Kakao / 2024.10.14 Decision on Merger

Decision on Merger

1. Method of merger		Kakao Corp. merges with Daum Global Holdings Corp. - Surviving company: Kakao Corp. - Merged company: Daum Global Holdings Corp.
- Type of merger		Small-scale
2. Purpose of merger		To enhance corporate value by simplifying the governance
3. Material impact and effects of merger		1) Effects on the company’s management Kakao Corporation currently holds 100% of the shares in Daum Global Holdings Corporation. The merger ratio is set at 1:0. Since this is a non-capital increase merger that does not involve the issuance of new shares, there will be no change in the shareholding structure of Kakao Corporation following the merger. As of the submission date of this disclosure, Kim Beom su, the largest shareholder of Kakao Corporation, the surviving company, along with the related persons, holds a total of 24.1% of the shares of Kakao Corporation. 2) Effects on the company's finance and operations While the merger is not anticipated to significantly affect the management, financial performance, or operations of Kakao Corporation from the perspective of the consolidated entity, the company expects to achieve enhanced management efficiency through the consolidation with its wholly-owned subsidiary.
4. Merger ratio		-
- In case the Special Purpose Acquisition Company disappears and merges		
- (A multiple of the base price on the day of listing of the new stock to be merged compared to the closing price on the last trading day of the Special Purpose Acquisition Company)		-
5. Calculation basis for merger ratio		The surviving company holds all issued shares of the merged company, and the merger will be conducted without a capital increase, with no new shares being issued as a result of the merger.
6. Details of external valuation	External valuation	N/A
	- Basis and reasons	This disclosure pertains to a merger with Daum Global Holdings Corporation, a wholly-owned subsidiary of the company. In accordance with the proviso to Clause B of

		Article 176-5 (7) 2 of the Enforcement Decree of the Financial Investment Services and Capital Markets Act, a company that holds all the issued shares of other company and merges without issuing new shares is not required to obtain an external evaluation on the appropriateness of the merger value. This merger qualifies under this provision, and thus, no external appraisal has been conducted in accordance with the aforementioned regulations.			
	External valuation institution	-			
	Period of external valuation	-			
	Opinion of external valuation	-			
7. Class and number of new shares to be distributed following merger	Common stock	-			
	Different classes of stocks	-			
8. Counterparty to merger	Name of company	Daum Global Holdings Corp.			
	Main business	Management/administration of companies related to the Kakao			
	Relationship to company	Subsidiary			
	Financial status of the latest fiscal year (KRW)	Total assets	1,192,168,003	Capital stock	2,554,050,000
		Total liabilities	11,106,778	Sales	0
		Total shareholders' equity	1,181,061,225	Net income	-6,933,691
	- External audit	Company name	Jian Accounting Corporation	External auditor`s opinion	Unqualified
	- In case the Special Purpose Acquisition Company disappears and merges	CEO	-	Date of establishment	-
		Location of Head Office	-		
		Expected date of	-		

		submission of the securities declaration				
9. Newly incorporated company after merger	Name of company	-				
	Financial status at time of incorporation (KRW)	Total assets	-	Total liabilities	-	
		Total shareholders' equity	-	Capital stock	-	
		-		As of the reporting date		
	Sales of newly established business division of the latest fiscal year (KRW)	-				
	Main business	-				
	Re-listing planned?	N/A				
10. Merger schedule	Date of merger contract	2024-10-10				
	Record date of shareholder’s registry	2024-10-25				
	Book closure period	Start date	-			
		End date	-			
	Filing period for statement of objections	Start date	2024-10-25			
		End date	2024-11-08			
	Scheduled date of shareholders' meeting	2024-11-14				
	Period for exercising appraisal rights	Start date	-			
		End date	-			
	Period for submission of old share certificates	Start date	-			
		End date	-			
	Scheduled period for	Start date	-			

	trading suspension	End date	-
	Period for filing statement of objections by creditors	Start date	2024-11-15
		End date	2024-12-16
	Record date of merger		2024-12-17
	Date of shareholders' meeting to report completion of merger		2024-12-20
	Scheduled date of merger registration		2024-12-20
	Scheduled delivery date of new share certificates		-
	Scheduled listing date of new shares		-
11. Deemed a backdoor listing?			No
12. Satisfying backdoor listing requirements of another corporation?			N/A
13. Details of appraisal rights	Terms and conditions for exercise		This merger is carried out in accordance with the small-scale merger procedure under Article 527-3 of the Commercial Act, and as a result, appraisal rights are not granted pursuant to Paragraph 5 of the same Article.
	Estimated purchase price		-
	Procedures, methods, period and location of exercise		-
	Payment schedule and method		-
	Restrictions on appraisal rights		-
	Effects on contract		-

14. Date of board resolution (decision date)		2024-10-10
- Attendance of outside directors	Present (No.)	5
	Absent (No.)	-
- Attendance of auditors (members of Audit Committee who are not outside directors)		-
15. Signed a put option contract, etc.?		No
- Details of agreements		-
16. Subject to filing of securities registration statement?		No
- Reasons for exemption, if exempted		No offering or sales of securities takes place in the course of this merger, as it is a non-capital increase merger that does not involve the issuance of new shares. As a result, the filing of a registration statement is not required.

17. Plans for future corporate restructuring

As of the submission date of this report, the company has no confirmed details regarding any ongoing or planned restructuring following the completion of the merger.

18. Other matters to be factored into investment decisions

(1) Kakao Corporation owns 100% of Daum Global Holdings Corporation. Since this case, which merges with Daum Global Holdings Corporation (the merged company), qualifies as a small-scale merger pursuant to Article 527-3 of the Commercial Act, no appraisal rights will be granted, and the approval of the merger will be replaced by the consent of the Board of Directors (The “10. Merger schedule - Scheduled date of shareholders' meeting” above refers to the date of the board of directors' meeting).

(2) Although the merger is being pursued as a small-scale merger procedure, under Article 527-3 (4) of the Commercial Act the small-scale merger cannot proceed if one or more shareholders who own at least 20/100 of the total issued shares in the merging company give written notice of their intent to oppose the merger within two weeks of the notice of merger.

(3) The shareholders’ meeting to report completion of merger in the “Merger schedule” above will be replaced by a public notice procedure pursuant to Article 526 (3) of the Commercial Act. The schedule may be subject to change.

(4) The merger schedule above is an estimate as of the current disclosure date and may change depending on consultations with relevant authorities and the approval process.

(5) The "8. Counterparty to merger - Financial status of the latest fiscal year (KRW)" above is as of the end of 2023.
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