



## Press Release

### OIO narrows net loss in 1H 2023 following implementation of cost optimization strategy and reversal of impairment loss for crypto assets

- Revenue dropped due to lower revenue from digital wallets and staking services and research and development services
- Cost-saving measures implemented in early-2023 continued to benefit the Group
- Optimistic outlook for the Group's staking business premised on the positive developments in the Ethereum network

<b>Financial Highlights (Unaudited)</b>	<b>2Q 2023 (S\$)</b>	<b>2Q 2022 (S\$)</b>	<b>Change (%)</b>	<b>1H 2023 (S\$)</b>	<b>1H 2022 (S\$)</b>	<b>Change (%)</b>
Revenue	435,404	1,626,814	(73.2)	<b>916,870</b>	<b>2,919,293</b>	<b>(68.6)</b>
Gross Profit	379,065	1,471,344	(74.2)	<b>805,851</b>	<b>2,367,924</b>	<b>(66.0)</b>
Gross Profit Margin	87.1%	90.4%	(3.3 pts)	<b>87.9%</b>	<b>81.1%</b>	<b>6.8 pts</b>
Other Operating Income, Net	(368,972)	70,655	N.M	<b>211,103</b>	<b>391,366</b>	<b>(46.1)</b>
Selling and Distribution Expenses	-	(472,705)	N.M	<b>(17,432)</b>	<b>(825,486)</b>	<b>(97.9)</b>
Administrative Expenses	(753,785)	(1,089,157)	(30.8)	<b>(1,464,198)</b>	<b>(2,049,728)</b>	<b>(28.6)</b>
Other Operating Expenses	(82,833)	(3,182,451)	(97.4)	<b>(82,833)</b>	<b>(3,335,751)</b>	<b>(97.5)</b>
Net Loss	(844,752)	(3,202,314)	(73.6)	<b>(583,899)</b>	<b>(3,451,675)</b>	<b>(83.1)</b>

*N.M denotes not meaningful  
pts denotes percentage points*

**Singapore — 14 August 2023 — OIO Holdings Limited (“OIO” or the “Group”)**, a blockchain solutions provider listed on the SGX, has today announced its financial results for the second quarter (“**2Q 2023**”) and half-year ended 30 June 2023 (“**1H 2023**”).

OIO reported a 68.6% year-on-year (“**yoy**”) decrease in revenue from S\$2.9 million in 1H 2022 to S\$0.9 million in 1H 2023. Lower market prices of crypto assets during the period resulted in a drop in revenue for digital wallets and staking services. Revenue contribution from research and development services and blockchain agency and consulting services have also dipped as compared to the preceding year.

1H 2023 gross profit came in at S\$0.8 million, which was a 66.0% yoy drop from \$2.4 million in 1H 2022. Despite that, gross profit margin expanded from 81.1% to 87.9% over the same

period. The margin expansion was partly due to the absence of the now disposed/liquidated mechanical and electrical services (“M&E”) business segment, which reported a gross loss in 1H 2022.

Other operating income fell by 46.1% yoy in 1H 2023 due mainly to the absence of gain from liquidation of a subsidiary recognised in 1H 2022, and lower government grants received compared to the preceding year. The decline was slightly mitigated by gain from the reversal of impairment loss on crypto assets of approximately S\$0.2 million on the period under review. This is in contrast with the previous year where the Group incurred an impairment loss on crypto assets amounting to S\$3.3 million.

The Group continued to benefit from cost-saving measures implemented earlier this year including, among others, a lower headcount, lower staff costs, and lower professional fees. As a result, selling and distribution expenses dropped by 97.9% while administrative expenses fell by 28.6% in 1H 2023.

OIO concluded the 6-month period with a net loss of \$0.6 million in 1H 2023, a drop of 83.1% as compared to the S\$3.5 million net loss reported in 1H 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**

According to the latest data by Dune Analytics, investors have deposited approximately 23.9 million of ETH to Ethereum’s staking network, roughly 20% of all tokens as of 12 July 2023. This came after the Shanghai Upgrade in April this year, which now allows validators to withdraw staked coins, hence improving its liquidity<sup>1</sup>.

The increase in regulatory scrutiny on centralized exchanges like Binance and Coinbase has slowed the influx of fresh demand for staking services since early June<sup>2</sup>. Though, the landmark legal victory by Ripple against the US Securities and Exchange Commission (SEC) in mid-July<sup>3</sup> could potentially reverse such concerns going forward.

Commenting on the outlook, Mr. Yusaku Mishima, Executive Chairman supervising the entire blockchain business operation of OIO Holdings Limited, said, ***“The recent upgrades in the Ethereum network and the year-to-date recovery of crypto prices have been encouraging for the industry. On the whole, we believe that we are nearing the end of the crypto winter. We are confident that the sector tailwinds can spur the Group towards a business turnaround in the near term.”***

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This media release is to be read in conjunction with the Group’s announcement posted on SGXNET on 14 August 2023.

<sup>1</sup> <https://www.coindesk.com/markets/2023/07/11/ether-staking-ratio-nears-key-milestone-as-inflows-slow-amid-regulatory-presures/>

<sup>2</sup> <https://www.coindesk.com/markets/2023/07/11/ether-staking-ratio-nears-key-milestone-as-inflows-slow-amid-regulatory-presures/>

<sup>3</sup> <https://www.reuters.com/legal/us-judge-says-sec-lawsuit-vs-ripple-labs-can-proceed-trial-some-claims-2023-07-13/>

## 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 14 May 2023, OIO Holdings Limited completed the dissolution of 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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