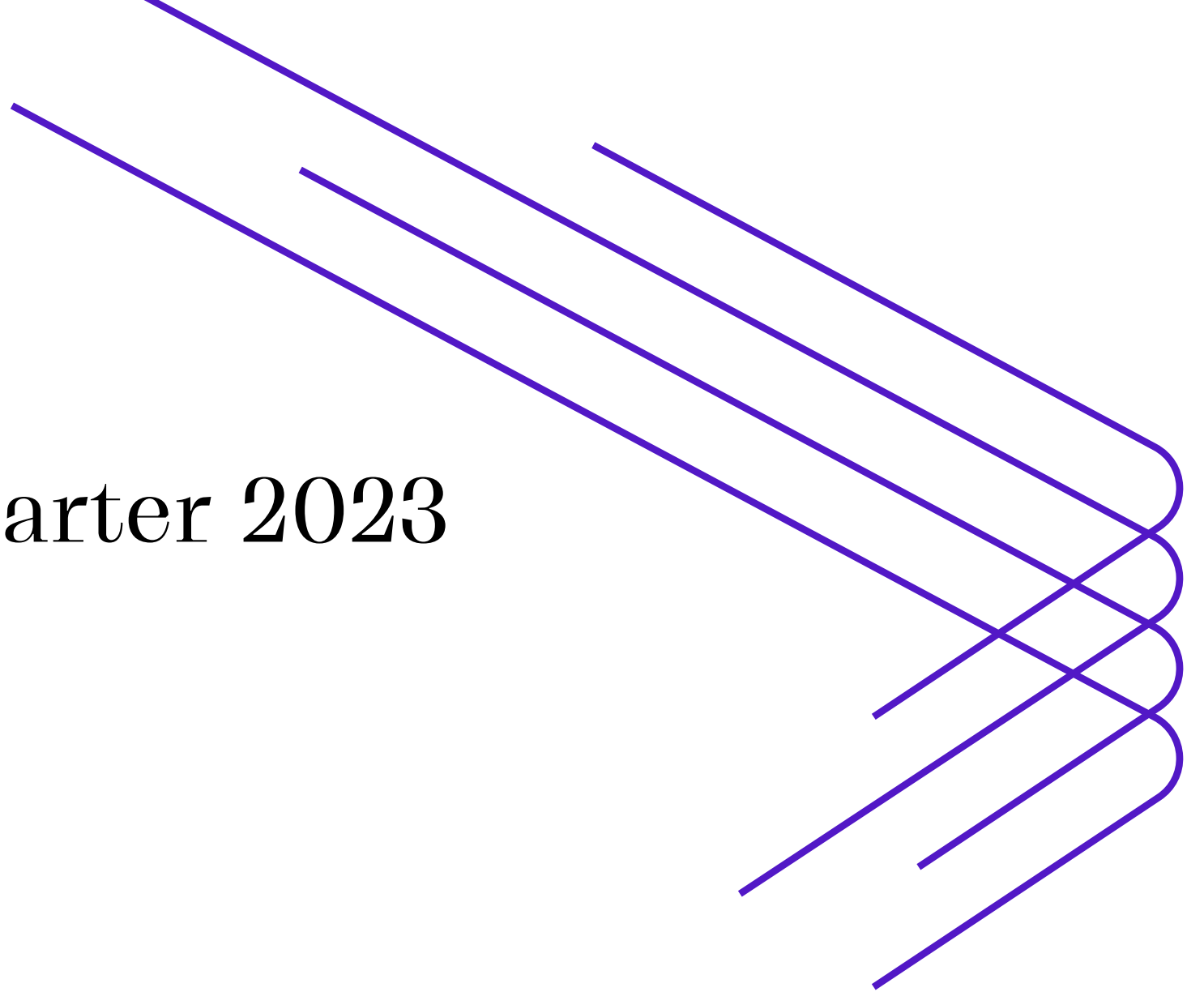




# Second Quarter 2023 Earnings

August 10, 2023



# Important notice

Unless the context otherwise provides, “we,” “us,” “our,” “Bakkt” and like terms refer to Bakkt Holdings, Inc. and its subsidiaries.

## **FORWARD-LOOKING STATEMENTS**

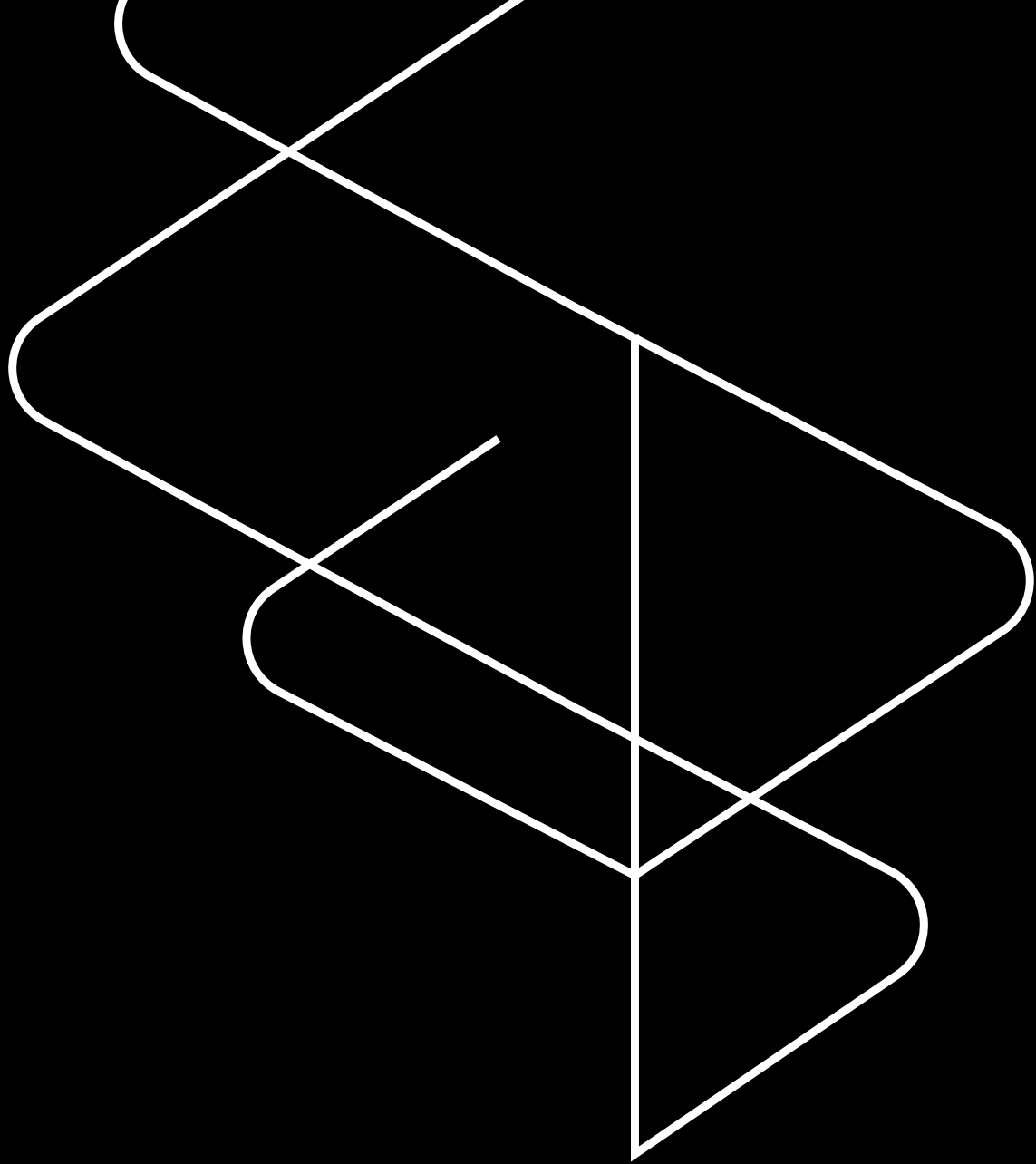
This presentation contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such statements include, but are not limited to, statements regarding the impacts from the Apex Crypto acquisition and Bakkt’s guidance, plans, objectives, expectations and intentions with respect to future operations, products, services and the application of Bakkt’s available cash, among others. Forward-looking statements can be identified by words such as “will,” “likely,” “expect,” “continue,” “anticipate,” “estimate,” “believe,” “intend,” “plan,” “projection,” “outlook,” “grow,” “progress,” “potential” or words of similar meaning. Such forward-looking statements are based upon the current beliefs and expectations of Bakkt’s management and are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are difficult to predict and beyond Bakkt’s control. Actual results and the timing of events may differ materially from the results anticipated in such forward-looking statements as a result of the following factors, among others: Bakkt’s ability to grow and manage growth profitably; changes in Bakkt’s business strategy; changes in the market in which Bakkt competes, including with respect to its competitive landscape, technology evolution or changes in applicable laws or regulations; changes in the markets that Bakkt targets; disruptions in the crypto market that subject Bakkt to additional risks, including the risk that banks may not provide banking services to Bakkt; the possibility that Bakkt may be adversely affected by other economic, business, and/or competitive factors; the inability to launch new services and products or to profitably expand into new markets and services; the inability to execute Bakkt’s growth strategies, including identifying and executing acquisitions and Bakkt’s initiatives to add new clients; Bakkt’s failure to comply with extensive government regulation, oversight, licensure and appraisals; uncertain regulatory regime governing blockchain technologies and crypto; the inability to develop and maintain effective internal controls and procedures; the exposure to any liability, protracted and costly litigation or reputational damage relating to Bakkt’s data security; the impact of any goodwill or other intangible assets impairments on Bakkt’s operating results; the impact of any pandemics or other public health emergencies; Bakkt’s inability to maintain the listing of its securities on the New York Stock Exchange; and other risks and uncertainties indicated in Bakkt’s filings with the Securities and Exchange Commission. You are cautioned not to place undue reliance on such forward-looking statements. Such forward-looking statements relate only to events as of the date on which such statements are made and are based on information available to us as of the date of this presentation. Unless otherwise required by law, we undertake no obligation to update any forward-looking statements made in this presentation to reflect events or circumstances after the date of this presentation or to reflect new information or the occurrence of unanticipated events.

## **BASIS OF PRESENTATION**

This presentation includes discussions of Adjusted EBITDA and Free Cash Flow, which are financial measures that are not calculated in accordance with GAAP. For more information regarding Adjusted EBITDA please see slides 25-26 and for Free Cash Flow please see slide 30.



# Business updates



# Key investor takeaways

Making strong progress executing on 2023 key priorities, including expanding crypto platform, activating and broadening client network and strategically allocating capital

Winning new custody and crypto trading clients and building strategic alliances, as the synergies of our newly expanded crypto capabilities and best-in-class infrastructure resonates with market participants

Expanding into new international markets

Delivering solid results for our existing loyalty clients as we work together to grow volume

Prudent expense management resulting in improved gross profit margins. We are updating our full year 2023 operating and free cash flow (non-GAAP) outlook; operating cash flow expected to improve over 20% from prior guidance



# End-to-end crypto capabilities

From onramps to advanced trading and secure custody



## CRYPTO CUSTODY

- Secure custody of assets, founded in traditional finance and built to uphold shifting regulatory standards
- Regulated by NYDFS as a limited-purpose trust company
- Reliable infrastructure with multi-layered security for streamlined management
- Disaster Recovery Services provide encrypted backup package storage to help ensure customer funds are safe and recoverable



## CRYPTO TRADING

- Curated, secure, and regulated trading API and UI options to activate trading responsibly
- Deep liquidity provides unparalleled liquidity and price quality and 100% uptime
- Seamless integration & customer experience enables clients to integrate ~45 days, instant funds settlement and failover protection
- Capabilities include coin transfer, advanced order management system and multiple fee structures
- Fiat onramps via ACH, debit card, and wire transfer
- Innovative ways for consumers to access crypto including rewards from redemptions and earning or by getting paid in crypto



## LOYALTY REDEMPTION

- Full spectrum of content for loyalty redemption including Apple products & other merchandise, travel & experiences and gift cards
- Flexible turnkey solutions efficiently built to drive loyalty and engagement



**Institutional-grade, risk, security and compliance-focused technology platform built to embed into client and partner experiences**



\* Subject to regulatory approval

# Client reach across high growth sectors provides efficient scalability



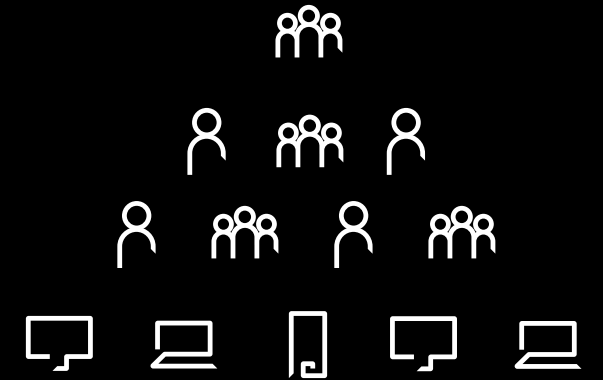
Institutional-grade, security and compliance-focused technology platform built to embed into partner experiences



**Strong client network**

FINTECHS • NEOBANKS  
TRAVEL AND ENTERTAINMENT  
WEALTH MANAGEMENT  
PROCESSORS & NETWORKS  
TRADFI • MERCHANTS

Examples of recently expanded client base



Scalable reach to millions of users



# We have been successfully expanding our crypto platform

## APEX CRYPTO INTEGRATION

- We have substantially completed the integration of Apex Crypto into our business
- Focused largely on employee onboarding, integrating our product and technology processes and transitioning core internal functions – all with minimal impact to existing client base
- Rebranded Apex Crypto (to Bakkt Crypto Solutions) and provided all necessary documentation and materials to clients
- Focusing further attention on growth and efficiency opportunities following integration

## WEBULL PAY: A PRIME EXAMPLE OF EXECUTION ABILITIES

- Webull approached us to develop a new innovative app with ACH funding\* rails for their crypto customers
- Our teams mobilized quickly, bringing together Apex Crypto trading and Bakkt Marketplace funding capabilities to launch Webull Pay in ~40 days
- By solving the Webull Pay use case, we built ACH funding\* functionality that provides a competitive advantage and can be leveraged by other existing and prospective clients



## WE ARE EXCITED TO JOIN FORCES WITH PLAID

- Bakkt will be one of Plaid's crypto solution partners for its customers who are interested in offering crypto solutions to their end users
- Plaid has an extensive network of over 8,000 fintechs using their platform. Through the Plaid and Bakkt partnership, those fintechs will be able to easily and safely explore offering (Bakkt) crypto solutions to their users



\* Currently available in most states, awaiting regulatory approval in certain states

# Rapidly expanding network of clients who are using our advanced crypto trading capabilities

- Our reliable crypto infrastructure, including advanced trading capabilities, has attracted strong client attention, mostly in the fintech industry
- Successfully signed up multiple new clients and engaged in late-stage negotiations with numerous prospects
- Solid progress on our international expansion strategy, actively engaging with our existing client base to develop and execute on our go-to-market international strategy

## EXAMPLES OF RECENTLY SIGNED CRYPTO TRADING CLIENTS



Bakkt will be Invstr's crypto provider in the U.S.

Relationship sourced through Bakkt's commercial agreement with Apex Fintech Solutions



Bakkt will provide end-to-end bitcoin trading solutions

Services offered will include fiat on-ramp, bitcoin trading and qualified custody



One of the first and largest crypto wallet providers in the world

Services offered will include crypto trading



Bakkt will provide end-to-end crypto trading solutions

Relationship sourced through Bakkt's commercial agreement with Apex Fintech Solutions



Bakkt will provide end-to-end crypto trading solutions

Services offered will include fiat on-ramp, crypto trading and qualified custody



Bakkt will provide end-to-end crypto trading solutions in Latin America



\* Subject to regulatory approval



# Our custody platform is comprehensive and uncompromising

- Recent market events have highlighted the difficulty in storing digital assets safely and the need for multi-custodian access and secure self-custodial functionality
- Our secure, compliant and trusted custody platform is comprehensive and uncompromising
  - Unparalleled protection and complete customer control over their assets
  - Multi-layered technology combines the latest breakthroughs in MPC cryptography with hardware isolation, ensuring that customer funds are secure from cyber attacks, internal collusion, and human error
- Significant increase in new client activity
  - Successfully signed new clients; late-stage negotiations with multiple prospects in mining, family office, registered investment advisors and corporate treasury industries
  - Qualified sales opportunities up ~10x in 1H23 vs. 2H22
- Custody platform generates stable recurring platform fees as well as AUC based revenue

## INSTITUTIONAL-GRADE CUSTODY PLATFORM



Bakkt Trust Company LLC is an NYDFS Qualified Custodian



Regulatory compliance and sophisticated blockchain forensics



Comprehensive security controls, regularly clean SOC 1 Type II reports



Cyber and physical security protocols with 24/7 response support



Warm and Cold wallet storage, \$125mm insurance policy



Key management with MPC technology



Allowlisting management for transfer ease and peace of mind



Streamlined user management and consensus protocols



# Building on our best-in-class custody platform by continuing to invest in and enhance our offering

Custody is a prominent anchor product for our clients, providing a secure foundation for additional services and capabilities

We are continuing to invest in our institutional grade custody platform to enhance our offering and exceed expectations for new and existing clients

## APPLICATION REDESIGN

Redesign application for customers and operations and maintain what makes Bakkt® Custody exceptional, including compliance-first focused approach, multi-layered security and outstanding operational management

## FOCUSED ON THE FUTURE

Upgrades will make it easy to launch additional features

### More assets

Seamlessly add new blockchain networks and the assets on those networks

### Institutional Staking

Add yield generating opportunities for our institutional clients

### Retail open loop

MPC technology creates a foundation for secure hot wallets





# Our custody solutions are core to our new multi-faceted collaboration with Fireblocks

- The Fireblocks Off-Exchange solution enables Fireblocks Network participants to maintain complete control of their private keys without sacrificing the convenience and speed of trading on centralized exchanges
- We are excited to provide our Disaster Recovery Services\* to Fireblocks Off-Exchange customers and to join the Fireblocks Qualified Custodian Network
- We have integrated Fireblocks' battle-tested custody technology to fortify our custody offerings, leveraging their new-to-market self-hosted keys product that enables us to control and manage all MPC key shares across multiple services in our data centers and cloud
- We will continue to work closely with Fireblocks to jointly deliver additional capabilities to the market

## DISASTER RECOVERY SERVICES FOR OFF-EXCHANGE CLIENTS

- We will provide Fireblocks Off-Exchange customers with Disaster Recovery Services (DRS)
- Every Off-Exchange customer will require a disaster recovery package be securely stored
- We will leverage our secure infrastructure to provide encrypted backup package storage to help ensure customer funds are safe and recoverable

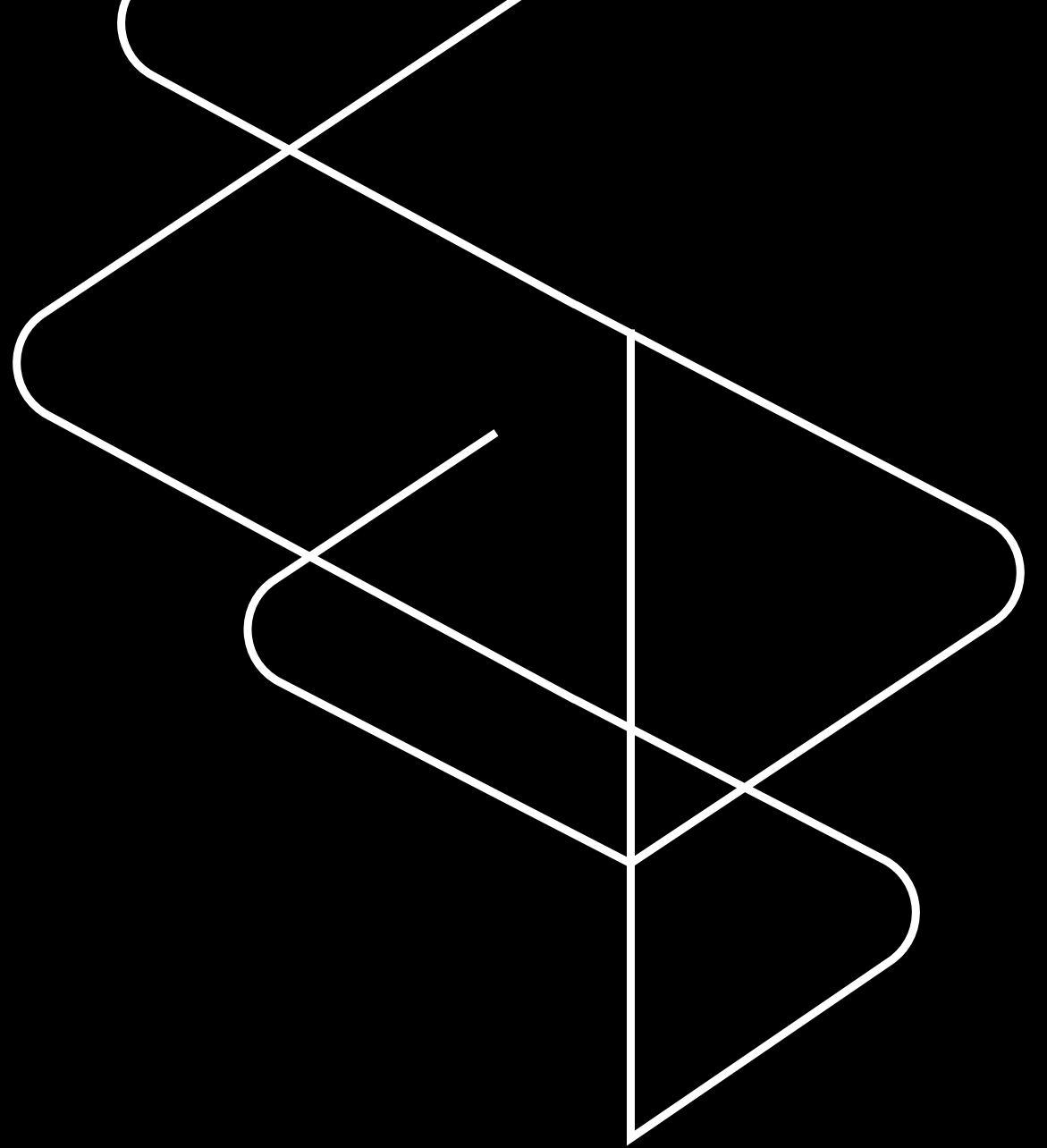
## FIREBLOCKS QUALIFIED CUSTODIAN NETWORK

- The Fireblocks Network is used every day by thousands of organizations - including exchanges, liquidity providers, and custodians - to securely transfer digital assets and has been used to transfer over \$3T in digital assets
- Our secure and compliance-first focused approach has enabled us to join the Fireblocks Qualified Custodian Network
- Broad network reach provides strong pipeline of prospects for our full suite of crypto solutions



\* Subject to regulatory approval

# Financial results



# Summary of 2Q23 condensed results

2Q23 results include Apex Crypto, which we acquired on April 1, 2023. In accordance with GAAP, we are presenting crypto services revenue and crypto costs and execution, clearing and brokerage fees on a gross basis

- **Total revenues of \$347.6mm** reflects significant increase in gross crypto trading revenue driven by our acquisition of Apex Crypto
- **Total operating expenses of \$398.7mm** reflects significant increase in crypto trading expenses driven by our acquisition of Apex Crypto
- **Operating expenses (excluding crypto costs and execution, clearing and brokerage fees) of \$64.7mm** increased by 13% YoY, primarily due to \$17.0mm of acquisition-related expenses, which were largely non-cash
  - Expenses excluding acquisition-related were down 16% YoY primarily due to a reduction in compensation and benefits
- **Total shares outstanding of 274.6mm<sup>1</sup>**
  - Class A 91.3mm shares
  - Class V 183.3mm shares
  - 22.7mm Class V shares exchanged as of June 30, 2023

<i>\$mm's</i>	2Q23	1Q23	2Q22
Crypto services	\$335.3	\$0.4	\$0.7
Loyalty services	12.3	12.8	13.4
<b>Total revenues</b>	<b>\$347.6</b>	<b>\$13.2</b>	<b>\$14.0</b>
Crypto costs and execution, clearing and brokerage fees	334.0	0.4	0.5
Operating expenses, excluding crypto costs and execution, clearing and brokerage fees	64.7	58.3	57.1
<b>Total operating expenses</b>	<b>\$398.7</b>	<b>\$58.7</b>	<b>\$57.6</b>
<b>Operating loss</b>	<b>\$(51.1)</b>	<b>\$(45.4)</b>	<b>\$(43.6)</b>
Interest income, net	0.7	1.6	0.2
Gain (loss) from change in FV of warrant liability	0.4	(1.0)	10.3
Other (expense) income, net	(0.3)	(0.0)	0.4
<b>Loss before income taxes</b>	<b>\$(50.4)</b>	<b>\$(44.8)</b>	<b>\$(32.7)</b>
Income tax (expense) benefit	(0.2)	(0.0)	5.1
<b>Net loss</b>	<b>\$(50.5)</b>	<b>\$(44.9)</b>	<b>\$(27.6)</b>
Less: Net loss for noncontrolling interest	(33.7)	(30.9)	(23.7)
<b>Net loss attributable to Bakkt Holdings, Inc.</b>	<b>\$(16.8)</b>	<b>\$(14.0)</b>	<b>\$(3.9)</b>
Weighted average basic shares (mm)	89.8	81.9	71.2
Weighted average diluted shares (mm)	89.8	81.9	71.2
Net loss per basic share	\$(0.19)	\$(0.17)	\$(0.05)
Net loss per diluted share	\$(0.19)	\$(0.17)	\$(0.05)



Note: All financial data on this slide is unaudited.

<sup>1</sup>As of June 30, 2023. Intercontinental Exchange, Inc. ("ICE") owns an aggregate of 64% of shares, consisting of both Class A and Class V.

# 2Q23 Adjusted EBITDA (non-GAAP)

2Q23 Adjusted EBITDA loss of \$(24.5)mm decreased YoY primarily due to a reduction in total compensation and benefits

<i>\$mm's</i>	2Q23	1Q23	2Q22
Net loss	\$(50.5)	\$(44.9)	\$(27.6)
Depreciation and amortization	3.8	3.1	6.1
Interest income, net	(0.7)	(1.6)	(0.2)
Income tax expense (benefit)	0.2	0.0	(5.1)
<b>EBITDA</b>	<b>\$(47.2)</b>	<b>\$(43.4)</b>	<b>\$(26.8)</b>
Acquisition-related expenses	17.0	0.8	0.2
Share-based and unit-based compensation expense	4.4	7.9	7.1
Cancellation of common units	—	—	(0.0)
(Gain) loss from change in fair value of warrant liability	(0.4)	1.0	(10.3)
Restructuring expenses	0.2	4.3	—
Transition services expense	1.5	0.6	0.3
<b>Adjusted EBITDA loss</b>	<b>\$(24.5)</b>	<b>\$(28.9)</b>	<b>\$(29.6)</b>



Note: All financial data on this slide is unaudited. Adjusted EBITDA is a non-GAAP financial measure. For more information, please refer to the Notes section in this presentation.

# 2Q23 Revenues

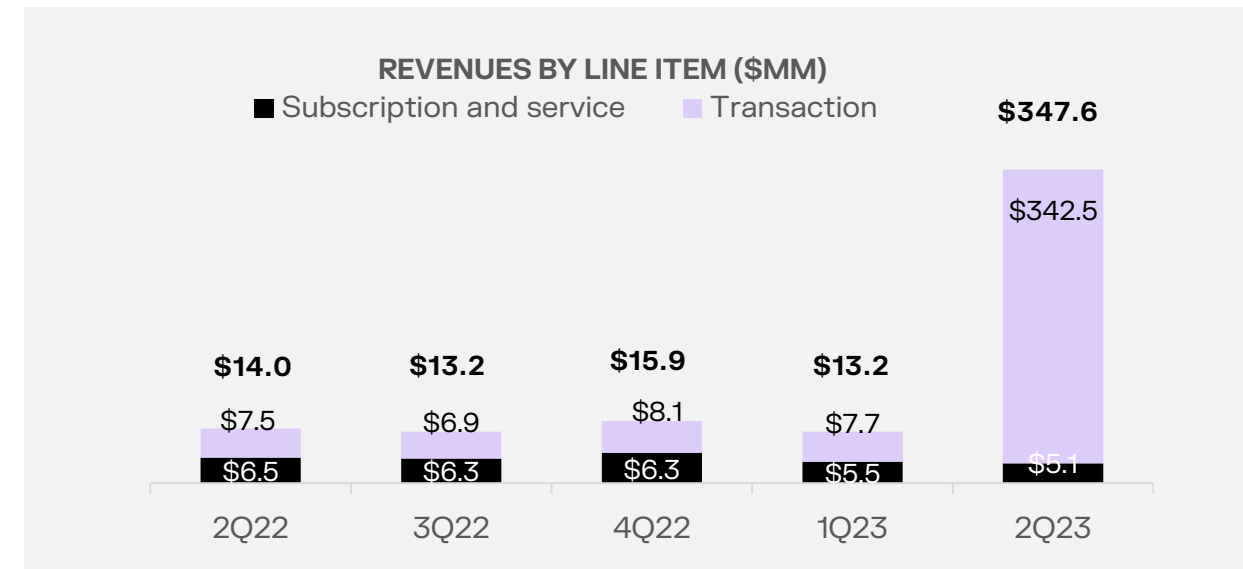
2Q23 results include Apex Crypto, which we acquired on April 1, 2023. In accordance with GAAP, we are presenting crypto services revenue on a gross basis

## Crypto revenues

- Gross revenues of \$335.3mm driven by increase in crypto transaction volumes due to Apex Crypto acquisition

## Loyalty revenues

- Net revenues of \$12.3mm decreased 8% YoY
- Transaction revenues of \$7.3mm increased 6% YoY driven by higher air travel activity in loyalty redemptions
- Subscription and service revenues of \$5.0mm decreased 23% YoY, due to a reduction in volume-based service revenues
- Loyalty revenues are generally seasonally weaker in second and third quarters and stronger in first and fourth quarters

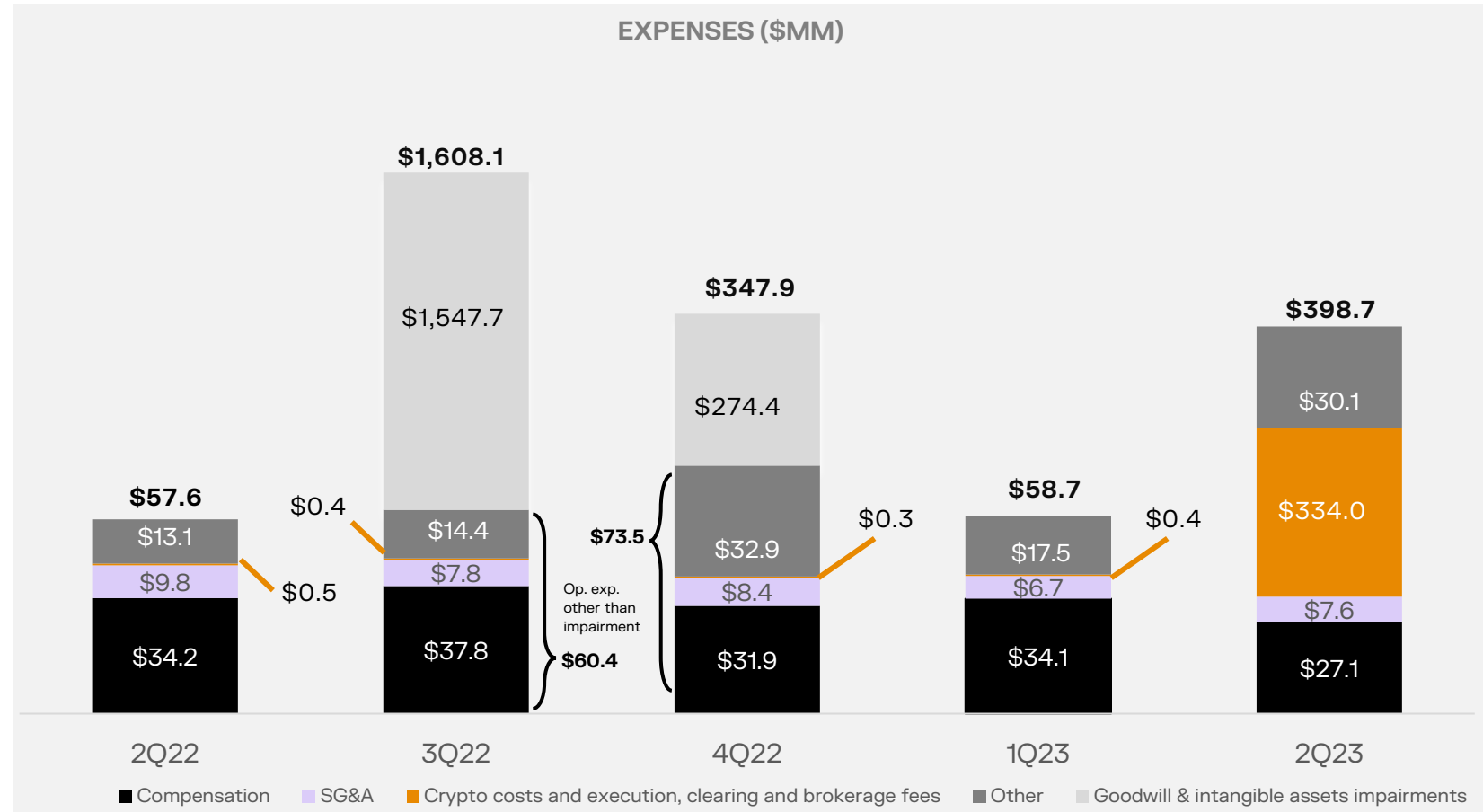


Note: All financial data on this slide is unaudited. Bar charts not fit to scale

# 2Q23 Operating expenses

2Q23 results include Apex Crypto, which we acquired on April 1, 2023. In accordance with GAAP, we are presenting our crypto costs and execution, clearing and brokerage fees on a gross basis

- **Total operating expenses of \$398.7mm** includes \$334.0mm of crypto costs and execution, clearing and brokerage fees, related to Apex Crypto acquisition
- **SG&A expenses of \$7.6mm** decreased 23% YoY primarily driven by a reduction in marketing expense. Increase of 13% QoQ due to impact from Apex Crypto
- **Compensation and benefits expenses of \$27.1mm** were down 21% YoY, primarily due to lower headcount and share-based compensation expense
- **Other<sup>1</sup> expenses of \$30.1mm** includes \$17.0mm of acquisition-related expenses of which \$10.4mm is a non-cash accrual related to the contingent stock earnout per the Apex Crypto purchase agreement



Note: All financial data on this slide is unaudited. Bar chart not fit to scale.

<sup>1</sup> Other comprised of Professional services, Technology & communication, Acquisition-related expenses, Depreciation & amortization, Related party expenses, Restructuring expenses, Impairments of long-lived assets, and Other operating expenses.



# 2Q23 Crypto services revenue and related costs

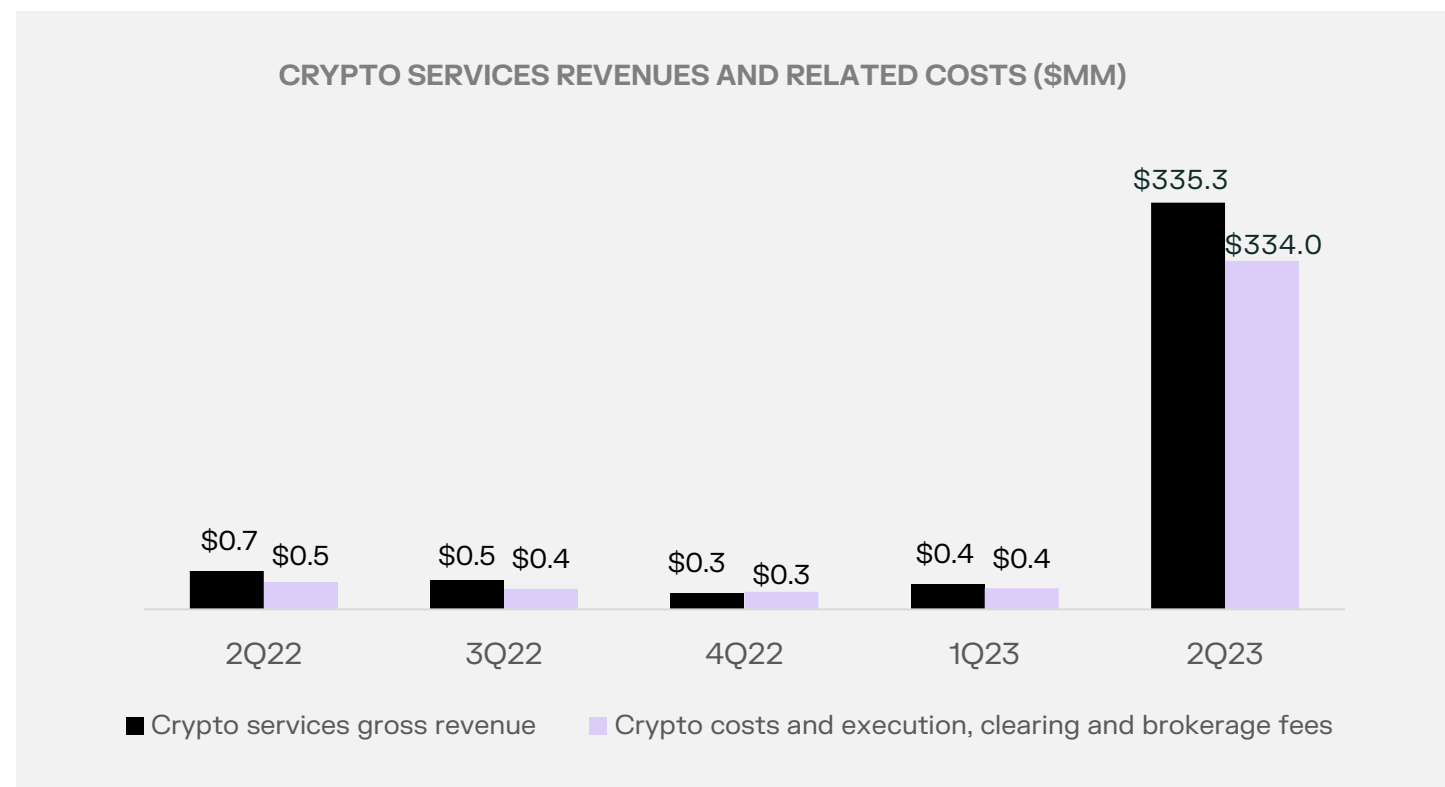
2Q23 results include Apex Crypto, which we acquired on April 1, 2023. In accordance with GAAP, we are presenting our crypto services revenue and crypto costs and execution, clearing and brokerage fees on a gross basis

## Crypto services revenue

- Gross revenue of \$335.3mm was impacted by lower industry wide activity levels in May

## Crypto costs and execution, clearing and brokerage fees

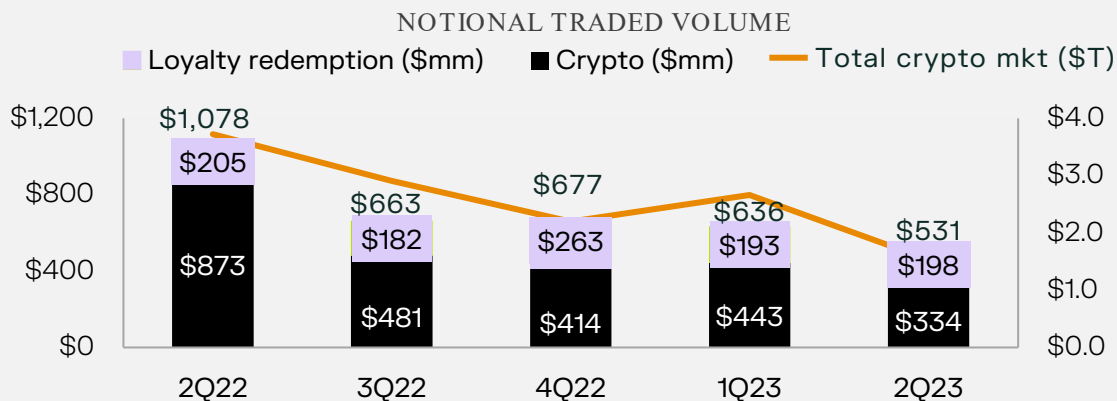
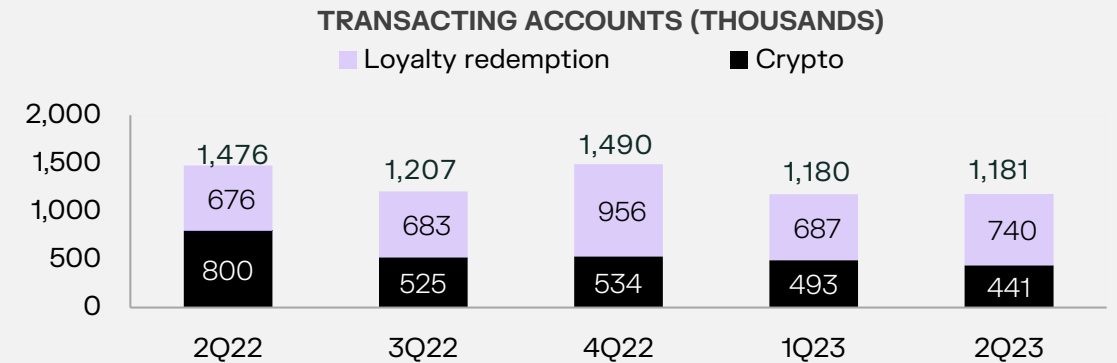
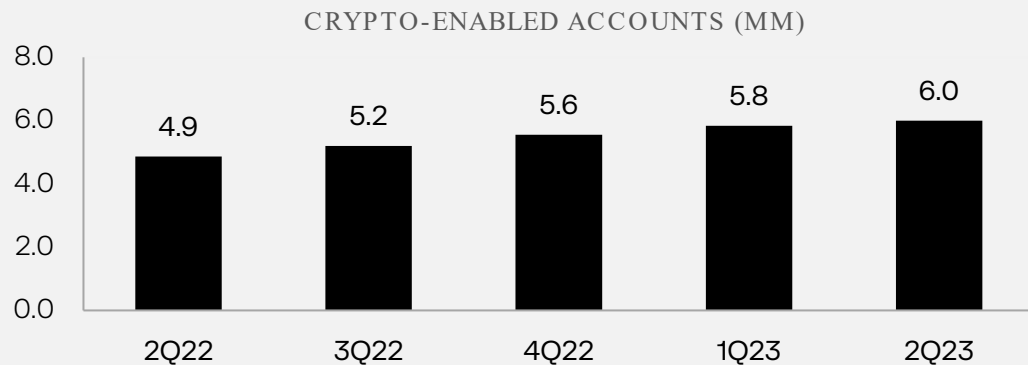
- Crypto costs and execution, clearing and brokerage fees of \$334.0mm in line with revenue levels



Note: All financial data on this slide is unaudited. Bar chart not fit to scale.

# 2Q23 Key performance indicators

- Crypto enabled accounts of 6.0mm have continued to increase steadily
- Crypto trading volume down 25% QoQ, outperformed overall crypto market industry
- Loyalty redemption volume down 3% YoY driven by lower hotel, rental car and merchandise redemption activity
- Assets under custody of \$660mm increased 3% YoY and declined 8% QoQ due to change in coin prices



Note: Key performance indicators include historical data for Apex Crypto. The operating data on this slide is unaudited. Please refer to the Notes section in this presentation for definitions.  
 Source: The Block; Industry data represents total cryptocurrency exchange volume.

# 2Q23 Condensed balance sheet

- \$99.4mm of available cash, cash equivalents and available-for-sale securities
- Cash usage of \$18.2mm includes:
  - \$5.0mm of acquisition-related expenses
  - \$2.7mm of payment related to a marketing partnership
  - \$1.8mm of insurance costs
  - Capex spend of \$6.0mm

<i>\$mm's</i>	As of 6/30/23 (unaudited)	As of 12/31/22
<b>Assets</b>		
Cash & cash equivalents	\$84.5	\$98.3
Available-for-sale securities	14.9	141.1
Safeguarding asset for crypto	659.7	15.8
Other current assets	70.1	71.3
<b>Total current assets</b>	<b>\$829.2</b>	<b>\$326.5</b>
Goodwill	66.9	15.9
Intangible assets, net	67.7	55.8
Other assets	60.0	57.4
<b>Total assets</b>	<b>\$1,023.7</b>	<b>\$455.5</b>
<b>Liabilities and stockholders' equity</b>		
Current liabilities	\$61.3	\$76.3
Safeguarding obligation for crypto	659.7	15.8
Noncurrent liabilities	42.9	27.3
<b>Total liabilities</b>	<b>\$763.9</b>	<b>\$119.4</b>
Total stockholders' equity	83.8	96.3
Noncontrolling interest	176.1	239.8
Total equity	\$259.9	\$336.1
<b>Total liabilities and stockholders' equity</b>	<b>\$1,023.7</b>	<b>\$455.5</b>



Note: All financial data on this slide is unaudited. Cash usage is calculated using changes in cash & cash equivalents and available-for-sale securities balances from the GAAP balance sheet over a specified time period. Second quarter 2023 cash usage of \$18.2mm is calculated by adding the change in available cash & cash equivalents from 3/31/23 to 6/30/23 of \$33.7mm with the change in available-for-sale securities from 3/31/23 to 6/30/23 of (\$51.9)mm

# Updated guidance for full year 2023

Gross crypto services revenue netted against crypto costs and execution, clearing and brokerage fees represents crypto trading's contribution to margin

	UPDATED GUIDANCE	PRIOR GUIDANCE	COMMENTS
<b>Revenues</b>	<ul style="list-style-type: none"> <li>Total revenues of ~\$2,132mm - ~\$3,771mm</li> <li>Gross crypto revenues of ~\$2,077mm - ~\$3,716mm</li> <li>Net loyalty revenues of ~\$55mm</li> </ul>	<ul style="list-style-type: none"> <li>Net revenues of \$62mm - \$72mm</li> </ul>	<ul style="list-style-type: none"> <li>Crypto revenue driven by Apex Crypto, including international expansion</li> <li>Loyalty transaction volumes are growing at a slower pace following a strong 2022 post-covid rebound</li> </ul>
<b>Crypto trading costs</b>	<ul style="list-style-type: none"> <li>~\$2,069mm - ~\$3,702mm</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	<ul style="list-style-type: none"> <li>in line with gross crypto revenues</li> </ul>
<b>Operating cash flow usage</b>	<ul style="list-style-type: none"> <li>~(\$78mm) - ~(\$84mm)</li> </ul>	<ul style="list-style-type: none"> <li>(\$100mm) - (\$110mm)</li> </ul>	<ul style="list-style-type: none"> <li>Prudent expense management</li> </ul>
<b>Free cash flow (non-GAAP) usage</b>	<ul style="list-style-type: none"> <li>~(\$90mm) - ~(\$96mm)</li> </ul>	<ul style="list-style-type: none"> <li>(\$105mm) - (\$115mm)</li> </ul>	<ul style="list-style-type: none"> <li>2H23 outlook reflects ~70-80% reduction from 1H23 reflecting our focus on prudent expense management</li> </ul>



# We are building rapid momentum and are well-positioned to win



## Differentiated platform built for sustainable growth

Our best-in-class crypto infrastructure platform combines industry leading secure custody solutions with advanced trading capabilities

Our regulatory and compliance-first focused culture and processes differentiate us



## Significant expansion opportunities

Continued build-out of international footprint

Leverage flight to quality benefit to meaningfully expand our client base; active dialogue with numerous prospects underway



## Strategically allocate capital

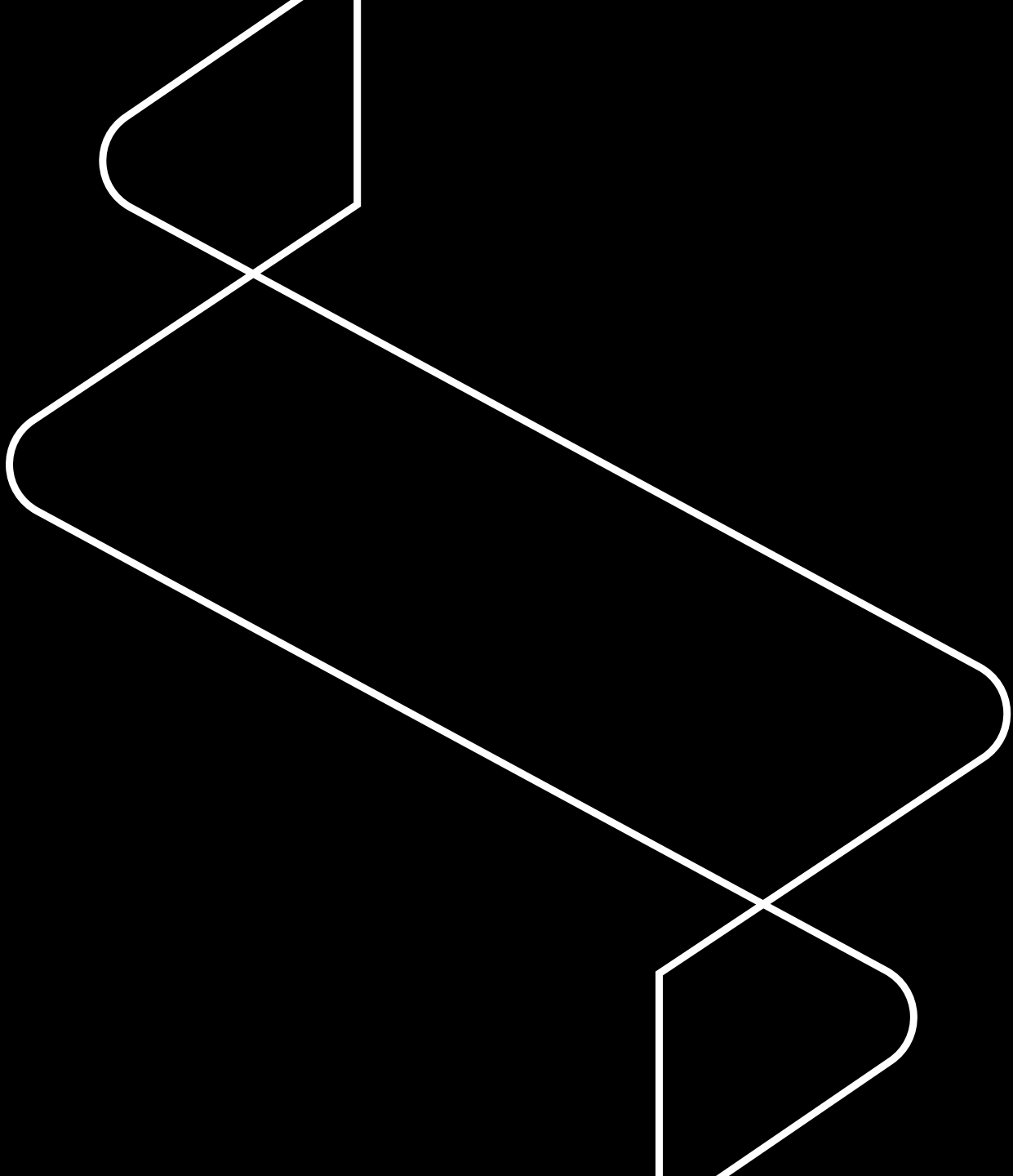
Opportunistically deploy capital to strong growth opportunities

Remain focused on prudent firmwide expense management

We are leveraging the synergies of our newly expanded crypto capabilities and our scalable infrastructure, to drive profitable growth at scale



# Notes



# Definitions

**Crypto-enabled accounts:** total crypto accounts open

**Transacting accounts:** unique accounts that perform at least one transaction across crypto buy/sell and loyalty redemption each month. Monthly figures are de-duped for the month. Quarterly figure represents sum of all months in the quarter

**Notional traded volume:** total notional volume of transactions across crypto buy/sell and loyalty redemption. Figures represent gross values recorded as of order date

**Assets under custody:** the sum of coin quantities held by customers multiplied by the final quote for each coin on the last day of the quarter



## NOTES

# Revenue recognition

### Illustrative example of revenue and expense recognition

#### Revenues

Crypto revenues, gross	\$100
Loyalty revenues, net	20
Total revenues	\$120

#### Operating expenses

Crypto costs	\$85
Execution, clearing and brokerage fees	5
Other operating expenses	10
Total operating expenses	\$100

Operating income \$20

• Crypto costs and execution, clearing and brokerage fees drive gross crypto revenue

• The difference between gross crypto revenue and crypto costs, execution and brokerage fees represent crypto trading's contribution to margin

- **Crypto revenue** – we offer customers the ability to purchase or sell certain crypto on our platform. We collect a fee on each transaction in the form of a spread on the market price of the crypto. We are the principal these customer contracts as we control the crypto prior to its delivery to the customer and are responsible for the delivery of the crypto to the customer. In accordance with GAAP, as a principal in a contract we record revenue for these transactions on a gross basis. Costs associated with these expenses are included in operating expenses as "Clearing, Execution and Brokerage Fees."

- **Loyalty revenue** – we host, operate and maintain a loyalty redemption platform connecting loyalty programs to ecommerce merchants. Our contracts related to our loyalty redemption platform consist of two performance obligations: (1) access to our SaaS-based redemption platform and customer support services and (2) facilitation of order fulfillment services. We are a principal related to providing access to our redemption platform and recognize revenue related to these transactions on a gross basis. We are the agent in facilitating order fulfillment services on behalf of loyalty program sponsors and recognize revenue related to these transactions on a net basis.





## NOTES

# Adjusted EBITDA

Adjusted EBITDA is a non-GAAP financial measure, which we define as earnings before interest, income taxes, depreciation, amortization, acquisition-related expenses, share-based and unit-based compensation expense, goodwill and intangible assets impairments, restructuring charges, changes in the fair value of our warrant liability and certain other non-cash and/or non-recurring items that do not contribute directly to our evaluation of operating results and are not components of our core business operations. Adjusted EBITDA provides management with an understanding of earnings before the impact of investing and financing transactions and income taxes, and the effects of aforementioned items that do not reflect the ordinary earnings of our operations. This measure may be useful to an investor in evaluating our performance. Adjusted EBITDA is not a measure of our financial performance under GAAP and should not be considered as an alternative to net income (loss) or other performance measures derived in accordance with GAAP. Our definition of Adjusted EBITDA may not be comparable to similarly tied measures used by other companies.

Non-GAAP financial measures like Adjusted EBITDA have limitations, should be considered as supplemental in nature and are not meant as a substitute for the related financial information prepared in accordance with GAAP. The non-GAAP financial measures should be considered alongside other financial performance measures, including net loss and our other financial results presented in accordance with GAAP.



NOTES

# Adjusted EBITDA reconciliation – Non-GAAP

<i>\$mm's</i>	2Q23	1Q23	2Q22
Net loss	\$(50.5)	\$(44.9)	\$(27.6)
Depreciation and amortization	3.8	3.1	6.1
Interest income, net	(0.7)	(1.6)	(0.2)
Income tax expense (benefit)	0.2	0.0	(5.1)
<b>EBITDA</b>	<b>\$(47.2)</b>	<b>\$(43.4)</b>	<b>\$(26.8)</b>
Acquisition-related expenses	17.0	0.8	0.2
Share-based and unit-based compensation expense	4.4	7.9	7.1
Cancellation of common units	—	—	(0.0)
(Gain) loss from change in fair value of warrant liability	(0.4)	1.0	(10.3)
Restructuring expenses	0.2	4.3	—
Transition services expense	1.5	0.6	0.3
<b>Adjusted EBITDA loss</b>	<b>\$(24.5)</b>	<b>\$(28.9)</b>	<b>\$(29.6)</b>



Note: All financial data on this slide is unaudited. Adjusted EBITDA is a non-GAAP financial measure.

## NOTES

Balance  
sheet

\$mm's	As of 6/30/23 (unaudited)	As of 12/31/22
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$84.5	\$98.3
Restricted cash	24.9	16.5
Cash held in escrow	—	—
Customer funds	0.5	0.6
Available-for-sale securities	14.9	141.1
Accounts receivable, net	21.0	25.3
Prepaid insurance	16.0	22.8
Safeguarding asset for crypto	659.7	15.8
Other current assets	7.8	6.1
Total current assets	829.2	326.5
Property, equipment and software, net	20.2	19.7
Goodwill	66.9	15.9
Intangible assets, net	67.7	55.8
Deposits with clearinghouse	15.3	15.2
Other assets	24.5	22.5
<b>Total assets</b>	<b>\$1,023.7</b>	<b>\$455.5</b>
<b>Liabilities and stockholders' equity</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$52.4	\$66.8
Customer funds payable	0.5	0.6
Deferred revenue, current	3.8	4.0
Due to related party	1.0	1.2
Safeguarding obligation for crypto	659.7	15.8
Other current liabilities	3.7	3.8
Total current liabilities	721.0	92.1
Deferred revenue, noncurrent	2.5	3.1
Warrant liability	1.4	0.8
Deferred tax liabilities, net	-	—
Other noncurrent liabilities	38.9	23.4
<b>Total liabilities</b>	<b>763.9</b>	<b>119.4</b>
<b>Stockholders' equity</b>		
Class A common stock (\$0.0001 par value, 750,000,000 shares authorized, 91,286,095 shares issued and outstanding as of 6/30/23 and 80,926,843 shares outstanding as of 12/31/22)	0.0	0.0
Class V common stock (\$0.0001 par value, 250,000,000 shares authorized, 183,279,887 shares issued and outstanding as of 6/30/23 and 183,482,777 shares outstanding as of 12/31/22)	0.0	0.0
Additional paid-in capital	791.2	773.0
Accumulated other comprehensive loss	(0.2)	(0.3)
Accumulated deficit	(707.3)	(676.4)
Total stockholders' equity	83.8	96.3
Noncontrolling interest	176.1	239.8
Total equity	259.9	336.1
<b>Total liabilities and stockholders' equity</b>	<b>\$1,023.7</b>	<b>\$455.5</b>



Note: All financial data on this slide is unaudited.

## NOTES

Statement  
of  
operations

<i>\$mm's</i>	2023	1Q23	2022
Revenues:			
Crypto services	\$335.3	\$0.4	\$0.7
Loyalty services, net	12.3	12.8	\$13.4
Total revenues	347.6	13.2	\$14.0
Operating expenses:			
Crypto costs	331.8	0.4	0.5
Execution, clearing and brokerage fees	2.2	0.0	—
Compensation and benefits	27.1	34.1	34.2
Professional services	2.9	2.4	1.9
Technology and communication	4.4	5.7	4.2
Selling, general and administrative	7.6	6.7	9.8
Acquisition-related expenses	17.0	0.8	0.2
Depreciation and amortization	3.8	3.1	6.1
Related party expenses	1.5	0.6	0.3
Restructuring expenses	0.2	4.3	—
Other operating expenses	0.2	0.7	0.5
Total operating expenses	398.7	58.7	57.6
<b>Operating loss</b>	<b>(51.1)</b>	<b>(45.4)</b>	<b>(43.6)</b>
Interest income, net	0.7	1.6	0.2
Gain (loss) from change in fair value of warrant liability	0.4	(1.0)	10.3
Other (expense) income, net	(0.3)	(0.0)	0.4
<b>Loss before income taxes</b>	<b>(50.4)</b>	<b>(44.8)</b>	<b>(32.7)</b>
Income tax (expense) benefit	(0.2)	(0.0)	5.1
<b>Net loss</b>	<b>(50.5)</b>	<b>(44.9)</b>	<b>(27.6)</b>
Less: Net loss attributable to noncontrolling interest	(33.7)	(30.9)	(23.7)
<b>Net loss attributable to Bakkt Holdings, Inc.</b>	<b><u>\$ (16.8)</u></b>	<b><u>\$ (14.0)</u></b>	<b><u>\$ (3.9)</u></b>
Net loss per share attributable to Class A common stockholders			
Basic	\$(0.19)	\$(0.17)	\$(0.05)
Diluted	\$(0.19)	\$(0.17)	\$(0.05)



Note: All financial data on this slide is unaudited.

NOTES

# Statement of cash flows

<i>\$mm's</i>	2Q23	1Q23	2Q22
<b>Cash flows from operating activities:</b>			
Net loss	\$(50.5)	\$(44.9)	\$(27.6)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization	3.8	3.1	6.1
Non-cash lease expense	0.7	0.8	0.8
Share-based compensation expense	4.1	7.2	8.0
Unit-based compensation expense	0.2	0.7	(1.0)
Forfeiture and cancellation of common units	—	—	(0.0)
Deferred income taxes	—	—	(5.1)
Loss on disposal of assets	0.0	0.0	—
Loss (gain) from change in fair value of warrant liability	(0.4)	1.0	(10.3)
Other	(0.2)	0.2	(0.1)
Changes in operating assets and liabilities:			
Accounts receivable	4.4	(0.1)	(2.0)
Prepaid insurance	2.6	4.3	4.3
Deposits with clearinghouse	0.0	(0.2)	0.0
Accounts payable and accrued liabilities	4.9	(16.0)	(1.0)
Due to related party	0.5	(0.7)	0.3
Deferred revenue	(0.3)	(0.5)	(0.6)
Operating lease liabilities	(0.7)	(0.6)	0.6
Customer funds payable	(0.0)	(0.0)	(0.0)
Other assets and liabilities	(0.3)	(1.7)	0.4
Net cash used in operating activities	<u>(30.9)</u>	<u>(47.2)</u>	<u>(27.2)</u>
<b>Cash flows from investing activities:</b>			
expenditures	(2.3)	(3.7)	(11.6)
Purchase of available-for-sale securities	0.0	(27.0)	(189.2)
Proceeds from the maturity of available-for-sale securities	52.2	101.0	—
Acquisition of Bumped Financial, LLC	(0.0)	(0.6)	—
Acquisition of Apex Crypto LLC, net of cash acquired	(44.4)	—	—
Net cash provided by (used in) investing activities	<u>5.4</u>	<u>69.7</u>	<u>(200.8)</u>
<b>Cash flows from financing activities:</b>			
Proceeds from the exercise of warrants	—	—	0.0
Repurchase and retirement of Class A common stock	(2.5)	—	—
Net cash (used in) provided by financing activities	<u>(2.5)</u>	<u>—</u>	<u>0.0</u>
Effect of exchange rate changes	0.3	0.0	(0.4)
<b>Net increase (decrease) in cash, cash equivalents, restricted cash, cash held in escrow and customer funds</b>	<b>(27.6)</b>	<b>22.5</b>	<b>(228.4)</b>
Cash, cash equivalents, restricted cash, cash held in escrow and customer funds at the beginning of the period	<u>\$137.9</u>	<u>\$115.4</u>	<u>\$372.3</u>
Cash, cash equivalents, restricted cash, cash held in escrow and customer funds at the end of the period	<u>\$110.3</u>	<u>\$137.9</u>	<u>\$143.9</u>



Note: All financial data on this slide in unaudited.

## NOTES

# Free cash flow reconciliation – Non-GAAP

Free Cash Flow is a non-GAAP financial measure. Free Cash Flow is cash flow from operations adjusted for “capitalized internal use software development costs and other capital expenditures” and “interest income.” We adjust for capitalized expenses associated with internally developed software for our technology platforms given they are a large component of our ongoing expense base given our position as a technology platform company.

We provide Free Cash Flow because we believe that Free Cash Flow, when viewed with our results under GAAP, provides useful information for the reasons noted above. However, Free Cash Flow is not a measure of liquidity under GAAP and, accordingly, should not be considered as an alternative to net cash used in operating activities as an indicator of liquidity.

\$ in millions	FY 2023E	
	Low	High
Net cash used in operating activities	\$(78)	\$(84)
Capitalized internal-use software development costs and other capital expenditures	(4)	(4)
Interest income, net	(8)	(8)
<b>Free cash flow</b>	<b>\$(90)</b>	<b>\$(96)</b>



Note: All financial data on this slide is unaudited. Free Cash Flow is a non-GAAP financial measure.