

NAVER Corporation and its subsidiaries

Interim condensed consolidated financial statements
for the nine months ended September 30, 2023 and 2022
with the independent auditor's review report

Table of contents

Report on review of interim condensed consolidated financial statements	
Interim condensed consolidated financial statements	Page
Interim condensed consolidated statements of financial position	1
Interim condensed consolidated statements of comprehensive income or loss	3
Interim condensed consolidated statements of changes in equity	5
Interim condensed consolidated statements of cash flows	6
Notes to the interim condensed consolidated financial statements	7

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 September 30, 2023, and the related interim condensed consolidated statements of comprehensive income or loss for the three and nine months ended September 30, 2023 and 2022, interim condensed consolidated statements of changes in equity and interim condensed consolidated statements of cash flows for the nine months then ended, 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 matter

We have audited the consolidated statement of financial position of the Group as of December 31, 2022, 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 7, 2023 expressed an unqualified opinion thereon. The accompanying consolidated statement of financial position as of December 31, 2022, presented for comparative purposes, is not different, in all material respects, from the above audited consolidated statement of financial position.

Ernst & Young Han Young

November 14, 2023

This review report is effective as of November 14, 2023, the independent auditor's review report date. Accordingly, certain material subsequent events or circumstances may have occurred during the period from the independent auditor's review report date 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 the nine months ended September 30, 2023 and 2022

“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 September 30, 2023 and December 31, 2022

(Korean won)

	Notes	September 30, 2023 (Unaudited)	December 31, 2022
Assets			
Current assets			
Cash and cash equivalents		₩ 3,142,833,504,234	₩ 2,724,168,321,708
Short-term financial instruments		1,125,318,666,380	1,216,410,034,221
Financial assets at fair value – profit or loss	4	703,148,375,826	745,584,919,599
Trade and other receivables		1,624,036,724,256	1,540,471,078,134
Inventories		12,092,622,235	8,651,839,041
Other current assets		208,995,158,602	194,039,763,315
Current tax assets		<u>5,070,718,235</u>	<u>10,244,754,725</u>
		6,821,495,769,768	6,439,570,710,743
Non-current assets			
Property, plant and equipment	6	₩ 2,812,042,619,588	₩ 2,457,820,240,295
Right-of-use-assets	7	701,845,468,313	738,710,004,475
Intangible assets	8	3,374,657,338,985	1,481,423,637,125
Long-term financial instruments		13,755,872,000	14,255,722,000
Financial assets at fair value – profit or loss	4	2,401,780,935,863	2,427,610,041,051
Financial assets at fair value – other comprehensive income	4	1,192,645,559,705	1,354,122,792,627
Investments in associates and joint ventures	9	17,658,174,764,409	18,541,286,921,720
Deferred tax assets		368,801,544,359	265,767,603,355
Trade and other receivables		94,574,915,542	76,754,808,757
Other non-current assets		<u>93,999,856,526</u>	<u>101,720,406,988</u>
		28,712,278,875,290	27,459,472,178,393
Total assets		<u>₩ 35,533,774,645,058</u>	<u>₩ 33,899,042,889,136</u>
Liabilities			
Current liabilities			
Trade and other payables		₩ 1,421,027,101,392	₩ 1,245,664,499,219
Financial liabilities at fair value - profit or loss	4	63,561,141,601	71,905,225,561
Short-term borrowings	10	348,169,954,285	261,430,486,390
Current portion of long-term borrowings	10	622,300,043,337	1,119,968,812,396
Current portion of long-term debentures	10	249,900,099,603	-
Current tax liabilities		122,980,088,383	349,087,471,196
Provisions	12	3,142,213,726	5,450,342,335
Lease liabilities	7	211,351,053,676	193,376,317,267
Other current liabilities		<u>2,951,428,385,966</u>	<u>2,233,750,556,485</u>
		5,993,860,081,969	5,480,633,710,849
Non-current liabilities			
Trade and other payables		₩ 97,540,139,359	₩ 69,639,961,691
Financial liabilities at fair value - profit or loss	4	708,120,522,951	684,617,869,427
Long-term borrowings	10	1,135,738,978,663	328,034,313,380
Debentures	10	1,518,459,503,915	1,704,518,276,546
Net defined benefit liabilities	11	664,423,799,526	577,397,964,363
Provisions	12	13,921,521,816	17,784,624,686
Lease liabilities	7	548,291,734,856	589,253,964,655
Deferred tax liabilities		1,048,174,207,531	985,870,669,008
Other non-current liabilities		<u>125,868,030</u>	<u>10,969,054,080</u>
		5,734,796,276,647	4,968,086,697,836
Total liabilities		<u>₩ 11,728,656,358,616</u>	<u>₩ 10,448,720,408,685</u>

(continued)

NAVER Corporation and its subsidiaries
Interim condensed consolidated statements of financial position
as of September 30, 2023 and December 31, 2022

	Notes	September 30, 2023	December 31, 2022
		(Unaudited)	
(cont'd)			
Equity			
Equity attributable to owners of the Parent Company			
Share capital	13	₩ 16,481,339,500 ₩	16,481,339,500
Capital surplus		1,438,841,954,014	1,556,453,389,615
Other components of equity		(2,893,328,116,548)	(2,474,526,129,371)
Retained earnings		<u>24,290,248,870,337</u>	<u>23,645,687,007,296</u>
		22,852,244,047,303	22,744,095,607,040
Non-controlling interests		<u>952,874,239,139</u>	<u>706,226,873,411</u>
Total equity		<u>23,805,118,286,442</u>	<u>23,450,322,480,451</u>
Total liabilities and equity		<u>₩ 35,533,774,645,058 ₩</u>	<u>₩ 33,899,042,889,136</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 or loss
for the three and nine months ended September 30, 2023 and 2022

(Korean won)

	Notes	2023 (Unaudited)			2022 (Unaudited)		
		Three months	Nine months	Three months	Three months	Nine months	
Operating revenue		₩ 2,445,292,487,206	₩ 7,133,639,509,858	₩ 2,057,332,225,258	₩ 5,948,335,587,389		
Operating expenses	5	(2,065,111,743,784)	(6,050,310,244,343)	(1,727,088,918,237)	(4,980,154,011,421)		
Operating profit		380,180,743,422	1,083,329,265,515	330,243,307,021	968,181,575,968		
Other income		16,278,547,103	139,857,628,393	36,250,595,585	303,415,955,369		
Other expenses		(72,734,912,295)	(349,694,238,044)	(177,209,608,728)	(363,931,555,269)		
Interest income		27,344,083,785	72,174,414,313	15,877,751,793	34,093,276,089		
Finance income		102,046,027,391	286,870,062,213	198,740,173,694	520,502,222,861		
Finance costs		(68,500,246,737)	(405,843,157,005)	(28,221,154,442)	(359,210,149,051)		
Share of profit (loss) of associates and joint ventures	9	119,924,359,154	215,534,900,924	(955,240,892)	(208,501,715,912)		
Profit before income tax		504,538,601,823	1,042,228,876,309	374,725,824,031	894,549,610,055		
Income tax expenses		(148,331,835,074)	(355,651,530,623)	(143,171,416,438)	(353,122,554,555)		
Profit for the period		₩ 356,206,766,749	₩ 686,577,345,686	₩ 231,554,407,593	₩ 541,427,055,500		
Profit for the period attributable to:							
Owners of the Parent Company		₩ 375,757,941,334	₩ 698,487,429,936	₩ 256,973,517,775	₩ 611,463,468,795		
Non-controlling interests		(19,551,174,585)	(11,910,084,250)	(25,419,110,182)	(70,036,413,295)		
Other comprehensive income (loss):							
Items that will be reclassified subsequently to profit or loss:							
Exchange differences		₩ 129,141,084,271	₩ 288,156,806,235	₩ 107,954,170,782	₩ 249,974,030,570		
Share of other comprehensive income (loss) of associates and joint ventures		(53,273,231,224)	(647,326,186,088)	817,040,566,223	(349,927,850,917)		
		75,867,853,047	(359,169,379,853)	924,994,737,005	(99,953,820,347)		
Items that will not be reclassified subsequently to profit or loss:							
Loss on valuation of equity instruments at fair value – other comprehensive income		(65,564,979,040)	(89,408,802,751)	(39,389,571,863)	(450,449,872,570)		
Gain (loss) on disposal of equity instruments at fair value – other comprehensive income		9,285,971,092	6,749,173,065	(47,686,846,660)	(47,400,203,008)		
Share of other comprehensive income (loss) of associates and joint ventures		(6,869,039,164)	1,082,884,609	192,109,270,235	101,110,243,970		
Remeasurements of net defined benefit liabilities		-	1,735,370,470	(2,113,152,206)	27,751,607,414		
		(63,148,047,112)	(79,841,374,607)	102,919,699,506	(368,988,224,194)		

(continued)

NAVER Corporation and its subsidiaries
Interim condensed consolidated statements of comprehensive income or loss
for the three and nine months ended September 30, 2023 and 2022

(cont'd)	Notes	2023 (Unaudited)		2022 (Unaudited)	
		Three months	Nine months	Three months	Nine months
Total comprehensive income (loss) for the period, net of tax		₩ 368,926,572,684	₩ 247,566,591,226	₩ 1,259,468,844,104	₩ 72,485,010,959
Owners of the Parent Company		381,679,773,554	239,748,462,603	1,211,399,200,681	76,979,666,010
Non-controlling interest		(12,753,200,870)	7,818,128,623	48,069,643,423	(4,494,645,051)
Earnings per share attributable to the equity holders of the Parent Company					
Basic earnings per share		₩ 2,478	₩ 4,593	₩ 1,698	₩ 4,033
Diluted earnings per share		2,462	4,519	1,689	4,012

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 the nine months ended September 30, 2023 and 2022

	Equity attributable to owners of the Parent Company					Total
	Share capital	Capital surplus	Other components of equity	Retained earnings	Non-controlling interests	
	₩ 16,481,339,500	₩ 1,490,214,367,768	₩ (1,051,465,837,344)	₩ 23,080,407,824,978	₩ 491,738,654,373	₩ 24,027,376,349,275
As of January 1, 2022						
Total comprehensive income for the period:						
Profit (Loss) for the period	-	-	-	611,463,468,795	(70,036,413,295)	541,427,055,500
Loss on valuation of equity instruments at fair value – other comprehensive income	-	-	(441,737,356,796)	-	(8,712,515,774)	(450,449,872,570)
Loss on disposal of equity instruments at fair value – other comprehensive income	-	-	-	(47,400,203,008)	-	(47,400,203,008)
Exchange differences	-	-	177,599,246,318	-	72,374,784,252	249,974,030,570
Share of other comprehensive income (loss) of associates and joint ventures	-	-	(248,016,060,125)	-	(801,546,822)	(248,817,606,947)
Remeasurements of net defined benefit liabilities	-	-	-	25,070,560,826	2,681,046,588	27,751,607,414
Transactions with shareholders:						
Dividends	-	-	-	(76,291,766,005)	-	(76,291,766,005)
Transaction of share-based payment	-	68,250,540,908	(2,579,391,171)	-	23,478,279,656	89,149,429,393
Transactions with non-controlling interests and changes in scope of consolidation	-	45,234,251,082	(2,927,602,647)	-	189,069,927,447	231,376,575,882
As of September 30, 2022 (Unaudited)	₩ 16,481,339,500	₩ 1,603,699,159,758	₩ (1,569,127,001,765)	₩ 23,593,249,885,586	₩ 699,792,216,425	₩ 24,344,095,599,504
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	-	-	-	698,487,429,936	(11,910,084,250)	686,577,345,686
Gain (Loss) on valuation of equity instruments at fair value – other comprehensive income	-	-	(91,072,164,933)	-	1,663,362,182	(89,408,802,751)
Gain on disposal of equity instruments at fair value – other comprehensive income	-	-	-	6,749,173,065	-	6,749,173,065
Exchange differences	-	-	-	-	-	-
Share of other comprehensive income (loss) of associates and joint ventures	-	-	269,167,101,990	-	18,989,704,245	288,156,806,235
Remeasurements of net defined benefit liabilities	-	-	(645,306,022,715)	-	(937,278,764)	(646,243,301,479)
Transactions with shareholders:						
Dividends	-	-	-	1,722,945,260	12,425,210	1,735,370,470
Transaction of share-based payment	-	60,978,900,247	72,056,545,911	(62,397,685,220)	-	(62,397,685,220)
Transactions with non-controlling interests and changes in scope of consolidation	-	(178,590,335,848)	(23,647,447,430)	-	18,788,042,200	151,823,488,358
As of September 30, 2023 (Unaudited)	₩ 16,481,339,500	₩ 1,438,841,954,014	₩ (2,893,328,116,548)	₩ 24,290,248,870,337	₩ 952,874,239,139	₩ 23,805,118,286,442

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 the nine months ended September 30, 2023 and 2022

(Korean won)

	<u>2023 (Unaudited)</u>	<u>2022 (Unaudited)</u>
Cash flows from operating activities		
Cash generated from operations	₩ 1,937,837,553,350	₩ 1,774,127,483,933
Interest received	76,064,703,546	15,249,898,141
Interest paid	(79,433,788,932)	(36,414,994,540)
Dividends received	42,829,026,719	30,294,832,747
Income tax paid	(559,319,917,828)	(853,427,959,104)
Net cash provided by operating activities	<u>1,417,977,576,855</u>	<u>929,829,261,177</u>
Cash flows from investing activities		
Net (increase) decrease in short-term financial instruments	₩ 91,701,441,790	₩ (44,326,620,530)
Decrease in long-term financial instruments	500,000,000	-
Acquisition of financial assets at fair value – profit or loss	(2,194,372,333,954)	(4,277,026,832,634)
Proceeds from disposal of financial assets at fair value – profit or loss	2,215,812,986,944	3,667,879,306,003
Acquisition of property, plant and equipment	(561,493,612,428)	(507,500,991,047)
Proceeds from disposal of property, plant and equipment	10,388,035,031	2,036,742,875
Collection of lease receivables	5,167,033,353	5,355,559,187
Acquisition of intangible assets	(20,540,987,171)	(48,376,637,495)
Proceeds from disposal of intangible assets	327,280,940	924,118,988
Acquisition of financial assets at fair value – other comprehensive income	(23,370,286,333)	(43,692,562,454)
Proceeds from disposal of financial assets at fair value – other comprehensive income	68,192,292,112	84,565,119,205
Acquisition of investments in associates and joint ventures	(49,453,634,605)	(223,074,767,304)
Proceeds from disposal of investments in associates and joint ventures	418,225,095,024	650,516,725,499
Net increase (decrease) in cash due to business combination	(1,245,380,063,540)	4,264,026,832
Net cash flow from disposal of subsidiaries	(1,059,104,535)	-
Net (increase) decrease in short-term loans	3,185,999,231	(32,008,010)
Net decrease in long-term loans	155,778,560	146,412,000
Cash inflows (outflows) from other investing activities	(1,405,970,778)	4,121,067,224
Net cash used in investing activities	<u>(1,283,420,050,359)</u>	<u>(724,221,341,661)</u>
Cash flows from financing activities		
Proceeds from short-term borrowings	₩ 863,260,000,000	₩ 99,564,583,333
Repayments of short-term borrowings	(1,115,198,726,771)	(270,116,508,731)
Proceeds from long-term borrowings	876,705,704,000	56,335,416,667
Repayments of long-term borrowings	(204,981,567,172)	(104,391,870,889)
Repayment of lease liabilities	(154,175,485,053)	(185,474,365,827)
Increase in financial liabilities at fair value – profit or loss	50,601,891,572	10,499,949,904
Dividends paid	(62,397,685,220)	(76,291,766,005)
Exercise of stock options	24,110,693,100	59,794,282,700
Cash inflows from transactions with non-controlling interests	1,445,000,000	86,223,692,188
Cash outflows from transactions with non-controlling interests	(237,051,042)	(203,797,761)
Cash inflows from other financing activities	135,729,373	2,908,177,005
Cash outflows from other financing activities	(2,800,335,249)	(1,364,910,940)
Net cash provided by (used in) financing activities	<u>276,468,167,538</u>	<u>(322,517,118,356)</u>
Effects of exchange rate changes on cash and cash equivalents	₩ 7,639,488,492	₩ 143,341,674,547
Net increase in cash and cash equivalents	418,665,182,526	26,432,475,707
Cash and cash equivalents at the beginning of the period	<u>2,724,168,321,708</u>	<u>2,781,395,543,827</u>
Cash and cash equivalents at the end of the period	<u>₩ 3,142,833,504,234</u>	<u>₩ 2,807,828,019,534</u>

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
for the nine months ended September 30, 2023 and 2022 (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 September 30, 2023, the major shareholders of the Company consist of National Pension Service (9.30%) and others.

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

A. Consolidated Subsidiaries

Details of the consolidated subsidiaries as of September 30, 2023 and December 31, 2022 are as follows:

	Location	Primary business	Ownership interest held by the Group (%) (*1)		Closing month
			September 30, 2023	December 31, 2022	
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	83.60	82.96	December
Audiensori Corporation	Korea	Audio content production and distribution	100.00	100.00	December
WORKS MOBILE Corporation	Korea	Groupware development and service management	-	89.41	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
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	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	67.52	December
NAVER VIETNAM COMPANY LIMITED	Vietnam	Online live broadcast service and local marketing	99.00	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
Wattpad Corporation	Canada	Global web novel platform	-	100.00	December
PROTON PARENT, INC.	U.S.A	Investment	99.27	100.00	December
PROTON PARENT, INC.:					
Poshmark, Inc.	U.S.A	Commerce platform	100.00	-	December
PROTON MERGER SUB, INC	U.S.A	Company for the purpose of acquisition	-	100.00	December

NAVER Corporation and its subsidiaries
Notes to the interim condensed consolidated financial statements
for the nine months ended September 30, 2023 and 2022 (Unaudited)

	Location	Primary business	Ownership interest held by the Group (%) (*1)		Closing month
			September 30, 2023	December 31, 2022	
Poshmark, Inc.:					
Poshmark Canada Inc.	Canada	Commerce platform	100.00	-	December
Poshmark Limited	U.K	Commerce platform	100.00	-	December
Poshmark Pty Ltd.	Australia	Commerce platform	100.00	-	December
Poshmark India Private Limited	India	Commerce platform	99.99	-	December
Poshmark Online Marketplace Private Limited	India	Commerce platform	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	-	December
Works Mobile Japan Corporation	Japan	Groupware service operations and distribution	78.95	-	December
NITService Corp.	Korea	Infrastructure operations and security services	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
NITService Corp.	Korea	Infrastructure operations and security services	-	100.00	December
CommPartners Corp.	Korea	Customer center operations	100.00	100.00	December
NW MEDIA CONTENTS INC.					
Bootcamp Partnership Limited	Canada	Film distribution	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	-	December
Wattpad Webtoon Studios Inc.:					
Wattpad Webtoon Studios Inc.	U.S.A	Global contents development	100.00	100.00	December
Wattpad Studios Inc	Canada	Global web novel platform support	-	100.00	December
Wattpad Studios (Cell Phone Swap) Inc	Canada	Global web novel platform support	100.00	-	December
Wattpad Coporation:					
WP Technology (UK)	U.K	Global web novel platform support	100.00	100.00	December
WP Technology Corporation	U.S.A	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
Wattpad Studios Inc:					
Wattpad Studios (Cell Phone Swap) Inc	Canada	Global web novel platform support	-	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
YLAB Japan Co., Ltd	Japan	Contents production and reinforcement	-	100.00	December
V.DO INC.	Korea	Video searching solution development	-	100.00	December
MUNPIA INC.	Korea	Web novel platform	61.12	61.12	December
LOCUS CORPORATION(*4)	Korea	Animation and VFX production	39.20	53.64	December
Jakga Company Inc.	Korea	Contents production	51.33	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
LOCUS CORPORATION(*4):					

NAVER Corporation and its subsidiaries
Notes to the interim condensed consolidated financial statements
for the nine months ended September 30, 2023 and 2022 (Unaudited)

	Location	Primary business	Ownership interest held by the Group (%) (*1)		Closing month
			September 30, 2023	December 31, 2022	
Locus Theater Ani 2015 Culture Industry Special Purpose Company Ltd., Sidus Corporation	Korea	Animation film and video production	-	100.00	December
	Korea	Film production and distribution	-	91.90	December
Locus X Co., Ltd.	Korea	Content production and marketing solution supply	-	100.00	December
Locus Shanghai Corporation	China	Animation and VFX production	-	100.00	December
Sidus Corporation: Sidus and Teu Entertainment Joint Stock Company	Vietnam	Film production	-	49.00	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
Playlist Corporation(*4)	Korea	Web contents production and distribution	50.00	58.04	December
Amuse Co.,Ltd.	Korea	Cosmetics manufacturing, distribution, sales	77.59	77.59	December
Semicolon Studio Corp.	Korea	Video contents production and distribution	100.00	100.00	December
NAVER Z CO.,LTD.	Korea	Mobile service development and operations	70.51	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(*3)	Korea	Sneakers trading platform operations	49.67	48.75	December
Super Labs Corporation	Korea	Mobile service development and operations	100.00	100.00	December
NAVER Z CO.,LTD.: NAVER Z USA, INC.	U.S.A	Mobile service development and operations	100.00	100.00	December
NAVER Z Limited	Hongkong	Mobile service development and operations	76.30	100.00	December
NAVER Z JAPAN Corporation.	Japan	Mobile service development and operations	100.00	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	100.00	December
Beijing Metaverse China Technology Corporation: ZaiZai Entertainment Corp.	China	Mobile service development and operations	100.00	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	70.00	70.00	December
SPRINGCAMP COLLABORATIVE FUND I	Korea	Investments	100.00	-	December
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
WORKS MOBILE Corporation: Works Mobile Japan Corporation	Japan	Groupware service operations and distribution	-	100.00	December
NF Insurance Services Corporation	Korea	Insurance brokerage	-	100.00	December

NAVER Corporation and its subsidiaries
Notes to the interim condensed consolidated financial statements
for the nine months ended September 30, 2023 and 2022 (Unaudited)

1. General (cont'd)

(*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, 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 has been classified as a subsidiary.

(*3) 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.

(*4) During the nine months ended September 30, 2023, the Group changed the entity's classification from subsidiary to associate, due to the decrease in ownership interest.

B. Changes in Scope of Consolidation

(1) Subsidiaries newly included in the consolidation for the nine months ended September 30, 2023 are as follows:

	<u>Subsidiaries</u>
Obtained control due to new acquisition	Poshmark, Inc., Poshmark Canada Inc., Poshmark Limited, Poshmark Pty Ltd., Poshmark India Private Limited, Poshmark Online Marketplace Private Limited, Shanghai Binge-reading Jinqui Entertainment Corporation
Obtained control due to new establishment	Naver Cloud Trust Services Corp., SPRINGCAMP COLLABORATIVE FUND I, SPRINGCAMP COLLABORATIVE FUND II, BootCamp Partnership Limited

(2) Subsidiaries excluded from the consolidation for the nine months ended September 30, 2023 are as follows:

	<u>Subsidiaries</u>
Merger	Wattpad Studios Inc, PROTON MERGER SUB, INC., WORKS MOBILE Corporation
Liquidation	Locus Shanghai Corporation, NF Insurance Services Corporation, V.DO INC., YLAB Japan Co., Ltd.
Disposal	Playlist Corporation(*), LOCUS Corporation, Locus Theater Ani 2015 Culture Industry Special Purpose Company Ltd., Sidus Corporation, LOCUS X Co., Ltd., Sidus and Teu Entertainment Joint Stock Company

(*) During the nine months ended September 30, 2023, the issuance of RCPS to third parties resulted in the decrease in the Group's ownership interest and the exclusion from the consolidation.

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, 2022.

2. Material Accounting Policies (cont'd)

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, 2022, except for the adoption of new standards and interpretations effective as of January 1, 2023. 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 2023, but do not have an impact on the interim condensed consolidated financial statements of the Group.

KIFRS 1117 Insurance Contracts

KIFRS 1117 *Insurance Contracts*, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure, replaces KIFRS 1104 *Insurance Contracts* that was issued in 2005. KIFRS 1117 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features; a few scope exceptions will apply. The overall objective of KIFRS 1117 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in KIFRS 1104, which are largely based on grandfathering previous local accounting policies, KIFRS 1117 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. KIFRS 1117 is based on a general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach mainly for short-duration contracts (the premium allocation approach)

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

Definition of Accounting Estimates - Amendments to KIFRS 1008

The amendments to KIFRS 1008 clarify the distinction between changes in accounting estimates, and changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

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

Disclosure of Accounting Policies - Amendments to KIFRS 1001

The amendments to KIFRS 1001 provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments had no impact on the Group's interim condensed consolidated financial statements, but are expected to affect the accounting policy disclosures in the Group's annual consolidated financial statements.

2. Material Accounting Policies (cont'd)

Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction – Amendments to KIFRS 1012

The amendments to KIFRS 1012 *Income Tax* narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities. 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, 2022, 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.

The Group changed the estimated useful life of some machineries from 4 years to 5 years for the nine months ended September 30, 2023. This is a change in accounting estimates, and the Group prospectively recognized the effect of such change.

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, 2022, except for the changes in the estimation of useful life of property, plant and equipment and the estimates used to determine income tax expense.

NAVER Corporation and its subsidiaries
Notes to the interim condensed consolidated financial statements
for the nine months ended September 30, 2023 and 2022 (Unaudited)

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 nine months ended September 30, 2023.

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 September 30, 2023 and December 31, 2022 are as follows (Korean won in thousands):

	September 30, 2023			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at fair value – profit or loss	₩ 37,678,565	₩ 667,176,753	₩ 2,400,073,994	₩ 3,104,929,312
Equity instrument at fair value – other comprehensive income	1,014,847,949	-	177,797,610	1,192,645,559
Financial liabilities				
Financial liabilities at fair value – profit or loss	1,715	-	771,679,949	771,681,664
	December 31, 2022			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at fair value – profit or loss	₩ 29,022,463	₩ 718,526,472	₩ 2,425,646,026	₩ 3,173,194,961
Equity instrument at fair value – other comprehensive income	1,163,949,227	-	190,173,566	1,354,122,793
Financial liabilities				
Financial liabilities at fair value – profit or loss	-	-	756,523,095	756,523,095

NAVER Corporation and its subsidiaries
Notes to the interim condensed consolidated financial statements
for the nine months ended September 30, 2023 and 2022 (Unaudited)

4. Fair Value (cont'd)

B. Fair Value Measurement, Using Significant Unobservable Input (Level 3)

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 nine months ended September 30, 2023.

The following table presents the changes in level 3 financial instruments for the nine months ended September 30, 2023 and 2022 (Korean won in thousands):

	2023			2022		
	Financial assets at fair value - profit or loss	Financial assets at fair value – comprehensive income	Financial liabilities at fair value - profit or loss	Financial assets at fair value - profit or loss	Financial assets at fair value – comprehensive income	Financial liabilities at fair value - profit or loss
Beginning balance	₩2,425,646,026	₩ 190,173,566	₩ 756,523,095	₩2,402,108,852	₩ 226,518,601	₩ 508,994,105
Total profit or loss						
Amounts recognized in profit or loss	(66,292,024)	-	(537,507)	154,706,461	-	-
Amounts recognized in other comprehensive income	-	(3,710,252)	-	-	(28,983,905)	-
Acquisitions/Borrowings	193,261,663	260,024	50,600,235	229,507,976	43,692,562	10,499,950
Disposals/Repayments	(159,784,861)	(2,145,132)	-	(11,045,480)	(24,676,654)	-
Transfer into level 1	-	(7,388,192)	-	(1,122,998)	(1,354,446)	-
Others (*)	(8,729,761)	607,596	(34,905,874)	(18,336,271)	(580,825)	-
Exchange differences	<u>15,972,951</u>	-	-	<u>11,955,539</u>	-	-
Ending balance	<u>₩2,400,073,994</u>	<u>₩ 177,797,610</u>	<u>₩ 771,679,949</u>	<u>₩2,767,774,078</u>	<u>₩ 214,615,333</u>	<u>₩ 519,494,055</u>

(*) Reclassifications arising from changes in ownership of financial assets held at fair value are included.

NAVER Corporation and its subsidiaries
Notes to the interim condensed consolidated financial statements
for the nine months ended September 30, 2023 and 2022 (Unaudited)

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 September 30, 2023 and December 31, 2022 are as follows (Korean won in thousands):

September 30, 2023						
	Fair value	Level	Valuation techniques	Major inputs	Unobservable inputs	Range of unobservable inputs
Financial assets at fair value – profit or loss						
Compound financial instruments and equity securities	₩ 1,601,686,965	3	Option pricing model	Underlying assets price, Volatility of underlying assets	Volatility of the underlying assets	13.00% ~ 82.82%
			Market approach and others	PBR, EV/SALES, PSR, PER, Recent transaction price, Net asset value	EV/SALES, PSR, PER, PBR	0.41 ~ 12.01 0.14 ~ 9.14 8.62 1.93 ~ 10.37
Beneficiary certificates and funds	860,409	2	Present value method	Credit risk adjusted discount rate	Discount rate	12.09% ~ 17.72%
	798,387,029	3	Present value method	Credit risk adjusted discount rate	-	-
	798,387,029	3	Market approach and others	Underlying asset price	(*)	(*)
Debt securities	663,147,940	2	Present value method	Credit risk adjusted discount rate	-	-
Derivatives	3,168,404	2	Present value method and option pricing model	Forward exchange rate	-	-
Financial assets at fair value – other comprehensive income						
Equity securities	177,797,610	3	Present value method, market approach	EV/SALES, PSR and others	EV/SALES, PSR, PBR, Discount rate	1.88 ~ 2.05 0.97 ~ 1.98 4.2 15.18% ~ 19.20%
Financial liabilities at fair value – profit or loss						
Derivatives	771,679,949	3	Option pricing model	Volatility of underlying assets	Volatility of the underlying assets, Discount rate	46.70% ~ 79.16% 13.67% ~ 14.27%

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

NAVER Corporation and its subsidiaries
Notes to the interim condensed consolidated financial statements
for the nine months ended September 30, 2023 and 2022 (Unaudited)

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

December 31, 2022						
	Fair value	Level	Valuation techniques	Major inputs	Unobservable inputs	Range of unobservable inputs
Financial assets at fair value – profit or loss						
Compound financial instruments and equity securities	₩ 1,414,275,802	3	Option pricing model	Underlying asset price, volatility of underlying asset	Volatility of the underlying assets	13.50% ~ 70.93%
			Market approach and others	PBR, EV/SALES, PSR, PER recent transaction price, net asset value	EV/SALES, PSR, PER	0.41 ~ 12.13 0.16 ~ 11.64 7.40
Beneficiary certificates and funds	776,460	2	Present value method	Credit risk adjusted discount rate	Discount rate	13.77% ~ 16.32%
	1,011,370,224	3	Market approach and others	Underlying asset price	(*)	(*)
Debt securities	715,219,287	2	Present value method	Credit risk adjusted discount rate	-	-
Derivatives	2,530,725	2	Present value method, option pricing model	Forward exchange rate	-	-
Financial assets at fair value – other comprehensive income						
Equity securities	190,173,566	3	Present value method, market approach	EV/SALES, PSR and others	EV/SALES, PSR, PBR	1.83 ~ 2.35 0.91 ~ 2.38 4.2
					Discount rate	13.90% ~ 19.20%
Financial liabilities at fair value – profit or loss						
Derivatives	756,523,095	3	Option pricing model	Volatility of underlying assets	Volatility of underlying asset Discount rate	46.70% ~ 79.16% 13.67% ~ 15.58%

(*) 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
for the nine months ended September 30, 2023 and 2022 (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 the nine months ended September 30, 2023 and 2022 are as follows (Korean won in thousands):

	2023		2022	
	Operating revenue	Ratio (%)	Operating revenue	Ratio (%)
Search platform (*1)	₩ 2,660,723,313	37.30	₩ 2,651,545,120	44.58
Commerce (*2)	1,886,197,849	26.44	1,314,231,261	22.09
Fintech (*3)	998,749,170	14.00	866,690,669	14.57
Contents (*4)	1,266,638,853	17.76	824,061,926	13.85
Cloud (*5)	321,330,325	4.50	291,806,611	4.91
	<u>₩ 7,133,639,510</u>	<u>100.00</u>	<u>₩ 5,948,335,587</u>	<u>100.00</u>

(*1) Search and display and others

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

(*3) Pay service and digital financing

(*4) Webtoon, Zepeto, SNOW and others

(*5) NCP, Works, Clova and others

For easier comparison, the Group reclassified the service categories of the consolidated financial statements for the nine months ended September 30, 2022 according to the service categories of the consolidated financial statements for the nine months ended September 30, 2023. The reclassification had no impact on the reported net asset or the profit for the nine months ended September 30, 2022.

C. The revenue from external customers by region for the nine months ended September 30, 2023 and 2022 and non-current assets as of September 30, 2023 and December 31, 2022 are as follows (Korean won in thousands):

	Revenue from external customers		Non-current assets (*)	
	2023	2022	September 30, 2023	December 31, 2022
Domestic	₩ 6,113,368,659	₩ 5,473,688,037	₩ 3,857,275,594	₩ 3,722,806,990
Japan	503,309,884	315,098,407	386,092,290	167,352,989
U.S.A	409,951,963	67,249,475	2,645,900,091	791,836,731
Others	107,009,004	92,299,668	93,277,307	97,677,579
	<u>₩ 7,133,639,510</u>	<u>₩ 5,948,335,587</u>	<u>₩ 6,982,545,282</u>	<u>₩ 4,779,674,289</u>

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

NAVER Corporation and its subsidiaries
Notes to the interim condensed consolidated financial statements
for the nine months ended September 30, 2023 and 2022 (Unaudited)

5. Operating Segment Information (cont'd)

D. The revenue from contracts with customers by category for the nine months ended September 30, 2023 and 2022 is as follows (Korean won in thousands):

	<u>2023</u>	<u>2022</u>
By timing of revenue recognition		
Recognized at a point in time	₩ 5,319,093,710	₩ 4,361,565,951
Recognized over time	<u>1,814,545,800</u>	<u>1,586,769,636</u>
	<u>₩ 7,133,639,510</u>	<u>₩ 5,948,335,587</u>

6. Property, Plant and Equipment

A. Changes in property, plant and equipment for the nine months ended September 30, 2023 and 2022 are as follows (Korean won in thousands):

	<u>2023</u>	<u>2022</u>
Beginning balance	₩ 2,457,820,240	₩ 2,111,261,659
Acquisition and capital expenditures and others (*1)	588,593,327	538,868,052
Acquisition from business combination	4,100,017	12,497,748
Depreciation	(226,276,399)	(263,448,961)
Disposals, retirement and impairment (*2)	(5,955,305)	(5,154,728)
Disposal of subsidiaries	(1,829,437)	-
Others (*3)	<u>(4,409,823)</u>	<u>6,173,543</u>
Ending balance	<u>₩ 2,812,042,620</u>	<u>₩ 2,400,197,314</u>

(*1) Capitalization of borrowing costs are included.

(*2) The amount from disposal of business for the nine months ended September 30, 2022, ₩ 81 million, is included.

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

B. For the nine months ended September 30, 2023, the Group has capitalized borrowing costs amounting to ₩ 4,418 million (2022: ₩ 6,140 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 1.64% (2022: 1.55%).

C. Depreciation expense is classified as 'operating expenses' in the interim condensed consolidated financial statements.

NAVER Corporation and its subsidiaries
Notes to the interim condensed consolidated financial statements
for the nine months ended September 30, 2023 and 2022 (Unaudited)

7. Leases

A. Amounts recognized in the interim condensed consolidated statements of financial position

Details of amounts recognized in the interim condensed consolidated statements of financial position as of September 30, 2023 and December 31, 2022 are as follows (Korean won in thousands):

	<u>September 30, 2023</u>	<u>December 31, 2022</u>
Right-of-use assets (*1)		
Properties	₩ 381,068,752 ₩	419,242,315
Vehicles	2,712,411	2,270,583
IDC buildings	117,882,488	99,009,919
Machinery	196,234,646	214,899,912
Leased internet line	3,744,135	3,287,276
	<u>₩ 701,845,468 ₩</u>	<u>738,710,005</u>
Lease receivables	<u>₩ 33,661,086 ₩</u>	<u>36,457,075</u>
Lease liabilities (*2)		
Current	₩ 211,351,054 ₩	193,376,317
Non-current	548,291,735	589,253,965
	<u>₩ 759,642,789 ₩</u>	<u>782,630,282</u>

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

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

The amount of increase in the right-of-use assets for the nine months ended September 30, 2023 was ₩ 130,701 million (2022 : ₩ 560,646 million).

NAVER Corporation and its subsidiaries
Notes to the interim condensed consolidated financial statements
for the nine months ended September 30, 2023 and 2022 (Unaudited)

7. Leases (cont'd)

B. Amounts recognized in the interim condensed consolidated statements of comprehensive income (loss)

Details of lease amounts recognized in the interim condensed consolidated statements of comprehensive income (loss) for the nine months ended September 30, 2023 and 2022 are as follows (Korean won in thousands):

	<u>2023</u>	<u>2022</u>
Depreciation of right-of-use assets		
Properties	₩ 51,700,060	₩ 45,186,233
Vehicles	878,016	650,915
IDC buildings	34,259,013	21,412,990
Machinery	53,840,830	40,176,759
Leased internet line	1,457,443	1,960,384
	<u>₩ 142,135,362</u>	<u>₩ 109,387,281</u>
Interest expense relating to lease liabilities (included in 'finance costs')	19,967,442	13,828,794
Expense relating to short-term leases and leases of low-value assets	1,816,365	2,587,812
Expense relating to variable lease payments not included in lease liabilities	12,052,629	9,858,714

The total cash outflow for leases for the nine months ended September 30, 2023 is ₩ 167,555 million (2022: ₩ 197,921 million), and the total cash inflow for leases for the nine months ended September 30 2023, is ₩ 5,811 million (2022: ₩ 5,750 million), respectively.

8. Intangible Assets

A. Changes in intangible assets for the nine months ended September 30, 2023 and 2022 are as follows (Korean won in thousands):

	<u>2023</u>	<u>2022</u>
Beginning balance	₩ 1,481,423,637	₩ 932,152,347
Acquisition and capital expenditures	50,684,182	51,584,811
Acquisition from business combination	1,784,984,246	447,122,046
Amortization	(40,050,321)	(31,094,933)
Disposals, retirement and impairment (*1)	(17,222,235)	(2,207,595)
Disposal of subsidiaries	(1,199,258)	-
Others (*2)	116,037,088	159,797,433
Ending balance	<u>₩ 3,374,657,339</u>	<u>₩ 1,557,354,109</u>

(*1) The amount from disposal of business for the nine months ended September 30, 2022, ₩ 14 million, is included.

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

B. Amortization expense is classified as 'operating expenses' in the interim condensed consolidated financial statements.

NAVER Corporation and its subsidiaries
Notes to the interim condensed consolidated financial statements
for the nine months ended September 30, 2023 and 2022 (Unaudited)

9. Investments in Associates and Joint Ventures

A. Details of investments in associates and joint ventures as of September 30, 2023 and December 31, 2022 are as follows (Korean won in thousands):

Associate:	Primary business	Location	Closing month	Ownership (%)	September 30, 2023		December 31, 2022
					Carrying amount		
A Holdings Corporation	Mobile service development	Japan	March	50.00	₩ 15,247,391,914	₩ 15,825,770,829	
IPX Corporation	Character and doll wholesale and retail	Korea	March	25.62	50,480,871	53,568,620	
LINE Conomi Corporation(*6)	Global restaurant review service	Japan	March	-	-	-	
Netmania Co., Ltd.	Software development and distribution	Korea	December	27.17	1,140,775	1,069,427	
SYNAP SOFT CORP.	Software development and distribution	Korea	December	26.38	8,937,907	7,977,089	
BonAngels Pacemaker Fund	Investment	Korea	December	22.73	2,808,468	2,893,929	
Korea Contents Mutual Aid Association(*1)	Mutual Aid Association	Korea	December	52.42	9,926,666	9,602,510	
Arointech inc	Software development and distribution	Korea	December	29.85	516,700	496,389	
NAVER KIP Cheer up! Gamers Fund	Investment	Korea	December	50.00	1,802,628	2,861,897	
Future Creation NAVER-SB Startup Investment Fund	Investment	Korea	December	37.04	4,780,833	4,784,055	
NAVER-BSK Youth Foundation No.5 Investment Fund	Investment	Korea	December	50.00	3,217,096	7,449,744	
N Space Co., Ltd.	Space service business	Korea	December	49.04	2,395,764	1,912,318	
K-Fund I(*1)	Investment	France	December	74.81	298,276,411	314,407,579	
Mirae Asset-NAVER New Growth Fund I	Investment	Korea	December	50.00	104,564,781	110,000,359	
YG NAVER Contents & Lifestyle Fund(*1)	Investment	Korea	December	90.91	46,767,157	47,153,809	
Digital Media Partners II, L.P.	Investment	Cayman Islands	December	26.88	2,481,304	2,491,566	
Soran Media Venture Fund (*1)	Investment	Korea	December	66.67	596,308	658,741	
Mirae Asset MAPS Private Placement Real Estate 62(*6)	Investment	Korea	December	-	-	446,980,895	
Mirae Asset-Naver Asia Growth Fund(*3)	Investment	Korea	December	16.67	86,271,271	76,599,964	
Mirae Asset - Naver Asia Growth Investment Pte. Ltd.	Investment	Singapore	December	41.04	362,611,341	312,256,950	
Alliance Internet Corp.	Revenue support for internet business start-up	Korea	December	23.53	2,616,444	2,154,452	
CONG TY CO PHAN RBW VIETNAM(*5)	Content production	Vietnam	December	-	-	161,156	
DHP private equity fund 3	Investment	Korea	December	25.16	142,133	142,134	
Artificial Intelligence Research Institute(*3)(*9)	AI technology investment	Korea	December	14.29	-	-	
SMEJ Plus INC	Global fanship related investment	Japan	December	30.07	8,560,872	9,944,321	
Smart Korea Naver-Stonebridge Rising Investment Association	Investment	Korea	December	37.74	7,343,041	5,521,636	
Carousell Pte Ltd(*3)	Platform Investment	Singapore	December	8.23	51,591,597	57,356,356	
Do Ventures Fund I, I-A	Investment	Cayman Islands	December	22.87	13,700,635	9,832,731	
Onestore Co., Ltd.	E-Commerce business	Korea	December	25.09	38,981,839	39,156,811	
China Ventures Fund I, Limited Partnership(*1)	Investment	Canada	December	70.33	261,602,833	250,451,653	
YN CULTURE & SPACE	Record production and planning	Korea	December	23.88	11,371,297	11,494,674	
WEVERSE COMPANY Inc.	Content production	Korea	December	44.52	276,628,272	282,807,558	
Cafe24 Corp.(*3)(*9)	Hosting and related service	Korea	December	14.81	26,890,472	30,217,790	
K-Fund II	Investment	France	December	46.90	56,018,815	33,817,412	
FUTURE INNOVATION PRIVATE EQUITY FUND III	Investment	Korea	December	25.38	64,867,274	47,894,586	

NAVER Corporation and its subsidiaries
Notes to the interim condensed consolidated financial statements
for the nine months ended September 30, 2023 and 2022 (Unaudited)

	Primary business	Location	Closing month	September 30, 2023		December 31, 2022
				Ownership		Carrying amount
				(%)		
CHINA VENTURES FUND II, L.P.(*1)	Investment	Cayman Islands	December	50.11	162,810,249	123,479,644
ICART GROUP PTE. LTD.(*3)(*9)	Online daily necessities and fresh food platforms	Singapore	December	10.89	-	-
Mirae Asset Partnership Growth Fund I (*1)	Investment	Korea	December	90.00	3,170,026	3,661,310
TBT Global Growth Fund III	Investment	Korea	December	36.76	6,995,881	7,351,154
STL 18th Private Equity Fund	Investment	Korea	December	22.20	19,695,404	20,000,000
Makma	Content distribution	France	December	22.00	836,023	770,745
LINE NEXT Inc.(*3)(*8)	Software development and distribution	U.S.A	December	13.84	-	2,521,275
AXIS Co.,LTD.(*7)	Software development and distribution	Korea	December	23.65	-	-
Studio Horang Co., Ltd.	Webtoon production	Korea	December	41.50	312,795	418,339
The Grimm entertainment Co.,Ltd.	Webtoon production	Korea	December	34.98	80,134	1,676,219
Big Picture Comics Co., Ltd.	Webtoon production	Korea	December	35.00	1,726,134	1,636,978
JQ COMICS Co., Ltd.	Webtoon production	Korea	December	35.06	229,288	242,913
ZK Studio Co., Ltd.	Webtoon production	Korea	December	40.00	421,104	351,729
Su Comics Co., Ltd.	Webtoon production	Korea	December	40.00	311,436	338,945
Studio Mul Co., Ltd.	Content production	Korea	December	35.00	3,711,146	3,526,159
A2Z Inc.	Content distribution	Korea	December	26.67	46,433,664	45,157,899
Sam Studio Co., Ltd.	Content production	Korea	December	35.00	1,001,215	1,015,442
Only Won Entertainment Co., Ltd.	Content distribution	Korea	December	35.00	395,739	346,460
Studio hohoe Co.,Ltd.	Content distribution	Korea	December	33.02	611,633	687,555
GEULGGUN	Content distribution	Korea	December	22.22	167,181	258,114
Studio 389 Co., Ltd.	Content distribution	Korea	December	30.02	68,750	146,403
Yumi studio Co., Ltd.	Content distribution	Korea	December	35.00	1,937,046	2,058,896
J Peul Media Co., Ltd.	Content distribution	Korea	December	25.00	14,396,330	14,177,758
Cinnamon. Inc.(*3)(*8)	Visual novel game development and service	Korea	December	19.97	-	227,459
Studio Paran Inc.	Publishing	Korea	December	35.06	659,047	686,119
BY4M Studio Co., Ltd.(*3)	Content distribution	Korea	December	1.63	3,066,932	3,085,437
A2Z-IP Fund(*9)	Investment	Korea	December	20.00	1,833,513	1,888,205
SHINE PARTNERS CO., LTD.(*3)	Webtoon production	Japan	December	5.56	769,819	808,954
Vi-Frost(*3)(*9)	Webtoon and web novel production	Korea	December	15.87	1,283,630	1,408,994
Studio Ppuri Co., Ltd.	Animation production and distribution	Korea	December	20.00	3,420,751	2,972,009
XTORM CO., LTD	Animation production and distribution	Korea	December	25.00	29,001	69,595
SGRSOFT Co., Ltd.(*3)	Software development	Korea	December	10.88	439,775	495,525
Cutting Edge Inc.(*6)	Advertising film and video production	Korea	December	-	-	-
Fast Cowell Private Equity Fund	Investment	Korea	December	21.13	959,582	1,059,335
LaiQu Technology (ShenZhen) Company Limited(*9)	Software development and distribution	China	December	21.30	-	-
Famous Studio Corp.	Clothes, accessories, news distribution	Korea	December	33.33	3,490,224	2,781,583
Pala Inc.(*8)	Software development and distribution	Korea	December	43.22	-	99,884
Seno Corporation	Content production	Hongkong	December	45.00	113,027	108,890
Sasom Company Limited	Platform investment	Thailand	December	30.00	1,839,317	2,370,546
SODA inc.	Sneakers trading platform operations	Japan	May	33.93	107,763,049	108,882,537
Gorilla NCORE Metaverse 1	Investment	Korea	December	37.68	20,812,697	21,144,446
VerseWork Co., Ltd.(*7)	Content distribution	Korea	December	46.25	-	-
ZEP Co.,Ltd.	Meta verse service development	Korea	December	22.01	1,074,205	719,349
Pinokio, Inc.(*8)	Game content development	Korea	December	33.33	-	1,396,540
Chicment Co., Ltd.	E-Commerce business	Korea	December	30.00	2,986,034	2,978,651
Quokka Industries Inc.	Software development	Korea	December	33.33	1,760,950	3,185,938
Murple, Inc.	AI solution development	Korea	December	29.99	1,465,724	1,821,388
TAIL Start-up Fund I	Investment	Korea	December	40.00	1,915,180	1,949,064

NAVER Corporation and its subsidiaries
Notes to the interim condensed consolidated financial statements
for the nine months ended September 30, 2023 and 2022 (Unaudited)

	Primary business	Location	Closing month	September 30, 2023		December 31, 2022
				Ownership (%)	Carrying amount	
CravingCollector Inc.	Second-hand fashion trading platform	Korea	December	42.53	1,526,910	3,377,498
Contrau ventures fund no.1	Investment	Korea	December	24.69	1,947,141	1,992,704
Purpleduck Corp.	Animation production and distribution	Korea	December	49.15	952,936	454,716
Studio 1991	Animation production and distribution	Korea	December	30.07	166,803	158,842
Studio Dragon Japan CO., LTD.	Content production	Japan	December	30.00	8,086,890	8,558,839
STUDIO YELL Co.	Animation production and distribution	Korea	December	35.00	84,558	101,859
Goodus Data, Inc.(*3)	Cloud services	Korea	December	7.50	3,103,295	3,006,169
Shake Hands Sdn Bhd	Sneakers trading platform operations	Malaysia	December	22.47	2,116,064	2,150,556
YLAB Corporation(*3)	Content production	Korea	December	9.67	7,376,978	5,165,081
Genius studio Corp.	Content production	Korea	December	35.00	186,950	-
PT Karunia International Citra Kencana	Sneakers trading platform operations	Indonesia	December	29.36	3,090,174	1,916,321
Teamplus Corp.	Online ticket sales	Korea	December	43.13	4,623,496	-
BravoBeaver Incheon Corp.	Stationery production	Korea	December	26.00	250,633	-
Silicon Cube Co.,Ltd.(*9)	Applied software development and distribution	Korea	December	41.36	-	-
Baecom Co., LTD.(*8)	Academy/education operation management and service	Korea	December	37.54	-	1,773,116
LOCUS CORPORATION(*4)	Animation and VFX production	Korea	December	39.20	17,754,649	-
Playlist Corporation(*4)	Web contents production and distribution	Korea	December	50.00	36,257,519	-
Havit Corporation(*8)	Mobile service development	Korea	December	28.57	-	2,857
					17,563,802,350	18,428,512,883
Joint venture:						
Mirai Fund Limited Liability Partnership(*2)	Investment	Japan	December	90.00	75,807,654	90,745,402
Cineplay Co., Ltd	Online information service and online advertising	Korea	December	49.00	373,757	401,536
China Lab Co.,Ltd.	Database and online information service	Korea	December	49.00	1,042,406	901,951
Designpress Co., Ltd.	Online information service and internet contents business	Korea	December	49.00	967,877	1,118,154
DaNaA Data Co., Ltd.	Software development and distribution	Korea	December	49.00	5,007,481	5,031,444
Inter Biz Co., Ltd.	Online information service and internet contents business	Korea	December	49.00	916,977	960,874
Artition Co., Ltd.(*5)	Online information service and internet contents business	Korea	December	-	-	130,100
Agro Plus Co., Ltd.	Online information service and internet contents business	Korea	December	49.00	861,108	962,424
Sseom Lab Co., Ltd.	Online information service and internet contents business	Korea	December	49.00	1,056,758	1,070,554
Tech Plus Co., Ltd.	Online information service and internet contents business	Korea	December	49.00	1,030,447	1,183,491
Animal and Human Story Inc.(*8)	Online information service and internet contents business	Korea	December	49.00	-	71,191
Law&Media Co., Ltd.	Online information service and internet contents business	Korea	December	49.00	202,887	213,688
Yeopeul Co., Ltd.	Online information service and internet contents business	Korea	December	49.00	2,069,795	2,340,312
School Jaem Co., Ltd.	Online information service and internet contents business	Korea	December	49.00	584,309	591,720

NAVER Corporation and its subsidiaries
Notes to the interim condensed consolidated financial statements
for the nine months ended September 30, 2023 and 2022 (Unaudited)

	Primary business	Location	Closing month	September 30, 2023		December 31, 2022
				Ownership	Carrying amount	
				(%)		
Studio Toon Corp	Animation production and distribution	Korea	December	49.00	4,450,958	4,880,643
jobsN CO., Ltd(*5)	Online information service	Korea	December	-	-	2,170,555
					<u>94,372,414</u>	<u>112,774,039</u>
					<u>₩ 17,658,174,764</u>	<u>₩ 18,541,286,922</u>

(*1) As of September 30, 2023, although the Group owns more than 50% ownership in the investees, the Group does not have control over these entities by virtue of agreements and classifies them as associates.

(*2) As of September 30, 2023, 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) As of September 30, 2023, although the Group has less than 20% ownership in the investees, the Group has significant influence over the entity by virtue of agreements and classifies them as associates.

(*4) During the nine months ended September 30, 2023, the Group changed the classification from subsidiary to associate, due to the loss of control.

(*5) Excluded from investments in associates and joint ventures due to liquidation during the nine months ended September 30, 2023.

(*6) Excluded from investments in associates due to disposal during the nine months ended September 30, 2023.

(*7) The Group has stopped 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, 2022.

(*8) The Group has stopped recognizing its share of losses using the equity method as its carrying amount is less than nil (0) due to accumulated losses for the nine months ended September 30, 2023.

(*9) The Group recognized impairment loss before January 1, 2022 for the entities as carrying amounts exceeded their recoverable amounts.

NAVER Corporation and its subsidiaries
Notes to the interim condensed consolidated financial statements
for the nine months ended September 30, 2023 and 2022 (Unaudited)

9. Investments in Associates and Joint Ventures (cont'd)

B. Changes in investments in associates and joint ventures for the nine months ended September 30, 2023 and 2022 are as follows (Korean won in thousands):

	2023		
	Investment in associates	Investment in joint ventures	Total
Beginning balance	₩ 18,428,512,883	₩ 112,774,039	₩ 18,541,286,922
Acquisition	50,670,397	-	50,670,397
Disposals	(483,052,258)	(2,300,655)	(485,352,913)
Reclassified into associate (*1)	55,750,814	-	55,750,814
Valuation of investment using the equity method			
Share of profit (loss) of associates and joint ventures	217,609,036	(2,074,135)	215,534,901
Share of other comprehensive loss of associates and joint ventures	(682,433,936)	(14,026,835)	(696,460,771)
Dividends	(33,757,516)	-	(33,757,516)
Others	10,502,930	-	10,502,930
Ending balance	<u>₩ 17,563,802,350</u>	<u>₩ 94,372,414</u>	<u>₩ 17,658,174,764</u>

(*1) During the nine months ended September 30, 2023, the Group changed the entity's classification from subsidiary to associate, due to the loss of control.

NAVER Corporation and its subsidiaries
Notes to the interim condensed consolidated financial statements
for the nine months ended September 30, 2023 and 2022 (Unaudited)

9. Investments in Associates and Joint Ventures (cont'd)

	2022		
	Investment in associates	Investment in joint ventures	Total
Beginning balance	₩ 19,878,651,870	₩ 211,652,147	₩ 20,090,304,017
Acquisition(*1)	419,043,920	4,998,000	424,041,920
Disposals	(156,094,592)	-	(156,094,592)
Transfer to subsidiary(*2)	(163,485,943)	-	(163,485,943)
Reclassified into associate (*3)	2,426,233	(2,426,233)	-
Valuation of investment using the equity method			
Share of loss of associates and joint ventures(*2)	(206,177,108)	(2,324,608)	(208,501,716)
Share of other comprehensive loss of associates and joint ventures	(196,585,987)	(70,159,187)	(266,745,174)
Dividends	(494,506,527)	-	(494,506,527)
Impairments(*4)	(20,055,126)	-	(20,055,126)
Others	12,702,754	841,858	13,544,612
Ending balance	₩ 19,075,919,494	₩ 142,581,977	₩ 19,218,501,471

(*1) The ownership of WEVERSE COMPANY Inc. amounting to ₩ 200,000 million is acquired as a consideration for business transfer for the nine months ended September 30, 2022.

(*2) The Group transferred MUNPIA INC and eBook Initiative Japan Co., Ltd. that was the investments in associates to subsidiaries for the nine months ended September 30, 2022.

(*3) The investment in Baecomm Co., LTD. was reclassified from investment in joint venture to associate due to the loss of joint control over the entity for the nine months ended September 30, 2022.

(*4) The Group recognized impairment loss in Cutting Edge Inc. and ICART GROUP PTE. LTD. as carrying amounts exceeded their recoverable amounts for the nine months ended September 30, 2022.

C. The Group has stopped recognizing its share of losses in AXIS, VerseWork Co., Ltd and other seven investments using the equity method as their carrying amount is less than nil (0) due to accumulated losses. The unrecognized accumulated losses amount to ₩ 7,183 million as of September 30, 2023.

D. The Group has stopped recognizing its share of losses in Silicon Cube, LaiQu Technology (ShenZhen) Company Limited, AIRI, ICART GROUP PTE. LTD. using the equity method as their carrying amount is less than nil (0) due to accumulated losses. The unrecognized accumulated losses amount to ₩ 628 million as of September 30, 2023.

NAVER Corporation and its subsidiaries
Notes to the interim condensed consolidated financial statements
for the nine months ended September 30, 2023 and 2022 (Unaudited)

10. Borrowings and Debentures

A. Details of borrowings as of September 30, 2023 and December 31, 2022 are as follows (Korean won in thousands and foreign currency in thousands):

	Financial Institution	Latest maturity	Interest rate (%)	September 30, 2023		December 31, 2022	
				Carrying amount	Foreign currency amount	Carrying amount	Foreign currency amount
Short-term borrowings							
Foreign currency	DAG Ventures VI, L.P.(*)	-	10.00	₩ 2,693,923	HKD 15,667	₩ 2,546,654	HKD 15,667
Foreign currency	Goodwater Capital II, L.P.(*)	-	10.00	1,345,642	HKD 7,825	1,272,080	HKD 7,825
Foreign currency	Mistletoe Singapore Pte. Ltd.(*)	-	10.00	2,693,968	HKD 15,667	2,546,697	HKD 15,667
Foreign currency	SCC Growth IV Holdco A, Ltd.(*)	-	10.00	40,163,520	HKD 233,577	37,967,899	HKD 233,577
Foreign currency	SenseView Investment Limited(*)	-	10.00	6,735,239	HKD 39,170	6,367,043	HKD 39,170
Foreign currency	SNOW Limited Liability Partnership(*)	-	10.00	26,816,245	HKD 155,954	25,350,280	HKD 155,954
Local currency	Shinhan Bank	2026.12.19	4.46	3,906,250	-	3,125,000	-
Local currency	Woori Bank	2024.07.10	4.55	100,000,000	-	100,000,000	-
Local currency	HSBC	2027.07.12	4.50	18,704,167	-	17,395,833	-
Local currency	KEB Hana Bank	2024.07.10	4.55	100,000,000	-	-	-
Local currency	KEB Hana Bank	-	-	-	-	100,000	-
Foreign currency	Citi Bank Japan	2024.04.15	TORF 3M+0.4	45,111,000	JPY 5,000,000	47,659,000	JPY 5,000,000
Local currency	Shinhan Bank	-	-	-	-	10,000,000	-
Local currency	KEB Hana Bank	-	-	-	-	1,000,000	-
Local currency	IBK	-	-	-	-	6,100,000	-
Current portion of long-term borrowings							
Local currency	S-Force No.2	-	-	-	-	50,000,000	-
Local currency	Shinhan Bank	2026.12.19	4.46	11,718,750	-	-	-
Local currency	Woori Bank	-	-	-	-	100,000,000	-
Local currency	HSBC	2027.07.12	4.50	31,295,833	-	3,479,167	-
Foreign currency	Mizuho Bank	-	-	-	-	390,803,800	JPY 41,000,000
Foreign currency	SMBC Corporation	-	-	-	-	386,227,986	JPY 40,519,942
Foreign currency	CACIB	2024.01.04	SOFR 3M+0.8	322,752,000	USD 240,000	-	-
Foreign currency	Mizuho Bank	2023.11.15	TIBOR 6M+0.45	148,866,300	JPY 16,500,000	157,274,700	JPY 16,500,000
Local currency	Kookmin Bank	-	-	-	-	30,000,000	-
Foreign currency	CitiBank	2024.01.04	SOFR 3M+0.8	107,584,000	USD 80,000	-	-
Local currency	IBK	-	-	-	-	2,100,000	-
Local currency	KOSME	2025.02.17	2.00	33,240	-	33,240	-
Local currency	KOSME	2025.08.26	2.85	49,920	-	49,920	-
					JPY 21,500,000		JPY 103,019,942
				970,469,997	HKD 467,860	1,381,399,299	HKD 467,860
					USD 320,000		

NAVER Corporation and its subsidiaries
Notes to the interim condensed consolidated financial statements
for the nine months ended September 30, 2023 and 2022 (Unaudited)

				September 30, 2023		December 31, 2022	
	Financial Institution	Latest maturity	Interest rate (%)	Carrying amount	Foreign currency amount	Carrying amount	Foreign currency amount
Long-term borrowings							
Local currency	Shinhan Bank	2026.12.19	4.46	₩ 35,156,250	-	₩ 9,375,000	-
Local currency	HSBC	2027.07.12	4.50	118,704,167	-	59,145,833	-
Foreign currency	Mizuho Bank	-	-	-	-	43,843,529	JPY 4,599,711
Foreign currency	Mizuho Bank	2028.09.25	TIBOR 3M+0.67	315,777,000	JPY 35,000,000	-	-
Foreign currency	SMBC Corporation	-	-	-	-	57,570,971	JPY 6,039,884
Foreign currency	SMBC Corporation	2028.09.25	TIBOR 3M+0.67	315,777,000	JPY 35,000,000	-	-
Foreign currency	MUFG Bank, Ltd.	2027.09.24	TIBOR 3M+0.66	199,931,952	JPY 22,160,000	-	-
Foreign currency	BNP Paribas	2024.12.23	TIBOR 3M+0.55	135,333,000	JPY 15,000,000	142,977,000	JPY 15,000,000
Local currency	Shinhan Bank	2025.12.03	2.99	15,000,000	-	15,000,000	-
Local currency	KOSME	2025.02.17	2.00	13,850	-	38,780	-
Local currency	KOSME	2025.08.26	2.85	45,760	-	83,200	-
				1,135,738,979	JPY 107,160,000	328,034,313	JPY 25,639,595
					JPY 128,660,000		
					HKD 467,860		JPY 128,659,537
				₩ 2,106,208,976	USD 320,000	₩ 1,709,433,612	HKD 467,860

(*) SNOW China Limited, a subsidiary of the Group, issued redeemable convertible preferred stock (“RCPS”). If an event that cannot be controlled by the Group, such as changes in the regulatory environment, occurs, the holders 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.

NAVER Corporation and its subsidiaries
Notes to the interim condensed consolidated financial statements
for the nine months ended September 30, 2023 and 2022 (Unaudited)

10. Borrowings and Debentures (cont'd)

B. Details of debentures as of September 30, 2023 and December 31, 2022 are as follows (Korean won in thousands and foreign currency in thousands):

	Issue date	Maturity date	Interest rate(%)	September 30, 2023		December 31, 2022	
				Carrying amount	Foreign currency amount	Carrying amount	Foreign currency amount
Current portion of long-term debentures in won							
Debentures in won(4 th -1)	2021.02.25	2024.02.25	1.24	₩ 250,000,000	- ₩	-	-
Long-term debentures in won							
Debentures in won(4 th -1)	2021.02.25	2024.02.25	1.24	-	-	250,000,000	-
Debentures in won(4 th -2)	2021.02.25	2026.02.25	1.60	450,000,000	-	450,000,000	-
Long-term debentures in foreign currency							
Unsubordinated unsecured bonds in foreign currency	2021.03.29 2021.05.12	2026.03.29	1.50	1,075,840,000	USD 800,000	1,013,840,000	USD 800,000
Less: Discount on debentures				(8,097,277)	USD (5,500)	(9,321,723)	USD (7,480,396)
				<u>₩ 1,768,359,604</u>	<u>USD 794,994</u>	<u>₩ 1,704,518,277</u>	<u>USD 793,535</u>

C. Details of conditions of issuance of debentures as of September 30, 2023 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 -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	Change in largest shareholder
Debentures in won(4 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.

NAVER Corporation and its subsidiaries
Notes to the interim condensed consolidated financial statements
for the nine months ended September 30, 2023 and 2022 (Unaudited)

11. Net Defined Benefit Liabilities

A. The amounts recognized in the interim condensed consolidated statement of comprehensive income (loss) for the nine months ended September 30, 2023 and 2022 are as follows (Korean won in thousands):

	2023	2022
Current service cost	₩ 86,833,145	₩ 87,830,919
Interest cost	25,274,158	12,719,011
	<u>₩ 112,107,303</u>	<u>₩ 100,549,930</u>

B. Details of net defined benefit liabilities as of September 30, 2023 and December 31, 2022 are as follows (Korean won in thousands):

	September 30, 2023	December 31, 2022
Present value of funded defined benefit obligations	₩ 20,737,286	₩ 20,803,976
Present value of unfunded defined benefit obligations	656,736,767	569,924,356
	<u>677,474,053</u>	<u>590,728,332</u>
Fair value of plan assets	<u>(13,050,253)</u>	<u>(13,330,367)</u>
	<u>₩ 664,423,800</u>	<u>₩ 577,397,965</u>

12. Provisions

Details of provisions as of September 30, 2023 and 2022 and changes in provisions for the nine months ended September 30, 2023 and 2022 are as follows (Korean won in thousands):

A. As of September 30, 2023 and for the nine months then ended

	Provision for litigation	Provision for restoration	Others	Total
Beginning balance	₩ 926,439	₩ 19,387,919	₩ 2,920,609	₩ 23,234,967
Charged/(credited) to the interim condensed consolidated statements of comprehensive income (loss):				
Additional provisions	-	385,009	-	385,009
Unused amounts reversed	-	(1,374,011)	(748,789)	(2,122,800)
Charged during the period	-	167,495	714,344	881,839
Used during the period	-	(4,919)	(529,991)	(534,910)
Others (*)	-	<u>(3,982,467)</u>	<u>(797,902)</u>	<u>(4,780,369)</u>
Ending balance	<u>₩ 926,439</u>	<u>₩ 14,579,026</u>	<u>₩ 1,558,271</u>	<u>₩ 17,063,736</u>
Current	₩ 926,439	₩ 670,032	₩ 1,545,743	₩ 3,142,214
Non-current	-	13,908,994	12,528	13,921,522

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

NAVER Corporation and its subsidiaries
Notes to the interim condensed consolidated financial statements
for the nine months ended September 30, 2023 and 2022 (Unaudited)

12. Provisions (cont'd)

B. As of September 30, 2022 and for the nine months then ended

	<u>Provision for litigation</u>	<u>Provision for restoration</u>	<u>Others</u>	<u>Total</u>
Beginning balance	₩ 1,176,943	₩ 13,804,788	₩ 593,701	₩ 15,575,432
Charged/(credited) to the interim condensed consolidated statements of comprehensive income (loss):				
Additional provisions	-	126,082	-	126,082
Unused amounts reversed	(1,500)	(3,564,139)	(117,738)	(3,683,377)
Charged during the period	-	9,989,943	1,388,200	11,378,143
Used during the period	(249,004)	(1,650,570)	(653,748)	(2,553,322)
Others (*)	-	321,662	97,607	419,269
Ending balance	<u>₩ 926,439</u>	<u>₩ 19,027,766</u>	<u>₩ 1,308,022</u>	<u>₩ 21,262,227</u>
Current	926,439	1,411,605	1,308,022	3,646,066
Non-current	-	17,616,161	-	17,616,161

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

13. Issuance and Acquisition of Shares

A. The Company's total number of authorized shares is 300,000,000 shares. As of September 30, 2023, the Company has issued 164,049,085 ordinary shares (par value - ₩ 100 per share) and 13,458,546 treasury shares (excludes retired shares). The Company's share capital and share premium as of September 30, 2023 amount to ₩ 16,481,340 thousand and ₩ 132,920,605 thousand, respectively. The par value of outstanding shares amounting to ₩ 16,404,909 thousand differs from the share capital (₩ 16,481,340 thousand) due to the retirement of shares.

B. The Company disposed of 608,821 treasury shares through exercise of stock options and recognized gain on disposal of treasury shares amounting to ₩ 56,559 million for the nine months ended September 30, 2023.

14. 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 September 30, 2023, the estimated average annual effective tax rate used for the year ended December 31, 2023 is 34.12% (2022 : 39.47%).

NAVER Corporation and its subsidiaries
Notes to the interim condensed consolidated financial statements
for the nine months ended September 30, 2023 and 2022 (Unaudited)

15. Dividends

There is no common stock dividend for the fiscal period ended December 31, 2022, and details of dividends for the nine months ended September 30, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Shares eligible for dividends	-	149,298,955 Shares
Dividends per share (Korean won)	₩	₩ 511
Cash dividends (Korean won in thousands)	₩	₩ 76,291,766

On August 2, 2023, the board of directors of the Group made a resolution to pay interim common stock dividend of ₩ 62,397,685,000. The details of the dividend calculation are as follows.

	<u>2023 (interim dividends)</u>
Shares eligible for dividends	150,355,868 Shares
Dividends per share (Korean won)	₩ 415
Cash dividends (Korean won in thousands)	₩ 62,397,685

16. Commitments and Contingencies

A. As of September 30, 2023, the Group has borrowing agreements with Kookmin Bank and 9 other Korean financial institutions, and KOSME (Korea SMEs and Startups Agency), with an aggregated credit limit up to ₩ 1,502,643 million and an agreement on leased assets with KB Kookmin Card Co., Ltd. up to ₩ 384,142 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 128,960 million and USD 700 million.

B. As of September 30, 2023, the Group is provided with guarantees of ₩ 212,145 million from Seoul Guarantee Insurance Company, Korea Software Financial Cooperative and others in relation to the performance guarantee, and guarantees of ₩ 3,777 million (available up to ₩ 7,777 million) from Shinhan Bank in relation to the payment guarantee. Also, the Group provides investments of ₩ 3,313 million as collaterals for payment guarantee from Korea Software Financial Cooperative.

C. As of September 30, 2023, customers' advance payments of ₩ 108,848 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 September 30, 2023, 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 September 30, 2023, the Group has entered into an agreement to allow deferred payment to be repaid 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 September 30, 2023, the Group has entered into a construction contract amounting to ₩ 471,162 million (outstanding amount: ₩ 24,762 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 September 30, 2023, the Group is a defendant in 39 lawsuit cases filed with regard to patent infringement and compensation for damages (aggregate amount of the lawsuits: ₩ 7,358 million), and there is one case in which a motion to dismiss was filed. The Group is a plaintiff in 11 lawsuit cases filed with regard to compensation for damages (aggregate amount of the lawsuits: ₩ 7,508 million). The outcome of these cases is uncertain as at 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.

NAVER Corporation and its subsidiaries
Notes to the interim condensed consolidated financial statements
for the nine months ended September 30, 2023 and 2022 (Unaudited)

16. Commitments and Contingencies(cont'd)

H. Details of material capital commitments contracted in relation to funds owned by the Group as of September 30, 2023 are as follows (Korean won in thousands):

	<u>Agreed amount</u>	<u>Accumulated investment</u>	<u>Outstanding amount</u>
General Atlantic LLC	₩ 201,720,000	₩ 110,722,796	₩ 90,997,204
K-Fund II	142,172,000	83,852,388	58,319,612
China Ventures Fund I, Limited Partnership	268,960,000	211,576,014	57,383,986
K-Fund I	213,258,000	178,655,724	34,602,276
Sequoia Capital Global Growth Fund III	181,548,000	147,907,064	33,640,936

I. As of September 30, 2023, the Group has entered into executives and employees' group injury insurance and others with KB insurance Co., Ltd. and others.

J. As of September 30, 2023, 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, and the Group has preferential purchase right and sale claim right in accordance with the mutual share exchange agreement.

K. With the resolution of the Board of Directors on March 16, 2021, the Group conducted an exchange of treasury shares (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 for preferential purchase right and sale claim right. 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 for preferential purchase right and right to nominate directors. The shares acquired by the Group are restricted on disposal for a certain period.

M. As of September 30, 2023, 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 Japanese electronic money. 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 September 30, 2023, the Group entered into a mutual agreement for preferential purchase right and sale claim right in relation to the Group's investments in MIRAE ASSET SECURITIES CO., LTD. (exchange of treasury shares).

O. In relation to the investments in Tving Co., Ltd. held by the Group, as of September 30, 2023, 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 September 30, 2023, 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 Tag-along Right 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.

NAVER Corporation and its subsidiaries
Notes to the interim condensed consolidated financial statements
for the nine months ended September 30, 2023 and 2022 (Unaudited)

16. Commitments and Contingencies(cont'd)

Q. As of September 30, 2023, investments in J Peul Media Co., Ltd., an associate, and 2 other entities 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: ₩ 130,501 million) issued by the Group.

S. 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 in relation to shares of PROTON PARENT, INC. The Group recognizes ₩10,493 million in 'other payables' as of September 30, 2023.

T. Other than those described in Note 16, as of September 30, 2023, 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.

17. Related Party Transactions

A. Details of subsidiaries as of September 30, 2023 and December 31, 2022 are described in Note 1.A, and details of associates and joint ventures as of September 30, 2023 and December 31, 2022 are described in Note 9.A.

B. Details of other related parties that have sales and other transactions or outstanding receivables/payables balances with the Group as of September 30, 2023 and December 31, 2022 are as follows:

	September 30, 2023	December 31, 2022
Other (*)	ESPRESSO MEDIA CO., LTD., 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 corp, PiG corp	ESPRESSO MEDIA CO., LTD., Lunasoft corp., Jakga Company Co., Ltd., 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., HUNIVERSE GLOBAL Co., Ltd., LINE Games Corporation, THE HAPPYBEAN FOUNDATION, NAVER Cultural Foundation, NAVER Connect Foundation

(*) 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 they are the entities issuing compound financial instruments that the Company are determined to be able to exercise significant influences.

C. Transaction with related parties including operating revenues and expenses for the nine months ended September 30, 2023 and 2022 are as follows (Korean won in thousands):

	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)	₩ 80,172,632	₩ 11,904,183	₩ -	-
WEVERSE COMPANY Inc.	4,588,803	257,609	-	-
LINE Plus Corporation(*2)	4,384,169	2,384,968	3,077	-
Goodus Data, Inc.	4,131,146	948,801	-	-
LINE Biz Plus Corporation(*2)	1,465,253	5,833	3,104	-
IPX Corporation(formerly, LINE friends corporation)(*2)	1,453,428	1,513,384	7,600	-
LINE Taiwan Limited(*2)	1,425,518	3,815,043	-	-
Studio 389 Co., Ltd.	1,132,809	3,878,151	-	-
J Peul Media Co., Ltd.	968,593	8,186,726	-	-
Reverse Corp(*2)	958,753	5,429,602	-	-
Studio Mul Co., Ltd	660,881	2,750,098	-	-

NAVER Corporation and its subsidiaries
Notes to the interim condensed consolidated financial statements
for the nine months ended September 30, 2023 and 2022 (Unaudited)

LINE Pay Plus Corporation(*2)	626,712	-	-	-
The Grimm entertainment Co.,Ltd	623,735	12,088,119	-	-
Mirae Asset MAPS Private Placement Real Estate 62(*4)	399,969	7,247,354	-	-
LINE STUDIO Corporation(*2)	399,702	205,527	-	-
LOCUS CORPORATION	359,604	-	-	-
LINE Financial Plus Corporation(*2)	328,391	-	-	-
Only Won Entertainment Co., Ltd	319,631	1,363,621	-	-
Cafe24 Corp.	288,274	19,723,793	-	-
YLAB CORPORATION	268,967	7,528,098	-	-
LINE Pay Corporation(*2)	236,116	261,487	-	-
LINE Company (Thailand) Limited (*2)	207,091	681,005	-	-
Famous Studio Corp.	203,720	43,175,464	-	-
IZE PRESS LLC.(*2)	170,038	-	-	-
Sam Studio Co., Ltd.	162,578	794,185	-	-
SGRSOFT Co., Ltd.	131,906	239,574	-	-
Chicment Co., Ltd.	122,163	665,979	-	-
LINE PLAY Corporation(*2)	110,975	-	9,412	-
SHINE PARTNERS CO., LTD.	104,785	1,850,945	-	-
REDICE Studio Inc.(*2)	84,157	4,312,528	115,385	-
ROKMEDIA(*2)	70,893	1,792,789	-	-
JQ COMICS Co., Ltd.	49,694	1,149,688	-	-
MARKT Co.,Ltd.(*2)	38,753	10,260,883	-	-
Yumi studio Co., Ltd.	33,618	514,002	-	-
Studio1991	32,667	581,661	-	-
BY4M Studio Co., Ltd.	27,540	147,204	-	-
Vi-Frost	24,160	213,403	-	-
Studio hohoe Co.,Ltd.	23,690	487,249	-	-
Big Picture Comics Co., Ltd.	13,543	1,118,293	-	-
Su Comics Co., Ltd.	11,125	160,546	-	-
Purpleduck Corp.	5,500	412,744	-	-
Onestore Co., Ltd.	3,943	408,854	-	-
SYNAP SOFT CORP.	1,593	648,356	-	-
GEULGGUN	1,475	190,196	-	-
LINE Fukuoka Corp.(*2)	339	5,726,561	-	-
Aointech inc	180	601,070	-	-
ZK Studio Co., Ltd.	-	32,959	572,769	-
Noi Co., Ltd. (*2)	-	123,656	-	-
BravoBeaver Incheon Corp.	-	197,224	-	-
LINEVIETNAMCOMPANY LIMITED(*2)	-	280,109	-	-
PT.LINE PLUS INDONESIA(*2)	-	355,922	-	-
Breathe Company Corporation(*2)	-	384,024	-	-
A Holdings Corporation	-	426,657	-	-
Makma	-	573,958	-	-
Others	328,584	181,297	-	471
Joint venture:				
Animal and Human Story Co., Ltd.	15,158	774,497	-	-
Inter Biz Co., Ltd.	512	643,000	-	-
Tech Plus Co., Ltd.	20	483,000	-	-
School Jaem Co., Ltd.	3	670,184	-	-
Sseom Lab Co., Ltd.	-	475,200	-	-
Law&Media Co., Ltd.	-	531,325	-	-
Designpress Co., Ltd.	-	567,711	-	-
Yeopeul Co., Ltd.	-	574,550	-	-
China Lab Co.,Ltd.	-	686,824	-	-
Agro Plus Co., Ltd.	-	755,100	-	-
Cineplay Co., Ltd	-	877,600	-	-
Others	32,000	-	-	-
Other:				
NAVER Connect Foundation(*1)	6,484,324	13,331,527	-	-
THE HAPPYBEAN Foundation(*1)	1,490,059	10,573,206	-	667,463
Contents First Inc.	733,724	240,561	-	-
LINE Games Corporation(*1)	127,217	-	-	-
NAVER Cultural Foundation(*1)	98,537	-	-	259,592
Ubob Inc.	8,703	171,091	-	-
MYSTIC Story Inc.	743	266,577	-	-
Others	151,498	122,511	-	-

NAVER Corporation and its subsidiaries
Notes to the interim condensed consolidated financial statements
for the nine months ended September 30, 2023 and 2022 (Unaudited)

(*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 ₩ 7,983 million paid on behalf by the Group for the related parties.

(*4) The amounts presented above have been incurred before the exclusion from related parties due to disposal.

	2022			
	Operating revenue and others(*3)	Operating expenses and others(*3)	Purchase of non-current assets	Disposal of non-current assets
Associate:				
WEVERSE COMPANY Inc.	₩ 193,906,659	₩ 36,483	₩ -	7,604
LINE Corporation(*2)	95,138,092	9,860,451	3,680	-
LINE Plus Corporation(*2)	5,223,086	2,468,376	103,046	52,770
LINE Biz Plus Corporation(*2)	2,772,705	-	825	5,435
IPX Corporation(formerly, LINE friends corporation)(*2)	1,166,893	3,433,348	5,016	703
Goodus Data, Inc.	1,104,586	275,008	-	-
Cafe24 Corp.	902,810	20,193,061	-	-
LINE Financial Plus Corporation(*2)	366,994	-	-	-
LINE Pay Corporation(*2)	246,433	333,779	-	-
Mirae Asset MAPS Private Placement Real Estate 62	278,090	5,718,549	-	-
LINE PLAY Corporation (*2)	218,645	-	826	-
LINE Company (Thailand) Limited(*2)	210,604	385,757	-	-
MARKT Co.,Ltd.(*2)	203,374	15,594,879	116,450	-
LINE STUDIO Corporation(*2)	152,791	654,700	-	-
Famous Studio Corp.	108,167	37,418,529	-	-
PT.LINE PLUS INDONESIA(*2)	102,636	189,712	-	-
Studio Paran Inc.	8,000	200,000	-	-
LINE Taiwan Limited(*2)	4,236	925,143	-	-
Chicment Co., Ltd.	909	167,391	-	-
LINE Fukuoka Corp.(*2)	317	4,965,959	-	-
Pala Inc	219	194,646	-	-
Arointech inc	180	600,367	-	-
Only Won Entertainment Co., Ltd	6,000	513,535	-	-
eBOOK Initiative Japan Co., Ltd.(*4)	-	18,138	-	-
ZK Studio Co., Ltd.	-	44,247	259,615	-
Vi-Frost	-	116,937	-	-
Studio1991	-	151,739	-	-
AXIS Co.,LTD.	-	200,000	-	-
Su Comics Co., Ltd.	-	217,140	-	-
A Holdings Corporation	-	279,511	-	-
Studio hohoe Co.,Ltd.	-	496,858	-	-
SYNAP SOFT CORP.	-	648,356	-	-
Sam Studio Co., Ltd.	-	682,277	-	-
Makma	-	780,226	-	-
Murple, Inc.	-	1,040,000	-	-
Yumi studio Co., Ltd.	-	1,451,528	-	-
Studio 389 Co., Ltd.	-	1,971,419	-	-
Studio Mul Co., Ltd.	-	1,996,293	-	-
SHINE PARTNERS CO., LTD.	-	2,398,464	-	-
MUNPIA INC.(*4)	-	2,947,170	-	-
J Peul Media Co., Ltd.	-	4,970,632	-	-
Studio JHS Co., Ltd.(*4)	-	8,380,483	-	-
LINE NEXT Corporation(*2)	-	-	-	4,778
Others	159,600	228,527	-	-
Joint venture:				
Animal and Human Story Co., Ltd.	5,442	473,000	-	-
jobsN CO., Ltd	647	744,998	-	-
School Jaem Co., Ltd.	168	776,461	-	-
Sseom Lab Co., Ltd.	67	543,548	-	-
China Lab Co.,Ltd.	42	745,640	-	-
Inter Biz Co., Ltd.	27	620,784	-	-
Tech Plus Co., Ltd.	9	465,995	-	-
Artition Co., Ltd.	-	450,000	-	-
Agro Plus Co., Ltd.	-	680,943	-	-
Law&Media Co., Ltd.	-	712,200	-	-

NAVER Corporation and its subsidiaries
Notes to the interim condensed consolidated financial statements
for the nine months ended September 30, 2023 and 2022 (Unaudited)

Cineplay Co., Ltd	-	761,300	-	-
Yeopeul Co., Ltd.	-	829,482	-	-
Designpress Co., Ltd.	-	1,114,629	-	-
Other:				
NAVER Connect Foundation(*1)	6,008,208	14,329,683	-	250
THE HAPPYBEAN Foundation(*1)	1,211,949	10,024,752	-	-
Contents First Inc.	451,123	1	-	-
LINE Games Corporation(*1)	168,934	-	-	-
NAVER Cultural Foundation(*1)	44,393	2,000,003	-	-
MYSTIC Story Inc.	27,300	1,113,176	-	-
Ubob Inc.	4,309	119,284	-	-
Jakga Company Co., Ltd.(*4)	-	7,548,464	-	-
Others	2,162	55,018	5,062	-

(*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 ₩ 23,082 million paid on behalf by the Group for the related parties.

(*4) The amount represents transactions before the reclassification from an associate to a subsidiary due to the additional acquisition of control for the nine months ended September 30, 2022.

D. Outstanding balances of receivables due from and payables due to related parties as of September 30, 2023 and December 31, 2022 are as follows (Korean won in thousands):

	September 30, 2023			
	Receivables		Payables	
	Trade receivables	Other receivables and others(*2)	Other payables	Accrued expenses and others
Associate:				
LINE Company (Thailand) Limited(*3)	₩ 62,539	₩ -	₩ 218,637	₩ -
LINE Conomi Corporation(*3)	19,497,067	1,530,977	939,693	547,903
Murple, Inc.	-	-	540,000	-
IPX Corporation(formerly, LINE friends corporation)(*3)	163,807	40,038	7,862	-
J Peul Media Co., Ltd.	-	1,066,078	696,696	-
Vi-Frost	-	-	87,859	170,008
Studio 389 Co., Ltd.	6,845	407,448	122,666	9,000
WEVERSE COMPANY Inc.	434,503	32,533,564	205	1,020,080
Pala Inc	217	507,751	-	-
Purpleduck Corp.	-	-	287,500	-
Havit Corporation	-	500,000	-	-
Famous Studio Corp.	-	2,424,946	2,466,696	174,813
IZE PRESS LLC.(*3)	-	-	-	272,873
LINE Fukuoka Corp.(*3)	8,997	-	709,320	232,192
LINE Pay Corporation(*3)	78,812	-	895,573	30,859
LINE Taiwan Limited(*3)	33,273	-	958,541	24,586
Goodus Data, Inc.	565,125	-	254,834	-
LINE Plus Corporation(*3)	700,349	222,372	1,120,847	210,409
REDICE Studio Inc.(*3)	43,893	1,488,545	517,006	71,123
The Grimm entertainment Co.,Ltd	24,039	1,294,889	295,492	19,000
ROKMEDIA(*3)	666	84,838	229,362	-
Reverse Corp.(*3)	40,894	204,237	530,904	3,000
MARKT Co.,Ltd. (*3)	4,428	5,785,780	188,034	-
SYNAP SOFT CORP.	-	-	420,000	-
Studio Mul Co., Ltd.	13,098	-	242,622	3,000
SGRSOFT Co., Ltd.	39,894	-	307,398	-
Only Won Entertainment Co., Ltd	-	-	111,431	3,000
YLAB Corporation	21	65,098	258,052	7,560
Cafe24 Corp.	4,510	-	1,926,876	-
Pinokio, Inc.	-	506,995	-	-
PT Karunia International Citra	-	136,380	-	-
Sasom Company Limited	-	136,380	-	-
LINE Pay Plus Corporation(*3)	164,925	26,468	-	-
LOCUS CORPORATION	11,144	18,431,828	-	-
Big Picture Comics Co., Ltd.	-	50,000	162,182	-
Yumi studio Co., Ltd.	-	-	100,396	-
Sidus Corporation	-	-	13,230	100,000
Others	386,251	560,587	806,812	84,208
Joint venture:				

NAVER Corporation and its subsidiaries
Notes to the interim condensed consolidated financial statements
for the nine months ended September 30, 2023 and 2022 (Unaudited)

China Lab Co.,Ltd.	-	-	174,375	-
Others	16,500	200	326,363	14,000
Other:				
NAVER Connect Foundation(*1)	584,408	64,401	19,204	-
THE HAPPYBEAN Foundation(*1)	145,016	534,716	919,561	38,135
NAVER Cultural Foundation(*1)	20,657	200,109	-	14,833
Studio Pat Co., Ltd.	-	369,038	2	-
Others	17,318	56,258	48,190	-

(*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) Lease receivables are included.

(*3) The entities are subsidiaries of associates.

	December 31, 2022			
	Receivables		Payables	
	Trade receivables	Other receivables and others(*3)	Other payables	Accrued expenses and others(*4)
Associate:				
A Holdings Corporation	₩	₩	₩	₩
LINE Company (Thailand) Limited(*5)	60,544	-	158,623	-
LINE Conomi Corporation(*5)	-	3,336,861	-	-
LINE Corporation(*5)	56,856,561	54,303,934	38,221,708	203,429
LINE Taiwan Limited(*5)	1,783	-	252,025	-
LINE Biz Plus Corporation(*5)	409,271	1,284,074	-	1,184,576
Mirae Asset MAPS Private Placement Real Estate 62	-	18,875,390	-	351,594,520
J Peul Media Co., Ltd.	-	730,206	572,267	-
MARKT Co.,Ltd(*5)	6,828	12,099,024	121,599	-
Studio 389 Co., Ltd.	-	550,746	19,736	-
AXIS Co.,LTD.(*2)	-	-	-	-
HAVIT CORPORATION	-	500,000	485,391	-
Cafe24 Corp.	193	-	1,891,436	-
Famous Studio Corp.	-	2,019,638	2,189,493	204,978
LINE Plus Corporation(*5)	900,999	944,238	2,060,112	215,864
IPX Corporation(formerly, LINE friends corporation)(*5)	156,910	85,704	1,960,812	-
WEVERSE COMPANY Inc	-	40,350,088	5,132	1,892,601
LINE Pay Corporation(*5)	91,142	47,659	1,960,722	52,331
LINE Financial Plus Corporation(*5)	63,415	315,164	-	279,062
LINE Fukuoka Corp.(*5)	23,369	-	324,623	341,604
Only Won Entertainment Co., Ltd.	-	-	139,543	-
SYNAP SOFT CORP.	-	-	1,020,000	-
Vi-Frost	-	26,188	31,471	105,421
ZK Studio Co., Ltd.	-	105,769	-	-
Murple, Inc.	-	-	540,000	-
SGRSOFT Co., Ltd.	-	-	300,350	-
Chicment Co., Ltd.	5,161	301,213	15,000	-
Goodus Data, Inc	453,242	-	219,958	-
YLAB CORPORATION	-	565,087	203,405	-
REDICE Studio Inc.(*5)	17,854	57,692	648,039	48,000
Reverse Corp.(*5)	47,323	137,244	423,652	-
The Grimm entertainment Co.,Ltd.	-	-	225,467	-
JQ COMICS Co., Ltd.	-	202,247	189,757	-
PT Karunia International Citra Kencana	-	774,379	-	-
Other	104,533	237,472	547,871	36,612
Joint venture:				
Designpress Co., Ltd.	-	-	391,341	-
China Lab Co.,Ltd.	-	-	146,890	-
Other	-	200	84,678	-
Other:				
NAVER Connect Foundation (*1)	865,805	8,525	206,274	-
THE HAPPYBEAN Foundation(*1)	113,265	45,830	1,142,725	-
Studio Pat Co., Ltd.	-	293,613	222	-
Others	18,940	64,871	66,144	-

NAVER Corporation and its subsidiaries
Notes to the interim condensed consolidated financial statements
for the nine months ended September 30, 2023 and 2022 (Unaudited)

17. 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 outstanding balance of other receivables and others of AXIS Co.,LTD. is net of allowance for doubtful accounts of ₩ 1,400 million.

(*3) Lease receivables are included.

(*4) Lease liabilities are included.

(*5) The entities are subsidiaries of associates.

E. Fund transactions with related parties for the nine months ended September 30, 2023 and 2022 are as follows (Korean won in thousands):

	2023				
	Contributions in cash	Dividends received and others	Loans	Repayments(*1)	Collections(*1)
Associate:					
K-Fund II	₩ 23,775,091	₩ -	₩ -	₩ -	-
K-Fund I	6,617,599	42,680,283	-	-	-
Teamplus Corp.	4,372,500	-	-	-	-
CHINA VENTURES FUND II, L.P.	4,337,468	-	-	-	-
Smart Korea Naver-Stonebridge Rising Investment Association	2,000,000	-	-	-	-
Do Ventures Fund I, I-A	1,988,400	-	-	-	-
China Ventures Fund I, Limited Partnership	2,730,021	1,585,056	-	-	-
ZEP Co.,Ltd.	1,334,010	-	-	-	-
FUTURE INNOVATION PRIVATE EQUITY FUND III	1,329,300	-	-	-	-
Purpleduck Corp.	509,231	-	-	-	-
BravoBeaver Incheon Corp.	260,000	-	-	-	-
Genius studio Corp.	200,015	-	-	-	-
MiraeAsset MAPS Private Placement Real Estate 62(*3)	-	8,162,038	-	22,626,298	-
Mirae Asset-NAVER New Growth Fund I	-	9,000,000	-	-	-
Mirae Asset - Naver Asia Growth Investment Pte. Ltd	-	6,556,450	-	-	-
NAVER-BSK Youth Foundation No.5 Investment Fund	-	5,951,722	-	-	-
LINE Corporation(*2)(*4)	-	4,480,522	-	-	-
Mirae Asset-Naver Asia Growth Fund	-	1,555,690	-	-	-
NAVER KIP Cheer up! Gamers Fund	-	1,244,299	-	-	-
STL 18th Private Equity Fund	-	455,342	-	-	-
BonAngels Pacemaker Fund	-	375,000	-	-	-
SYNAP SOFT CORP.	-	107,142	-	-	-
TBT Global Growth Fund III	-	9,739	-	-	-
Pala Inc	-	-	1,000,000	-	500,000
Pinokio, Inc.	-	-	500,000	-	-
PT Karunia International Citra Kencana	-	-	130,380	-	775,740
Sasom Company Limited	-	-	130,380	-	-
LINE Conomi Corporation(*4)	-	-	-	-	3,664,640
WEVERSE COMPANY Inc.	-	-	-	-	2,945,682
LINE Biz Plus Corporation(*4)	-	-	-	-	1,185,845
Chicment Co., Ltd.	-	-	-	-	300,000
LINE Financial Plus(*4)	-	-	-	-	278,775
JQ COMICS Co., Ltd.	-	-	-	-	200,000
Famous Studio Corp.	-	-	-	-	148,239
Joint venture:					
jobsN Co., Ltd.(*3)	-	2,175,364	-	-	-
Artitian Co., Ltd.(*3)	-	129,601	-	-	-
Other:					
THE HAPPYBEAN Foundation	-	-	-	-	110,036
NAVER Cultural Foundation	-	-	-	-	42,797

NAVER Corporation and its subsidiaries
Notes to the interim condensed consolidated financial statements
for the nine months ended September 30, 2023 and 2022 (Unaudited)

(*1) The amounts in relation to lease transaction are included.

(*2) It is the amount incurred from the disposal of LINE Conomi Corporation shares.

(*3) The amounts presented above have been incurred before the exclusion from related parties due to disposal or liquidation.

(*4) The entities are subsidiaries of associates.

	2022			
	<u>Contributions in cash</u>	<u>Dividends received and others</u>	<u>Repayments(*2)</u>	<u>Collections(*2)</u>
Associate:				
WEVERSE COMPANY Inc.(*1)(*3)	₩ 199,999,533	₩ -	₩ -	₩ 1,643,963
K-Fund II	50,561,591	7,958,056	-	-
CHINA VENTURES FUND II, L.P.	28,297,121	-	-	-
China Ventures Fund I, Limited Partnership	9,592,525	5,243,187	-	-
Mirae Asset - Naver Asia Growth Investment Pte. Ltd.	30,489,343	112,900,641	-	-
K-Fund I	5,081,400	-	-	-
Mirae Asset Partnership Growth Fund I	4,500,000	-	-	-
Pinokio, Inc.	4,000,000	-	-	-
Studio Ppuri Co., Ltd.	2,750,000	-	-	-
Pala Inc.	2,682,928	-	-	8,514
Smart Korea Naver-Stonebridge Rising Investment Association	2,000,000	-	-	-
Murple, Inc.	1,799,000	-	-	-
Mirae Asset-Naver Asia Growth Fund	7,823,999	27,768,600	-	-
SYNAP SOFT CORP.	-	107,142	-	-
MiraeAsset MAPS Private Placement	-	728,815	16,395,658	-
Real Estate 62(*3)	-	-	-	-
Paramark KB Fund I	11,861,000	-	-	-
TAIL Start-up Fund I	1,100,000	-	-	-
Studio Dragon Japan CO., LTD.	8,734,770	-	-	-
LINE NEXT Inc.(*4)	6,181,209	-	-	-
Do Ventures Fund I, I-A	2,625,800	-	-	-
TBT Global Growth Fund III	7,500,000	3,522	-	-
STUDIO YELL Co.	107,700	-	-	-
Studio1991	149,984	-	-	-
Goodus Data, Inc.	2,999,952	-	-	-
Purpleduck Corp.	473,846	-	-	-
SHAKE HANDS SDN BHD	2,216,898	-	-	-
Makma	-	58,662	-	-
Future Creation NAVER-SB Startup Investment Fund	-	1,457,382	-	-
A Holdings Corporation	-	491,042,585	-	-
NAVER-BSK Youth Foundation No.5 Investment Fund	-	1,144,021	-	-
Fast Cowell Private Equity Fund	-	708,066	-	-
YN CULTURE & SPACE	3,923,080	-	-	-
Korea Contents Mutual Aid Association	25,000	-	-	-
CravingCollector Inc.	5,499,989	-	-	-
VerseWork Co., Ltd.	300,000	-	-	-
ZEP Co.,Ltd.	1,600,000	-	-	-
Contrau ventures fund no.1	2,000,000	-	-	-
Studio Paran Inc.	700,000	-	-	-
BY4M Studio Co., Ltd.	2,999,672	-	-	-
SGRSOFT Co., Ltd.	499,960	-	-	-
Chicment Co., Ltd.	3,000,000	-	-	-
Quokka Industries Inc.	4,000,000	-	-	-
DHP private equity fund 3	-	39,102	-	-
BonAngels Pacemaker Fund	-	1,500,000	-	-
Famous Studio Corp.	-	-	-	16,233
LINE Biz Plus Corporation(*4)	-	-	-	2,368,693
LINE Financial Plus Corporation(*4)	-	-	-	578,628
LINE Plus Corporation(*4)	-	-	-	609,874
LINE UP Corporation(*4)	-	-	-	82,887
Joint venture:				
Studio TooN Corp	4,998,000	-	-	-
Other:				
HUNIVERSE GLOBAL Co., Ltd.	2,000,004	-	-	-
Ubob Inc.	2,000,003	-	-	-

NAVER Corporation and its subsidiaries

**Notes to the interim condensed consolidated financial statements
for the nine months ended September 30, 2023 and 2022 (Unaudited)**

(*1) The ownership of WEVERSE COMPANY Inc. is acquired as consideration for business transfer.

(*2) The amounts in relation to lease transaction are included.

(*3) During the nine months ended September 30, 2022, the Group recognized ₩ 385,696 million of right-of-use asset at the time of acquisition in accordance with the 10-year office lease contract with MiraeAsset MAPS Private Placement Real Estate 62 and the balance as of September 30, 2022 is ₩ 358,228 million. Some of these offices were provided to WEVERSE COMPANY Inc. for 10 years in finance lease contract and the remaining balance of lease contract as of September 30, 2022 is ₩ 42,863 million.

(*4) The entites are subsidiaries of associates.

NAVER Corporation and its subsidiaries
Notes to the interim condensed consolidated financial statements
for the nine months ended September 30, 2023 and 2022 (Unaudited)

17. Related Party Transactions (cont'd)

F. There are no payment guarantees provided by the Group to the related parties as of September 30, 2023.

G. The compensation paid or payable to key management (registered directors) for their services for the nine months ended September 30, 2023 and 2022 are as follows (Korean won in thousands):

	<u>2023</u>	<u>2022</u>
Short-term employee benefits	₩ 1,972,500	₩ 2,025,230
Retirement benefits	286,061	232,286
Share-based payment expenses	1,431,546	993,365

18. Business Combinations

In January 2023, the Group acquired 100% shares of Poshmark, Inc., whose main business is operating the largest secondhand market platform in North America.

The acquisition was made to aim at expanding the global C2C portfolio to the North American market, entering into global competition in full swing, and establishing the foundation for C2C to grow into a major revenue source.

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

	<u>Amount</u>
I. Purchase consideration	
Cash and cash equivalents	₩ 1,736,865,092
Exchange of Shares for RSU held by the existing management	12,677,999
	<u>₩ 1,749,543,091</u>
II. Recognized amounts of identifiable assets acquired and liabilities assumed(*)	
Assets	
Cash and cash equivalents	₩ 491,671,054
Trade and other receivables	11,776,949
Other assets	19,119,070
Property, plant and equipment	4,100,017
Right-of-use-assets	6,666,199
Intangible assets	345,828,089
Deferred tax assets	151,195
	<u>879,312,573</u>
Liabilities	
Trade and other payables	360,905,170
Current tax liabilities	17,072,916
Lease liabilities	11,287,932
Other liabilities	18
Deferred tax liabilities	93,945,390
	<u>483,211,426</u>
Total identifiable net assets	<u>₩ 396,101,147</u>
III. Goodwill	<u>₩ 1,353,441,944</u>

(*) The fair value of identifiable assets and liabilities are provisional amount that may be adjusted as a result of the valuation.

NAVER Corporation and its subsidiaries
Notes to the interim condensed consolidated financial statements
for the nine months ended September 30, 2023 and 2022 (Unaudited)

18. Business Combinations (cont'd)

Cash flows from business combination are as follows (Korean won in thousands):

	<u>Amount</u>
Net cash flows from acquisition of subsidiary	₩ 491,671,054
Cash and cash equivalents paid	<u>(1,736,865,092)</u>
Net cash and cash equivalents paid	<u>₩ (1,245,194,038)</u>

The operating revenue and net loss of Poshmark, Inc. and its subsidiaries after the acquisition date reflected in the interim condensed consolidated statements of comprehensive income (loss) are ₩ 363,481 million and ₩ 482 million, respectively. If Poshmark, Inc. was consolidated from the beginning of the current period, the Group's operating revenue and net loss, which would have been recorded in the interim condensed consolidated statements of comprehensive income (loss), would be ₩ 7,139,683 million and ₩ 516,939 million, respectively.

19. Events after the reporting period

The Group retired 1,640,491 shares (₩ 305.3 billion) of its previously held treasury stocks on November 7, 2023 in accordance with a resolution of the Board of Directors on October 31, 2023.