



Press Release

OIO narrows 9M23 net loss by 71.4% year-on-year after strategic cost transformation

- Revenue dropped due to lower year-on-year market prices for crypto assets
- Successful cost transformation measures resulted in lower administrative costs and a reduction in net loss
- Long-term prospects remain positive driven by industry development; the coming protocol upgrade on the Ethereum platform is a potential catalyst

Financial Highlights (Unaudited)	3Q23 (S\$)	3Q22 (S\$)	Change (%)	9M23 (S\$)	9M22 (S\$)	Change (%)
Revenue	245,892	352,057	(30.2)	1,162,762	3,271,350	(64.5)
Gross Profit	196,815	256,784	(23.4)	1,002,666	2,624,708	(61.8)
Gross Profit Margin	80.0%	72.9%	7.1ppts	86.2%	80.2%	6ppts
Other Operating (Loss)/ Income	(40,647)	200,760	N.M	170,456	592,126	(71.2)
Selling and Distribution Expenses	-	(515,935)	N.M	(17,432)	(1,341,421)	(98.7)
Administrative Expenses	(745,257)	(972,834)	(23.4)	(2,209,455)	(3,022,562)	(26.9)
Other Operating Expenses	(102,394)	(42,243)	N.M	(185,227)	(3,377,994)	(94.5)
Net Loss Attributable to Owners of the Company	(709,777)	(1,073,417)	(33.9)	(1,293,676)	(4,528,171)	(71.4)

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

Singapore — 10 November 2023 — OIO Holdings Limited (“OIO” or the “Group”), a blockchain solutions provider listed on the SGX, has today announced its financial results for the third quarter (“**3Q23**”) and nine months ended 30 September 2023 (“**9M23**”).

9M23 revenue dropped 64.5% year-on-year (“yoy”) to S\$1.2 million. Contribution from digital wallets and staking services fell due to lower market prices for crypto assets during the period. Additionally, revenue from research and development services and blockchain agency and consulting services also saw declines.

The Group reported gross profit of S\$1.0 million for 9M23, the 61.8% yoy drop was in tandem with the top-line contraction. On a positive note, gross profit margin expanded by 6 percentage points to 86.2% over the same period. The margin expansion was partly due to the absence

of the disposed mechanical and electrical services (“M&E”) segment, which reported a gross loss for 9M22.

Other operating income came in 71.2% lower yoy for 9M23 due mainly to the absence of a one-off gain from the liquidation and disposal of subsidiaries, lower government grants received, and the absence of reversal of impairment for other receivables. This decrease was partially mitigated by a reversal of impairment loss recognised in 9M23. Other operating expenses dropped 94.5% yoy, which were primarily attributed to the reversal of impairment loss for crypto assets of S\$0.2 million, as opposed to an impairment loss of S\$2.64 million for 9M22.

OIO continued to reap benefits from its strategic cost transformation measures implemented in late 2022 and early 2023. With lower staff costs, cessation of the M&E segment, and lower professional and outsourcing fees, the Group’s administrative expenses narrowed by 26.9% yoy for 9M23.

As a result of the improved operational factors, OIO concluded 9M23 with a smaller net loss of S\$1.3 million compared to S\$4.5 million a year ago.

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 Ethereum’s Shanghai Upgrade in April 2023, liquid staking has become a possibility in the ecosystem, enabling staked coins to be transacted. This could potentially push broader mainstream adoption and market stability over the long term as liquid staking resembles traditional financial instruments familiar to investors, in terms of yield opportunities and risk profile.¹

Recently, staking demand has normalised as indicated by the clearing out of the validator queue. Staked ether is yielding around 3.5% and is expected to remain steady according to Coinbase.² The upcoming protocol update, Dencun, is expected to take place in the first half of 2024 and is seen as a potential catalyst. The introduction of Proto-Danksharding will increase Ethereum’s transaction throughput and scalability.³ With that, we could see an all-around improvement in terms of network efficiency, which ultimately results in an increase in participation and staking demand.

Commenting on the outlook, Mr. Yusaku Mishima, Executive Chairman supervising the entire blockchain business operation of OIO Holdings Limited, said, ***“We remain upbeat with the long-term prospects of OIO as the industry is still at the early stage of adoption. The Ethereum ecosystem will continue to evolve and improve. With the Dencun upgrade next year, we expect positive trickle-down effects on our business.”***

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¹ <https://www.coindesk.com/consensus-magazine/2023/09/29/where-liquid-staking-meets-tokenization/>

² <https://cryptopotato.com/ether-staking-yields-slow-as-validator-queue-empties-post-shanghai-upgrade-coinbase/>

³ <https://crypto.com/research/ethereum-proto-danksharding-dencun>

This media release is to be read in conjunction with the Group's announcement posted on SGXNET on 10 November 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: <http://ir.oio.holdings>

For all media queries, please contact:-

Kamal Samuel // Tang Hong Ee

FINANCIAL PR

T: 6438-2990

E: oio@financialpr.com.sg

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The contact person for the Sponsor is Ms. Lim Hui Ling, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg.