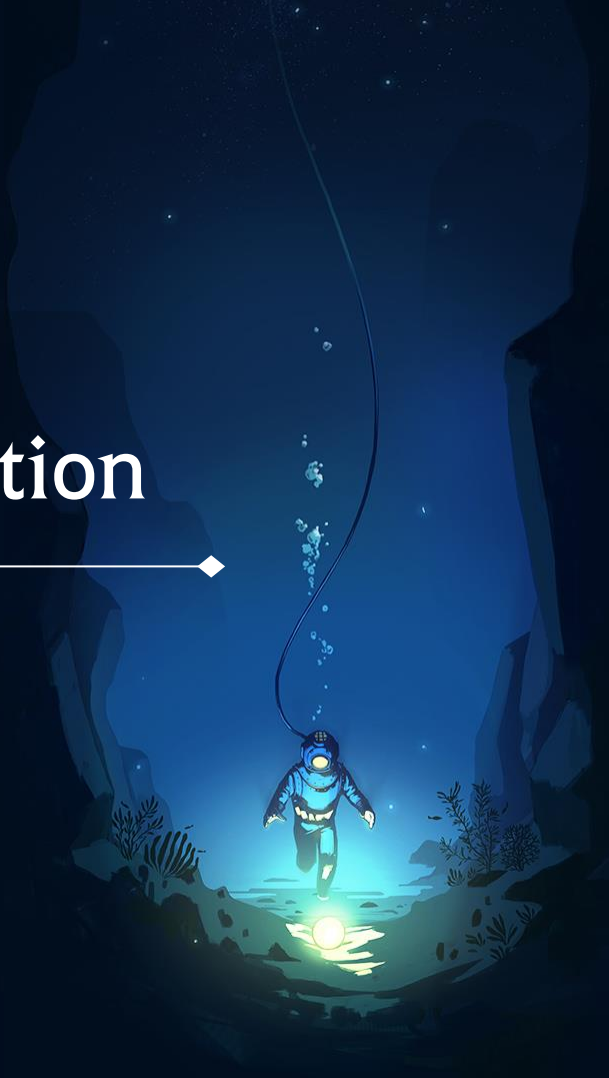


3Q23 Earnings Presentation

Pearl Abyss Corp.
9 Nov. 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.

Contents

- 01** 3Q23 Overview
 - 02** 3Q23 Operating Performance
 - 03** 3Q23 Revenue Breakdown
 - 04** 3Q23 Operating Expenses
 - 05** 4Q23 Highlight
-

 Appendix

❖ Live Service

① Black Desert

- Updates
 - ✓ PC : Black Desert Festa, New region 'Ulu kita'
 - ✓ Console : 'Land of the Morning Light'
 - ✓ Mobile : 'Land of the Morning Light', New class 'Wizard'
- Events
 - ✓ BD TwitchCon (Paris), BDM Heidel Ball (Global)

② EVE

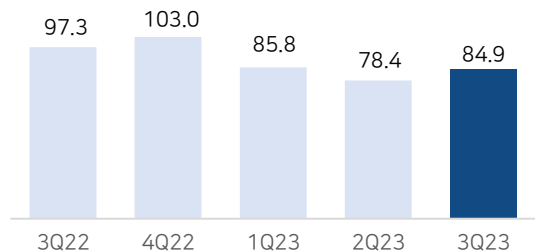
- User Meeting : 20th anniversary EVE Fanfest

❖ New IP

- ① **EVE IP expansion** : EVE Vanguard, EVE Galaxy Conquest
- ② **New IP** : Crimson Desert (Gamescom)

❖ Operating Revenue

(Unit: billion KRW)



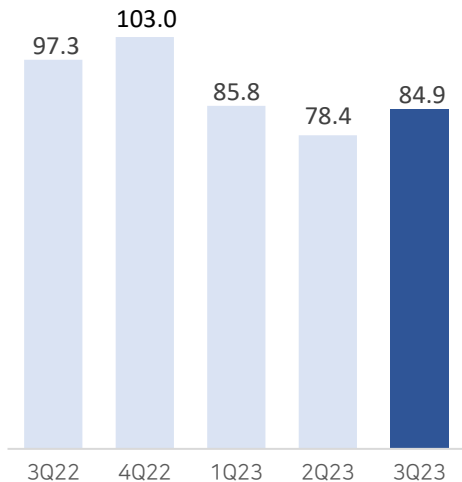
❖ User Meeting



2. 3Q23 Operating Performance

❖ 3Q23 : Operating Revenue 84.9bil., Operating Profit 2.1bil., Net Profit 15.0bil. (KRW)

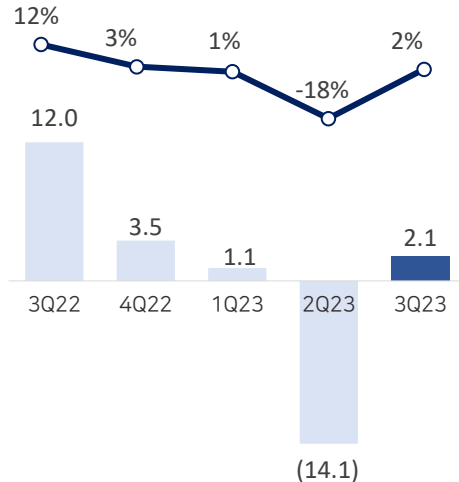
❖ Operating Revenue



YoY -12.7%

QoQ +8.3%

❖ Operating Profit

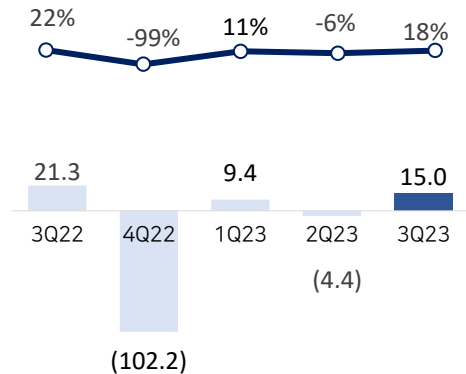


YoY -82.5%

QoQ Turn to Profit

❖ Net Profit

(Unit: billion KRW, %)



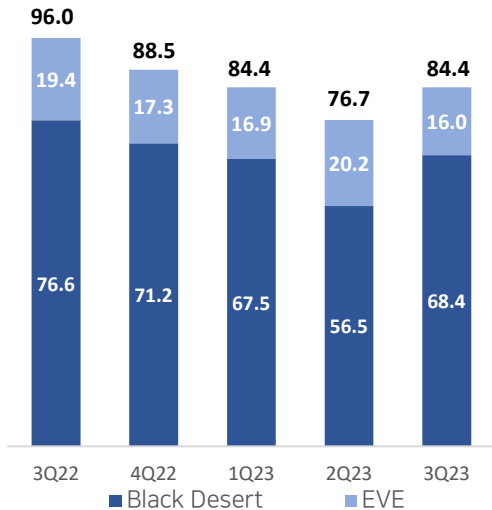
YoY -29.6%

QoQ Turn to Profit

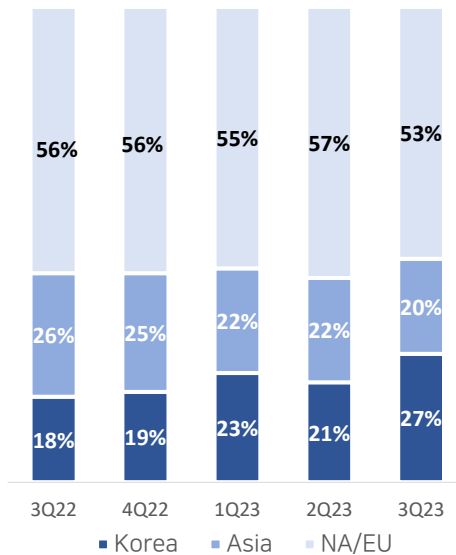
3. 3Q23 Revenue Breakdown

Revenue by Core IP

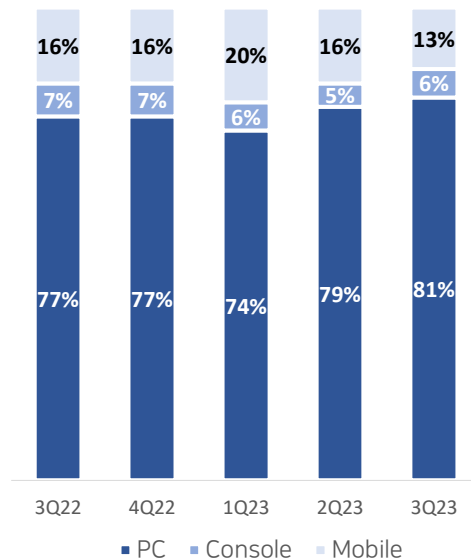
(Unit: billion KRW)



Revenue by Region



Revenue by Platform



(*) Black Desert/EVE IP

4. 3Q23 Operating Expenses

❖ Operating Expenses: KRW 82.8bil. (QoQ -10.5%)

❖ Operating Expense by Quarter

(Unit : million KRW, %)

| | 3Q22 | 4Q22 | 1Q23 | 2Q23 | 3Q23 | QoQ | YoY | Ratio | % of Rev. |
|--------------------|--------|--------|--------|--------|--------|--------|--------|--------|-----------|
| Operating Expenses | 85,313 | 99,498 | 84,663 | 92,460 | 82,791 | -10.5% | -3.0% | 100.0% | 97.5% |
| Labor | 40,891 | 42,888 | 44,277 | 49,605 | 40,668 | -18.0% | -0.5% | 49.1% | 47.9% |
| Commissions | 16,627 | 19,788 | 19,143 | 18,120 | 14,359 | -20.8% | -13.6% | 17.4% | 16.9% |
| Advertising | 9,371 | 12,667 | 5,618 | 7,996 | 10,053 | 25.7% | 7.3% | 12.1% | 11.8% |
| D&A | 6,926 | 6,468 | 6,334 | 6,557 | 6,446 | -1.7% | -6.9% | 7.8% | 7.6% |
| Etc. | 11,498 | 17,687 | 9,291 | 10,182 | 11,265 | 10.6% | -2.0% | 13.6% | 13.3% |

❖ Number of Employees

(Unit: No. of employee, %)

| | 3Q22 | 4Q22 | 1Q23 | 2Q23 | 3Q23 | QoQ | YoY | Ratio |
|------------------|-------|-------|-------|-------|-------|-------|--------|--------|
| Employees | 1,456 | 1,452 | 1,355 | 1,341 | 1,293 | -3.6% | -11.2% | 100.0% |
| Development | 875 | 876 | 793 | 801 | 744 | -7.1% | -15.0% | 57.5% |
| Business / Staff | 581 | 576 | 562 | 540 | 549 | 1.7% | -5.5% | 42.5% |

❖ Live Service

- Black Desert
 - ✓ Updates
 - PC : 'War of the Roses' (PvP)
 - Console : Mythical Horses, Awakening 'Maegu'
 - Mobile : New contents
 - ✓ User Meeting
 - Adventurer's Oasis (US), User meeting in Dec. (Global)
- EVE
 - ✓ Updates
 - Expansion pack 'EVE Havoc'

❖ Growth Strategy

- Existing IP Expansion
 - ✓ EVE Vanguard (OBT in Dec.)
 - ✓ EVE Galaxy Conquest (Soft-launch)
- New IP
 - ✓ Crimson Desert (G-STAR B2B)



Appendix



Appendix.

Consolidated Financial Statements (Statement of Financial Position)

(Unit : million KRW)

| | 2022.12.31 | 2023.09.30 |
|---|------------------|------------------|
| Assets | | |
| I . Current Assets | 556,502 | 641,564 |
| Cash and cash equivalents | 159,555 | 309,504 |
| Account receivables | 59,397 | 68,882 |
| ST financial instruments | 183,832 | 243,413 |
| Financial assets measured at fair value | 139,708 | 6,110 |
| Other current assets | 14,010 | 13,655 |
| II. Non-Current Assets | 667,275 | 652,873 |
| Account receivables | 3,655 | 3,578 |
| LT financial instruments | 867 | 877 |
| Financial assets measured at fair value | 116,725 | 127,076 |
| AFS financial assets | 203 | 203 |
| Investment in affiliated companies | 60,422 | 47,363 |
| Tangible assets | 209,758 | 192,973 |
| Intangible assets | 234,989 | 238,291 |
| Investment property | 10,614 | 9,266 |
| Other non-current assets | 2,428 | 1,335 |
| Deferred tax asset | 27,614 | 31,911 |
| Total Assets | 1,223,777 | 1,294,437 |

| | 2022.12.31 | 2023.09.30 |
|--|----------------|----------------|
| Liabilities | | |
| I . Current Liabilities | 235,497 | 302,409 |
| Other payables | 36,304 | 36,598 |
| Short-term liabilities | 6,000 | 0 |
| Current portion of long-term debt | 84,000 | 0 |
| Lease liabilities | 3,737 | 4,324 |
| Income taxes payable | 2,950 | 7,648 |
| Current provisions | 60 | 66 |
| Other current liabilities | 102,446 | 106,865 |
| Current Portion of Bonds Payable | 0 | 146,908 |
| II. Non-Current Liabilities | 287,051 | 256,881 |
| Bonds issued | 146,825 | 0 |
| Other payables | 4,618 | 5,489 |
| Long-term debt | 74,565 | 148,440 |
| Lease liabilities | 13,919 | 15,611 |
| Non-current provision | 740 | 841 |
| Other non-current liabilities | 18,971 | 59,002 |
| Deferred tax liabilities | 27,413 | 27,498 |
| Total Liabilities | 522,548 | 559,290 |
| Capital | | |
| I . Capital stock | 6,622 | 6,623 |
| II. Capital Surplus | 215,763 | 219,742 |
| III. Retained Earnings | 484,406 | 502,455 |
| IV. Capital Adjustments | (35,175) | (32,526) |
| V . Accumulated Other Comprehensive Income | 29,613 | 38,853 |
| VI. Non-controlling Interests | 0 | 0 |
| Total Capital | 701,229 | 735,147 |

Appendix. Consolidated Financial Statements (Comprehensive Income Statement)

(Unit : million KRW)

| | 3Q22 | 4Q22 | 1Q23 | 2Q23 | 3Q23 |
|---------------------------|---------|-----------|---------|----------|---------|
| Revenue | 97,270 | 102,952 | 85,757 | 78,356 | 84,926 |
| Operating Expenses | 85,313 | 99,498 | 84,663 | 92,461 | 82,791 |
| Operating Profit | 11,957 | 3,454 | 1,094 | (14,104) | 2,135 |
| Financial Income | 20,140 | (28,084) | 12,180 | 8,286 | 9,473 |
| Other Income | 792 | (81,538) | 1,950 | 2,216 | 14,065 |
| Income from Equity Method | (2,969) | (1,594) | (1,646) | (1,548) | (2,782) |
| Income before Income Tax | 29,920 | (107,761) | 13,578 | (5,150) | 22,891 |
| Income Tax Expenses | 8,586 | (5,587) | 4,184 | (716) | 7,932 |
| Net Profit | 21,334 | (102,174) | 9,394 | (4,434) | 14,959 |

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 scene is framed by dark, jagged rock formations. The overall color palette is dark blue and black, with a bright yellow-green light source.