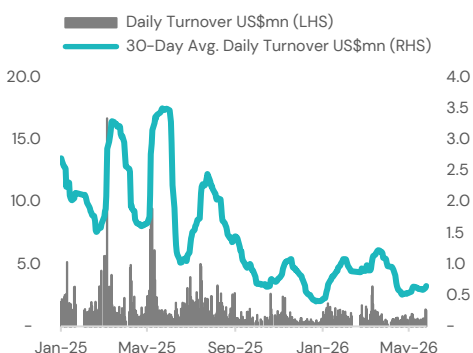
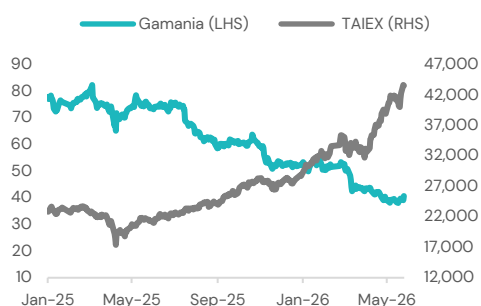


2026/05/26
TruePulse Equity Research
research@truepulsecapital.com

Key Statistics

Ticker:	6180.TW / 6180 TT
Current Price:	TWD 39.05
52-Week Range:	TWD 37.55 - 76.5
Avg. Vol. (30-Day, k share)	523.4
Outstanding Shares (MN)	175.5
FINI Holding (%)	23.18
Market Cap (US\$MN)	218.0

Price Performance



Financial Summary

NT\$ mn	2022	2023	2024	2025
Revenue	11,388	9,791	11,077	8,867
Revenue YoY (%)	0.1	-14.0	13.1	-19.9
Gross Margin (%)	42.7	38.8	35.3	27.8
OP Margin(%)	15.4	6.5	2.3	-5.4
Net Profit	1,280	575	2,068	-269
Net Profit YoY (%)	15.7	-55.1	259.5	-113.0
Net Margin(%)	11.2	5.9	18.7	-3.0
EPS (NT\$)	7.29	3.28	11.78	-1.53
BPS (NT\$)	33.4	30.6	32.1	24.4
ROE (%)	22.7	10.2	37.5	-5.4
Yield (%)	14.9	8.4	15.3	2.5
P/E (x)	5.4	11.9	3.3	-
P/B (x)	1.2	1.3	1.2	1.6
P/S (x)	0.6	0.7	0.6	0.8
EV/EBITDA (x)	2.9	6.1	8.2	139.6

Gamania Digital Entertainment

Core Operations Stabilizing as a Second Growth Engine Begins to Emerge

Company Overview

Gamania Digital Entertainment is one of Taiwan's leading digital entertainment and internet service groups. Originally established as an online game operator, the company has expanded into cloud infrastructure, cybersecurity, and AI-related applications. Its gaming portfolio is anchored by long-running franchises such as *MapleStory* and *Lineage M*, which continue to provide a stable recurring revenue base in Taiwan. In recent years, Gamania has accelerated efforts to diversify beyond traditional game publishing through enterprise cloud services, cybersecurity solutions, and AI initiatives, gradually evolving toward a more diversified and platform-oriented operating structure.

Key Points

Margin Recovery and Cost Optimization Taking Hold: Gamania reported 1Q26 EPS of NT\$0.63, below market expectations, with revenue declining 10% YoY amid continued competitive pressure and gaming product cycle adjustments. That said, operating trends improved meaningfully on a sequential basis. Gross margin rebounded to 31% from 22% in 4Q25, while quarterly revenue recovered 42% QoQ as player re-engagement initiatives and product optimization efforts introduced late last year gradually gained traction. Operating expenses declined 19% QoQ and 7% YoY, supported by tighter marketing discipline and ongoing organizational streamlining. Importantly, R&D spending still increased 15% YoY despite broader cost rationalization efforts.

Core Gaming Trends Showing Early Stabilization: Gaming remained Gamania's primary earnings driver in 1Q26, contributing 71% of group revenue, with *MapleStory* and *Lineage M* accounting for approximately 91% of total gaming revenue. Management acknowledged that *MapleStory Worlds* and the nostalgic module *Artale* created meaningful player migration pressure over the past year. However, following player re-engagement initiatives launched late last year, *MapleStory* point consumption during the winter holiday period increased roughly 20% YoY, marking the third-highest seasonal performance in franchise history. Meanwhile, *Lineage M* recorded all-time high MAU and QAU levels during the quarter, suggesting improving core user engagement trends.

Enterprise and AI Businesses Expanding: Beyond gaming, Gamania continues expanding its enterprise-facing businesses, including cloud infrastructure, cybersecurity, and AI-related applications. In 1Q26, enterprise services revenue reached NT\$369mn, representing approximately 14% of group revenue. Management indicated that enterprise AI transformation and cybersecurity demand remain healthy, with future focus areas including multi-cloud management, SaaS security solutions, and AI SOC monitoring services. Meanwhile, the company's AI initiatives targeting retail and service applications are expected to debut publicly at Computex in June, providing greater visibility into future commercialization progress.

Market Positioning Still Anchored to Legacy Gaming Dynamics: Following prolonged competitive pressure and gaming product cycle volatility over the past year, investor sentiment toward Gamania remains cautious, with market positioning still largely framed around traditional gaming sector dynamics. However, management commentary during the latest earnings call suggests Gamania has already begun repositioning its operating structure through enterprise services expansion, and AI-related initiatives. Management recently initiated a two-stage treasury share buyback program totaling 4mn shares, reflecting confidence in the company's longer-term fundamentals.

Gamania 1Q26 Earnings Takeaways

Core Gaming Operations Stabilizing as Cost Restructuring and Diversification Efforts Begin to Gain Traction

1Q26 marked an important stabilization quarter for Gamania following the competitive pressures and product cycle disruptions seen throughout 2025. While earnings remained below market expectations, management commentary during the quarter pointed to improving operating trends across its core gaming business, alongside continued progress in cost optimization, proprietary game development, and non-gaming initiatives.

In our view, the key takeaway from this quarter was not simply the sequential recovery in profitability, but rather the gradual shift in Gamania's operating structure — from a business primarily driven by individual gaming product cycles toward a more diversified platform combining gaming, enterprise cloud services, cybersecurity, and AI-related applications.

Sequential Recovery in Profitability as Margin and Cost Structure Improved

Gamania reported 1Q26 EPS of NT\$0.63, recovering from a loss of NT\$1.97 in 4Q25. Gross margin rebounded meaningfully to 31%, up from 22% in the prior quarter, reflecting improving operating leverage and the initial benefits of restructuring measures implemented since late 2025.

Quarterly revenue increased 42% QoQ to NT\$2.59bn, supported by improving engagement across core gaming titles and the gradual impact of player reactivation initiatives introduced late last year. On a YoY basis, however, revenue still declined 10%, mainly reflecting ongoing competition from overlapping gaming products as well as the timing shift of major in-game events into late 2025.

Cost controls also became increasingly visible during the quarter. Operating expenses declined 19% QoQ and 7% YoY to NT\$668mn, driven primarily by tighter marketing spending and ongoing organizational streamlining efforts. Management noted that broader group-wide resource optimization and structural adjustments remain ongoing.

Importantly, R&D spending still increased 15% YoY despite broader cost rationalization initiatives, primarily reflecting continued investment into proprietary game development and AI-related projects. In our view, this suggests management is not simply focused on short-term earnings recovery through cost cuts, but is simultaneously repositioning resources toward longer-term product competitiveness and new growth initiatives.

Separately, the group also completed the integration of its ACG-focused e-commerce platform back into the headquarters structure during March, which management expects will further reduce overlapping operating costs and improve organizational efficiency going forward.

Core Gaming Trends Showed Early Signs of Stabilization

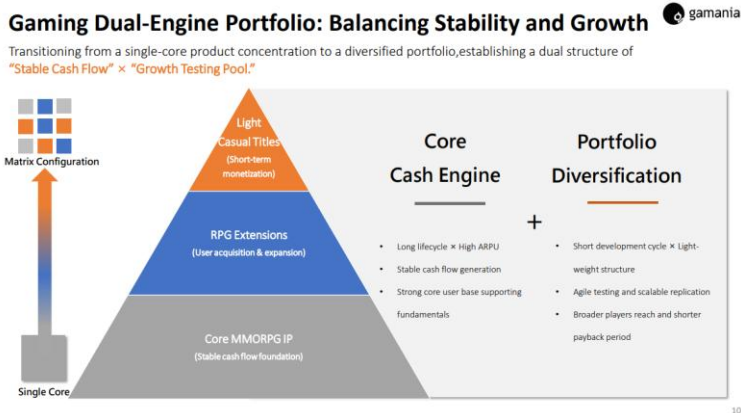
Gaming remained Gamania's largest business segment in 1Q26, contributing 71% of total group revenue. *MapleStory* and *Lineage M* together accounted for approximately 91% of gaming revenue during the quarter and continue to represent the company's core earnings foundation.

Management acknowledged that the launch of *MapleStory Worlds* and the popular nostalgic module *Artale* created meaningful player migration pressure over the past year due to their highly overlapping gameplay experience with traditional *MapleStory*. However, management noted that player re-engagement initiatives launched in late 2025 have gradually started to show early signs of improvement.

From a broader industry perspective, management highlighted that the global gaming market is increasingly shifting toward Live Service and Hybrid-casual operating models. As development costs for entirely new AAA-scale IPs continue to rise, extending existing franchises through nostalgic versions, cross-platform adaptations, and lighter-weight gameplay formats has become an increasingly important strategy across the industry.

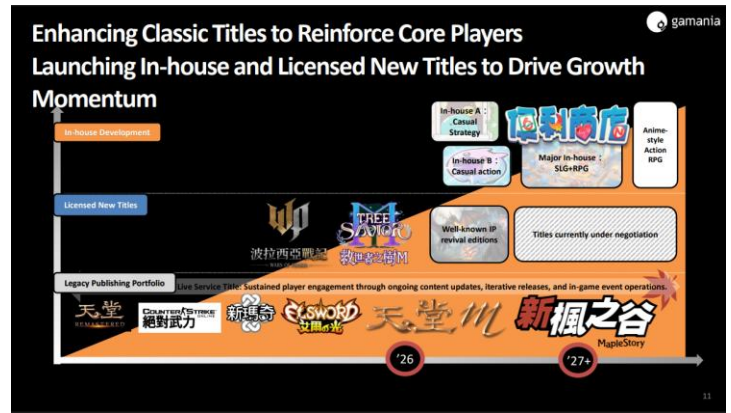
Looking ahead, Gamania plans to further diversify its gaming portfolio beyond traditional MMORPGs through simulation titles, action games, strategy-based products, and Hybrid-casual formats to reduce dependence on individual product cycles. On the proprietary development side, management indicated that the company will initially prioritize smaller-scale, shorter-cycle projects to facilitate faster market testing and iteration before gradually scaling toward larger internally developed titles. The nostalgic revival version of its well-known *Convenience Store* IP is expected to launch between late 2026 and 2027.

Exhibit 1.1: Gamania’s Game Development Strategy



Source: Company Data, TruePulse Equity Research

Exhibit 1.2: Gamania’s Future Game Pipeline



Source: Company Data, TruePulse Equity Research

Enterprise Services Continue to Expand as Non-Gaming Revenue Contribution Gradually Increases

Beyond gaming, Gamania has continued to expand its enterprise-facing businesses, including cloud infrastructure, cybersecurity, and digital services. In 1Q26, enterprise services revenue reached NT\$369mn, representing approximately 14% of total group revenue.

Within the segment, cloud-related services remained the largest contributor, accounting for roughly 62% of enterprise revenue, followed by IDC services at 16% and cybersecurity-related offerings at 11%. Management noted that the segment’s slight 1% YoY decline was primarily due to a high comparison base from a one-off enterprise licensing project recorded last year, rather than any structural weakening in underlying demand.

Management indicated that enterprise demand related to AI transformation, cloud migration, and cybersecurity continues to expand, with future strategic focus areas including multi-cloud management, cloud-native security solutions, and AI SOC monitoring services.

The company has also continued strengthening its broader cybersecurity capabilities, including App security testing, vulnerability scanning platforms, and AI-driven cross-cloud threat monitoring solutions. According to management, its AI SOC platform is capable of supporting on-premise, cloud, and hybrid-cloud environments while actively identifying complex threats and simulating attack behavior to validate enterprise defense systems.

In our view, while investor focus remains largely concentrated on Gamania’s gaming business, the strategic importance of its enterprise services segment has continued to increase steadily over the past few years. As cloud and

cybersecurity demand remain secular growth areas, the segment could gradually become a more meaningful contributor to the group's long-term operating profile.

AI Initiatives Begin Entering Early Commercialization Stage

On the AI front, Gamania is currently focused on developing "robot brain" intelligent solutions targeting retail and service-related applications, integrating voice interaction and recommendation engine technologies into real-world operating environments.

Management indicated that related applications and hardware integration solutions are scheduled to make their first public debut at Computex in early June, which should provide investors with greater visibility into the company's commercialization roadmap and practical deployment capabilities.

From a financial perspective, management acknowledged that the business remains at a very early commercialization stage, and current project-level margins are not yet meaningful from a statistical standpoint. However, the company noted that disclosure transparency could gradually improve as operating scale expands over time.

In our view, compared to many AI-related concepts currently emphasized across the Taiwan market, Gamania's approach appears more focused on practical deployment scenarios and commercialization potential rather than purely thematic positioning. While still early-stage, the company's AI initiatives remain an area worth monitoring as part of its broader diversification strategy.

Share Buyback Program Reflects Management Confidence in Long-Term Fundamentals

On the capital allocation front, Gamania launched a two-stage share buyback program during March and May 2026, with a combined repurchase ceiling of 4 million shares. The first phase, totaling 1.5 million shares, was fully completed in early May at an average repurchase price of NT\$42.64 per share, while the second phase remains ongoing.

Management stated that the buyback program is intended not only to support employee incentives and long-term talent retention, but also to reflect confidence in the company's long-term operating fundamentals and future strategic direction.

More broadly, management continues to position Gamania around a "stable cash flow + growth optionality" framework, with mature gaming franchises serving as the group's earnings foundation while cloud services, cybersecurity, and AI-related initiatives gradually build additional growth drivers over time.

In our view, while investor perception remains largely anchored to traditional gaming sector dynamics, recent operational adjustments suggest Gamania's business structure is gradually evolving beyond a purely product cycle-driven gaming model. As core gaming operations stabilize and non-gaming businesses continue gaining strategic importance, future progress in enterprise services and AI commercialization could become increasingly important factors shaping the market's longer-term view of the company.

Income Statement

NT\$m	2022	2023	2024	2025
Net Sales	11,388	9,791	11,077	8,867
COGS	6,523	5,996	7,164	6,400
Realized profit (loss) from sales	0	0	0	0
Gross Profit	4,865	3,795	3,912	2,467
Selling Expenses	1,361	1,304	1,220	690
G&A Expenses	1,261	1,198	1,616	1,260
R&D Expenses	485	653	818	991
Other Operating Expenses	0	0	0	0
Operating Profit	1,759	640	258	-475
EBITDA	2,341	1,287	1,004	198
Net Interest Income (Expenses)	16	43	39	16
Other, Net	0	0	0	0
EBT Excl. Unusual Items	1,775	683	297	-459
Gain (Loss) on Sales of Investments	-1	0	2,136	0
Gain (Loss) on Sale of Assets	-0	-0	-0	-0
Gain (Loss) on FX	44	6	16	20
Other Unusual Items, Total	-110	-2	-262	20
EBT Incl. Unusual Items	1,708	688	2,186	-419
Income Tax Expense	430	127	115	-143
Earnings from Cont. Ops.	1,278	560	2,072	-275
Discontinued Operations	0	0	0	0
Net Income to Company	1,278	560	2,072	-275
Minority Interest	-2	-15	4	-6
Net Income to Parent	1,280	575	2,068	-269
EPS (NT\$)	7.29	3.28	11.78	-1.53

Source: Company Data, TEJ TruePulse Equity Research

Balance Sheet

NT\$m	2022	2023	2024	2025
Cash & Equivalent	3,737	3,157	1,971	2,002
Trading Asset Securities	0	0	0	0
Short-Term Investment	149	89	12	5
AR & NR	806	619	1,049	843
Inventories	129	109	186	75
Prepaid Expenses	322	350	239	229
Other Current Assets	757	940	248	211
Total Current Assets	5,899	5,264	3,705	3,365
Long-term Investment	268	246	986	935
Total property plant and equipment	2,812	2,836	2,802	2,841
Goodwill	237	244	181	144
Other intangibles	941	989	388	852
Other Non-Current Assets	229	242	294	455
Total Assets	10,387	9,822	8,355	8,593
AP & NP	617	616	634	711
Accrued Expenses	2,727	2,708	1,050	1,451
Other Current Liabilities	502	445	526	476
Total Current Liabilities (excl. ST Debt)	3,846	3,770	2,209	2,638
Working Capital Revolver (ST Debt)	92	90	50	1,250
Total Debt (excl. Working Capital Revolver+incl. LT Debt within 1 yr)	0	0	0	0
Other Liabilities	160	176	86	76
Total Liabilities	4,098	4,035	2,346	3,964
Total Common Equity	5,852	5,377	5,639	4,276
Common Stock	1,755	1,755	1,755	1,755
Capital Reserve	1,355	1,349	1,348	1,340
Retained Earnings	3,182	2,724	2,973	1,655
Other Adjusted Items	-439	-451	-437	-475
Total Preferred Equity	0	0	0	0
Minority Interest	437	409	370	354
Total Equity	6,289	5,787	6,009	4,630

Source: Company Data, TEJ TruePulse Equity Research

Statement of Cashflow

NT\$m	2022	2023	2024	2025
Net Income	1,280	575	2,068	-269
Minority Interest	-2	-15	4	-6
D & A, Total	161	170	185	180
Amortization of Deferred Charges	421	477	561	493
Change in Net Operating Assets	500	2	360	121
Other Non-Cash Items, Total	110	-241	-1,728	-124
Other Non-Cash Items, Total (incl. minority profit)	108	-256	-1,724	-130
Cash Flow-Operating	2,471	968	1,450	394
Capital Expenditure	-131	-130	-170	-165
Sales of PP&E	0	0	1	0
Other Investing Activities	-1,103	-324	-1,828	-281
Cash Flow-Investment	-1,234	-454	-1,997	-446
Issue/(Retire) of Debt	-98	-2	-40	1,200
Bank Revolver Draw/(Paydown)	-18	-2	-40	1,200
LT Debt (Paydown)	-80	0	0	0
Issue/(Retire) of Common Equity	5	1	0	0
Issue/(Retire) of Preferred Equity	0	0	0	0
Cash dividends paid	-896	-1,056	-594	-1,063
Other Financing Activities	-50	-39	-52	-37
Increase (decrease) in Minority	0	0	0	0
Cash Flow-Financing	-1,038	-1,096	-686	100
Foreign Exchange Effects	120	1	47	-17
Change in Cash Flow	318	-580	-1,186	31
Beginning Cash	3,419	3,737	3,157	1,971
Ending Cash	3,737	3,157	1,971	2,002

Source: Company Data, TEJ TruePulse Equity Research

Financial Ratios

NT\$m / % / Days	2022	2023	2024	2025
Margins				
Gross margin	42.7%	38.8%	35.3%	27.8%
Op expense ratio	27.3%	32.2%	33.0%	33.2%
Operating margin	15.4%	6.5%	2.3%	-5.4%
EBITDA margin	20.6%	13.1%	9.1%	2.2%
Pretax margin	15.0%	7.0%	19.7%	-4.7%
Net margin	11.2%	5.9%	18.7%	-3.0%
Balance sheet ratios				
Receivables	806	619	1,049	843
Inventory	129	109	186	75
Payables	617	616	634	711
Net working capital	318	111	601	208
Receivable days	27.2	26.6	27.5	38.9
Inventory days	7.0	7.2	7.5	7.4
Payable days	33.2	37.5	31.8	38.3
Cash conversion cycle	0.9	(3.7)	3.1	8.0
Liquidity ratios				
Operating cash flow	2,471	968	1,450	394
Capex	-131	-130	-170	-165
Free cash flow	2,340	838	1,280	229
Cash & Cash equivalent	3,737	3,157	1,971	2,002
Gross debt	92	90	50	1,250
Net debt	-3,794	-3,156	-1,933	-756
Gross debt/equity	1%	2%	1%	27%
Net Debt/Equity	-60%	-55%	-32%	-16%
Liabilities/Equity	65%	70%	39%	86%
Liabilities/Assets	39%	41%	28%	46%
Return ratios				
ROAE	22.7%	10.2%	37.5%	-5.4%
ROAA	12.9%	5.7%	22.8%	-3.2%

Source: Company Data, TEJ TruePulse Equity Research

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