

4Q22 Earnings Presentation

Pearl Abyss Corp.
14 Feb. 2022



Disclaimer

This presentation contains forward-looking statements that relate to our future operations, prospects, developments, strategies, business growth, and financial outlook. Forward-looking statements are identified by words such as 'believes', 'estimates', 'expects', 'intends', 'may', 'projects', 'could', 'should', 'will', 'continue' and other similar expressions.

All statements other than statements of historical fact could be forward-looking statements, which speak only as of the date they are made, do not guarantee future performance and are subject to certain risks, uncertainties, and other factors beyond our control and difficult to predict.

Also, Forward-looking statements are identified based on the current market situation and company's strategies, therefore, can be altered without notifications due to changes in market or the company's strategies.

Contents

- 01** 2022 Overview
- 02** 4Q22 Operating Performance
- 03** 4Q22 Revenue Breakdown
- 04** 4Q22 Operating Expenses
- 05** 1Q23 Highlight

 Appendix

❖ Live Service

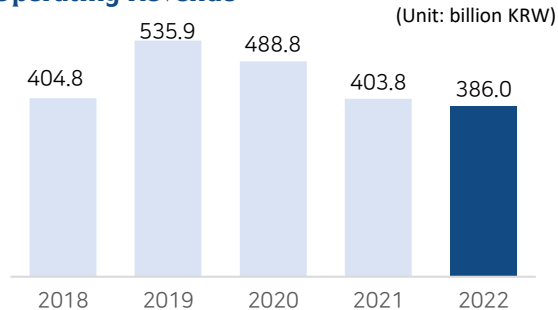
① Black Desert

- User meeting
 - ✓ Calpheon Ball (LA)
 - ✓ Voice of Adventurers (Japan, Netherlands)
 - ✓ Offline user event (Taiwan)
- Updates
 - ✓ PC : 'Abyss One : The Magnus', New class 'Woosa'
 - ✓ Console : New class 'Woosa'
 - ✓ Mobile : New class 'Maegu', Great desert 'Shahzad'

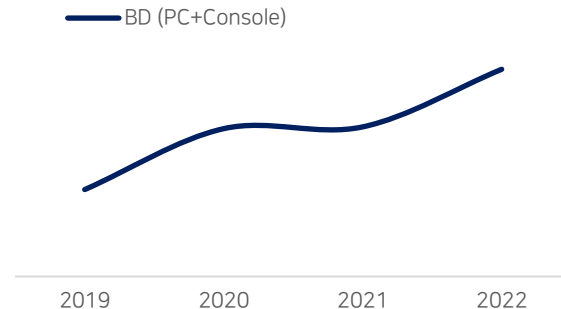
② EVE

- Updates : 'Uprising' expansion
- User event : EVE Vegas (Oct.)

❖ Operating Revenue



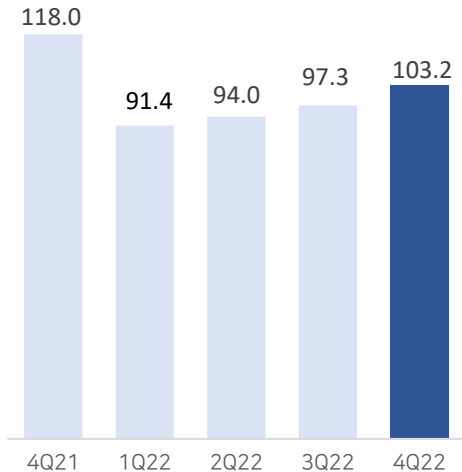
❖ Revenue Trend



2. 4Q22 Operating Performance

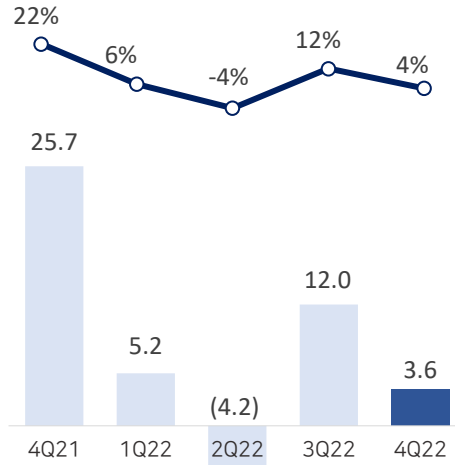
- ◇ 2022 : Operating Revenue 386.0 bil., Operating Profit 16.6 bil., Net Loss 41.1bil. (KRW)
- ◇ 4Q22 : Operating Revenue 103.2bil., Operating Profit 3.6bil., Net Loss 100.3bil. (KRW)

Operating Revenue



YoY -12.5%
QoQ 6.1%

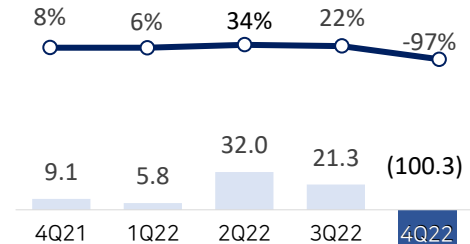
Operating Profit



YoY -86.0%
QoQ -70.0%

Net Profit

(Unit: billion KRW, %)

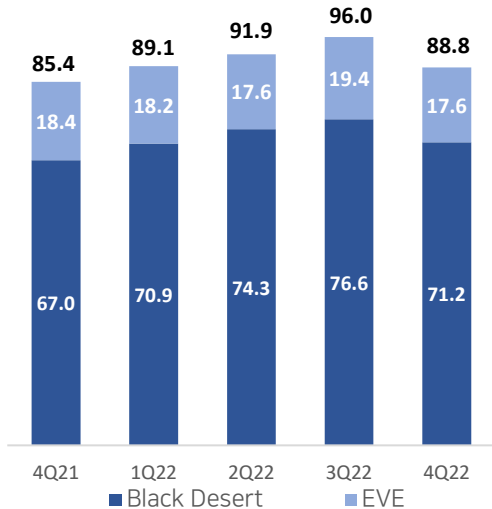


YoY Turn to loss
QoQ Turn to loss

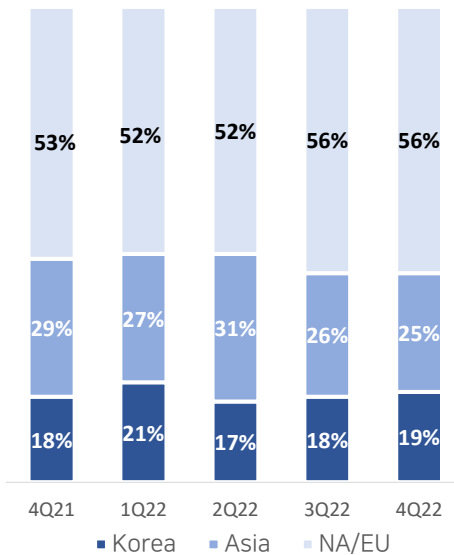
3. 4Q22 Revenue Breakdown

❖ Revenue by Core IP

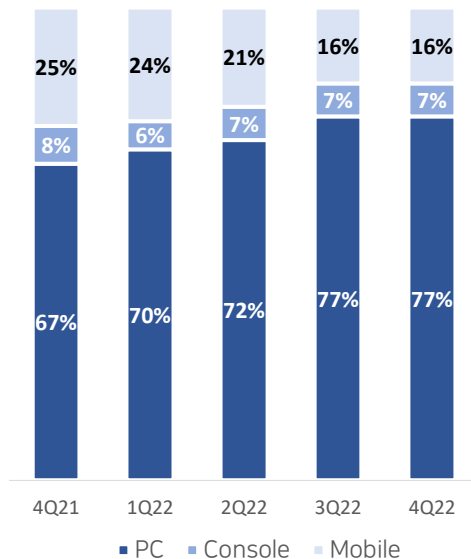
(Unit: billion KRW)



❖ Revenue by Region



❖ Revenue by Platform



(*) Black Desert/EVE IP

4. 4Q22 Operating Expenses

❖ Operating Expenses: KRW 99.6bil. (QoQ 16.7%)

❖ Operating Expense by Quarter

(Unit : million KRW, %)

	4Q21	1Q22	2Q22	3Q22	4Q22	QoQ	YoY	Ratio	% of Rev.
Operating Expenses	92,253	86,253	98,237	85,313	99,599	16.7%	8.0%	100.0%	96.5%
Labor	43,973	43,694	50,632	40,891	42,888	4.9%	-2.5%	43.1%	41.5%
Commissions	19,128	20,580	21,405	16,627	19,920	19.8%	4.1%	20.0%	19.3%
Advertising	14,279	8,192	10,800	9,371	12,667	35.2%	-11.3%	12.7%	12.3%
D&A	6,312	6,061	6,242	6,926	6,468	-6.6%	2.5%	6.5%	6.3%
Etc.	8,561	7,726	9,158	11,498	17,656	53.6%	106.2%	17.7%	17.1%

❖ Number of Employees

(Unit: No. of employee, %)

	4Q21	1Q22	2Q22	3Q22	4Q22	QoQ	YoY	Ratio
Employees	1,572	1,485	1,515	1,456	1,452	-0.3%	-7.6%	100.0%
Development	983	965	977	907	905	-0.2%	-7.9%	62.3%
Business / Staff	589	520	538	549	547	-0.4%	-7.1%	37.7%

❖ Live Service

- Black Desert
 - ✓ Contents updates
 - PC : New class 'Maegu', New zone 'Land of Morning Light'
 - Mobile : New class 'Woosa'
 - ✓ User meeting
 - Meet & Greet (NA/EU)
- EVE
 - ✓ Simplified Chinese
 - ✓ Training program for new users

❖ Growth Strategy

- New IP : Crimson Desert, DokeV, Plan 8



Appendix



Appendix.

Consolidated Financial Statements (Statement of Financial Position)

PEARL A BYSS

(Unit : million KRW)

	2021.12.31	2022.12.31
Assets		
I . Current Assets	721,734	556,502
Cash and cash equivalents	243,871	159,555
ST financial instruments	72,288	183,832
Financial assets measured at fair value	330,729	139,708
Account receivables	57,841	59,397
Other current assets	17,005	14,010
II . Non-Current Assets	634,866	667,275
Account receivables	3,617	3,655
LT financial instruments	921	867
Financial assets measured at fair value	106,869	116,725
AFS financial assets	203	203
Tangible assets	137,414	209,758
Intangible assets	302,370	234,989
Investment in affiliated companies	58,891	60,422
Deferred tax asset	23,280	27,614
Other non-current assets	1,301	2,428
Investment property	0	10,614
Total Assets	1,356,600	1,223,777

	2021.12.31	2022.12.31
Liabilities		
I . Current Liabilities	274,165	235,497
Other payables	78,602	36,304
Short-term liabilities	35,000	6,000
Income taxes payable	12,370	2,950
Lease liabilities	5,079	3,737
Current portion of long-term debt	0	84,000
Other current liabilities	87,550	102,446
Current financial liabilities at fair value	54,869	0
Current provisions	694	60
II . Non-Current Liabilities	363,438	287,051
Other payables	5,848	4,618
Long-term debt	143,675	74,565
Non-current provision	409	740
Other non-current liabilities	24,711	18,971
Deferred tax liabilities	27,664	27,413
Lease liabilities	13,819	13,919
Bonds issued	146,716	146,825
Defined benefit plans	596	0
Total Liabilities	637,603	522,548
Capital		
I . Capital stock	6,622	6,622
II . Capital Surplus	211,315	215,763
III . Retained Earnings	549,451	484,406
IV . Capital Adjustments	(59,868)	(35,175)
V . Accumulated Other Comprehensive Income	11,477	29,613
VI . Non-controlling Interests	0	0
Total Capital	718,997	701,229

Appendix. Consolidated Financial Statements (Comprehensive Income Statement)

(Unit : million KRW)

	4Q21	1Q22	2Q22	3Q22	4Q22
Revenue	117,975	91,429	94,028	97,270	103,247
Operating Expenses	92,308	86,253	98,237	85,313	99,599
Operating Profit	25,667	5,176	(4,209)	11,957	3,648
Financial Income	(3,454)	1,843	5,417	20,140	(28,115)
Non-Operating Income	(4,219)	969	16,249	792	(77,758)
Income from Equity Method	(1,387)	(1,656)	(1,751)	(2,969)	(1,594)
Income before Income Tax	16,607	6,332	15,706	29,920	(103,819)
Income Tax Expenses	7,547	529	(16,332)	8,586	(3,515)
Net Profit	9,060	5,803	32,038	21,334	(100,304)

PEARLABYSS

A stylized illustration of a diver in a dark, cavernous space. The diver is wearing a blue suit and a helmet with a glowing light. A bright, circular light source is on the floor, casting a glow upwards. The background is dark blue with some faint, glowing particles. The title 'PEARLABYSS' is written in white, uppercase letters across the center.