RAZER DELIVERS RECORD HIGH REVENUE AND NET PROFIT OF US$31 MILLION FOR THE FIRST HALF OF 2021

Invest for growth to achieve long-term growth ambitions

Hong Kong, August 25, 2021 – Razer™ (“Razer” or the “Company”, together with its subsidiaries, the “Group”, Hong Kong Stock Code: 1337), the leading global lifestyle brand for gamers, announces unaudited financial results for the six months ended 30 June 2021 (“1H 2021”).

“Razer had a phenomenal first half of the year. In addition to the ongoing growth in the broader industry that benefitted our core business segments, Razer’s stellar results were driven by our strong brand position and intensely loyal user base, our proven capabilities in rolling out innovative, category-defining products and services, and effective operational execution,” said Min-Liang Tan, Co-Founder and CEO of Razer.

“Looking ahead, the robust momentum in our business, strong fundamentals and the exciting opportunities we see in the market, give us the confidence that it is the right timing to further scale our business. We intend to reinvest part of our full year profits into high potential areas such as Razer Gold and Razer Fintech, as well as step up investments in new growth opportunities in the Razer ecosystem. We believe these strategic investments will allow us to build a greater platform for Razer to achieve long-term growth ambitions and deliver outstanding value to shareholders.”

Key highlights for 1H 2021 earnings

COMPANY
- **Record-high Revenue of US$752.0 million with 68.0% year-on-year growth** driven by robust demand, market share leadership for the Hardware business, and ongoing growth in the Services segment.
- **Gross Profit Margin improved to 27.1%**, as compared with 22.0% for the same period in 2020, primarily due to improving margins in the Hardware segment.
- **Adjusted EBITDA* (a non-GAAP measure) of US$59.5 million**, soaring by 1,759.4% year-on-year growth from US$3.2 million for the same period in 2020.
- **Net Profit of US$31.3 million**, as compared with a Net Loss of US$17.7 million for the same period in 2020, driven by exceptional revenue growth, continued gross margin expansion, and productivity improvement.

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* The Group defines adjusted EBITDA as profit/(loss) from operations added back with depreciation and amortisation, share-based compensation expense, restructuring expense, and merger and acquisitions expense.
**CORE SEGMENTS**

**HARDWARE**
- Revenue grew 77.0% year-on-year to US$677.3 million.
- Peripherals business has maintained its market leading position for gaming peripherals across the U.S., Europe, and Asia-Pacific\(^1\)
- Systems business has maintained its 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.\(^2\).
- New gaming growth categories have continued to gain market share such as broadcast and gaming chairs.

**SOFTWARE**
- Total user accounts increased 50.0% year-on-year to approximately 150.0 million with monthly active users surging by over 51.4%.
- The increase was attributable to strong growth across all Software offerings, boosted by increases in gaming, esports, and livestreaming activities.
- Razer continued its efforts to further enrich user experience and drive stickiness to the Razer ecosystem:
  - During 1H 2021, Razer Cortex PC Squad Rewards Seasons 6 and 7 continued to drive high engagement with over 200,000 gamers joining the competition each season. Players logged in a total of over 3.5 million hours of PC game time each season.
  - Razer Chroma\(^{TM}\) RGB continued to reinforce its partner-of-choice position, working with leading hardware partners through its connected devices programme. As of June 30, 2021, over 180 games and applications are natively integrated with Razer Chroma\(^{TM}\) RGB Software Development Kit (SDK).

\(^{1,2}\) Internal sources and market research
SERVICES:

- Services business, comprising of Razer Gold and Razer Fintech, grew 13.8% year-on-year to US$72.8 million for 1H 2021.
- Gross margin was 41.9% and contributed 15.0% of the Group’s gross profit in 1H 2021.

RAZER GOLD

- Recorded a 13.8% year-on-year increase in total payment volume (“TPV”), driven primarily by the increase in the number of transactions conducted through the Razer Gold platform.
- As of June 30, 2021, Razer Gold recorded approximately 30 million registered users, representing 25.3% growth year-on-year.
- Further expanded its footprint and added more channel touchpoints in places such as Southeast Asia and Latin America covering users from more than 130 countries and more than 5.6 million channel touchpoints.
- Reinforced its position to be a partner of choice for content partners with over 42,000 digital entertainment titles supported and added popular new games.
- Put in place longer-term initiatives that will well-position Razer Gold for the next level of growth, such as:
  - Further increasing Razer Gold’s penetration in high growth regions such as Latin America, with its gaming market expected to reach US$3.5 billion in 2023.
  - Bolstering localization strategy in both content and channel to cater to the specific tastes and needs of the regions Razer operates in.

RAZER FINTECH

- Recorded 63.7% CAGR in TPV over the last 3 years.
- Over 95% of the TPV was driven by Razer Merchant Services (“RMS”), the Group’s B2B payment processing business which powers over merchants 60,000 merchants across Southeast Asia.
- RMS has made significant progress in the first half of 2021 in the following areas:
  - **TPV:** Recorded 79.5% year-on-year growth to US$3.2 billion in 1H 2021, driven mainly by e-commerce marketplace purchases, food deliveries and e-wallet top-ups.
  - **Merchant adoption:** Recorded 88.6% year-on-year growth to over 60,000 merchants, coming from the retail, food and beverage industries, and professional/commercial services.
  - **Key licences and network expansion:** Strengthened core infrastructure, expanded business footprint, and secured additional licenses across the Southeast Asia region.
ESG

- Formalized its commitment to the environment with a 10-year roadmap as part of its #GoGreenWithRazer initiative, supported by four main initiatives—green organization, green products, green community and green investments.
- Announced short-, mid- and long-term plans to bring Razer closer towards building a greener future:
  - **By the end of 2021:**
    - Green Organization: Say no to single-use plastics
    - Green Products: Greener packaging
  - **By the end of 2025:**
    - Green Organization: 100% powered by renewable energy
    - Green Products: 100% products are recyclable with Razer
  - **By the end of 2030:**
    - Green Organization: 100% carbon neutral
    - Green Products: Made of 100% recycled and recyclable materials
- As part of the Group’s drive to galvanize its community to contribute and support the global green movement, the Group partnered with Conservation International in October 2020 and introduced Sneki Snek campaign, led by Razer’s fan-favourite sustainability mascot. As of August 25 2021, the Group has saved over 500,000 trees.

INVEST FOR GROWTH

- Razer’s gamer-centric ecosystem has expanded rapidly over the last few years, and the Group expects the growth to continue as exciting new market opportunities emerge.
- Gaming, esports, and fintech are all on a significant growth trajectory as they become more entrenched in people’s lives.
- Key investments area include:
  - **Hardware**: additional investments will be allocated for research and development of both existing gaming Peripherals and new Hardware categories.
  - **Software**: to develop new services to increase user acquisition, engagement, and retention, explore new monetization initiatives and deepen big data analytics capabilities to drive user acquisition and nurture user activity.
  - **Services**:  
    - **Razer Gold**: expand into new regions internationally and deepen penetration in high growth regions such as Latin America, Middle East and Southeast Asia, as well as enhance core infrastructure and recruit talent to improve user experience, acquire new users and drive usage/spending per user.
    - **Razer Fintech**: additional investments will be allocated for continued geographical expansion across SEA, scale TPV aggressively with expanded merchant base, enhance service capabilities for existing customers and M&A/ investments.
FY2021 OUTLOOK
Razer is closely monitoring the market environment in light of the continued COVID-19 situation, and intends to carry on the momentum and strength of its operations and are on track to deliver strong revenue growth and operational enhancements, while amping up the investments for growth for full year 2021.

Its outlook for the full year will be:

- **Strong Revenue Growth:**
  - New Hardware product introductions
  - Growth of Software user base
  - Continue scaling Services business

- **Continued Operational Enhancements:**
  - Track record of cost discipline
  - Improvement of Hardware margins
  - Expansion of higher-margin Hardware and Services as part of the revenue mix

- **Amp Up Investment For Growth:**
  - Reinvesting profits in high potential areas such as Razer Gold and Razer Fintech
  - Such investments will involve additional spending in operating expenses as we scale our Services business
  - Step-up investments in new growth opportunities in the Razer ecosystem

For more details, please refer to the 1H 2021 results announcement for the results of the Group which are published in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Details of Razer’s ESG initiatives can be found on the website: [http://www.razer.com/go-green](http://www.razer.com/go-green)
ABOUT RAzer

Razer™ is the world’s leading lifestyle brand for gamers.

The triple-headed snake trademark of Razer is one of the most recognized logos in the global gaming and esports communities. With a fan base that spans every continent, the company has designed and built the world’s largest gamer-focused ecosystem of hardware, software and services.

Razer’s award-winning hardware includes high-performance gaming peripherals and Blade gaming laptops.

Razer’s software platform, with over 150 million users, includes Razer Synapse (an Internet of Things platform), Razer Chroma RGB (a proprietary RGB lighting technology system supporting thousands of devices and hundreds of games/apps), and Razer Cortex (a game optimizer and launcher).

Razer also offers payment services for gamers, youth, millennials and Gen Z. Razer Gold is one of the world’s largest game payment services, and Razer Fintech provides fintech services in emerging markets.

Founded in 2005 and dual-headquartered in Irvine (California) and Singapore, Razer has 18 offices worldwide and is recognized as the leading brand for gamers in the USA, Europe and China. Razer is listed on the Hong Kong Stock Exchange (Stock Code: 1337).

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Razer - For Gamers. By Gamers

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