

4Q23 Earnings Presentation

Pearl Abyss Corp.
15 Feb. 2024



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

- 2023 : Lowered the barrier with new concepts and diverse initiatives
 - ✓ Contents : New types of map and classes (LOTML, Maegu & Woosa)
 - ✓ Gameplay : New gameplay style, technical enhancements on console
- 4Q : New contents
 - ✓ PC/Mobile : New class 'Scholar'
 - ✓ Console : Awakening 'Maegu', Mythical horses

② EVE

- 2023 : Efforts on improving contents for new users
- 4Q : Expansion pack 'Havoc', 'EVE Vanguard' playtest

❖ New IP

① **New IP** : Crimson Desert (Gamescom, G-STAR)

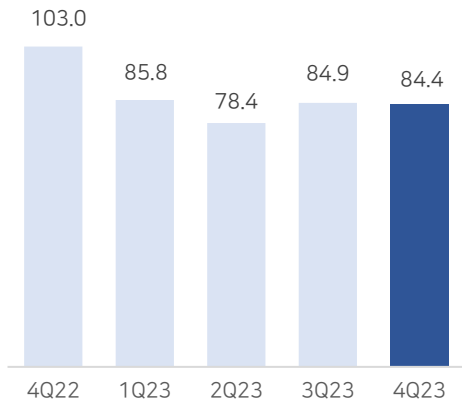
② **EVE IP** : EVE Galaxy Conquest (Soft-launch)



2. 4Q23 Operating Performance

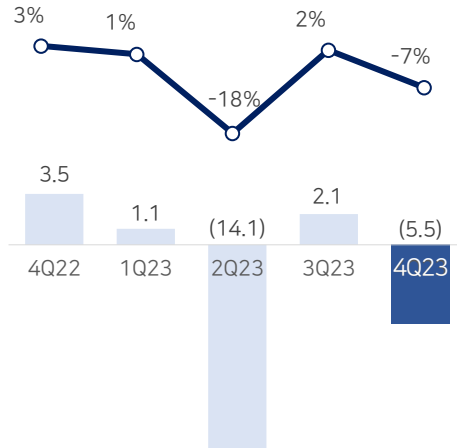
- ◇ 2023 : Operating Revenue 333.5 bil., Operating Loss 16.4 bil., Net Profit 15.4bil. (KRW)
- ◇ 4Q23 : Operating Revenue 84.4bil., Operating Loss 5.5bil., Net Loss 4.4bil. (KRW)

❖ Operating Revenue



YoY -18.1%
QoQ -0.6%

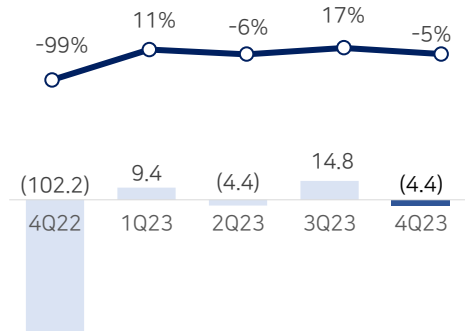
❖ Operating Profit



YoY Turn to loss
QoQ Turn to loss

❖ Net Profit

(Unit: billion KRW, %)

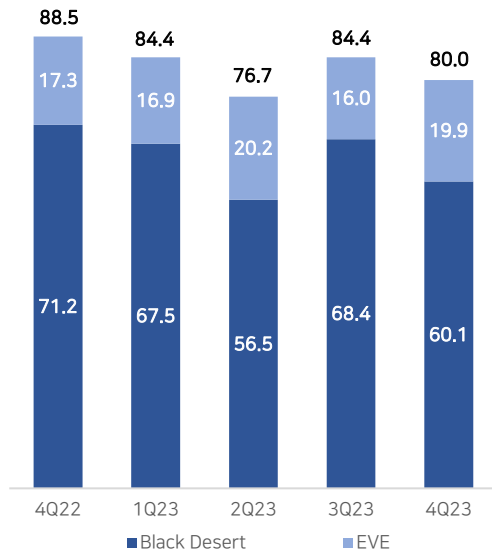


YoY Continuing loss
QoQ Turn to loss

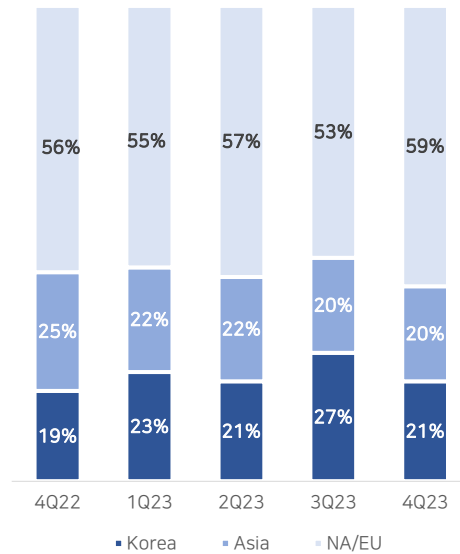
3. 4Q23 Revenue Breakdown

❖ Revenue by Core IP

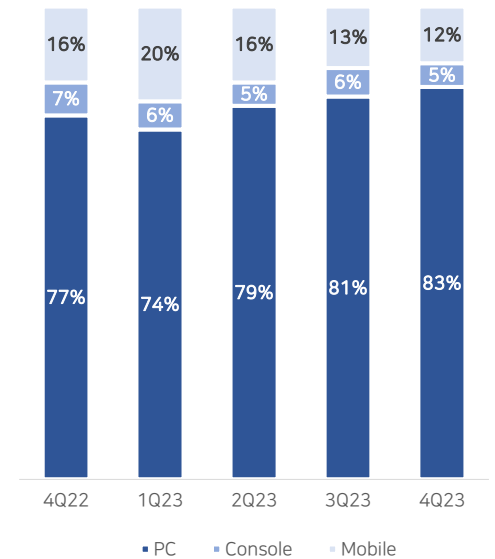
(Unit: billion KRW)



❖ Revenue by Region



❖ Revenue by Platform



(*) Black Desert/EVE IP

4. 4Q23 Operating Expenses

❖ Operating Expenses : KRW 89.9bil. (QoQ 8.6%)

❖ Operating Expense by Quarter

(Unit : million KRW, %)

	4Q22	1Q23	2Q23	3Q23	4Q23	QoQ	YoY	Ratio	% of Rev.
Operating Expenses	99,498	84,663	92,460	82,793	89,919	8.6%	-9.6%	100.0%	106.5%
Labor	42,888	44,277	49,605	40,669	40,646	-0.1%	-5.2%	45.2%	48.1%
Commissions	19,788	19,143	18,120	14,359	17,429	21.4%	-11.9%	19.4%	20.6%
Advertising	12,667	5,618	7,996	10,053	8,086	-19.6%	-36.2%	9.0%	9.6%
D&A	6,468	6,334	6,557	6,446	6,712	4.1%	3.8%	7.4%	8.0%
Etc.	17,687	9,291	10,182	11,266	17,046	51.3%	-3.6%	19.0%	20.2%

❖ Number of Employees

(Unit: No. of employee, %)

	4Q22	1Q23	2Q23	3Q23	4Q23	QoQ	YoY	Ratio
Employees	1,452	1,355	1,341	1,293	1,324	2.4%	-8.8%	100.0%
Development	876	793	801	744	765	2.8%	-12.7%	57.8%
Business / Staff	576	562	540	549	559	1.8%	-3.0%	42.2%

❖ Live Service

- Black Desert
 - ✓ Updates
 - PC : Guild league(PvP), 'Land of the Morning Light : Seoul'
 - Console : New-generation device support
 - Mobile : 'Land of the Morning Light' bonus story
 - ✓ New region : Black Desert PC (China)
- EVE
 - ✓ Contents : New expansion pack
 - ✓ EVE Vanguard : New contents and BM

❖ Growth Strategy

- Existing IP Expansion
 - ✓ EVE Galaxy Conquest
 - ✓ Project Awakening
- New IP
 - ✓ Crimson Desert (B2C Demo)



Appendix



Appendix.

Consolidated Financial Statements (Statement of Financial Position)

(Unit : million KRW)

	2022.12.31	2023.12.31
Assets		
I . Current Assets	556,502	582,722
Cash and cash equivalents	159,555	235,673
Account receivables	59,397	59,562
ST financial instruments	183,832	264,750
Financial assets measured at fair value	139,708	7,193
Other current assets	14,010	15,544
II . Non-Current Assets	666,053	631,117
Account receivables	3,656	3,669
LT financial instruments	867	126
Financial assets measured at fair value	116,707	118,452
AFS financial assets	203	0
Investment in affiliated companies	60,422	48,468
Tangible assets	209,758	189,829
Intangible assets	231,281	227,007
Investment property	10,614	9,239
Other non-current assets	2,428	2,088
Deferred tax asset	30,117	32,239
Total Assets	1,223,777	1,213,839

	2022.12.31	2023.12.31
Liabilities		
I . Current Liabilities	236,211	315,871
Other payables	36,304	32,873
Short-term liabilities	6,000	0
Current portion of long-term debt	84,000	11,200
Lease liabilities	3,737	4,755
Income taxes payable	3,393	6,121
Current provisions	60	5
Other current liabilities	102,717	113,980
Current Portion of Bonds Payable	0	146,937
II . Non-Current Liabilities	287,040	172,018
Bonds issued	146,825	0
Other payables	4,618	3,538
Long-term debt	74,565	70,000
Lease liabilities	13,919	14,825
Non-current provision	740	904
Other non-current liabilities	18,971	57,438
Deferred tax liabilities	27,402	25,313
Total Liabilities	523,251	487,889
Capital		
I . Capital stock	6,622	6,623
II . Capital Surplus	215,763	219,742
III. Retained Earnings	482,536	498,404
IV. Capital Adjustments	(35,175)	(31,711)
V. Accumulated Other Comprehensive Income	29,558	32,892
VI. Non-controlling Interests	0	0
Total Capital	699,304	725,950

Appendix. Consolidated Financial Statements (Comprehensive Income Statement)

(Unit : million KRW)

	4Q22	1Q23	2Q23	3Q23	4Q23
Revenue	102,952	85,757	78,356	84,926	84,445
Operating Expenses	99,498	84,663	92,460	82,793	89,919
Operating Profit	3,454	1,094	(14,104)	2,133	(5,474)
Financial Income	(28,084)	12,180	8,287	9,357	(5,158)
Other Income	(81,538)	1,950	2,216	14,067	1,970
Income from Equity Method	(1,594)	(1,646)	(1,548)	(2,782)	(400)
Income before Income Tax	(107,762)	13,578	(5,149)	22,775	(9,062)
Income Tax Expenses	(5,587)	4,184	(716)	7,932	(4,644)
Net Profit	(102,175)	9,394	(4,433)	14,843	(4,418)

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 in front of the diver, casting a glow. The background is dark blue with some faint, glowing particles. The title 'PEARLABYSS' is written in white, uppercase letters across the center of the image.