

2Q23 Earnings Presentation

Pearl Abyss Corp.
10 Aug. 2023



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.

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❖ Live Service

① Black Desert

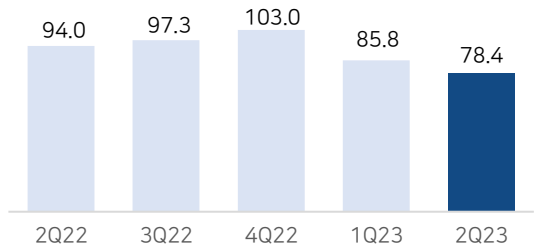
- Updates
 - ✓ PC : 'Land of the Morning Light', summer season server
 - ✓ Console : New class 'Maegu', awakening 'Woosa'
 - ✓ Mobile : New zone 'Everfrost', new class 'Guardian'
- Events
 - ✓ Summer Game Fest (US)
 - ✓ Black Desert FESTA (KR)

② EVE

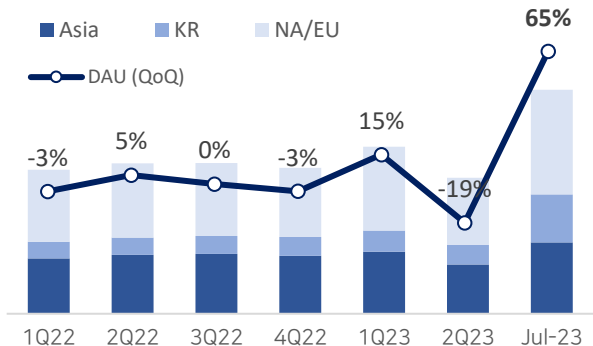
- Updates : Released a new expansion pack 'Viridian'
- Others : Disclosed EVE Fanfest documentary

❖ Operating Revenue

(Unit: billion KRW)



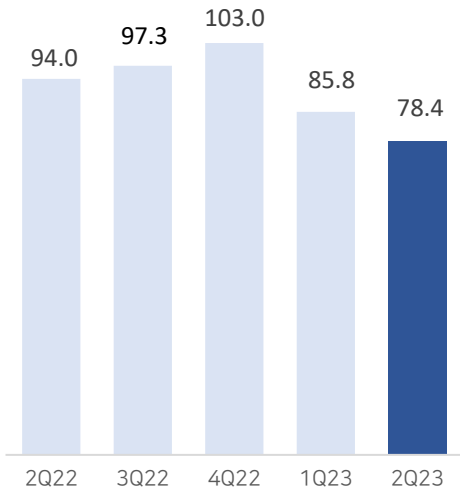
❖ BDO DAU Trend



2. 2Q23 Operating Performance

❖ 2Q23 : Operating Revenue 78.4bil., Operating Loss 14.1bil., Net Loss 4.4bil. (KRW)

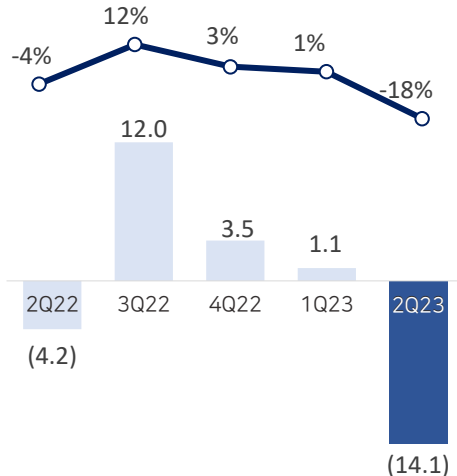
❖ Operating Revenue



YoY -16.6%

QoQ -8.6%

❖ Operating Profit

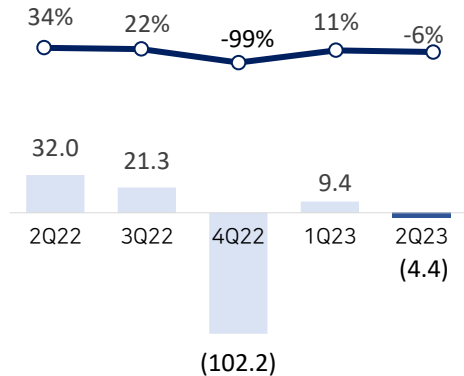


YoY Turn to loss

QoQ Turn to loss

❖ Net Profit

(Unit: billion KRW, %)



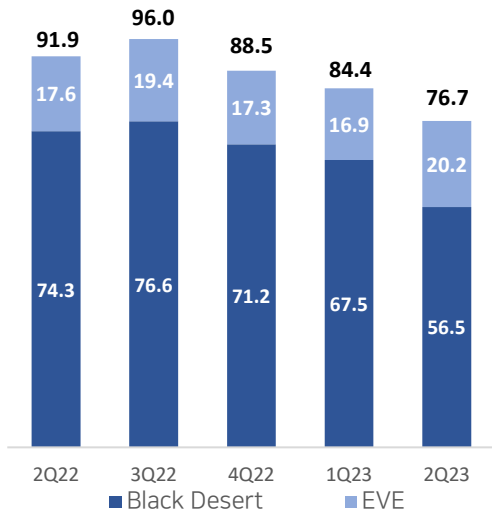
YoY Turn to loss

QoQ Turn to loss

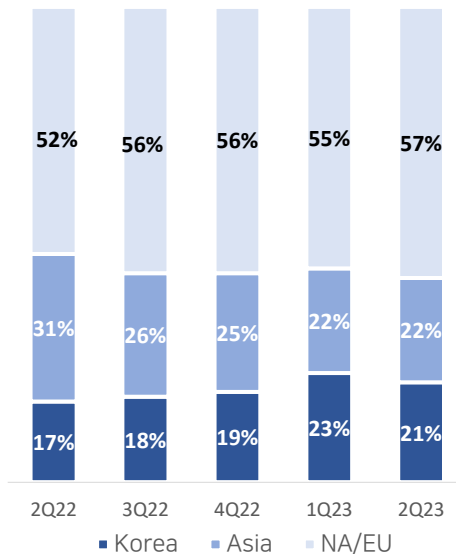
3. 2Q23 Revenue Breakdown

Revenue by Core IP

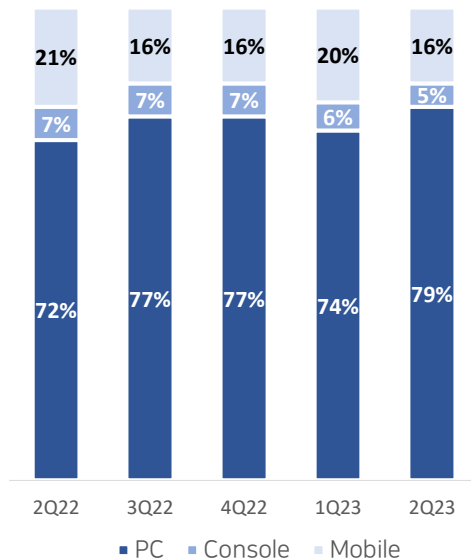
(Unit: billion KRW)



Revenue by Region



Revenue by Platform



(*) Black Desert/EVE IP

4. 2Q23 Operating Expenses

❖ Operating Expenses: KRW 92.5bil. (QoQ 9.2%)

❖ Operating Expense by Quarter

(Unit : million KRW, %)

	2Q22	3Q22	4Q22	1Q23	2Q23	QoQ	YoY	Ratio	% of Rev.
Operating Expenses	98,237	85,313	99,498	84,663	92,460	9.2%	-5.9%	100.0%	118.0%
Labor	50,632	40,891	42,888	44,277	49,605	12.0%	-2.0%	53.7%	63.3%
Commissions	21,405	16,627	19,788	19,143	18,120	-5.3%	-15.3%	19.6%	23.1%
Advertising	10,800	9,371	12,667	5,618	7,996	42.3%	-26.0%	8.6%	10.2%
D&A	6,242	6,926	6,468	6,334	6,557	3.5%	5.0%	7.1%	8.4%
Etc.	9,158	11,498	17,687	9,291	10,182	9.6%	11.2%	11.0%	13.0%

❖ Number of Employees

(Unit: No. of employee, %)

	2Q22	3Q22	4Q22	1Q23	2Q23	QoQ	YoY	Ratio
Employees	1,515	1,456	1,452	1,355	1,341	-1.0%	-11.5%	100.0%
Development	938	875	876	793	801	1.0%	-14.6%	59.7%
Business / Staff	577	581	576	562	540	-3.9%	-6.4%	40.3%

❖ Live Service

- Black Desert
 - ✓ Updates
 - PC : 'The Sea Palace', 'War of the Roses' (PvP)
 - Console : 'Land of the Morning Light', awakening 'Maegu'
 - Mobile : A new class 'Wizard', a season class
 - ✓ User meeting
 - Black Desert 'TwitchCon' (Paris)
 - Black Desert Mobile 'Heidel Ball' (Global)
- EVE
 - ✓ Alliance Tournament
 - ✓ EVE Fanfest

❖ Growth Strategy

- New IP : Crimson Desert, DokeV, Plan 8
 - ✓ Crimson Desert : Footage disclosure at Gamescom



Appendix



Appendix.

Consolidated Financial Statements (Statement of Financial Position)

(Unit : million KRW)

	2022.12.31	2023.06.30
Assets		
I . Current Assets	556,502	592,943
Cash and cash equivalents	159,555	226,452
Account receivables	59,397	53,233
ST financial instruments	183,832	267,002
Financial assets measured at fair value	139,708	12,658
Other current assets	14,010	12,590
Non-current assets as held for sale	0	21,008
II . Non-Current Assets	667,275	660,170
Account receivables	3,655	4,072
LT financial instruments	867	886
Financial assets measured at fair value	116,725	124,904
AFS financial assets	203	203
Investment in affiliated companies	60,422	54,954
Tangible assets	209,758	197,422
Intangible assets	234,989	238,000
Investment property	10,614	6,368
Other non-current assets	2,428	1,732
Deferred tax asset	27,614	31,629
Total Assets	1,223,777	1,253,113

	2022.12.31	2023.06.30
Liabilities		
I . Current Liabilities	235,497	138,293
Other payables	36,304	34,161
Short-term liabilities	6,000	0
Current portion of long-term debt	84,000	0
Lease liabilities	3,737	4,357
Income taxes payable	2,950	2,290
Current provisions	60	63
Other current liabilities	102,446	96,999
Liabilities as held for sale	0	423
II . Non-Current Liabilities	287,051	399,338
Bonds issued	146,825	146,880
Other payables	4,618	5,027
Long-term debt	74,565	146,840
Lease liabilities	13,919	16,391
Non-current provision	740	990
Other non-current liabilities	18,971	55,828
Deferred tax liabilities	27,413	27,382
Total Liabilities	522,548	537,631
Capital		
I . Capital stock	6,622	6,624
II . Capital Surplus	215,763	219,742
III . Retained Earnings	484,406	487,496
IV . Capital Adjustments	(35,175)	(33,340)
V . Accumulated Other Comprehensive Income	29,613	34,960
VI . Non-controlling Interests	0	0
Total Capital	701,229	715,482

Appendix. Consolidated Financial Statements (Comprehensive Income Statement)

(Unit : million KRW)

	2Q22	3Q22	4Q22	1Q23	2Q23
Revenue	94,028	97,270	102,952	85,757	78,356
Operating Expenses	98,237	85,313	99,498	84,663	92,461
Operating Profit	(4,209)	11,957	3,454	1,094	(14,104)
Financial Income	5,417	20,140	(28,084)	12,180	8,286
Other Income	16,249	792	(81,538)	1,950	2,216
Income from Equity Method	(1,751)	(2,969)	(1,594)	(1,646)	(1,548)
Income before Income Tax	15,706	29,920	(107,761)	13,578	(5,150)
Income Tax Expenses	(16,332)	8,586	(5,587)	4,184	(716)
Net Profit	32,038	21,334	(102,174)	9,394	(4,434)

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.