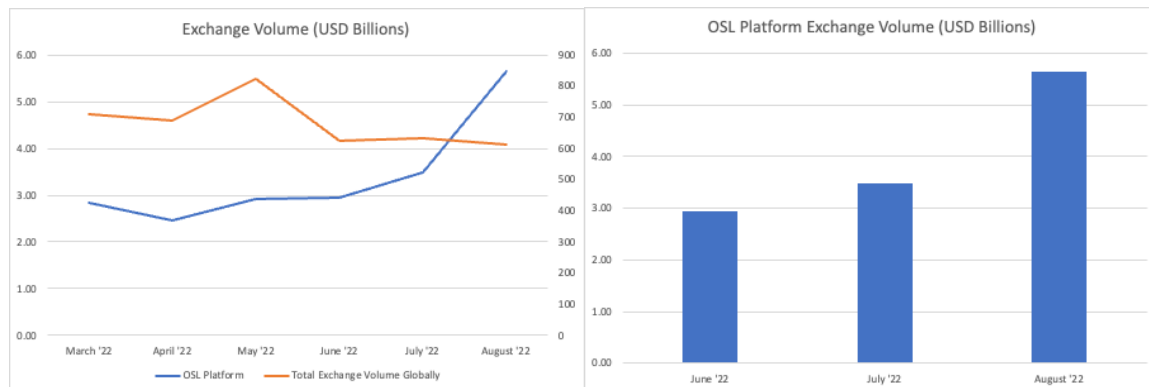




Dear Investors,

As August came to a close, BC Group and OSL saw another busy month, with the Group and OSL reporting non-IFRS revenue growth in its interim results.

During the month, several trading relationships went live, leading to OSL posting a record-breaking month in terms of exchange and overall platform volume. The prior months of trading volume for OSL<sup>1</sup> can be viewed here:



OSL's platform volume percentage increase is particularly impressive when compared to global market trends. According to data from the Block Crypto website, global exchange volumes were approximately USD1.1 trillion in August 2021, and have since dropped roughly 40% to approximately USD614 billion as at 31 August 2022. Meanwhile, OSL total platform volumes have been steadily increasing, climbing to USD5.6 billion in August, an increase of 61% from USD3.5 billion in July.

BTC was slightly down but mostly range bound, fluctuating between USD20,000-24,000 throughout August, dipping slightly below the 20k mark at the end of the month. Meanwhile, [Ethereum dipped, then rallied again](#) on news of the much-anticipated upcoming [Merge](#) event, which is due to occur in mid-September.

On 25 August, [BC Technology Group announced its interim results, recording a 10% year-on-year \(YoY\) increase in overall non-IFRS revenues](#). This was driven by the Group's OSL digital asset platform business, which saw a 25% YoY increase in total platform non-IFRS revenues as well as a 79% YoY increase in overall platform trading volumes.

The OSL SaaS business unit, which is a key element of OSL's growth strategy over the next several years, saw [SaaS service fees increase 332% YoY and trading volume increase 134% YoY](#).

<sup>1</sup> Total platform volume data are an estimated aggregate total of all trading activities on the OSL platforms over the stated period. Such data are unaudited, based on various assumptions and methodologies that are subject to change, and may be subject to subsequent adjustments and corrections which we may later publish. Source: TheBlockCrypto as of 1 September 2022



### From the interim results press release:

“While the first half of 2022 was punctuated by material weakness in the macro economy and black swan events in digital asset markets, OSL saw important new business wins and revenue and volume growth in its core business lines.

Global regulatory clarity and infrastructure investment in the digital assets sector also continued to accelerate in tandem with technology and product innovation during the Period. This regulatory evolution and ecosystem growth points to long-term tailwinds that will create significant step changes and efficiencies in the market. In this environment, OSL remains well-positioned as the platform of choice for institutions adopting digital assets.”  
BC Group CEO Hugh Madden

A replay of the BC Technology Group investor call recording is available for viewing [here](#), and the investor presentation is available for viewing [here](#).

### In the news

OSL executives and BC Group senior leadership appeared in well-known media and events in August:

The OSL BTC-Linked Bond [STO announcement continued to make headlines in news media](#) at the beginning of August

Gary Tiu conducted an interview with [Forkast news on OSL’s BTC-Linked STO Bond, which was published on 24 August](#)

OSL Head of Singapore Kanny Lee joined a panel on Tokenization: the Future of the Financial Markets at [Coinfest Asia 2022](#) on Aug 25

[BC Technology Group’s 1H 2022 results were also covered in the news media on 25 August](#)

Gary Tiu participated in a panel on Investment Strategies and Asset Management in Digital Assets in [Digital Asset Series Seminars](#) on 30 August

Additional digital asset market developments

Institutional adoption also continued in the digital asset markets in the month of August, with [BlackRock moving to integrate digital assets into its Aladdin platform](#), and later in the month announcing that [it would also offer direct bitcoin exposure through a spot bitcoin private trust](#).



OSL institutional technology partner [DBS stated in August that the number of trades on its digital exchange more than doubled in June from two months earlier, with buys accounting for 90%](#), in direct contrast to the sell off that occurred in the crypto space globally.

Also during the month, Spanish [banking giant Santander said it would offer crypto trading to its customers in Brazil, stating that 'crypto is here to stay,'](#) while [the Wall Street Journal reported on 14 August that despite the recent major sell off, pension funds across North America remained interested in crypto](#). It was also reported on 17 August that [Google had invested USD1.5 billion into blockchain companies since September of 2021](#).

On the regulatory front, [the European Securities and Markets Authority, the EU's securities watchdog, has begun preparations for increased scrutiny](#) of crypto transactions after agreeing rules to regulate what it had previously called the 'Wild West' sector. In the United States, [a new bipartisan senate bill was proposed that clarifies the roles and responsibilities for the SEC and CFTC](#) in regulating digital assets in the country, with the CFTC lifting a heavier load. Meanwhile, the [US Department of the Treasury slapped sanctions on Tornado cash](#) for its alleged assistance in laundering more than USD7 billion.

[Australia also continued to signal its willingness to regulate digital assets, with the announcement of a 'token mapping' exercise on 22 August](#), with Treasurer Jim Chalmers saying that his government will improve the way Australia's system manages crypto assets and provide greater protections for consumers.

Hong Kong-based hedge fund [9 Masts announced in August that, together with Henri Arslanian, it had launched Nine Blocks Capital Management](#), a market neutral fund with the mission of becoming the world's leading institutional grade crypto asset management firm.

As evidenced above, the pace of growth and investment in the digital asset sector continues to accelerate despite global macroeconomic headwinds and recent selling pressure.

As always, the team at BC Group and OSL are available to discuss August's updates or answer any questions.

Thank you again for your continued support.

Sincerely,

Dave Chapman  
Executive Director  
BC Group (863 HK)