



RAZER ISSUES GAAP PROFIT ALERT FOR FY2020

Beating expectations and delivering an earlier than expected GAAP breakeven

Hong Kong, January 20, 2021 – Razer™ (“Razer” or the “Company”, Hong Kong Stock Code: 1337), the leading global lifestyle brand for gamers, announces that, based on the unaudited management accounts of the Company for the financial year ended December 31, 2020, the Company expects to record a breakeven profit or loss on a GAAP basis (“GAAP breakeven”) for the financial year ended December 31, 2020 as compared to a loss of US\$83.5 million for the financial year ended December 31, 2019.

“2020 was an extraordinary year for all of us around the world. Despite the global market uncertainty caused by the COVID-19 pandemic, Razer had a stellar year, beating expectations and delivering an earlier than expected GAAP breakeven. Our robust business performance has accelerated our progress to deliver on our long-term strategy and growth ambitions for our ecosystem of hardware, software and services,” **said Min-Liang Tan, Co-Founder and CEO of Razer**. “Looking ahead, we are confident in our ability to maintain our dominant market position in Hardware business, grow our Software platform through expansion in user base and activity levels and continue investing to scale up our fast-growing, high-margin Services business. We are confident that these factors, combined with our strong cash position and balance sheet strength, put us in good stead as we embark on the next stage of growth and development.”

The expected improvement in profitability for the year of the Company is mainly due to:

- the higher than expected revenue growth which is expected to be at least 40% year-on-year for the financial year ended December 31, 2020, with broad-based growth across the Razer ecosystem of hardware, software and services:
 - Hardware
 - Our Peripherals and Systems products have seen phenomenal sales reception for our new products;
 - Our Peripherals business maintained our market leading position for gaming peripherals across US, Europe, Asia-Pacific and China while taking significant market share from the competition¹; and
 - Our Systems business maintained our market leading position in the premium gaming laptop segment in the US while growing market share in new markets outside of the US¹.
 - Software and Services
 - Total Payment Volume of Razer Gold and Razer Fintech recorded strong growth on a year-on-year basis respectively.
- the continued improvements of gross profit margin, driven by improving margins in the Peripherals segment and increased contribution of relatively higher margin Services business to the Company.
- the continued improvements in operating expenses management, driven by continuing efforts to control discretionary spending and improvement in productivity.

¹ Internal sources and external market research



Please refer to the announcement made by Razer on www.hkexnews.hk and investor.razer.com on January 20, 2021, which is published in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for further details.

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 100 million users, includes Razer Synapse (an Internet of Things platform), Razer Chroma RGB (a proprietary RGB lighting technology system), and Razer Cortex (a game optimizer and launcher).

In services, Razer Gold is one of the world's largest virtual credit services for gamers, and Razer Fintech is one of the largest offline-to-online digital payment networks in SE Asia.

Founded in 2005 and dual-headquartered in Irvine (California) and Singapore, Razer has 17 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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