



Press Release

OIO's 1H 2022 numbers hit by cryptocurrencies devaluation and increased costs as it strengthens for future growth

- With total market capitalisation of cryptocurrencies falling by 55%¹ since the start of 2022, our staked asset pool value decreased by approximately 61.4% from US\$700 million in March 2022 to US\$270 million. The decline was mitigated by an increasing user signup on Moonstake bringing total number of users to more than 8,000
- Revenue from Moonstake's business accounted for the bulk of the S\$2.9m revenue generated for 1H 2022
- Group has ramped up its headcount to market its current services and for the launch of Upwards in 2H 2022

Financial Highlights (Unaudited)	2Q 2022 (S\$)	2Q 2021 (S\$)	Change (%)	1H 2022 (S\$)	1H 2021 (S\$)	Change (%)
Revenue	1,626,814	1,352,588	20.3	2,919,293	1,641,113	77.9
Gross Profit/ (Loss)	1,471,344	1,120,475	31.3	2,367,924	1,235,201	91.7
Gross Profit Margin	90.4%	82.8%	7.6 ppts*	81.1%	75.3%	5.8 ppts*
Other Income	70,655	60,214	17.3	391,366	93,419	N.M
Other Operating Expenses	(3,182,451)	(227,311)	N.M	(3,335,751)	(227,311)	N.M
Net Loss	(3,202,314)	(376,238)	N.M	(3,451,675)	(638,682)	N.M

N.M denotes not meaningful

*ppts denotes percentage points

Singapore — 11 August 2022 — OIO Holdings Limited (“OIO”), a blockchain solutions provider listed on the SGX, announced today its financial results for the second quarter (“**2Q 2022**”) and half year ended 30 June 2022 (“**1H 2022**”).

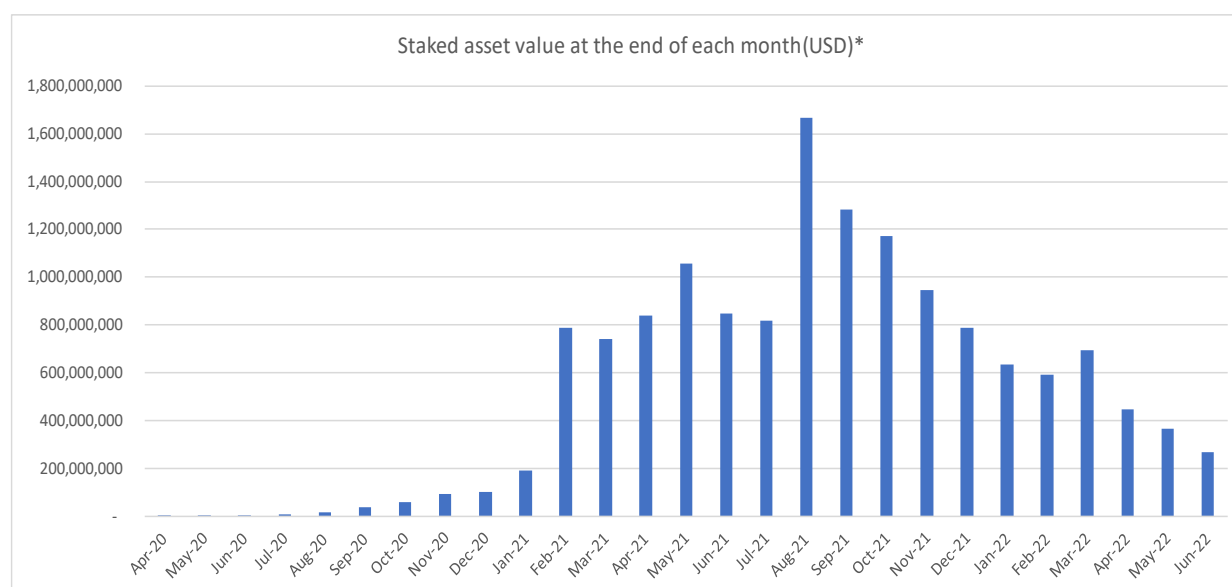
OIO recorded a revenue of approximately S\$1.6 million in 2Q 2022, a 20.3% year-on-year (“**yoy**”) increase from S\$1.4 million in 2Q 2021. The increase was largely due to the higher revenue from Moonstake recognised by the Group during 1H 2022 as compared to 2Q 2021, since the Group only recognised 1 month's revenue for the month of June 2021 following the completion of the acquisition on 31 May 2021. This increase was partly offset by lower revenue from blockchain agency and consulting services and mechanical and electrical (“**M&E**”) services amounting to

¹ Finbold – Crypto market loses 55% of its capitalisation in 2022 as Bitcoin drops below \$24k
<https://finbold.com/crypto-market-loses-55-of-its-capitalisation-in-2022-as-bitcoin-drops-below-24k/>

S\$0.04 million due to shift in business growth towards a focus on blockchain agency, consulting and staking services (collectively “**Blockchain Technology Services Segment**”) by the Group.

For 1H 2022, revenue increased by S\$1.3 million or 77.9% yoy to S\$2.9 million from S\$1.6 million in 1H 2021. The increase in revenue was mainly due to higher revenue from Moonstake recognised by the Group offset by a decrease in revenue from the M&E services business segment as OIO shifts focus towards the Blockchain Technology Services Segment.

As of end June 2022, our staked asset pool value was nearly US\$270 million, a decline of 61.4% compared to nearly US\$700 million as of end March 2022, due to the weakened cryptocurrency market in 2Q 2021.



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

For 2Q 2022, gross profit saw an increase of 31.3% to S\$1.5 million while gross profit margin increased from 82.8% in 2Q FY2021 to 90.4%. The relatively higher margin is due to the business nature of staking, where the cost of sales was mainly due to certain outsourced consulting services and commission expenses. For 1H 2022, the gross profit increased by 91.7% yoy from S\$1.2 million in 1H 2021 to S\$2.4 million while gross profit margin increased from 75.3% in 1H FY2021 to 81.1%.

Despite achieving a gross profit of S\$1.5 million in 2Q 2022, OIO recorded a net loss of S\$3.2 million. The losses were mainly due to the impairment loss on crypto assets of S\$3.2 million as a result of the weakened cryptocurrency market. For 1H 2022, OIO recorded a net loss of approximately S\$3.5 million. At the end of June 2022, OIO had various cryptocurrencies such as Cardano, Jasmy, Tezos, IOST and Tether on its balance sheet equivalent to S\$2.6 million, taking into consideration the cryptocurrencies' closing rates as of 30 June 2022.

Looking Forward

The collapse of the TerraUSD stable coin and LUNA cryptocurrency token has led to the volatility and uncertainty in cryptocurrency market², with the overall market capitalisation of cryptocurrency assets falling below US\$ 1 trillion for the first time since 2021³. The inflationary pressure faced by the global macroeconomy has also resulted in weakened investor sentiments in other investment asset classes. While the cryptocurrency market entered into a 'crypto winter' following these developments, it has been suggested that the market has passed its worst stage with JP Morgan Chase & Co. stating in a recent report that the market has started to see a rebound in investor activity amid the upcoming Ethereum Merge⁴.

Against this backdrop, OIO has also doubled down on its efforts to build a strong Web 3.0 ecosystem through expansion of manpower, improving its existing products and services, as well as engaging with new projects with strong growth potential. The Terra Luna crash as aforementioned has also highlighted the need for education on cryptocurrency investment, and OIO will also be launching a new education platform named "Upwards⁵" to better help investors. This platform will seek to plug the gap between the underserved markets and access to information. In addition, OIO will keep up with its ongoing efforts to expand the range of coins and tokens to support for staking through the Moonstake platform. The Moonstake Gaming Guild continues to develop well, with OIO closely monitoring the market and engaging with suitable projects that will help with its expansion. In addition, OIO is exploring to invest in crypto exchanges, a crypto game guild operator and a project to develop crypto assets with the aim to expand Moonstake's user base and to enhance the services provided by Moonstake. Further details of these investments will be announced via business updates in due course.

Commenting on the results, Mr. Yusaku Mishima, Executive Director supervising the entire blockchain business operation of OIO Holdings Limited, added, ***"While the Terra-LUNA collapse has inevitably affected investor confidence, we believe it will be a turning point in the development of the overall cryptocurrency market and Web 3.0 upon recovery. The past few months have demonstrated the importance of projects with strong fundamentals, which is in line with OIO's vision. In light of these events, we believe that this is the opportune time for OIO to build up our capabilities and ramp up our ongoing efforts to source for projects with strong potential to include in our overall ecosystem.***

In addition, we also believe in the need to improve education on investing in crypto assets so as to better protect existing and potential investors. As the first blockchain company listed in Singapore, we have always strived to be the beacon of light for investors in the

² The Wall Street Journal - Why Did Cryptocurrencies TerraUSD and Luna Unravel? Stablecoin Price Crash Explained (<https://www.wsj.com/articles/why-did-cryptocurrencies-terrausd-and-luna-unravel-stablecoin-price-crash-explained-11652462779>)

³ CNBC - Bitcoin has lost more than 50% of its value this year. Here's what you need to know (<https://www.cnbc.com/2022/06/15/bitcoin-has-lost-more-than-50percent-of-its-value-this-year-what-to-know.html#:~:text=The%20most%20popular%20cryptocurrency%20has,2021%20peak%20of%20%243%20trillion.>)

⁴ CoinDesk - JPMorgan Sees Crypto Retail Demand Improving, End of 'Intense' Deleveraging Phase (<https://www.coindesk.com/markets/2022/07/21/jpm-sees-crypto-retail-demand-improving-end-of-intense-deleveraging-phase/>)

⁵ SGX company announcement - OIO Making access to crypto easy and accessible for everyone (https://links.sgx.com/FileOpen/OIO_Business_Plan.ashx?App=Announcement&FileID=717729)

crypto market and we are continuously seeking new ways to protect their interests. Our new education focused program will also allow us to enter into new and underserved markets, and at the same time expand our geographical footprint.

Moving forward, we will continue to closely monitor the market for suitable investment partnerships while also developing new products look to expand our suite of products and services to provide greater shareholder value.”

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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.

On 1 August 2022, OIO Holdings Limited announced its entry into the sale and purchase agreement to dispose the shares in DLF Engineering Pte Ltd, and its intention to exit from the M&E Engineering Services business segment entirely in order to focus its resources wholly on its growing blockchain technology services business moving forward.

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

For all media queries, please contact:-

Kamal Samuel

Maverick Lim

FPR

T: 6438-2990

E: oio@financialpr.com.sg

*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.*

The contact person for the Sponsor is Mr Shervyn Essex, 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, sponsorship@ppcf.com.sg.