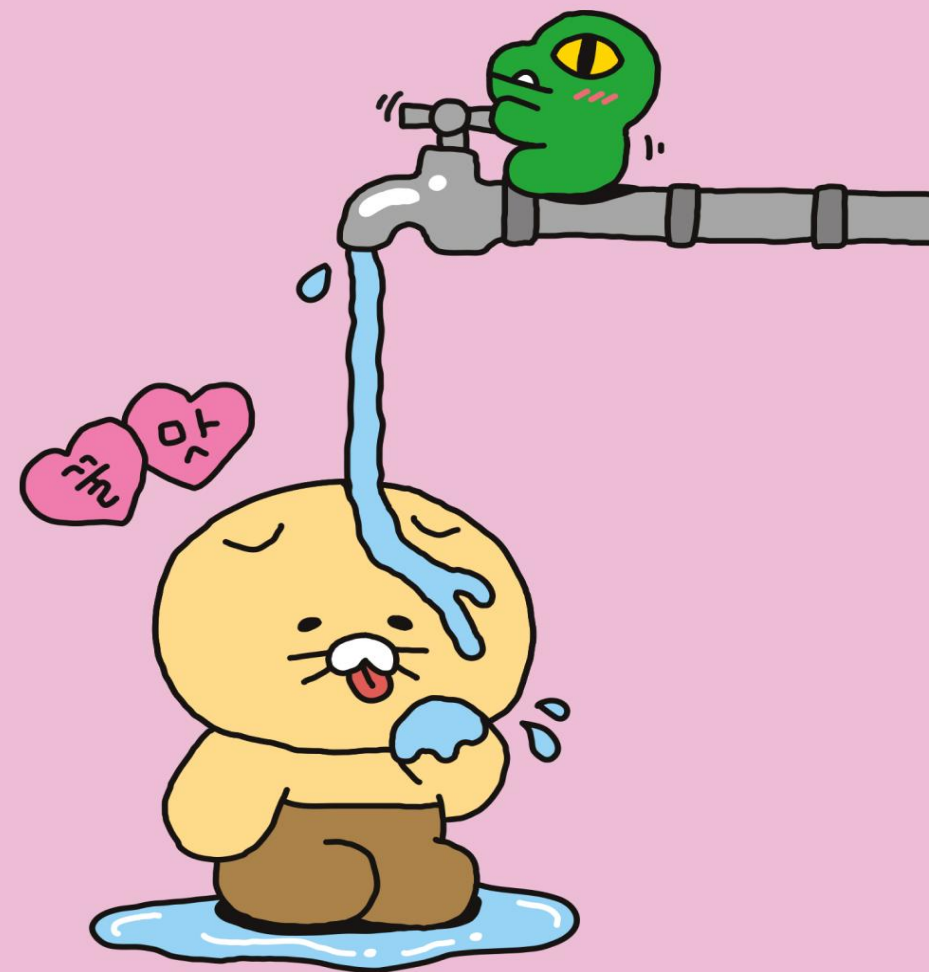


# kakao

## Company Presentation

August 2025 | Kakao Investor Relations



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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# Company Overview



**Korea's mobile communication leader** with the undisputed dominant messenger app **Kakao Talk**  
49 mm domestic MAU vs. 52 mm population in Korea (94% penetration)



**Multiple revenue streams** across platform and content business, capturing the full range of **everyday mobile activities**  
Communication, e-commerce, payment & banking, ride-hailing, music streaming, webtoon, etc.



**Total package portfolio** across corporate growth cycle  
Early-stage growth (AI, healthcare, cloud and VC Investments) to self-sustaining growth (mobility, entertainment, and game)  
and profitable growth (Kakao Talk's advertising and commerce)

## Platform Businesses

### BACKBONE



85~100%<sup>(1)</sup>

### NEW INITIATIVES

**kakaoenterprise** cloud  
**kakaohealthcare** healthcare

### CONNECTED SERVICES


57.2%<sup>(1)</sup>  
**kakaomobility**  
taxi-hailing & other mobility

46.2%<sup>(1)</sup>  
**kakaopay**  
payments & tech-fin

27.2%<sup>(1)</sup> (Associate)  
**kakaobank**  
internet banking

## Content Businesses

### GLOBAL GROWTH DRIVERS

66.0% <sup>(1)</sup> <b>kakao</b> ENTERTAINMENT	music / K-pop, media, and webtoon / web novel
91.1% <sup>(1)</sup> <b>kakaopiccoma</b>	webtoon (Japan)
41.5% <sup>(1)</sup>  <b>SM</b> ENTERTAINMENT GROUP	K-pop
40.7% <sup>(1)</sup> <b>kakaogames</b>	mobile / PC games

Note: (1) Subsidiary ownership ratio refers to the simple sum of equity stakes held by consolidated subsidiaries. (Kakao's direct ownership: Kakao Piccoma 73%, SM Entertainment 21.6%)  
(2) All entities are consolidated subsidiaries but for Kakaobank (equity method accounting).

### 2Q 2025 Results Summary

- Record-high quarterly revenue and operating profit, driven by solid growth of Talk Biz, improved performance from affiliates(Pay/Piccoma), and company-wide cost optimization efforts.
- Platform (+10% YoY, +6% QoQ) : Strong growth in Mobility and Pay drove +21% YoY growth in Platform-Others revenue
- Pay recorded operating profits for two consecutive quarters, backed by solid growth in financial and platform services
- Content (-7% YoY, +12% QoQ) : Double-digit QoQ growth led by stronger music IP and business diversification
- Piccoma achieved record-high quarterly OP through marketing efficiency; plans to secure future growth in 2H through strategic investments

### Core Growth Engines : KakaoTalk revamp and launch of B2C AI services

- Reaccelerating Talk Biz growth through KakaoTalk revamp; preparing B2C AI services to bring AI into everyone's daily life
- KakaoTalk revamp in September : 1<sup>st</sup> tab 'Friends' to enhance social features; 3<sup>rd</sup> tab 'Open Chat' to offer short-form video
- AI rollout starting October : 1) OpenAI co-developed service to launch by November 2) On-device AI to operate within the context of conversation based on relationships

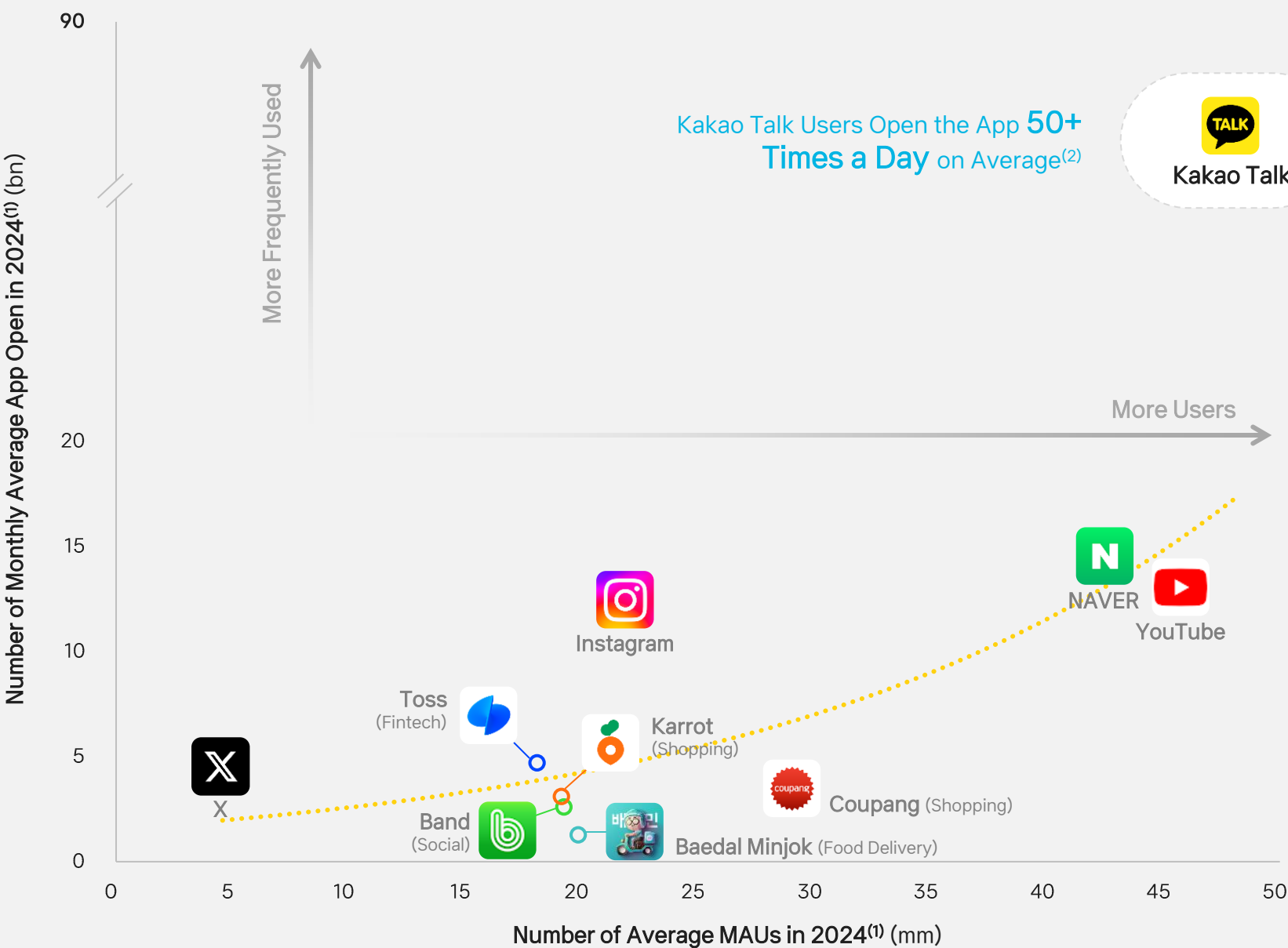
### Key Guidance and Strategy Highlight

- Stable financial structure established in 1H; in 2H, focus shifts to strategic infra and marketing investment in core business, with profit improvement expected through revenue growth
- Targeting 20% increase in KakaoTalk user time-spent through app revamp and new AI service launch
- Talk Biz ad growth expected to recover to double digits in 4Q with new feed/video ad products alongside app revamp
- Plan to set higher targets through more proactive strategies after confirming service performance

Undisputed Market Leader in Korea's Mobile Space

Kakao Talk: No. 1 Mobile App in Korea

2024 Most Popular Apps in Korea by User Traffic & Usage Frequency<sup>(1)</sup>



**No. 1 Messenger in Korea**  
94% Population Penetration<sup>(3)</sup>



**No. 1 Mobility Platform in Korea**  
Taxi-Hailing, Designated Driver, Parking



**No. 1 Digital Bank in Korea**  
by Deposit & Loan Balance



**No. 1 Webtoon Platform in Korea**  
by In-App Revenue in 2024



**Global No. 1 Webtoon Platform**  
by In-App Purchase Revenue in 2024



**Top 1% Sustainability Distinction**  
by S&P Global's Corporate Sustainability Assessment in 2024

Source: Company Information, Wiseapp Retail Goods, Korea's Fair Trade Commission, Sensor Tower, Mobile Index.

Note: (1) Based on mobile app user data in January – November 2024 for Android and iOS, except for X (MAU as of 1H 2024 as compiled by Mobile Index). (2) Calculated as [avg. monthly app launch by MAUs] / [avg. number of MAUs] / 30 days based on the data from Wiseapp Retail Goods. (3) Based on MAU as of Q1 2025 and the total population of Korea.

# Making Every Korean's Daily Lives Better


A Life that Cannot Be Imagined without kakao




  
Shopping  
Fashion Items

  
Monitor  
My Health

  
Ask Merchant  
for Service

  
Advertise  
My Products

  
Book  
Flight Ticket

  
Find **Best Route** to  
Destination





## Solid Growth and Profitability Built on Unique, Differentiated Competitive Moat

### Advertising



Advertising Inventory backed  
by **Unique Traffic Base**  
of No. 1 Messenger App

#### Korea's Digital Advertising

KRW10 tn

Online Ads TAM<sup>(1)</sup>

12% Share  
Digital Ads



#### Kakao Talk's Advertising Revenue Growth (KRW bn)

+7% CAGR

1,120

1,199

FY23

FY24

#### Key Growth Initiatives



Focus on Enhancement of  
KakaoTalk Engagement



Maintained Growth  
Momentum with **Unique**  
Products & High ROAS



Discover **New Revenue**  
Stream incl. AI, beyond  
advertising and commerce

### E-Commerce



E-Commerce Platform  
with **Unique Business**  
Model of Gifting

#### Korea's E-Commerce

KRW242 tn

Online Retail TAM<sup>(4)</sup>

4% Share  
E-Commerce



#### Kakao's E-Commerce GMV Growth (KRW tn)

+4% YoY

9.6

10.0

FY23

FY24

#### Key Growth Initiatives



Expansion of Selections to  
**Luxury / High-end Brands**



Use Case Expansion from  
Gifting to **Self-Purchases**



Expansion of **Discovery**  
**Commerce** via advanced  
Personalized Product Curation

Source: Korea Broadcast Advertising Corporation (KOBACO), Korea Statistical Information Service (KOSIS), Company Filings.

Note: (1) Korea's online advertisement market as of FY2024

(2) Korea's online shopping GMV as of FY2024

# The Kakao Group's Business Ecosystem

## Leadership Across Key Verticals With Continued Business Model Innovation



Source: Company Information, Korea's Fair Trade Commission, Sensor Tower.

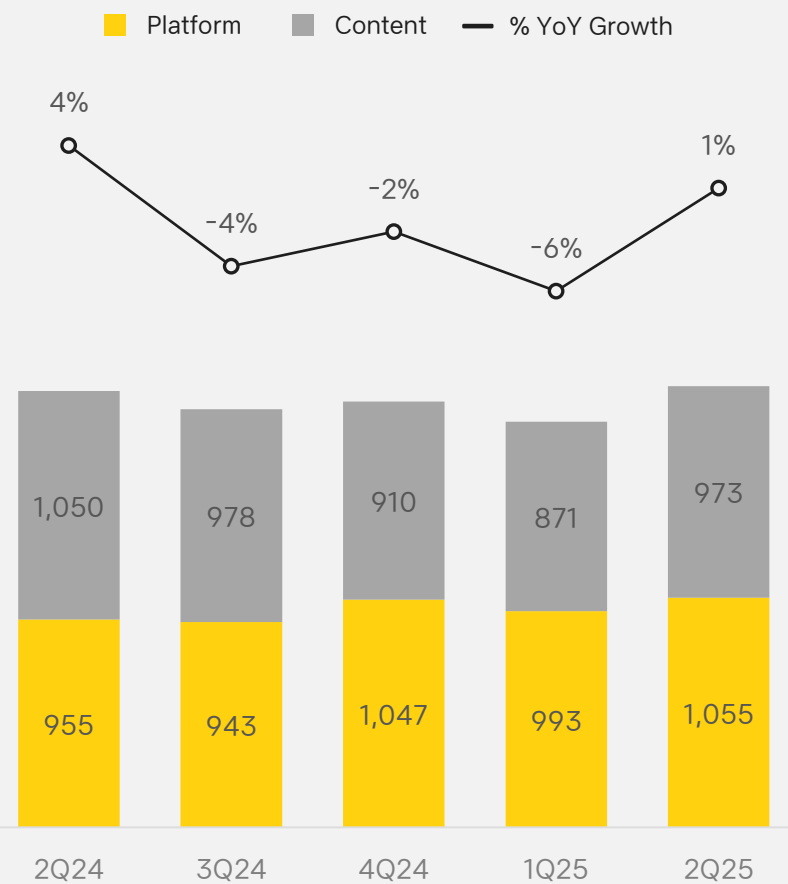


## Key Financial Performance

# Robust platform growth with sustained high profitability from core business

### Revenue

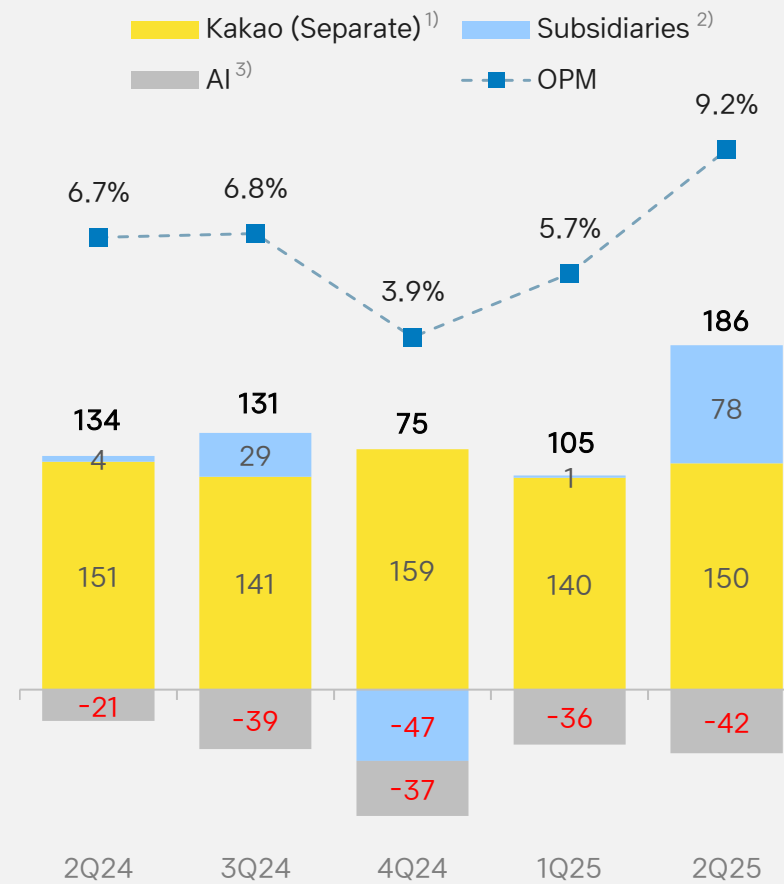
(KRW bn)



- Stable Talk Biz and improved Mobility, Pay, and Piccoma **drove record-high quarterly revenue**
- **Revenue growth expected to accelerate in 2H**, driven by traffic expansion from Talk revamp and AI service launches

### Operating Profit(M)

(KRW bn)



- **Profitability improved to 9.2% OPM in 2Q**, driven by cost discipline and marketing efficiency
- **Profit growth expected, supported by strategic infra and marketing investments in core businesses**

### 2Q25 Highlights



#### TalkBiz Ads

(2Q25 +4% YoY, +12% QoQ)

Sustained high growth led by Message ad (+16% YoY)  
DA recovery expected with new ad product launch



#### TalkBiz Commerce

(2Q25 +10% YoY, -17% QoQ)

Strong growth in Self-gifting (+43% YoY)  
Expanded commerce touchpoints in KakaoTalk



#### All-time high revenue & profit

(2Q25 Consolidated OPM 9.2%)

Driven by solid Talk Biz growth and stronger performance across subsidiaries

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)

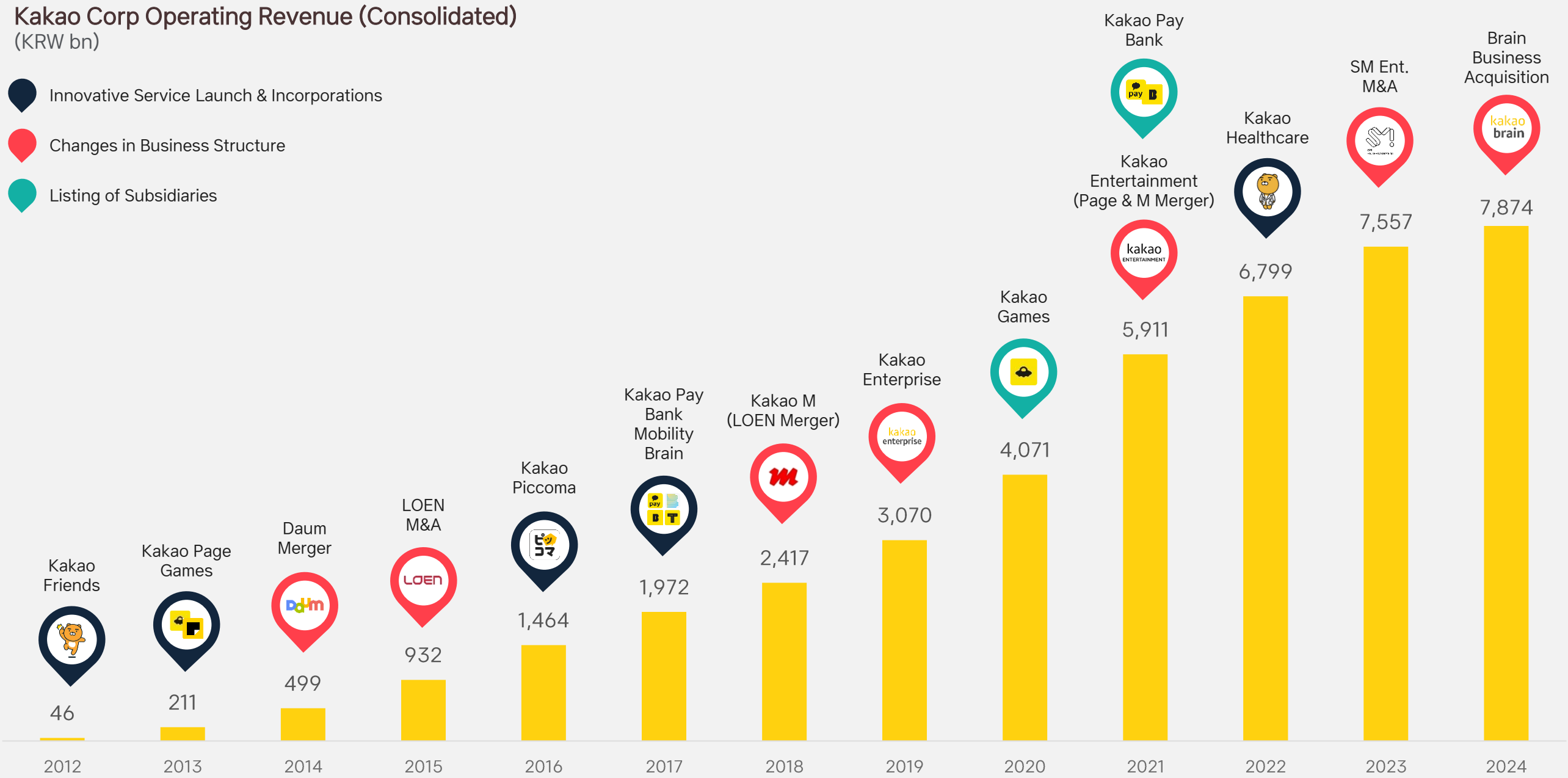
# Appendix

# Phenomenal Growth Trajectory Along With Growing Ecosystem

## Key Milestones

Kakao Corp Operating Revenue (Consolidated)  
(KRW bn)

- Innovative Service Launch & Incorporations
- Changes in Business Structure
- Listing of Subsidiaries



Note: 2022 / 2023 operating revenue figures are based on those after restatement as per the change in accounting policy.

## Kakao's Continued Focus on ESG Initiatives

Key ESG Initiatives



### Environment



RE100<sup>(1)</sup>  
at Jeju Office



Upcycling  
Projects<sup>(2)</sup>



Green Digital  
Campaigns<sup>(3)</sup>



### Social



KRW300 bn  
Established support fund for  
SMEs' digital transformation



Tech Campus  
with universities to  
nurture technical talents



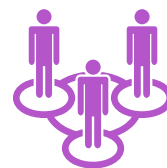
'Kakao Together'  
Fundraising project for  
causes in need



### Governance



DAO<sup>(4)</sup> Appointment  
First IT company to  
appoint DAO in Korea



New Committees  
Appointment of technology  
ethics and ERM committees



CEO KPI  
15% of CEO KPI dedicated  
to ESG related initiatives

### ESG Ratings



**Rated A (2024)**  
From MSCI ESG ratings



**Grade A (2024)**  
From KCGS ESG ratings



**Top 1% (2024)**  
From S&P Global for  
sustainability distinction



**Member (2024)**  
Member of DJSI World,  
Asia Pacific, and Korea

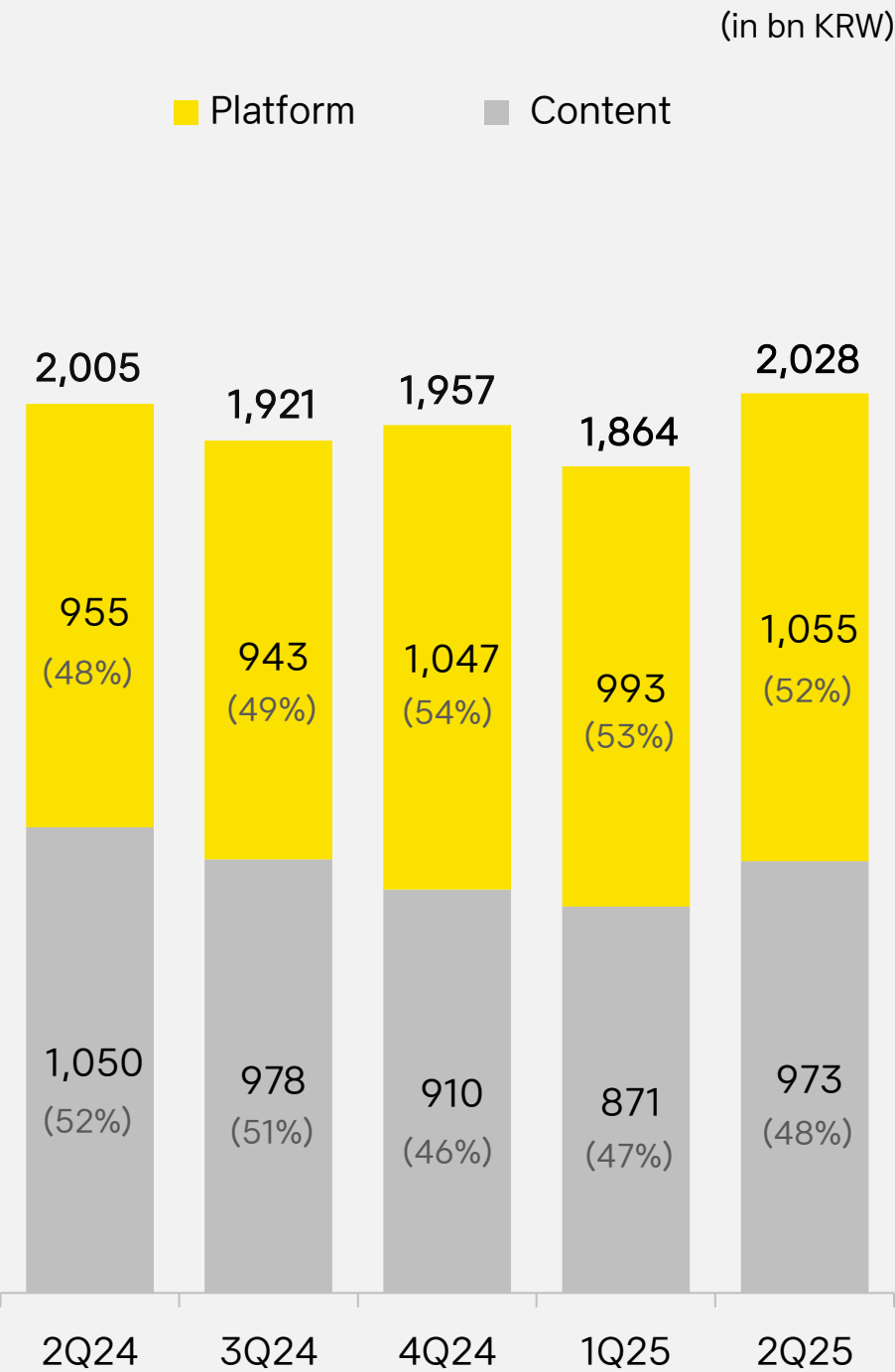
Note: (1) RE100: An international agreement to replace 100% of electricity used by businesses with renewable energy by 2050. (2) Upcycling used T-shirts and sweaters to socks and cardigans. (3) Dark-mode of Kakao Talk, mobile e-bills, etc.

# Q2 2025 Earnings Results

Revenue

Q2 Revenue **+1%** YoY / **+9%** QoQ

Q2 MIX : Platform 52%, Content 48%



Revenue Breakdown		
Platform	Talk Biz	Advertising : Bizboard, Talk Channel, Emoticon
		Commerce : Gift, Store, Kakao Friends Online
	Portal Biz	Daum PC / Mobile Kakao Story / Style / Page Other Subsidiaries' Ad
	Platform- Others	Mobility Pay Enterprise Makers Healthcare Other Subsidiaries
	Game	Mobile PC Other
	Music	SM Entertainment Melon Digital Music Distribution Album Distribution Music Production
Content	Story	Entertainment
		Piccoma
	Media	Video Production Talent Agency

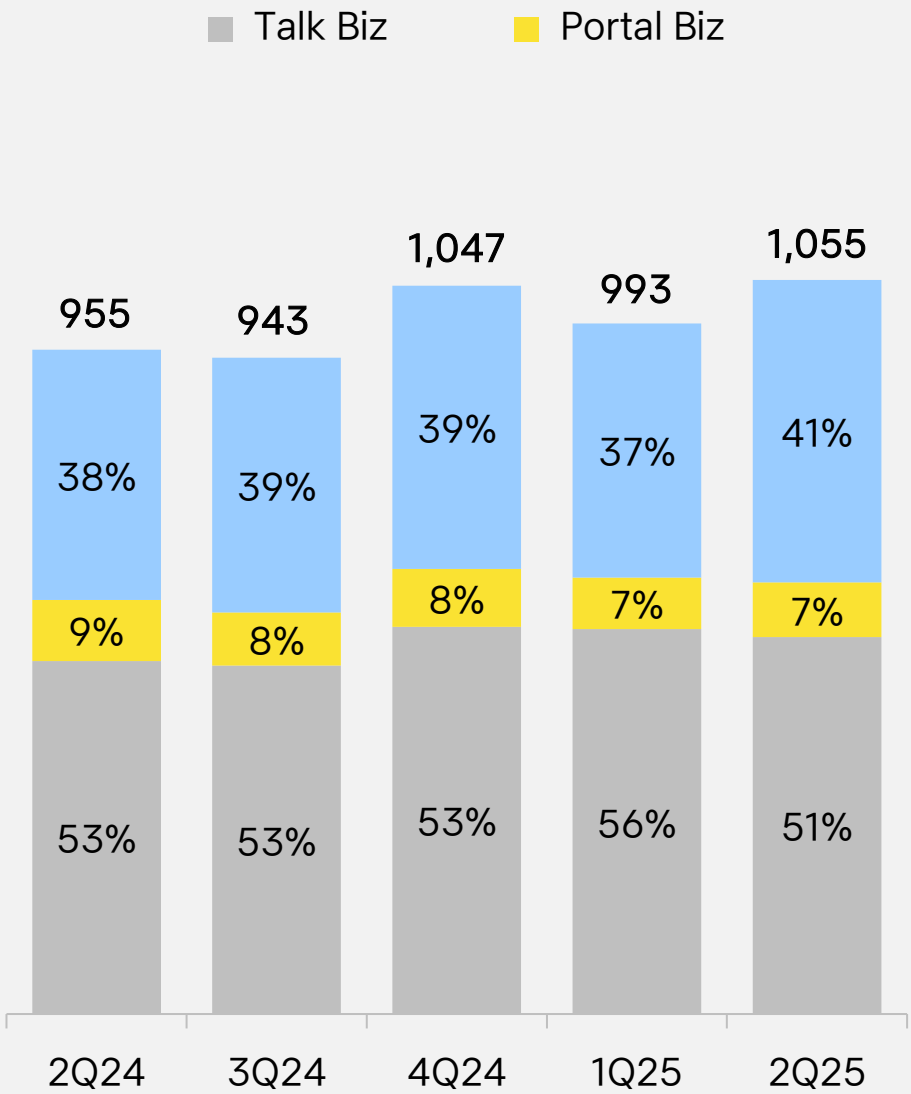


Revenue

Platform

2Q25 +10% YoY, +6% QoQ

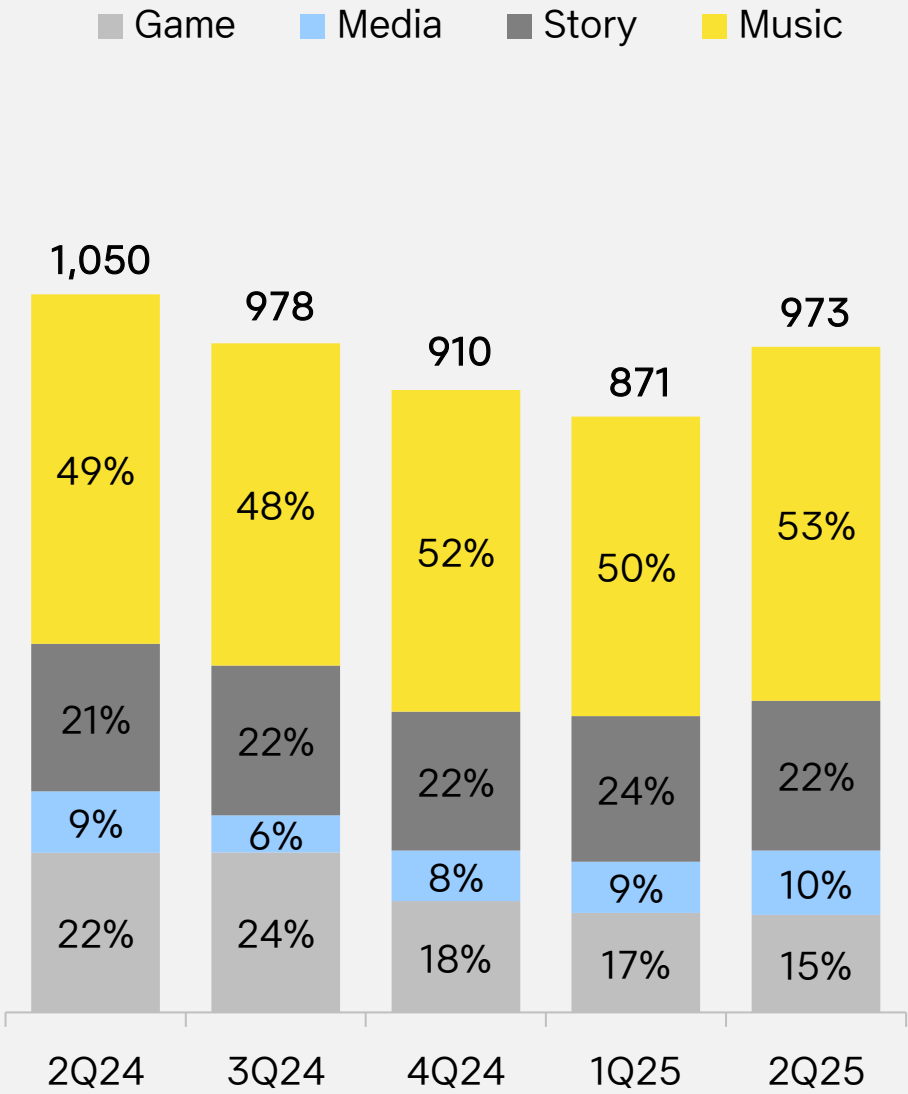
(in bn KRW)



Content

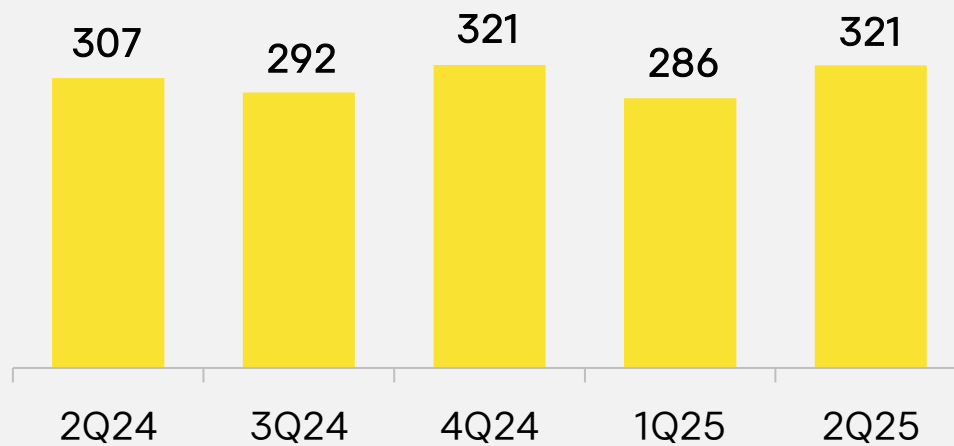
2Q25 -7% YoY, +12% QoQ

(in bn KRW)



## Advertising

(in bn KRW)

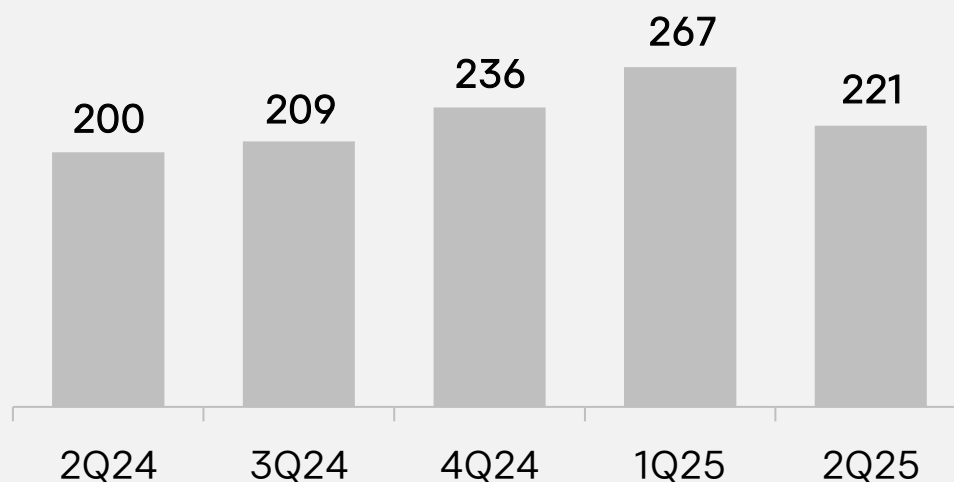


**2Q25 +4% YoY, +12% QoQ**

- (YoY) Biz Message maintained solid growth, offsetting high base from strong ad spend by Chinese e-commerce advertisers
- (QoQ) High seasonality

## Commerce

(in bn KRW)

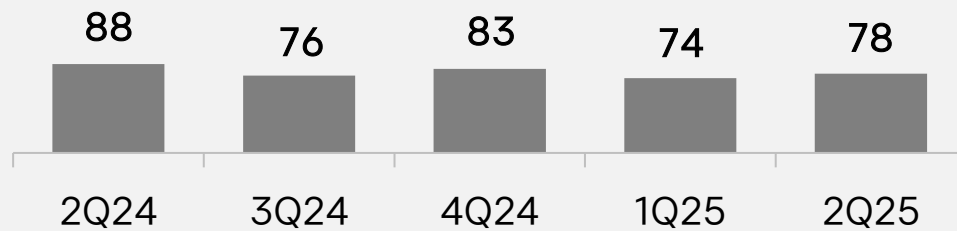


**2Q25 +10% YoY, -17% QoQ**

- Total Commerce GMV: 2.5tn, +6% YoY, -4% QoQ
- Talk Gift GMV: +8% YoY, -9% QoQ
- (YoY) Self purchase GMV in Talk Gift grew +43% YoY, driving overall growth
- (QoQ) High base from increased 1P during Lunar Holidays

## Portal Biz

(in bn KRW)

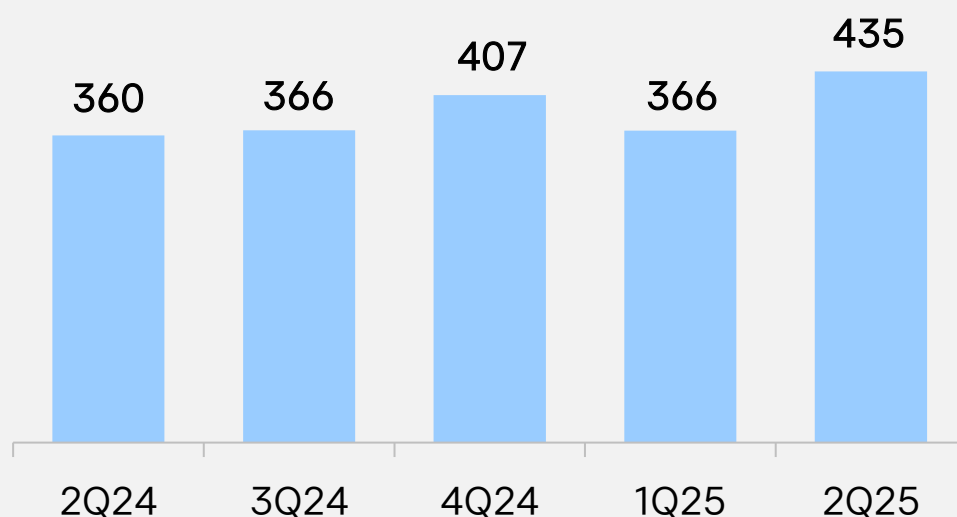


**2Q25 -11% YoY, +6% QoQ**

- (YoY) Impact from decline in search queries and preparations for establishment of AXZ, new entity
- (QoQ) High seasonality

## Platform-Others

(in bn KRW)

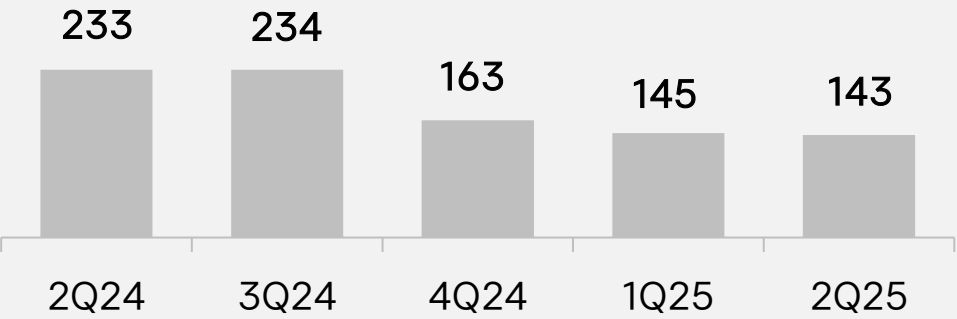


**2Q25 +21% YoY, +19% QoQ**

- **Mobility** : Solid growth led by parking and quick delivery
- **Pay** : Double-digit revenue growth driven by strong finance and platform services; OP turned positive for two consecutive quarters on cost efficiency

Game

(in bn KRW)

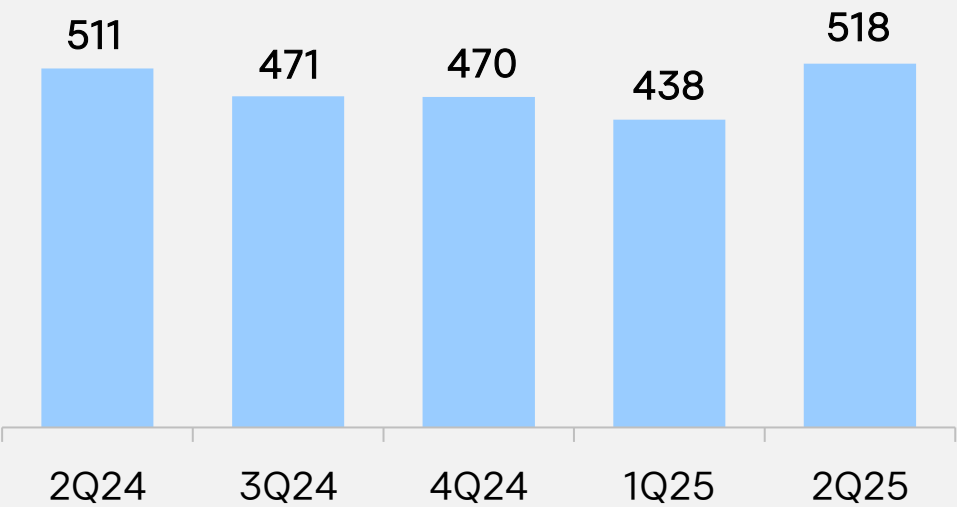


2Q25 -39% YoY, -2% QoQ

- (YoY/QoQ) Prolonged absence of new titles

Music

(in bn KRW)

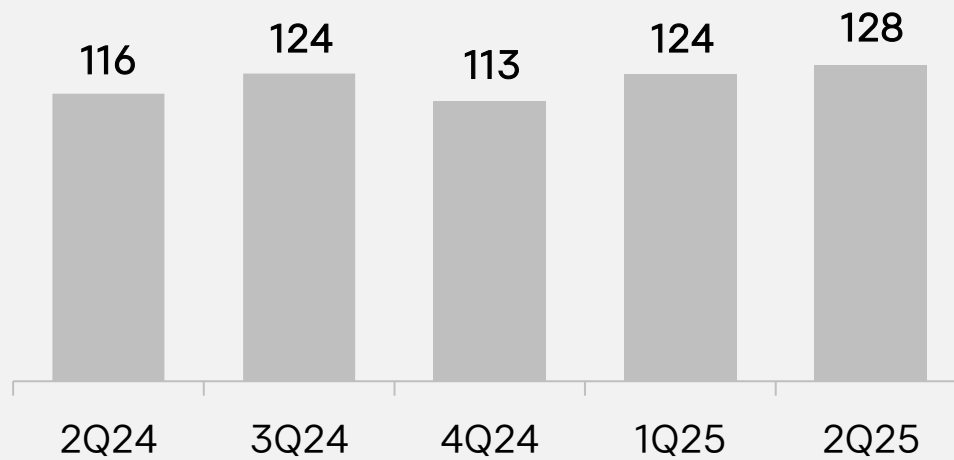


2Q25 +1% YoY, +18% QoQ

- (Label) Strong album and MD sales
- (Distribution) Maintained solid No.1 market position
- (Melon) Continuous focus on profitability

## Piccoma

(in bn KRW)

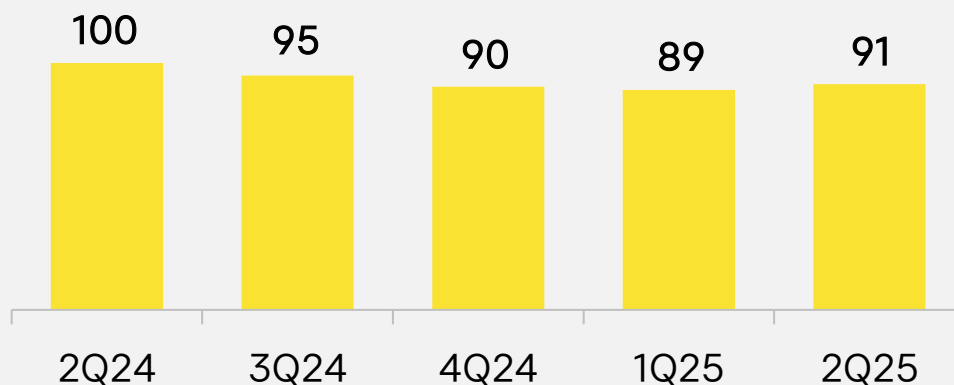


**2Q25 +10% YoY, +3% QoQ**

- (in JPY) GMV -5% YoY, -0.2% QoQ  
Revenue -3% YoY, -3% QoQ
- Achieved record-high quarterly OP driven by continued marketing efficiency

## Entertainment

(in bn KRW)

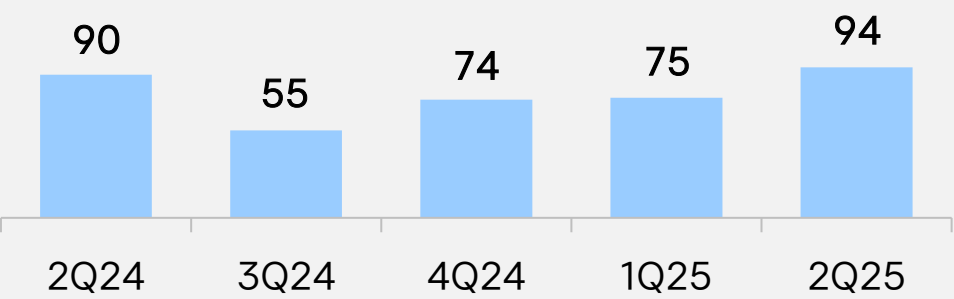


**2Q25 -9% YoY, +3% QoQ**

- (YoY) Maintained efficient marketing execution
- (QoQ) Increase in secondary IP monetization
- Ongoing efforts to strengthen IP competitiveness and enhance global operational efficiency

Media

(in bn KRW)



2Q25 +5% YoY, +25% QoQ

- (YoY/QoQ) Increase in number of revenue-recognizing titles; progress of ongoing titles front-loaded in 1H



# Earnings Summary

(in bn KRW)	2Q24	1Q25	2Q25	YoY	QoQ
<b>Total Revenue</b>	<b>2,005</b>	<b>1,864</b>	<b>2,028</b>	<b>1%</b>	<b>9%</b>
<b>Platform</b>	<b>955</b>	<b>993</b>	<b>1,055</b>	<b>10%</b>	<b>6%</b>
Talk Biz	508	553	542	7%	-2%
Portal Biz	88	74	78	-11%	6%
Platform-Others	360	366	435	21%	19%
<b>Content</b>	<b>1,050</b>	<b>871</b>	<b>973</b>	<b>-7%</b>	<b>12%</b>
Game	233	145	143	-39%	-2%
Music	511	438	518	1%	18%
Story	216	213	219	1%	3%
Media	90	75	94	5%	25%
<b>OPEX</b>	<b>1,871</b>	<b>1,758</b>	<b>1,842</b>	<b>-2%</b>	<b>5%</b>
<b>Operating Profit</b>	<b>134</b>	<b>105</b>	<b>186</b>	<b>39%</b>	<b>76%</b>
<i>Operating Profit Margin</i>	<i>6.7%</i>	<i>5.7%</i>	<i>9.2%</i>	<i>2.5%pt</i>	<i>3.5%pt</i>
<b>Net Profit</b>	<b>87</b>	<b>200</b>	<b>172</b>	<b>97%</b>	<b>-14%</b>
Controlling Interests	101	172	161	59%	-6%
Non-controlling Interests	-14	28	11	TB	-63%
<i>Net Profit Margin</i>	<i>4.3%</i>	<i>10.7%</i>	<i>8.5%</i>	<i>4.1%pt</i>	<i>-2.3%pt</i>

# Operating Expenses

(in bn KRW)	2Q24	1Q25	2Q25	YoY	QoQ
Operating Expenses	1,871	1,758	1,842	-2%	5%
Labor	481	479	489	2%	2%
Cost of Revenue	797	701	717	-10%	2%
Outsourcing / Infrastructure	196	206	233	19%	13%
Marketing	108	87	88	-19%	1%
Depreciation & Amortization	207	206	222	7%	8%
Misc.	82	80	93	13%	16%

## 2Q Analysis

- Labor (YoY/QoQ) Maintained conservative hiring
- Cost of revenue (YoY) Effect from SM Entertainment accounting reclassification  
(Cost of Revenue → Outsourcing/Infrastructure)  
(QoQ) Increase in Content revenue
- Outsourcing / Infrastructure (YoY) Effect from SM Entertainment accounting reclassification  
(QoQ) Increase in production cost driven by higher album sales
- Marketing (YoY) Strategic marketing cut by Piccoma  
(QoQ) Maintained efficient marketing spend
- Depreciation & Amortization (QoQ/YoY) Increase driven by investment in data center machinery and consolidation of DearU

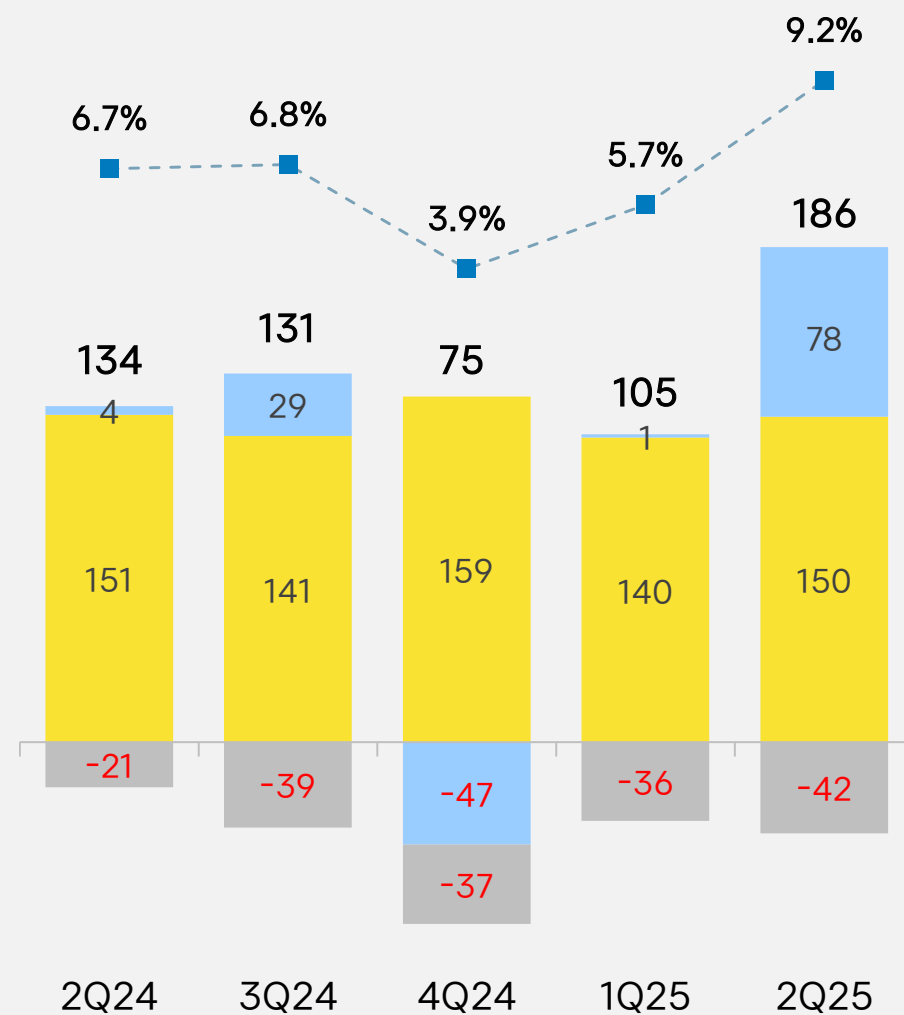
# Profits

## Operating Profit(M)

2Q25 +39% YoY, +76% QoQ

■ Kakao (Separate)<sup>1)</sup>
■ Subsidiaries<sup>2)</sup>  
■ AI<sup>3)</sup>
-■- OPM

(in bn KRW)



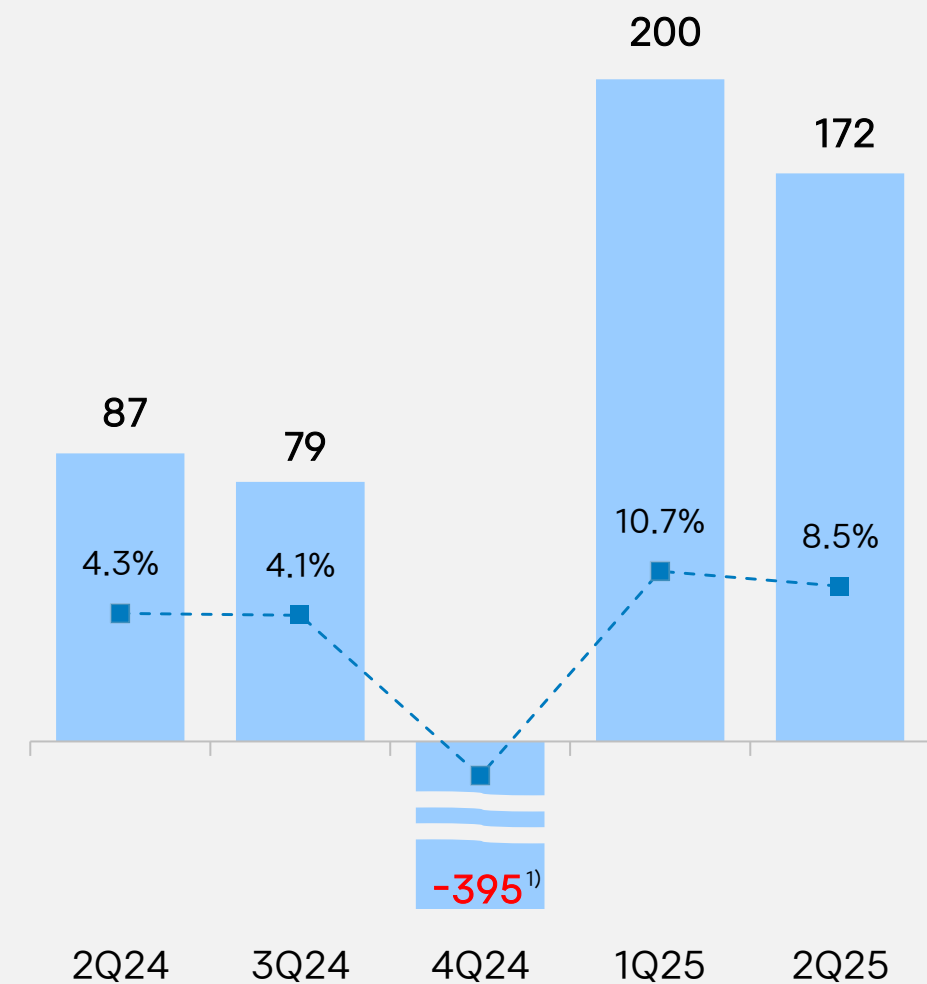
- 1) Kakao (Separate): OP on a separate basis ex. AI Services  
 2) Subsidiaries: All businesses ex. Kakao (Separate) and AI; incl. internal adj.  
 3) AI: AI Services within Kakao (Separate)

## Net Profit(M)

2Q25 +97% YoY, -14% QoQ

■ Net Profit
 -■- NPM

(in bn KRW)

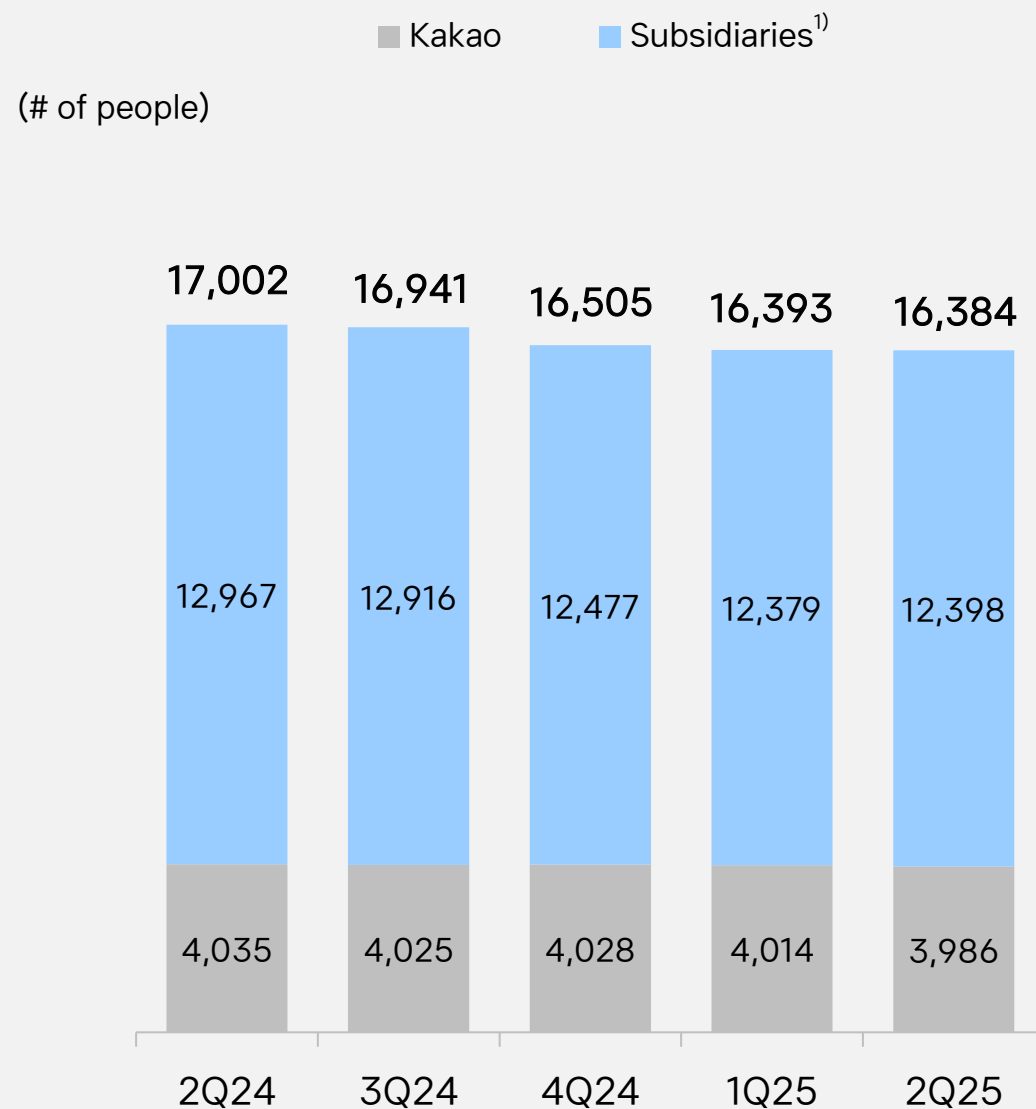


- 1) 4Q24 : Impairment of goodwill (317.7bn) and equity-method stock impairment losses (98.1bn)

# Employees / CapEx

## Employees 2Q25 -618 YoY, -9 QoQ

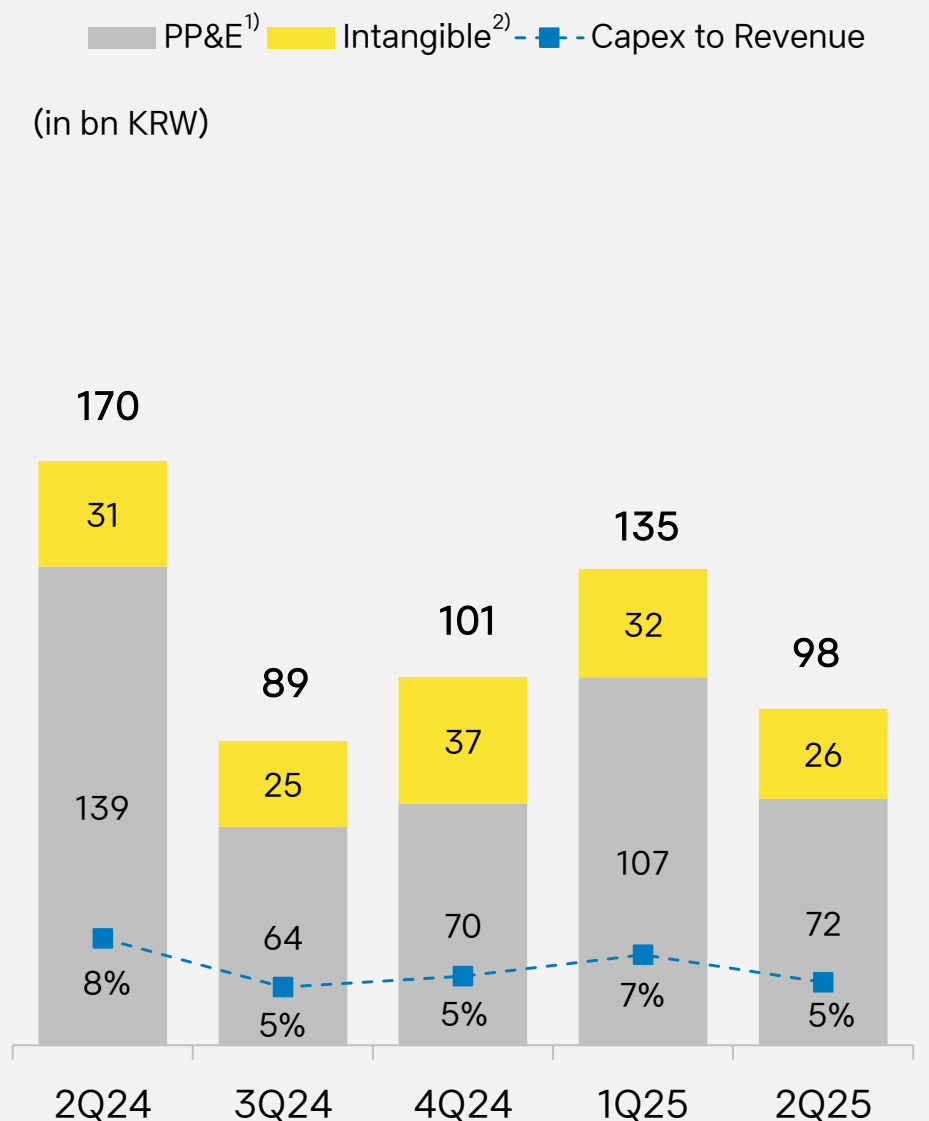
YoY Decline due to subsidiary divestments  
QoQ Flat due to conservative hiring



1) Headcount based on 13 key consolidated subsidiaries

## CapEx 2Q25 -72.1bn YoY, -40.7bn QoQ

YoY Decline due to AI Campus completion and GPU purchase base effect  
QoQ Decline due to GPU purchase base effect



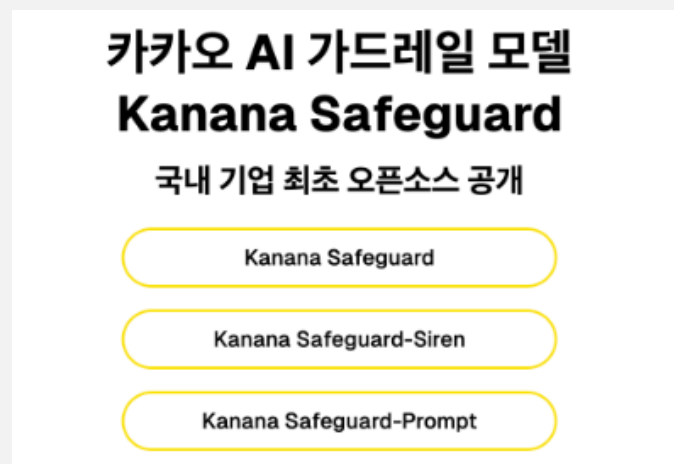
- 1) PP&E : Assets under construction related to data centers and machinery such as server networks  
2) Intangible : Goodwill and other intangible assets including video production and distribution rights of story content

# ESG Activities



## Kakao Group's Economic Contribution and Socioeconomic Value

- Generated KRW 51.4tn in production inducement, 24.5tn in value-added inducement, and 145k+ jobs over the past three years
- Contributed across ten areas, such as enhancing daily convenience, strengthening the social safety net, and advancing environmental initiatives



## Release of 'Kanana Safeguard' Guardrail Models for AI Safety

- Released 'Kanana Safeguard' — 'Safeguard,' 'Safeguard-Siren,' 'Safeguard-Prompt' — the first AI guardrail model in Korea to be open-sourced for commercial use, built on Kakao's self-developed 'Kanana' to foster a safer AI ecosystem



## Publication of 2024 ESG Report

- Strengthened disclosure on key ESG areas, including climate action, AI safety and ethics, user data privacy and cybersecurity

KakaoTalk MAU

Maintaining a stable 49 million domestic MAU

(in thousands)



Average of monthly MAUs. Global includes domestic MAUs.



# Thank You

