



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

2021 INTERIM RESULTS PRESENTATION

*Asia's leading digital asset
and fintech company*

Parent of



THE TRUSTED
DIGITAL ASSET
PLATFORM

SaaS • Brokerage • Custody • Exchange



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 Stock code: 863 HK



THE TRUSTED
 DIGITAL ASSET
 PLATFORM



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 Asset Integration into Mainstream Finance is Accelerating



Regulation at the
forefront



Global ecosystem
rapidly expanding



Bulge-bracket banks,
leading financial have
businesses



Widely adopted as a
new asset class



HOME • CRYPTOCURRENCY • BLOCKCHAIN STARTUPS RAISED OVER \$4 BILLION IN VC FUNDING IN Q2 2021

Blockchain Startups Raised over \$4 Billion in VC Funding in Q2 2021

Author: Anthonia Isichei • Last Updated Jul 24, 2021 @ 09:06

Blockchain-based projects received upwards of \$4B in VC funding in the second quarter of 2021 alone.

FINANCIAL DISRUPTION 360

Coinbase closes at \$328.28 per share in Nasdaq debut, valuing crypto exchange at \$85.8 billion

PUBLISHED WED, APR 14 2021 10:33 AM EDT • UPDATED WED, APR 14 2021 8:09 PM EDT

ASIA

Singapore sovereign wealth fund invests \$70 million in crypto exchange OSL's parent group

by Wolfe Zhao

June 16, 2021, 10:04PM EDT • 1 min read



J.P.Morgan



Fidelity  DIGITAL ASSETS™



Agenda

About BC Technology Group

1H 2021 Overview:

- ▷ Financial & Operational Highlights
- ▷ Business Milestones
- ▷ Key Project Updates
- ▷ ESG

Growth Outlook

BC Technology Group Business Structure



BC Group Stands Apart in the Global Digital Asset Market



Regulatory first mover

1st licenses for digital assets HK's SFC

1st to actively trade **Bitcoin and Ethereum, and Security Tokens**

Grandfathered under PSA by **MAS**, formal license application under review



Uniquely positioned

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

APAC leader, reaching **50 international markets**

Best-in-class technology



Secure, compliant, technology leader

Insured custody, segregated, secure accounts

Bank-grade KYC / AML compliance framework

Resiliency, built-in redundancy, low latency

Tier-1 institutional clients and partners



Morgan Stanley



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Growth Outlook

1H2021 Financial Highlights

Digital asset revenues

Increased **70%** YoY to
HKD114 million

Assets on platform

Up **36%** YoY to
HKD3.8 billion

Digital asset platform volume

Increased **70%** YoY to
HKD117 billion

SaaS trading volumes

Increased **3,029%** YoY

Exchange trading volumes

Increased **7,506%** YoY

OSL active clients

Increased **1,261%** YoY

OSL verified clients

Increased **1,128%** YoY

and Business Milestones

Standard Chartered



Joint Venture with Standard Chartered to create **Europe-based** institutional digital asset trading platform

GIC



Share placement led by **Macquarie** for **HKD543 million** GIC as sole placee

DBS



Technology service provider for the **24/7 DBS** digital asset exchange

Morgan Stanley



Share placement led by **Morgan Stanley** for **HKD698 million**

meitu
美图



USD10 million Bitcoin treasury transaction for **Meitu**

VSFG



Prime brokerage services for **VSAL's** regulated digital asset funds

BLOCKCHAIN
CAPITAL



Licensed **OSL Exchange** and Brokerage go live, successfully trades first security token with **BCAP**

OSL | THE TRUSTED
DIGITAL ASSET
PLATFORM



6 key senior hires, including for OSL SaaS, business development operations and technology

Key Project Updates



Delivered fully compliant exchange for bank's existing customers

- Q3 transition to a 24/7 digital asset exchange operations
- Fully integrated with the bank's purpose-built, custody offering
- Supports new instruments, covering both mainstream digital assets and bespoke security token trading capabilities
- Supporting the banks customers connectivity to the exchange via FIX API and distributed UI



Digital asset brokerage and exchange JV with UK & Europe focus

- Institution-only, client-facing JV targeting institutional customer base including sovereign wealth and central banks
- Significant incoming client and partnership interest
- Regulatory registration process with UK's FCA and Central Bank of Ireland underway
- BC Group ex-CIO Usman Ahmad has begun tenure as CEO of new venture

BC Group is Committed to Environment, Social & Governance



BC Group ESG
Committee progress



3-year carbon footprint offset

ALL INFRA

Strategic investment in **AllInfra**

Financial Highlights

Group revenue

HKD 99 m
1H2020

+54%

HKD 153 m
1H2021

Pro-forma selling and admin expenses

HKD 110 m
1H2020

+54%

HKD 170 m
1H2021

Digital asset revenue

HKD 67 m
1H2020

+70%

HKD 114 m
1H2021

Adjusted EBITDA

HKD 1.4 m
1H2020

-11 m

HKD -11 m
1H2021

Total Assets

HKD 4 bln
FY2020

+36%

HKD 5.5 bln
1H2021

Advertising & business park revenue

HKD 32 m
1H2020

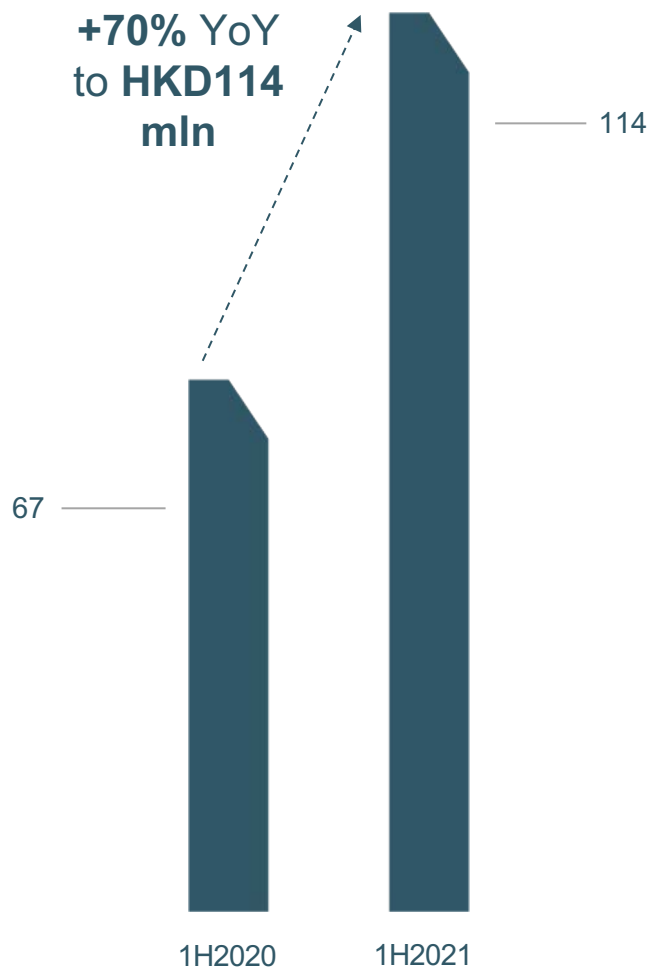
+22%

HKD 39 m
1H2021

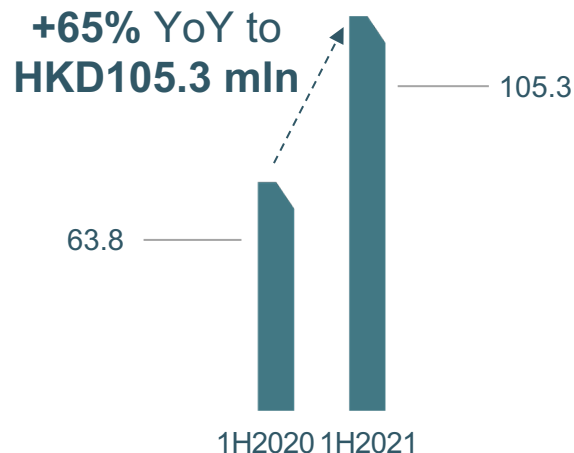
Significant Revenue Growth Across Digital Asset Business Units

(All in HKD millions)

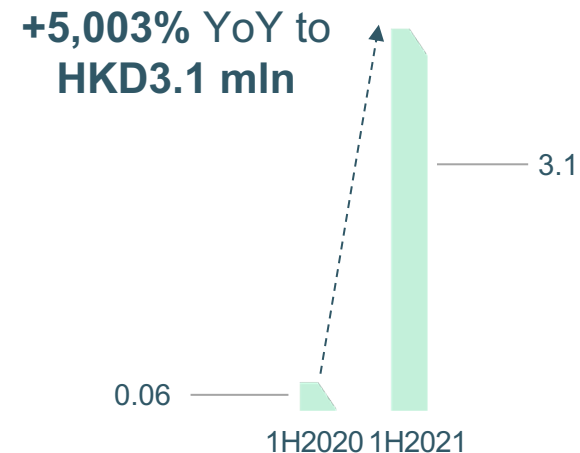
Digital asset business revenue



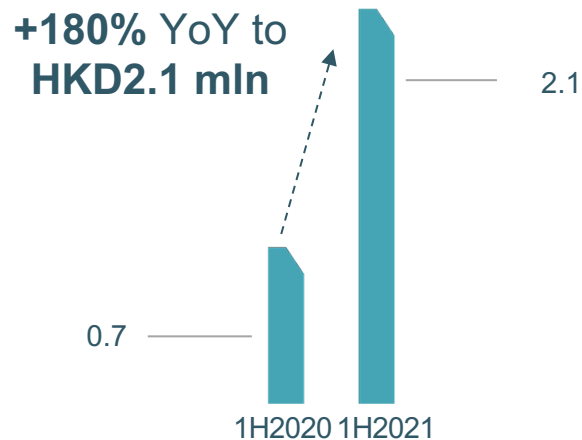
Prime brokerage revenue



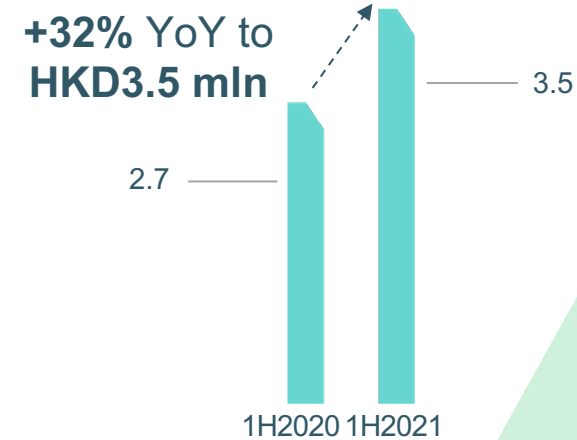
Exchange revenue



Revenue from custody and other fees



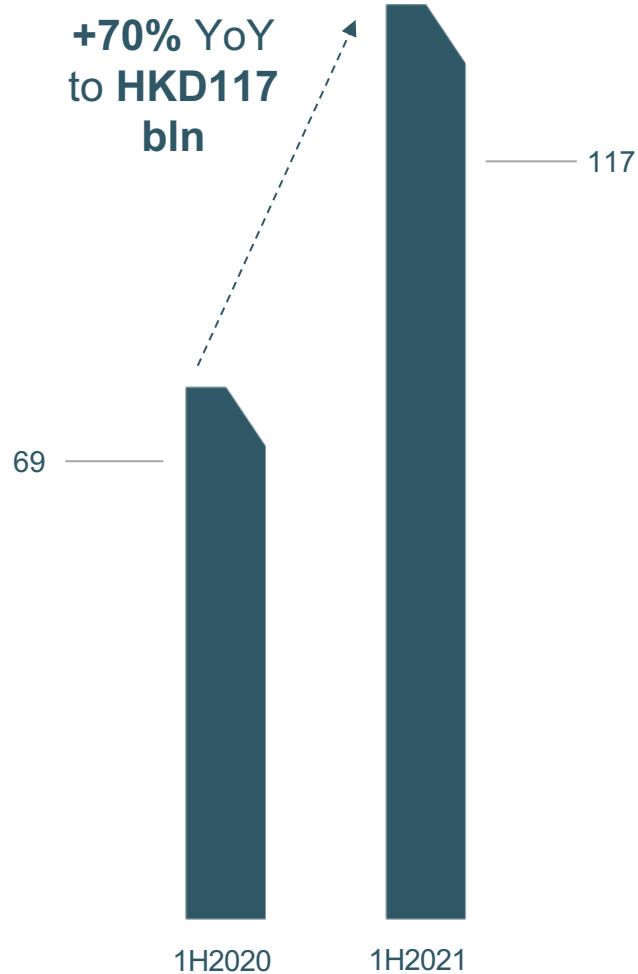
SaaS service fee revenue



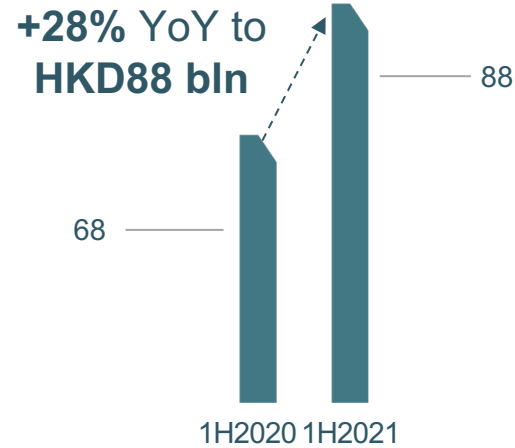
Significant Growth in Trading Volume For All Products & Services

(All in HKD billions)

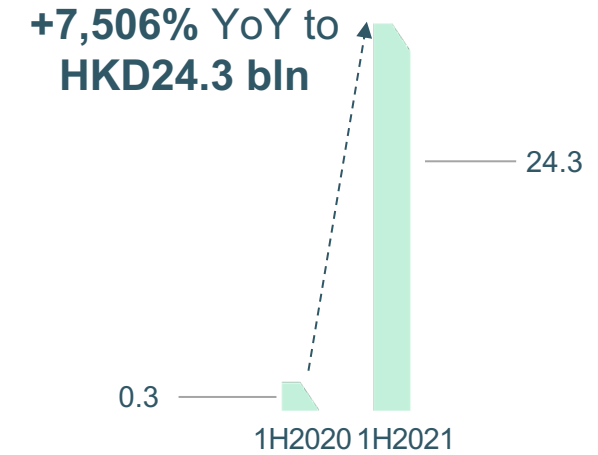
Total Digital asset Trading volume



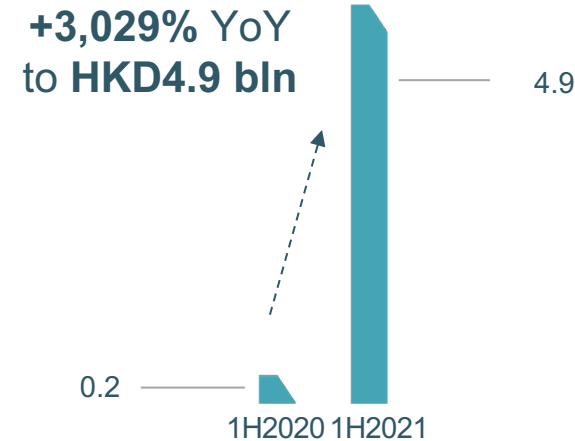
Prime Brokerage trading volume



Exchange trading volume



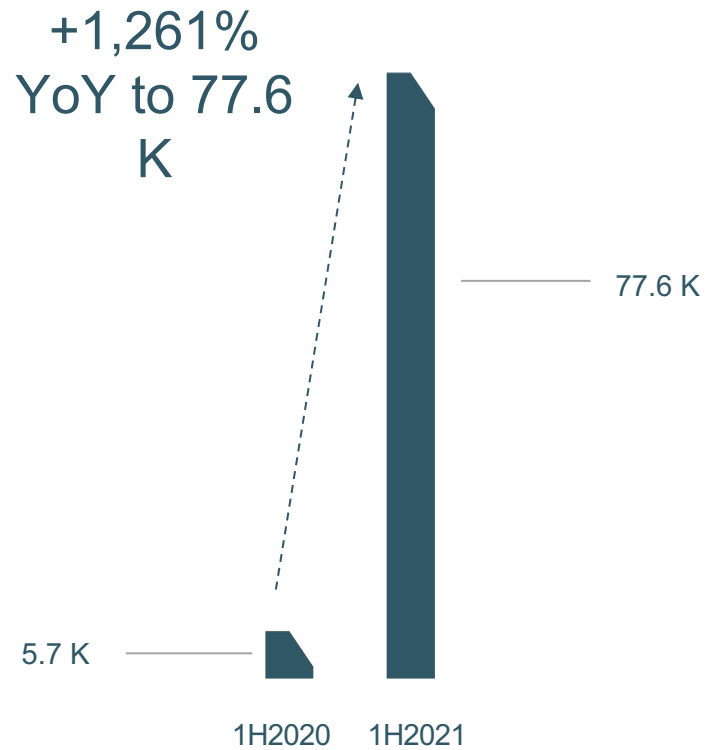
SaaS trading volume



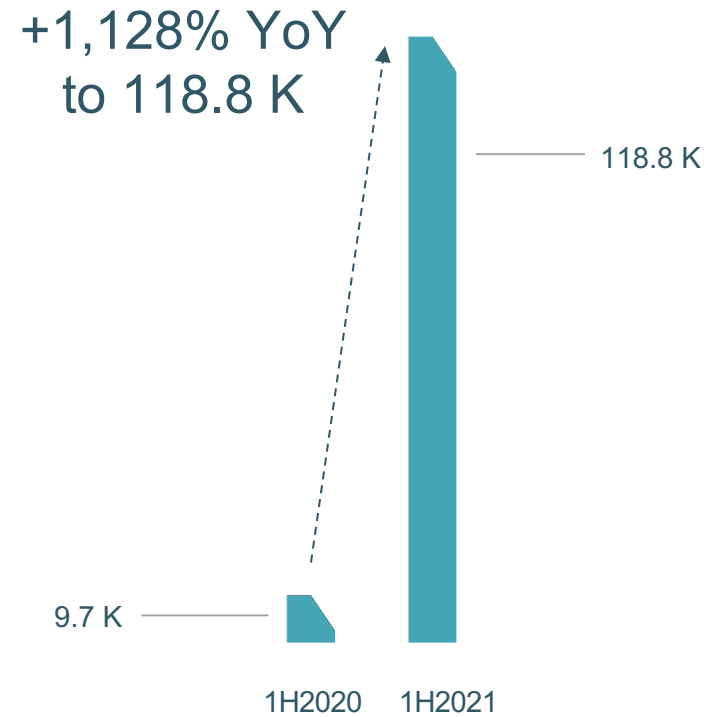
Note: All above volumes based on exchange rate of HKD7.7625 per USD

Strong Increase in Active Clients, Assets on Platform Amid Volatility

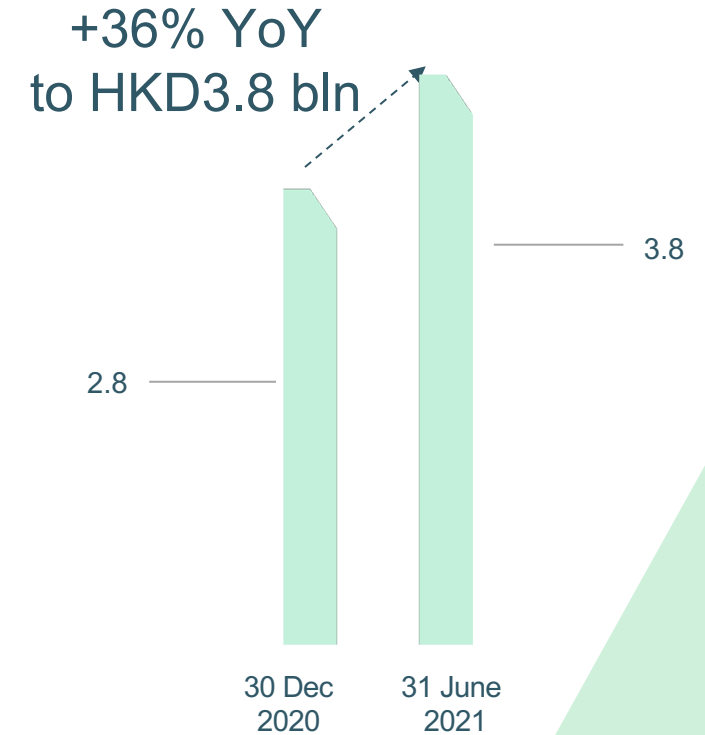
Active clients



Verified clients



Assets on platform (AOP)*
(in HKD billions)

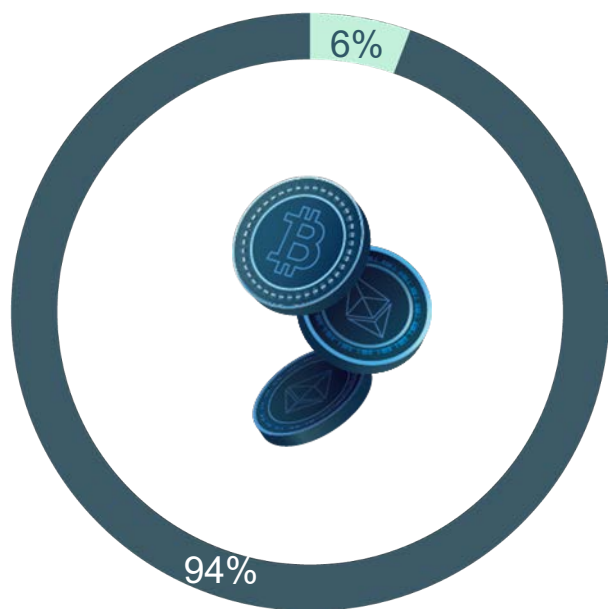


*Assets on platform are comprised of clients' digital asset and fiat inventory

Volume Mix by Client Type in 1H2021 (reclassified)

1H2020

Digital Asset Trading Volume Mix

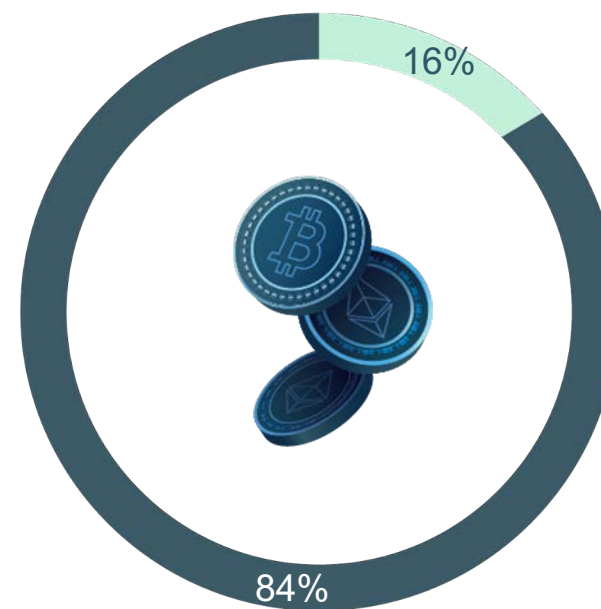


Institutions

HNWI

1H2021

Digital Asset Trading Volume Mix



Institutions

HNWI

Financial Review (HKD'000)

	1H2021	1H2020	Change
Revenue	152,814	99,099	54%
Cost of Revenue	-23,639	-20,461	16%
Gross Margin	85%	79%	
Total Operating Expenses	-169,838	-108,152	57%
Operating (Loss)	-40,663	-29,514	38%
Operating Margin	-27%	-30%	
Net Finance Cost	-14,928	-20,034	-25%
Share-based Payment and Warrant Expense	-100,950	-49,240	105%
Tax Expenses	-1,320	-810	63%
Net (Loss)	-157,861	-99,598	58%
EBITDA	-112,109	-49,621	126%
Non-GAAP Adjustments*	100,929	50,979	98%
Adjusted EBITDA	-11,180	1,358	NM

*2021 Non-GAAP adjustments mainly include share-based payment expenses of HKD51.1 million and warrant expenses of HKD49.8 million.

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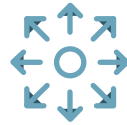
Growth Outlook

BC Group and OSL are Delivering on Strategic Objectives



Leading Institutional Adoption of Digital Assets in Asia and beyond

- Record number of institutional clients onboarded to the platform in 1H2020
- First licensed firm to live trade STOs in Hong Kong
- Robust prime brokerage offering available globally
- Rapidly entering the UK-Europe market through Standard Chartered JV



Expanded Tech Partnerships with Global Financial Institutions

- Expand global reach through existing and new partnerships with leading regulated financial institutions
- Provide industry leading regulatory-compliant technology solutions growing institutional market in Asia and around the globe
- Become the provider of choice of digital asset trading infrastructure
- Expand ESG leadership and products



Global Standard in Digital Asset Trading and SaaS

- OSL is the standard-bearer for the global 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
- Integrate ESG in operating our business

Present

12-24 months

2025

Outlook

The digital asset market is becoming mature and integrated with financial services



Major financial institutions committing to the sector



Investment in the global digital asset ecosystem infrastructure accelerates despite asset price retraction



Regulation coming to the fore

OSL is leading the market shift towards regulated and compliant platforms



First actively trading licensed firm in HK



Trusted by top brands



Market-leading, scalable technology, ESG-focused



Secure, insured, audited, compliant



Revenue and customer numbers reflect growth trajectory



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



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Q & A

Thank you for your attention



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