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## **OURGAME INTERNATIONAL HOLDINGS LIMITED**

**聯眾國際控股有限公司\***

*(a company incorporated under the laws of the Cayman Islands with limited liability)*

**(Stock Code: 6899)**

### **FINANCIAL RESULTS FOR THE THIRD QUARTER OF 2023 OF ALLIED GAMING & ENTERTAINMENT INC.**

Allied Gaming & Entertainment Inc. (“AGAE”), an indirect non-wholly owned subsidiary of Ourgame International Holdings Limited (the “**Company**”), published its financial results for the three months ended September 30, 2023.

This announcement is made by the Company pursuant to Rule 13.09(2) 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.

On November 9, 2023 (U.S. time), AGAE, an indirect non-wholly owned subsidiary of the Company, published its financial results for the three months ended September 30, 2023. AGAE’s shares are listed on Nasdaq Stock Market.

The following summary of major financial data of AGAE for the three months and nine months ended September 30, 2023 and September 30, 2022 were prepared in accordance with the Generally Accepted Accounting Principles of the United States (“U.S. GAAP”):

	For the Three Months		For the Nine Months	
	Ended September 30,		Ended September 30,	
	2023	2022	2023	2022
	U.S.\$	U.S.\$	U.S.\$	U.S.\$
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
<b>Revenues:</b>				
In-person	1,119,865	1,551,963	3,580,968	3,734,400
Multiplatform content	94	13,679	2,000,518	1,401,130
	<u>1,119,959</u>	<u>1,565,642</u>	<u>5,581,486</u>	<u>5,135,530</u>
<b>Costs and Expenses:</b>				
In-person (exclusive of depreciation and amortization)	575,176	1,112,645	1,891,229	2,784,933
Multiplatform content (exclusive of depreciation and amortization)	—	31,010	1,517,707	1,020,886
Selling and marketing expenses	51,448	54,445	172,987	185,614
General and administrative expenses	894,181	2,397,901	5,660,553	8,762,193
Depreciation and amortization	239,413	(328,739)	1,030,191	1,288,106
Impairment of digital assets	—	—	—	164,411
	<u>1,760,218</u>	<u>3,267,262</u>	<u>10,272,667</u>	<u>14,206,143</u>
<b>Loss from Operations</b>	<u>(640,259)</u>	<u>(1,701,620)</u>	<u>(4,691,181)</u>	<u>(9,070,613)</u>
<b>Other Income (Expense):</b>				
Other (expense) income, net	(388)	34,073	15,954	(45,859)
Interest income, net	715,893	25,316	2,165,468	34,093
	<u>715,505</u>	<u>59,389</u>	<u>2,181,422</u>	<u>(11,766)</u>
<b>Net income (loss)</b>	<u>75,246</u>	<u>(1,642,231)</u>	<u>(2,509,759)</u>	<u>(9,082,379)</u>

<b>Items</b>	<b>As at September 30, 2023 U.S.\$ (unaudited)</b>	<b>As at December 31, 2022 U.S.\$</b>
<b>Total Assets</b>	<b><u>91,750,567</u></b>	<b><u>97,729,675</u></b>
<b>Total Liabilities</b>	<b><u>8,268,910</u></b>	<b><u>9,825,607</u></b>
<b>Total Stockholders' Equity</b>	<b><u>83,481,657</u></b>	<b><u>87,904,068</u></b>

## **EXPLANATION ON THE OPERATING RESULTS**

### **Three Months Ended September 30, 2023 Compared to Three Months Ended September 30, 2022**

#### ***Revenues***

In-person revenues decreased by approximately \$0.4 million, or 28%, to approximately \$1.1 million for the three months ended September 30, 2023 from approximately \$1.6 million for the three months ended September 30, 2022. The decrease of in-person experience revenues was driven by a \$0.5 million decrease in event revenue and a \$0.2 million decrease in merchandising revenue. This was slightly offset by a \$0.3 million increase in sponsorship revenue related to a new naming rights agreement for AGAE's HyperX Arena in Las Vegas.

Multiplatform revenue decreased by approximately \$14 thousand for the three months ended September 30, 2023 from approximately \$14 thousand for the three months ended September 30, 2022 to approximately \$0 for the three months ended September 30, 2023.

#### ***Costs and expenses***

In-person costs (exclusive of depreciation and amortization) decreased by approximately \$0.5 million, or 48%, to approximately \$0.6 million for the three months ended September 30, 2023 from approximately \$1.1 million for the three months ended September 30, 2022. The decrease corresponds to the decrease in event revenue described above.

Multiplatform costs (exclusive of depreciation and amortization) decreased by approximately \$31 thousand, or 100%, to approximately \$0 for the three months ended September 30, 2023 from approximately \$31 thousand for the three months ended September 30, 2022.

Selling and marketing expenses decreased by approximately \$3 thousand, or 6%, to approximately \$51 thousand for the three months ended September 30, 2023 from approximately \$54 thousand for the three months ended September 30, 2022.

General and administrative expenses decreased by approximately \$1.5 million, or 63%, to approximately \$0.9 million for the three months ended September 30, 2023, from approximately \$2.4 million for the three months ended September 30, 2022. The decrease in general and administrative expenses was primarily attributable to (a) a \$1.8 million reduction in compensation costs which included a \$1.5 million Employee Retention Credit and \$0.3 million in higher payroll and payroll related costs in 2022; and (b) a \$0.2 million reduction in stock-based compensation due to higher costs that occurred in the third quarter of 2022 to correct the vesting of options of a former employee. Such decrease was slightly offset by an increase in legal and professional fees of \$0.5 million related to merger and acquisition activities in the third quarter of 2023.

Depreciation and amortization increased by approximately \$0.5 million, or 173%, to approximately \$0.2 million for the three months ended September 30, 2023, from approximately (\$0.3) million for the three months ended September 30, 2022. The increase was primarily due to a \$1.0 million adjustment for the three months ended September 30, 2022 to correct the amortization of leasehold improvements in prior periods. Such increase was slightly offset by a decrease in depreciation related to production equipment that became fully depreciated on March 31, 2023.

***Other income (expense)***

AGAE recognized other expense of approximately \$0 during the three months ended September 30, 2023 compared to approximately \$34 thousand of other income recorded for the three months ended September 30, 2022.

***Interest income***

Interest income was approximately \$716 thousand for the three months ended September 30, 2023 compared to approximately \$25 thousand of interest income for the three months ended September 30, 2022. The increase is a result of the interest earned on short-term investments purchased at various times commencing in the fourth quarter of 2022.

The financial results of AGAE contained in the Form 10-Q have been prepared in accordance with U.S. GAAP, which are different from the International Financial Reporting Standards that the Company uses to prepare and present its financial information. As such, the financial information in the Form 10-Q is not directly comparable to the financial results of AGAE as reflected in the consolidated financial results that the Company discloses. Consequently, the Company offers no assurance that the financial results of AGAE for the three months ended September 30, 2023 or any period will be the same as that to be presented in the Company's own consolidated financial results.

By order of the Board  
**Ourgame International Holdings Limited**  
**Lu Jingsheng**  
*Chief Executive Officer and Executive Director*

November 10, 2023

*As at the date of this announcement, the Board comprises Mr. Lu Jingsheng as executive Director; Mr. Liu Xueming, Ms. Gao Liping, Mr. Hua Yumin, Ms. Yu Bing, Ms. Wang Ruyuan, Mr. Wang Runqun and Ms. Xiao Yundan as non-executive Directors, and Mr. Ma Shaohua, Mr. Zhang Li, Mr. Guo Yushi and Mr. Dai Bing as independent non-executive Directors.*

\* *For identification purpose only*