



BC TECHNOLOGY GROUP LIMITED
BC科技集團有限公司
股票代號：863 HK

2021 ANNUAL RESULTS PRESENTATION

*Asia's leading digital asset
and fintech company*

Parent of



THE TRUSTED
DIGITAL ASSET
PLATFORM

SaaS · Brokerage · Custody · Exchange



BC TECHNOLOGY GROUP LIMITED
BC 科技集團有限公司
 Stock code: 863 HK



Contact ir@bc.group

Disclaimer

The information contained in this document is for general informational purposes only and does not constitute an offer, solicitation, invitation or recommendation to subscribe for or purchase any securities, or other products or to provide any investment advice or service of any kind. This document is solely intended for distribution to and use by professional investors. This document is not directed at, and is not intended for distribution to or use by, any person or entity in any jurisdiction or country where such distribution or use would be contrary to law or regulation or which would subject BC Group ("BC Group or the "Group") to any registration requirement within such jurisdiction or country.

This document contains forward-looking statements which are based on the current expectations, estimates, projections, beliefs and assumptions of BC Group about the businesses and the markets in which it and its subsidiaries operate. These forward-looking statements are not guarantees of future performance and are subject to market risk, uncertainties and factors beyond the control of BC Group. Therefore, actual outcomes and returns may differ materially from the assumptions made and the statements contained in this document.

Although the information contained in this document is obtained or compiled from sources believed to be reliable, BC Group does not guarantee the accuracy, validity, timeliness or completeness of the information or data for any particular purpose, and shall not accept any responsibility for, or be liable for, errors, omissions or other inaccuracies in the information or for the consequences thereof. The information set out in this document is provided on an "as is" and "as available" basis and may be amended or changed. It is not a substitute for professional advice which takes account of your specific circumstances and nothing in this document constitutes legal advice. BC Group shall not be responsible or liable for any loss or damage, directly or indirectly, arising from the use of or reliance upon any information provided in this document.

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.

Agenda

1 A Look Back at 2021

2 BC Technology Group & OSL

3 Financial & Operational Highlights

4 Business Updates and Outlook

5 ESG

2021: Crypto's Biggest Year Ever



Bitcoin reached **\$1 trillion** in market cap



Monthly spot exchange trading volume reached ATH of **\$2.2 trillion**



Breakout year for **DeFi** and **NFT's**, opening floodgates for alt-coins



Sector attracted over **\$30 billion** in 2021, more than all the past years combined*

Institutions Joined the Digital Gold Rush

Vanguard

J.P.Morgan

KKR



PayPal

TESLA



MicroStrategy

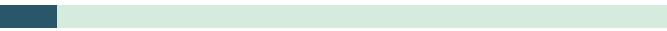
Increased Regulatory Clarity



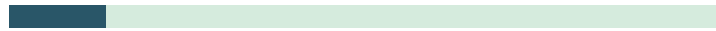
*References from [Blockworks](#), [Nasdaq.com](#), [CNBC](#), [Fortune](#), etc.

Agenda

1 A Look Back at 2021



2 BC Technology Group & OSL



3 Financial & Operational Highlights



4 Business Updates and Outlook



5 ESG



BC Technology Group Business Structure

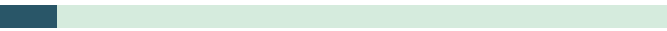


OSL Stands Apart in the Global Digital Asset Market

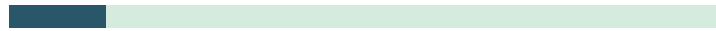


Agenda

1 A Look Back at 2021



2 About OSL and BC Technology Group



3 Financial & Operational Highlights



4 Business Updates and Outlook

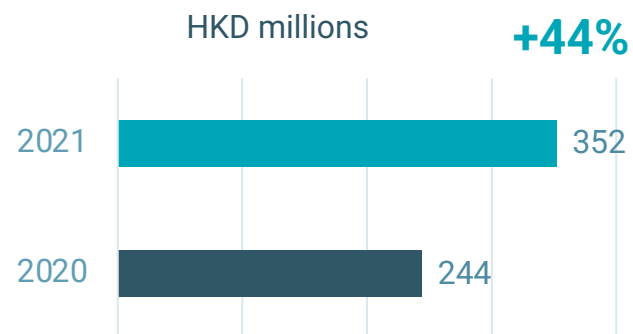


5 ESG

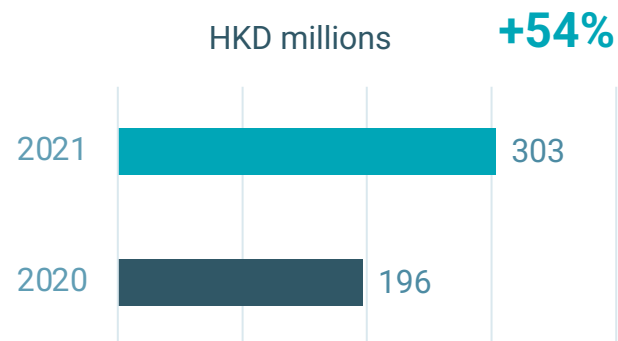


Group Financial Highlights

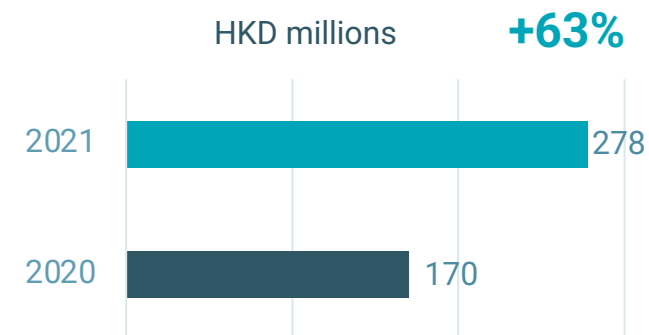
Group revenue



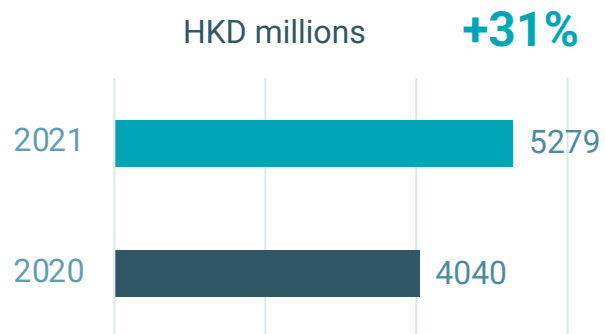
Gross profit



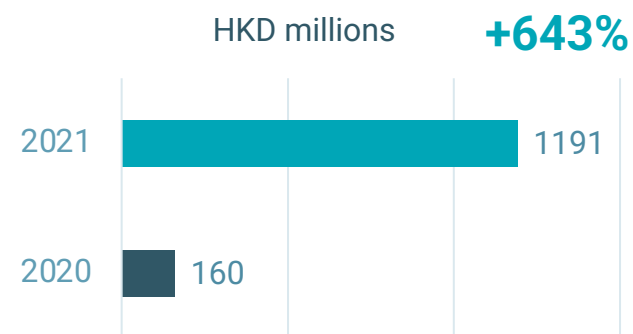
Digital asset revenue



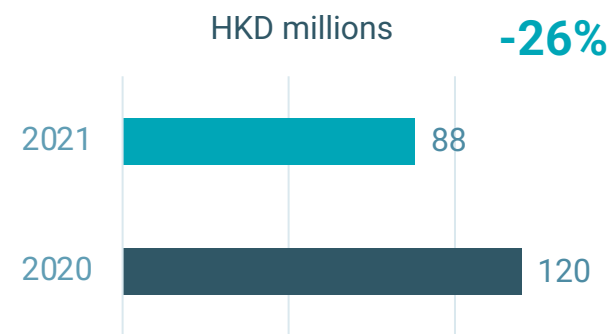
Total assets



Net assets



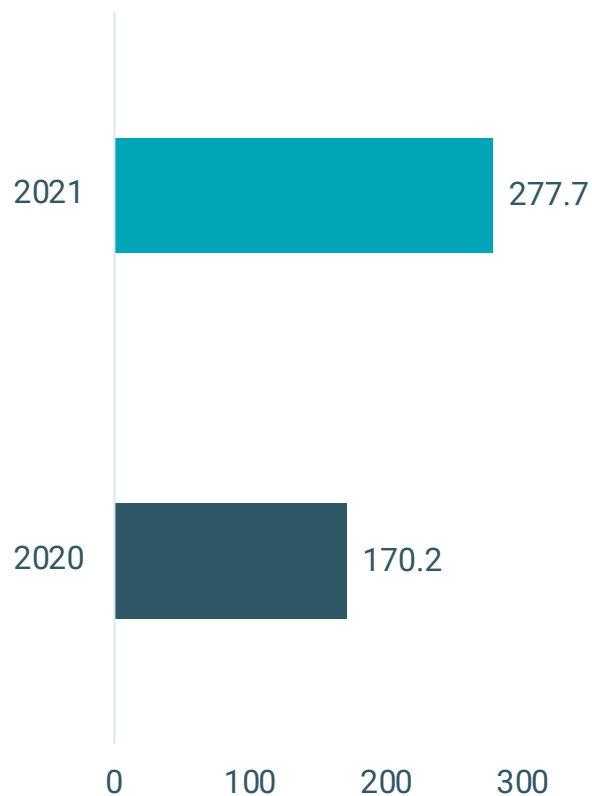
Selling and distribution expenses



OSL Digital Asset Platform Financial Highlights

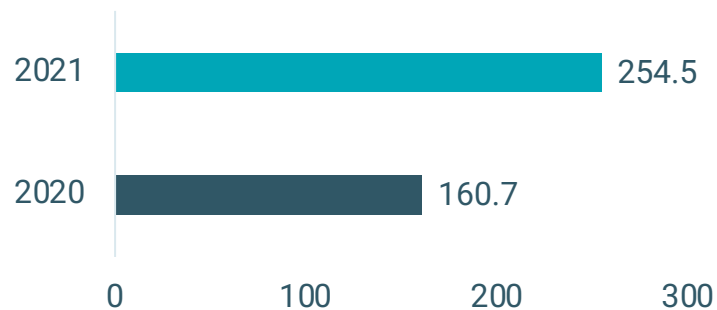
Total digital asset business revenue (HKD millions)

YoY
+63%



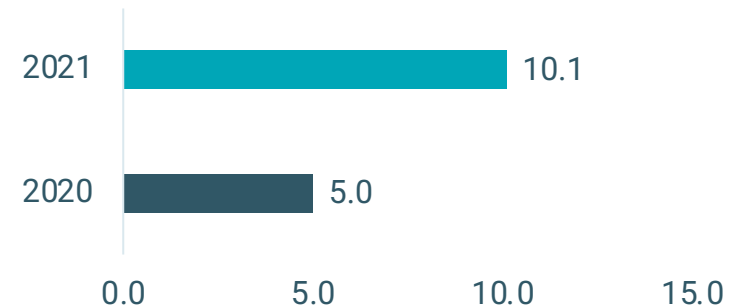
Prime brokerage revenue (HKD millions)

YoY
+58%

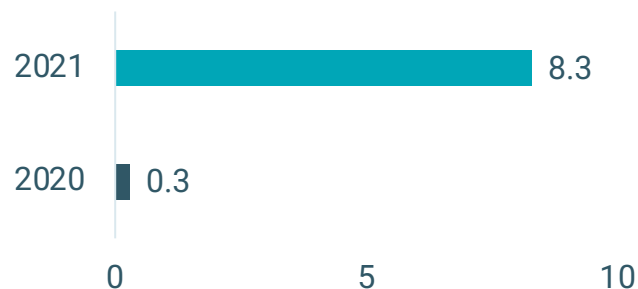


Service fees from SaaS (HKD millions)

YoY
+104%

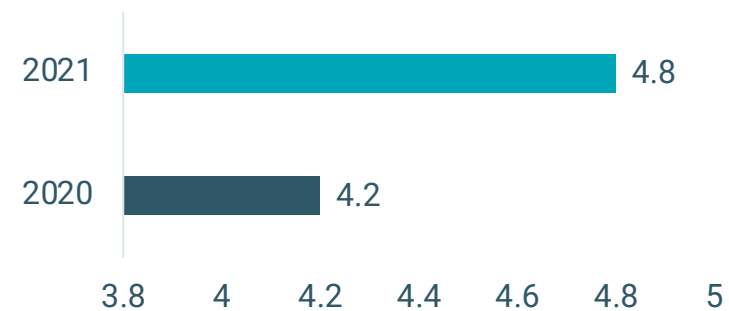


Exchange revenue (HKD millions)



Revenue from custody and others (HKD millions)

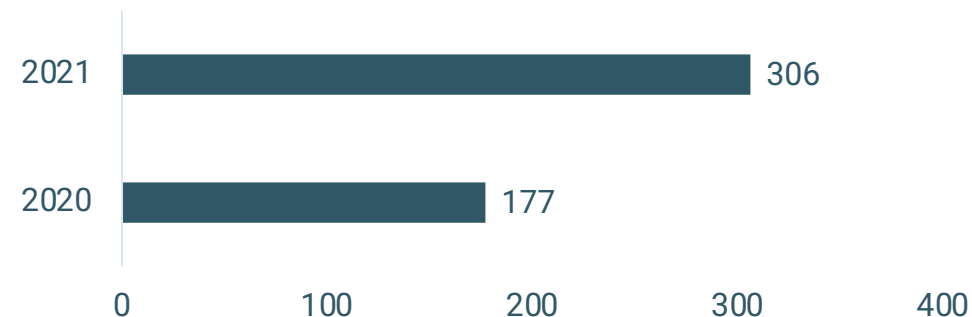
YoY
+15%



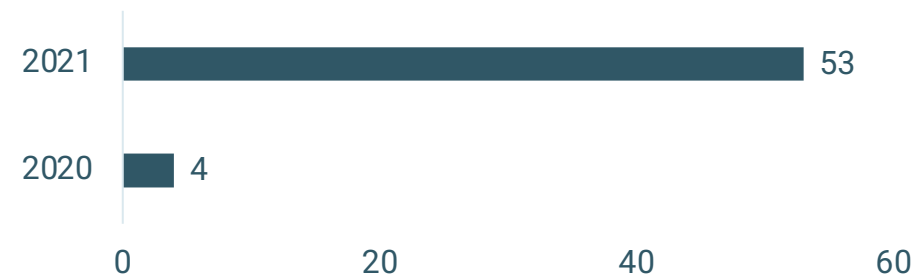
Operational Highlights: Record Volumes

Total trading volume
(HKD billions)

YoY
+73%

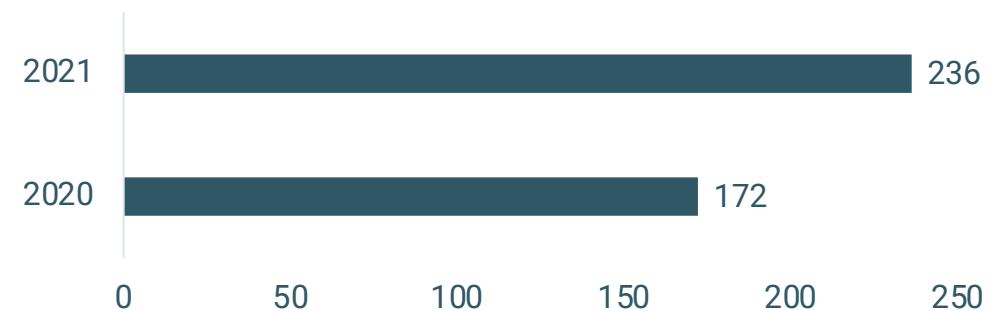


Exchange trading volume
(HKD billions)

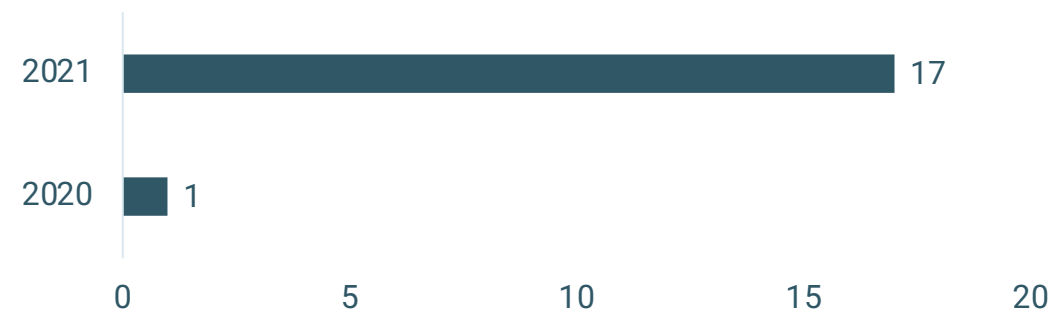


Brokerage trading volume
(HKD billions)

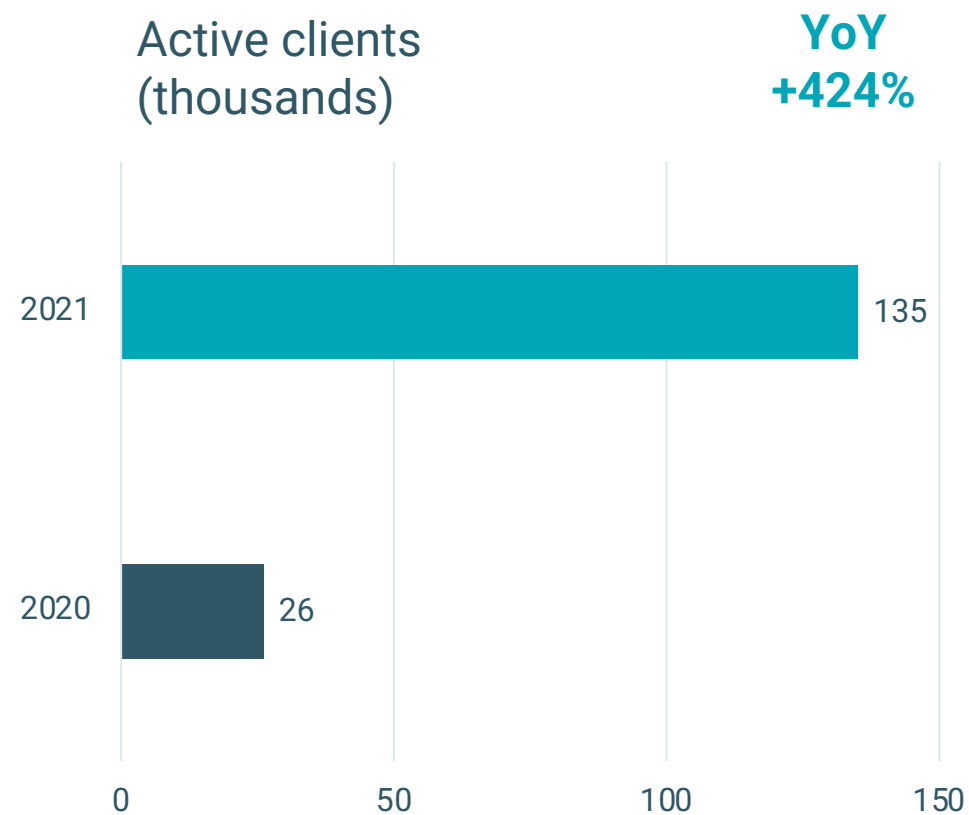
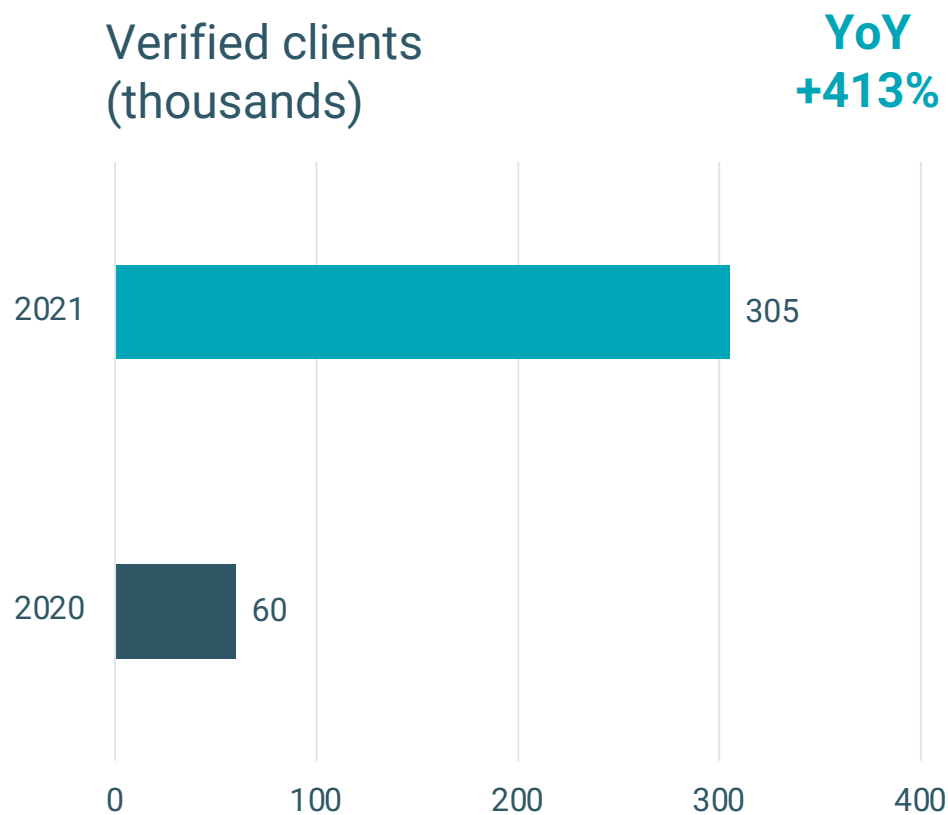
YoY
+37%



SaaS trading volume
(HKD billions)



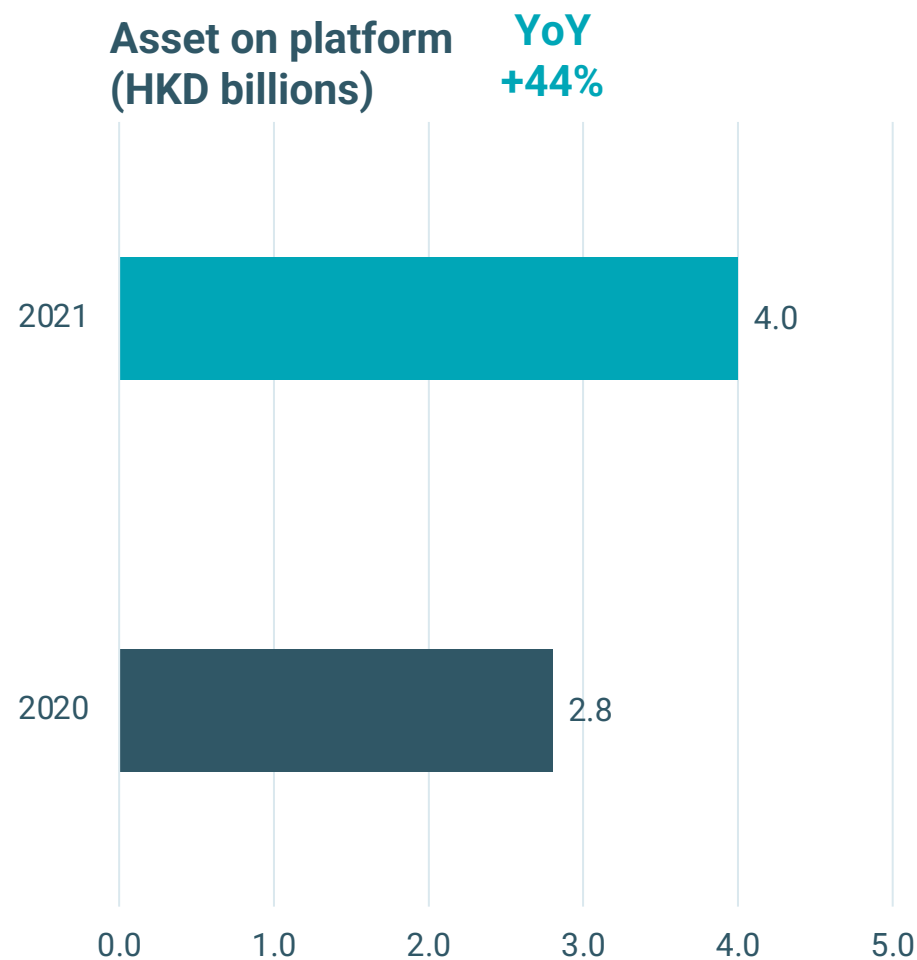
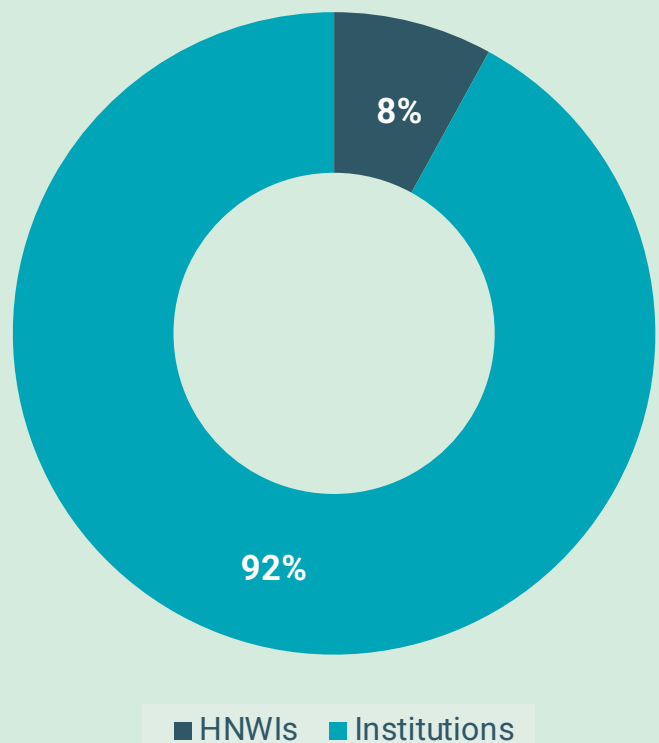
Client Numbers Increased Significantly YoY



*Includes clients from prime, exchange, and clients of SaaS partners

Institutions Comprise Vast Majority of Trading Volumes

Client mix by trading volumes



Financial Review (HKD'000)

	2021	2020	Change
Revenue	352,019	243,737	44.4%
Cost of Revenue	(49,390)	(47,259)	4.5%
Gross Margin	86.0%	80.6%	6.7%
Total Operating Expenses	(497,612)	(251,878)	97.6%
Operating (Loss)	(194,983)	(55,400)	252.0%
Operating Margin	-55.4%	-22.7%	143.7%
Net Finance Cost	(27,553)	(38,925)	(29.2%)
Share-based Payment and Warrant Expense	(139,838)	(197,233)	(29.1%)
Share of net loss of an associate	(5,434)	-	N/A
Tax Expenses	(1,435)	(2,036)	(29.5%)
Net (Loss)*	(369,243)	(293,594)	25.8%

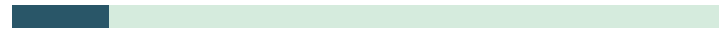
*Refers to net (loss) from continuing operations

Agenda

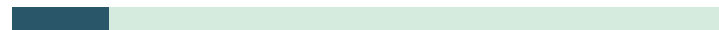
1 A Look Back at 2021



2 About BC Technology Group & OSL



3 Financial & Operational Highlights



4 Business Updates and Outlook



5 ESG



Two Major Share Placements in 2021: Capital Invested in Business Growth and Infrastructure Buildout

Fundraising led by



The Company raised HK\$658 and HK\$534 million in January and June, led by Morgan Stanley and Macquarie

Top-tier firms participated



The placements provided new capital for to fund OSL's growth, and brought on key strategic blue-chip institutional investors, including: GIC, Fidelity, and Robeco and others

Capital invested in



- Operational and platform efficiency, scalability, stability and resilience
- Product development and token listings
- Global expansion and build out in Singapore, Americas, and the UK
- Key new hires

SFC-HKMA Joint Circular - Revenue Driver for OSL Digital Securities (HK)

The circular provides the first official regulatory green light for banks and Type 1 licensed intermediaries to enter digital assets (also referred to as virtual assets or VA) at scale in Hong Kong and digital assets are for professional investors only

- **Type 1 Licensed brokers and banks must work with a regulated VA partner platform**
- **OSL DS is currently the only SFC-licensed Type 1 and 7 firm for digital assets in Hong Kong**

The addressable market in Hong Kong is massive



1,400

Type 1 licensed
securities



110

Banks engaged in
brokerage activities



1,700

Licensed fund
managers



4.5 T

AUM



8%

Of assets allocated
to alternatives

Platform Growth: Product and Digital Enhancements

Product



**Request for
streaming (RFS)**



Margin trading



**Coin borrowing
and lending (CBL)**



Sub-accounts

Digital



**Customer Onboarding
Technologies**



**Enhanced mobile-native
platform performance
– app and web**



**Platform UI/UX
optimization**



**Targeted global digital
marketing campaign**

Accelerating Growth in Direct-to-Consumer Business: Prime Brokerage, Exchange & Custody

Global Expansion

Growth in key markets around the world



Key New Accounts



Coin Universe Growth

Introduced Defi tokens and executed the first regulated STO trade in HK



BTC



ETH



BCH



LTC



USDT



COMP



AAVE



LINK



UNI



GRT



BAT



ENJ



OGN



SNX



SUSHI



MATIC



YFI



MANA



BAND



DAI

OSL SaaS Rapidly Gaining Ground With Tier-1 Institutions

		 			
Partnership	Technology licensing, minority equity interest	Joint venture, technology licensing	Technology licensing	Technology licensing	Technology Licensing
Target Customer	Retail facing	Institutional, HNW facing	Combination of institutions, HNW, and retail	Retail facing	Retail facing
Region	Philippines	UK, Europe	Singapore	Mongolia	South America
Progress/Updates	Raised \$50mIn led by Tiger Global, growing rapidly in SEA, licensed in Philippines	Subject to regulatory approval, to offer services to corporations, institutions and professional investors	Launched 24/7 trading for selective clients in Q3, Push for full retail in 2022 Q4	First Mongolian-native crypto exchange. Launched trading services in Jan. 2022	Entered into partnership in Jan. 2022

Outlook: Risk-Managed Growth Focus

Scale and expand



- Enhance product competitiveness, expand platform product suite
- Continue to scale business and expand international footprint
- Target financial institutions broadly with SaaS core trading product

Present

Capture market share



- Acceleration of OSL revenue growth and platform trading volume
- SaaS becomes key revenue driver and gains large portion of addressable market share
- Focus on strategic partnerships for growth
- Risk management; ESG expansion

12-24 months

Global platform of choice



- Global market leading platform in terms of clients and revenues
- SaaS solution scaled to major institutions worldwide in top jurisdictions
- Operate global network of venues
- Full ESG integration into all global businesses

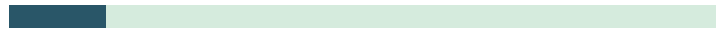
2025

Agenda

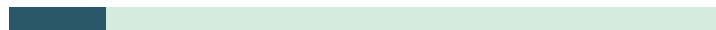
1 A Look Back at 2021



2 BC Technology Group & OSL



3 Financial & Operational Highlights



4 Business Updates and Outlook



5 ESG



BC Group is Committed to Environment, Social & Governance



BC TECHNOLOGY GROUP LIMITED
BC 科技集團有限公司
Stock code: 863 HK

Deep dive ESG reporting and
materiality assessment; 3-year
carbon footprint offset



Actively developing
blockchain-based ESG liquidity
solutions, including STOs

ALL INFRA

Strategic investment
in **Allinfra**

Q & A

Thank you for your attention



BC TECHNOLOGY GROUP LIMITED
BC 科技集團有限公司
股票代號：863 HK



THE TRUSTED
DIGITAL ASSET
PLATFORM

SaaS · Brokerage · Custody · Exchange



BC TECHNOLOGY GROUP LIMITED
BC 科技集團有限公司
股票代號：863 HK

Contact

ir@bc.group



THE TRUSTED
DIGITAL ASSET
PLATFORM

SaaS • Brokerage • Custody • Exchange

Regulatory Footprint – Ready to Grow and Comply



Hong Kong

The first and only to conduct SFC type 1 (dealing in securities) and 7 (automated exchange services) regulated business related to virtual assets

SFC-HKMA joint circular: Licensed banks and brokers must partner with licensed virtual asset platform operator to provide virtual asset dealing business



Singapore

Grandfathered under PSA by MAS, formal license application under review



The United States

Money Services Business (MSB) registration from the United States Department of the Treasury's Financial Crimes Enforcement Network (FinCEN)



The UK & Europe

Joint venture with Standard Chartered - regulatory registration process with UK's FCA and Central Bank of Ireland underway



Latin America

Partnered with regulated and compliant asset management firm to provide services



Philippines

Partnered with local licensed digital asset exchange PDAX to provide services

Case Study: PDAX

Licensed Exchange Migration to OSL SaaS

Challenge

- Launched in 2017, PDAX is the Philippines' leading and largest central-bank-licensed digital asset exchange
- After running a beta platform for several months in 2019, and experiencing issues with platform stability and scalability, PDAX decided to migrate its exchange to a new technology provider
- PDAX chose OSL's SaaS Exchange as its platform due to its market-leading liquidity, speed and reliability and based on OSL's history of success delivering digital asset platforms for partners

Solution

- Ensured technology and onboarding compliance with Philippines Securities and Exchange Commission (SEC) existing and anticipated requirements
- Conducted extensive review of requirements
- Created customized API integration to support PDAX payment specification
- Held regular project workshops and providing proof-of-concept deployments
- 50 trades executed within first hour following 'go-live' launch

“

Everyone we worked with at OSL embodied the highest levels of professionalism and commitment to achieving sustainable results and exceeding expectations. This is also reflected in the quality of the product and technology stack. These values mirror our own, and we're happy to have partnered with OSL.

”

- PDAX CEO, Nichel Gaba



PDAX

18 OCT 2020

Budgetary proposal for UAT environment signed

07 NOV 2020

Preliminary Vanilla release for UAT environment

23 NOV 2020

'Go' decision for proposed partnership

20 FEB 2021

Exchange launched