

Consolidated Statements of Income (K-IFRS)

(Unit: KRW Million)

	2017	1Q18	2Q18	3Q18	4Q18	2018	1Q19	2019	QoQ	QoQ(%)	YoY	YoY(%)
Total Revenue	1,972,326	555,421	588,933	599,293	673,345	2,416,992	706,312	706,312	+32,968	+4.9%	+150,891	+27.2%
Platform	824,707	232,281	251,057	253,010	302,967	1,039,315	313,114	313,114	+10,147	+3.3%	+80,833	+34.8%
Talk Biz	258,117	88,544	97,587	107,139	127,871	421,141	126,906	126,906	-965	-0.8%	+38,362	+43.3%
Portal Biz	502,909	121,723	128,367	115,545	129,793	495,429	126,416	126,416	-3,377	-2.6%	+4,693	+3.9%
New Biz	63,681	22,014	25,103	30,326	45,303	122,744	59,791	59,791	+14,489	+32.0%	+37,778	+171.6%
Content	1,147,620	323,141	337,876	346,283	370,378	1,377,678	393,199	393,199	+22,821	+6.2%	+70,058	+21.7%
Game	342,037	105,591	111,638	99,397	100,334	416,960	94,033	94,033	-6,301	-6.3%	-11,558	-10.9%
Music	478,540	126,269	130,461	135,991	140,129	532,850	137,228	137,228	-2,901	-2.1%	+10,959	+8.7%
Paid Content	126,911	43,767	50,845	60,482	63,313	218,407	74,647	74,647	+11,334	+17.9%	+30,880	+70.6%
IP Business and Others	200,131	47,514	44,932	50,412	66,602	209,461	87,291	87,291	+20,688	+31.1%	+39,777	+83.7%
Operating Expenses	1,806,947	545,020	561,343	568,629	669,052	2,344,044	678,649	678,649	+9,597	+1.4%	+133,629	+24.5%
Labor cost	420,262	127,258	125,921	130,349	158,323	541,852	160,127	160,127	+1,804	+1.1%	+32,869	+25.8%
Cost of Revenue	843,661	250,720	260,802	261,099	306,867	1,079,489	330,644	330,644	+23,777	+7.7%	+79,924	+31.9%
Outsourcing and Infrastructure	227,604	68,112	73,743	84,719	87,804	314,379	89,930	89,930	+2,126	+2.4%	+21,818	+32.0%
Marketing Expense	118,240	48,324	46,062	37,187	55,741	187,314	32,947	32,947	-22,794	-40.9%	-15,378	-31.8%
Depreciation and Amortization Cost	130,972	31,445	33,943	34,532	38,193	138,113	50,142	50,142	+11,949	+31.3%	+18,697	+59.5%
Miscellaneous	66,208	19,159	20,872	20,742	22,124	82,897	14,859	14,859	-7,265	-32.8%	-4,301	-22.4%
Operating Profit	165,380	10,402	27,590	30,664	4,293	72,949	27,663	27,663	+23,370	+544.4%	+17,262	+166.0%
<i>Operating Profit Margin</i>	8.38%	1.9%	4.7%	5.1%	0.6%	3.02%	3.9%	3.9%	+3.3%p		+2.0%p	
Other Non-Operating Income	36,247	12,858	12,504	27,492	21,676	74,531	8,837	8,837	-12,839	-59.2%	-4,022	-31.3%
Other Non-Operating Expenses	90,568	14,205	13,415	24,616	33,536	85,772	16,048	16,048	-17,488	-52.1%	+1,843	+13.0%
Financial Income	78,947	14,559	35,388	18,429	44,077	112,453	22,801	22,801	-21,276	-48.3%	+8,242	+56.6%
Financial Expenses	45,744	8,585	7,140	6,500	27,918	50,143	5,729	5,729	-22,189	-79.5%	-2,856	-33.3%
Equity-method Income	9,036	22,151	2,093	2,769	-20,361	6,652	2,988	2,988	+23,350	-	-19,163	-86.5%
Profit before Income Tax	153,298	37,181	57,021	48,238	-11,769	130,670	40,512	40,512	+52,281	-	+3,331	+9.0%
Income Tax	28,204	22,531	34,527	40,854	16,870	114,781	22,948	22,948	+6,078	+36.0%	+417	+1.9%
Net Profit from Continued Operations	125,094	14,649	22,494	7,384	-28,639	15,889	17,564	17,564	+46,203	-	+2,914	+19.9%
Net Profit from Discontinued Operations	0	0	0	0	0	0	0	0	+0		+0	
Net Profit	125,094	14,649	22,494	7,384	-28,639	15,889	17,564	17,564	+46,203	-	+2,914	+19.9%
Controlling Interests	108,597	13,854	18,366	16,635	-969	47,886	27,512	27,512	+28,481	-	+13,658	+98.6%
Non-controlling Interests	16,497	796	4,128	-9,251	-27,670	-31,997	-9,948	-9,948	+17,722	-	-10,744	-
EBITDA	295,198	40,970	60,607	65,648	40,753	207,978	78,113	78,113	+37,360	+91.7%	+37,142	+90.7%

Consolidated Statements of Financial Position (K-IFRS)

(Unit: KRW Million)

Accounts	2017.03.31	2017.06.30	2017.09.30	2017.12.31	2018.03.31	2018.06.30	2018.09.30	2018.12.31	2019.03.31	QoQ
Assets										
Current Assets	1,234,450	1,520,075	2,143,548	1,993,096	3,218,752	3,005,101	2,830,285	2,858,950	2,772,525	-86,425
Cash and Cash Equivalents	618,541	744,582	953,532	1,116,793	1,797,944	1,670,638	1,500,842	1,247,013	1,633,397	386,384
Short-term Financial Instruments	273,176	372,168	440,407	394,152	977,562	876,752	793,593	924,215	496,452	-427,763
Derivatives Instruments Assets	1,919	1,919	1,919	53,650	217	217	217	1,174	7,901	6,726
Account Receivable	166,003	177,099	185,940	179,238	180,628	173,920	171,765	193,669	104,408	-89,261
Other Current Financial Assets	84,597	91,965	301,392	134,445	121,069	124,806	179,848	233,437	322,031	88,595
Inventory Assets	12,691	15,526	15,173	21,560	22,491	34,626	36,843	36,666	43,139	6,473
Other Current Assets	77,522	116,816	245,184	93,258	118,840	124,142	147,176	222,775	165,197	-57,578
Non-Current Assets	4,260,188	4,289,978	4,350,550	4,356,332	4,506,122	4,728,926	4,880,614	5,100,592	5,302,443	201,852
Long-term Available for Sales	106,633	116,231	172,651	160,038	215,466	403,086	471,408	434,191	443,911	9,720
Equity Method Investments	98,155	120,928	134,655	161,950	210,444	232,998	285,390	305,188	302,881	-2,306
Other Non-current Financial Assets	47,567	47,229	45,043	50,564	55,395	58,919	60,267	109,009	108,453	-556
Tangible Assets	263,425	267,044	264,623	271,044	277,416	275,741	294,698	314,812	331,638	16,826
Intangible Assets	3,719,432	3,713,619	3,703,579	3,689,582	3,710,940	3,720,578	3,744,246	3,865,265	3,867,635	2,370
Right-of-use Assets	0	0	0	0	0	0	0	0	184,872	184,872
Other Non-current Assets	6,706	6,451	9,436	8,789	8,751	7,560	11,727	16,412	16,159	-253
Deferred Income Tax Assets	18,270	18,475	20,563	14,366	27,709	30,044	12,879	55,716	46,895	-8,821
Total Assets	5,494,638	5,810,052	6,494,098	6,349,428	7,724,874	7,734,027	7,710,899	7,959,542	8,074,969	115,426
Liabilities										
Current Liabilities	770,121	832,658	1,060,838	1,040,863	1,201,099	1,697,822	1,875,517	2,039,196	1,969,879	-69,318
Account Payable and Other Payable	247,581	256,083	264,211	280,380	313,583	325,369	358,184	460,813	413,977	-46,836
Short-term Borrowings	156,272	158,583	155,479	174,372	220,318	758,166	757,253	609,480	554,202	-55,278
Provisions	1,325	1,179	586	1,934	2,356	3,999	6,040	3,636	4,013	377
Current Finance Lease Obligations	0	0	0	0	0	0	0	0	34,930	34,930
Dividend Payable	16,000	0	0	0	13,470	0	0	0	10,253	10,253
Income Tax Payable	34,482	40,950	114,476	115,123	147,062	50,178	65,260	71,040	83,985	12,946
Derivatives Instruments Liabilities	7,375	7,375	7,375	2,254	0	0	0	13,916	14,529	613
Other Current Liabilities	307,086	368,487	518,711	466,801	504,310	560,109	688,780	880,311	853,989	-26,322
Non-Current Liabilities	977,551	985,241	988,035	800,745	771,624	253,191	250,798	293,188	467,147	173,959
Non-Current Account Payable and Other Payable	2,440	1,987	2,487	1,547	670	821	373	915	491	-424
Long-term Borrowings	250	0	0	0	6,484	2,000	2,010	3,101	2,447	-654
Corporate Bonds	795,670	796,012	794,321	620,808	568,268	39,926	39,933	41,894	44,703	2,809
Non-Current Provisions	4,227	4,353	4,037	4,211	4,232	4,893	6,380	7,611	12,116	4,506
Non-Curent Finance Lease Obligations	0	0	0	0	0	0	0	0	151,320	151,320
Defined Benefit Liabilities	6,967	12,203	17,220	1,963	6,473	14,027	19,951	2,822	10,013	7,191
Other Long-term Employee Benefits Liabilities	30,021	31,618	33,064	32,075	34,236	36,397	39,003	40,156	43,080	2,924
Deferred Income Tax Liabilities	137,839	138,929	136,387	139,502	150,186	153,904	141,818	151,228	155,890	4,662
Other Non-Current Financial Liabilities	138	139	518	640	1,074	1,223	1,330	45,461	47,086	1,625
Total Liabilities	1,747,672	1,817,899	2,048,873	1,841,609	1,972,723	1,951,013	2,126,315	2,332,385	2,437,026	104,641
Equity										
Paid-in Capital	33,908	33,941	33,970	34,004	38,187	38,193	41,743	41,744	41,749	5
Capital Surplus	3,103,430	3,235,681	3,552,564	3,603,587	4,729,786	4,739,992	4,628,189	4,647,543	4,645,830	-1,713
Othter Accumulated Earnings	-10,935	-9,446	-7,827	-6,026	-4,570	-2,917	-1,145	1,492	3,854	2,362
Accumulated Other Comprehensive Income	-3,006	-1,335	8,084	-4,968	-19,144	-21,192	-24,127	-7,329	-9,322	-1,993
Retained Earnings	347,660	358,964	391,019	402,542	438,442	437,561	454,216	453,400	470,860	17,459
Minority Interest	275,908	374,349	467,416	478,681	569,450	591,378	485,707	490,307	484,972	-5,335
										0
Total Equity	3,746,966	3,992,153	4,445,225	4,507,820	5,752,151	5,783,014	5,584,584	5,627,158	5,637,943	10,785
Total Liabilities & Equity	5,494,638	5,810,052	6,494,098	6,349,428	7,724,874	7,734,027	7,710,899	7,959,542	8,074,969	115,426

Separate Statements of Income(K-IFRS)

(Unit: KRW Million)	2017	1Q18	2Q18	3Q18	4Q18	2018	1Q19	2019	QoQ	QoQ(%)	YoY	YoY(%)
Total Revenue	978,700	244,578	252,523	291,778	385,046	1,173,925	331,522	331,522	-53,524	-13.9%	+86,945	+35.5%
Operating Expenses	881,149	228,192	223,005	255,788	344,574	1,051,559	296,869	296,869	-47,705	-13.8%	+68,677	+30.1%
Labor cost	237,900	63,853	59,443	63,665	83,431	270,391	66,316	66,316	-17,115	-20.5%	+2,463	+3.9%
Cost of Revenue	344,501	93,908	92,106	110,641	164,786	461,441	151,260	151,260	-13,526	-8.2%	+57,352	+61.1%
Outsourcing and Infrastructure	165,573	41,257	44,123	47,963	50,438	183,781	45,234	45,234	-5,204	-10.3%	+3,976	+9.6%
Marketing Expense	38,087	6,146	3,380	7,140	12,875	29,540	2,184	2,184	-10,690	-83.0%	-3,961	-64.5%
Depreciation and Amortization Cost	70,070	17,305	17,478	19,471	25,810	80,065	28,277	28,277	+2,466	+9.6%	+10,971	+63.4%
Miscellaneous	25,018	5,724	6,476	6,908	7,234	26,342	3,599	3,599	-3,636	-50.3%	-2,125	-37.1%
Operating Profit	97,551	16,386	29,518	35,990	40,472	122,366	34,654	34,654	-5,818	-14.4%	+18,268	+111.5%
Operating Profit Margin	10.0%	6.7%	11.7%	12.3%	10.5%	10.4%	10.5%	10.5%	-0.1%p		+3.8%p	
Other Non-Operating Income	244,605	50,042	3,545	2,613	2,359	58,558	1,006	1,006	-1,352	-57.3%	-49,036	-98.0%
Other Non-Operating Expenses	86,259	4,973	7,317	3,192	26,873	42,354	13,664	13,664	-13,208	-49.2%	+8,692	+174.8%
Financial Income	43,324	17,829	39,812	5,791	16,795	80,226	13,638	13,638	-3,157	-18.8%	-4,191	-23.5%
Financial Expenses	51,795	9,207	1,439	6,934	18,552	36,131	3,995	3,995	-14,557	-78.5%	-5,213	-56.6%
Profit Before Income Tax	247,426	70,077	64,120	34,268	14,201	182,665	31,639	31,639	+17,437	+122.8%	-38,438	-54.9%
Income Tax	29,872	16,693	19,806	40,820	15,117	92,435	10,435	10,435	-4,682	-31.0%	-6,258	-37.5%
Net Profit from Discontinued Operations	0	0	0	0	0	0	0	0	+0		+0	
Net Profit	217,554	53,384	44,314	-6,552	-915	90,230	21,204	21,204	+22,119		-32,180	-60.3%
EBITDA	167,458	33,497	46,614	56,313	65,396	201,821	63,188	63,188	-2,208	-3.4%	+29,691	+88.6%

Seperated Statements of Financial Position (K-IFRS)

(Unit: KRW Million)

Accounts	2017.03.31	2017.06.30	2017.09.30	2017.12.31	2018.03.31	2018.06.30	2018.09.30	2018.12.31	2018.03.31	QoQ
Assets										
Current Assets	493,467	519,002	870,913	632,508	1,677,009	1,350,858	1,643,770	1,261,480	1,269,433	7,954
Cash and Cash Equivalents	261,861	187,675	417,539	388,574	997,491	747,162	742,441	250,920	666,790	415,870
Short-term Financial Instruments	16,899	118,695	98,223	14,834	474,376	402,011	508,641	601,712	257,254	-344,458
Derivatives Instruments Assets	0	0	0	0	0	0	4,720	957	7,351	6,395
Account Receivable	77,233	80,744	83,978	77,955	80,305	73,810	74,094	71,333	64,135	-7,197
Other Current Financial Assets	109,965	103,587	236,590	128,318	98,893	102,457	238,316	306,244	243,966	-62,278
Inventory Assets	3,647	6,431	8,033	5,508	6,907	6,781	12,002	2,640	5,004	2,364
Other Current Assets	23,862	21,869	26,549	17,319	19,038	18,636	63,556	27,674	24,932	-2,742
Non-Current Assets	4,345,826	4,343,702	4,404,420	4,324,369	4,388,836	4,689,080	4,785,124	4,941,359	5,053,845	112,486
Long-term Available for Sales	54,948	57,583	108,975	97,059	95,576	236,736	252,144	275,246	275,369	123
Equity Method Investments	2,368,459	2,368,945	2,442,759	2,368,582	2,443,398	2,607,287	833,251	1,496,538	1,485,643	-10,895
Other Non-current Financial Assets	19,849	19,289	18,851	19,304	19,973	19,864	26,223	19,200	20,641	1,442
Tangible Assets	206,547	207,211	203,381	208,084	204,132	205,992	231,981	236,016	252,342	16,326
Intangible Assets	1,689,813	1,684,701	1,624,592	1,620,416	1,618,499	1,613,864	3,414,445	2,875,510	2,882,313	6,803
Investment Properties	0	0	0	0	0	0	21,789	21,777	21,728	-49
Right-of-use Assets	0	0	0	0	0	0	0	0	104,204	104,204
Other Non-current Assets	6,210	5,973	5,861	10,925	7,259	5,337	5,291	17,073	11,605	-5,467
Total Assets	4,839,293	4,862,703	5,275,333	4,956,878	6,065,845	6,039,938	6,428,894	6,202,839	6,323,279	120,440
Liabilities										
Current Liabilities	760,308	768,571	972,057	948,931	1,019,728	1,252,991	1,495,276	1,250,706	1,268,220	17,514
Accounts Payables and Other Payables	148,533	133,333	146,400	163,318	170,482	170,369	305,425	404,760	520,230	115,470
Short-term Borrowings	353,675	355,181	356,714	378,088	429,614	731,495	732,683	564,921	516,575	-48,346
Other Current Financial Liabilities	2,610	3,441	2,756	11,099	1,994	1,551	5,159	16,329	3,806	-12,523
Curent Finance Lease Obligations	0	0	0	0	0	0	0	0	22,074	22,074
Income Tax Payable	6,646	14,477	73,666	81,507	104,652	39,119	55,755	59,204	67,533	8,330
Dividend Payable	10,006	0	0	0	10,050	0	0	0	10,053	10,053
Derivatives Instruments Liabilities	29,758	24,102	21,972	43,997	45,550	34,540	0	8,915	8,637	-279
Other Current Liabilities	209,079	238,037	370,549	270,922	257,386	275,917	396,254	196,577	119,312	-77,264
	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	0
Non-Current Liabilities	637,236	642,516	640,879	450,237	391,545	95,722	190,471	200,790	289,560	88,770
Non-Current Trade Payables and Other Payables	118	240	165	162	162	159	1,488	1,642	1,642	0
Long-term Borrowings	250	0	0	0	0	0	0	0	0	0
Corporate Bonds	568,319	568,501	566,649	392,974	340,118	39,926	39,933	39,939	39,946	7
Non-Current Provisions	3,567	3,585	3,267	3,285	3,298	3,312	4,246	4,292	8,702	4,410
Defined Benefit Liabilities	2,709	6,125	8,465	0	0	1,896	5,533	0	0	0
Other Long-term Employee Benefits Liabilities	26,327	27,672	29,004	24,715	26,118	27,481	29,163	28,448	30,039	1,590
Other Non-Current Financial Liabilities	0	0	55	110	152	194	249	118	145	27
Non-Curent Finance lease obligations	0	0	0	0	0	0	0	0	84,040	84,040
Deferred Income Tax Liabilities	35,947	36,392	33,275	28,992	21,696	22,754	109,859	126,350	125,046	-1,304
Total Liabilities	1,397,544	1,411,087	1,612,936	1,399,168	1,411,272	1,348,713	1,685,747	1,451,496	1,557,780	106,284
Equity										
Paid-in Capital	33,908	33,941	33,970	34,004	38,187	38,193	41,743	41,744	41,749	5
Capital Surplus	3,058,151	3,058,510	3,061,268	3,036,434	4,086,797	4,087,116	4,096,188	4,096,216	4,097,226	1,009
Othter Accumulated Earnings	-10,935	-9,446	-7,827	-6,026	-4,570	-2,917	43,782	35,547	37,909	2,362
Accumulated Other Comprehensive Income	5,001	4,400	5,895	-4,472	-10,407	-20,046	-20,893	-1,606	-1,978	-372
Retained Earnings	355,623	364,212	569,091	497,769	544,565	588,879	582,327	579,442	590,594	11,152
Total Equity	3,441,749	3,451,616	3,662,397	3,557,710	4,654,573	4,691,225	4,743,147	4,751,343	4,765,499	14,156
Total Liabilities & Equity	4,839,293	4,862,703	5,275,333	4,956,878	6,065,845	6,039,938	6,428,894	6,202,839	6,323,279	120,440

Number of Employees (Kakao)

Name	4Q17	1Q18	2Q18	3Q18	Former Criteria	New Criteria	1Q19	QoQ
					4Q18	4Q18		
Kakao	2,446	2,529	2,533	2,952	2,775	2,531	2,598	▲67
Kakao Subsidiaries	3,386	3,809	4,073	3,985	4,500	4,744	5,680	▲936
Consolidated total	5,832	6,338	6,606	6,937	7,275	7,275	8,278	▲1,003

* Employees, who concurrently hold positions both at HQ and subsidiaries, were counted under HQ, but, from the first quarter of 2019, they are classified based on the employee's primary workplace.

* Subsidiaries (91 Companies) : DGH, Path Mobile Inc, DK Service, DK Techin, DK Business, DK China, DK China Yajiao, Imageon, Buzzpia, Beijing Kakao, Ultra Caption, Kakao Japan, Kidsnote, Movil, Tidesquare, Playwings
Kakao Investment, TNK Factory, Kakao Ventures(former K Cube Ventures), Locnall, Kakao IX, Kakao Page Pte. LTD, Kakao Games, Kakao IX Japan, Kakao IX China, Kakao Games Japan, Friends Games(former Supernova Eleven), Ngle, Kakao Games Europe B.V, Kakao Games USA, Inc., Kakao VX Co., LTD., TEASIK MAUMGOLF CO.,LTD, GSWING SPORTING GOODS CO., LTD, About Time, Kakao page Corp(former Podotree), PT. Path Mobile Indonesia, Linkage Lab, Kakao M, Starship entertainment., Sonnnori, Toonnori, Pin Play, Samyang C&C, Acciio, Panzea Pte. Ltd., PLAN A Entertainment, MTECHCREW, Fave Entertainment, Cre.Ker Entertainment, Mun Hwa In, Krispy Studio, Mega Monster(former Story Plant), High Line Entertainment Co., LTD., Parking Square, KVG SG Pte. Ltd., Kakao Makers, Kakao Brain, K-Venture Group(TIPS), Kakao Pay, Kakao Mobility, Klaytn Pte. Ltd. Kakao G, Dk, ZUBON, Kakao Commerce, E&T Story Entertainment, Nylon Korea Media, Kiwi Plus, Ground One, Groun X, Nex International, C.C Partners, Inc Square lab, Polarium, Life MMO, KakaoIX UK Ltd., Neobazar, PT Neobazar Indonesia, Daon Creative J comics, Beijing Dayun, J wide company, Wide S Company, Ready Entertainment, CASTING BOM CO.,LTD, BHentertainment, Mangement Soop, READY ENTERTAINMENT(Shanghai) CO.,LTD. Path Mobile Inc pte. Ltd.

* Subsidiaries above represent subsidiaries included in the calculation of labor costs on Consolidated Income Statement, not based on K-IFRS

* The above number of employees include full-time and part-time employees only (not assistances and interns)