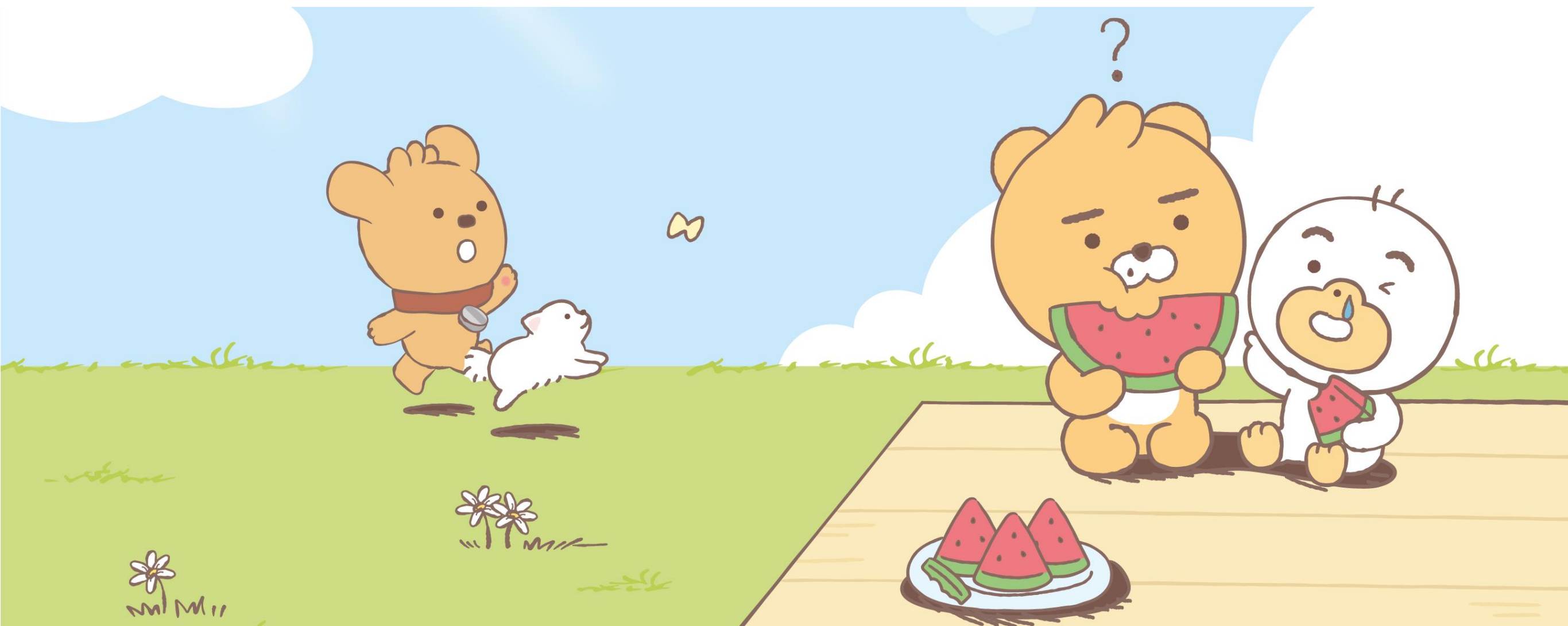


kakao

2Q 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

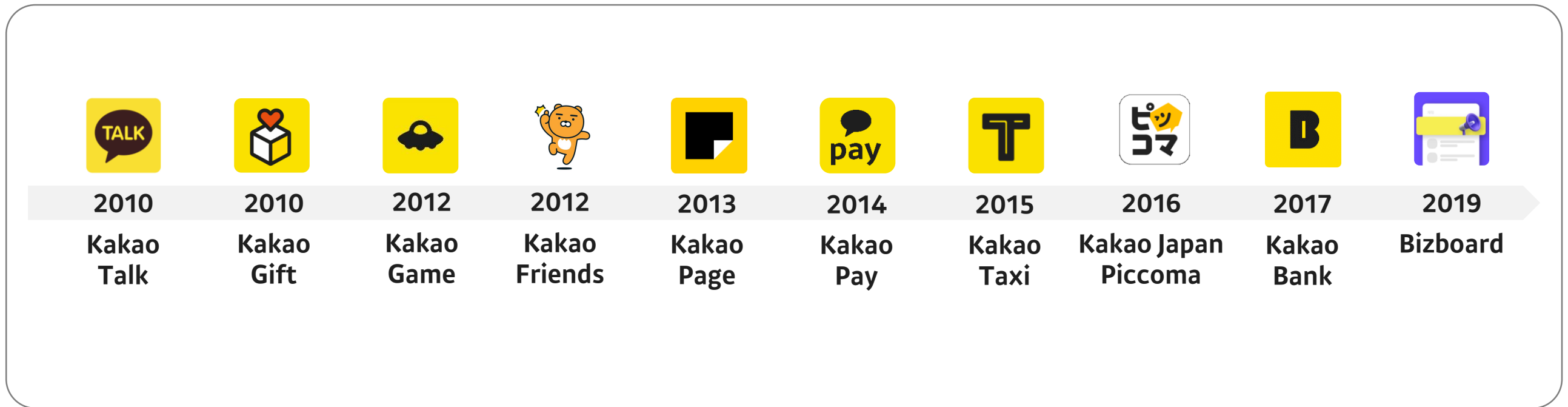
Financial Overview

Making a Better World with People and Technology

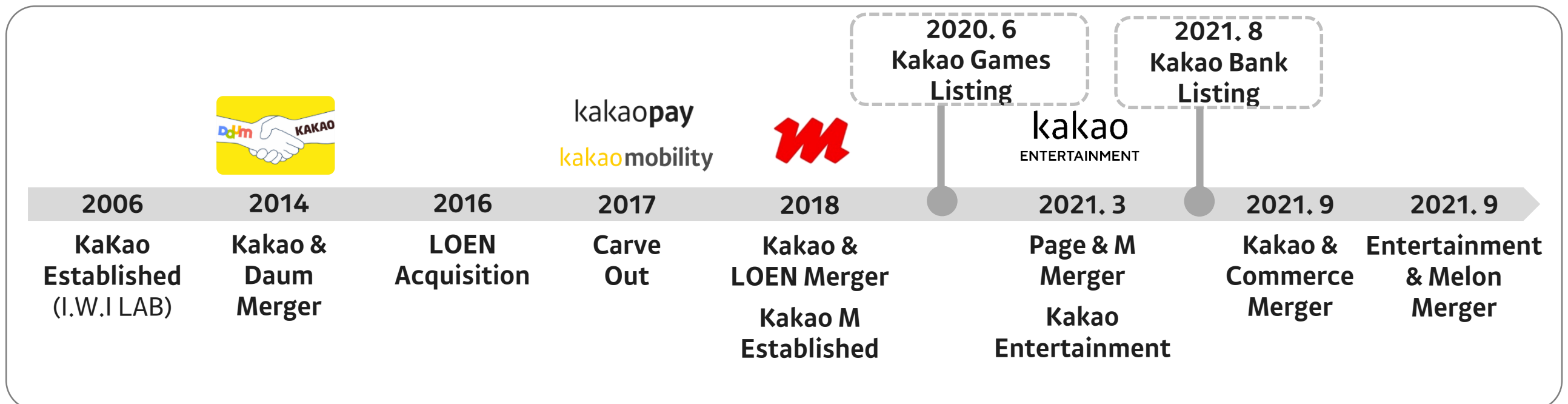


History

Innovative Service Launch



Changes in Business Structure & Listing of Subsidiaries



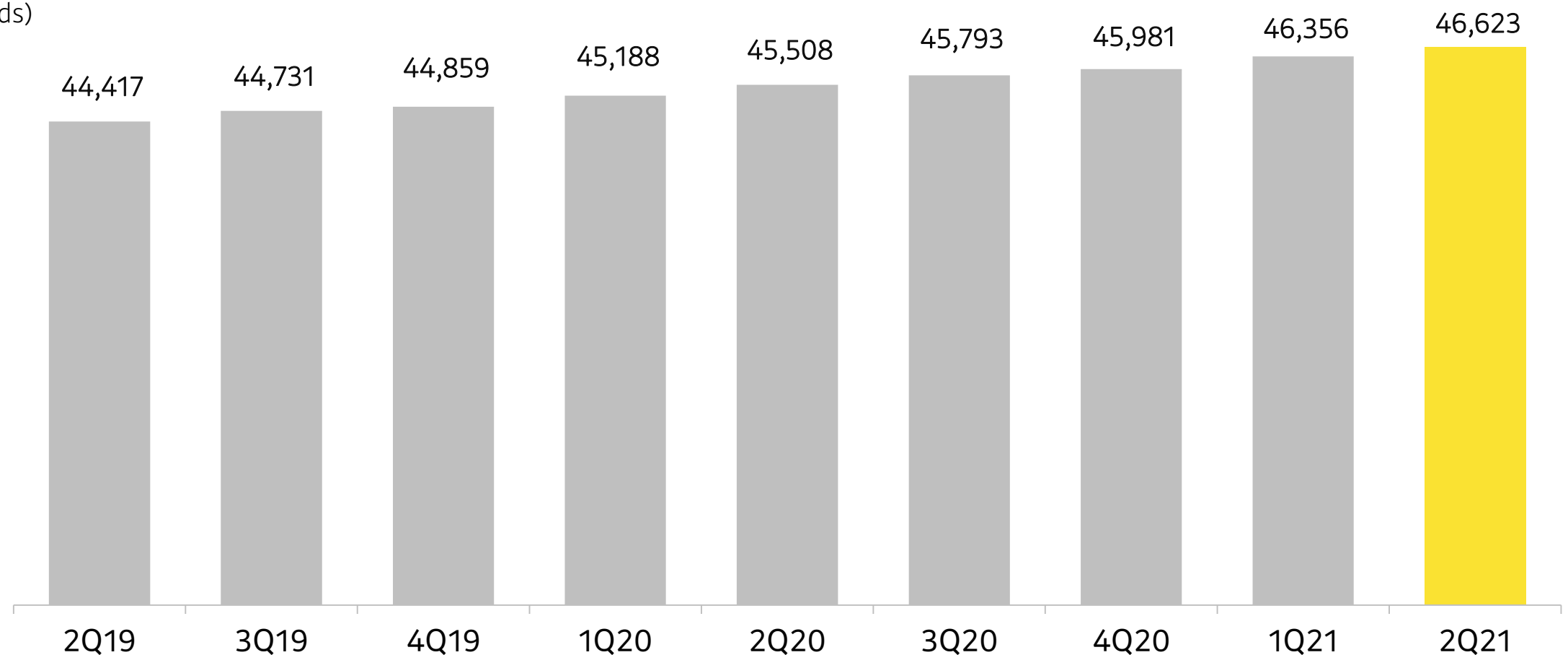
Undisputed Market Leader

Monthly Active Users in Korea grew by +1.1M YoY, +270K QoQ



KakaoTalk Monthly Active Users

(in thousands)

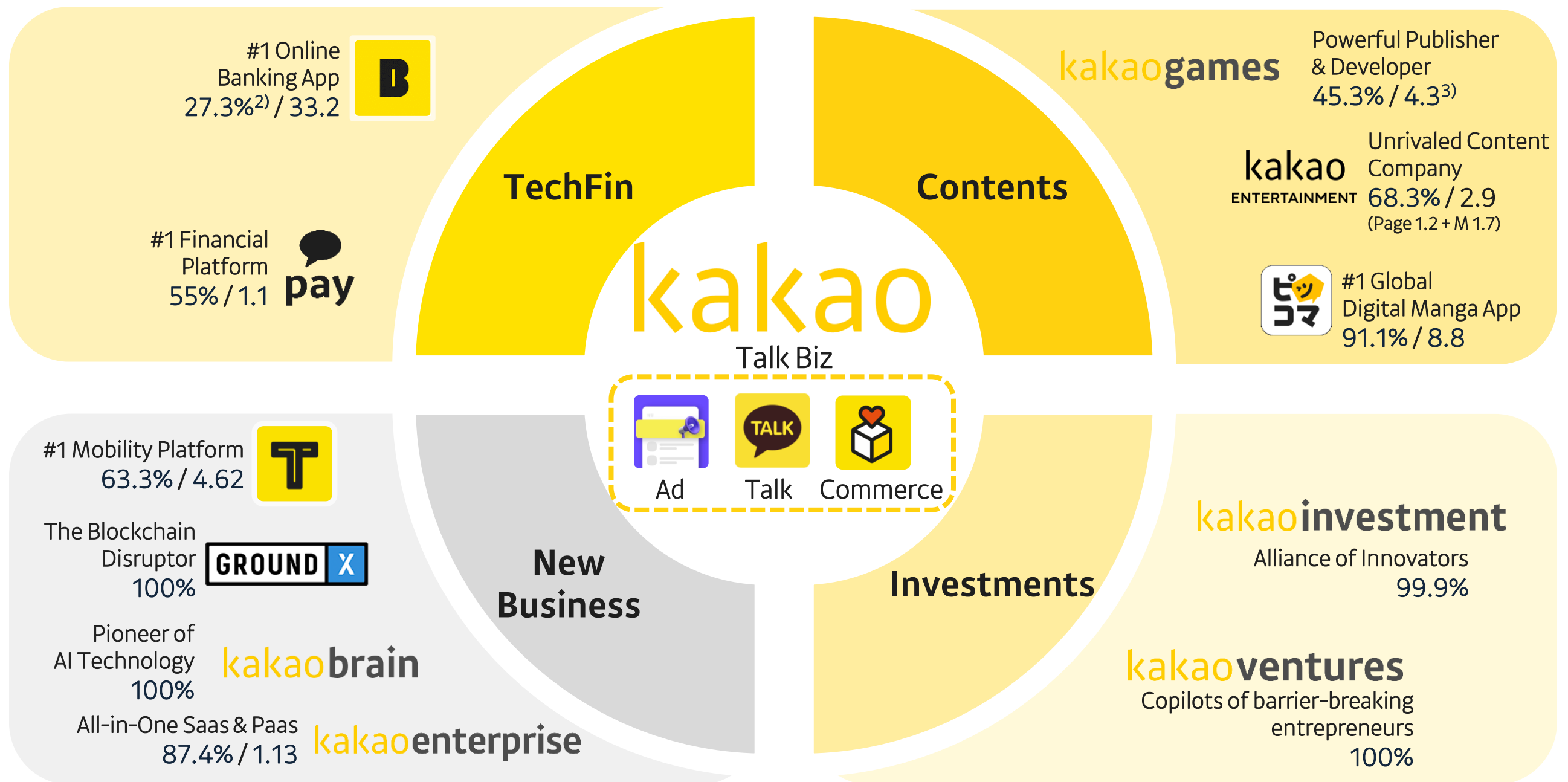


Korea	44,417	44,731	44,859	45,188	45,508	45,793	45,981	46,356	46,623
Global	50,882	51,374	51,495	51,768	52,133	52,299	52,223	52,976	53,808

Average of monthly MAUs. Global includes domestic MAUs

Kakao Ecosystem

● Kakao's Stake¹⁾ (%) / Transaction Valuation (KRW tn)



1) Kakao's Stake as of end of June 2021

2) After IPO on August 6th, 2021, the stake in Kakao Bank has changed from 31.6% to 27.3%. Transaction valuation, or market cap, is based on the closing price of IPO day.

3) Market cap based on the closing price on 2021.6.30

Kakao Ecosystem

Kakao Business

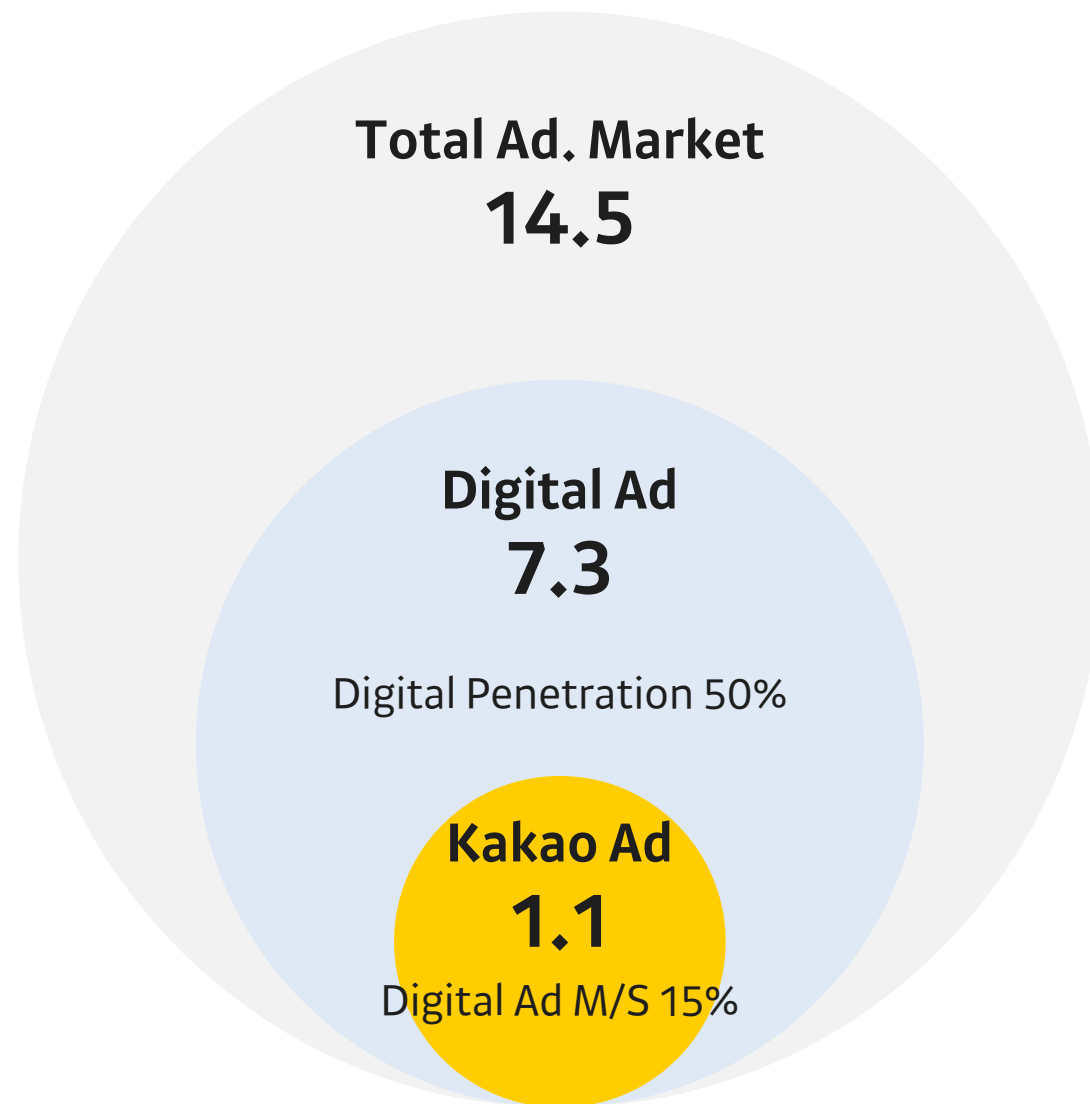
Financial Overview

Paradigm Shift in Advertising Industry

Significant Growth Opportunity in KakaoTalk as a Biz Platform

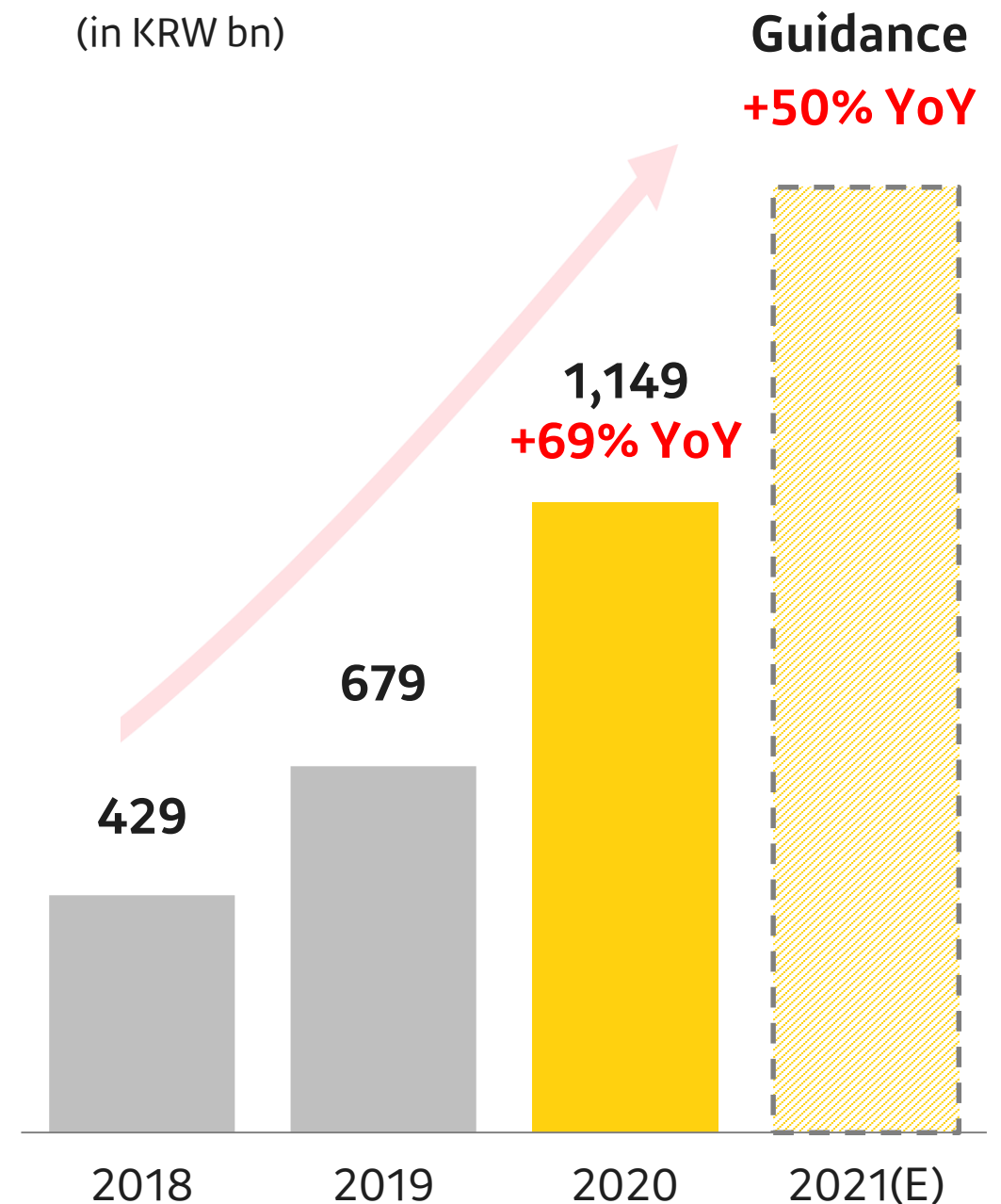
Ad Market Size (2020)

(in KRW tn)



Talk Biz Revenue

(in KRW bn)

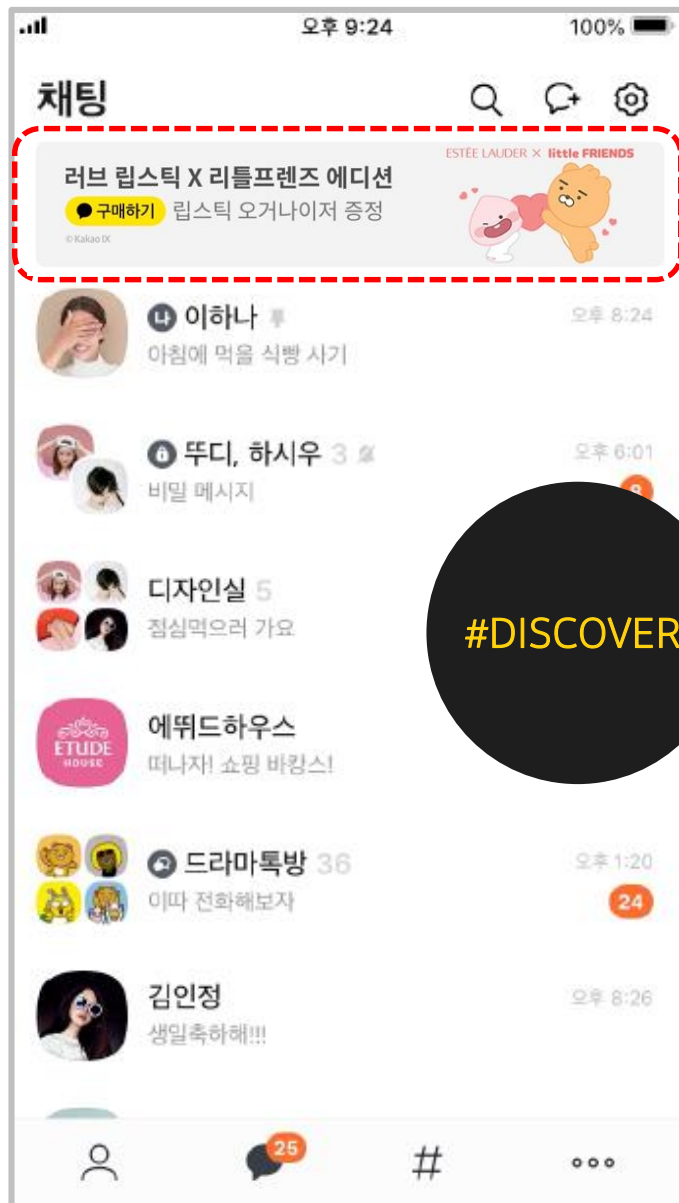


1) Kakao Ad includes Talk biz advertising and Portal Biz Revenue in FY2019

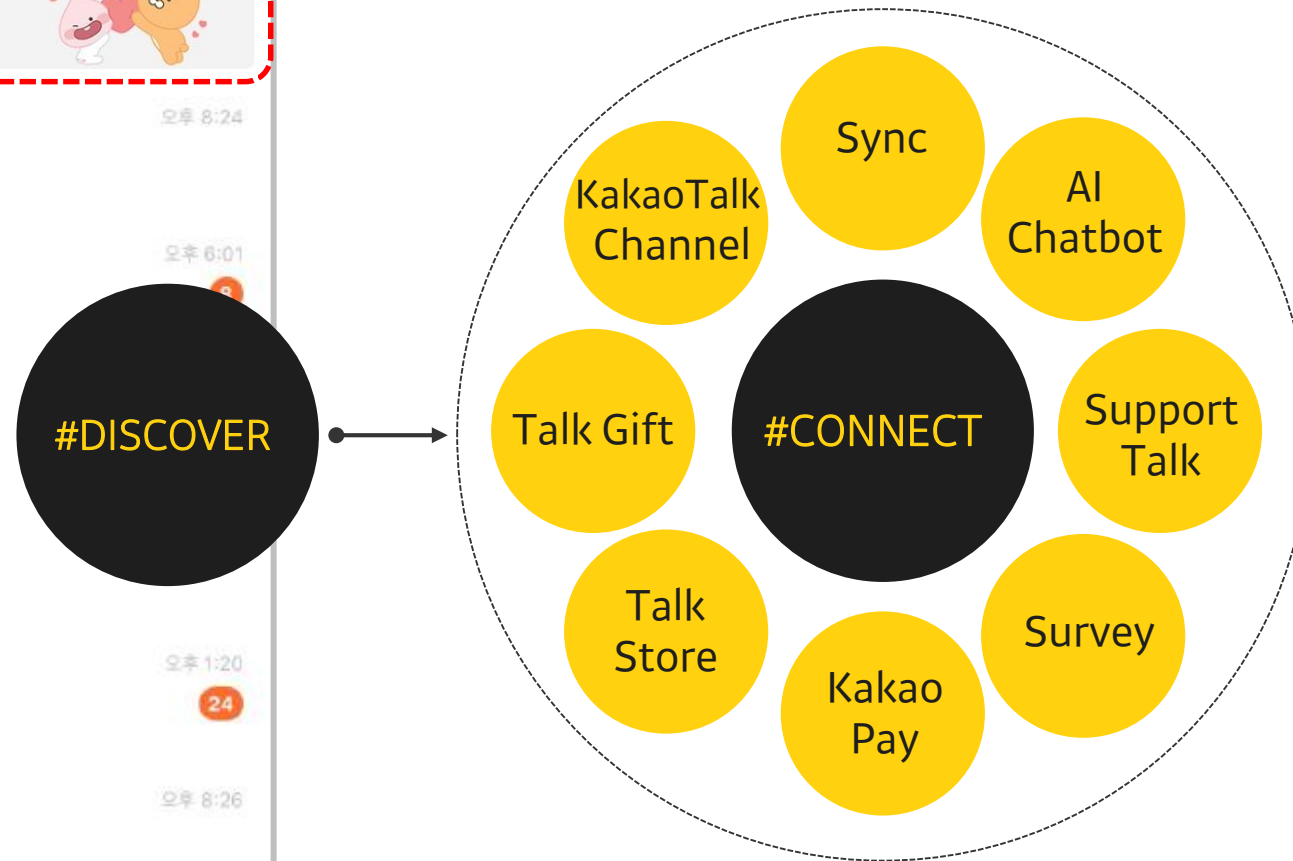
Talk Biz Advertising (Kakao Bizboard)

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



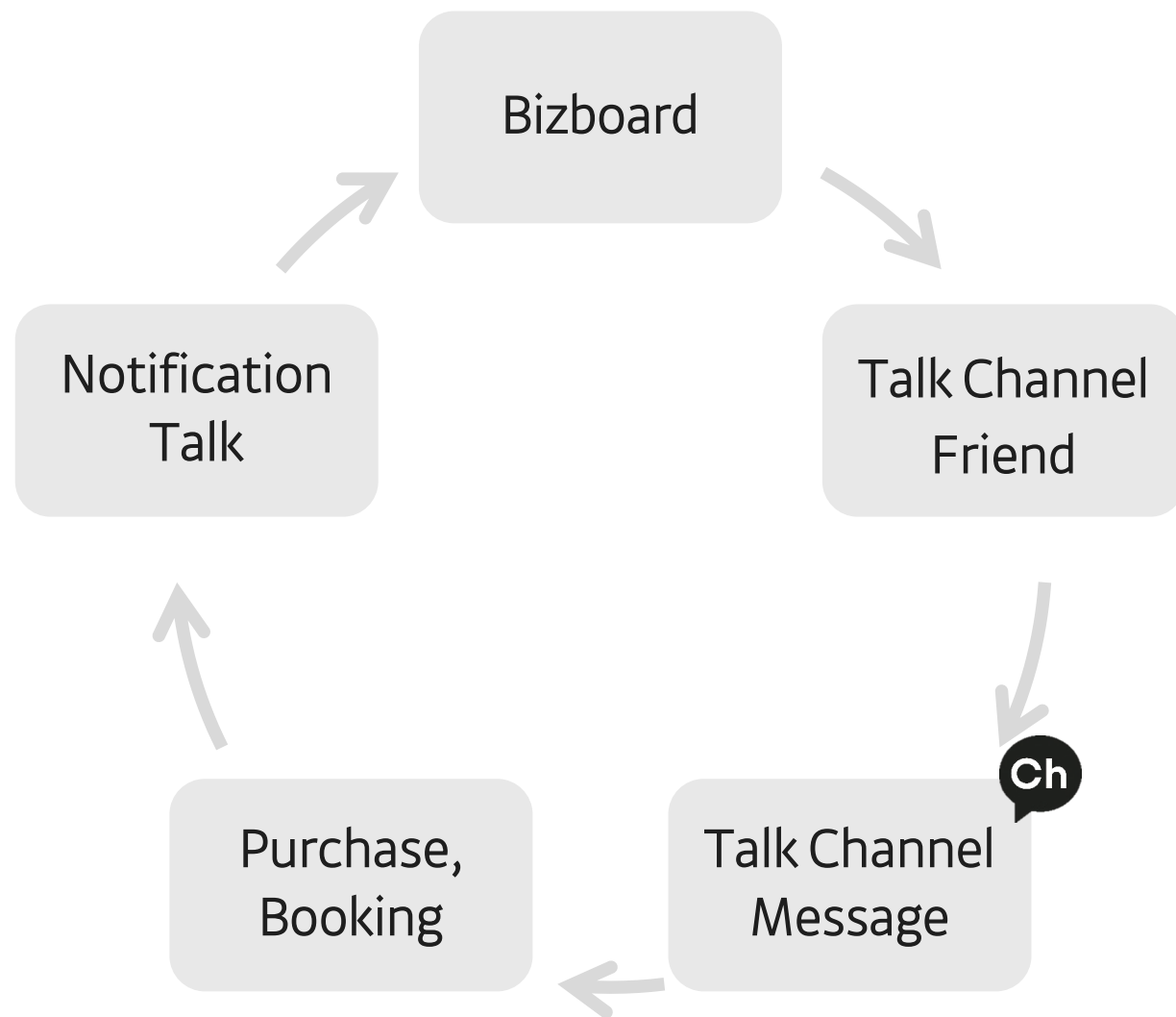
Users may fulfill any actions that wish to take



Talk Biz Advertising(Message Ad)

Virtuous cycle with Bizboard, KakaoTalk Channel and Notification Talk

The virtuous cycle established with bizboard

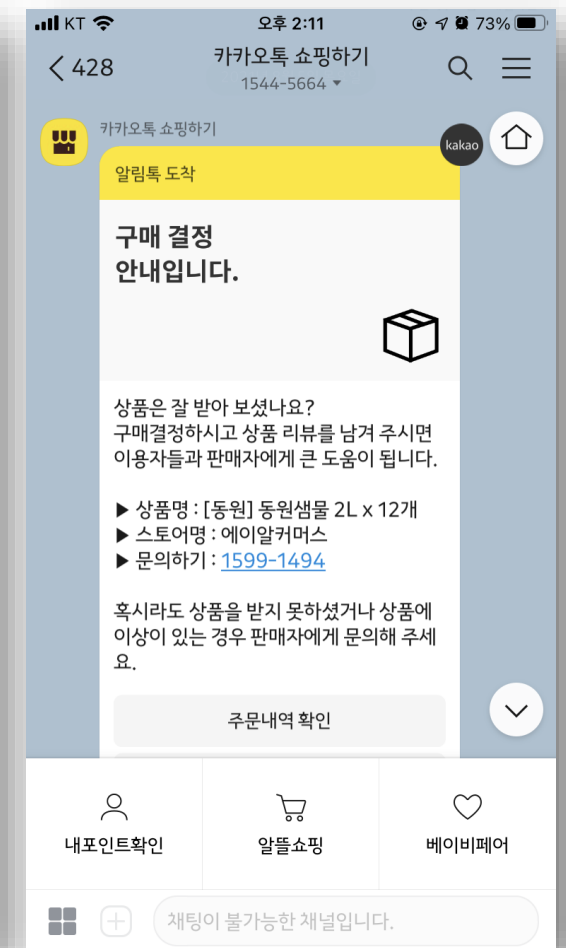


Message Business Model

KakaoTalk channel message ad



“Notification Talk” informs Payment, Delivery Updates



From Leveraging the Social Graph to any Talk-based Transactions

kakaocommerce Key indices

48% YoY
Total Commerce
GMV

44% YoY
Talk Gift GMV

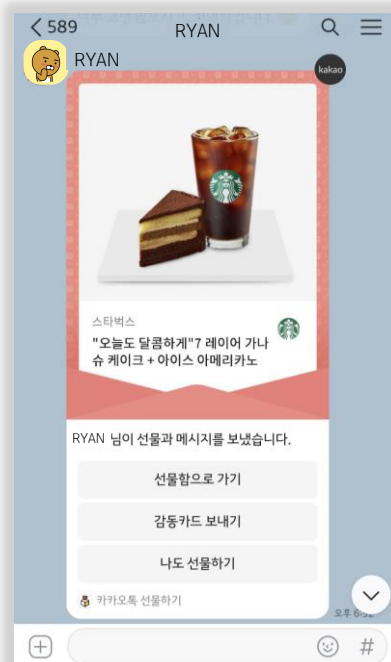
Delivery goods
68% YoY

66% YoY
Talk Store GMV

64% YoY
Makers GMV

Marketing place for
newly launched
products

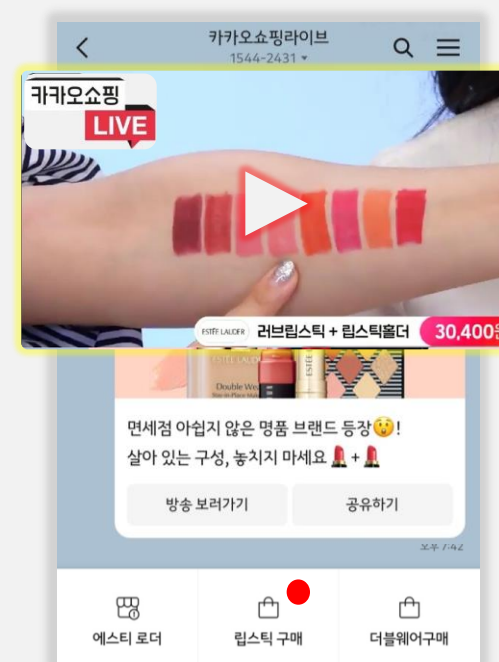
Gift



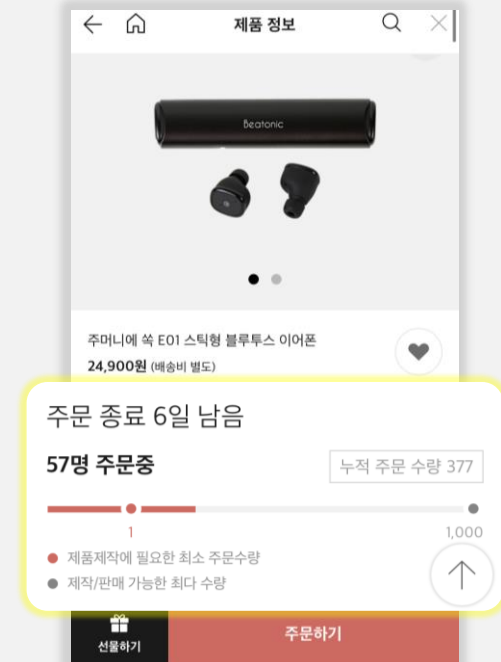
Talk Store > Talk Deal



Talk Store > Live Commerce



Makers (Made-to-order Platform)



Satisfying Every Customers Need with All-in-One Mobility Platform



Kakao T Key Indices

28.5mn

Registered
Users

Largest # of users

15.96mn

Credit Card
Registrants

Ready to pay users

26,000

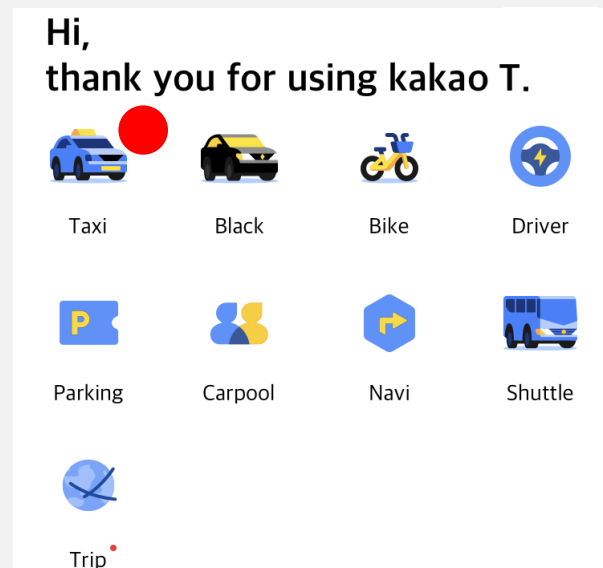
Kakao T Bule
Fleet

2 x YoY

2Q21
Revenue

2Q21 Kakao Corp
consolidated revenue

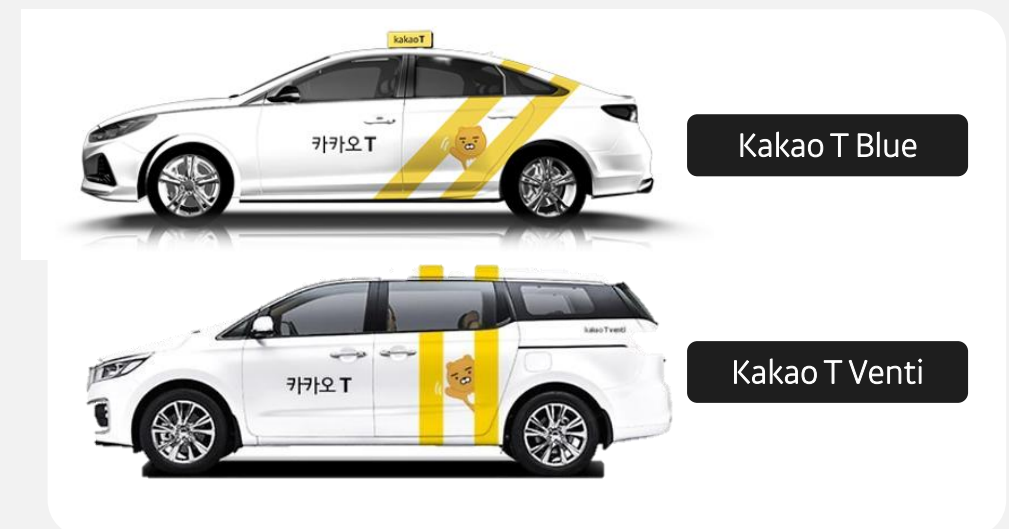
Kakao T Application



Expansion of Premium Paying Service Option



Revolutionizing into a Service Meeting All Types of Mobility Demands



No.1 All-Encompassing Daily Financial Platform



Kakao Pay Key Indices



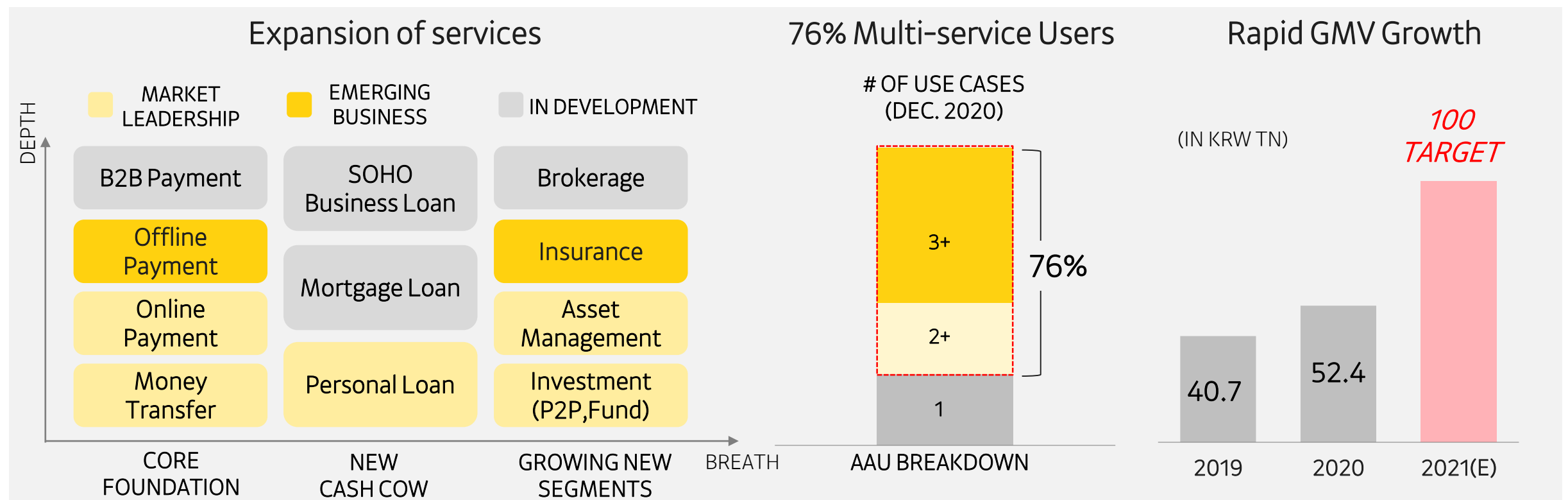
Cumulative Investors
1.6mn+



W67 tn FY2020
W100 tn FY2021 Target



On/offline Payment,
Loan channeling,
Investment



No.1 Online Banking with Innovative User-Friendly Technology



Kakao Bank Key Indices

16.7mn
Customer Base

MAU 14mn
#1 Mobile Banking App

W26.6tn
Deposit

W23.1tn
Loan

Lending Rate 3.15%
NIM 1.89%

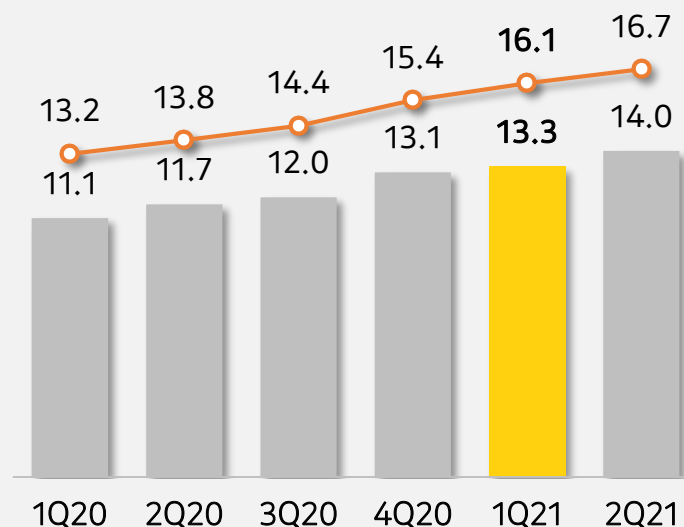
W115.9bn
Cumulative
Net Profit

Y2020 Net Profit
W113.6bn

Working Population Penetration 59%

(mn users)

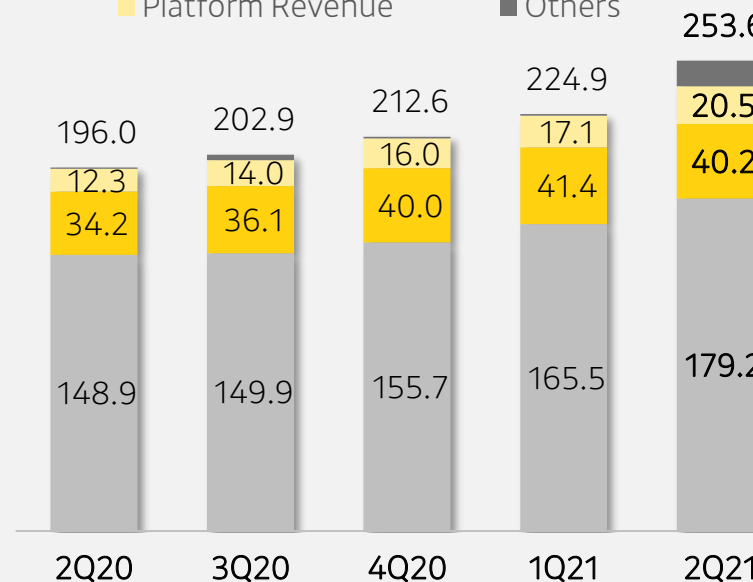
■ MAU ○ Customers



Solid Growth from Fee Revenue + Platform Revenue

(Wbn)

■ Interest Revenue ■ Fee Revenue
■ Platform Revenue ■ Others



**Fee + Platform
= 25%**

Fee
Income

Debit Card
Mini Card
Firm Banking
Open Banking
FX remittance

Platform
Income

Securities
Account
Loan Referral
Co-branded
Credit Card
Advertisement

B2B Business Expansion with Differentiated AI Technology

kakaoenterprise Key Services



Integrated Enterprise Platform



Business Service Platform



Kakao i Engine
Kakao i Home



10 Years of Accumulated Know-hows



Industry Insight based Data

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

kakao

work

멤버

채팅

할 일

Bot

-bars

바르기

...

더보기

조직원

알림

설정

멤버

윤주은

과장 / 디자인팀

즐거찾기

사업팀 15

서하준

대리 / 인사팀

박서운

팀장 / 사업팀

최재우

사원 / 경영지원팀

정유진

과장 / 인사팀

FREE

0원

E3 시스템이 기본 적용된 업무메신저와 전자결재, 근태관리를 무료로 사용할 수 있습니다.

공용 저장공간

5GB

STANDARD

6,500원

/1인

멤버당 10GB의 공용 저장공간과 함께 SLA가 보장되는 카카오휴를 광고 없이 사용할 수 있습니다.

공용 저장공간

10GB

/1인

PREMIUM

9,900원

/1인

멤버당 20GB의 공용 저장공간과 함께 높은 수준의 관리기능을 사용할 수 있습니다.

공용 저장공간

20GB

/1인

ENTERPRISE

15,900원

/1인

멤버당 1TB의 공용 저장공간과 함께 차이니스월을 통해 최고 수준의 보안을 설정할 수 있습니다.

공용 저장공간

1TB

/1인

Core Strength



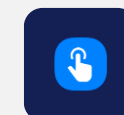
Combination of Brand Power and Expertise



Integrated Biz Platform based on Messenger Service



Integration of AI and Search Technology



Secure Cloud Environment

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

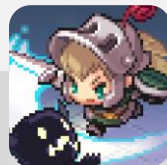
Major Game Line-up



MOBILE



MOONLIGHT
SCULPTOR



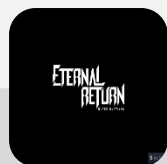
GUARDIAN
TALES



ODIN



PC



ETERNAL
RETURN



PUBG



ELYON

Title line-up to be released after 3Q21

	Title	Genre		Title	Genre
3Q 21	Friends Party Golf	Casual	1H 22	Eversoul	Collectible RPG
	World Flipper	Action RPG		Goddess Order	Action RPG
	Elyon (Global)	MMORPG			
4Q 21	Kakaopage Play (Temporary Name)	Story	2H 22	XL New Title	MMORPG
1H 22	Dysterra (Early access)	Survival FPS		Project Ares	Action RPG

Building a Powerful Value Chain with Korea's Largest Music Platform Melon

kakao
ENTERTAINMENT

Music Key Indices

5mn+
Melon
Paying
Subscribers

Dominant Traffic
Largest Music Content

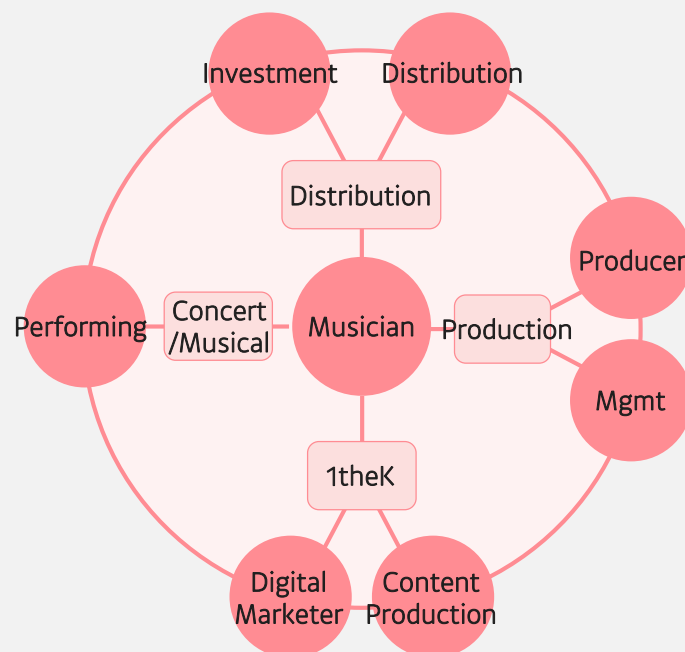
No.1
K-pop
Music
Distribution

M/S 26%
Stable Cash Flow

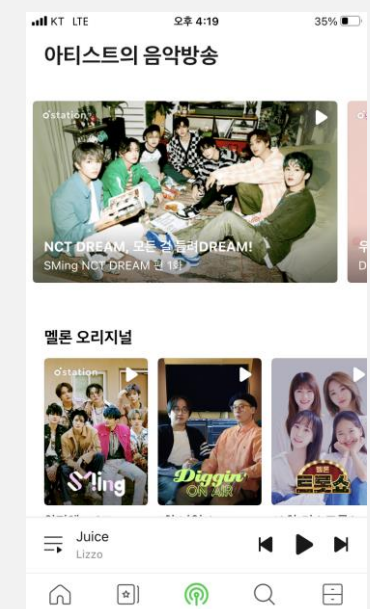
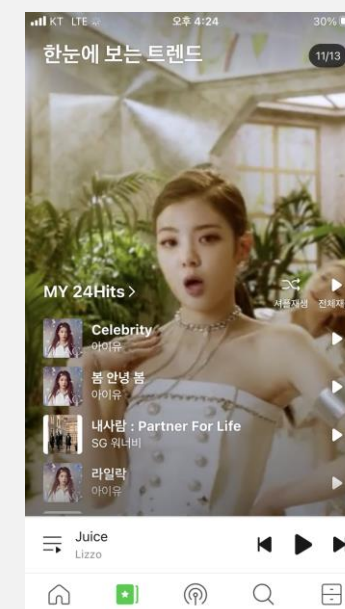
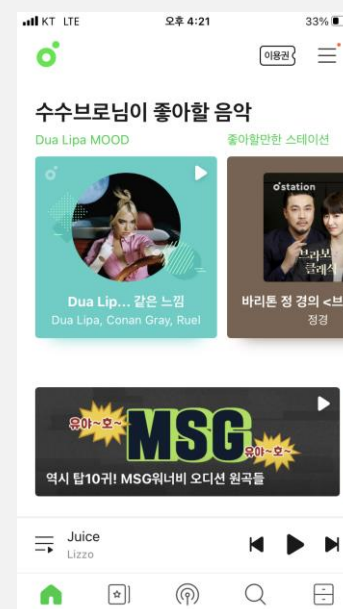
90+
Musician

8 Multi-Label
10 Management

Music Business Portfolio



Offering Customized Play List and Trendy Audio Contents



Growth through Innovative Business Model and Original IPs



Story Key Indices

W174bn

2Q21 Piccoma
Platform GMV

93% YoY

Global No.1

Comic App

Ranked 7th globally in
both app markets

W184bn

Entertainment
GMV

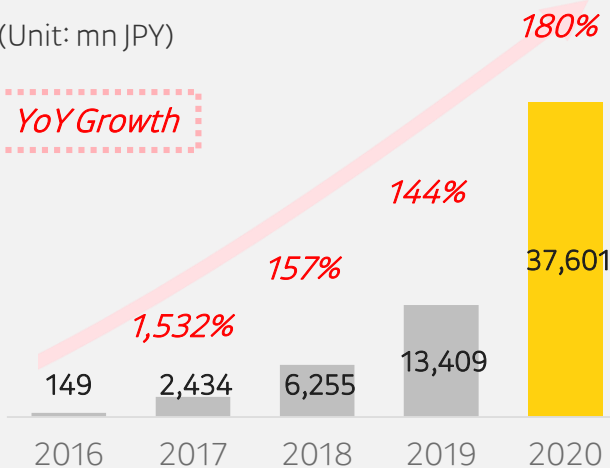
Platform + IP GMV
55% YoY

**Full Scale
Global
Expansion**

North America - Tapas & Radish
Southeast Asia - Kakao
Webtoon

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

(Unit: mn JPY)

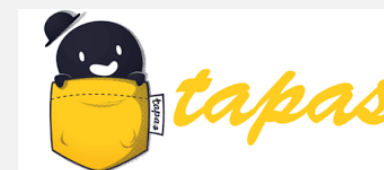


Piccoma GMV Trend



Globally popular webtoon
<Only I Level Up>

Kakao Entertainment Global Expansion



Acquired North
American Webtoon,
Web Novel Platform



Global One-build
Platform
'Kakao Webtoon'

Distinguished Content Production Capability and Top-tier Talent Pool

kakao Media Key Indices

ENTERTAINMENT

150+
Top-tier Actors

6+ Managements

80+
Key Creator

Prominent
PD/Writer/Director

**Video
Production**
Movie/Drama

Story & Pictures Media
Mega Monster

250+
Original Video
Content

2021 to 2023 Target
Movie/Drama/Digital

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

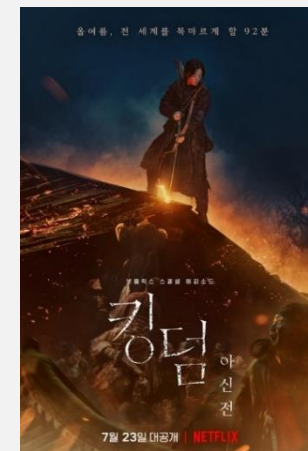
Original Content in Various Genres and Formats



<Vincenzo>
Logos Film

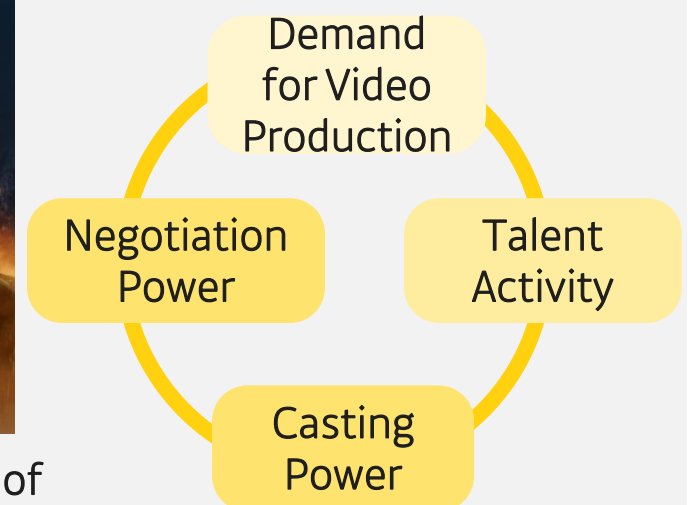


Kakao TV
Original Drama



<Kingdom: Ashin of
the North>
Co-Production

Synergy Between Video - Management Business



Kakao Ecosystem
Kakao Business
Financial Overview

Change in Revenue Breakdown

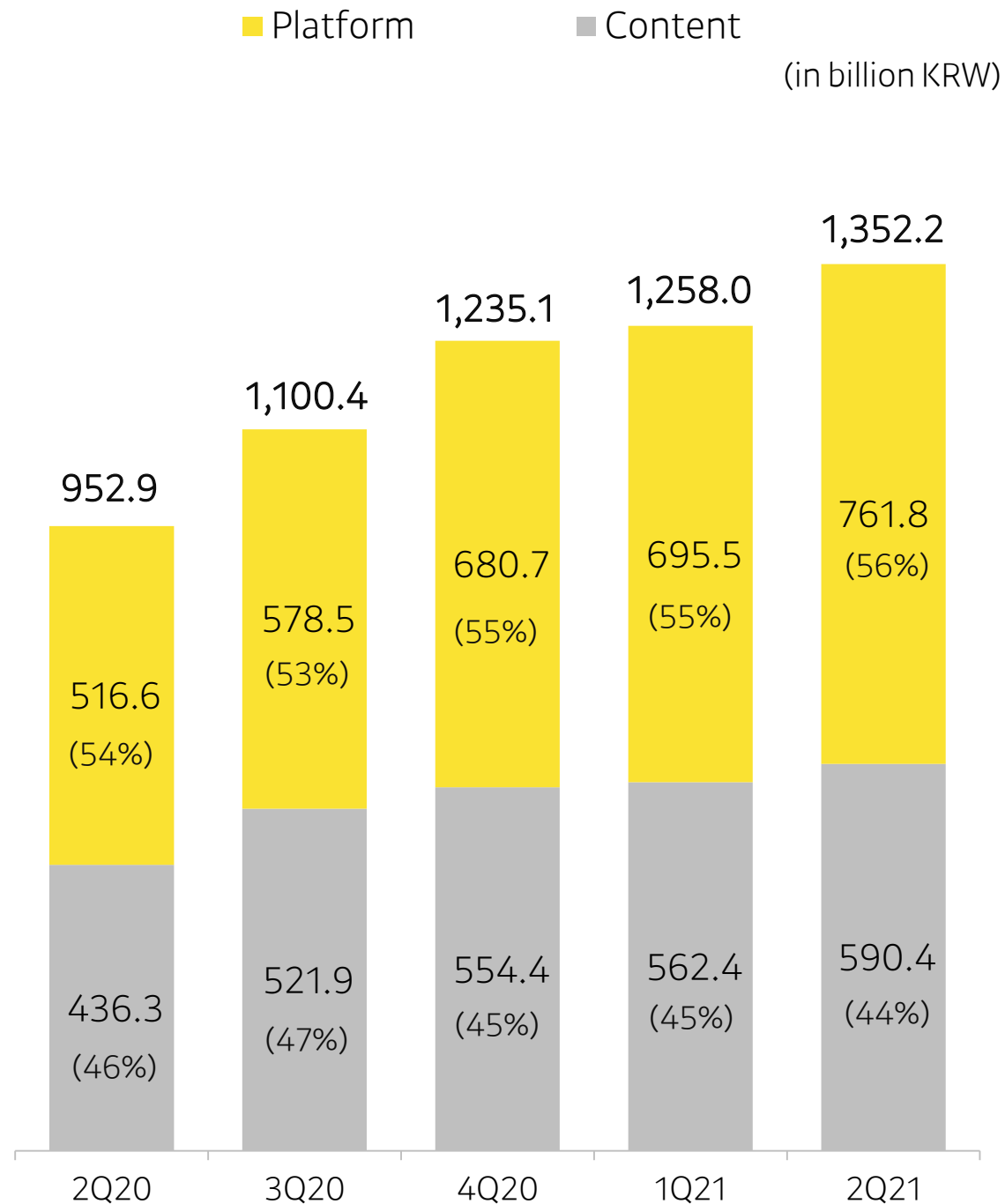
Kakao Corp. decided to change the revenue breakdown in order to better reflect the most up-to-date corporate structure after mergers and splits in H1 2021.

Pre-Change			Post-Change		
Platform	Talk Biz	KakaoTalk Ad (Bizboard, Talk Channel, Emoticon, etc.) Talk Commerce (Talk Gift, Talk Store, Makers, etc.)	Platform	Talk Biz	Advertisement - Bizboard, Talk channel, Emoticon Commerce - Gift, Store, Makers, Kakao Friends Online
	Portal Biz	Daum PC Daum Mobile Kakao Story/Style/Page Other Subsidiaries' Ad		Portal Biz	Daum PC / Mobile Kakao Story / Style / Page Other Subsidiaries' Ad
	New Biz	Mobility Pay Enterprise Misc. (Other Subsidiaries)		Platform-Others	Mobility, Pay, Enterprise, Other Subsidiaries, Kakao Friends-Others
Content	Game	Mobile PC Kakao VX	Content	Game	Mobile, PC, Kakao VX
	Music	Melon Digital music distribution Kakao Music Ticket		Music	Melon, Digital Music Distribution, Album Distribution , Music Production
	Paid Content	Kakao Page Daum Webtoon Piccoma		Story	Page(Page, Kakao Webtoon, IP Distribution) Piccoma
	IP Business and Others	Kakao Friends Kakao M (Excluding digital music distribution)		Media	Video Production , Talent Agency

Revenue

Q2 Revenue YoY +42% / QoQ +7%

Mix - Platform 56% : Content 44%



Revenue Breakdown		
Platform	Talk Biz	Advertisement - Bizboard, Talk channel, Emoticon
		Commerce - Gift, Store, Makers, Kakao Friends Online
	Portal Biz	Daum PC / Mobile Kakao Story / Style / Page Other Subsidiaries' Ad
	Platform-Others	Mobility, Pay, Enterprise, Other Subsidiaries, Kakao Friends-Others
	Game	Mobile, PC, Kakao VX
	Music	Melon, Digital Music Distribution, Album Distribution, Music Production
Content	Story	Page(Page, Kakao Webtoon, IP Distribution) Piccoma
	Media	Video Production, Talent Agency

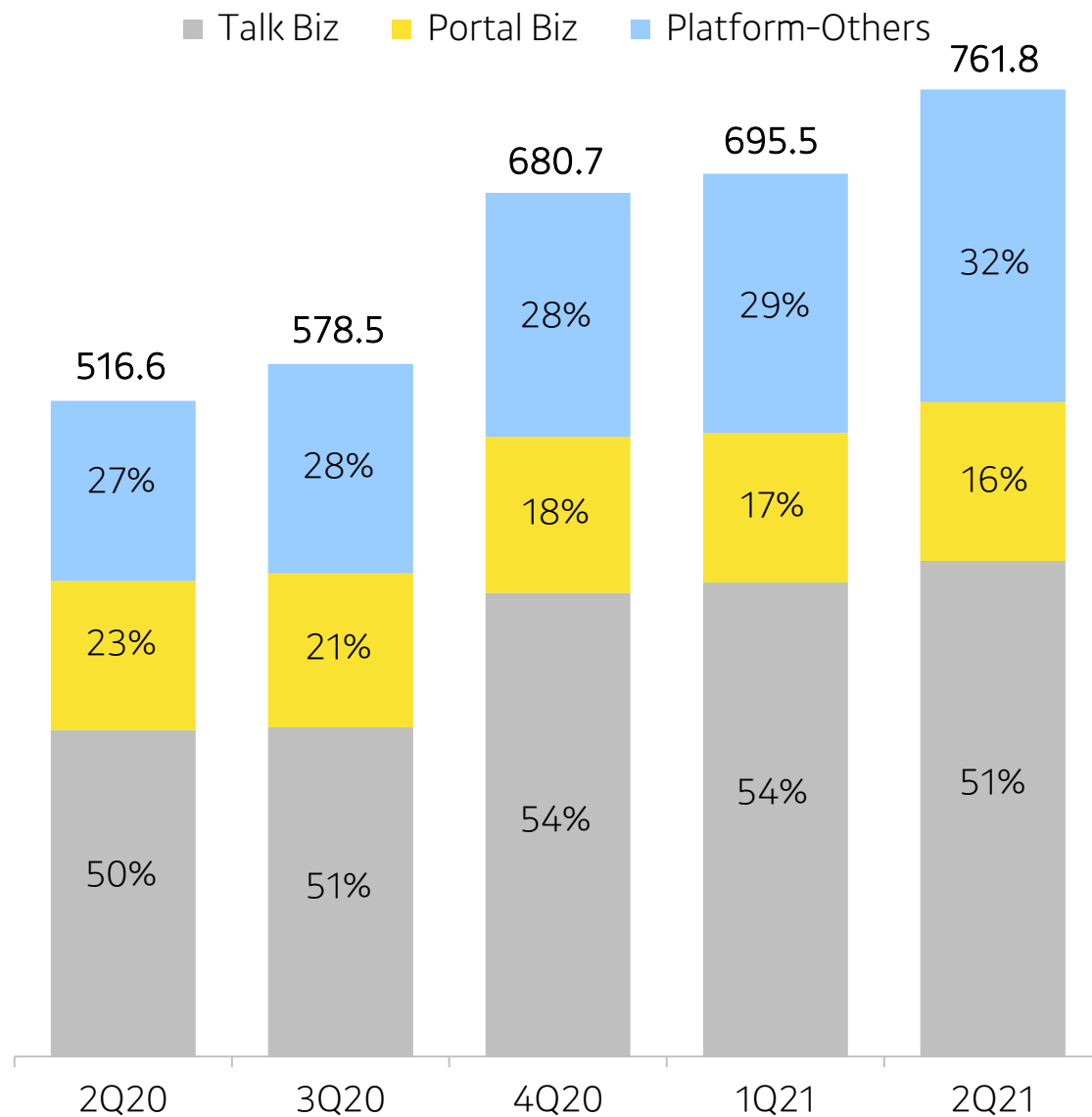
Platform / Content

Platform YoY +47% / QoQ +10%

Content YoY +35% / QoQ +5%

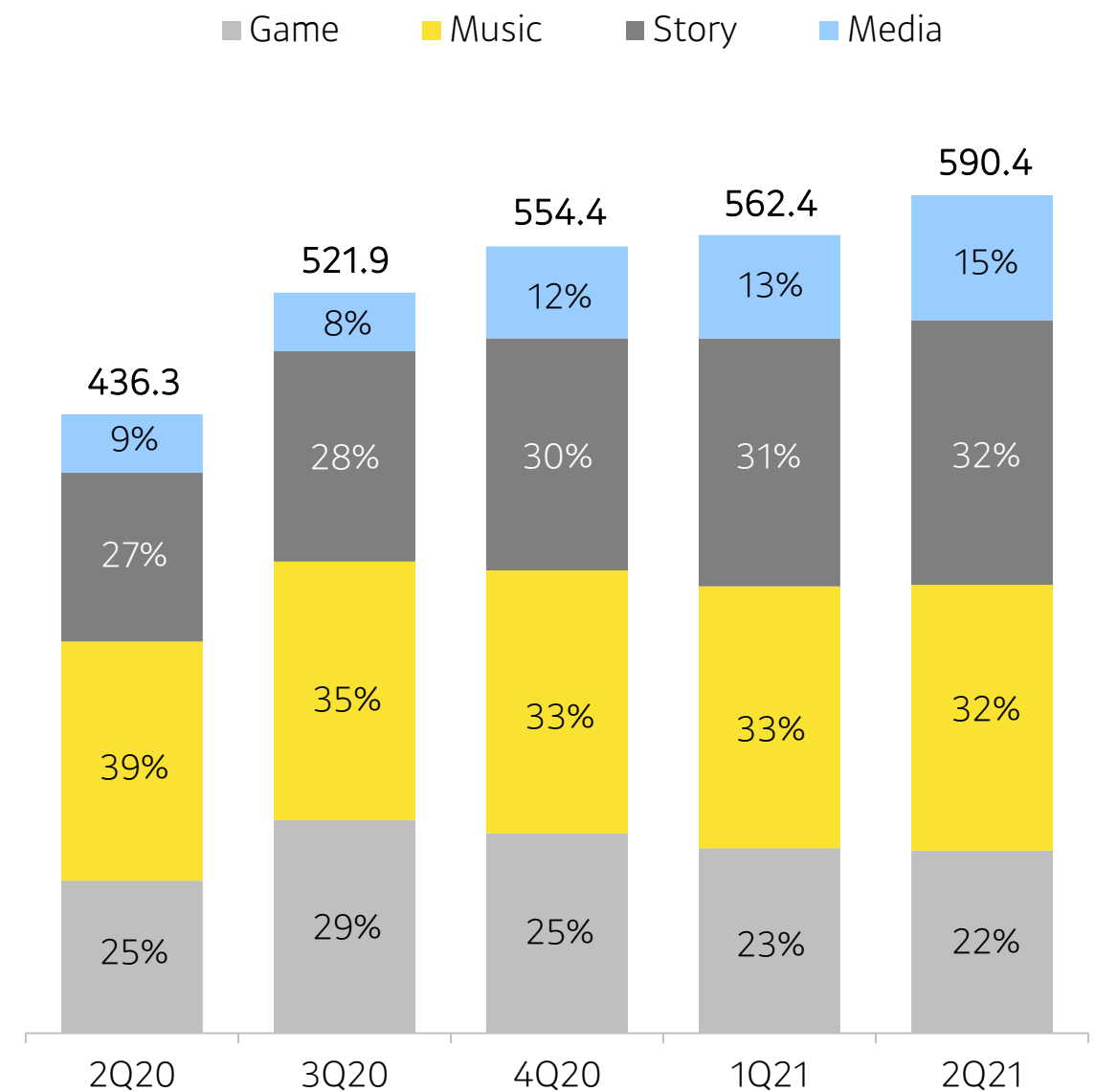
Platform

(in billion KRW)



Content

(in billion KRW)



Platform | Talk Biz Portal Biz Platform-Others

Talk Biz YoY +52% / QoQ +5%

Portal Biz YoY +7% / QoQ +7%

Others YoY +73% / QoQ +20%

Record-high quarterly revenue led by virtuous cycle effect established around Bizboard, Talk Channel and Notification Talk

Favorable seasonality and expansion of DA spaces

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

Talk Biz

(in billion KRW)

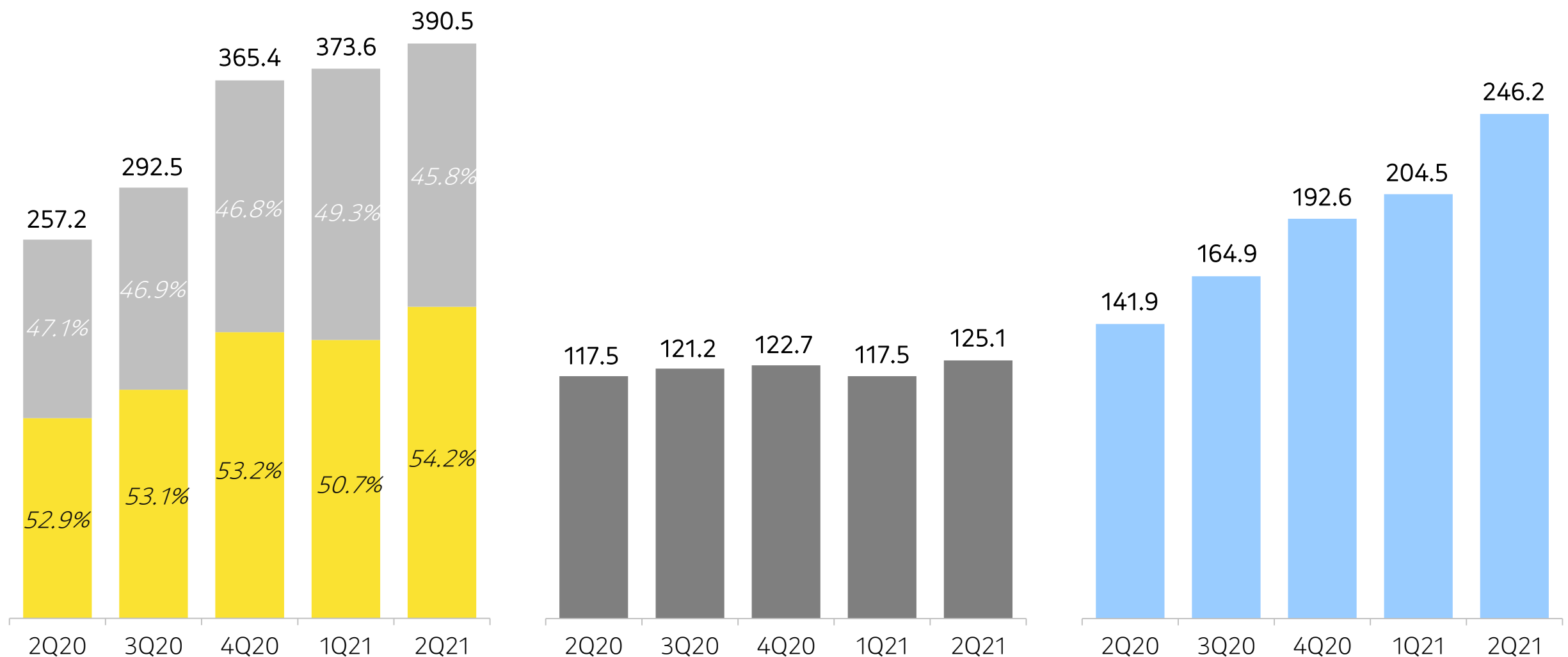
Portal Biz

(in billion KRW)

Others

(in billion KRW)

■ Advertisement ■ Commerce



Content | Game Music

Game YoY +20% / QoQ -1%

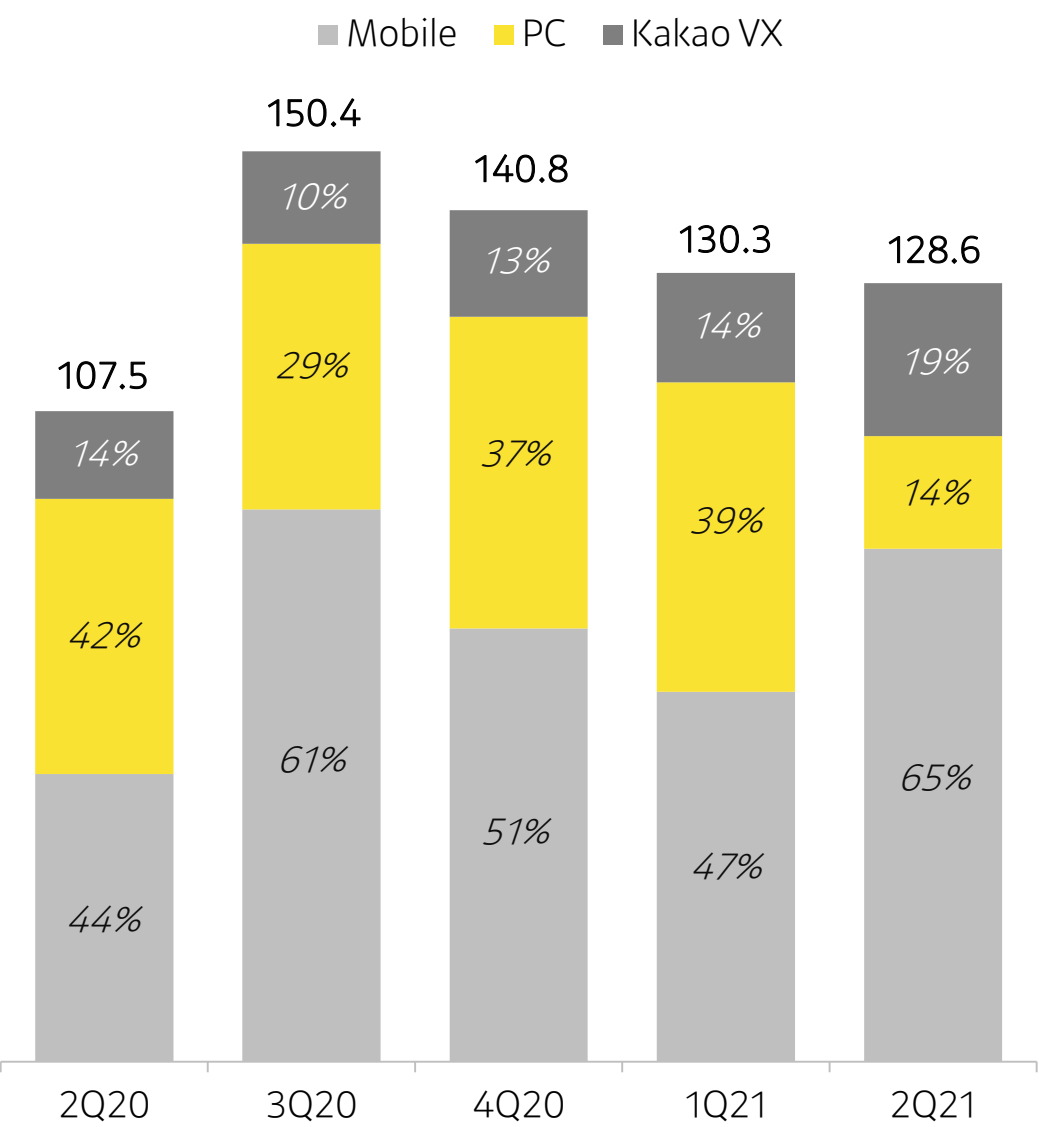
Music YoY +11% / QoQ +2%

Service termination of overseas PC game offset by launch effect of mobile game 'Odin'

Solid sales of digital music/album distribution along with steady paying user base of more than 5 million of Melon

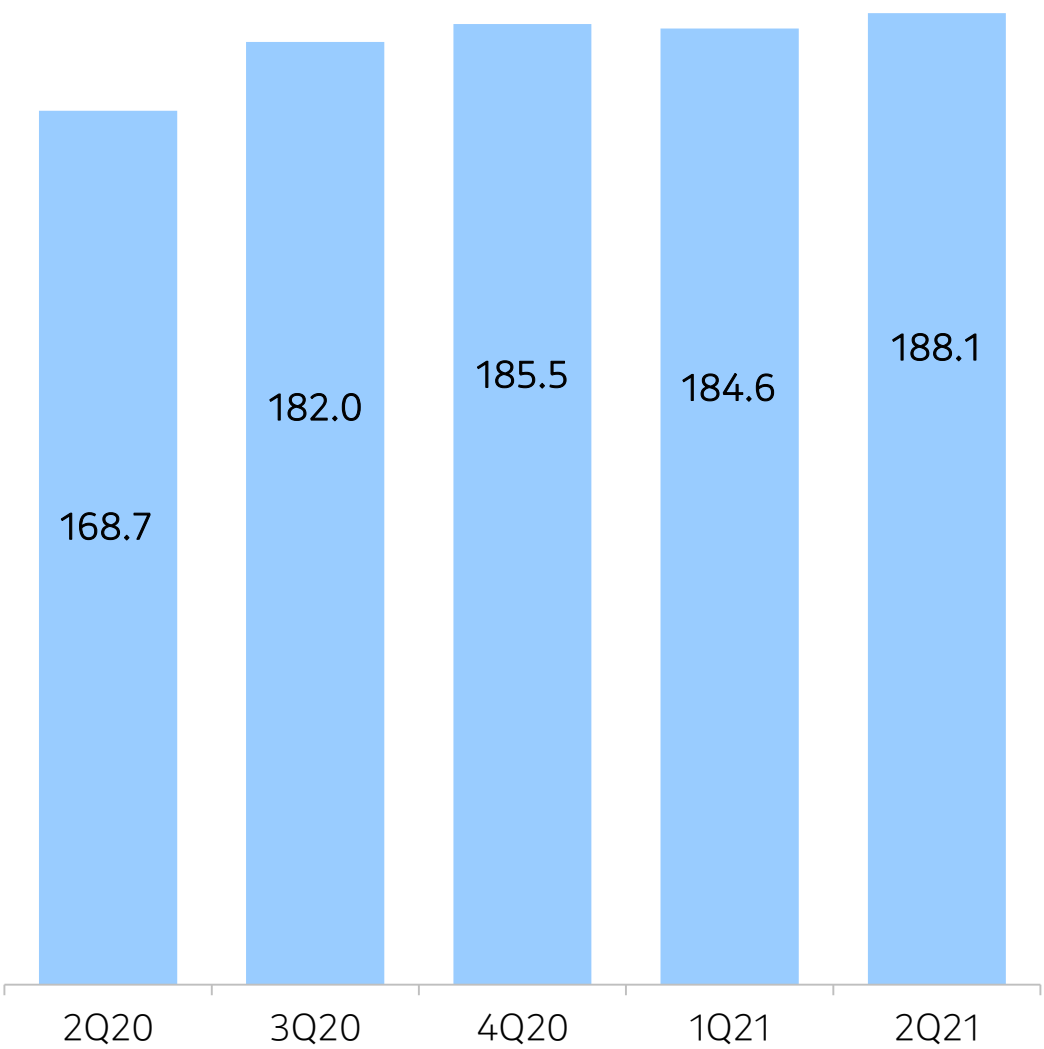
Game

(in billion KRW)



Music

(in billion KRW)



Content | Story Media

Story YoY +57% / QoQ +7%

└ Page +20% (y) / +2% (q), Piccoma +110% (y) / +11% (q)

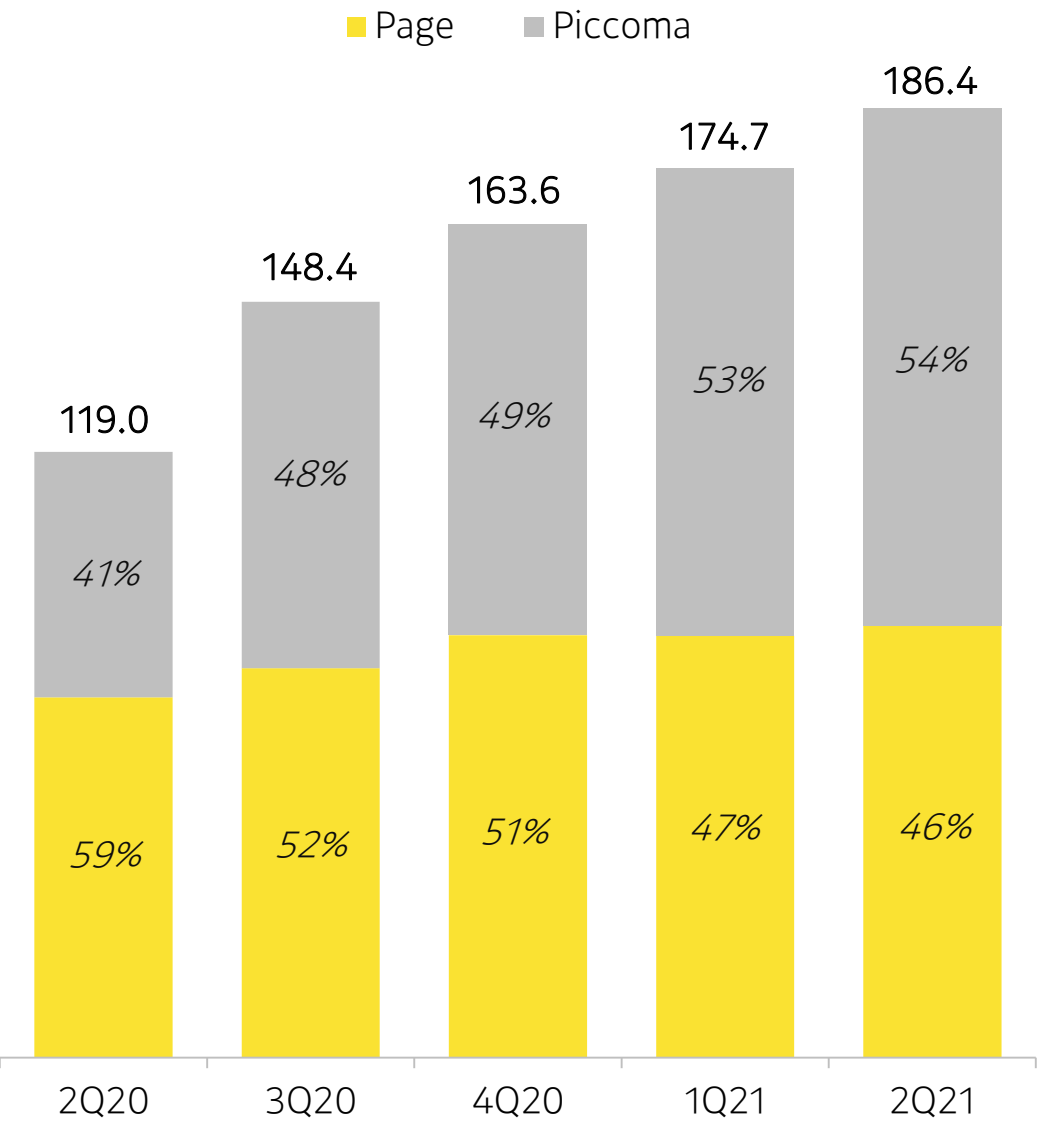
Media YoY +112% / QoQ +20%

Rapid GMV growth of Piccoma and global IP distribution expansion Of Kakao Entertainment

Drama and movie line-up expansion and increased revenue of talent agency

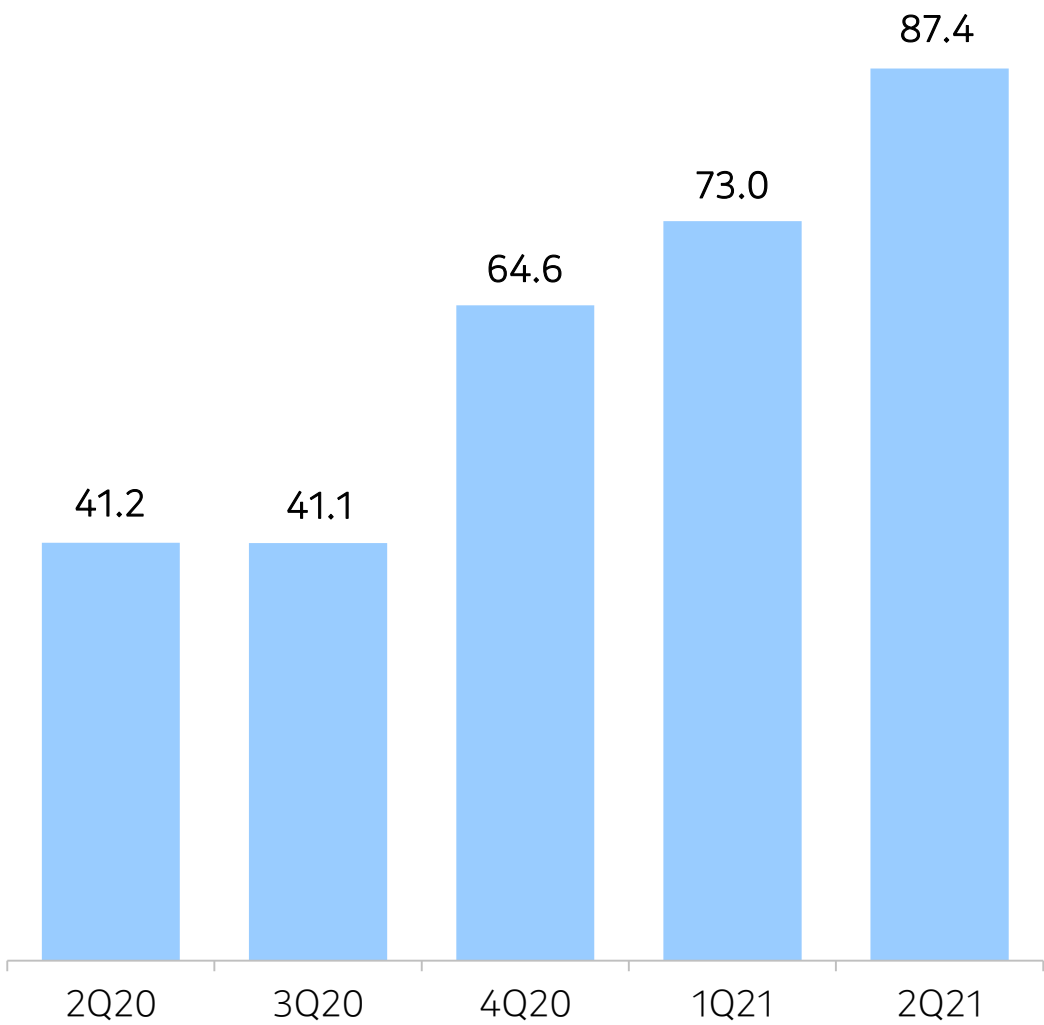
Story

(in billion KRW)



Media

(in billion KRW)



Earnings Summary — Q2 2021

(in billion KRW)

	2Q20	1Q21	2Q21	Change	
				YoY	QoQ
Total Revenue	952.9	1,258.0	1,352.2	42%	7%
Platform	516.6	695.5	761.8	47%	10%
Talk Biz	257.2	373.6	390.5	52%	5%
Portal Biz	117.5	117.5	125.1	7%	7%
Platform - Others	141.9	204.5	246.2	73%	20%
Content	436.3	562.4	590.4	35%	5%
Game	107.5	130.3	128.6	20%	-1%
Music	168.7	184.6	188.1	11%	2%
Story	119.0	174.7	186.4	57%	7%
Media	41.2	72.9	87.4	112%	20%
Operating Expenses	855.1	1,100.4	1,189.6	39%	8%
Operating Profit	97.8	157.5	162.6	66%	3%
<i>Margin (%)</i>	10.3%	12.5%	12.0%	1.7%pt	-0.5%pt
Net Profit	145.2	239.9	315.9	118%	32%
Controlling Interests	139.8	224.5	311.7	123%	39%
Non-controlling Interests	5.5	15.3	4.3	-20%	-71%

Operating Expenses — Q2 2021

(in billion KRW)

	2Q20	1Q21	2Q21	Change	
				YoY	QoQ
Operating Expenses	855.1	1,100.4	1,189.6	39%	8%
Labor Cost	216.5	292.9	301.0	39%	3%
Cost of Revenue	409.5	493.0	530.3	29%	8%
Outsourcing / Infrastructure	106.6	144.5	164.9	55%	14%
Marketing Expense	38.5	67.2	91.1	136%	36%
Depreciation and Amortization Cost	61.6	79.2	78.8	28%	0%
Misc.	22.3	23.6	23.4	5%	-1%

Profits

Operating Profit YoY +66% / QoQ +3%

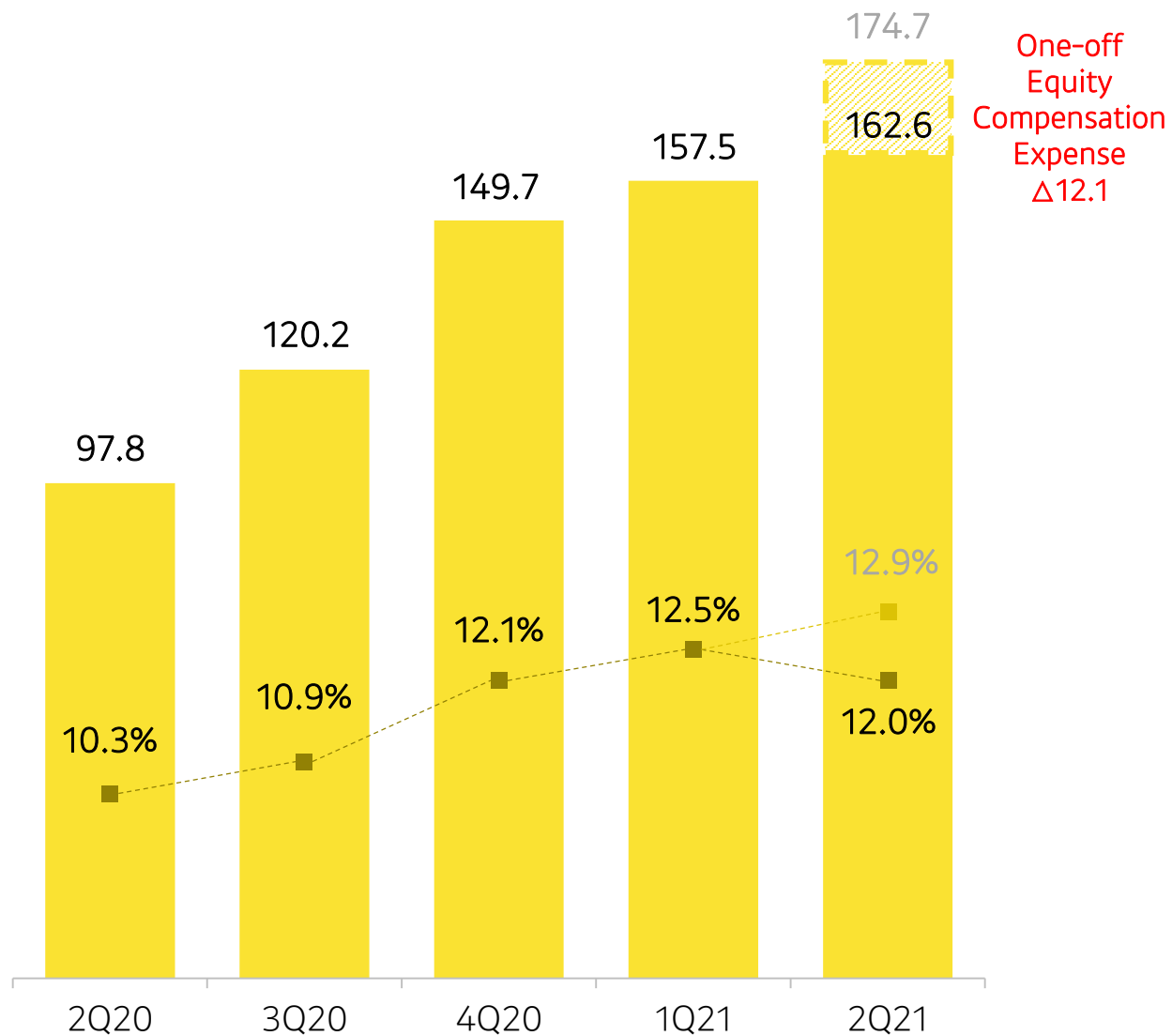
Improved OP thanks to solid top-line growth of core biz and continued enhancement of profitability, despite one-off labor cost headwind

Net Profit YoY +118% / QoQ +32%

Improvement of both OP and equity-method income (Dunamu, Kakao Bank)

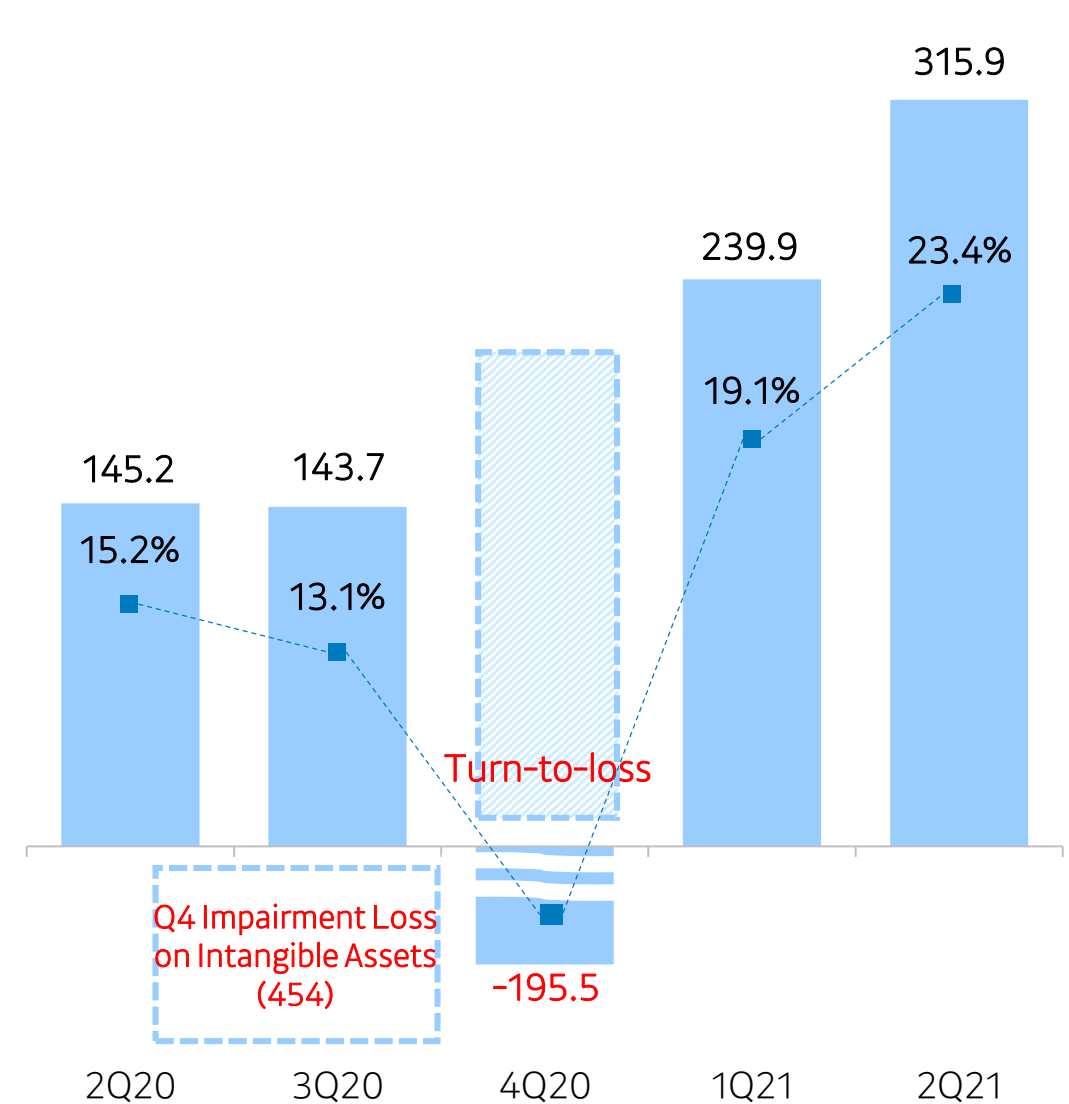
Operating Profit(M)

(in billion KRW)



Net Profit(M)

(in billion KRW)



CapEx / Employees

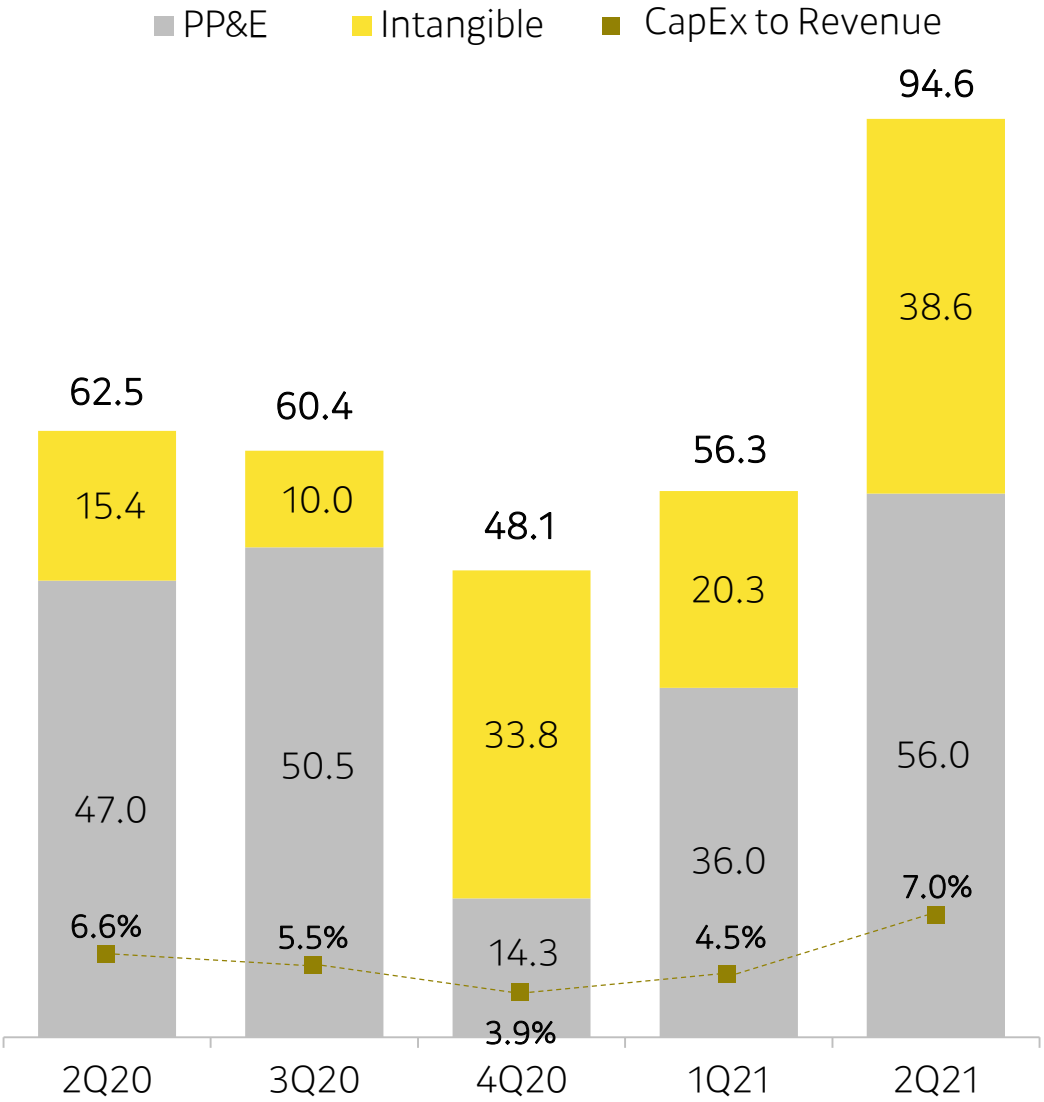
CapEx YoY +55% / QoQ +72%

Employees YoY +2,788 / QoQ +922

Increase in other intangible asset due to incorporation of newly-consolidated subsidiaries

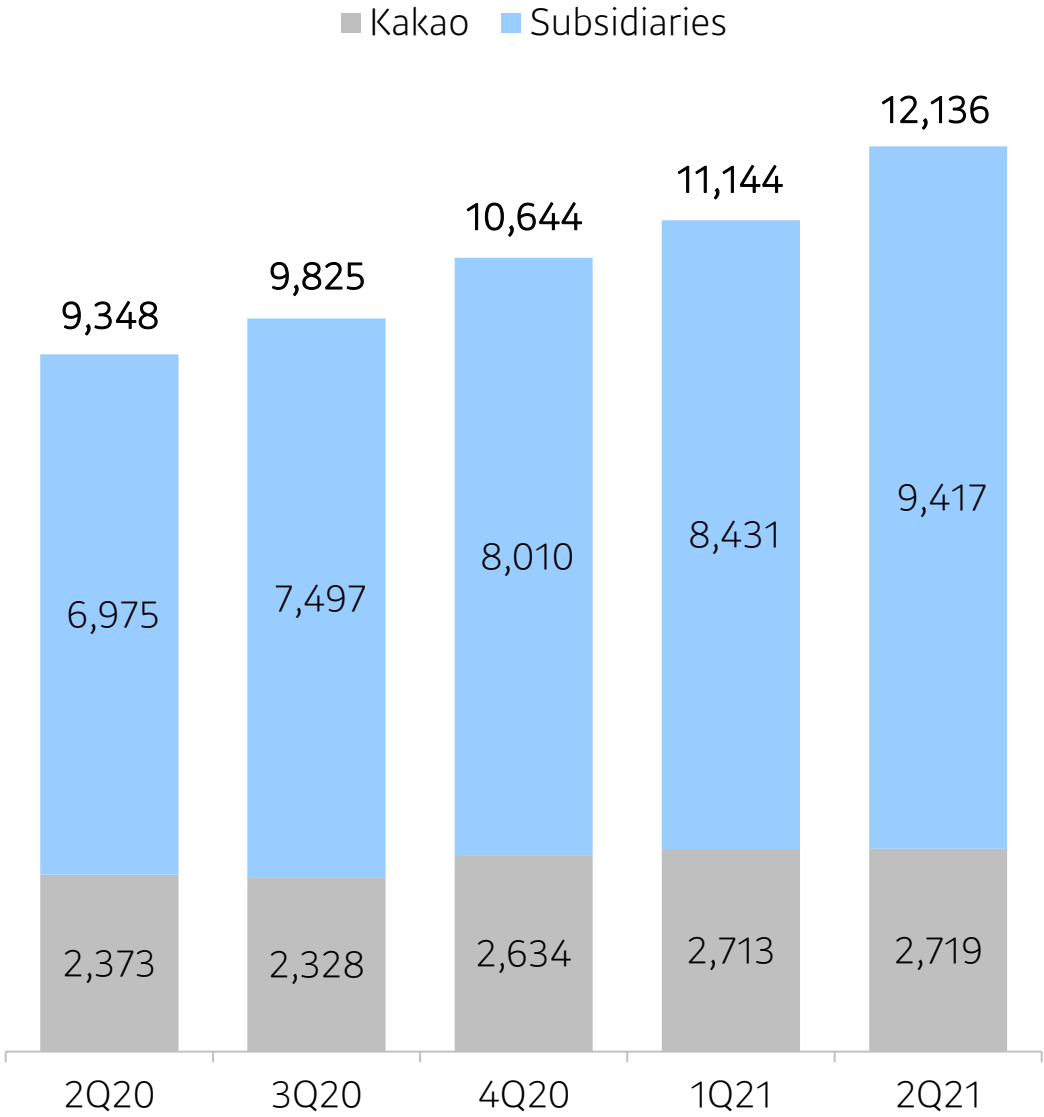
CapEx

(in billion KRW)



Employees

(# of people)



Financial Statements Summary – Consolidated

Income Statement					
(in billion KRW)	2Q20	3Q20	4Q20	1Q21	2Q21
Total Revenue	952.9	1,100.4	1,235.1	1,258.0	1,352.2
Platform	516.6	578.5	680.7	695.5	761.8
Talk Biz	257.2	292.5	365.4	373.6	390.5
Portal Biz	117.5	121.2	122.7	117.5	125.1
New Biz	141.9	164.9	192.6	204.5	246.2
Content	436.3	521.9	554.4	562.4	590.4
Game	107.5	150.4	140.8	130.3	128.6
Music	168.7	182.0	185.5	184.6	188.1
Paid Content	119.0	148.4	163.6	174.7	186.4
IP Business and Others	41.2	41.1	64.6	72.9	87.4
Operating Expenses	855.1	980.2	1,085.5	1,100.4	1,189.6
Labor Cost	216.5	239.3	265.7	292.9	301.0
Cost of Revenue	409.5	463.7	491.5	493.0	530.3
Outsourcing / Infrastructure	106.6	113.9	145.1	144.5	164.9
Marketing Expense	38.5	76.3	87.5	67.2	91.1
Depreciation and Amortization Cost	61.6	66.8	78.2	79.2	78.8
Misc.	22.3	20.3	17.4	23.6	23.4
Operating Profit	97.8	120.2	149.7	157.5	162.6
Margin (%)	10.3%	10.9%	12.1%	12.5%	12.0%
Other Non-Operating Income	100.7	48.0	181.9	54.4	66.1
Other Non-Operating Expenses	14.6	17.6	504.3	6.6	19.2
Financial Income	21.3	37.4	120.6	47.9	18.3
Financial Expenses	2.0	12.2	42.6	69.7	64.7
Equity-method Income	0.9	3.8	-1.3	135.1	186.7
Profit before Income Tax	204.1	179.6	-96.0	318.7	349.8
Income Tax	58.9	35.9	99.4	78.8	33.8
Net Profit	145.2	143.7	-195.5	239.9	315.9
Controlling Interests	139.8	127.5	-189.1	224.5	311.7
Non-controlling Interests	5.5	16.2	-6.4	15.3	4.3
EBITDAR ¹⁾	159.1	185.2	226.1	236.7	241.0
Adjusted EBITDAR ¹⁾	170.2	199.9	237.0	258.2	279.6

Statement of Financial Position			
(in billion KRW)	2019.12.31	2020.12.31	2021.6.30
Current Assets	2,829.7	4,462.9	6,241.8
Cash and Cash Equivalents	1,918.2	2,877.5	3,014.2
S-T Financial Instruments	207.8	694.1	1,109.6
Account Receivable	157.2	247.4	306.6
Other Current Financial Assets	252.5	225.1	254.4
Other Current Assets	294.0	418.8	1,557.0
Non-Current Assets	5,907.6	6,987.4	8,135.6
Investments in Associates and Joint Ventures	978.9	1,504.4	2,129.6
Tangible Assets	349.8	430.7	471.4
Intangible Assets	3,548.4	3,351.6	3,446.1
Other Non-current Assets	1,030.4	1,700.8	2,088.6
Finance Assets	-	503.6	783.2
Total Assets	8,737.3	11,954.0	15,160.6
Current Liabilities	2,433.3	2,929.6	3,163.9
Account Payable and Other payable	578.6	836.0	983.7
Short-term Borrowings	448.6	188.4	192.3
Income Tax Payable	68.3	112.1	78.3
Other Current Liabilities	1,337.8	1,793.1	1,909.6
Non-Current Liabilities	563.8	1,166.1	1,917.6
Non-Current Finance Lease Obligations	165.0	273.3	307.1
Deferred Income Tax Liabilities	141.1	249.0	392.4
Other Non-Current Liabilities	350.5	643.8	1,218.1
Finance Assets	-	430.6	708.8
Total Liabilities	2,997.1	4,526.2	5,790.3
Paid-in Capital	43.2	44.3	44.5
Capital Surplus	5,043.2	5,833.1	6,525.3
Other Accumulated Earnings	7.2	18.6	44.3
Accumulated Other Comprehensive Income	-16.4	86.6	287.6
Retained Earnings	148.2	316.3	854.6
Minority Interest	514.8	1,128.8	1,614.0
Total Equity	5,740.1	7,427.7	9,370.3
Total Liabilities & Equity	8,737.3	11,954.0	15,160.6

1) EBITDAR: Rental expenses are included in lease amortization from Q1 2019 (EBITDA till FY2018) / Adjusted EBITDAR : included equity compensation expense

Financial Statements Summary – Parent

Income Statement					
(in billion KRW)	2Q20	3Q20	4Q20	1Q21	2Q21
Total Revenue	415.1	449.5	508.0	490.9	521.4
Operating Expenses	359.4	377.1	401.5	414.1	424.1
Labor Cost	71.8	81.6	85.8	102.9	95.3
Cost of Revenue	200.2	211.3	210.1	214.9	221.6
Outsourcing / Infrastructure	50.0	43.1	55.8	55.4	64.7
Marketing Expense	4.0	5.0	7.5	3.4	4.5
Depreciation and Amortization Cost	28.5	30.8	37.6	32.1	32.1
Misc.	4.8	5.3	4.7	5.3	5.8
Operating Profit	55.7	72.4	106.5	76.7	97.3
<i>Margin (%)</i>	<i>13.4%</i>	<i>16.1%</i>	<i>21.0%</i>	<i>15.6%</i>	<i>18.7%</i>
Other Non-Operating Income	1.1	21.3	23.1	3.3	5.9
Other Non-Operating Expenses	9.1	5.1	394.5	1.2	10.7
Financial Income	5.1	2.8	22.8	37.6	18.4
Financial Expenses	2.4	1.5	16.8	17.5	2.7
Profit before Income Tax	50.4	90.0	-258.9	98.9	108.1
Income Tax	16.3	12.9	25.9	20.3	10.0
Net Profit	34.1	77.1	-284.8	78.6	98.2
EBITDAR ¹⁾	84.4	103.1	144.5	26.5	144.5

Statement of Financial Position			
(in billion KRW)	2019.12.31	2020.12.31	2021.6.30
Current Assets	1,014.0	1,782.4	1,746.1
Cash and Cash Equivalents	647.1	1,356.9	679.7
S-T Financial Instruments	15.6	65.5	65.5
Account Receivable	95.0	120.5	97.0
Other Current Assets	256.3	239.5	256.4
Non-Current Assets	5,470.3	5,563.1	5,937.9
Investments in Associates, Subsidiaries and Joint Ventures	2,212.4	2,393.4	2,566.6
Tangible Assets	248.3	272.1	283.6
Intangible Assets	2,458.6	2,106.2	2,102.8
Other Non-current Assets	551.1	791.3	984.9
Total Assets	6,484.4	7,345.5	7,684.0
Current Liabilities	1,371.0	1,421.6	1,318.2
Account Payable and Other payable	686.7	1,035.7	997.2
Short-term Borrowings	429.1	58.0	0.0
Income Tax Payable	38.1	49.8	31.6
Other Current Liabilities	217.1	278.1	289.4
Non-Current Liabilities	255.1	598.5	685.8
Non-Current Finance Lease Obligations	88.6	121.9	148.6
Deferred Income Tax	88.0	108.2	140.0
Other Non-Current Liabilities	78.4	368.3	397.2
Total Liabilities	1,626.1	2,020.1	2,004.0
Paid-in Capital	43.2	44.3	44.5
Capital Surplus	4,462.3	4,986.9	5,044.6
Other Accumulated Earnings	41.3	18.6	44.3
Accumulated Other Comprehensive Income	-2.9	66.5	173.7
Retained Earnings	314.5	209.2	373.0
Total Equity	4,858.3	5,325.4	5,680.0
Total Liabilities & Equity	6,484.4	7,345.5	7,684.0

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

Thank You

