

3Q22 Earnings Presentation

Pearl Abyss Corp.
9 Nov. 2022



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** 3Q22 Overview
 - 02** 3Q22 Operating Performance
 - 03** 3Q22 Revenue Breakdown
 - 04** 3Q22 Operating Expenses
 - 05** 4Q22 Highlight
-

 Appendix

❖ Live Service

① Black Desert

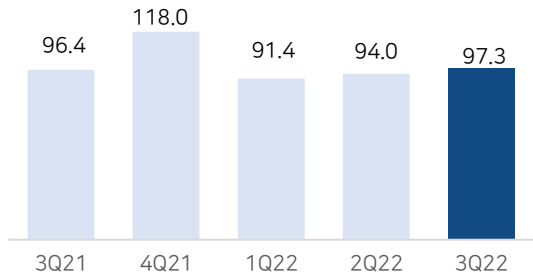
- User meeting
 - ✓ 2022 Haidel Ball (BDM, BD)
 - ✓ Voice of Adventurers Seoul
- Updates
 - ✓ PC/Console : Drakania awakening, Arena of Solare
 - ✓ Mobile : New class 'Drakania' & 'Captain'

② EVE

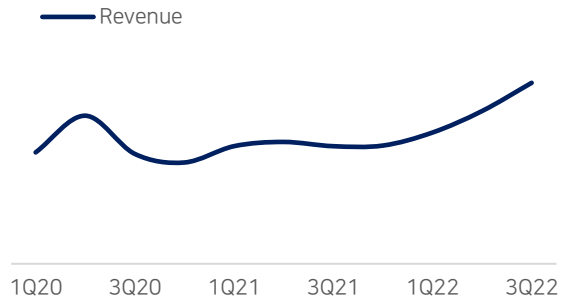
- Updates : Agent, Arc
- China new server & Spanish new version

❖ Operating Revenue

(Unit: billion KRW)



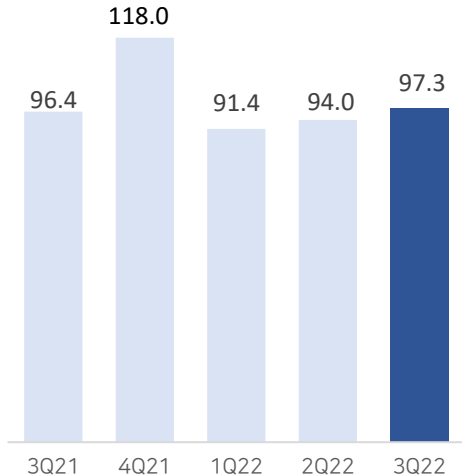
❖ Revenue Trend (BDO&BDC)



2. 3Q22 Operating Performance

◇ Operating Revenue: 97.3bil., Operating Profit: 12.0bil., Net Profit: 21.3bil. (KRW)

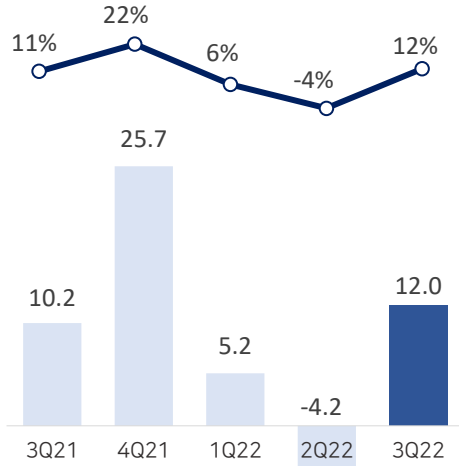
◇ Operating Revenue



YoY 0.9%

QoQ 3.5%

◇ Operating Profit

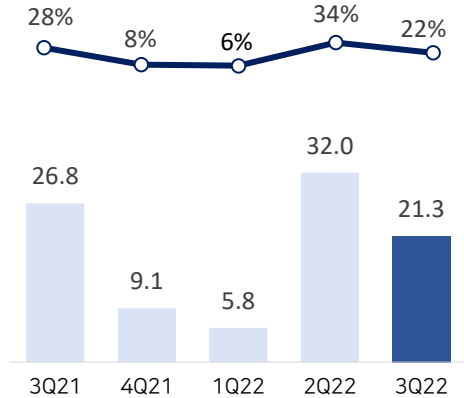


YoY 17.6%

QoQ Turn to Profit

◇ Net Profit

(Unit: billion KRW, %)



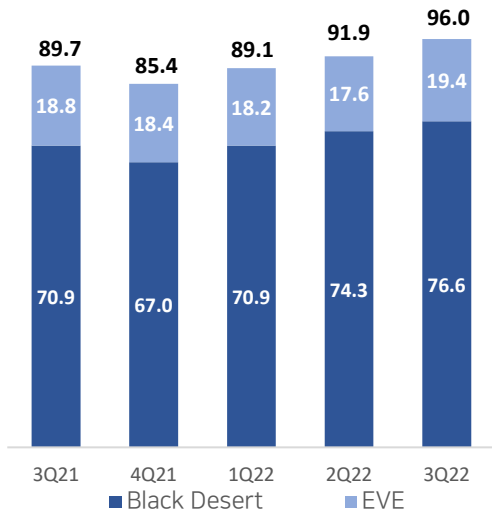
YoY -20.5%

QoQ -33.4%

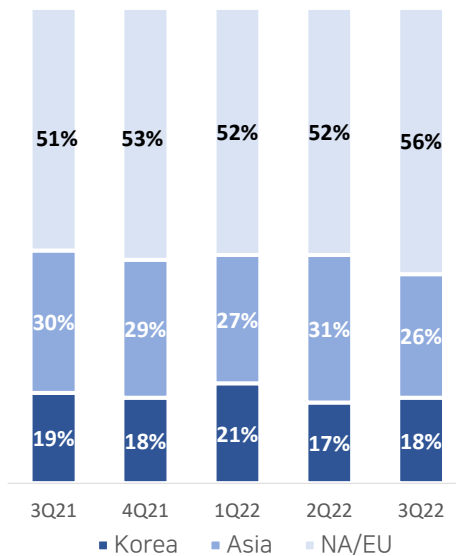
3. 3Q22 Revenue Breakdown

Revenue by Core IP

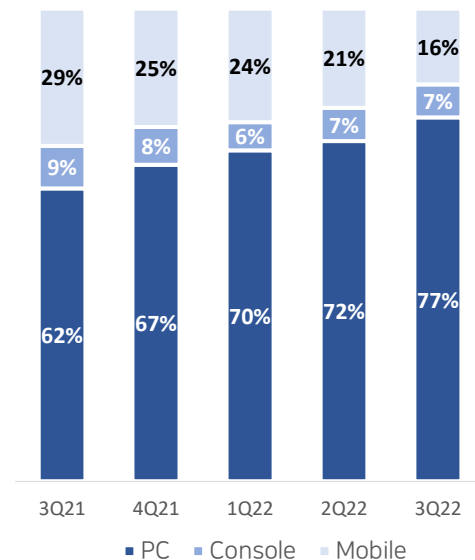
(Unit: billion KRW)



Revenue by Region



Revenue by Platform



(*) Black Desert/EVE IP

4. 3Q22 Operating Expenses

❖ Operating Expenses: KRW 85.3bil. (QoQ -13.2%)

❖ Operating Expense by Quarter

(Unit : million KRW, %)

	3Q21	4Q21	1Q22	2Q22	3Q22	QoQ	YoY	Ratio	% of Rev.
Operating Expenses	86,176	92,253	86,253	98,237	85,313	-13.2%	-1.0%	100.0%	87.7%
Labor	41,296	43,973	43,694	50,632	40,891	-19.2%	-1.0%	47.9%	42.1%
Commissions	18,028	19,128	20,580	21,405	16,627	-22.3%	-7.8%	19.5%	17.1%
Advertising	11,842	14,279	8,192	10,800	9,371	-13.2%	-20.9%	11.0%	9.6%
D&A	6,327	6,312	6,061	6,242	6,926	11.0%	9.5%	8.1%	7.1%
Etc.	8,683	8,561	7,726	9,158	11,497	25.5%	32.4%	13.5%	11.8%

❖ Number of Employees

(Unit: No. of employee, %)

	3Q21	4Q21	1Q22	2Q22	3Q22	QoQ	YoY	Ratio
Employees	1,503	1,572	1,485	1,515	1,456	-3.9%	-3.1%	100.0%
Development	949	983	965	977	907	-7.2%	-4.4%	62.3%
Business / Staff	554	589	520	538	549	2.0%	-0.9%	37.7%

❖ Live Service

- Black Desert
 - ✓ Contents updates
 - PC : 'Abyss One : The Magnus'
 - Mobile : New region 'Drikan'
 - ✓ User meeting
 - Twitch Con (San Diego)
 - Voice of Adventurers (Amsterdam)
 - Calpheon Ball (LA)
- EVE
 - ✓ Updates : 'Uprising' content
 - ✓ User meeting : EVE Vegas

❖ Growth Strategy

- New IP : Crimson Desert, DokeV, Plan 8
- CCP Games : Web3 / Blockchain biz.



Appendix



Appendix.

Consolidated Financial Statements (Statement of Financial Position)

PEARL A BYSS

(Unit : million KRW)

	2021.12.31	2022.09.30
Assets		
I . Current Assets	721,734	605,128
Cash and cash equivalents	243,871	172,197
ST financial instruments	72,288	290,590
Financial assets measured at fair value	330,729	65,526
Account receivables	57,841	61,134
Other current assets	17,005	15,681
II . Non-Current Assets	634,866	802,428
Account receivables	3,617	3,904
LT financial instruments	921	952
Financial assets measured at fair value	106,869	107,748
AFS financial assets	203	203
Tangible assets	137,414	214,174
Intangible assets	302,370	371,169
Investment in affiliated companies	58,891	64,195
Deferred tax asset	23,280	28,111
Other non-current assets	1,301	1,851
Investment property	0	10,121
Total Assets	1,356,600	1,407,556

	2021.12.31	2022.09.30
Liabilities		
I . Current Liabilities	274,165	235,575
Other payables	78,602	33,771
Short-term liabilities	35,000	0
Income taxes payable	12,370	5,858
Lease liabilities	5,079	4,200
Current portion of long-term debt	0	84,000
Other current liabilities	87,550	107,739
Current financial liabilities at fair value	54,869	0
Current provisions	694	7
II . Non-Current Liabilities	363,438	336,657
Other payables	5,848	6,965
Long-term debt	143,675	112,940
Non-current provision	409	820
Other non-current liabilities	24,711	20,962
Deferred tax liabilities	27,664	32,244
Lease liabilities	13,819	15,929
Bonds issued	146,716	146,797
Non-current financial liabilities at fair value	0	0
Defined benefit plans	596	0
Total Liabilities	637,603	572,232
Capital		
I . Capital stock	6,622	6,622
II . Capital Surplus	211,315	215,763
III . Retained Earnings	549,451	584,710
IV . Capital Adjustments	(59,868)	(35,175)
V . Accumulated Other Comprehensive Income	11,477	63,404
VI . Non-controlling Interests	0	0
Total Capital	718,997	835,324

Appendix. Consolidated Financial Statements (Comprehensive Income Statement)

(Unit : million KRW)

	3Q21	4Q21	1Q22	2Q22	3Q22
Revenue	96,400	117,975	91,429	94,028	97,270
Operating Expenses	86,176	92,308	86,253	98,237	85,313
Operating Profit	10,224	25,667	5,176	(4,209)	11,957
Financial Income	22,105	(3,454)	1,843	5,417	20,140
Non-Operating Income	1,492	(4,219)	969	16,249	792
Income from Equity Method	(793)	(1,387)	(1,656)	(1,751)	(2,969)
Income before Income Tax	33,028	16,607	6,332	15,706	29,920
Income Tax Expenses	6,223	7,547	529	(16,332)	8,586
Net Profit	26,805	9,060	5,803	32,038	21,334

PEARLABYSS

A stylized illustration of a diver in a dark, cavernous space. The diver is wearing a blue and white 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.