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Q2 2026 Earnings Results

2026. 8. 6 | Kakao Investor Relations



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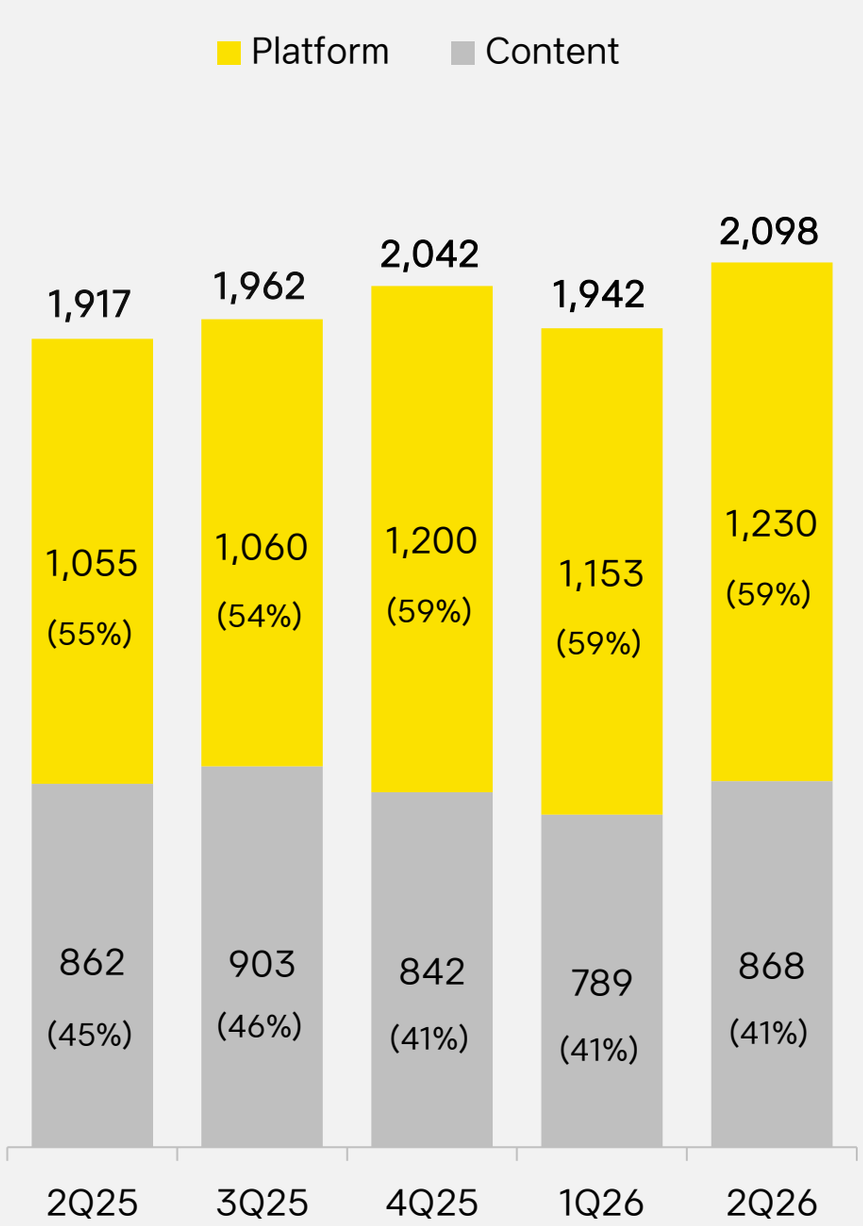
Revenue

Revenue +9% YoY / +8% QoQ

Q2 MIX : Platform 59%, Content 41%

(in bn KRW)



Revenue		
Platform	Talk Biz	Advertising and Subscription : Talk DA (Bizboard / Non-Bizboard), Business Messaging, Network Ads Subscription and Others
		Commerce : Talk Gift, Talk Store, Kakao Friends Online
	Platform Others	Mobility Pay Enterprise Other Consolidated Subsidiaries
Content	Story	Piccoma
		Entertainment
	Music	SM Entertainment Melon Digital Music / Album Distribution Music Production
	Media	Video Production Talent Agency

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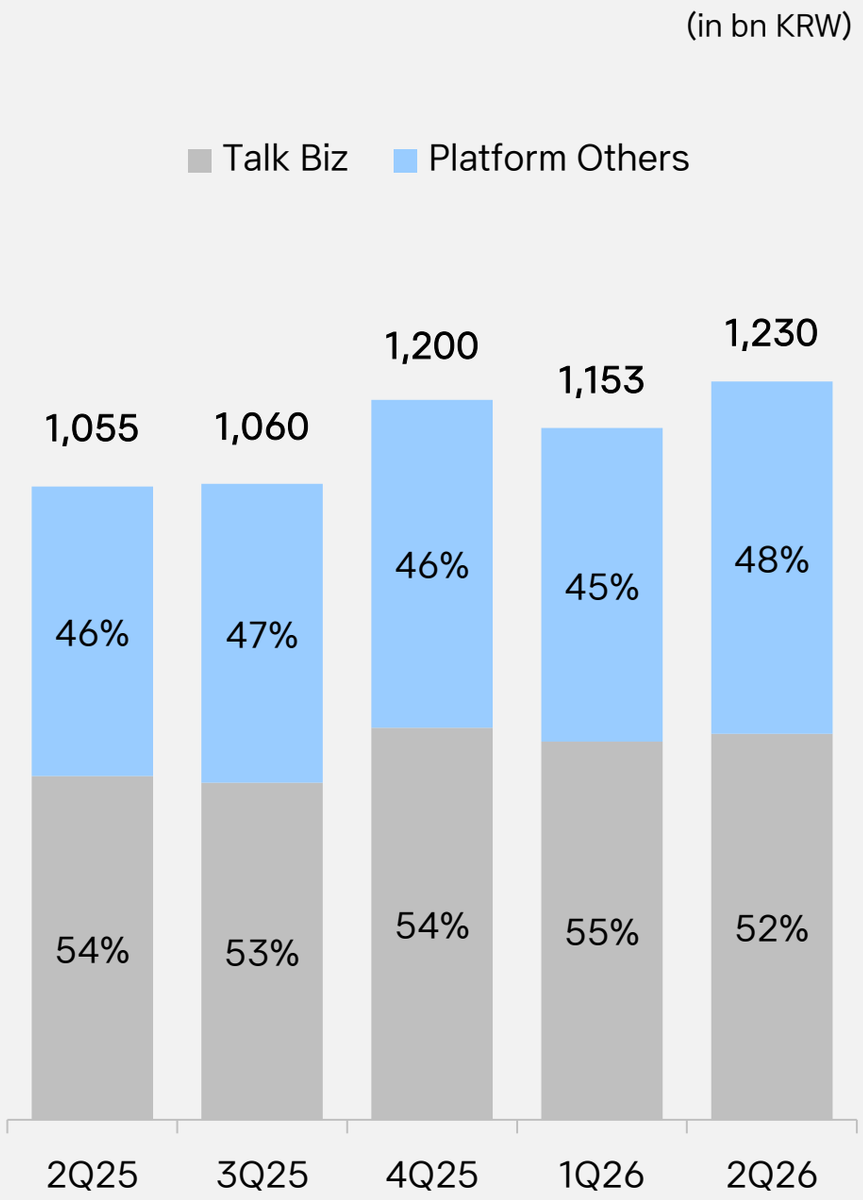
Revenue

Platform

2Q26 +17% YoY, +7% QoQ

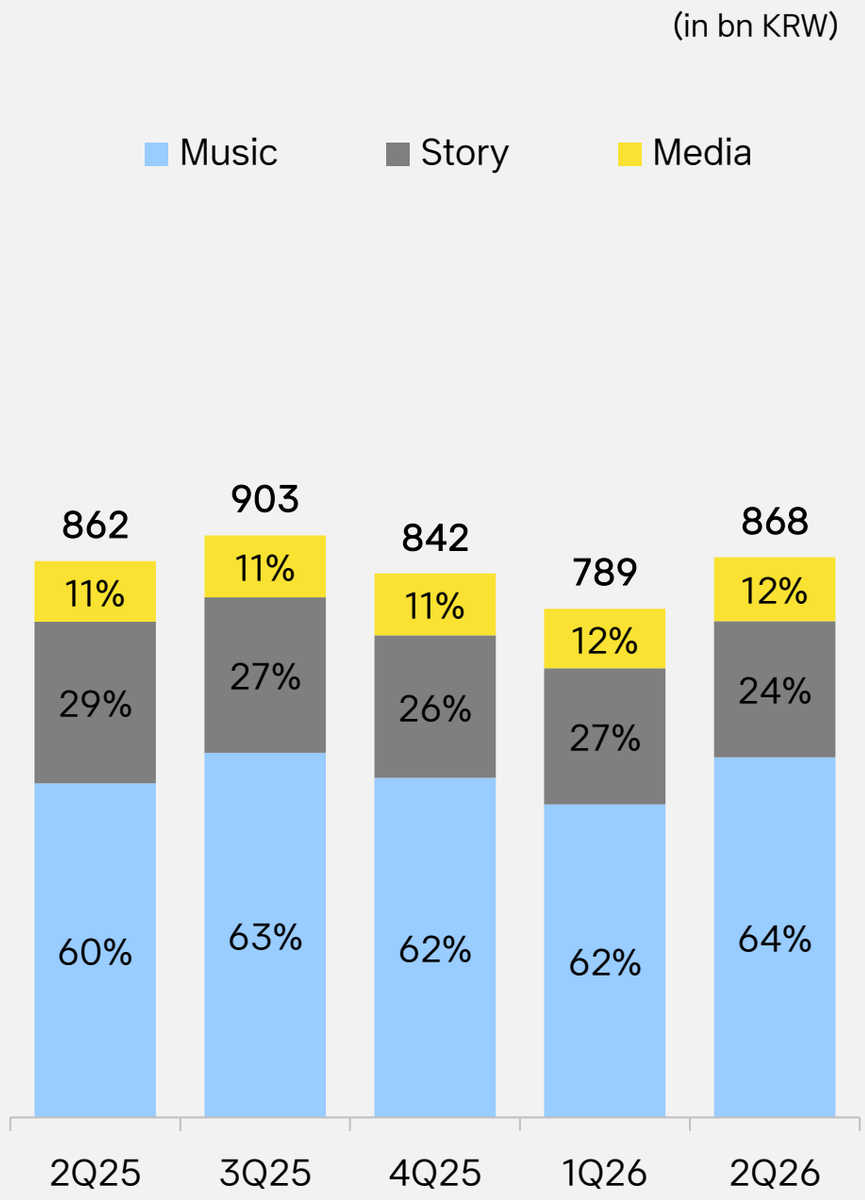
(in bn KRW)



Content

2Q26 +1% YoY, +10% QoQ

(in bn KRW)



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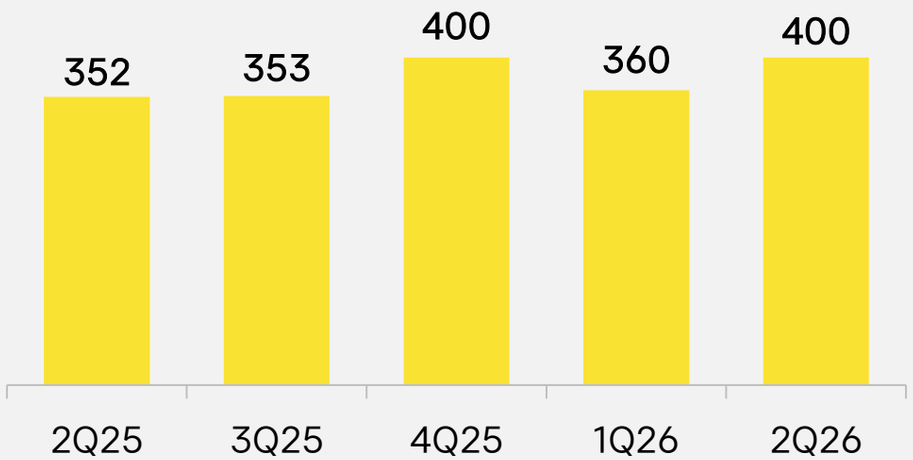
Platform | Talk Biz

Advertising & Subscription

(in bn KRW)



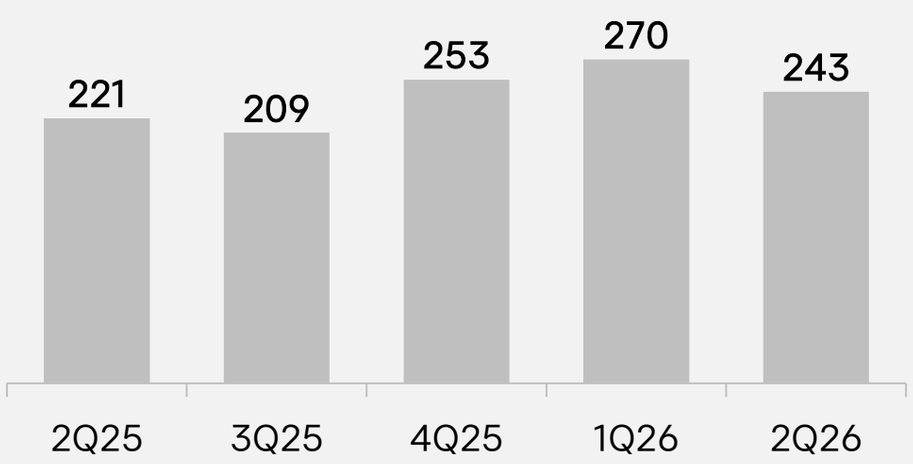
2Q26 +14% YoY, +11% QoQ

- **(YoY/QoQ)** ① Business Messaging +20% YoY, +12% QoQ, Robust demand from financial advertisers, driving increased biz-messaging adoption

  ② Talk DA +28% YoY, +21% QoQ, Introduction of feed-based ad products driving new advertiser acquisition and higher ad spending from existing advertisers

Commerce

(in bn KRW)

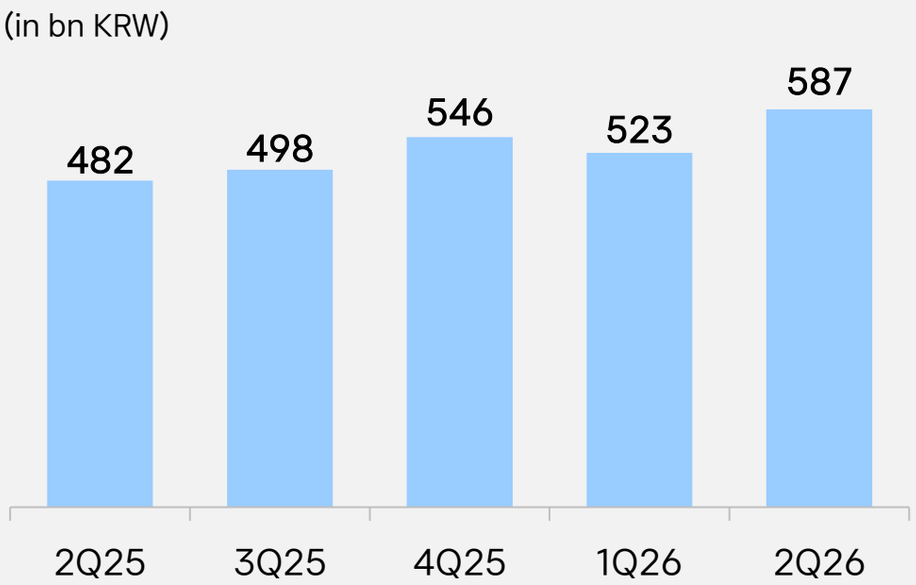


2Q26 +10% YoY, -10% QoQ

- **Total Commerce GMV :** KRW 2.7tn, +9% YoY, -5% QoQ
- **Talk Gift GMV :** +9% YoY, -10% QoQ
- **Talk Store GMV :** +7% YoY, -8% QoQ
- **(YoY)** Solid growth driven by broader product offerings and targeted promotions for seasonal events, posting record-high Talk Gift monthly GMV in May
- **(QoQ)** High base effect from Lunar New Year demand

Platform | Platform Others

Platform Others



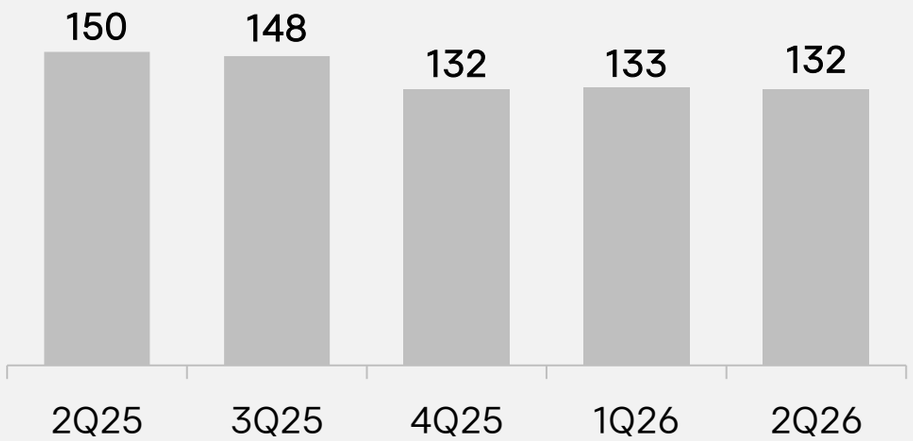
2Q26 +22% YoY, +12% QoQ

- **Mobility :** Solid growth in last-mile logistics, anchored by stable core business performance
- **Pay :** Record-high quarterly revenue and operating profit, propelled by strong financial services growth

Content | Story

Piccoma

(in bn KRW)

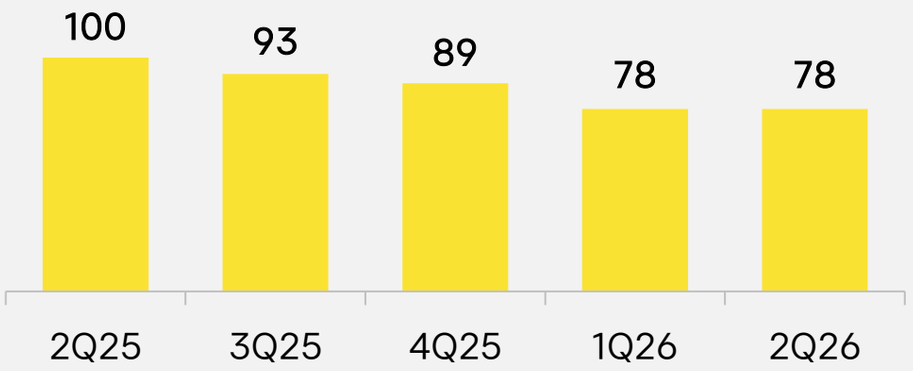


2Q26 -12% YoY, Flat QoQ

- **(in JPY)** GMV -1% YoY, Flat QoQ
- **(in JPY)** Revenue -9% YoY, -3% QoQ
- Solidified market leadership as Japan's No.1 app in gross revenue

Entertainment

(in bn KRW)



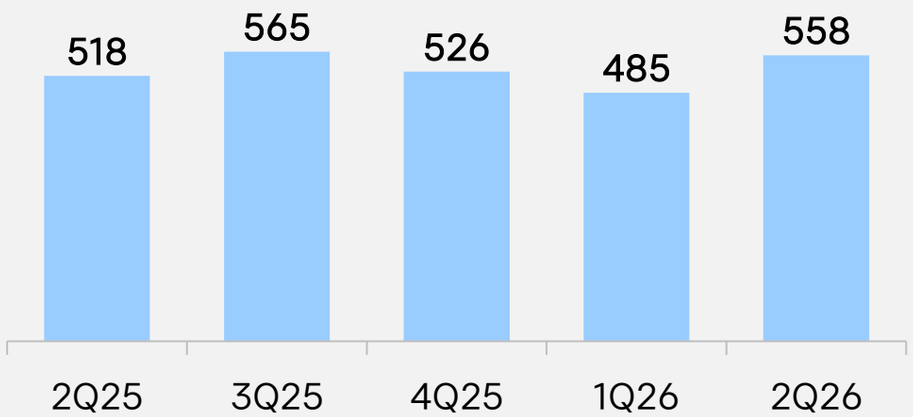
2Q26 -22% YoY, Flat QoQ

- **(YoY)** GMV decline driven by softer user traffic
- **(QoQ)** Stable GMV supported by webtoon adaptations of popular web-novel IPs

Content | Music, Media

Music

(in bn KRW)

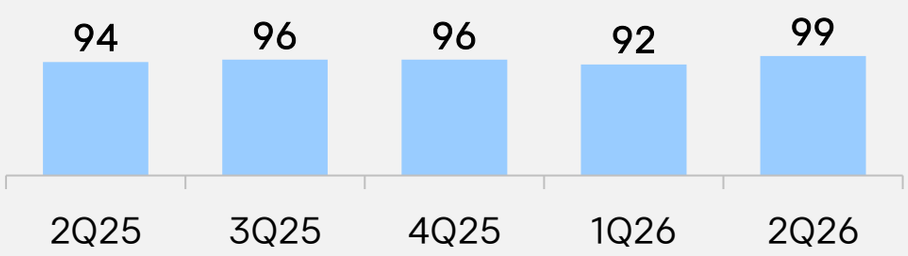


2Q26 +8% YoY, +15% QoQ

- **(YoY)** Increased anchor IP performances with higher MD and licensing revenue
- **(QoQ)** Album and MD sales driven by major artist comeback releases

Media

(in bn KRW)



2Q26 +5% YoY, +7% QoQ

- **(YoY)** Expanded number of revenue-recognized titles and accelerated production progress

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Earnings Summary

(in bn KRW)	2Q25	1Q26	2Q26	YoY	QoQ
Revenue	**1,917**	**1,942**	**2,098**	***9%***	***8%***
Platform	**1,055**	**1,153**	**1,230**	*17%*	*7%*
Talk Biz	573	630	643	*12%*	*2%*
Platform Others	482	523	587	*22%*	*12%*
Content	**862**	**789**	**868**	***1%***	***10%***
Story	250	211	211	*-16%*	*-0.2%*
Music	518	485	558	*8%*	*15%*
Media	94	92	99	*5%*	*7%*
Operating Expenses	**1,714**	**1,731**	**1,821**	***6%***	***5%***
Operating Profit	**204**	**211**	**277**	***36%***	***31%***
Operating Profit Margin	*10.6%*	*10.9%*	*13.2%*	*+2.6%pt*	*+2.3%pt*
Net Profit	**172**	**227**	**18**	***-90%***	***-92%***
Controlling Interests	161	172	16	*-90%*	*-91%*
Non-controlling Interests	11	55	2	*-84%*	*-97%*
Net Profit Margin	*9.0%*	*11.7%*	*0.9%*	*-8.1%pt*	*-10.8%pt*

Operating Expenses

(in bn KRW)	2Q25	1Q26	2Q26	YoY	QoQ
Operating Expenses	**1,714**	**1,731**	**1,821**	***6%***	***5%***
Labor	439	445	448	*2%*	*1%*
Cost of Revenue	679	701	746	*10%*	*6%*
Outsourcing / Infrastructure	218	208	223	*2%*	*7%*
Marketing	79	73	97	*22%*	*33%*
Depreciation & Amortization	209	197	192	*-8%*	*-3%*
Misc.	90	107	116	*29%*	*9%*

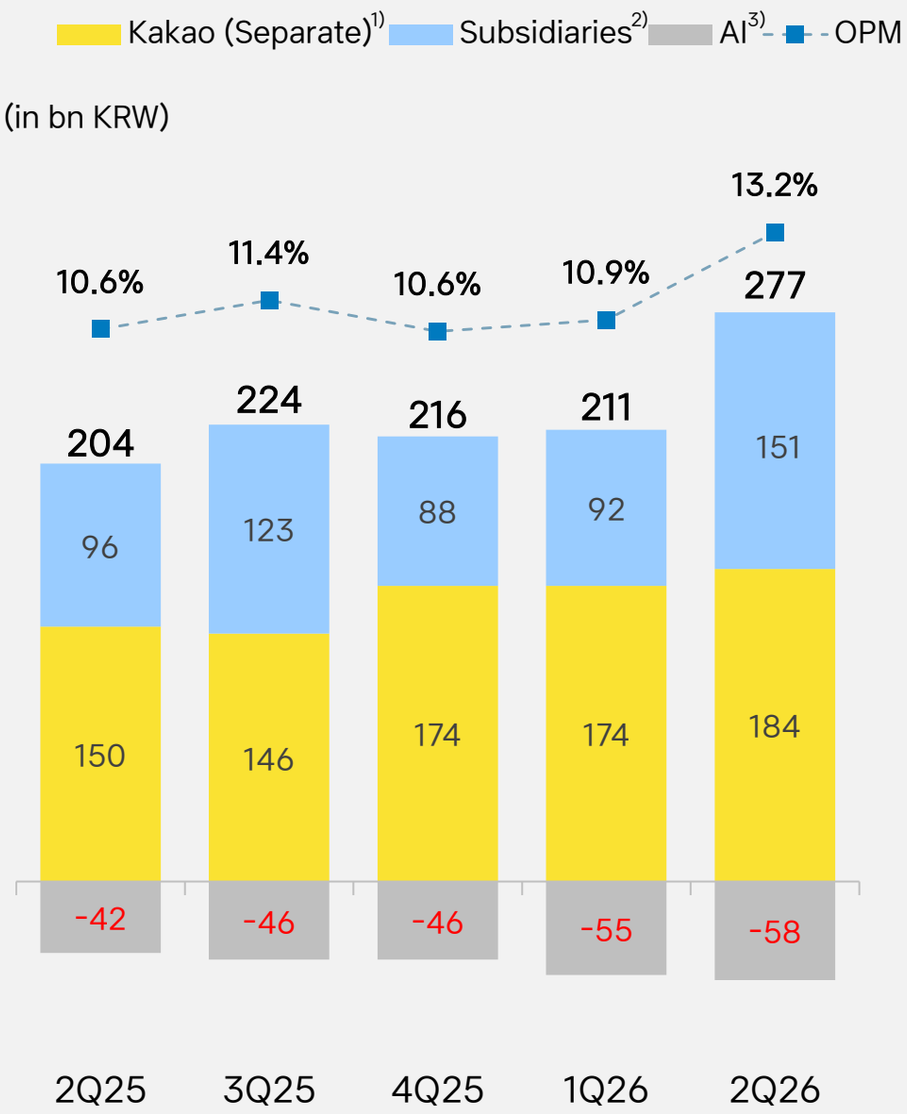
2Q Analysis

- Labor — (YoY/QoQ) Maintained conservative hiring
- Cost of Revenue — (YoY/QoQ) Higher settlement costs and album/MD production costs driven by expanded music IP activities
- Outsourcing / Infrastructure — (YoY/QoQ) Higher Infrastructure demand, while cost growth remained limited through efficient operations
- Marketing — (YoY/QoQ) Expanded marketing activities from Piccoma and Pay
- Depreciation & Amortization — (YoY) Base effect from absence of one-off bad debt expenses at a content subsidiary
  (QoQ) Base effect from content rights amortization

Profits

Operating Profit(M)

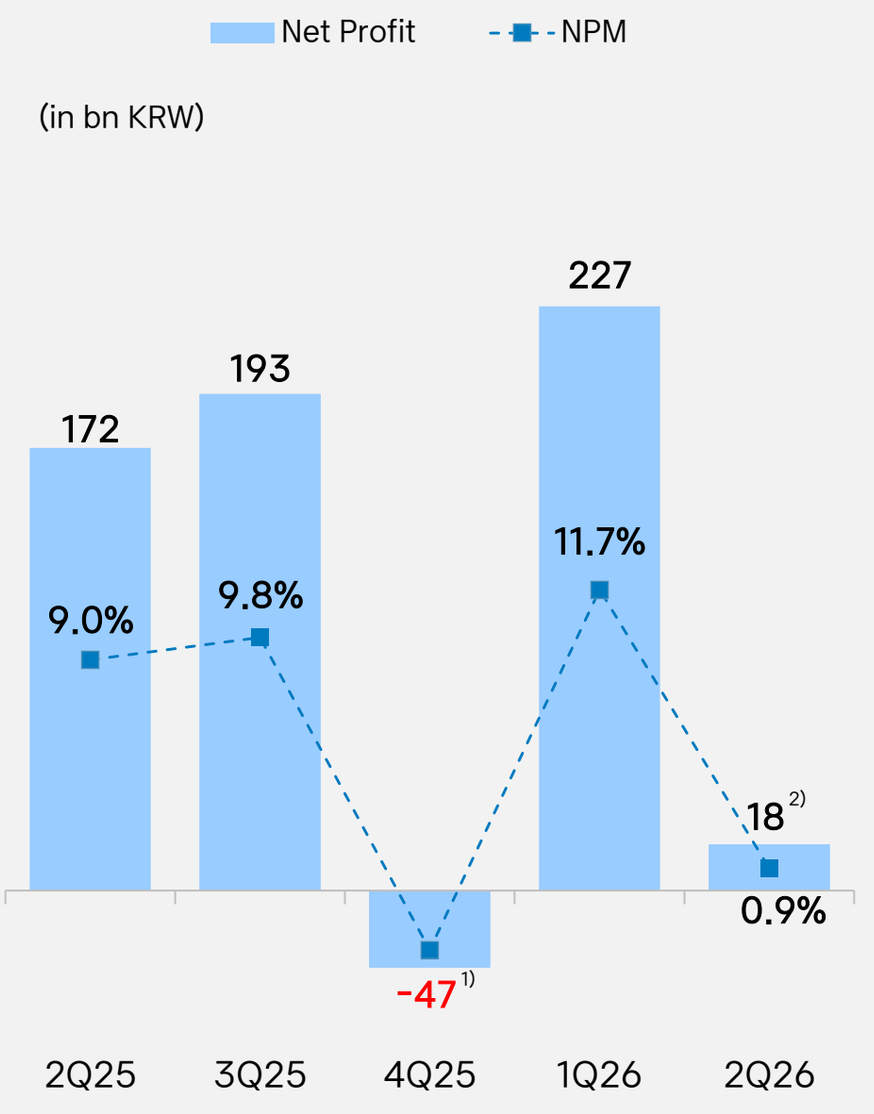
2Q26 +36% YoY, +31% QoQ



1) Kakao (Separate): OP on a separate basis ex. AI Services
2) Subsidiaries: All businesses ex. Kakao (Separate) and AI; incl. internal adj.
3) AI: AI Services within Kakao (Separate)

Net Profit(M)

2Q26 -90% YoY, -92% QoQ

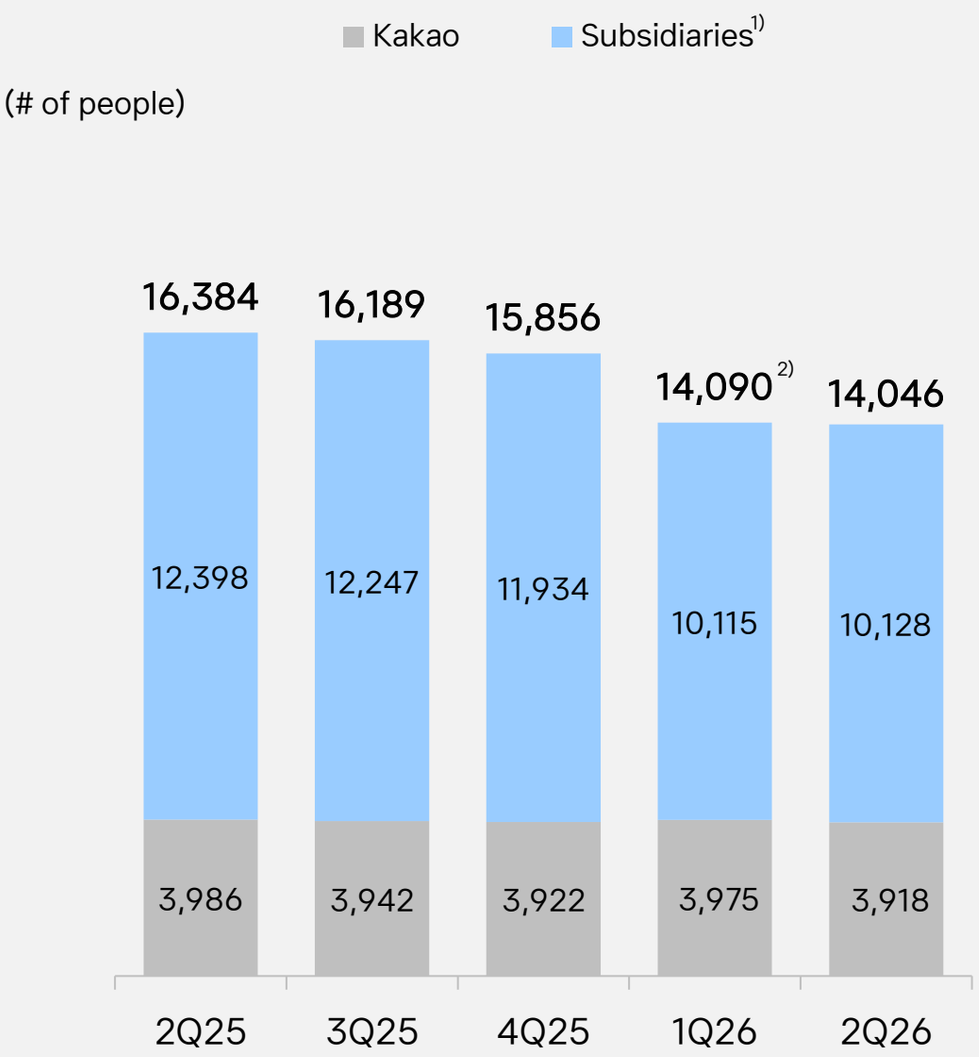


1) 4Q25: Impairment losses of goodwill (128.3bn) and intangible asset (104.9bn)
2) 2Q26: Loss from discontinued operations (181bn) and income tax expense (165bn) due to deconsolidation and subsidiary stake disposals

Employees / CapEx

Employees 2Q26 -2,338 YoY, -44 QoQ

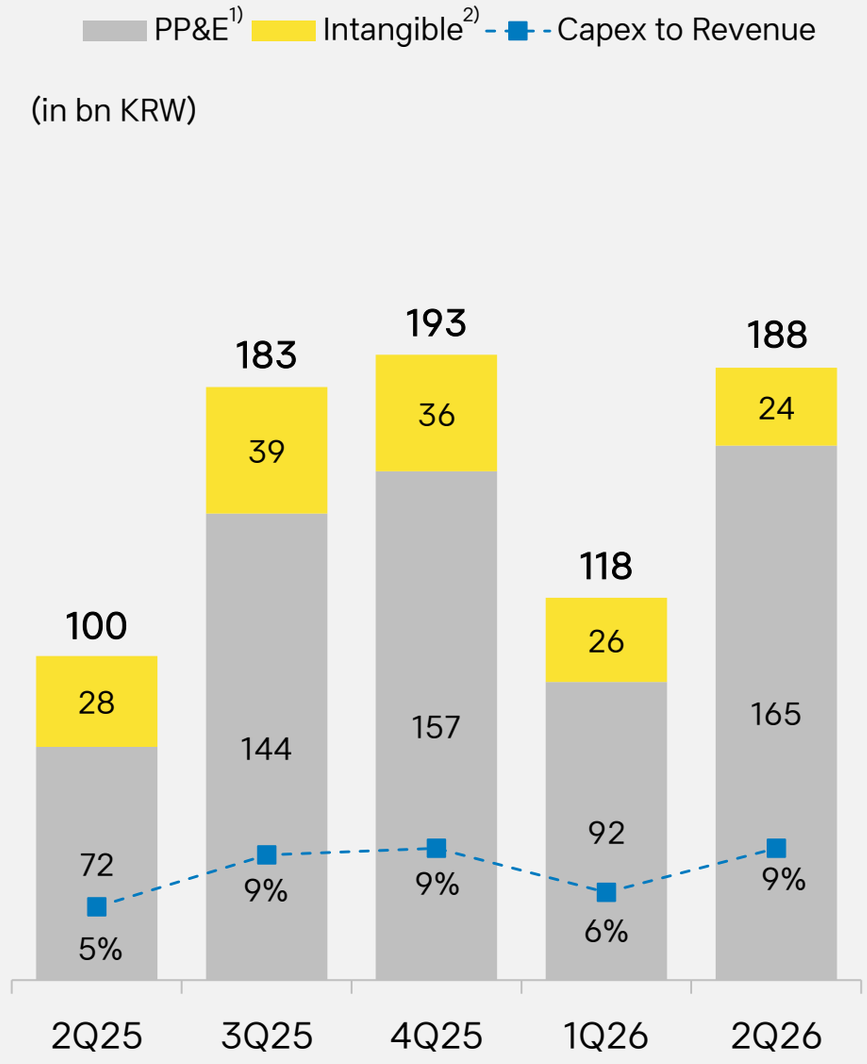
Workforce optimization and corporate restructuring



1) Headcount based on key consolidated subsidiaries
2) Kakao Games deconsolidated

CapEx 2Q26 +89bn YoY, +70bn QoQ

Concentrated server purchases in 2Q



1) PP&E : data center construction in progress, servers, network equipment, etc.
2) Intangible assets such as good will, video production, distribution rights, etc.

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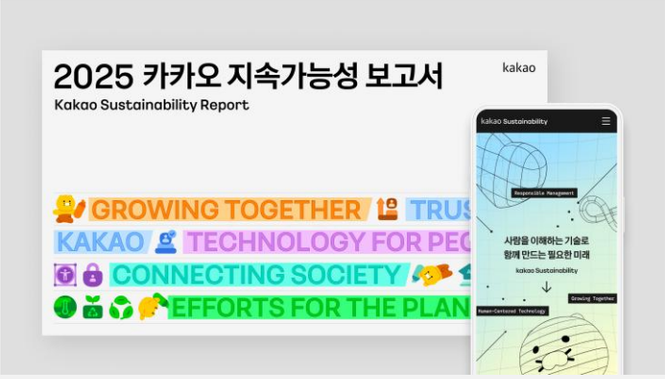
ESG Activities



Kakao 2025 Sustainability Report Released

- Released Kakao's 2025 Sustainability Report aligned with global sustainability disclosure standards.
- Disclosed major ESG achievements, such as launch of Kanana Safeguard, Korea's first open-source AI guardrail



Advanced AI Content Transparency with Google DeepMind

- Signed a partnership with Google DeepMind in order to enhance transparency in AI-generated content
- Applied SynthID digital watermarking and detection technology to Kanana AI model, building a foundation for safe AI services

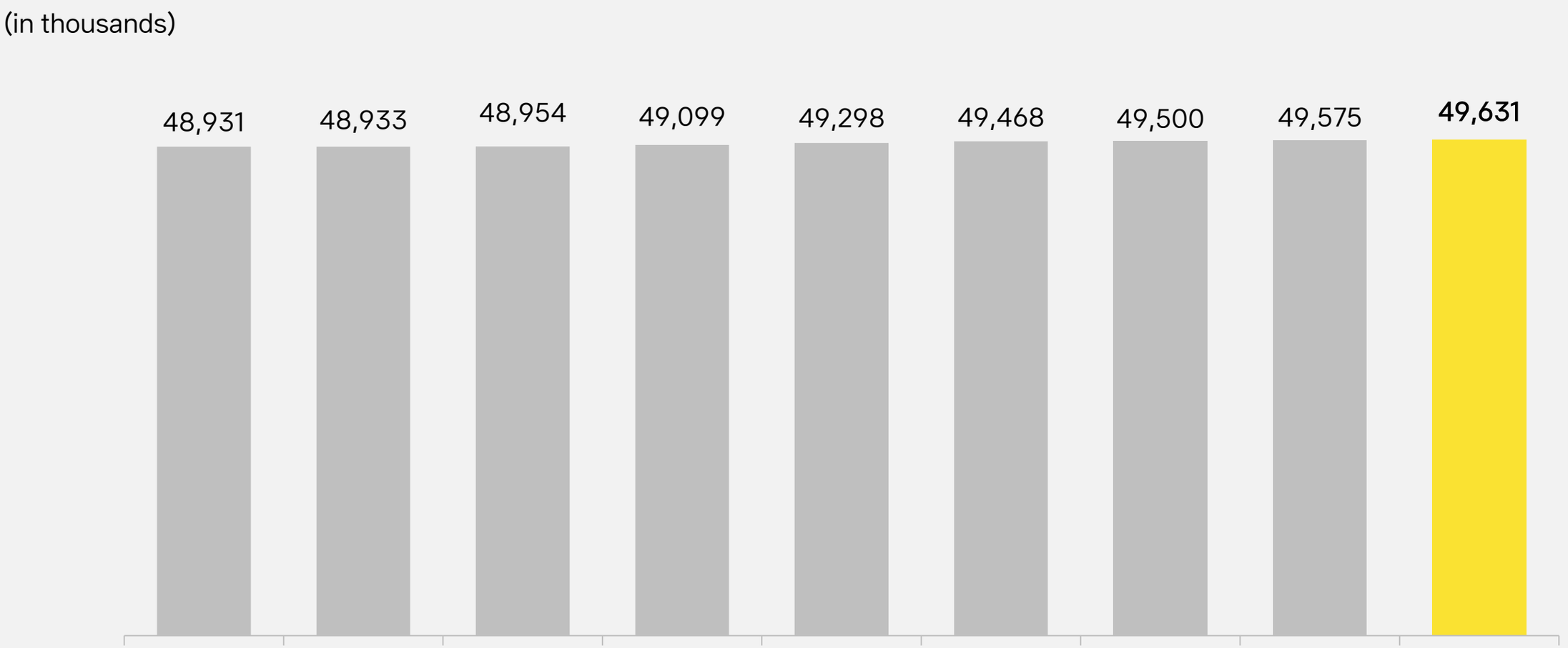


Hosted 2026 Partner's Day for Mutual Growth

- Hosted 66 network, security and commerce partners, providing training on mutual growth, ESG management, procurement policy and financial support.
- Continued the partner mutual-growth program for the 18th time, promoting a healthy partnership ecosystem

KakaoTalk MAU

Maintaining stable domestic MAU approaching 50 million



	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26
Korea	48,931	48,933	48,954	49,099	49,298	49,468	49,500	49,575	49,631
Global	54,195	54,198	54,048	54,080	54,286	54,500	54,501	54,683	55,346

Average of monthly MAUs. Global includes domestic MAUs.

Appendix Revenue Reclassification

Network Ads newly added under Talk Biz advertising & subscription
Portal Biz revenue reclassified into each relevant business and discontinued

Before		
Platform	Talk Biz	Advertising and Subscription : Talk DA (Bizboard / DA Others), Network Ads, Business Messaging, Subscription and Others
		Commerce : Talk Gift, Talk Store, Kakao Friends Online
	Portal Biz [1]	Daum PC / Mobile Kakao Story / Style / Page Other subsidiaries' ads
	Platform Others	Mobility Pay Enterprise Other Subsidiaries
Content	Story	Piccoma
		Entertainment
	Music	SM Entertainment Melon Digital Music Distribution Album Distribution Music Production
	Media	Video Production Talent Agency

After		
Platform	Talk Biz	Advertising and Subscription : Talk DA (Bizboard / Non-Bizboard[1]), Network Ads [2] , Business Messaging, Subscription and Others
		Commerce : Talk Gift, Talk Store, Kakao Friends Online
	Platform Others	Mobility Pay Enterprise Other consolidated subsidiaries
Content	Story	Piccoma
		Entertainment
	Music	SM Entertainment Melon Digital Music Distribution Album Distribution Music Production
	Media	Video Production Talent Agency

1) Daum PC / Mobile ad revenue reclassified under Platform Others; recognized through 2Q26 following deconsolidation;
Kakao Story/Style ad revenue: reclassified to Talk Biz 〉 Advertising;
KakaoPage under Story 〉 Entertainment.
Other subsidiary ad revenue: reclassified under Platform Others (Mobility), Story (Piccoma) and Music (Melon).

1) Non-Bizboard: KakaoTalk display ads excluding Bizboard
2) Network Ads: Display ads on external platform inventory

Thank You



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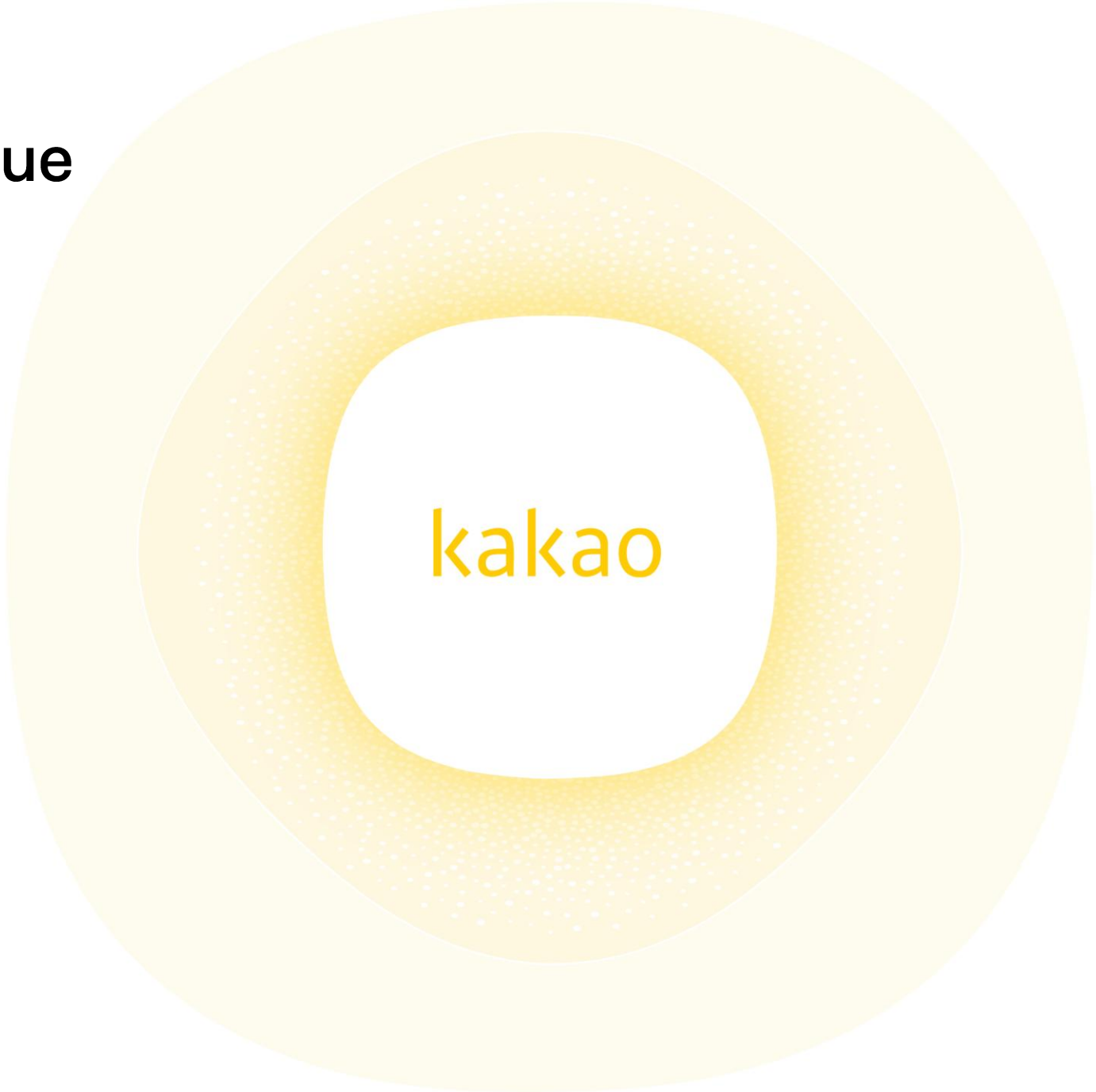
Accelerating Growth and Enhancing Shareholder Value Through the Spin-off



2026 Kakao Corp.

1. Overview

Optimizing decision-making and capital allocation and strategy by business, thereby reducing the conglomerate discount to lift shareholder value

Pre Spin-off

Kakao

AI · Messenger	Kakao
Infra / Ops	DK techin · KnWorks · Linkage Lab
Techfin	KakaoBank · KakaoPay · KakaoPay Sec.
Content	Kakao Ent. · SM Ent. · Kakao Piccoma
Mobility	Kakao Mobility
Investment	Kakao Investment · Kakao Ventures
Games	Kakao Games · Neptune (Divested)
Others	Kakao Healthcare · AXZ

Growth stalled by a complex portfolio
Dispersed resources and inefficient decision-making process

Post Spin-off

KakaoX

Techfin	Content	Mobility	Investment
KakaoBank	Kakao Ent.	Kakao Mobility	Kakao Investment*
KakaoPay	SM Ent.		Kakao Ventures
KakaoPay Sec.	Kakao Piccoma		

* Kakao Investment's cash and key investment assets will be transferred to KakaoX upon spin-off

KakaoAI

AI

Talk Platform	Map Platform	Advertising	Commerce

Infra / Ops

DK techin | KnWorks | Linkage Lab

Optimized capital allocation and strategy by business
Re-rating driven by a clear AI company identity

2. Roles

Accelerating growth as KakaoX, a Next Growth Investment Company, and KakaoAI, an AI Core Company

Remaining Co.

KakaoX

Next Growth Investment Company

Enhancing value through core subsidiary growth,
securing future growth engines via new businesses and investments in innovation

1. **Techfin**
   KakaoBank, KakaoPay
   KakaoPay Sec.
2. **Content**
   Kakao Ent.
   SM Ent.
   KakaoPiccoma
3. **Mobility**
   KakaoMobility

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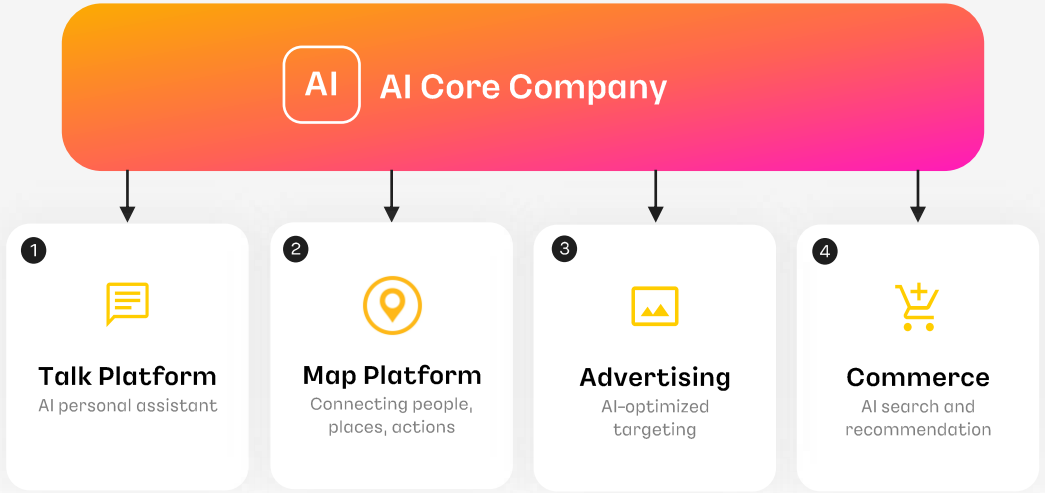
4. **New Core Businesses**
   Discovery core businesses
5. **Innovation Investment**
   Strategic investment in new opportunity

New Co.

KakaoAI

AI Core Company

Integrating AI, Advertising and Commerce Around Kakao Talk, Delivering Distinctive User experiences and Unlocking New Revenue Models in the Agentic AI era



3. Governance

Maximizing Shareholder Value Through Enhanced Board Expertise and Segment-Optimized Decision-Making

KakaoX

A board specialized in capital allocation and investment

Key Decision Items		Board
Group portfolio management	Portfolio strategy, funding, stake sales, M&A	Investment expert
Financial strategy	Funding, capital structure and dividend policy	Capital markets expert
Risk management	Compliance, disputes, conflict-of-interest risk	Legal / compliance expert
Group governance	Transparency of subsidiary governance	Governance expert
Group information management	Subsidiary information synergy and security oversight	Management information expert



Expertise-based decision-making



Significantly faster decision-making



Stronger investment risk management and accountability



Higher subsidiary value and maximized shareholder value

KakaoAI

A board with expertise focused on AI business models

Key Decision Items		Board
AI service advancement	AI agents, LLMs, search and recommendation	AI / IT technology expert
KakaoTalk platform innovation	Messenger, community and business ecosystem expansion	Product / service expert
Technology innovation and strategy	Mid/long-term tech strategy and investment	Technology management expert
AI regulatory readiness	Regulatory impact assessment; policy partnerships	ICT / science and technology policy expert
Financial soundness	Sound, transparent capital structure	Finance expert



Accelerated innovation through core focus



Agile response to market change



New growth engines and business expansion



Corporate re-rating and stronger competitiveness

4. Benefits

Strengthening governance and expertise by business,
maximizing capital efficiency to enhance shareholder value

Business Expertise

Tailored Growth strategies to each business

Maximizing performance through expertise

Decision-Making Efficiency

Efficient decision-making process by business

Efficient Capital Allocation

Optimized capital allocation by business

Corporate Value Maximization

Maximizing intrinsic value via enhanced governance

Market re-evaluation via AI re-rating

Shareholder Value Enhancement

Share price appreciation through growth engine

Proactive shareholder return

5. Resources

Formulate capital investment plans optimized for each company's growth strategy, based on secured financial resources

KakaoX

Cash (KakaoX)	Cash (Subsidiaries)
KRW 2.3 tn	KRW 4.1 tn

- **Investment Capacity**
  - Cash and monetizable assets KRW 2.3 tn + Techfin 2.6 tn · Content 1.0 tn · Mobility 0.5 tn
- **Key Uses**
  - In-organic investment in 3 core businesses
  - Exploring new core businesses
  - Investment in innovative companies[1)]
- **Key Benefits**
  - Building new growth engines across Techfin, Content and Mobility
  - Identifying the group's future businesses and investing in innovative companies

1) Innovation portfolio: 2nd-largest stake in Korea Credit Data, 2nd-largest SI stake in Upstage, largest SI stake in LifeX

KakaoAI

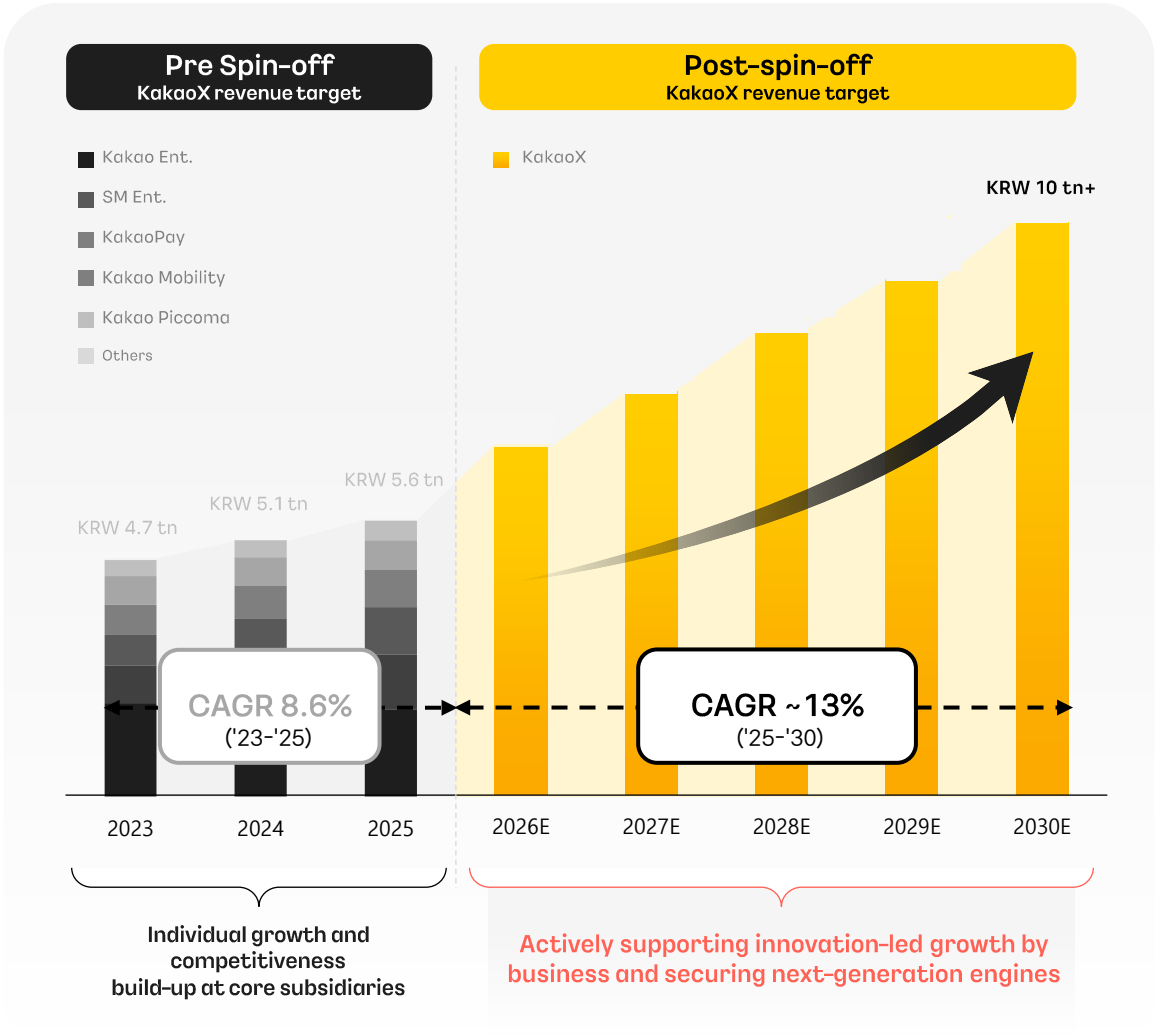
Cash (KakaoAI)	Annual cash generation
KRW 2.3 tn[2)]	KRW 0.7 tn+

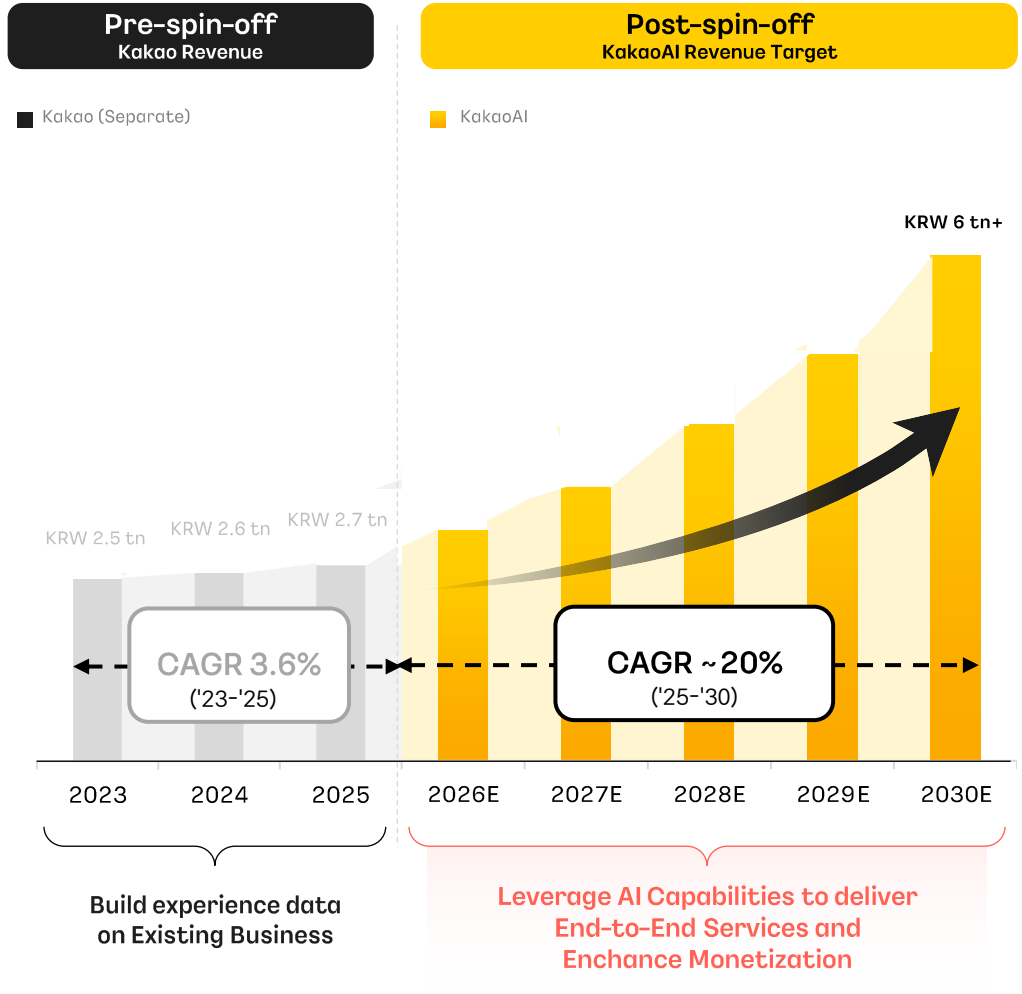
- **Investment Capacity**
  - Strong self-generated cash flow from Talk Biz
- **Key Uses**
  - Securing AI infrastructure
  - Model & service expansion
  - Efficient investment linked to monetization
- **Key Benefits**
  - Reducing funding burden for subsidiaries to focus on organic cash flow growth
  - Ultimately building AI competitiveness to establish a foundation for monetization

2) Includes KRW 1.85 tn in commerce customer deposits; cash generation is the sum of operating profit and depreciation

6. Projection

Growth Driver: Segment-optimized strategies for Kakao X & Kakao AI post-split
Revenue Goal: KRW 8.3T (2025) → KRW 16T+





Note) KakaoBank is not a consolidated subsidiary and is therefore excluded from KakaoX revenue

7. Shareholder Returns

Return policies tailored to each company's business characteristics
KakaoX: special dividends on investment gains · KakaoAI: returns expanded through growth

KakaoX

As a Next Growth Investment Company, sharing subsidiary and investment performance with shareholders

Base: 30% of dividends received + Special: 30% of investment gains

- Base return of 30% of after-tax subsidiary dividends via cash dividends or treasury share buyback and cancellation
- Special dividends and buybacks on investment gains, net of cost of capital and tax
- **KRW 300 bn buyback over 3 years (Dunamu gains)**

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KakaoAI

As an AI Core Company, prioritizing reinvestment for growth while sharing the returns with shareholders

Base: 20-35% of adjusted separate FCF + Special: Step-up payout on accelerated growth

- Base return of 20-35% of adjusted separate FCF
- **Payout raised to 40% on the same basis when adjusted separate FCF grows more than 50% YoY**

Note) Current policy ('24-'26): 25-35% of adjusted separate FCF returned, at least 7% as cash dividends and the rest via buyback and cancellation

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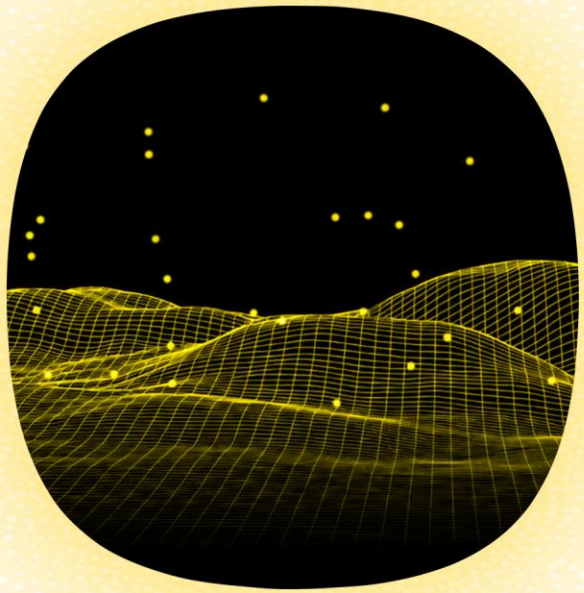
THANK YOU.



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