



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

INTERIM RESULTS

August 2022



THE TRUSTED
DIGITAL ASSET
PLATFORM

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Business Updates and Outlook

2022: A Year of Change and Development

Macroeconomic uncertainty

Germany Has Three Months to Save Itself From a Winter Gas Crisis

Olaf Scholz's government was slow to react when Russia squeezed gas supplies. Now cities are cutting back on lighting and hot water in a bid to avert disaster.

FEDERAL RESERVE

Fed hikes interest rates by 0.75 percentage point for second consecutive time to fight inflation

PUBLISHED WED, JUL 27 2022-2:00 PM EDT | UPDATED WED, JUL 27 2022-3:46 PM EDT

Supply Chains Inching Back to Normal Brace for Headwinds of Softer Demand

Shipping strains are on the mend, but a painful spell of weaker demand might be next.

Black swan events

News • Coins

As Terra's Dollar Stablecoin UST Collapses, LUNA Falls 97% to Under \$1

While Terra's UST trades more than \$0.75 from its dollar peg, the currency responsible for maintaining that peg, LUNA, is also in freefall.

By [Tim Hakki](#)

May 11, 2022

2 min read

TECH

What you need to know about staked ether, the token at the center of crypto's liquidity crisis

PUBLISHED MON, JUN 20 2022-6:08 AM EDT | UPDATED MON, JUN 20 2022-11:59 AM EDT

By [Ryan Browne](#)
STAFF WRITER

SHARE [f](#) [t](#) [in](#) [e](#)

Digital asset sector regulatory development, deals

Business

OSL and Interactive Brokers Partner for Crypto Services in Hong Kong

Interactive Brokers will offer crypto services to professional clients in Hong Kong.

By [Oliver Knight](#) | Jun 9, 2022 at 6:04 p.m. | Updated Jun 9, 2022 at 10:36 p.m.

BlackRock Teams Up With Coinbase in Crypto Market Expansion

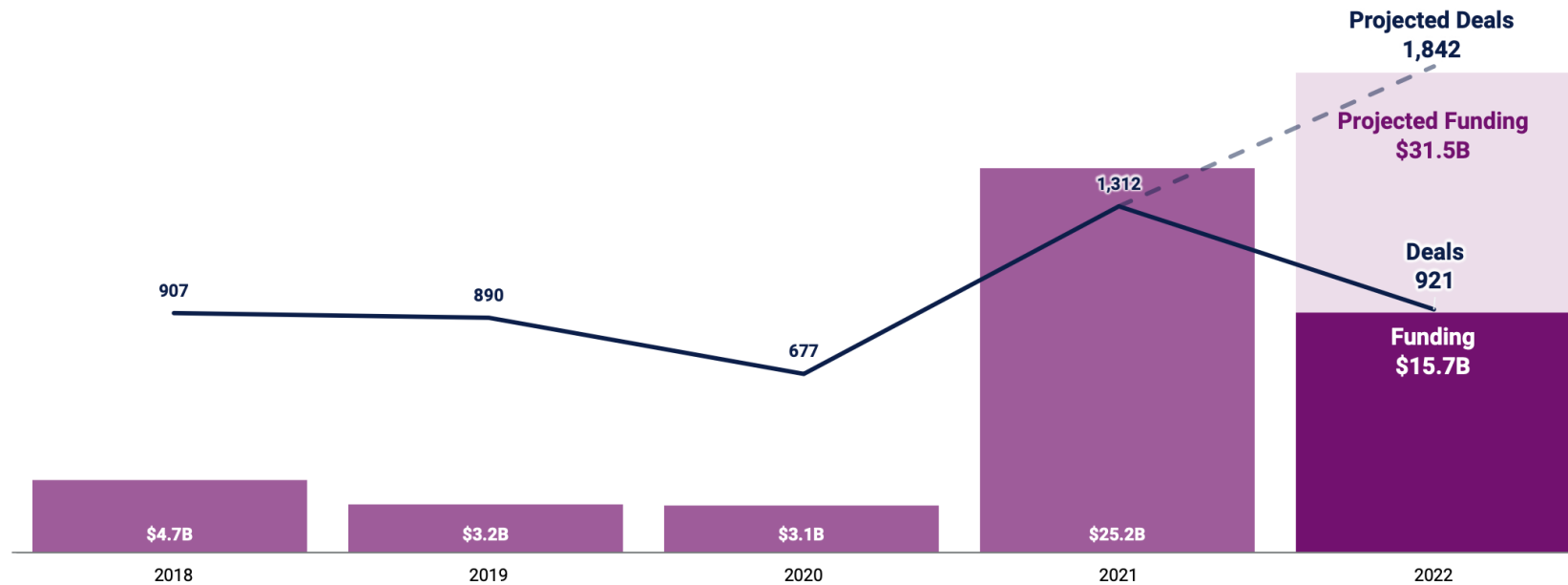
- Partnership will help clients oversee their Bitcoin exposure
- Coinbase is facing an SEC probe over trading of digital tokens

Hong Kong is Moving to a Robust Regulatory Framework for Crypto

By [Etelka Bogardi](#), [Norton Rose Fulbright](#) and [Amy Chung](#), [Norton Rose Fulbright](#) | Published on 20th April 2022

Crypto Market Remains Attractive

Global funding and deals are on pace for a record year



Active Investors in Blockchain Companies
(2021 - 2022)

COMPANY	BLOCKCHAIN COMPANIES INVESTED IN
BLACKROCK	CIRCLE, FTX, ANCHORAGE DIGITAL
Morgan Stanley	Fidelity, NYDIG
Goldman Sachs	CERTIX, COINMETRICS, ELWOOD, BLOCKBRAIN, ANCHORAGE DIGITAL
BNY MELLON	TALOS, COINMETRICS, Fireblocks
Commonwealth Bank	Lygon, Xpansiv, GEMINI
citi	TALOS, TRM, CONTOUR, BLOCKBRAIN, amberdata
WELLS FARGO	TALOS, ELLIPTIC
JP Morgan Chase	TRM, abra
GIC	BC Group, Chainalysis, FALCONX

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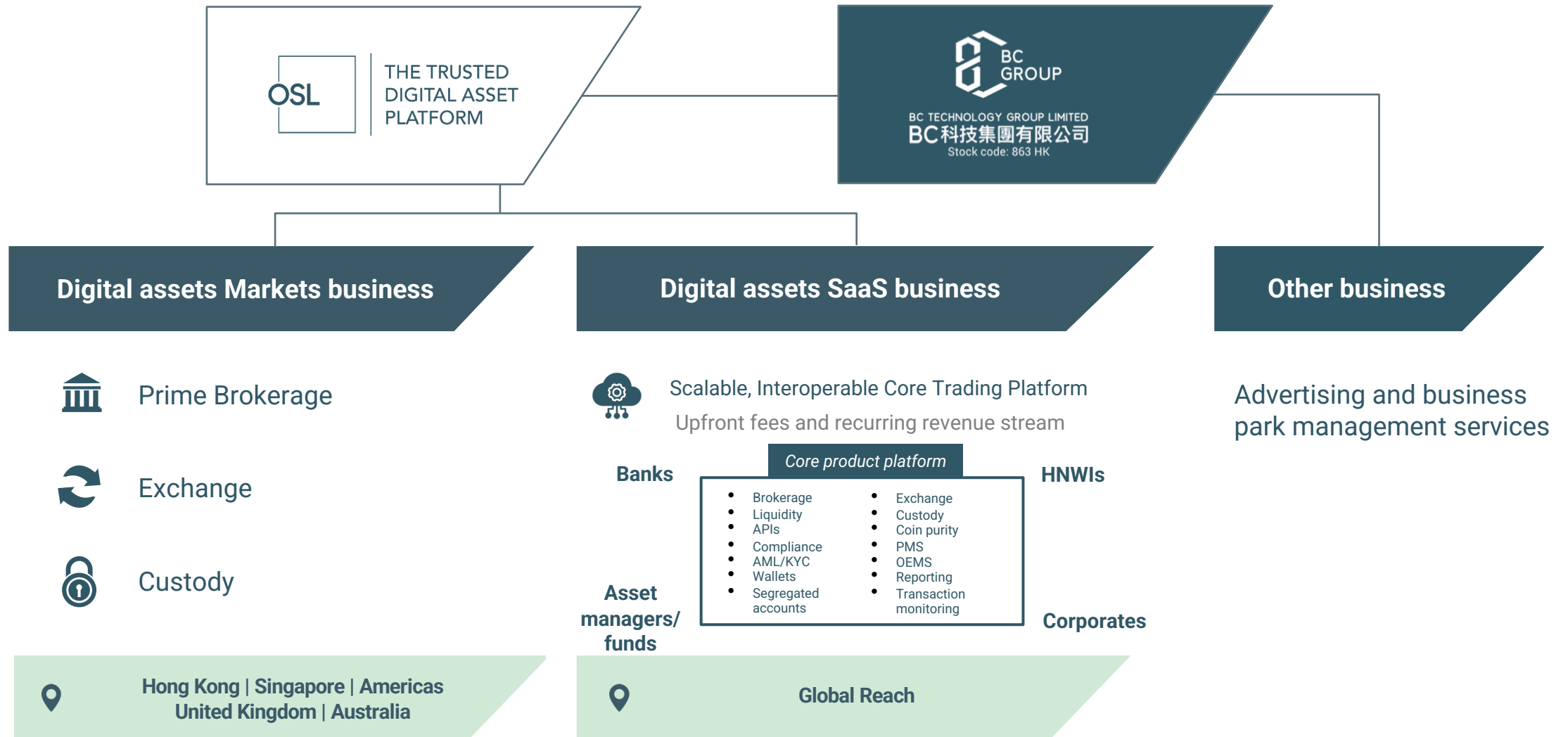
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Business Updates and Outlook

BC Technology Group Business Structure



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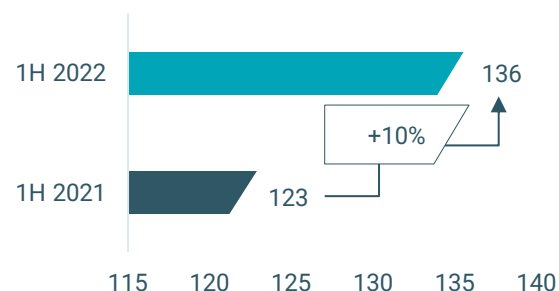
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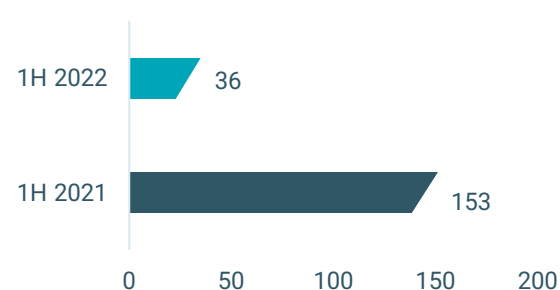
Business Updates and Outlook

Group Financial Highlights (HKD millions)

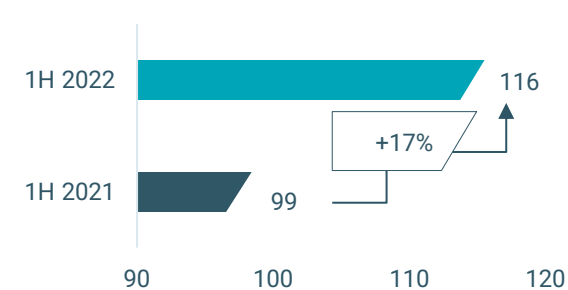
Group Non-IFRS Revenue



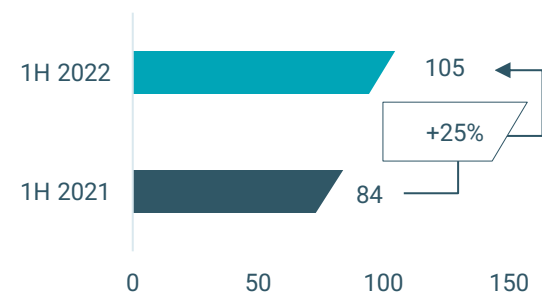
Group Revenue



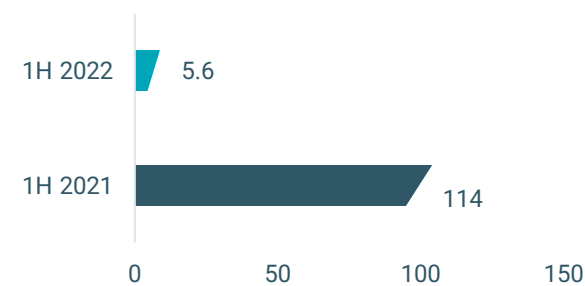
Gross Non-IFRS Profit



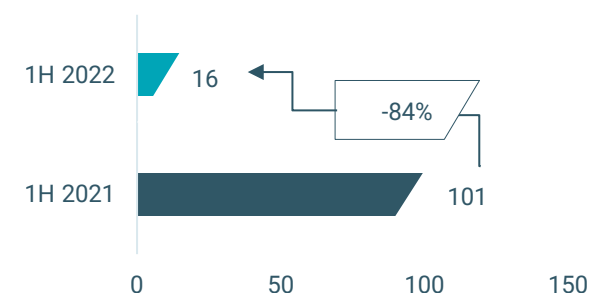
Non-IFRS Digital Asset Revenue



Digital Asset Revenue



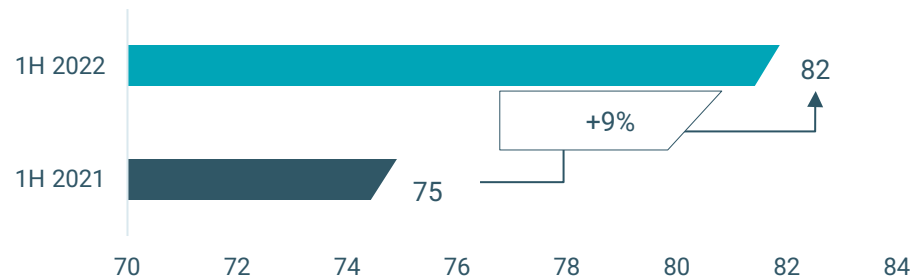
Share Based Payments and Warrant Expense



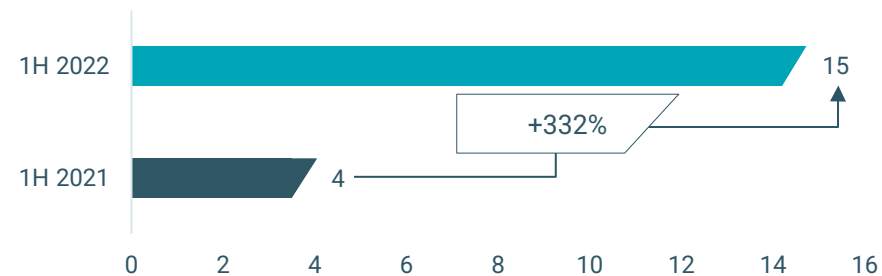
NOTE: Adjusted non-IFRS income excluding net loss/gain of digital assets held by the Group used in facilitation of prime brokerage business and fair value changes is an additional financial measure, which is not required by, or presented in accordance with, the IFRS. The adjusted non-IFRS financial measure is useful for understanding and assessing underlying business and operating performance. The presentation of this adjusted non-IFRS financial measure is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with IFRS.

OSL Digital Asset Platform Financial Highlights (HKD millions)

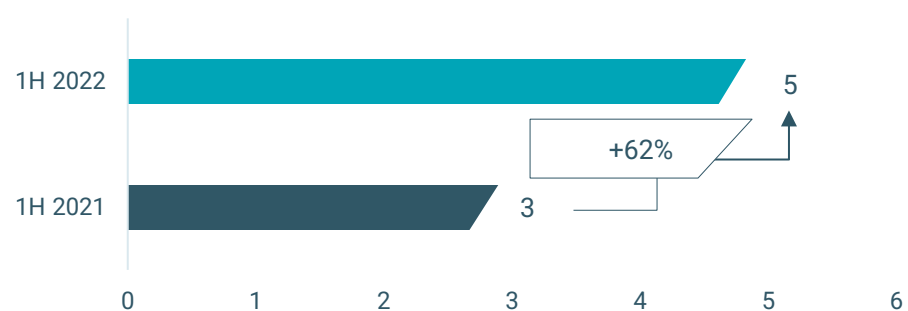
Prime Brokerage Business Revenue



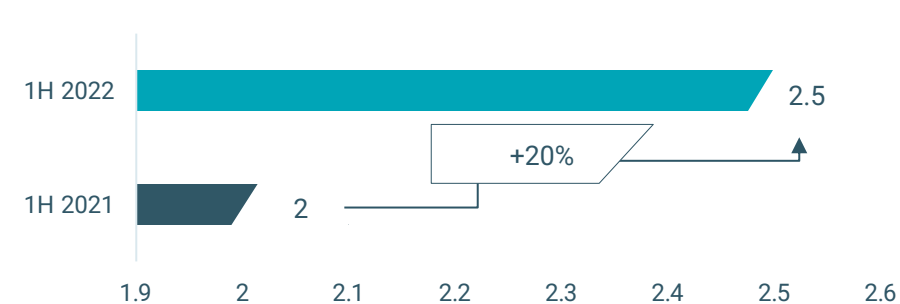
Services Fees from SaaS



Exchange Revenue

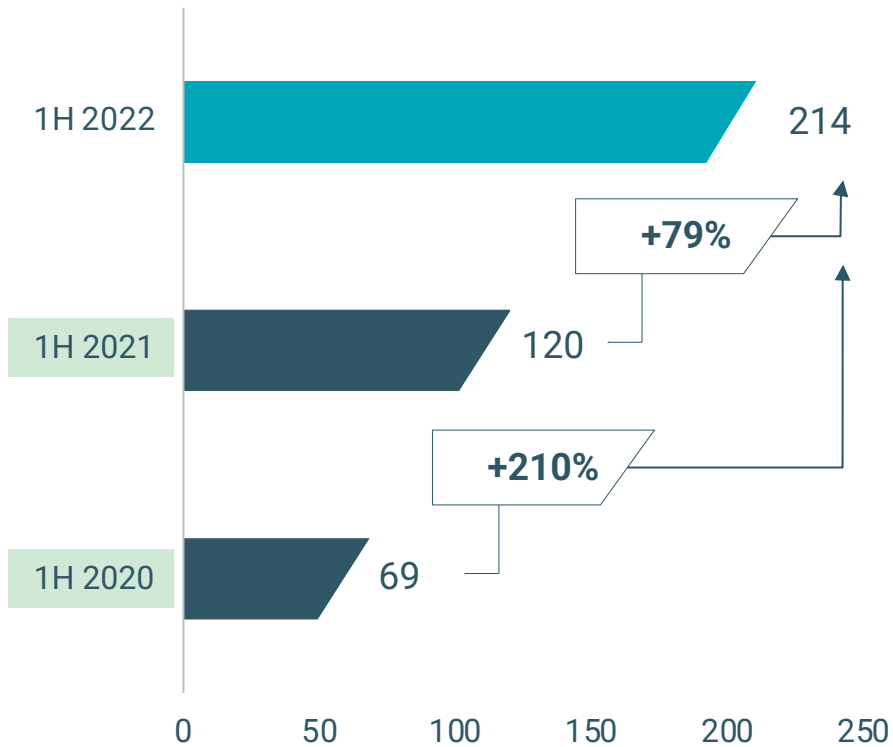


Other Digital Asset Income

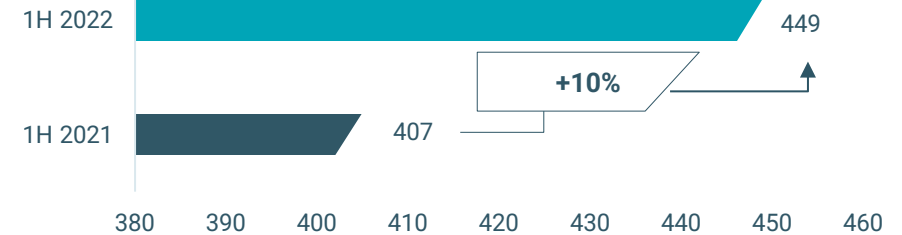


Operational Highlights: Volumes Climbing YoY

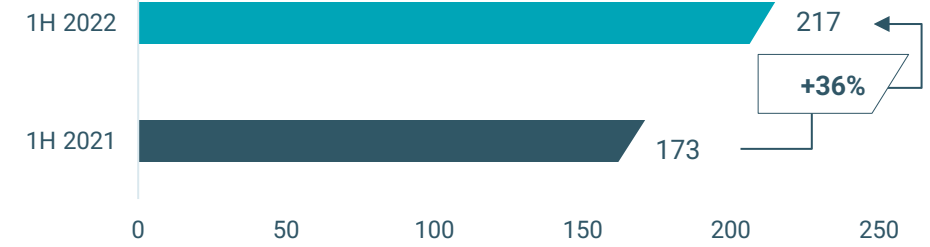
Total Trading Volume (HKD billions)



Total # of Trades ('000)

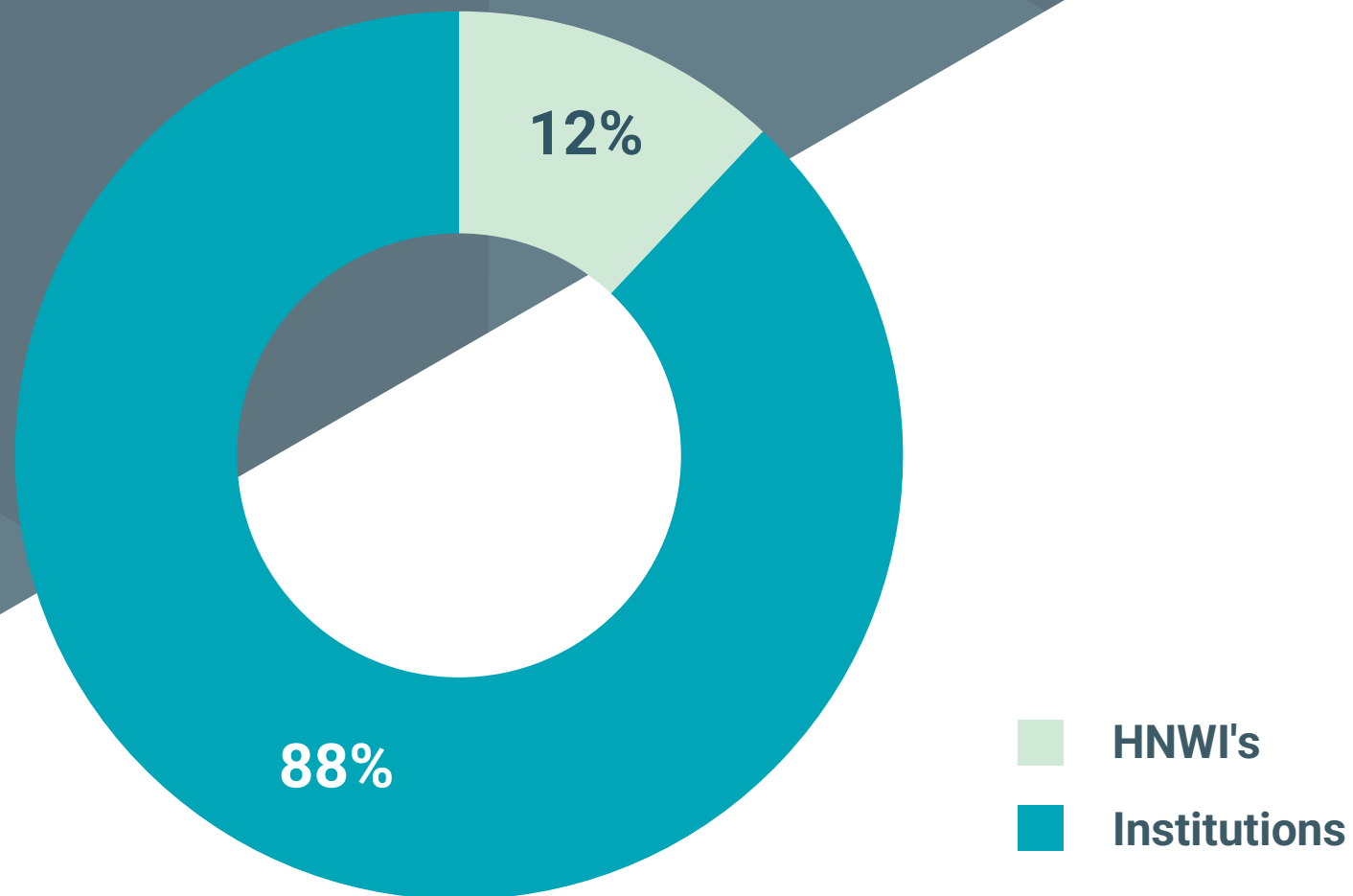


Avg. Trade Size (HKD '000)



Institutions Comprise Vast Majority of Trading Volumes

Client mix by
trading volumes



Financial Review (HKD'000)

Income from digital assets and blockchain platform business

Net (loss) / gain from digital assets used in facilitation of prime brokerage business

Business park and advertising revenue

Total Group revenue

Cost of revenue

Gross profit margin

Other operating expenses

Share-based payment and warrant expense

Other income and gains, net

Net Loss

1H 2022

104,902

(99,265)

30,642

36,279

(19,685)

45.74%

(365,795)

(16,068)

49,780

(315,489)

1H 2021

83,871

30,099

38,844

152,814

(23,639)

84.53%

(186,605)

(100,950)

519

(157,861)

Change

+25.08%

-429.80%

-21.12%

-76.26%

-16.73%

-45.89%

+96.03%

-84.08%

+9,491.52%%

+99.85%

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Business Updates and Outlook

Key Business Updates



Trading volume growth



Product development focus



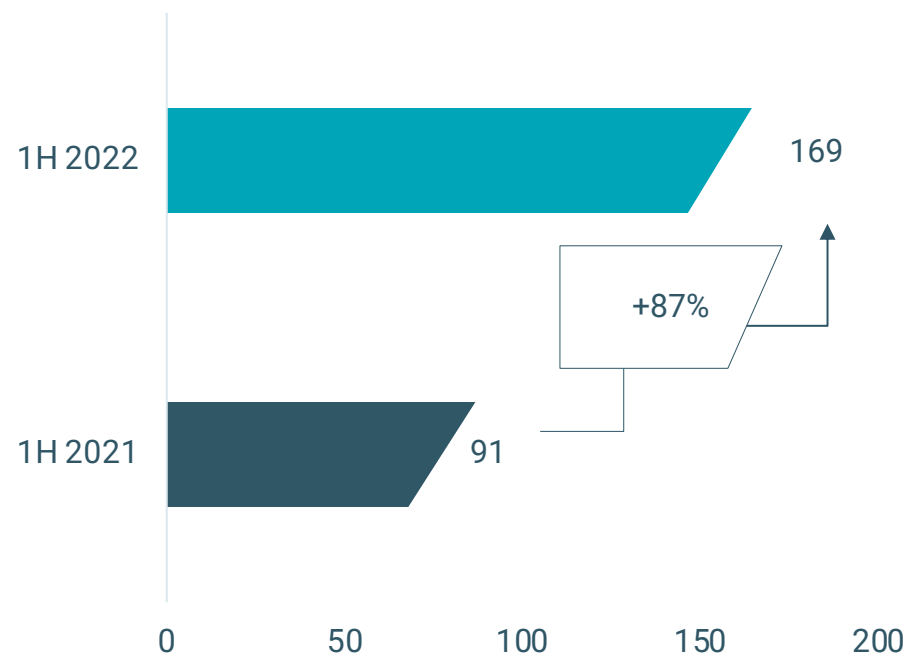
Platform efficiency and scalability



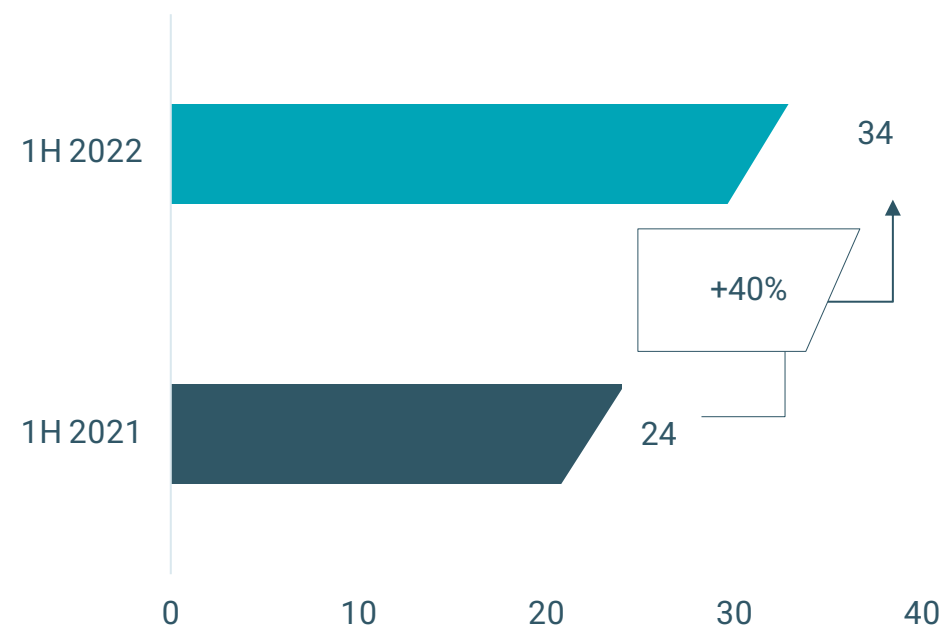
Institutionalization

Markets Trading Volumes Continued to Reach All Time Highs (HKD billions)

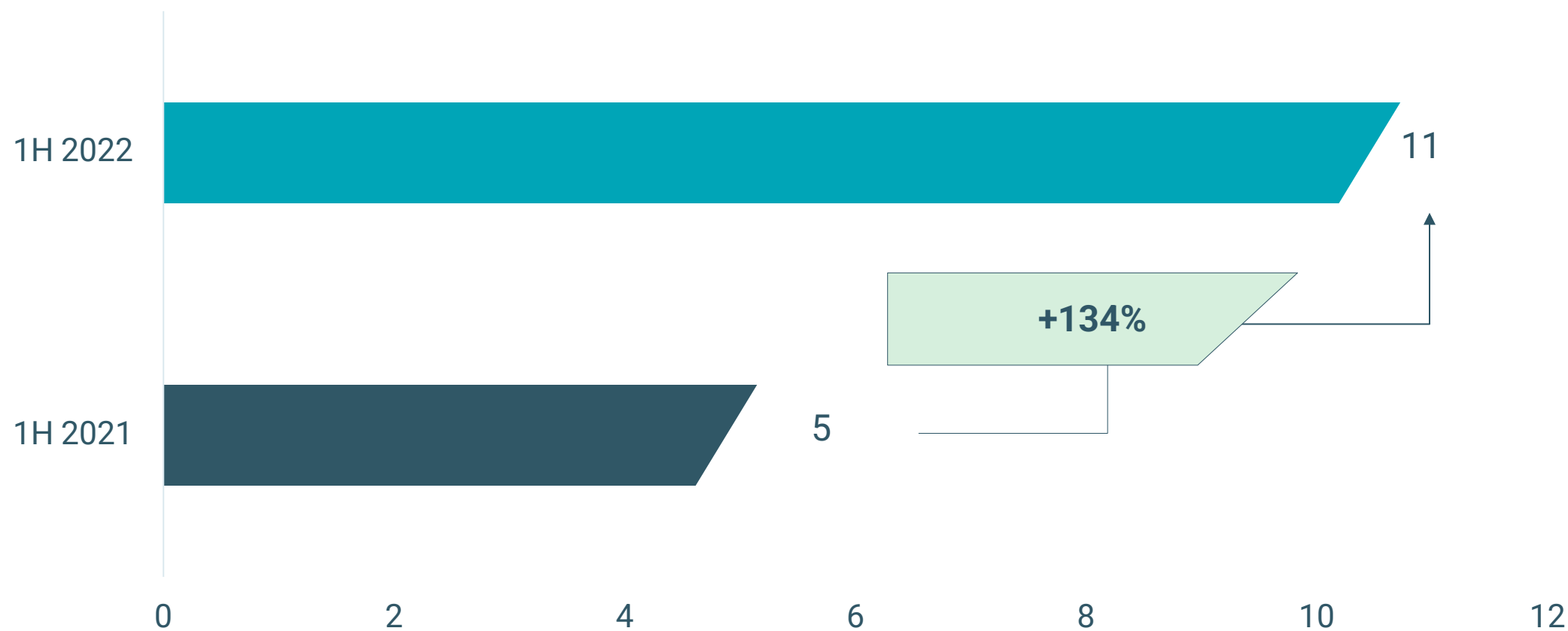
Brokerage Trading Volume



Exchange Trading Volume



SaaS Trading Volume Continued to Grow (HKD billions)



OSL SaaS Delivering for Tier-1 Institutions



- ▶ Singapore and Asia focus
- ▶ 24/7 digital asset exchange
- ▶ Thousands of trading clients



- ▶ UK/EU focus
- ▶ Institutional and professional clients
- ▶ Live trading in 2022

Major bank

- ▶ APAC/Oceania focus
- ▶ Significant potential customer base
- ▶ Details to be announced in Q3/Q4

Digital Asset Platform Enhancement



**BTC-Linked
STO Bond**



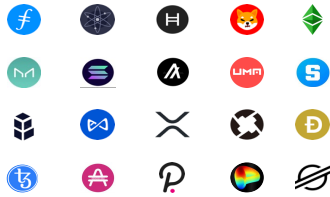
Margin trading



**Request for stream
technology**



Enterprise APIs



Coin Universe Expansion
100% increase in tokens
offered on platform



Sub-accounts



**Omnibus account structure
& segregated accounts**

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

The addressable market in Hong Kong is massive



1,400

Type 1 licensed securities



110

Banks engaged in brokerage activities



1,700

Licensed securities fund managers



4.5 T

AUM



8%

Of assets allocated to alternatives

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 the only SFC-licensed Type 1 and 7 firm for digital assets in Hong Kong**

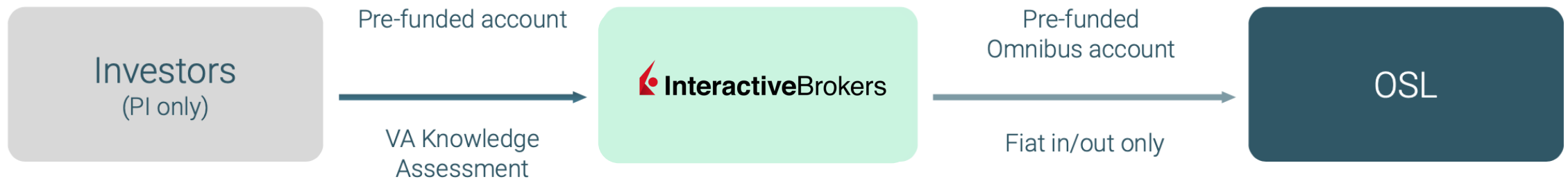
Interactive Brokers Signs Exclusive Omnibus Service Agreement

Business

OSL and Interactive Brokers Partner for Crypto Services in Hong Kong

Interactive Brokers will offer crypto services to professional clients in Hong Kong.

By Oliver Knight ⌚ Jun 9, 2022 at 6:04 p.m. Updated Jun 9, 2022 at 10:36 p.m.



OSL Launches HK's First BTC-Linked STO Bond

OSL became the first Type 1 SFC-licensed digital asset broker to distribute security tokens to professional investors in Hong Kong in a private security token offering (STO).

Participants included



The STO demonstrates an innovative 'proof-of-concept' for investing in regulated digital assets.

Outlook: Focus on Institutional Growth and Leadership



Continued Focus on Institutional Onboarding

- ▶ Continue to evolve offerings to meet needs of our client segment with institutional toolkit
- ▶ Onboard incoming flows to drive non-linear growth
- ▶ Target larger addressable market with digital asset core product platform and strategic distribution partnerships
- ▶ Pro-active carbon offset and staying engaged
- ▶ Back to “roots” as a technology company

Present



Institutional Software Platform of Choice

- ▶ Strong embedded relationships with global financial services firms relying on OSL products
- ▶ Digital asset SaaS as a material, recurring, revenue driver
- ▶ Improvement of productivity ratio through automation and electronic channels
- ▶ Asset servicing and tokenisation vendor and market

12-24 months



Global Leadership

- ▶ 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



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

Q&A

THANK YOU FOR YOUR ATTENTION



THE TRUSTED
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SaaS · Brokerage · Custody · Exchange



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BC 科技集團有限公司
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Contact

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OSL Stands Apart in the Global Digital Asset Market



FOUNDING

- OSL live in 2018
- Licensed in Dec. 2020



GAINING MARKET TRACTION

- Incorp. into MSCI Small Index
- Constituent of Coinshares, Amplify, Han ETF's



KEY INVESTORS: GIC, FIDELITY

- And other top global institutions



THE TRUSTED DIGITAL ASSET PLATFORM



KEY CLIENTS / PARTNERS

- Animoca Brands
- Interactive Brokers
- Standard Chartered
- DBS



SECURE AND COMPLIANT

- World's only, SFC-licensed, insured, listed, "Big 4"-audited player in the sector



ESG CONSCIOUS

- Carbon neutrality - fully offset carbon footprint for 2018-2020



GLOBAL PRESENCE

- Hong Kong & Singapore
- Americas
- UK
- Australia



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

Acquired a Money Services Business (MSB) registration from the United States Department of the Treasury's Financial Crimes Enforcement Network (FinCEN). Executive order issued by Biden in Mar. 2022



The UK & Europe

Joint venture with Standard Chartered - received cryptoasset registration from the UK Financial Conduct Authority (FCA)



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