



IGG INC

(Incorporated in the Cayman Islands with limited liability)

(Stock code : 799.HK)

Reviving Success: IGG's Monthly Gross Billing Surpassed HK\$500 Million New Era of Profitability: Rapid Growth of New Games and APP Business Propel IGG Forward

2023 Interim Financial Highlights and 2H23 Outlook of IGG Inc:

- For the first half of 2023, “Lords Mobile”, IGG’s flagship title launched seven years ago, continued to generate stable revenue, contributing over HK\$1.6 billion. Meanwhile, the Group’s two blockbuster strategy games, “Doomsday: Last Survivors” and “Viking Rise”, each exceeded HK\$70 million in monthly gross billing. The gross billing of “Doomsday: Last Survivors” has been rising steadily, with monthly gross billing in July reaching a new high of HK\$82 million. At the same time, the Group’s APP Business¹ is experiencing rapid growth, with monthly gross billing surging from over HK\$12 million at the start of the year to more than HK\$57 million in June, followed by a remarkable jump to HK\$63 million in July. The two new games and the APP Business contributed 35% to the Group’s total revenue in the second quarter of 2023. This helped the Group achieve a year-on-year increase in revenue to HK\$2.5 billion in the first half of 2023, and a 19% growth compared to the second half of 2022. The Group resumed generating profits in June and its monthly gross billing rebounded to HK\$500 million in July. Its game and APP Business are working in tandem to power the company ahead, ushering in a new chapter for IGG.
- Through the persistent optimization of resources and strategic application of AIGC² technology, the Group has achieved a 30% reduction, year-on-year, in research and development and administrative expenses in the first half of 2023. During the period, the Group launched marketing campaigns for “Doomsday: Last Survivors” and “Viking Rise”. Despite HK\$360 million in net losses for IGG’s core business, the investment in new games was essential for the Group’s sustained growth and long-term success, and the Group has reported

¹ APP Business: the Group’s application and mobile advertisement mediation platform business

² AIGC: Artificial Intelligence Generated Content

profit in June 2023. As for investments, the Group has stepped into profitability as part of its investment projects gradually enter the profit-making phase and its impairment losses decreased significantly. As a result, the Group recorded a net loss of HK\$360 million during the period. Looking ahead, with the growth of the two new games and the APP Business, the Group is confident in its ability to maintain solid financial performance.

(23 August 2023, Hong Kong SAR) IGG Inc (“IGG” or the “Group”, stock code: 799.HK), a leading global developer and publisher of mobile games and applications, announces its unaudited consolidated interim results for the six months ended 30 June 2023.

After investing for years in game development, the Group’s two highly rated strategy games, “Doomsday: Last Survivors” and “Viking Rise”, each generated monthly gross billing in excess of HK\$70 million in the first half of 2023. “Lords Mobile”, IGG’s flagship title launched seven years ago, continued to generate stable revenue, contributing over HK\$1.6 billion in the first half of 2023. After a decade of perseverance, the APP Business finally hit its stride this year, with monthly gross billing surging from over HK\$12 million at the beginning of the year to more than HK\$57 million in June. The combined revenue from the two new games and APP Business in the second quarter of 2023 accounted for 35% of the Group’s total revenue, propelling IGG’s revenue to a year-on-year increase and a 19% half-on-half growth to HK\$2.5 billion. The Group resumed generating profits in June and its monthly gross billing rebounded to HK\$500 million in July. Its game and APP Business are working in tandem to power the company ahead, ushering in a new chapter for IGG. During the period, revenue from Asia, Europe and North America accounted for 44%, 26% and 25%, respectively, of the Group’s total revenue.

Through the persistent optimization of resources and strategic application of AIGC technology, the Group has achieved a 30% reduction, year-on-year, in research and development and administrative expenses in the first half of 2023. During the period, the Group launched marketing campaigns for “Doomsday: Last Survivors” and “Viking Rise”. Despite HK\$360 million in net losses for IGG’s core business, the investment in new games was essential for the Group’s sustained growth and long-term success, and the Group has reported profit in June 2023. As for investments, the Group has stepped into profitability as part of its investment projects gradually enter the profit-making phase and its impairment losses decreased significantly. As a result, the Group recorded a net loss of HK\$360 million during the period. As at 30 June 2023, the Group’s mobile games were available in 23 different languages worldwide, with over 1.6 billion users in total and over 38 million monthly active users (“MAU”)³ across more than 200 countries and regions.

“Lords Mobile”, IGG’s blockbuster title, is the Group’s first cross-platform, multi-language, real-time game designed for global gamers. The game has been well-received by gamers since its launch in 2016 and continues to

³ The Group’s users in total and monthly active users include users of mobile games and apps.

generate stable revenue of over HK\$1.6 billion for the Group in the first half of 2023. As at 30 June 2023, it has 640 million registered users worldwide and nearly 10 million MAU. IGG will continue to release new game content and diversified promotional initiatives to extend the game's longevity.

Drawing on over a decade of experience and expertise in the strategy games genre, the Group developed two highly rated strategy games — “Doomsday: Last Survivors” and “Viking Rise”. After more than a year of refinement and optimization since its launch in 2021, “Doomsday: Last Survivors” has become a favourite for 22 million gamers with its distinctive post-apocalyptic survival theme, deep integration of “real-time” and “strategy” gameplay, and unique art style. Following a marketing campaign that started in March this year, the game's monthly gross billing reached HK\$82 million in July. The Group will soon introduce a new survival competition gameplay in guild battle that will let players experience the fun of real-time team formation and battles between guilds in the game.

“Viking Rise”, the other highly rated strategy game, demonstrated huge potential during its beta testing. A Viking-themed game that perfectly combines strategy gameplay with intricate community management, “Viking Rise” received global recommendations from Apple and Google on its launch, and quickly rose to the top of the strategy games download charts in over 60 countries and regions worldwide⁴. After a marketing campaign starting mid-April, the gross billing for May exceeded HK\$70 million. “Viking Rise” has released a long-awaited cross-server battle feature, “Kingdom Mayhem”. The game will soon introduce a new innovative cross-server guild war feature, “Battle of the Ruins”, offering players a diverse range of battle experience.

After a decade of perseverance, the APP Business finally hit its stride this year, with monthly gross billing surging from over HK\$12 million at the start of the year to more than HK\$57 million in June, followed by a remarkable jump to HK\$63 million in July. As at 30 June 2023, it has over 300 million registered users worldwide and nearly 20 million MAU. The Group is committed to ongoing promotion and diversification of its product portfolio, leveraging the synergies of platform-based business model to take the APP Business to the next level.

The rise of AIGC technology is transforming many industries, including the mobile Internet sector, and is rapidly becoming a dominant trend. IGG took a proactive approach in embracing AIGC technology and fully applied it to both product development and operations. The use of AIGC in language translation, art production, and customer service has significantly improved the efficiency of the Group's product development and operations, resulting in cost savings and increased productivity.

Looking ahead, with the steady growth of the two new games and the APP Business, the Group is confident in its ability to maintain solid financial performance. Embracing the corporate spirit of “Innovators at Work, Gamers at Heart”, the Group will continue to strengthen its global R&D and operation

⁴ Source of ranking data: third-party analytics platform, data.ai.

capabilities, to relentlessly pursue its strategy of quality, innovation and excellence in creating innovative yet timeless games.

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About IGG Inc

Established in 2006, IGG Inc is a leading global mobile games and applications developer and operator with headquarters in Singapore and local offices in the United States, China, Canada, Japan, South Korea, Thailand, the Philippines, Indonesia, Brazil, Türkiye, Italy and Spain. IGG offers multi-language and multifarious games to users around the world. The Group has established long-term partnerships with over 100 business partners, including global platforms, advertising channels, and vendors such as Apple, Google and Meta. IGG's most popular games include "Lords Mobile", "Castle Clash", "Doomsday: Last Survivors", "Viking Rise", and "Time Princess".