



## Press Release

### OIO continues to deliver growth in the Blockchain business

- 1H FY21 revenue increased 142% year-on-year to S\$1.6 million, backed by a 276% jump in blockchain business revenue
- The acquisition of Moonstake, Asia's second-largest staking network, added S\$1.2 million to 1H FY21 (recurring and non-recurring) revenue from 1 June 2021
- Moonstake sees positive longer-term prospects with its environmentally-friendly Proof-of-Stake technology

**Singapore — 12 August 2021 — OIO Holdings Limited ("OIO")**, a blockchain solutions provider listed on the SGX, announced today the financial results for the first half ending 30 June 2021 (1H FY21) of its financial year 2021. OIO recorded a revenue of S\$1.6 million, represents an increase of 142% year-on-year (y-o-y). Underpinning this substantial revenue increase is a 276% jump from the blockchain business segment. The gross profit margins also increased from 59.4% to 75.3% y-o-y. Despite achieving a gross profit of S\$1.2 million during the period under review, OIO recorded a net loss of S\$0.6m. This was mainly attributed to items from the new blockchain business segment – namely promotional expenses incurred, non-cash impairment due to the weaker crypto market in June and higher staff related costs.

<b><u>Financial Highlights</u></b>	1HFY2021 (S\$)	1HFY2020 (S\$)	Change (%)
Revenue	1,641,113	677,825	142.1
Gross Profit	1,235,201	402,846	206.6
Gross Profit Margin	75.3%	59.4%	15.9 ppts*
Other Income	93,419	229,584	(59.3)
Net Loss	(638,682)	(378,674)	(68.7)

\*ppts denotes percentage points

Reflecting on the changes in the firm's balance sheet as per the 1H FY21 announcement:

- In the past 6-months, OIO's cash balances had also increased to S\$5.2 million vs S\$0.3 million
- In the past 6-months, OIO's shareholder equity has also increased to +S\$5.7 million vs - S\$3.8 million

The above reflects positively on OIO's ability to adapt to the various on-going challenges in growing a new business segment. In our earnest efforts to continuously provide value to our stakeholders while serving practical solution for our clients in the new digital economy, OIO remains steadfast in implementing our strategic growth plans. Demand for the recently acquired Moonstake products and other blockchain related business segment have been robust during the period under review. Despite, *inter alia*, the time and costs required to build any new business segment, the Board and Management is confident that the demand for digitalisation and blockchain-based finance will continue to remain encouraging as we exit or learn to live with Covid-19.

### **Blockchain Business Highlights and Updates**

The blockchain business comprises of agency, consulting services and staking services. For 1H FY21, this business segment generated a total revenue of S\$1.3 million. The acquisition of Moonstake, Asia's second-largest staking network, was completed on 31 May 2021. From 1 June 2021, it added S\$1.2 million (recurring and non-recurring) to OIO's 1H FY21 revenue.

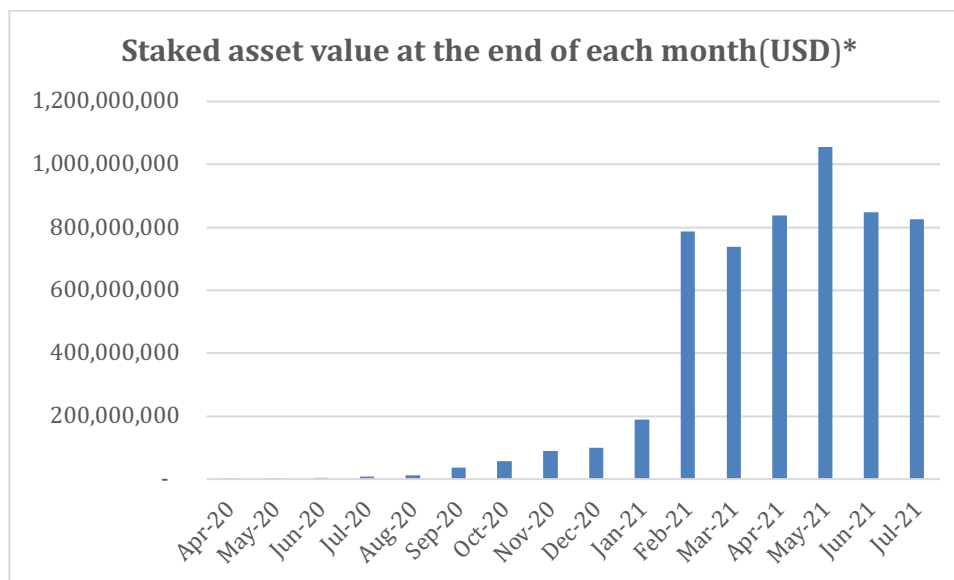
Moonstake is in the business of providing staking-related wallet services for digital assets to retail customers, as well as, research and software development services related to blockchain-based finance including staking to enterprise customers.

Briefly, staking is a technical feature of blockchain technologies which utilises Proof of Stake ("PoS")<sup>1</sup> as a validation mechanism by rewarding token holders who had staked their tokens for the validation process. A staking pool aggregates digital assets from multiple token holders to increase the token holders' likelihood of receiving the blockchain validation rewards under the PoS system.

Our staked asset pool value as of the end of July 2021 was in excess of US\$ 800 million. The drop in the value of staked assets since May was due to the general price declines in the cryptocurrency market in June.

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<sup>1</sup> Proof of Stake produces and validates new blocks in blockchains through the process of staking, allowing new blocks to be produced without relying on specialised mining hardware. While mining requires a significant investment in hardware, under staking, holders participate in generating a block by delegating the cryptocurrencies they already hold.



\* Value of crypto assets staked through the Moonstake staking pool at the end of each month

### **Looking Ahead with Moonstake**

OIO recognises Moonstake's growth as an important pillar in OIO's growth plans. By being a blockchain-based finance platform, OIO is poised to capture a growing staked asset pool associated with the rising usage of digital assets in Asia.

Moonstake was founded in 2020 with the goal of becoming Asia's largest staking pool. It offers its technology and infrastructure to both B2C and B2B customers. Looking forward, Moonstake intends to leverage on its internal capabilities by adding more digital assets in its product line-up, expanding geographically in Southeast Asia, and connecting additional investment opportunities on top of staking to add more advantages cum value-added features for Moonstake's users.

This will potentially increase Moonstake's appeal to new users and provide additional impetus to our fee-based income growth rate. Further, it will help in their vision to become Asia's largest staking platform.

Globally, the value of coins currently staked under PoS exceeds US\$100 billion<sup>2</sup>. PoS is gaining popularity in the blockchain segment based on its advantage over the Proof of Work mechanism, which is used by Bitcoin. PoS is a more environmentally friendly option with a substantially lower electricity consumption. With more digital assets adopting PoS, the market size of the staking industry is expected to grow significantly in the coming years.<sup>3</sup>

<sup>2</sup> <https://www.stakingrewards.com>

<sup>3</sup> <https://www.forbes.com/sites/emilymason/2021/07/01/jpmorgan-says-ethereum-upgrades-could-jumpstart-40-billion-staking-industry/?sh=4ae694161512>

On the future prospects of OIO, Taku Edatsune, Head of Finance and Administration of OIO Holdings Limited, added,

*“The contribution from Moonstake in June alone was positive. Whilst we are certainly very happy to see the immediate contributions from our acquisition of Moonstake – with blockchain and fintech applications becoming increasingly prevalent in our daily lives, we are also happy that our blockchain expertise is helping our Asian business partners future-proof their enterprises while improving their operational security cum efficiencies at a lower cost.*

*In addition, with Singapore being a major global financial centre, OIO is also well positioned to contribute to the growth of blockchain-based finance in the region. We could work with and assist traditional investors who are interested in investments in various digital asset classes. Such initiatives include developments in the NFT<sup>4</sup> space. This certainly puts OIO in a very unique position.”*

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#### **About OIO Holdings Limited**

OIO Holdings Limited is a Singapore-based holding company whose core business units are blockchain technology services and mechanical and engineering (“M&E”) services. The group’s blockchain arm aims to expand blockchain technology and accelerate its integration by offering B2B consulting and software development services to various industries.

Following the acquisition of Moonstake Pte Ltd in May 2021, OIO Holdings extends its business beyond the corporate level by providing digital wallets and staking solutions.

Apart from the blockchain-related businesses, the Group has developed an extensive expertise as a M&E engineering service and solution provider, and has built up a strong network with well-established customers in Singapore.

For more information, please visit the website at: <https://ir.oio.sg>

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<sup>4</sup> Non-Fungible Tokens