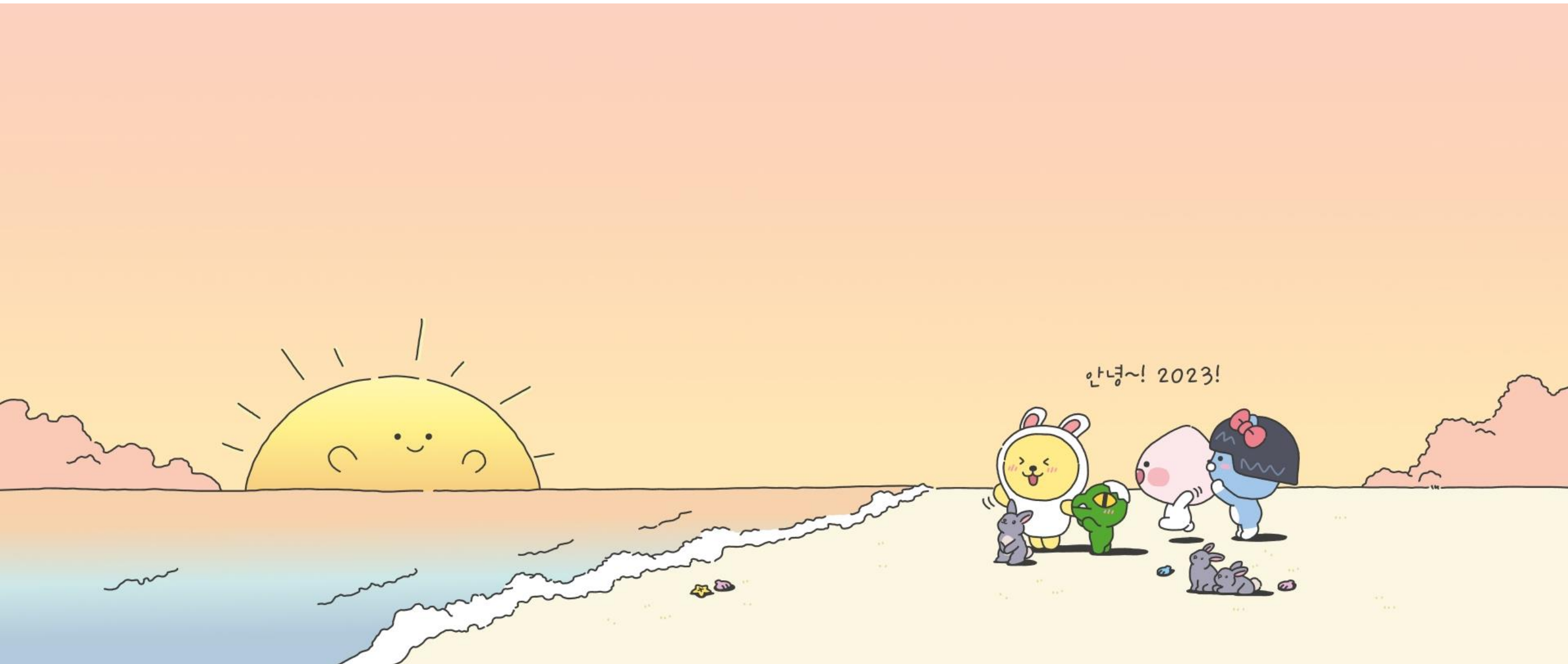


Q4 2022 and Annual Earnings Results

2023.2.10 | Kakao Investor Relations



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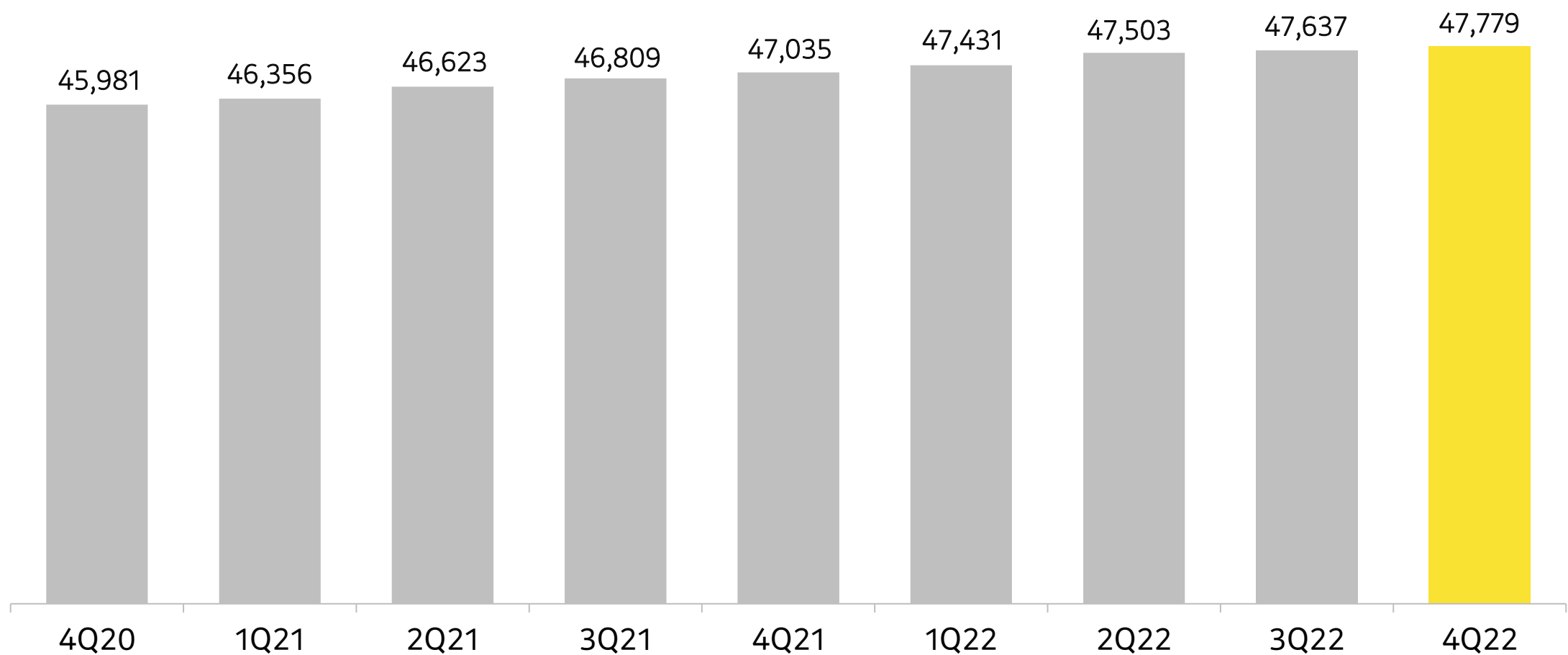
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KakaoTalk Monthly Active Users



Monthly Active Users in Korea grew by +744K YoY, +142K QoQ

(in thousands)



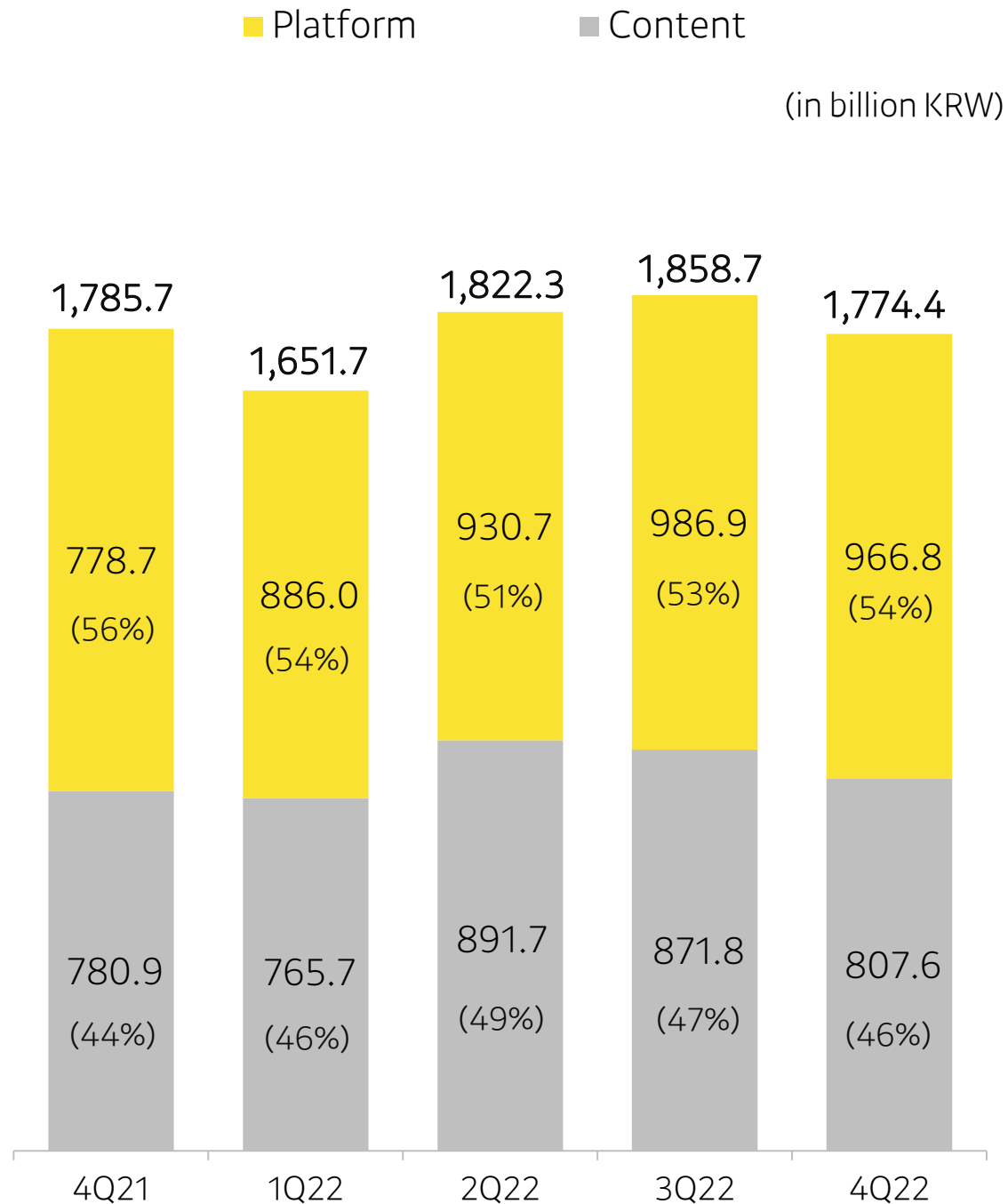
Korea	45,981	46,356	46,623	46,809	47,035	47,431	47,503	47,637	47,779
Global	52,223	52,976	53,808	54,256	53,451	53,366	53,302	53,561	53,483

Average of monthly MAUs. Global includes domestic MAUs.

Revenue

Q4 Revenue YoY -0.6% / QoQ -5%

Mix - Platform 54% : Content 46%



Revenue Breakdown		
Platform	Talk Biz	Advertising - 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, Blockchain, Other Subsidiaries, Kakao Friends-Others
	Game	Mobile, PC, Other
	Music	Melon, Digital Music Distribution, Album Distribution, Music Production
Content	Story	Entertainment
		Piccoma
	Media	Video Production, Talent Agency

Platform / Content

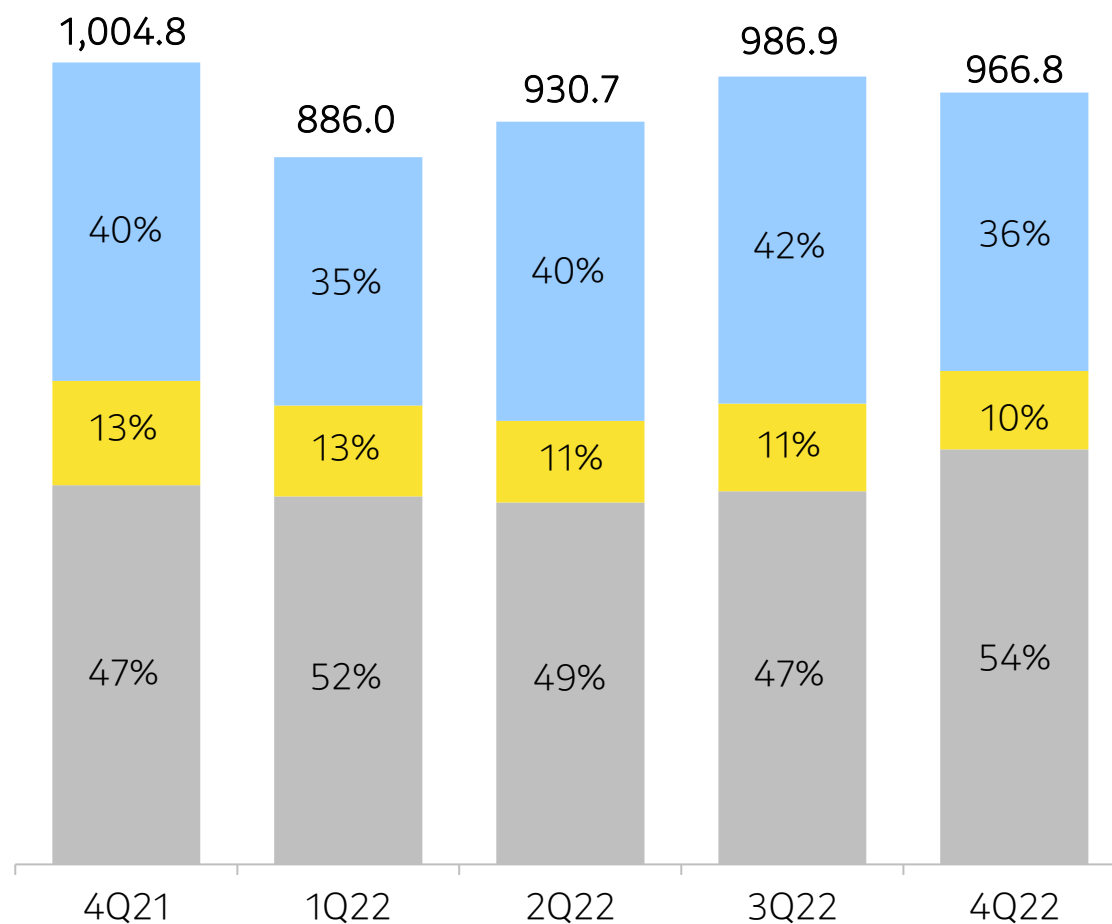
Platform YoY -4% / QoQ -2%

Content YoY +3% / QoQ -7%

Platform

(in billion KRW)

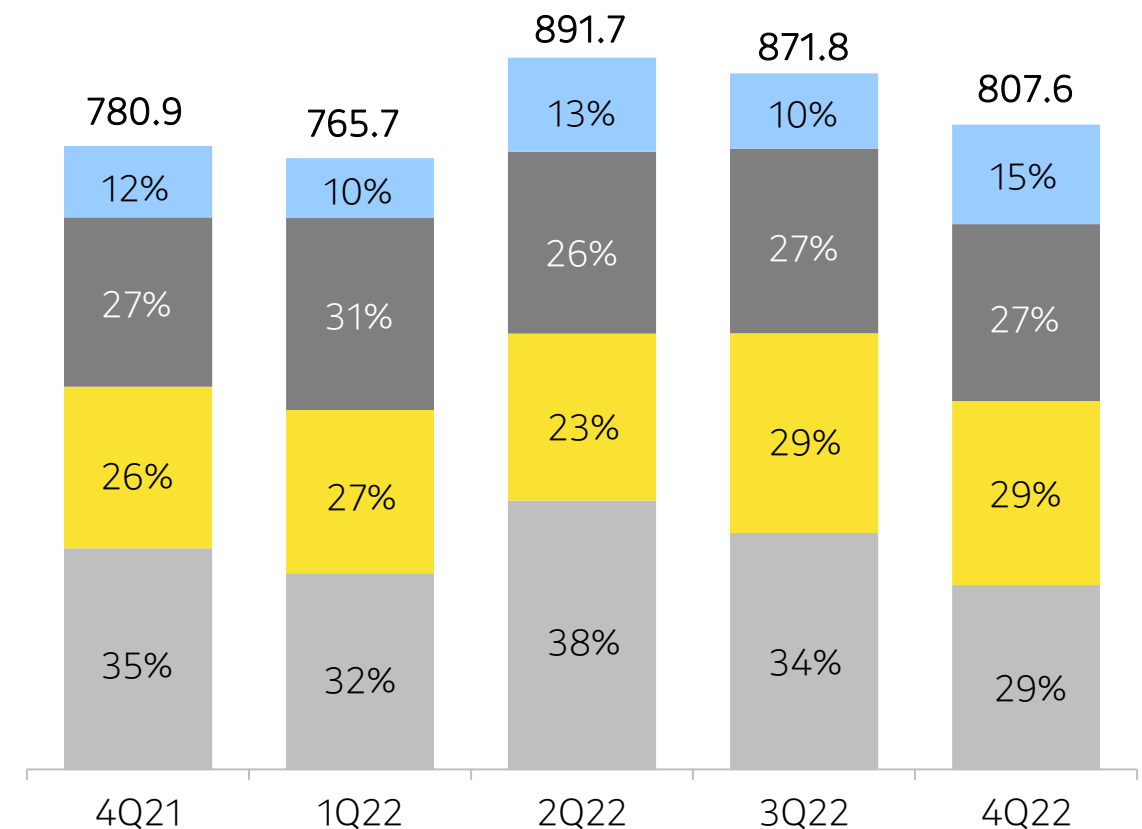
■ Talk Biz ■ Portal Biz ■ Platform-Others



Content

(in billion KRW)

■ Game ■ Music ■ Story ■ Media



Platform | Talk Biz Portal Biz Platform-Others

Talk Biz YoY +9% / QoQ +11%

Portal Biz YoY -25% / QoQ -11%

Others YoY -13% / QoQ -15%

Solid Growth of Talk Channel and Talk Gift (1P and Delivered Gift)

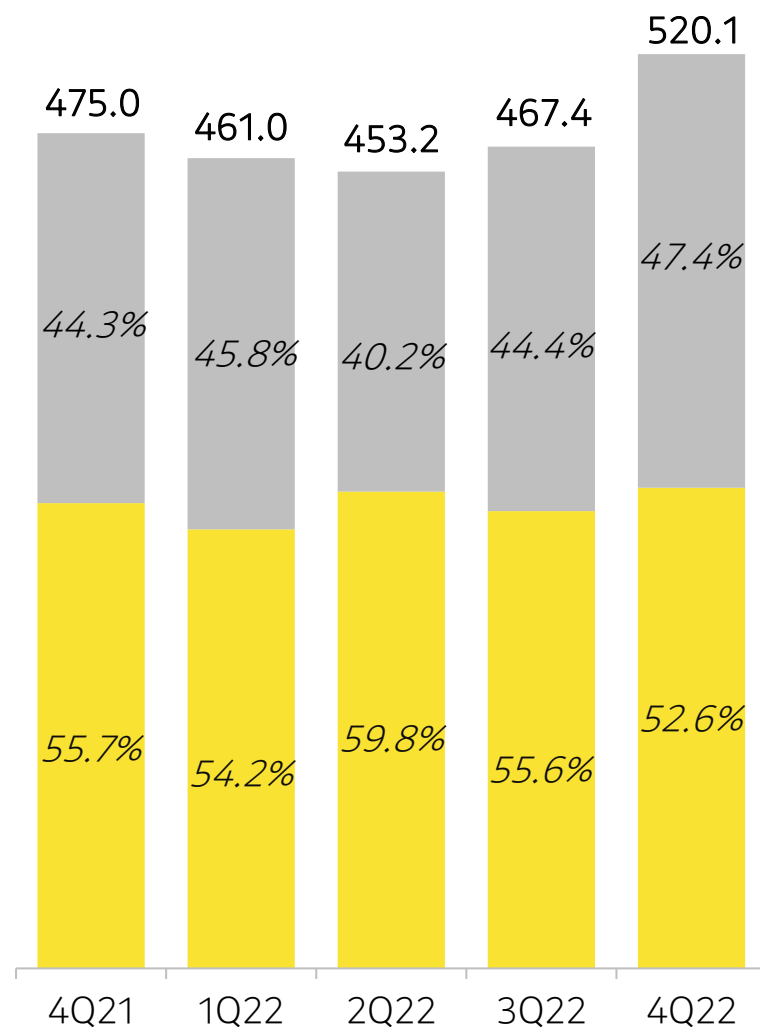
Deconsolidation of Subsidiaries and Decrease in Portal Ad Revenue

Change in Accounting Method of Kakao Pay and High Base Effect of Cloud Revenue

Talk Biz

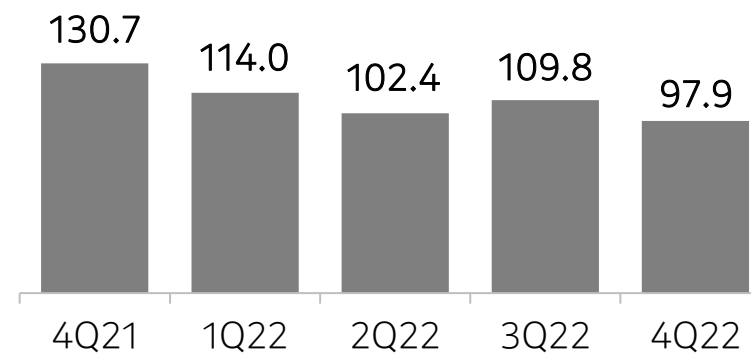
(in billion KRW)

■ Advertising ■ Commerce



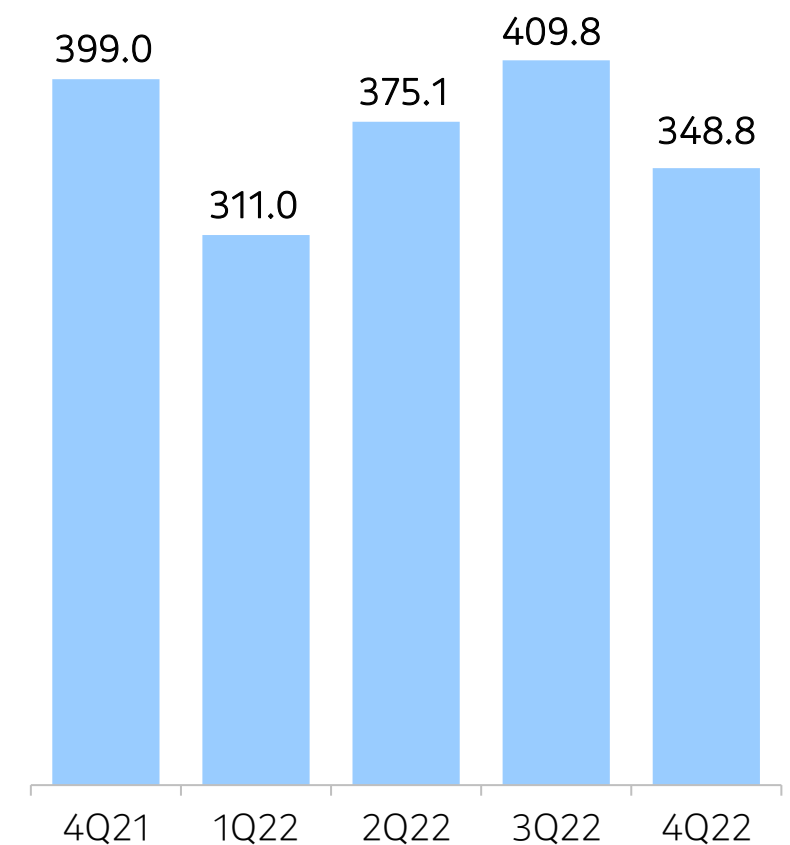
Portal Biz

(in billion KRW)



Others

(in billion KRW)



Content | Game Music

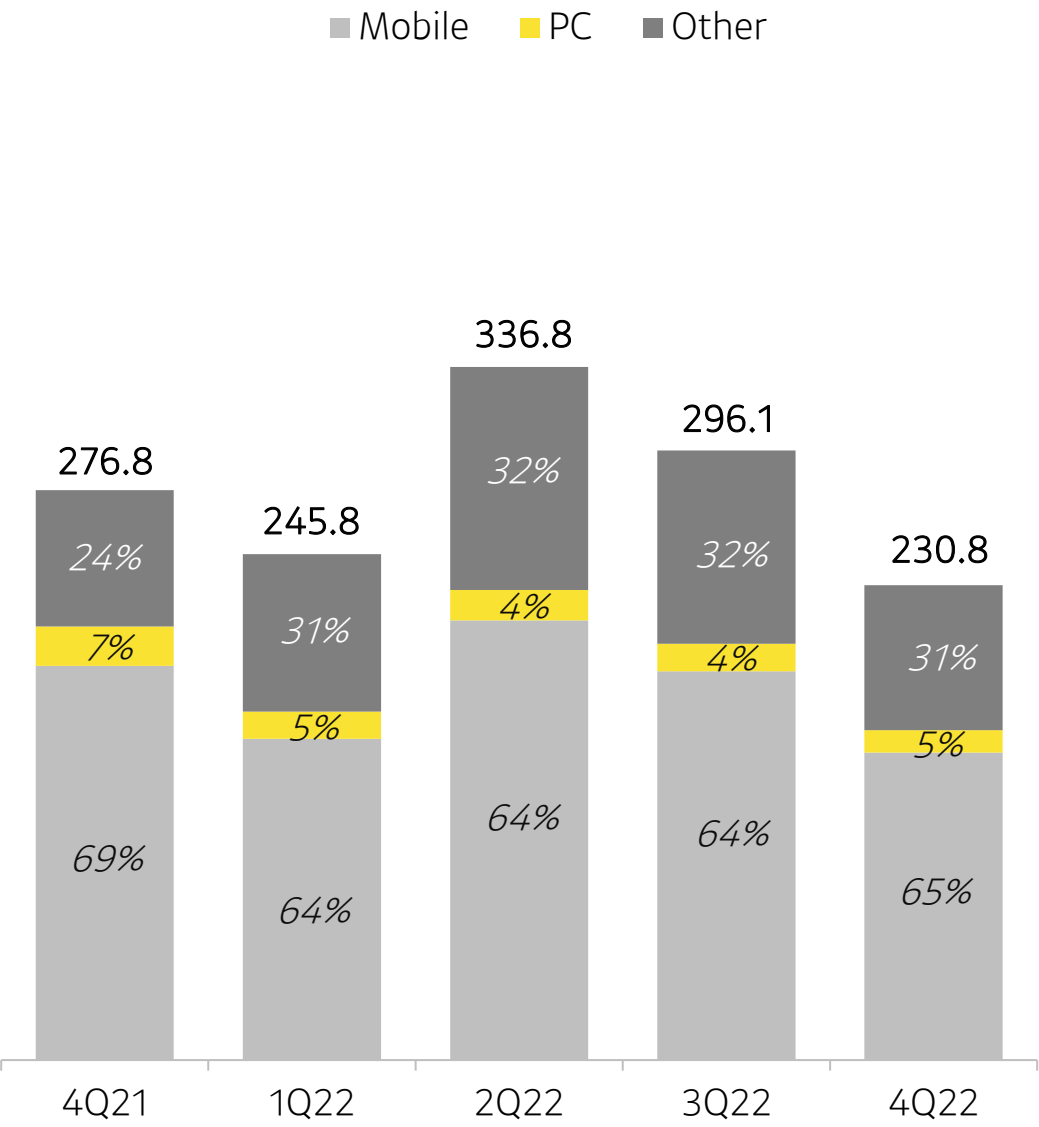
Game YoY -17% / QoQ -22%

Music YoY +14% / QoQ -8%

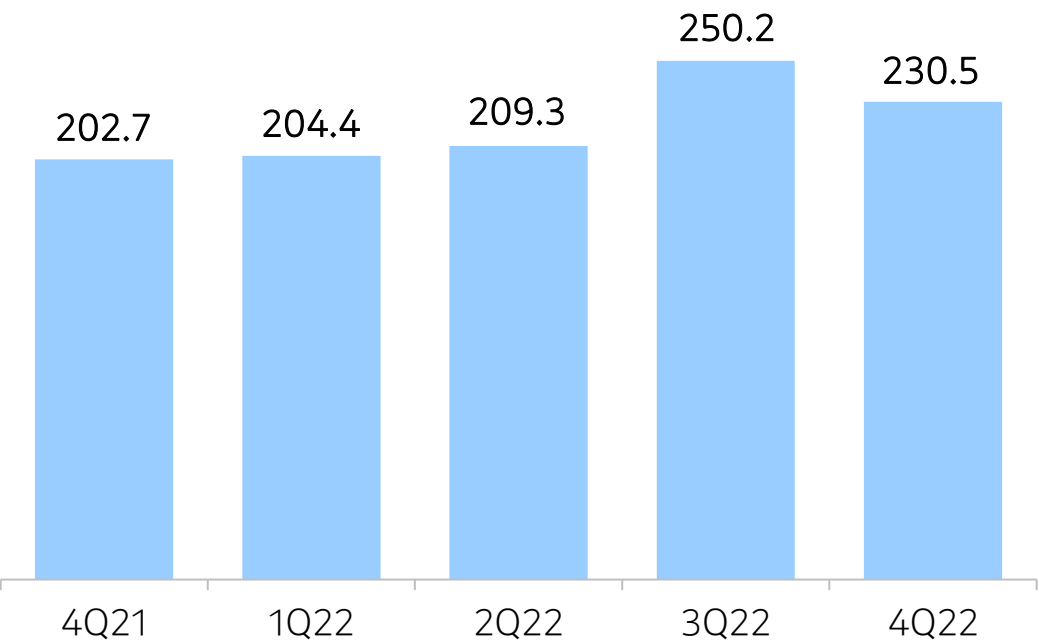
Delay in Launch of New Game Titles and Low Seasonality of Non-Game Business

YoY Increase in Album Release and Concert Sales of In-house Artists

Game (in billion KRW)



Music (in billion KRW)



Content | Story Media

Story YoY +5% / QoQ -4%

└ Entertainment +1% (y) / -6% (q), Piccoma +8% (y) / -3% (q)

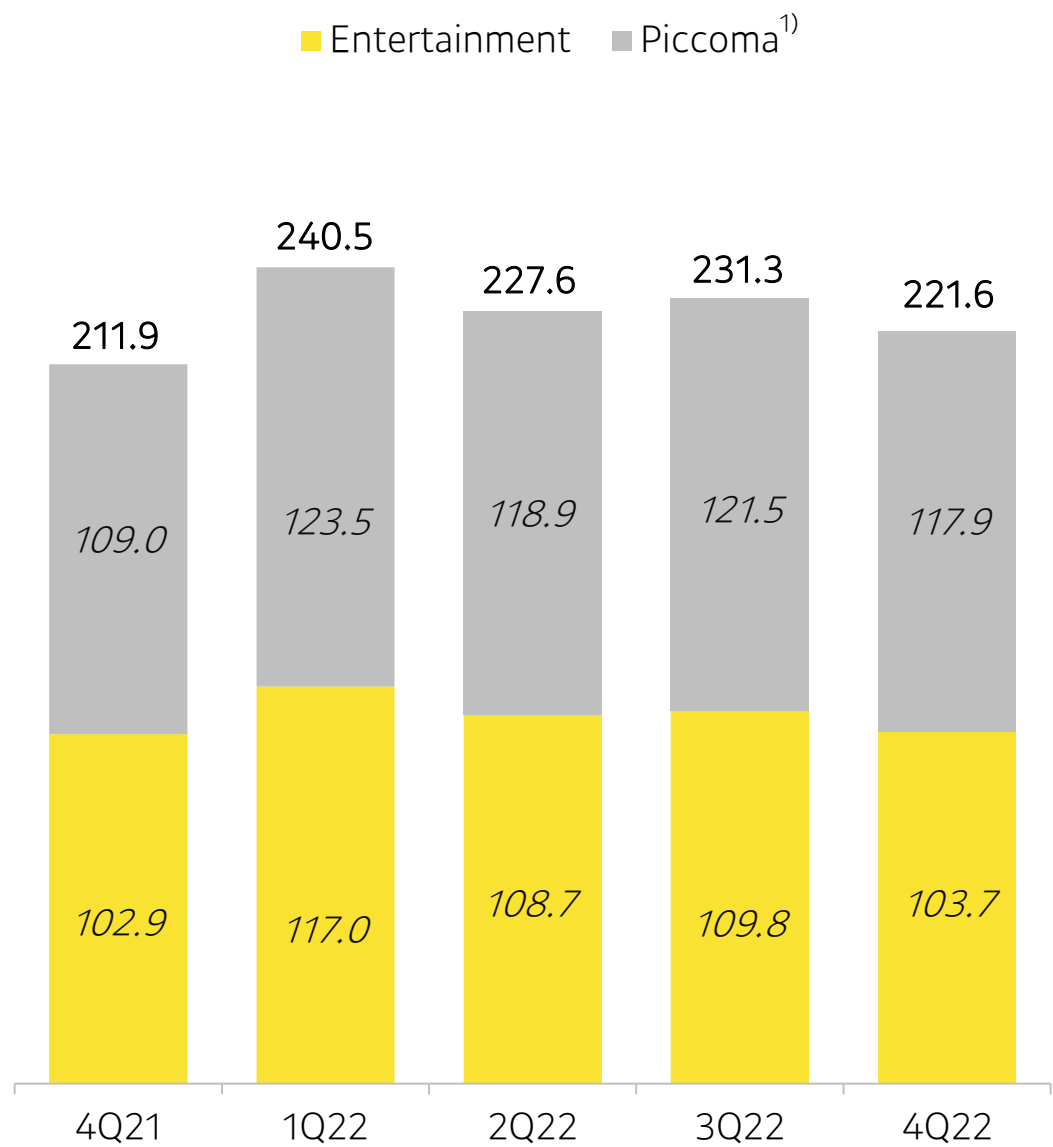
Media YoY +39% / QoQ +33%

Entertainment - YoY Increase in IP Distribution Revenue
Piccoma - Excluding FX Effect +11% (y), -3% (q)

Expansion of Production Line-up

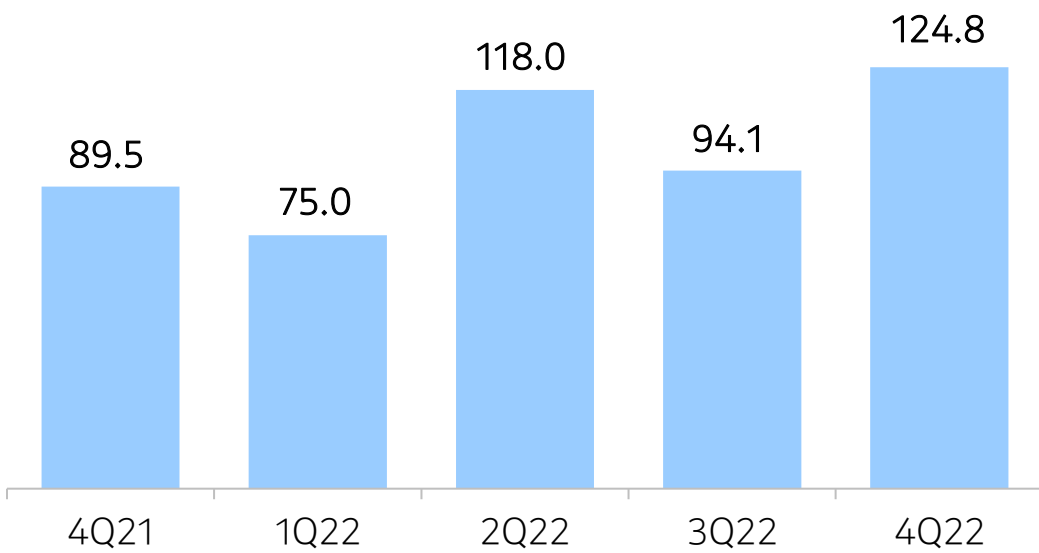
Story

(in billion KRW)



Media

(in billion KRW)



1) Piccoma's result does not include its advertising business

Earnings Summary - 2022 Q4

(in billion KRW)

	4Q21	3Q22	4Q22	Change	
				YoY	QoQ
Total Revenue	1,785.7	1,858.7	1,774.4	-0.6%	-5%
Platform	1,004.8	986.9	966.8	-4%	-2%
Talk Biz	475.0	467.4	520.1	9%	11%
Portal Biz	130.7	109.8	97.9	-25%	-11%
Platform - Others	399.0	409.8	348.8	-13%	-15%
Content	780.9	871.8	807.6	3%	-7%
Game	276.8	296.1	230.8	-17%	-22%
Music	202.7	250.2	230.5	14%	-8%
Story	211.9	231.3	221.6	5%	-4%
Media	89.5	94.1	124.8	39%	33%
Operating Expenses	1,679.1	1,708.4	1,674.0	-0.3%	-2%
Operating Profit	106.6	150.3	100.4	-6%	-33%
Margin (%)	6.0%	8.1%	5.7%	-0.3%pt	-2.4%pt
Net Profit	224.1	137.2	-539.3	turn to loss	turn to loss
Controlling Interests	76.8	106.3	-196.9	turn to loss	turn to loss
Non-controlling Interests	147.2	30.8	-342.4	turn to loss	turn to loss

Earnings Summary - 2022 Annual

(in billion KRW)

	2020	2021	2022	YoY
Total Revenue	4,156.8	6,136.7	7,107.1	16%
Platform	2,247.9	3,240.8	3,770.4	16%
Talk Biz	1,149.0	1,643.9	1,901.7	16%
Portal Biz	478.0	492.5	424.1	-14%
Platform - Others	621.0	1,104.4	1,444.6	31%
Content	1,908.9	2,895.9	3,336.8	15%
Game	495.5	998.8	1,109.5	11%
Music	705.3	772.5	894.4	16%
Story	528.0	791.7	920.9	16%
Media	180.1	332.9	412.0	24%
Operating Expenses	3,701.0	5,541.8	6,526.7	18%
Operating Profit	455.9	594.9	580.5	-2%
<i>Margin (%)</i>	11.0%	9.7%	8.2%	-1.5%pt
Net Profit	173.4	1,646.2	1,021.2	-38%
Controlling Interests	155.6	1,392.2	1,280.2	-8%
Non-controlling Interests	17.7	254.0	-258.9	turn to loss

Operating Expenses - 2022 Q4

(in billion KRW)

	4Q21	3Q22	4Q22	Change	
				YoY	QoQ
Operating Expenses	1,679.1	1,708.4	1,674.0	-0.3%	-2%
Labor Cost	515.8	433.3	407.6	-21%	-6%
Cost of Revenue	648.2	711.4	705.1	9%	-1%
Outsourcing / Infrastructure	233.8	238.4	246.0	5%	3%
Marketing Expense	128.8	112.0	108.4	-16%	-3%
Depreciation and Amortization Cost	119.8	153.0	162.3	35%	6%
Misc.	32.8	60.4	44.5	36%	-26%

Operating Expenses - 2022 Annual

(in billion KRW)

	2020	2021	2022	YoY
Operating Expenses	3,701.0	5,541.8	6,526.7	18%
Labor Cost	920.2	1,416.9	1,687.1	19%
Cost of Revenue	1,746.4	2,477.3	2,655.7	7%
Outsourcing / Infrastructure	457.7	741.0	924.8	25%
Marketing Expense	232.3	435.2	485.3	12%
Depreciation and Amortization Cost	265.3	366.8	581.7	59%
Misc.	79.1	104.6	192.1	84%

Profits

Operating Profit YoY -6% / QoQ -33%

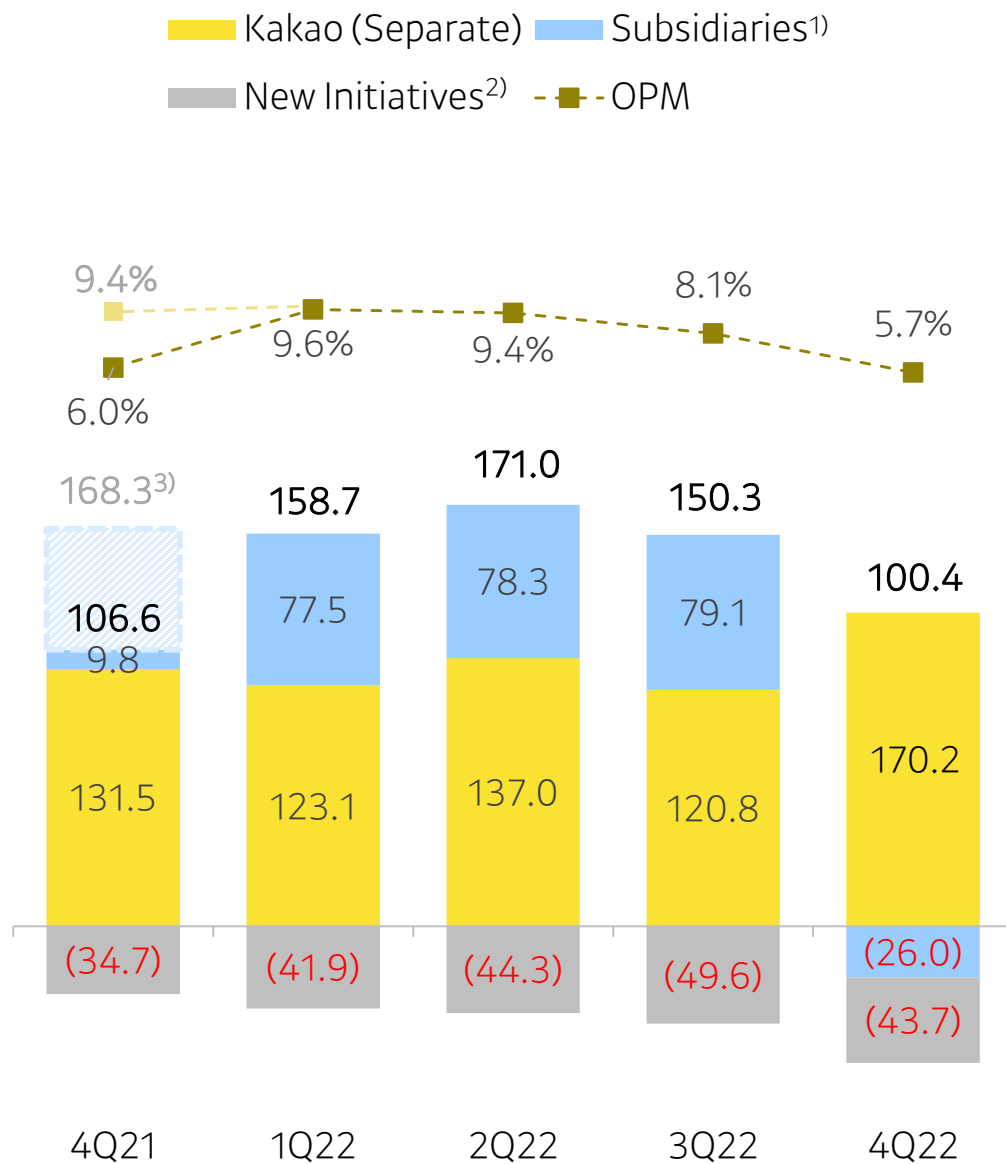
Net Profit YoY turn to loss / QoQ turn to loss

Impact of Service Outage,
Profit Loss from New Initiatives & Subsidiaries

Impairment of Goodwill of Subsidiaries (W690B),
Decrease in Valuation of Investment Stocks

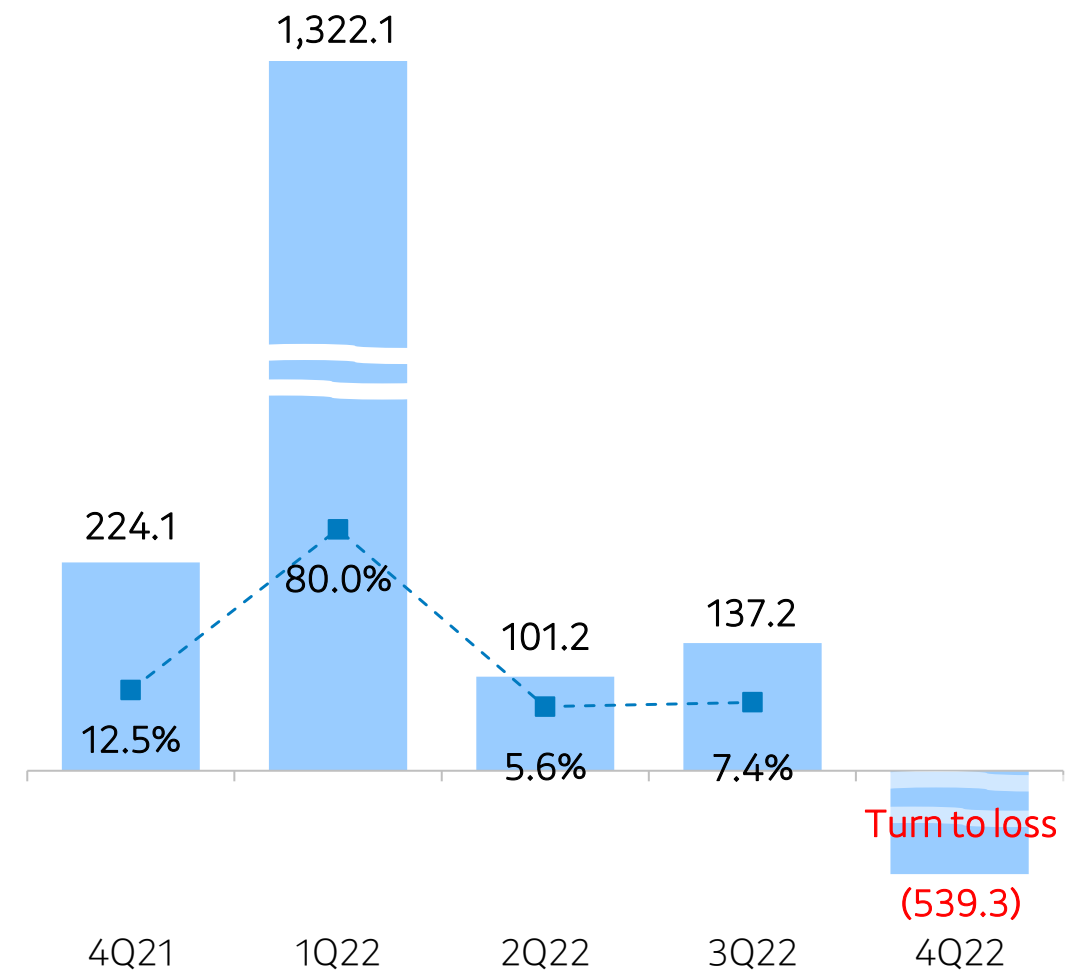
Operating Profit(M)

(in billion KRW)



Net Profit(M)

(in billion KRW)



1) Subsidiaries: All business segment excluding Kakao & New Initiatives
3) Operating profit excluding one-off incentive (-61.7B)

2) New Initiatives : Kakao Enterprise, Kakao Brain, Kakao Healthcare
4) Subsidiaries includes internal transaction

CapEx / Employees

CapEx YoY +81% / QoQ -0.5%

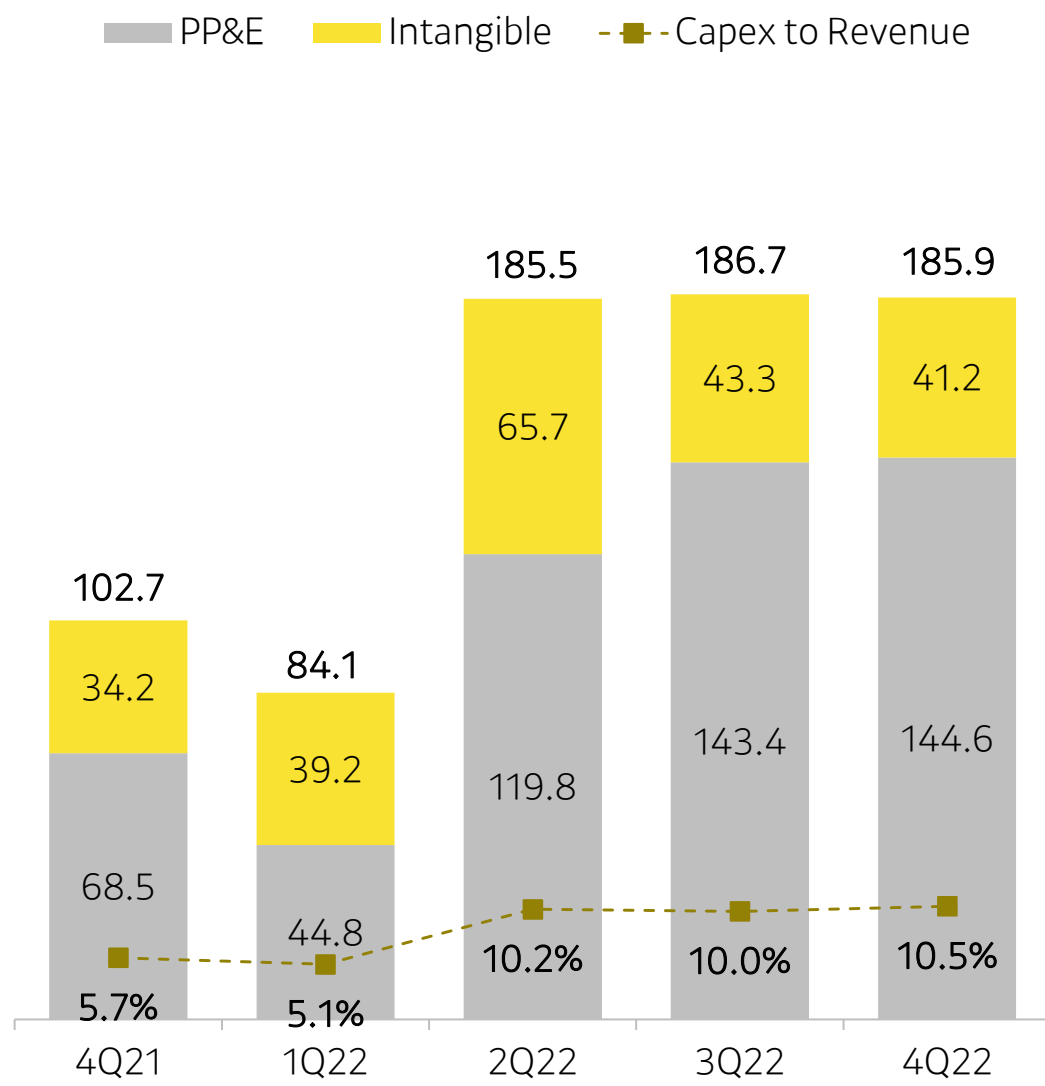
Employees YoY +2,341 / QoQ +595

Investment in IDC and Content

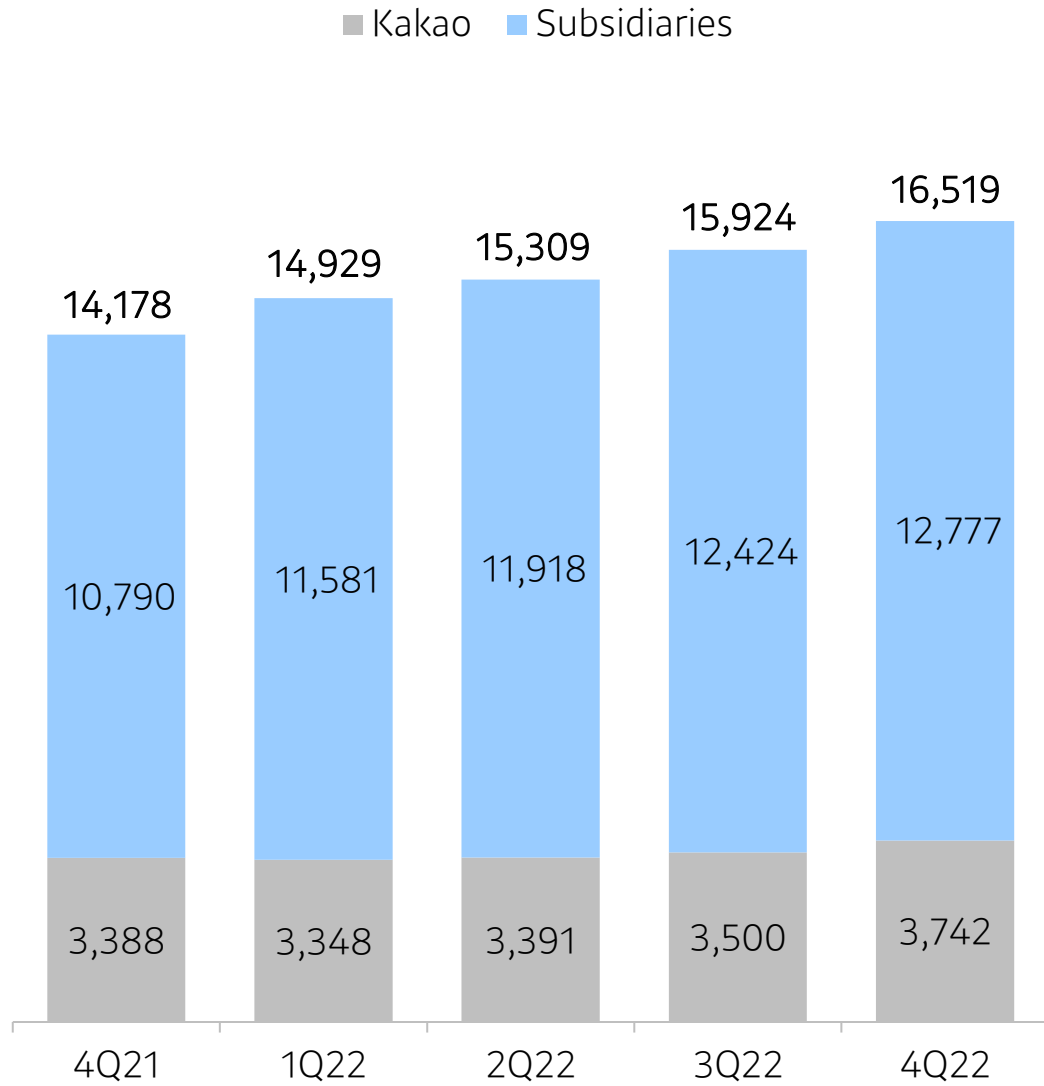
Kakao - Increased Headcount due to New Recruitment and Business Expansion of New Initiatives

Maintain Conservative Hiring in all Areas including Global Business

CapEx (in billion KRW)



Employees (# of people)



1) CapEx is based on the cash outflow for new acquisition of tangible and intangible assets.

2) Capex for previous quarters has also been changed.

3) 4Q22 CapEx is based on consolidated K-IFRS that have not been audited and may subject to change

1) Adjustment to 3Q22 due to a change in headcount of subsidiaries

Financial Statements Summary – Consolidated

Income Statement					
(in billion KRW)	4Q21	1Q22	2Q22	3Q22	4Q22
Total Revenue	1,785.7	1,651.7	1,822.3	1,858.7	1,774.4
Platform	1,004.8	886.0	930.7	986.9	966.8
Talk Biz	475.0	461.0	453.2	467.4	520.1
Portal Biz	130.7	114.0	102.4	109.8	97.9
New Biz	399.0	311.0	375.1	409.8	348.8
Content	780.9	765.7	891.7	871.8	807.6
Game	211.9	240.5	227.6	231.3	221.6
Music	276.8	245.8	336.8	296.1	230.8
Story	89.5	75.0	118.0	94.1	124.8
Media	202.7	204.4	209.3	250.2	230.5
Operating Expenses	1,679.1	1,493.0	1,651.3	1,708.4	1,674.0
Labor Cost	515.8	420.0	426.2	433.3	407.6
Cost of Revenue	648.2	584.4	654.8	711.4	705.1
Outsourcing / Infrastructure	233.8	204.6	235.8	238.4	246.0
Marketing Expense	128.8	114.6	150.3	112.0	108.4
Depreciation and Amortization Cost	119.8	130.8	135.6	153.0	162.3
Misc.	32.7	38.6	48.6	60.3	44.6
Operating Profit	106.6	158.7	171.0	150.3	100.4
Margin (%)	6.0%	9.6%	9.4%	8.1%	5.7%
Other Non-Operating Income	813.4	1,665.3	138.6	133.6	75.9
Other Non-Operating Expenses	360.7	48.4	34.4	35.7	1,163.6
Financial Income	67.7	68.5	69.8	63.4	128.4
Financial Expenses	90.6	94.7	73.3	67.1	8.5
Equity-method gain	63.1	45.4	10.0	23.7	20.7
Equity-method loss	46.0	35.2	45.1	31.5	42.1
Profit before Income Tax	553.5	1,759.6	236.5	236.7	(888.7)
Income Tax	329.4	437.5	135.3	99.5	(349.4)
Net Profit	224.1	1,322.1	101.2	137.2	(539.3)
Controlling Interests	76.8	1,303.1	67.6	106.3	(196.9)
Non-controlling Interests	147.2	19.0	33.6	30.8	(342.4)
EBITDAR	225.4	288.5	306.1	301.8	255.2
Adjusted EBITDAR ¹⁾	298.7	332.0	345.5	335.2	297.4

Statement of Financial Position			
(in billion KRW)	2020.12.31	2021.12.31	2022.12.31
Current Assets	4,462.9	8,102.2	7,773.4
Cash and Cash Equivalents	2,877.5	5,231.5	4,794.3
S-T Financial Instruments	694.1	1,573.6	1,210.2
Account Receivable	247.4	398.1	441.2
Other Current Financial Assets	225.1	319.1	360.4
Other Current Assets	418.8	579.9	967.3
Non-Current Assets	6,987.4	13,712.0	14,433.7
Investments in Associates and Joint Ventures	1,504.4	3,215.8	2,660.0
Tangible Assets	430.7	554.9	874.1
Intangible Assets	3,351.6	6,347.8	6,023.2
Other Non-current Assets	1,700.7	3,593.5	4,876.4
Finance Assets	503.6	965.4	756.8
Total Assets	11,954.0	22,779.6	22,963.9
Current Liabilities	2,929.6	5,630.3	5,126.3
Account Payable and Other payable	836.0	1,231.0	1,353.4
Short-term Borrowings	188.4	1,258.8	1,096.9
Income Tax Payable	112.1	188.9	157.6
Other Current Liabilities	1,793.1	2,951.6	2,518.4
Non-Current Liabilities	1,166.1	2,885.1	3,901.7
Non-Current Finance Lease Obligations	273.3	1,318.2	1,647.7
Deferred Income Tax Liabilities	249.0	756.8	736.4
Other Non-Current Liabilities	643.8	810.1	1,517.6
Finance Assets	430.6	674.2	439.4
Total Liabilities	4,526.2	9,189.6	9,467.3
Paid-in Capital	44.3	44.6	44.6
Capital Surplus	5,833.1	7,781.2	8,132.0
Other Accumulated Earnings	18.6	77.1	41.0
Accumulated Other Comprehensive Income	86.6	371.8	(1,254.1)
Retained Earnings	316.3	1,709.6	2,973.6
Minority Interest	1,128.8	3,605.6	3,559.5
Total Equity	7,427.7	13,590.0	13,496.6
Total Liabilities & Equity	11,954.0	22,779.6	22,963.9

1) Adjusted EBITDAR : included equity compensation expense

Financial Statements Summary – Parent

Income Statement					
(in billion KRW)	4Q21	1Q22	2Q22	3Q22	4Q22
Total Revenue	652.3	596.2	596.4	613.4	650.5
Operating Expenses	520.8	473.1	459.4	492.7	480.3
Labor Cost	156.6	143.5	129.0	128.6	97.4
Cost of Revenue	234.6	197.5	190.2	209.9	237.5
Outsourcing / Infrastructure	66.2	64.2	64.5	67.5	73.8
Marketing Expense	6.9	4.2	5.4	7.6	9.7
Depreciation and Amortization Cost	46.3	50.9	53.7	61.8	60.2
Misc.	10.2	12.8	16.6	17.3	1.7
Operating Profit	131.5	123.1	137.0	120.8	170.2
<i>Margin (%)</i>	<i>20.2%</i>	<i>20.6%</i>	<i>23.0%</i>	<i>19.7%</i>	<i>26.2%</i>
Other Non-Operating Income	7.0	1,405.8	6.7	4.2	18.5
Other Non-Operating Expenses	49.9	25.5	2.4	10.4	95.5
Financial Income	123.3	45.5	43.0	39.4	35.2
Financial Expenses	8.5	21.7	47.9	43.8	27.7
Profit before Income Tax	203.5	1,527.2	136.5	110.2	100.7
Income Tax	94.1	382.8	30.2	33.3	(183.6)
Net Profit	109.4	1,144.4	106.2	76.9	284.3
EBITDAR	177.7	173.7	190.9	181.2	230.3
Adjusted EBITDAR ¹⁾	222.3	199.9	213.2	198.3	247.8

Statement of Financial Position			
(in billion KRW)	2020.12.31	2021.12.31	2022.12.31
Current Assets	1,782.4	2,418.0	2,334.6
Cash and Cash Equivalents	1,356.9	1,478.7	1,248.8
S-T Financial Instruments	65.5	255.4	211.0
Account Receivable	120.5	152.2	139.3
Other Current Assets	239.5	531.7	735.5
Non-Current Assets	5,563.1	7,606.7	8,456.2
Investments in Associates, Subsidiaries and Joint Ventures	2,393.4	3,547.8	4,751.5
Tangible Assets	272.1	312.6	500.5
Intangible Assets	2,106.2	1,573.6	1,608.6
Other Non-current Assets	791.4	2,172.7	1,595.6
Total Assets	7,345.5	10,024.7	10,790.7
Current Liabilities	1,421.6	2,299.1	2,188.5
Account Payable and Other payable	1,035.7	493.5	551.0
Short-term Borrowings	58.0	342.2	28.7
Income Tax Payable	49.8	55.5	74.9
Other Current Liabilities	278.1	1,407.9	1,533.9
Non-Current Liabilities	598.5	1,171.3	1,516.7
Non-Current Finance Lease Obligations	121.9	1,076.1	1,306.4
Deferred Income Tax Liabilities	108.2	-	97.1
Other Non-Current Liabilities	368.4	95.2	113.2
Total Liabilities	2,020.1	3,470.4	3,705.1
Paid-in Capital	44.3	44.6	44.6
Capital Surplus	4,986.9	5,489.2	5,636.7
Other Accumulated Earnings	18.6	77.1	41.0
Accumulated Other Comprehensive Income	66.5	240.5	11.1
Retained Earnings	209.1	702.8	1,352.2
Total Equity	5,325.4	6,554.2	7,085.6
Total Liabilities & Equity	7,345.5	10,024.7	10,790.7

1) Adjusted EBITDAR : included equity compensation expense

Thank You

