

# 1Q23 Earnings Presentation

Pearl Abyss Corp.  
11 May, 2023



# Disclaimer

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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.

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## ❖ Live Service

### ① Black Desert

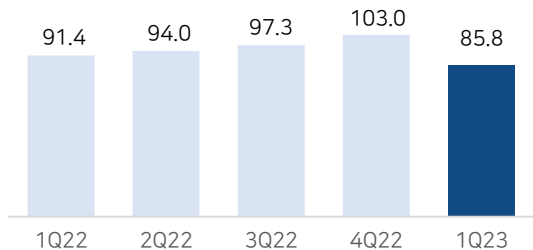
- Updates and events
  - ✓ PC : New class 'Maegue', New zone 'Land of Morning Light'
  - ✓ Console : 'Prime Gaming' event, 3rd anniversary of 'Cross-play'
  - ✓ Mobile : New class 'Woosa', 'Zayed', 'Igneous'
- Others
  - ✓ Selected as '2022 Most popular among Middle Eastern users'
  - ✓ Won 'Game Star Award 2022' at Taipei Game Show (TGS)

### ② EVE

- Updates : 'Chinese New Year' event, Improved factional warfare
- Others : Raised \$40mil. for a new AAA Web3 game

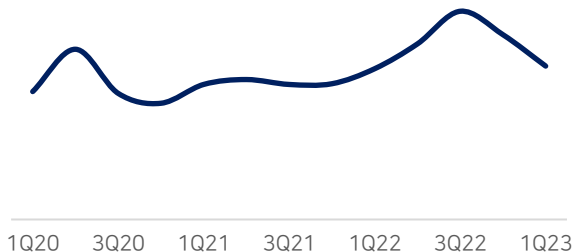
## ❖ Operating Revenue

(Unit: billion KRW)



## ❖ Revenue Trend (BDO&BDC)

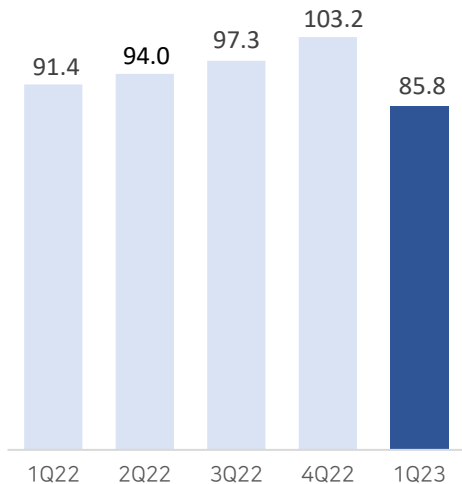
— Revenue



## 2. 1Q23 Operating Performance

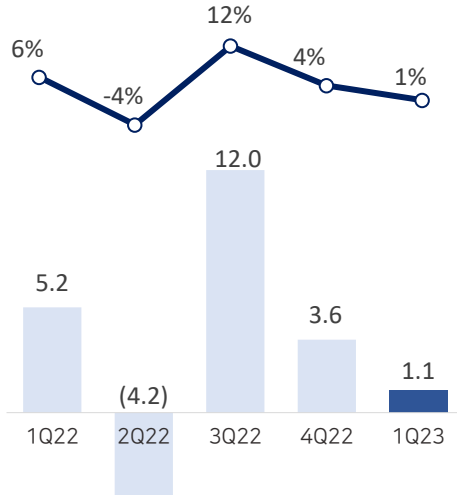
◇ 1Q23 : Operating Revenue 85.8bil., Operating Profit 1.1bil., Net Profit 9.4bil. (KRW)

### ◇ Operating Revenue



YoY -6.1%  
QoQ -16.9%

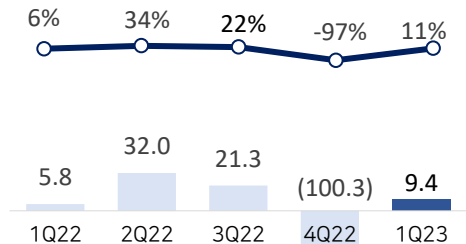
### ◇ Operating Profit



YoY -78.8%  
QoQ -69.4%

### ◇ Net Profit

(Unit: billion KRW, %)

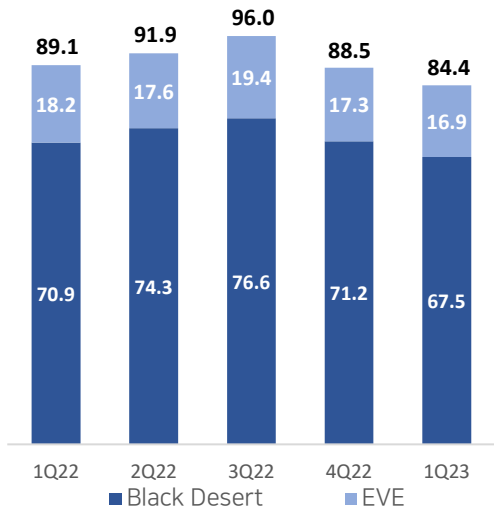


YoY 62.1%  
QoQ Turn to profit

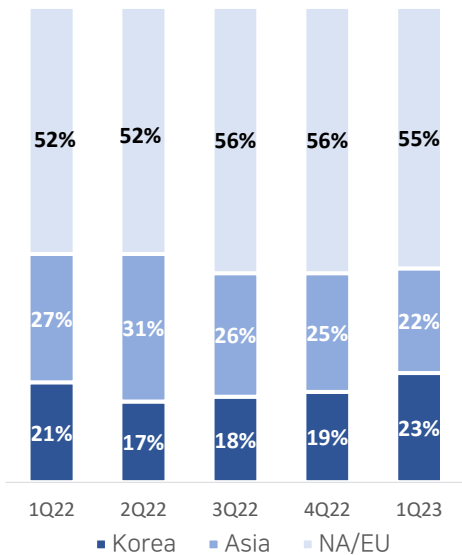
### 3. 1Q23 Revenue Breakdown

#### ❖ Revenue by Core IP

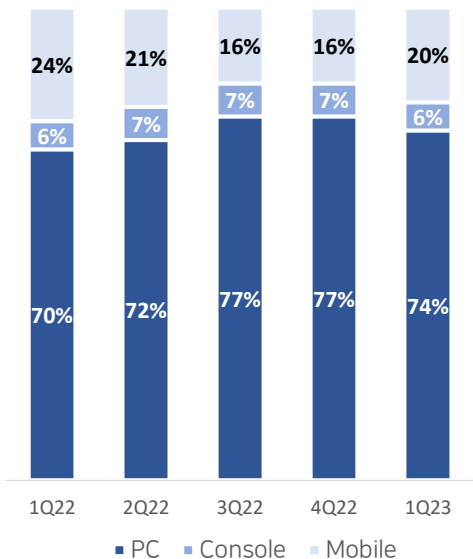
(Unit: billion KRW)



#### ❖ Revenue by Region



#### ❖ Revenue by Platform



(\*) Black Desert/EVE IP

## 4. 1Q23 Operating Expenses

❖ Operating Expenses: KRW 84.7bil. (QoQ -14.9%)

### ❖ Operating Expense by Quarter

(Unit : million KRW, %)

	1Q22	2Q22	3Q22	4Q22	1Q23	QoQ	YoY	Ratio	% of Rev.
Operating Expenses	86,253	98,237	85,313	99,599	84,663	-14.9%	-1.8%	100.0%	98.7%
Labor	43,694	50,632	40,891	42,888	44,277	3.2%	1.3%	52.3%	51.6%
Commissions	20,580	21,405	16,627	19,920	19,143	-3.3%	-7.0%	22.6%	22.3%
Advertising	8,192	10,800	9,371	12,667	5,618	-55.6%	-31.4%	6.6%	6.6%
D&A	6,061	6,242	6,926	6,468	6,334	-2.1%	4.5%	7.5%	7.4%
Etc.	7,726	9,158	11,498	17,656	9,291	-47.5%	20.3%	11.0%	10.8%

### ❖ Number of Employees

(Unit: No. of employee, %)

	1Q22	2Q22	3Q22	4Q22	1Q23	QoQ	YoY	Ratio
Employees	1,485	1,515	1,456	1,452	1,355	-6.7%	-8.8%	100.0%
Development	931	938	875	876	793	-9.5%	-14.8%	58.5%
Business / Staff	554	577	581	576	562	-2.4%	1.4%	41.5%

### ❖ Live Service

#### ▪ Black Desert

- ✓ Contents updates
  - PC : New class 'Maegu' & 'Woosa' Awakening,  
New Zone 'Land of the Morning Light' (Global)
  - Console : New class 'Maegu'
  - Mobile : Class improvements
- ✓ User meeting
  - Adventurers' Oasis (California)
  - Fan meeting (Japan)

#### ▪ EVE

- ✓ 'EVE Viridian' expansion pack

### ❖ Growth Strategy

- New IP : Crimson Desert, DokeV, Plan 8





# Appendix



# Appendix.

## Consolidated Financial Statements (Statement of Financial Position)

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(Unit : million KRW)

	2022.12.31	2023.03.31
<b>Assets</b>		
<b>I . Current Assets</b>	<b>556,502</b>	<b>585,072</b>
Cash and cash equivalents	159,555	233,914
ST financial instruments	183,832	220,604
Financial assets measured at fair value	139,708	62,325
Account receivables	59,397	53,841
Other current assets	14,010	14,388
<b>II . Non-Current Assets</b>	<b>667,275</b>	<b>683,029</b>
Account receivables	3,655	3,692
LT financial instruments	867	898
Financial assets measured at fair value	116,725	118,940
AFS financial assets	203	203
Tangible assets	209,758	205,482
Intangible assets	234,989	248,739
Investment in affiliated companies	60,422	58,552
Deferred tax asset	27,614	28,738
Other non-current assets	2,428	1,350
Investment property	10,614	16,435
<b>Total Assets</b>	<b>1,223,777</b>	<b>1,268,101</b>

	2022.12.31	2023.03.31
<b>Liabilities</b>		
<b>I . Current Liabilities</b>	<b>235,497</b>	<b>233,176</b>
Other payables	36,304	37,446
Short-term liabilities	6,000	6,000
Income taxes payable	2,950	3,525
Lease liabilities	3,737	3,595
Current portion of long-term debt	84,000	84,000
Other current liabilities	102,446	98,523
Current financial liabilities at fair value	0	0
Current provisions	60	87
<b>II . Non-Current Liabilities</b>	<b>287,051</b>	<b>321,272</b>
Other payables	4,618	5,094
Long-term debt	74,565	76,390
Non-current provision	740	826
Other non-current liabilities	18,971	52,401
Deferred tax liabilities	27,413	26,546
Lease liabilities	13,919	13,163
Bonds issued	146,825	146,852
Defined benefit plans	0	0
<b>Total Liabilities</b>	<b>522,548</b>	<b>554,448</b>
<b>Capital</b>		
I . Capital stock	6,622	6,623
II . Capital Surplus	215,763	215,784
III . Retained Earnings	484,406	491,931
IV . Capital Adjustments	(35,175)	(35,191)
V . Accumulated Other Comprehensive Income	29,613	34,506
VI . Non-controlling Interests	0	0
<b>Total Capital</b>	<b>701,229</b>	<b>713,653</b>

## Appendix. Consolidated Financial Statements (Comprehensive Income Statement)

(Unit : million KRW)

	1Q22	2Q22	3Q22	4Q22	1Q23
<b>Revenue</b>	<b>91,429</b>	<b>94,028</b>	<b>97,270</b>	<b>102,952</b>	<b>85,757</b>
Operating Expenses	86,253	98,237	85,313	99,498	84,663
<b>Operating Profit</b>	<b>5,176</b>	<b>(4,209)</b>	<b>11,957</b>	<b>3,454</b>	<b>1,094</b>
Financial Income	1,843	5,417	20,140	(28,084)	12,180
Other Income	969	16,249	792	(81,538)	1,950
Income from Equity Method	(1,656)	(1,751)	(2,969)	(1,594)	(1,646)
Income before Income Tax	6,332	15,706	29,920	(107,761)	13,578
Income Tax Expenses	529	(16,332)	8,586	(5,587)	4,184
<b>Net Profit</b>	<b>5,803</b>	<b>32,038</b>	<b>21,334</b>	<b>(102,174)</b>	<b>9,394</b>

# 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 centered in white, uppercase letters.