



## Press Release

### The 2022 crypto crash weighs down OIO's full-year results; looking at a midterm resurgence

- The collapse of major cryptocurrency exchanges resulted in the crypto crash and OIO's overall poor performance in FY 2022
- Uncertainties in the global economy remain a near-term challenge for the recovery of the crypto market
- Clearer regulation of digital assets and positive developments in Ethereum to drive long-term growth in the industry

<b>Financial Highlights</b>	4Q 2022 (S\$)	4Q 2021 (S\$)	Change (%)	FY 2022 (S\$)	FY 2021 (S\$)	Change (%)
Revenue	304,157	1,362,939	(77.7)	3,575,507	5,021,534	(28.8)
Gross Profit/ (Loss)	210,748	1,197,304	(82.4)	2,835,456	4,257,921	(33.4)
Gross Profit Margin	69.3%	87.8%	(18.5 pts)*	79.3%	84.8%	(5.5 pts)*
Other Income	405,611	120,450	N.M	997,737	689,469	44.7
Other Operating Expenses	(6,426,514)	(1,408,749)	N.M	(9,804,508)	(1,538,018)	N.M
Net Loss	(7,866,565)	(1,265,100)	N.M	(12,392,046)	(1,119,777)	N.M

N.M denotes not meaningful

\*pts denotes percentage points

**Singapore — 1 March 2023 — OIO Holdings Limited (“OIO”)**, a Catalist listed blockchain solutions provider, has today announced its financial results for the fourth quarter (“**4Q 2022**”) and full-year ended 31 December 2022 (“**FY 2022**”).

Revenue came in at S\$0.3 million in 4Q 2022, a decrease of 77.7% year-on-year (“**yoy**”) from S\$1.4 million in 4Q 2021. For the full year, revenue dropped 28.8% yoy from S\$5.0 million in FY 2021 to S\$3.6 million in FY 2022. Lower market prices of crypto assets impacted revenue from its digital wallets and staking services, as well as research and development services.

OIO's gross profit declined by 82.4% yoy from S\$1.2 million in 4Q 2021 to S\$0.2 million in 4Q 2022. Gross profit margin (“**GPM**”) dropped from 87.8% to 69.3% over the same period. FY 2022 gross profit stood at S\$2.8 million, decreasing by 33.4% from the S\$4.3 million recorded a year ago. Accordingly, GPM for the full year compressed to 79.3% from 84.8%.

For its bottom line, OIO registered a net loss of S\$7.9 million in 4Q 2022, compared to a net loss of S\$1.3 million in 4Q 2021. Meanwhile, the full year net loss also broadened from S\$1.1

million in FY 2021 to S\$12.4 million in FY 2022. The widening net loss was attributable from the downturn in the cryptocurrency market, which resulted in a drop in revenue mentioned, an impairment loss on crypto assets amounting to S\$3.6 million in FY 2022 and an impairment loss on goodwill amounting to S\$5.4 million in FY 2022.

The Group does not hold or acquire crypto assets for speculative purposes and adopts a prudent risk management approach to mitigate the market price risk of crypto assets.

### **Outlook**

2022 was marred by the bankruptcies of some of the biggest names like FTX, Luna, and Celsius. As a result of these controversies, clearer regulation of digital assets across the space is expected to be implemented in 2023.<sup>1</sup> Though decentralization will no longer be pure, the move would mean better protection for investors, greater stability, and a higher adoption rate in the longer term.

We are also encouraged to see further fundamental improvements in Ethereum following the Merge last year. In March 2023, the Shanghai Hard Fork will allow validators to withdraw staked coins from the Beacon Chain.<sup>2</sup> These network upgrades bode well for Ethereum as overall dynamism, efficiency, and use cases are being enhanced, making the platform more attractive to build on and invest in.

Tempering these positives are the sticky inflation and a persistently tight job market in the United States. These new data released have cast doubts on whether earlier predictions of a slowdown in interest rate hikes will come true. Failing this, cash liquidity will continue to be tightened in the market. Coupled with the ongoing geopolitical tensions, the recovery of the cryptocurrency market could potentially be muted.

Commenting on the long-term outlook, Mr. Yusaku Mishima, Executive Director supervising the entire blockchain business operation of OIO Holdings Limited, said, ***“In 2022, we saw a plunge of over US\$1.4 trillion in the crypto market<sup>3</sup> amidst collapses of some of the biggest exchanges in the space. Weak governance and the breach of trust will put a dent in investors’ confidence in the interim. As the industry goes through this transition, market volatility will stay on the high side. In the longer term, the crypto winter will come to pass. The fundamentals of cryptocurrency and blockchain never changed, and they will continue to grow in relevance.*”**

***At OIO, we remain committed to our growth plans as we believe our staking business has huge potential in the mid to long-term. Albeit with a cautious tone, we are going ahead with our development plans to enhance the product suite while continuing to explore new and exciting projects to enhance the ecosystem.”***

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<sup>1</sup> <https://www.reuters.com/markets/currencies/britains-first-crypto-regulations-set-robust-standards-2023-01-31/>

<sup>2</sup> <https://decrypt.co/resources/what-is-ethereums-shanghai-upgrade>

<sup>3</sup> <https://www.aa.com.tr/en/economy/bitcoin-digital-currencies-crash-in-2022-crypto-winter-amid-crises-turmoil-bankruptcies/2776010>

### 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.

On 12 August 2022, OIO Holdings Limited completed the disposal of shares in DLF Engineering Pte Ltd. On 27 October 2022, OIO Holdings Limited applied for creditors’ voluntary liquidation for its remaining M&E Engineering Services subsidiaries, being DLF Pte. Ltd. and DLF Prosper Venture Pte. Ltd. These are in alignment with the Group’s intention to exit from the M&E Engineering Services business segment entirely in order to focus its resources wholly on its growing blockchain technology business moving forward.

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

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This press release has been reviewed by the Company’s sponsor, PrimePartners Corporate Finance Pte. Ltd. (the “**Sponsor**”). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the “**Exchange**”) and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

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