



IGG INC

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 799.HK)

Turning Loss into Profit in 2023: IGG Achieved over HK\$430 million in 2H23 “Doomsday: Last Survivors” Achieves Record Monthly Gross Billing

2023 Annual Financial Highlights and 2024 Business Update of IGG Inc:

- In 2023, the Group achieved a significant breakthrough in business operations, resulting in a remarkable turnaround from previous losses. The Group’s revenue increased by 15% year-on-year to HK\$5.3 billion in 2023, driven by the high growth of two new strategy games and the APP Business¹.
- The Group successfully turned its losses around, resulting in a net profit of over HK\$430 million in the second half of 2023 and an annual net profit of HK\$73 million. Net profit for the Group’s core business reached approximately HK\$380 million in the second half of 2023.
- “Lords Mobile”, IGG’s flagship title launched nearly eight years ago, continued to generate stable revenue, contributing over HK\$3.1 billion.
- New games “Doomsday: Last Survivors” and “Viking Rise”, along with the APP Business, experienced rapid growth and made substantial revenue contributions of nearly HK\$700 million, HK\$400 million, and HK\$580 million, respectively. Their impressive growth not only contributed to increased revenue but also resulted in a net profit of over HK\$160 million in the second half of 2023, marking a new era of growth and diversification for the Group.
- The Group repurchased nearly 13.9 million shares in 2023 for a total consideration of over HK\$44 million, accounting for 61% of annual net profit.
- In the first quarter of 2024, the game business demonstrated continued growth, with the Group’s total gross billing estimated to approach HK\$1.4 billion, representing an approximate 20% increase compared to the first quarter of 2023. “Lords Mobile” consistently maintained a monthly gross billing of over HK\$240 million. Meanwhile, a gradual escalation of marketing efforts for “Doomsday: Last Survivors” is expected to raise its monthly gross billing to HK\$100 million by March.

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

(27 March 2024 – Hong Kong) IGG Inc (“IGG” or “the Group”, stock code: 799.HK), a leading global developer and publisher of mobile games and applications, is pleased to announce the audited consolidated financial results of the Group for the year ended 31 December 2023.

In 2023, the Group ushered in a new chapter marked by a breakthrough in business and a remarkable turnaround from loss. 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”, following the success of “Castle Clash” and “Lords Mobile”. “Lords Mobile”, IGG’s flagship title launched nearly eight years ago, continued to generate stable revenue, contributing over HK\$3.1 billion. Throughout the year, intensive marketing campaigns for “Doomsday: Last Survivors” and “Viking Rise” yielded strong growth momentum, with “Doomsday: Last Survivors” generating nearly HK\$700 million in revenue and “Viking Rise” contributing HK\$400 million. Adding to the Group’s growth trajectory, the APP Business contributed HK\$580 million, accounting for 11% of IGG’s revenue. The combination of two new strategy games and the APP Business not only propelled the Group to an impressive HK\$5.3 billion in revenue – a remarkable 15% year-on-year increase – but have also contributed a net profit of over HK\$160 million in the second half of 2023, marking a new era of growth and diversification. During the year, revenue from Asia, Europe and North America accounted for 44%, 28% and 23%, respectively, of the Group’s total revenue.

With the contribution of the aforementioned businesses and continuous resource optimization, the Group successfully turned its losses around, resulting in a net profit of over HK\$430 million in the second half of 2023 and an annual net profit of HK\$73 million. After experiencing losses in previous stages, the Group’s core business turned the tide and generated a net profit of approximately HK\$380 million in the second half of 2023 and an annual net profit of over HK\$17 million. The Group’s investments recorded a net profit of over HK\$55 million due to fair value gains. As at 31 December 2023, the Group’s mobile games were available in 23 different languages worldwide, with over 1.7 billion users in total and over 25 million monthly active users (“MAU”)² across more than 200 countries and regions.

“Lords Mobile”, IGG’s blockbuster title with innovative features, is the Group’s first cross-platform, multi-language, real-time game designed for global gamers. Since its launch in 2016, the game has garnered widespread acclaim from gamers, recognized for its longevity³ and ability to generate stable revenue for the Group. As at 31 December 2023, it has amassed 670 million registered users worldwide and has 9 million MAU. Leveraging its previous successful collaborations with “Saint Seiya” and “Kung Fu Panda”, “Lords Mobile” further expanded its user base this year through collaborations featuring “How to Train Your Dragon”, “Armored Combat Worldwide”, and “Dreamworks Shrek”. Entering 2024, the Group remains dedicated to releasing exciting new game content, including a new feature “Guild Expedition”, thereby ensuring that

² The Group’s users in total and monthly active users include users of mobile games and apps.

³ Source: Sensor Tower, a third-party analytics platform

monthly gross billing stays above HK\$240 million.

“Doomsday: Last Survivors” has become a favorite for 33 million gamers with its distinctive post-apocalyptic survival theme, deep integration of “real-time” and “strategy” gameplay, and epic 3D visuals. Following a marketing campaign that began in early 2023, the game’s monthly gross billing reached a noteworthy milestone of HK\$82 million and experienced a subsequent increase to HK\$100 million in March 2024. The Group continued to release new content for the game, including features such as “New Immigration Decree”, a “Bounty Ground” Battle Royale gameplay, and “Archipelago Raid”, a large-scale cross-kingdom event, to provide players a truly unique battle experience. During 2023, “Doomsday: Last Survivors” garnered multiple awards, including five awards at the NYX Game Awards: “Mobile Game – Strategy”, “Mobile Game – Best Gameplay”, “Mobile Game – Best Character Design”, “Mobile Game – Best Game Design”, and “Mobile Game – Best Art Direction”, and “Best Overseas Game” by Youxi Tuoluo. These awards are a testament to the game’s exceptional quality and global appeal.

“Viking Rise”, a Viking-themed strategy game, received widespread acclaim when it was launched in late 2022. Through continuous improvement, the gaming experience was elevated to new heights. The introduction of a “Mounts” system, along with a large-scale battle event “Kingdom Mayhem – Expedition to England”, and the addition of “Mystic Realm”, was well-received by the game’s 21 million players and earned it the “Best of 2023 Awards -- Best for Tablets” by Google Play.

The APP Business’s continued success in the second half of 2023 led to remarkable revenue of HK\$580 million. This constituted 11% of total revenue, and emerged as a pivotal force driving the Group’s revenue growth and diversification. As at 31 December 2023, the APP Business has over 350 million registered users worldwide and approximately 9.5 million MAU. The Group is committed to the ongoing promotion and diversification of its product portfolio to take the APP Business to the next level.

By adhering to its long-term operational strategy, the Group will drive steady growth in both its core game business and the APP Business. Additionally, the Group will continue to embrace and adopt Artificial Intelligence Generated Content (“AIGC”) technology to optimize costs and enhance profitability. In the first quarter of 2024, the game business demonstrated continued growth, with the Group’s total gross billing estimated to approach HK\$1.4 billion, representing an approximate 20% increase compared to the first quarter of 2023. As the Group seizes opportunities to drive growth, aggressive marketing campaigns may lead to a short-term volatility in profits. Nonetheless, IGG remains confident of its overall financial performance for the full year and long-term growth. Embracing the corporate spirit of “Innovators at Work, Gamers at Heart”, the Group will continue to strengthen its global R&D and operation 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", "Doomsday: Last Survivors", "Viking Rise", "Castle Clash", and "Time Princess".