



## Press Release

### OIO reports turnaround in 1Q 2023 on the back of improved operating efficiency and reversal of impairment loss for crypto assets

- Return to profitability for the first time since 3Q 2021 resulting from the implementation of various cost-cutting initiatives and reversal of impairment loss for crypto assets
- First quarter financial performance wholly driven by blockchain technology services business segment
- Positive outlook for the industry following Ethereum’s network upgrade

<b>Financial Highlights (Unaudited)</b>	1Q 2023 (S\$)	1Q 2022 (S\$)	Change (%)
Revenue	481,466	1,292,479	(62.7)
Gross Profit	426,786	896,580	(52.4)
Gross Profit Margin	88.6%	69.4%	19.2 <i>ppts</i> *
Other Operating Income	580,075	320,711	80.9%
Selling and Distribution Expenses	(17,432)	(352,781)	(95.1)
Administrative Expenses	(710,413)	(960,571)	(26.0)
Net Profit/ (Loss)	260,853	(249,361)	NM

*N.M denotes not meaningful*

*\*ppts denotes percentage points*

**Singapore — 11 May 2023 — OIO Holdings Limited (“OIO”)** and together with its subsidiaries, the (“**Group**”), a blockchain solutions provider listed on the SGX, has today announced its financial results for the first quarter ended 31 March 2023 (“**1Q 2023**”).

OIO reported revenue of \$0.48 million in 1Q 2023, which was a 62.7% year-on-year (“**yoY**”) decline from \$1.29 million in 1Q 2022. The drop was mainly attributed to lower market prices of crypto assets and lower research and development services to enterprise customers in relation to their staking and decentralized finance businesses.

Gross profit decreased by 52.4% yoy from \$0.90 million for the first quarter ended 31 March 2022 (“**1Q 2022**”) to \$0.43 million in 1Q 2023. Despite that, gross profit margin improved from 69.4% to 88.6% over the same period. The margin expansion was partly due to the absence of the now disposed mechanical and electrical services (“**M&E**”) segment, which reported a gross loss in the preceding year.

Other operating income jumped 80.9% yoy resulting from the reversal of impairment loss on crypto assets of \$0.57 million due to improved market prices of crypto assets as at 31 March 2023 as compared to 31 December 2022, and a gain on disposal of crypto assets of \$0.02 million.

Selling and distribution expenses decreased by 95.1% yoy due to lower headcount of marketing staff and lower marketing expenses as a result of cost-saving measures. Meanwhile, administrative expenses declined 26.0% yoy resulting from lower staff costs, lower professional fees, and lower outsourcing fees incurred for product development.

OIO registered a net profit of \$0.26 million in 1Q 2023, turning around from a net loss of \$0.25 million in 1Q 2022. The improvement was primarily attributed to the reversal of impairment loss for crypto assets and the general decline in operating expenses.

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**

Following the Ethereum Merge in September 2022, the Ethereum network completed another major update in March 2023 which basically enables it to process withdrawal requests. Known as the Shanghai Upgrade, the latest update will improve the liquidity of Ether as validators are now able to withdraw staked coins.<sup>1</sup>

In April 2023, Bitcoin price broke the US\$30,000 level for the first time in ten months. Following that, Standard Chartered released bullish predictions for Bitcoin citing the turmoil of the banking sector and the potential end of the interest rate-hiking cycle as catalysts.<sup>2</sup>

Commenting on the outlook, Mr. Yusaku Mishima, Executive Director supervising the entire blockchain business operation of OIO Holdings Limited, said, ***“The two major upgrades for the Ethereum network have resulted in improved transaction speed, energy efficiency, and liquidity. These will entice more app developers to participate and create better use cases, which bodes well for all industry players in the ecosystem including OIO.”***

***“The price recovery of cryptocurrencies in recent months has also been encouraging to us. While it is still too soon to tell if this is the end of the crypto winter, we remain confident about the fundamentals of the blockchain technology and believe in the long-term growth potential of our staking business,”*** said Mishima.

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<sup>1</sup> <https://www.forbes.com/advisor/investing/cryptocurrency/ethereum-shanghai-upgrade/>

<sup>2</sup> <https://www.reuters.com/markets/us/bitcoin-could-hit-100000-by-end-2024-standard-chartered-says-2023-04-24/>

**This media release is to be read in conjunction with the Group's announcement posted on SGXNET on 11 May 2023.**

### **About OIO Holdings Limited**

OIO Holdings Limited is a Singapore-based company involved in the provision of blockchain technology services. The Group 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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