

Australia Responsibility Report H2

CEO Letter

H2 2025 Responsibility Report

At OKX Australia, we're not just building a platform, we're building the foundation for Australia's digital financial future.

This quarter marked a pivotal moment in our journey. While global markets faced unprecedented volatility and regulatory frameworks continued to evolve, we doubled down on what matters most: **security, transparency, and unwavering commitment to our Australian customers.**

The digital asset landscape is maturing rapidly. What was once considered experimental is now becoming essential infrastructure for modern portfolios, business operations, and financial innovation. Our role is to support Australians to participate in this transformation with confidence, knowing their assets are secure, their transactions are transparent, and their platform is committed to operating to the highest standards.

This quarter, we've made significant investments in three critical areas:

Security Infrastructure — We've focused on the continuous refinement and strengthening of our comprehensive security architecture, implementing advanced threat detection and expanding our cybersecurity capabilities to stay responsive to evolving risks.

Regulatory Excellence — Our operating acumen aims to help shape best practices in the industry with enhanced transparency and ongoing engagement with Australian regulatory bodies.

Local Capability — We've strengthened our Australian team with expertise in product development, market intelligence, and customer experience, ensuring we can respond rapidly to local market needs.

Our mission is clear:

To help Australians safely engage with digital assets by building the most trusted digital asset platform in the country—designed for long-term value, regulatory integrity, and economic relevance.

But our approach continues to evolve. This quarter, we launched our dedicated SMSF-focused product offering, designed specifically with the self-managed superannuation fund sector in mind, which collectively manages around \$1.1 trillion.* From clear transaction records and EOFY reporting tools to dedicated local onboarding support, we're here to provide trustees with the infrastructure they need to incorporate digital assets if they choose to do so. This represents a significant step toward making crypto accessible for those interested in holding term, as well as active trading.

The Economic Impact Report we sponsored earlier this year continues to inform policy discussions across government and industry. We're proud to be contributing to evidence-based dialogue about the future of digital finance in Australia, because we believe the best outcomes emerge when innovation meets responsibility.

Thank you to our customers, partners, regulators, and team for your continued trust and momentum. The digital financial future is not a distant possibility, it's being built right here, right now.



Kate Cooper
Chief Executive Officer,
OKX Australia

*ATO SMSF quarterly statistical report march 2025, published 21 May 2025

Local Team:

Australian Expertise for Australian customers

Meet our expanded team:

Leadership Team



Kate Cooper
CEO,
OKX Australia



Martin Batty
Sr. Compliance Manager,
OKX Australia



Michael Hicks
Sr. Compliance Manager,
OKX Australia

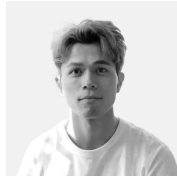


Mahtab Kabir
Operations Director,
OKX Australia

Customer Success Team



Helen Molloy
Senior BD Manager,
OKX Australia



Mark Li
Senior BD Manager,
OKX Australia



Jacob Pritchard
BD Manager,
OKX Australia



Gabriel Hiris
Senior Support
Operations Manager,
OKX Australia

Global Support



Jenna Tse
Chief Information
Security Officer,
OKX



Daniel Kim
Tech & Security
Governance Lead,
OKX

Local Support: www.okx.com/en-au/help
Our support centre features a 24/7 live chat option for around-the-clock support, now enhanced with additional Australian-based specialists.

Not All Crypto Exchanges in Australia Keep Your Assets Where You Left Them

In the wild west of crypto, some still play fast and loose with your money. At OKX, we don't.

Imagine this

You park your car with a valet. Instead of leaving it safe in the garage, they drive it around as an Uber. When you come back, it may not be there.

That's rehypothecation.

What's happening in Australia today

Right now, some crypto platforms operating in Australia **rehypothecate customer assets**: taking your deposits and using them to trade, lend, or use for themselves in other ways - like staking.

If those positions go wrong, **your assets may not be there when you want them**. If they go right - **those exchanges get to keep the rewards instead of you**.

The OKX Difference - Trust by Design

At OKX Australia, we don't take those risks with your assets.

- Your assets are never borrowed, lent, or risked without your instruction.
- They're held 1:1 in custody - always yours, always available.
- Proven by our Proof of Reserves - an open, verifiable record that publicly shows our 1:1 reserve ratios for 20+ popular assets.

With OKX, what you put in is always there for you. No hidden risks. No surprises. No wild west.

Your assets. Always yours. Always available. Always backed.

Our Responsibility Framework: Stronger Than Ever

The cryptocurrency industry thrives on innovation, but with innovation comes responsibility. At OKX Australia, we recognise that trust, security, and compliance are not just regulatory obligations, they are essential pillars for protecting customers, fostering adoption, and ensuring the long-term sustainability of the digital asset ecosystem.

Recent global market developments and regulatory evolution in Australia have reinforced the importance of choosing platforms that prioritise customer protection above all else. Our approach to responsibility continues to be grounded in four key areas:

- **Proof of Reserves**

Customer assets are fully backed 1:1, and we provide public, independently verifiable proof for 20+ highly traded assets.

- **Compliance & Licensing**

Ensuring adherence with Australia's evolving regulatory requirements through continuous monitoring and reporting.

- **Security & Risk Management**

Implementing cutting-edge protections to help defend against fraud and cyber threats.

- **Local Support**

Providing real, expert help from a team that understands the Australian market.

Through these pillars, we aim not only to meet regulatory expectations but to help shape the future of crypto in Australia through responsible innovation.

Proof of Reserves:

Complete Transparency = Confidence to Move Forward

Why It Matters for Australians:

At OKX, we maintain a 1:1 reserve ratio of crypto assets for all tokens, and our Proof of Reserves system demonstrates this to our customers across 20+ highly traded assets. This demonstrates our dedication to ensuring the safety of customer funds and net balances.

Transparency is key to trust. Unlike traditional financial institutions that may operate on a fractional reserves basis, our customer's funds are fully backed and our Proof of Reserves system ensures you can independently verify holdings of selected highly traded assets at any time, giving you confidence in our platform.

Proof of Reserves Framework

01 The Problem

You deposit 1 BTC at an exchange. How do you know they actually have your Bitcoin and didn't spend it?

The Fear: Exchange says "We have your Bitcoin" but actually spent it on lambos

02 The Solution: Show The Math

Proof of Reserves = "Here's proof we hold AT LEAST as much as customers dposited"

Customer Deposits (Private)		Exchange Wallets (Public)	
Alice:	1.5 BTC	1A1zP1eP500Gf120MPTFFL5SLmV7D1vFNa	Balance: 3.2 BTC
Bob:	0.8 BTC		
You:	1.0 BTC	3J98t1WpEZ73CNhQyiecrnys1WnqRthWNLy	Balance: 2.8 BTC
Charlie:	2.2 BTC		
Total Owed:	5.5 BTC	Total Held:	6.0 BTC

03 The Proof

Anyone can verify: Exchange holds ≥ customer deposits

Deposits 5.5 BTC ≤ Holdings 6.0 BTC

Proof verified: Exchange has enough Bitcoin!

04 The Privacy Problem

You deposit 1 BTC at an exchange. How do you know they actually have your Bitcoin and didn't spend it?

Issue: Publishing "Alice has 15 BTC" violates privacy

Solution: Use cryptographic magic (zk-STARK) to prove the total without revealing individual amounts

05 Zero-Knowledge Magic

zk-STARK lets the exchange prove:

- ✓ "Sum of all accounts = 5.5 BTC"
- ✓ "No account has negative balance"
- ✓ "Every account is included in the sum"

Without revealing:

- ✗ Alice's balance
- ✗ Bob's balance
- ✗ Your balance

06 You Can Verify

Download the proof and check it yourself:

1. Download exchange's cryptographic proof
2. Run verification software
3. Software confirms: "Math checks out"
4. Check blockchain: Wallets actually have 6.0 BTC

Your Bitcoin is safe! Exchange provably has it.

Q2 2025 Highlights:

- We continued to maintain full reserve backing for customer assets on a 1:1 basis for all tokens
- Monthly Proof of Reserves reports are published and independently audited across 22 major tokens
- On-chain wallet holdings remain publicly verifiable; you can check them any time
- Educational resources available to help customers verify reserves

Latest verification date: 10/05/2025, 22:00:00 (UTC+8)

 Bitcoin BTC	105%	 Ethereum ETH	102%	 Tether USDT	100%	 USD Coin USDC	100%
OKX account assets	125,164	OKX account assets	1,870,970	OKX account assets	8,751,475,970	OKX account assets	1,134,856,227
OKX wallet assets	130,832	OKX wallet assets	1,908,000	OKX wallet assets	8,769,520,893	OKX wallet assets	1,135,053,933
Exchange	123,041	Exchange	1,840,270	Exchange	8,489,939,457	Exchange	1,054,367,268
Third party custody	7,791	Third party custody	68,730	Third party custody	279,581,436	Third party custody	712,86,847
 Ripple XRP	108%	 Dogecoin DOGE	101%	 Solana SOL	102%	 OKB OKB	100%
OKX account assets	230,796,174	OKX account assets	4,983,118,496	OKX account assets	5,967,727	OKX account assets	127,773,238
OKX wallet assets	248,537,862	OKX wallet assets	5,035,189,406	OKX wallet assets	6,102,910	OKX wallet assets	127,864,492
Exchange	239,291,019	Exchange	4,970,726,905	Exchange	5,943,239	Exchange	127,952,440
Third party custody	9,246,843	Third party custody	64,462,501	Third party custody	161,528	Third party custody	2,010

Our latest Proof of Reserves report, independently audited by Hacken, confirms our continued commitment to full asset backing.

Third Party Custody: The Added-Protection Layer

Why It Matters:

For many institutional investors, having assets held by an independent third party can provide an additional layer of security and peace of mind. **Third party custody means digital assets are held by a separate custodian rather than directly by the crypto platform, adding an additional safeguard against potential platform risks.**

This option may be available to institutional clients seeking additional layers of protection. Third party custody is designed to provide asset safeguarding features similar to those used in traditional financial services, but for digital assets.

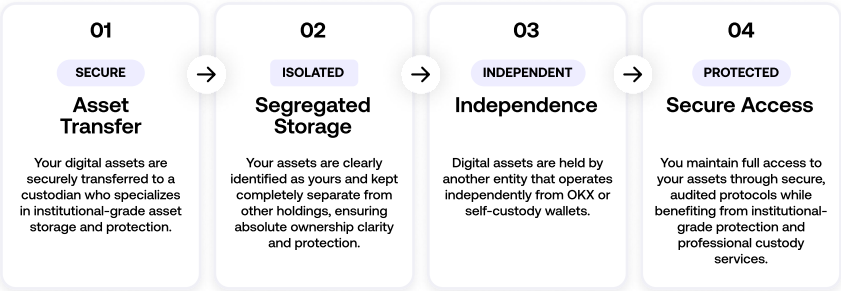
How Third Party Custody Works:

Think of third party custody like having valuables stored in a bank safety deposit box. The custodian acts as an independent guardian of assets, separate from OKX's operations. This means:

- **Independence:** Digital assets are held by another regulated entity that operates independently from OKX (or self-custody wallets).
- **Segregation:** Digital assets are clearly separated and identifiable as client-owned.
- **More Professional oversight:** Custodians apply dedicated processes for safeguarding client assets.
- **Additional protection:** Even in the unlikely event of platform issues, custodied assets remain protected and accessible.

OKX Australia currently offers third party custody to institutional investors looking for additional protection.

Why Third Party Custody Matters:



Compliance & Licensing: Excellence by Design

We are registered as a Digital Currency Exchange with AUSTRAC and take compliance with anti-money laundering and counter-terrorism financing (AML/CTF) regulations seriously. We use advanced on-chain monitoring to review blockchain transactions and identify potentially illicit activities.

We constantly monitor the regulatory landscape to ensure that we're well positioned to respond to changes.

Global-grade Compliance Framework:

- **Comprehensive KYC/AML procedures** with multi-tier verification
- **Real-time transaction monitoring** with advanced analytics
- **Regular staff training** on compliance requirements and best practices
- **Regulatory change management system** to adapt to evolving requirements

By keeping a close eye on transactions, we can identify and respond to potential suspicious patterns or red flags on our platform and the blockchain. Our Private Address Identification process verifies private on-chain addresses, helping ensure that you only interact with known and legitimate addresses.

Q2 2025 Compliance Developments:

- Enhanced monitoring systems deployed for improved threat detection
- Continued focus on compliance training across critical roles
- Improvements to transaction screening capabilities

Multi-Layered Security Architecture

01 Vault Security

Offline Storage

Biometric Security

Part of your assets in cold storage offline, completely disconnected from the internet

02 Identity Verification

Multi-Layered Access

Face Recognition

Device Recognition

Multi-layered access checks to prove it's really you before accessing your account

03 Network Defense

Digital Barriers

Attack Protection

Secure Connection

Digital Barriers that block hackers and keep your connection secure

04 Smart Monitoring

Always Watching

Pattern Detection

AI systems watching 24/7, learning your patterns to spot anything unusual

05 Payment Screening

Instant Checking

Risk Alerts

Every transaction checked instantly for suspicious activity or potential risks

06 Expert Review

Human Verification

Emergency Response

Real security experts reviewing alerts and ready to respond to any incident

07 Security Education

Employee Training

Customer Education

Phishing Tests

Continuous training for staff and customers to recognise threats and stay secure



Your assets stay protected

Information Security: Staying Ahead of the Threat

An interview with our security leadership team

To provide deeper insight into our security approach, we sat down with two key members of our cybersecurity team to discuss how we help protect Australian customers in an increasingly complex threat landscape.

Interviewer: Thank you both for joining us. Can you start by introducing yourselves and your roles at OKX?

Jenna: I'm Jenna, and I'm the Chief Information Security Officer responsible for OKX Australia. I'm responsible for leading our security strategy and ensuring our technology governance is both resilient and compliant. My focus is on building a robust security framework designed to help protect our customers and foster trust in an ever-evolving digital landscape.

Daniel: I'm Daniel, Tech & Security Governance Lead. My team focuses on strengthening our security posture by enhancing governance frameworks, streamlining processes, and working to meet and exceed security and regulatory standards. We're constantly evaluating our controls and implementing improvements to protect our customers and maintain our reputation.

Interviewer: The digital asset industry faces unique security challenges. How do you approach protecting customer assets and data?

Daniel: The threat landscape in crypto is unlike anything in traditional finance. We're dealing with irreversible transactions, 24/7 markets, and attackers who are extremely sophisticated. Our approach is built on three pillars: prevention, detection, and response.

For prevention, we use multi-signature wallets for all customer funds, with the majority held in cold storage that's completely disconnected from the internet. We also provide customers with advanced authentication mechanisms that go above and beyond basic two-factor authentication.

Jenna: From a strategic perspective, we adopted a "defence in depth" philosophy. This means we don't rely on any single security measure. Instead, we layer multiple protective systems so that if one layer is compromised, several others remain in place.

For example, even if someone somehow obtained a customer's login credentials, they would still face multiple additional security checks and monitoring designed to detect unusual activity.

Interviewer: Can you tell us about your threat detection capabilities?

Jenna: We operate a 24/7 Security Operations Centre, staffed by specialists who monitor for threats around the clock.

What makes our approach unique is how we combine artificial intelligence with human expertise. We use AI-powered security tools that analyse vast amounts of data to spot complex patterns and anomalies that may be difficult for humans to detect. This gives us a powerful first line of defense. Our security analysts then provide the essential context and expert judgment needed to investigate and respond to these threats effectively.

Daniel: We also conduct regular penetration testing with independent security firms. These are essentially controlled attacks on our own systems to identify vulnerabilities before malicious actors can exploit them.

Interviewer: How do you stay ahead of emerging threats?

Daniel: The threat landscape evolves constantly. We maintain threat intelligence feeds from multiple sources globally, to proactively adapt our defenses against emerging threats, continuously strengthen our security posture and stay ahead of new attack methods.

One area we've invested heavily in this quarter is deepfake detection technology. As artificial intelligence makes it easier to impersonate people in video calls or voice communications, we've deployed advanced systems to detect these sophisticated impersonation attempts.

Jenna: We also focus heavily on what we call "proactive threat hunting." Rather than just waiting for our systems to alert us to problems, our team actively searches for signs of compromise or unusual activity. This approach has helped us identify and neutralise several potential threats before they could impact customers.

Interviewer: What role do customers and your team play in maintaining security?

Jenna: Both our customers and our employees are critical partners in security. The vast majority of successful attacks in our industry exploit human behaviour rather than technical vulnerabilities. That's why education is such a fundamental part of our security strategy - for everyone.

We provide comprehensive security education for our customers through our platform, website and communications, including guidance on recognising phishing attempts, setting up secure authentication, and understanding social engineering tactics. Internally, our employees undergo regular security training, from secure coding practices to build secure OKX platforms, to reporting suspicious activities.

Daniel: We encourage both customers and staff to actively participate in security. For customers, this includes enabling all available security features, regularly reviewing account activity, and reporting suspicious communications immediately. For our team, it means training our staff to maintain vigilant security practices, questioning unusual requests, and following our strict verification procedures.

One thing we tell both customers and employees: if something feels urgent or pressures you to act quickly, that's usually a red flag. Legitimate security communications (whether internal or external) will never pressure anyone to provide passwords or make immediate transfers without proper verification.

Interviewer: Looking ahead, what security enhancements can customers expect?

Daniel: The key message for our customers is that security is never "finished" - it's an ongoing commitment. We're constantly investing in new technologies, training our team, and refining our processes to stay ahead of threats.

But ultimately, the strongest security comes from the partnership between our technology and our customers' awareness. Together, we can create an environment where Australians can engage with digital assets with confidence.

Interviewer: Are there any other highlights you can share?

Daniel: We recognise that the human factor is a critical security link, so we prioritise effective security training and validation. I'm proud to report that our Australia employees have maintained a 100% on-time completion rate for security training. To confirm these principles are being applied, we also conduct follow-up phishing exercises, in which our employees have a perfect success record, demonstrating that our training is effectively absorbed and implemented.

Interviewer: Thank you both for these insights into OKX Australia's security approach.

Phishing Simulation

Metrics

- Security training on-time completion rate: 100% (YTD)
- Phishing exercise pass rate: 100% (YTD)

Putting Training into Practice: Our Phishing Simulation Programme

A multitude of phishing approaches are used to threaten company security every day. Here are two case studies of phishing training emails sent by our security team to our employees, to test them on their security awareness and vigilance.

"Social Media Account Compromise"

Many of our employees use social media platforms (such as LinkedIn or Telegram) as part of their routine work responsibilities for finding suitable new hire candidates, to work with business partners and customers, etc.

One of the phishing tests simulates a LinkedIn password reset email, pretending that suspicious activity has been detected in the account, and advising the recipient to login as soon as possible via a call-to-action button. The email is presented with realistic appearance similar to other LinkedIn communications, and from an email address @security-linkedinn.com, aimed to be deceptive.

"The Surprise Gift"

Sophisticated bad actors will use any means necessary to phish potential victims, and this includes sending phishing emails from a company domain address such as @okx.com. Bad actors could compromise the email of an existing employee, or forge the origin of an email, to achieve this.

Another phishing test email simulates such a scenario, where an email purporting to be from okx.com announces the employee has won a gift, with a call-to-action to click on the link to pick their desired gift. A deadline for action increases the urgency of the email, once again aiming to catch the unaware.

Stay Vigilant

As our customers, it is important that you also remain on the lookout for unsolicited emails or other communications purporting to be from OKX. Never click on links without verifying the source and where the link will go.

If in doubt, contact our security team at security@okx.com, and our team will help verify the legitimacy of a communication you have received and that purports to be coming from us, ensuring you remain protected.

We also provide a channel verification service, where you can verify phone numbers, email addresses and social media channels to determine if they are official OKX channels: <https://www.okx.com/support-center/channel-verification>.

Summary Metrics

Quarterly Metric	Performance
Australian customers	~49000
Customer Satisfaction Scores of 4 or higher out of 5	69.00%
Response time SLA	Chat = 94% Ticket/email = 66%
Available AUD Trading Pairs	7
Tokens Listed in Australia	309
Platform uptime	100%

The data used for these metrics relates to the quarter ending 30 September 2025.

Customer Satisfaction Score: Once a customer chat concludes, a survey containing a 1-5 scale is prompted to the customer (1 = lowest, 3 = neutral, 5 = highest). Customers who elect not to respond do not affect the score.

The percentage indicates how often the target response time is met - Target response time chat: 20 seconds; target response time email: 2 hours

Number of tokens listed consists of tokens available for spot trading as well as tokens available only for derivatives trading (available to qualifying wholesale customers only).

Conclusion

This Responsibility Report reinforces OKX Australia's commitment to trust, security, and regulatory compliance. By maintaining robust Proof of Reserves, operating within established compliance frameworks, implementing advanced security measures, and leveraging a strong local team, we continue to play a leading role in fostering a secure and transparent crypto ecosystem for Australian customers.

We believe that responsible innovation is the path to adoption of digital assets in Australia. By setting high standards for ourselves, we seek to ensure your investments are protected, your transactions are secure, and your experience is seamless. No matter where you are on that path, we're there.

A large, abstract pattern of dark gray dots of varying sizes, arranged in a way that suggests a globe or a network, centered behind the main text.

Let's build it together

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