

1Q24 Earnings Presentation

Pearl Abyss Corp.
10 May, 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.

Contents

- 01 1Q24 Overview
 - 02 1Q24 Operating Performance
 - 03 1Q24 Revenue Breakdown
 - 04 1Q24 Operating Expenses
 - 05 2024 Highlight
-

 Appendix

❖ Live Service

① Black Desert

- PC : PvP and RvR contents improvement
 - ✓ 'Guild league', 'War of the roses' pre-season
- Console : System and convenience improvement
 - ✓ 'Great ocean' renewal, item simplification, new class 'Scholar'
- Mobile : Contents revamp
 - ✓ 'Great desert' renewal, new class 'Letanas'

② EVE

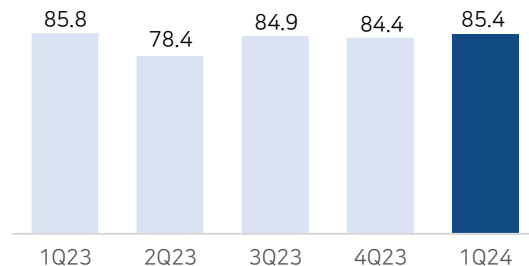
- EVE Online : 2024 development roadmap
- EVE Vanguard : Playtest

❖ New IP

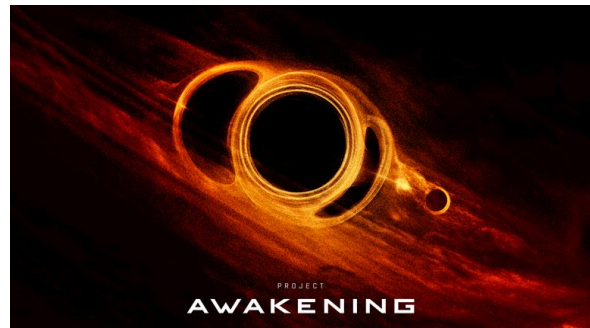
- ① Project Awakening : 'GDC 2024' (Project announcement)

❖ Operating Revenue

(Unit: billion KRW)



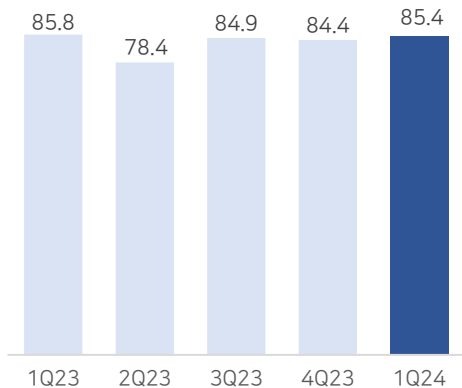
❖ Project Awakening



2. 1Q24 Operating Performance

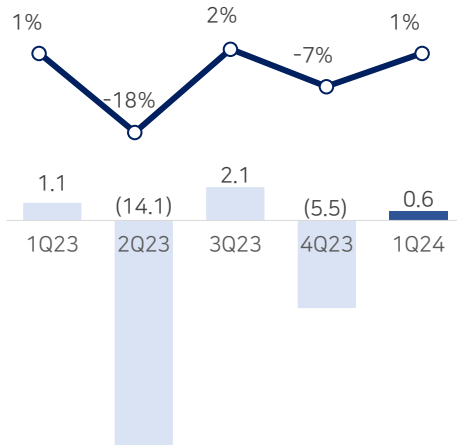
❖ 1Q24 : Operating Revenue 85.4bil., Operating Profit 0.6bil., Net Profit 12.8bil. (KRW)

❖ Operating Revenue



YoY -0.5%
QoQ 1.2%

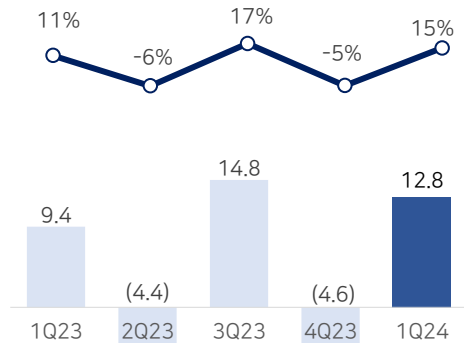
❖ Operating Profit



YoY -45.5%
QoQ Turn to profit

❖ Net Profit

(Unit: billion KRW, %)

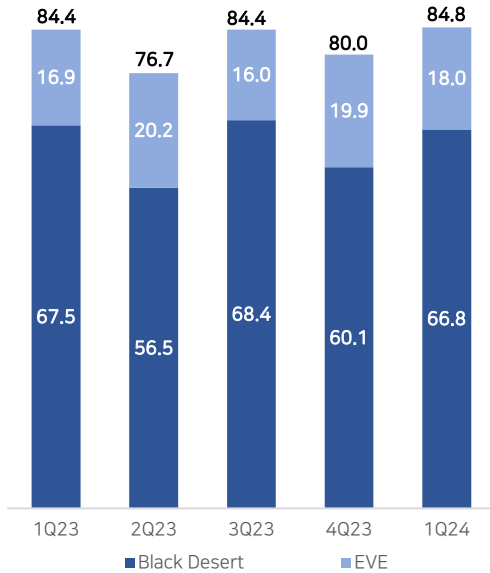


YoY 36.2%
QoQ Turn to profit

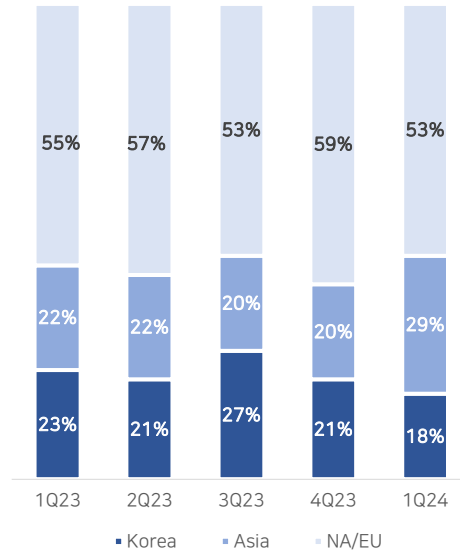
3. 1Q24 Revenue Breakdown

❖ Revenue by Core IP

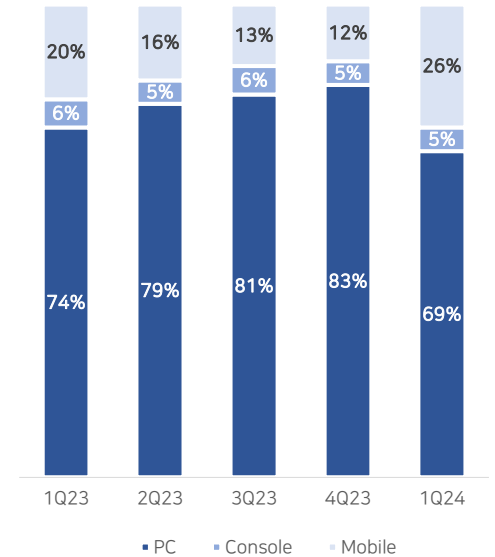
(Unit: billion KRW)



❖ Revenue by Region



❖ Revenue by Platform



(*) Black Desert/EVE IP

4. 1Q24 Operating Expenses

◇ Operating Expenses : KRW 84.9bil. (QoQ -5.6%)

◇ Operating Expense by Quarter

(Unit : million KRW, %)

	1Q23	2Q23	3Q23	4Q23	1Q24	QoQ	YoY	Ratio	% of Rev.
Operating Expenses	84,663	92,460	82,793	89,919	84,853	-5.6%	0.2%	100.0%	99.3%
Labor	44,277	49,605	40,669	40,646	46,000	13.2%	3.9%	54.2%	53.8%
Commissions	19,143	18,120	14,359	17,429	17,083	-2.0%	-10.8%	20.1%	20.0%
Advertising	5,618	7,996	10,053	8,086	5,639	-30.3%	0.4%	6.7%	6.6%
D&A	6,334	6,557	6,446	6,712	6,427	-4.2%	1.5%	7.6%	7.5%
Etc.	9,291	10,182	11,266	17,046	9,704	-43.1%	4.4%	11.4%	11.4%

◇ Number of Employees

(Unit: No. of employee, %)

	1Q23	2Q23	3Q23	4Q23	1Q24	QoQ	YoY	Ratio
Employees	1,355	1,341	1,293	1,324	1,351	2.0%	-0.3%	100.0%
Development	793	801	744	765	786	2.7%	-0.9%	58.2%
Business / Staff	562	540	549	559	565	1.1%	0.5%	41.8%

❖ Live Service

- Black Desert
 - ✓ PC : 'Heidel Ball 2024' in France, 'Land of the Morning light : Seoul'
 - ✓ Console : Convenience improvement, new-generation device support
 - ✓ Mobile : New class 'Askeia'
 - ✓ Black Desert PC (China) service preparation
- EVE
 - ✓ EVE Online : New expansion pack 'EQUINOX' (Jun.)
 - ✓ EVE Vanguard : New map

❖ Growth Strategy

- Existing IP Expansion
 - ✓ Project Awakening : Large-scale test (May)
 - ✓ EVE Galaxy Conquest : 2nd Soft-launch (May)
- New IP
 - ✓ Crimson Desert marketing



Appendix



Appendix.

Consolidated Financial Statements (Statement of Financial Position)

PEARL ABYSS

(Unit : million KRW)

	2023.12.31	2024.03.31
Assets		
I . Current Assets	582,759	587,736
Cash and cash equivalents	235,673	182,711
Account receivables	59,479	60,157
ST financial instruments	264,750	320,422
Financial assets measured at fair value	7,193	7,821
Other current assets	15,664	16,519
Inventory assets	0	106
II . Non-Current Assets	630,121	636,587
Account receivables	3,669	3,707
LT financial instruments	126	126
Financial assets measured at fair value	118,452	124,739
Investment in affiliated companies	48,468	46,741
Tangible assets	194,435	191,490
Intangible assets	227,007	234,484
Investment property	4,634	4,620
Other non-current assets	1,306	1,536
Deferred tax asset	32,024	29,144
Total Assets	1,212,879	1,224,323

	2023.12.31	2024.03.31
Liabilities		
I . Current Liabilities	315,871	303,435
Other payables	32,872	31,518
Current portion of long-term debt	11,200	11,200
Lease liabilities	4,755	4,999
Income taxes payable	6,121	5,625
Current provisions	5	5
Other current liabilities	113,980	103,123
Current Portion of Bonds Payable	146,936	146,965
II . Non-Current Liabilities	172,018	175,992
Other payables	3,538	3,892
Long-term debt	70,000	70,000
Lease liabilities	14,825	13,962
Non-current provision	904	918
Other non-current liabilities	57,438	61,421
Deferred tax liabilities	25,314	25,799
Total Liabilities	487,889	479,427
Capital		
I . Capital stock	6,623	6,623
II . Capital Surplus	219,742	219,742
III . Retained Earnings	498,226	511,028
IV . Capital Adjustments	(31,712)	(31,091)
V . Accumulated Other Comprehensive Income	32,111	38,594
VI . Non-controlling Interests	0	0
Total Capital	724,990	744,896

(Unit : million KRW)

	1Q23	2Q23	3Q23	4Q23	1Q24
Revenue	85,757	78,356	84,926	84,445	85,440
Operating Expenses	84,663	92,460	82,793	89,919	84,852
Operating Profit	1,094	(14,104)	2,133	(5,474)	588
Financial Income	12,180	8,287	9,357	(5,158)	16,219
Other Income	1,950	2,216	14,067	1,970	1,027
Income from Equity Method	(1,646)	(1,548)	(2,782)	(400)	(637)
Income before Income Tax	13,578	(5,149)	22,775	(9,062)	17,197
Income Tax Expenses	4,184	(716)	7,932	(4,466)	4,395
Net Profit	9,394	(4,433)	14,843	(4,596)	12,802

PEARLABYSS

A stylized illustration of a diver in a dark, cavernous underwater environment. The diver is positioned in the lower center, wearing a blue and white diving suit with a glowing headlamp. A bright, circular light source is on the floor directly in front of the diver, casting a glow. The cave walls are dark and jagged, with some small plants or coral. A thin, dark line, possibly a rope or cable, hangs from the top of the frame down to the diver. The overall color palette is dark blue and black, with the diver's suit and the floor light providing the primary sources of illumination.