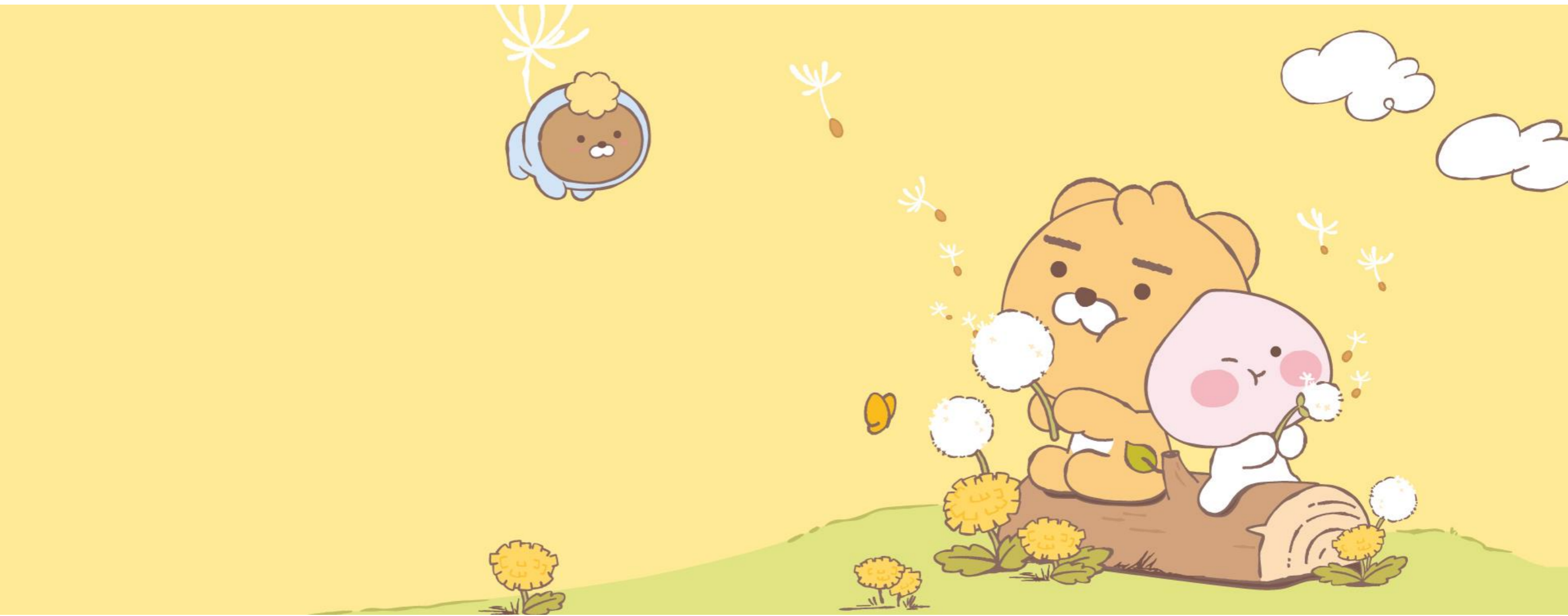


kakao

May 2021 | Kakao Investor Relations



Disclaimer

Financial information contained in this document is based on consolidated K-IFRS that have not been reviewed by an independent auditor.

Therefore, the information and financial data of Kakao and its subsidiaries (the “Company”, or “Kakao”) contained in this document are subject to change upon an independent auditor’s review.

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Kakao Ecosystem

Kakao Business

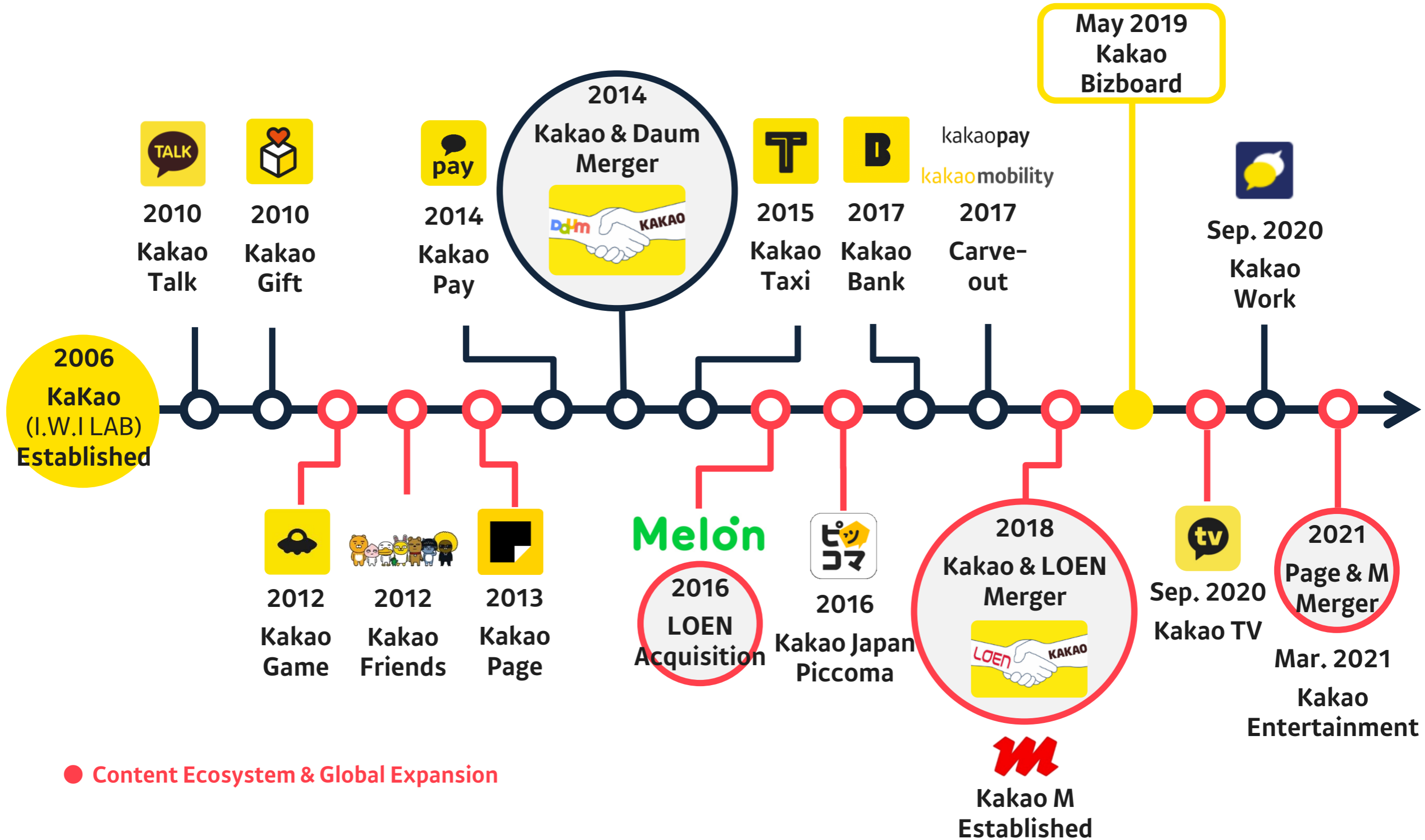
Financial Overview

Making a Better World with People and Technology



History

● Interactive Business Platform



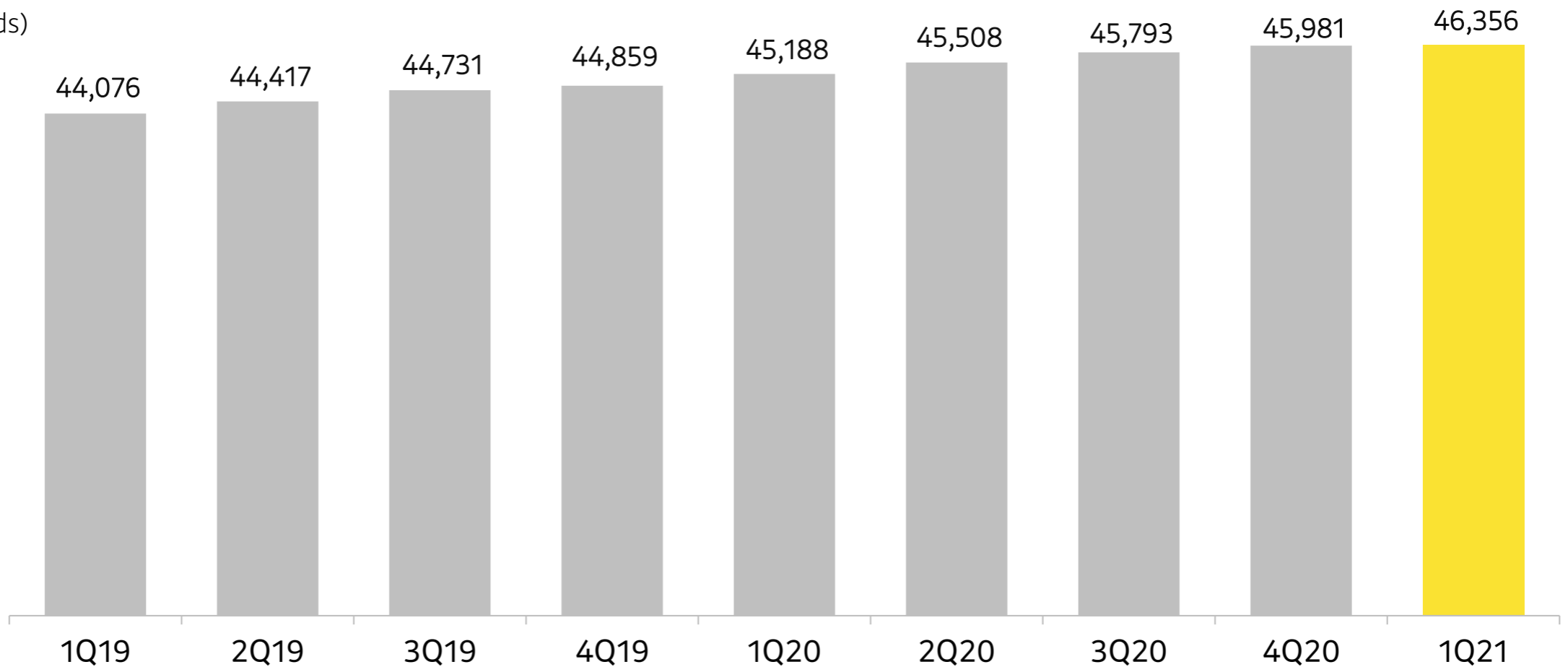
Undisputed Market Leader

Monthly Active Users in Korea grew by +1.1M YoY, +190K QoQ



KakaoTalk Monthly Active Users

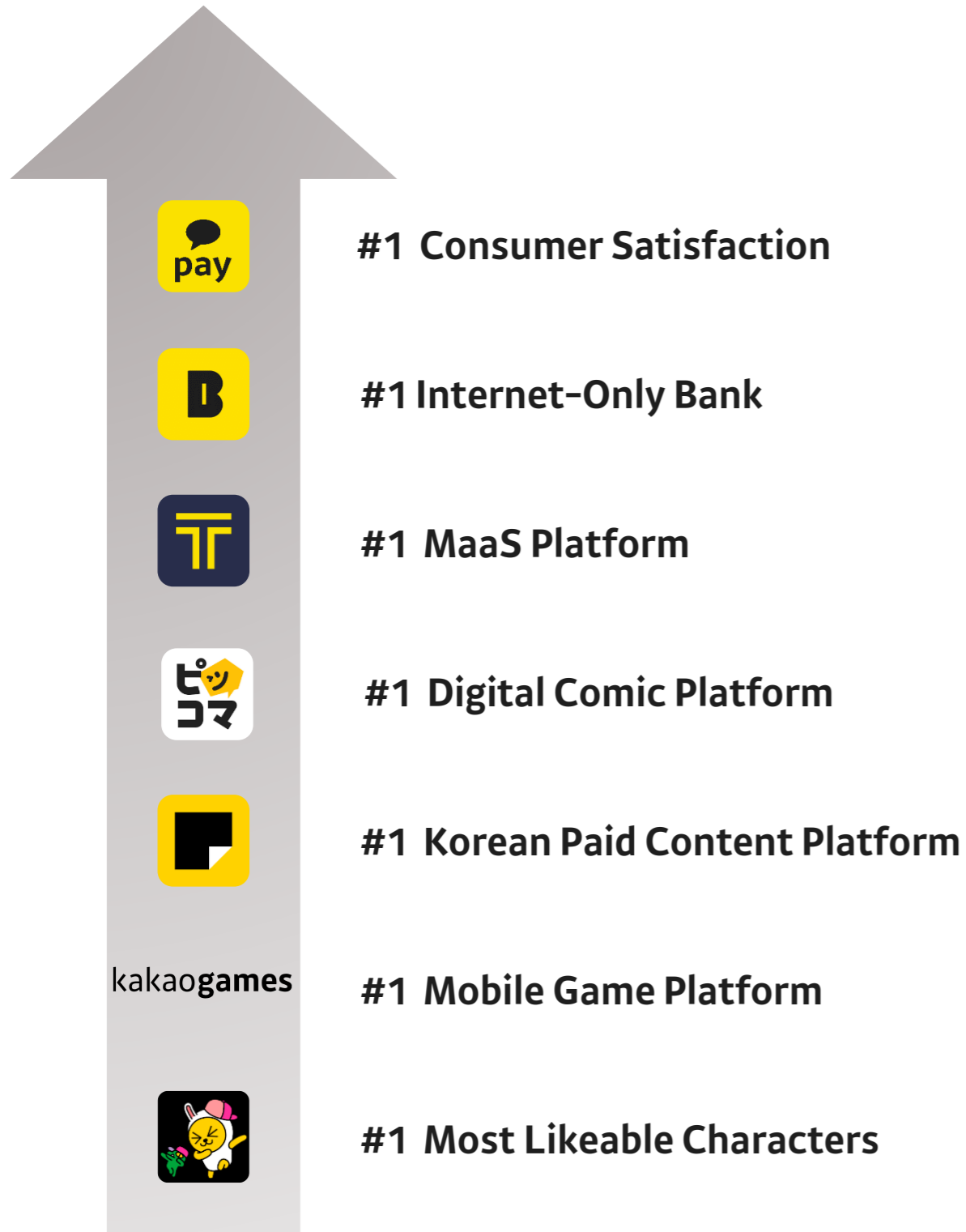
(in thousands)



Korea	44,076	44,417	44,731	44,859	45,188	45,508	45,793	45,981	46,356
Global	50,548	50,882	51,374	51,495	51,768	52,133	52,299	52,223	52,976

Average of monthly MAUs. Global includes domestic MAUs.

Repeatable Success Formula



Unique Success Factors for New Businesses:

- ✓ Large User Base Encompassing an Entire Nation
- +
- ✓ Kakao's Nationwide Following Ensuring Success of New Service Launches
- +
- ✓ Unrivaled Access and Insight to User Data
- +
- ✓ Minimal User Acquisition Costs


Global Strategic Partnerships

Kakao's Stake¹⁾

Strategic Partner




Transaction Valuation (KRW tn)

Investment Amounts (KRW bn)



Kakao Mobility

63.4%

Apr. 2021

3.35

500

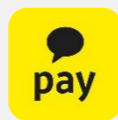
Jun. 2017

219.9

Mar. 2021

56.5

Apr. 2021



Kakao Pay

56.1%



Jul. 2020

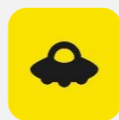
1.1

230

Feb. 2017


115

Jul. 2020




Kakao Games

45.4%



ACEVILLE



KRAFTON

Sep. 2020

4.6

Market Cap²⁾


kakao
ENTERTAINMENT

Kakao Entertainment

68.5%




Kakao Page (Formerly)	Kakao M (Formerly)
Jul. 2019	Mar. 2020
1.2	1.6
125	210
Dec. 2016	Mar. 2020
24	
Jul. 2019	



Kakao Bank



31.6%




Kookmin Bank




SKYblueLuxury

Dec. 2020

8.8

250

Nov. 2020

750

Dec. 2020

1) Latest filings, 2) Market cap at close of listing date

Company Management

Kakao Founder & Chairman



Brian Kim
“Korean Web Pioneer”
By Forbes Asia

Kakao CEO



Mason Yeo



Sean Joh

Key Subsidiaries

1998 Founder & CEO



One of the first online game portals globally
* Merged with NAVER (in 2000)

2001 CEO



#1 Search portal in Korea

2009 Founder & Chairman



#1 Mobile messaging app company in Korea
*Merged with Daum (in 2014)

Kakao Games



Nkay Namkoong



Leo Cho

Kakao Mobility



Alex Ryu

Kakao Pay



Alex Ryu

Kakao Entertainment



Joy Lee



Stephan Kim

Kakao Japan



Jay Kim

Kakao Enterprise



Andrew Beak

Kakao Ecosystem

Kakao Business

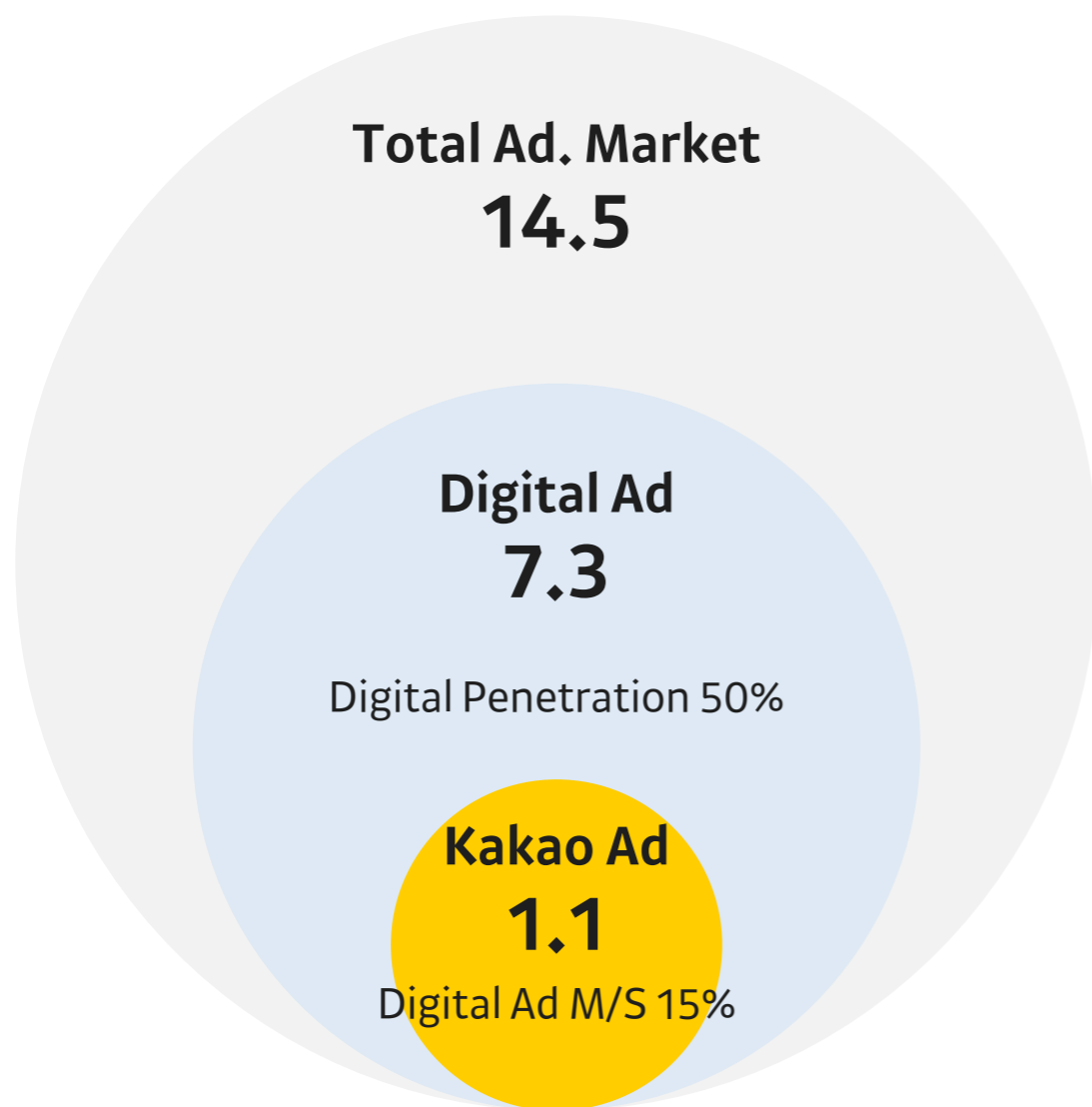
Financial Overview

Paradigm Shift in Advertising Industry

Significant Growth Opportunity in Kakao Talk as a Biz Platform

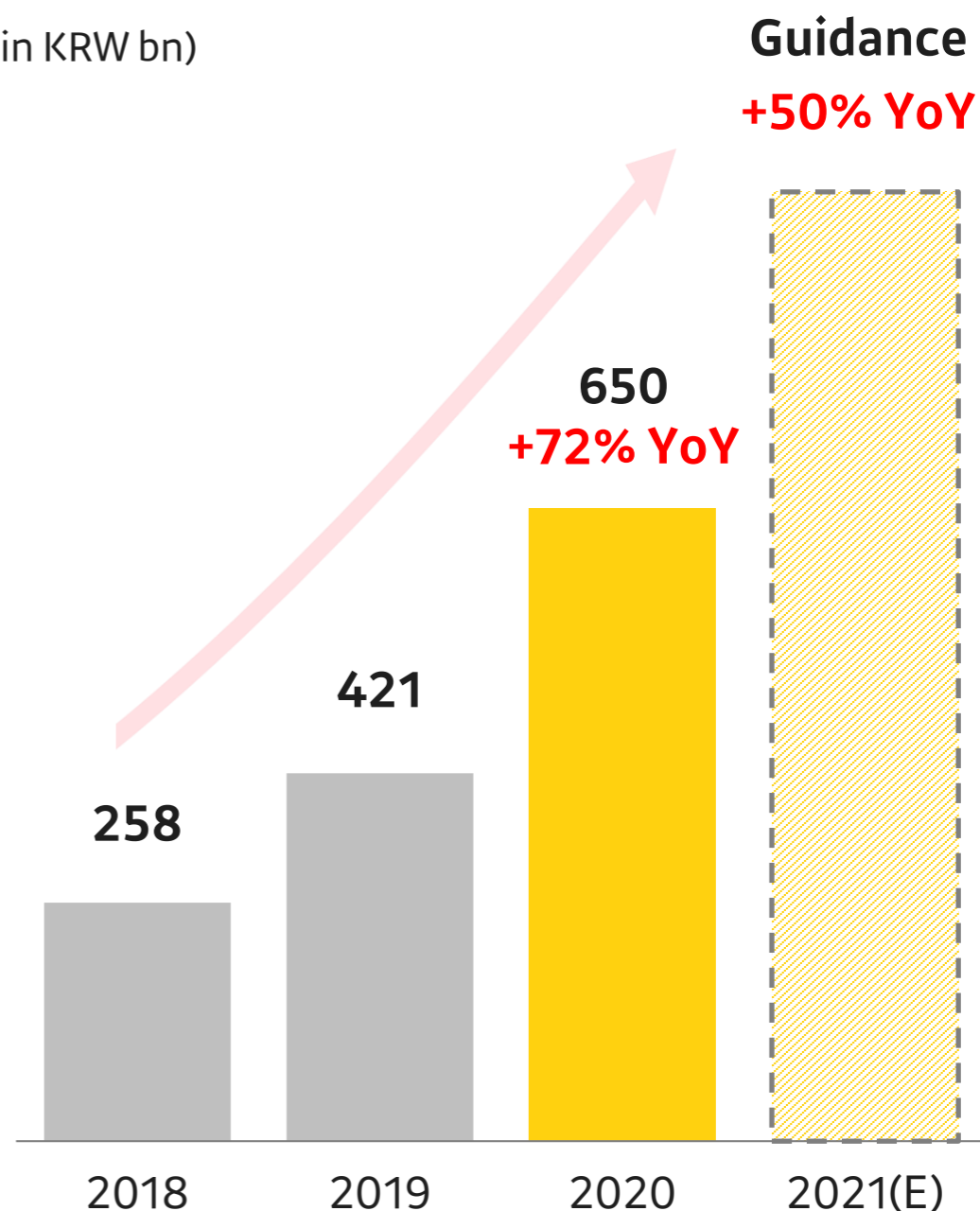
Ad Market Size (2020)

(in KRW tn)



Talk Biz Revenue

(in KRW bn)

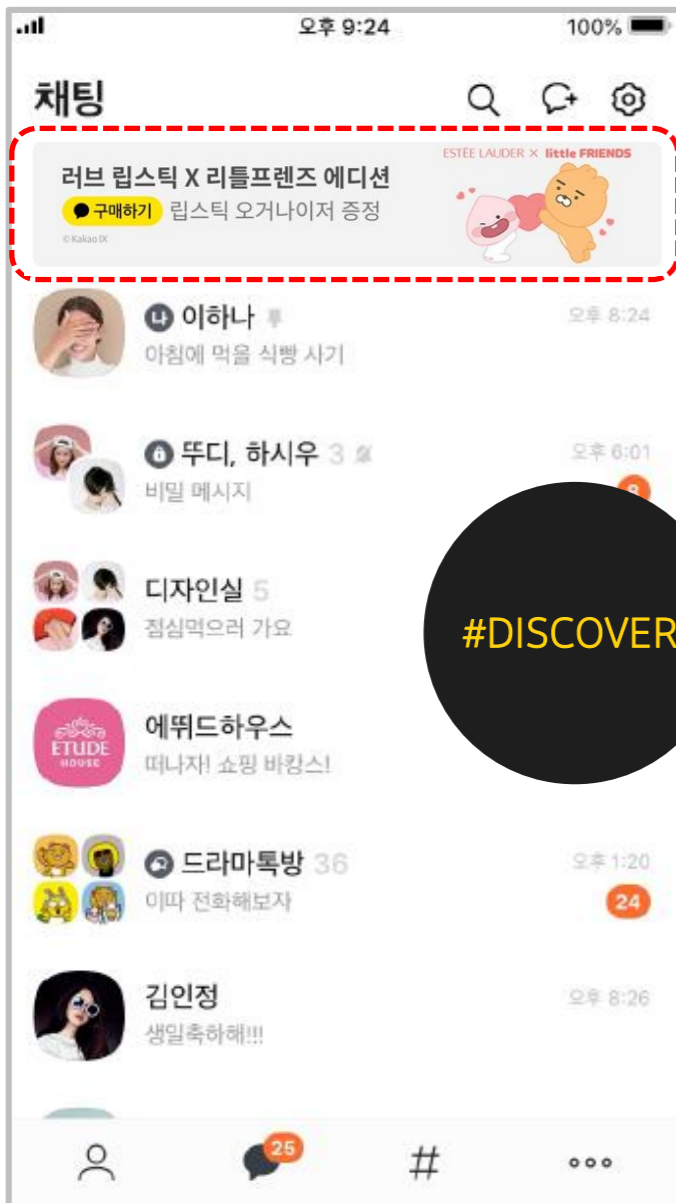


1) Kakao Ad includes Talk biz advertising and Portal Biz Revenue in FY2019

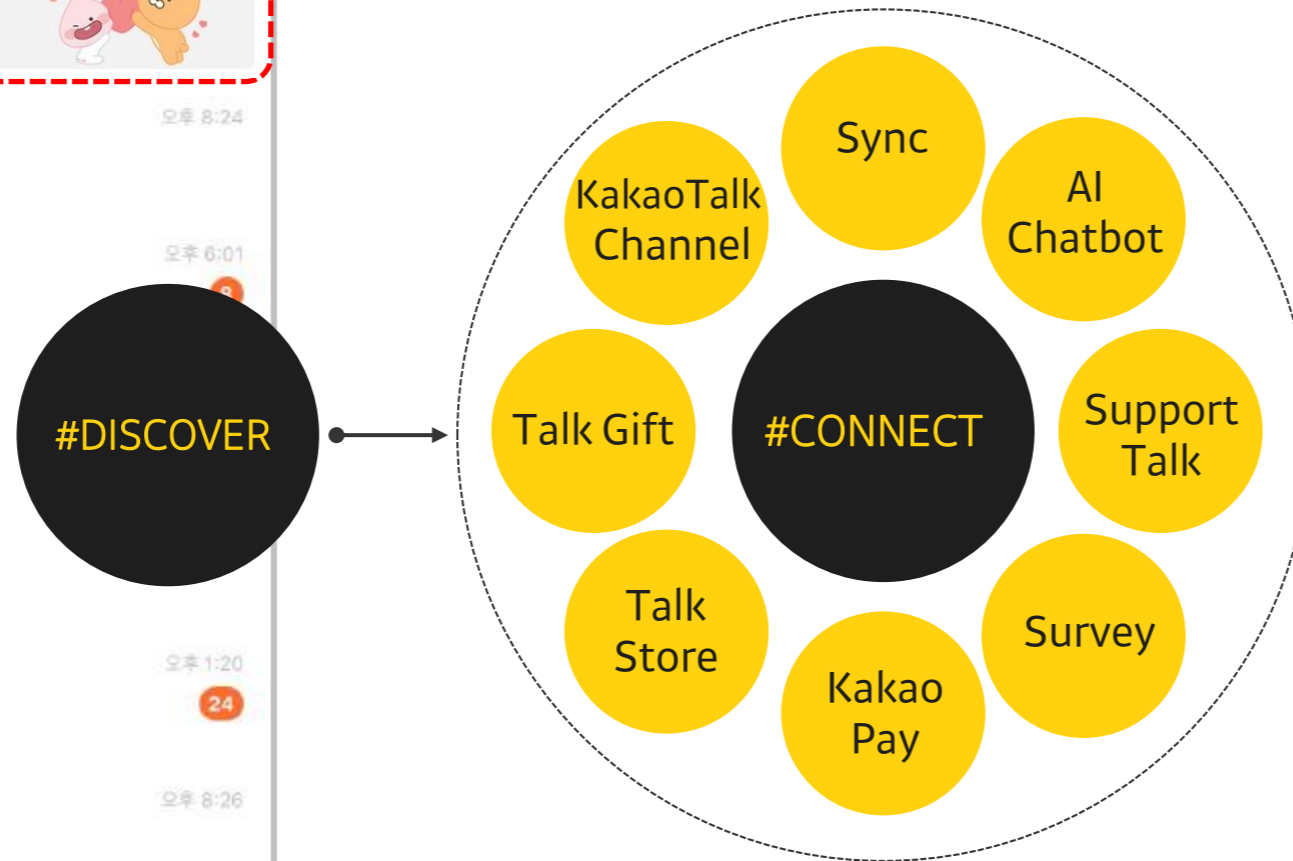
Talk Biz Advertising(Kakao Bizboard)

New Innovative Way to Connect 46 million Mega Traffic

Chat list tab is where users spend the most time



Users can get recommendations of their interests



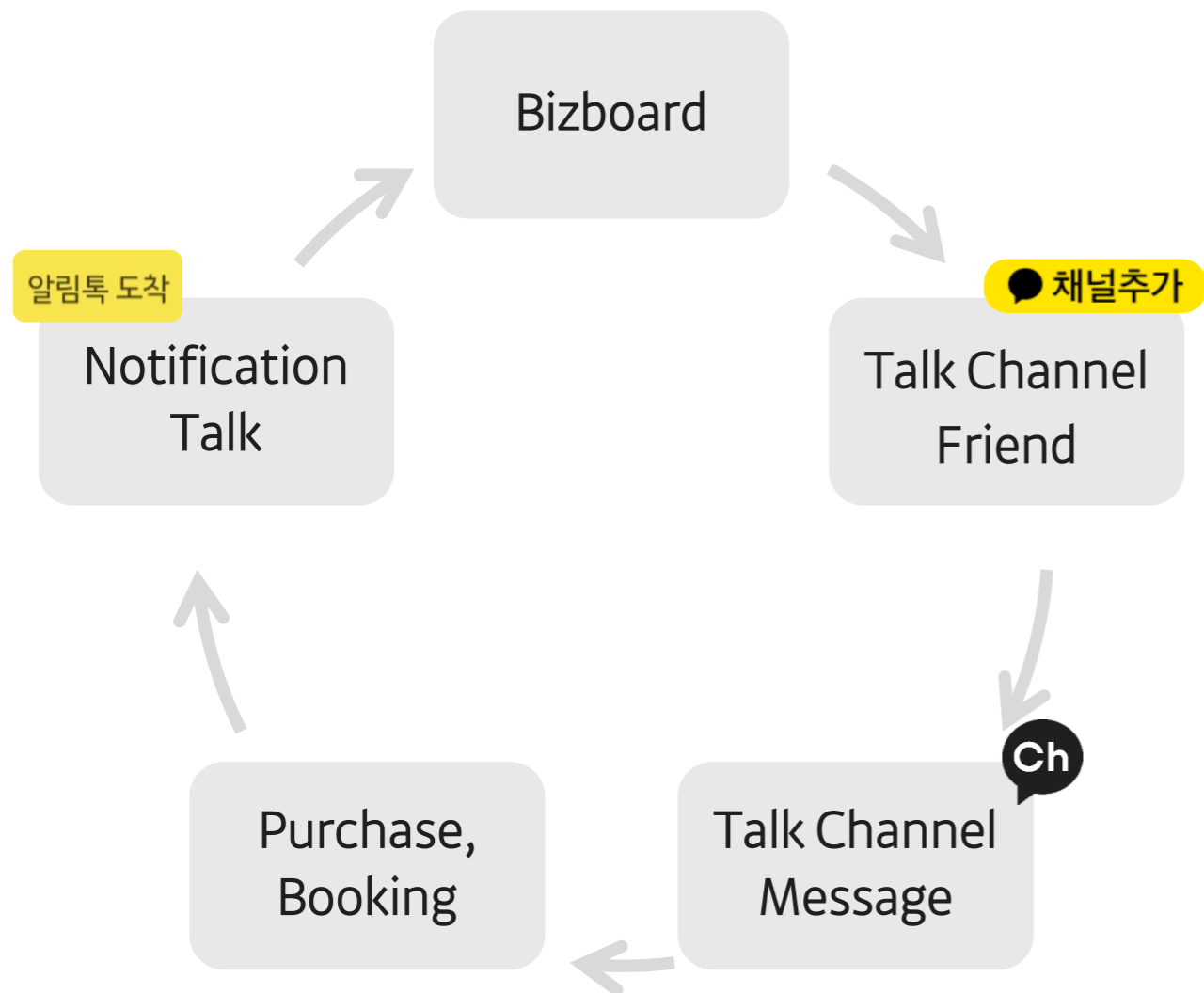
Users may fulfill any actions that wish to take

- Purchase
- Reservation
- Download
- Registration
- Customer Service
- ...

Talk Biz Advertising(Message Ad)

Virtuous cycle with Bizboard, KakaoTalk Channel and Notification Talk

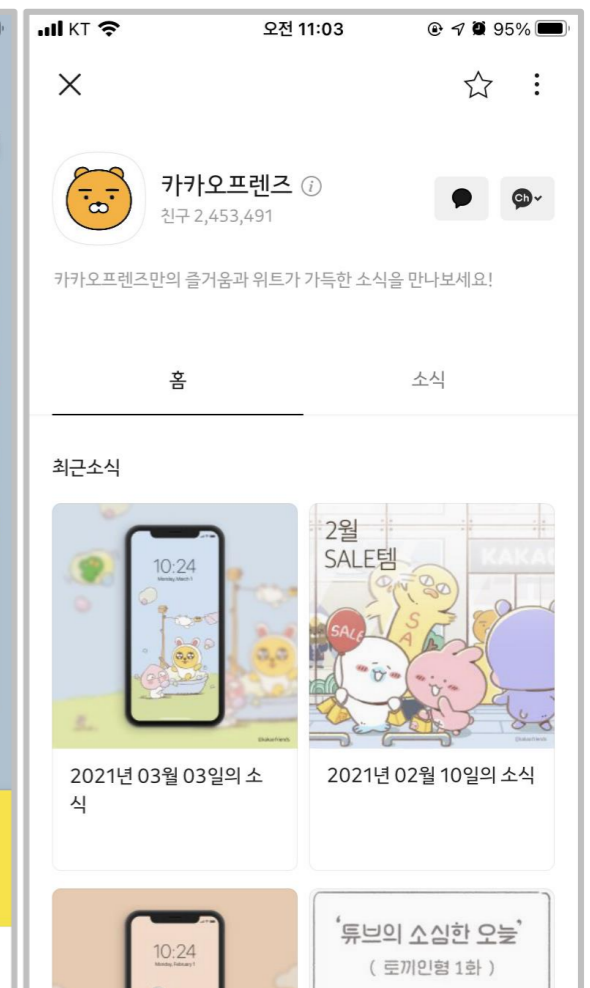
The virtuous cycle established with bizboard



The mandatory destination for customer management



KakaoTalk channel message ad



KakaoTalk channel home

From Leveraging the Social Graph to any Talk-based Transactions

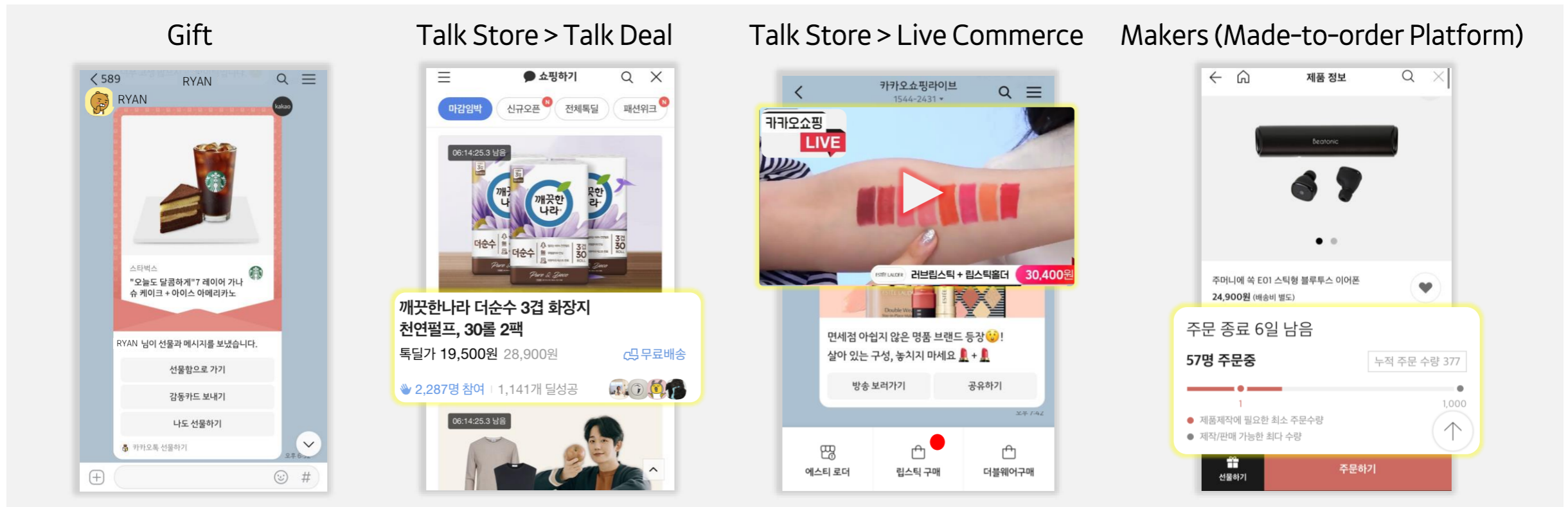
kakaocommerce Key indices



Delivery goods
74% YoY



Marketing place for
newly launched
products



MaaS Platform with All-Inclusive Transportation Needs



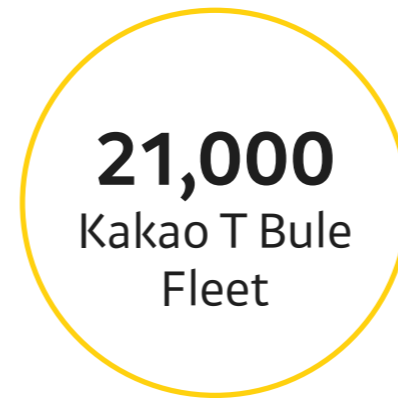
Kakao T Key Indices



Largest # of users



Ready to pay users



Kakao corp
consolidated revenue

Kakao T Application

Taxi Service Option

Service Option	Estimated Price	Notes
블루 세스코 영버스 (Blue SESCO Youngbus)	예상 22,800원	이용료 무료
모범 (Mobeom)	예상 27,100원	이용료 할인
스마트호출 (Smart Hoco)	예상 23,800원	배차성공률 높은 호출
일반호출 (General Hoco)	예상 22,800원	주변 택시 호출
벤티(BETA) (Benti)	주변 차량 없음 >	넓고 편한 카카오톡 벤티

Revolutionizing into a Service Meeting All Types of Mobility Demands

Kakao T Blue

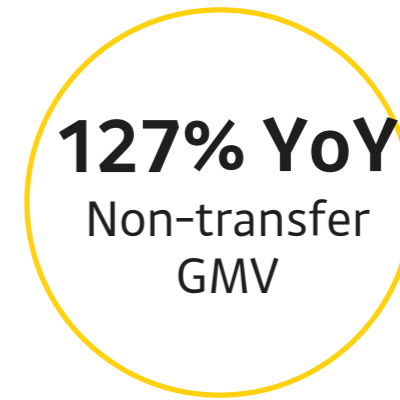
Kakao T Venti

1) Key indices as of 1Q21

No.1 All-Encompassing Daily Financial Platform



Kakao Pay Key Indices



Cumulative Investors
1.6mn+

W67 tn FY2020
W100 tn FY2021 Target

On/offline Payment,
Loan channeling,
Investment

Pay Money Upgrade

Prepaid Top-up BM	Real Name Account
Non-Benefit for Deposit	Interest Benefit
Limit on Balance	Equivalent to Brokerage Account
Limited Scope of Financial Service	Diversified Financial Products

4mn+ Real-name Based Brokerage Accounts Opened

Solid revenue growth thanks to payment and financial service expansion

B2B Business Expansion with Differentiated AI Technology

kakaoenterprise Key Services

Work
Kakao Work

Integrated Enterprise Platform

Business
Kakao i Connect

Business Service Platform

Tech & Home

Kakao i Engine
Kakao i Home

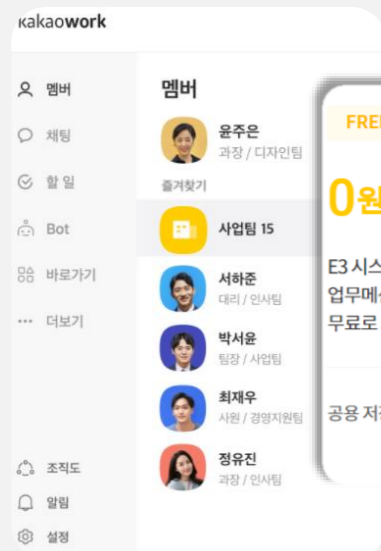
Cloud
Kakao i Cloud

10 Years of Accumulated Know-hows

Data
Kakao i Insight

Industry Insight based Data

Integrated Business Platform 'Kakao Work' Pre-launch Sep. 16th 2020 ▶ Paid Membership Launch in 2021



	FREE	STANDARD	PREMIUM	ENTERPRISE
Price	0원	6,500원 /1인	9,900원 /1인	15,900원 /1인
Features	E3 시스템이 기본 적용된 업무메신저와 전자결재, 근태관리를 무료로 사용할 수 있습니다.	멤버당 10GB의 공용 저장공간과 함께 SLA가 보장되는 카카오휴크를 광고 없이 사용할 수 있습니다.	멤버당 20GB의 공용 저장공간과 함께 높은 수준의 관리기능을 사용할 수 있습니다.	멤버당 1TB의 공용 저장공간과 함께 차이나이즈를 통해 최고 수준의 보안을 설정할 수 있습니다.
Storage	공용 저장공간 5GB	공용 저장공간 10GB /1인	공용 저장공간 20GB /1인	공용 저장공간 1TB /1인

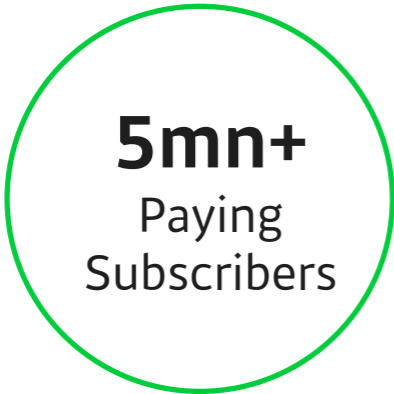
Core Strength

- Combination of Brand Power and Expertise
- Integrated Biz Platform based on Messenger Service
- Integration of AI and Search Technology
- Secure Cloud Environment

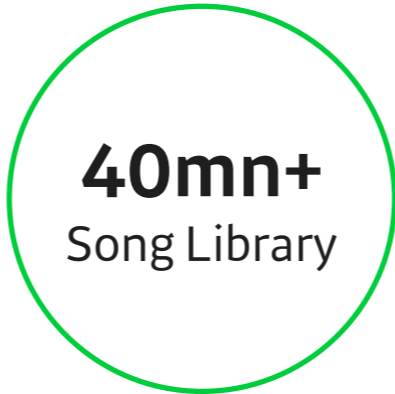
1 Digital Music Platform with Unparalleled Market Presence



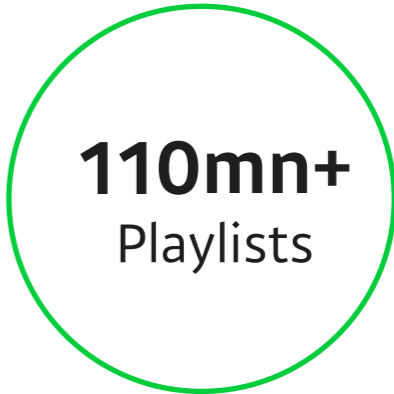
Melon Key Indices



Dominant Traffic

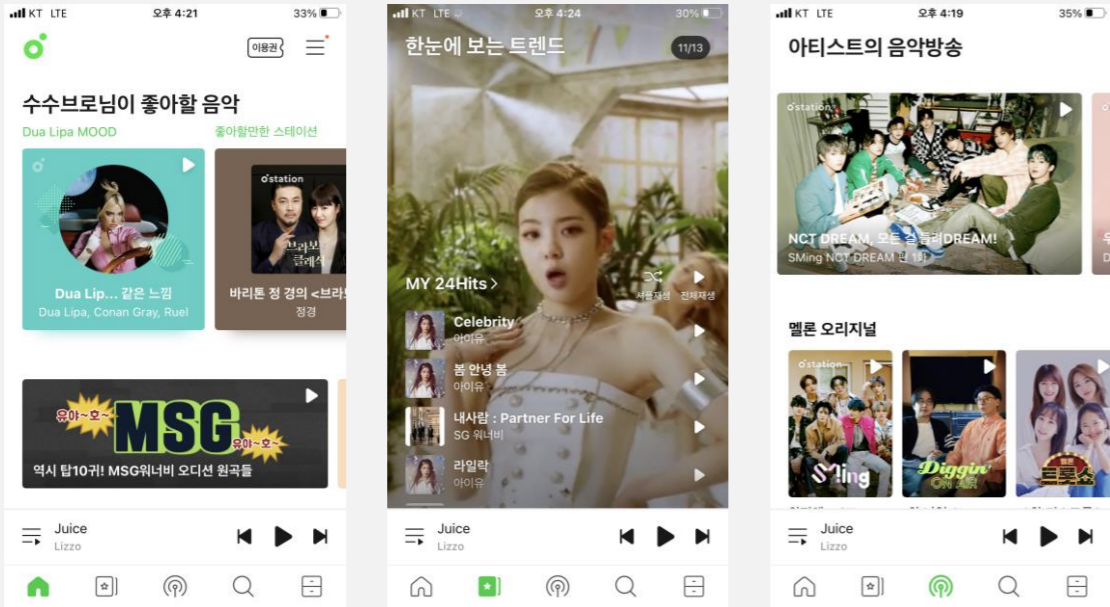


Largest Music Content

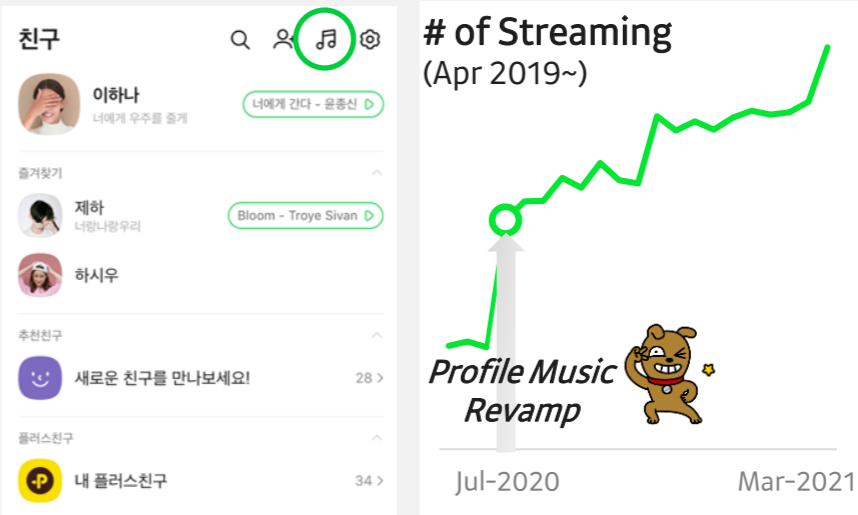


More Personalized & Customized Functions

Offering Customized Play List and Trendy Audio Contents



Increased Streaming Trend through Talk Music



1) Key indices as of 1Q21

Multi-Platform Game Company Encompassing PC and mobile



Game Key Indices

1,100+
Publishing

No.1 Mobile Game Platform

No.1
Publisher

16mn+
Monthly Users

**Development
Capability**

In-house game development
from casual to
hard-core genre (XL Games)

**Global
Potential**

Going Global
Leveraging Proven IPs

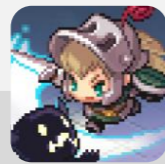
Major Game Line-up



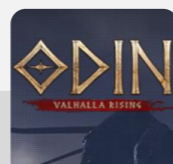
MOBILE



Princess connect!
Re:dive



Guardian
Tales



ODIN
2Q21(E)



PC



PUBG



POE



ELYON

Title line-up to be released after 2Q21

	Title	Genre		Title	Genre
2Q	Odin: Valhalla Rising	MMORPG	4Q	Elyon (Global)	MMORPG
	Moonlight Sculptor (Global)	MMORPG		Odin: Valhalla Rising (Global)	MMORPG
	Friends Party Golf	Casual		Soul Artifact (temporary name)	Collectible RPG
3Q	Eternal Return: Black Survival	Battle Royale +MOBA		Dysterra	Survival FPS
	World Flipper	Pinball Action		Project King (temporary name)	Puzzle
	Kakaopage Play (temporary name)	Story			

Paid Content (Web Literature)

Growth through Innovative Business Model and Original IPs

Paid Content Key Indices

W152.1bn
Piccoma
Platform GMV

181% YoY

W167.2bn
Kakao Page
Total GMV

GMV including
IP distribution

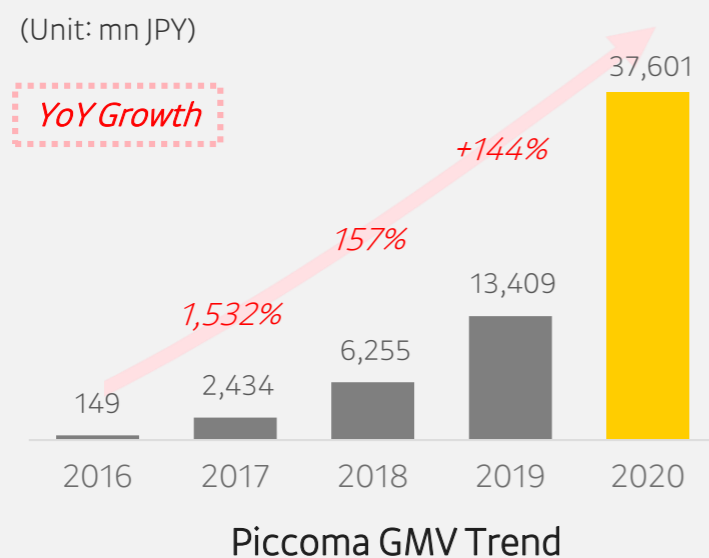
Global No.1
Comic App

In revenue size
for Piccoma

Piccoma 1tn
Page 0.7tn

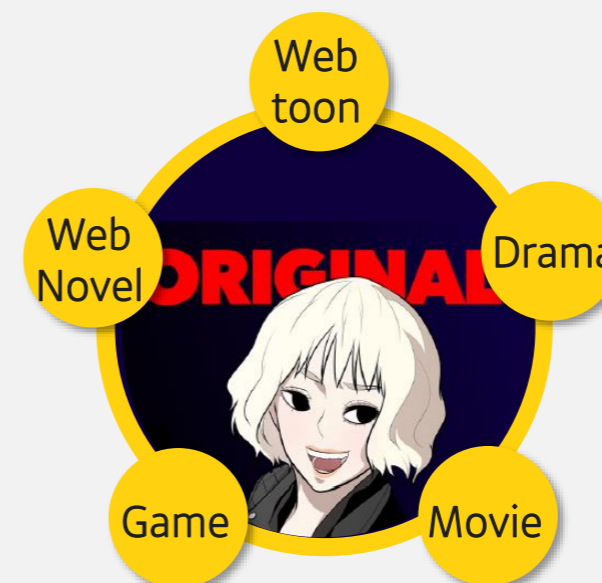
FY2021 GMV Target
Page GMV including
IP distribution

Piccoma's accelerating growth
from proven story IPs and unique business model



Globally popular webtoon
<Only I Level Up>

Augmented IP value of Kakao Page
with virtuous cycle of contents



Drama based on Daum
Webtoon
<Itaewon Class>

Transforming into a Leading Global Content Provider

Kakao M Key Indices



Stable Cash Flow



No.1 K-pop
YouTube Channel



4 Music Labels

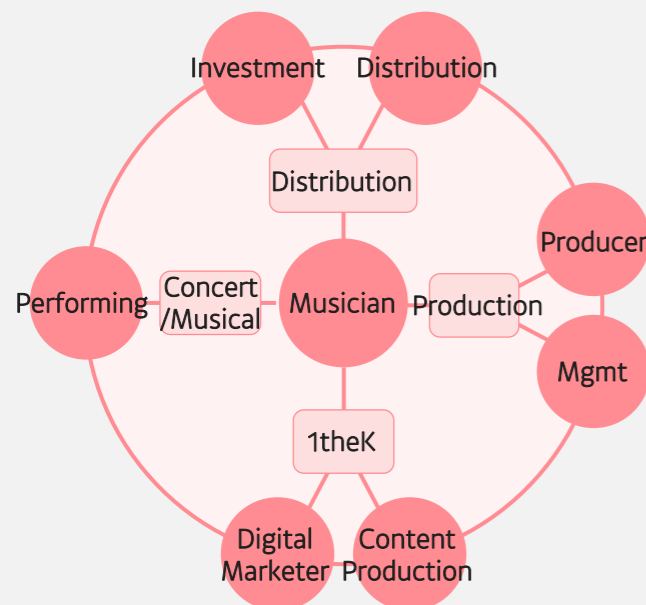


Korea's Largest
Talent Pool



Accumulated original titles
in 3 years

Music Business Portfolio



Content Production Capability

Talent Pool

Competitive
casting power

Production

Mega Monster,
in-house
production studio

Story IP

Original IPs from
Kakao Page and
Piccoma

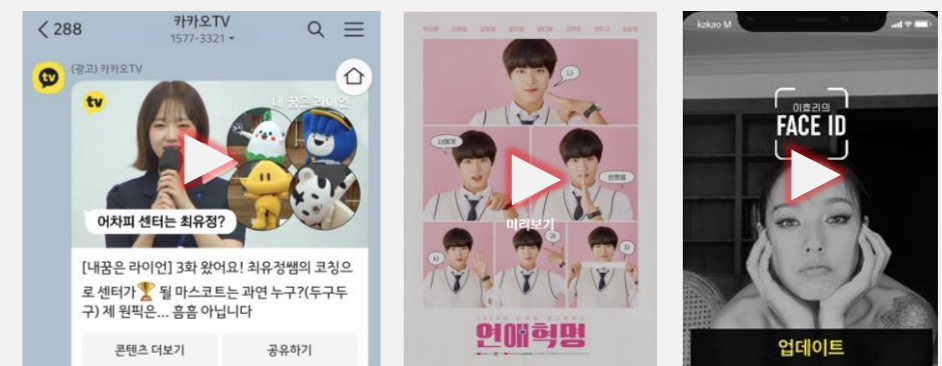
Key Creator

Top-notch
producers with
the expertise

Kakao TV Original Contents

Leveraging
KakaoTalk channel,
Notification talk, #tab

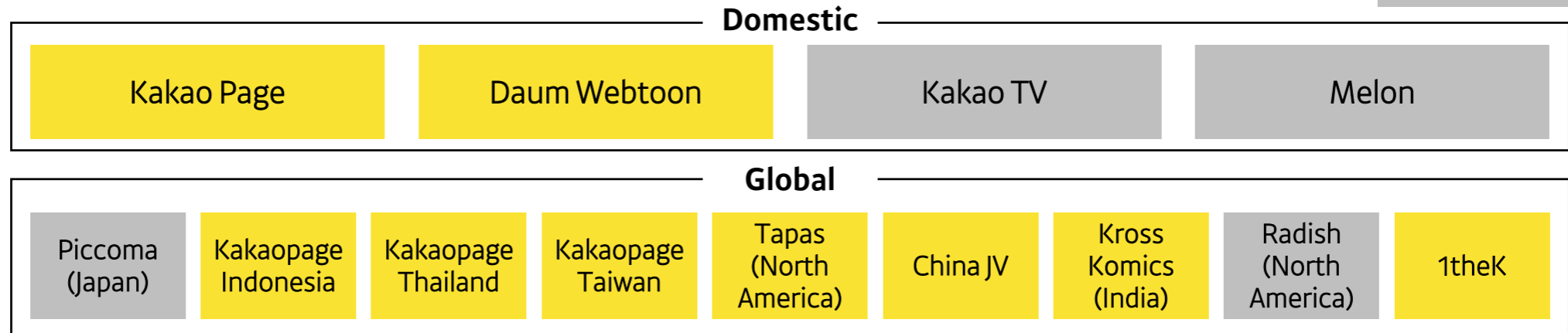
55 Digital Original Content
(FY2021 Target)
W300bn investment till 2023



Kakao Entertainment | Big Bang of Value-chain

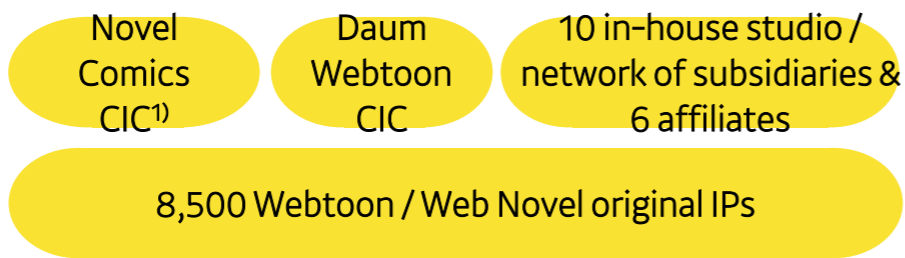
Subsidiary/In-house
Affiliate/Outsourcing

Platform Network (13)

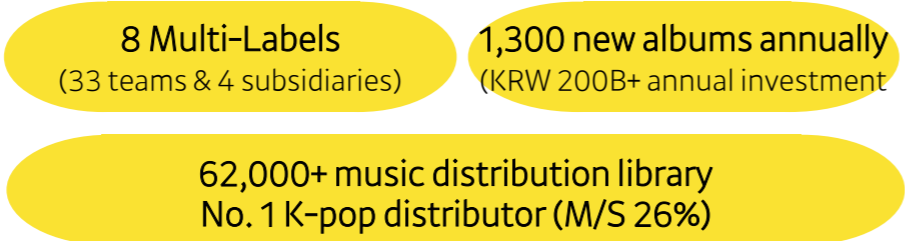


Original Story

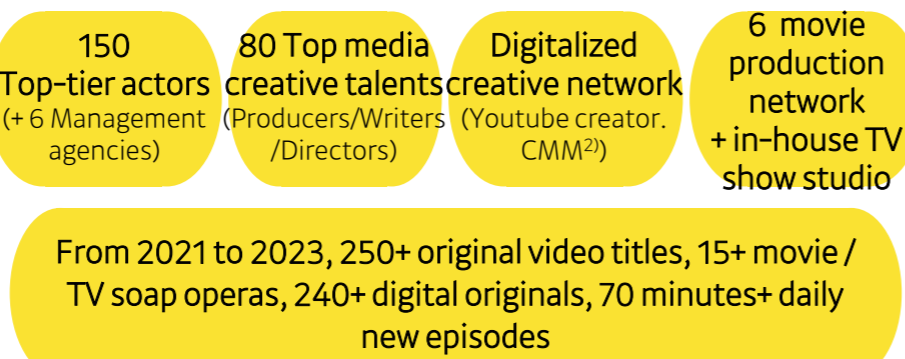
IP Asset, Production Company



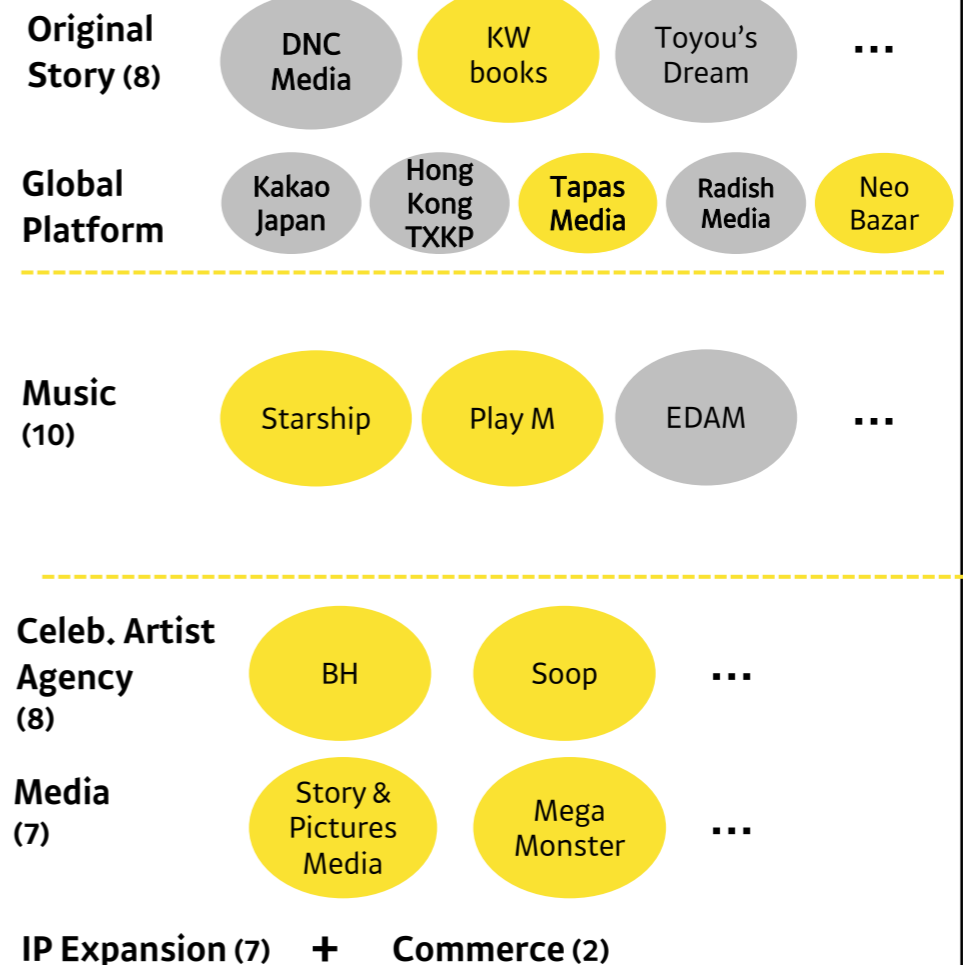
Music



Media



Invested / Affiliates Network (53)



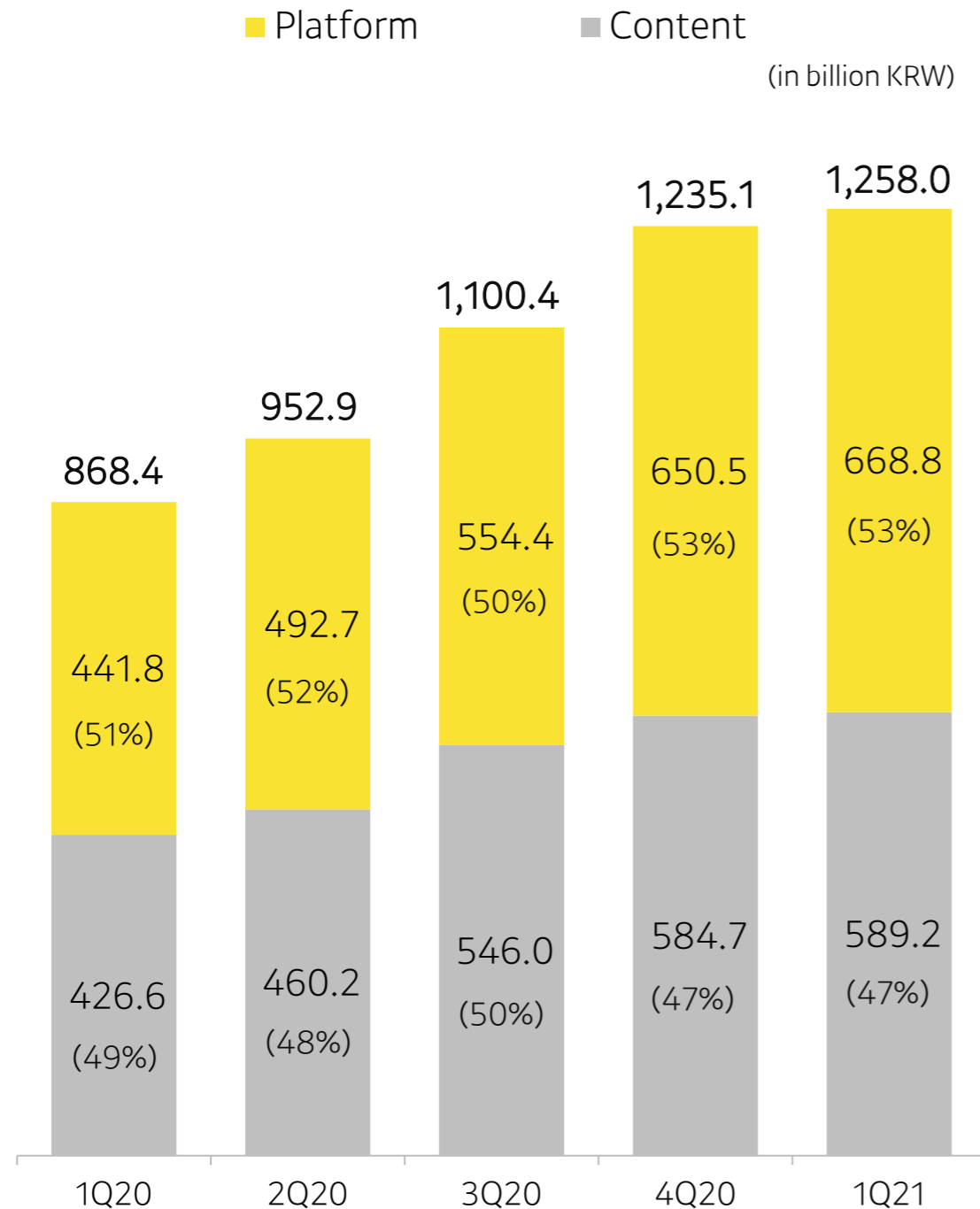
1) CIC : Company in Company
2) CMM : Celebrity-owned Media Management

Kakao Ecosystem
Kakao Business
Financial Overview

Revenue

Q1 Revenue YoY +45% / QoQ +2%

Mix - Platform 53% : Content 47%



Revenue Breakdown		
Platform	Talk Biz	KakaoTalk Ad (Bizboard, Talk Channel, Emoticon, etc.) Talk Commerce (Talk Gift, Talk Store, Makers, etc.)
	Portal Biz	Daum PC Daum Mobile Kakao Story/Style/Page Other Subsidiaries' Ad
	New Biz	Mobility Pay Enterprise Misc. (Other Subsidiaries)
Content	Game	Mobile PC Kakao VX
	Music	Melon Digital music distribution Kakao Music Ticket
	Paid Content	Kakao Page Daum Webtoon Piccoma
	IP Business and Others	Kakao Friends Kakao M (Excluding digital music distribution)

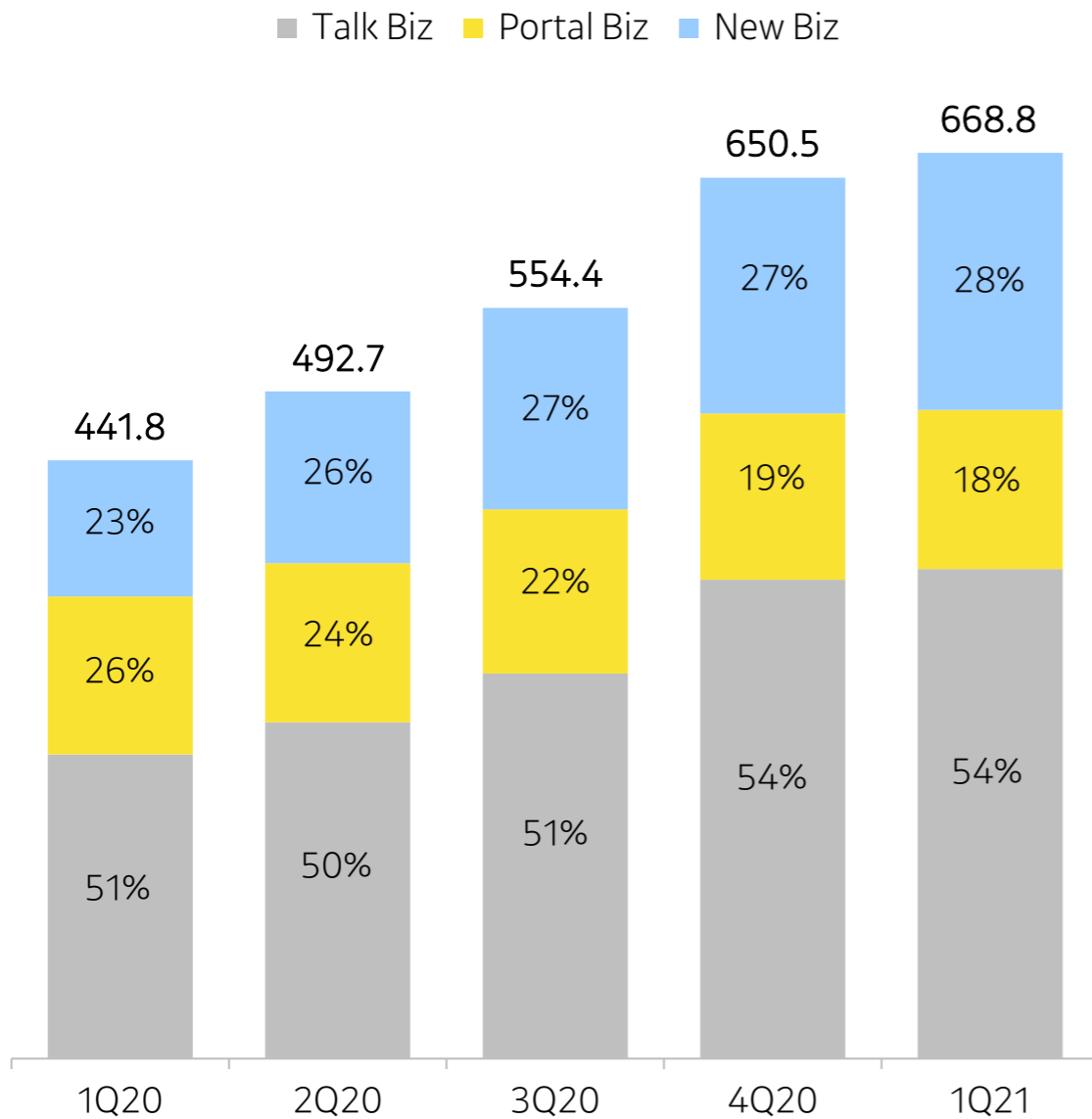
Platform / Content

Platform YoY +51% / QoQ +3%

Content YoY +38% / QoQ +1%

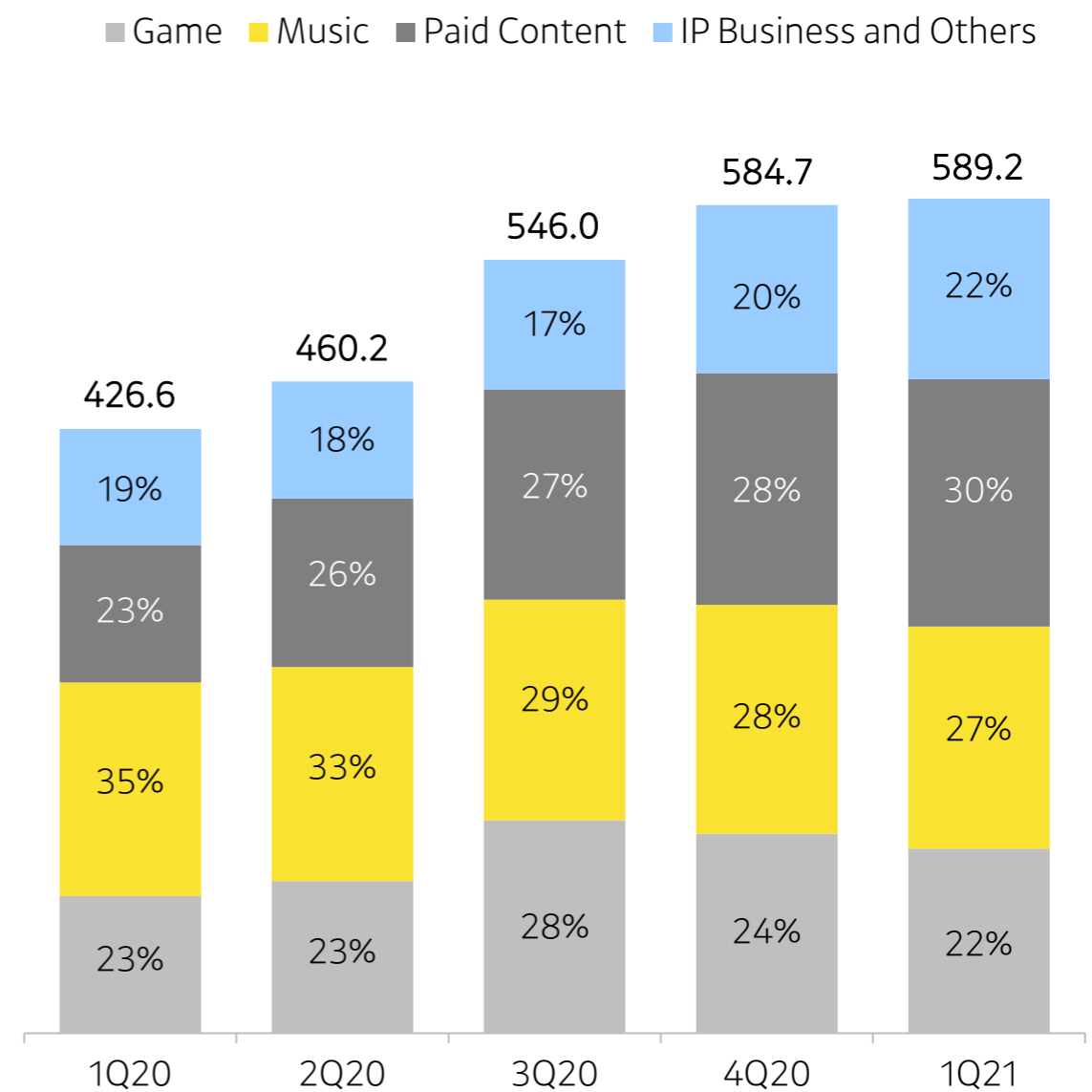
Platform

(in billion KRW)



Content

(in billion KRW)



Platform | Talk Biz Portal Biz New Biz

Talk Biz YoY +61% / QoQ +2%

Portal Biz YoY +1% / QoQ -4%

New Biz YoY +89% / QoQ +9%

Growth of message ad. partially offsetting off-peak seasonality of Advertisement segment and GMV growth across the commerce platform

On quarter decline due to weak seasonality

T-blue franchise expansion of Mobility, and growth of payment and financial service segments of Pay

Talk Biz

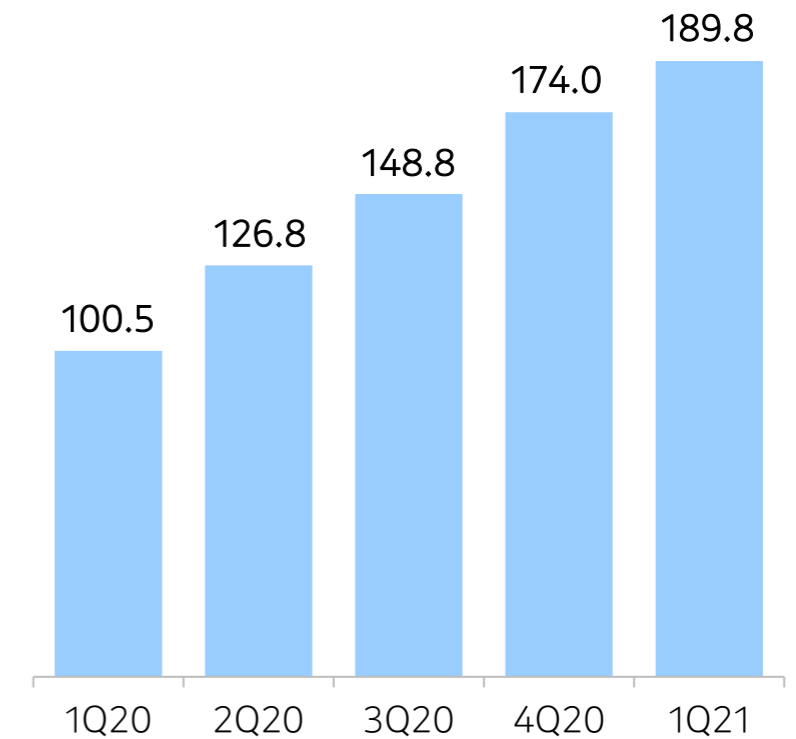
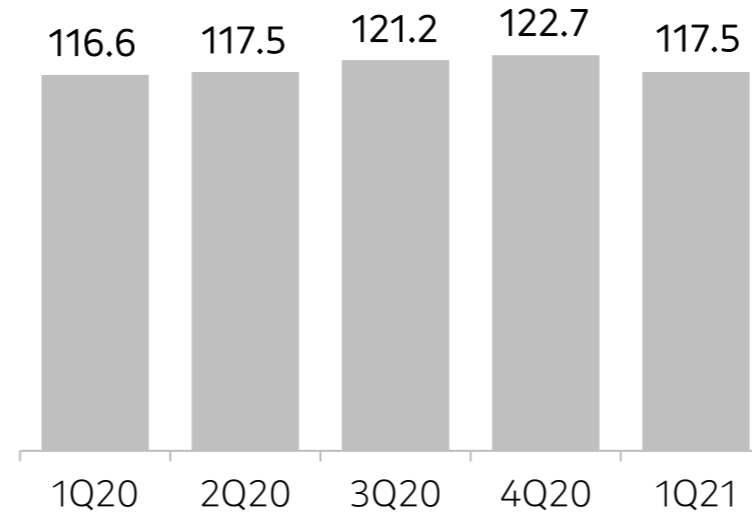
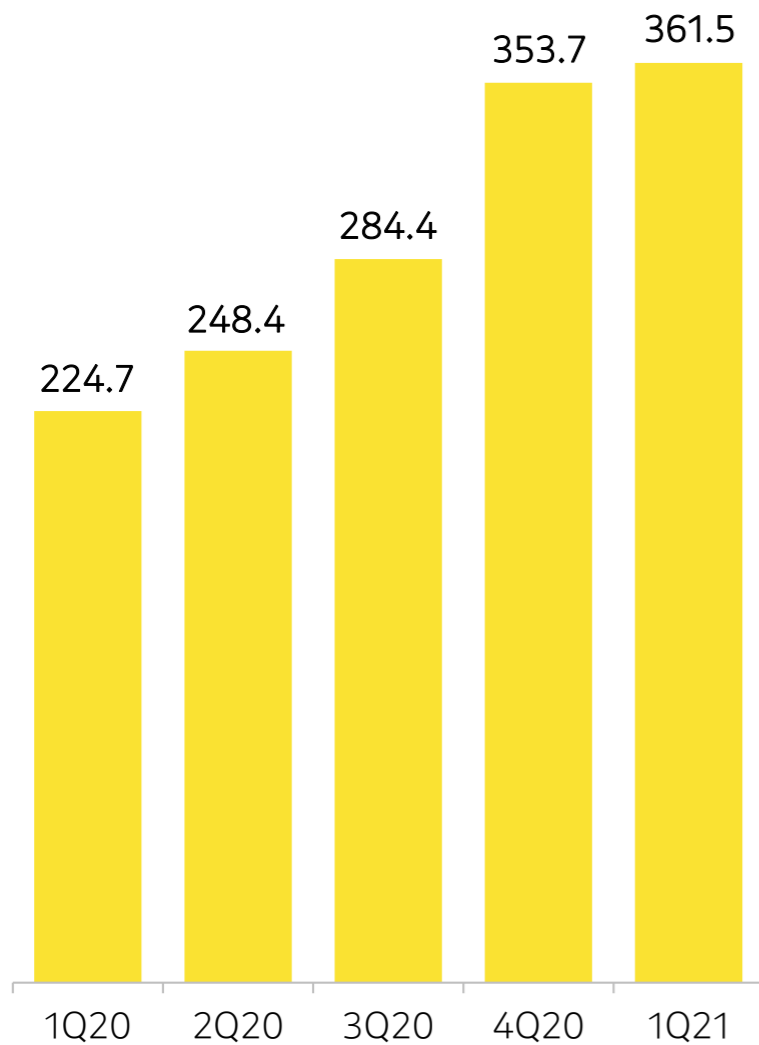
(in billion KRW)

Portal Biz

(in billion KRW)

New Biz

(in billion KRW)



Content | Game Music

Game YoY +35% / QoQ -7%

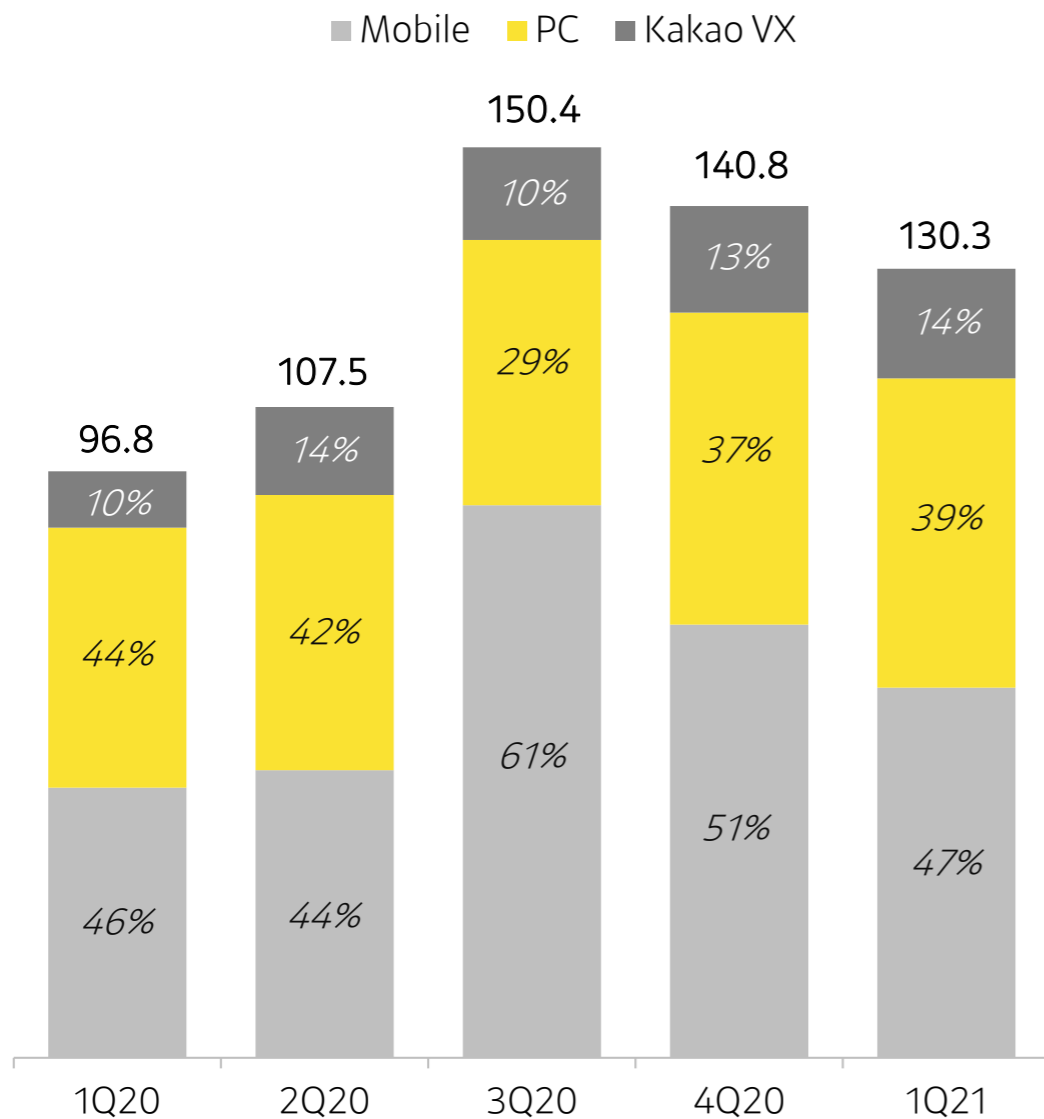
Music YoY +4% / QoQ -3%

On-year growth thanks to revenue stabilization of new game 'Elyon', outweighing overseas service termination of 'Black Desert'

Steady revenue trend with solid paying user base of more than 5 million

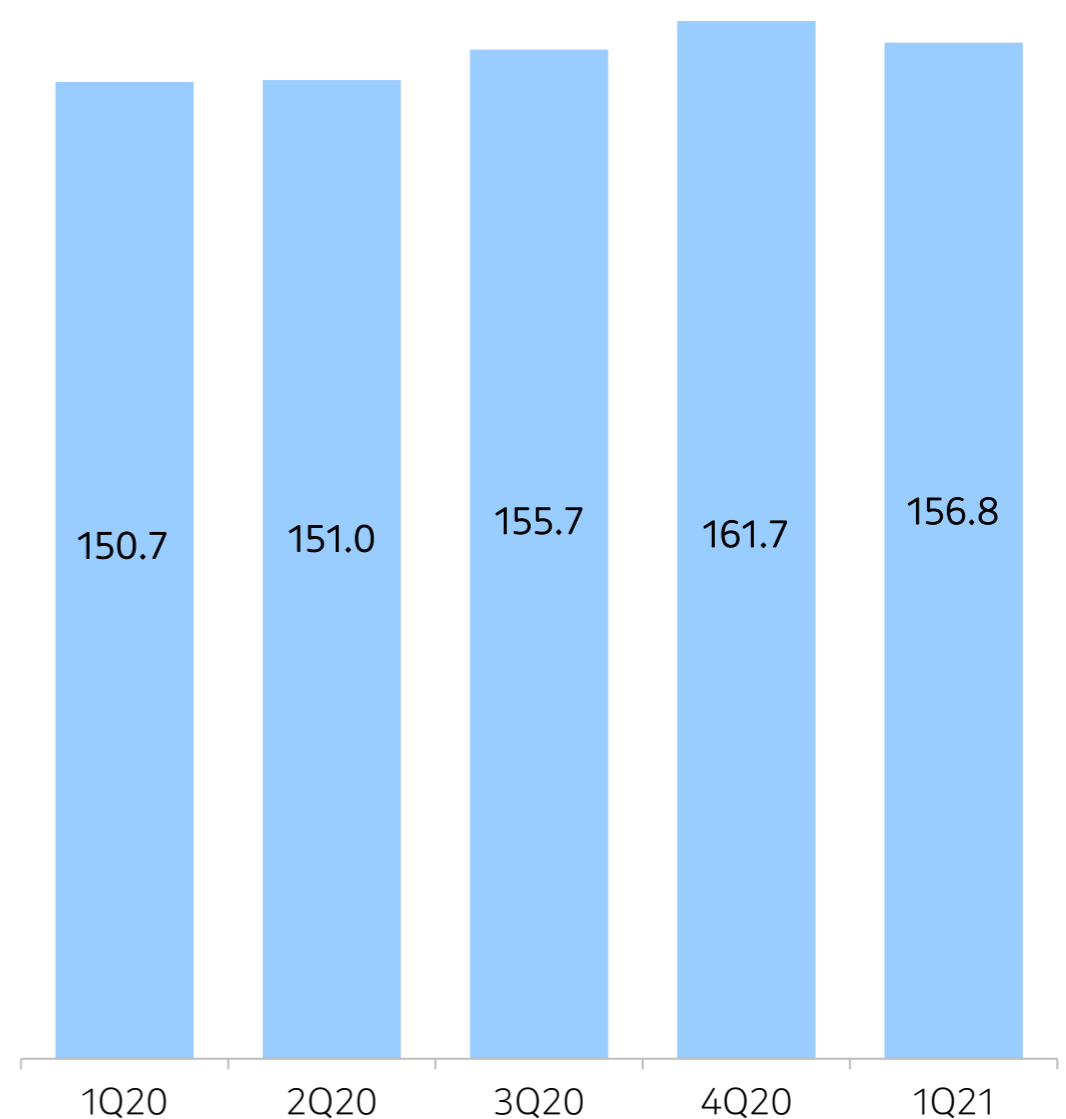
Game

(in billion KRW)



Music

(in billion KRW)



Content | Paid Content IP Business and Others

Paid Content YoY +80% / QoQ +7%

↳ Kakao Page +20% (y) / -0.1% (q), Piccoma +226% (y) / +14% (q)

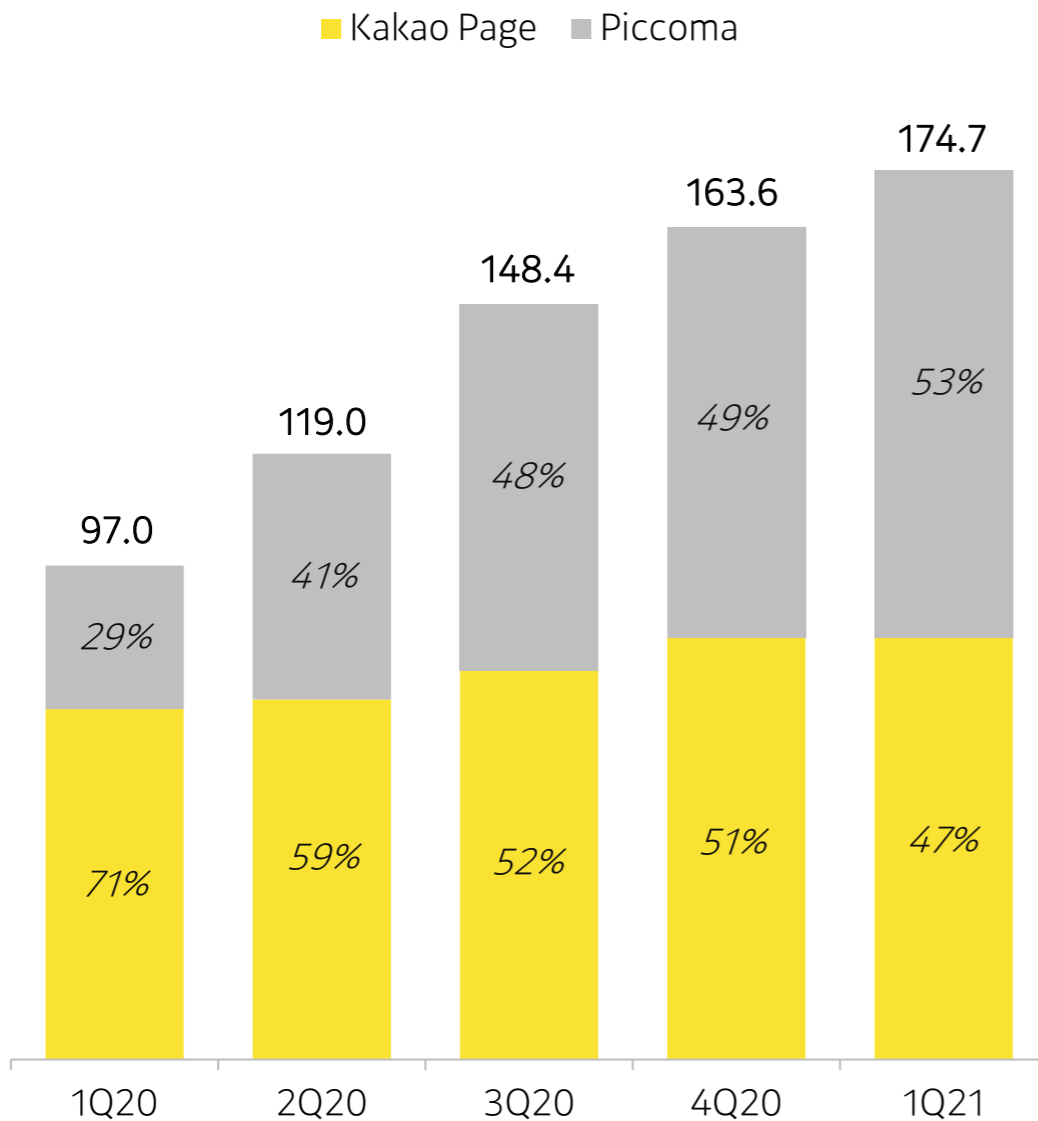
IP Biz and Others YoY +55% / QoQ +7%

Global GMV expansion of both Kakao Page and Piccoma

Sales increase of video production and solid offline music distribution sales

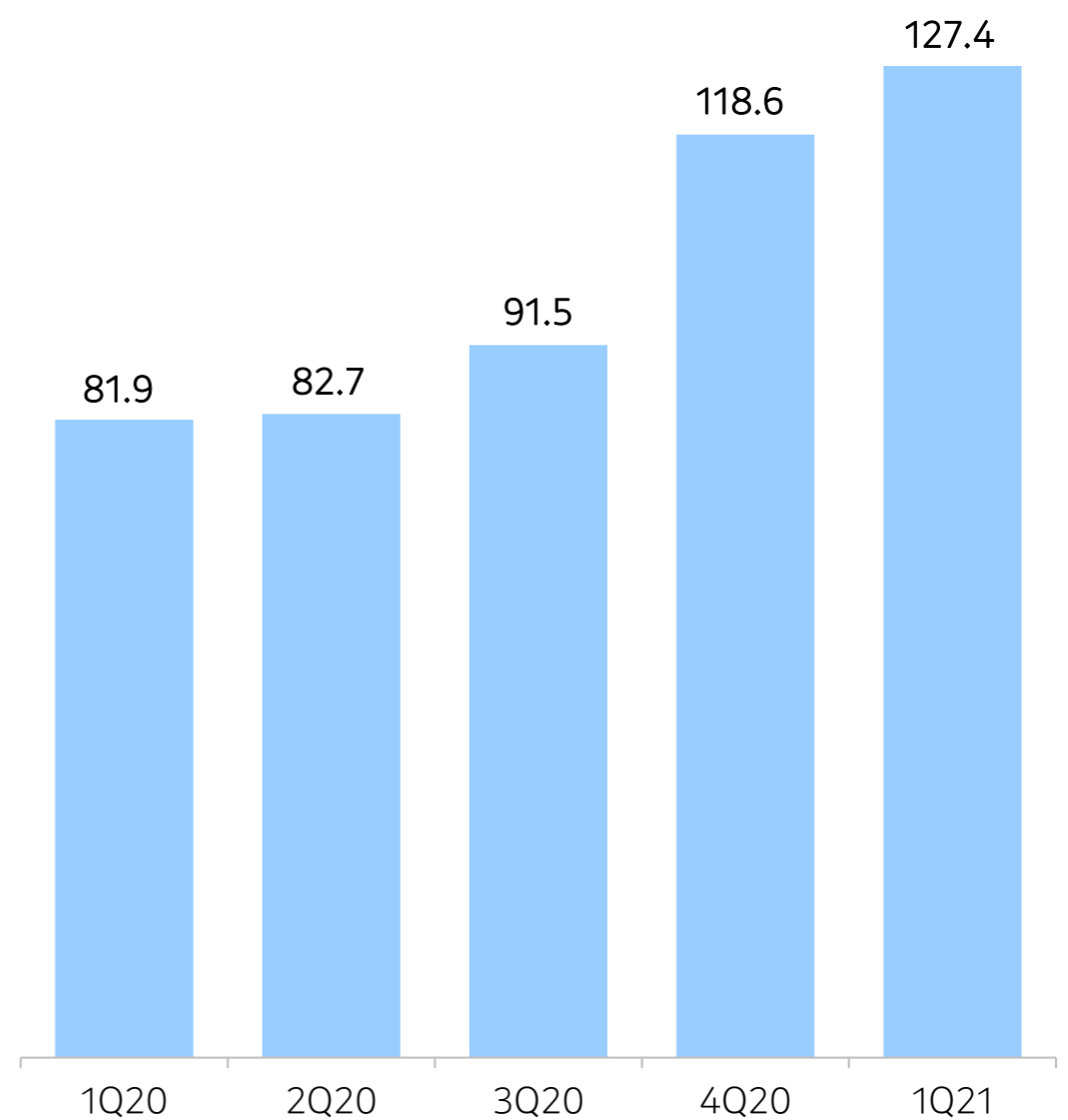
Paid Content

(in billion KRW)



IP Business and Others

(in billion KRW)



Earnings Summary - 2021 Q1

(in billion KRW)

	1Q20	4Q20	1Q21	Change	
				YoY	QoQ
Total Revenue	868.4	1,235.1	1,258.0	45%	2%
Platform	441.8	650.5	668.8	51%	3%
Talk Biz	224.7	353.7	361.5	61%	2%
Portal Biz	116.6	122.7	117.5	1%	-4%
New Biz	100.5	174.0	189.8	89%	9%
Content	426.6	584.7	589.2	38%	1%
Game	96.8	140.8	130.3	35%	-7%
Music	150.7	161.7	156.8	4%	-3%
Paid Content	97.0	163.6	174.7	80%	7%
IP Business and Others	81.9	118.6	127.4	55%	7%
Operating Expenses	780.2	1,085.5	1,100.4	41%	1%
Operating Profit	88.2	149.7	157.5	79%	5%
<i>Margin (%)</i>	10.2%	12.1%	12.5%	2.4%pt	0.4%pt
Net Profit	79.9	-195.5	239.9	200%	Turn-to-Profit
Controlling Interests	77.5	-189.1	224.5	190%	Turn-to-Profit
Non-controlling Interests	2.4	-6.4	15.3	529%	Turn-to-Profit

Operating Expenses - 2021 Q1

(in billion KRW)

	1Q20	4Q20	1Q21	Change	
				YoY	QoQ
Operating Expenses	780.2	1,085.5	1,100.4	41%	1%
Labor Cost	198.7	265.7	292.9	47%	10%
Cost of Revenue	381.7	491.5	493.0	29%	0%
Outsourcing / Infrastructure	92.1	145.1	144.5	57%	-0%
Marketing Expense	29.9	87.5	67.2	125%	-23%
Depreciation and Amortization Cost	58.7	78.2	79.2	35%	1%
Misc.	19.1	17.4	23.6	24%	36%

Profits

Operating Profit YoY +79% / QoQ +5%

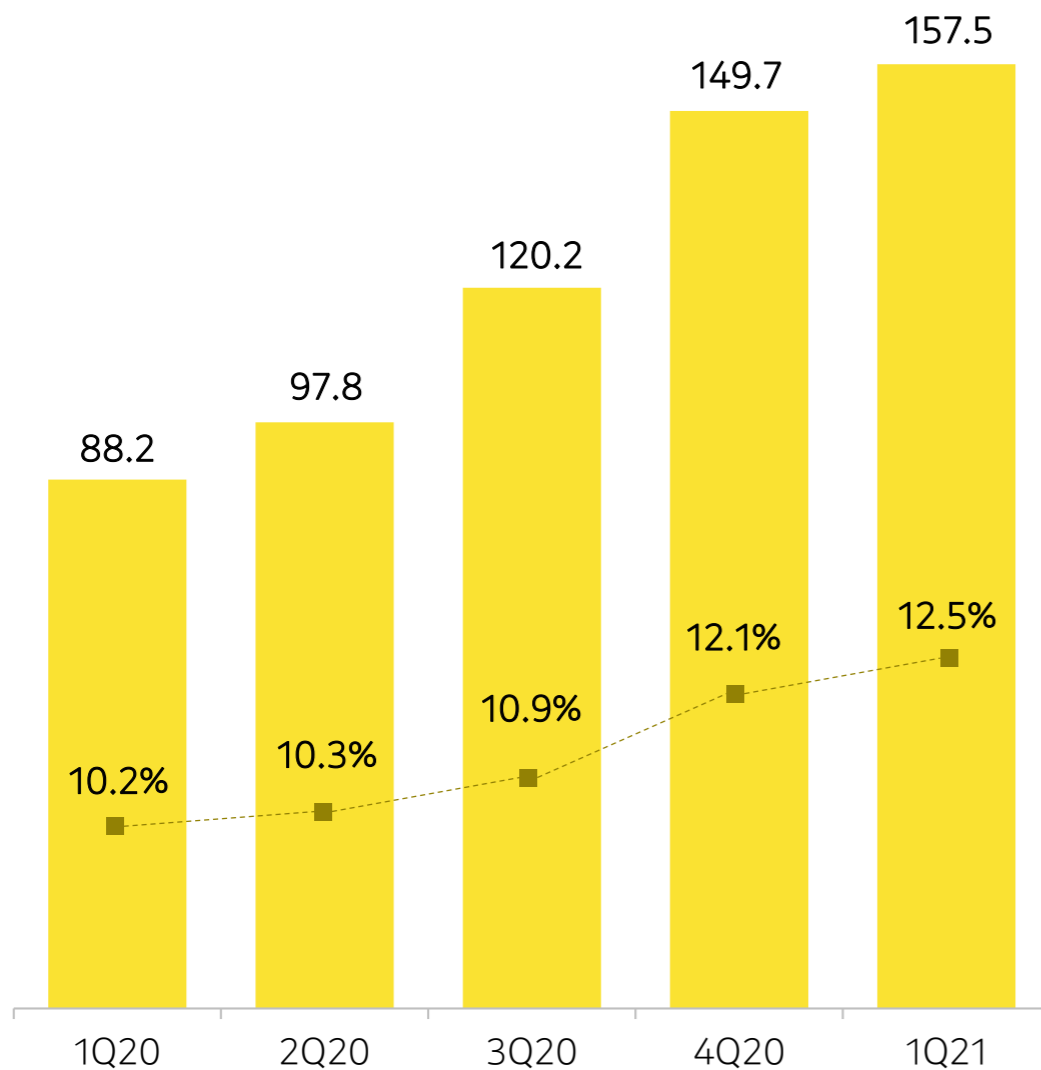
Net Profit YoY +200%

Solid top-line growth of core biz and bottom-line improvement of new biz

Improvement of both OP and equity-method income

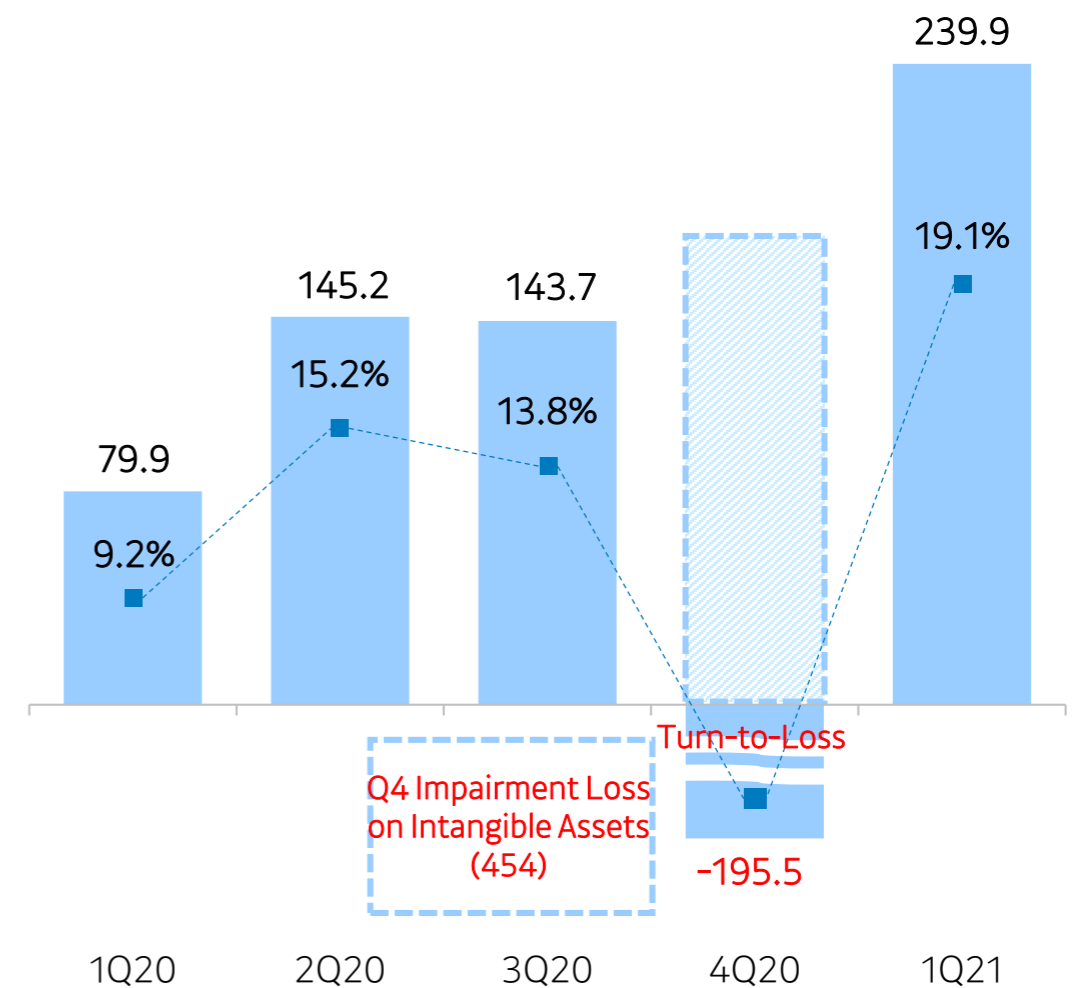
Operating Profit(M)

(in billion KRW)



Net Profit(M)

(in billion KRW)



CapEx / Employees

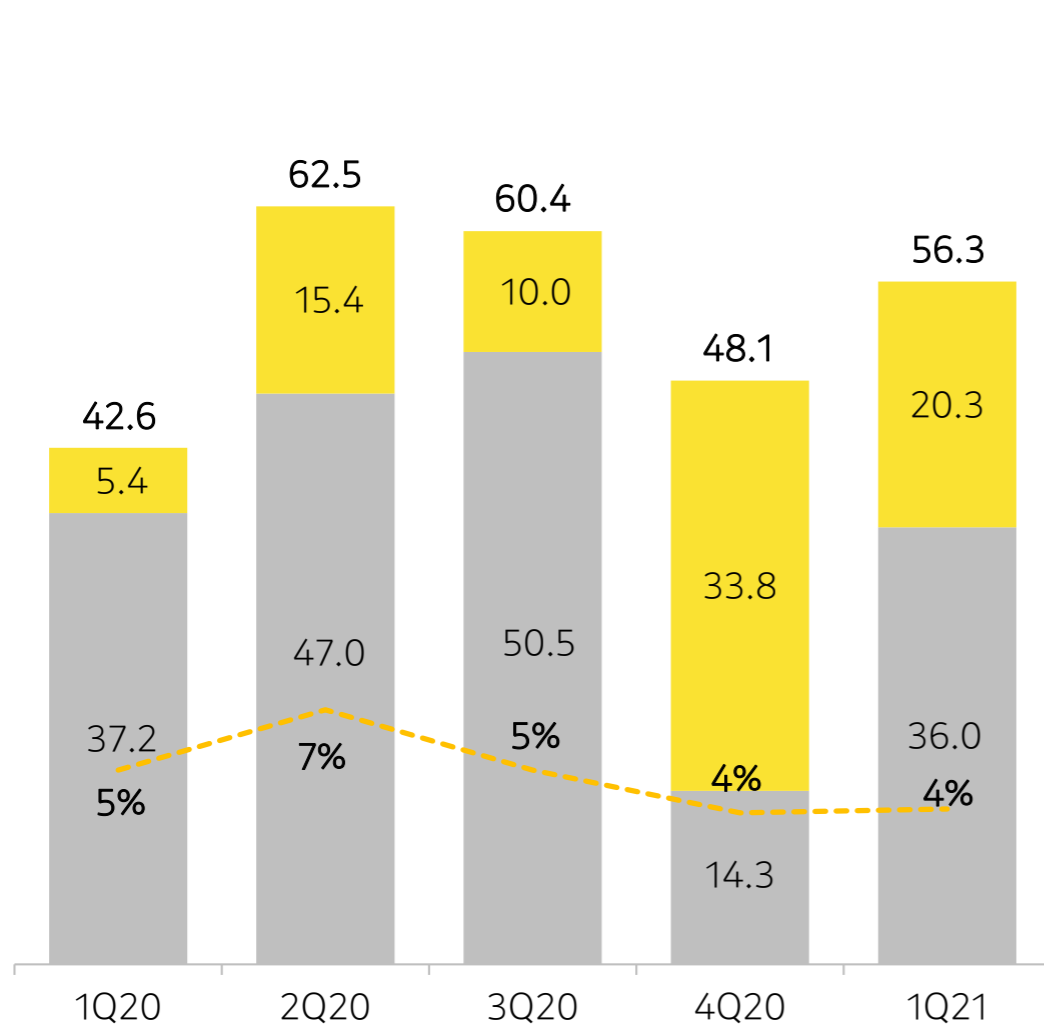
CapEx YoY +32% / QoQ +17%

Employees YoY +1,860 / QoQ +500

CapEx

(in billion KRW)

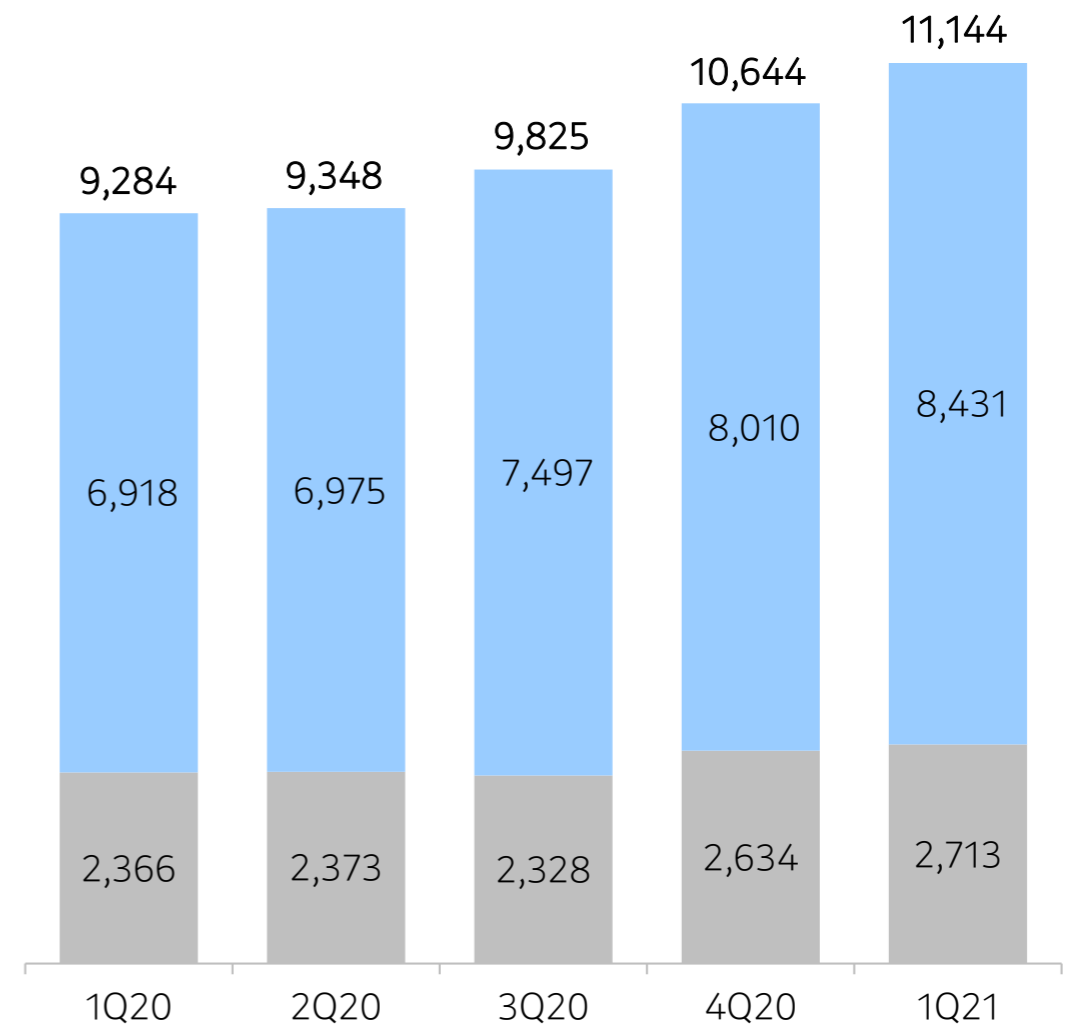
■ PP&E ■ Intangible - - - CapEx to Revenue



Employees

(# of people)

■ Kakao ■ Subsidiaries



Financial Statements Summary – Consolidated

Income Statement					
(in billion KRW)	1Q20	2Q20	3Q20	4Q20	1Q21
Total Revenue	868.4	952.9	1,100.4	1,235.1	1,258.0
Platform	441.8	492.7	554.4	650.5	668.8
Talk Biz	224.7	248.4	284.4	353.7	361.5
Portal Biz	116.6	117.5	121.2	122.7	117.5
New Biz	100.5	126.8	148.8	174.0	189.8
Content	426.6	460.2	546.0	584.7	589.2
Game	96.8	107.5	150.4	140.8	130.3
Music	150.7	151.0	155.7	161.7	156.8
Paid Content	97.0	119.0	148.4	163.6	174.7
IP Business and Others	81.9	82.7	91.5	118.6	127.4
Operating Expenses	780.2	855.1	980.2	1,085.5	1,100.4
Labor Cost	198.7	216.5	239.3	265.7	292.9
Cost of Revenue	381.7	409.5	463.7	491.5	493.0
Outsourcing / Infrastructure	92.1	106.6	113.9	145.1	144.5
Marketing Expense	29.9	38.5	76.3	87.5	67.2
Depreciation and Amortization Cost	58.7	61.6	66.8	78.2	79.2
Misc.	19.1	22.3	20.3	17.4	23.6
Operating Profit	88.2	97.8	120.2	149.7	157.5
<i>Margin (%)</i>	<i>10.2%</i>	<i>10.3%</i>	<i>10.9%</i>	<i>12.1%</i>	<i>12.5%</i>
Other Non-Operating Income	21.7	100.7	48.0	181.9	54.4
Other Non-Operating Expenses	9.5	14.6	17.6	504.3	6.6
Financial Income	36.8	21.3	37.4	120.6	47.9
Financial Expenses	15.9	2.0	12.2	42.6	69.7
Equity-method Income	5.3	0.9	3.8	-1.3	135.1
Profit before Income Tax	126.6	204.1	179.6	-96.0	318.7
Income Tax	46.7	58.9	35.9	99.4	78.8
Net Profit	79.9	145.2	143.7	-195.5	239.9
Controlling Interests	77.5	139.8	127.5	-189.1	224.5
Non-controlling Interests	2.4	5.5	16.2	-6.4	15.3
EBITDAR ¹⁾	147.8	159.1	185.2	226.1	236.7

Statement of Financial Position			
(in billion KRW)	2019.12.31	2020.12.31	2021.3.31
Current Assets	2,829.7	4,462.9	5,207.9
Cash and Cash Equivalents	1,918.2	2,877.5	2,833.2
S-T Financial Instruments	207.8	694.1	726.2
Account Receivable	157.2	247.4	275.4
Other Current Financial Assets	252.5	225.1	237.1
Other Current Assets	294.0	418.9	1,136.1
Non-Current Assets	5,907.6	6,987.4	7,421.6
Investments in Associates and Joint Ventures	978.9	1,504.4	1,921.7
Tangible Assets	349.8	430.7	447.4
Intangible Assets	3,548.4	3,351.6	3,340.7
Other Non-current Assets	1,030.4	1,700.8	1,711.8
Finance Assets	-	503.6	884.7
Total Assets	8,737.3	11,954.0	13,514.2
Current Liabilities	2,433.3	2,929.6	3,032.6
Account Payable and Other payable	578.6	836.0	914.8
Short-term Borrowings	448.6	188.4	207.1
Income Tax Payable	68.3	112.1	111.4
Other Current Liabilities	1,337.8	1,793.1	1,799.3
Non-Current Liabilities	563.8	1,166.1	1,798.1
Non-Current Finance Lease Obligations	165.0	273.3	276.6
Deferred Income Tax Liabilities	141.1	249.0	312.3
Other Non-Current Liabilities	350.5	643.8	1,209.2
Finance Assets	-	430.6	806.3
Total Liabilities	2,997.1	4,526.2	5,637.0
Paid-in Capital	43.2	44.3	44.4
Capital Surplus	5,043.2	5,833.1	5,903.5
Other Accumulated Earnings	7.2	18.6	34.6
Accumulated Other Comprehensive Income	-16.4	86.6	132.0
Retained Earnings	148.2	316.3	542.6
Minority Interest	514.8	1,128.8	1,220.1
Total Equity	5,740.1	7,427.7	7,877.2
Total Liabilities & Equity	8,737.3	11,954.0	13,514.2

1) EBITDAR: Rental expenses are included in lease amortization from Q1 2019 (EBITDA till FY2018)

Financial Statements Summary – Parent

Income Statement					
(in billion KRW)	1Q20	2Q20	3Q20	4Q20	1Q21
Total Revenue	406.6	415.1	449.5	508.0	490.9
Operating Expenses	341.2	359.4	377.1	401.5	414.1
Labor Cost	68.7	71.8	81.6	85.8	102.9
Cost of Revenue	191.8	200.2	211.3	210.1	214.9
Outsourcing / Infrastructure	42.7	50.0	43.1	55.8	55.4
Marketing Expense	3.1	4.0	5.0	7.5	3.4
Depreciation and Amortization Cost	30.8	28.5	30.8	37.6	32.1
Misc.	4.2	4.8	5.3	4.7	5.3
Operating Profit	65.4	55.7	72.4	106.5	76.7
<i>Margin (%)</i>	16.1%	13.4%	16.1%	21.0%	15.6%
Other Non-Operating Income	2.0	1.1	21.3	23.1	3.3
Other Non-Operating Expenses	10.1	9.1	5.1	394.5	1.2
Financial Income	29.5	5.1	2.8	22.8	37.6
Financial Expenses	3.4	2.4	1.5	16.8	17.5
Profit before Income Tax	83.4	50.4	90.0	-258.9	98.9
Income Tax	27.7	16.3	12.9	25.9	20.3
Net Profit	55.7	34.1	77.1	-284.8	78.6
EBITDAR¹⁾	97.1	84.4	103.1	144.5	26.5

1) EBITDAR: Rental expenses are included in lease amortization from 1Q 2019 (EBITDA till FY2018)

Statement of Financial Position			
(in billion KRW)	2019.12.31	2020.12.31	2021.3.31
Current Assets	1,014.0	1,782.4	1,871.4
Cash and Cash Equivalents	647.1	1,356.9	992.5
S-T Financial Instruments	15.6	65.5	65.5
Account Receivable	95.0	120.5	106.2
Other Current Assets	256.3	239.5	707.3
Non-Current Assets	5,470.3	5,563.1	5,689.0
Investments in Associates, Subsidiaries and Joint Ventures	2,212.4	2,393.4	2,398.7
Tangible Assets	248.3	272.1	278.9
Intangible Assets	2,458.6	2,106.2	2,103.2
Other Non-current Assets	551.1	791.3	908.3
Total Assets	6,484.4	7,345.5	7,560.4
Current Liabilities	1,371.0	1,421.6	1,401.7
Account Payable and Other payable	686.7	1,035.7	1,031.3
Short-term Borrowings	429.1	58.0	40.0
Income Tax Payable	38.1	49.8	66.0
Other Current Liabilities	217.1	278.1	264.4
Non-Current Liabilities	255.1	598.5	643.2
Non-Current Finance Lease Obligations	88.6	121.9	120.9
Deferred Income Tax Liabilities	88.0	108.2	134.1
Other Non-Current Liabilities	78.4	368.3	388.1
Total Liabilities	1,626.1	2,020.1	2,044.9
Paid-in Capital	43.2	44.3	44.4
Capital Surplus	4,462.3	4,986.9	5,026.9
Other Accumulated Earnings	41.3	18.6	34.6
Accumulated Other Comprehensive Income	-2.9	66.5	134.7
Retained Earnings	314.5	209.2	274.9
Total Equity	4,858.3	5,325.4	5,515.6
Total Liabilities & Equity	6,484.4	7,345.5	7,560.4

Thank You

