kakao

Company Presentation

2026. 8. 6 | Kakao Investor Relations

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Company Overview

Absolute Dominance of KakaoTalk as Korea's No. 1 Messenger

50M domestic MAU vs. 51M population in Korea (97% penetration)

Diverse Revenue Streams across Platform and Content Business

Advertising, e-commerce, payment & banking, mobility, music streaming, webtoon, etc.

Evolving into an AI Company Powered by Agentic AI

Expanding hyper-personalized AI services within Talk to realize Agentic AI that understands user context and autonomously plans & executes tasks

Platform Business

Kakao Talk

Talk Biz

TALK

Advertising

Commerce

AI

AI

Kanana in Kakaotalk

ChatGPT for Kakao

Connected Services

(Kakao Ownership*)

kakaomobility	kakaopay	kakaobank
taxi-hailing & other mobility	Payment & tech-fin	Internet Banking
(57.2%)	(46.1%)	(27.2%)

Content Business

Establishing a Content Ecosystem with a Virtuous Cycle

Music	kakao ENTERTAINMENT (66.0%)	SM ENTERTAINMENT GROUP (41.5%)
Story	kakao ENTERTAINMENT (66.0%)	kakaopiccoma (91.1%)
Media	kakao ENTERTAINMENT (66.0%)	

Note: (1) Ownership interest in subsidiaries: The aggregate ownership percentage held by consolidated subsidiaries, calculated on a simple sum basis. (Kakao directly holds 72.9% Kakao Piccoma and 21.6% of SM Entertainment.)
(2) All subsidiaries, except for KakaoBank, are fully consolidated entities. (KakaoBank is accounted for using the equity method.)

Investment Highlights

2Q26 Results Summary

- Record-high quarterly Revenue of KRW 2.1tn (+9% YoY), driven by solid platform growth, with Talk Biz growth accelerating
- Record-high OP of KRW 277bn (+36% YoY, 13% OPM), driven by high-margin core business growth and operational efficiency gains
- Platform (+17% YoY): Talk Biz sustained double-digit growth, with Biz Message (+20%) and Talk DA (+28%) driving Ad & Subscription growth (+14%); Total Commerce GMV grew +9%, driven by seasonal promotions and strong growth in self-purchases(+39%), with Talk Gift (+9%) and Talk Store(+7%) also delivering solid growth
- Content (+1% YoY): Music sustained growth (+8%) on increased major artist activities, while Media grew +5% on more titles under production, Piccoma continued No.1 in gross revenue across Japan's overall app market

Core Growth Engines: KakaoTalk and B2C AI services

- KakaoTalk: Feed-based content consumption expanded as new usage patterns settled following the Talk revamp
- Kanana in KakaoTalk: Continued improvement in response rates and retention, with enhanced context-based recommendation and action capabilities
- ChatGPT for Kakao: Registered users surpassed 13M, with improved metrics such as messages sent per user and time spent, with broader access across chatrooms and PC
- Agentic AI: First A2A partnership with Coupang Eats announced, focused on accelerating ecosystem expansion through integration with leading external verticals

Key Guidance and Strategy Highlights

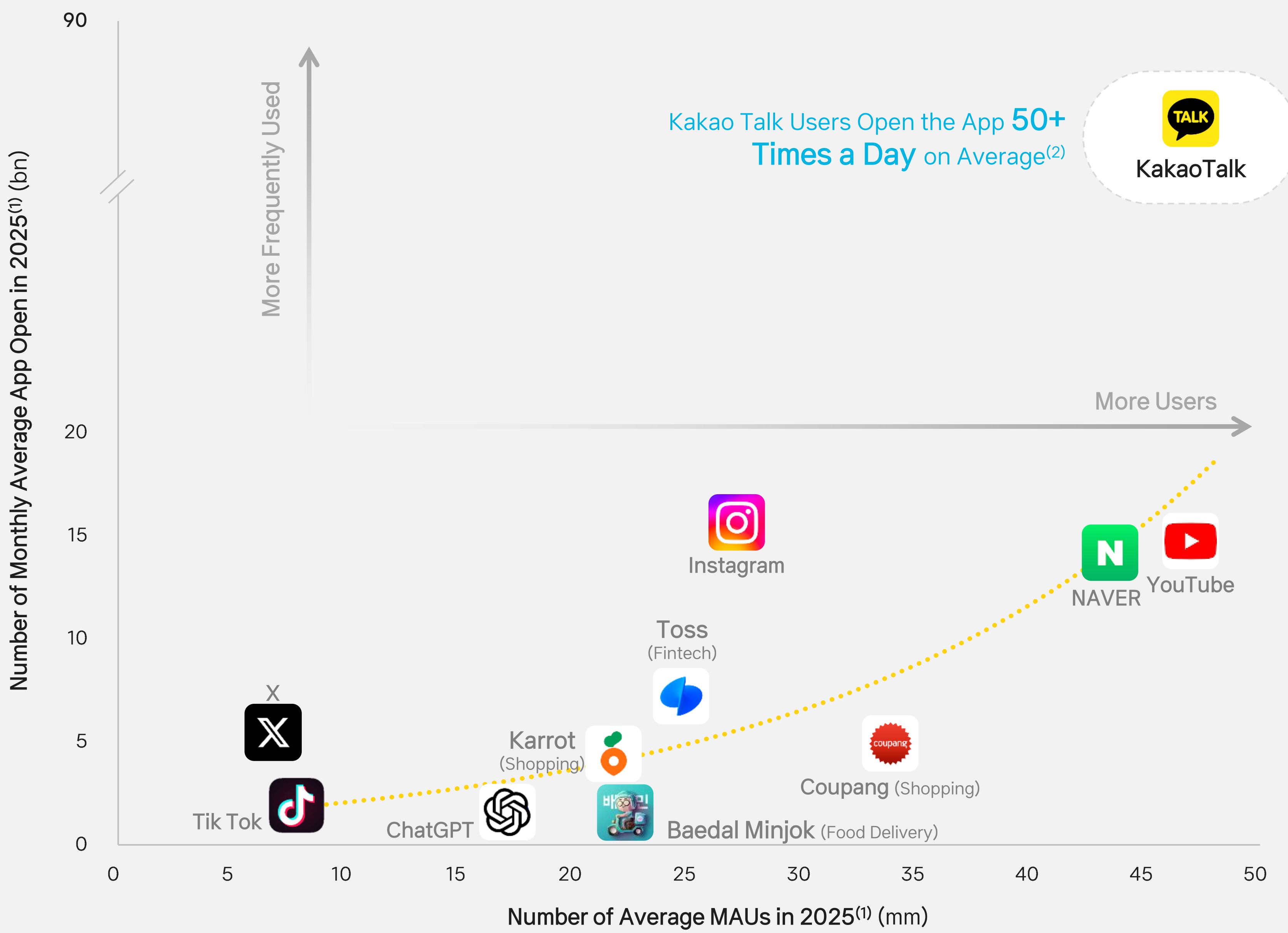
- Greater visibility for 10%+ revenue growth and 10% OPM in 2026, backed by platform growth and governance restructuring
- High-margin Talk Biz growth, efficient infrastructure costs and CapEx-light AI supporting continued margin improvement
- Agentic AI: 10M MAU by year-end → meaningful monetization in 2027 → double-digit AI revenue share of Talk Biz by 2028

Kakao Apps at a Glance

Undisputed Market Leader in Korea's Mobile Space

Kakao Talk: No. 1 Mobile App in Korea

2025 Most Popular Apps in Korea by User Traffic & Usage Frequency(1)



No. 1 Messenger in Korea
94% Population Penetration(3)

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

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

Global No. 1 Webtoon Platform
by In-App Purchase Revenue in 2025

Source: Company Information, Wiseapp Retail Goods, Data.ai, Sensor Tower
Note: (1) Based on Wiseapp Retail Goods. (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 Q4 2025 and the total population of Korea.

AI that understands everyday context

Making Every Korean's Daily Lives Better

From Everyday Services to Agentic AI

Vacation planning, **from booking to payment**	10:30 PM	8:00 AM	Kanana in Kakaotalk **morning briefing**
Search terms for new **mortgage** loans	9:00 PM	9:00 AM	Read **webtoon** in taxi
Get B-day Gift recommendations and send via Talk gift	8:30 PM	12:00 PM	**Pay** for lunch at cafeteria
Get nearby **restaurant recommendations** during chat	6:30 PM	2:00 PM	**Check next schedules and get directions**
Personalized music suggestions after work	6:00 PM	4:00 PM	**Ride Kakao T Taxi** to meeting location

Shopping **Fashion Items**

Ask Merchant for Service

Advertise **My Products**

Book a **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**

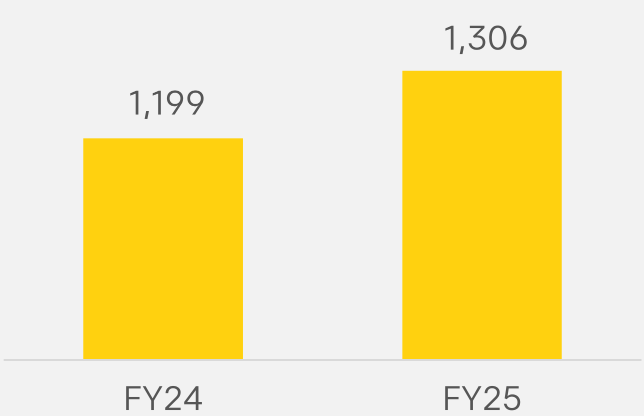
Korea's Digital Advertising

KRW11 tn
Online Ads TAM(1)

12% Share
Digital Ads

Kakao Talk's Advertising Revenue Growth
(KRW bn)

+9% YoY



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**

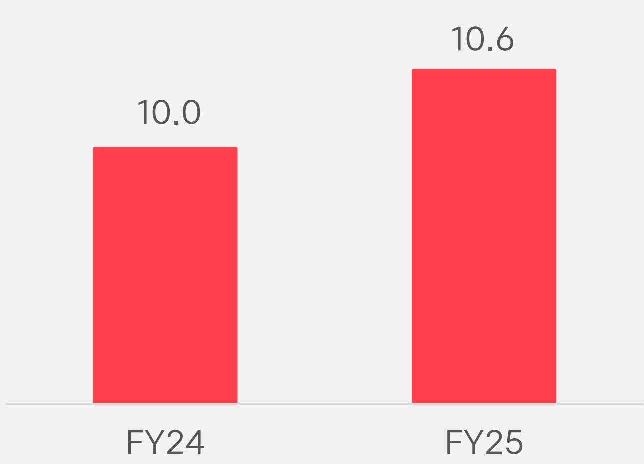
Korea's E-Commerce

KRW272 tn
Online Retail TAM(2)

4% Share
E-Commerce

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

+6% YoY



Key Growth Initiatives

- Expansion of Selections to **Luxury / High-end Brands**
- Use Case Expansion from Gifting to **Self-Purchases**
- Enhancing **Everyday Store** by expanding into Grocery & Fresh Food categories

Source: Korea Broadcast Advertising Corporation (KOBACO), Korea Statistical Information Service (KOSIS), Company Filings.
Note: (1) Korea's online advertisement market as of FY2025
(2) Korea's online shopping GMV as of FY2025

The Kakao Group's
Business Ecosystem

Leadership Across Key Verticals With Continued Business Model Innovation

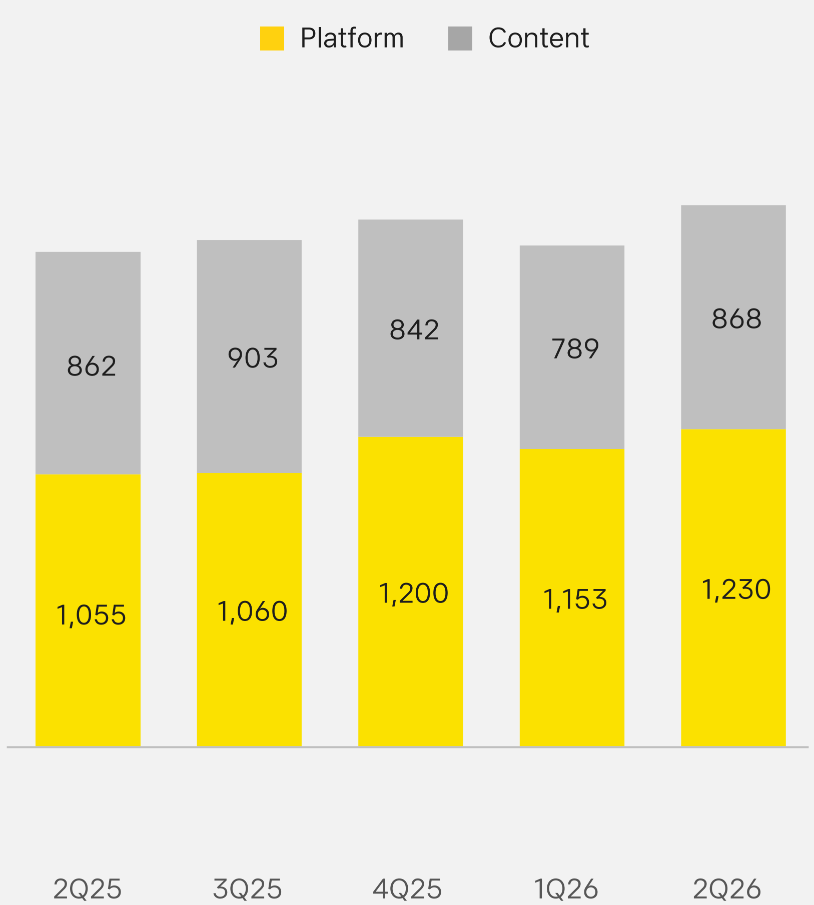
		Market Leadership	Growth Strategy	
Mobility	kakaomobility	No. 1 Mobility Platform in Korea	Taxi: Expand **network of affiliated taxis**	Others: Evolve into **parking & last-mile logistics** platform
Tech-Fin	kakaobank kakaopay	Leading **Financial Platform** in Korea | KRW **186 tn** FY2025 Total Payment Volume	Bank: Deepen **penetration across all age demographics** & increase low-cost deposit mix	Pay: **Data & AI driven** financial services & improve profitability in **insurance and securities**
Music	kakao ENTERTAINMENT SM ENTERTAINMENT GROUP	**Top 2** Entertainment Group in Korea | **30%+** Music Digital Retail Market Share in Korea	Music: Strengthening **IP portfolio**	SM: Accelerate **global expansion** in North America & Japan
Story	kakao ENTERTAINMENT kakaopiccoma	**No. 1** FY 2023 – FY 2025, Webtoon Platform by In-App Purchase Rev | **¥ 105 bn** FY 2025 Piccoma GMV	Ent.: Enhance **monetization** & diversify **IP library**	Piccoma: Strengthen **original IPs** & expand **secondary IP businesses**

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

Key Financial Performance

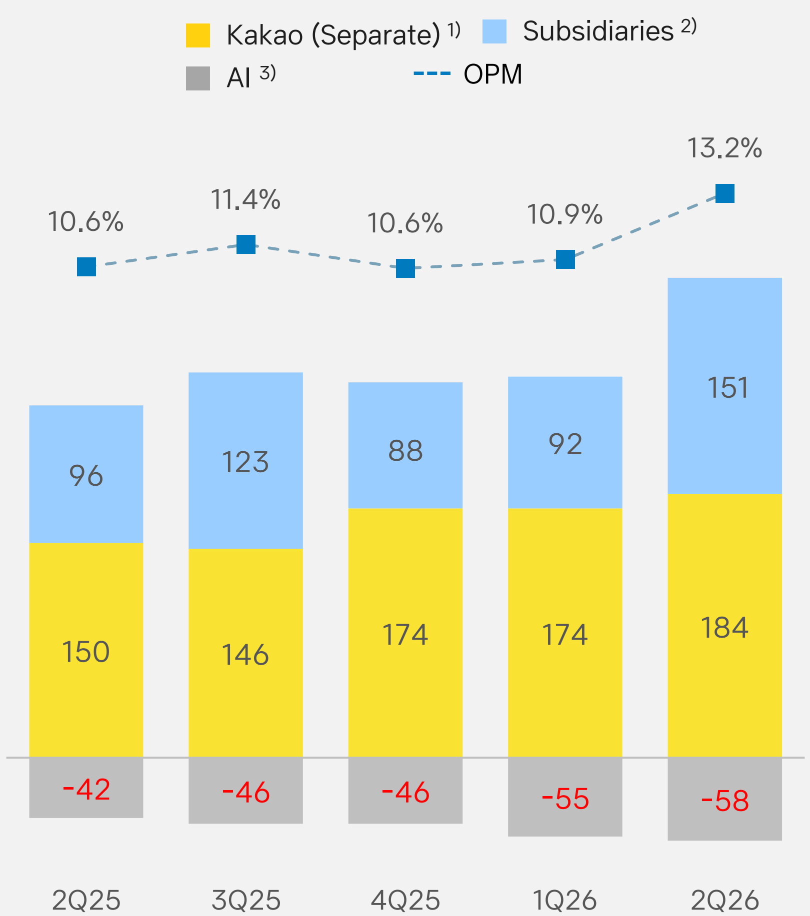
Record-high operating profit driven by platform-led growth

Revenue



- Higher Platform contribution, led by Talk Biz Advertising and Commerce, drove **record-high consolidated quarterly revenue**
- **Strengthened the core platform-led earnings structure** through governance restructuring and business simplification

Operating Profit (Margin)



- Core business profitability improved despite continued AI investment, **with OPM up 2.6%pt YoY to 13.2%**
- With 2Q earnings setting a new baseline, **continued profitability improvement driven by core business growth and structural improvements**

2Q26 Highlights

TalkBiz Ads

(2Q26 +14% YoY, +11% QoQ)

Sustained high growth in Biz Messaging (+20% YoY)

Display Ad growth by expanded ad inventory (+28% YoY)

TalkBiz Commerce

(2Q26 +10% YoY, -10% QoQ)

Sustained growth supported by seasonal promotions, Total Commerce GMV +9% YoY; Talk Gift GMV +9% YoY

On track to achieve full-year guidance

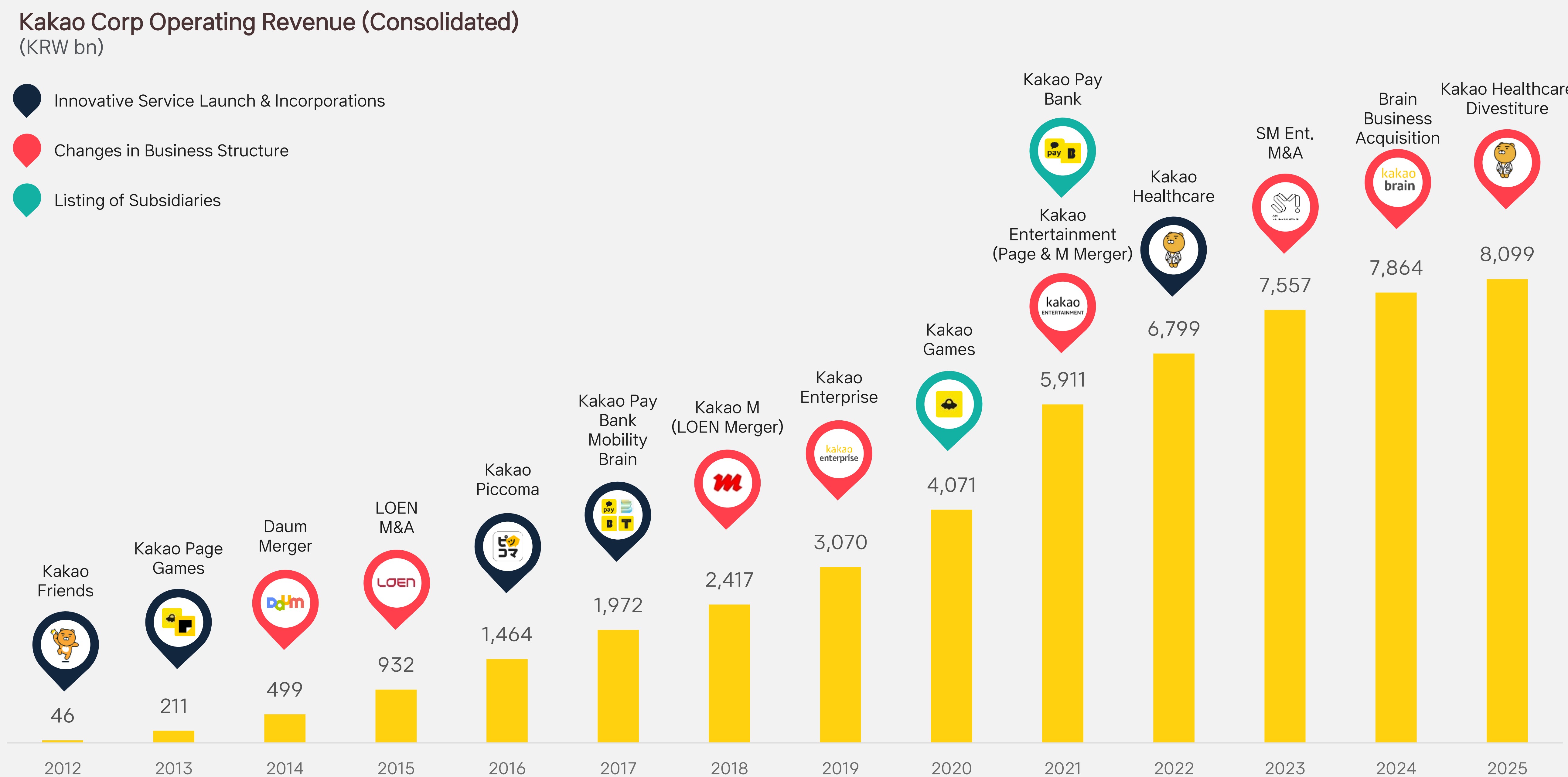
Supported by core business growth and profitability improvement, targeting 10%+ consolidated revenue growth and 10% OPM

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



Note: 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**[(1)] at Jeju Office
- **Upcycling Projects**[(2)]
- **Green Digital Campaigns**[(3)]

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 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

MSCI	**Rated A** (2025) From MSCI ESG ratings
한국ESG기준원	**Grade A** (2025) From KCGS ESG ratings
S&P Global	**Top 1%** (2025) From S&P Global for sustainability distinction
Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA	**Member** (2025) Member of DJSI World, Asia Pacific, and Korea
CDP DISCLOSURE INSIGHT ACTION	**Leadership A-** (2025) From CDP Climate Change

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.

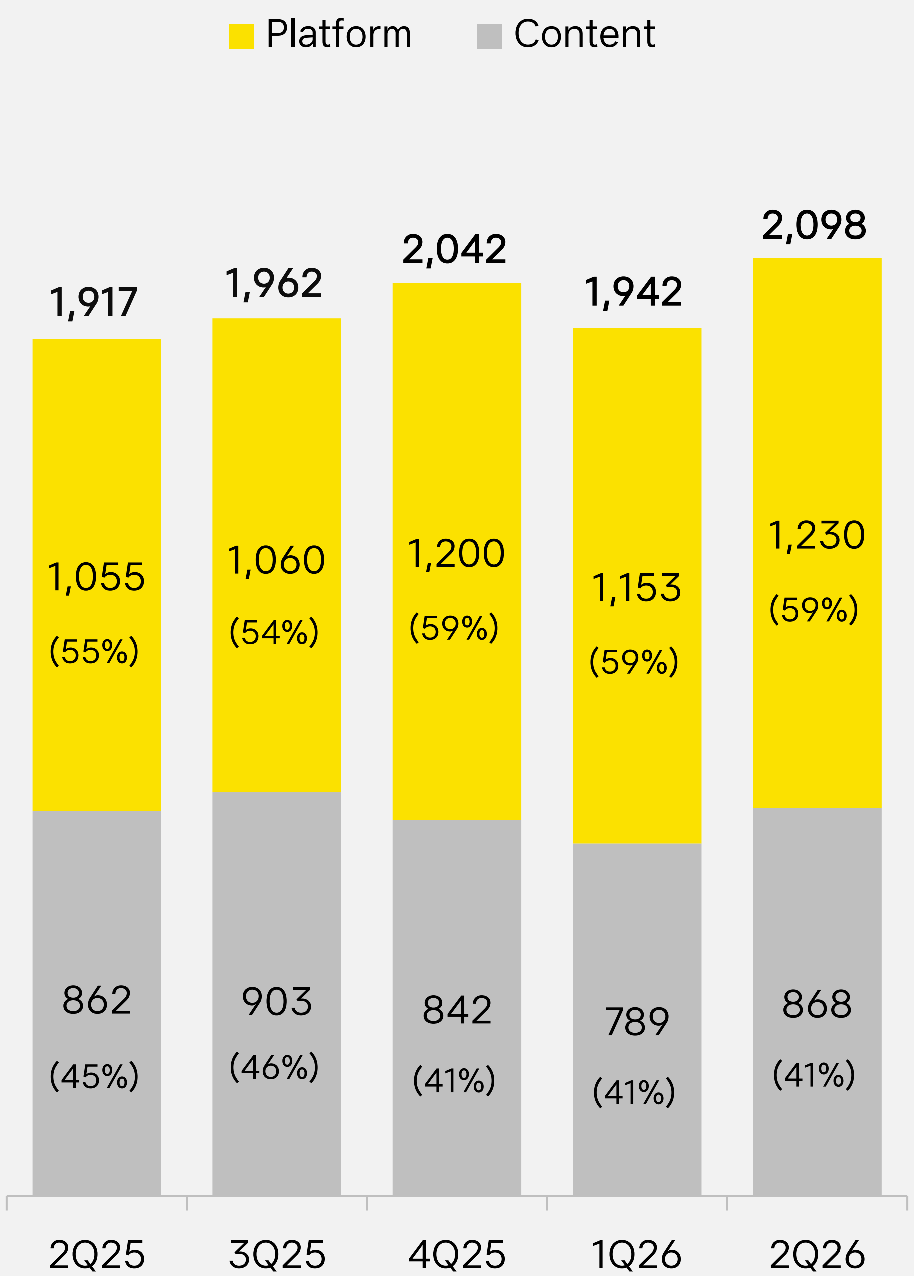
Q2 2026 Earnings Results

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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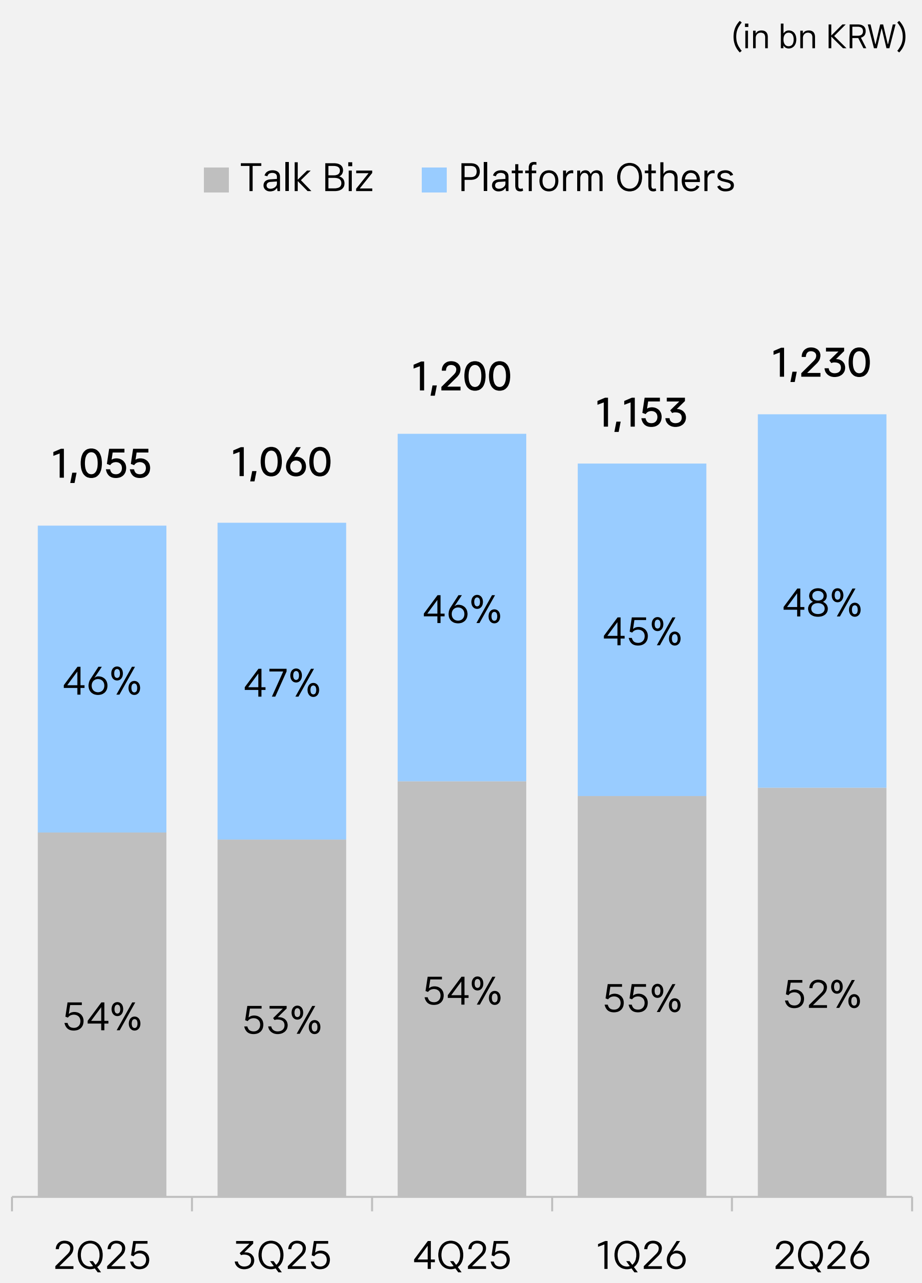
Revenue

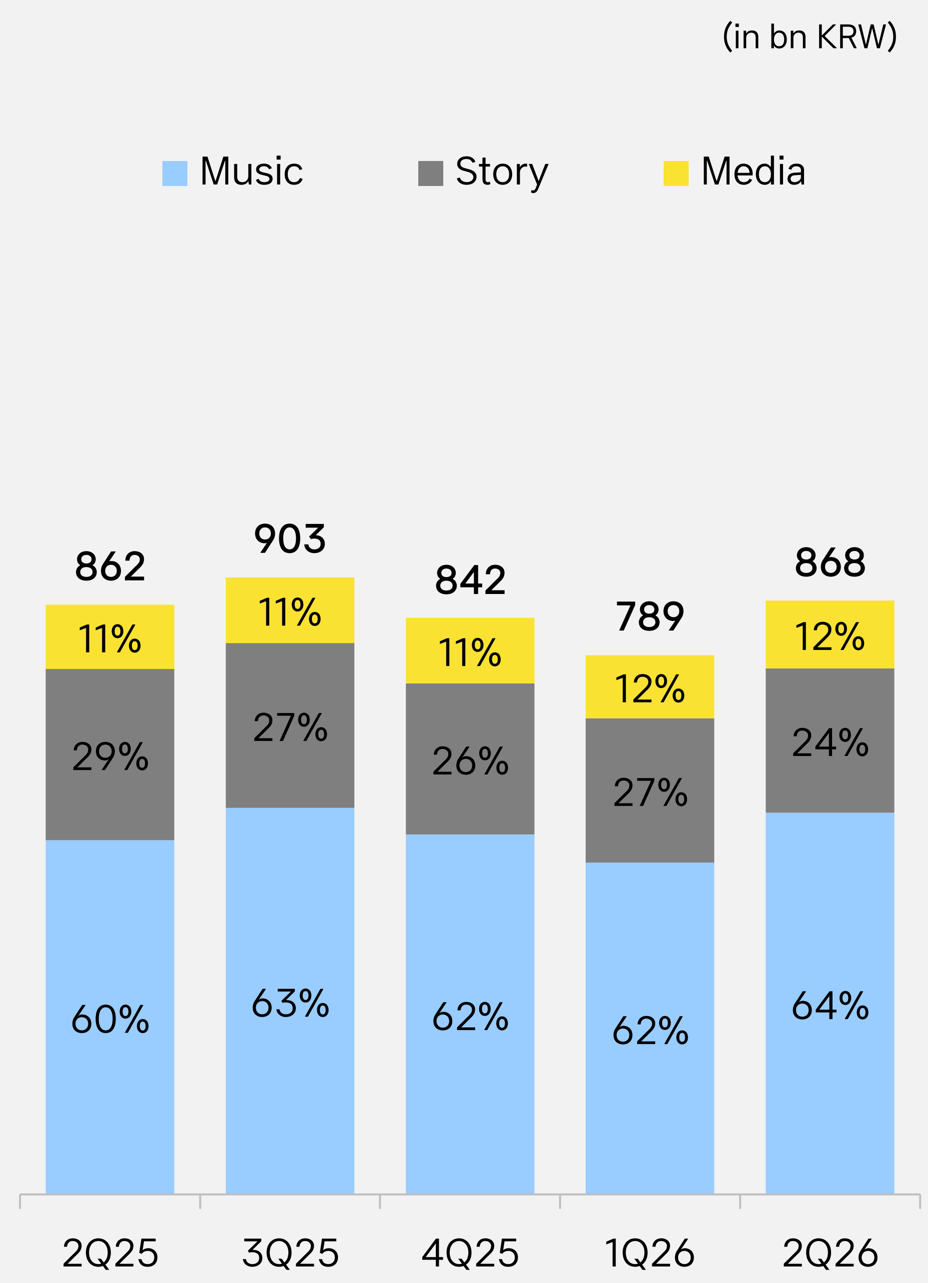
Platform

2Q26 +17% YoY, +7% QoQ



Content

2Q26 +1% YoY, +10% QoQ



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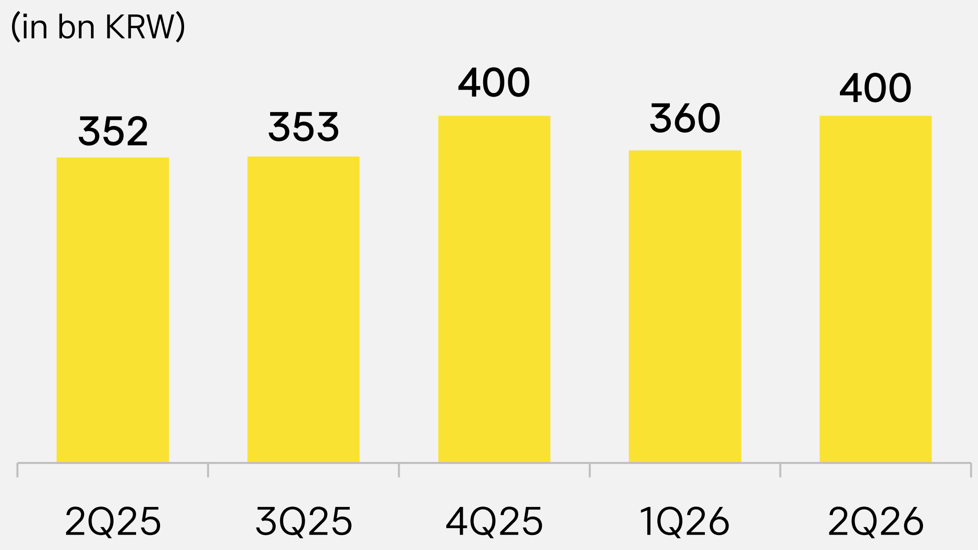
Platform | Talk Biz

Advertising & Subscription

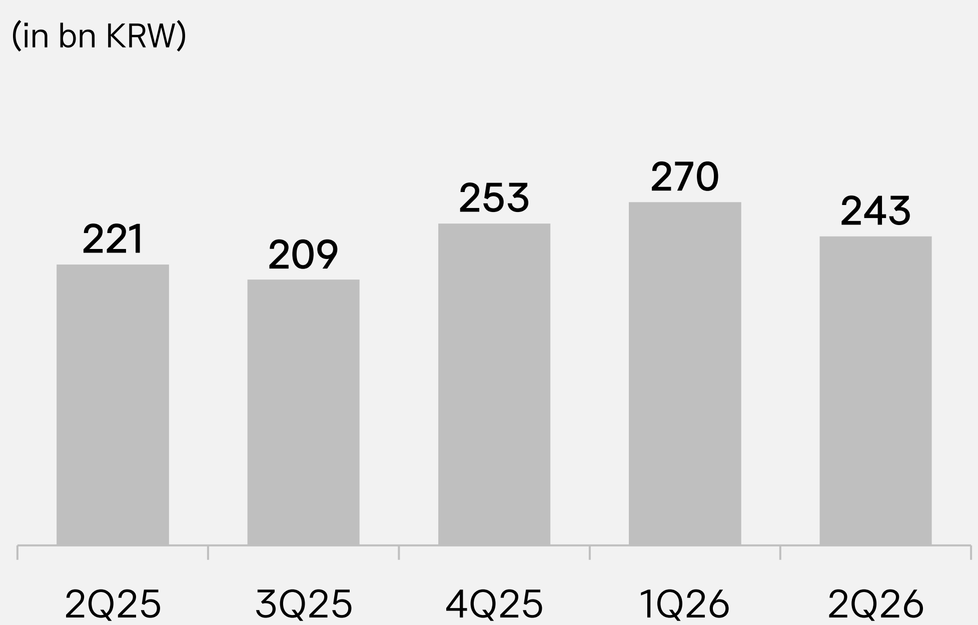


2Q26 +14% YoY, +11% QoQ

- **(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, by new advertiser acquisition and higher ad spending from existing advertisers following the launch of feed-based ads

Commerce

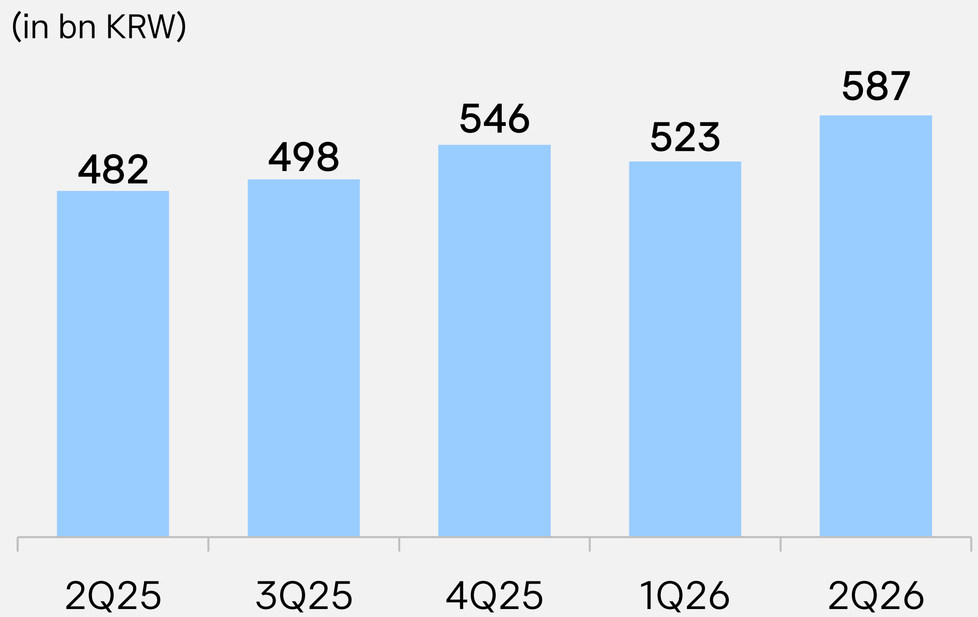


2Q26 +10% YoY, -10% QoQ

- **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



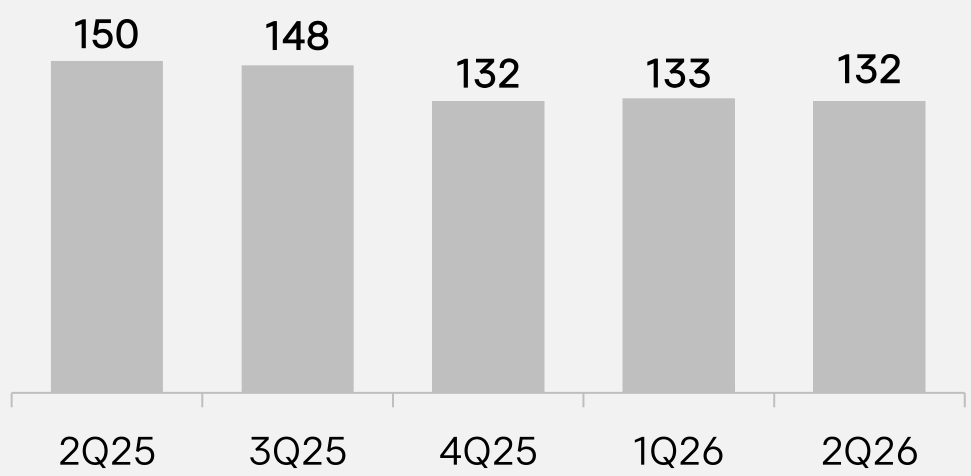
2Q26 +22% YoY, +12% QoQ

- **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)

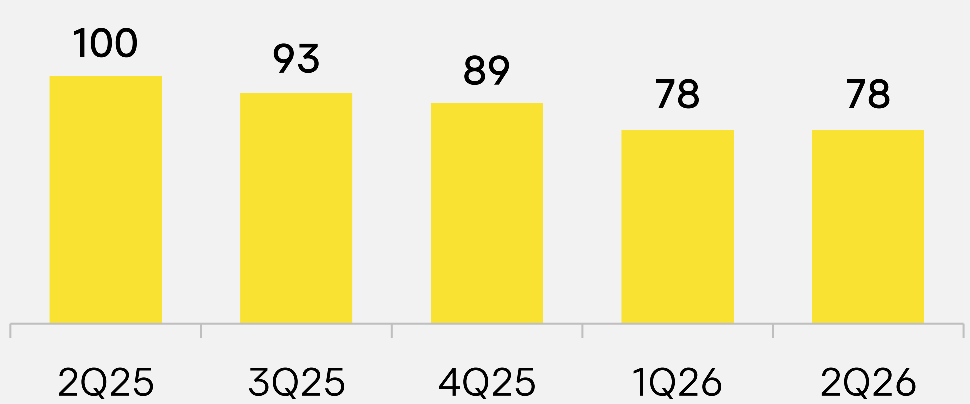


2Q26 -12% YoY, Flat QoQ

- **(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)

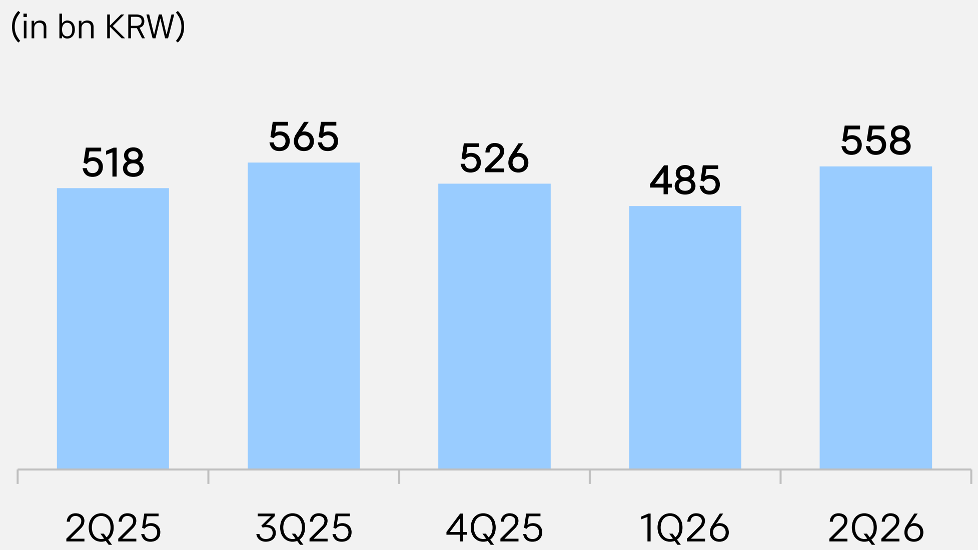


2Q26 -22% YoY, Flat QoQ

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

Content | Music, Media

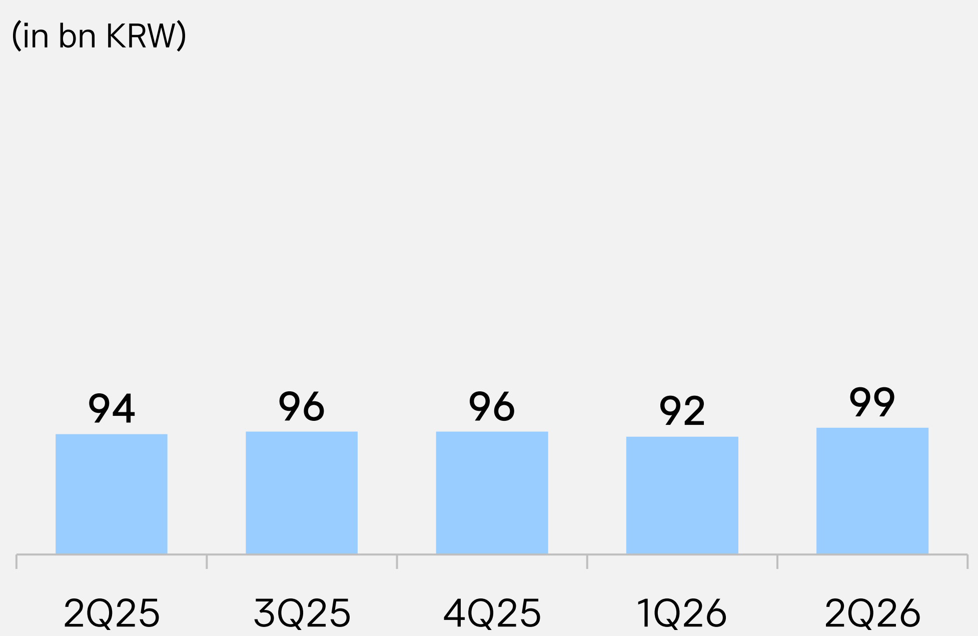
Music



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



2Q26 +5% YoY, +7% QoQ

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

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%*

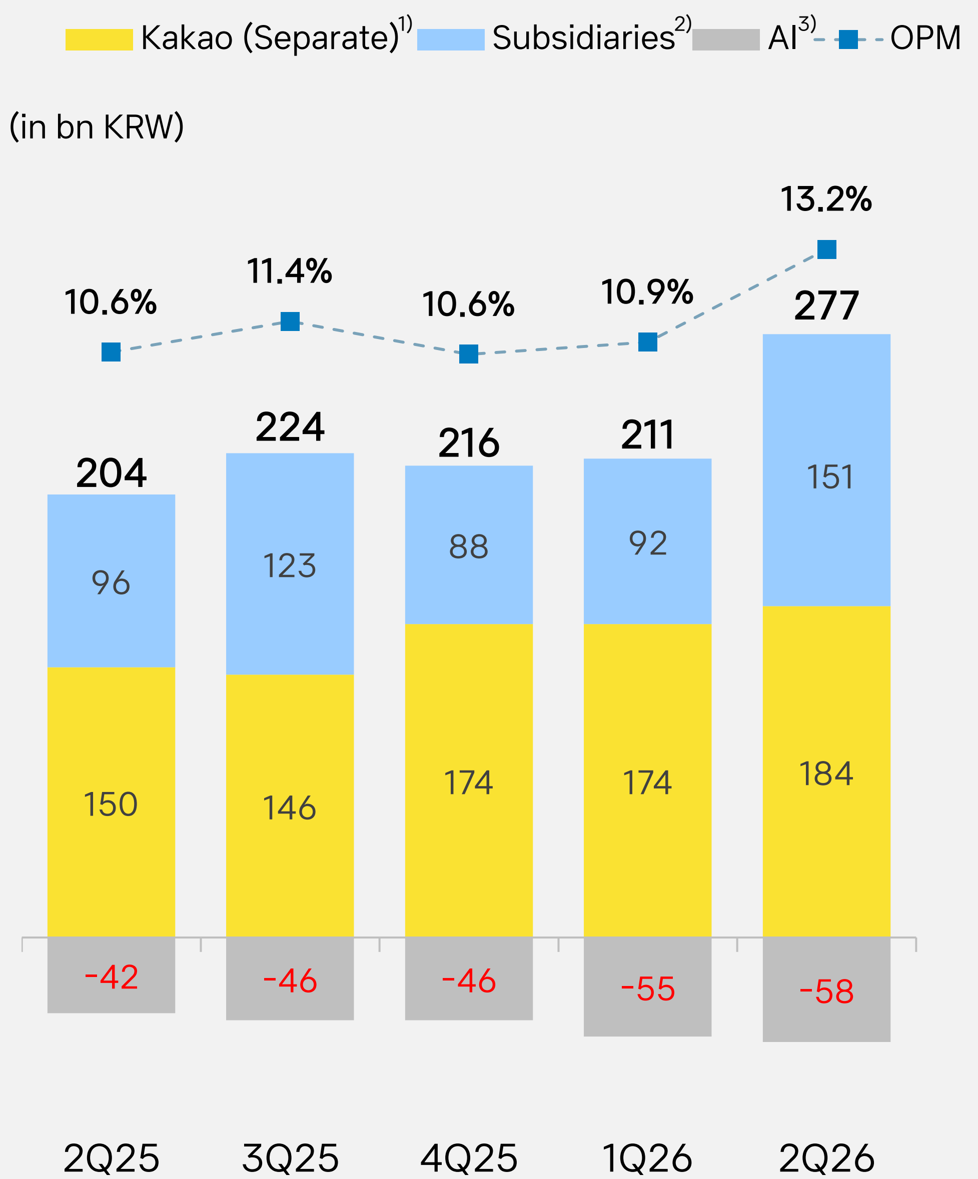
2Q Analysis

- 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 one-off bad debt expenses at a content subsidiary
  (QoQ) Base effect from content rights amortization

Profits

Operating Profit(M)

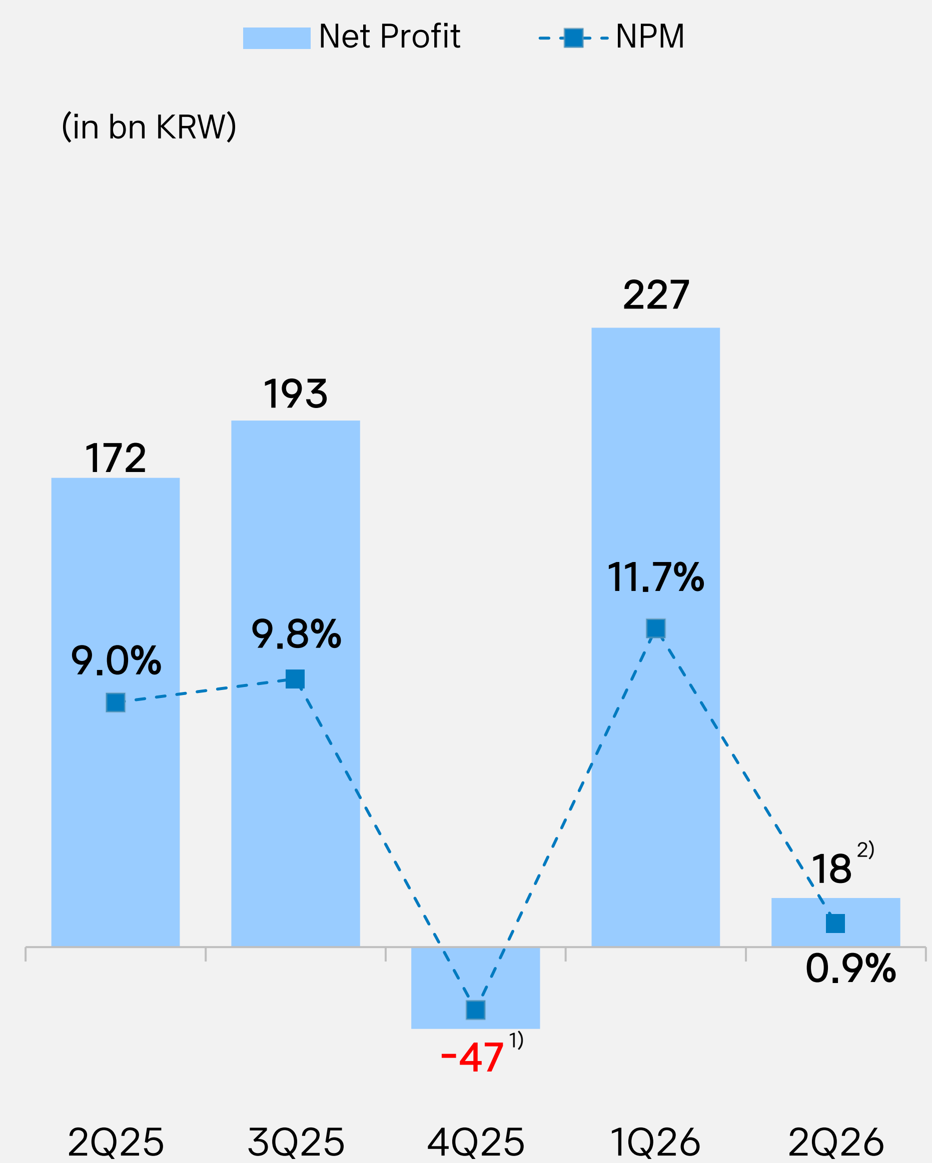
2Q26 +36% YoY, +31% QoQ



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 (10.5bn)
2) 2Q26: Loss from discontinued operations (181bn) and income tax expense (165bn) due to deconsolidation and subsidiary stake disposals

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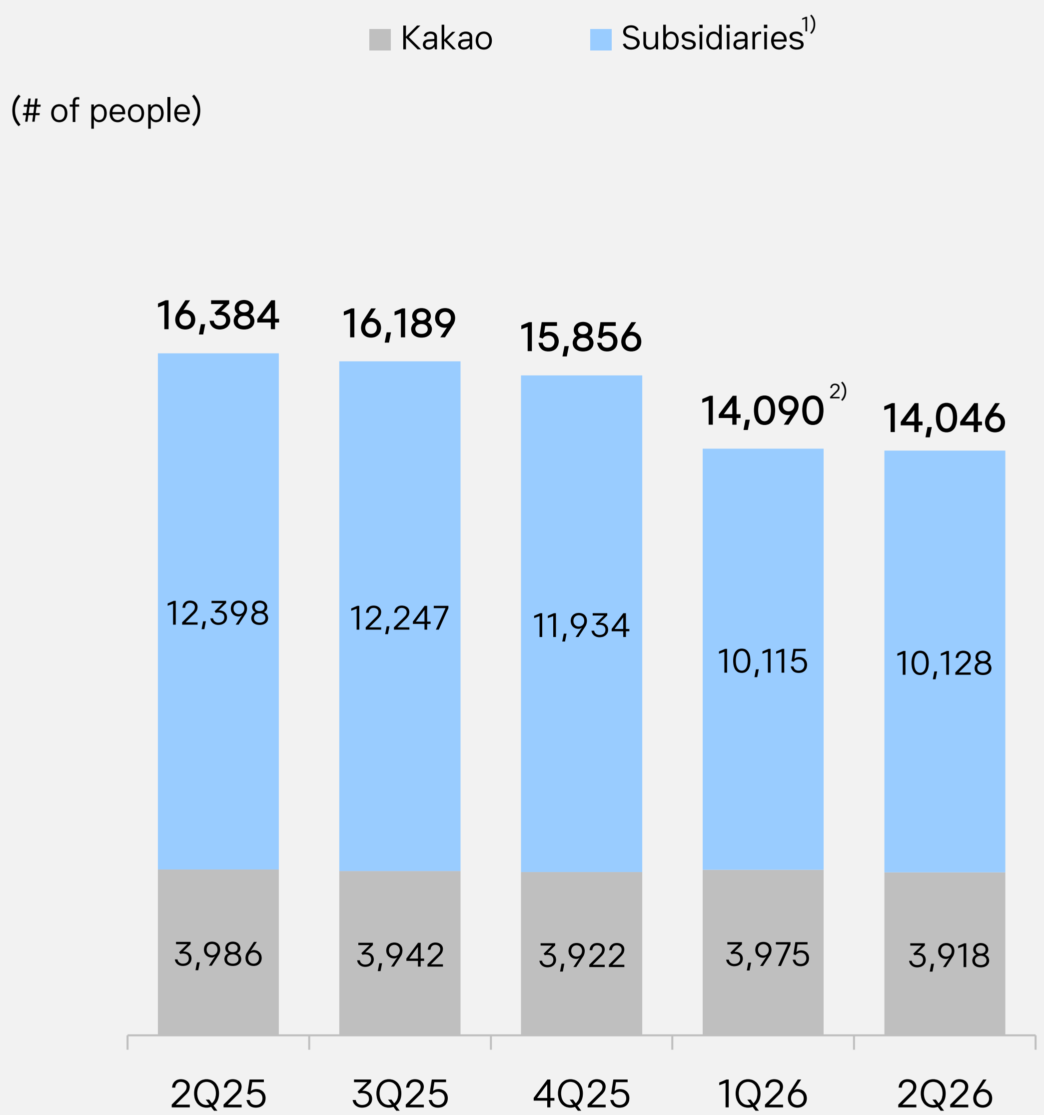
Employees / CapEx

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

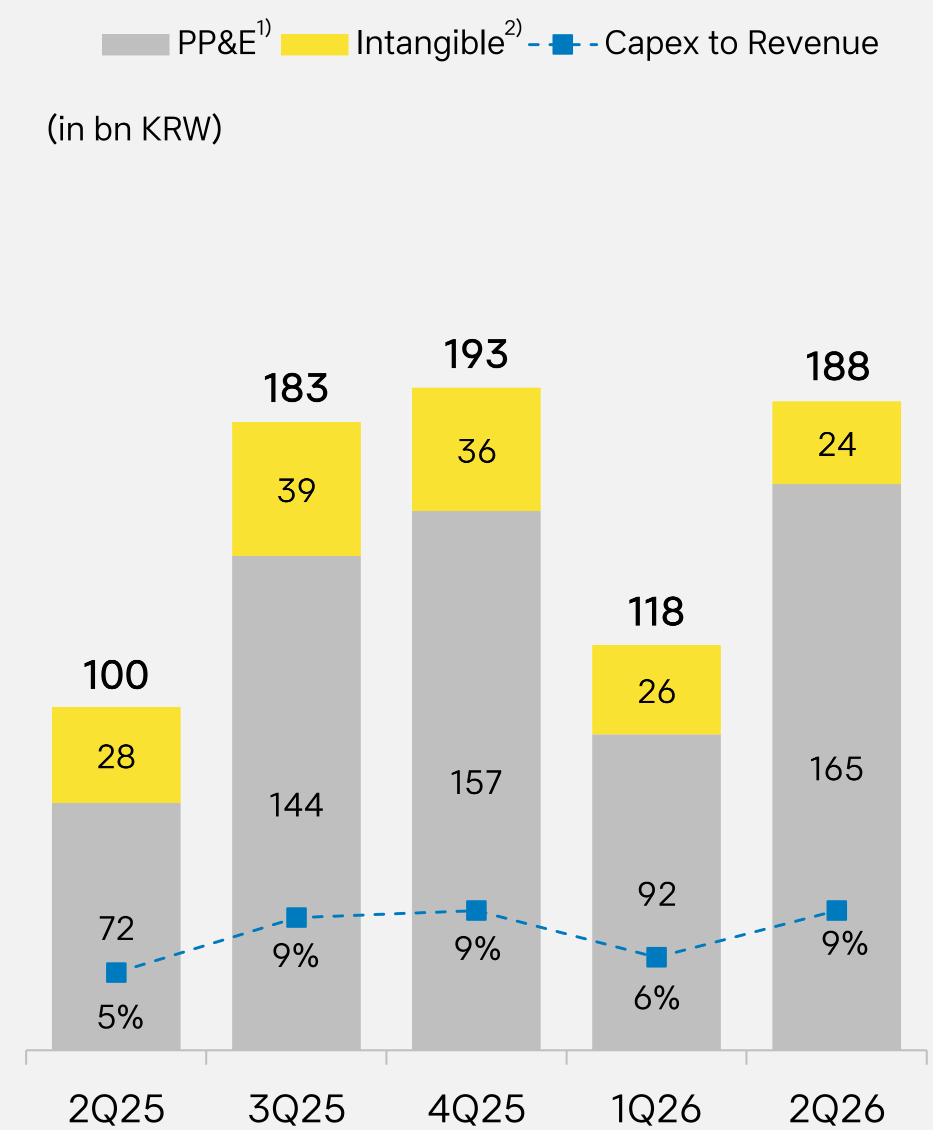
Workforce optimization and corporate restructuring



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

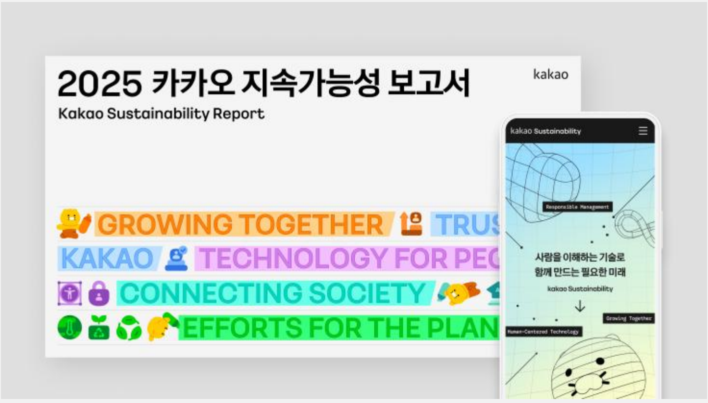
CapEx 2Q26 +89bn YoY, +70bn QoQ

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.

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

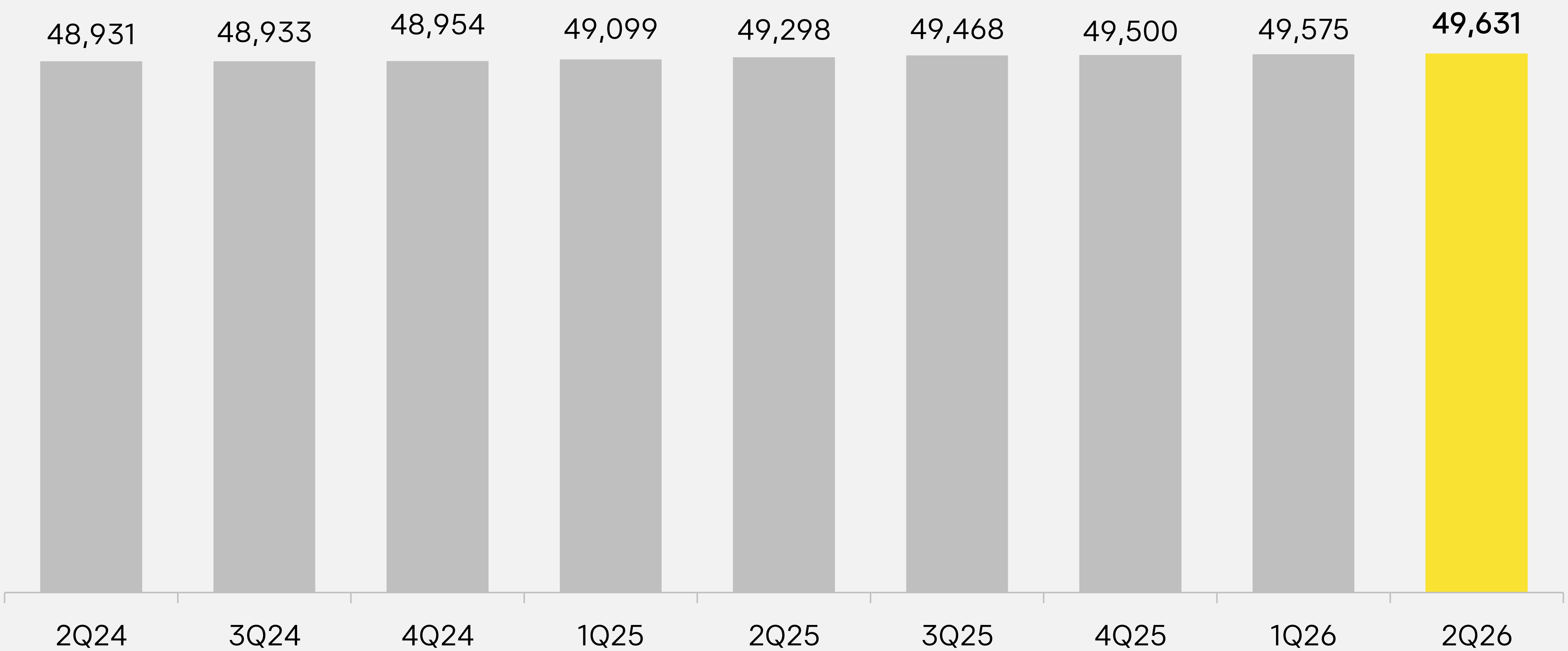
Hosted 2026 Partner's Day for Mutual Growth

- 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

(in thousands)



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.

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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

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).

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

Thank You