Bakkt Holdings, Inc. (NYSE: BKKT)

Enhancing Focus on B2B2C; Sunsetting Consumer App

**KEY POINTS**

Bakkt is enhancing its focus onto scalable B2B2C products and sunsetting its consumer app. Bakkt will continue its core focus of providing businesses with crypto and loyalty experiences for their customers through SaaS and API solutions on a secure and compliant platform.

President & CEO Gavin Michael commented that as the company continues to "gain traction with our B2B2C strategy, we are laser focused on providing our partners and clients with seamless solutions that best serve their needs. The discontinuation of the app ensures we are supporting the relationship our partners and clients have with their customers.”

Bakkt's decision to sunset the consumer app and focus on embedding digital asset capabilities for partners is consistent with its strategy of acquiring Apex Crypto. The company announced a definitive agreement to acquire Apex Crypto in November 2022. Apex Crypto does not have a consumer-facing app and focuses on working with its partners behind the scenes to create a good trading experience. Apex Crypto provides its turnkey crypto solutions to more than 30 signed fintech partners.

Current Bakkt app users will retain access to all their crypto and cash on the Bakkt platform via a new web experience that is accessible from all devices. Users will still be able to view crypto balances and access crypto transaction reports for tax purposes. The app will officially be sunset on March 16, 2023.

WTR is hosting a webcast with Bakkt’s General Counsel Marc D’Annunzio on Wednesday, February 15, 2023, at 2:00 pm ET to discuss:

- How is Bakkt currently regulated? What measures does the company have in place?
- What is Bakkt doing to be more proactive in this environment with so much regulatory uncertainty? How is Bakkt positioned for increased regulation?

Register for the event here

**KEY STATISTICS**

<table>
<thead>
<tr>
<th>Statistic</th>
<th>Value</th>
</tr>
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<tbody>
<tr>
<td>Price</td>
<td>$1.49</td>
</tr>
<tr>
<td>52-Week Range</td>
<td>$1.13 - $9.01</td>
</tr>
<tr>
<td>Average Daily Trading Volume (30-Day)</td>
<td>4,297,456</td>
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<tr>
<td>Shares Outstanding (MM)</td>
<td>264</td>
</tr>
<tr>
<td>Market Capitalization ($MM)</td>
<td>$393</td>
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<tr>
<td>Insiders Own (%)</td>
<td>21%</td>
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<tr>
<td>Short Interest/% of Float</td>
<td>12.3 / 19.8%</td>
</tr>
<tr>
<td>Fiscal Year-End</td>
<td>December</td>
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Source: YCharts, as of February 10, 2023

**THE COMPANY**

Bakkt was formed in 2018, with a vision to connect the digital economy. Its platform operates at the intersection of cryptocurrency (“crypto”), loyalty and rewards, and payments. It is uniquely positioned to enable consumers, brands, and financial institutions to better manage, transact with, and monetize those assets in exciting new ways.

Bakkt’s institutional-grade technology platform is at the core of everything it does. It has thoughtfully built a unique and powerful platform, melding together institutional-grade loyalty services to complement its institutional-grade crypto capabilities.

The Bakkt platform provides end-to-end services for its partners, which includes easily digestible technology services, 24/7 customer support, and marketing playbooks. Bakkt’s customers include consumers, businesses, and institutions.

Businesses leverage Bakkt’s crypto-related capabilities to facilitate new assets acquisition and rewards opportunities for their customers. Its loyalty-related capabilities help businesses deepen their relationships with their customers. Bakkt enables institutions to trade crypto using Bitcoin futures contracts that are traded and cleared on ICE and to store Bitcoin and Ether securely in its custody warehouse.
ABOUT THE ANALYST

In his role at Water Tower Research, Dr. Roy provides cutting-edge equity research coverage of companies building and using technology to drive the modern world. Technology is everywhere, and its impact is only growing. Whether its AI, Blockchain, FinTech, Quantum Computing, Autonomous Vehicles, Cryptocurrencies, or 5G, Dr. Roy has the expertise.

Prior to Water Tower Research, Dr. Roy worked as a lead analyst at UBS, covering IT Hardware, Communications Equipment, and IT Services. During his 20 years covering technology stocks on the sell-side, Dr. Roy was also a lead analyst covering IT Hardware and Nanotechnology at Merrill Lynch; and Alternative Energy, Advanced Materials and Nanotechnology at W.R. Hambrecht, and at Janney Montgomery Scott. Before his sell-side equity research career, Dr. Roy was a lead software architect at J.P. Morgan, an AI sales engineer at Neuron Data, and a systems engineer and AI researcher at Hughes Aircraft.

Dr. Roy holds a Ph.D. in Computer Science from the University of California, Irvine, a MSEE degree from the University of Southern California, and a BSEE degree from the University of California, San Diego where he was a Regents Scholar.
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