



GameSword

地心引力股份有限公司

Company Introduction

TICKER: 3629

2020

- This presentation material contains forward-looking statements and information, Gravity (the Company) is not held responsible for any updates in accordance with any new events or situations.
- The Company's actual business operation results, financial status and achievements may vary from forward-looking information. Reasons might come from various factors, including but not limited to market demand, price volatility, political policies and change in global economic status, plus other uncontrollable risk factors.
- Investors shall not take abovementioned forward-looking statements as legally-binding commitment, investors should consider them as revisable information. This presentation material does not express or imply any guarantee of the accuracy, completeness or reliability of this material, nor does it represent the Company's complete disclosure of the industry's future status or developments.

1. Company Profile

2. Business Model

3. Product Status

4. Financial Status

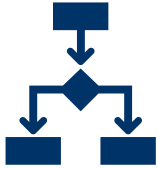
5. Future Development

Company At A Glance



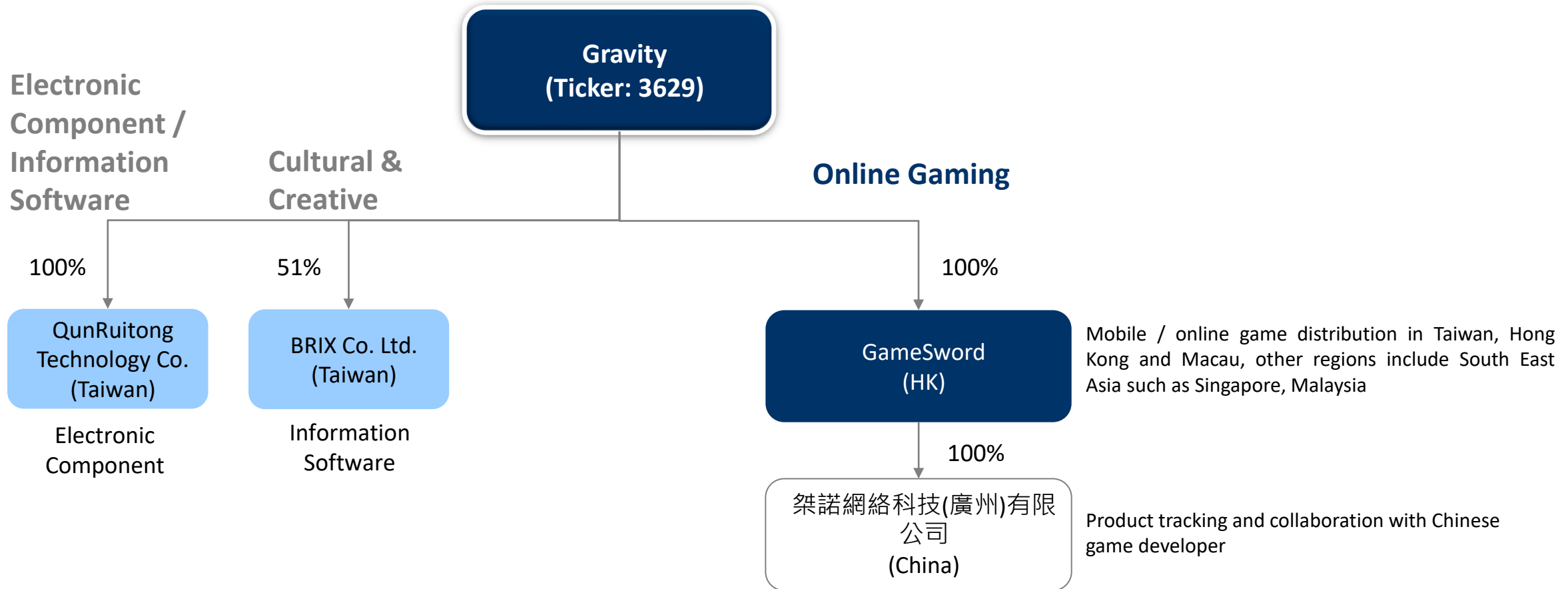
- Company Address: 2F, No 156, Jiankang Rd., Taipei
- Founded: 2001 (started its cultural & creative in 2017, entered gaming business in 2019)
- Listing on Taipei Exchange: May, 2010
- Paid-in Capital: NT\$322mn
- Major Business: Mobile gaming, cultural & creative/integrated marketing
- # of Employees: ~100 ppl

Shareholding Structure



Current Shareholding:

The Company now has online gaming, cultural & creative, electronic component, information software, and the gaming business is our future focus



Milestones

- Gravity currently distributes most of its online mobile games to release in Greater China region, including Taiwan, Hong Kong, Macau, other overseas regions include Singapore, Malaysia and Korea, EU and USA
- Our games are mainly **SLG & RPG**, these two types are the most popular ones among players
- Our prospects are “to provide players with unprecedented user experience, no matter for the game itself or customers
- We follow our creative mind, enthusiastic attitude, professional services and continuously providing localized operation, making us the top distributor

Establishment

2001

2010

Establishment



Successful listing
on TPEx

Transformation

2017

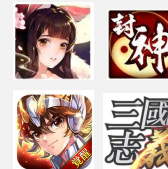
2019



Formally
started
C&L
business,
integrated
marketing

Sept. 2019: Acquired online
game business:

1. “All My Gods”
2. “San Guo”
3. “San Du”
4. “Saint Seiya: Awakening”



Growing

2019

2020



Forsaken World:
Officially
launched in Sept



Aug: CY(滄月幻境
連結)



Aug: BiuBiu(子彈
飛吧)



July: EOS



July: Game of
Thornes



May: “SNMJ”(少年
猛將傳)

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We provide integrated marketing services, assist our clients to facilitate online / offline events, building a unique one and only brand image

- ✓ Digital marketing design
- ✓ Digital marketing execution
- ✓ To create multi-interactions opportunities between users and brand
- ✓ To increase performance



Cultural & Creative Business (Cont'd)



小鎮100款款行

交通部觀光局和京站攜手推出小鎮漫遊獨家活動與快閃店，邀請你來參加。

交通部觀光局 MOTC

小鎮經典攝影展 喔熊快閃店

時間：9/16(三)-10/5(一) 地點：1F大門口

喔熊組長號召全國的熊粉前往京站，欣賞由交通部觀光局選出的100個經典小鎮，以最近最火紅的手繪風格，打造出最創意的攝影展。活動期間和攝影展拍照上傳至個人IG即可免費印製照片。

加碼滿額贈

Q卡友完成拍照活動後持單筆消費500元發票再加贈兩項好禮。

★好禮一 ETUDE 純晶四件組乙份(限量500份)

★好禮二 喔熊香捲包(限量100份)

喔熊夢工廠

喔熊組長首次在台灣推出快閃店，將販售獨家商品，等你来搶購。

A.OhBear手提袋 推薦價390元

B.OhBear可捲線充電器 推薦價720元

獨家商品 OhBear Taiwan

現場許願拍照上傳喔熊組長粉絲團即可參加抽獎！(活動詳見官網)

9/25(五) 與大家玩

喔熊組長見面會

時間：9/19(六) 13:00

喔熊組長粉絲見面會與組長三連拍並參加現場挑戰，即可兌換限定好禮。

三連拍挑戰

自行車旅遊講座

時間：9/19(六) 14:00-16:00

地點：3F LOXE 洛禮詩

《國家地理》雜誌中文版總編李永適分享以緩慢旅行深入當地風情、讓每次旅行都成為獨特的體驗。

ONAL GRAPHIC 地理雜誌

報名請掃

VIP獨享旅遊攝影講座

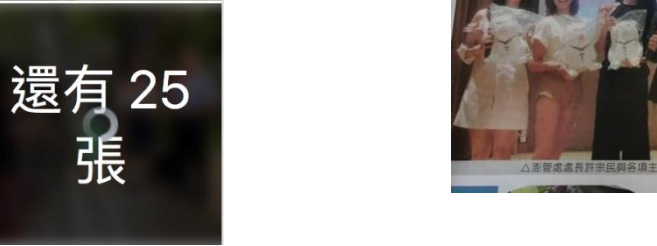
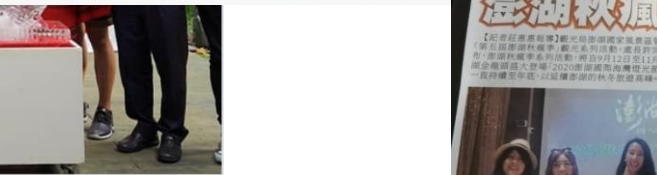
時間：9/27(日) 14:00-16:00

地點：3F VIP Lounge

邀請SONY官方合作旅遊攝影師張譯云為大家分享小鎮及人像攝影秘訣。

報名專線：02-2182-8888#9907

謝謝所有參與踩線的好朋友們，有你們的參與活動更精彩了！…… 更多



2020 Cycling Festival Project of PengHu

Event coordination, media publicity, fan page execution, video, digital advertisement, commercial, design

Penghu National Scenic Area Administration, Tourism Bureau, MOTC

Fan page and official website of "O Bear"

Event coordination, project planning, fan page execution, digital advertisement, design

Tourism Bureau, Ministry of Transportation and Communications

還有 21 張

還有 25 張



Mobile Gaming Business Model



Distribution

Execution team has abundant experiences on online game testing & execution, which has the expertise on selecting potential games for distribution

Marketing

To execute marketing projects, our business operation & market dept. teams are to aid our clients on marketing plans, from operational adjustments, marketing campaign, branding and imaging, etc.

Commercial

To assist our clients to prepare marketing collateral, which in accordance with their budgets to do online marketing activities such as facebook, Google advertisements, etc.

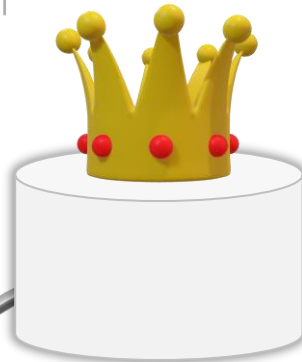
Our Core Competence

- ✓ Most of our team members have over 10 years experiences on gaming business, including PC game, online PC game & mobile game, the 3 major gaming types
- ✓ Since the rising of mobile games back in 2012 in Taiwan, HK & Macau, our team has executed over 30+ games that have over USD 1mn monthly revenue
- ✓ Localized business operation and marketing team can closely follow players' preferences
- ✓ We have several local VIP service teams to serve our VIP clients, this could provide our clients the most prestigious and privileged services, we could in turn understand about the needs of our clients



Localization

Experienced Team



Big Data



- ✓ We could obtain users' device information, such as operation system version, region, online environment, ages and genders, etc.
- ✓ 24-7 non-stop customer services, including in-house client service system such as Line, facebook, Google Play and Apple Store. We could understand users' firsthand feedback and problem, which allows us to deal with the problem immediately to avoid operational loss
- ✓ Complete storage of original operational data, we could analyze every product's registration, log-in, DAU, MAU, 1~90 day sustainability, paying rate, paying status, paying range and structure, consumer trend, paying habit, user's lifetime value, user's behavior, product sale, etc., total of over 30 different types of analysis, so that our team could maintain the most updated information

Our Major Departments



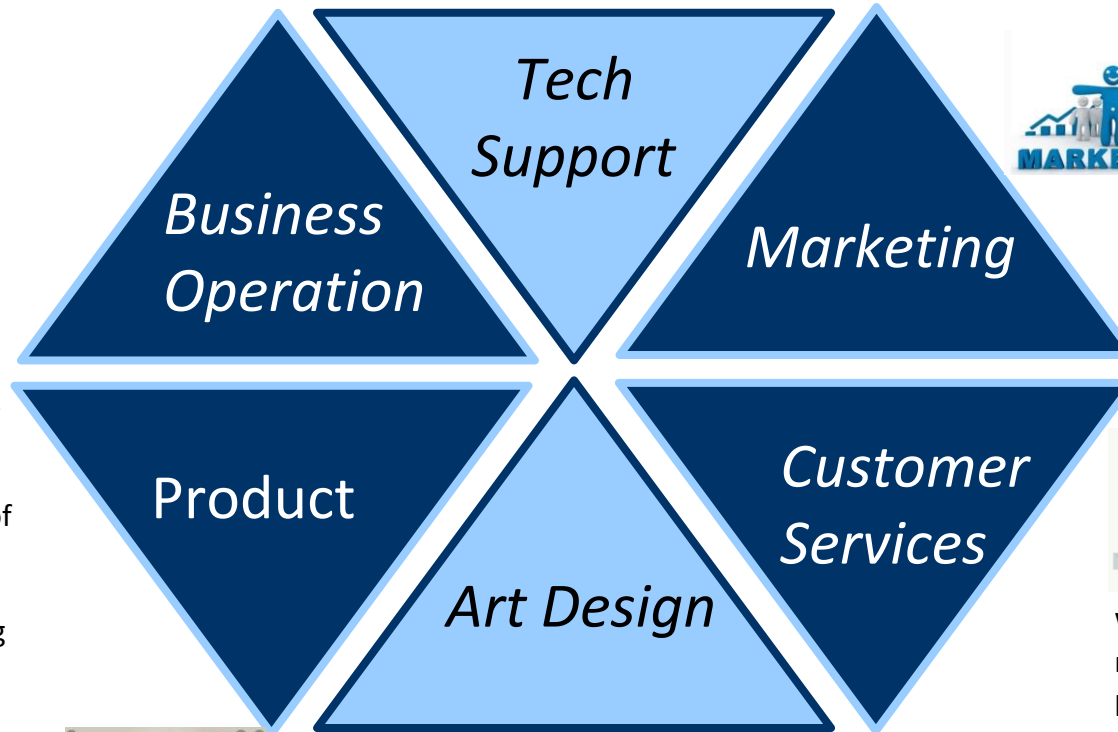
We now have about 90 people across 6 major gaming business departments: Business Operation, Tech Support, Marketing, Product, Art Design and Customer Services



- Core members set out the SOP, and execute them precisely to shrink the handover time between game developers and us, the SOP could save 2 months communication time, which can save a tremendous amount of time and costs
- Providing players' data info to business operation team in order to run compatibility testing on popular games, the could further make sure products can run smoothly on major mobile device, which could decrease the rate of losing potential players
- Cross-comparison on paying users, obtain the high value customers' paying habits and paying point, so the team could manage appropriate events to increase users' paying activities
- Increase monitoring games, to prevent potential loss of players



Big data collection via various product marketing, our tech team has a unique AI model to run and analyze our data. The team can analyze a specific product and come up with latest market trend, obtain info such as players' device type, region, internet environment, ages and genders. The tech team will provide the useful info to marketing team and sales team and adjust strategy accordingly



Experienced marketing team, most of the team members have executed over 30+ products with over USD 1mn monthly revenue

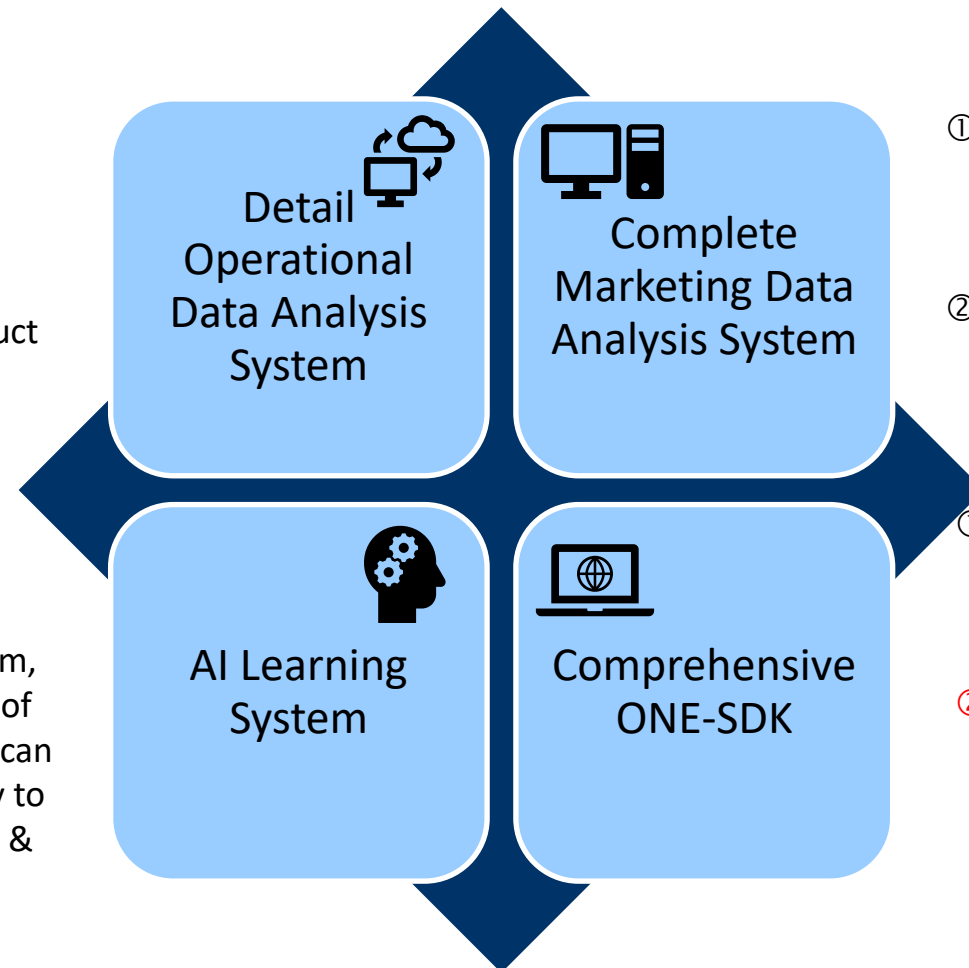


We have 24-7 nonstop online customer services and regular customer services to maintain our high value paying users, the service team could receive players' status right away, and inform appropriate back office to prevent potential loss



- ✓ Our platform includes 5 major features: “front-end member system”, “deposit cashflow system”, “back-end system”, “analysis system” and “SDK module”
- ✓ These are very **time-consuming** developments; our structure is complete and reliable. Our back-end system can generate information from operation, marketing and market intelligence, which have the following advantages:

- ① Important data includes these indicators: users’ paying rate, paying range, sustainability, **Lifetime Value** 、 **ARPPU**
- ② We can efficiently utilize these data to arrange operational needs, enhance product revenue and profitability



- ① We have a unique AI learning system
- ② Specifically analyzing members’ eco system, this will help us on tracking market trend of ready-to-launch mobile games, our team can arrange appropriate promotional strategy to better suit the market, hence reduce cost & increase profit

- ① The data analyzing system can monitor different types of commercial, performing a SWOT analysis on a specific ad or campaign, closely follow its status
- ② Via our data system we can achieve various advantages such as lower ad costs, optimize ad material and increase ROI, etc.

- ① ONE-SDK has the advantage of compatibility with any game developer, the transition from game developer to distributor can be very smooth
- ② **This system is the result of 6-year hard work experience**, most of our games do not have other distributors’ common technical failures such as difficulties when log-in or activation, hence we have very high positive recognition from iOS and Android systems

facebook To Understand Users' Mind

Facebook is one of the biggest mainstream social medias in Taiwan, Hong Kong and Macau, in which fan group is the major communication path with users. Our fan page and its related discussion group have been keeping great interactions with our fans, and has the following advantages:

1. To understand and find core users through observing players' opinion, **we can plan a more precise operational strategy** before and post a game launches
2. Related fan group data can be used as subsequent similar games' potential distributable clients, **this can lead to accurate marketing and further save costs**
3. Our game types include 3 major mainstream games: RPG (Role-Playing Game), Card Game and SRPG (Strategy Role-Playing Game), and we focus on **these 3 major fan base** to promote our products, which can bring out the best results on our **product operation, promotion and R&D**

Collaboration with Apple & Google












- Most of the global mobile games are launched through Apple's AppStore and Google's Google Play operation system, so if a game can be recommended by both systems, it can have a great advantage of product exposure, and further attracts more natural traffic, which decreases costs
- Our team has very good collaboration with Appstore and Google Play, we can stay on top of their policy and continuously optimize launching regulations, which in turn qualifies two systems' recommendation requirements. **Our games have been recommended by two systems multiple times in 2019**
- Our popular games "Saint Seiya: Awakening" and "Forsaken World" both had been invited to join Google Play's 2020/Q1 "all new features" in Taiwan, Hong Kong and Macau, which Gravity was one of the few distributors to participate this event

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5. Future Development



The followings are our current licensed launched games, in which we have generated total over 5mn+ users so far:

Game	Launch Date	Game Type	Launch Region/Country
CY 	2020/08/24	Tower Defense Games	Taiwan, HK, Macau + EU & US
Biu Biu 	2020/08/20	Tower Defense Games	Taiwan, HK, Macau
EOS 	2020/07/22	MMORPG	Taiwan, HK, Macau
GOT 	2020/07/21	Tower Defense Games	Taiwan, HK, Macau
SNMJ 	2020/04/09	Card+RPG	Taiwan, HK, Macau
Forsaken World 	2019/09/19	RPG	Taiwan, HK, Macau
San Du 	2019/06/13	Card+RPG	Taiwan, HK, Macau
San Guo 	2019/04/09	SLG/Card	Taiwan, HK, Macau, Singapore, Malaysia
Saint Seiya: Awakening 	2019/02/26	Card	Taiwan, HK, Macau
All My Gods 	2019/01/24	Card	Taiwan, HK, Macau

Our Main Products – CY, EOS, GOT



- **Product Features:** Adventurous Japanese style RPG card game
- **Launch:** TW, HK, Macau + EU & US
- **Game Features:** Strategic tower defense game, focusing on cute ACG style tower defense play, roles are a mixture of famous east & west characters crossing to a spiritual world to fight enemies



- **Product Features:** Treasure hunting, exciting and free killing, equipment can trade freely, non-paying user can also enjoy the game. Korean medias rate EOS as most dangerous MMORPG in 2020
- **Launch:** TW, HK, Macau
- **Game Features:** MMORPG, the attractiveness of the game are stealing equipment, trading and conquering territories



- **Product Features:** Official HBO licensing, perfectly reproduced the classic story. It is an SLG, the 1:1 ratio to reproduce scenes of the film
- **Launch:** TW, HK, Macau
- **Game Features:** Strategic cross-border SLG, one of the key features is re-originating film's characters and scenes

Our Main Products – SNMJ, Forsaken World



- **Product Features:** Famous art designer creates youth characters of “Three Kingdom”. Every famous “Three Kingdom” character is perfectly reproduced as young and energetic teenagers
- **Launch:** TW, HK, Macau
- **Game Features:** This is a game of combination of card and RPG, it is an all new “Three Kingdom” game



- **Product Features:** Via Unity Technologies to develop all new game, natural scenes with lightening, simulated surreal skin, to build delicate scenes
- **Launch:** TW, HK, Macau
- **Game Features:** Transformation from PC IP, it keeps the original story line but adds new expansion and collection elements, it also enhances cross-server battling, more development of “guild”, battling for fortress and cross-server battling for leader

Our Main Products – San Guo, Saint Seiya: Awakening



- **Product Features**: Set in the late “Han Dynasty”, truly reproduced Han’s mountains, rivers and fortress
- **Launch**: TW, HK, Macau
- **Game Features**: Delicate reproduction of hero characters with fancy style to reinforce players’ excitement



- **Product Features**: 100% adapted the original cartoon, and invited Japan’s best dubbing to display film standard quality and script
- **Launch**: TW, HK, Macau
- **Game Features**: Completely disrupted the tradition to be closer to the original story, every saint warrior has unique function, apparent control, assistance and attack mode

Fan Base Statistics

Fan base of “EOS”, it has 27,884+ valid thumbs up and 28,195+ followers



靈境殺戮
@eosred.tw · 電玩遊戲

玩遊戲



權力的遊戲：凜冬將至 M
@GOT.gamesword · 電玩遊戲

玩遊戲



Special endorsement by famous Youtuber - “Mr. & Mrs. Gao” to introduce the game “GOT”, the video has over 1mn+ views in less than a day since released

Fan base of “GOT”, it has 38,394+ valid thumbs up and 39,227 + followers

“SNMJ”(少年猛將傳) fan base, it has 31,053+ valid thumbs up and 31,619+ followers



少年猛將傳
@snmj.gamesword · 電玩遊戲

玩遊戲

Above data is as of 2020/11/17

Fan Base Statistics (Cont'd)

“Forsaken World” fan base, it has 54,683+ valid thumbs up and 55,234+ followers



遺落大陸：帝國崛起
@yldl.gamamobi · 電玩遊戲



“Saint Seiya: Awakening” fan base, it has valid 55,449+ thumbs up and 56,408+ followers



聖鬥士星矢：覺醒
@sds.Seiya · 電玩遊戲



“San Du” (神都夜行錄) fan base, it has 38,177+ thumbs up and 38,071+ valid followers



神都夜行錄
@sd.gamamobi · 電玩遊戲



“San Guo”(三國志義) fan base, it has 10,191+ thumbs up and 10,245+ valid followers



三國志義
@sanguo36 · 電玩遊戲



“All My Gods” (封神戰天門) fan base, it has 8,253+ thumbs up and 8,218+ valid followers



封神戰天門
@AllMyGods · 電玩遊戲



Above data is as of 2020/11/17

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- Since the acquisition of gaming business, Gravity's revenue and profitability have been climbing steadily
- Consolidated revenue has grown from NT\$39.57mn in 2018 to NT\$474mn in 2019, net income has grown from -NT\$22.05mn in 2018 to NT\$28.52mn in 2019
- First 3Q of 2020 has solid performance as well, the consolidated revenue in 2020/3Q has grown ~750% compare to 2019/3Q, **net income has turned positive with NT\$41.67mn, EPS of NT\$1.29**

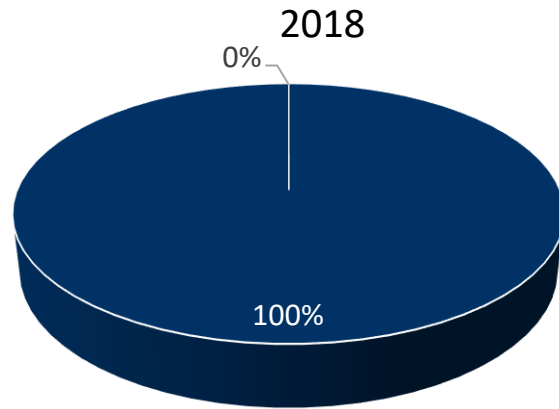
Unit: NT\$ thousands

	2018	2019	2020/Q1	2020/Q2	2020/Q3	2020/1~3Q
Sales	39,574	474,050	167,260	206,589	236,286	610,135
COGS	21,679	327,176	130,940	125,490	116,067	372,497
Gross Profit	17,895	146,874	36,320	81,099	120,219	237,638
Income From Operations	(22,682)	34,361	(33,985)	49,073	58,190	73,278
Net Income Attributable to Shareholders of the Parent	(22,054)	28,523	(34,590)	49,090	27,172	41,672
EPS(NT\$)	(1.41)	1.39	(1.07)	1.52	0.84	1.29

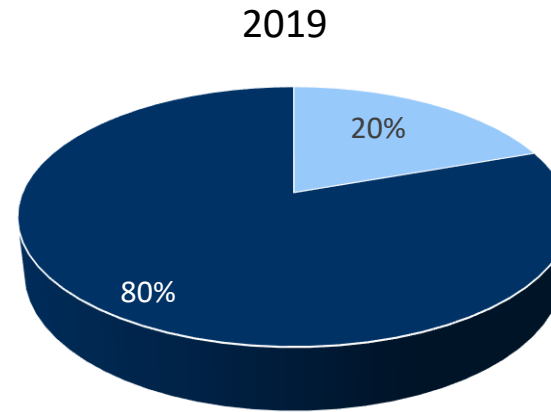
Revenue Structure



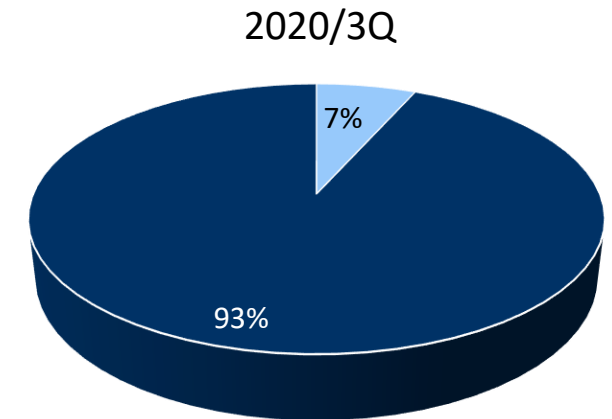
- 2018 was pre-gaming business
- Gaming business joined Gravity in Oct., 2019, and started to contribute revenue and profit, gaming business was accounted for about 80% of 2019's total revenue
- The first 3Q consolidated revenue of 2020 was about 93%



■ 文創事業 ■ 遊戲事業



■ 文創事業 ■ 遊戲事業

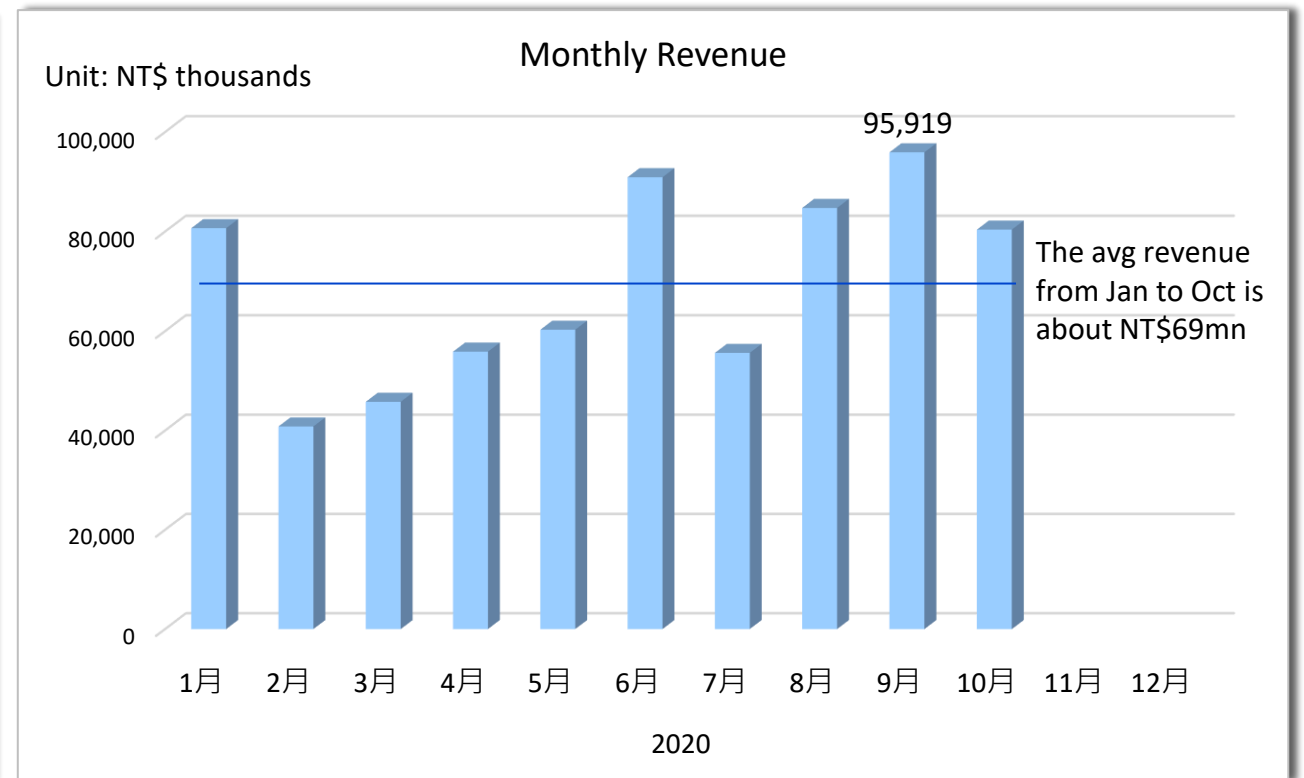
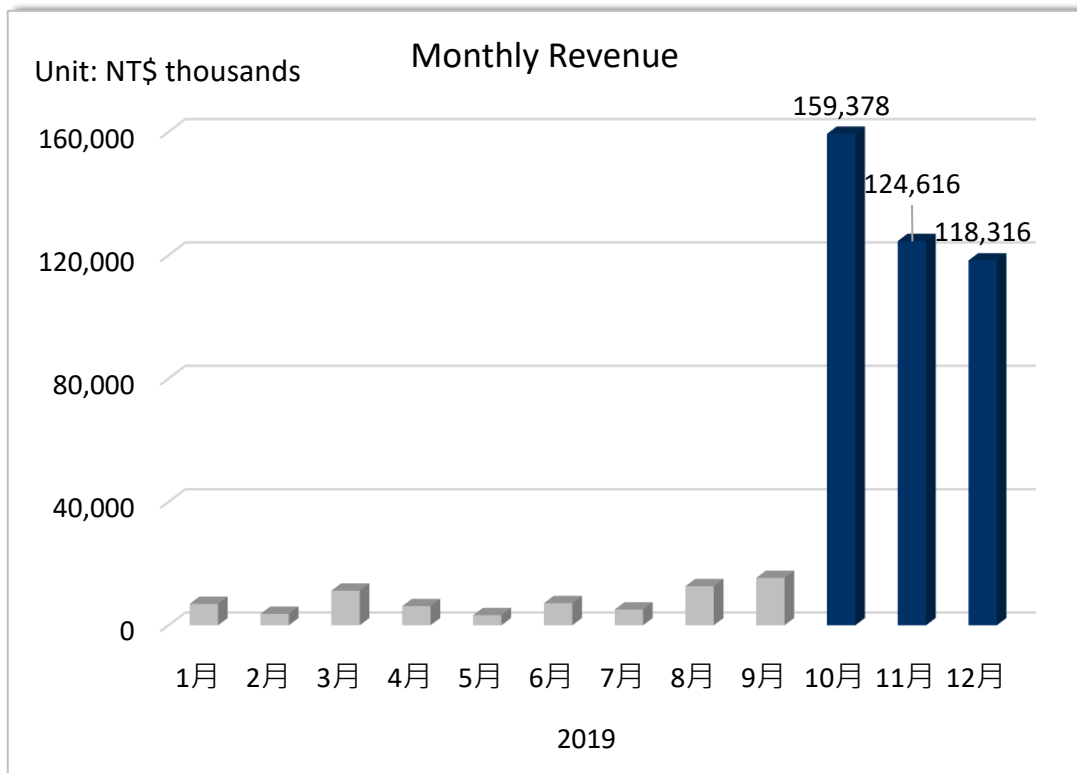


■ 文創事業 ■ 遊戲事業

Monthly Sales Performance Post Addition of Gaming Business



- Gravity's monthly revenue has been steadily growing since the addition of gaming business
- Gravity's revenue hit a record high in recent years in Oct., 2019 of NT\$159mn
- As of the end of Oct., 2020, the average monthly revenue is around NT\$69mn

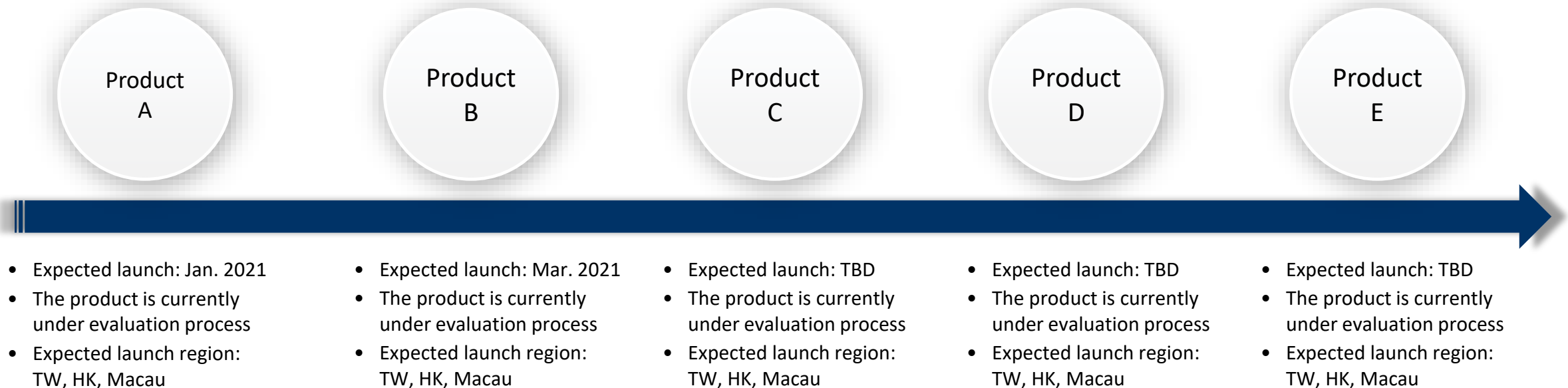


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Products Pipeline



- We are planning to issue 5 games in the 1st half of 2021
- We will keep focusing on the distribution of “boutique games”, which can bring us steady revenue and profit, and take “special theme” or “unique” games as supplement revenue sources to diversify our target market
- We will try to issue a “Grade S Game*” every quarter, plus other small games as supplementary, these two types of games can create the best source of profit



* A “Grade S Game” means the game can generate over NT\$100mn revenue in its first month of issuance, and it also has longer lifetime cycle. This usually means an annual mega hit game



Keep Licensing High Quality Gaming Products

Maintaining great relationships with developer/provider to grant game distribution business

Distribution

Deep Rooting Local Services

Cultivating local market, providing best services to users

Localization

Expansion to Foreign Market

Gradually build up our foreign team and go global in the future

Offshore Expansion





THANK YOU

Creativity Makes Us Different, We Bring New Imaginations To Players