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**RAZER INC.**

雷蛇\*

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 1337)**

## **INSIDE INFORMATION POSITIVE ADJUSTED PROFIT ALERT**

This announcement is issued pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The board of directors (the “Board”) of Razer Inc. (the “Company”, together with its subsidiaries, the “Group”) announced that, based on the preliminary assessment of the unaudited management accounts of the Group for the financial period ended September 30, 2020, it is expected that the Group will record an adjusted profit before income tax, a non-GAAP measure, for the financial year ending December 31, 2020 as compared to the adjusted loss before income tax of US\$40.3 million for the financial year ended December 31, 2019.

The Company defines adjusted profit/loss before income tax, a non-GAAP measure, as profit/loss for the year added back with income tax expense, share-based compensation expense, restructuring expense, impairment of goodwill and other assets and merger and acquisitions expense.

The Group has used adjusted profit/loss before income tax as an additional financial measure since the financial year ended December 31, 2019 to supplement its consolidated financial information presented in accordance with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board. Adjusted profit/loss is not required by, or presented in accordance with, IFRS. The Board believes that this non-GAAP measure facilitates comparisons of operating performance from period to period and company to company by eliminating potential impacts of items that the Group’s management do not consider to be indicative of the Group’s operating performance. The Board believes that this measure provides useful information to shareholders and potential investors in understanding and evaluating the Group’s consolidated results of operations in the same manner as they do for the Group’s management. However, the Company’s presentation of the adjusted profit/loss may not be comparable to a similarly titled measure presented by other companies. The use of this non-GAAP measure has limitations as an analytical tool, and investors should not consider it in isolation from, or as substitute for analysis of, the Group’s results of operations or financial condition as reported under IFRS.

The expected improvement to an adjusted profit before income tax of the Group is mainly due to:

- the higher than expected revenue growth which is expected to be at least 30% year-on-year for the financial year ending December 31, 2020 across the Razer ecosystem of hardware, software and services:
  - o Hardware Segment
    - Our Peripherals and Systems products have seen positive sales reception for our new products introduced in the first three quarters of 2020;
    - Our Peripherals business maintained our market leading position for gaming peripherals across U.S., Europe, Asia-Pacific and China while taking significant market share from the competition<sup>1</sup>; and
    - Our Systems business maintained our number 1 market leading position in the premium gaming laptop segment in the U.S. while growing market share in new markets outside of the U.S. during the first three quarters of 2020<sup>1</sup>.
  - o Software and Services Segment
    - Total Payment Volume (“TPV”) of Razer Gold and Razer Fintech recorded strong growth on a year-on-year basis for the three months ended September 30, 2020 respectively.
- the continued improvements of gross profit margin, driven by improving Hardware margins and increased contribution of relatively higher margin Services business to the Group.
- the continued improvements in operating expenses management, driven by continuing efforts to control discretionary spend and improvement in productivity.

The information contained in this announcement represents a preliminary assessment based on the management accounts of the Group which have not been audited or reviewed by the Company’s auditor, and operational data based on the Company’s records and third party sources which have not been and will not be audited or reviewed by the Group’s auditors. While such third party sources are believed to be reliable, the Company does not guarantee the accuracy of data provided by them, and such data may be incomplete, condensed, or subject to error. The operational data does not constitute, represent or indicate the full picture of the Group’s revenue or financial performance.

Shareholders and potential investors are advised to read carefully the consolidated financial information of the Group for the financial year ended December 31, 2020 in the annual results announcement of the Company which will be published in March 2021.

<sup>1</sup> *Internal sources and external market research*

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the Company's securities.**

By order of the Board  
**Razer Inc.**  
**Min-Liang TAN**  
*Chairman*

Singapore, November 9, 2020

*As at the date of this announcement, the board of directors of the Company comprises Mr. Min-Liang Tan as Chairman and Executive Director, Ms. Liu Siew Lan Patricia and Mr. Tan Chong Neng as Executive Directors, Mr. Lim Kaling as Non-executive Director, and Mr. Chau Kwok Fun Kevin, Mr. Lee Yong Sun and Mr. Gideon Yu as Independent Non-executive Directors.*

*\* For identification purposes only*