

gamania

Gamania (6180 TT)

Investor Presentation

May 2023



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1Q23 Overview and Summary

Revenue

NT3.0 BN

YoY-11%

- The scale of main game events was lighter which led to the decreased revenue.
- The diverse business brought synergy; other business kept boosting revenue.

Net Income

NT336 MN

YoY-36%

- Revenue breakdown changed.
- Increased R&D to enhance the development of in-house digital entertainment content

Games

Rev YoY

-20%

- The scale of the main titles was lighter
- Increased the development of in-house games

Payment

Rev YoY

+56%

- GASH increased cross-brand collaborations
- Pivoted to a distributor of digital entertainment

Commerce

Rev YoY

+7%

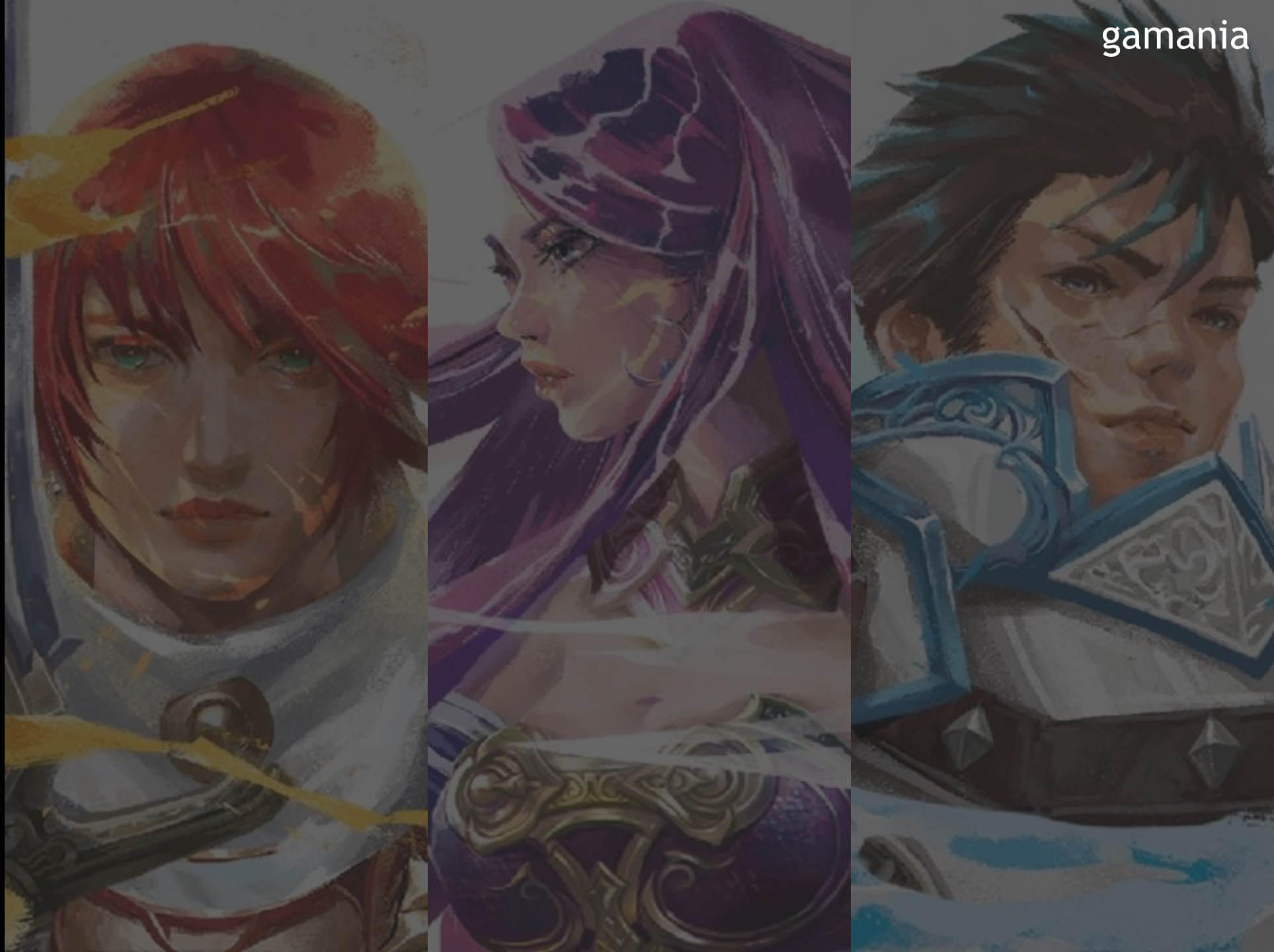
- Self-developed cybersecurity protection system for mobile – appGuard – has internationally approved

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\$ 425mn
 Market value
16.3%
 Revenue CAGR
 (2000~2022)



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

76%/7%/4%/13%
 1Q23 Revenue Breakdown
 (Games/Commerce/Payment/Others)
74%/26%
 1Q23 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

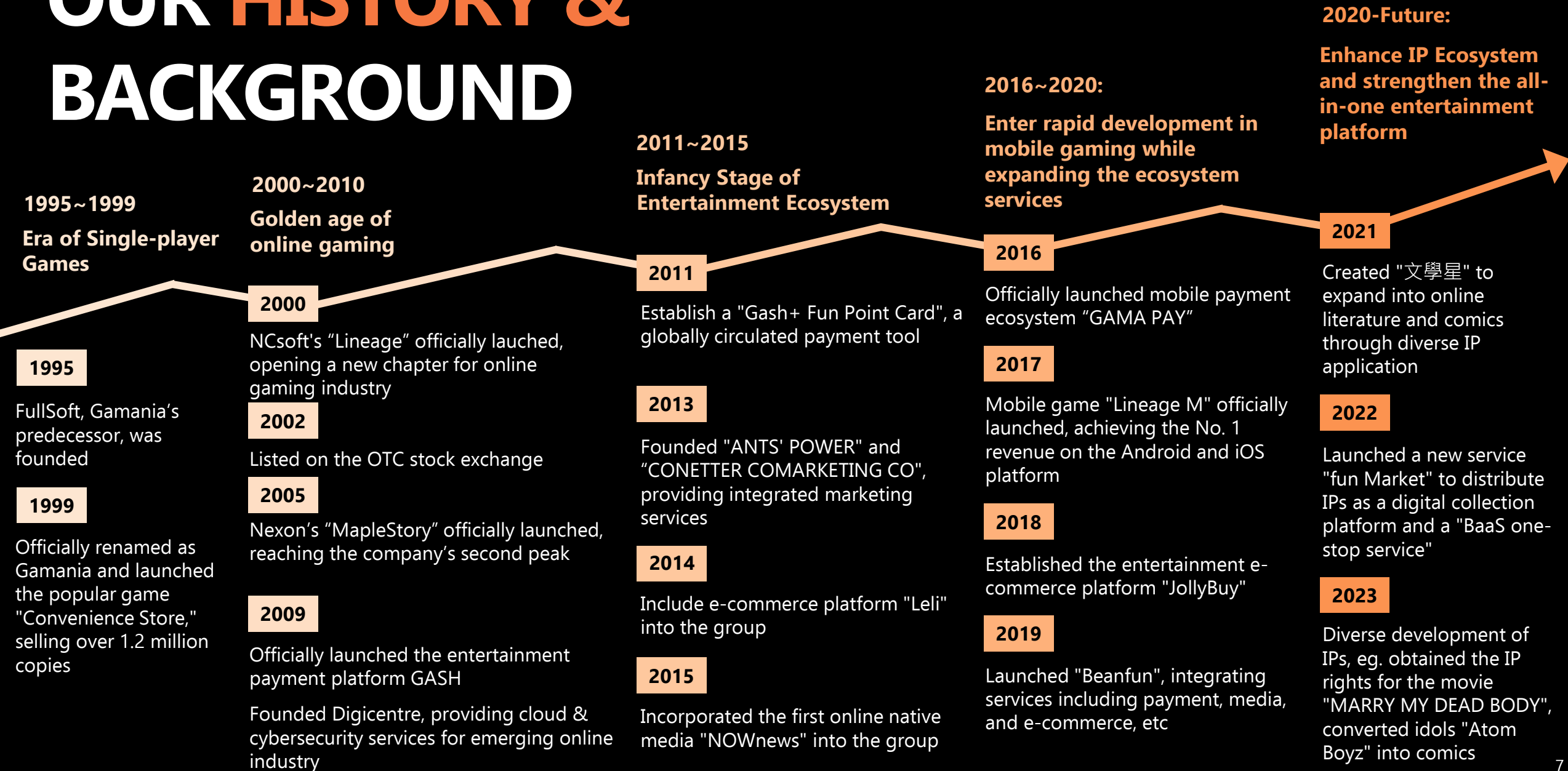
1,050
 Number of Employee (1Q23)
164
 Number of R&D (1Q23)

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

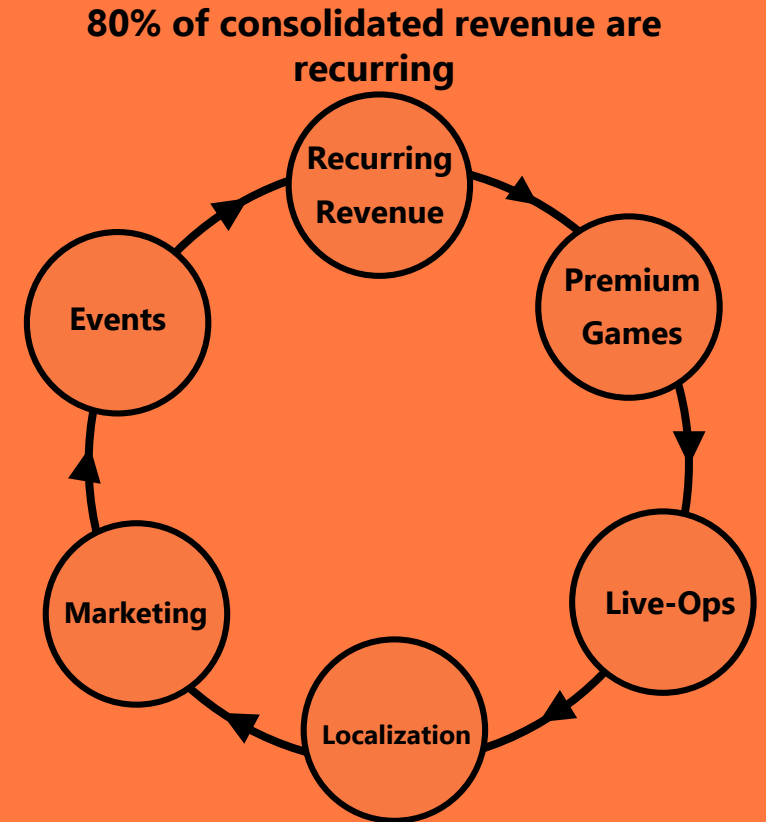
We manage the entire game value chain



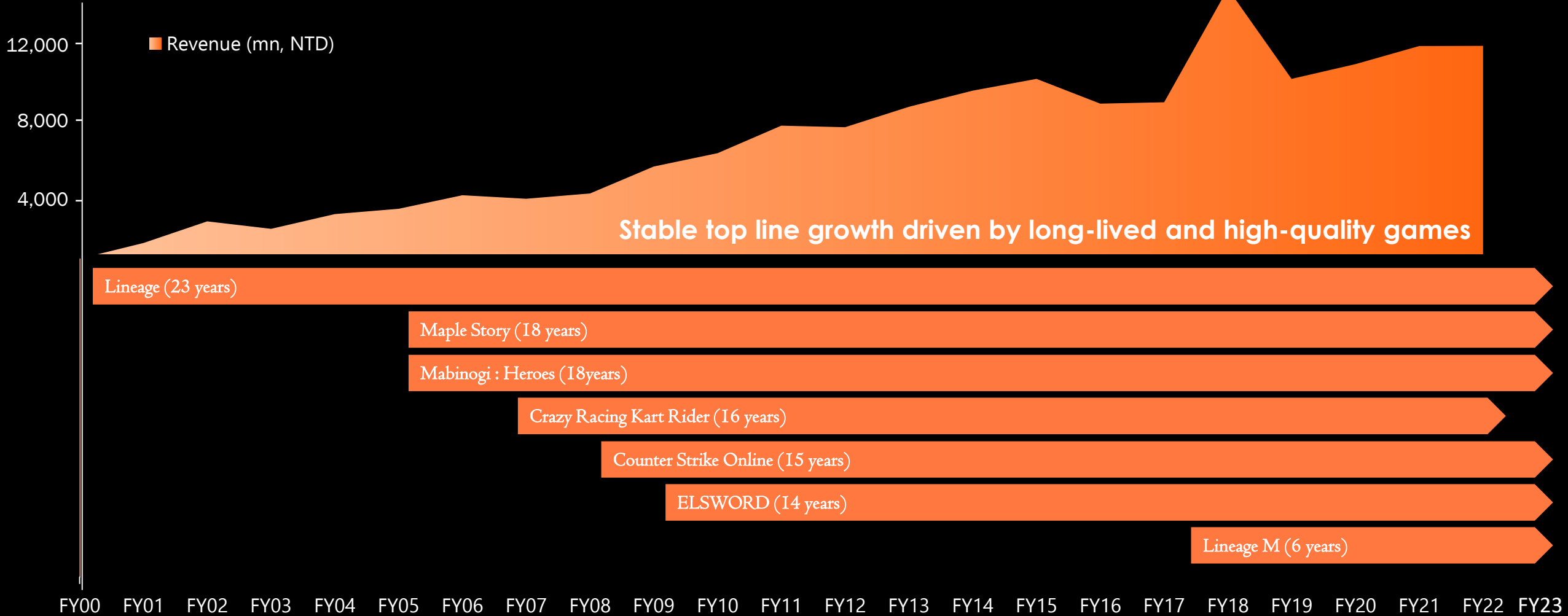
Revenue streams



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
NT\$26.2bn

Registered gamers worldwide
Over **18 million**

2023 Taipei Game Show

PC Game Award





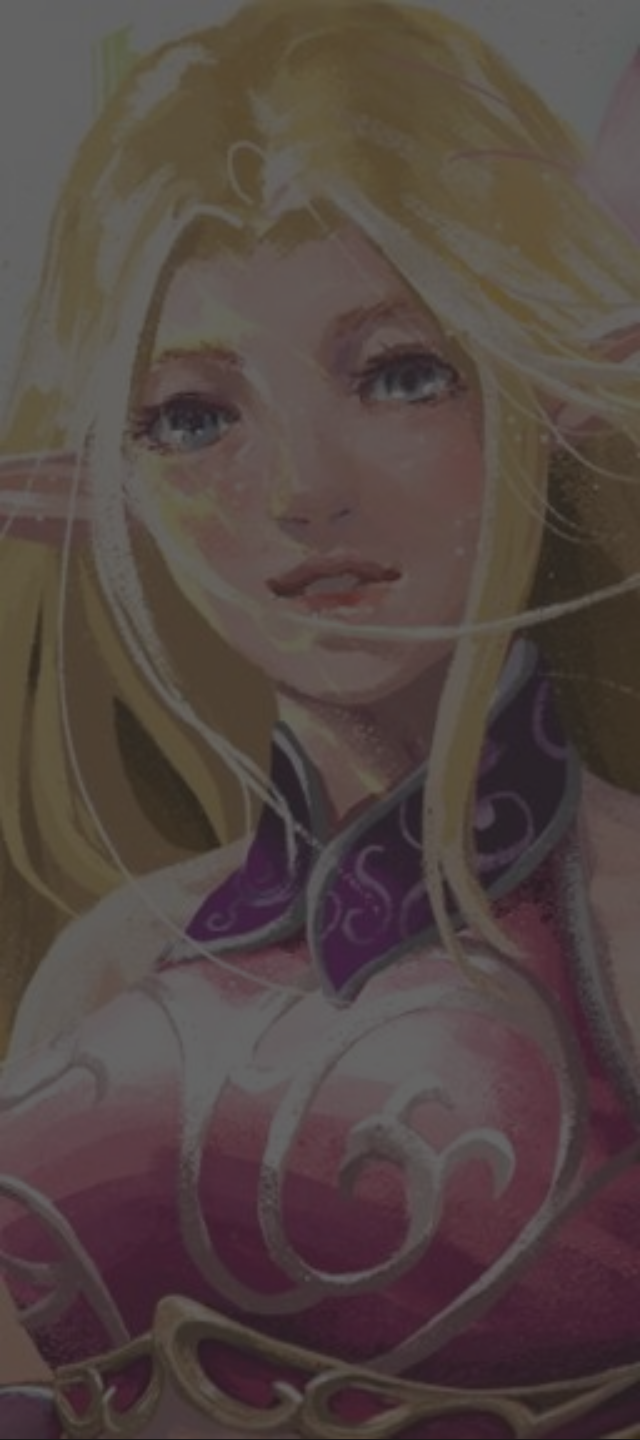
LINEAGE M (by NCsoft)

Launched in **2017**

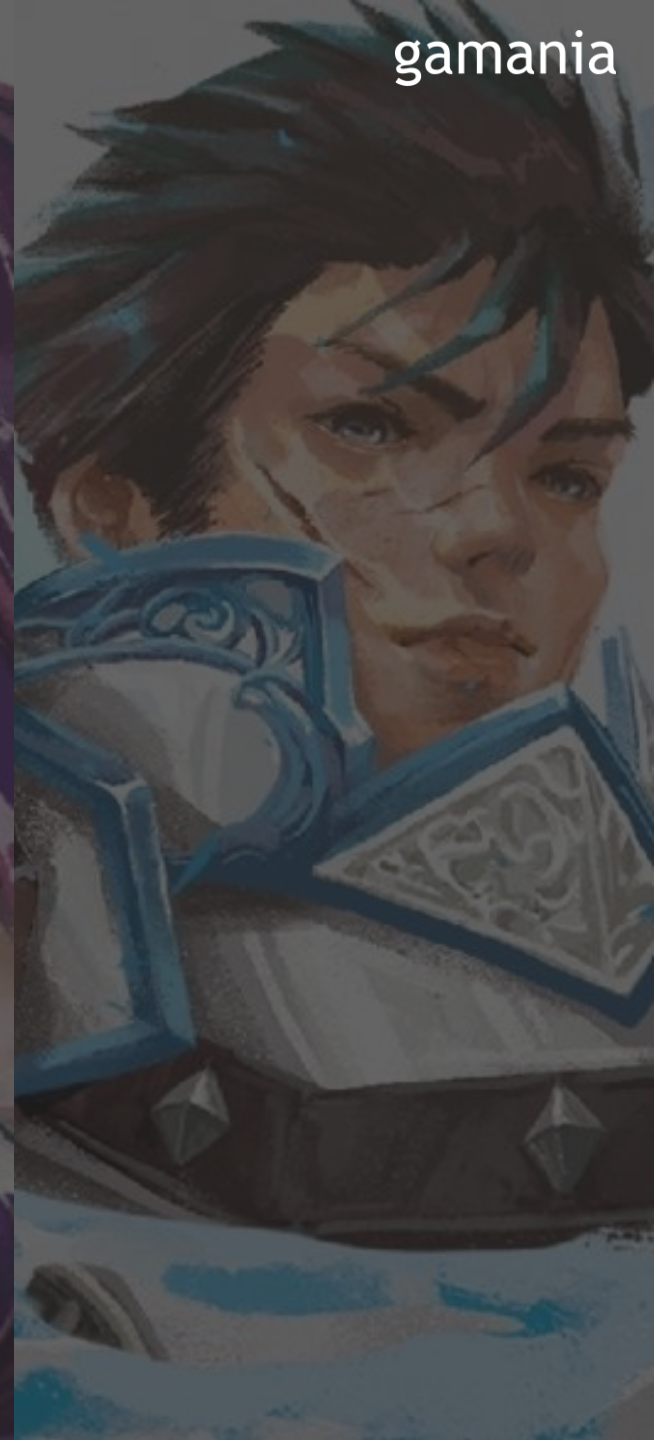
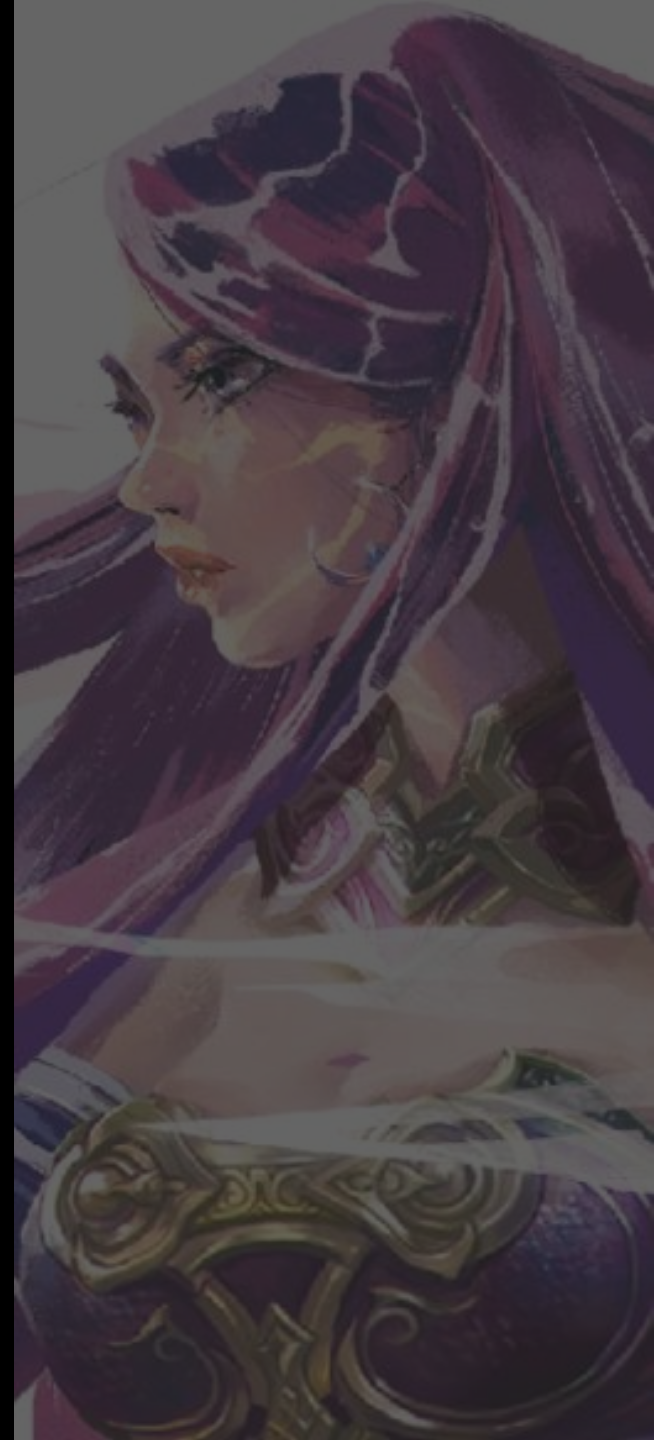
Over **7 million** registered gamers

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

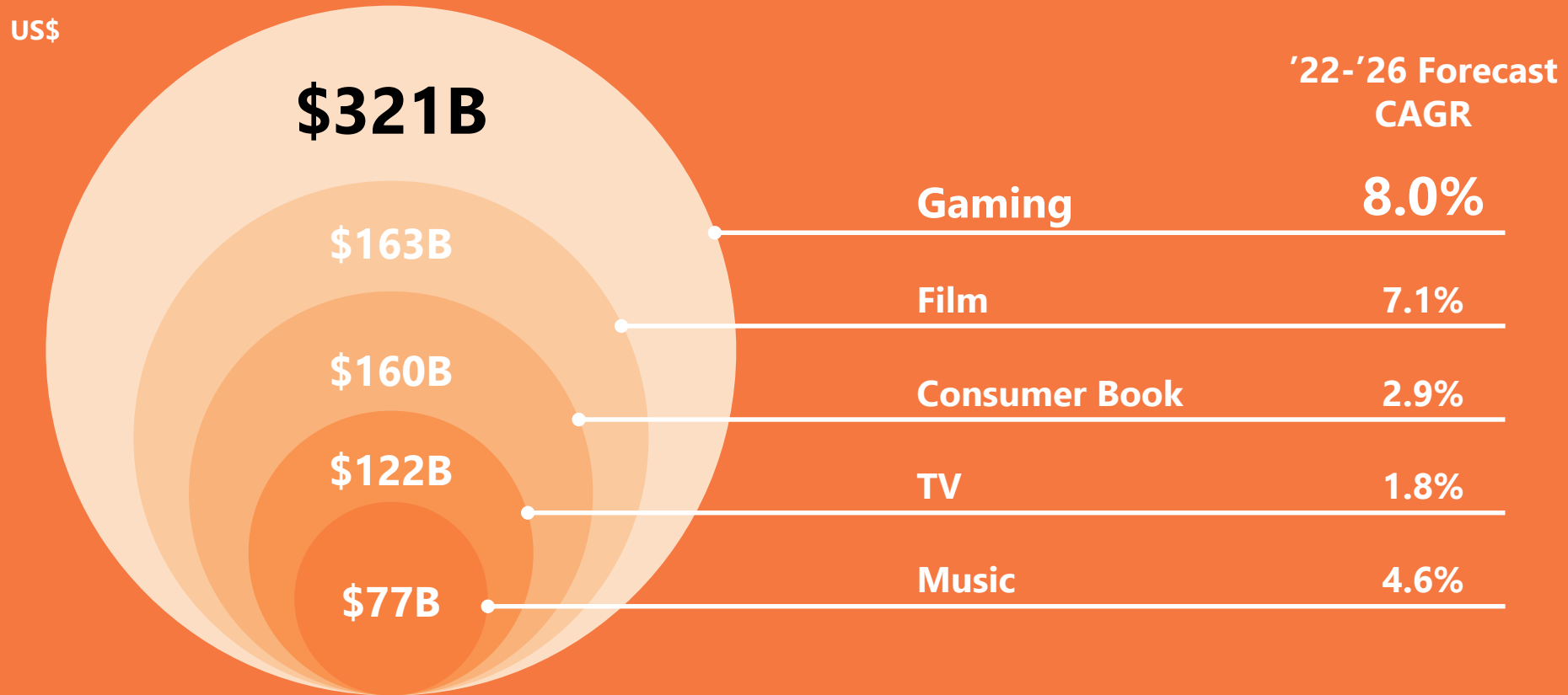
A **HARDCORE** MMORPG game



02
**What
Enable Us**

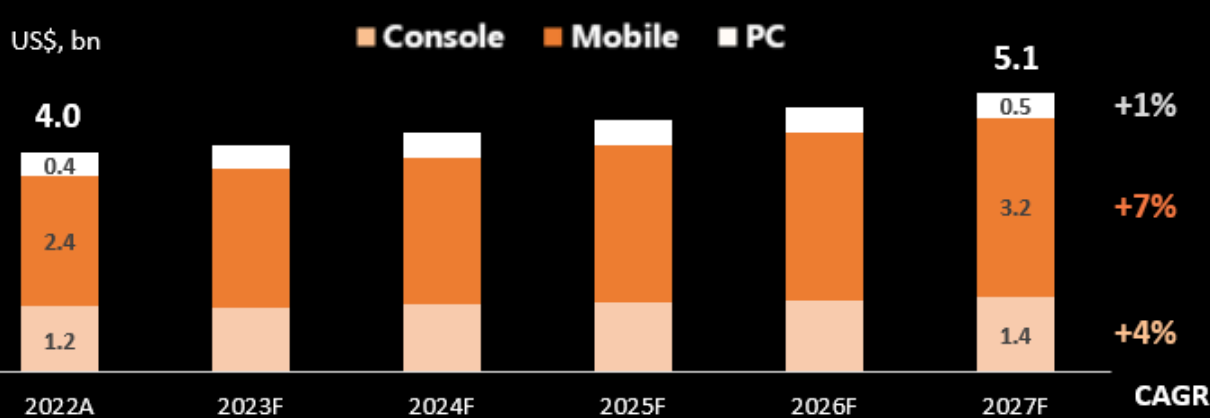


GAMES ARE THE LARGEST AND FASTEST GROWING AMONG ALL ENTERTAINMENTS

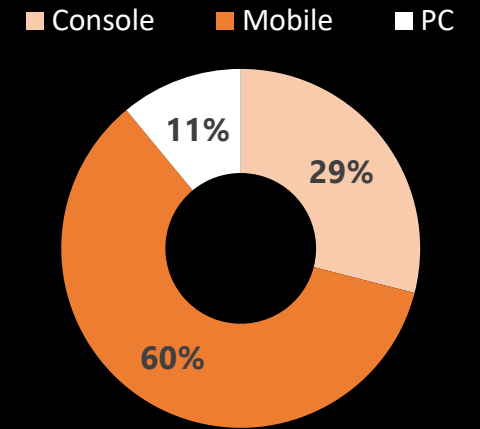


TAIWAN RANKS AMONG TOP MARKETS IN GAMING SECTOR

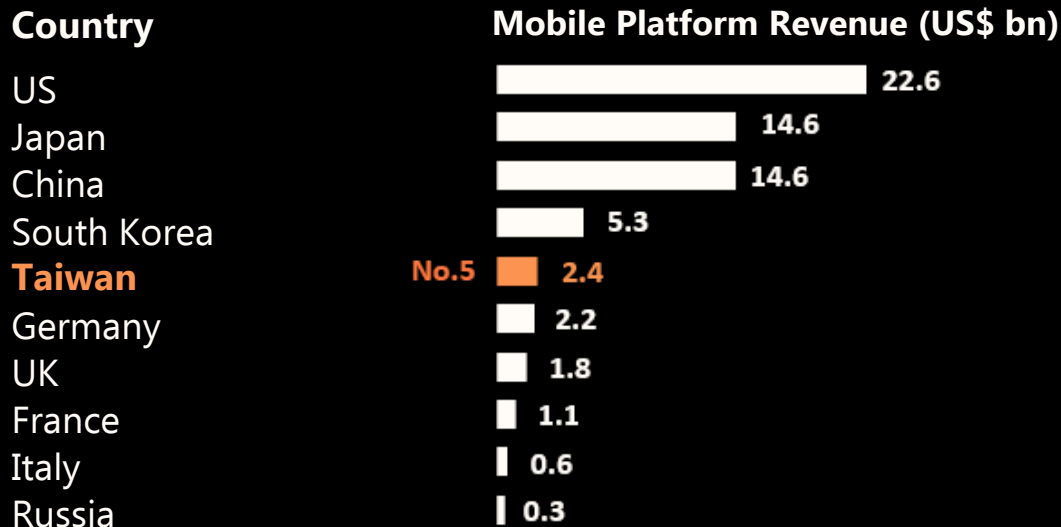
Taiwan Gaming Market Size, 2022-2026



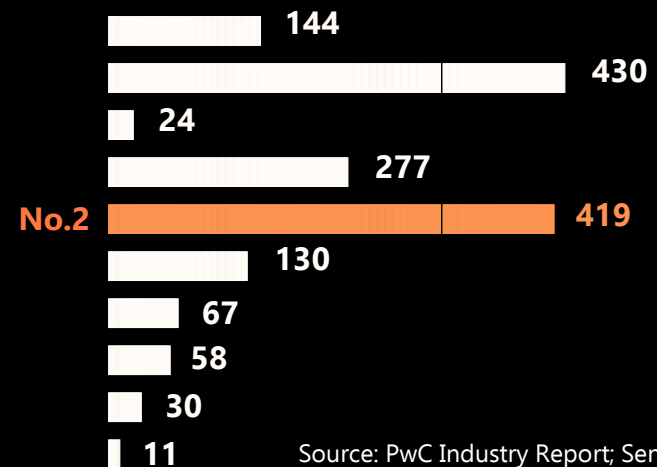
2022 Taiwan Gaming Platform Market Share



2022 Global Mobile Platform Revenue, Country Comparison

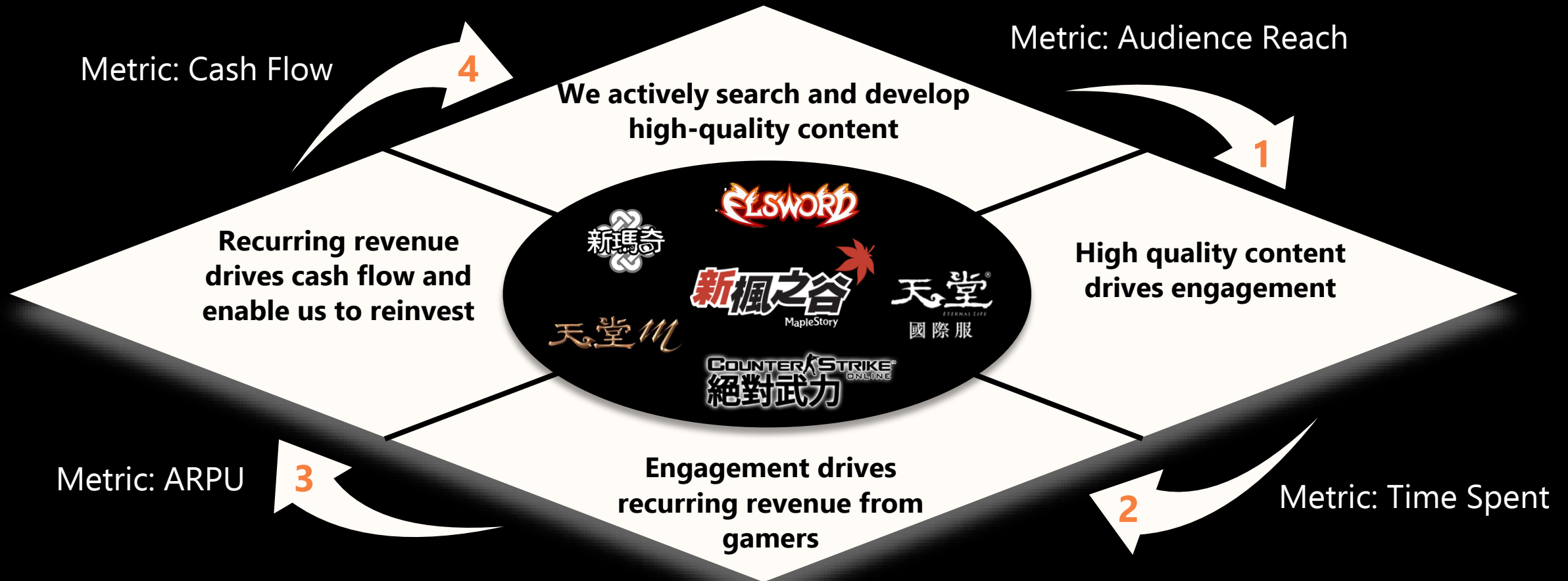


ARPU (US\$)



Source: PwC Industry Report; SensorTower; Statista

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



A PROVEN MODEL

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

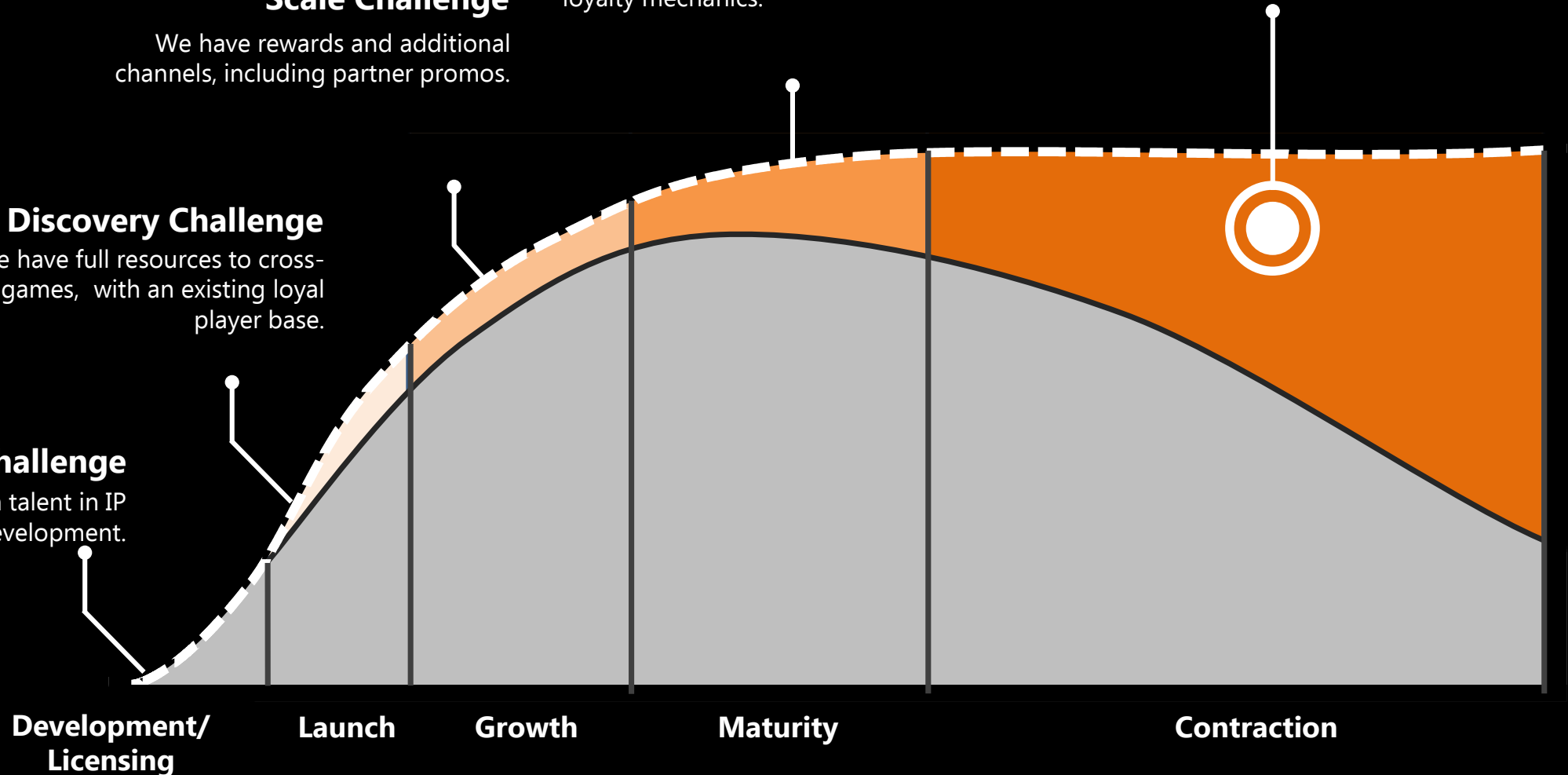
Discovery Challenge
We have full resources to cross-promote games, with an existing loyal player base.

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

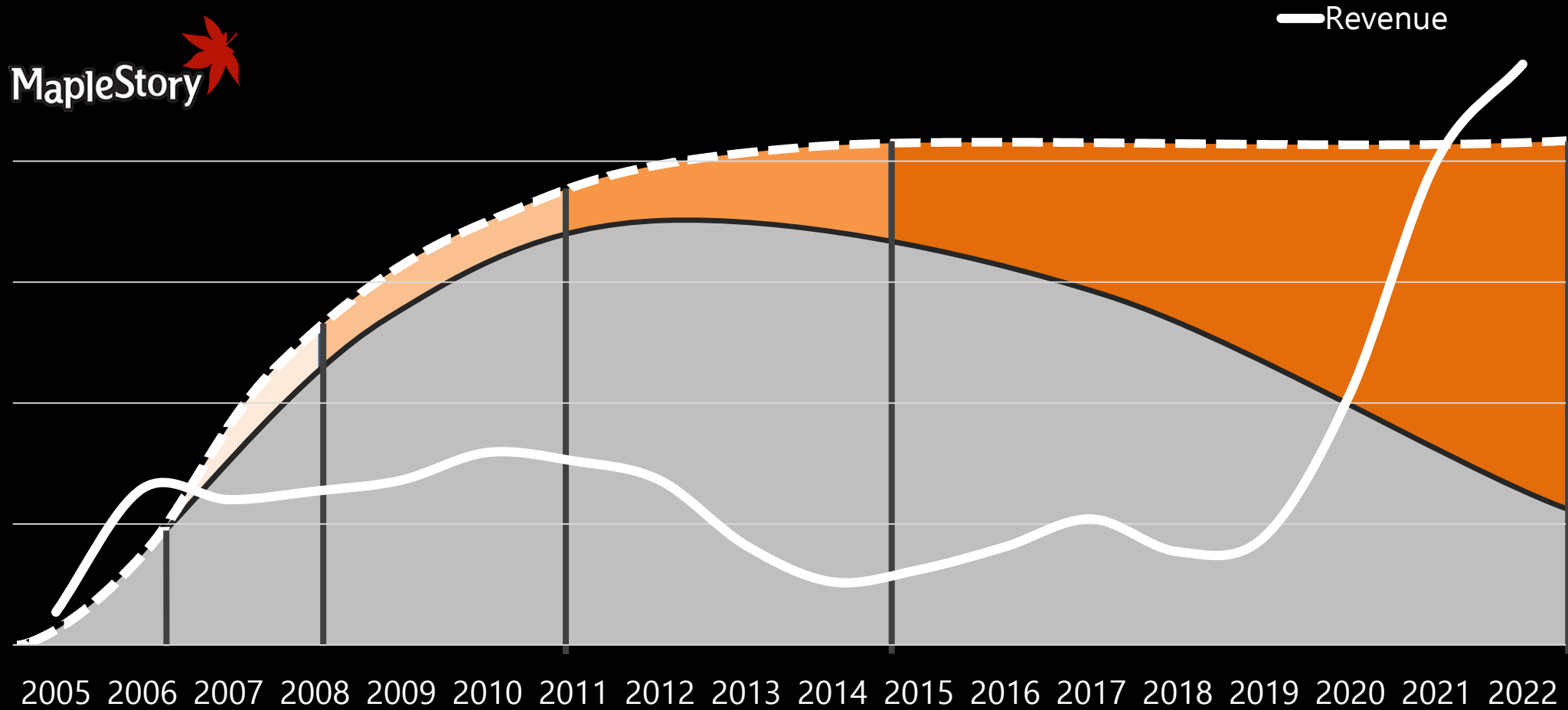
Scale Challenge
We have rewards and additional channels, including partner promos.

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 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

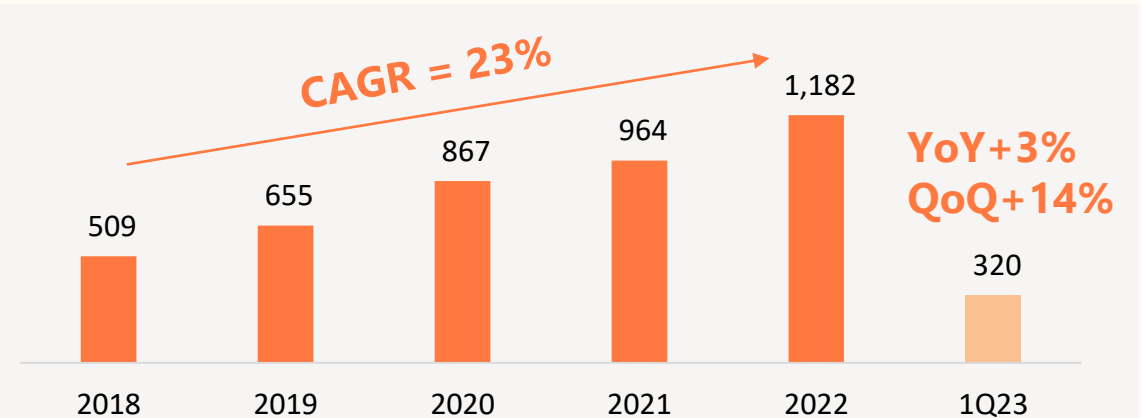


E-Commerce



Financial Service

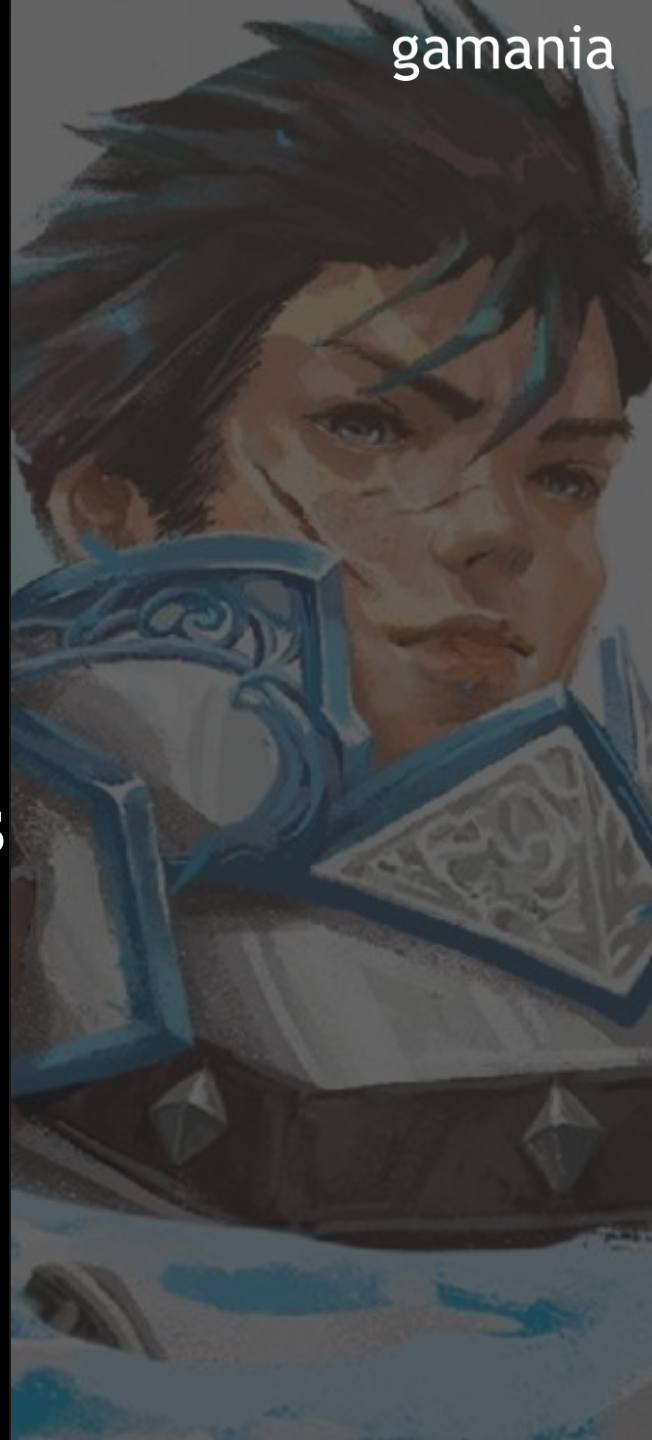
Digicentre Revenue, NT\$m



- 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

03

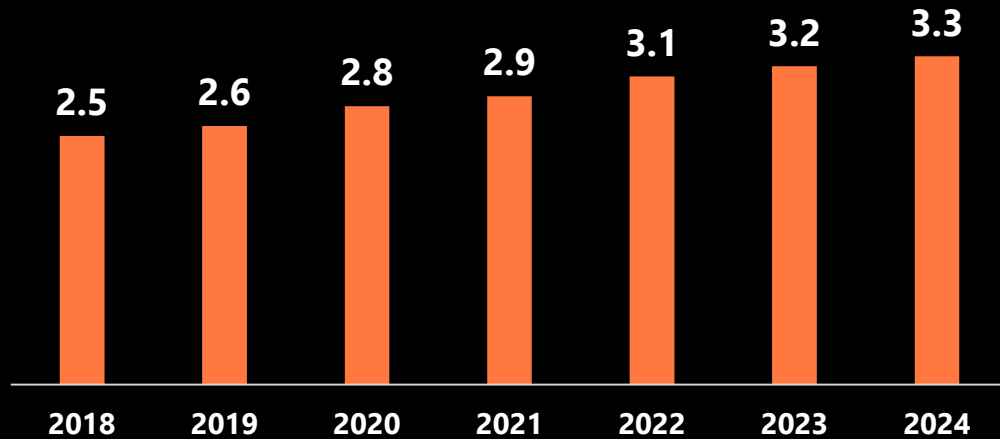
Our Future Goals and Aspirations



OVER 3 BILLION GAMERS WORLDWIDE: GAMING GOES MAINSTREAM

Game: Mega Content with 3B+ Gamers

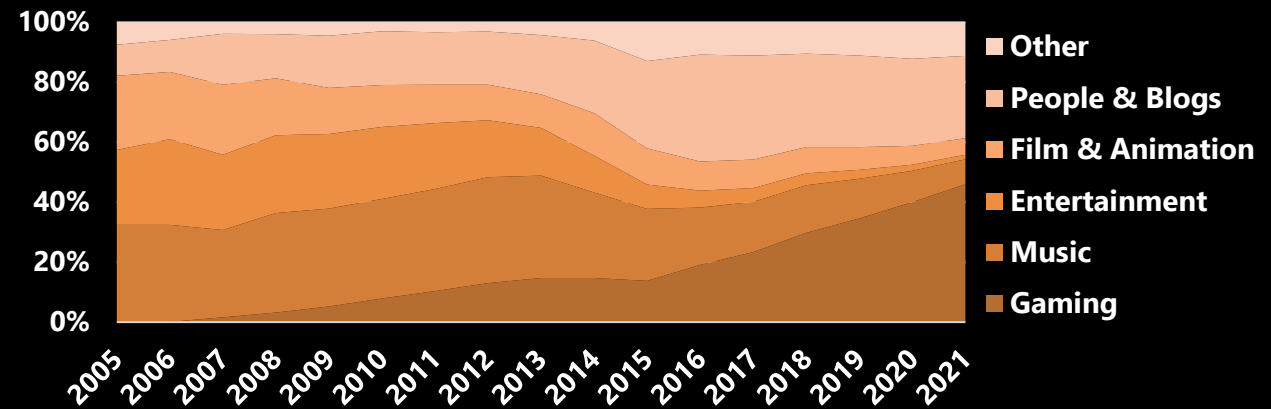
Number of Gamers in the world (bn)



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

Generating Highest User Attraction among Other Content

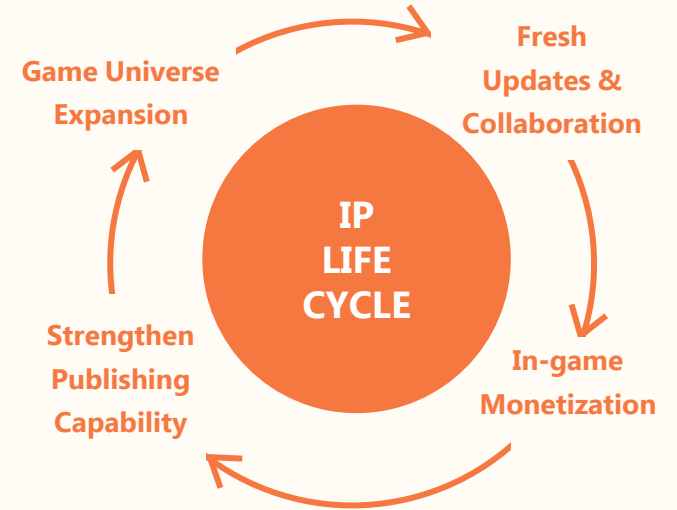
% of Viewership by Major Category on YouTube



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

GREAT IP IS VALUABLE ACROSS MULTIPLE CHANNELS

thus spinning up the franchise flywheel.

Gamania's IPs

IP Agency & Distribution



Game



Comics & Books



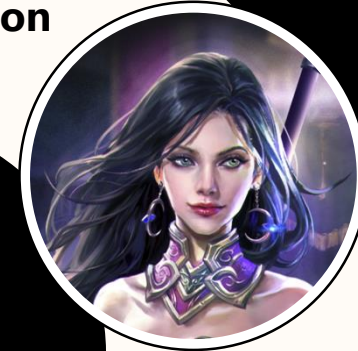
Anime & Film



Music



Social Media



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.

Diverse Development of IPs

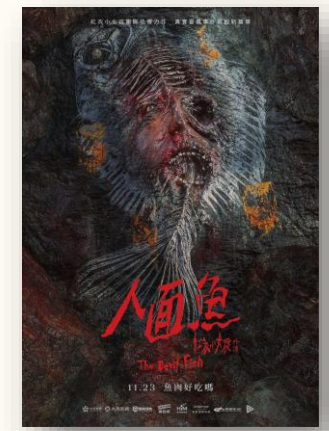
Idols

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 publishment.

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



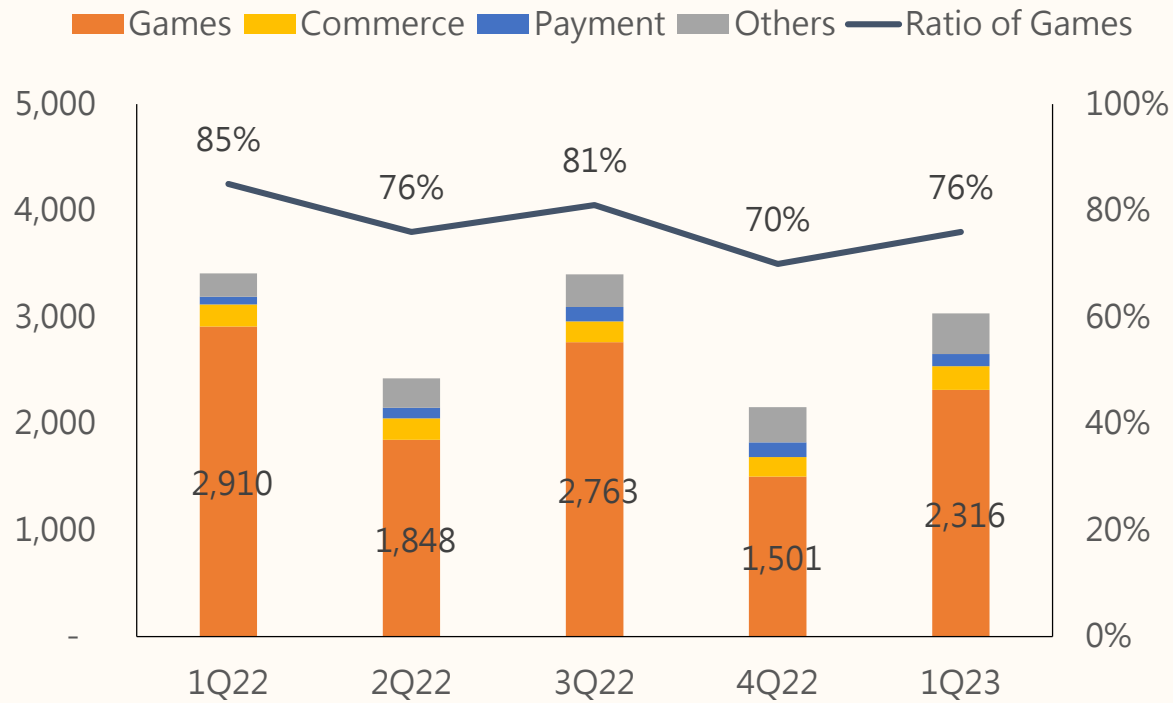
04

Financials

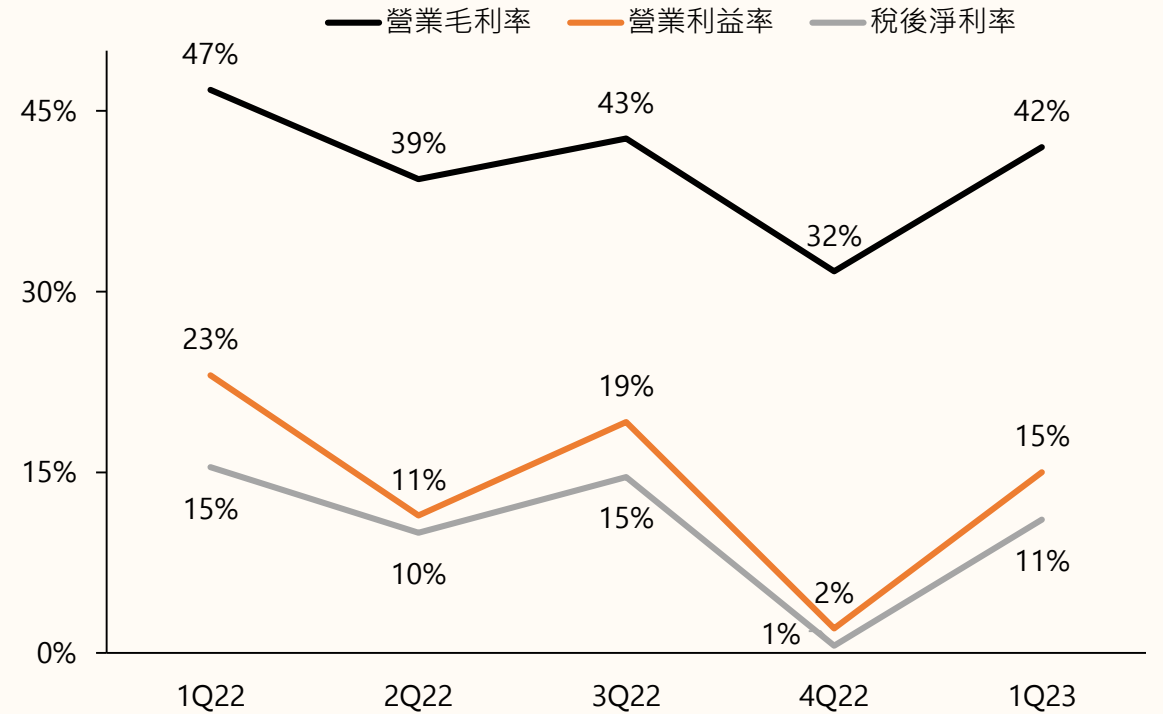
Quarterly Financials

NT\$m

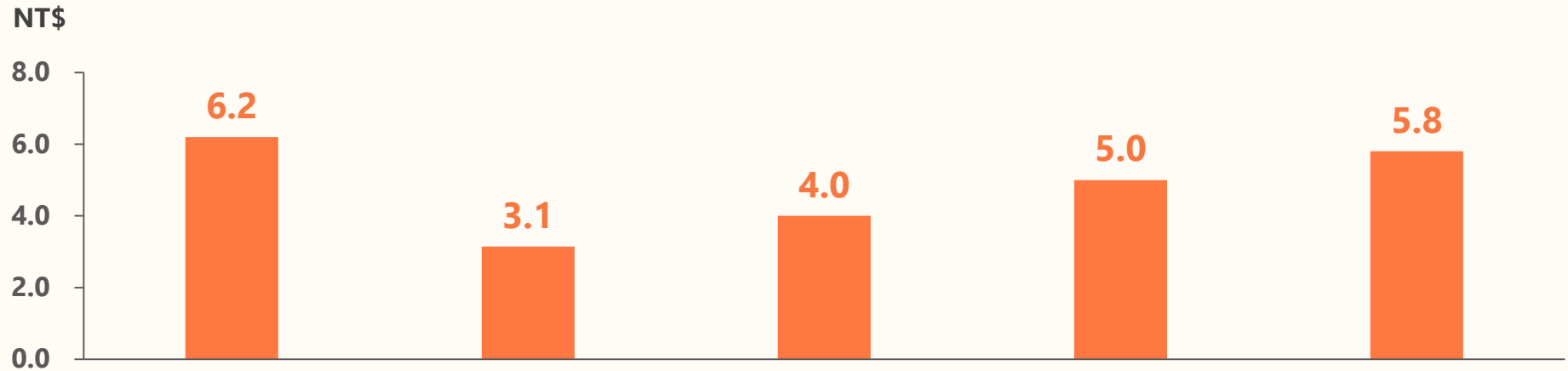
Revenue Breakdown by Segments



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 (1Q23)

NT\$m	1Q23	4Q22	1Q22	YoY	YoY%	QoQ	QoQ%
Revenue	3,034	2,154	3,409	-374	-11%	880	41%
Gross Profit	1,267	682	1,593	-326	-20%	585	86%
OPEX	816	639	807	9	1%	178	28%
Operating Profit	451	44	786	-335	-43%	407	930%
Non Op. Income & Loss	5	7	-75	80	107%	-2	-26%
Pre-tax Profit	456	51	711	-256	-36%	405	796%
Tax Expense	120	38	186	-66	-35%	82	219%
Net Income	336	18	521	-190	-36%	322	2438%
Basic EPS (NT\$)	1.92	0.10	2.97	0	-35%	2.97	1820%

Key Ratio (%)			
Gross Margin	41.8%	31.7%	46.7%
OPEX as % Revenue	26.9%	29.6%	23.7%
Operating Margin	14.8%	2.0%	23.1%
Tax Rate	26.4%	74.0%	26.1%
Net Margin	11.1%	0.8%	15.3%

BALANCE SHEET (1Q23)

NT\$m	1Q23		4Q22		1Q22	
	amount	%	amount	%	amount	%
Total Asset	10,738	100%	10,387	100%	10,331	100%
Cash & Equivalent	3,954	37%	3,737	36%	4,333	42%
A/R & N/R	883	8%	806	8%	877	8%
Inventories	132	1%	129	1%	113	1%
PP&E	2,805	26%	2,812	27%	2,811	27%
Total Liability	4,117	38%	4,098	39%	3,955	38%
A/P & N/P	661	6%	617	6%	608	6%
Total Equity	6,621	62%	6,289	61%	6,376	62%

Key Ratios

Days sales outstanding	25	39	24
Days inventory outstanding	7	9	6
Days payable outstanding	33	48	30
CCC	-0.8	-0.2	-0.1
Debt Ratio (%)	38%	39%	38%

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)



2.4

(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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