



August 15, 2024

Key Metrics

OLB - NASDAQ	\$1.91
Pricing Date	August 14 2024
Price Target	\$3.00
52-Week Range	\$11.70 - \$1.75
Shares Outstanding (mm)	1.8
Market Capitalization (mm)	\$3.4
3-Mo Average Daily Volume	15,679
Book Value/Share	\$4.22
Price/Book	0.5x

Revenue (000)

	2023A	Prior 2024	Curr. 2024E	Prior 2025E	Curr. 2025E
1Q-mar	6.6	--	3.5A	--	--
2Q-jun	8.3	--	3.5A	--	--
3Q-sep	9.7	--	3.9E	--	--
4Q-dec	5.9	--	4.0E	--	--
FY	30.6	30.1E	14.9E	--	15.4E

GAAP EPS

	2023A	Prior 2024	Curr. 2024E	Prior 2025E	Curr. 2025E
1Q-mar	(1.73)	--	(1.37)A	--	--
2Q-jun	(0.41)	--	(1.49)A	--	--
3Q-sep	(1.24)	--	(1.10)E	--	--
4Q-dec	(11.87)	--	(0.90)E	--	--
FY	(15.31)	(0.05)E	(4.86)E	--	(1.77)E

Company Description:

The OLB Group is an emerging player in the fast growing financial technology, or FinTech, sector, offering its merchant customers a broad suite of products and services, including payment processing solutions, a cloud-based business management platform, a capital raising platform for private companies, and a proprietary payment gateway solution.

OLB Group, Inc.**Rating: Buy****Growing Momentum in the Digital Products Segment****Investment Highlights:**

2Q revenue flat sequentially with 1Q. The OLB Group reported 2Q revenue of \$3.5 million, flat on the 1Q figure but down sharply from the year-ago quarter, due to lower transaction and processing fees as a result of the loss of the CBD portfolio. Encouragingly however, sales of digital products more than doubled to \$0.8 million in 2Q, continuing the solid momentum in this emerging business segment.

Offering an expanded suite of products and services in the burgeoning FinTech industry. In addition to its core eVance payment processing solutions business, the company has significantly expanded its portfolio of FinTech products in recent quarters to include a cloud-based business management platform for commerce services called OmniSoft, a unique online capital raising platform for small and mid-sized businesses called CrowdPay, and a proprietary payment gateway solution called SecurePay. In addition, the company entered the cryptocurrency mining and lending business, and also acquired a debit card platform company.

Maintain PT of \$3. With a broadening suite of services, The OLB Group is an emerging player in the rapidly growing financial technology (FinTech) sector. We believe shares of OLB should trade at a Price to Book Value of 0.8x, in line with the S&P Financials index, which generates our price target of \$3.

Significant cross-selling opportunities. The OLB Group's core eVance business has successfully established relationships and does business with thousands of merchant customers and clients in the U.S., including traditional bricks-and-mortar retailers, eCommerce retailers, restaurants, service companies, and others. We believe these established relationships represent a significant opportunity for the company to market and cross-sell its new FinTech products, which should not only help drive incremental revenue, but should also help further entrench the company's relationships with these merchants.

Risks. Potential investment risks to attainment of our price target include regulatory risk in the highly scrutinized financial services sector, possible dilution from future capital raises, competitive risk, and potential technological obsolescence in a rapidly evolving industry.

Figure 1. Historical and Projected Income Statement

**THE OLB GROUP, INC.
INCOME STATEMENT (in \$000)**

Period Ending	2021	2022	2023	1Q24	2Q24	3Q24E	4Q24E	2024E	2025E
Net Revenue	\$16,711	\$30,369	\$30,572	\$3,496	\$3,521	\$3,878	\$3,960	\$14,855	\$15,449
% Change yr-yr	71.1%	81.7%	0.7%	-47.2%	-57.8%	-60.0%	-33.0%	-51.4%	4.0%
Operating Expense	21,475	38,539	54,050	6,384	6,136	5,817	5,544	23,881	18,454
% of revenue	128.5%	126.9%	176.8%	182.6%	174.3%	150.0%	140.0%	160.8%	119.4%
Operating Income	(4,765)	(8,170)	(23,478)	(2,888)	(2,615)	(1,939)	(1,584)	(9,026)	(3,005)
Net Margin	-28.5%	-26.9%	-76.8%	-82.6%	-74.3%	-50.0%	-40.0%	-60.8%	-19.4%
Interest and other expense	214	19	(204)	(485)	64	50	50	(321)	200
Pretax income	(4,978)	(8,189)	(23,274)	(2,403)	(2,679)	(1,989)	(1,634)	(8,705)	(3,205)
Provision for Income Taxes	0	0	0	0	0	0	0	0	0
Net income (loss)	(4,978)	(8,189)	(23,274)	(2,403)	(2,679)	(1,989)	(1,634)	(8,705)	(3,205)
Diluted earnings per share:	(\$6.29)	(\$5.58)	(\$15.31)	(\$1.37)	(\$1.49)	(\$1.10)	(\$0.90)	(\$4.86)	(\$1.77)
Avg. diluted shares outstanding	792	1,468	1,520	1,748	1,798	1,810	1,810	1,792	1,810

Source: Aegis Capital Corporation and Company Reports

Figure 2. Historical Annual Cash Flow Statement

THE OLB GROUP, INC.

STATEMENT OF CASH FLOWS (in \$000)

	2020	2021	2022	2023
Net Income (Loss)	(\$1,777)	(\$4,978)	(\$7,787)	(\$23,274)
Depreciation and amortization	861	1,891	6,858	6,732
Stock based compensation	298	296	625	728
Non-cash interest expense	204	165	(726)	
Gain on settlement of payables	1	3	165	(316)
Bad debt expense		(236)		12,903
<i>Changes in Assets and Liabilities</i>				
Accounts receivable	123	(315)	36	570
Prepaid expenses	101	(720)	(849)	1,009
Other current assets				
Other long-term assets	(68)	(68)	(51)	107
Accounts payable	(233)	142	12	2,730
Accrued expenses - related party	236			
Other accrued liabilities	25	313	(203)	858
Deferred revenue	(100)			
Net Cash From Operations	(327)	(3,508)	(1,921)	2,047
Purchase of property, plant, and equipment			(1,562)	(1,225)
Acquisitions	(150)	(25,662)		(855)
Proceeds from note receivable				
Cash received in business combination				
Net Cash from Investing Activities	(150)	(25,662)	(1,562)	(2,080)
Proceeds from notes payable	236		875	
Proceeds from exercise of warrants	95	8,091		
Proceeds from sale of common stock	5,446	28,380		
Proceeds from sale of warrants	155			
Payment on notes payable - related parties			(110)	5
Payment of deferred offering costs	(293)			
Payments on notes payable	(1,845)	(7,655)	(318)	(226)
Net Cash from Financing Activities	3,794	28,816	447	(222)
Net Increase (Decrease) in Cash	3,317	(354)	(3,036)	(255)
Cash, Beginning of the Period	508	3,824	3,470	434
Cash, End of the Period	3,824	3,470	434	179

Source: Aegis Capital Corporation and Company Reports

Figure 3. Historical Annual Balance Sheet

**THE OLB GROUP, INC.
CONSOLIDATED BALANCE SHEET (in \$000)**

<u>ASSETS</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Current Assets				
Cash	3,824	3,470	434	179
Accounts receivable	356	671	1,083	467
Prepaid expenses	16	15	582	185
Other current assets	9	729	1,289	990
Total Current Assets	<u>4,205</u>	<u>4,886</u>	<u>3,388</u>	<u>1,821</u>
Property and equipment, net	20	8,967	7,325	5,872
Intangible assets	2,641	23,964	20,310	3,500
Deferred offering costs				
Operating lease right-of-use asset	270	403	269	
Goodwill	6,858	6,858	6,858	8,140
Other long-term assets	<u>384</u>	<u>452</u>	<u>503</u>	<u>396</u>
Total Assets	<u>14,378</u>	<u>45,529</u>	<u>38,654</u>	<u>19,728</u>
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>				
Liabilities				
Accounts payable	360	502	513	3,527
Accrued expenses - related party				
Accrued expenses	104	416	378	1,018
Merchant portfolio		2,000	2,000	2,000
Other accrued liabilities	86	133	134	13
Deferred revenue			294	419
Note payable - current portion	450		298	259
Note payable - related party - current portion				
Total Current Liabilities	<u>999</u>	<u>3,051</u>	<u>3,618</u>	<u>7,235</u>
Long-term Liabilities				
Note payable, net	7,441		259	149
Notes payable - related party				
Operating lease liability	185	273	138	
Total Liabilities	<u>8,625</u>	<u>3,324</u>	<u>4,016</u>	<u>7,384</u>
Stockholders' Equity				
Preferred stock	0	0	0	0
Common stock	1	1	2	2
Additional paid-in capital	26,380	67,811	68,140	68,909
Accumulated deficit	(20,629)	(25,607)	(33,504)	(56,566)
Total Equity	<u>5,752</u>	<u>42,205</u>	<u>34,638</u>	<u>12,345</u>
Total Liabilities & Stockholders' Equity	<u>14,378</u>	<u>45,529</u>	<u>38,654</u>	<u>19,728</u>

Source: Aegis Capital Corporation and Company Reports

Required Disclosures

Price Target

Our 12-month price target on shares of OLB is \$3.

Valuation Methodology

We derive our price target by applying a Price to Book Value ratio of 0.8x, in line with the S&P Financials index.

Risk Factors

- Regulatory risk, particularly in the highly scrutinized industry of financial services.
- Possible dilution to shareholders from future capital raises.
- Competitive risk from new product introductions.
- Risk of technological obsolescence of certain products or services in the rapidly evolving FinTech sector.

For important disclosures go to www.aegiscap.com.

I, Rommel Dionisio, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject companies and their securities. I also certify that I have not been, do not, and will not be receiving direct or indirect compensation in exchange for expressing the specific recommendations in this report.

Research analyst compensation is not dependent upon investment banking revenues received by Aegis Capital Corp.

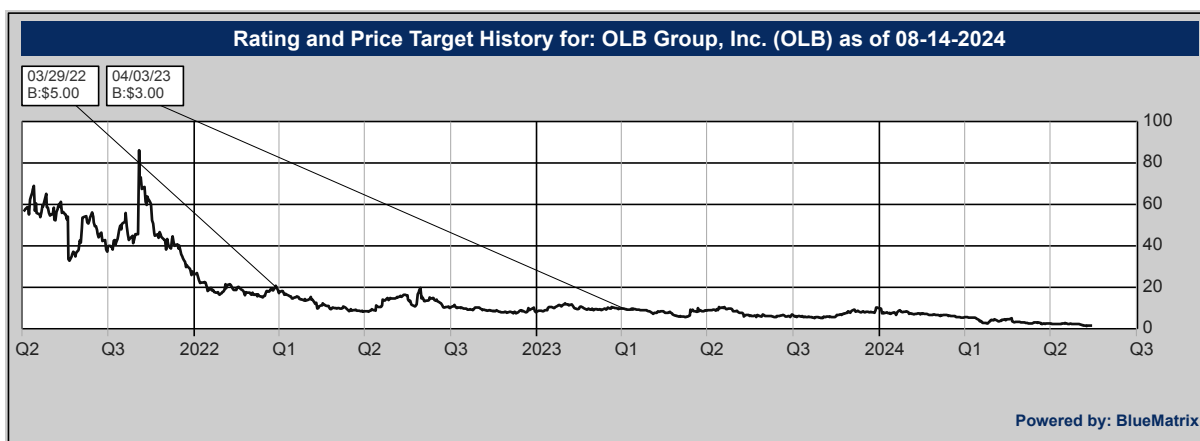
Aegis Capital Corp. intends to seek or expects to receive compensation for investment banking services from the subject company within the next three months.

The firm nor the Research Analyst have any material conflict of interest in which the Research Analyst has a reason to know or knows at the time of publication of this research report.

As of the report date neither Aegis Capital Corp. or its affiliates beneficially own 1% or more of any class of common equity securities of the subject company of this report.

Neither the research analyst who prepared this report or a member of the research analyst's household has a financial position in the debt or equity securities of the subject company.

Aegis Capital Corp. makes a market in OLB Group, Inc..



**Investment Banking
Services/Past 12 Mos.**

Rating	Percent	Percent
BUY [BUY]	92.00	50.72
HOLD [HOLD]	8.00	16.67
SELL [SELL]	0.00	0.00

Meaning of Ratings

- A) A Buy rating is assigned when we do not believe the stock price adequately reflects a company's prospects over 12-18 months.
- B) A Hold rating is assigned when we believe the stock price adequately reflects a company's prospects over 12-18 months.
- C) A Sell rating is assigned when we believe the stock price more than adequately reflects a company's prospects over 12-18 months.

Other Disclosures

Other Disclosures The information contained herein is based upon sources believed to be reliable but is not guaranteed by us and is not considered to be all inclusive. It is not to be construed as an offer or the solicitation of an offer to sell or buy the securities mentioned herein. Aegis Capital Corp., its affiliates, shareholders, officers, staff, and/or members of their families, may have a position in the securities mentioned herein, and, before or after your receipt of this report, may make or recommend purchases and/or sales for their own accounts or for the accounts of other customers of the Firm from time to time in the open market or otherwise. Opinions expressed are our present opinions only and are subject to change without notice. Aegis Capital Corp. is under no obligation to provide updates to the opinions or information provided herein. Additional information is available upon request.

The common stock of the subject company in this report may not be suitable for certain investors based on their investment objectives, degree of risk, as well as their financial status.

**© Copyright 2024 by Aegis Capital
Aegis Capital Corp.
(212) 813-1010
1345 Avenue of the Americas, 27th Floor
New York, New York 10105**