



BC  
GROUP

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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# AGENDA

**01**

**A Look Back at 1H 2022**

**02**

**BC Technology Group & OSL**

**03**

**Financial & Operational Highlights**

**04**

**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](#)

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## 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

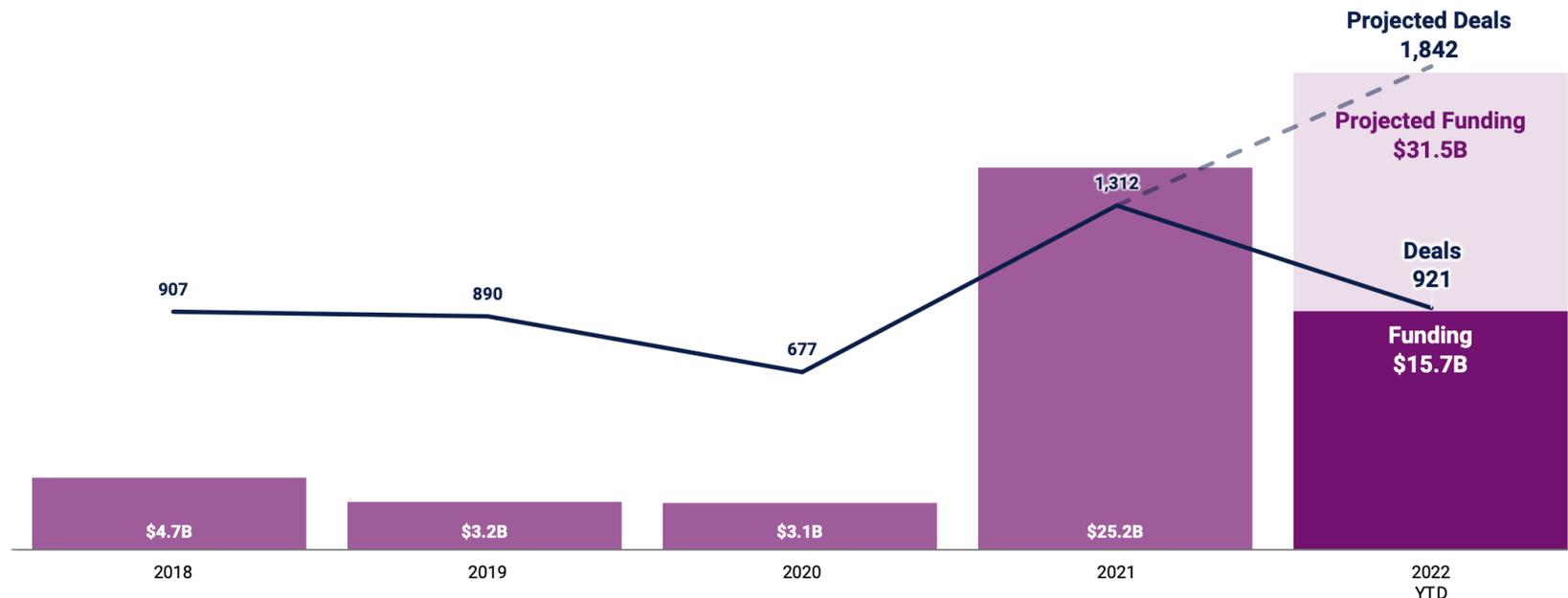
### Hong Kong is Moving to a Robust Regulatory Framework for Crypto



By [Eletka 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	NYDIG
Goldman Sachs	CERTIK, 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
WELLS FARGO	TRM, abra
GIC	BC GROUP, Chainalysis, FALCONX

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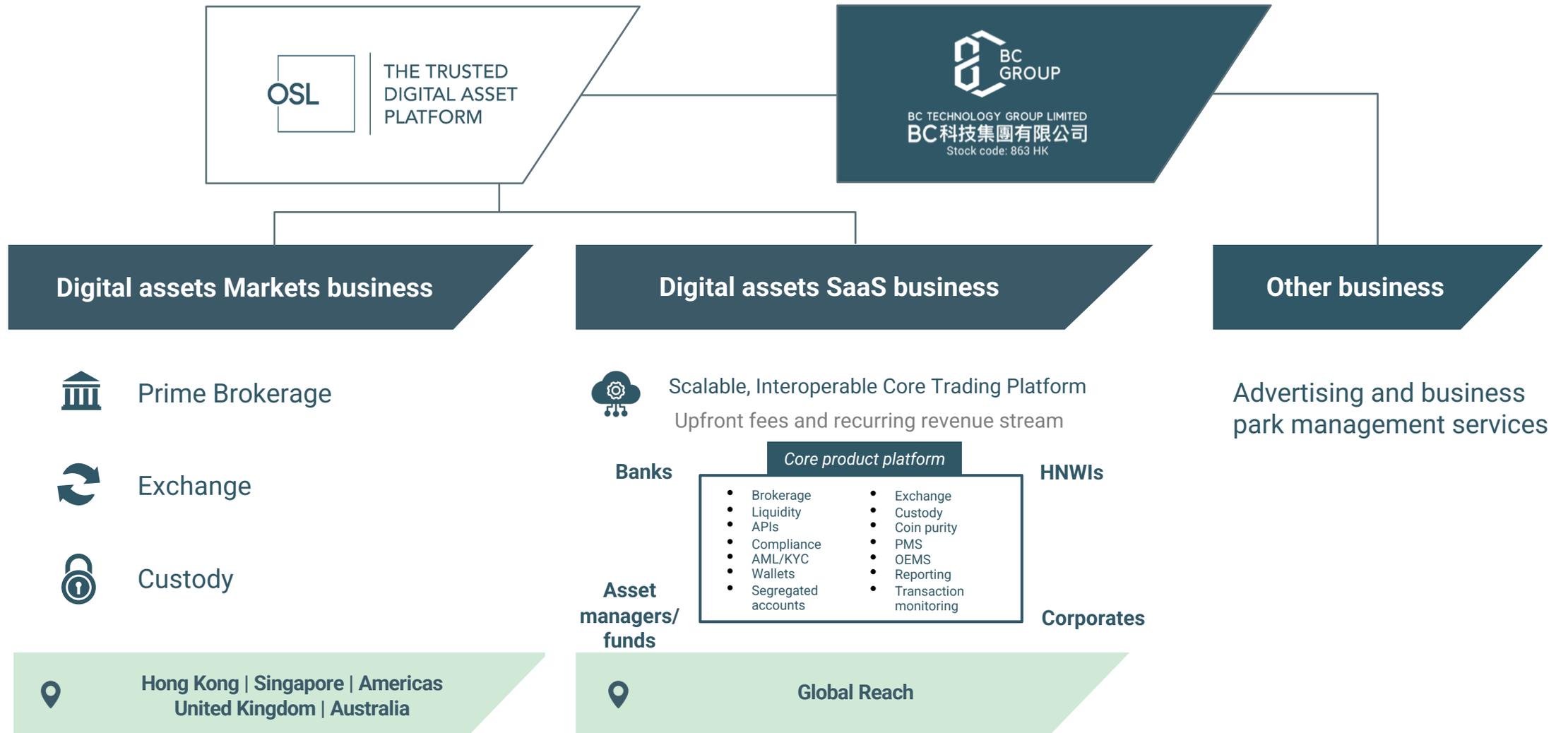
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Financial & Operational Highlights

**04**

Business Updates and Outlook

# BC Technology Group Business Structure



# AGENDA

01

A Look Back at 1H 2022

02

BC Technology Group & OSL

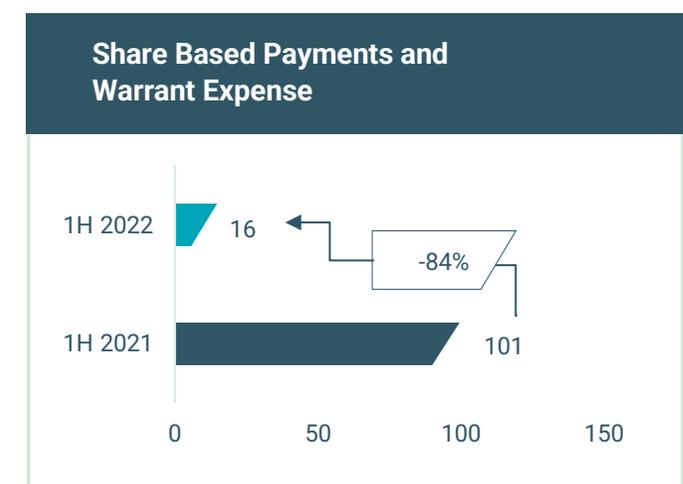
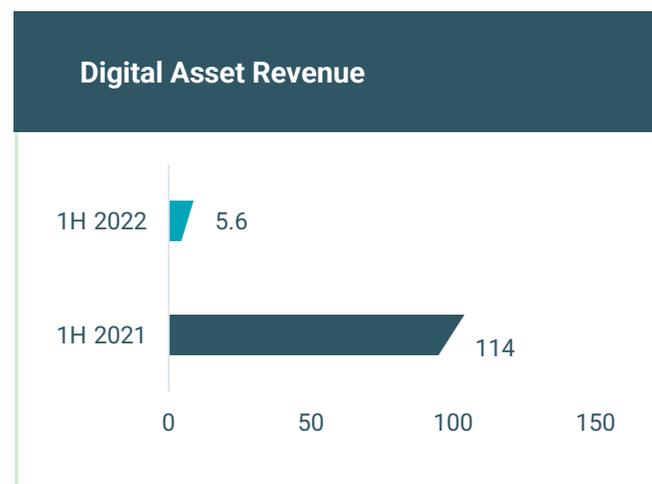
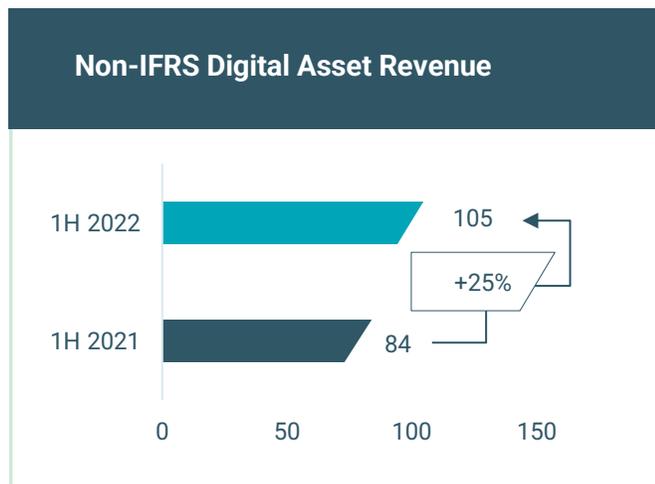
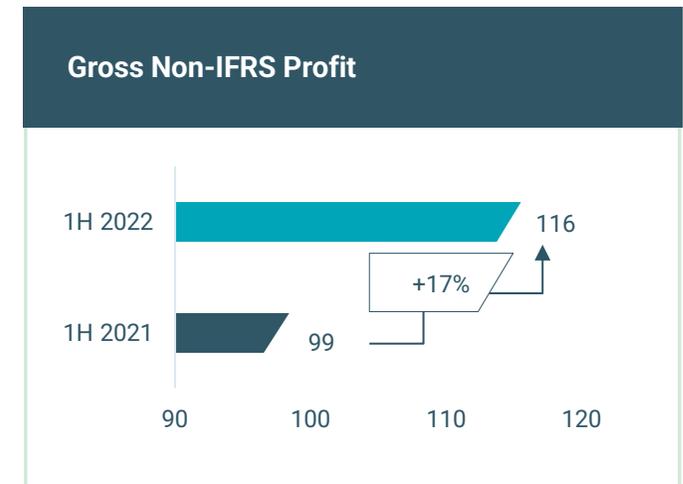
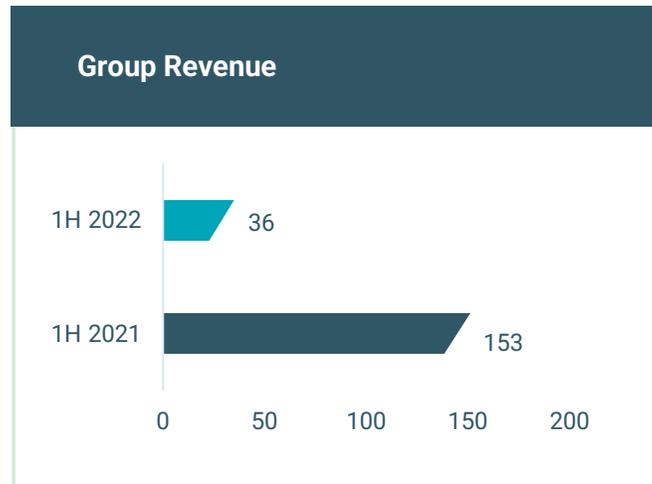
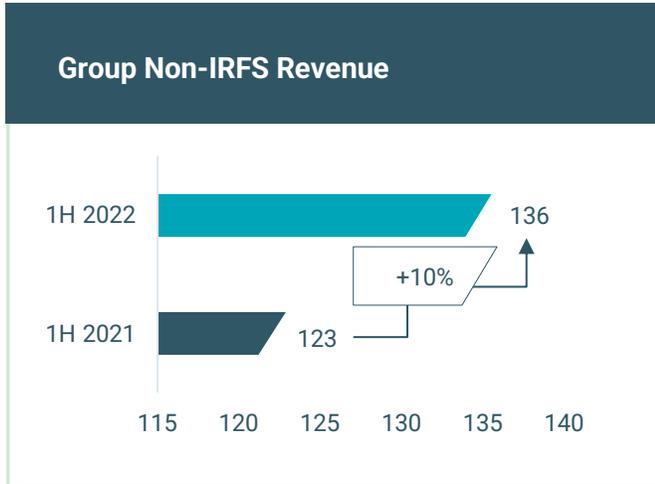
03

**Financial & Operational Highlights**

04

Business Updates and Outlook

# Group Financial Highlights (HKD millions)



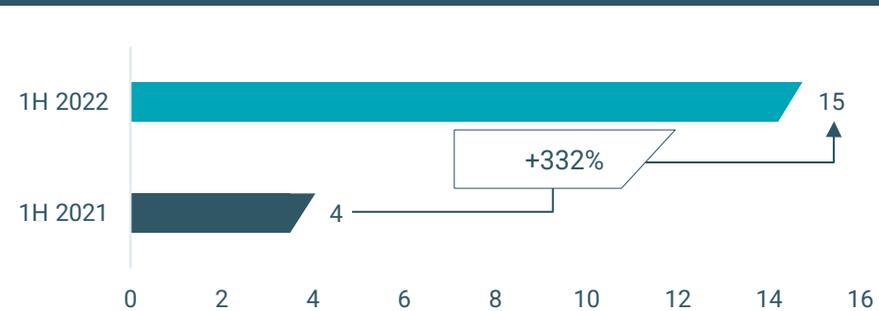
NOTE: Adjusted non-IFRS income excluding net loss/gain of digital assets held by the Group used in facilitation of prime brokerage business and fair value changes is an additional financial measure, which is not required by, or presented in accordance with, the IFRS. The adjusted non-IFRS financial measure 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



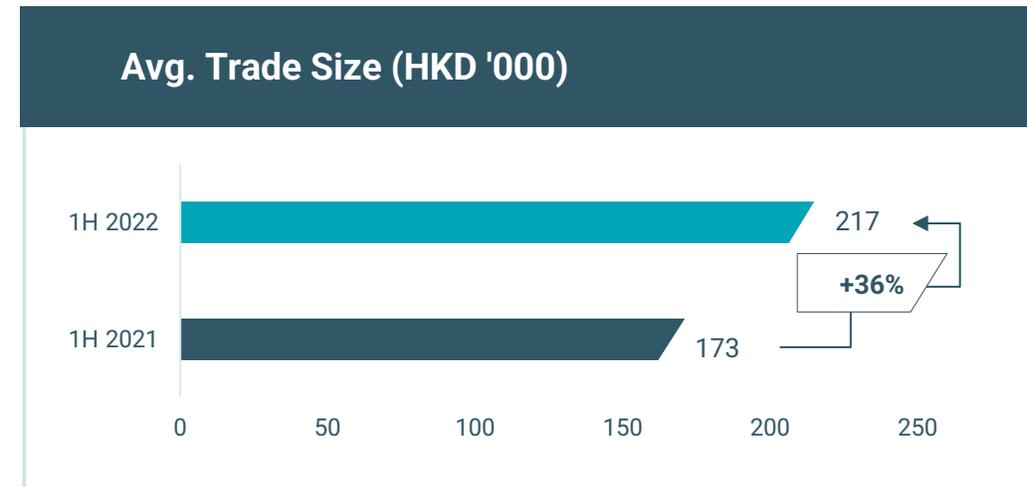
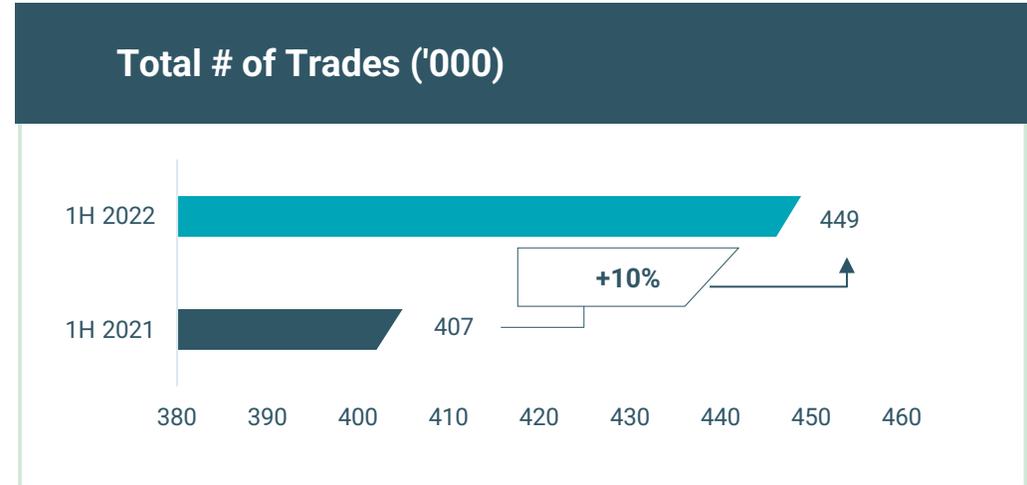
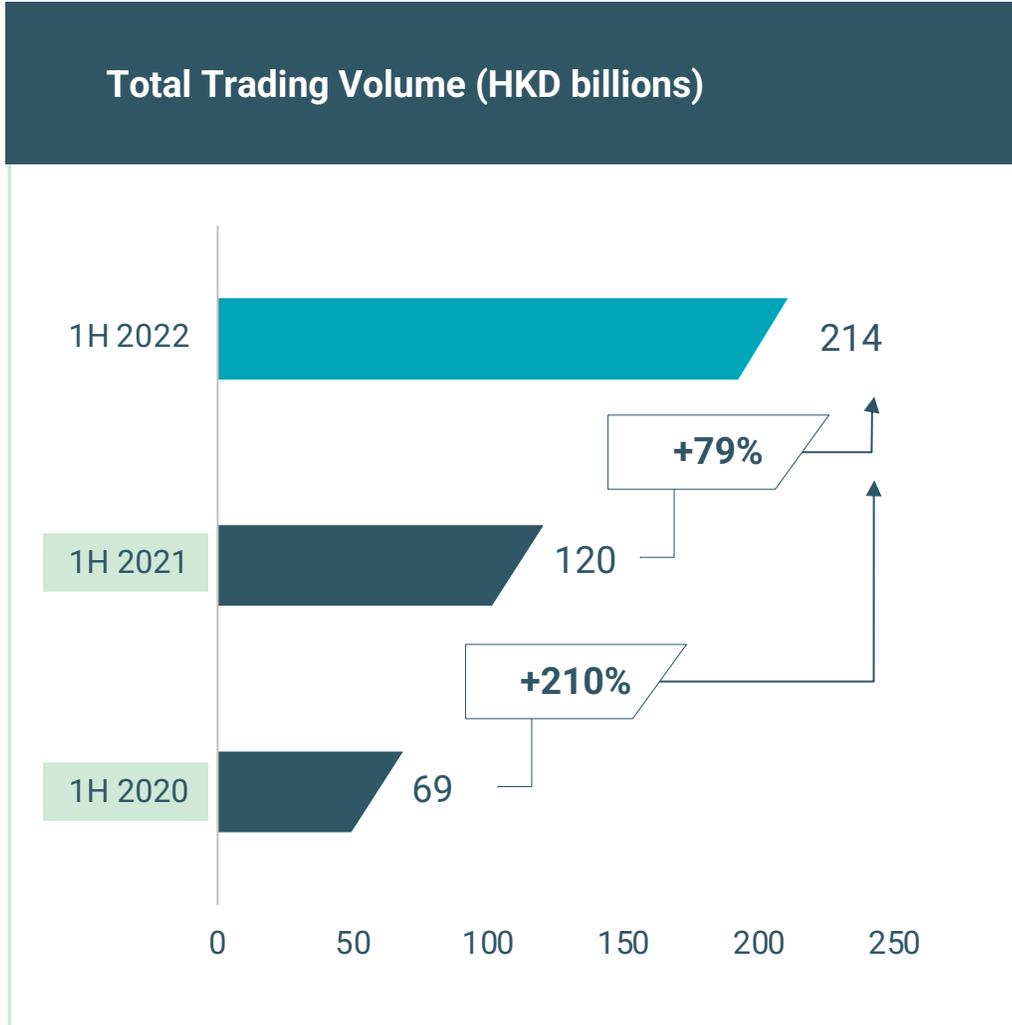
## Exchange Revenue



## Other Digital Asset Income

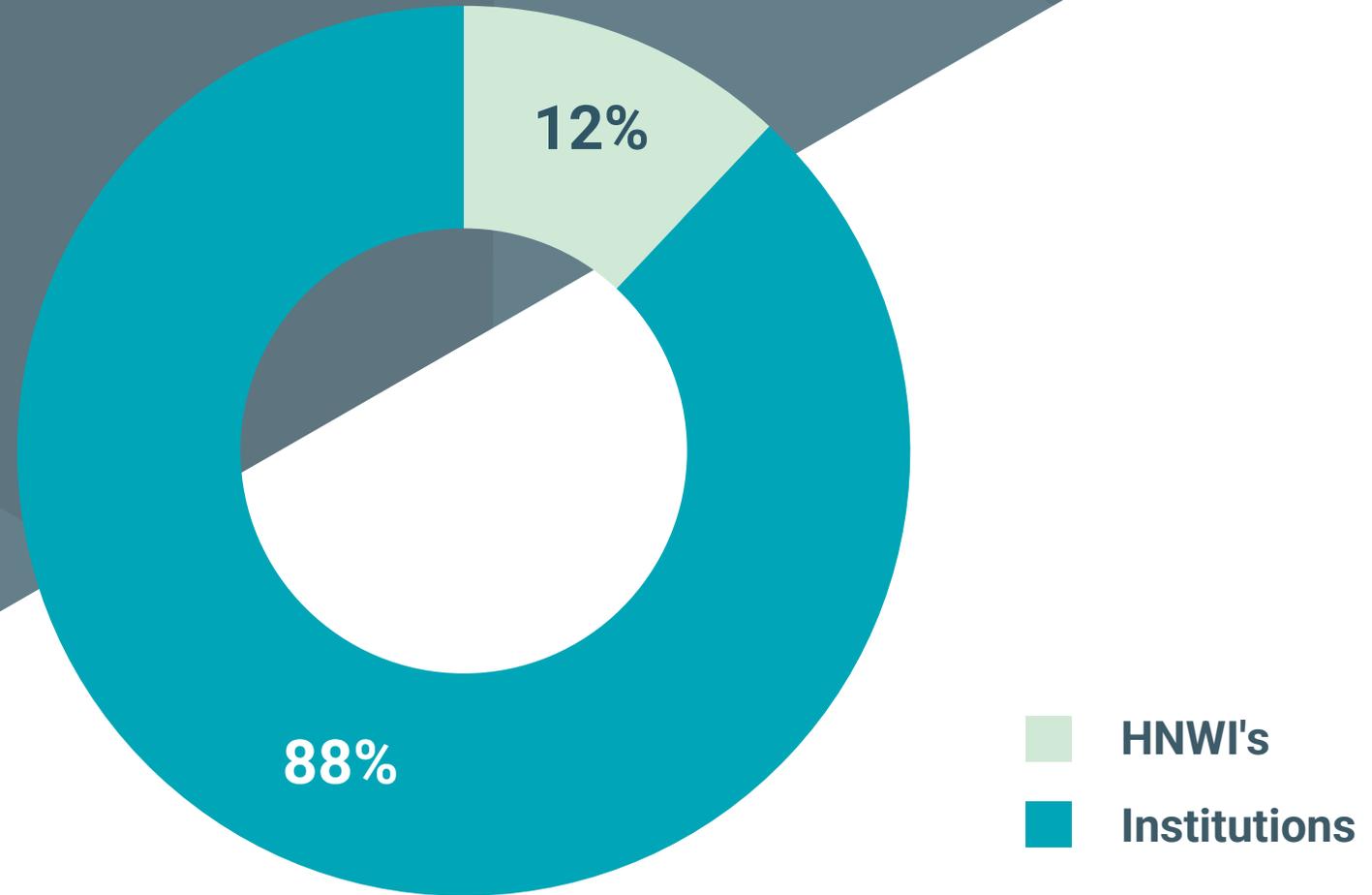


# Operational Highlights: Volumes Climbing YoY



# Institutions Comprise Vast Majority of Trading Volumes

Client mix by trading volumes



# Financial Review (HKD'000)

	1H 2022	1H 2021	Change
Income from digital assets and blockchain platform business	104,902	83,871	+25.08%
Net (loss) / gain from digital assets used in facilitation of prime brokerage business	(99,265)	30,099	-429.80%
Business park and advertising revenue	30,642	38,844	-21.12%
<b>Total Group revenue</b>	<b>36,279</b>	<b>152,814</b>	<b>-76.26%</b>
Cost of revenue	(19,685)	(23,639)	-16.73%
<b>Gross profit margin</b>	<b>45.74%</b>	<b>84.53%</b>	<b>-45.89%</b>
Other operating expenses	(365,795)	(186,605)	+96.03%
Share-based payment and warrant expense	(16,068)	(100,950)	-84.08%
Other income and gains, net	49,780	519	+9,491.52%%
<b>Net Loss</b>	<b>(315,489)</b>	<b>(157,861)</b>	<b>+99.85%</b>

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01

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04

**Business Updates and Outlook**

# Key Business Updates



**Trading volume growth**



**Product development focus**



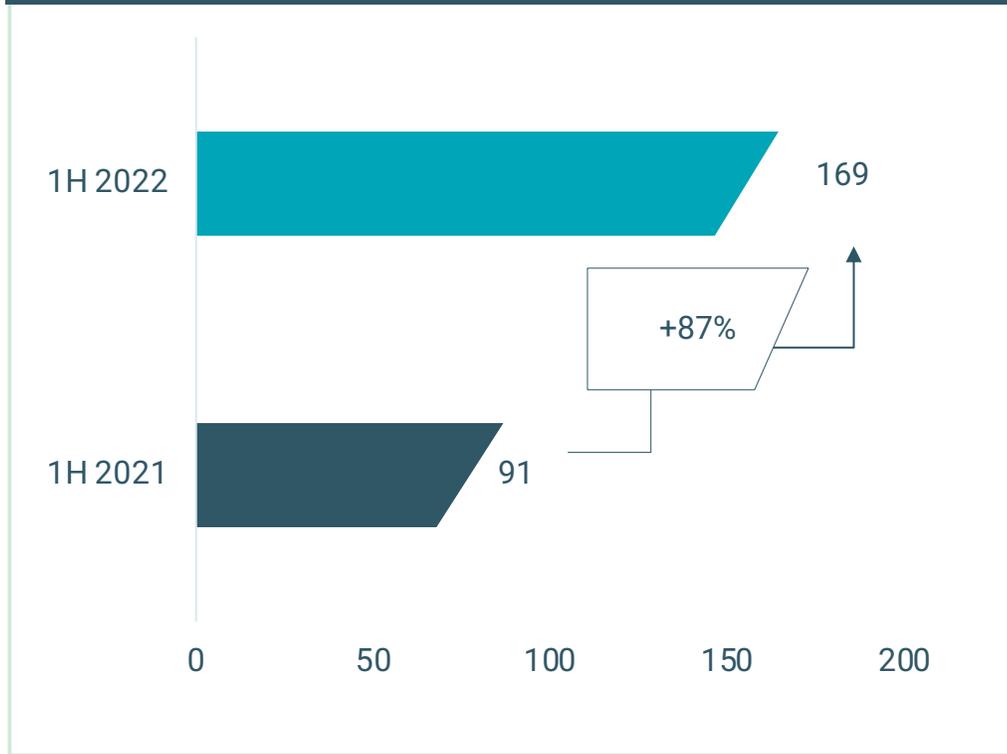
**Platform efficiency and scalability**



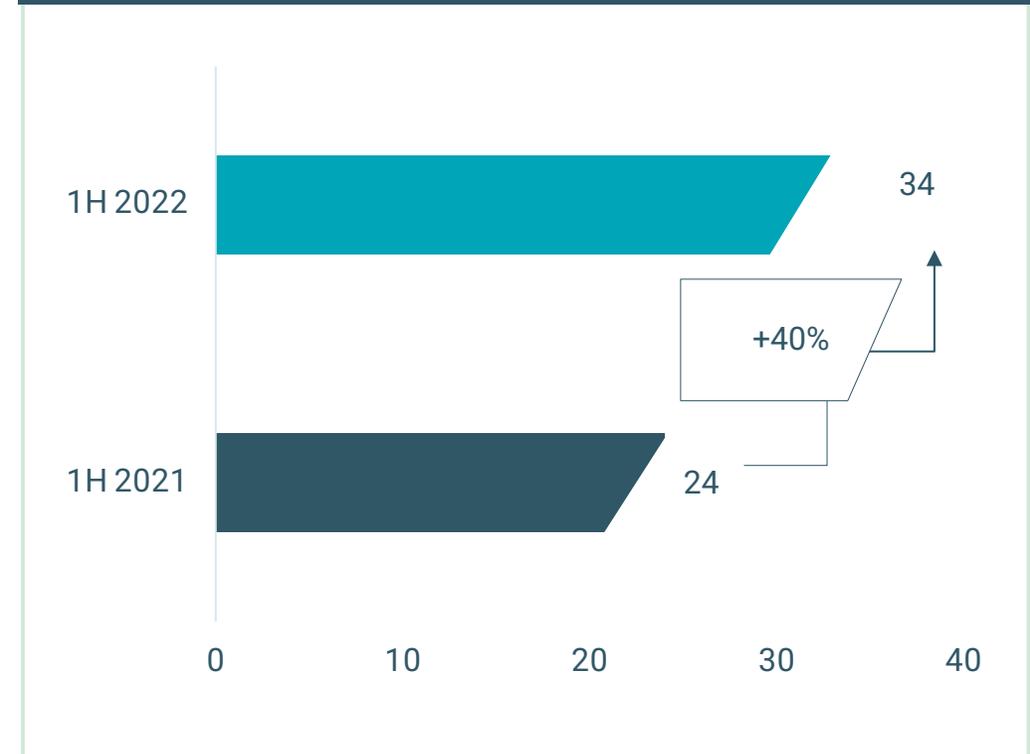
**Institutionalization**

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

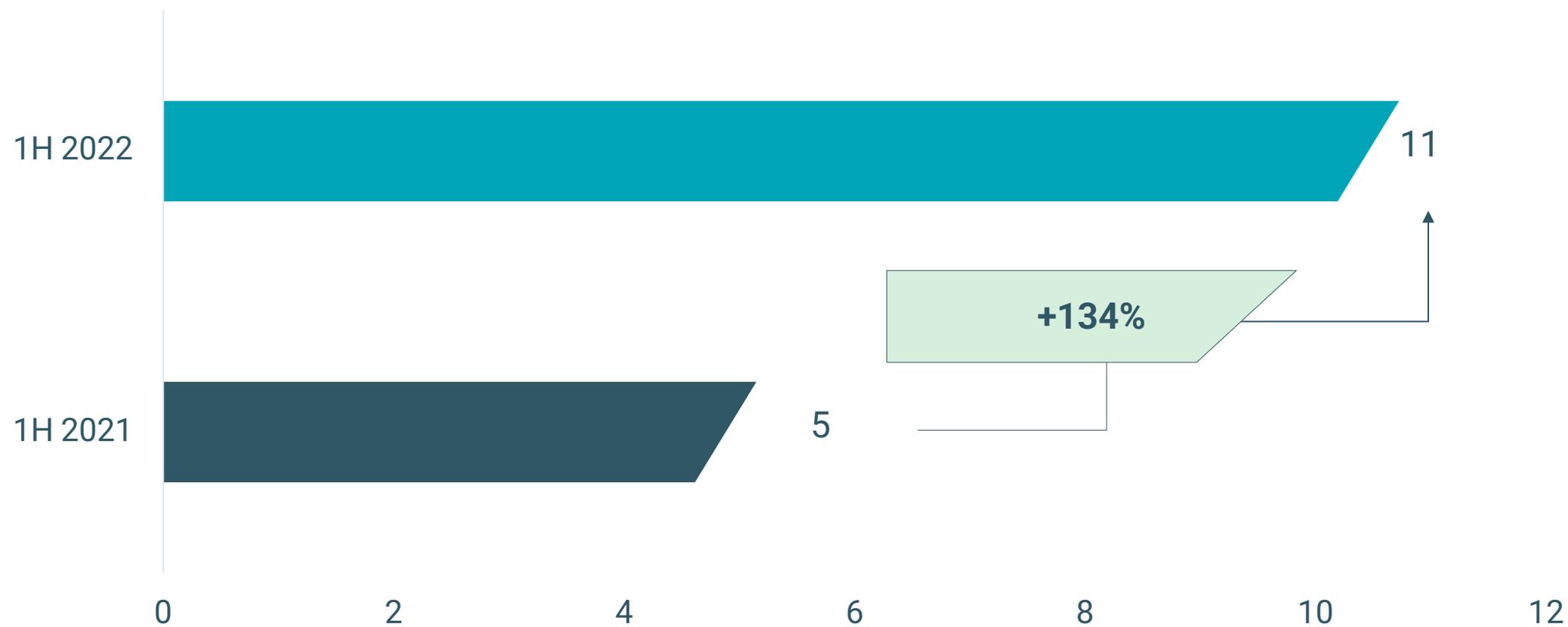
## Brokerage Trading Volume



## 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**



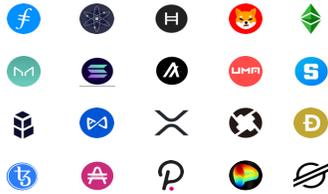
**Margin trading**



**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

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**



4.5 T

AUM



8%

Of assets allocated to alternatives

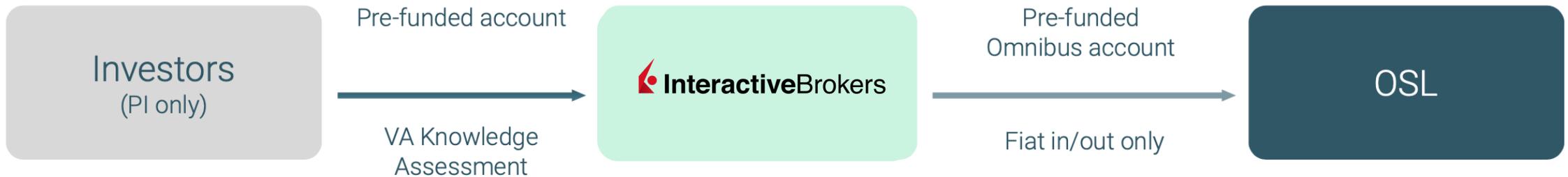
# Interactive Brokers Signs Exclusive Omnibus Service Agreement

## 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



## 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

12-24 months

2025



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Q&A

THANK YOU FOR  
YOUR ATTENTION



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SaaS · Brokerage · Custody · Exchange



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# OSL Stands Apart in the Global Digital Asset Market



## FOUNDING

- OSL live in 2018
- Licensed in Dec. 2020



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## SECURE AND COMPLIANT

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



## GAINING MARKET TRACTION

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



## KEY INVESTORS: GIC, FIDELITY

- And other top global institutions



## KEY CLIENTS / PARTNERS

- Animoca Brands
- Interactive Brokers
- Standard Chartered
- DBS



## 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