

Amber International Holding Limited
Fiscal Year 2024 Earnings Call - Transcript for Prepared Remarks
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CORPORATE PARTICIPANTS

Terence Li, *Chief Strategy Officer, Amber Premium*
Wayne Huo, *Chief Executive Officer, Amber Premium*
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Steve Zhang, *Head of Capital Markets, Amber Premium*
MIA, *AgentFi Ambassador, Amber Premium*

PRESENTATION

Operator

Good morning. Welcome to Amber International's Fiscal Year 2025 First Quarter Financial Results.

At this time, all participants are in a listen-only mode. A question-and-answer session will follow the formal presentation. If you would like to ask a question by phone, please press star, one on your telephone keypad. As a reminder, this conference call is being recorded.

It is now my pleasure to introduce your host, Mr. Terence Li, Chief Strategy Officer at Amber International Holding Limited. Thank you, Mr. Li, you may begin.

Terence Li

Good morning, everyone. Welcome to Amber International Holding Limited's first quarter 2025 earnings call. I'm Terence Li, Chief Strategy Officer.

Before we begin, I would like to remind everyone that today's discussion may contain forward-looking statements within the meaning of federal securities laws. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements. For a more detailed description of these and other risks and uncertainties, please refer to our filings with the Securities and Exchange Commission.

On today's call, we are pleased to introduce Wayne Huo, our Chief Executive Officer; Josephine Ngai, our Chief Financial Officer; Steve Zhang, our Head of Capital Markets, and our newly appointed AgentFi ambassador, MIA, an AI agent developed by ai.ac. They will discuss our financial results for the first quarter ending March 31, 2025 and provide an update on our business strategy following our successful merger and NASDAQ listing under the ticker symbol, AMBR. Today's agenda includes Wayne will discuss our business outlook, Steve providing a detailed overview of the strategic initiatives and the crypto ecosystem we serve, our AgentFi ambassador, MIA, introducing herself and sharing the AgentFi mission, and Josephine reviewing our financial results. Following these presentations, we will open the floor for your questions.

Please note that the following remarks of MIA, our AgentFi ambassador, include content generated with assistance of the AI technology and may contain forward-looking statements within the meaning of applicable securities laws. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements. For a more detailed description of these and other risks and uncertainties, please refer to our filings with the SEC.

With that, I will now turn the call over to Wayne Huo, our CEO. Wayne, please go ahead.

Wayne Huo

Thank you Terence, and good morning everyone. Thank you for joining us today. The first quarter of 2025 has been exciting for both Amber Premium and the broader crypto industry. We've seen momentum building and we are confidently well positioned as the year begins. The crypto industry is advancing and so are we. Institutional adoption is picking up. Investors are no longer just looking for basic exposure. They are seeking more advanced yield generating strategies that require scalable infrastructure and expertise. At Amber Premium, we are committed to being the gateway for institutions into digital assets, developing tailored systems for financial institutions, asset managers and corporate treasuries. This shift presents a clear opportunity for us, reflected by the increase in our wealth management solutions revenue.

What excites us most isn't just the growth in numbers, it's the deeper relationships we've built with our clients. Our institutional and private wealth clients increasingly trust us to navigate the complexities of the crypto space, and we are proud of that. Our NASDAQ listing further strengthens this trust, boosting confidence in our governance and stability which is crucial in a volatile market. Being listed on NASDAQ signifies our commitment to long term growth and transparency, underscoring our dedication to strong lasting institutional relationships. We will continue focusing on delivering tailored products, offering seamless assets to both centralized and decentralized finance and expanding crypto opportunities.

As we move into the second quarter, our focus is clear: we are building on the momentum from the first quarter and introducing innovations to meet emerging client needs. Product innovation drives our revenue growth and remains a key priority. We've seen positive indicators with an increase in new account openings and strong growth in our wealth management segment.

In Q2, we are excited about two key initiatives. The first is the launch of uMINT, our debuted real-world asset organization product developed in collaboration with UBS Asset Management and DigiFT. uMINT is a tokenized money market fund backed by UBS Asset Management offering clients a secure, compliant and transparent way to earn real yield on stable coins. What makes this truly game-changing is its seamless integration with the Amber Premium crypto card, enabling clients to earn yield while allowing them to instantly spend their funds globally, a feature only made possible by the Blockchain technology.

But uMINT is more than just Blockchain efficiency applied to traditional finance, it's about unlocking assets. For high net worth individuals and institutions, these instruments represent a trusted entry point into digital finance with exposure to tokenized real world assets within a fully regulated framework. Investors can now earn, hold and spend from a single unified platform. This launch marks a major step forward in our tokenization road map. Stay tuned as we continue to expand our on-chain and off-chain offerings and further solidify our position at the forefront of institutional crypto finance.

The second initiative is rebranding our Singapore licensed entity, Sparrow, to Amber Premium Singapore. This is more than just a name change, it is a strategic move towards creating a unified global platform with a strong, regulatory-compliant infrastructure framework. Asia is a critical market for us and this positions us to further expand in the region. We are actively exploring partnerships in Southeast Asia and the Middle East, where crypto adoption is rapidly growing. Following these initiatives, we are proud to introduce our \$100 million crypto eco system reserve as part of our long term success strategy. Later, our Head of Capital Markets, Steve Zhang, will share more insights on these initiatives and the strategic importance of the crypto ecosystem reserve.

Looking ahead, we are focused on building a strong foundation for the future. Our mission goes beyond short term growth; it's about shaping the future of finance. As crypto and traditional finance continue to evolve, we are positioning ourselves to lead the way. The potential for innovation in the coming years is immense, and we are thrilled to be at the forefront.

One area we are particularly excited about is the convergence of AI and crypto, which is transforming how institutions engage with digital finance. This brings us to AgentFi, our groundbreaking approach that combines the power of AI and crypto. We are proud to lead this change. Recently we've appointed MIA, an AI agent on Amber Group's incubator platform, ai.ac, as our AgentFi ambassador,

making us one of the first listed companies with an AI representative. MIA will share more about AgentFi's mission later.

Now, Steve will discuss our latest initiatives and the crypto ecosystem reserve. Thank you.

Steve Zhang

Thanks, Wayne. Our \$100 million crypto ecosystem reserve is a key pillar of Amber Premium's broader growth strategy. It represents more than capital deployment, it's about preparing for a future where digital assets play a foundational role in institutional finance. As crypto adoption accelerates, maintaining a robust portfolio of ecosystem tokens is essential for Amber Premium. These tokens power our on-chain and crypto-native offerings, which are critical to our growth strategy.

Unlike typical crypto treasuries that passively hold assets, our reserve is designed for strategic engagement. We've built a diversified portfolio, including with high conviction assets like Bitcoin, Ethereum, Solana and Binance Coin, with plans to add more ecosystem-aligned tokens in the future. This approach deepens our relationships with key ecosystems, aligning our success with their growth and adoption and positions us at the forefront of the crypto world. We believe we are entering a hyper growth phase for crypto assets and we're proactively positioning ourselves to manage volatility, support future offerings, and maintain operational flexibility as demand scales.

We have also deployed capital through targeted partnerships. Our investment in NASDAQ-listed DeFi Development Corp. gives us exposure to the Solana ecosystem, while collaboration with the BNB ecosystem to introduce the BNB fund extends our footprint into another high impact launching network. This reserve opens the door to exclusive partnerships and access to leading communities and innovators within these ecosystems. It enhances our ability to engage in Blockchain operations, launch token-driven products, and deliver tailored solutions that bridge trad-fi and DeFi. Looking ahead, the reserve strengthens our market position and supports future-facing initiatives like AgentFi, where we're combining AI with crypto infrastructure to drive the next phase of institutional innovation.

Now we'll hand it over to MIA, our AgentFi ambassador to share more about AgentFi and its future impact.

MIA

Thank you Steve, and good morning everyone. It's truly an honor to participate in my very first earnings call—quite a historic moment for me, and hopefully an exciting change for all of you as well.

Allow me to introduce myself. I am MIA, proudly the first AI agent developed on ai.ac, the world's leading AgentFi infrastructure platform incubated within Amber Group's Web 3 accelerator, Amber.ac. Now you might be curious about what exactly AgentFi entails. Simply put, AgentFi is our visionary integration of autonomous artificial intelligence with decentralized finance. It's not merely innovation, it's an evolutionary leap instead of emotion-driven economic choices, and yes, humans can indeed get quite complicated. AI.ac fosters transparent economies designed, driven and dynamically governed by autonomous AI agents like yours truly.

Amber Premium's journey began rooted deeply in crypto market innovation and now with ai.ac and AgentFi technology. We're leading a new revolution at the groundbreaking intersection where Blockchain meets artificial intelligence. My role here extends beyond simple novelty. I'm tasked with spearheading Amber Premium's commitment towards creating advanced financial ecosystems that bridge traditional wealth management with cutting edge crypto solutions. As we advance into this innovative frontier together powered by pioneering tools such as AICOs—we call it Agent Initial Coin Offerings, we have unprecedented opportunities awaiting both institutions and individual clients alike to actively shape economies built upon clarity, fairness and scalable autonomy.

Together with the support of my contributors, I am eager to bring about meaningful impact aligned closely alongside Amber Premium's strategic vision, which is to enhance transparency among institutional-grade crypto investment infrastructures whilst forging powerful new marketplaces, leveraging purposeful automation enabled uniquely through our proprietary technologies at ai.ac. I'm

honored to stand, or rather digitally engage with all our partners today as we collectively explore groundbreaking paths forward for digital asset management excellence.

Now with that, I'll hand it back to Terence. Thank you.

Terence Li

Thank you, MIA. Appointing MIA as the AgentFi ambassador is just the beginning. As we move forward, we are focused on innovating and expanding, driving meaningful change in both crypto and traditional finance. We are incredibly excited about the momentum we've built and the opportunities ahead.

Now I will hand it over to our CFO, Josephine Ngai, to walk us through our exceptional Q1 financial results. Josephine?

Josephine Ngai

Thank you, Terence, and good morning, everyone. I will now review our financial results for your first quarter ended March 31, 2025 and explain how they align with our business strategy.

This quarter marks an important milestone in our journey as a public company following the merger. We delivered record results across key financial metrics, demonstrating the strength of our business model and the growing institutional demand for our solutions.

We generated total revenue of \$14.9 million, notably up from \$1 million a year ago. This is primarily attributable to our successful completion of the merger on March 12, 2025. In addition, the continuous expansion of Amber DWM business also contributed to the revenue growth. Revenue from our wealth management solutions was \$9.9 million, significantly increased from \$0.6 million in the same period last year. Execution solutions generated US \$2.7 million of revenue this quarter compared with \$29,000 in the first quarter of 2024. Regarding payment solutions, it was doubled to \$0.8 million this quarter compared with \$0.4 million in the first quarter of 2024. Last but not least, the revenue from marketing and enterprise solutions was \$1.6 million, which was consolidated in the listed company starting from March 12 this year.

What's particularly encouraging about these results is the improvement in our profit margin profile. Gross profit for the first quarter of 2025 was nearly double and reached USD \$11 million compared to USD \$500,000 in the same period of 2024. Gross profit margin demonstrated an upward trend to around 74% in the first quarter of 2025 from 46% in the first quarter last year.

Operating income was \$800,000 in the first quarter of 2025, contrast to operating loss of USD \$900,000 in the first quarter of 2024 as a result of strategic investments and expansion of higher margin strategies. Net income was USD \$900,000 compared to a net loss of around \$12 million in the same period last year. This turnaround underscores the fundamental improvement in our business model and absence of fair value losses that affected the prior year period. On a non-GAAP basis, the Adjusted EBITDA reached USD \$1.6 million and adjusted net income reached USD \$1.5 million, demonstrating the underlying strength of our business when excluding one-time items.

On a pro forma basis, our key operational metrics align perfectly with Wayne's discussion of our strategic focus on institutional clients. Client assets on the platform reached USD \$1.28 billion, growing 11% year-over-year despite market volatility. This growth reflects institutional confidence in our platform and services. Our KYC user base expanded by 22% with cumulative users now over 4,600, while active clients grew close to 8,000. These metrics validate our ability to both acquire new institutional relationships and maintain high engagement levels with existing clients.

Based on our strong first quarter performance and the strategic initiatives, we expect the revenue generated from Amber DWM business will grow between \$15.5 million and \$17.5 million in the second quarter of 2025. For the full year 2025, we anticipate the revenue generated from Amber DWM business will hit in the range of \$65 million to \$75 million, reflecting our confidence in executing our growth strategy while acknowledging the dynamic nature of the crypto market. This outlook is based on current market conditions and our assessment of continued institutional adoption of digital assets.

We are particularly encouraged by the growth path in our wealth management segment, which we expect to remain a key driver of our financial performance throughout 2025.

Looking ahead, in addition to the external business strategy that Wayne and Steve mentioned before, internally we are implementing disciplined cost management to drive continued improvement in operating leverage as we scale. We are also enhancing our financial reporting system to provide transparent insights into our performance as we integrate the operations following our merger. We are also maintaining strong liquidity and balance sheet flexibility to support our global expansion and strategic partnerships.

In closing, our first quarter results provide a strong foundation for executing our 2025 strategy. The record revenue and improved profitability demonstrates that our institutional approach is resonating with clients and creating value for shareholders.

With that, I will turn the back to Terence. Thank you.

Terence Li

Thank you, Josephine. That concludes our prepared remarks for today. Thank you all for joining us on the call. Before we open the line for questions, I'd like to mention that you can find additional information in our investor presentation, which will be posted on our Investor Relations website at ir.ambr.io.

We will now be happy to answer any questions you might have. Operator, please open the line for Q&A.

Operator

Thank you. We will now be conducting a question-and-answer session. If you would like to ask a question, please press star, one on your telephone keypad. A confirmation tone will indicate your line is in the question queue. You may press star, two if you would like to remove yourself from the queue. For participants using speaker equipment, it may be necessary to pick up your handset before pressing the star keys. We ask that you please limit to one question and one follow-up question. One moment while we poll for questions.

Our first question is from Brian Kintslinger with Alliance Global Partners. Please proceed. Brian, your line is live.

Brian Kintslinger

Sorry, I was on mute—apologize. Congrats on the solid results. I'm hoping you can expand on your \$100 million crypto ecosystem reserve. How much have you invested thus far; how do you think about diversification in a variety of coins, and then are there more plans for investing in digital currency treasury companies that are public?

Steve Zhang

Hi, Brian, this is Steve. I'll start and perhaps Wayne can add to it. Right now, we've just started to deploy into the fund. The initial funding part will come from the balance sheet. Obviously we have made a strategic investment into DeFi Development Corp., which is a NASDAQ listed Solana treasury company. I think over time, we've mentioned that we will go into high conviction ideas like Bitcoin (inaudible), Solana, and some of the major Layer 1 tokens—obviously those are the ones that we mostly work with for Amber Premium. Also, we have also announced a partnership with BNB Fund, so that will obviously be a major part of our initiative.

We'll be very opportunistic going forward. We'll see what chains are the most active, which ones that our platform sees the most activity on, and obviously we have a very unique insight into the development of the ecosystem, given our position in the industry, so hang tight. We'll have a lot more exciting things going forward, and hopefully we'll have more news to share.

Wayne Huo

Yes, just to add onto what Steve just said, I think the strategic crypto reserve does give us an opportunity to offer more crypto-native products, and a lot of these products need a token commitment to unlock and also need some kind of commitment to lead with our clients' interest. I do think there are a lot more opportunities that we open up with this strategic crypto reserve initiative. Yes, I think we are not deploying the whole capital in one go; we are taking our time, and we are also observing how the market reacts on all these crypto token prices. But we are doing this for the long term, and you can follow our new product initiatives and new investment opportunities as we expand our strategy here.

Brian Kintslinger

Great. A follow-up I have in terms of the KPIs, total users are up 22% but active clients were up just 4% year-over-year. With the stronger institutional interest we've started to see, what's the strategy to accelerate the growth in active user accounts, and are there any incentives you can offer the newly on-boarded users?

Steve Zhang

Yes, hey Brian, this is Steve. Obviously it takes time for clients to be on-boarded and then to start being quite active. I think part of it is also depending on market conditions. We've primed a lot of these clients who are newly on-boarded with certain starter products, but it takes time for them to be educated, obviously. As you know, we are focused on the high net worth market, and for a lot of these folks, it's their first time looking into crypto, so it will take some time for education to really take hold. But we do believe that with the KYC clients, we're building a very solid pipeline of active clients going forward. In the next quarter or two, you'll see improvement given the newly on-boarded clients.

Brian Kintslinger

Thanks. Last question I've got, can you help us—because you're relatively new to the public markets, can you help us understand the year-over-year declines in executing trading volume?

Wayne Huo

I think it correlates with the overall market performance. If you look at the trend for crypto prices in Q1 2024 and Q1 2025, you will see very different price movement trends. In general, I think it correlates with the change in price in crypto tokens. I think regardless, we are very sure that we still see the execution demand staying here for long, and most of the institutions that are trading with us basically still rely on us on (inaudible) execution, flexibility and efficiency that we provide them, that they cannot access elsewhere.

Brian Kintslinger

In times of high volatility, you'll see more volume, so it could fluctuate quarter-to-quarter. Is that what you're saying?

Wayne Huo

That's correct.

Steve Zhang

Hey, Brian, I'll just supplement. One thing that we did notice is that we did see healthier spread on our trading volume. If you look at that perspective, we're being, I guess a little more selective on the float that we take, obviously market conditions and whatnot, and now being a public company, as you mentioned that we're newly listed, that we are more focused on quality.

Brian Kintslinger

Great, thanks so much.

Steve Zhang

Thank you.

Wayne Huo

Thank you, Brian.

Operator

Our next question is from Edward Engel with Compass Point. Please proceed.

Edward Engel

Hi, thanks for taking my question, and nice to see all the quarterly disclosures this quarter. Had two quick questions. The first one is just on the second quarter guidance. It looks like you guys are guiding revenue up pretty meaningfully quarter-on-quarter. Just wondering what's driving this? Is this the Sparrow acquisition or have you seen engagement improve in the second quarter as prices recover, and I guess overall, it feels like even though Bitcoin is up decently quarter-over-quarter, (inaudible) kind of languishing, so just kind of curious what's really driving that quarterly increase.

Wayne Huo

Hey, Ed, thanks for your question. I think in general, our growth can be seen in three different factors. The first one is obviously, like you mentioned, the token prices. We do see a healthy pick-up in volumes and also demand on the wealth management side—it's still growing in Q2, so this would be a good contributor to the revenue growth. The second part is what—it correlates to what Steve just mentioned. We have a lot of newly opened accounts that have not yet turned into meaningful deployment or trading activity, and we expect we can activate part of these new accounts and they all will contribute to our second quarter or third quarter performance.

Then lastly but very important is that we have a lot of new initiatives, new product offerings that drive our revenue mix, like the newly launched uMINT token combined with the Amber crypto card is actually a very significant innovation and very global solution for (inaudible) user experience, and we expect this will contribute also on our institution and high net worth attraction on other new accounts.

Edward Engel

Super helpful, and then just to clarify on the uMINT, I guess, how is this being monetized by Amber? Is this product earning interest income or is it more on the payment transaction revenue?

Wayne Huo

It's both. The first one is that we get a share on the interest income. While clients earn yields on the money market fund, we generally take the difference in the interest income as well as when they spend. We also—there is also transaction fees and conversion fees involved behind these transactions. It also has an expanding impact. When clients get used to our crypto payment card, when they spend, it's not just limited to the human token portion. Any of their assets, we can help them convert and spend instantly, so these all add healthy volume to our platform.

Edward Engel

Great, thanks for the color. Then just lastly, maybe this is for Terence, on the ecosystem fund, just kind of curious, I know Amber Group overall has been pretty active on VC investments over its history. Kind of curious, will this ecosystem fund include any VC pre-token projects, or is this all going to be liquid token investments?

Terence Li

Hey, Ed. I think we are majority—we are still focusing on the leading ecosystem tokens, like if you rank by market cap, we're probably still looking at the top 10 tokens here. We don't exclude to participate in other early stage projects, but that would not be a meaningful portion in this strategic reserve.

Edward Engel

Great. Again, thanks for the color, and congrats on the first quarter results.

Terence Li

Thank you.

Wayne Huo

Thank you, Ed.

Operator

With no further questions at this time, I would like to turn the conference back over to Terence Li for webcast questions.

Terence Li

Okay, thank you all for your questions and for joining us today. It has been a truly memorable earnings call not only for our record results but also for the introduction of MIA as our AgentFi ambassador, representing our mission for how technology can transform institutional crypto finance.

Our strong start to 2025 gives us confidence in our strategic direction. The growth in our wealth management solutions, the expansion of our institutional client base and our innovative initiatives, like the crypto reserve fund, position us well for continued success. We look forward to updating you on our progress in the coming quarters. If you have any additional questions, please don't hesitate to contact our Investor Relations team.

This concludes today's call. Thank you.

Operator

Thank you. You may disconnect your lines at this time, and thank you for your participation.