



BC Technology Group Limited
BC科技集團有限公司
Stock code: 863 HK

ANNUAL RESULTS 2020 PRESENTATION

**Asia's Leading Digital
Asset and Fintech
Company**





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ASIA'S LEADING
DIGITAL ASSET
PLATFORM

SaaS • Brokerage • Custody • Exchange

 Contact ir@bc.group

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Adjusted EBITDA is used by management as a measure of the Group's operating performance with that of our peers. Adjusted EBITDA should not be considered in isolation, construed as an alternative to profit or operating profit as reported under IFRS or other combines operations or cash flow data, or interpreted as an alternative to cash flow as a measure of liquidity. Adjusted EBITDA presented in this presentation may not be comparable to other similarly titled measures of other companies operating in the same or different business industry sectors.

Digital Assets Have Been Adopted by Mainstream Finance



2021

Product innovations such as Central Bank Digital Currencies (CBDCs) and security token offerings (STOs) will enable further tokenization of traditional and previously illiquid assets



Bitcoin, Ethereum and other digital assets reached new ATHs all time highs, bolstered by institutional participation



Over the past 18 months, investments into Bitcoin and other digital assets by major institutions and corporates has spurred global interest and inflows

In 2020, regulation of digital asset ushered in a new phase of growth

01

About BC Technology Group

02

2020 Financial & Operational Highlights

03

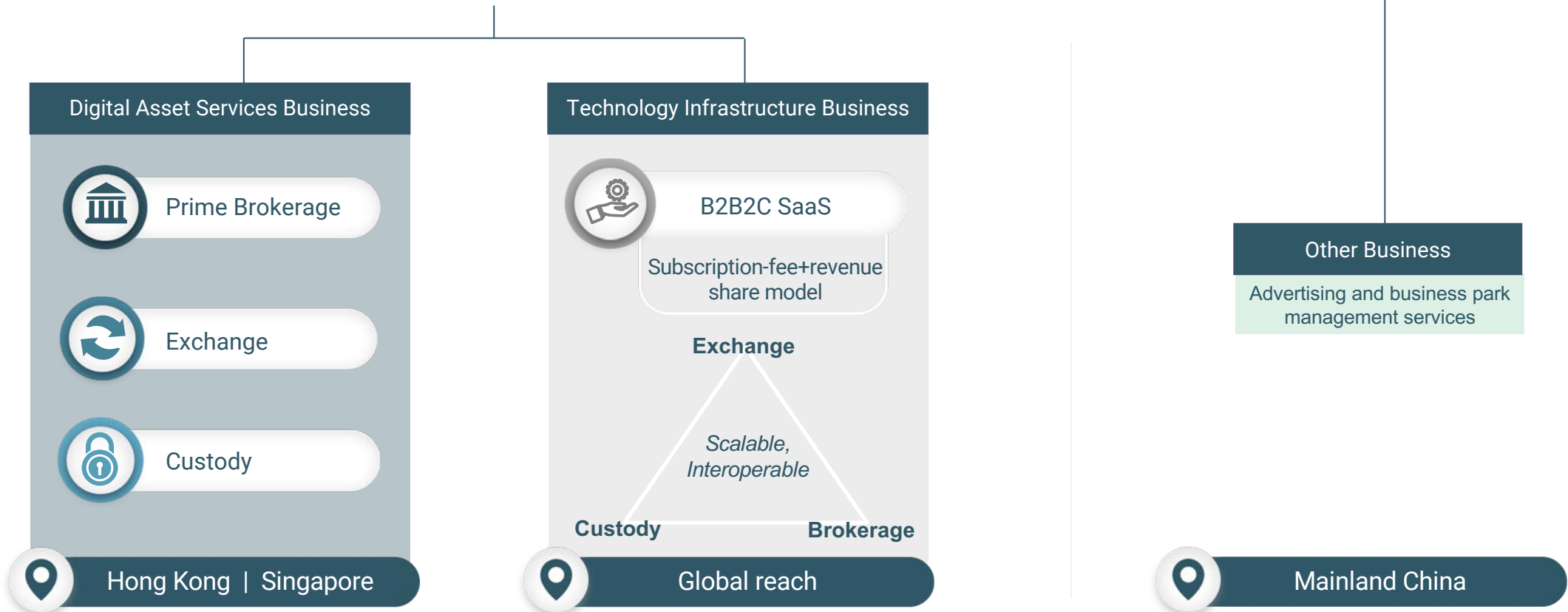
Our Growth Trajectory

BC Technology Group Business Structure



ASIA'S LEADING
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BC Technology Group: Enabling Institutional Investment in the Digital Asset Class

Regulatory first mover

- The first to be licensed by the **Hong Kong SFC** to conduct Type 1 (dealing in securities) and Type 7 (automated trading services) regulated activities for digital assets
- Licensed to list and trade utility tokens such as **Bitcoin and Ethereum, and Security Token Offerings (STOs)**
- Grandfathered under PSA by the **Monetary Authority of Singapore**, formal license application submitted



Uniquely positioned

- The world's only, **SFC-licensed, insured, listed, 'Big 4'-audited** player in the sector
- Leading player in **Asia-Pacific** with reach into **50 international markets**
- Best-in-class technology powers core **digital asset trading financial services** and **SaaS**



Secure, compliant, high-performance technology

- **Insured custody, segregated-safe** keeping of client assets
- Strategic, institutionally focused, supported by **bank-grade KYC / AML compliance** framework
- Platform resiliency, built-in redundancy and low latency





OSL: The Trusted Gateway to Digital Assets

Mission

Deliver best-in-class access to digital assets, setting the global standard for innovation, performance, security, and compliance

Vision

Lead the regulated, institutional evolution of the digital asset market

Values

- Be trustworthy and do the right thing
- Ownership and accountability
- Teamwork
- Collaboration and respect
- Relentlessly innovate for our clients

2020 Financial Highlights

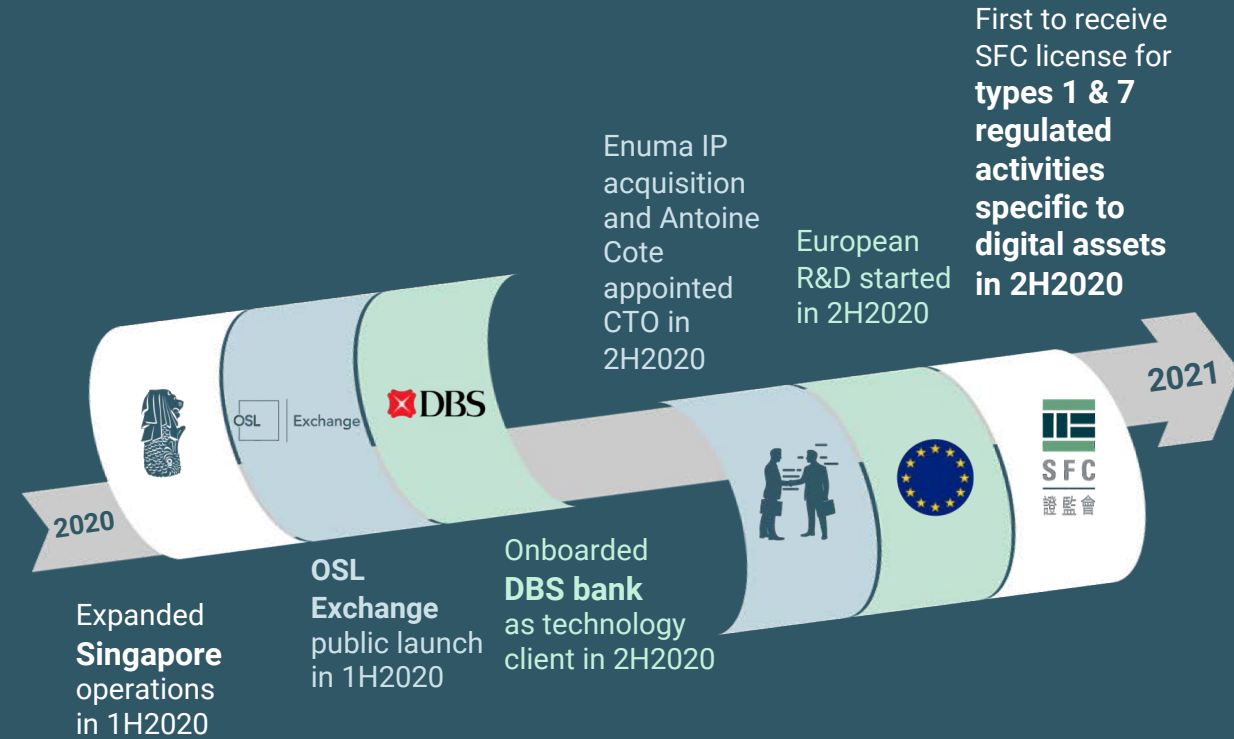
In 2020 digital asset revenues increased **111% YoY** to **RMB151 million**, making up 70% of Group revenues

Total assets on platform (AOP) grew **487% YoY** to **RMB2.6 billion** in 2020

Digital asset platform trading volume grew **228% YoY** to **RMB149 billion** in 2020

Active customers up **130%** year-on-year for OSL digital assets platform

and Business Milestones



01

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BC Technology
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02

2020 Financial
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Highlights

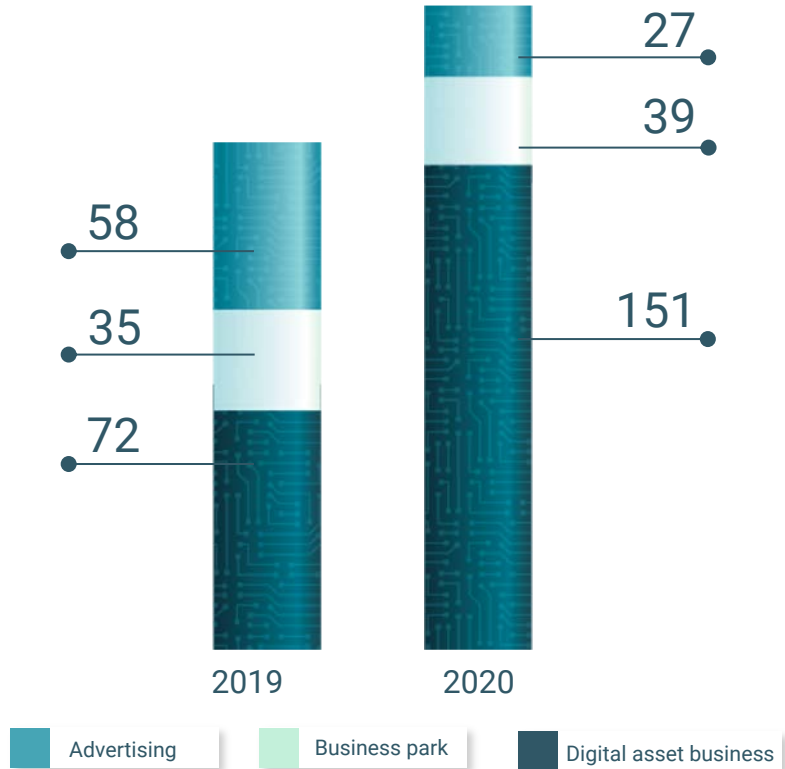
03

Our Growth
Trajectory

Strong Group Revenue Growth Driven by Digital Asset Business

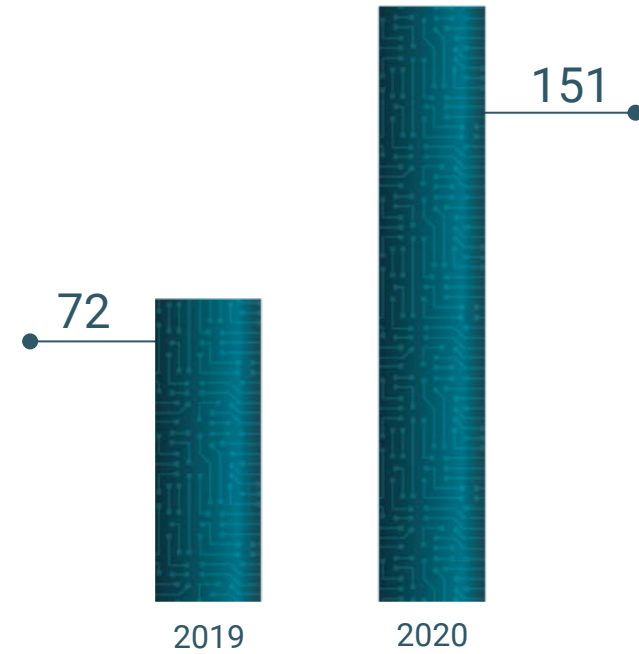
Overall Group Revenue

+32% YoY to **RMB 217 million**



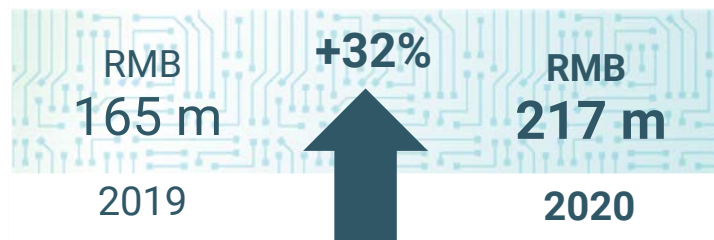
OSL Digital Asset Platform Revenue

+111% YoY to **RMB 151 million**

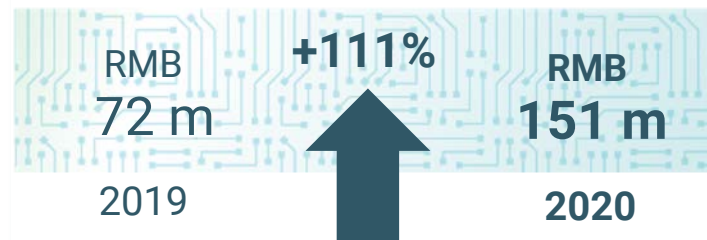


Key Financials

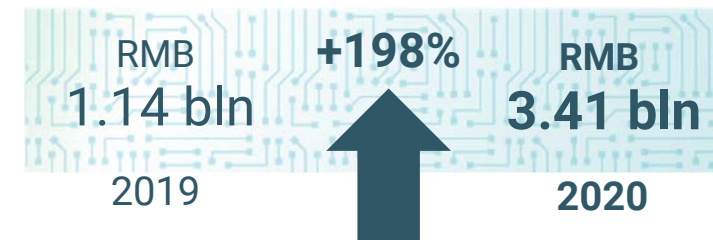
Group revenue



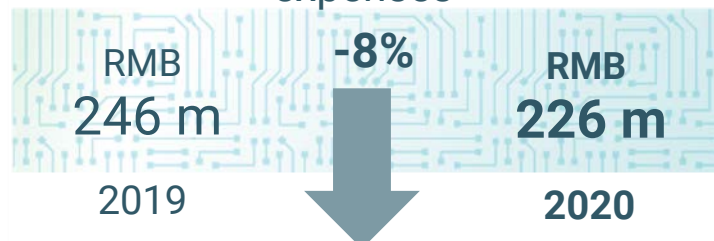
Digital asset revenue



Total Assets



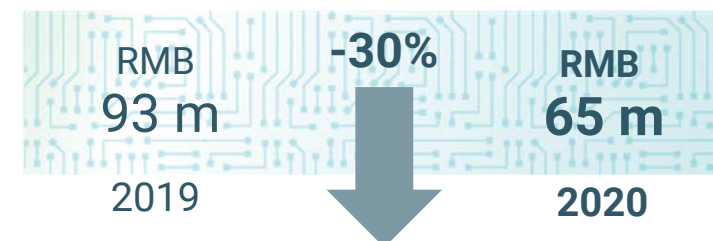
Pro-forma selling and admin expenses*



Adjusted EBITDA



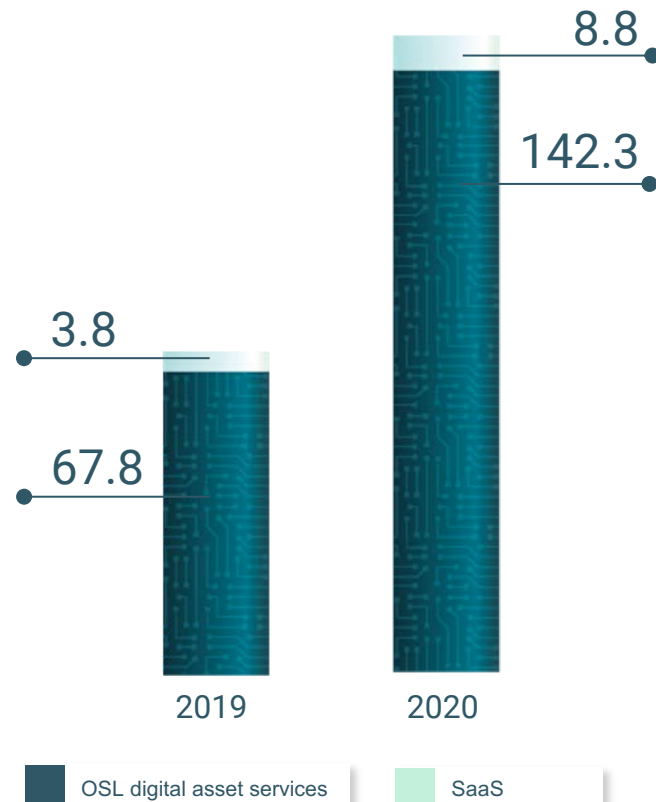
Advertising & business park revenue



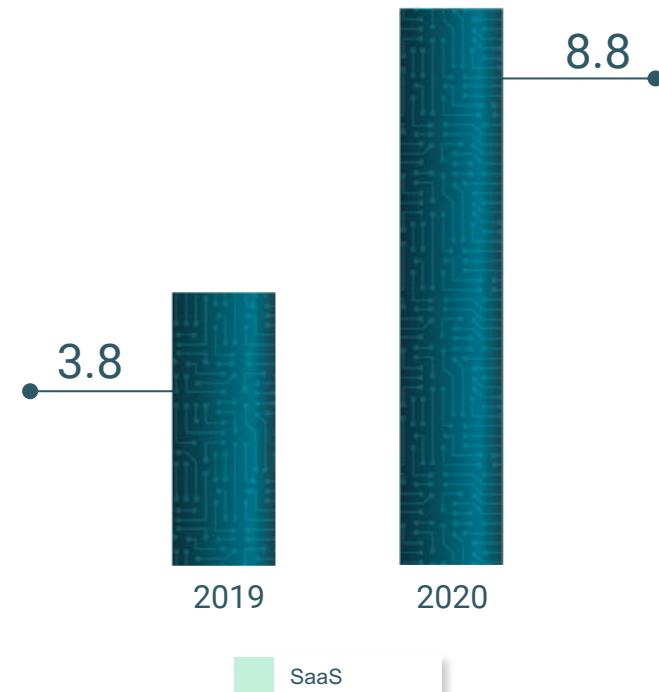
*Pro-forma selling and administrative expenses exclude share-based payment expenses and warrant expenses.

Significant YoY Growth From SaaS & OSL Digital Asset Services

Strong revenue growth from
SaaS and OSL Digital Asset Services businesses
(in RMB millions)



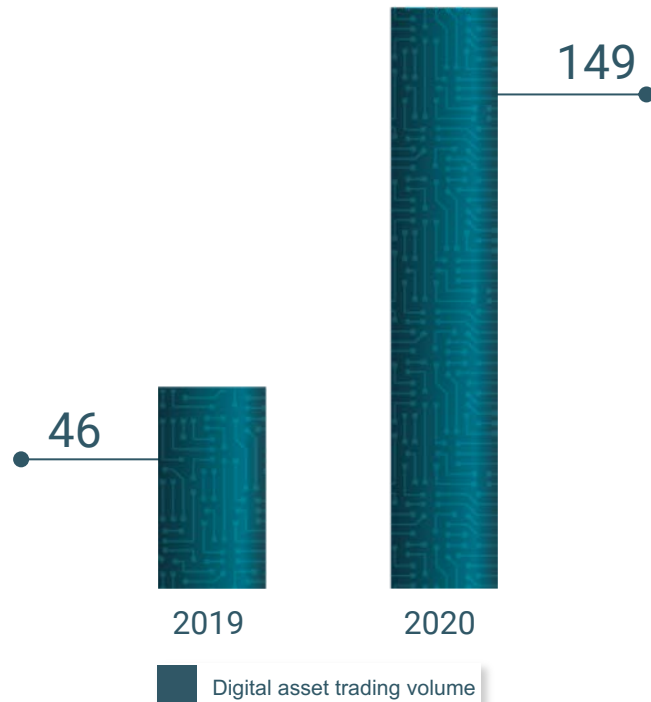
SaaS revenue
+132% YoY (in RMB millions)



Key Operating Metrics for Digital Asset Business

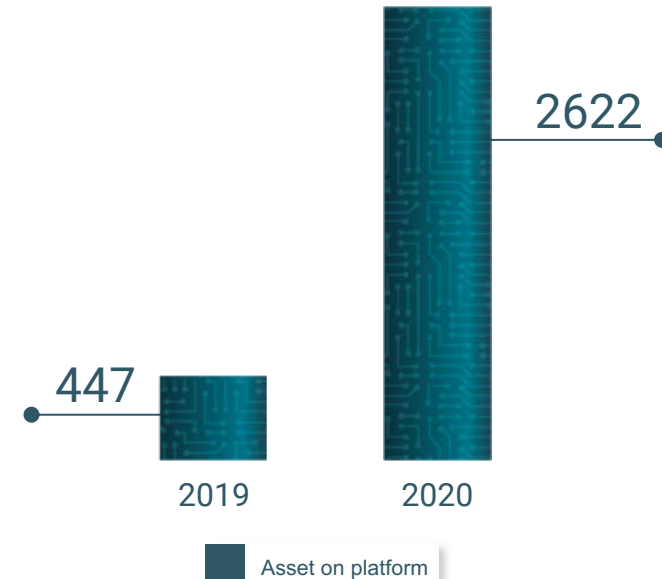
Digital Asset Platform Trading Volume (in RMB billions)*

+228% YoY to **RMB 149 billion**



Assets on Platform (in RMB millions)

+487% YoY to **RMB 2.6 billion**

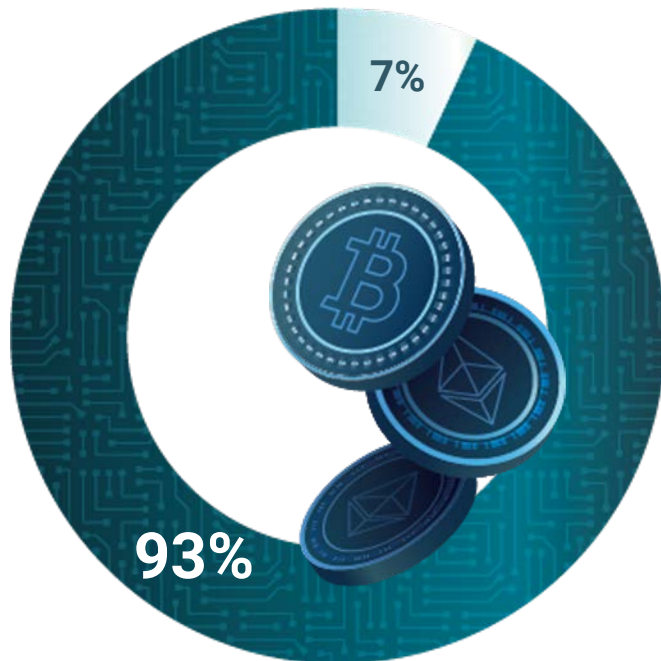


*Volume based on exchange rate of RMB6.541 per USD

Trading Volume by Customer Segment

2020

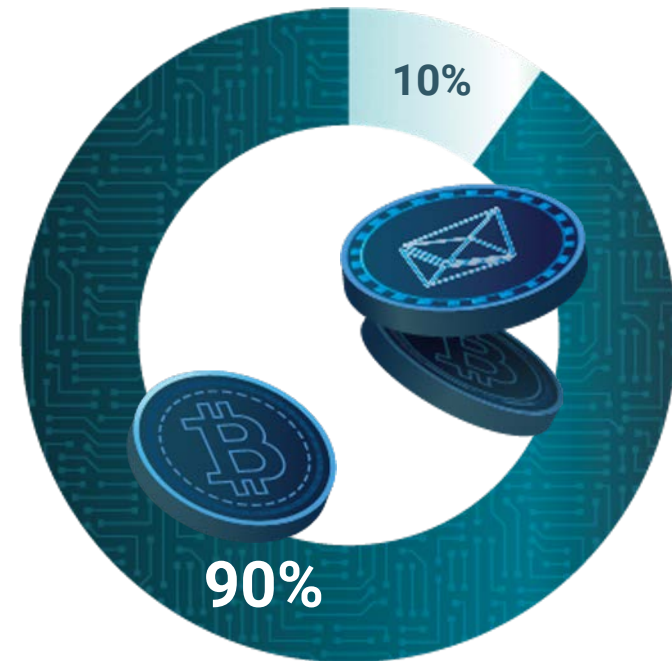
Digital Asset Trading Volume Mix



Institutions HNWI

2019

Digital Asset Trading Volume Mix



Institutions HNWI

Financial Review (RMB'000)

	2020	2019	Change
Revenue	216,501	164,688	31%
Cost of Revenue	-41,978	-68,603	-39%
Gross Margin	81%	58%	
Total Operating Expenses	-221,856	-254,944	-13%
Operating (Loss)	-47,333	-158,858	-70%
Operating Margin	-22%	-97%	
Net Finance Cost	-34,575	-40,093	-14%
Share-based Payment and Warrant Expense	-175,193	-47,749	267%
Tax (Expenses)/Credit	-1,809	1,578	NM
Net (Loss)	-258,910	-245,122	6%
Depreciation and Amortisation	52,945	56,795	-7%
EBITDA	-169,581	-149,812	13%
Non-GAAP Adjustments*	174,804	60,428	189%
Adjusted EBITDA	5,222	-89,384	NM

*2020 Non-GAAP adjustments mainly include share-based payment expenses of RMB 83.4 million, warrant expense of RMB 91.8 million and other gains of RMB 0.39 million.

01

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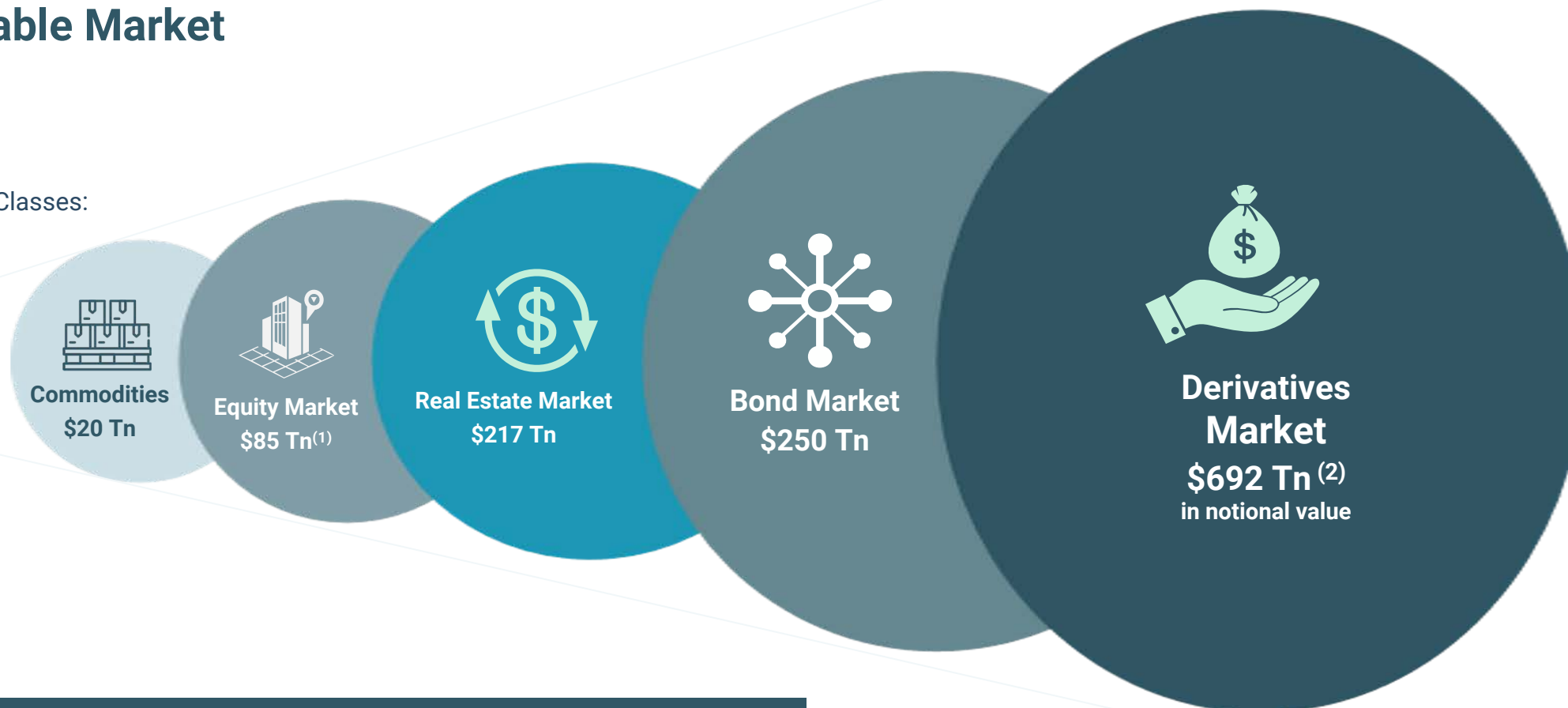
Our Growth
Trajectory

Digital Asset Market Opportunity – Total Addressable Market

Size of Traditional Asset Classes:

~\$1,265 Trillion

~\$1.8 Tn
Appx. size of the digital asset market today



“

It may very well be the case that those (stocks) all become tokenized... Our door is wide open. If you want to show how to tokenize the ETF product in a way that adds efficiency, we want to meet with you, we want to facilitate that.”

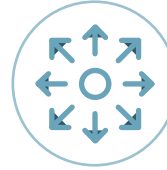
- Jay Clayton, Former Chairman of the SEC

Clear Strategic Roadmap Driving Value Creation



Leading Institutional Adoption of Digital Assets in Asia

- Onboard institutional investors into Hong Kong and Singapore regulated exchanges
- Leverage SFC license as combined brokerage and exchange venue capable of listing STOs
- Win the digital asset prime brokerage space with a full suite of institutional-ready products
- Enter key jurisdictions and markets with SaaS offering



Technology Partnerships with Global Financial Institutions

- Partner with leading regulated financial institutions globally to provide industry leading regulatory-compliant technology solutions
- Become the provider of choice of digital asset trading infrastructure



Global Standard

- Become the standard-bearer for the regulated digital asset market globally
- SaaS solution scaled to major financial institutions in top jurisdictions across the world
- Operate global network of interoperable venues and services for digital asset trading and financial services

Present

12-24
months

2025

Summary



Growth in the Group's digital assets business continues accelerate, with significant YoY increases in active and institutional clients, trading volumes, revenues and assets on platform



The OSL SaaS solution's B2B2C model and unique distribution strategy allows the Group to enter new jurisdictions with licensed partners and quickly attract a critical mass of customers



OSL is **the only firm granted Types 1 & 7 digital asset licenses from the SFC** in Hong Kong
OSL has formally applied for digital asset licenses with the Monetary Authority of Singapore and is currently grandfathered under the Payment Services Act



BC Group is well-placed to lead the way with innovative new products in the digital asset space and is licensed to trade security tokens (STOs) – which will be a revenue driver moving forward



BC Group will continue to grow its digital assets services business, achieve scale through SaaS and product innovation, expand its geographic footprint, capitalizing on its first-mover advantage

Outlook

Institutions are digital assets at pace



Major investments by corporates and firms



Digital asset market retesting all-time highs in price and market cap



Unprecedented regulatory clarity solidifying



OSL is a market leader with a growing business



First to be licensed



Uniquely positioned



Best-in-class technology



Compliant & secure



Rising revenue and customer base



Leading the regulated, institutional evolution of the digital asset market



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Thank you for your attention



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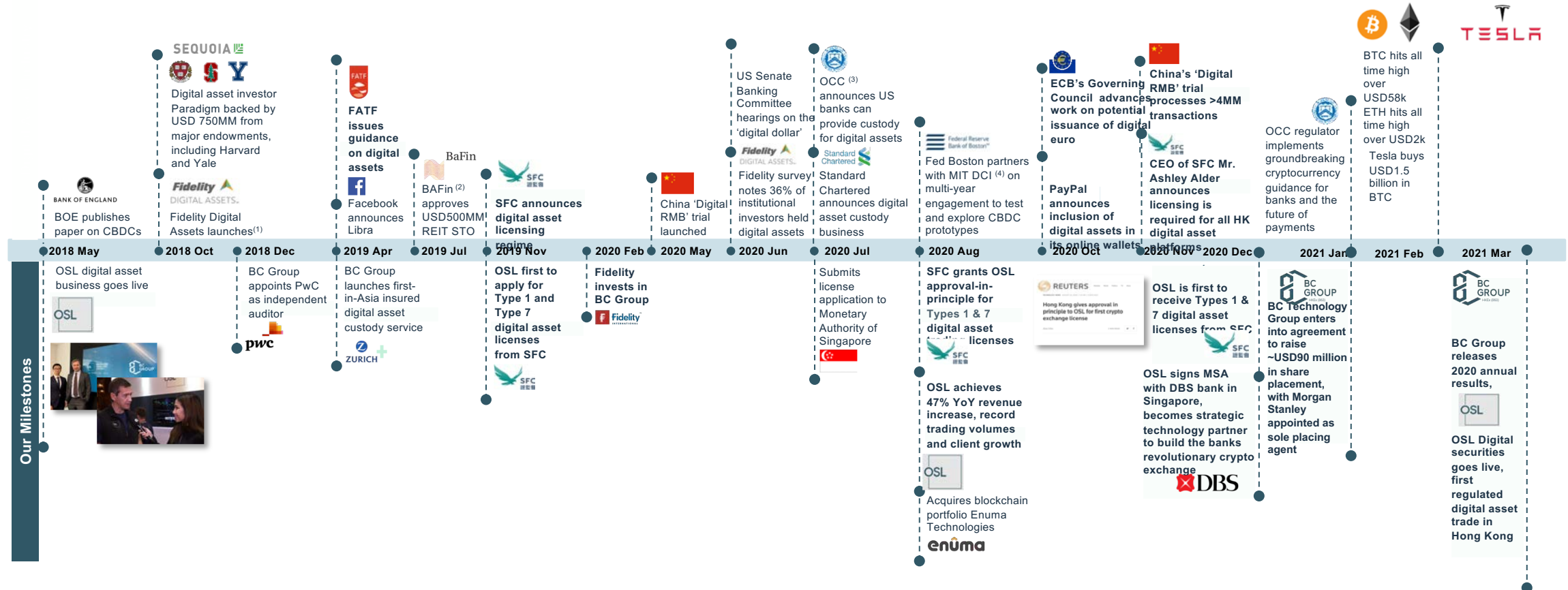
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BC Technology Group Growth as Market Develops



Notes:

- 1) Fidelity Digital Assets is a subsidiary of Fidelity Investments, providing custody (offline, vaulted cold storage), trading, and onboarding & support solution for digital assets for institutional investors
- 2) Federal Financial Supervisory Authority of Germany
- 3) The Office of the Comptroller of the Currency
- 4) MIT Digital Currency Initiative