

Bakkt Holdings, Inc. (NYSE: BKKT)

January 13, 2023

CEO Presents Compelling Case at
Needham Growth Conference

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KEY POINTS

- Bakkt President and CEO Gavin Michael presented a compelling case that Bakkt's B2B2C technology platform is working as it continues to develop its connections to its partner network across a broad array of client verticals, including fintechs, neobanks, financial institutions, platform companies, travel and entertainment, and merchants. Bakkt's diverse business model and long-term strategy have bolstered it in this challenging time.
- Michael highlighted how recent market events will accelerate the narrative around crypto, moving from solely being an investible asset toward providing more widespread utility. He indicated that focus would shift toward what can be done with the assets versus the current emphasis on just price and yield. Bakkt is in a strong position to innovate and help drive the market forward.
- While Michael acknowledged that the current market is challenging, he expressed his optimism for the future growth opportunities in the crypto industry and Bakkt's positioning.
- He also described how Apex Crypto's acquisition will be transformational for Bakkt. On November 3, 2022, Bakkt announced the acquisition of Apex Crypto, which is expected to complement Bakkt's platform and add new product capabilities, including staking, NFTs, and additional coins.
- The acquisition should expand Bakkt's TAM into the rapidly growing fintech sector, while accelerating its technology roadmap and creating a strategic partnership with Apex Fintech Solutions (AFS). The transaction is expected to close in 1H23 and is subject to regulatory approval.
- On November 17, 2022, Bakkt confirmed it is not exposed to the bankruptcy of FTX, nor to the contagion. Consumers on the Bakkt platform continue to have access to their crypto and can buy or sell as usual, and Bakkt's institutional platform also continues to be fully operational.
- Click [here](#) to register for our next fireside chat on January 19.

KEY STATISTICS

Price	\$2.81
52-Week Range	\$1.13 - \$9.01
Average Daily Trading Volume (30-Day)	1,351,222
Shares Outstanding (MM)	264
Market Capitalization (\$MM)	\$740
Insiders Own (%)	21%
Short Interest/% of Float	12.6 / 20.3%
Fiscal Year-End	December

Source: YCharts, as of January 12, 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



John Roy
Managing Director
Technology Research

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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