

gamania

Gamania (6180 TT)

Investor Presentation

Aug 2023



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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

28 years

Since founding



US\$ 382mn

Market value

16.3%

Revenue CAGR
(2000~2022)



7,110

Monthly ARPU (1H23) (NT\$)

(Top 3 Games)

66%/10%/5%/19%

2Q23 Revenue Breakdown
(Games/Commerce/Payment/Others)

50%/50%

2Q23 Gaming Revenue Breakdown (PC/Mobile)



NT\$ 28.3bn

MapleStory Life to
date revenue
(1H23)



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**

1,050

Number of Employee (1Q23)

164

Number of R&D (1Q23)

13 Million

Gamers (Dec, 2022)

20.7%

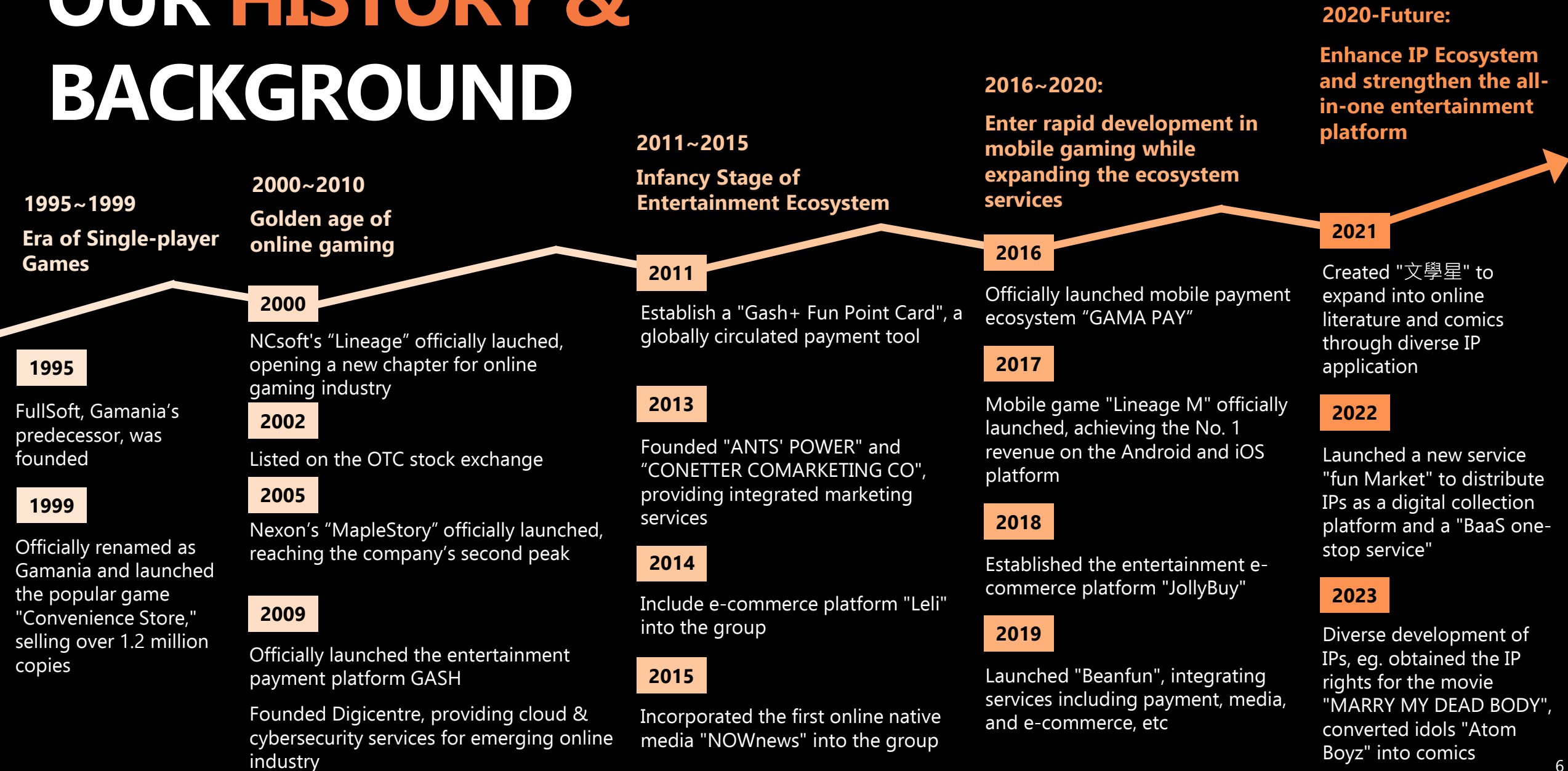
Number of Gamers Growth (2022)

**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

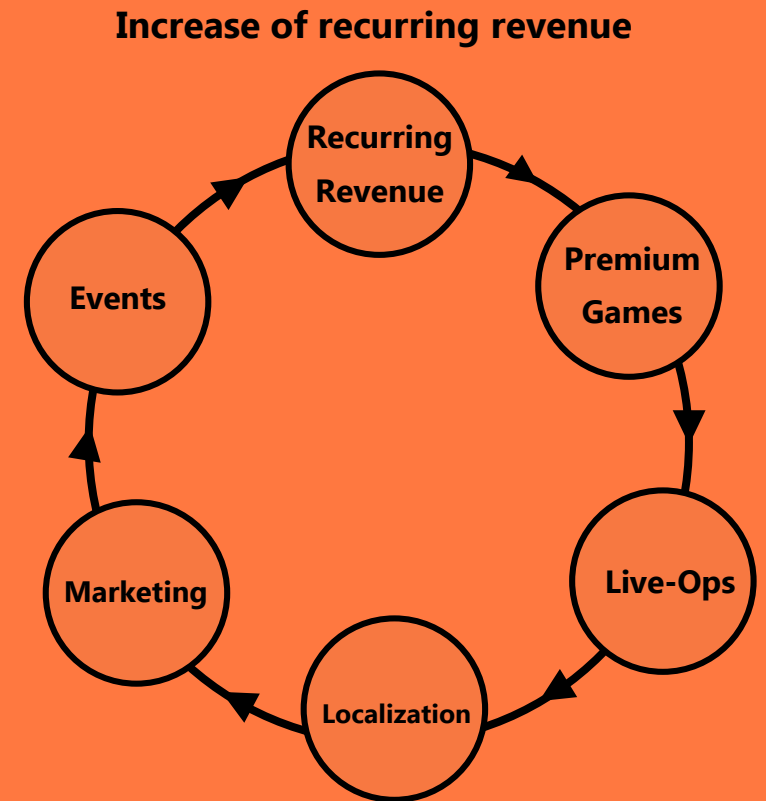
We manage the entire game value chain



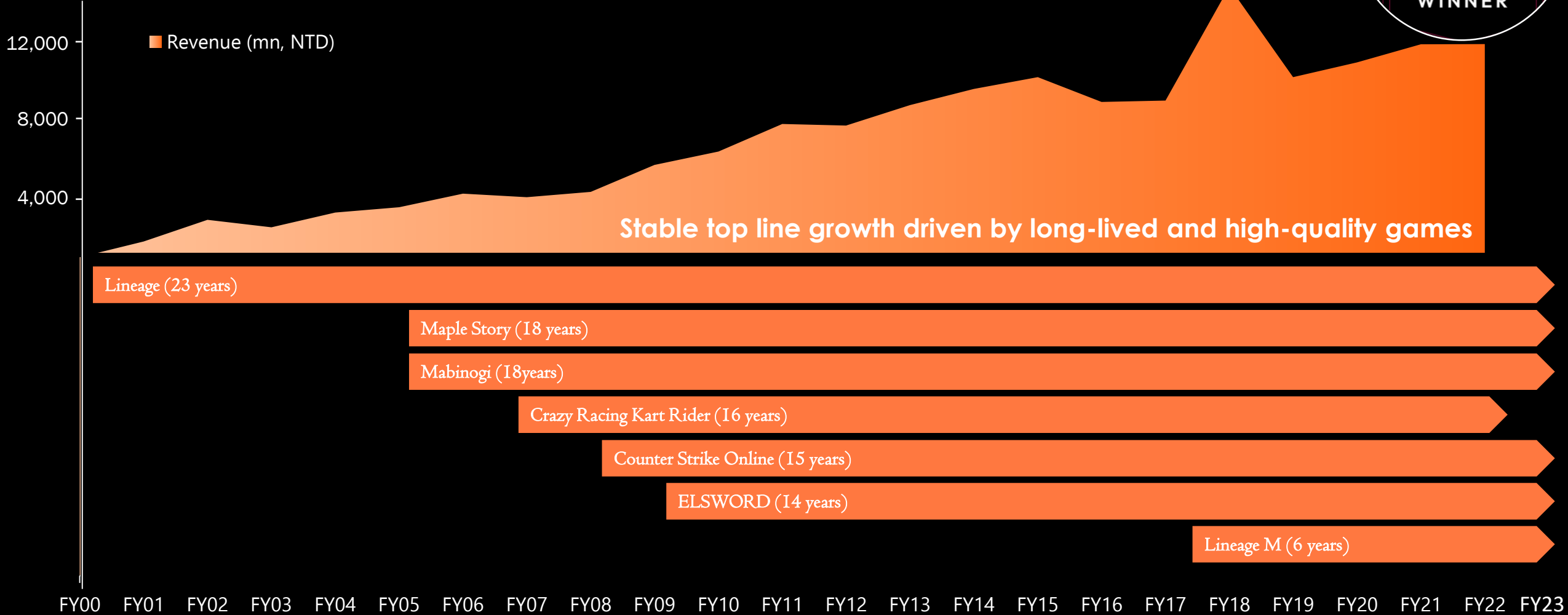
Revenue streams



Games as a Service



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



WE ARE 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 18 years.

The **FIRST** wave of
Free-to-play game in Taiwan

Launched in
2005 (18 years)

Life to date revenue (to 1H23)
NT\$28.3bn

Registered gamers worldwide
Over **18 million**

2023 Taipei Game Show

PC Game Award





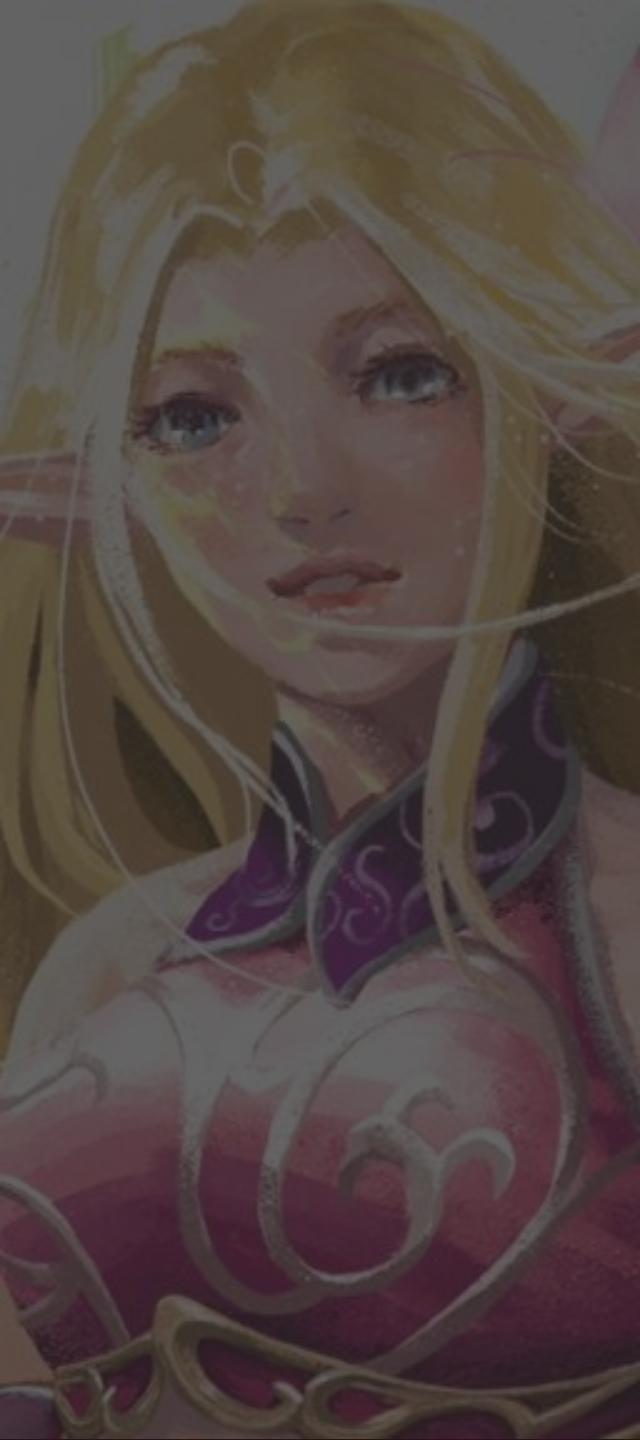
LINEAGE M (by NCsoft)

Launched in **2017**

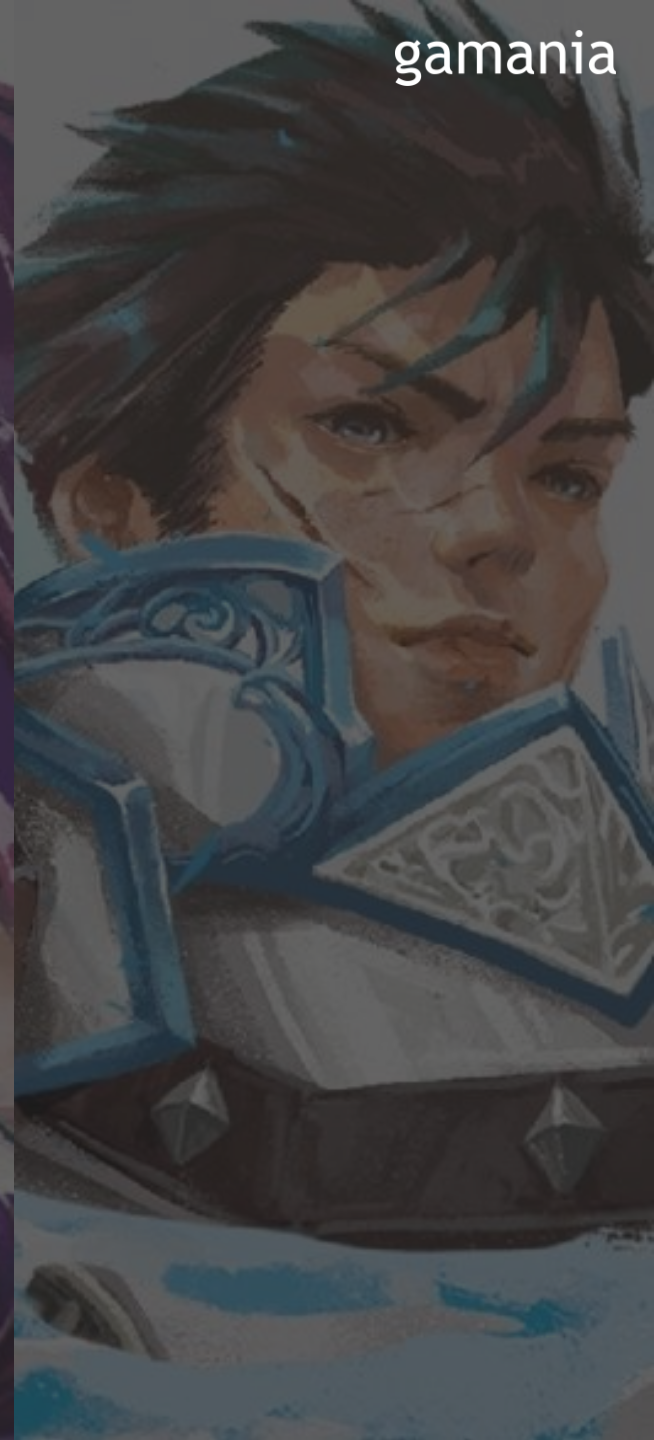
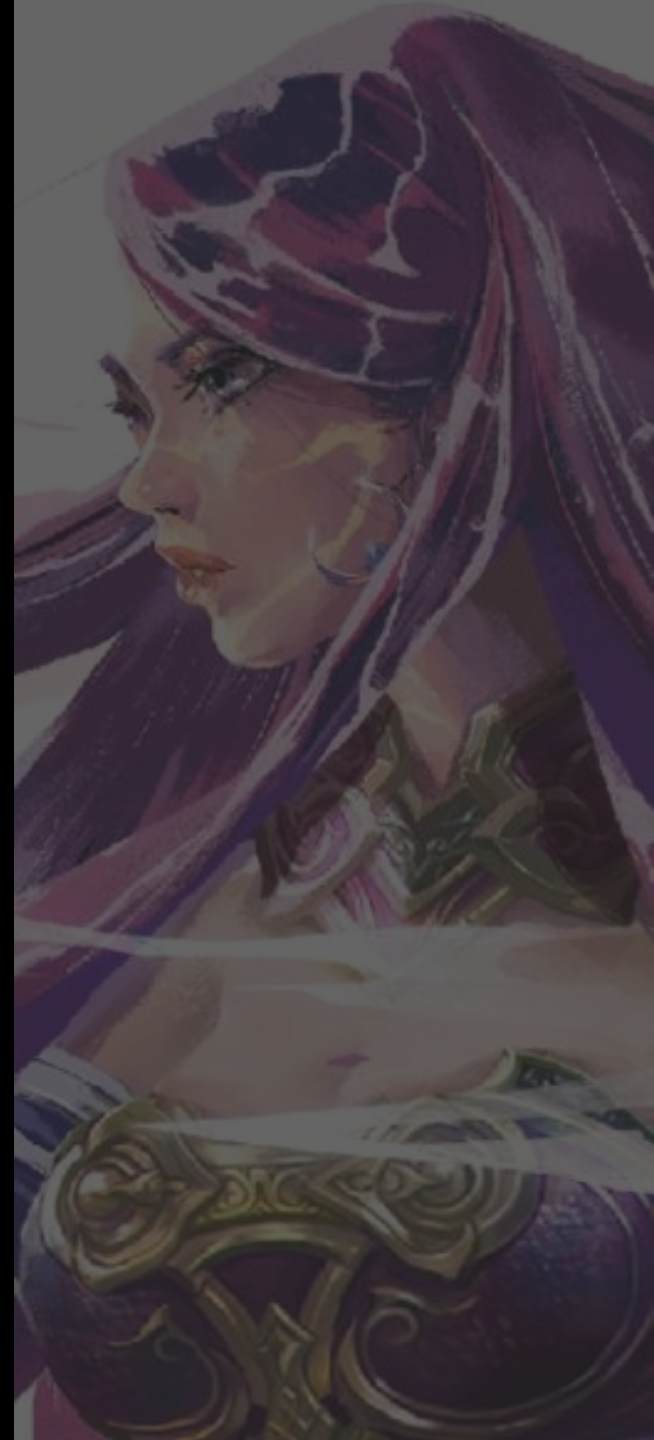
Over **7 million** registered gamers

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

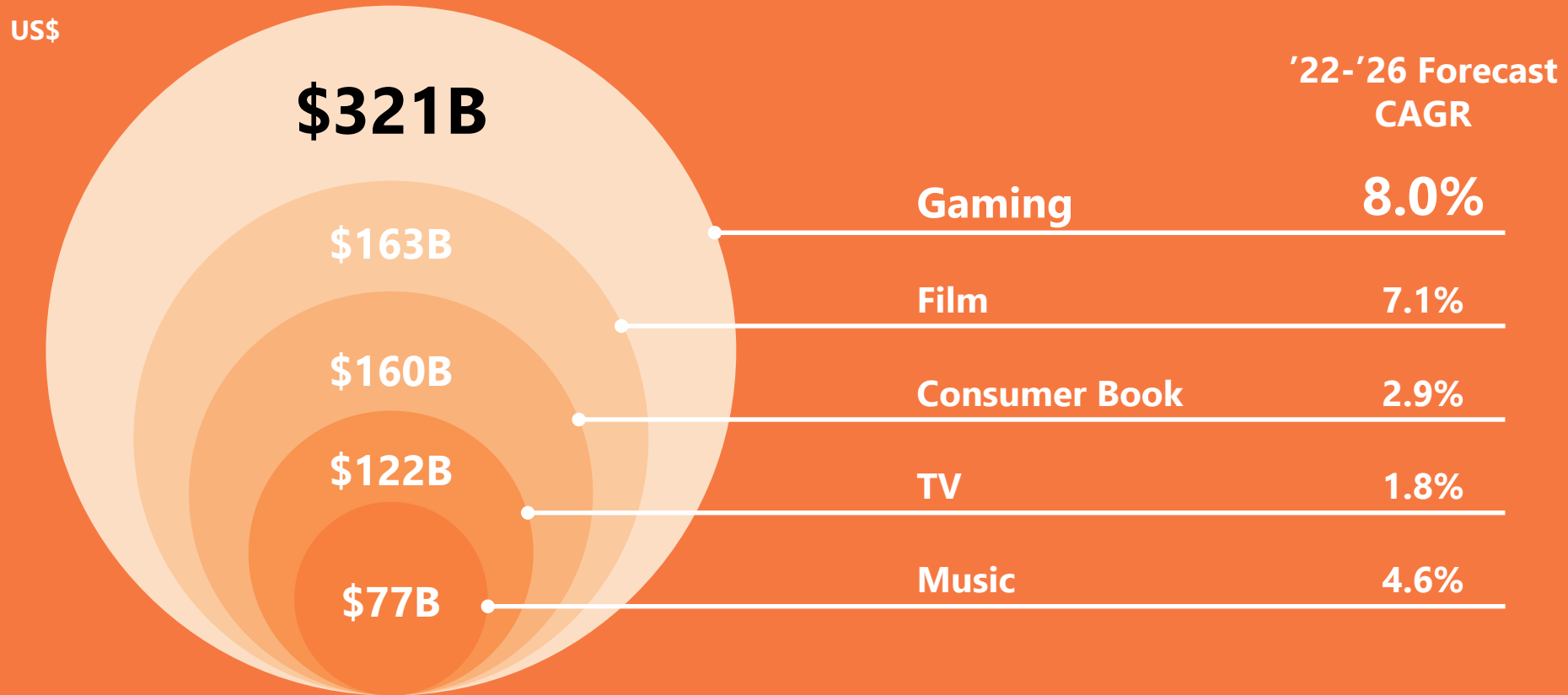
A **HARDCORE** MMORPG game



02
**What
Enable Us**

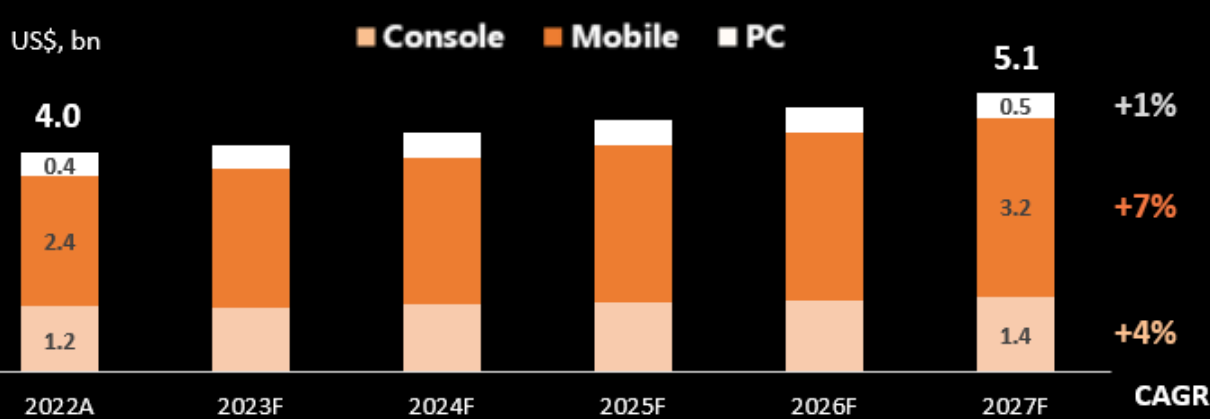


GAMES ARE THE LARGEST AND FASTEST GROWING AMONG ALL ENTERTAINMENTS

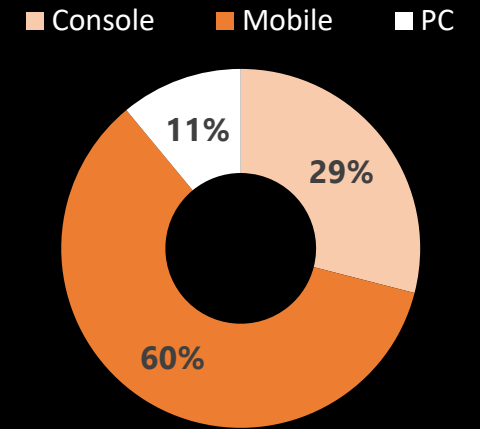


TAIWAN RANKS AMONG TOP MARKETS IN GAMING SECTOR

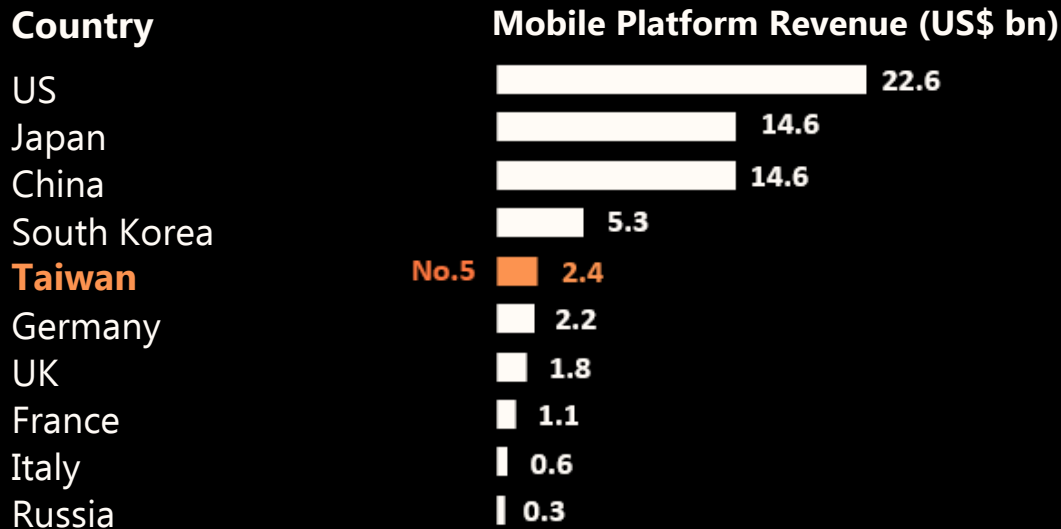
Taiwan Gaming Market Size, 2022-2026



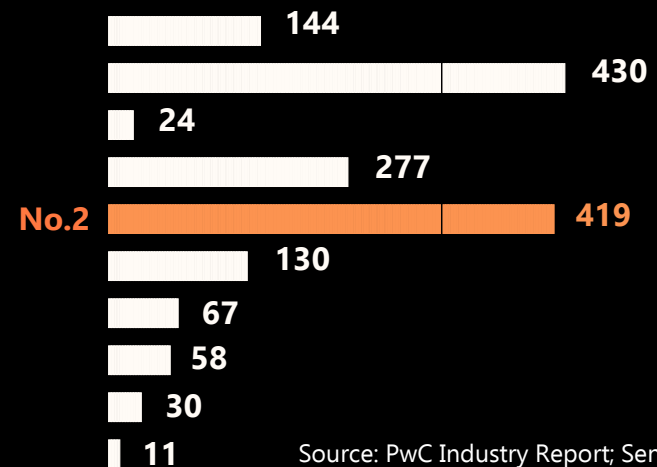
2022 Taiwan Gaming Platform Market Share



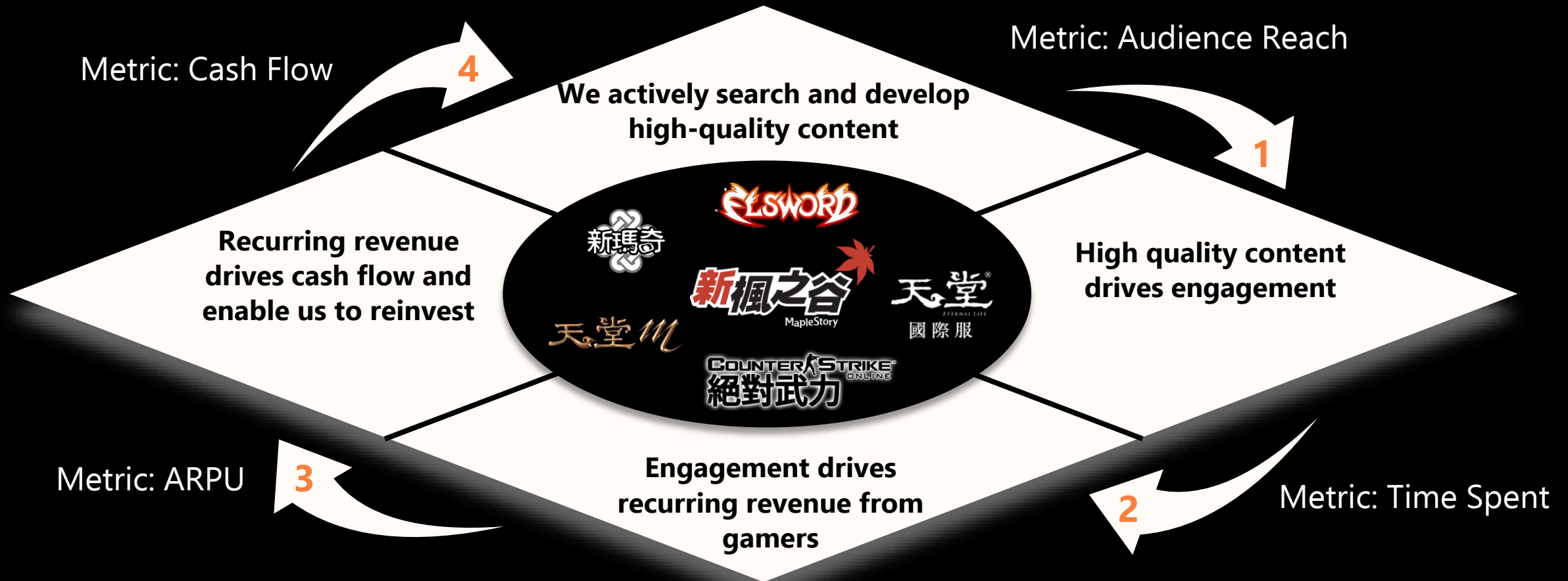
2022 Global Mobile Platform Revenue, Country Comparison



ARPU (US\$)



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



A PROVEN MODEL

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

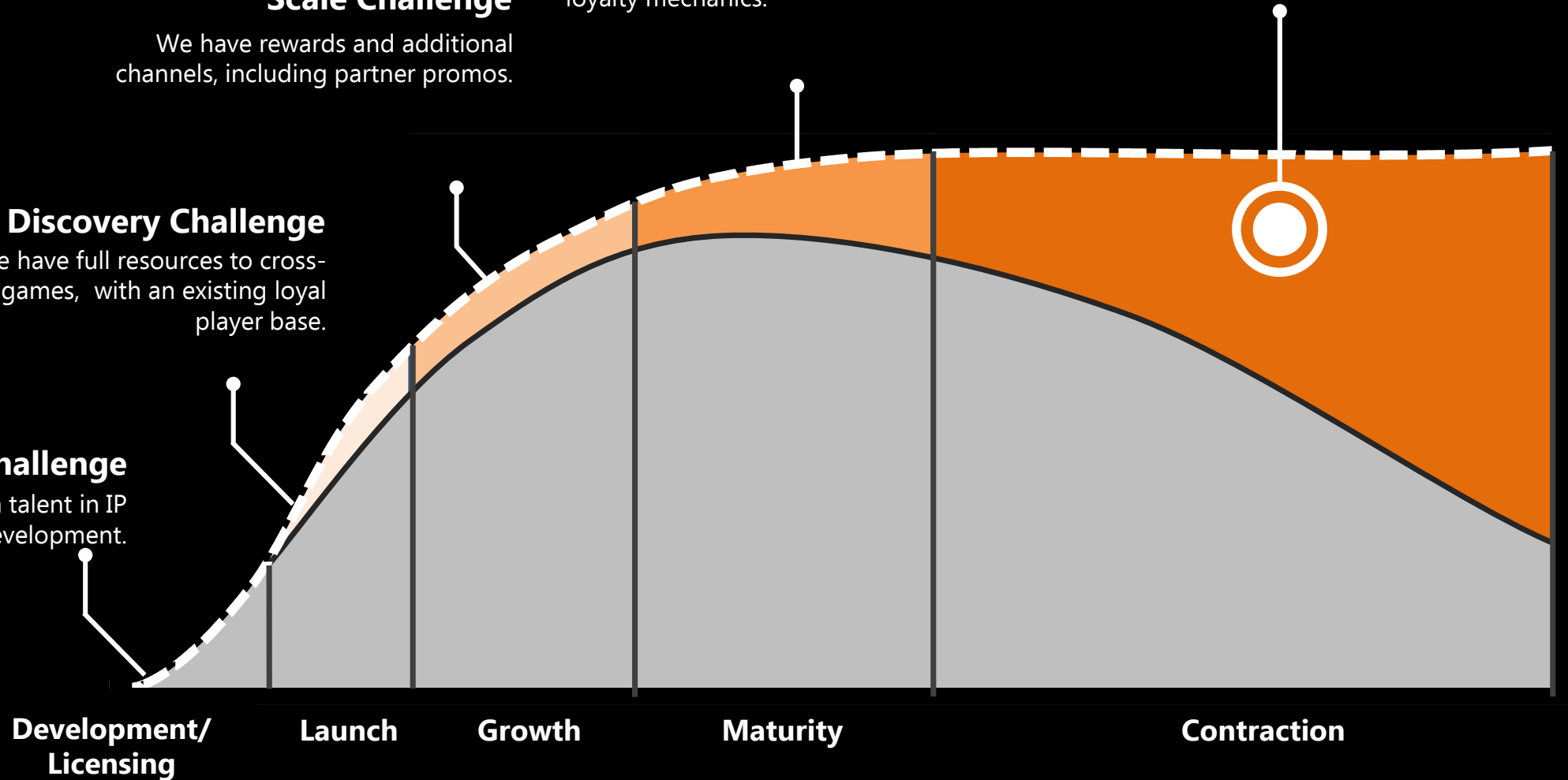
Discovery Challenge
We have full resources to cross-promote games, with an existing loyal player base.

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

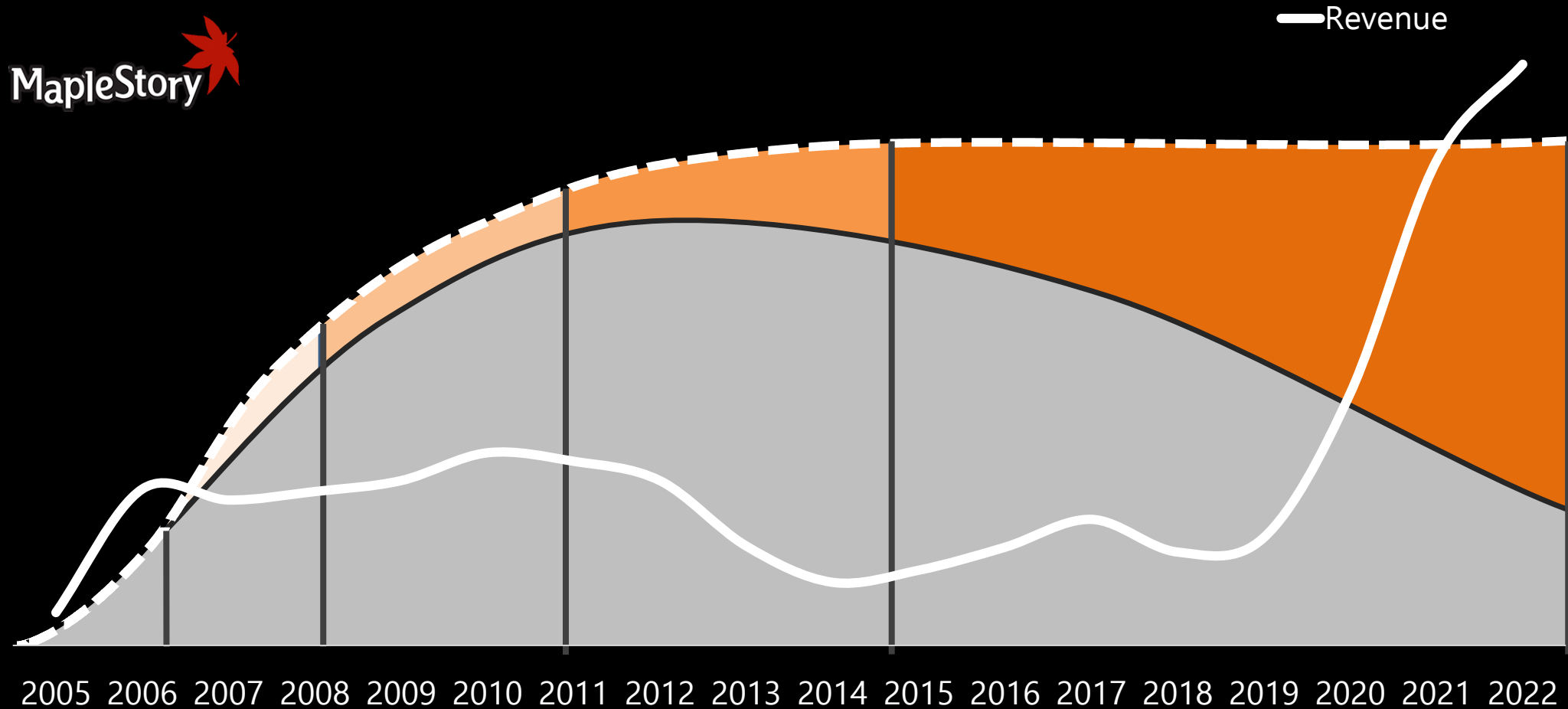
Scale Challenge
We have rewards and additional channels, including partner promos.

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

Operation and Marketing (Strategic Partnership, Updates, Events)

MapleStory
x
a-sha



Gamania Festival

MapleStory
x
Isekai Quartet



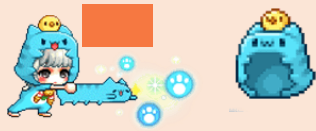
Gamania Festival x Cosmos People

MapleStory
x
BLACKPINK



MapleStory x A-SHA

MapleStory
x
Capoo



Points

GASH

Adopted domestically and overseas
The leading brand of digital entertainment point

Customer Service



24/7 online customer service

Technical Tools



Expertise in gaming, Internet, and cybersecurity

GAMAFUN!: GROUP CARNIVAL EVENT WITH SYNERGY

Combined with " 2023 Comic Exhibition" : Built Up 5 Featured Areas

The Main Stage of GAMAFUN!

Games Expo

Diverse Digital IPs



《Maple Story》SAVIOR RENEWAL



SAVIOR Renewal

- New position “卡莉”
- New region “桃源境”
- New BOSS “咖凌”
- New event “溫餐廳”

Exclusive Events in Taiwan

- Collaboration with popular VTUBERS
- Collaboration with BBQ restaurant, “Power of Meat” (肉次方)



《Lineage M》 ELF RENEWAL; HUGE UPDATE



Elf Renewal

- 6 new skills
- Events of position changes
- Upgrade of witch
- New growth copy “艾比諾盆地”
- Survival copy “歐林的痕跡2”



《Lineage》 23 ANNIVERSARY CELEBRATION



Position Change

10 positions for changes

Gears Unlock Service

Release 8 gears again

Growth Point Store

19 rewarding props

Growth Supportive Events

Upgrade to Lv.89 for newbies
Giveaway of gears

《Elsword》 COLLABORATION WITH TUKUYOMI MAID CAFE



ELSWORD
艾爾之光

主題Cafe'即將登場・敬請期待！ MORE FUN



Exclusive Campaign

- Sets of meal based on the characters
- Exclusive merchandise
- Interaction with the maids derived from the characters

GASH AS DIGITAL ENTERTAINMENT SERVICE

10+MN Digital Entertainment Users x 3+ MN Monthly Transaction
x Annual Sales NTD10+BN

GASH



Point Business

+

New Business

- Online ecommerce collaboration/ GASH shop
- Physical convenience stores/ chained channel
- Point card/ gift bag/ exclusive card/ gift card
- The largest market share of game points
- External cooperation/ Bi-direction channel cooperation

- Digital collection service
- BaaS (Blockchain as a Service)
- Expanded value and functions of IPs
- Applicable for virtual treasure, digital assets, tickets, etc.



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

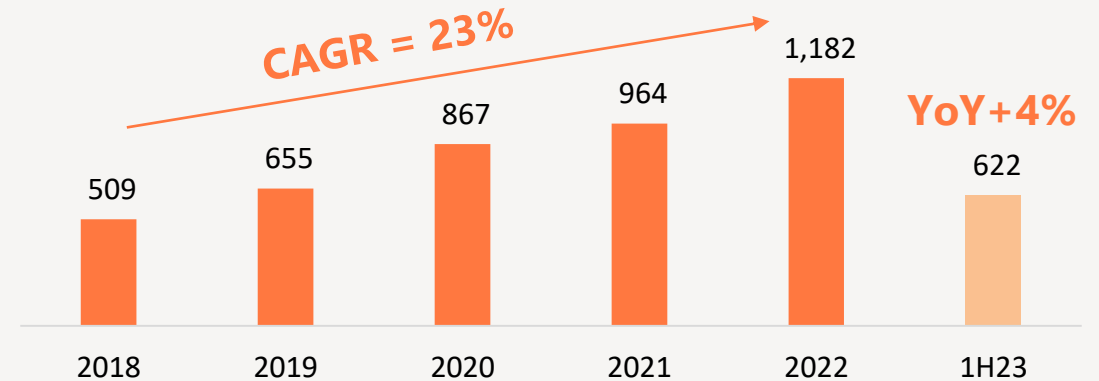


E-Commerce



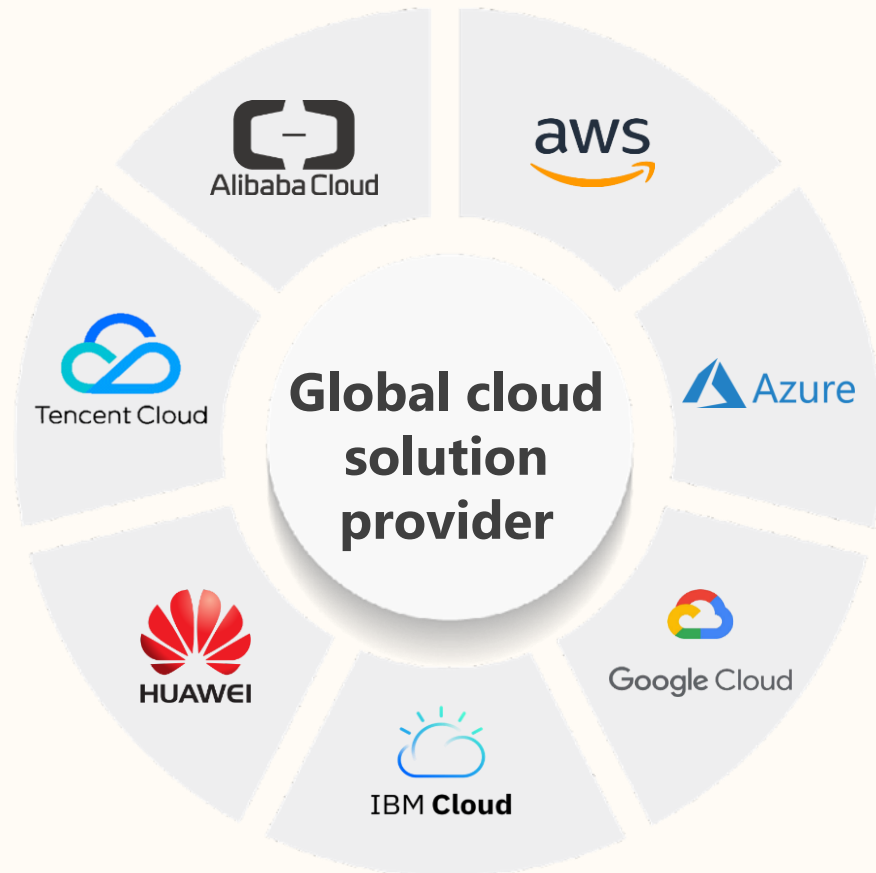
Financial Service

Digicentre Revenue, NT\$m



- Revenue CAGR surpassed industry average
- Awarded as an excellent cybersecurity vendor by the Executive Yuan
- Self-developed cybersecurity protection system for mobile – appGuard – has approved by Common Criteria EAL2

DIGICENTRE: MULTI-CLOUD PLATFORM SOLUTION



**One-on-one pre-sale
consultation service**

Served hundreds of clients

24/7 year-round service support

Combined with SOC seamless
monitoring support

**Architectural planning that
meets real needs**

- Cross-border multi-cloud integration
- Equipped with security compliance
- Ground-to-cloud digital transformation
- Cost performance optimization

appGuard: THE LEADING SECURITY SERVICE FOR MOBILE APPs



**Self-developed mobile
security protection system**

**International certificate of
IT product security**

Common Criteria EAL2

Protect the integrity of APPs

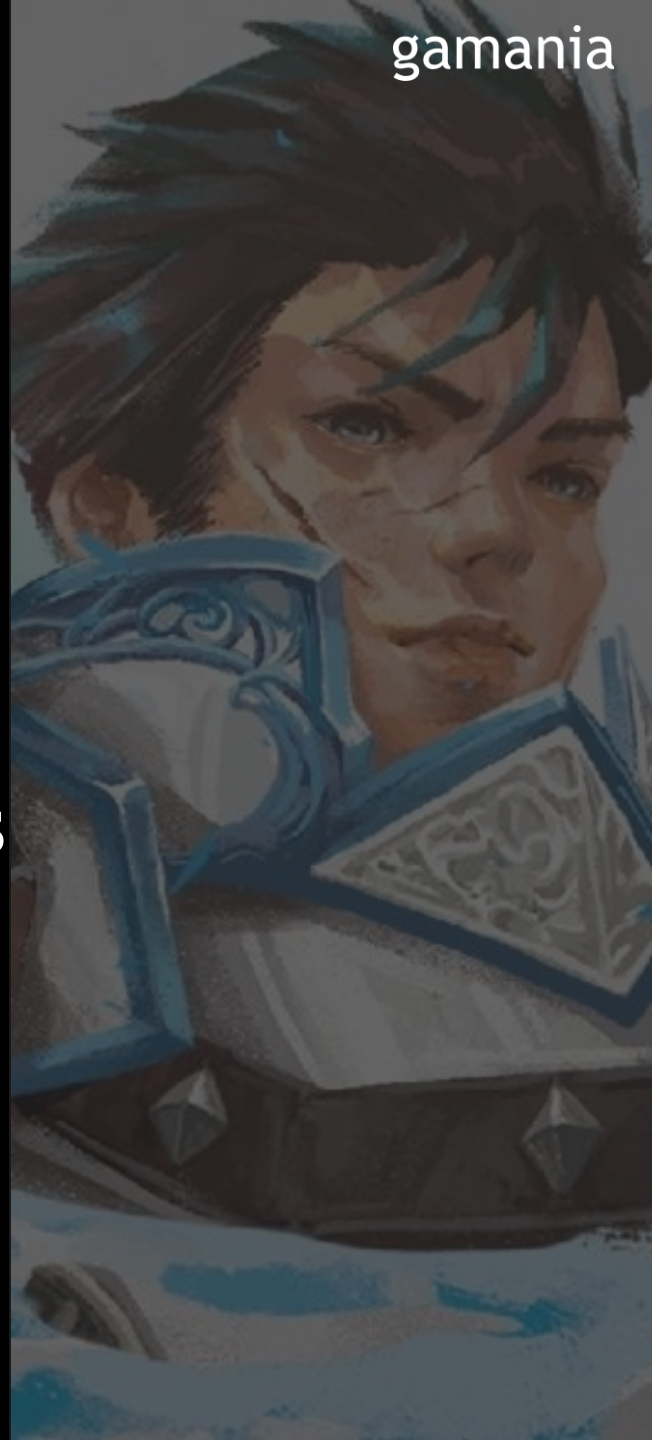
- Protect source code of APPs
- Protect the privacy of saved data
- Protect the intellectual property rights of creators

Prevent the intrusion of harmful programs

- Prevent malware with potential of irreparable damage
- Prolong life cycle of APPs, especially for the gaming industry
- Lower the workload of APP developers

03

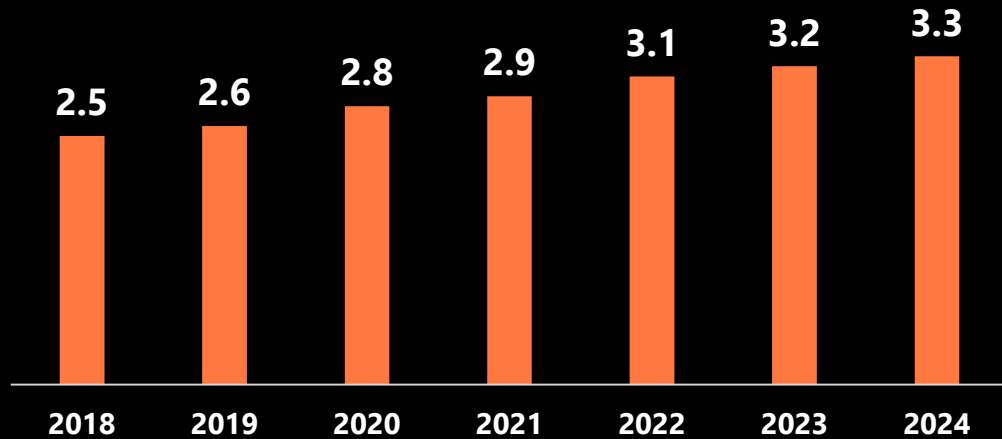
Our Future Goals and Aspirations



OVER 3 BILLION GAMERS WORLDWIDE: GAMING GOES MAINSTREAM

Game: Mega Content with 3B+ Gamers

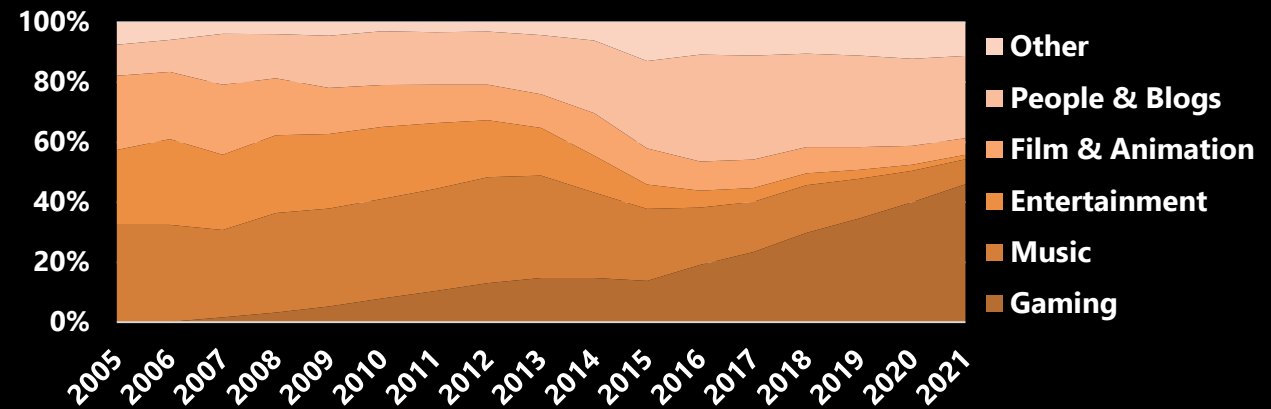
Number of Gamers in the world (bn)



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

Generating Highest User Attraction among Other Content

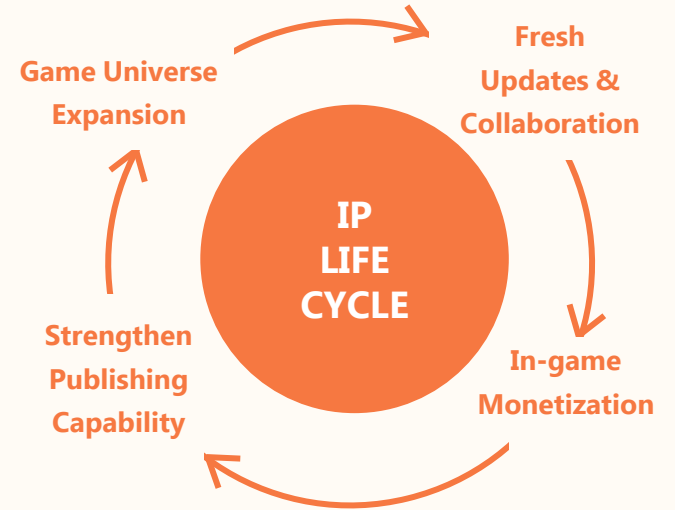
% of Viewership by Major Category on YouTube



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

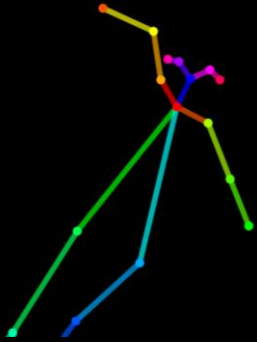


Pocket Store

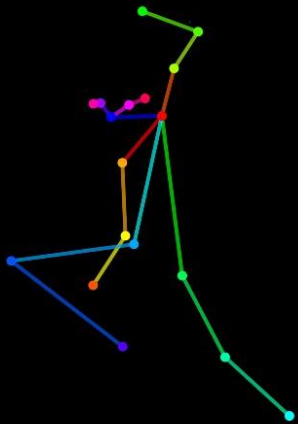
- Simulation Game
- Own IP, self developed mobile game
- Remaster of a classic PC game in Taiwan

Project A

OPTIMIZE CONTENT DEVELOPMENT THROUGH AI & DEEP LEARNING



- Apply AI & Deep Learning Tools to accelerate content creation process.



- **50%+** Time Saved vs. Traditional Methods.

GREAT IP IS VALUABLE ACROSS MULTIPLE CHANNELS

thus spinning up the franchise flywheel.

Gamania's IPs

IP Agency & Distribution



Game



Comics & Books



Anime & Film



Music



Social Media



UNEARTH SUPERIOR IPs THROUGH ADVANCED IP CULTIVATION SYSTEM

Comprehensive IP Value Chain

IP Incubation Program

- Mentorship Program
- Artist Workshop
- IP Design Competition
- Matchmaking Artists with Business Resources



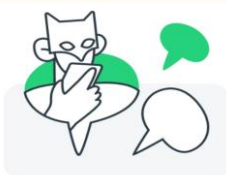
Diverse Exposure Channels



一起SHOW



漫畫星/文學星



Social Network



Marketplace

- Identify High-quality IP
- Multi-channel Monetization



DIVERSE DEVELOPMENT OF IPs

Games

Streaming



- Expanded the influence of "Lineage M" IP and published a derived series " Give My Youth Back" on a streaming platform owned by Gamania, with more than accumulated 10 million views.

Games

Streaming



- Converted the classic in-house game IP "Convenience store" into a series "Convenience store 1999," starred by Shawn Yue Man Lok (余文樂), Lee Lee-Zen (李李仁), and other famous actors. Started the shooting in May.

《Convenience Store 1999》 BEGAN SHOOTING

Game



Sci-fi

Famous cast with high quality

A sci-fi love letter story lasting 25 years

Production team from *GBA and TGHFF



DIVERSE DEVELOPMENT OF IPs

Idols

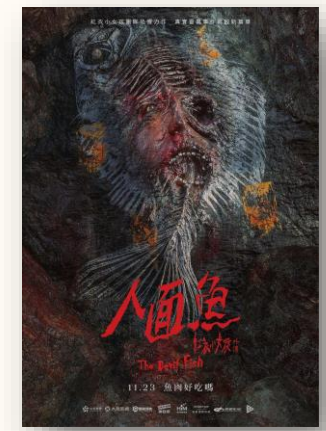
Comics



- Converted the popular talent show "Atom Boyz" into physical and digital comics "Atom Boyz—STAR formation". Gained around 300k views on "beanfun! Comics" within 2 months after publishing.

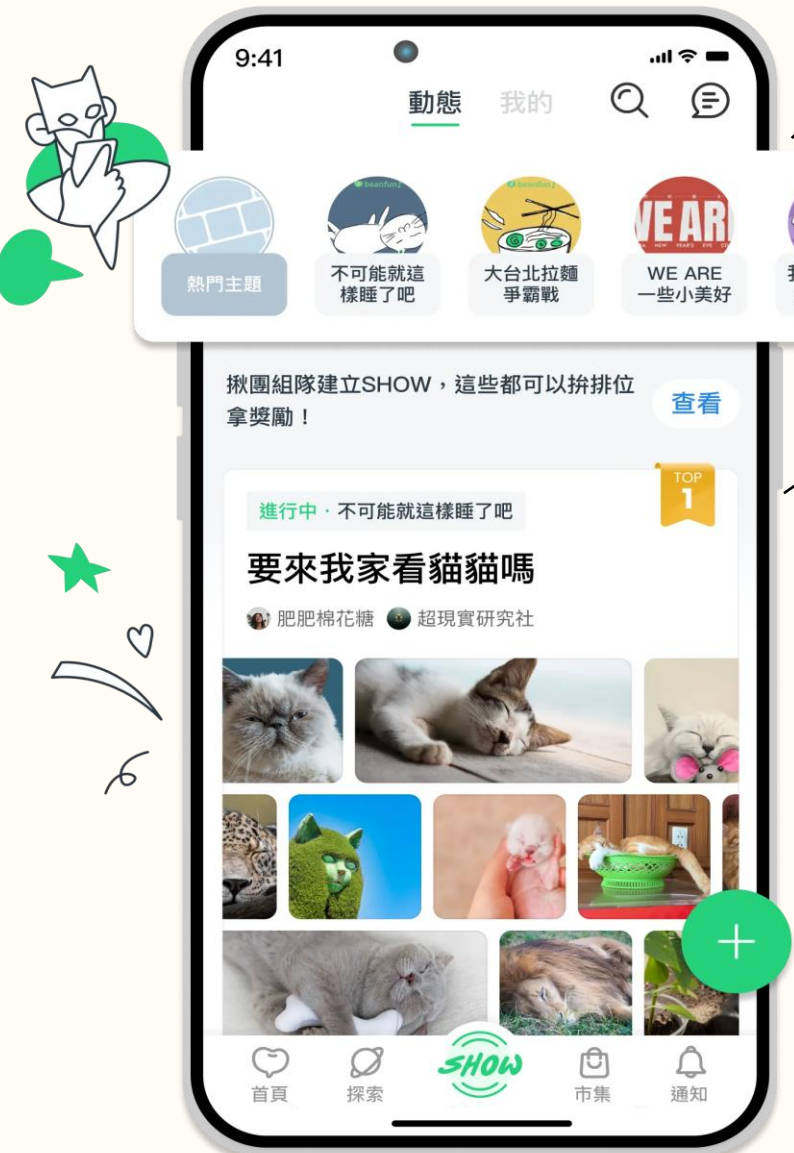
Movies

Comics



- Converted the movie "MARRY MY DEAD BODY" into a comic "BEFORE I BECOME A GHOST"
- Converted the horror movie "THE DEVIL FISH" into comics

Beanfun! FAN ECONOMY “一起SHOW”



Topic

Diverse topics & discussion
Display collections

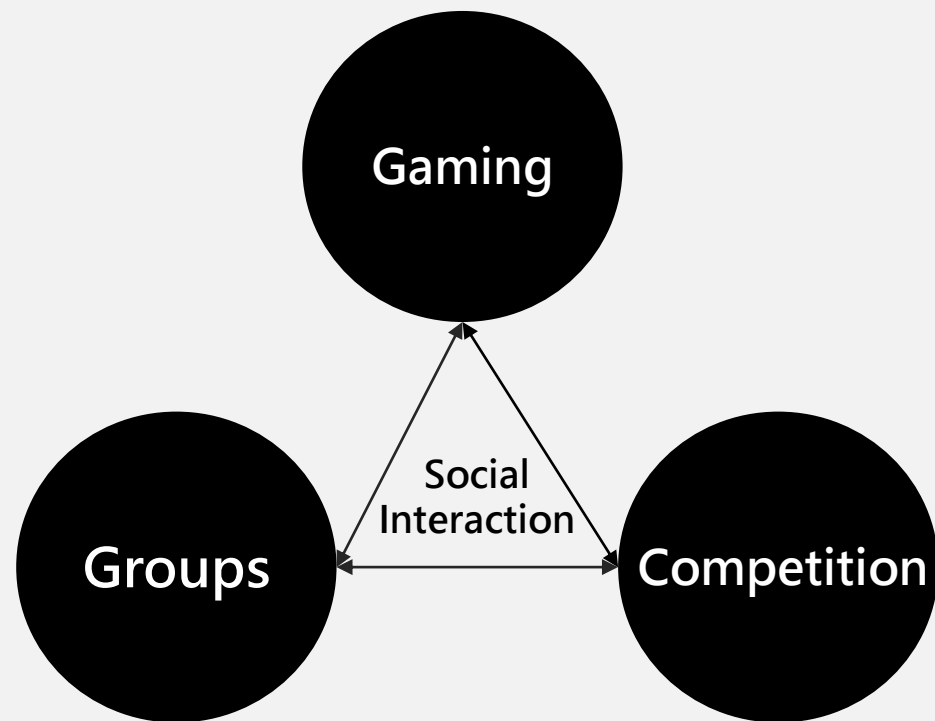
SHOW

Create one's own SHOW
Join others' SHOW

Treasure

Stories (pictures, files), digital
collections, props

“A Trending Platform for Gen Z”
“Set Your Own SHOW Creatively”



Beanfun! AS THE EXCLUSIVE FANS SUPPORTING PLATFORM



NEXT GIRLZ: The latest talent show in Taiwan, following "Atom Boyz"

International talents to increase exposure

Competition among well-known talents

Exclusive content

Behind-the-scenes

FanCard

(Exclusively on the FUN Market)





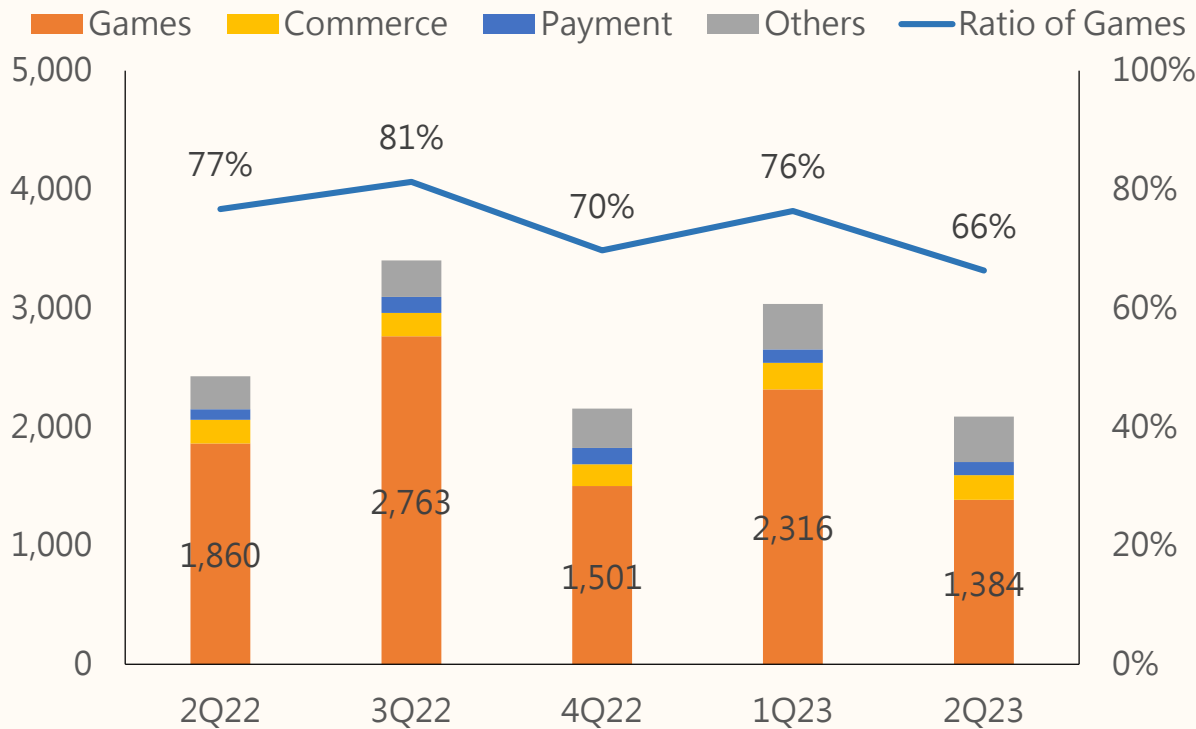
04

Financials

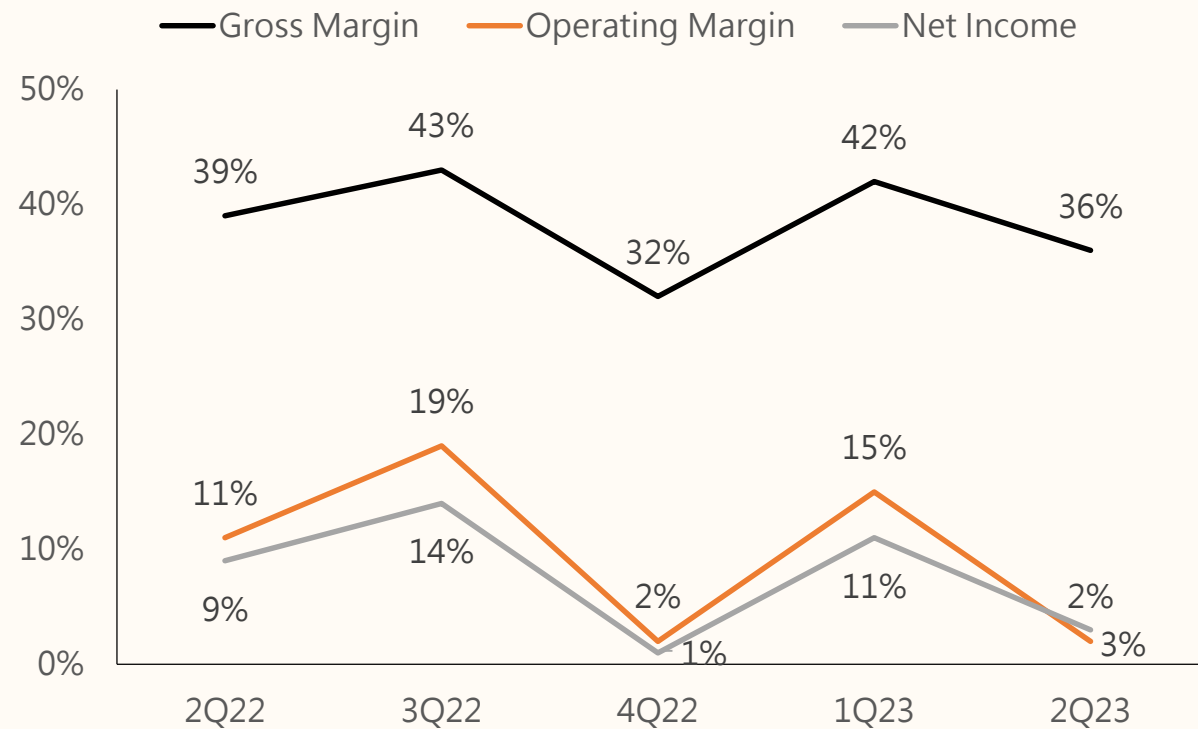
QUARTERLY FINANCIALS

NT\$mn

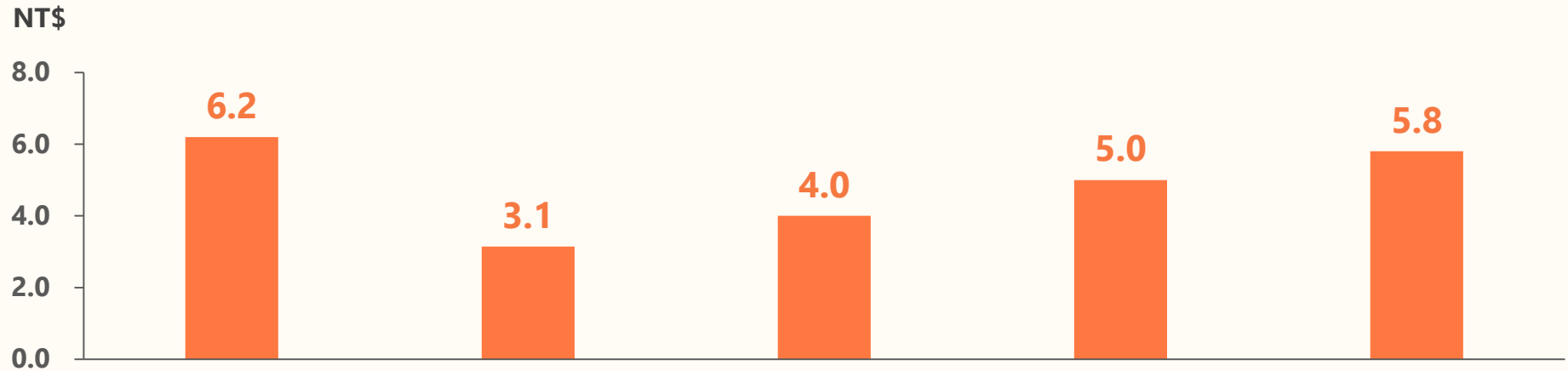
Revenue Breakdown by Segments



Ratios



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

INCOME STATEMENT (1H23)

NT\$m	1H23	1H22	YoY%	2Q23	1Q23	2Q22	YoY%	QoQ%
Revenue	5,120	5,833	-12%	2,086	3,034	2,425	-14%	-31%
Gross Profit	2,027	2,547	-20%	760	1,267	954	-20%	-40%
OPEX	1,531	1,484	3%	715	816	677	6%	-12%
Operating Profit	495	1,063	-53%	45	451	277	-84%	-90%
Non Op. Income & Loss	13	-71	-118%	8	5	4	100%	60%
Pre-tax Profit	509	992	-49%	53	456	281	-81%	-88%
Tax Expense	105	224	-53%	-15	120	38	-139%	-113%
Net Income	403	769	-48%	67	336	248	-73%	-80%
Basic EPS (NT\$)	2.3	4.38		0.38	1.92	1.41		

Key Ratio (%)								
Gross Margin	39.6%	43.7%		36.4%	41.8%	39.3%		
OPEX as % Revenue	29.9%	25.4%		34.3%	26.9%	27.9%		
Operating Margin	9.7%	18.2%		2.2%	14.9%	11.4%		
Net Margin	7.9%	13.2%		3.2%	11.1%	10.2%		

BALANCE SHEET (1H23)

NT\$m	1H23		2022		1H22	
	Amount	%	Amount	%	Amount	%
Total Asset	10,565	100%	10,387	100%	10,451	100%
Cash & Equivalent	4,093	39%	3,737	36%	4,225	40%
A/R & N/R	696	7%	806	8%	1007	10%
Inventories	106	1%	129	1%	129	1%
PP&E	2,794	26%	2,812	27%	2,812	27%
Total Liability	4,915	47%	4,098	39%	4,726	45%
A/P & N/P	480	5%	617	6%	661	6%
Total Equity	5,649	53%	6,289	61%	5,725	55%

Key Ratios

Days sales outstanding	26.8	39	29.7
Days inventory outstanding	6.9	9	7.0
Days payable outstanding	32.4	48	34.2
CCC	1.3	-0.2	2.4
Debt Ratio (%)	47%	39%	45%

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 (%)					
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 (%)					
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%

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 2022 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 **98 patents** were approved and published in Taiwan (2022)

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.

Environment

A response to the Net Zero Emission 2050, We have conducted a **GHG inventory & validation plan**

Largely reduced electricity consumption by **13%**

Largely reduced water consumption by **34%**

The procurement amount of computers with the Green Mark increased by **69%**

Bronze Award

The 4th Annual Enterprise Environmental Protection Award
Second time awarded

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)



2.9

(5-0; 5 the best)



TAIWAN
STOCK EXCHANGE

臺灣證券交易所

Top 20%

TPEX-listed Companies
(2022)

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gamania

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