

NAVER Corporation and its subsidiaries

Interim condensed consolidated financial statements
for each of the three-month periods ended March 31, 2024 and 2023
with the independent auditor's review report

Table of contents

Report on review of interim condensed consolidated financial statements	Page
Interim condensed consolidated financial statements	
Interim condensed consolidated statements of financial position	1
Interim condensed consolidated statements of comprehensive income	2
Interim condensed consolidated statements of changes in equity	3
Interim condensed consolidated statements of cash flows	4
Notes to the interim condensed consolidated financial statements	5

Report on review of interim condensed consolidated financial statements

(English translation of a report originally issued in Korean)

The Shareholders and Board of Directors NAVER Corporation

We have reviewed the accompanying interim condensed consolidated financial statements of NAVER Corporation and its subsidiaries (collectively referred to as the “Group”), which comprise the interim condensed consolidated statement of financial position as of March 31, 2024, and the related interim condensed consolidated statements of comprehensive income, interim condensed consolidated statements of changes in equity and interim condensed consolidated statements of cash flows for each of the three-month periods ended March 31, 2024 and 2023, and a summary of material accounting policy information and other explanatory information.

Management’s responsibility for the interim condensed consolidated financial statements

Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the Republic of Korea (“KIFRS”) 1034 *Interim Financial Reporting*, and for such internal control as management determines is necessary to enable the preparation of interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s responsibility

Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

We conducted our review in accordance with the Review Standards for Quarterly and Semiannual Financial Statements established by the Securities and Futures Commission of the Republic of Korea. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Korean Standards on Auditing (“KSA”) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with KIFRS 1034 *Interim Financial Reporting*.

Other matters

We have audited the consolidated statement of financial position of the Group as of December 31, 2023, and the related consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended (not presented herein) in accordance with KSA, and our report dated March 11, 2024 expressed an unqualified opinion thereon. The accompanying consolidated statement of financial position as of December 31, 2023, presented for comparative purposes, is not different, in all material respects, from the above audited consolidated statement of financial position.

Ernst & Young Han Young

May 10, 2024

This review report is effective as of May 10, 2024, the independent auditor's review report date. Accordingly, certain material subsequent events or circumstances may have occurred during the period from the date of the independent auditor's review report to the time this review report is used. Such events and circumstances could significantly affect the accompanying interim condensed consolidated financial statements and may result in modification to this review report.

NAVER Corporation and its subsidiaries

Interim condensed consolidated financial statements
for each of the three-month periods ended March 31, 2024 and 2023

“The accompanying interim condensed consolidated financial statements, including all footnotes and disclosures, have been prepared by, and are the responsibility of, the Group”

Su yeon, Choi
Chief Executive Officer
NAVER Corporation

NAVER Corporation and its subsidiaries
Interim condensed consolidated statements of financial position
as of March 31, 2024 and December 31, 2023
(Korean won)

	Notes	March 31, 2024 (Unaudited)	December 31, 2023
Assets			
Current assets			
Cash and cash equivalents	-	₩ 3,237,361,594,414	₩ 3,576,456,533,329
Short-term financial instruments	-	1,489,133,641,752	808,248,060,681
Financial assets at fair value through profit or loss	4	691,423,919,658	697,743,584,418
Trade and other receivables	-	1,793,401,657,554	1,724,145,643,626
Inventories	-	19,236,631,619	14,811,319,796
Other current assets	-	187,219,441,726	181,397,740,106
Current tax assets	-	21,290,456,921	16,471,207,827
Non-current assets held for sale	20	159,883,251,342	8,802,368,097
		<u>7,598,950,594,986</u>	<u>7,028,076,457,880</u>
Non-current assets			
Property, plant and equipment	6	₩ 2,717,149,364,627	₩ 2,741,621,328,149
Right-of-use-assets	7	609,477,611,810	691,832,707,701
Intangible assets	8	3,515,604,624,096	3,445,599,901,744
Investment properties	9	79,758,921,785	53,430,246,000
Long-term financial instruments	-	13,755,872,000	13,755,872,000
Financial assets at fair value through profit or loss	4	1,986,264,820,419	2,227,335,975,392
Financial assets at fair value through other comprehensive income	4	1,303,557,626,015	1,378,247,811,941
Investments in associates and joint ventures	10	17,334,299,357,070	17,588,864,100,100
Deferred tax assets	-	376,158,522,779	381,436,175,332
Trade and other receivables	-	189,501,587,491	97,199,883,555
Other non-current assets	-	74,846,059,158	90,426,504,601
		<u>28,200,374,367,250</u>	<u>28,709,750,506,515</u>
Total assets		<u>₩ 35,799,324,962,236</u>	<u>₩ 35,737,826,964,395</u>
Liabilities			
Current liabilities			
Trade and other payables	-	₩ 1,555,295,895,208	₩ 1,838,187,891,754
Financial liabilities at fair value through profit or loss	4	315,309,107,272	454,823,038,561
Short-term borrowings	11	129,553,049,943	333,041,315,118
Current portion of long-term borrowings	11	195,601,166,675	192,923,826,668
Current portion of long-term debentures	11	-	249,962,199,849
Current tax liabilities	-	413,279,927,514	334,267,425,429
Provisions	13	6,780,967,048	6,128,374,012
Lease liabilities	7	230,239,041,470	234,727,100,710
Other current liabilities	-	2,932,063,951,766	2,661,507,460,097
		<u>5,778,123,106,896</u>	<u>6,305,568,632,198</u>
Non-current liabilities			
Trade and other payables	-	₩ 98,040,717,742	₩ 102,531,973,265
Financial liabilities at fair value through profit or loss	4	213,085,034,847	249,253,989,426
Long-term borrowings	11	1,140,792,684,655	993,600,442,662
Debentures	11	1,896,987,986,947	1,655,718,953,449
Net defined benefit liabilities	12	624,282,197,760	607,892,193,638
Provisions	13	13,946,770,059	14,704,327,970
Lease liabilities	7	466,226,184,651	518,909,669,133
Deferred tax liabilities	-	1,024,578,710,192	1,051,478,119,905
Other non-current liabilities	-	475,826,362	169,847,196
		<u>5,478,416,113,215</u>	<u>5,194,259,516,644</u>
Total liabilities		<u>₩ 11,256,539,220,111</u>	<u>₩ 11,499,828,148,842</u>

(continued)

	Notes	March 31, 2024 (Unaudited)	December 31, 2023
(cont'd)			
Equity			
Equity attributable to owners of the Parent Company			
Share capital	14	₩ 16,481,339,500	₩ 16,481,339,500
Capital surplus	-	1,291,431,693,777	1,242,632,248,504
Other components of equity	-	(2,811,018,418,430)	(2,597,430,397,696)
Retained earnings	-	24,936,096,505,490	24,544,359,050,688
		<u>23,432,991,120,337</u>	<u>23,206,042,240,996</u>
Non-controlling interests		<u>1,109,794,621,788</u>	<u>1,031,956,574,557</u>
Total equity		<u>24,542,785,742,125</u>	<u>24,237,998,815,553</u>
Total liabilities and equity		<u>₩ 35,799,324,962,236</u>	<u>₩ 35,737,826,964,395</u>

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

NAVER Corporation and its subsidiaries
Interim condensed consolidated statements of comprehensive income
for each of the three-month periods ended March 31, 2024 and 2023
(Korean won)

	Notes	2024(Unaudited)	2023(Unaudited)
Operating revenue	5	₩ 2,526,055,415,876	₩ 2,280,442,537,690
Operating expenses		(2,086,762,309,546)	(1,949,950,475,485)
Operating profit		439,293,106,330	330,492,062,205
Other income		475,970,739,049	15,770,487,978
Other expenses		(120,506,558,287)	(149,355,310,588)
Interest income		32,033,719,959	20,814,246,989
Finance income		92,785,423,830	123,187,884,526
Finance costs		(174,240,267,540)	(184,874,516,848)
Share of loss of associates and joint ventures	10	(85,162,388,623)	(39,449,487,490)
Profit before income tax		660,173,774,718	116,585,366,772
Income tax expense		(104,370,464,201)	(72,930,143,668)
Profit for the period		₩ 555,803,310,517	₩ 43,655,223,104
Profit for the period attributable to:			
Owners of the Parent Company		₩ 510,564,240,340	₩ 55,051,503,746
Non-controlling interests		45,239,070,177	(11,396,280,642)
Other comprehensive income (loss):			
Items that will be reclassified subsequently to profit or loss:			
Exchange differences		₩ 139,391,625,015	₩ 85,908,142,579
Share of other comprehensive income (loss) of associates and joint ventures		(283,183,468,311)	479,431,666,020
		(143,791,843,296)	565,339,808,599
Items that will not be reclassified subsequently to profit or loss:			
Loss on valuation of equity instruments at fair value – other comprehensive income		(34,813,047,459)	(8,650,577,893)
Gain (Loss) on disposal of equity instruments at fair value – other comprehensive income		286,782,283	(3,233,344,763)
Share of other comprehensive income (loss) of associates and joint ventures		(18,887,680,551)	15,634,405,903
Remeasurements of net defined benefit liabilities		13,814,549	-
		(53,400,131,178)	3,750,483,247
Total comprehensive income for the period, net of tax		₩ 358,611,336,043	₩ 612,745,514,950
Owners of the Parent Company		306,399,809,631	607,201,509,834
Non-controlling interests		52,211,526,412	5,544,005,116
Earnings per share attributable to the equity holders of the Parent Company			
Basic earnings per ordinary share		₩ 3,369	₩ 349
Diluted earnings per ordinary share		3,309	320

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

NAVER Corporation and its subsidiaries
Interim condensed consolidated statements of changes in equity
for each of the three-month periods ended March 31, 2024 and 2023

(Korean won)

	Notes	Share capital	Capital surplus	Other components of equity	Retained earnings	Non-controlling interests	Total
As of January 1, 2023		₩ 16,481,339,500	₩ 1,556,453,389,615	₩ (2,474,526,129,371)	₩ 23,645,687,007,296	₩ 706,226,873,411	₩ 23,450,322,480,451
Total comprehensive income for the period:		-	-	-	-	-	-
Profit (loss) for the period		-	-	-	55,051,503,746	(11,396,280,642)	43,655,223,104
Gain (Loss) on valuation of equity instruments at fair value		-	-	-	-	-	-
through other comprehensive income		-	-	(10,715,739,677)	-	2,065,161,784	(8,650,577,893)
Loss on disposal of equity instruments at fair value		-	-	-	-	-	-
through other comprehensive income		-	-	-	(3,233,344,763)	-	(3,233,344,763)
Exchange differences		-	-	70,916,507,851	-	14,991,634,728	85,908,142,579
Share of other comprehensive income (loss) of associates and joint ventures		-	-	495,182,582,677	-	(116,510,754)	495,066,071,923
Transactions with shareholders:		-	-	-	-	-	-
Transaction of share-based payment	14	-	31,831,077,829	9,779,369,209	-	4,627,443,625	46,237,890,663
Transactions with non-controlling interests		-	9,638,582,314	516,558,756	-	4,450,592,216	14,605,733,286
As of March 31, 2023 (Unaudited)		₩ 16,481,339,500	₩ 1,597,923,049,758	₩ (1,908,846,850,555)	₩ 23,697,505,166,279	₩ 720,848,914,368	₩ 24,123,911,619,350
As of January 1, 2024		₩ 16,481,339,500	₩ 1,242,632,248,504	₩ (2,597,430,397,696)	₩ 24,544,359,050,688	₩ 1,031,956,574,557	₩ 24,237,998,815,553
Total comprehensive income for the period:		-	-	-	-	-	-
Profit for the period		-	-	-	510,564,240,340	45,239,070,177	555,803,310,517
Loss on valuation of equity instruments at fair value		-	-	-	-	-	-
through other comprehensive income		-	-	(34,433,717,353)	-	(379,330,106)	(34,813,047,459)
Gain on disposal of equity instruments at fair value		-	-	-	-	-	-
through other comprehensive income		-	-	-	145,637,117	141,145,166	286,782,283
Exchange differences		-	-	132,093,905,944	-	7,297,719,071	139,391,625,015
Share of other comprehensive loss of associates and joint ventures		-	-	(301,982,689,942)	-	(88,458,920)	(302,071,148,862)
Remeasurements of net defined benefit liabilities		-	-	-	12,433,525	1,381,024	13,814,549
Transactions with shareholders:		-	-	-	-	-	-
Dividends		-	-	-	(118,984,856,180)	-	(118,984,856,180)
Transaction of share-based payment		-	40,717,263,044	(9,301,690,012)	-	8,929,404,099	40,344,977,131
Transactions with non-controlling interests		-	8,082,182,229	36,170,629	-	16,697,116,720	24,815,469,578
As of March 31, 2024 (Unaudited)		₩ 16,481,339,500	₩ 1,291,431,693,777	₩ (2,811,018,418,430)	₩ 24,936,096,505,490	₩ 1,109,794,621,788	₩ 24,542,785,742,125

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

NAVER Corporation and its subsidiaries
Interim condensed consolidated statements of cash flows
for each of the three-month periods ended March 31, 2024 and 2023
(Korean won)

	2024(Unaudited)		2023(Unaudited)	
Cash flows from operating activities				
Cash generated from operations	₩	645,821,283,331	₩	480,672,806,640
Interest received		29,453,478,414		25,965,142,329
Interest paid		(27,191,527,753)		(33,952,411,158)
Dividends received		2,674,022,639		17,713,800,734
Income taxes paid		(28,956,798,069)		(44,272,476,937)
Net cash provided by operating activities		621,800,458,562		446,126,861,608
Cash flows from investing activities				
Increase in short-term financial instruments	₩	(1,292,778,641,406)	₩	(601,709,011,111)
Decrease in short-term financial instruments		602,743,874,363		949,027,828,889
Decrease in long-term financial instruments		-		500,000,000
Acquisition of financial assets at fair value through profit or loss		(464,806,701,008)		(540,097,293,788)
Proceeds from disposal of financial assets at fair value through profit or loss		474,213,432,584		676,769,241,263
Acquisition of property, plant and equipment		(69,795,662,361)		(145,076,046,867)
Proceeds from disposal of property, plant and equipment		647,265,222		6,441,503,459
Collection of lease receivables		916,063,623		1,818,329,834
Acquisition of intangible assets		(3,989,516,207)		(8,276,921,569)
Proceeds from disposal of intangible assets		-		17,659,102
Acquisition of financial assets at fair value through other comprehensive income		(19,800,000)		(60,000,000)
Proceeds from disposal of financial assets at fair value through other comprehensive income		376,682,776		5,586,854,093
Acquisition of investments in associates and joint ventures		(23,586,311,283)		(6,570,080,557)
Proceeds from disposal of investments in associates and joint ventures		13,531,534,922		10,971,585,289
Net decrease in cash due to business combination		-		(1,245,194,038,318)
Net cash flow from disposal of subsidiaries		37,267,975,512		-
Net increase in short-term loans		20,000,000		898,840,111
Net decrease (increase) in long-term loans		(50,000,000)		96,000,000
Cash inflows from other investing activities		(1,280,880,062)		(129,373,963)
Net cash used in investing activities		(726,590,683,325)		(894,984,924,133)
Cash flows from financing activities				
Increase in short-term borrowings	₩	-	₩	509,765,777,778
Repayments of short-term borrowings		(216,420,110,010)		(370,609,028,894)
Increase in long-term borrowings		185,000,000,000		609,865,777,778
Repayments of long-term borrowings		-		(695,833,334)
Proceeds from issuance of debentures		199,320,560,000		-
Repayments of debentures		(250,000,000,000)		-
Repayment of lease liabilities		(54,407,649,579)		(74,980,636,028)
Increase in financial liabilities at fair value through profit or loss		5,199,160,694		-
Exercise of stock options		4,490,119,600		7,517,849,500
Cash inflows from transactions with non-controlling interests		450,000,000		-
Cash outflows from transactions with non-controlling interests		(145,170,329,947)		-
Cash outflows from other financing activities		(167,102,631)		-
Net cash provided by (used in) financing activities		(271,705,351,873)		680,863,906,800
Effects of exchange rate changes on cash and cash equivalents		37,400,637,721		(1,130,554,677)
Net increase (decrease) in cash and cash equivalents		(339,094,938,915)		230,875,289,598
Cash and cash equivalents at the beginning of the period		3,576,456,533,329		2,724,168,321,708
Cash and cash equivalents at the end of the period	₩	3,237,361,594,414	₩	2,955,043,611,306

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

NAVER Corporation and its subsidiaries
Notes to the interim condensed consolidated financial statements
March 31, 2024 and 2023 (Unaudited)

1. General

NAVER Corporation (the “Company”) was established on June 2, 1999 under the Commercial Code of the Republic of Korea to provide internet portal services. The Company’s headquarters is located at 95, Jeongjail-ro, Bundang-gu, Seongnam-si, Gyeonggi-do, Korea.

On October 29, 2002, the Company listed its shares on the Korean Securities Dealers’ Automated Quotations market. On November 28, 2008, the Company transferred its share listing to the Korea Composite Stock Price Index market. As of March 31, 2024, the major shareholders of the Company consist of National Pension Service (7.96%) and others.

The Company and its subsidiaries (collectively referred to as the “Group”) engage in providing online search portal and online information service.

A. Consolidated Subsidiaries

Details of the consolidated subsidiaries as of March 31, 2024 and December 31, 2023 are as follows:

	Location	Primary business	Ownership interest held by the Group (%) (*1)		Closing month
			March 31, 2024	December 31, 2023	
NAVER Corporation:					
NAVER Cloud Corporation	Korea	Cloud service management	100.00	100.00	December
NAVER I&S Corp	Korea	Business support, workforce supply, and employee dispatch	100.00	100.00	December
NAVER WEBTOON COMPANY Corporation	Korea	Webtoon service development and management	100.00	100.00	December
Snow Corporation	Korea	Camera and communication application development service	90.00	90.00	December
Audiensori Corporation	Korea	Audio content production and distribution	100.00	100.00	December
N Visions Co., Ltd.	Korea	Exhibition and performance planning business	100.00	100.00	December
NAVER LABS Corporation	Korea	New technology development and research	100.00	100.00	December
NAVER Financial Corporation	Korea	Electronic financial business	89.21	89.21	December
Alpha Next Media Innovation Fund (formerly, SB Next Media Innovation Fund)	Korea	Investment	96.30	96.30	December
TBT Global Growth Fund I	Korea	Investment	89.91	89.91	December
NAVER-KTB Audio Contents Fund	Korea	Investment	99.00	99.00	December
SpringCamp Early Stage Fund 1	Korea	Investment	100.00	100.00	December
SpringCamp Early Stage Fund 2	Korea	Investment	99.22	99.22	December
SVA Content Media Private Equity Fund II	Korea	Investment	99.83	99.83	December
Do Ventures Annex Fund, LP	U.S.A	Investment	99.00	99.00	December
NAVER J.Hub Corporation	Japan	Global business support	100.00	100.00	December
NAVER CHINA CORPORATION	China	Software development and distribution	100.00	100.00	December
NAVER U.Hub Inc	U.S.A	Global business support	100.00	100.00	December
NAVER BAND Inc	U.S.A	North America community service marketing	-	100.00	December
NAVER France SAS	France	Europe IT investment and research and development	100.00	100.00	December
WEBTOON Entertainment Inc	U.S.A	Webtoon service development and management	71.20	71.20	December
NAVER VIETNAM COMPANY LIMITED	Vietnam	Online live broadcast service and local marketing	99.96	99.00	December
Naver-Quantum Contents 1 Fund	Korea	Investment	98.81	98.81	December
Smart Spring Fund (*2)	Korea	Investment	48.39	48.39	December
NAVER HANDS Corporation	Korea	Standard workplace operation for the disabled	100.00	100.00	December
NAVER WP I, L.P.	U.S.A	Managing local business	100.00	100.00	December
NAVER WP II, LLC	U.S.A	Managing local business	100.00	100.00	December
NW MEDIA CONTENTS INC.	U.S.A	Contents production	100.00	100.00	December
PROTON PARENT, INC.	U.S.A	Investment	99.27	99.27	December
PROTON PARENT, INC.:					
Poshmark, Inc.	U.S.A	Commerce platform	100.00	100.00	December
Poshmark, Inc.:					
Poshmark Canada Inc.	Canada	Commerce platform	100.00	100.00	December
Poshmark Limited	U.K	Commerce platform	100.00	100.00	December
Poshmark Pty Ltd.	Australia	Commerce platform	100.00	100.00	December

NAVER Corporation and its subsidiaries
Notes to the interim condensed consolidated financial statements
March 31, 2024 and 2023 (Unaudited)

	Location	Primary business	Ownership interest held by the Group (%) (*1)		Closing month
			March 31, 2024	December 31, 2023	
Poshmark India Private Limited	India	Commerce platform	99.99	99.99	December
Poshmark Online Marketplace Private Limited	India	Commerce platform	100.00	100.00	December
NAVER France SAS:					
C-Fund	France	Investment	99.00	99.00	December
C-FUND Subfund 2	France	Investment	99.00	99.00	December
C-FUND Subfund 3	France	Investment	99.75	99.75	December
C-FUND Subfund 4	France	Investment	99.00	99.00	December
C-FUND Subfund 5	France	Investment	99.75	99.75	December
NAVER Cloud Corporation:					
NAVER Cloud Asia Pacific Pte Ltd.	Singapore	IT infrastructure operations	100.00	100.00	December
NAVER CLOUD AMERICA INC.	U.S.A	IT infrastructure operations	100.00	100.00	December
NAVER Cloud Europe GmbH	Germany	IT infrastructure operations	100.00	100.00	December
NAVER Cloud Japan Corporation	Japan	IT infrastructure operations	100.00	100.00	December
Chengdu NCC Technology Corporation	China	IT infrastructure operations	100.00	100.00	December
Naver Cloud Trust Services Corp.	Korea	IT infrastructure operations	100.00	100.00	December
LINE WORKS Corporation (formerly, Works Mobile Japan Corporation)	Japan	Groupware service operations and distribution	78.95	78.95	December
NITService Corp.	Korea	Infrastructure operations and security services	100.00	100.00	December
NAVER I&S Corp:					
InComms Corp	Korea	Customer center operations	100.00	100.00	December
Green Web Service Corp	Korea	Monitoring, advertisement operations	100.00	100.00	December
N Tech Service Corp.	Korea	Software consulting, development and distribution	100.00	100.00	December
CommPartners Corp.	Korea	Customer center operations	100.00	100.00	December
WEBTOON Entertainment Inc:					
NAVER WEBTOON Ltd.	Korea	Webtoon service development and operations	100.00	100.00	December
LINE Digital Frontier Corporation	Japan	Japan Webtoon service development and operations	100.00	100.00	December
Wattpad Webtoon Studios Inc.	Canada	Global contents development	100.00	100.00	December
Wattpad Corporation	Canada	Global web novel platform	100.00	100.00	December
Wattpad Webtoon Studios Inc.:					
Wattpad Webtoon Studios Inc.	U.S.A	Global contents development	100.00	100.00	December
Bootcamp Partnership Limited	Canada	Film distribution	100.00	100.00	December
Wattpad Studios (Cell Phone Swap) Inc	Canada	Global web novel platform support	100.00	100.00	December
Wattpad Coporation:					
WP Technology (UK)	U.K	Global web novel platform support	100.00	100.00	December
Wattpad Inc.	U.S.A	Global web novel platform support	100.00	100.00	December
LINE Digital Frontier Corporation:					
eBOOK Initiative Japan Co., Ltd.	Japan	Japan ebook service	100.00	100.00	December
NAVER WEBTOON Ltd.:					
STUDIO LICO Corp.	Korea	Contents production and reinforcement	100.00	100.00	December
Studio N Corporation	Korea	Film production and distribution	100.00	100.00	December
MUNPIA INC.	Korea	Web novel platform	61.12	61.12	December
Jakga Company Inc. (*3)	Korea	Contents production	-	51.33	December
MUNPIA INC:					
Mun Pia Webtoon Culture Industry Special Purpose Company Ltd.	Korea	Comics publishing	100.00	100.00	December
M Contents Labs Co., Ltd.	Korea	Database and online information supply	100.00	100.00	December
Studio JHS Co., Ltd.	Korea	Contents production	100.00	100.00	December
NAVER WEBTOON COMPANY Corporation:					
Watong Entertainment Limited	Hongkong	Webtoon service operations	100.00	100.00	December
Watong Entertainment Limited:					
Broccoli Entertainment Corporation	China	Webtoon service operations	100.00	100.00	December
Broccoli Entertainment Corporation:					
Dongman Entertainment Corporation	China	Webtoon service operations	100.00	100.00	December
Shanghai Binge-reading Jinqiu Entertainment Corporation	China	Webtoon service operations	-	100.00	December
Snow Corporation:					
SpringCamp Inc.	Korea	Investments	100.00	100.00	December
SpringCamp Early Stage Fund 4	Korea	Investments	66.24	66.24	December
Springcamp-KIF Early Stage Fund (*2)	Korea	Investments	41.54	45.00	December
Amuse Co.,Ltd.	Korea	Cosmetics manufacturing, distribution, sales	77.59	77.59	December

NAVER Corporation and its subsidiaries
Notes to the interim condensed consolidated financial statements
March 31, 2024 and 2023 (Unaudited)

	Location	Primary business	Ownership interest held by the Group (%) (*1)		Closing month
			March 31, 2024	December 31, 2023	
Semicolon Studio Corp.	Korea	Video contents production and distribution	100.00	100.00	December
NAVER Z CO., LTD. (*3)	Korea	Mobile service development and operations	-	70.51	December
SNOW China Limited.	China	Mobile service operations	96.22	96.22	December
SNOW Japan Corporation	Japan	Mobile service operations	100.00	100.00	December
SNOW Inc.	U.S.A	Mobile service operations	100.00	100.00	December
SNOW VIETNAM COMPANY LIMITED	Vietnam	Mobile service operations	99.00	99.00	December
Cake Corporation	Korea	Language learning application development and operations	60.00	60.00	December
KREAM Corporation (*4)	Korea	Sneakers trading platform operations	43.72	43.94	December
SpringCamp Inc.: SPRINGCAMP US	U.S.A	Investments	100.00	100.00	December
NAVER Z CO., LTD. (*3): NAVER Z USA, INC.	U.S.A	Mobile service development and operations	-	100.00	December
NAVER Z Limited	Hongkong	Mobile service development and operations	-	76.30	December
NAVER Z JAPAN Corporation	Japan	Mobile service development and operations	-	100.00	December
SPRINGCAMP COLLABORATIVE FUND II	Korea	Investments	-	100.00	December
NAVER Z Limited: Beijing Metaverse China Technology Corporation	China	Mobile service development and operations	-	100.00	December
Beijing Metaverse China Technology Corporation: ZaiZai Entertainment Corp.	China	Mobile service development and operations	-	100.00	December
KREAM Corporation: Namain Corp.	Korea	Sneakers trading platform operations	100.00	100.00	December
SVA Soda	Korea	Investments	99.52	99.52	December
PAP Corporation	Korea	E-Commerce business	68.43	68.43	December
SPRINGCAMP COLLABORATIVE FUND I	Korea	Investments	100.00	100.00	December
Famous Studio Corp.	Korea	Clothes, accessories, news distribution	100.00	100.00	December
SODA Inc.	Japan	Sneakers trading platform operations	64.85	64.85	May
SNOW China Limited.: SNOW China (Beijing) Co., Ltd.	China	Mobile service operations	100.00	100.00	December
SNOW China (Beijing) Co., Ltd.: Yiruike Information Technology (Beijing) Co., Ltd.	China	Mobile service operations	100.00	100.00	December
Famous Studio Corp.: Famous LAB Corp.	Korea	Clothes, accessories, news distribution	100.00	100.00	December
SODA Inc.: SODA Singapore INT PTE. LTD	Singapore	Sneakers trading platform operations	100.00	100.00	May
Monokabu Inc.	Japan	Sneakers trading platform operations	100.00	100.00	May

(*1) The ownership interest held by the Group is a sum of ownership interests with voting right.

(*2) Although the Group owns less than 50% ownership of Smart Spring Fund and Springcamp-KIF Early Stage Fund, the Group is considered to have control over this entity since SpringCamp Inc., a subsidiary of Group, has significant influence over investment decision-making as a general partner. As a result, Smart Spring Fund and Springcamp-KIF Early Stage Fund have been classified as a subsidiary.

(*3) For the three-month period ended March 31, 2024, the Group changed the entity's classification from subsidiary to associate, due to the decrease in ownership interest.

(*4) Although the Group owns less than 50% ownership of KREAM Corporation, the Group is considered to have control over the entity since the Group has significant influence over the entity considering the composition of shareholders and Board of Directors. Therefore, KREAM Corporation is classified as a subsidiary.

1. General(cont'd)

B. Changes in Scope of Consolidation

Subsidiaries excluded from the consolidation for the three-month period ended March 31, 2024 are as follows:

	Subsidiaries
Merger	NAVER BAND Inc.
Liquidation	Shanghai Binge-reading Jinqiu Entertainment Corporation
Disposal(*)	NAVER Z CO., LTD., NAVER Z Limited, Beijing Metaverse China Technology Corporation, ZaiZai Entertainment Corp.,NAVER Z JAPAN Corporation.,NAVER Z USA, INC., SPRINGCAMP COLLABORATIVE FUND II, Jakga Company Inc.

(*) For the three-month period ended March 31, 2024, the Group changed the entity's classification from subsidiary to associate, due to the decrease in ownership interest.

2. Material Accounting Policies

A. Basis of Preparation

The Group prepares statutory interim condensed consolidated financial statements in the Korean language in accordance with International Financial Reporting Standards as adopted by the Republic of Korea ("KIFRS") 1034 *Interim Financial Reporting*, enacted by the *Act on External Audit of Stock Companies*. The accompanying interim condensed consolidated financial statements have been translated into English from the Korean language financial statements. In the event of any differences in interpreting the financial statements or the independent auditor's review report thereon, the Korean version, which is used for regulatory reporting purposes, shall prevail.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements as of December 31, 2023.

B. New standard, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2023, except for the adoption of new standards and interpretations effective as of January 1, 2024. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Several other amendments and interpretations apply for the first time in 2024, but do not have an impact on the interim condensed consolidated financial statements of the Group.

Supplier Finance Arrangements - Amendments to KIFRS 1007 and KIFRS 1107

The amendments to KIFRS 1007 *Statement of Cash Flows* and KIFRS 1107 *Financial Instruments: Disclosures* clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments will be effective for annual reporting periods beginning on or after January 1, 2024. Early adoption is permitted, but will need to be disclosed.

The amendments had no impact on the Group's interim condensed consolidated financial statements.

2. Material Accounting Policies(cont'd)

Amendments to KIFRS 1116: *Lease Liability in a Sale and Leaseback*

The amendments to KIFRS 1116 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments had no impact on the Group's interim condensed consolidated financial statements.

Amendments to KIFRS 1001: *Classification of Liabilities as Current or Non-current*

The amendments to paragraphs 69 to 76 of KIFRS 1001 specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- what is meant by a right to defer settlement;
- that a right to defer must exist at the end of the reporting period;
- that classification is unaffected by the likelihood that an entity will exercise its deferral right; and
- that only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no impact on the Group's interim condensed consolidated financial statements.

C. Accounting Policies

Material accounting policies and method of computation used in the preparation of the interim condensed consolidated financial statements are consistent with those of the consolidated financial statements for the year ended December 31, 2023, except for the changes due to the application of amendment and enactments of standards and interpretations described in Note 2.2 and below.

(1) Income tax expense

Income tax expense for the interim period is recognized based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual effective tax rate is applied to the pre-tax income.

The Group implemented consolidated tax payment scheme which presumes the Parent Company and its subsidiaries in Korea as a single taxpayer. The Group calculated the estimated average annual effective tax rate based on the taxable unit per the consolidated tax payment scheme.

3. Material Accounting Estimates and Assumptions

The preparation of financial statements requires the Group to make estimates and assumptions concerning the future. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Material accounting estimates and assumptions applied in the preparation of these interim condensed consolidated financial statements are the same as those applied to the consolidated financial statements for the year ended December 31, 2023, except for the changes in the estimates used to determine income tax expense.

4. Fair Value

There are no significant changes in the business and economic environments that affect the fair value of financial assets and liabilities of the Group for the three-month period ended March 31, 2024.

A. Fair Value Hierarchy

To provide an indication about the reliability of the inputs used in determining fair value, the Group classifies its financial instruments into the three levels prescribed under the accounting standards. Financial instruments that are measured at fair value are categorized by the fair value hierarchy, and the defined levels are as follows:

- Level 1 : The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The instrument is included in level 1.
- Level 2 : The fair value of financial instruments that are not traded in an active market (e.g., unlisted derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- Level 3 : If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Fair value hierarchy classifications of the financial instruments that are measured at fair value as of March 31, 2024 and December 31, 2023 are as follows (Korean won in thousands):

		March 31, 2024			
		Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets at fair value through profit or loss	₩	37,536,831	₩ 654,273,036	₩ 1,985,878,873	₩ 2,677,688,740
Equity instrument at fair value through other comprehensive income		1,099,012,846	-	204,544,780	1,303,557,626
Financial liabilities					
Financial liabilities at fair value through profit or loss		-	56,950	528,337,192	528,394,142
		December 31, 2023			
		Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets at fair value through profit or loss	₩	31,972,299	₩ 666,157,232	₩ 2,226,950,028	₩ 2,925,079,559
Equity instrument at fair value through other comprehensive income		1,175,696,507	-	202,551,305	1,378,247,812
Financial liabilities					
Financial liabilities at fair value through profit or loss		-	417,245	703,659,783	704,077,028

4. Fair Value (cont'd)

B. Transfers between Fair Value Hierarchy Levels of Recurring Fair Value Measurements

The Group recognizes transfers between levels of the fair value at the end of the reporting period. There were no transfers between level 1 and level 2 for the three-month period ended March 31, 2024.

The following table presents the changes in level 3 financial instruments for each of the three-month periods ended March 31, 2024 and 2023 (Korean won in thousands):

	2024			2023		
	Financial assets at fair value through profit or loss	Financial assets at fair value through comprehensive income	Financial liabilities at fair value through profit or loss	Financial assets at fair value through profit or loss	Financial assets at fair value through comprehensive income	Financial liabilities at fair value through profit or loss
Beginning balance	₩2,226,950,028	₩ 202,551,305	₩ 703,659,783	₩2,425,646,026	₩ 190,173,566	₩ 756,523,095
Total profit or loss						
Amounts recognized in profit or loss	(71,843,409)	-	-	(77,951,822)	-	(537,507)
Amounts recognized in other comprehensive income	-	16,166,368	-	-	(1,994,202)	-
Acquisitions/Borrowings	24,122,593	19,800	5,199,160	90,560,395	60,000	-
Disposals/Repayments	(57,518,227)	-	-	(150,218,000)	-	-
Others (*)	(142,849,052)	(14,019,103)	(181,257,501)	-	(373,335)	(580)
Exchange differences	7,016,940	(173,590)	735,750	16,409,553	-	-
Ending balance	<u>₩1,985,878,873</u>	<u>₩ 204,544,780</u>	<u>₩ 528,337,192</u>	<u>₩2,304,446,152</u>	<u>₩ 187,866,029</u>	<u>₩ 755,985,008</u>

(*) Includes an account transfer due to the change in ownership interest of financial assets at fair value through profit or loss owned by the Group and the classification to non-current assets held for sale in accordance with the disposal plan (See Note 20).

4. Fair Value (cont'd)

C. Valuation Techniques and the Inputs

Valuation techniques and inputs used in the fair value measurements of financial instruments categorized in levels 2 and level 3 of the fair value hierarchy as of March 31, 2024 and December 31, 2023 are as follows (Korean won in thousands):

March 31, 2024						
	Fair value	Level	Valuation techniques	Major inputs	Unobservable inputs	Range of unobservable inputs
Financial assets at fair value through profit or loss						
Compound financial instruments and equity securities	₩ 1,502,196,246	3	Option pricing model	Underlying assets price, Volatility of underlying assets	Volatility of the underlying assets	11.50% ~ 85.10%
			Market approach and others	PBR, EV/SALES, PSR, PER, Recent transaction price, Net asset value	EV/SALES, PSR, PER	0.46 ~ 11.58, 0.20 ~ 10.11, 12.85
					PBR	1.61 ~ 12.66
					Discount rate	9.82% ~ 24.75%
Beneficiary certificates and funds	28,097,539	2	Present value method	Credit risk adjusted discount rate	-	-
	483,682,627	3	Market approach and others	Underlying asset price	(*)	(*)
Debt securities	626,175,497	2	Present value method	Credit risk adjusted discount rate	-	-
Financial assets at fair value through other comprehensive income						
Equity securities	204,544,780	3	Present value method, market approach	EV/SALES, PSR and others	EV/SALES	1.19 ~ 2.39
					EV/EBITDA, PSR, Discount rate	4.5, 0.97 ~ 7.24, 16.90%
Financial liabilities at fair value through profit or loss						
Derivatives	56,950	2	Present value method, option pricing model	Forward exchange rate	-	-
Derivatives	528,337,192	3	Option pricing model	Volatility of underlying assets	Volatility of the underlying assets	49.58% ~ 59.73%
					Discount rate	10.23% ~ 17.93%

(*) Various inputs are used in the measurements of underlying asset price and thus, further disclosure has not been provided.

C. Valuation Techniques and the Inputs (cont'd)

December 31, 2023						
	Fair value	Level	Valuation techniques	Major inputs	Unobservable inputs	Range of unobservable inputs
Financial assets at fair value through profit or loss						
Compound financial instruments and equity securities	₩ 1,451,565,569	3	Option pricing model	Underlying asset price, volatility of underlying asset	Volatility of the underlying assets	11.50% ~ 85.10%
			Market approach and others	PBR, EV/SALES, PSR, PER	EV/SALES	0.12 ~ 0.31
				recent transaction price, net asset value	PSR	0.16 ~ 10.11
					PER	11.24
					PBR	1.61 ~ 12.66
Beneficiary certificates and funds	835,010	2	Present value method	Credit risk adjusted discount rate	Discount rate	9.82% ~ 24.75%
			Present value method	Credit risk adjusted discount rate	-	-
	775,384,459	3	Market approach and others	Underlying asset price	(*)	(*)
Debt securities	665,322,222	2	Present value method	Credit risk adjusted discount rate	-	-
Financial assets at fair value through other comprehensive income						
Equity securities	202,551,305	3	Present value method, market approach	EV/SALES, PSR and others	EV/SALES	1.51 ~ 2.01
					EV/EBITDA	4.5
					PSR	0.96 ~ 5.92
Financial liabilities at fair value through profit or loss					Discount rate	16.90%
Derivatives	417,245	2	Present value method, option pricing model	Forward exchange rate	-	-
Derivatives	703,659,783	3	Option pricing model	Volatility of underlying assets	Volatility of underlying asset	39.78% ~ 59.73%
					Discount rate	10.23% ~ 17.93%

(*) Various inputs are used in the measurements of underlying asset price and thus, further disclosure has not been provided.

D. Valuation Processes for Fair Value Measurements Categorized Within Level 3

The Group's investment management team and treasury team perform the fair value measurements required for financial reporting purposes, including level 3 fair values. These teams report directly to the director in financial department ("director"). Discussions of valuation processes and results are held between the director and these teams at least once every quarter, in line with the Group's quarterly reporting schedule.

NAVER Corporation and its subsidiaries
Notes to the interim condensed consolidated financial statements
March 31, 2024 and 2023 (Unaudited)

5. Operating Segment Information

A. The Group consists of a single operating segment. Operating information by service types is reported to Chief Operating Decision Maker. Such reported segment information does not differ from the amount presented in the consolidated statement of comprehensive income.

B. Operating revenues by service types for each of the three-month periods ended March 31, 2024 and 2023 are as follows (Korean won in thousands):

	2024		2023	
	Operating revenue	Ratio (%)	Operating revenue	Ratio (%)
Search platform (*1)	₩ 905,353,821	35.8	₩ 851,760,467	37.4
Commerce (*2)	703,451,413	27.9	605,877,292	26.6
Fintech (*3)	353,909,776	14.0	318,245,996	13.9
Contents (*4)	446,319,978	17.7	411,318,812	18.0
Cloud (*5)	117,020,428	4.6	93,239,971	4.1
	<u>₩ 2,526,055,416</u>	<u>100.0</u>	<u>₩ 2,280,442,538</u>	<u>100.0</u>

(*1) Search and display and others

(*2) Commerce advertising, brokerage, sales and membership

(*3) Pay, Platform service and others

(*4) Webtoon, SNOW and others

(*5) NCP, Works, Clova and others

C. Revenues from external customers by region for each of the three-month periods ended March 31, 2024 and 2023 and non-current assets as of March 31, 2024 and December 31, 2023 are as follows (Korean won in thousands):

	Revenue from external customers		Non-current assets (*)	
	2024	2023	March 31, 2024	December 31, 2023
Domestic	₩ 2,141,801,166	₩ 1,938,276,361	₩ 3,698,910,779	₩ 3,797,407,760
Japan	213,884,730	157,645,306	582,556,474	604,221,624
U.S.A	133,434,563	140,653,449	2,623,443,149	2,525,954,460
Others	36,934,957	43,867,422	91,926,179	95,326,843
	<u>₩ 2,526,055,416</u>	<u>₩ 2,280,442,538</u>	<u>₩ 6,996,836,581</u>	<u>₩ 7,022,910,687</u>

(*) Financial instruments (including investments in associates and joint ventures) and deferred tax assets are not included.

5. Operating Segment Information (cont'd)

D. Revenues from contracts with customers by category for each of the three-month periods ended March 31, 2024 and 2023 are as follows (Korean won in thousands):

	2024	2023
By timing of revenue recognition		
Recognized at a point in time	₩ 1,904,911,754	₩ 1,702,220,655
Recognized over time	<u>621,143,662</u>	<u>578,221,883</u>
	<u>₩ 2,526,055,416</u>	<u>₩ 2,280,442,538</u>

6. Property, Plant and Equipment

A. Changes in property, plant and equipment for each of the three-month periods ended March 31, 2024 and 2023 are as follows (Korean won in thousands):

	2024	2023
Beginning balance	₩ 2,741,621,328	₩ 2,457,820,240
Acquisition and capital expenditures and others (*1)	77,814,617	156,513,404
Acquisition from business combination	-	4,100,017
Depreciation	(94,088,900)	(70,562,498)
Disposals and retirement	(1,955,236)	(4,557,081)
Disposal of subsidiaries	(5,773,825)	-
Others (*2)	(468,619)	4,799,381
Ending balance	<u>₩ 2,717,149,365</u>	<u>₩ 2,548,113,463</u>

(*1) Capitalization of borrowing costs is included.

(*2) Others include effects of changes in foreign currency exchange rates and others.

B. For the three-month period ended March 31, 2023, the Group has capitalized borrowing costs amounting to ₩ 2,229 million on property, plant and equipment that are qualifying assets. The capitalization rate of borrowings that are directly attributable to the acquisition used to determine the amount of borrowing costs to be capitalized is 1.66%.

C. Depreciation expenses are classified as “operating expenses” in the interim condensed consolidated financial statements.

NAVER Corporation and its subsidiaries
Notes to the interim condensed consolidated financial statements
March 31, 2024 and 2023 (Unaudited)

7. Leases

A. Details of amounts recognized in the interim condensed consolidated statements of financial position as of March 31, 2024 and December 31, 2023 are as follows (Korean won in thousands):

	<u>March 31, 2024</u>	<u>December 31, 2023</u>
Right-of-use assets (*1)		
Properties	₩ 326,579,788	₩ 373,689,185
Vehicles	2,796,769	2,895,450
IDC buildings	118,990,994	134,068,624
Machinery	157,187,328	176,604,300
Leased internet line	3,922,733	4,488,001
Equipment	-	87,148
	<u>₩ 609,477,612</u>	<u>₩ 691,832,708</u>
Lease receivables (*2)		
Current	₩ 4,936,526	₩ 4,901,189
Non-current	28,643,781	29,595,181
	<u>₩ 33,580,307</u>	<u>₩ 34,496,370</u>
Lease liabilities (*2)		
Current	₩ 230,239,041	₩ 234,727,101
Non-current	466,226,185	518,909,669
	<u>₩ 696,465,226</u>	<u>₩ 753,636,770</u>

(*1) The outstanding balance of right-of-use assets is net of accumulated depreciation.

(*2) The outstanding balance of lease receivables and lease liabilities is net of present value discount.

Additions to the right-of-use assets for the three-month period ended March 31, 2024 were ₩ 2,795 million (₩ 11,905 million in 2023).

NAVER Corporation and its subsidiaries
Notes to the interim condensed consolidated financial statements
March 31, 2024 and 2023 (Unaudited)

7. Leases (cont'd)

B. Details of amounts recognized in the interim condensed consolidated statements of comprehensive income for each of the three-month periods ended March 31, 2024 and 2023 are as follows (Korean won in thousands):

	2024	2023
Depreciation of right-of-use assets		
Properties	₩ 16,373,477	₩ 15,872,148
Vehicles	325,067	264,377
IDC buildings	17,180,114	9,798,290
Machinery	19,416,972	17,102,381
Leased internet line	565,268	435,278
Equipment	18,238	-
	₩ 53,879,136	₩ 43,472,474
Interest expense relating to lease liabilities (included in 'finance costs')	7,149,282	6,256,766
Expense relating to short-term leases and leases of low-value assets	105,193	531,538
Expense relating to variable lease payments not included in lease liabilities	3,929,693	8,961,023

The total cash outflow for leases for the three-month period ended March 31, 2024 is ₩ 65,592 million (₩ 84,473 million in 2023), and the total cash inflow for leases for the three-month period ended March 31, 2024 is ₩ 1,725 million (₩ 2,102 million in 2023), respectively.

8. Intangible Assets

A. Changes in intangible assets for each of the three-month periods ended March 31, 2024 and 2023 are as follows (Korean won in thousands):

	2024	2023
Beginning balance	₩ 3,445,599,902	₩ 1,481,423,637
Acquisition and capital expenditures	4,056,939	8,601,052
Acquisition from business combination	-	1,575,519,121
Amortization	(13,635,977)	(11,980,322)
Disposals, retirement	-	(41,129)
impairment	(950,491)	-
Disposal of subsidiaries	(19,656,851)	(1,562,030)
Others (*)	100,191,102	66,250,994
Ending balance	₩ 3,515,604,624	₩ 3,118,211,323

(*) Others include changes in scope of consolidation, effects of changes in foreign currency exchange rates and others.

B. Amortization expenses are classified as "operating expenses" in the interim condensed consolidated financial statements.

NAVER Corporation and its subsidiaries
Notes to the interim condensed consolidated financial statements
March 31, 2024 and 2023 (Unaudited)

9. Investment Properties

A. Changes in the carrying amount of investment properties for each of the three-month periods ended March 31, 2024 and 2023 are as follows: (Korean won in thousands)

	2024	2023
Beginning balance	₩ 53,430,246	₩ -
Others (*)	<u>26,328,676</u>	<u>-</u>
Ending balance	<u>₩ 79,758,922</u>	<u>₩ -</u>

(*) Others increased by ₩ 26,329 million as the amount was transferred from right-of-use assets due to changes in the scope of consolidation for the three-month period ended March 31, 2024.

B. There are no profits or expenses from investment properties for each of the three-month periods ended March 31, 2024 and 2023.

10. Investments in Associates and Joint Ventures

A. Details of investments in associates and joint ventures as of March 31, 2024 and December 31, 2023 are as follows (Korean won in thousands):

				March 31, 2024		December 31, 2023
				Ownership (%)	Carrying amount	Carrying amount
Associates	Primary business	Location	Closing month			
A Holdings Corporation	Mobile service development	Japan	March	50.00	14,951,548,610	15,338,412,557
IPX Corporation	Character and doll wholesale and retail	Korea	March	22.36	49,719,090	53,715,122
Netmania Co., Ltd.	Software development and distribution	Korea	December	27.17	1,113,144	1,151,858
SYNAP SOFT CORP. (*3)	Software development and distribution	Korea	December	13.19	4,719,831	4,719,831
BonAngels Pacemaker Fund	Investment	Korea	December	22.73	2,904,137	2,762,985
Korea Contents Mutual Aid Association (*1)	Mutual Aid Association	Korea	December	52.39	9,603,305	9,640,358
Arointech inc	Software development and distribution	Korea	December	29.85	528,401	592,392
NAVER KIP Cheer up! Gamers Fund	Investment	Korea	December	50.00	250,856	243,750
N Space Co., Ltd.	Space service business	Korea	December	49.04	2,669,273	2,489,615
K-Fund I (*1)	Investment	France	December	74.81	317,948,562	304,070,856
Mirae Asset-NAVER New Growth Fund I	Investment	Korea	December	50.00	91,845,807	92,327,246
YG NAVER Contents & Lifestyle Fund (*1)	Investment	Korea	December	90.91	45,698,942	46,638,439
Digital Media Partners II, L.P. (*6)	Investment	Cayman Islands	December	26.69	-	2,379,084
Soran Media Venture Fund (*1)	Investment	Korea	December	66.67	539,370	592,926
Mirae Asset-Naver Asia Growth Fund (*3)	Investment	Korea	December	16.67	82,311,081	81,691,093
Mirae Asset – Naver Asia Growth Investment Pte. Ltd.	Investment	Singapore	December	41.11	334,251,976	341,924,825
Alliance Internet Corp.	Revenue support for internet business start-up	Korea	December	23.53	2,800,278	2,808,845
DHP private equity fund 3	Investment	Korea	December	25.16	142,133	142,133
Artificial Intelligence Research Institute (*3) (*10)	AI technology investment	Korea	December	14.29	-	-
SMEJ Plus INC	Global fanship related investment	Japan	December	30.07	7,292,279	8,555,292
Smart Korea Naver-Stonebridge Rising Investment Association	Investment	Korea	December	37.74	9,049,488	7,343,726
Carousell Pte Ltd (*3)	Platform Investment	Singapore	December	8.23	45,820,871	48,259,179
Do Ventures Fund I, I-A (*6)	Investment	Cayman Islands	December	22.77	-	13,106,741
Onestore Co., Ltd.	E-Commerce business	Korea	December	24.18	37,517,306	34,864,567
China Ventures Fund I, Limited Partnership (*1)	Investment	Canada	December	70.33	269,434,266	256,411,893
YN CULTURE & SPACE	Record production and planning	Korea	December	23.88	11,509,010	11,604,998
WEVERSE COMPANY Inc	Content production	Korea	December	44.52	272,230,001	274,082,155
Cafe24 Corp (*3) (*10)	Hosting and related service	Korea	December	14.81	29,465,834	30,313,319
K-Fund II	Investment	France	December	45.71	63,612,609	61,250,599
FUTURE INNOVATION PRIVATE EQUITY FUND III	Investment	Korea	December	25.38	63,276,733	63,444,667
CHINA VENTURES FUND II, L.P.	Investment	Cayman Islands	December	25.05	82,884,137	156,724,512

NAVER Corporation and its subsidiaries
Notes to the interim condensed consolidated financial statements
March 31, 2024 and 2023 (Unaudited)

ICART GROUP PTE. LTD. (*3)(*10)	Online daily necessities and fresh food platforms	Singapore	December	10.89	-	-
Mirae Asset Partnership Growth Fund I (*1)	Investment	Korea	December	90.00	3,167,635	3,172,347
TBT Global Growth Fund III	Investment	Korea	December	36.76	14,243,835	6,868,262
STL18th Private Equity Fund Makma	Investment	Korea	December	22.20	19,548,377	19,608,575
	Content distribution	France	December	22.00	854,705	862,526
LINE NEXT Inc. (*3)(*9)	Applied software development and distribution	U.S.A	December	11.86	-	-
AXIS Co.,LTD (*9)	Software development and distribution	Korea	December	23.65	-	-
Studio Horang Co., Ltd.	Webtoon production	Korea	December	41.50	290,069	317,499
The Grimm entertainment Co.,Ltd.(*9)	Webtoon production	Korea	December	34.98	-	-
Big Picture Comics Co., Ltd.	Webtoon production	Korea	December	35.00	1,813,183	1,811,827
JQ COMICS Co., Ltd.	Webtoon production	Korea	December	35.06	192,843	210,693
ZK Studio Co., Ltd.	Webtoon production	Korea	December	40.00	375,098	400,487
Su Comics Co., Ltd.	Webtoon production	Korea	December	40.00	280,001	304,391
Studio Mul Co., Ltd.	Content production	Korea	December	35.00	3,978,423	4,034,679
A2Z Inc (*10)	Content distribution	Korea	December	26.67	29,292,272	29,292,272
Sam Studio Co., Ltd.	Content production	Korea	December	35.00	984,732	996,256
Only Won Entertainment Co., Ltd.	Content distribution	Korea	December	35.00	384,465	431,802
Studio hohoe Co.,Ltd.	Content distribution	Korea	December	33.02	754,724	757,341
GEULGGUN	Content distribution	Korea	December	22.22	121,892	135,604
Studio 389 Co., Ltd. (*9)	Content distribution	Korea	December	30.02	-	-
Yumistudio Co., Ltd.	Content distribution	Korea	December	35.00	2,038,170	1,995,526
J Peul Media Co., Ltd. (*10)	Content distribution	Korea	December	25.00	10,508,874	10,508,874
Cinamon. Inc (*3)(*9)	Visual novel game development and service	Korea	December	19.97	-	-
Studio Paran Inc.	Publishing	Korea	December	35.06	658,043	604,179
BY4M Studio Co., Ltd. (*3)	Content distribution	Korea	December	1.63	2,945,243	3,184,070
A2Z-IP Fund (*10)	Investment	Korea	December	20.00	1,277,293	1,336,201
SHINE PARTNERS CO., LTD. (*3)(*10)	Webtoon production	Japan	December	5.56	654,863	661,748
Vi-Frost (*3)(*10)	Webtoon and web novel production	Korea	December	15.87	297,042	385,646
Studio Ppuri Co., Ltd.	Animation production and distribution	Korea	December	20.00	3,323,273	3,309,447
XTORM CO., LTD	Animation production and distribution	Korea	December	25.00	2,676	11,823
SGRSoft Co., Ltd. (*3)	Software development	Korea	December	10.88	424,803	444,394
Fast Cowell Private Equity Fund	Investment	Korea	December	21.13	882,264	888,673
LaiQu Technology (ShenZhen) Company Limited (*10)	Software development and distribution	China	December	21.30	-	-
Pala Inc. (*10)	Software development and distribution	Korea	December	43.22	-	-
Seno Corporation	Content production	Hongkong	December	45.00	111,123	108,476
Sasom Company Limited	Platform investment	Thailand	December	34.37	1,462,678	1,947,579
Gorilla NCORE Metaverse 1	Investment	Korea	December	37.68	20,602,415	20,712,786
VerseWork Co., Ltd. (*7)	Content distribution	Korea	December	-	-	-
ZEP Co.,Ltd.(*5)	Meta verse service development	Korea	December	-	-	1,026,333
Pinokio, Inc. (*5)	Game content development	Korea	December	-	-	-
Chicment Co., Ltd.	E-Commerce business	Korea	December	30.00	3,010,673	2,980,103
Quokka Industries Inc. (*5)	Software development	Korea	December	-	-	1,290,685
Murple, Inc. (*5)	AI solution development	Korea	December	-	-	1,385,128
TAIL Start-up Fund I	Investment	Korea	December	40.00	1,814,247	1,906,947
CravingCollector Inc.	Second-hand fashion trading platform	Korea	December	42.53	864,574	1,313,782
Contrau ventures fund no.1	Investment	Korea	December	24.69	1,937,053	1,953,876
SPRINGCAMP COLLABORATIVE FUND II(*3)(*4)	Investment	Korea	December	10.00	98,610	-
Springcamp Nascent Stage Fund I	Investment	Korea	December	30.00	149,997	-
Purpleduck Corp.	Animation production and distribution	Korea	December	49.15	934,487	937,758
Studio 1991	Animation production and distribution	Korea	December	30.07	221,361	207,867
Studio Dragon Japan CO., LTD.	Content production	Japan	December	30.00	7,935,414	8,142,873
STUDIO YELL Co.	Animation production and distribution	Korea	December	35.00	84,976	88,565
Goodus Data, Inc. (*3)	Cloud services	Korea	December	7.50	3,091,445	3,149,826
Shake Hands Sdn Bhd	Sneakers trading platform operations	Malaysia	December	22.47	2,037,760	2,038,547
YLAB Corporation (*3)	Content production	Korea	December	9.56	6,233,649	6,479,766
Genius studio Corp.	Content production	Korea	December	35.00	160,841	177,665
PT Karunia International Citra Kencana	Sneakers trading platform operations	Indonesia	December	29.36	2,917,202	2,934,732
Teamplus Corp	Online ticket sales	Korea	December	43.13	5,228,173	5,058,845
BravoBeaver Incheon Corp.	Stationery production	Korea	December	26.00	287,395	286,917
Silicon Cube Co.,Ltd (*10)	Applied software development and distribution	Korea	December	41.36	-	-
Baecom Co., LTD.	Academy/education operation management and service	Korea	December	27.29	696,702	1,035,778
LOCUS CORPORATION (*3)	Animation and VFX	Korea	December	19.38	10,771,331	11,400,275
Jakga Company Inc. (*4)	Content production	Korea	December	49.21	9,800,001	-
NAMOO ACTORS CO., Ltd.	Entertainer management	Korea	December	20.00	6,199,622	-
CELSYS,Inc.(*3)(*8)	Content production	Japan	December	9.75	24,658,072	-
Playlist Corporation	Web contents production and distribution	Korea	December	50.00	47,583,044	49,106,176
NAVER Z CO., LTD., (*4)	Mobile service development and operations	Korea	December	49.90	204,031,022	-
OVERDARE, Inc. (*5)	Contents service development and operations	U.S.A.	December	-	-	7,186,399
Havit Corporation (*9)	Mobile service development	Korea	December	28.57	-	-
Joint ventures					17,252,905,995	17,477,658,389

NAVER Corporation and its subsidiaries
Notes to the interim condensed consolidated financial statements
March 31, 2024 and 2023 (Unaudited)

Mirai Fund Limited Liability Partnership (*2)	Investment	Japan	December	90.00	67,930,174	98,336,910
Cineplay Co., Ltd	Online information service and online advertising	Korea	December	49.00	127,810	135,219
China Lab Co., Ltd.	Database and online information service	Korea	December	49.00	962,386	930,713
Designpress Co., Ltd.	Online information service and internet contents business	Korea	December	49.00	879,598	879,598
Inter Biz Co., Ltd.	Online information service and internet contents business	Korea	December	49.00	924,109	946,266
Agro Plus Co., Ltd.	Online information service and internet contents business	Korea	December	49.00	729,311	764,813
Sseom Lab Co., Ltd.	Online information service and internet contents business	Korea	December	49.00	1,134,167	1,092,734
Tech Plus Co., Ltd.	Online information service and internet contents business	Korea	December	49.00	862,551	957,166
Animal and Human Story Inc. (*9)	Online information service and internet contents business	Korea	December	49.00	-	-
Law&Media Co., Ltd.	Online information service and internet contents business	Korea	December	49.00	238,324	230,803
Yeopeul Co., Ltd.	Online information service and internet contents business	Korea	December	49.00	1,964,018	2,022,728
School Jaem Co., Ltd.	Online information service and internet contents business	Korea	December	49.00	599,044	618,077
Studio Toon Corp	Animation production and distribution	Korea	December	49.00	3,974,227	4,290,684
STUDIO WHITE Limited Liability Partnership	Content production	Japan	December	40.01	1,067,643	-
					<u>81,393,362</u>	<u>111,205,711</u>
					<u>₩ 17,334,299,357</u>	<u>₩ 17,588,864,100</u>

(*1) Although the Group has more than 50% ownership in the investees, the Group does not have controls over these entities by virtue of agreements and classifies them as associates.

(*2) Although the Group has more than 50% ownership in the investees, the Group has a joint control in accordance with the agreement and classifies them as an investment in joint venture.

(*3) Although the Group has less than 20% ownership in the investees, the Group has significant influence over the entities by virtue of agreements and classifies them as associates.

(*4) The entities marked above are reclassified from subsidiaries to associates due to the Group's loss of the control over the entities for the three-month period ended March 31, 2024.

(*5) The entities have been excluded from associates due to disposal for the three-month period ended March 31, 2024.

(*6) As of March 31, 2024, the Group changed the entities' classification from associate into held-for-sale asset due to the possibility to be sold within a year (Note 20).

(*7) The investment in associates is reclassified to financial instrument due to the decrease in the portion of ownership for the three-month period ended March 31, 2024.

(*8) The classification changed from financial instrument to associate due to the Group's acquisition of significant influence during the three months ended March 31, 2024.

(*9) The Group has ceased recognizing its share of losses using the equity method as its carrying amount is less than nil (0) due to accumulated losses before January 1, 2024.

(*10) The Group recognized impairment loss before the current period for the entities as carrying amounts exceeded their recoverable amounts.

B. Changes in investments in associates and joint ventures for each of the three-month periods ended March 31, 2024 and 2023 are as follows (Korean won in thousands):

	2024		
	Investment in associates	Investment in joint ventures	Total
Beginning balance	₩ 17,477,658,389	₩ 111,205,711	₩ 17,588,864,100
Acquisition	22,510,939	1,067,643	23,578,582
Disposals	(107,155,037)	-	(107,155,037)
Transferred to non-current assets held for sale(*1)	(18,091,593)	-	(18,091,593)
Transferred to associates (*2)(*3)	245,384,282	-	245,384,282

NAVER Corporation and its subsidiaries
Notes to the interim condensed consolidated financial statements
March 31, 2024 and 2023 (Unaudited)

Valuation of investment using the equity method			
Share of loss of associates and joint ventures	(84,504,600)	(657,789)	(85,162,389)
Share of other comprehensive loss of associates and joint ventures	(294,965,740)	(30,222,203)	(325,187,943)
Dividends	(149,180)	-	(149,180)
Others	12,218,535	-	12,218,535
Ending balance	<u>₩ 17,252,905,995</u>	<u>₩ 81,393,362</u>	<u>₩ 17,334,299,357</u>

(*1) The entire shares of Digital Media Partners II, L.P., Do Ventures Fund I, I-A were transferred to non-current assets held for sale for the three-month period ended March 31, 2024.

(*2) As the Group lost control over NAVER Z CO., LTD., Jakga Company Inc., SPRINGCAMP COLLABORATIVE FUND II for the three-month period ended March 31, 2024, the investments were transferred from investments in subsidiaries to investments in associates.

(*3) As the Group acquired significant influence over CELSYS, Inc. for the three-month period ended March 31, 2024, the investments were transferred from financial instruments to investments in associates.

	2023		
	Investment in associates	Investment in joint ventures	Total
Beginning balance	₩ 18,428,512,883	₩ 112,774,039	₩ 18,541,286,922
Acquisition	6,570,081	-	6,570,081
Disposals	(198,804)	(2,300,655)	(2,499,459)
Reclassified into asset held-for sale(*)	(446,980,895)	-	(446,980,895)
Valuation of investment using the equity method			
Share of loss of associates and joint ventures	(38,736,490)	(712,998)	(39,449,488)
Share of other comprehensive loss of associates and joint ventures	533,268,314	3,622,983	536,891,297
Dividends	(162,616)	-	(162,616)
Others	1,406,727	-	1,406,727
Ending balance	<u>₩ 18,483,679,200</u>	<u>₩ 113,383,369</u>	<u>₩ 18,597,062,569</u>

(*) During the three-month period ended March 31, 2023, the entire shares in Mirae Asset Maps Private Real Estate Investment Trust No. 62 were reclassified into assets held-for-sale.

C. The Group has ceased recognizing its share of losses of AXIS and six other entities using the equity method as its book amount is less than nil (0) due to accumulated losses. The unrecognized accumulated losses amount to ₩ 5,273 million as of March 31, 2024.

D. The Group has ceased recognizing its share of losses of Silicon Cube Co.,Ltd, LaiQu Technology (ShenZhen) Company Limited and three other entities using the equity method as its carrying amount is less than nil (0) due to accumulated losses. The unrecognized accumulated losses amount to ₩ 1,542 million as of March 31, 2024.

NAVER Corporation and its subsidiaries
Notes to the interim condensed consolidated financial statements
March 31, 2024 and 2023 (Unaudited)

11. Borrowings and Debentures

A. Details of borrowings as of March 31, 2024 and December 31, 2023 are as follows (Korean won in thousands and foreign currency in thousands):

				March 31, 2024		December 31, 2023	
	Financial Institution	Latest maturity	Interest rate (%)	Carrying amount	Foreign currency amount	Carrying amount	Foreign currency amount
Short-term borrowings							
Foreign currency	DAG Ventures VI, L.P.(*)	-	10.00	₩ 2,696,273	HKD 15,667	₩ 2,585,978	HKD 15,667
Foreign currency	Goodwater Capital II, L.P.(*)	-	10.00	1,346,816	HKD 7,825	1,291,723	HKD 7,825
Foreign currency	Mistletoe Singapore Pte. Ltd.(*)	-	10.00	2,696,318	HKD 15,667	2,586,021	HKD 15,667
Foreign currency	SCC Growth IV Holdco A, Ltd.(*)	-	10.00	40,198,558	HKD 233,577	38,554,177	HKD 233,577
Foreign currency	SenseView Investment Limited (*)	-	10.00	6,741,114	HKD 39,170	6,465,359	HKD 39,170
Foreign currency	SNOW Limited Liability Partnership (*)	-	10.00	26,839,638	HKD 155,954	25,741,724	HKD 155,954
Local currency	Woori Bank	-	-	-	-	100,000,000	-
Local currency	HSBC	2027.07.12	4.50	3,445,833	-	9,683,333	-
Local currency	KEB Hana Bank	-	-	-	-	100,000,000	-
Foreign currency	CitiBank	2024.04.15	TORF 3M+0.4	44,474,000	JPY 5,000,000	45,633,000	JPY 5,000,000
Foreign currency	ZaiZai Entertainment Corp.	2024.04.09	2.60	1,114,500	CNY 6,000	-	-
Local currency	IBK	-	-	-	-	500,000	-
				129,553,050	JPY 5,000,000 HKD 467,860 CNY 6,000	333,041,315	JPY 5,000,000 HKD 467,860
Current portion of long-term borrowings							
Local currency	Shinhan Bank	2026.12.19	4.46	15,625,000	-	15,625,000	-
Local currency	HSBC	2027.07.12	4.50	46,554,167	-	40,316,667	-
Foreign currency	BNP Paribas	2024.12.23	TIBOR 3M+0.55	133,422,000	JPY 15,000,000	136,899,000	JPY 15,000,000
Local currency	KOSME	-	-	-	-	33,240	-
Local currency	KOSME	-	-	-	-	49,920	-
				195,601,167	JPY 15,000,000	192,923,827	JPY 15,000,000
Long-term borrowings							
Local currency	Shinhan Bank	2026.12.19	4.46	27,343,750	-	31,250,000	-
Local currency	HSBC	2027.07.12	4.50	93,704,167	-	106,204,167	-
Foreign currency	Mizuho Bank	2028.09.25	TIBOR 3M+0.67	311,318,000	JPY 35,000,000	319,431,000	JPY 35,000,000
Foreign currency	SMBC Corporation	2028.09.25	TIBOR 3M+0.67	311,318,000	JPY 35,000,000	319,431,000	JPY 35,000,000
Foreign currency	MUFG Bank, Ltd.	2027.09.24	TIBOR 3M+0.66	197,108,768	JPY 22,160,000	202,245,456	JPY 22,160,000
Local currency	Shinhan Bank	2025.12.03	2.99	200,000,000	-	15,000,000	-
Local currency	KOSME	-	-	-	-	5,540	-
Local currency	KOSME	-	-	-	-	33,280	-
				1,140,792,685	JPY 92,160,000	993,600,443	JPY 92,160,000

NAVER Corporation and its subsidiaries
Notes to the interim condensed consolidated financial statements
March 31, 2024 and 2023 (Unaudited)

Financial Institution	Latest maturity	Interest rate (%)	March 31, 2024		December 31, 2023	
			Carrying amount	Foreign currency amount	Carrying amount	Foreign currency amount
				JPY 112,160,000		JPY 112,160,000
				HKD 467,860		HKD 467,860
			₩ 1,465,946,902	CNY 6,000	₩ 1,519,565,585	

(*) SNOW China, a subsidiary of the Group, issued Redeemable Convertible Preferred Stock ("RCPS"). In case of an event that cannot be controlled by the Group, such as changes in the regulatory environment, occurs, the holder of RCPS can request a repayment to the Group at an amount that is calculated by applying a compounded annual interest rate of 10% to the issue amount. Accordingly, the Group classified this RCPS as borrowings.

B. Details of debentures as of March 31, 2024 and December 31, 2023 are as follows (Korean won in thousands and foreign currency in thousands):

	Issuer	Issue date	Latest maturity	Interest rate (%)	March 31, 2024		December 31, 2023	
					Carrying amount	Foreign currency amount	Carrying amount	Foreign currency amount
Debentures in won(4 th -1)		2021.02.25	-	-	₩ -	-	₩ 250,000,000	-
Debentures in won(4 th -2)		2021.02.25	2026.02.25	1.60	450,000,000	-	450,000,000	-
Debentures in won(5 th -1)		2024.01.24	2027.01.24	3.79	170,000,000	-	-	-
Debentures in won(5 th -2)		2024.01.24	2029.01.24	3.84	30,000,000	-	-	-
Unsubordinated unsecured debentures in foreign currency	NAVER Corporation	2021.03.29	2026.03.29	1.50	1,077,440,000	USD 800,000	1,031,520,000	USD 800,000
		2021.05.12	2027.04.30	1.14	124,527,200	JPY 14,000,000	127,772,400	JPY 14,000,000
			2028.11.01	1.43	13,342,200	JPY 1,500,000	13,689,900	JPY 1,500,000
		2023.11.01	2030.11.01	1.76	13,342,200	JPY 1,500,000	13,689,900	JPY 1,500,000
			2035.11.01	2.41	26,684,400	JPY 3,000,000	27,379,800	JPY 3,000,000
						USD (4,024)		USD (4,512)
Less: Discount on debentures					(8,348,013)	JPY (199,124)	(8,370,847)	JPY (211,834)
						USD 795,976		USD 795,488
					₩ 1,896,987,987	JPY 19,800,876	₩ 1,905,681,153	JPY 19,788,166
Less: Current portion of long-term debentures					-	-	(249,962,200)	-
Long-term debentures						USD 795,976		USD 795,488
					₩ 1,896,987,987	JPY 19,800,876	₩ 1,655,718,953	JPY 19,788,166

C. Details of conditions of issuance of debentures as of March 31, 2024 are as follows:

	Payment of principal and interest	Financial ratios maintenance (*)	Limitation on settlement of security right (*)	Limit on the sale of assets (*)	Limitation on changes in governance
Debentures in won(4 th -2)					Change in largest shareholder
Debentures in won(5 th -1)	Interest paid quarterly and lump-sum repayment at maturity for principal	Debt ratio below 300%	Equity capital below 500%	Within 100% of total assets	Exclusion from the group of companies restricted from mutual investment under the <i>Fair Trade Act</i>
Debentures in won(5 th -2)					
Unsubordinated unsecured bonds in foreign currency	Interest paid semi-annually and lump-sum repayment at maturity for principal	-	Restrictions on the settlement of security rights over a certain amount under contractual terms	Restriction on the sale of important property in the contract	Restriction on the merger and others under contractual terms

(*) The above financial ratio maintenance, restrictions on the settlement of security rights and limits on the sale of assets are applied based on the consolidated financial statements.

12. Net Defined Benefit Liabilities

The Group is operating a defined benefit plan. The amount of benefit is calculated based on length of employment and final salary, and parts of the benefits are saved in funds and operated by external agencies.

A. The amounts recognized in the interim condensed consolidated statement of comprehensive income for each of the three-month periods ended March 31, 2024 and 2023 are as follows (Korean won in thousands):

	2024	2023
Current service cost	₩ 25,311,571	₩ 27,999,187
Interest cost	8,299,166	8,429,168
	<u>₩ 33,610,737</u>	<u>₩ 36,428,355</u>

B. Details of net defined benefit liabilities as of March 31, 2024 and December 31, 2023 are as follows (Korean won in thousands):

	March 31, 2024	December 31, 2023
Present value of funded defined benefit obligations	₩ 18,495,814	₩ 17,954,359
Present value of unfunded defined benefit obligations	618,563,178	602,539,895
Fair value of plan assets	(12,776,794)	(12,602,060)
	<u>₩ 624,282,198</u>	<u>₩ 607,892,194</u>

13. Provisions

Details of provisions as of March 31, 2024 and 2023 and changes in provisions for each of the three-month periods ended March 31, 2024 and 2023 are as follows (Korean won in thousands):

A. As of March 31, 2024 and for the three-month period then ended

	Provision for litigation	Provision for restoration	Others	Total
Beginning balance	₩ 1,561,272	₩ 18,023,677	₩ 1,247,753	₩ 20,832,702
Additional provisions	-	501,942	69,840	571,782
Unused amounts reversed	-	(244,892)	-	(244,892)
Others (*)	11,721	(651,994)	208,418	(431,855)
Ending balance	<u>₩ 1,572,993</u>	<u>₩ 17,628,733</u>	<u>₩ 1,526,011</u>	<u>₩ 20,727,737</u>
Current	₩ 1,572,993	₩ 3,699,178	₩ 1,508,796	₩ 6,780,967
Non-current	-	13,929,555	17,215	13,946,770

(*) Others include effects of changes in foreign currency exchange rates and others.

B. As of March 31, 2023 and for the three-month period then ended

	Provision for litigation	Provision for restoration	Others	Total
Beginning balance	₩ 926,439	₩ 19,387,919	₩ 2,920,609	₩ 23,234,967
Additional provisions	-	205,097	2,844,324	3,049,421
Used during the period	-	-	(907,469)	(907,469)
Unused amounts reversed	-	-	(55,490)	(55,490)
Others (*)	-	(26,962)	(625,516)	(652,478)
Ending balance	<u>₩ 926,439</u>	<u>₩ 19,566,054</u>	<u>₩ 4,176,458</u>	<u>₩ 24,668,951</u>
Current	₩ 926,439	₩ 1,742,743	₩ 4,176,458	₩ 6,845,640
Non-current	-	17,823,311	-	17,823,311

(*) Others include effects of changes in foreign currency exchange rates and others.

14. Issuance and Acquisition of Shares

A. The Company's total number of authorized shares is 300,000,000 shares. As of March 31, 2024, the Company has issued 162,408,594 ordinary shares (par value - ₩ 100 per share) and 11,426,246 treasury shares (excludes retired shares). The Company's share capital and share premium as of March 31, 2024 amount to ₩ 16,481,340 thousand and ₩ 132,920,605 thousand, respectively. The par value of outstanding shares amounting to ₩ 16,240,859 thousand differs from the share capital (₩ 16,481,340 thousand) due to the retirement of shares.

B. The Company disposed of 368,606 treasury shares through exercise of stock options and recognized gain on disposal of treasury shares amounting to ₩ 40,105 million for each of the three-month periods ended March 31, 2024.

15. Income Tax Expense

Income tax expense is recognized based on management's best estimate of weighted-average annual income tax rate expected for the full financial year. As of March 31, 2024, the estimated-average annual effective tax rate used for the year ended December 31, 2024 is 15.81% (2023 : 62.56%).

The Group expects to be subject to the Global Minimum Tax, which will come into effect on January 1, 2024. While the Group is reviewing the impact of this additional tax under the Global Minimum Tax on its financial statements, as of the end of the reporting period, it is anticipated that the impact will be minimal. Therefore, the Group has not recognized any income tax expense for the three-month period ended March 31, 2024, related to the additional tax.

The Group is applying temporary relief provisions for the accounting of deferred income taxes due to the impact of the Global Minimum Tax, and any additional tax will be recognized as current income tax at the time it arises.

16. Dividends

The ordinary share dividend of ₩ 118,985 million for the year ended December 31, 2023 was paid in April 2024. Details of this dividend are as follows. Meanwhile, no dividends were paid for the year ended December 31, 2022.

	Details of this dividend	
Shares eligible for dividends		150,613,742 Shares
Dividends per share (Korean won)	₩	790
Cash dividends (Korean won in thousands)	₩	118,984,856

17. Commitments and Contingencies

A. As of March 31, 2024, the Group has borrowing agreements with 7 Korean financial institutions, including Kookmin Bank, with an aggregated credit limit up to ₩ 1,078,079 million and an agreement on leased assets with KB Kookmin Card Co., Ltd. up to ₩ 346,772 million. Also, the Group has borrowing agreements with Sumitomo Mitsui Banking Corporation, Mizuho Corporate Bank and 5 others with an aggregated credit limit up to JPY 112,460 million and USD 480 million.

B. As of March 31, 2024, the Group is provided with guarantees of ₩ 219,081 million from Seoul Guarantee Insurance Company, Korea Software Financial Cooperative and others in relation to the performance guarantee, and guarantees of ₩ 5,781 million (available up to ₩ 9,600 million) from Shinhan Bank in relation to the payment guarantee. Also, the Group provides investments of ₩ 3,353 million as collaterals for payment guarantee from Korea Software Financial Cooperative.

C. As of March 31, 2024, customers' advance payments of ₩ 119,230 million, classified as cash and cash equivalents, are trusted to Shinhan Bank in accordance with the 'Guidelines for electronic financial service provider to protect user funds'.

D. As of March 31, 2024, the Group has entered into an agreement to compensate for some of the losses due to uncollected loans in relation to MIRAE ASSET CAPITAL CO., LTD.'s loans to small business owners.

E. As of March 31, 2024, the Group has entered into an agreement to allow deferred payment to be made at a later date only to subscribers of the Group's deferred payment service in accordance with the designation of innovative finance by the Financial Services Commission.

F. As of March 31, 2024, the Group has entered into a construction contract amounting to ₩ 482,091 million (outstanding amount: ₩ 15,625 million) with HYUNDAI ENGINEERING & CONSTRUCTION CO., LTD. in relation to a construction of cloud data center and others. Also, the Group has entered into contracts to acquire land amounting to ₩ 51,000 million (outstanding amount: ₩ 100 million).

G. As of March 31, 2024, the Group is a defendant in 48 lawsuit cases filed with regard to patent infringement and compensation for damages (aggregate amount of the lawsuits: ₩ 9,855 million), and the Group is a plaintiff in 7 lawsuit cases filed with regard to compensation for damages (aggregate amount of the lawsuits: ₩ 28,419 million). The outcome of these cases is uncertain as of the reporting date, and the Group's management recognizes the provision in relation to the potential loss if these cases meet the condition for the recognition of the provision.

H. Details of significant capital commitments contracted in relation to funds owned by the Group as of March 31, 2024 are as follows (Korean won in thousands and foreign currency):

	Currency	Agreed amount	Accumulated investment	Outstanding amount
Vista Equity Partners Fund VIII-A, L.P.	USD	50,000,000	-	50,000,000
General Atlantic Investment Partners 2021 LP	USD	150,000,000	103,972,657	46,027,343
K-Fund II	EUR	100,000,000	67,278,845	32,721,155
Paramark KB Fund I	KRW	29,000,000	18,067,000	10,933,000
TBT Global Growth Fund III	KRW	25,000,000	15,000,000	10,000,000

17. Commitments and Contingencies (cont'd)

I. As of March 31, 2024, the Group has entered into agreements for executives and employees' group injury insurance with KB insurance Co., Ltd. and other insurers.

J. As of March 31, 2024, the Group holds shares of CJ Logistics Corporation, CJ ENM Co., Ltd. and Studio Dragon Corporation to reinforce and maintain strategic partnership with CJ corporate group affiliates. The shares acquired by the Group are restricted on disposal for a certain period, under the agreement granting each parties the right of first refusal and call option.

K. With the resolution of the Board of Directors on March 16, 2021, the Group conducted an exchange of treasury shares with SHINSEGAE INTERNATIONAL Inc. and E-MART Inc. to reinforce and maintain strategic partnership with SHINSEGAE corporate group affiliates. In connection with this exchange, the Group entered into a mutual agreement granting each parties the right of first refusal and call option. The shares acquired by the Group are restricted on disposal for a certain period.

L. With the resolution of the Board of Directors on August 10, 2021, the Group entered into a contract for contribution in kind using treasury shares to reinforce and maintain strategic partnership with Cafe24 Corp. In connection with this contract, the Group entered into an agreement granting the right of first refusal and right to nominate directors. The shares acquired by the Group are restricted on disposal for a certain period.

M. As of March 31, 2024, the Group provides time deposits of ₩ 57,200 million as collaterals for the employees' loans from financial institutions, JPY 1,000 million as collaterals for the issuance of Japanese electronic currencies. In addition, long and short-term financial instruments amounting to ₩ 13,760 million is deposited for shared corporate growth program, ₩ 2,647 million are pledged for the leasehold deposits of the associates. ₩ 1,700 million are pledged to Shinhan Bank for payment guarantees in relation to Naver Pay service and others; ₩ 500 million are pledged for restoration of leasehold facilities; and ₩ 400 million are pledged to Nonghyup Bank for the credit line with Nonghyup Card.

N. As of March 31, 2024, the Group entered into a mutual agreement for right of first refusal and call option in relation to the Group's investments in MIRAE ASSET SECURITIES CO., LTD. (exchange of treasury shares). The shares held by the Group are restricted on disposal for a certain period.

O. In relation to the investments in Tving Co., Ltd. held by the Group, as of March 31, 2024, the Group has drag-along rights that are exercisable in accordance with the contract terms. The shares held by the Group are restricted on disposal for a certain period.

P. As of March 31, 2024, the Group and WEVERSE COMPANY Inc., which is the associate of the Group, have entered into an agreement on the right of first refusal and call option in relation to the acquisition of shares of WEVERSE COMPANY Inc. WEVERSE COMPANY Inc. can request the Group to sell its shares if certain conditions are satisfied. The shares held by the Group are restricted on disposal for a certain period.

Q. Investments in J Peul Media Co., Ltd., an associate held by the Group, are restricted on disposal for a certain period.

R. The Group grants put options that give investors the right to sell all or part of their shares to the Group in the event of a significant negative impact on the Group due to significant breach of contract or law in relation to certain RCPS (issue price: ₩ 356,303 million) issued by the Group.

S. In relation to RCPS issued by associates (issue price: ₩ 44,455 million), the Group grants put options that give investors the right to sell all or part of their shares to the Group in the event of a significant negative impact on the Group due to significant breach of contract or law.

T. In relation to shares in PROTON PARENT, INC., the Group grants put options that give non-controlling shareholder the right to sell all or part of their shares to the Group under the condition that certain criteria is met. The Group recognizes ₩10,740 million related thereto as 'other payables' as of March 31, 2024.

17. Commitments and Contingencies (cont'd)

U. The Group grants put options that give Premier Luna the right to sell all of the investment shares held by Premier Luna at a certain price if the Group neglects its duties as a major shareholder in connection with listing securities of MUNPIA INC. in public under a shareholders' agreement entered into with Premier Luna Inc. In addition, while acquiring shares of MUNPIA INC., the Group grants put options that give CLOUDARY HOLDINGS LIMITED the right to sell residual shares of MUNPIA INC held by CLOUDARY HOLDINGS LIMITED.

V. Other than those described in Note 17, as of March 31, 2024, the Group may exercise preferential purchase right and drag-along right in relation to investments in associates and joint ventures, such as Carousell Pte Ltd, J Peul Media Co., Ltd., A2Z Inc., and SMEJ Plus INC.

W. With the resolution of the Board of Directors on February 1, 2024, the Group entered into a ₩ 100 billion loan agreement with NAVER Z CO., LTD., an associate of the Group, and the Group has borrowed ₩ 60 billion under this agreement as of March 31, 2024, and plans to borrow an additional ₩ 40 billion in February 2025.

18. Related Party Transactions

A. Details of subsidiaries as of March 31, 2024 and December 31, 2023 are described in Note 1.A, and details of associates and joint ventures as of March 31, 2024 and December 31, 2023 are described in Note 10.A.

B. Details of other related parties that have sales and other transactions or outstanding receivables/payables balances with the Group as of March 31, 2024 and December 31, 2023 are as follows:

	March 31, 2024	December 31, 2023
Other (*)	NAVER Cultural Foundation, NAVER Connect Foundation, THE HAPPYBEAN FOUNDATION, DOHANDS Co., Ltd., MESHKOREA Co., Ltd., Studio Swing Bat Co., Ltd., Studio Pat Co., Ltd., HD Junction, Inc., Ubob Inc., FASSTO, Contents First Inc., Astron Security Co., Ltd., LINE Games Corporation	ESPRESO MEDIA CO., LTD., Lunasoft corp., MYSTIC Story Inc., Studio Pat Co., Ltd., HD Junction, Inc., Contents First Inc., MESHKOREA Co., Ltd., Studio Swing Bat Co., Ltd., DOHANDS Co.,Ltd Ubob Inc., LINE Games Corporation, THE HAPPYBEAN FOUNDATION, NAVER Cultural Foundation, NAVER Connect Foundation, FASSTO, Pig Inc., HUNIVERSE GLOBAL Co., Ltd., Astron Security Co., Ltd.

(*) Although these entities are not related parties of the Group in accordance with KIFRS 1024, they belong to the same large enterprise group according to the *Monopoly Regulation and Fair Trade Act*, or the entities issuing compound financial instruments that the Group is determined to be able to exercise significant influences.

NAVER Corporation and its subsidiaries
Notes to the interim condensed consolidated financial statements
March 31, 2024 and 2023 (Unaudited)

18. Related Party Transactions (cont'd)

C. Transaction with the related parties including operating revenues and expenses for each of the three-month periods ended March 31, 2024, and 2023 are as follows (Korean won in thousands):

	2024			
	Operating revenue and others(*3)	Operating expenses and others(*3)	Purchase of non-current assets	Disposal of non-current assets
Associate:				
LY Corporation (*2)	₩ 25,931,060	₩ 17,785,241	₩ -	-
Goodus Data, Inc.	1,886,490	334,265	-	-
LINE Plus Corporation (*2)	1,248,110	703,011	-	-
WEVERSE COMPANY Inc.	1,205,616	-	-	-
LINE Taiwan Limited (*2)	1,049,399	2,223,778	-	-
NAVER Z CO., LTD.	628,908	-	4,706	-
LINE Pay Plus Corporation (*2)	406,909	-	-	-
IPX Corporation	383,945	20,139	-	-
LOCUS CORPORATION	200,699	-	-	-
LINE Biz Plus Corporation (*2)	146,188	-	-	-
Reverse Corp (*2)	111,496	2,068,574	-	-
Playlist Corporation	100,201	-	-	-
LINE Company (Thailand) Limited (*2)	86,578	259,153	-	-
REDICE Studio Inc. (*2)	45,123	2,475,155	-	-
Studio hohoe Co.,Ltd.	31,562	426,787	-	-
Studio 389 Co., Ltd.	29,506	615,952	-	-
J Peul Media Co., Ltd.	23,771	2,312,471	-	-
Cafe24 Corp.	21,964	5,853,400	-	-
Studio Mul Co., Ltd	17,358	842,342	-	-
Only Won Entertainment Co., Ltd	15,494	268,557	-	-
JQ COMICS Co., Ltd.	14,355	469,958	-	-
Chicment Co., Ltd.	7,454	188,500	-	-
The Grimm entertainment Co.,Ltd	5,336	3,335,302	-	-
ROKMEDIA (*2)	2,886	668,332	-	-
Sam Studio Co., Ltd.	1,004	180,028	-	-
Yumi studio Co., Ltd.	733	339,766	-	-
Onestore Co., Ltd.	690	174,775	-	-
YLAB CORPORATION	553	1,701,556	-	-
Big Picture Comics Co., Ltd.	231	224,108	-	-
Studio Paran Inc.	155	443,974	-	-
Studio1991	104	287,293	-	-
Arointech inc.	60	121,224	-	-
PT.LINE PLUS INDONESIA (*2)	-	129,760	-	-
PayPayCorporation (*2)	-	135,362	-	-
Breathe Company Corporation (*2)	-	158,508	-	-
Noi Co., Ltd. (*2)	-	160,449	-	-
Makma	-	190,862	-	-
LY Communications Corporation (*2)	-	2,272,232	-	-
Z Intermediate Global Corporation (*2)	-	471,273	-	-
Others	602,170	643,153	-	-
Joint venture:				
Animal and Human Story Co., Ltd.	57	166,800	-	-
Tech Plus Co., Ltd.	3	127,100	-	-
Agro Plus Co., Ltd.	-	106,500	-	-
Sseom Lab Co., Ltd.	-	158,300	-	-
Cineplay Co., Ltd	-	255,600	-	-
China Lab Co.,Ltd.	-	462,183	-	-
Others	8,210	289,244	-	-
Others:				
NAVER Connect Foundation (*1)	1,992,039	1,619	-	-
THE HAPPYBEAN Foundation (*1)	371,224	-	-	-
Contents First Inc.	274,749	199,412	-	-
Others	84,056	127,944	-	-

NAVER Corporation and its subsidiaries
Notes to the interim condensed consolidated financial statements
March 31, 2024 and 2023 (Unaudited)

18. Related Party Transactions (cont'd)

(*1) Although these entities are not related parties of the Group in accordance with KIFRS 1024, they belong to the same large enterprise group according to the Monopoly Regulation and Fair Trade Act and the amounts herein are the transaction amounts after the entities are designated to belong to large enterprise group.

(*2) The entities are subsidiaries of associates.

(*3) The amounts above exclude ₩ 1,855 million of receipt as revenue and ₩ 1,283 million of payment as expenses on behalf of the related parties.

	2023			
	Operating revenue and others(*3)	Operating expenses and others(*3)	Purchase of non-current assets	Disposal of non-current assets
Associate:				
LINE Corporation(*2)	₩ 27,841,541	₩ 3,295,292	₩ -	-
Yahoo Japan Corporation(*2)	33,462	15,407,143	-	-
WEVERSE COMPANY Inc.	1,833,157	36,647	-	-
LINE Plus Corporation(*2)	1,585,387	442,172	3,077	-
Goodus Data, Inc.	1,261,900	193,370	-	-
LINE Biz Plus Corporation(*2)	746,682	-	1,273	-
LINE Taiwan Limited(*2)	651,238	1,243,276	-	-
IPX Corporation	645,491	1,130,490	7,600	-
The Grimm entertainment Co.,Ltd	594,735	3,997,160	-	-
Studio Mul Co., Ltd	537,967	981,491	-	-
Reverse Corp	495,849	1,646,447	-	-
REDICE Studio Inc.	422,743	1,800,141	115,385	-
YLAB CORPORATION	229,992	2,341,459	-	-
Mirae Asset MAPS Private Placement Real Estate 62	170,389	3,144,312	-	-
Only Won Entertainment Co., Ltd	162,173	590,709	-	-
Cafe24 Corp.	107,280	6,315,551	-	-
LINE Company (Thailand) Limited (*2)	85,312	220,105	-	-
LINE Pay Corporation (*2)	82,761	125,593	-	-
Sam Studio Co., Ltd.	82,170	313,322	-	-
Studio 389 Co., Ltd.	80,079	865,139	-	-
ROKMEDIA(*2)	49,583	612,903	-	-
Yumistudio Co., Ltd.	32,802	188,104	-	-
SHINE PARTNERS CO., LTD.	32,512	647,105	-	-
Chicment Co., Ltd.	32,132	234,200	-	-
Studio1991	25,233	220,829	-	-
Famous Studio Corp.	19,974	14,909,603	-	-
Studio hohoe Co.,Ltd.	19,585	165,400	-	-
MARKT Co.,Ltd.(*2)	15,785	840,103	-	-
Bik Picture Comic Seu Co., Ltd.	12,305	347,174	-	-
J Peul Media Co., Ltd.	2,569	1,973,282	-	-
JQ COMICS Co., Ltd.	1,369	450,724	-	-
Line Fukuoka Corp.(*2)	137	1,522,859	-	-
Arointech inc	60	200,648	-	-
SYNAP SOFT CORP.	-	247,260	-	-
LINE VIETNAM JOINT STOCK COMPANY(*2)	-	156,138	-	-
Makma	-	155,638	-	-
PT.LINE PLUS INDONESIA(*2)	-	142,905	-	-
Breathe Company Corporation(*2)	-	137,168	-	-
A Holdings Corporation	-	133,500	-	-
ZK Studio Co., Ltd.	-	13,907	336,658	-
Others	361,539	448,537	-	-
Joint venture:				
Inter Biz Co., Ltd.	165	177,000	-	-
Animal and Human Story Co., Ltd.	109	236,000	-	-
Tech Plus Co., Ltd.	10	182,500	-	-

NAVER Corporation and its subsidiaries
Notes to the interim condensed consolidated financial statements
March 31, 2024 and 2023 (Unaudited)

School Jaem Co., Ltd.	3	261,700	-	-
Designpress Co., Ltd.	-	288,011	-	-
Cineplay Co., Ltd.	-	285,700	-	-
Sseom Lab Co., Ltd.	-	258,800	-	-
China Lab Co., Ltd.	-	235,571	-	-
Agro Plus Co., Ltd.	-	232,800	-	-
Yeojeul Co., Ltd.	-	230,250	-	-
Law&Media Co., Ltd.	-	185,100	-	-
Others	22,000	-	-	-
Other:				
NAVER Connect Foundation(*1)	2,366,656	26,044	-	-
THE HAPPYBEAN FOUNDATION(*1)	583,103	1,049,376	-	667,463
Contents First Inc.	242,363	73,053	-	-
NAVER Cultural Foundation(*1)	26,953	-	-	259,592
MYSTIC Story Inc.	743	266,577	-	-
Others	66,926	88,498	-	-

(*1) Although these entities are not related parties of the Group in accordance with KIFRS 1024, they belong to the same large enterprise group according to the Monopoly Regulation and Fair Trade Act.

(*2) The entities are subsidiaries of associates.

(*3) The amounts above exclude ₩ 3,741 million of receipt as revenue and ₩ 603 million of payment as expenses on behalf of the related parties.

D. Outstanding balances of receivables due from and payables due to the related parties as of March 31, 2024 and December 31, 2023 are as follows (Korean won in thousands):

	March 31, 2024			
	Receivables		Payables	
	Trade receivables	Other receivables and others(*2)	Other payables	Accrued expenses and others
Associate:				
LY Corporation (*3)	₩ 40,882,653	₩ 6,088,240	₩ 20,806,628	₩ 244,884
Goodus Data, Inc.	1,365,858	-	253,083	-
LINE Plus Corporation (*3)	710,573	347,229	667,667	210,409
NAVER Z CO., LTD.	438,834	72,671,105	4,212	1,883,085
WEVERSE COMPANY Inc.	371,822	31,145,139	-	1,006,001
Onestore Co., Ltd.	244,579	47,227	164,460	-
IPX Corporation	164,001	80,396	1,488	-
LINE Pay Plus Corporation (*3)	158,269	21,063	-	-
LINE Pay Corporation (*3)	95,582	-	104,829	24,212
ZaiZai Entertainment Corp. (*3)	91,045	-	38,396	1,114,500
Sasom Company Limited	46,764	140,324	-	-
LINE Company (Thailand) Limited (*3)	36,226	-	244,432	-
Reverse Corp. (*3)	36,006	163,646	185,474	-
REDICE Studio Inc. (*3)	34,905	1,480,792	583,985	-
PT Karunia Internasional Citra Kencana	28,465	140,324	-	-
The Grimm entertainment Co., Ltd.	14,784	832,136	926,986	-
Studio 389 Co., Ltd.	8,794	679,398	1,040,812	-
LOCUS CORPORATION	7,210	18,558,814	-	-
Cafe24 Corp.	6,430	-	1,815,064	-
LINE Taiwan Limited (*3)	3,584	-	549,834	10,157
Studio Mul Co., Ltd.	1,890	-	124,493	-
ROKMEDIA (*3)	665	27,671	283,291	-
Genius studio Corp.	18	175,000	-	-
YLAB Corporation	-	2,266,223	117,099	-
J Peul Media Co., Ltd.	-	1,027,930	618,780	-
ZK Studio Co., Ltd.	-	120,000	-	-
Studio Paran Inc.	-	107,125	515	-
NAMOO ACTORS CO., Ltd.	-	107,000	-	-
JQ COMICS Co., Ltd.	-	66,685	192,750	-
PT.LINE PLUS INDONESIA (*3)	-	-	117,613	-
LY Communications Corporation (*3)	-	-	891,484	211,555
Others (*4)	273,151	352,109	719,916	6,700
Joint venture:				
China Lab Co., Ltd.	-	-	107,500	-
Sseom Lab Co., Ltd.	-	-	130,130	-
Cineplay Co., Ltd.	-	-	189,970	-
Others	-	73,622	166,322	-

NAVER Corporation and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024 and 2023 (Unaudited)

Other:				
NAVER Connect Foundation(*1)	1,480,442	35,107	16,223	-
THE HAPPYBEAN FOUNDATION(*1)	120,348	450,937	918,690	37,364
NAVER Cultural Foundation(*1)	10,912	171,457	-	14,533
Studio Pat Co., Ltd.	-	348,226	19	-
Others	19,660	22,917	90,575	-

(*1) Although these entities are not related parties of the Group in accordance with KIFRS 1024, they belong to the same large enterprise group according to the *Monopoly Regulation and Fair Trade Act*.

(*2) Lease receivables are included.

(*3) They are subsidiaries of associates.

(*4) The amounts above exclude ₩ 2,421 million paid on behalf by the Group for the related parties.

NAVER Corporation and its subsidiaries
Notes to the interim condensed consolidated financial statements
March 31, 2024 and 2023 (Unaudited)

18. Related Party Transactions (cont'd)

	December 31, 2023			
	Receivables		Payables	
	Trade receivables	Other receivables and others(*2)	Other payables	Accrued expenses and others
Associate:				
LY Corporation (*3)	₩ 35,452,771	₩ 51,945,102	₩ 13,166,286	₩ 231,279
Goodus Data, Inc.	1,285,956	-	325,895	-
LINE Plus Corporation(*3)	742,788	1,010,650	10,979,060	210,796
WEVERSE COMPANY Inc.	435,633	31,834,413	-	994,123
Onestore Co., Ltd.	277,186	32,288	168,945	-
LINE Pay Plus Corporation(*3)	190,119	92,923	-	-
IPX Corporation	162,561	181,737	3,323	-
LINE Pay Corporation(*3)	78,375	-	103,505	23,142
Reverse Corp.(*3)	57,191	171,182	260,198	-
LINE STUDIO Corporation(*3)	49,604	162,741	27,386	-
LINE Company (Thailand) Limited(*3)	39,173	-	206,412	-
REDICE Studio Inc.(*3)	37,541	1,484,659	359,320	-
JQ COMICS Co., Ltd.	18,243	40,514	167,701	-
The Grimm entertainment Co.,Ltd	8,757	2,827,712	120,786	-
LOCUS CORPORATION	7,210	18,448,855	-	-
Cafe24 Corp.	4,510	-	1,575,976	-
LINE Taiwan Limited(*3)	3,589	-	495,942	17,607
ROKMEDIA(*3)	650	47,355	189,340	-
Famous Studio Corp.	206	2,410,101	2,539,375	200,148
Genius studio Corp.	10	175,000	-	-
YLAB Corporation	-	3,601,568	84,256	3,815
J Peul Media Co., Ltd.	-	1,015,283	615,295	-
Pinokio, Inc.	-	632,852	9,812	-
PT Karunia International Citra	-	132,565	-	-
Sasom Company Limited	-	132,565	-	-
Studio hohoe Co.,Ltd.	-	17,901	111,823	-
Only Won Entertainment Co., Ltd	-	-	101,508	-
Studio Mul Co., Ltd.	-	-	176,205	-
SYNAP SOFT CORP.	-	-	220,000	-
SHINE PARTNERS CO., LTD	-	-	267,400	-
LY Communications Corporation(formerly, LINE Fukuoka Corp.)(*3)	-	-	418,029	214,208
Murple, Inc.	-	-	540,000	-
Z Intermediate Global Corporation (*3)	-	-	70,610,140	-
Others (*3)	151,109	611,958	576,371	29,200
Joint venture:				
Designpress Co., Ltd.	-	-	109,451	-
Others	-	37,793	244,403	-
Other:				
NAVER Connect Foundation(*1)	922,719	36,084	19,107	-
THE HAPPYBEAN Foundation(*1)	175,412	501,104	1,259,622	36,692
NAVER Cultural Foundation(*1)	13,013	185,986	-	14,272
Studio Pat Co., Ltd.	-	360,447	9	-
Others	106,485	30,663	40,088	-

(*1) Although these entities are not related parties of the Group in accordance with KIFRS 1024, they belong to the same large enterprise group according to the Monopoly Regulation and Fair Trade Act.

(*2) Lease receivables are included.

(*3) They are subsidiaries of associates.

(*4) The amounts above exclude ₩ 2,421 million paid on behalf by the Group for the related parties.

NAVER Corporation and its subsidiaries
Notes to the interim condensed consolidated financial statements
March 31, 2024 and 2023 (Unaudited)

18. Related Party Transactions (cont'd)

E. Fund transactions with the related parties for each of the three-month periods ended March 31, 2024 and 2023 are as follows (Korean won in thousands):

	2024			
	Contributions in cash	Dividends received and others	Loans	Collections
Associate:				
TBT Global Growth Fund III	₩ 7,500,000	₩ -	₩ -	-
K-Fund II	3,501,509	1,822,759	-	-
Smart Korea Naver-Stonebridge Rising Investment Association	2,000,000	-	-	-
Do Ventures Fund I, I-A	1,333,500	-	-	-
CHINA VENTURES FUND II, L.P.	927,573	-	-	-
China Ventures Fund I, Limited Partnership	898,735	-	-	-
Springcamp Nascent Stage Fund I	150,000	-	-	-
Mirae Asset - Naver Asia Growth Investment Pte. Ltd.	-	11,059,596	-	-
Mirae Asset-NAVER New Growth Fund I	-	500,000	-	-
STL 18th Private Equity Fund	-	149,180	-	-
Z Intermediate Global Corporation (*1)	-	-	-	83,590,310
LINE Plus Corporation (*1)	-	-	-	8,215,546
NAVER Z CO, LTD. (*2)	-	-	60,000,000	-
WEVERSE COMPANY Inc.	-	-	-	1,015,476
Joint venture:				
STUDIO WHITE Limited Liability Partnership	1,075,373	-	-	-
Other:				
NAVER Connect Foundation	-	-	-	18,043
THE HAPPYBEAN FOUNDATION	-	-	-	46,389

(*1) The collections are the amount recovered from selling part of shares in the NAVER Z CO., LTD.

(*2) In the case of loan transactions, the transactions before being excluded from the scope of consolidation for the three-month period ended March 31, 2024 are included.

Besides the transactions above, the Group paid ₩ 9,758 million and ₩ 84,563 million to the associates, LINE Plus Corporation and Z Intermediate Global Corporation, respectively, for the capital reduction with refund of the subsidiary, Snow Corporation, for the three-month period ended March 31, 2024.

NAVER Corporation and its subsidiaries
Notes to the interim condensed consolidated financial statements
March 31, 2024 and 2023 (Unaudited)

18. Related Party Transactions (cont'd)

	2023				
	Contributions in cash	Dividends received and others	Loans	Repayments	Collections
Associate:					
China Ventures Fund I, Limited Partnership	₩ 929,314	₩ 198,804	₩ -	₩ -	-
CHINA VENTURES FUND II, L.P.	808,252	-	-	-	-
Genius studio Corp.	200,015	-	-	-	-
Teamplus Corp.	4,372,500	-	-	-	-
STL 18th Private Equity Fund	-	152,877	-	-	-
BravoBeaver Incheon Corp.	260,000	-	-	-	-
TBT Global Growth Fund III	-	9,739	-	-	-
MiraeAsset MAPS Private Placement Real Estate 62	-	-	-	9,837,395	-
Pala Inc	-	-	500,000	-	-
PT Karunia Internasional Citra Kencana	-	-	-	-	775,740
JQ COMICS Co., Ltd.	-	-	-	-	200,000
Chicment Co., Ltd.	-	-	-	-	300,000
LINE Biz Plus Corporation	-	-	-	-	508,219
LINE Financial Plus	-	-	-	-	119,475
WEVERSE COMPANY Inc.	-	-	-	-	986,378
Famous Studio Corp.	-	-	-	-	49,413
Joint venture:					
jobsN Co., Ltd.	-	2,175,364	-	-	-
Artitian Co., Ltd.	-	129,601	-	-	-
Other:					
NAVER Connect Foundation	-	-	-	-	7,763
THE HAPPYBEAN FOUNDATION	-	-	-	-	19,960

F. There are no payment guarantees provided by the Group to the related parties as of March 31, 2024.

G. Compensation for key management executives

The compensation paid or payable to key management (registered directors) for their services for each of the three-month periods ended March 31, 2024 and 2023 are as follows (Korean won in thousands):

	2024	2023
Short-term employee benefits	₩ 717,500	₩ 657,500
Retirement benefits	85,678	95,354
Share-based payment expenses	477,849	429,785

19. Business Combinations

In December 2023, the Group acquired 64.85% of shares (including forward contract) with voting rights in SONA Inc., whose main business is the operation of a commerce platform for limited-edition products in Japan. The acquisition of the shares was aimed at building a foundation to further enhance the capability as mail-order broker by strengthening competency overseas.

Summary of related accounting is as follows: (Korean won in thousands)

	Amount
I. Purchase consideration	
Cash and cash equivalents	₩ 53,226,261
Fair value of shares held before business combinations	108,625,015
Forward contract	48,176,137
	₩ 210,027,413
II. The non-controlling interests (*1)	₩ 4,252,601
III. Recognized amounts of identifiable assets acquired and liabilities assumed(*2)	
Assets	
Cash and cash equivalents	₩ 12,558,593
Trade and other receivables	12,063,294
Inventories	4,898,594
Other assets	9,196,183
Property, plant and equipment	3,133,354
Right-of-use-assets	729,038
Intangible assets	43,011
	42,622,067
Liabilities	
Trade and other payables	22,202,617
Current tax liabilities	27,477
Other Provisions	936,124
Lease liabilities	629,477
Other liabilities	4,816,168
	28,611,863
Total identifiable net assets	₩ 14,010,204
IV. Goodwill	₩ 200,269,810

(*1) The non-controlling interests were measured proportionately to the share of the fair value of net identifiable assets.

(*2) The fair value of identifiable assets and liabilities is preliminary figures, and the amount may be adjusted depending on the result of the final valuation.

20. Non-current assets held for sale

A. The Group has established during the three months ended March 31, 2024 a plan to dispose of foreign funds that the Group owns, and as of March 31, 2024, the disposal is ongoing and is expected to be completed within a year.

B. The major assets recognized as non-current assets held for sale as of March 31, 2024 are as follows (Korean in thousands):

	Amount
Financial assets at fair value through profit or loss	₩ 150,373,329
Investments in associates and joint ventures	9,509,922
	<u>₩ 159,883,251</u>