforms that do not have the proper licenses and do not have the proper technology to offer it.

So, there's a huge queue of clients that we're building that will also expand our prediction market business that expands outside of retail alone.

Ed Engel

Great. Appreciate all that color. And then just kind of get into the trading revenue segment within the platform and trading fees line item, a pretty big sequential increase in that. We can kind of back into prediction market revenue, just given the volume you gave us, and it's some of that, but not really all of it. So, just curious, of that kind of platform and trading fee line item like what really drove that sequential increase.

H. C. Wang

Well, there's...it's actually a number of things. So, with outside of our core products, equities and options, all the other asset classes are the trading-related revenues go into the platform and trading fees. So, that includes futures, crypto and prediction markets as well as the commissions that we do collect on some of our foreign affiliates. Yes, so in Q4, there's a big jump, I think, for several reasons.

One is our...like our futures business actually continues to grow. And also, we had consolidated Webull Pay, the crypto business, at the end of Q3. So, Q4 was really the first time that we had ever presented crypto revenue in any of our results as well as prediction markets. So, as you can see, we...like Q4 was a big quarter for prediction markets. And so for us, that also is a significant contributor to the results in Q4.

Ed Engel

Great. And then just one last housekeeping one. I saw on the balance sheet that you...looks like the promissory note balance declined. Was that you paying this down in...

H. C. Wang

Yes, we paid, that's correct. We had \$100 million of promissory note on our balance sheet at the beginning of Q4. And then we paid off \$35 million of the principal of the promissory note in Q4.

Ed Engel

Okay. I guess the interest payment steps up, correct in about a month. Is it fair to assume that you would try to take it down relatively quick or are you okay with it out there?

H. C. Wang

I think we're....we are again, we're evaluating. We have time to pay down the promissory note, so there's flexibility on when to pay it off. So, I think it depends on the...our cash flow and our balance sheet and also our strategic priorities in the coming quarters. So, there is the will...the goal is to eventually pay it off. So you can...we are...we like to maintain a healthy balance sheet and not to take on too much debt. And so, the goal is definitely to pay down over time. And then so hopefully, to save on the interest costs.

Ed Engel

Great. I, thanks, and I'm wishing congrats on the great growth.

Operator

The next question is from Brian Vieten with Seaberg. Please go ahead.

Brian Vieten

Great, thanks guys. Hey, just a question on, I guess, the customer funnel, sort of driving new ads and keeping people engaged. Can you just talk about prediction markets versus crypto? Like what's been, I guess, a more compelling funnel for you and how you see that looking in '26? And then separately, just on price, it seems like for a number of products, the pricing is very competitive, but I do wonder if maybe you could come out at sort of a healthier price level. And then the customer could kind of opt out versus you kind of immediately cut the price. And then it's hard to maybe raise it down the road. Have you guys run through any of these analyses where maybe you do just have the normal fee structure and you could always sort of cut it down over time and kind of delight the customer from that standpoint. Is that an exercise you guys have worked through with prediction markets, crypto, some of your newer markets? Thanks.

Anthony Denier

Hey, Brian. So, I think one of the big differences, though, when we talk about price compression for crypto, I think the biggest differentiator between our business and any of our competitor business in terms of trading of crypto and the spreads that are built in the pricing, is that we're not reliant on any crypto revenue currently, right? So, any revenue that we add, whether it's from a pricing spread that's one quarter of the margin of our next competitor, that's still accretive revenue for us. And if any of our competitors were to match our pricing, they'd have to be cutting their crypto revenue significantly. So, we think that that puts us in a very good position. It almost reminds me of when I launched the platform in 2018, where there was us and two or three other digital platforms that were only offering zero commission, right, for equities.

And the largest players, they were very slow to adapt and change because it was so cannibalistic to a very important revenue stream that they depended on. I see this as the same exact opportunity for us. And to get more detailed about your question when I don't think we would have an across-the-board pricing compression for all clients because the majority of crypto investors are long-term investors, right? They're buying it to add to their portfolio. So, the entry cost is not that important to them. We're targeting the active crypto traders, right? People that are day trading crypto multiple times a day, every day. That is the majority of our customer base with active traders, and we want to cater our products specifically for them. So, we do have a couple different models in mind, and I will give you more details as we get closer to a launch date.

Brian Vieten

Okay. Great. Thanks. And okay, perfect. And I guess just from a fee capture standpoint, it sounds like near term. It's more about getting volume out there and driving more engagement and getting new customer adds? Is it...are we right to think there's probably not a big revenue number coming from crypto, prediction markets in '26? I might have missed that if you covered it earlier, but could we just walk through the fee structure a little bit for this year?

Anthony Denier

So, for our prediction markets, we charge \$0.01 commission per contract. We also do receive exchange rebates on top of that as part of the revenue stream for prediction markets. We did run an offering around the Super Bowl, where we announced no commission for prediction markets for anything related to the Super Bowl game winner point spread, MVP, things like that. And that actually drove a significant amount of traffic without us actually having to advertise or pay for expensive advertising during the Super Bowl cycle, a very successful program for us. I think there's very little compression that's available for prediction markets.

I think the prediction market game is strictly about volume and size at this point and that can be run in a couple of ways. It could be a targeted audience, which, again I'm not convinced that that's our audience. I think our audience are the active securities traders not the pure spec traders, but that can change. Still kind of waiting to see some data and waiting to see which direction a lot of the kind of regulatory and political cultural oversight in which direction that wind is blowing before I want to commit to doubling down on a specific product. And obviously, crypto on ramp is a natural progression for our demographic, and we'll continue to pursue the right product suite as we roll out...like I mentioned, as we roll out the offering and get aggressive into Q2.

Brian Vieten

Okay, great. And then just lastly, I think for some of your competitors, one of them has 10, 11 businesses, I think, that are \$100 million or more in revenues. Prediction markets was the fastest growing...I'm sorry, the fastest to \$100 million of all 11 businesses. And it's funny. We looked at a couple of years back. A lot of them didn't...they launched five years ago. But even if you haircut the prediction market number by 80%, it's still the fastest to \$100 million. And so, I guess from my standpoint, I'm still a little bit, I guess, just confused why we wouldn't just have the full capture in such a sort of fast-growing market that's kind of wide open. But I hear your side as well. Thanks a lot, guys.

Anthony Denier

No so, Brian, I mean, we do have the full suite of prediction markets that all of our competitors have. It's not that we don't offer them. We absolutely do offer them. However, we don't put our prediction markets in front and center in our customer experience, right? And I think that's a great metric you mentioned, but another great metric is you look at our traditional securities products. We're probably 1/15th in terms of AUM of the competitor you mentioned, yet we do 1/30 amount of equity business they do on any given day. We do probably 20% to 25% of the options business that they do in any given day. So, we understand who our core customer is and we build our platform and we develop it around our core customer.

Brian Vieten

Alright. Thank you, sir.

CONCLUSION**Operator**

This concludes our question-and-answer session, and the conference has also now concluded. Thank you for attending today's presentation. You may now disconnect.