

Consolidated Statements of Financial Position (K-IFRS)

(Unit: KRW Million)

Accounts	2014.10.01	2014.12.31	2015.03.31	2015.06.30	2015.09.30	2015.12.31	2016.03.31	2016.06.30
Assets								
Current Assets	686,059	798,291	841,003	763,404	765,548	970,067	1,199,871	998,303
Non-Current Assets	1,952,452	1,969,734	2,012,217	2,124,466	2,160,868	2,218,411	3,989,828	4,216,525
Total Assets	2,638,510	2,768,025	2,853,220	2,887,870	2,926,416	3,188,478	5,189,699	5,214,829
Liabilities								
Current Liabilities	179,423	227,488	252,419	267,517	281,096	316,078	1,410,405	715,677
Non-Current Liabilities	88,306	77,309	83,508	83,006	87,869	286,925	362,567	987,714
Total Liabilities	267,729	304,797	335,927	350,523	368,965	603,003	1,772,972	1,703,391
Equity								
Paid-in Capital	28,332	29,121	29,714	30,004	30,057	30,098	33,770	33,805
Capital Surplus	2,246,535	2,258,974	2,264,694	2,257,707	2,259,578	2,274,186	3,035,853	3,024,611
Capital Adjustments	-48,491	-26,268	-27,258	-8,787	-8,960	-9,032	-10,887	-11,050
Accumulated Other Comprehensive Income	-3,018	2,114	12,786	-13	1,526	829	1,920	1,619
Retained Earnings	138,764	190,678	211,744	232,300	245,304	256,313	259,454	268,288
Non-controlling Interests	8,659	8,609	25,614	26,136	29,946	33,081	96,617	194,165
Total Equity	2,370,781	2,463,228	2,517,293	2,537,347	2,557,451	2,585,475	3,416,726	3,511,438
Total Liabilities & Equity	2,638,510	2,768,025	2,853,220	2,887,870	2,926,416	3,188,478	5,189,699	5,214,829

Separate Statements of Income(K-IFRS)																	
(Unit: KRW Million)	1Q14	2Q14	3Q14	4Q14	2014	1Q15	2Q15	3Q15	4Q15	2015	1Q16	2Q16	2016	QoQ	QoQ(%)	YoY	YoY(%)
Sales Revenues	189,739	217,407	212,358	243,021	862,525	220,303	210,648	211,516	219,619	862,085	203,027	206,774	409,801	+3,747	+1.8%	-3,873	-1.8%
Advertising Platform	127,821	147,244	141,688	165,533	582,286	142,070	150,392	140,376	148,492	581,330	124,481	130,580	255,061	+6,099	+4.9%	-19,812	-13.2%
Content Platform	57,574	64,393	65,371	66,735	254,073	66,141	50,115	60,917	57,435	234,609	63,958	56,644	120,602	-7,314	-11.4%	+6,529	+13.0%
Game Content	54,977	58,414	60,757	60,579	234,727	59,368	43,695	43,238	47,063	193,364	51,562	42,726	94,288	-8,836	-17.1%	-969	-2.2%
Music Content	92	1,125	1,476	2,123	4,816	2,367	2,623	7,066	3,341	15,397	3,378	2,991	6,369	-388	-11.5%	+368	+14.0%
Other Content	2,505	4,854	3,138	4,033	14,530	4,406	3,797	10,614	7,031	25,848	9,018	10,928	19,946	+1,910	+21.2%	+7,131	+187.8%
Others	4,344	5,770	5,300	10,753	26,167	12,092	10,140	10,223	13,692	46,146	14,588	19,550	34,138	+4,962	+34.0%	+9,410	+92.8%
Operating Expenses	137,561	153,770	178,758	172,640	642,730	175,907	194,802	185,369	185,416	741,495	173,069	191,670	364,739	+18,600	+10.7%	-3,132	-1.6%
Labor costs	34,781	36,692	57,249	38,821	167,544	42,588	43,925	46,369	42,455	175,337	45,349	48,830	94,180	+3,481	+7.7%	+4,906	+11.2%
Fringe benefits	6,178	8,591	7,927	7,060	29,757	8,111	15,166	10,642	8,550	42,468	7,927	11,693	19,620	+3,766	+47.5%	-3,473	-22.9%
Depreciation	8,316	9,303	9,706	10,289	37,614	11,135	11,969	12,012	12,219	47,334	12,354	12,793	25,148	+439	+3.6%	+825	+6.9%
Rental fees	2,580	3,023	2,937	2,899	11,440	2,417	1,916	1,977	1,816	8,126	2,205	2,525	4,730	+319	+14.5%	+609	+31.8%
Commissions	41,950	48,054	52,137	57,830	199,971	52,616	55,045	58,018	57,930	223,609	55,595	57,520	113,115	+1,926	+3.5%	+2,475	+4.5%
Advertising	10,572	8,132	10,394	5,913	35,012	16,262	18,813	4,954	10,716	50,745	3,885	8,418	12,303	+4,533	+116.7%	-10,395	-55.3%
Bad debt expenses	-1,124	-13	-11	1,594	446	-14	408	-23	1,034	1,405	908	116	1,024	-792	-87.2%	-292	-71.5%
Amortization	2,267	2,262	2,283	5,336	12,148	5,233	5,129	5,378	5,338	21,079	5,800	5,906	11,706	+105	+1.8%	+776	+15.1%
Content fees	6,747	8,109	7,773	7,107	29,736	8,396	11,266	15,476	12,489	47,627	10,863	11,722	22,585	+859	+7.9%	+456	+4.0%
Ad Agency fees	21,004	24,844	23,627	28,000	97,474	22,064	24,687	23,676	25,767	96,195	20,012	21,152	41,164	+1,140	+5.7%	-3,535	-14.3%
Event fees	155	396	298	1,790	2,639	154	304	134	492	1,085	110	359	469	+249	+227.4%	+55	+18.0%
Others	4,134	4,377	4,440	6,000	18,950	6,946	6,173	6,756	6,611	26,485	8,061	10,635	18,695	+2,574	+31.9%	+4,462	+72.3%
Operating Profit	52,178	63,637	33,600	70,380	219,795	44,395	15,846	26,147	34,203	120,591	29,958	15,105	45,062	-14,853	-49.6%	-741	-4.7%
<i>Operating Profit Margin</i>	<i>27%</i>	<i>29%</i>	<i>16%</i>	<i>29%</i>	<i>25%</i>	<i>20%</i>	<i>8%</i>	<i>12%</i>	<i>16%</i>	<i>14%</i>	<i>15%</i>	<i>7%</i>	<i>11%</i>				
Other Revenues	254	3,788	203	317	4,561	476	1,287	1,109	3,632	6,504	1,660	960	2,620	-700	-42.2%	-327	-25.4%
Reversal of allowance for doubtful accounts	0	0	0	0	0	0	0	0	0	0	0	0	0	+0	-	+0	-
Disposal gains on tangible assets	49	27	26	20	121	20	45	73	17	156	46	35	81	-11	-23.3%	-10	-23.0%
Disposal gains on other assets	0	3,388	0	0	3,388	0	0	0	0	0	0	0	0	+0	-	+0	-
Disposal gains on equity method investees	67	0	0	0	67	0	605	0	0	605	0	0	0	+0	-	-605	-100.0%
Miscellaneous	73	240	137	180	630	373	479	655	3,721	5,229	1,488	685	2,173	-802	-53.9%	+207	+43.2%
Others	65	133	40	117	356	83	158	380	-107	515	127	240	366	+113	+89.5%	+81	+51.4%
Other Expenses	3,202	1,474	28,224	1,698	34,598	2,201	4,863	21,425	5,418	33,907	2,980	6,197	9,177	+3,218	+108.0%	+1,334	+27.4%
Disposal losses on intangible assets	0	0	0	0	0	5	1,034	0	154	1,192	0	0	0	+0	-	-1,034	-100.0%
Impairment losses on intangible assets	1,280	0	12	0	1,292	0	0	0	0	0	590	0	590	-590	-100.0%	+0	-
Impairment losses on equity method investees	71	0	21,349	0	21,420	0	0	16,975	4,009	20,984	0	4,235	4,235	+4,235	-	+4,235	-
Disposal losses on equity method investees	44	0	0	81	125	0	79	0	359	438	0	26	26	+26	-	-53	-67.3%
Commissions	39	99	4,252	713	5,103	257	1,373	1,094	40	2,764	131	1,165	1,296	+1,034	+786.7%	-208	-15.1%
Donations	180	667	1,589	708	3,146	1,224	1,739	2,376	560	5,900	691	377	1,068	-314	-45.4%	-1,362	-78.3%
Miscellaneous	1,458	484	864	40	2,846	298	291	906	21	1,517	44	32	76	-11	-25.5%	-259	-88.9%
Others	131	223	156	155	666	416	348	73	276	1,112	1,524	362	1,887	-1,162	-76.2%	+15	+4.2%
Financial Income	2,924	2,916	3,294	3,212	12,345	2,722	2,759	3,842	1,780	11,103	3,557	6,427	9,985	+2,870	+80.7%	+3,668	+133.0%
Interest income	2,900	2,868	2,793	2,639	11,200	2,694	2,593	1,481	1,698	8,465	1,882	1,146	3,028	-737	-39.1%	-1,447	-55.8%
Dividend income	5	0	0	0	5	0	0	1,723	83	1,805	1,674	246	1,921	-1,428	-85.3%	+246	-
FX Transaction gains	14	49	5	3	70	2	0	0	0	2	0	4,623	4,623	+4,623	-	+4,623	-
FX Translation gains	5	-1	69	181	254	26	166	639	0	831	1	181	182	+180	+21,713.1%	+15	+8.9%
Disposal gains of LT AFS	0	0	0	0	0	0	0	0	0	0	0	231	231	+231	-	+231	-
Valuation gains on derivative instruments	0	0	427	388	815	0	0	0	0	0	0	0	0	+0	-	+0	-
Financial Expenses	254	178	-196	69	303	284	929	178	1,696	3,087	1,788	8,510	10,299	+6,722	+375.9%	+7,582	+816.3%
Interest expense	41	41	41	41	163	36	37	37	457	568	1,383	5,672	7,054	+4,289	+310.2%	+5,634	+15,055.1%
FX Transaction losses	6	20	20	15	61	3	0	0	0	3	0	201	201	+201	-	+201	-
FX Translation losses	5	47	14	5	71	-3	0	0	211	208	406	62	468	-344	-84.7%	+62	-
Losses on Retirement of Bonds	0	0	0	0	0	0	0	0	0	0	0	2,575	2,575	+2,575	-	+2,575	-
Disposal losses of LT AFS	0	0	0	8	8	0	0	0	0	0	0	0	0	+0	-	+0	-
Impairment losses on LT AFS	0	0	0	0	0	0	0	0	1,009	1,009	0	0	0	+0	-	+0	-
Valuation losses on Trading Securities	202	70	-272	0	0	248	891	140	20	1,299	0	0	0	+0	-	-891	-100.0%
Profit Before Income Tax Expenses	51,900	68,689	9,070	72,142	201,800	45,109	14,101	9,495	32,500	101,204	30,407	7,784	38,191	-22,623	-74.4%	-6,316	-44.8%
Income Tax Expenses	7,065	9,193	278	10,749	27,286	9,858	-1,148	8,251	11,346	28,306	7,054	4,628	11,681	-2,426	-34.4%	+5,776	-
Net Profit from Discontinued Operations	0	0	0	0	0	0	0	0	0	0	0	0	0	+0	-	+0	-
Net Profit	44,834	59,496	8,792	61,393	174,514	35,251	15,249	1,244	21,154	72,898	23,353	3,157	26,510	-20,197	-86.5%	-12,092	-79.3%
EBITDA	62,761	75,201	45,589	86,006	269,558	60,763	32,944	43,537	51,759	189,003	48,112	33,804	81,916	-14,309	-29.7%	+860	+2.6%

Separated Statements of Financial Position (K-IFRS)

(Unit: KRW Million)

Accounts	2014.10.01	2014.12.31	2015.03.31	2015.06.30	2015.09.30	2015.12.31	2016.03.31	2016.06.30
Assets								
Current Assets	626,235	719,078	624,623	539,497	553,384	718,533	605,891	425,410
Non-Current Assets	1,997,602	2,036,753	2,185,106	2,317,273	2,315,067	2,398,531	4,302,455	4,320,305
Total Assets	2,623,837	2,755,831	2,809,729	2,856,770	2,868,451	3,117,064	4,908,346	4,745,715
Liabilities								
Current Liabilities	172,427	218,353	239,183	243,841	251,481	265,747	1,202,571	541,632
Non-Current Liabilities	87,207	76,662	79,100	76,765	78,251	276,435	351,836	846,564
Total Liabilities	259,635	295,014	318,283	320,606	329,732	542,182	1,554,407	1,388,196
Equity								
Paid-in Capital	28,332	29,121	29,714	30,004	30,057	30,098	33,770	33,805
Capital Surplus	2,246,536	2,258,975	2,264,694	2,275,487	2,276,818	2,291,486	3,055,341	3,056,102
Capital Adjustments	-48,491	-26,268	-27,258	-8,787	-8,960	-9,032	-10,887	-11,050
Accumulated Other Comprehensive Income	0	-252	-143	-227	-129	244	312	101
Retained Earnings	137,825	199,218	224,438	239,687	240,931	262,086	275,404	278,560
Total Equity	2,364,202	2,460,793	2,491,445	2,536,164	2,538,719	2,574,882	3,353,939	3,357,519
Total Liabilities & Equity	2,623,837	2,755,831	2,809,729	2,856,770	2,868,451	3,117,064	4,908,346	4,745,715

Number of Employees (Kakao)

Name	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	QoQ	YoY
Kakao	2,272	2,250	2,262	2,255	2,271	2,299	2,375	2,469	2,541	▲72	▲270
Kakao Subsidiaries	1,089	1,217	1,269	1,348	1,413	1,447	1,725	1,812	2,403	▲591	▲990
Consolidated total	3,361	3,467	3,531	3,603	3,684	3,746	4,100	4,281	4,944	▲663	▲1,260

* The above number of employees include full-time and part-time employees only

* Subsidiaries (58 Companies) : DGH, Path Mobile Inc, DK Service, DK Techn, DK Business, DK China, DK China Yajiao, Imageon, Buzzpia, Thinkreals, Lotiple, Kakao Lab, Sunny Loft, Kakao Singapore, Beijing Kakao, Ultra Caption, Ultra Interactive, Kakao Japan, Kidsnote, K Venture Group, TNK Factory, Sellit, K Cube Ventures, K-cube Venture Fund, Kakao Venture Fund, Locnall, KakaoFriends, Valuepotion, Valuepotion Pte. LTD, Cardoc, Kakao Games(former NZIN), Kakao Games Europe B.V(former Daum Games Europe B.V), Zinny Labs, Aina, Supernova Eleven, Mmagnet, Ngle, Bullhocsoft, Podotree, About Time , PT. Path Mobile Indonesia, Naviro, Linkage Lab, Kakao Digital Content Fund, Kakao Game Growth Share Fund, LOEN ENTERTAINMENT, Starship entertainment, KINGKONG entertainment, PLAN A, MTECHCREW, Fave Entertainment, Cre.Ker Entertainment, Mun Hwa In, Parking Square, Numberworks, , KVG SG Pte. Ltd., Peoplug, Kakao CCVC Jeju Creative Economy Innovation Fund

* Include 498 employees of Loen Entertainment and its subsidiaries