

gamania

Gamania (6180 TT)

Investor Presentation

April 2023



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OUR VISION & MISSION

At Gamania, we envision a strong virtual community that fosters connections between people through innovative game content and interactive entertainment, generating valuable information and exploring unlimited possibilities of life

Our mission is to creatively meet the evolving needs of players, consumers, society, and partners in the online world, by providing interactive entertainment and services that connect people to make life easier and more fun

INVESTMENT THESIS

- We are the largest gaming and interactive entertainment provider in Taiwan in terms of revenue. We believe games are the next-generation social engagement platforms, and we are well-positioned in this large and growing addressable market.

- We believe premium content and local market know-how are key to creating enduring franchises. We have established a successful Game-as-a-Service (“GAAS”) model that enables us to operate some of the longest and most successful/profitable games in the Taiwan gaming history.

- Such a model allows us to maintain a strong financial position with recurring cashflow that enables us to invest and develop multi-platform high-quality IPs to maximize our reach and create further monetization opportunities.

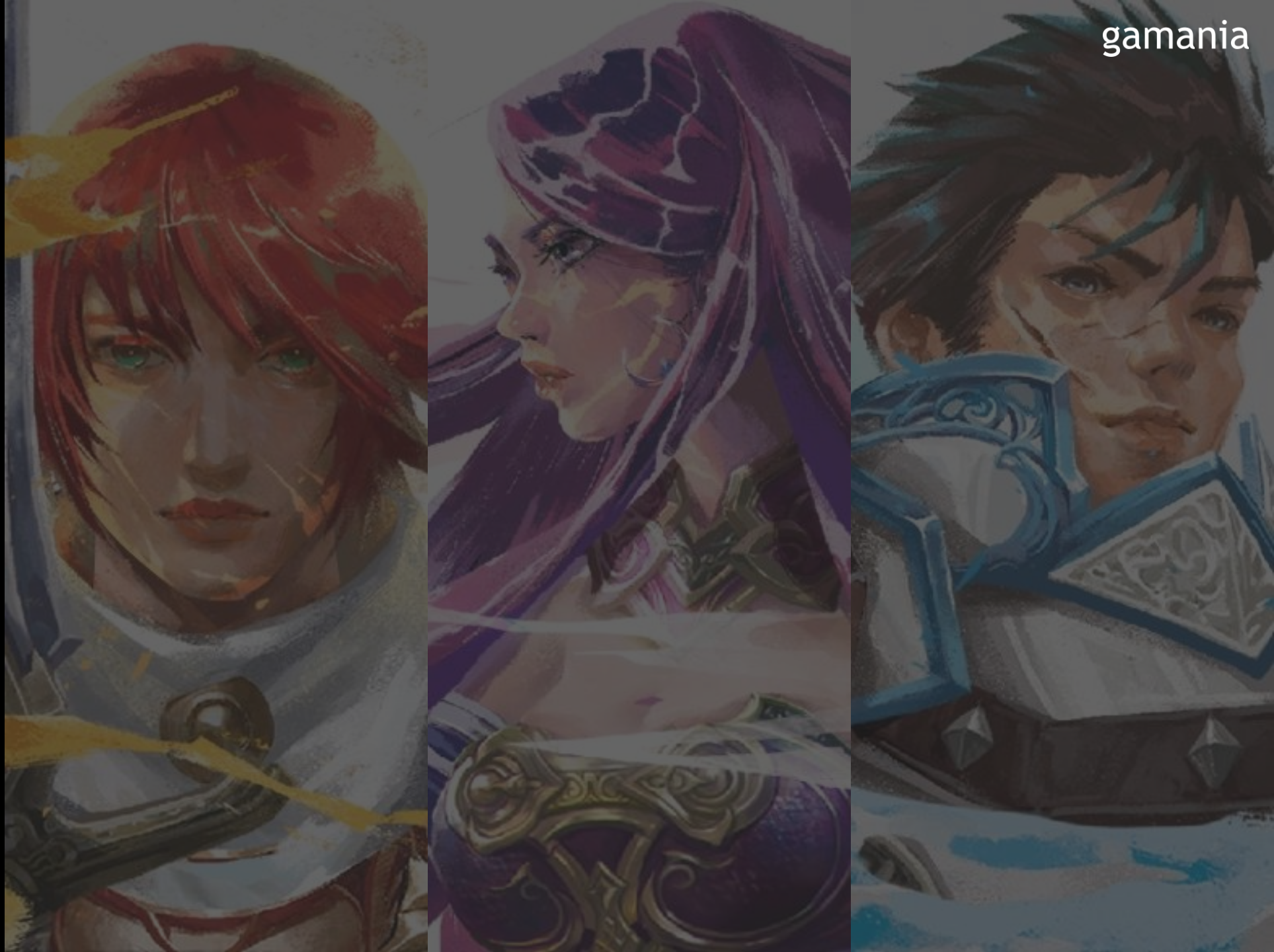
- We target to double our MAUs in 5 years, which we believe will support a double-digit revenue/earnings CAGR and a sustainable cash dividend payout.

GETTING TO KNOW GAMANIA

- 01** — **Who We Are**
Our history, business model, and focuses.
- 02** — **What Enable Us**
Our know-how and track record
- 03** — **Our Future Goals and Aspirations**
Our strategic directions and plans from near-to long-term
- 04** — **Financials**
Our historical operating and financial performances.

01

Who We Are



GAMANIA IN SUMMARY

Founded in
1995
 27 years
 Since founding



US\$ 423mn
 Market value
16.3%
 Revenue CAGR
 (2000~2022)



4,057
 Monthly ARPU (2022) (NT\$)
12.0%
 Monthly ARPU YoY growth

79%/4%/17%
 2022 Revenue Breakdown (Game/Points/Others)
60%/40%
 2022 Gaming Revenue Breakdown (PC/Mobile)



NT\$ 26bn
 MapleStory Life to date revenue



20~45 years old
 Players' Age
5+ Hours Per Day
 Average Time Spent (PC)



Lineage achieved record high life to date revenue in Taiwan game history

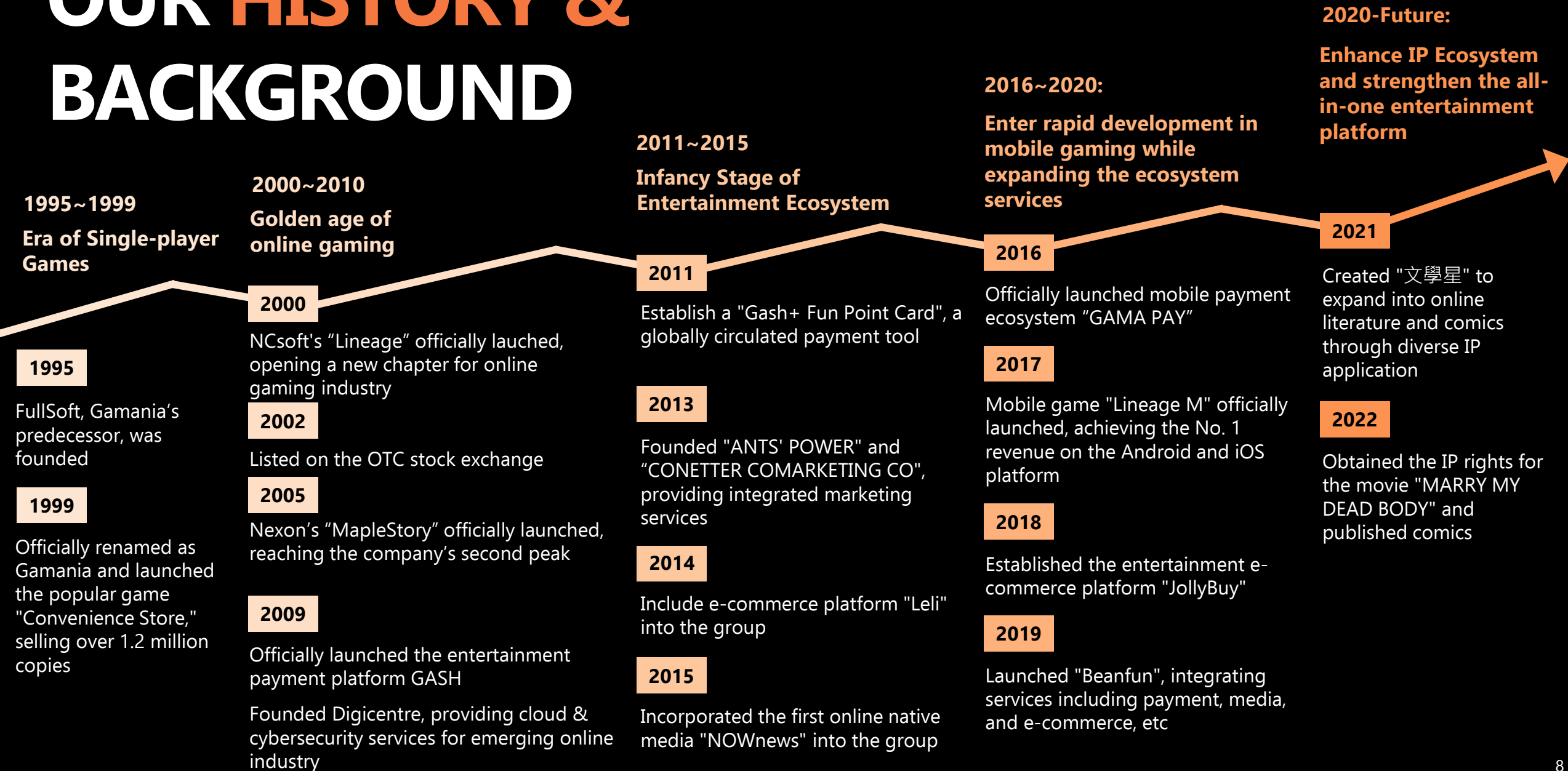
1,028
 Number of Employee (1Q22)
127
 Number of R&D (1Q22)

13 Million
 Gamers (Dec, 2022)
20.7%
 Number of Gamers Growth (2022)

Lineage M ranked as No. 1 game app in Taiwan from 2017~2021

11 years
 Average Product Life

OUR HISTORY & BACKGROUND



OUR GAAS BUSINESS MODEL

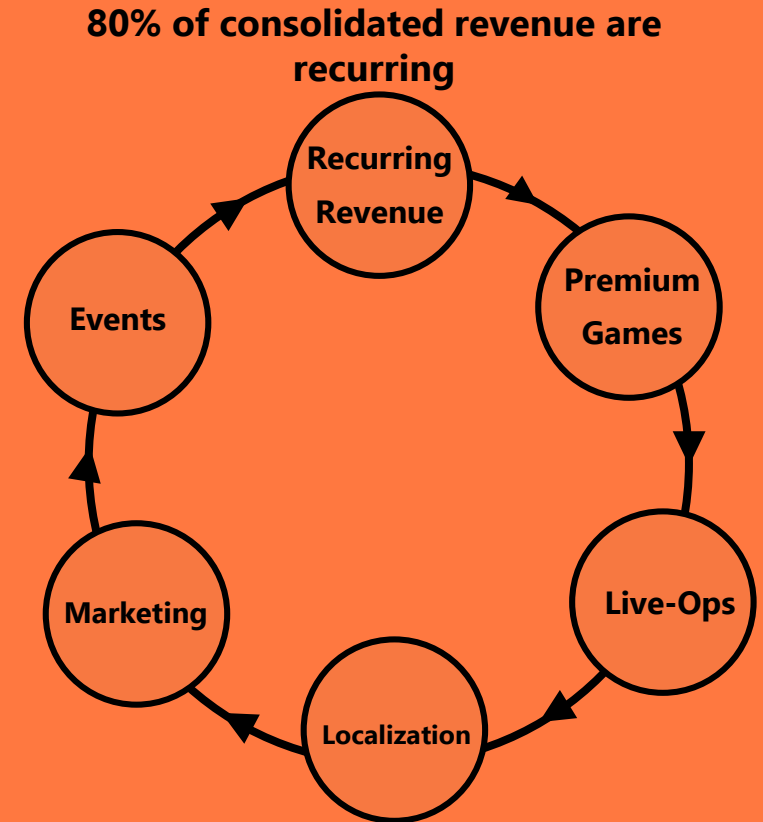
We manage the entire game value chain



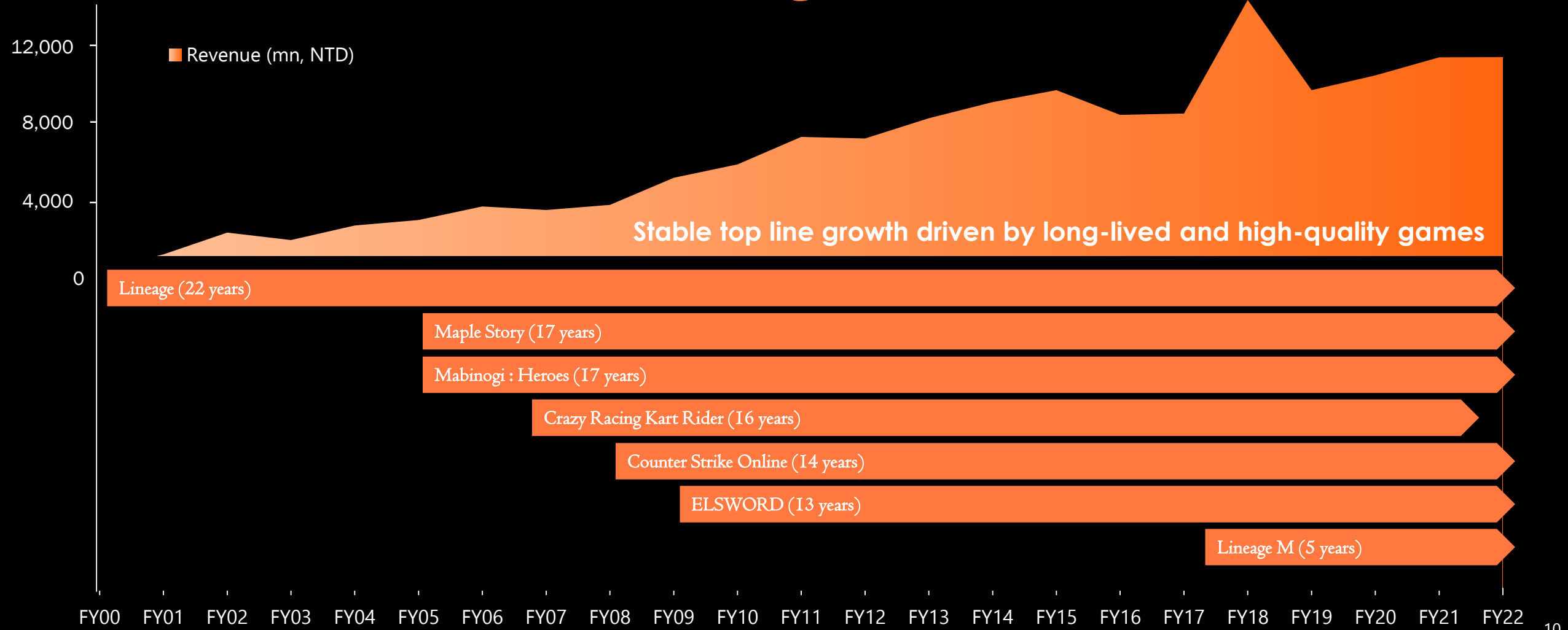
Revenue streams



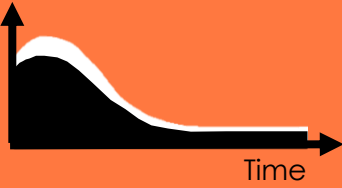
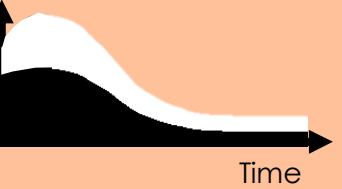

Games as a Service



WE SPECIALIZE IN OPERATING LONG-LIVED, HIGH-QUALITY GAMES



WE ARE RETURN FOCUSED

Type	Revenue Sharing Model	Est. Lifetime Revenue	x Revenue Sharing %	- Cost	x Hit Rate	= Risk adj. Investment Return	Description
Light Touch Publishing		US\$ 1bn	10%	US\$ 50mn	15%	US\$ 8mn (ROI 15%)	<ul style="list-style-type: none"> • Only provides daily operation and maintenance services • Low Risk • Low Return
High Touch Publishing		US\$ 1bn	30%	US\$ 90mn	30%	US\$ 63mn (ROI 70%)	<ul style="list-style-type: none"> • Provides all services related to game publishing including localization and marketing • Allowed to add local content • Medium Risk • Medium Return • Highest ROI
Own IP		US\$ 1bn	100%	US\$ 140mn	10%	US\$ 86mn (ROI 60%)	<ul style="list-style-type: none"> • Includes in-house development and game publishing • High Risk • Highest absolute return

*The dark part stands for the revenue attributed to IP Owner

**Cost assumption is calculated based on leading IP Owner and game publisher's R&D/SG&A % of revenue; The revenue assumption is based on LTD revenue of MapleStory

***Figures are for illustrative purposes

WE ARE WELL-POSITIONED IN THE GAMING PARADIGM SHFIT



GREAT GENRE WITH STICKY CUSTOMER BASE AND HIGH ARPU



Casual
US\$6.20bn



Simulation
US\$9.87bn



Strategy
US\$15.68bn



Action
US\$20.71bn



RPG
US\$74.83bn

* The number represents the projected total revenue in Asia of each gaming sector in 2023

MapleStory



MAPLE STORY (by Nexon)

An easy-to-learn, hard-to-master MMORPG with cross-cultural appeal that has been growing players and revenue over 17 years.

The **FIRST**

free to play game in Taiwan

Launched in

2005 (17 years)

Life to date revenue

NT\$26.2bn

Registered gamers worldwide

Over **18 million**

2023 Taipei Game Show

PC Game Award





LINEAGE M (by NCsoft)

Launched in **2017**

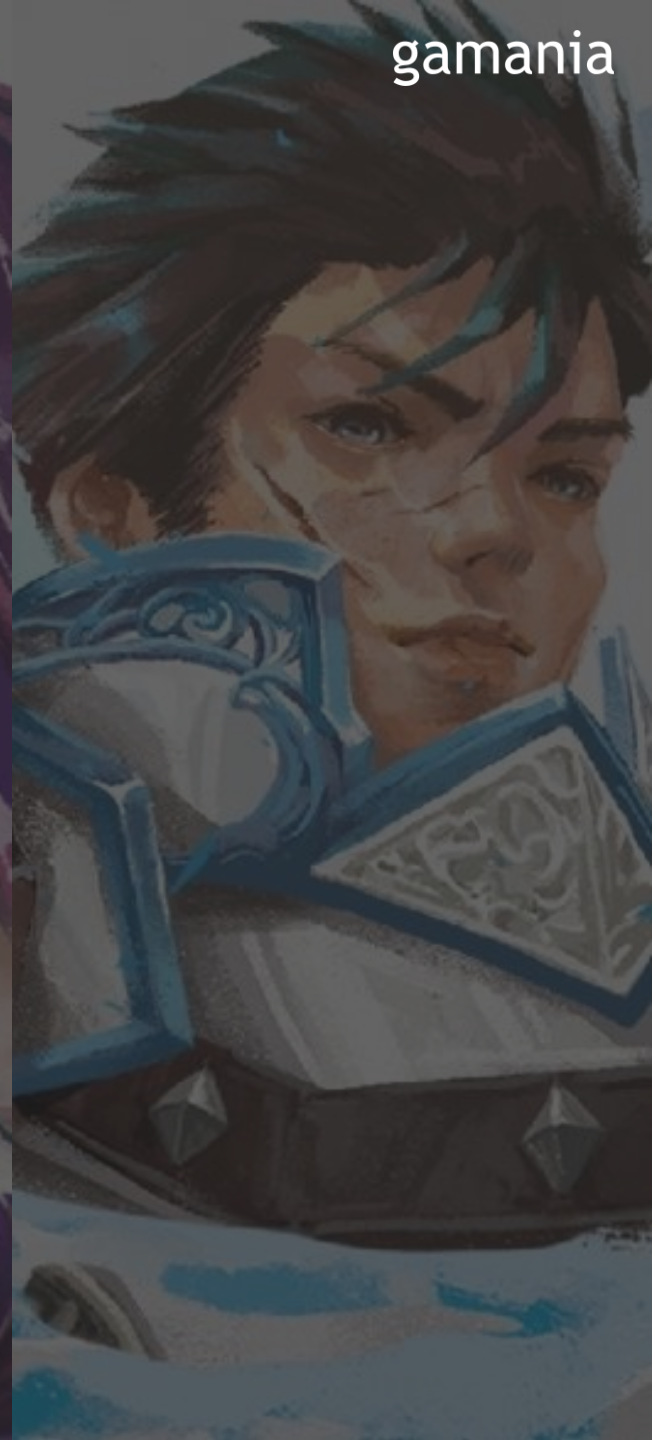
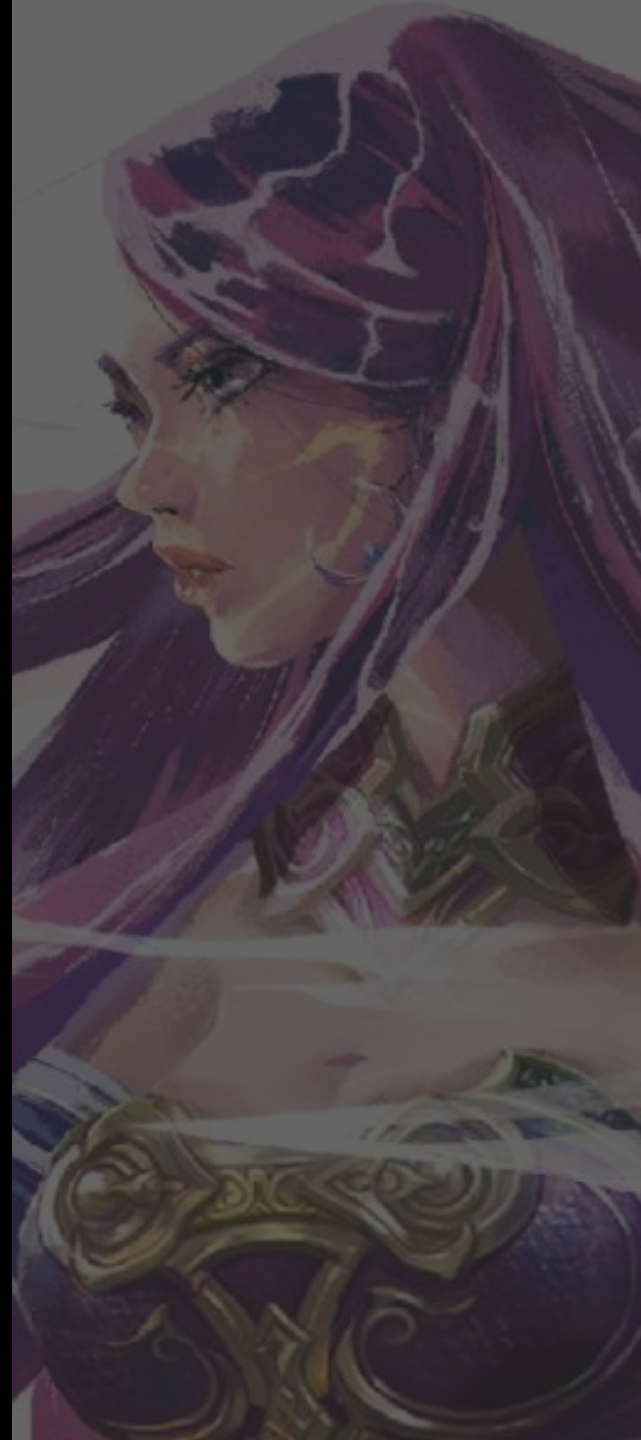
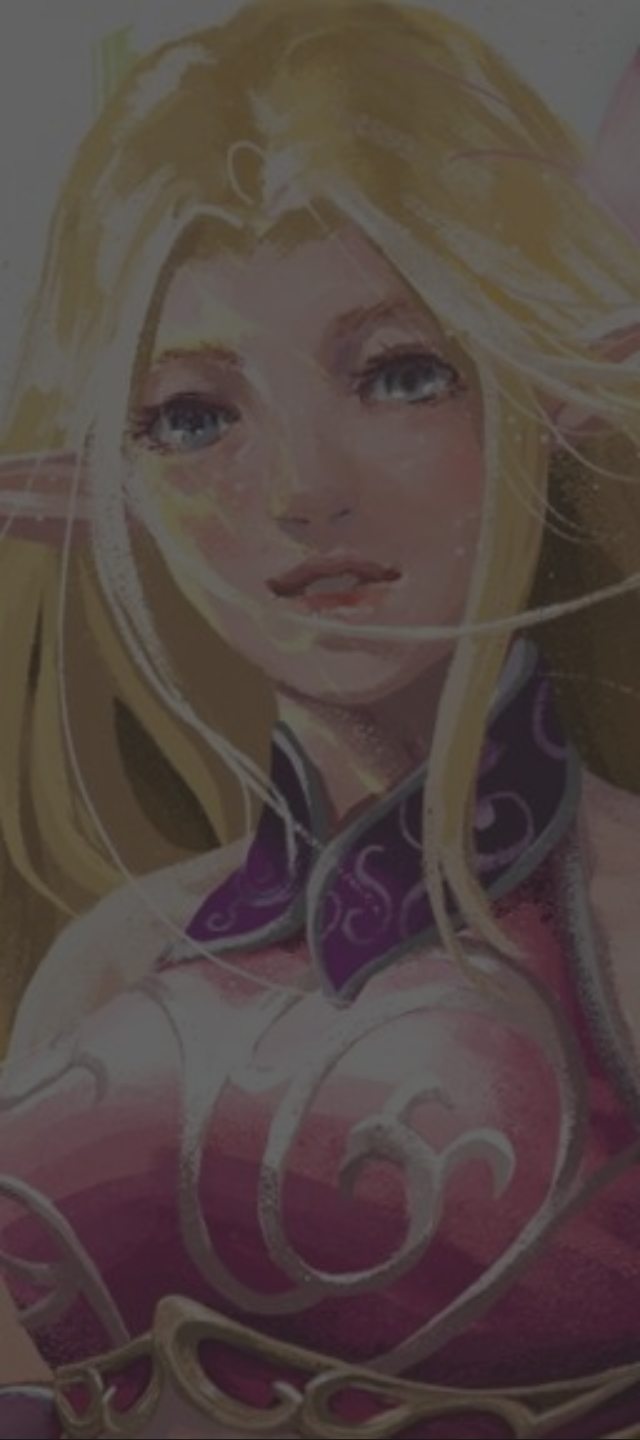
Over **7 million** registered gamers

Once achieved **1.11 million** DAU,
generated **NT\$100 million**
for a single day

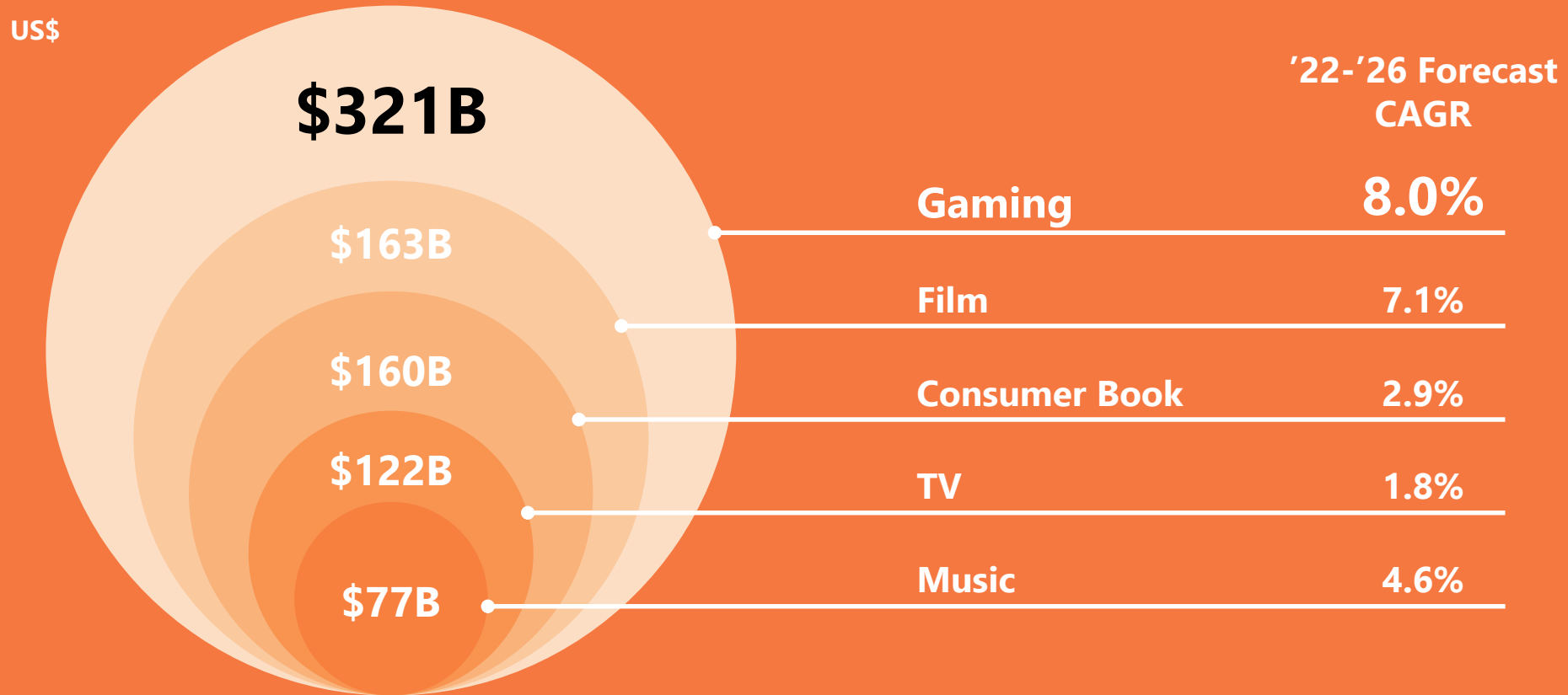
A **HARDCORE** MMORPG game

02

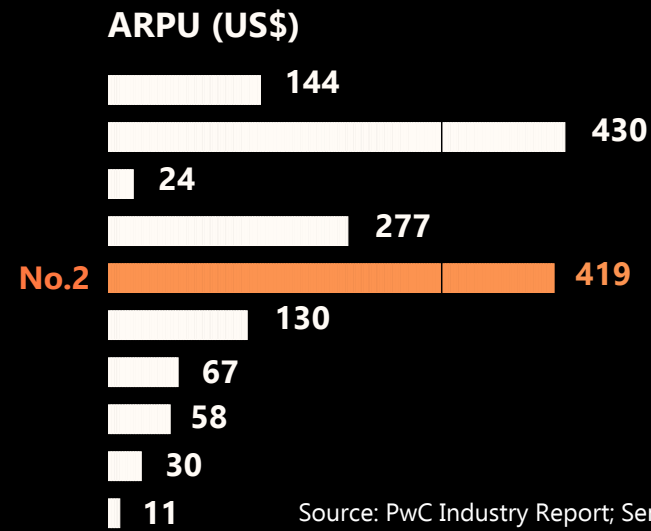
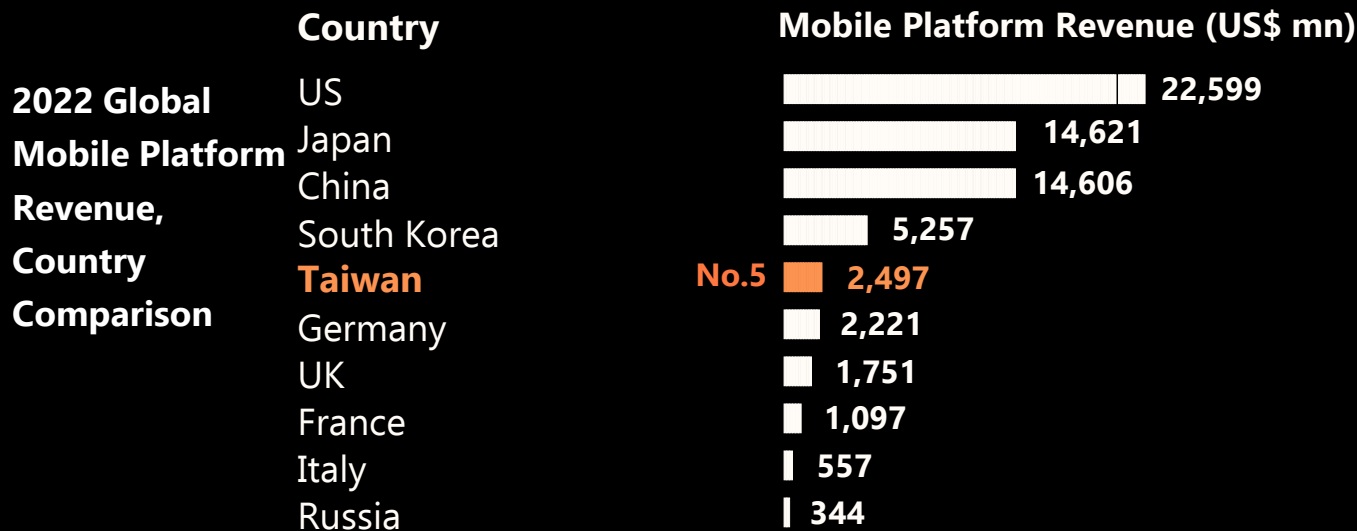
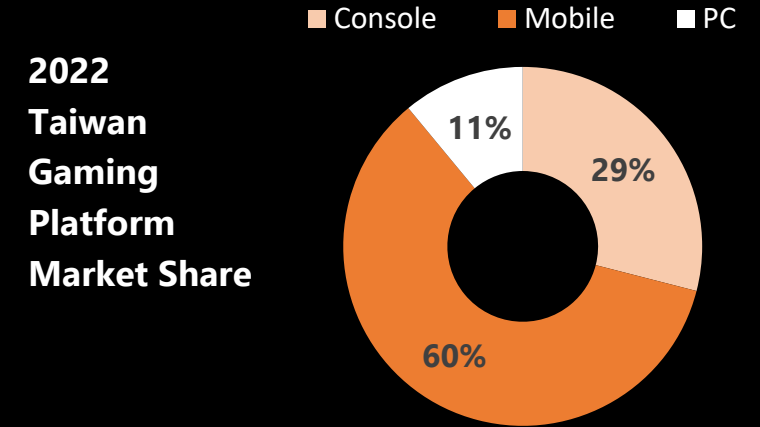
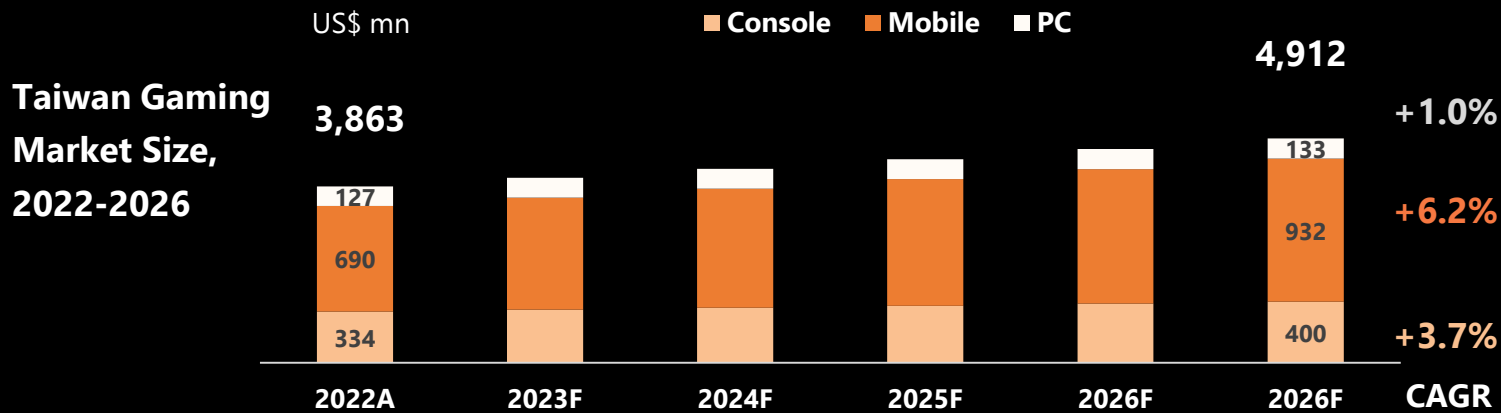
What
Enable Us



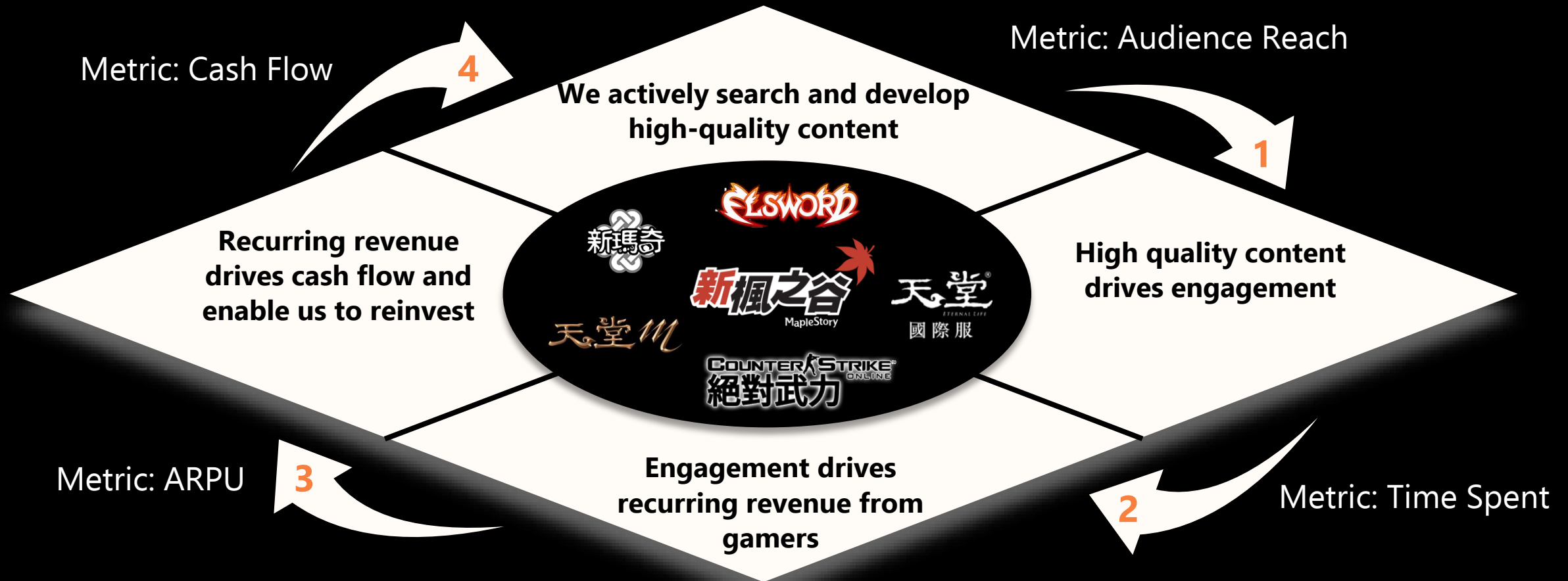
GAMES ARE THE LARGEST AND FASTEST GROWING AMONG ALL ENTERTAINMENTS



TAIWAN RANKS AMONG TOP MARKETS IN GAMING SECTOR



FLYWHEEL EFFECT OF OUR **FRANCHISE** **GROWTH**



A PROVEN MODEL

We've proven our ability to scale, engage, retain, and monetize our players

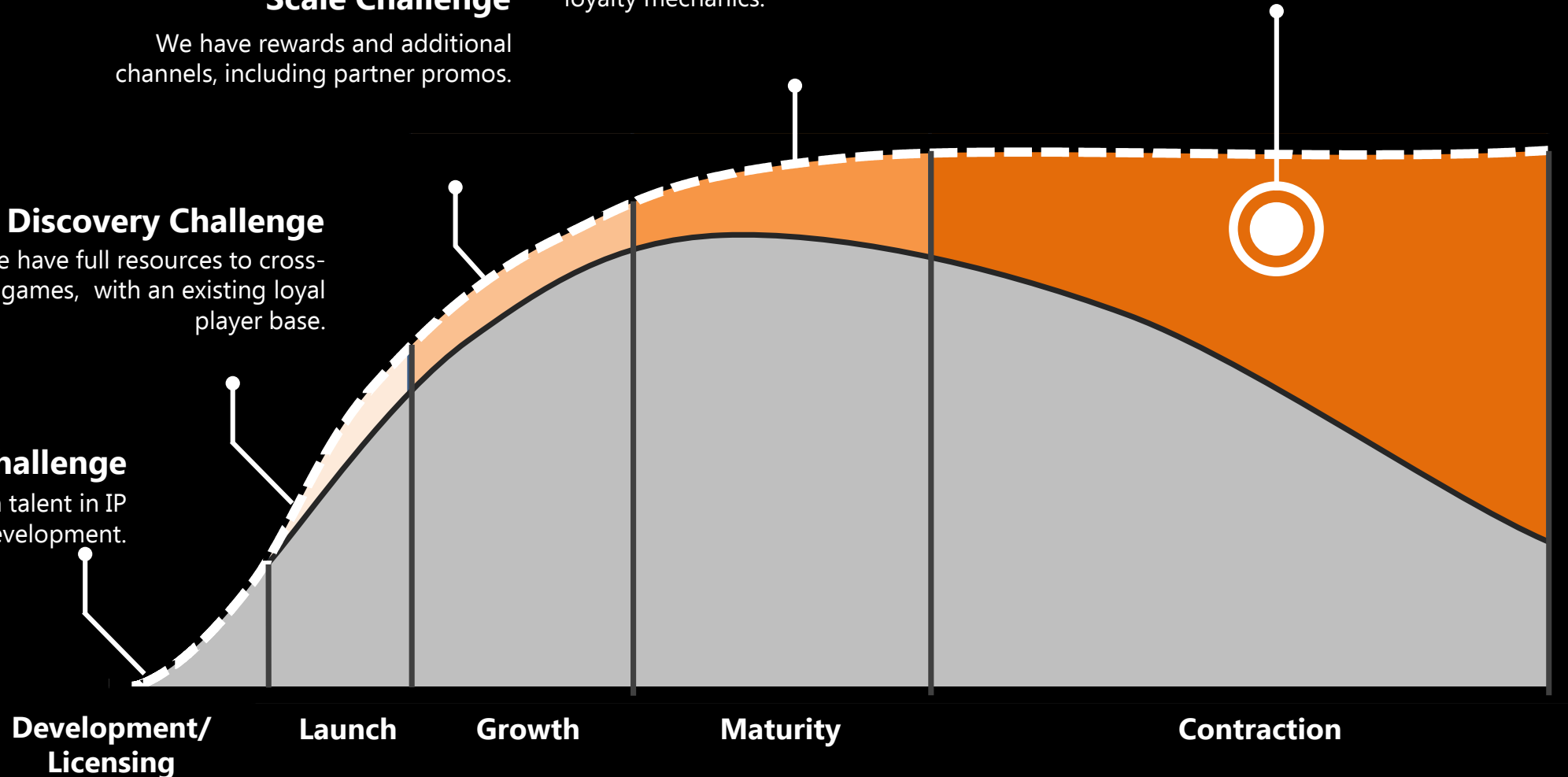
Discovery Challenge
We have full resources to cross-promote games, with an existing loyal player base.

Creative Challenge
We have proven talent in IP selection & development.

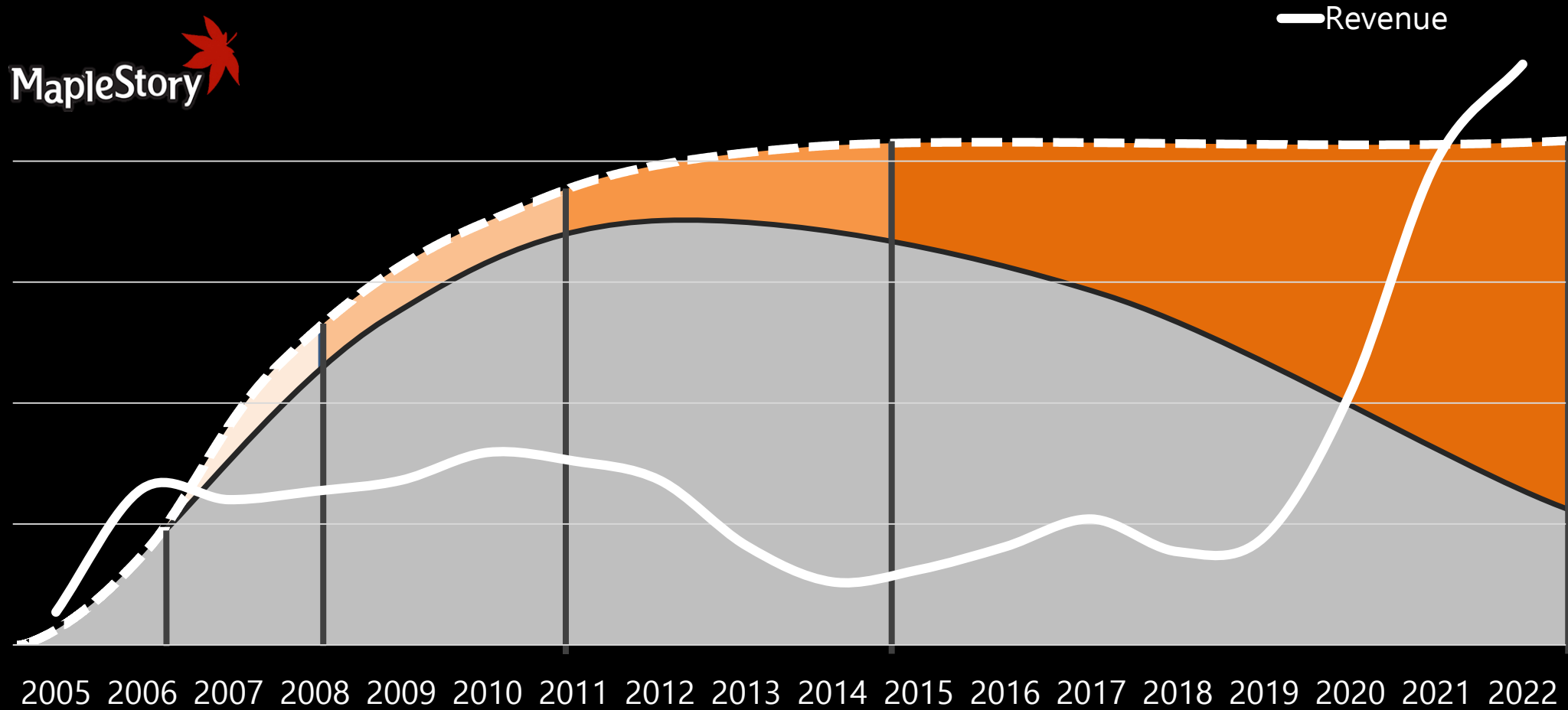
Scale Challenge
We have rewards and additional channels, including partner promos.

Engagement Challenge
We have operating discipline and proven loyalty mechanics.

Retention Challenge
We have a collection of unique offering that alter the end-of-life trajectory.



AS WE **REVIVED** THE GROWTH OF AN 17 YEARS OLD GAME



WITH OUR LOCAL KNOW-HOW

Strategic Partnership

MapleStory
x
a-sha



MapleStory
x
Isekai Quartet



MapleStory
x
BLACKPINK



MapleStory
x
Capoo



Updates



Events



Gamania Festival



Gamania Festival x Cosmos People



MapleStory x A-SHA

GASH

10+ MN

Users for Digital Entertainment Service

3+ MN

Monthly Transaction

NTD 10+ BN

Annual Transaction Value

Can be used in

non-Gamania Games



- GASH Bi-direction Marketing Gift Bag Marketing/Discount Ticket Promotion



- Bi-direction Channel Cooperation
- Discount Tickets
- CP Service Integration and Promotion



- Officially Certified Digital Assets
- Works to be Easily and Quickly Launched as Blockchain Format
- BaaS (Blockchain as a Service)



- Point Card/Gift Bag/ Exclusive Card Marketing
- Cross-industrial Integration
- Branded Gift Cards



- GASH Point Card Marketing
- Gift Bag Marketing
- External Cooperation Channel Marketing

EMPOWER BUSINESS WITH ROBUST CLOUD & SECURITY SUPPORT



Product and Service Industry



Cybersecurity

- ✓ AI SOC
- ✓ DDoS Block
- ✓ APP Guard



Cloud Service

- ✓ Cloud Infrastructure
- ✓ Flexible Setting
- ✓ Real-time Report



MSP Service

- ✓ Firewall · ITS
- ✓ Treat Monitoring
- ✓ Direct Peering



Gaming



Digital Payment

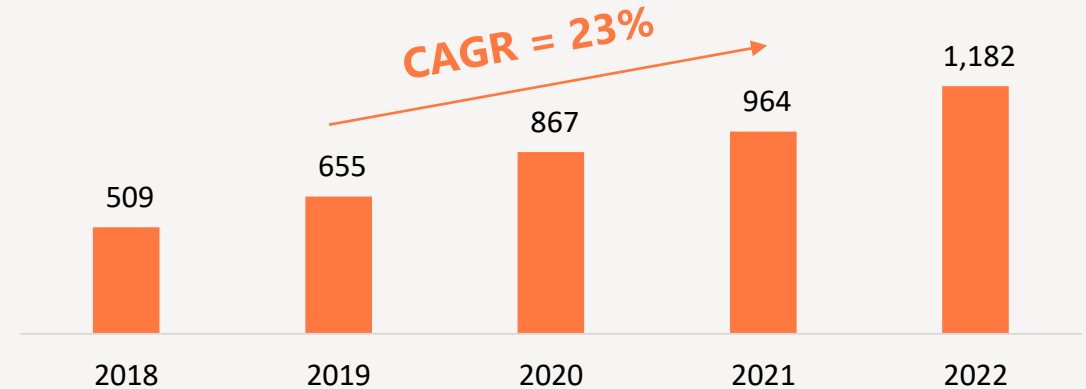


E-Commerce



Financial Service

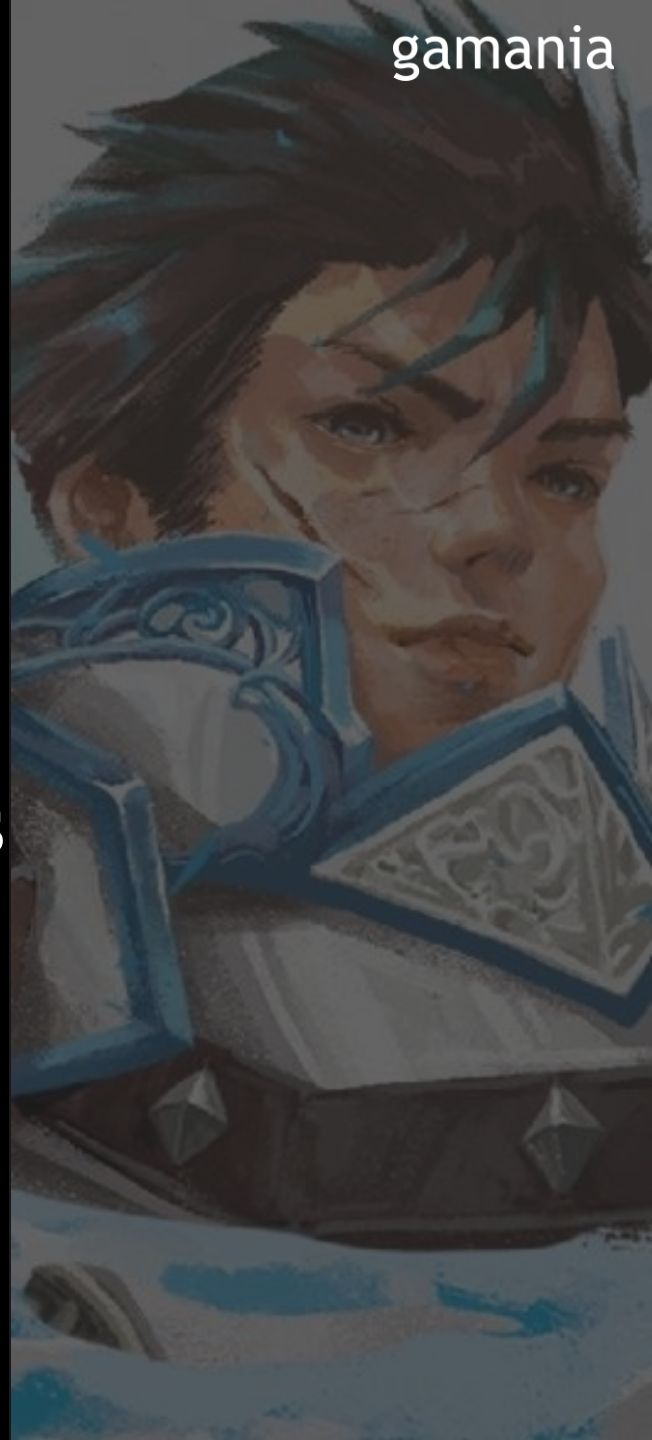
Digicentre Revenue, NT\$m



- Revenue CAGR surpassed industry average
- Overseas revenue accounts for 45%+
- 60% of enterprises in financial industry have adopted Digicenter's solution
- Awarded as an excellent cybersecurity vendor by the Executive Yuan

03

Our Future Goals and Aspirations



A **SOLID FOUNDATION** TO DELIVER AND GROW

NEAR-TERM

Focus on revolutionary games with an emphasis on high quality and telling stories that inspire gamers

- ✓ Provide best-in-class live services that leverage data science to drive user acquisition and recurrent consumer spending.
- ✓ Develop in-house games and our own IPs, with a long-term goal to account for 50% of the game portfolio.

MID-TERM

Spinning up the Franchise Flywheel – multi-faceted development of franchises

- ✓ Create an ecosystem consisting of – among others – games, comics, novels, TV series, movies, etc.
- ✓ This will lead to broader recognition, a larger community of consumers, better product synergies, and increased revenues.

LONG-TERM

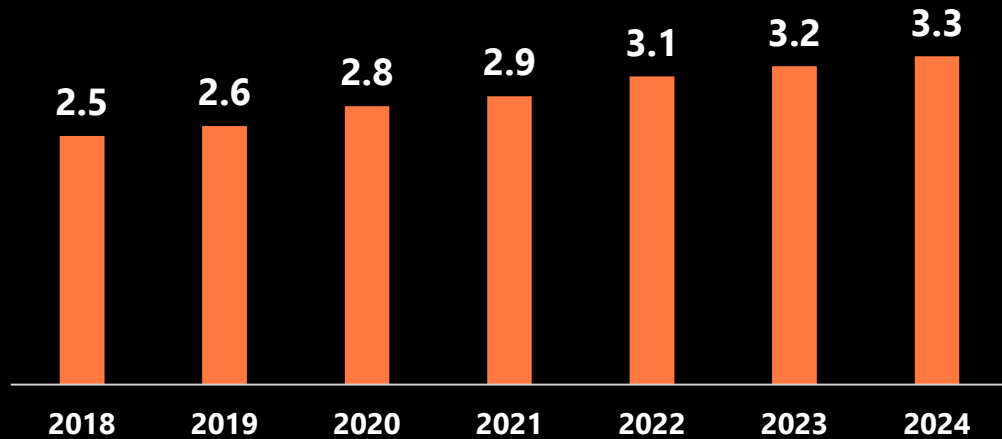
Creatively meet the evolving needs of players, through more to make life easier and more fun

- ✓ Building an all-in-one entertainment and services platform for players.
- ✓ Services range from ACGN-focused e-commerce to payments.
- ✓ Grow the group users to 4M+ by leveraging the ecosystem.

OVER 3 BILLION GAMERS WORLDWIDE: GAMING GOES MAINSTREAM

Game: Mega Content with 3B+ Gamers

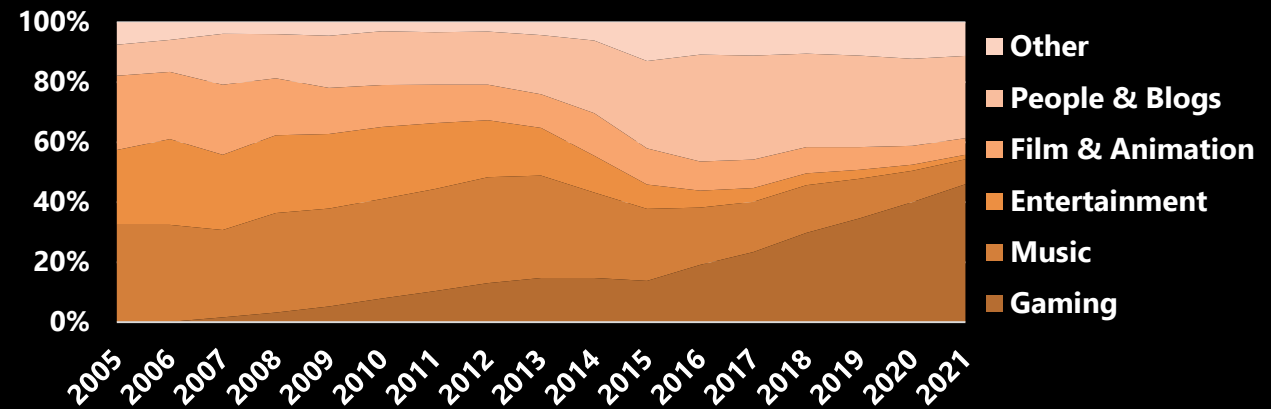
Number of Gamers in the world (bn)



Consistent growth trajectory
across all platform (Mobile / PC / Console)

Generating Highest User Attraction among Other Content

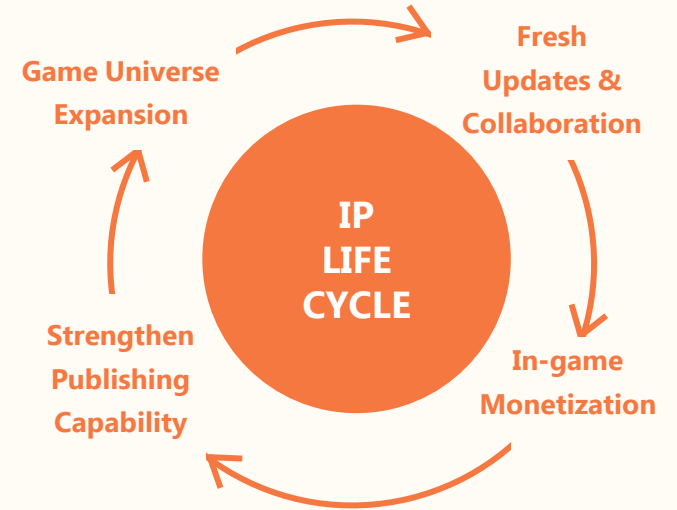
% of Viewership by Major Category on YouTube



50B Hours Annual Hours Watched on YouTube for Gaming Content

665 M Global Video Views for Gaming Content

IP LIFE CYCLE EXTENSION THROUGH EXPERTISE IN LIVE-OPS



Strengthen user engagement with our 20 years' experience in live ops



<MapleStory : Level Limit Extension>



<MapleStory : Career Remastered>



< Lineage M x Kaohsiung Aquas >



<MapleStory x BLACKPINK>



<Elsword : New Career>



<Lineage M : New Career>



<World Flipper : Major Update>



<Lineage M : Major Update>

CONTINUED INVESTMENT IN CREATIVE AND PROMISING IPS



Chibi Maruko Chan

- Self developed mobile game
- Casual tile-matching game
- Famous Japanese IP



Tree of Savior M

- Free to play mobile MMORPG
- Based on traditional Lithuanian culture and mythology.
- Produced by Kim Hakkyu (IMC Games), creator of Ragnarok Online



Pocket Store

- Simulation Game
- Own IP, self developed mobile game
- Remaster of a classic PC game in Taiwan






Project A

- Hardcore MMORPG
- Now under discussion with IP owner

GREAT IP IS VALUABLE ACROSS MULTIPLE CHANNELS

thus spinning up the franchise flywheel.

Our IPs

-  Game
-  Comics & Books
-  Anime & Film
-  Music
-  Social Media



IP CASE STUDY

Film to Comics



The movie "MARRY MY DEAD BODY" has garnered over NT\$240 million box office sales and sparked a wave of popularity.

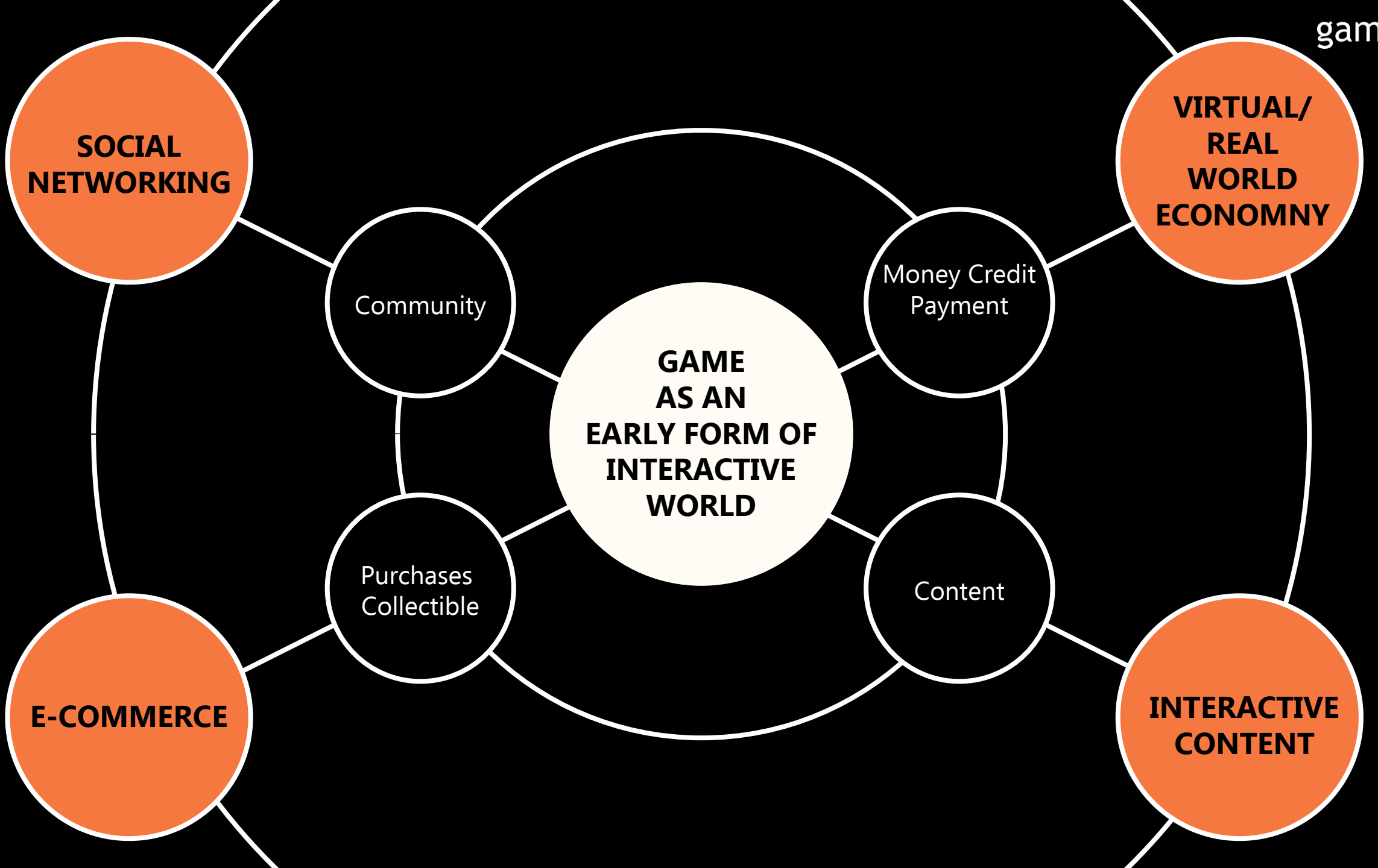
Gamania has secured the rights of the derivative comic, which has achieved over 50,000 daily views on beanfun's Comic Star.

Mobile Game to TV Series



"Lineage M" has been a top-performing mobile game in Taiwan for several years.

Utilizing the Lineage IP, we have leveraged the group's online video platform to feature a television series entitled "可惡! 把我的青春還給我", which has amassed over 10 million views.



INTERACTIVE CONTENT

EXPAND OUR PORTFOLIO OF INTERACTIVE ENTERTAINMENT TO FULFILL GAMERS' INTERESTS

NOWnews

Comics

Novels

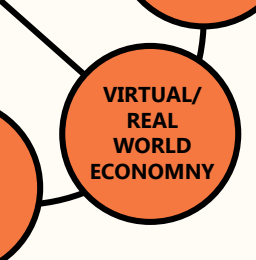


異常
路邊攤



守天誅
瀾霜

Ranked **7th** among TW online media by ComeScore



Our Future Goals and Aspirations

gamania

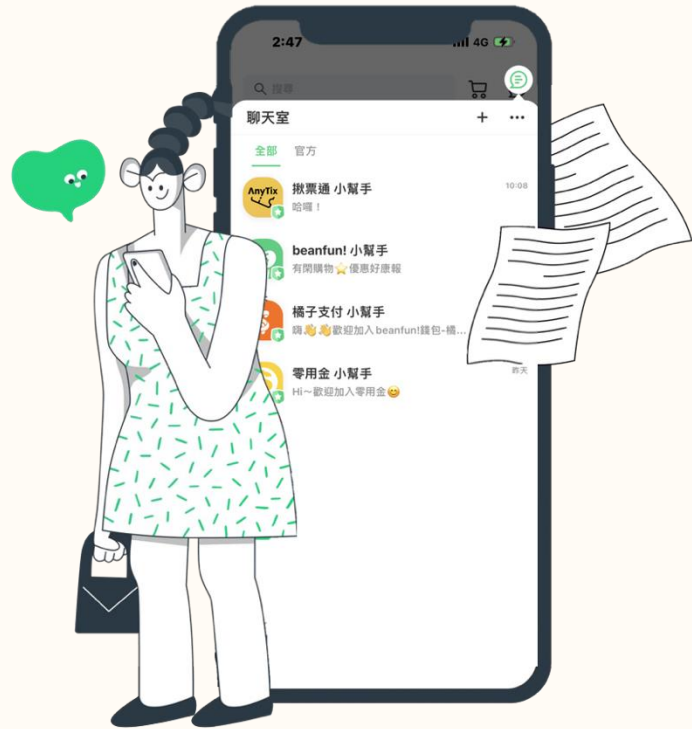
PROVIDE MORE CONVENIENCE AND BENEFITS FOR OUR GAMERS

Off-line Life Service Channels **70K+**

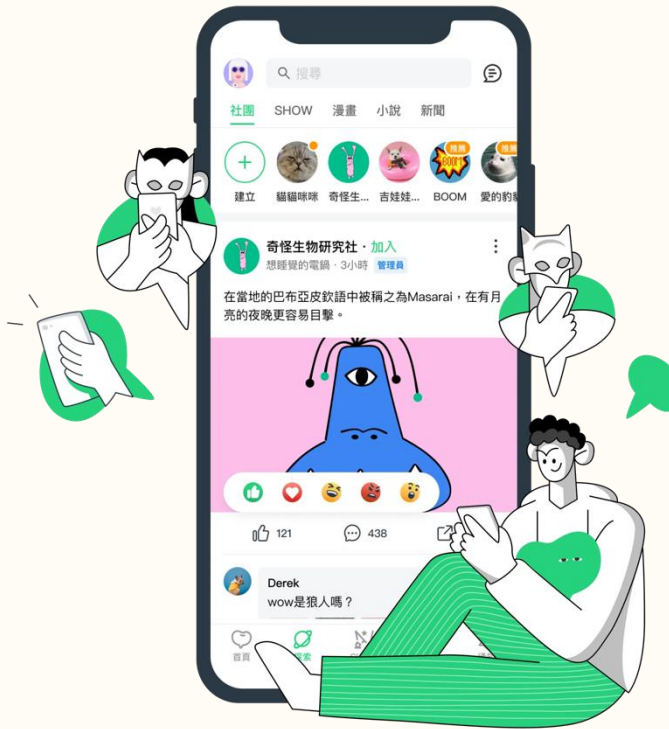


BUILDING A VIRTUAL NETWORK FOR GAMERS TO MEET AND SOCIALIZE

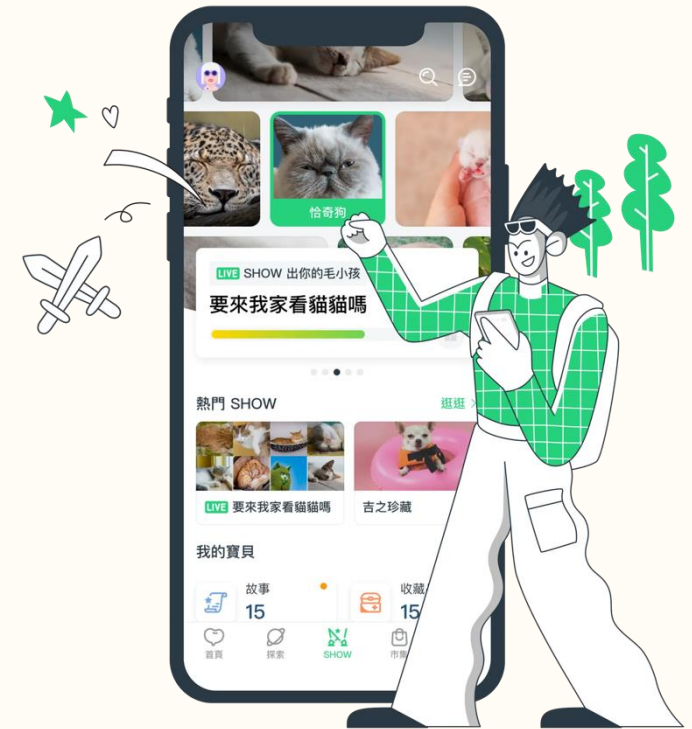
Private Messaging



Online Communities



Online Posts



E-COMMERCE

BUILDING THE LARGEST ACGN-FOCUSED E-COMMERCE WEBSITE IN TAIWAN

FY2022

- Order Amount **+20% YoY**
- Average Order Value **+7% YoY**
- Toys & Figures GMV **+52% YoY**
- Digital Tickets GMV **+42% YoY**
- Game Related GMV **+72% YoY**



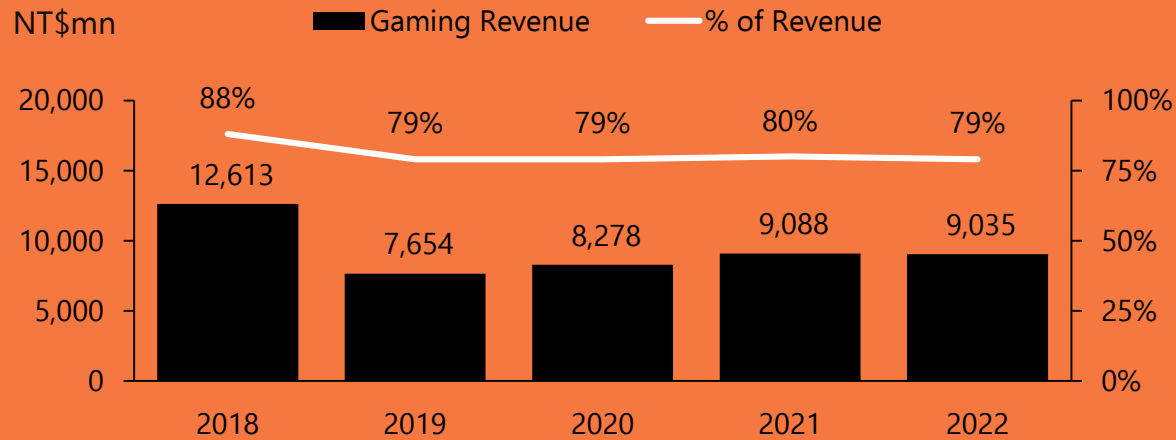


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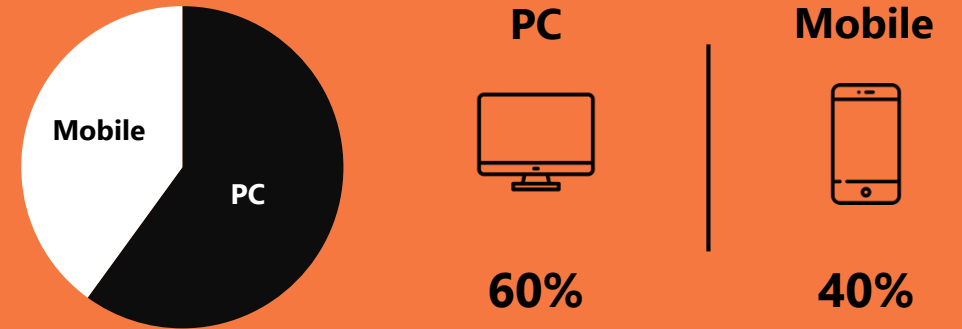
Financials

STABLE GAME REVENUE AND MARGIN IMPROVEMENT GENERATES HIGH ROE

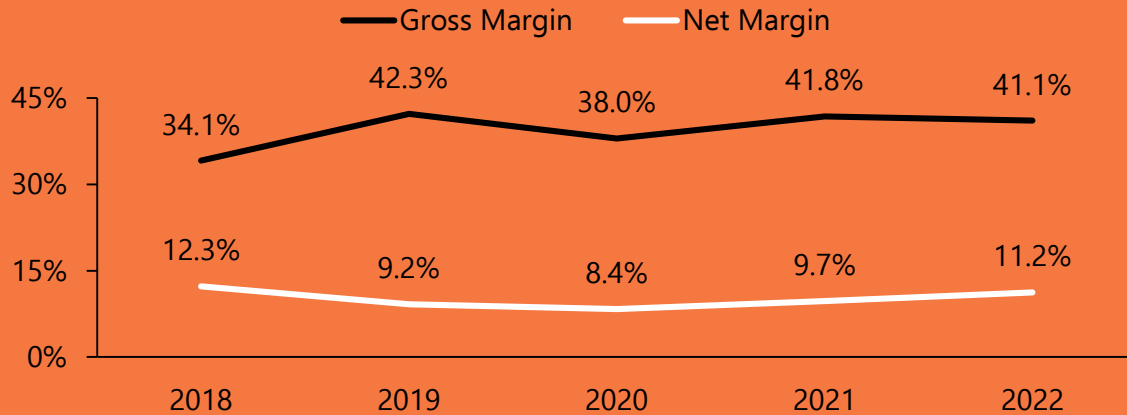
GAME REVENUE



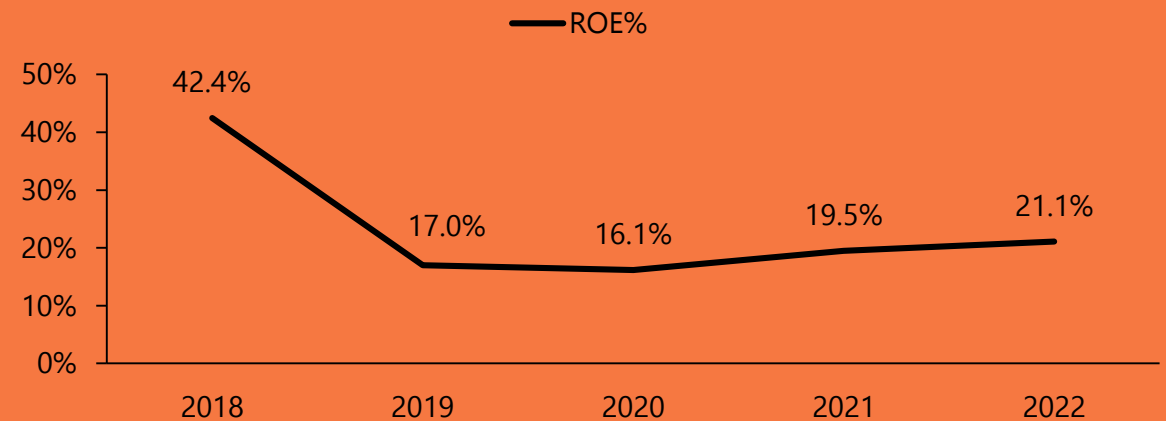
2022 GAME REVENUE BREAKDOWN



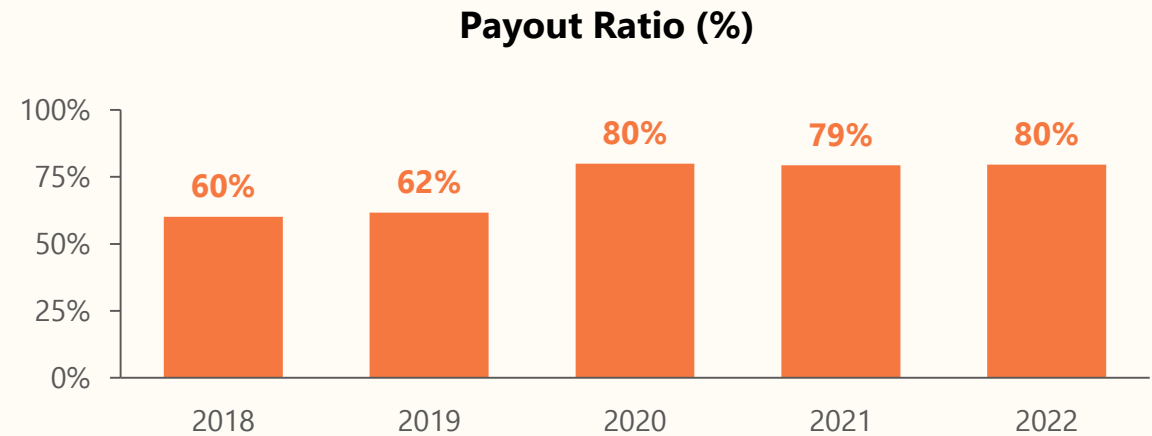
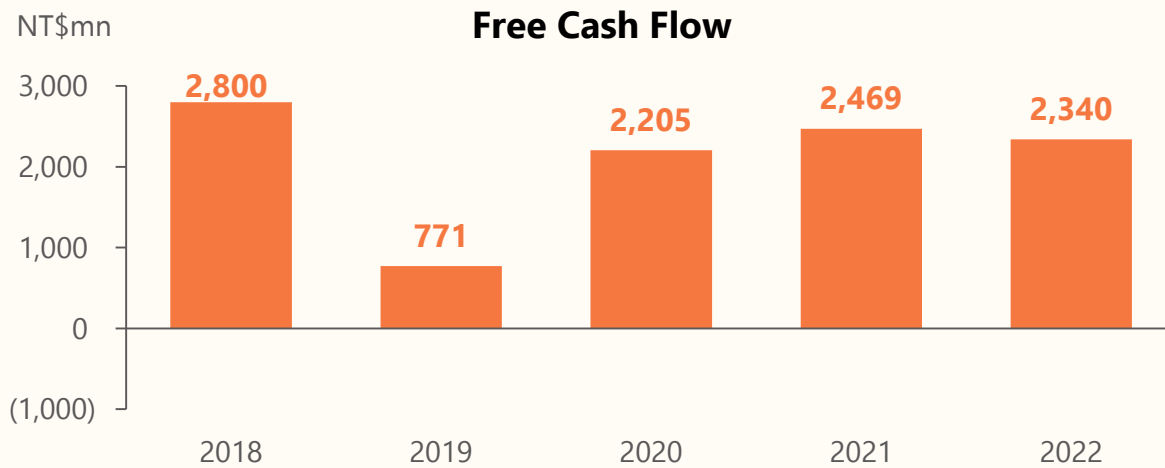
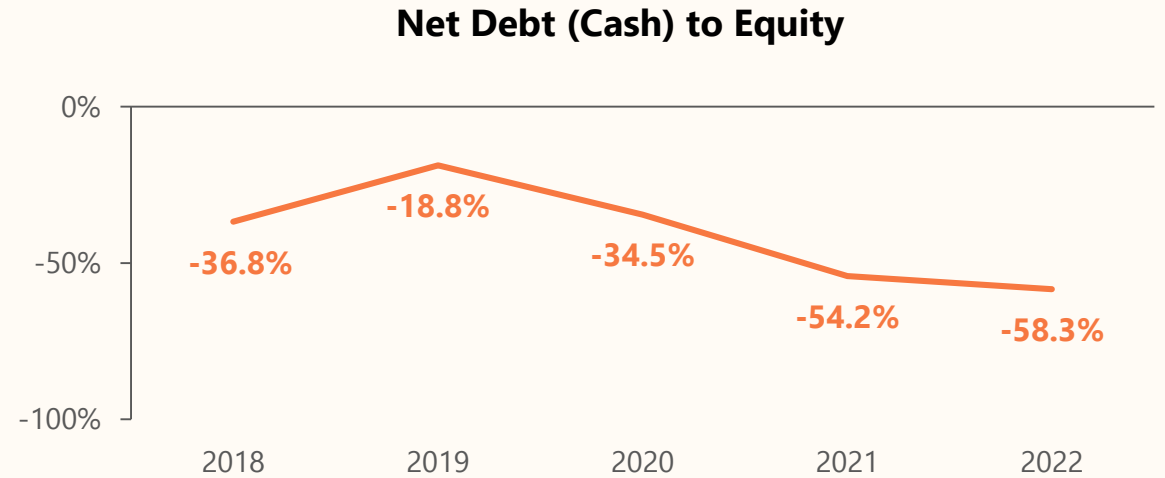
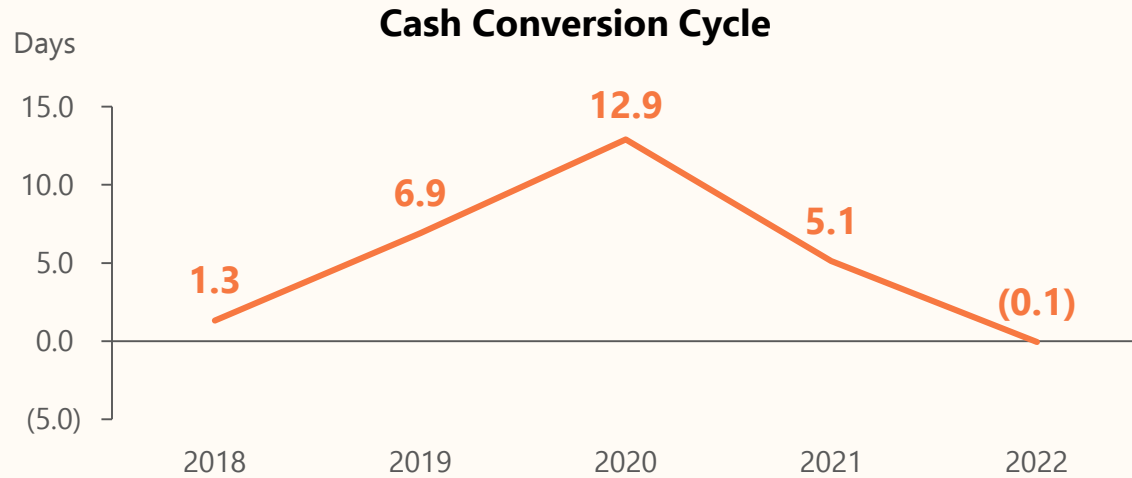
GROSS MARGIN / NET MARGIN



ROE (%)



SOLID FINANCIAL FOUNDATION DRIVEN BY STRONG BALANCE SHEET AND CASH FLOW



INCOME STATEMENT (2018-2022)

NT\$m	2018	2019	2020	2021	2022
Revenue	14,335	9,681	10,443	11,372	11,388
Gross Profit	4,894	4,093	3,969	4,757	4,682
OPEX	2,852	2,833	2,831	3,023	2,924
Operating Profit	2,042	1,260	1,137	1,734	1,759
Non Op. Income & Loss	115	-82	-72	-289	-50
Pre-tax Profit	2,158	1,178	1,066	1,445	1,708
Tax Expense	464	314	283	436	430
Net Income	1,760	888	872	1,106	1,280
Basic EPS (NT\$)	10.31	5.10	5.00	6.30	7.29

Key Ratio (%)	2018	2019	2020	2021	2022
Gross Margin	34.1%	42.3%	38.0%	41.8%	41.1%
OPEX as % Revenue	19.9%	29.3%	27.1%	26.6%	25.7%
Operating Margin	14.2%	13.0%	10.9%	15.2%	15.4%
Tax Rate	21.5%	26.6%	26.6%	30.2%	25.2%
Net Margin	12.3%	9.2%	8.4%	9.7%	11.2%

YoY Growth (%)	2018	2019	2020	2021	2022
Revenue	69.1%	-32.5%	7.9%	8.9%	0.1%
Gross Profit	212.7%	-16.4%	-3.0%	19.9%	-1.6%
Operating Profit	-	-38.3%	-9.7%	52.5%	1.4%
Net Income	-	-49.6%	-1.7%	26.8%	15.7%

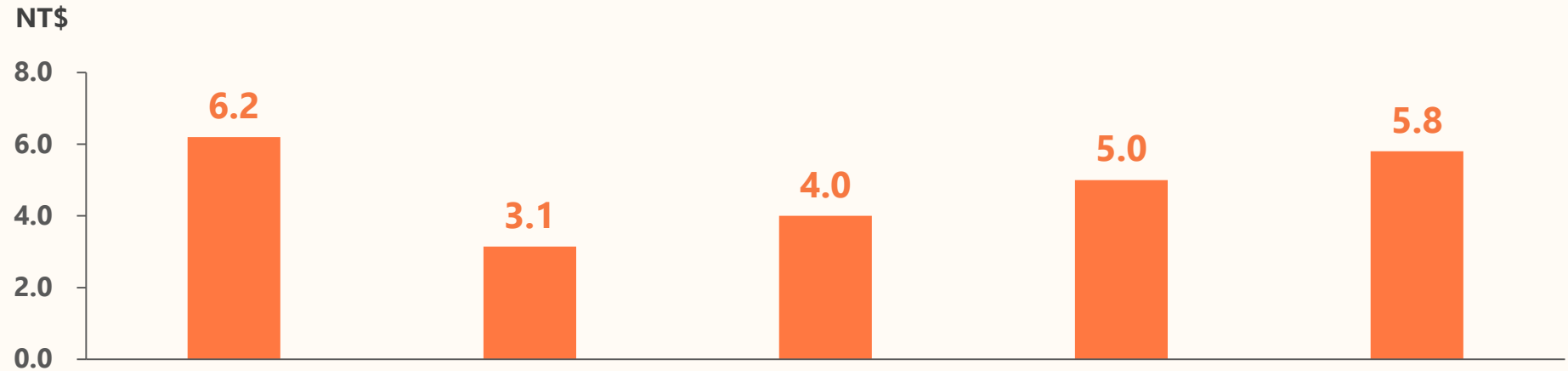
BALANCE SHEET (2018-2022)

NT\$mn	2018	2019	2020	2021	2022
Total Asset	9,823	9,260	9,305	9,473	10,387
Cash & Equivalent	2,797	2,203	2,398	3,419	3,737
A/R & N/R	974	1,075	963	888	806
Inventories	101	116	126	123	129
PP&E	2,896	2,857	2,845	2,797	2,812
Total Current Liability	3,787	3,606	3,580	3,459	3,938
A/P & N/P	647	542	505	634	617
Total Equity	5,159	5,297	5,512	5,852	6,289

YoY Growth (%)					
Total Asset	15.1%	-5.7%	0.5%	1.8%	9.7%
Cash & Equivalent	102.7%	-21.2%	8.8%	42.6%	9.3%
A/R & N/R	-56.7%	10.3%	-10.4%	-7.7%	-9.3%
Inventories	42.5%	14.9%	8.1%	-2.6%	5.2%
PP&E	3.7%	-1.4%	-0.4%	-1.7%	0.5%
Total Current Liability	-7.2%	-4.8%	-0.7%	-3.4%	13.8%
A/P & N/P	-59.1%	-16.2%	-6.8%	25.5%	-2.7%
Total Equity	64.5%	2.7%	4.0%	6.2%	7.5%

Key Ratios (%)					
Days Sales Outstanding	41	39	36	30	27
Days Inventory Outstanding	3	7	7	7	7
Days Payable Outstanding	43	39	30	31	34
CCC	1	7	13	5	0
ROE%	42.4%	17.0%	16.1%	19.5%	21.1%
ROA%	19.2%	9.3%	9.4%	11.8%	12.9%
Debt Ratio%	38.6%	38.9%	38.5%	36.5%	37.9%
Net debt to Equity%	-36.8%	-18.8%	-34.5%	-54.2%	-58.3%

DIVIDEND PAID AND CAPITAL EXPENDITURES



	2018	2019	2020	2021	2022
Payout Ratio(%)	60%	62%	80%	79%	80%
Cash Dividend Yields*(%)	8.4%	4.3%	6.4%	8.3%	7.8%
CAPEX (NT\$ mn)	102	105	129	87	131
CAPEX as % of Revenue (%)	0.7%	1.1%	1.2%	0.8%	1.2%

*Cash dividend yield is based on market capitalization on the day prior to ex-dividend

CONTINUED PROGRESS ON ESG

Governance

ESG Committee

Gamania has established **ESG Committee** in 2019, in which Chairman serves as the Committee Chairperson. The Committee meets at least once a quarter.

Information Security & Privacy Protection

The company did not encounter major Network attack or incident in 2021 that resulted in significant adverse impact on businesses or operations, and neither was the company involved in any case of legal dispute, supervision, or investigation in this regard.

Innovation Management

A total of **97 patents** were approved and published in Taiwan

Social

Talent Attraction & Retention

Top 100 Companies for Young Generation

by Cheers Magazine for 16 consecutive years
The only game developer on the list

Employee Support Programs

Gamania introduced **Equality Leave** in 2015, where partners in same-sex marriage are entitled to 8 days of wedding leave and paternity leave, and Gamania was the first among listed companies in Taiwan to implement the idea.

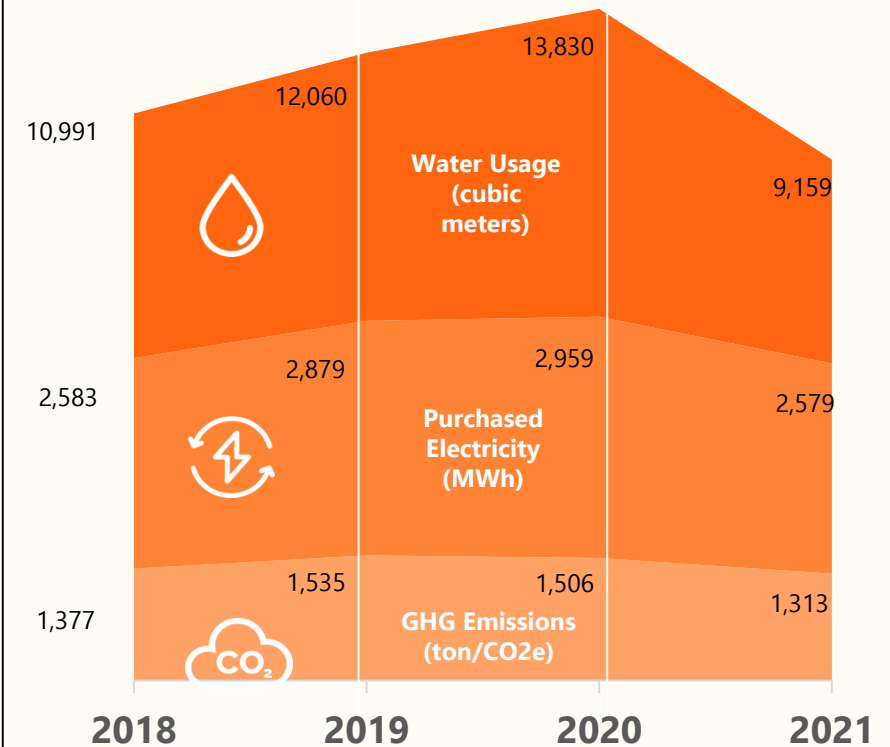
Customer Relationship Management

700,000 customer queries a year

99% service accuracy

Environment

GHG Emission, Energy, Water Resource Management



CONTINUED PROGRESS ON ESG



16.7 Low Risk

(100-0; 0 the best)

Bloomberg

50.73

(100-0; 100 the best)

**S&P Global
Ratings**

42 (PR 95)

(100-0; 100 the best)



2.4

(5-0; 5 the best)



TAIWAN
STOCK EXCHANGE

臺灣證券交易所

6% to 20%

TPEX-listed Companies
(2021)

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gamania

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