

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549**

**FORM 10-Q**

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2026

OR

- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 001-42144

**WEBTOON Entertainment Inc.**  
(Exact Name of Registrant as Specified in its Charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)

81-3830533  
(I.R.S. Employer  
Identification No.)

5700 Wilshire Blvd., Suite 220  
Los Angeles, CA

90036  
(Zip Code)

(Address of principal executive offices)

Registrant's telephone number, including area code: (323) 424-3795

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value \$0.0001 per share	WBTN	Nasdaq Global Select Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of May 1, 2026, the registrant had 135,234,730 shares of common stock, par value \$0.0001 per share, outstanding.

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## GLOSSARY

As used in this Quarterly Report on Form 10-Q (this “Report”), unless stated otherwise or the context otherwise requires:

- “*amateur creator(s)*” means creators who do not currently monetize their content as Paid Content on our platform as they are subject to our standard terms and conditions without Paid Content revenue sharing provisions. Amateur creators may monetize through other methods, including advertising if they meet certain viewership and subscriber thresholds.
- “*Coins*” means our in-app currency, which our users can purchase, earn by completing certain advertisement-associated actions or receive during in-app promotional events.
- “*creators*” means individuals who upload content to our platform and whose content remains available on our platform. Total creators include both amateur and professional creators.
- “*eBookJapan*” means our eBook (including digital manga, which is manga in a digital format), web-comic and web-novel offering in Japan dedicated to professional creators.
- “*episode*” means a periodically uploaded chapter or installment of a web-comic or web-novel title.
- “*Fast Pass*” means a digital pass that provides users with early access to upcoming episodes for ongoing series of content on our platform, which must be purchased with Coins.
- “*IP Adaptations*” means adaptations of certain content on our offerings into other media formats such as film, streaming series, games and merchandise.
- “*LINE MANGA*” means our web-comic and digital manga offering in Japan dedicated to both amateur and professional creators.
- “*manga*” means a style of Japanese comic books and graphic novels typically presented in print format.
- “*MAU*” or “*monthly active users*” means users who visited our offerings at least once in the applicable calendar month, averaged over each month in the given period.
- “*MPU*” or “*monthly paying users*” means users who have paid to access Paid Content in the applicable calendar month, averaged over each month in the given period.
- “*Munpia*” means, as context requires, Munpia Inc., one of our wholly-owned subsidiaries in Korea, or Munpia, the namesake web-novel offering and web-novel creator community in Korea run by Munpia Inc.
- “*NAVER*” means NAVER Corporation, a global information communications technology (ICT) company and our parent, and its subsidiaries and affiliates, excluding WEBTOON, unless context otherwise requires.
- “*NAVER SERIES*” means our eBook, web-comic and web-novel offering in Korea dedicated to professional creators.
- “*NAVER WEBTOON*” means NAVER WEBTOON Ltd., one of our wholly-owned subsidiaries in Korea that operates our offerings including WEBTOON and WEBTOON Korea.
- “*offering*” means our mobile applications, websites or specific sections within such applications and websites where our creators post content, including WEBTOON, WEBTOON Korea, LINE MANGA, NAVER SERIES, eBookJapan, Munpia and Wattpad.
- “*Paid Content*” means content on our offerings that our users need to pay to access, including through the use of Coins.
- “*Paid Content Average Revenue per Paying User*” or “*ARPPU*” means the average Paid Content revenue in a given month divided by the number of monthly paying users for such month, averaged over each month in the given period.
- “*Paying ratio*” means, with respect to a given period, the ratio of MPU divided by MAU.
- “*Paying user*” means, with respect to a given period, a user who has paid to access Paid Content on our platform.
- “*professional creator(s)*” means creators who monetize through Paid Content on our platform under formal creator agreements with Paid Content revenue sharing provisions.
- “*title*” means a sequential web-comic or web-novel story that is comprised of episodes.
- “*Title Purchase*” means a digital pass that provides users with access to all episodes from a series that is no longer publishing new episodes.
- “*Wattpad*” means, as context requires, Wattpad Corp., one of our wholly-owned subsidiaries in Canada which was acquired by NAVER in May 2021 and subsequently acquired by us from NAVER in June 2023, or Wattpad, the namesake global web-novel offering with a global community of creators who are mostly amateur creators that is run by Wattpad Corp.
- “*web-comics*” means digitally created and serialized stories expressed through vertical, continuous and graphical content.
- “*web-novels*” means digitally created, serialized and text-based stories.
- “*WEBTOON*” means, as context requires, WEBTOON Entertainment Inc., a Delaware corporation, and its consolidated subsidiaries, or WEBTOON, the namesake global web-comic offering run by NAVER WEBTOON.
- “*WEBTOON Korea*” means the NAVER WEBTOON platform, our web-comic offering in Korea.

## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Report contains forward-looking statements within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements do not relate strictly to historical or current facts and reflect management’s assumptions, views, plans, objectives and projections about the future. Forward-looking statements may be identified by the use of words such as “anticipate,” “intend,” “plan,” “goal,” “seek,” “believe,” “project,” “estimate,” “expect,” “strategy,” “future,” “likely,” “may,” “should,” “will” and similar references to future periods. Examples of forward-looking statements include, among others, statements we make regarding:

- expected operating results, such as revenue growth and earnings;
- economic and industry trends;
- the demand for our platform in general;
- our ability to continue to attract and empower creators to create engaging content;
- our ability to grow and retain our user base and strengthen our brand;
- our ability to increase engagement with users and strengthen our community;
- our ability to attract and retain our senior management team or key personnel;
- our ability to continue to innovate and expand our advertising business;
- our ability to increase paying ratio and strengthen our monetization capability;
- our ability to increase revenues from our intellectual property operations;
- our beliefs about and objectives for future operation;
- future acquisitions or investments;
- our ability to continue to grow across our current markets and expand into new markets;
- our ability to continue to innovate and enhance our offerings;
- the impact of our product development initiatives, including our use of artificial intelligence;
- the functionality and economics of our platform on mobile operating systems;
- our ability to maintain the security and availability of our platform;
- our ability to obtain, maintain, protect and enhance our intellectual property;
- the increased expenses associated with being a public company;
- our business model and expectations and management of future growth, including expansion in international markets and expenditures associated with such growth; and
- our ability to compete with existing and new competitors in existing and new markets.

Because forward-looking statements are based on current beliefs, expectations and assumptions regarding future events, they are subject to risks, uncertainties and changes that are difficult to predict and many of which are outside of our control. You should realize that if underlying assumptions prove inaccurate, or known or unknown risks or uncertainties materialize, our actual results and financial condition could vary materially from expectations and projections expressed or implied in our forward-looking statements.

More information on factors that could cause our actual results and financial condition to differ from those expressed in forward-looking statements is included from time to time in our reports filed with the Securities and Exchange Commission, including in our Annual Report on Form 10-K for the year ended December 31, 2025, filed with the SEC on March 5, 2026 (the “Annual Report”), particularly under Part I. Item 1A, “Risk Factors.” Investors should understand that it is not possible to predict or identify all such factors and should not consider the risks described above and under Part I. Item 1A. “Risk Factors” of our Annual Report to be a complete statement of all potential risks and uncertainties.

All forward-looking statements speak only as of the date of this Report and are expressly qualified in their entirety by the cautionary statements included in or incorporated by reference into this Report. Except as is required by law, we expressly disclaim any obligation to publicly release any revisions to forward-looking statements to reflect events after the date of this Report.

**PART I-FINANCIAL INFORMATION**

**Item 1. Unaudited Financial Statements.**

**WEBTOON Entertainment Inc.  
Condensed Consolidated Balance Sheets  
(unaudited)**

(in thousands of USD, except share and per share data)

	As of	
	March 31, 2026	December 31, 2025
<b>Assets</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 594,852	\$ 581,806
Receivables <sup>1</sup> , net of allowance for credit losses of \$1,703 and \$3,378 at March 31, 2026, and December 31, 2025, respectively	182,781	176,779
Prepaid expenses and other current assets, net <sup>2</sup>	73,369	72,647
<b>Total current assets</b>	<b>851,002</b>	<b>831,232</b>
Property and equipment, net	10,594	8,339
Operating lease right-of-use assets	20,510	23,705
Debt and equity securities	64,348	69,669
Intangible assets, net	150,923	157,804
Goodwill, net	330,832	336,825
Equity method investments	76,212	80,440
Deferred tax assets	23,643	22,302
Other non-current assets, net <sup>3</sup>	65,681	65,194
<b>Total assets</b>	<b>\$ 1,593,745</b>	<b>\$ 1,595,510</b>
<b>Liabilities and equity</b>		
<b>Current liabilities:</b>		
Accounts payable <sup>4</sup>	\$ 137,695	\$ 136,962
Accrued expenses <sup>5</sup>	53,837	66,690
Current portion of operating lease liabilities <sup>6</sup>	8,679	9,617
Contract liabilities	94,640	89,994
Taxes payable	7,000	4,136
Provisions and defined pension benefits	7,013	8,766
Other current liabilities	3,913	2,457
<b>Total current liabilities</b>	<b>312,777</b>	<b>318,622</b>
<b>Non-current liabilities:</b>		
Long-term operating lease liabilities <sup>7</sup>	11,673	14,055
Defined severance benefits	24,502	25,069
Deferred tax liabilities	5,879	5,755
Other non-current liabilities	3,683	3,737
<b>Total liabilities</b>	<b>\$ 358,514</b>	<b>\$ 367,238</b>
Commitments and Contingencies (Note 8)		
<b>Redeemable non-controlling interest in subsidiary</b>	<b>\$ 24,336</b>	<b>\$ 24,540</b>
<b>Stockholders' equity:</b>		
Common stock, \$0.0001 par value (2,000,000,000 authorized, 134,635,086 shares and 130,776,161 shares issued and outstanding as of March 31, 2026, and December 31, 2025, respectively)	\$ 13	\$ 13
Additional paid-in capital	2,177,445	2,137,926
Accumulated other comprehensive loss	(137,007)	(114,363)
Accumulated deficit	(862,579)	(853,124)

<b>Total stockholders' equity attributable to WEBTOON Entertainment Inc.</b>	<b>1,177,872</b>	<b>1,170,452</b>
Non-controlling interests in consolidated subsidiaries	33,023	33,280
<b>Total equity</b>	<b>1,210,895</b>	<b>1,203,732</b>
<b>Total liabilities, redeemable non-controlling interest, and equity</b>	<b>\$ 1,593,745</b>	<b>\$ 1,595,510</b>

1. Includes amounts due from related parties of \$54,303 and \$55,156 as of March 31, 2026, and December 31, 2025, respectively. (See Note 15. *Related Party Transactions*)
2. Includes amounts due from related parties of \$4,053 and \$4,730 as of March 31, 2026, and December 31, 2025, respectively. (See Note 15. *Related Party Transactions*)
3. Includes amounts due from related parties of \$33,786 and \$33,913 as of March 31, 2026, and December 31, 2025, respectively. (See Note 15. *Related Party Transactions*)
4. Includes amounts due to related parties of \$24,207 and \$18,765 as of March 31, 2026, and December 31, 2025, respectively. (See Note 15. *Related Party Transactions*)
5. Includes amounts due to related parties of \$6,048 and \$6,849 as of March 31, 2026, and December 31, 2025, respectively. (See Note 15. *Related Party Transactions*)
6. Includes amounts due to related parties of \$4,953 and \$5,221 as of March 31, 2026, and December 31, 2025, respectively. (See Note 15. *Related Party Transactions*)
7. Includes amounts due to related parties of \$3,933 and \$5,371 as of March 31, 2026, and December 31, 2025, respectively. (See Note 15. *Related Party Transactions*)

The accompanying notes are an integral part of these unaudited Condensed Consolidated Financial Statements.

**WEBTOON Entertainment Inc.**  
**Condensed Consolidated Statements of Operations and Comprehensive Loss**  
**(unaudited)**  
(in thousands of USD, except share and per share data)

	Three Months Ended	
	March 31, 2026	March 31, 2025
Revenue <sup>1</sup>	\$ 320,872	\$ 325,707
Cost of revenue <sup>2</sup>	(237,824)	(254,096)
Marketing <sup>3</sup>	(30,520)	(31,543)
General and administrative expenses <sup>4</sup>	(60,559)	(66,702)
<b>Operating income (loss)</b>	<b>(8,031)</b>	<b>(26,634)</b>
Interest income	4,374	5,113
Interest expense	(17)	(2)
Gain (loss) on equity method investments, net	(446)	(569)
Other income (loss), net <sup>5</sup>	(2,005)	2,670
<b>Income (loss) before income tax</b>	<b>(6,125)</b>	<b>(19,422)</b>
Income tax expense	(2,672)	(2,547)
<b>Net income (loss)</b>	<b>\$ (8,797)</b>	<b>\$ (21,969)</b>
Net income (loss) attributable to WEBTOON Entertainment Inc.	(9,455)	(22,389)
Net income (loss) attributable to non-controlling interests and redeemable non-controlling interests	658	420
<b>Other comprehensive income (loss):</b>		
Foreign currency translation adjustments, net of tax	(23,747)	6,572
Share of other comprehensive loss of equity method investments, net of tax	(15)	(143)
<b>Total other comprehensive income (loss), net of tax</b>	<b>(23,762)</b>	<b>6,429</b>
<b>Total comprehensive income (loss)</b>	<b>\$ (32,559)</b>	<b>\$ (15,540)</b>
Total comprehensive income (loss) attributable to WEBTOON Entertainment Inc.	(32,099)	(15,999)
Total comprehensive income (loss) attributable to non-controlling interests and redeemable non-controlling interests	(460)	459
<b>Weighted average shares outstanding</b>		
Basic	133,618,587	129,598,942
Diluted	133,618,587	129,598,942
<b>Income (loss) per share attributable to WEBTOON Entertainment Inc.</b>		
Basic	\$ (0.07)	\$ (0.17)
Diluted	\$ (0.07)	\$ (0.17)

- Includes amounts earned from related parties of \$18,243 and \$17,713 for the three months ended March 31, 2026, and March 31, 2025, respectively. (See Note 15. *Related Party Transactions*)
- Includes amounts incurred from related parties of \$27,071 and \$28,131 for the three months ended March 31, 2026, and March 31, 2025, respectively. (See Note 15. *Related Party Transactions*)
- Includes amounts incurred from related parties of \$(1,729) and \$(2,581) for the three months ended March 31, 2026, and March 31, 2025, respectively. (See Note 15. *Related Party Transactions*)
- Includes amounts incurred from related parties of \$7,817 and \$6,913 for the three months ended March 31, 2026, and March 31, 2025, respectively. (See Note 15. *Related Party Transactions*)
- Includes amounts earned from related parties of \$408 and \$411 for the three months ended March 31, 2026, and March 31, 2025, respectively. (See Note 15. *Related Party Transactions*)

The accompanying notes are an integral part of these unaudited Condensed Consolidated Financial Statements.

**WEBTOON Entertainment Inc.**  
**Condensed Consolidated Statements of Stockholders' Equity and Group Equity**  
**(unaudited)**  
(in thousands of USD, except share and per share data)

	Common Stock		Additional paid-in capital	Accumulated other comprehensive loss	Accumulated deficit	Total stockholders' equity attributable to WEBTOON Entertainment Inc.	Non-controlling interests in consolidated subsidiaries	Total equity
	Shares	Amount						
<b>Balance as of December 31, 2024</b>	<b>128,587,944</b>	<b>\$ 13</b>	<b>\$ 2,103,931</b>	<b>\$ (124,620)</b>	<b>\$ (507,197)</b>	<b>\$ 1,472,127</b>	<b>\$ 47,754</b>	<b>\$ 1,519,881</b>
Net Income (Loss)	—	—	—	—	(22,389)	(22,389)	233	(22,156)
Foreign currency translation adjustments, net of tax	—	—	—	6,533	—	6,533	22	6,555
Equity in income of equity method investees	—	—	—	(143)	—	(143)	—	(143)
Equity-based compensation and others	1,584,337	—	11,419	—	—	11,419	212	11,631
<b>Balance as of March 31, 2025</b>	<b>130,172,281</b>	<b>\$ 13</b>	<b>\$ 2,115,350</b>	<b>\$ (118,230)</b>	<b>\$ (529,586)</b>	<b>\$ 1,467,547</b>	<b>\$ 48,221</b>	<b>\$ 1,515,768</b>
<b>Balance as of December 31, 2025</b>	<b>130,776,161</b>	<b>\$ 13</b>	<b>\$ 2,137,926</b>	<b>\$ (114,363)</b>	<b>\$ (853,124)</b>	<b>\$ 1,170,452</b>	<b>\$ 33,280</b>	<b>\$ 1,203,732</b>
Net Income (Loss)	—	—	—	—	(9,455)	(9,455)	365	(9,090)
Foreign currency translation adjustments, net of tax	—	—	—	(22,629)	—	(22,629)	(622)	(23,251)
Equity in income of equity method investees	—	—	—	(15)	—	(15)	—	(15)
Equity-based compensation and others	1,192,168	—	7,036	—	—	7,036	—	7,036
Issuance of common stock through private placement, net	2,666,757	—	32,483	—	—	32,483	—	32,483
<b>Balance as of March 31, 2026</b>	<b>134,635,086</b>	<b>\$ 13</b>	<b>\$ 2,177,445</b>	<b>\$ (137,007)</b>	<b>\$ (862,579)</b>	<b>\$ 1,177,872</b>	<b>\$ 33,023</b>	<b>\$ 1,210,895</b>

The accompanying notes are an integral part of these unaudited Condensed Consolidated Financial Statements.

**WEBTOON Entertainment Inc.**  
**Condensed Consolidated Statements of Cash Flows**  
**(unaudited)**  
(in thousands of USD)

	<b>For the Three Months Ended</b>	
	<b>March 31, 2026</b>	<b>March 31, 2025</b>
<b>Operating activities:</b>		
Net income (loss)	\$ (8,797)	\$ (21,969)
<b>Adjustments to reconcile net loss to net cash used in operating activities:</b>		
Allowance for credit losses	(749)	443
Depreciation and amortization	7,998	8,437
Operating lease expense	2,541	1,985
Gain on foreign currency, net	(6,207)	(2,793)
Deferred tax benefit	(2,151)	(1,143)
Loss on debt and equity securities, net	2,627	930
Change in severance benefit, net	1,562	574
Loss on equity method investments, net	446	569
Stock-based compensation	7,625	18,253
Other non-cash items	(2,963)	(1,369)
<b>Changes in operating assets and liabilities</b>		
Changes in receivables	(11,669)	750
Changes in other assets	(4,122)	(2,250)
Changes in accounts payable	4,083	(2,801)
Changes in accrued expenses	(9,321)	(15,342)
Changes in contract liabilities	7,501	(1,450)
Changes in other liabilities	2,516	(236)
Changes in operating lease liabilities	(2,767)	(1,240)
<b>Net cash used in operating activities</b>	<b>\$ (11,847)</b>	<b>\$ (18,652)</b>
<b>Investing activities:</b>		
Proceeds from maturities of short-term investments	684	3,446
Proceeds from sale of property and equipment	23	77
Purchases of property and equipment	(3,148)	(536)
Purchases of debt and equity securities	—	(3,789)
Payment made for short-term investments	(1,368)	(4,824)
Payment made for loan receivable	(68)	(207)
Purchases of intangible assets	(2,867)	(2,444)
Other investing activities	—	249
<b>Net cash used in investing activities</b>	<b>\$ (6,744)</b>	<b>\$ (8,028)</b>
<b>Financing activities:</b>		
Proceeds from issuance of common stock related to private placement, net	32,682	—
Proceeds from stock option exercise	—	82
<b>Net cash provided by financing activities</b>	<b>\$ 32,682</b>	<b>\$ 82</b>
Effect of exchange rate changes on cash and cash equivalents	(1,045)	4,332
<b>Cash and cash equivalents:</b>		
Net increase (decrease) in cash and cash equivalents	13,046	(22,266)
Cash and cash equivalents at beginning of the year	581,806	572,402
<b>Cash and cash equivalents at end of the year</b>	<b>\$ 594,852</b>	<b>\$ 550,136</b>
<b>Supplemental disclosure:</b>		
Income taxes paid	\$ 2,711	\$ 6,826

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Reclassification of long-term advances to current	\$	(10,901)	\$	(28,973)
Increase in right-of-use assets recognized from new lease agreements	\$	4	\$	12,007

The accompanying notes are an integral part of these unaudited Condensed Consolidated Financial Statements.

**WEBTOON Entertainment Inc.****Notes to Condensed Consolidated Financial Statements  
(unaudited)****Note 1. Description of Business and Summary of Significant Accounting Policies*****Organization and Description of Business***

WEBTOON Entertainment Inc. (the "Parent"), together with its subsidiaries, (the "Company", "we", "us" or "our"), is a majority-owned subsidiary of NAVER Corporation ("NAVER"), who is a leading online and web-comic platform service company. We provide hosting services for web-comics through both web and mobile applications and offer thousands of titles with episodes that are updated on a daily basis. We offer extensive and diverse genres of content, including fantasy, romance, and science fiction, on our platform. Platform refers to the various offerings through which we engage with users across diverse geographical markets including Korea, the United States, Japan, Southeast Asia, and Europe.

***Basis of Presentation***

The unaudited Condensed Consolidated Financial Statements reflect all normal recurring adjustments that are, in the opinion of management, necessary for fair statement of the results of the interim period. Certain information and note disclosures normally included in the annual consolidated financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") have been condensed or omitted pursuant to such rules and regulations. The unaudited Condensed Consolidated Financial Statements should be read in conjunction with the audited Consolidated Financial Statements as of and for the year ended December 31, 2025, included in the Company's Annual Report on Form 10-K for the year ended December 31, 2025, filed with the SEC on March 5, 2026. Interim results are not necessarily indicative of the results for a full year.

***Reclassifications***

Certain amounts reported for prior years have been reclassified to conform to the current year's presentation. None of these reclassifications impacted reported operating or net loss for any presented period.

***Concentrations of Credit Risk***

Cash and cash equivalents, receivables and loan receivables are potentially subject to concentration of credit risk. Cash and cash equivalents are placed with several financial institutions that management believes are of high credit quality. The Company's receivables include amounts concentrated with three payment gateway companies representing 53.6% and 55.3% of the total receivables balance as of March 31, 2026, and December 31, 2025, respectively. Three borrowers represent 88.7% and 88.9% of the total loan receivables balance as of March 31, 2026, and December 31, 2025, respectively.

***Performance Stock Units***

During the three months ended March 31, 2026, the Company granted awards in the form of "Performance Stock Units" ("PSUs"), which provide recipients with the right to receive shares of the Company's common stock upon vesting, subject to the achievement of a market condition based on the Company's total shareholder return ("TSR") relative to a custom peer group over the performance period, and the recipient's continued service with the Company.

Compensation expense for PSU awards is recognized ratably over the requisite service period based on the grant-date fair value, regardless of whether the market condition is ultimately achieved. The grant-date fair value of PSU awards is estimated using a Monte Carlo simulation model and is not subsequently remeasured. All of the outstanding PSU awards at March 31, 2026, are classified as equity awards in accordance with ASC 718, given that these awards will be settled in shares of the Company's common stock upon vesting. See Note 9. *Stock-Based Compensation* for more information on the Company's PSU awards.

***Goodwill and Impairment of Goodwill***

Goodwill represents the excess of the purchase price and related costs over the fair value of the net identified tangible and intangible assets and liabilities assumed in a business combination. In accordance with ASC Topic 350, "Intangibles—Goodwill and Other," goodwill is not amortized but is tested for impairment annually, or more frequently if circumstances indicate a possible impairment may exist. During the fiscal year ended December 31, 2025, the Company recorded a significant impairment charge to write down the carrying value of goodwill to its estimated fair value, reflecting adjusted expectations for future cash flows and market valuations. While no additional impairment was recognized during the current interim period, the Company estimates the fair value of its reporting units using a discounted cash flow methodology, which represents a Level 3 fair value measurement under ASC 820. This process involves significant

management assumptions and judgments, including projected sales growth, gross margins, and the selection of an appropriate discount rate. There can be no assurance that the estimates and assumptions used in these tests will prove to be accurate predictions of the future, and further material impairment charges may be required in the near term.

#### **Recent Accounting Pronouncements**

On January 1, 2026, the Company adopted ASU 2025-05 and elected the practical expedient for measuring expected credit losses on a prospective basis. The adoption did not have a material impact on the Company's unaudited Condensed Consolidated Financial Statements.

Except for ASU 2025-05 adopted on January 1, 2026, there have been no significant changes to our accounting policies as described in our Annual Report on Form 10-K for the year ended December 31, 2025.

#### **Note 2. Revenue**

##### **Disaggregation of Revenue**

The following table shows revenues disaggregated by revenue stream for the three months ended March 31, 2026, and March 31, 2025, respectively:

	Three Months Ended	
	March 31, 2026	March 31, 2025
	<i>(in thousands of USD)</i>	
Paid Content	\$ 261,438	\$ 260,226
Advertising	39,682	39,898
IP Adaptations	19,752	25,583
<b>Total</b>	<b>\$ 320,872</b>	<b>\$ 325,707</b>

The revenue stream disaggregation above takes into consideration how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors.

*Paid content* revenue is generated from the provision of platform services that enable users to access content. Paid content revenue also includes \$2.4 million and \$2.6 million of physical book sales through the platform for the three months ended March 31, 2026, and 2025, respectively.

*Advertising* revenue represents amounts earned for the display of advertisements on our offerings or product placement within content.

*IP Adaptations* revenue originates from the internal development of film, streaming series, or other rich media format adaptations commissioned by third party studios or streaming platforms. The composition of this revenue stream was primarily as follows for the three month periods ended March 31, 2026, and 2025:

- Licensing fees (from sublicensing content to third parties): \$3.0 million and \$3.1 million, respectively.
- Merchandise sales (from external platforms, IP royalties, and pop-up stores): \$1.4 million and \$1.1 million, respectively.

The following table shows disaggregation of revenue by geography for the three months ended March 31, 2026 and 2025:

	Three Months Ended	
	March 31, 2026	March 31, 2025
	<i>(in thousands of USD)</i>	
Korea	\$ 120,421	\$ 117,741
Japan	154,291	164,258
Rest of World	46,160	43,708
<b>Total</b>	<b>\$ 320,872</b>	<b>\$ 325,707</b>

##### **Contract Liabilities**

Contract liabilities primarily include payments received for virtual currency prior to the Company satisfying its performance obligation to deliver content to the customer.

We recognized revenues of \$76.4 million and \$71.8 million during the three months ended March 31, 2026, and 2025, respectively, that were included within Contract liabilities on the Condensed Consolidated Balance Sheets as of the beginning of the respective period.

Our remaining performance obligations were \$94.6 million and \$90.0 million as of March 31, 2026, and December 31, 2025, respectively, and we expect to recognize the entire amounts within one year of the respective dates.

**Note 3. Loss per share**

Basic earnings (loss) per share is computed using the weighted-average number of outstanding shares of common stock during the period, including vested restricted stock units ("RSUs"). Diluted earnings (loss) per share is computed using the weighted average number of outstanding shares of common stock and potentially dilutive common shares outstanding during the period. Potentially dilutive common shares consist of incremental shares issuable upon the assumed exercise of stock options and vesting of unvested RSUs and PSUs. For the three months ended March 31, 2026, and 2025, the Company's Korean subsidiaries and equity method investees each had outstanding stock options that will be settled in each respective subsidiary or equity method investee's common shares. The numerator of the Company's earnings (loss) per share include the Parent's proportionate share of the diluted earnings or loss per share impact of outstanding subsidiaries and equity method investees' stock options.

The following table sets forth the computation of basic and diluted earnings (loss) per share for the three months ended March 31, 2026, and 2025, respectively, (in thousands of USD, except share and per share amounts):

	<b>Three Months Ended</b>	
	<b>March 31, 2026</b>	<b>March 31, 2025</b>
<b>Basic earnings (loss) per share:</b>		
Net income (loss) attributable to WEBTOON Entertainment Inc.	\$ (9,455)	\$ (22,389)
Add: allocation to subsidiary / equity method investee participating security <sup>1</sup>	(107)	(87)
Net income (loss) attributable to WEBTOON Entertainment Inc.	\$ (9,562)	\$ (22,476)
Shares used in computation:		
Weighted-average common shares outstanding	133,618,587	129,598,942
<b>Basic earnings (loss) per share:</b>	<b>\$ (0.07)</b>	<b>\$ (0.17)</b>
<b>Diluted earnings (loss) per share:</b>		
Net income (loss) attributable to WEBTOON Entertainment Inc.	\$ (9,562)	\$ (22,476)
Add: dilutive impact of subsidiary / equity method investee stock options	—	(3)
Diluted net income (loss) attributable to WEBTOON Entertainment Inc.	\$ (9,562)	\$ (22,479)
Shares used in computation:		
Weighted-average common shares outstanding	133,618,587	129,598,942
Dilutive effect of stock options and unvested RSUs	—	—
Dilutive effect of unvested PSUs	—	—
Diluted weighted-average common shares outstanding	133,618,587	129,598,942
<b>Diluted earnings (loss) per share</b>	<b>\$ (0.07)</b>	<b>\$ (0.17)</b>

1. Represents net income/(loss) allocable to Jakga Company Inc. ("Jakga") redeemable convertible preferred stock which is a participating security per ASC 260.

The following potentially dilutive outstanding securities were excluded from the computation of diluted net earnings (loss) per share because their effect would have been anti-dilutive for the periods presented, or issuance of such shares is contingent upon the satisfaction of certain conditions which were not satisfied by the end of the period:

	Three Months Ended	
	March 31, 2026	March 31, 2025
Stock options	10,470,017	10,824,760
Unvested RSUs	4,270,897	3,759,834
Unvested PSUs	267,720	—
Subsidiary / equity method investee stock options	443,657	332,597
<b>Total</b>	<b>15,452,291</b>	<b>14,917,191</b>

**Note 4. Prepaid Expenses and Other Assets, net**

**Other Current Assets, net**

	As of	
	March 31, 2026	December 31, 2025
	<i>(in thousands of USD)</i>	
Advance payments, net	\$ 40,530	\$ 38,138
Prepaid expenses	13,856	14,635
Term deposits	11,137	10,774
Other current assets, net	7,846	9,100
<b>Total other current assets, net</b>	<b>\$ 73,369</b>	<b>\$ 72,647</b>

Advance payments are primarily comprised of the advance payments for production of film contents and the payment of minimum guarantees to creators or publishers for their provision of content, such as web-comics, on the Company's platform.

The advance payments for production of film contents are directly related to the contract that will be used to satisfy a future performance obligation and are expected to be recovered. These costs are amortized on a systematic basis consistent with the transfer of services to the customer to which the asset relates. The Company recorded amortization expense of \$6.4 million and \$11.6 million during the three months ended March 31, 2026, and 2025, respectively. The Company's balance of advance payments, net due to film production contracts was \$31.9 million and \$29.0 million as of March 31, 2026, and December 31, 2025, respectively.

The advance payments for minimum guarantees are amortized as associated commission expenses payable to creators or publishers are incurred. When the Company determines the estimated future commission expenses payable are less than the carrying amount of such advance payments, the remaining portion of that advance payment is charged to expense in the period in which such determination is made.

As of March 31, 2026, and December 31, 2025, \$8.5 million and \$8.7 million, respectively, of the term deposit balance was pledged to Sumitomo Mitsui Banking Corporation as a compensating balance deposit on contract liabilities of the Company's subsidiary in accordance with the *Payment Services Act* in Japan.

**Other Non-Current Assets, net**

	As of	
	March 31, 2026	December 31, 2025
	<i>(in thousands of USD)</i>	
Advance payments, net	\$ 27,753	\$ 25
Long-term loans, net	29,292	30
Other non-current assets, net	8,636	8
<b>Total other non-current assets, net</b>	<b>\$ 65,681</b>	<b>\$ 65</b>

Long-term advance payments represent the portion of advance payments expected to remain on the balance sheet beyond one year. When the Company determines the estimated future commission expenses payable are less than the carrying amount of the long-term advance payments, the remaining portion of that long-term advance payment is charged to expense in the period in which such determination is made. The Company's balance of advance payments, net due to film production contracts was \$9.8 million and \$7.3 million as of March 31, 2026, and December 31, 2025, respectively.

**Note 5. Goodwill, net**

The changes in the carrying amount of goodwill for the three months ended March 31, 2026, are as follows:

	<i>(in thousands of USD)</i>	
<b>Goodwill, net at December 31, 2025</b>	<b>\$</b>	<b>336,825</b>
Foreign currency translation adjustments		(5,993)
<b>Goodwill, net at March 31, 2026</b>	<b>\$</b>	<b>330,832</b>

**Note 6. Property and Equipment, net**

Property and equipment, net consists of the following:

	<b>Estimated Useful Lives</b>	<b>As of</b>	
		<b>March 31, 2026</b>	<b>December 31, 2025</b>
	<i>(in years)</i>	<i>(in thousands of USD)</i>	
Land	Indefinite	\$ 105	\$ 110
Buildings	40	165	174
Equipment	3-5	13,654	13,775
Leasehold improvements	Lesser of lease term or useful life	3,191	3,280
Construction in progress		3,029	295
<b>Property and equipment</b>		<b>\$ 20,144</b>	<b>\$ 17,634</b>
Less: Accumulated depreciation		(9,550)	(9,295)
<b>Property and equipment, net</b>		<b>\$ 10,594</b>	<b>\$ 8,339</b>

**Note 7. Leases**

Supplemental disclosure of cash flow information related to operating leases is as follows for the three months ended March 31, 2026, and 2025, respectively:

	<b>Three Months Ended</b>	
	<b>March 31, 2026</b>	<b>March 31, 2025</b>
	<i>(in thousands of USD)</i>	
Cash paid for amounts included in the measurement of operating lease liabilities	\$ 2,767	\$ 1,240
Right-of-use assets obtained in exchange for operating lease liabilities	\$ 4	\$ 12,007

In March 2025, LINE Digital Frontier entered into two lease agreements for office space. The leases commenced in March 2025, and expire in February 2030, with monthly payments of \$0.1 million each, at a discount rate of 2.9%. Upon commencement, each of the two leases was recognized as a right-of-use asset in the amounts of \$6.0 million and \$6.0 million, respectively.

The Company subleases a portion of its operating lease right-of-use assets for buildings. Sublease income was \$0.1 million and \$0.1 million for the three months ended March 31, 2026, and 2025, respectively, and is included within Other income (loss), net on the Condensed Consolidated Statements of Operations and Comprehensive Loss.

As of March 31, 2026, the Company has executed a lease agreement, which commences April 1, 2026, for the Company's new headquarters. Costs incurred prior to the commencement date, including leasehold improvements and the security deposit, are recorded within Property and equipment, net and other current assets, net respectively.

**Note 8. Commitments and Contingencies*****Contingencies***

The Company records a loss contingency, consistent with ASC 450, when it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. The Company also discloses material contingencies when it believes a loss is not probable but reasonably possible. Accounting for contingencies requires us to use judgment related to both the likelihood of a loss and the estimate of the amount or range of loss.

***Legal Proceedings***

The Company is involved in a number of claims pending with various courts, or otherwise unresolved as of March 31, 2026. Adverse results in these claims may include awards of damages and may also result in, or even compel a change in the Company's business practices, which could materially impact the Company's future financial results. The Company cannot determine the potential loss or a range of possible losses for cases in their initial stages or where there is an unclear and inconsistent interpretation of laws related to the industry-specific grievances across various jurisdictions. Though the outcome of pending lawsuits and claims cannot be anticipated with certainty, the Company does not expect adverse results from its pending lawsuits and claims, as of March 31, 2026. The timing and outcome of ongoing legal proceedings are uncertain by nature. Therefore, while management deems the chance of a significant loss for all pending claims, whether asserted or unasserted, to be remote, the resolution of one or more of these legal matters against the Company during the same reporting period in excess of management's projections could negatively impact the Company's unaudited Condensed Consolidated Financial Statements for that reporting period.

***Securities Litigation***

On September 5, 2024, a purported stockholder filed a putative class action lawsuit against the Company, its directors, and the underwriters of the Company's initial public offering completed on June 28, 2024 (the "IPO") in the federal court for the Central District of California, purportedly on behalf of all purchasers of shares of the Company's common stock pursuant or traceable to the IPO Prospectus and the Company's Registration Statement on Form S-1 (File No. 333-279863) relating to our IPO (the "Registration Statement"). The complaint alleges that the Registration Statement was materially false and misleading in violation of Sections 11 and 15 of the Securities Act of 1933. On October 10, 2024, the court ordered that the defendants are not required to answer or otherwise respond to the complaint, deferring any response until after the court rules on any motion by a purported class member to serve as lead plaintiff. On December 12, 2024, the court appointed a lead plaintiff and lead counsel. On February 3, 2025, the lead plaintiff filed an amended complaint, and on March 4, 2025, the Company, its directors, and the underwriters of the IPO moved to dismiss the amended complaint. On March 11, 2025, the lead plaintiff filed an opposition to this motion to dismiss, and on March 18, 2025, the Company, its directors, and the underwriters filed a reply in support of the motion to dismiss. On November 14, 2025, the court issued an order granting in part and denying in part the motion to dismiss. On December 2, 2025, the court issued an amended order granting in part and denying in part the motion to dismiss. On January 9, 2026, the WEBTOON defendants and underwriter defendants filed answers to the operative complaint. Fact discovery is ongoing. The Company intends to defend this case vigorously. At this early stage of the proceedings, the Company can neither predict the ultimate outcome of the litigation nor estimate any range of possible losses.

On November 15, 2024, a purported stockholder filed a shareholder derivative lawsuit against the Company's directors, naming the Company as a nominal defendant, in the federal court for the Central District of California. The complaint focuses on the same allegations as the putative securities class action described above, including that the Company's Registration Statement was materially false or misleading. The complaint includes claims for violations of Section 14 (a) of the Exchange Act, breach of fiduciary duties, and unjust enrichment, abuse of control, gross mismanagement, waste of corporate assets, and contribution under Section 11(f) of the Securities Act of 1933, and Section 31D of the Exchange Act of 1934. On January 13, 2025, by stipulation of the parties, the court ordered the shareholder derivative lawsuit stayed pending resolution of the Company's motion to dismiss in the putative securities class action. On April 24, 2026, by stipulation of the parties, the court ordered the shareholder derivative lawsuit stayed until the end of the fact discovery period in the securities class action (currently scheduled for November 30, 2026). At this early stage of the proceedings, the Company can neither predict the ultimate outcome of the litigation nor estimate any range of possible losses.

On May 5, 2026, a purported shareholder filed a shareholder derivative lawsuit against the Company's directors, naming the Company as a nominal defendant, in the federal court for the Central District of California. The complaint focuses on similar allegations as the putative securities class action described above, including that the Company's Registration Statement was materially false or misleading. The complaint includes claims for breach of fiduciary duties, aiding and abetting breach of fiduciary duties, unjust enrichment, waste of corporate assets, and contribution under Section

11(f) of the Securities Act of 1933, and Section 31D of the Exchange Act of 1934. At this early stage of the proceedings, the Company can neither predict the ultimate outcome of the litigation nor estimate any range of possible losses.

**Note 9. Stock-Based Compensation**

**Restricted Stock Units**

The table below summarizes the Company's RSU activity for the three months ended March 31, 2026:

	Number of RSUs	Weighted Average Grant-Date Fair Value
<b>Balance as of December 31, 2025</b>	3,298,513	\$ 13.69
Granted	2,279,353	\$ 9.02
Forfeited	(71,174)	\$ 13.98
Vested	(1,235,795)	\$ 9.48
<b>Balance as of March 31, 2026</b>	<b>4,270,897</b>	<b>\$ 12.41</b>

As of March 31, 2026, the total unrecognized compensation expense related to unvested RSUs was \$39.8 million and is expected to be recognized over the remaining weighted-average service period of 1.6 years using the straight-line method and graded-vesting methods, as appropriate, net of estimated forfeitures.

**Performance Stock Units**

On March 26, 2026, the Company granted Performance Stock Units ("PSUs") to certain employees under the 2024 Omnibus Incentive Plan. The vesting of PSUs is subject to a market condition based on the Company's total shareholder return ("TSR") relative to a custom peer group over the performance period from January 1, 2026, through December 31, 2028, and the recipient's continued service with the Company.

The PSUs are eligible to be earned and vest from 0% to 200% of the target number of shares granted, depending on the Company's relative TSR percentile ranking among the peer group at the end of the performance period. The grant-date fair value of the PSU awards was estimated using a Monte Carlo simulation model, resulting in a weighted-average grant-date fair value of \$13.27 per target share. The simulation was performed using an expected volatility of 69.8%, a risk-free interest rate of 3.9%, and an expected dividend yield of 0%.

The table below summarizes the Company's PSU activity for the three months ended March 31, 2026:

	Number of PSUs	Weighted Average Grant-Date Fair Value
<b>Balance as of December 31, 2025</b>	—	\$ —
Granted	267,720	\$ 13.27
Forfeited	—	\$ —
Vested	—	\$ —
<b>Balance as of March 31, 2026</b>	<b>267,720</b>	<b>\$ 13.27</b>

As of March 31, 2026, total unrecognized compensation expense related to unvested PSU awards was \$3.3 million, which is expected to be recognized over a weighted-average remaining service period of approximately 2.94 years using the straight-line method.

The following table summarizes the Company's Phantom Unit activity for the three months ended March 31, 2026:

	Number of Phantom Units	Weighted Average Grant-Date Fair Value
<b>Balance as of December 31, 2025</b>	328,748	\$ 9.04
Granted	—	\$ —
Forfeited	(3,152)	\$ 9.04
Vested	(198,941)	\$ 9.04
<b>Balance as of March 31, 2026</b>	<b>126,655</b>	<b>\$ 9.04</b>

The following table summarizes the effects of all stock-based compensation in the Condensed Consolidated Statements of Operations and Comprehensive Loss for the periods presented:

	Three Months Ended	
	March 31, 2026	March 31, 2025
	<i>(in thousands of USD)</i>	
Cost of revenue	\$ 1,543	\$ 4,780
Marketing	212	836
General and administrative expenses	5,870	12,637
<b>Total</b>	<b>\$ 7,625</b>	<b>\$ 18,253</b>

**Note 10. Stockholders' Equity**

On January 8, 2026, the Company entered into a Securities Purchase Agreement (the "Purchase Agreement") with a wholly owned indirect subsidiary of The Walt Disney Company ("Disney"), pursuant to which Disney purchased 2,666,757 shares of the Company's common stock, par value \$0.0001 per share (the "Shares"), representing an approximately 2% equity interest in the Company, for an aggregate purchase price of \$32.8 million. The Shares were issued in a private placement in reliance on the exemption provided by Section 4(a)(2) of the Securities Act, as a transaction not involving a public offering.

In connection with the Purchase Agreement, the Company has provided Disney with certain rights related to its investment in the Shares, including the ability to approve certain corporate actions that would adversely affect Disney or its affiliates and the ability to sell or otherwise transfer the Shares for the same consideration, on the same terms and subject to the same conditions as a sale or transfer made by NAVER Corporation or LY Corporation.

**Note 11. Income Taxes**

The Company's income tax provision for the three months ended March 31, 2026, is determined using an estimate of the Company's annual effective tax rate, adjusted for any discrete items reflected in the relevant period. Income tax expense was \$2.7 million and \$2.5 million, with effective tax rates of (43.6)% and (13.1)%, during the three months ended March 31, 2026 and 2025, respectively. This includes a discrete tax benefit of \$1.8 million and a discrete tax expense of \$1.4 million for the three months ended March 31, 2026 and 2025, respectively, due to the return-to-provision true-up adjustments in Korea and Japan tax return filings.

The change in effective tax rate is primarily driven by the change in jurisdictional profits and losses. The provision for income taxes differs from the U.S. statutory federal tax rate of 21% primarily due to state income taxes, foreign income taxes, and the non-recognition of deferred tax assets due to a full valuation allowance against deferred tax assets in the U.S. and taxable loss generating subsidiaries in Korea, Canada, and Japan.

In evaluating the realizability of these deferred tax assets, we consider on a jurisdictional basis, the period of sustained taxable losses, the existence of taxable temporary differences, and available sources of future taxable income. As of March 31, 2026, we cannot objectively assert that these deferred tax assets are more likely than not to be realized and therefore we have maintained a valuation allowance. We intend to continue maintaining a valuation allowance on these deferred tax assets until there is sufficient positive evidence to support the reversal of all or some portion of these allowances. It is reasonably possible that within the next 12 months, we may have enough positive evidence to release part or all of the remaining valuation allowance in Japan. This release would reduce our income tax expense for the period, significantly impacting our net earnings. The timing and amount of the release depend on the Company's actual profitability.

**Note 12. Retirement Benefits**

**Defined severance benefits**

The following table provides the components of net periodic benefit costs (income):

	Three Months Ended	
	March 31, 2026	March 31, 2025
	<i>(in thousands of USD)</i>	
Current service costs	\$ 1,272	\$ 1,190
Interest expense	339	268
Actuarial gain	(49)	(884)
<b>Net periodic benefit costs (income)</b>	<b>\$ 1,562</b>	<b>\$ 574</b>

**Defined severance contribution**

Defined severance expense was \$0.7 million and \$0.5 million for the three months ended March 31, 2026, and 2025, respectively.

**Note 13. Segment and Geographic Information**

**Segment Information**

The Company operates as one reportable segment, which derives its revenue from paid content, advertising, and IP adaptations revenue streams. Our chief operating decision maker ("CODM") is the Chief Executive Officer. The CODM reviews financial information presented on a consolidated basis for the purposes of allocating resources and evaluating financial performance. The CODM manages the Company as a consolidated ecosystem because the revenue streams are interrelated, and resources are shared.

The CODM uses net income (loss) as reported in our Condensed Consolidated Statements of Operations and Comprehensive Loss to assess performance and allocate resources such as employees and capital expenditures. Additionally, the net income (loss) is used to monitor trends in year-over-year or quarter-over-quarter performance comparisons and to compare actual results to forecasts.

The CODM receives and reviews expenses included in segment operating performance regularly. However, the CODM reviews general and administrative expenses on a more disaggregated basis to ensure the resources are in line with its business and operating needs.

The measure of segment revenue and assets are reported on the Condensed Consolidated Statements of Operations and Comprehensive Loss as total sales and the Condensed Consolidated Balance Sheets as total assets, respectively.

All intercompany and intra-entity transactions and balances have been eliminated.

The following table presents reportable segment profit and loss, including significant expense categories, attributable to the Company's reportable segment for the periods presented:

	<b>Three Months Ended</b>	
	<b>March 31, 2026</b>	<b>March 31, 2025</b>
	<i>(in thousands of USD)</i>	
Revenue	\$ 320,872	\$ 325,7
Cost of revenue	237,824	254,0
Marketing	30,520	31,5
General and administrative expenses - labor related	26,514	23,3
General and administrative expenses - non-labor related	34,045	43,3
Interest income	(4,374)	(5,1)
Interest expense	17	
Loss(income) on equity method investment, net	446	5
Other loss (income), net	2,005	(2,6
Income tax expense (benefit)	2,672	2,5
<b>Net Income (Loss)</b>	<b>\$ (8,797)</b>	<b>\$ (21,9</b>

The following non-cash expense items are also included in the measure of segment profit or loss reviewed by the CODM:

Stock-based compensation <sup>1</sup>	\$ 7,603	\$ 18,2
Depreciation and amortization	\$ 7,998	\$ 8,4

<sup>1</sup>The measure of stock-based compensation excludes expenses related to Phantom Units.

### Geographic Information

Refer to Note 2. *Revenue* for revenues by location. The Company's long-lived tangible assets as well as the Company's operating lease right-of-use assets recognized on the Consolidated Balance Sheets as of March 31, 2026, and December 31, 2025, were located as follows:

	<b>As of</b>	
	<b>March 31, 2026</b>	<b>December 31, 2025</b>
	<i>(in thousands of USD)</i>	
Korea	\$ 12,097	\$ 14,
Japan	14,366	15,
Rest of World	4,641	2,
<b>Total long-lived tangible assets and operating lease right-of-use assets</b>	<b>\$ 31,104</b>	<b>\$ 32,</b>

**Note 14. Fair Value Measurements**

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The table below presents the valuation techniques and the nature of significant inputs generally used in determining the fair value of Level 3 Instruments.

Level 3 Instruments	Valuation Techniques and Significant Inputs
	Recent third-party investments or pending transactions are considered to be the best evidence for any change in fair value. When these are not available, the following valuation methodologies are used, as appropriate and available (i) Transactions in similar instruments; (ii) discounted cash flow techniques; (iii) third party appraisals; (iv) binomial option pricing models; and (v) industry multiples and public comparables.
<b>Debt and Equity Securities</b>	Evidence of value in investees includes recent or pending reorganizations (for example, merger proposals, tender offers and debt restructurings) and significant changes in financial metrics, including (i) current financial performance as compared to projected performance; (ii) capitalization rates and multiples; and (iii) market yields implied by transactions of similar or related assets.

The tables below present the ranges of significant unobservable inputs used to value the Company's Level 3 assets as of March 31, 2026, and December 31, 2025. These ranges do not represent a range of values for any single instrument. For example, the lowest discount rate for a particular redeemable convertible preferred stock investment may be appropriate for valuing that specific debt security but may not be appropriate for valuing any other debt securities in this asset class. Accordingly, the ranges of inputs presented below do not represent uncertainty in, or possible ranges of, fair value measurements of the Company's Level 3 assets.

Level 3 Instruments	Amount	Valuation Techniques	Significant Unobservable Inputs	Range of Significant Unobservable Inputs
<i>As of March 31, 2026</i>				
<b>Debt Securities</b>				
Redeemable convertible preferred stock	\$ 41,180	Option pricing model	Discount rate	8.64%-27.20%
			Volatility	42.65%-51.46%
<b>Total</b>	<b>\$ 41,180</b>			
<b>Equity Securities</b>				
Redeemable convertible preferred stock	\$ 15,000	Measurement alternative		
Contribution to investment fund	609	Measurement alternative		
Private equity securities	697	Measurement alternative		
Convertible preferred stock	5,862	Option pricing model	Discount rate	3.14%-5.81%
			Volatility	42.65%-42.65%
Simple Agreement For Future Equity (SAFE)	1,000	Measurement alternative		
<b>Total</b>	<b>\$ 23,168</b>			

**As of December 31, 2025**
**Debt Securities**

Redeemable convertible preferred stock	\$	46,024	Option pricing model	Discount rate	8.25%-21.68%
				Volatility	39.98%-51.46%

<b>Total</b>	<b>\$</b>	<b>46,024</b>
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**Equity Securities**

Redeemable convertible preferred stock	\$	15,000	Measurement alternative
Contribution to investment fund		642	Measurement alternative
Private equity securities		735	Measurement alternative
Convertible preferred stock		6,268	Option pricing model
			Discount rate
			Volatility
			2.35%-2.94%
			51.46%-51.46%

Simple Agreement For Future Equity (SAFE)		1,000	Measurement alternative
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<b>Total</b>	<b>\$</b>	<b>23,645</b>
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As noted above, either the binomial optional pricing model or market approach were used in the determination of fair value of *Level 3* assets as of March 31, 2026, and December 31, 2025. The significant unobservable inputs used in the binomial option pricing model are the discount rate or market yield used to discount the estimated future cash flows expected to be received from the underlying investment, which include both future principal and interest payments. An increase in the discount rate or market yield would result in a decrease in the fair value. Included in the consideration and selection of discount rates or market yields is risk of default, rating of the investment, call provisions and comparable company investments.

The significant unobservable inputs used in the market approach are based on market comparable transactions and market multiples of publicly traded comparable companies. Increases or decreases in market comparable transactions or market multiples would result in an increase or decrease in the fair value.

The below tables present a summary of changes in fair value of Level 1 and Level 3 assets, included within Debt and equity securities in the Condensed Consolidated Balance Sheets, by investment type (in thousands of USD):

	Three Months Ended March 31, 2026			
	Level 1	Level 3		Total
	Equity Securities	Equity Securities	Debt Securities	Debt & Equity Securities
<b>Beginning balance, January 1</b>	\$ -	\$ 23,645	\$ 46,024	\$ 69,669
Net unrealized gain (loss)	-	(83)	(2,544)	(2,627)
Currency translation differences	-	(394)	(2,300)	(2,694)
<b>Ending balance, March 31</b>	\$ -	\$ 23,168	\$ 41,180	\$ 64,348

	Three Months Ended March 31, 2025			
	Level 1	Level 3		Total
	Equity Securities	Equity Securities	Debt Securities	Debt & Equity Securities
<b>Beginning balance, January 1</b>	\$ 3	\$ 22,034	\$ 48,142	\$ 70,179
Purchases	-	-	3,790	3,790
Net unrealized gain (loss)	-	225	(1,169)	(944)
Currency translation differences	-	12	87	99
<b>Ending balance, March 31</b>	\$ 3	\$ 22,271	\$ 50,850	\$ 73,124

The Level 1 equity securities relate to investments in public equity securities that have readily determinable fair values.

The Level 3 debt securities relate to the Company's investments in privately held companies through the purchase of redeemable convertible preferred stock that meet the definition of a debt security.

The Level 3 equity securities relate to the Company's investments in privately held companies through the purchase of convertible preferred stock, private equity securities, Simple Agreement For Future Equity (SAFE), contribution to investment fund and redeemable convertible preferred stock. For these equity securities, the Company does not have the ability to exercise significant influence on the investee, and therefore accounts for them as equity securities under ASC Topic 321, *Investments in Equity Securities*. These equity securities include non-marketable equity investments without readily determinable fair values. The company has elected to account for these investments using the measurement alternative, under which the carrying value is measured at cost, less any impairment, plus or minus changes resulting from observable price changes in orderly transactions for identical or similar investments of the same issuer. For the three months ended March 31, 2026, there were no upward or downward adjustments resulting from observable price changes, and no impairment losses were identified or recognized for these investments.

The following table presents a summary of the changes in the carrying value of our equity securities measured using the measurement alternative for the three months ended March 31, 2026:

	<i>(in thousands of USD)</i>	
<b>Beginning balance, December 31, 2025</b>	<b>\$</b>	<b>17,377</b>
Currency translation differences		(71)
<b>Ending balance, March 31, 2026</b>	<b>\$</b>	<b>17,306</b>

For the three months ended March 31, 2026, and 2025, the Company did not recognize any realized gain or loss on its Level 3 equity or debt securities.

**Note 15. Related Party Transactions**

***The Company's Related Parties***

NAVER and LY Corporation ("LY", formerly named Z Holdings Corporation) are the primary shareholders of the Parent. Related parties include NAVER's controlled affiliates, Company's management, Company directors, and stakeholders that hold significant influence over the Company. During the three months ended March 31, 2026, and 2025, the Company provided advertising services to NAVER group companies and LY giving rise to related party receivables as of March 31, 2026, and December 31, 2025. Additionally, during the three months ended March 31, 2026, and 2025, the Company received brand-usage and outsourcing services from NAVER and LY, which resulted in the Company recognizing related party payables as of March 31, 2026, and December 31, 2025.

In addition to the transactions mentioned above, the Company has a history of renting facilities from its parent, NAVER. Related party operating lease expenses were \$1.3 million and \$0.6 million during the three months ended March 31, 2026, and 2025, respectively, with related lease obligations of \$8.9 million and \$10.6 million as of March 31, 2026, and December 31, 2025, respectively (Refer to Note 7. *Leases* for additional information). The Company also subleases part of its office space to other related parties and the total other income generated from subleases was \$0.1 million and \$0.1 million for the three months ended March 31, 2026, and 2025, respectively.

***Related Party Transactions and Balances***

The Company entered into the following significant related party transactions during the periods presented:

	<b>Three Months Ended</b>	
	<b>March 31, 2026</b>	<b>March 31, 2025</b>
	<i>(in thousands of USD)</i>	
Revenue generated	\$ 18,243	\$ 17,713
Cost of revenue incurred	27,071	28,131
Marketing expenses incurred (cost reimbursed)	(1,729)	(2,581)
General and administrative expenses incurred	7,817	6,913
Other income, net	408	411

\* all expenses are net amounts including reimbursement from its related parties

The Company had the following significant balances due from and due to related parties as of March 31, 2026, and December 31, 2025:

	As of	
	March 31, 2026	December 31, 2025
<i>(in thousands of USD)</i>		
<b>Due from related parties</b>		
Receivables	\$ 54,303	\$ 55,156
Other current assets	\$ 4,053	\$ 4,730
Other non-current assets	\$ 6,784	\$ 5,496
Loan receivables	\$ 27,002	\$ 28,417
<b>Due to related parties</b>		
Current portion of operating lease liabilities	\$ 4,953	\$ 5,221
Operating lease liabilities	\$ 3,933	\$ 5,371
Accounts payable	\$ 24,207	\$ 18,765
Accrued expenses	\$ 6,048	\$ 6,849

**Note 16. Equity Method Investments**

The Company accounts for investments using the equity method when the Company can exercise significant influence over operating and financial policies, but does not hold a controlling interest in the investee.

	<i>(in thousands of USD)</i>	
<b>Balance as of December 31, 2025</b>	\$	80,440
Share of net income (loss)		(446)
Share of other comprehensive income (loss)		(15)
Dividends		(280)
Currency translation differences		(3,487)
<b>Balance as of March 31, 2026</b>	<b>\$</b>	<b>76,212</b>

There were no equity method acquisitions or disposals during the three months ended March 31, 2026.

**Note 17. Redeemable Non-Controlling Interest in Subsidiary**

The following table summarizes the activity related to the redeemable non-controlling interest in the subsidiary for the periods indicated below (in thousands of USD):

	2026	2025
<b>Balance as of January 1,</b>	\$ 24,540	\$ 36,580
Comprehensive income (loss) attributable to redeemable non-controlling interest	(204)	204
<b>Balance as of March 31,</b>	<b>\$ 24,336</b>	<b>\$ 36,784</b>

**Note 18. Non-Controlling Interest in Subsidiaries**

The Company has non-controlling interests in several of its subsidiaries. The balances of non-controlling interests as of March 31, 2026, and December 31, 2025, are as follows (in thousands of USD):

	As of	
	March 31, 2026	December 31, 2025
Munpia <sup>1</sup>	\$ 32,909	\$ 33,160
Bootcamp <sup>2</sup>	114	120
<b>Total</b>	<b>\$ 33,023</b>	<b>\$ 33,280</b>

1. The Munpia non-controlling interest balance excludes redeemable non-controlling interest (See Note 17. *Redeemable Non-Controlling Interest in Subsidiary* for detail).

2. The portion of net assets in Bootcamp attributable to the LP represents a non-controlling interest.

## **Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.**

*This Management’s Discussion and Analysis of Financial Condition and Results of Operation should be read in conjunction with our unaudited Condensed Consolidated Financial Statements and the related notes to those statements included in this Report and our audited Consolidated Financial Statements and the related notes and the discussion under the heading “Management’s Discussion and Analysis of Financial Condition and Results of Operations” for the year ended December 31, 2025, included in the Annual Report. In addition to historical financial information, the following discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results and timing of selected events may differ materially from those anticipated in these forward-looking statements as a result of many factors, including those discussed under the sections entitled “Risk Factors” and “Cautionary Note Regarding Forward-Looking Statements” in this Report.*

### **Overview**

WEBTOON is a global storytelling platform where a vibrant community of creators and users discover, create and share new content. We have pioneered a cultural movement by revolutionizing the storytelling format and democratizing content creation and publication. WEBTOON empowers creators, by enabling them to participate economically in their own creation, and users, by offering an endless library of content.

**Content** on our platform tells stories, across formats. On our platform, creators tell long-form stories through serialized narratives in the form of short-form, bite-sized episodes, creating a habitual behavior with an engaged user base. These stories are primarily told in two ways—web-comics, a graphical comic-like medium, and web-novels, which are text-based stories. The web-comic medium tells stories using a continuous vertical-scroll format that is easily read on mobile devices. We are able to extend the reach, impact and monetization of our content by adapting it into other media formats such as film, streaming series, games, merchandise and print books.

**Creators** power our content engine by authoring immersive visual stories, developing imaginative new characters and inspiring fandoms. Our creator base ranges from the individual enthusiast with a love of storytelling to the professional author building a brand and an enterprise on our platform. WEBTOON provides creators with an opportunity to monetize their creativity through various means, including Paid Content, advertising and IP Adaptations.

**Users** come to our platform to discover and consume engaging and immersive content. Our creators tell stories that are relatable to global audiences, attracting users across age groups, geographies and genders. Our primary user base is Gen Z and millennials. WEBTOON helps fans discover engaging content across genres, with fresh, weekly releases.

**Community** reinforces the benefits to creators and users on our platform. We help users and creators build relationships and engage with one another over content. As users, or “fans,” often develop a personal connection to the titles on our platform, they relish the direct engagement with creators through both our comments section at the end of each episode and the “Creator Profile” section, where creators can post messages and users can respond directly. Fans also appreciate the ability to potentially influence how stories unfold and how their favorite characters evolve, as creators may choose to incorporate fans’ feedback. This enables a positive feedback loop for content creation and user engagement. This community engagement powers a flywheel of user engagement and creator readership, which in turn drives WEBTOON’s success.

Our platform continuously empowers and incentivizes creators to drive creation of unique long-form stories. These stories are enjoyed on our platform by a growing base of loyal fans and importantly, enable us to expand the audience base off-platform over time. This continuous cycle results in successful and durable franchises within our ever-growing content library, empowering us with a multitude of monetization opportunities through IP Adaptations.

### **Key Business Metrics**

We believe our performance is dependent upon many factors, including the key metrics described below that we track and review to measure our performance, identify trends, formulate financial projections, and make strategic decisions.

Our offerings include WEBTOON, LINE MANGA, NAVER SERIES, eBookJapan, Munpia and Wattpad. We manage our business by tracking several operating metrics, including: monthly active users, or MAU; monthly paying users, or MPU; and Paid Content Average Revenue per Paying User, or ARPPU. For a definition of these operating metrics, please see the “Glossary.” As a management team, we believe each of these operating metrics provides useful information to investors and others.

Our year-over-year activity and quarter-over-quarter growth trends may fluctuate subject to various internal and external factors including (i) seasonality of our business where we see increased activity during holiday season, (ii) magnitude of our marketing campaigns, (iii) hiatus/return of creators and key titles on our platforms, (iv) TV shows, films, and/or gaming release based on our content as part of our IP Adaptation business, (v) our strategic decision to direct traffic

to our mobile application may lead to fluctuations in trends as web users who view in both mediums may choose to continue to consume on our mobile application only and (vi) external factors impacting the global economy, our industry and our company.

### ***Geographic Tracking***

We review each metric by geography where our products are available and accessible. We categorize geographies into Korea, Japan, and Rest of World ("ROW") based on the location of our users:

- **Korea** includes WEBTOON Korea, NAVER SERIES, and Munpia where our content is in Korean and targeted at Korean speaking users.
- **Japan** includes LINE MANGA and eBookJapan where our content is in Japanese and targeted at Japanese speaking users.
- **Rest of World** includes WEBTOON in all other languages including English, Spanish, and more, as well as Wattpad, where our content is targeted at global users outside of Korea and Japan.

In particular, as a proxy for tracking our performance in North America, which we consider to be a key market, amongst Rest of World, we track users who consume WEBTOON offered in English in the U.S. and Canada based on such user's Internet Protocol (IP) addresses (collectively "WEBTOON North America"). For clarity, the following cases are not counted as part of WEBTOON North America but counted as part of Rest of World: (i) where users consume non-English (e.g., Spanish) WEBTOON content while they are physically based in North America and (ii) where users consume non-WEBTOON products (e.g., Wattpad) while they are physically based in North America.

Our methodology of geographic tracking may include an immaterial number of users not geographically located within the above segmentation. For instance, where users consume WEBTOON Korea content while they are physically based outside of Korea, the users will be counted as part of Korea. While we believe that these metrics are reasonable estimates of our user base for the applicable period of measurement, and that the methodologies we employ and update from time-to-time to create these metrics are reasonable bases to identify trends in user behavior, the preparation of each of such metrics involves the use of estimates, judgments and assumptions, and our metrics may be materially affected if such estimates, judgments or good faith assumptions prove to be inaccurate. See "Risk Factors—Risks Related to Our Business, Industry and Operations—Our user metrics and other estimates are subject to inherent challenges in measurement, and real or perceived inaccuracies in those metrics could adversely affect our business and reputation."

### ***Trends in Monthly Active Users (MAU)***

We define MAU as users based on each device logged in and each offering accessed from a single device and may include the same individual user multiple times if the user is logged in from multiple devices or if the user accesses multiple offerings from one device.

We strive to detect and minimize unauthorized access to our platform, fake user accounts and fraudulent accounts created by bots that inflate user activity and we have decided to exclude such users from our MAU calculation, starting from the quarter ended March 31, 2026, to ensure the accuracy and consistency of our MAU reporting. In the previous comparable period, amounts related to such activity were immaterial to our reported results.

We track MAU as an indicator of the scale of our active user base, user engagement and adoption. We also break out MAU by geographic region to help us understand the global engagement.

As of the quarter ended March 31, 2026, our global MAU was approximately 144.3 million. The global MAU decreased by approximately 5.9% compared to March 31, 2025, primarily due to a decrease of MAU in ROW.

- In Korea, our MAU was approximately 23.1 million as of the quarter ended March 31, 2026, compared to MAU of 24.2 million as of the same quarter of 2025.
- In Japan, our MAU was 21.1 million as of the quarter ended March 31, 2026, compared to MAU of 21.9 million as of the same quarter of 2025.
- In Rest of World, our MAU was 100.0 million as of the quarter ended March 31, 2026, which declined from 107.3 million as of the comparable prior year period. In addition, while we expected to see reduced automated web traffic in the first quarter of 2026 as we disclosed in our Annual Report, in March 2026, we saw a spike in automated web traffic in certain non-core markets, which we have excluded from our MAU calculation.

### ***Trends in Monthly Paying Users (MPU)***

We define MPU as users who have paid to access Paid Content in the applicable calendar month, averaged over each month in the given period. We define paying ratio as the ratio of MPU divided by MAU for the respective periods.

We view MPU and paying ratio to be indicators of the strength of our monetization.

While MAU declined 5.9% year-over-year, MPU grew by approximately 2.2%. This shift reflects the success of our content recommendation initiatives, which are driving higher conversion through better relevance.

During the first quarter of 2026, we navigated foreign exchange headwinds. As of the quarter ended March 31, 2026, our global MPU was 7.5 million with a paying ratio of 5.2%, which is an increase of 0.4% compared to the paying ratio for the quarter ended March 31, 2025 of 4.8%. By geographic regions, Korea, Japan, and Rest of World contributed 49.5%, 27.4% and 23.1% of global MPU, respectively. Paying ratio varies due to the user's ability and propensity to pay across different regions and different product offerings.

- In Korea, our MPU have increased to around 3.7 million with a paying ratio of 16.1%, compared to MPU of 3.4 million and a paying ratio of 14.2% as of the quarter ended March 31, 2025.
- In Japan, our MPU have reached 2.1 million with a paying ratio of 9.8%, compared to MPU of 2.2 million and a paying ratio of 10.3% as of the quarter ended March 31, 2025.
- In Rest of World, our MPU is 1.7 million with a paying ratio of 1.7%, which has remained similar to the prior year's comparable quarter.

### ***Trends in Paid Content Average Revenue per Paying User (ARPPU)***

We define ARPPU as average Paid Content revenue in a given month divided by the number of MPU for such month, averaged over each month in the given period.

We view ARPPU to be an indicator of both the strength of engagement and Paid Content monetization on our platform. Units are in U.S. dollars.

Engagement is a key aspect to drive our monetization. For the quarter ended March 31, 2026, our ARPPU decreased to \$11.6, or a 1.7% decline, compared to the same quarter of 2025. The reduction in ARPPU stemmed primarily from a substantial redistribution of the paying user base to areas generating less average revenue per paying user, a factor that overshadowed the organic increases in monetization within each distinct market. We continue to focus on driving users to the app, as well as converting them to paying users, by advancing our personalization tools.

- In Korea, our ARPPU for the quarter ended March 31, 2026, has increased to \$7.8, or a 4.0% increase compared to the same quarter of 2025.
- In Japan, our ARPPU for the quarter ended March 31, 2026, has increased to \$22.5, or a 0.9% increase compared to the same quarter of 2025.
- In Rest of World, our ARPPU for the quarter ended March 31, 2026, has increased to \$6.8, or a 4.4% increase compared to the same quarter of 2025, primarily driven by reader habituation in paying to view content.

### **Seasonality**

Historically, while the magnitude and timing varies across regions, we experience higher levels of user engagement and monetization in the third quarter of the calendar year primarily as a result of increased use of our platform during the global vacation and holiday schedules of our users. In addition, many advertisers allocate the largest portion of their budgets to the fourth quarter of the calendar year to coincide with increased holiday purchasing. As we continue to diversify our sources of revenue, and in particular increase revenue from advertising, the seasonal impacts may be more pronounced in the fourth quarter in the future or different altogether.

## **Components of Results of Operations**

### ***Revenue***

Our revenue is derived from three distinct revenue streams: Paid Content, Advertising and IP Adaptations.

Our Paid Content revenue represents revenue generated from the sale of content on our platform to users. Advertising revenue represents revenue earned for the display of advertisements on our platform, including in-stream placement within content. Our IP Adaptations revenue comprises of revenue generated from adaptations of certain content on our offerings into other media formats such as films, streaming series, games and merchandise, which may take the form of fixed licensing fees or other arrangements where we participate in the upside of such productions, or sales of

merchandise. See Note 2. *Revenue* in the accompanying notes to our unaudited Condensed Consolidated Financial Statements included in this Report for more information.

#### ***Cost of Revenue***

Cost of revenue consists of Paid Content creator revenue shared with creators, app store fees and other variable costs. Creator revenue share includes commissions payable to creators or publishers based on revenue generated from Paid Content. App store fees include platform fees payable to companies that provide users with the ability to download the mobile application through application stores and make purchases directly through such applications (such as Google and Apple) and certain other payment-related costs. These expenses are lower in Korea where more people buy Coins through our website as opposed to purchases made through mobile applications. Other variable costs include, among other things, costs directly associated with our IP Adaptations business, including payroll and related personal expenses, amortization and production costs.

#### ***Marketing***

Marketing expenses consist of expenses incurred for the promotion of our brand, costs associated with user acquisition and costs associated with loyalty marketing campaigns where we give away free Coins. Marketing expenses also include compensation costs related to sales and marketing personnel.

#### ***General and Administrative Expenses***

General and administrative expenses consist of all our operating costs, excluding cost of revenue and marketing, and include costs related to operating and maintaining our platform, general corporate function costs, stock-based compensation expense (benefit) and depreciation and amortization of non-operating assets. See Note 9. *Stock-Based Compensation* in the accompanying notes to our unaudited Condensed Consolidated Financial Statements included in this Report for more information.

#### ***Interest Income***

Interest income primarily consists of interest earned on our short-term, highly liquid investments with original maturities of three months or less, which are mainly comprised of bank deposits, and interest income from loan receivables.

#### ***Interest Expense***

Interest expense primarily consists of interest related to our outstanding debt obligations, including both short-term borrowings and long-term debt.

#### ***Gain (Loss) on Equity Method Investment, Net***

Gain (loss) on equity method investment, net, includes recognized gain (loss) associated with our investments accounted for using the equity method. See Note 16. *Equity Method Investments* in the accompanying notes to our unaudited Condensed Consolidated Financial Statements included in this Report for more information.

#### ***Other Income (Loss), Net***

Other income (loss), net, primarily consists of gains or losses on valuation of debt and equity securities, net, income or loss on foreign currency, net, retirement benefit, net, and other non-operating income or loss, net.

#### ***Income Tax Benefit (Expense)***

Income tax benefit (expense) primarily includes income taxes in certain federal, state, local, and foreign jurisdictions in which we conduct our business, primarily in the U.S., Korea, Japan and Canada. Foreign jurisdictions have different statutory tax rates from those in the U.S. Additionally, certain of our foreign earnings may also be taxable in the U.S. Accordingly, our effective tax rate will vary depending on the relative proportion of foreign to domestic income, use of tax credits, changes in the valuation of our deferred tax assets and liabilities, and changes in tax laws. See Note 11. *Income Taxes* in the accompanying notes to our unaudited Condensed Consolidated Financial Statements included in this Report for more information.

### **Results of Operations**

#### ***Condensed Consolidated Statements of Operations and Comprehensive Loss***

The following table sets forth our consolidated statement of operations for the three months ended March 31, 2026 and 2025, respectively. We have derived this data from our unaudited Condensed Consolidated Statements of Operations and Comprehensive Loss. The information for each of the periods presented has been prepared on the same basis as our audited Consolidated Financial Statements and, in the opinion of management, reflects all adjustments of a normal, recurring nature that are necessary for the fair statement of the results of operations for the period. This data should be read

in conjunction with our audited consolidated financial statements in the Annual Report, and unaudited Condensed Consolidated Financial Statements included in this Report. Historical results are not necessarily indicative of the results that may be expected in the future.

<i>(in thousands of USD)</i>	<b>Three Months Ended March 31,</b>		<b>% Change</b>
	<b>2026</b>	<b>2025</b>	
Revenue	\$ 320,872	\$ 325,707	(1.5%)
Cost of revenue	(237,824)	(254,096)	(6.4%)
Marketing	(30,520)	(31,543)	(3.2%)
General and administrative expenses	(60,559)	(66,702)	(9.2%)
Operating income (loss)	(8,031)	(26,634)	(69.8%)
Interest income	4,374	5,113	(14.5%)
Interest expense	(17)	(2)	750.0%
Loss on equity method investments, net	(446)	(569)	(21.6%)
Other income (loss), net	(2,005)	2,670	(175.1%)
Income (loss) before income tax	(6,125)	(19,422)	(68.5%)
Income tax benefit (expense)	(2,672)	(2,547)	4.9%
Net income (loss)	(8,797)	(21,969)	(60.0%)
Net income (loss) attributable to non-controlling interests and redeemable non-controlling interests	658	420	56.7%
Net income (loss) attributable to WEBTOON Entertainment Inc.	\$ (9,455)	\$ (22,389)	(57.8%)

### **Comparison of the Three Months Ended March 31, 2026 and March 31, 2025**

#### **Revenue**

<i>(in thousands of USD)</i>	<b>Three Months Ended March 31,</b>		<b>% Change</b>
	<b>2026</b>	<b>2025</b>	
Revenue	\$ 320,872	\$ 325,707	(1.5%)
Paid Content	261,438	260,226	0.5%
Advertising	39,682	39,898	(0.5%)
IP Adaptations	19,752	25,583	(22.8%)

Revenue decreased by \$4.8 million, or 1.5% for the three months ended March 31, 2026, as compared to the three months ended March 31, 2025. This decrease was primarily driven by significant foreign exchange headwinds and timing-related volatility in our IP Adaptations, partially offset by organic growth in Paid Content. Although we experienced a decline in advertising revenue from NAVER, this was offset by revenue from other partners.

On a constant currency basis, our revenue increased \$0.7 million, or 0.2%. We estimate that foreign exchange fluctuations had a total negative impact of approximately \$5.5 million on our reported revenue for the quarter. Refer to the *Non-GAAP Financial Measures* section of this report for a quantitative reconciliation and a description of how we calculate these measures.

#### **Cost of Revenue**

<i>(in thousands of USD)</i>	<b>Three Months Ended March 31,</b>		<b>% Change</b>
	<b>2026</b>	<b>2025</b>	
<b>Cost of revenue</b>	(237,824)	(254,096)	(6.4)

Our cost of revenue decreased by \$16.3 million, or 6.4%, for the three months ended March 31, 2026, as compared to the three months ended March 31, 2025. The decrease was primarily attributable to a shift in the revenue mix to higher margin revenue streams, a reduction in third party transaction fees, a \$3.2 million decrease in stock-based compensation expense due to timing of grants, and a decrease in total sales commissions and content fees paid to creators, reflecting lower revenue during the period.

### Marketing

<i>(in thousands of USD)</i>	Three Months Ended March 31,		% Change
	2026	2025	
Marketing	\$ (30,520)	\$ (31,543)	(3.2)

Marketing expense decreased by \$1.0 million, or 3.2%, for the three months ended March 31, 2026, as compared to the three months ended March 31, 2025, primarily due to a strategic shift toward high-retention acquisition channels and a reduction in lower-efficiency promotional spend.

### General and Administrative Expenses

<i>(in thousands of USD)</i>	Three Months Ended March 31,		% Change
	2026	2025	
General and administrative expenses	\$ (60,559)	\$ (66,702)	(9.2)

General and administrative expenses decreased by \$6.1 million, or 9.2%, for the three months ended March 31, 2026, as compared to the three months ended March 31, 2025. The decrease was primarily driven by a \$6.8 million decrease in stock-based compensation expense due to timing of grants, which was partially offset by increases in other general and administrative costs. We expect our stock-based compensation expense to increase in the second quarter of 2026.

### Interest Income

<i>(in thousands of USD)</i>	Three Months Ended March 31,		% Change
	2026	2025	
Interest income	\$ 4,374	\$ 5,113	(14.5)

Interest income decreased by \$0.7 million, or 14.5%, for the three months ended March 31, 2026, as compared to the three months ended March 31, 2025. The decrease was attributable to lower interest rates as compared to the first quarter of 2025.

### Gain (Loss) on Equity Method Investment, Net

<i>(in thousands of USD)</i>	Three Months Ended March 31,		% Change
	2026	2025	
Gain (loss) on equity method investments, net	\$ (446)	\$ (569)	(21.6)

Gain (loss) on equity method investment, net, decreased by \$0.1 million, or 21.6%, for the three months ended March 31, 2026, as compared to the three months ended March 31, 2025. See Note 16. *Equity Method Investments* in the accompanying notes to our unaudited Condensed Consolidated Financial Statements included in this Report for more information on the Company's equity method investments.

### Other Income (Loss), Net

<i>(in thousands of USD)</i>	Three Months Ended March 31,		% Change
	2026	2025	
Other income (loss), net	\$ (2,005)	\$ 2,670	(175.1)

Other income (loss), net, decreased by \$4.7 million, or (175.1%), for the three months ended March 31, 2026, as compared to the three months ended March 31, 2025. The change was primarily attributable to a \$2.1 million increase in net foreign currency losses, a \$1.7 million increase in net unrealized loss on financial assets measured at fair value, and a

\$0.9 million increase in net periodic benefit costs during the three months ended March 31, 2026 as compared to the three months ended March 31, 2025.

### *Income Tax Expense*

<i>(in thousands of USD)</i>	Three Months Ended March 31,		% Change
	2026	2025	
Income tax expense	\$ (2,672)	\$ (2,547)	4.

Income tax expense increased by \$0.1 million, or 4.9%, for the three months ended March 31, 2026, compared to the three months ended March 31, 2025. See Note 11. *Income Taxes* in the accompanying notes to our unaudited Condensed Consolidated Financial Statements included in this Report for more information on our taxes.

### **Non-GAAP Financial Measures**

In addition to our results determined in accordance with GAAP, our management and our board of directors also consider EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin, revenue on a constant currency basis, and revenue growth on a constant currency basis, ARPPU on a constant currency basis and ARPPU growth on a constant currency basis. We believe that these non-GAAP financial measures provide investors with additional useful information in evaluating our performance. Our non-GAAP financial measures should not be considered in isolation, or as substitutes for, financial information prepared in accordance with GAAP. Non-GAAP measures have limitations as they do not reflect all the amounts associated with our results of operations as determined in accordance with GAAP, and should only be used to evaluate our results of operations in conjunction with the corresponding GAAP measures.

#### ***EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin***

We define EBITDA as net income(loss) before interest income, interest expense, income tax benefit (expense) and depreciation and amortization. We define Adjusted EBITDA as EBITDA with further adjustments to eliminate the effects of loss on equity method investments, effect of applying the valuation method of fair value through profit or loss ("FVPL"), impairment of goodwill, non-cash stock-based compensation and certain other non-recurring costs. We believe that EBITDA and Adjusted EBITDA provide useful information to investors regarding our performance, as it removes the impact of certain items that are not representative of our ongoing business, such as certain non-cash charges and variable charges. We define Adjusted EBITDA Margin as Adjusted EBITDA divided by revenue. EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin are non-GAAP financial measures and are not intended to be substitutes for any GAAP financial measures. They should be considered in addition to, not as substitutes for, or in isolation from, measures prepared in accordance with GAAP, such as consolidated net income (loss) or consolidated net income (loss) margin.

Using EBITDA as a performance measure has material limitations as compared to consolidated net income (loss), or other financial measures as defined under GAAP, as it excludes certain recurring items, which may be meaningful to investors. EBITDA excludes interest expense and interest income; however, as we have borrowed money to finance transactions and operations, or invested available cash to generate interest income, interest expense and interest income are elements of our cost structure and can affect our ability to generate revenue and returns for our stockholders. Further, EBITDA excludes depreciation and amortization; however, as we use capital and intangible assets to generate revenue, depreciation and amortization are necessary elements of our costs and ability to generate revenue. Finally, EBITDA excludes income taxes; however, as we are organized as a corporation, the payment of taxes is a necessary element of our operations. Any measure, including EBITDA, that excludes interest expense, depreciation and amortization and income taxes has material limitations as compared to net income. When using EBITDA as a performance measure, management compensates for these limitations by comparing EBITDA to net loss in each period, to allow for the comparison of the performance of the underlying core operations with the overall performance of the company on a full-cost, after-tax basis.

You are also encouraged to evaluate our calculation of Adjusted EBITDA and Adjusted EBITDA Margin, and the reasons we consider these adjustments appropriate for supplemental analysis. In evaluating these measures, you should be aware that in the future we may incur expenses that are the same as or similar to some of the adjustments in our presentation of Adjusted EBITDA. Our presentation of Adjusted EBITDA and Adjusted EBITDA Margin should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. There can be no assurance that we will not modify the presentation of these measures in the future, and any such modification may be material. Adjusted EBITDA and Adjusted EBITDA Margin have their limitations as analytical tools, and you should not

consider them in isolation or as substitutes for analysis of our results as reported under GAAP. Some of these limitations include:

- Adjusted EBITDA does not include the interest expense and the cash requirements necessary to service interest or principal payments on our debt;
- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future, and Adjusted EBITDA does not reflect cash requirements for replacement of assets that are being depreciated or amortized;
- Adjusted EBITDA excludes the impact of charges and receipts resulting from matters we do not find indicative of our ongoing operations; and
- Other companies in our industry may calculate Adjusted EBITDA and Adjusted EBITDA Margin differently than we do.

The following table presents a reconciliation of net loss to EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin for each of the periods presented.

<i>(in thousands of USD, except percentages)</i>	<b>Three Months Ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
<b>Net income (loss)</b>	\$ (8,797)	\$ (21,969)
Interest income	(4,374)	(5,113)
Interest expense	17	2
Income tax expense	2,672	2,547
Depreciation and amortization	7,998	8,437
<b>EBITDA</b>	<b>\$ (2,484)</b>	<b>\$ (16,096)</b>
Stock-based compensation expense <sup>(1)</sup>	7,625	17,035
Restructuring, advisory and legal fees <sup>(2)</sup>	1,267	1,642
Loss (gain) on fair value instruments, net <sup>(3)</sup>	2,627	930
Loss (gain) on equity method investments, net <sup>(4)</sup>	446	569
<b>Adjusted EBITDA<sup>(5)</sup></b>	<b>\$ 9,481</b>	<b>\$ 4,080</b>
Net income (loss) margin	(2.7)%	(6.7)%
Adjusted EBITDA Margin	3.0 %	1.3 %

(1) Represents non-cash stock-based compensation expense related to WEBTOON's equity incentive plan and stock-based compensation plans of NAVER and Munpia, including amounts which are cash settled. See Note 9. *Stock-Based Compensation* in the accompanying notes to our unaudited Condensed Consolidated Financial Statements in this Report for further details on the amounts included within.

(2) Represents specific costs that are discrete to the periods presented and are not indicative of our core ongoing operations. For the three months ended March 31, 2026, these amounts were comprised of (i) non-routine legal and professional fees associated with the defense of the 2024 IPO-related shareholder litigation, which are outside the ordinary course of business; (ii) one-time advisory fees related to the Purchase Agreement that do not qualify as equity issuance costs; and (iii) professional fees directly related to the strategic restructuring initiative of our Wattpad business. For the three months ended March 31, 2025, these amounts included (i) non-routine legal and professional fees associated with the defense of the 2024 IPO-related shareholder litigation, which are outside the ordinary course of business, and (ii) professional service fees associated with the initial implementation of Sarbanes-Oxley ("SOX") compliance and IPO readiness.

(3) Represents unrealized net loss (gain) of financial assets measured at FVPL, which include the Company's equity investments.

(4) Represents our proportionate share of recognized losses associated with our investments accounted for using the equity method. See Note 16. *Equity Method Investments* in the accompanying notes to our unaudited Condensed Consolidated Financial Statements included in this Report.

(5) Totals may not foot due to rounding.

### *Use of Constant Currency*

We provide revenue, including period-over-period growth rates, adjusted to remove the impact of foreign currency rate fluctuations and the impact of deconsolidated and transferred operations, which we refer to as revenue on a constant currency basis. We calculate revenue on a constant currency basis in a given period by applying the average currency exchange rates in the comparable period of the prior year to the local currency revenue in the current period. We calculate revenue growth (as a percentage) on a constant currency basis by determining the increase in current period revenue over prior period revenue, where current period foreign currency revenue is translated using prior period average currency exchange rates. We calculate revenue (including growth rates) on a constant currency basis in each of our revenue streams - Paid Content, Advertising and IP Adaptations - using the same method as laid out herein.

We provide ARPPU, including period-over-period growth rates, on a constant currency basis for our Paid Content revenue streams as average Paid Content revenue on a constant currency basis in a given month divided by the number of MPU for such month, averaged over each month in the given period. As discussed above, we calculate revenue on a constant currency basis in a given period by applying the average currency exchange rates in the comparable period of the prior year to the local currency revenue in the current period and excluding deconsolidated and transferred operations. We calculate ARPPU growth rates (as a percentage) on a constant currency basis as the increase in current period ARPPU over prior period ARPPU, with current period foreign currency ARPPU translated using prior period average currency exchange rates and excluding deconsolidated and transferred operations.

We believe providing revenue, revenue growth rates, ARPPU and ARPPU growth rates on a constant currency basis helps our investors better understand our underlying performance because they exclude the effects of foreign currency volatility and impacts of deconsolidated and transferred operations that are not indicative of our actual results of operations. Adjusting revenue or ARPPU to remove the effects of foreign currency rate fluctuations, deconsolidation, and transfer of operations results in non-GAAP measures that management uses to help make informed decisions by removing the volatility caused by foreign currency rate fluctuations and the impact of deconsolidated and transferred operations, allowing us to assess whether the business is fundamentally healthy and growing. Additionally, these metrics support management in efficiently allocating resources and determining priorities by providing a basis for evaluating the competitiveness and growth potential of the business itself. It is for these reasons that management believes these non-GAAP metrics add value, but they have their limitations as analytical tools for not reflecting all the amounts associated with our results of operations as determined in accordance with GAAP, and you should not consider them in isolation or as substitutes for analysis of our results as reported under GAAP.

The following table presents a reconciliation of revenue to revenue on a constant currency basis, and ARPPU to ARPPU on a constant currency basis, respectively, for each of the periods presented.

<i>(in thousands of USD, except percentages)</i>	<b>Three Months Ended March 31,</b>		<b>Change</b>
	<b>2026</b>	<b>2025</b>	
<b>Total Revenue</b>	\$ 320,872	\$ 325,707	(1.5%)
Effects of foreign currency rate fluctuations	5,491	-	N/A
Revenue on a Constant Currency Basis	\$ 326,363	\$ 325,707	0.2%
<b>Paid Content Revenue</b>	261,438	260,226	0.5%
Effects of foreign currency rate fluctuations	4,797	-	N/A
Paid Content Revenue on a Constant Currency Basis	\$ 266,235	\$ 260,226	2.3%
<b>Advertising Revenue</b>	39,682	39,898	(0.5%)
Effects of foreign currency rate fluctuations	541	-	N/A
Advertising Revenue on a Constant Currency Basis	\$ 40,223	\$ 39,898	0.8%
<b>IP Adaptations Revenue</b>	19,752	25,583	(22.8%)
Effects of foreign currency rate fluctuations	153	-	N/A
IP Adaptations Revenue on a Constant Currency Basis	\$ 19,905	\$ 25,583	(22.2%)
<b>Paid Content Average Revenue Per Paying User ("ARPPU")</b>			
<b>Korea Paid Content Revenue</b>	\$ 86,888	\$ 77,027	12.8%
Korea ARPPU	\$ 7.8	\$ 7.5	4.0%
Effects of foreign currency rate fluctuations	0.1	-	N/A
Korea ARPPU on a Constant Currency Basis	\$ 7.9	\$ 7.5	5.1%
<b>Japan Paid Content Revenue</b>	139,182	150,401	(7.5%)
Japan ARPPU	22.5	22.3	0.9%
Effects of foreign currency rate fluctuations	0.6	-	N/A
Japan ARPPU on a Constant Currency Basis	\$ 23.2	\$ 22.3	3.7%
<b>Rest of World Paid Content Revenue</b>	35,368	32,798	7.8%
Rest of World ARPPU	6.8	6.5	4.4%
Rest of World ARPPU on a Constant Currency Basis	\$ 6.8	\$ 6.5	4.4%

## Liquidity and Capital Resources

Cash and cash equivalents, along with the proceeds generated from the issuance of equity securities, constitute our main liquidity sources. By March 31, 2026, our principal liquidity was derived from the residual net proceeds of our 2024 Initial Public Offering (IPO), a subsequent private placement, and a strategic equity investment secured in the first quarter of 2026.

On January 8, 2026, we entered into a Securities Purchase Agreement (the "Purchase Agreement") with a wholly owned indirect subsidiary of The Walt Disney Company ("Disney"), pursuant to which Disney purchased 2,666,757 shares of our common stock, par value \$0.0001 per share (the "Shares"), representing an approximately 2% equity interest in the Company, for an aggregate purchase price of \$32.8 million. The Shares were issued in a private placement in reliance on the exemption provided by Section 4(a)(2) of the Securities Act, as a transaction not involving a public offering. We received net proceeds of approximately \$32.5 million, after deducting underwriting discounts and commissions and offering expenses payable by us.

Historically, we have relied primarily upon cash generated from operations and cash provided by NAVER through capital contributions to finance our operations, repay or repurchase indebtedness, finance acquisitions and fund our capital expenditures. NAVER does not have any contractual obligation to provide additional capital to us and therefore there can be no assurance that NAVER will continue to provide additional capital in the form of debt or equity investment in the future to enable us to operate our business. As of March 31, 2026, we had \$594.9 million of cash and cash equivalents, which were primarily invested in short-term, highly liquid investments with original maturities of three months or less from the date of purchase and are mainly comprised of bank deposits. We believe that our existing cash and cash equivalent balances will be sufficient to support our working capital requirements for at least the next 12 months based on our current operating plans. However, our future capital requirements will depend on many factors, including our growth rate, sales

and marketing activities and other factors affecting our business, including those described in the section entitled “Risk Factors” in the Annual Report. Our expected primary uses of our capital on short and long-term bases are for repayment of debt, interest payments, working capital, capital expenditures, geographic expansion and other general corporate purposes.

We may, in the future, enter into arrangements to acquire or invest in complementary businesses, products and technologies, including intellectual property rights, which may require us to seek additional financing. To the extent additional funds are necessary to meet our liquidity needs as we continue to execute our business strategy, we anticipate that they will be obtained through the incurrence of indebtedness, the issuance of additional equity or a combination of these potential sources of funds. Such financing, may however, not be available to us on favorable terms, or at all. In particular, high inflation and interest rates have resulted, and may continue to result, in significant disruption of global financial markets, reducing our ability to access capital. If we are unable to raise additional funds on commercially reasonable terms or at all, our business, financial condition and results of operations could be adversely affected. See “Risk Factors—Risks Related to Our Business, Industry and Operations—We may require additional capital to support our business in the future, and this capital might not be available on reasonable terms, if at all,” in the Annual Report.

### Consolidated Statements of Cash Flows

The following table summarizes our cash flows for the period presented:

<i>(in thousands of USD)</i>	Three Months Ended March 31,	
	2026	2025
Net cash used in operating activities	\$ (11,847)	\$ (18,652)
Net cash used in investing activities	(6,744)	(8,028)
Net cash provided by financing activities	32,682	82
Effect of exchange rate changes on cash and cash equivalents	(1,045)	4,332
Net increase (decrease) in cash and cash equivalents	\$ 13,046	\$ (22,266)

#### Operating Activities

Net cash used in operating activities improved by \$6.8 million for the three months ended March 31, 2026, primarily driven by a \$13.2 million reduction in net loss, along with \$6.8 million and \$8.9 million decreases in cash outflows for the settlement of accounts payable and contract liabilities, respectively. These improvements were partially offset by a \$12.4 million increase in cash used for receivables, driven by the timing of billings and increased prepayments for content or services. Additionally, the year-over-year improvement was moderated by a \$10.6 million reduction in non-cash stock-based compensation and fluctuations in gains on foreign currency transactions.

#### Investing Activities

For the three months ended March 31, 2026, net cash used in investing activities was \$6.7 million, compared to \$8.0 million for the three months ended March 31, 2025. The decrease in net cash used was primarily attributable to a reduction in purchases of marketable securities, largely offset by increased capital expenditures related to facility preparations.

#### Financing Activities

For the three months ended March 31, 2026, net cash provided by financing was \$32.7 million, related to proceeds from issuance of common stock related to a private placement.

### Critical Accounting Policies and Estimates

Our unaudited Condensed Consolidated Financial Statements and the related notes thereto included in this Report are prepared in accordance with GAAP. The preparation of our unaudited Condensed Consolidated Financial Statements in conformity with GAAP requires us to make estimates and judgments that affect the amounts reported in those Condensed Consolidated Financial Statements and the accompanying notes. Although we believe that the estimates we use are reasonable, due to the inherent uncertainty involved in making those estimates, actual results reported in future periods could differ from those estimates.

There have been no material changes to our critical accounting policies and estimates as described in the Annual Report. Refer to Note 1. *Description of Business and Summary of Significant Accounting Policies* in the accompanying notes to the unaudited Condensed Consolidated Financial Statements for recently adopted and issued accounting pronouncements, if any, since the filing of our Annual Report for the year ended December 31, 2025.

**Item 3. Quantitative and Qualitative Disclosures About Market Risk.**

For a discussion of our market risks, see “Quantitative and Qualitative Disclosures About Market Risk” in Part II Item 7A of our Annual Report.

**Item 4. Controls and Procedures.**

***Evaluation of Disclosure Controls and Procedures***

Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Exchange Act is accumulated and communicated to the issuer’s management, including its principal executive and financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Our management, with the participation and supervision of our Chief Executive Officer and our Chief Financial Officer, has evaluated our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of the end of the period covered by this Quarterly Report on Form 10-Q, our disclosure controls and procedures were effective at a level of reasonable assurance.

***Limitations on the Effectiveness of Controls and Procedures***

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected.

***Changes in Internal Control Over Financial Reporting***

There were no changes in our internal control over financial reporting that occurred during the quarter ended March 31, 2026, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II-OTHER INFORMATION

### Item 1. Legal Proceedings.

From time to time, we are subject to legal proceedings, claims and investigations relating to intellectual property, data privacy and data protection, privacy and other torts, illegal or objectionable content, consumer protection, securities, labor and employment, contractual rights, civil rights infringement, false or misleading advertising, governmental investigations and other legal proceedings that arise in the ordinary course of our business. This risk is enhanced in certain jurisdictions outside of the U.S. where our protection from liability for content published on our platform by third parties may be unclear and where we may be less protected under local laws than we are in the U.S. It is not possible to predict the timing and ultimate outcome of a pending or ongoing legal proceeding with certainty, and our assessment of the materiality of a legal proceeding, including any accruals taken in connection therewith, may not be consistent with the ultimate outcome of the legal proceeding. In addition, our current estimates of the potential impact of pending or ongoing legal proceedings on our business, financial condition or results of operations could change from time to time in the future. For additional information about our legal proceedings, see Note 8. *Commitments and Contingencies* to our unaudited Condensed Consolidated Financial Statements included in this Report.

#### *Securities Litigation*

On September 5, 2024, a purported stockholder filed a putative class action lawsuit against the Company, its directors, and the underwriters of the Company's initial public offering completed on June 28, 2024 (the "IPO") in the federal court for the Central District of California, purportedly on behalf of all purchasers of shares of the Company's common stock pursuant or traceable to the IPO Prospectus and the Company's Registration Statement on Form S-1 (File No. 333-279863) relating to our IPO (the "Registration Statement"). The complaint alleges that the Registration Statement was materially false and misleading in violation of Sections 11 and 15 of the Securities Act of 1933. On October 10, 2024, the court ordered that the defendants are not required to answer or otherwise respond to the complaint, deferring any response until after the court rules on any motion by a purported class member to serve as lead plaintiff. On December 12, 2024, the court appointed a lead plaintiff and lead counsel. On February 3, 2025, the lead plaintiff filed an amended complaint, and on March 4, 2025, the Company, its directors, and the underwriters of the IPO moved to dismiss the amended complaint. On March 11, 2025, the lead plaintiff filed an opposition to this motion to dismiss, and on March 18, 2025, the Company, its directors, and the underwriters filed a reply in support of the motion to dismiss. On November 14, 2025, the court issued an order granting in part and denying in part the motion to dismiss. On December 2, 2025, the court issued an amended order granting in part and denying in part the motion to dismiss. On January 9, 2026, the WEBTOON defendants and underwriter defendants filed answers to the operative complaint. Fact discovery is ongoing. The Company intends to defend this case vigorously. At this early stage of the proceedings, the Company can neither predict the ultimate outcome of the litigation nor estimate any range of possible losses.

On November 15, 2024, a purported stockholder filed a shareholder derivative lawsuit against the Company's directors, naming the Company as a nominal defendant, in the federal court for the Central District of California. The complaint focuses on the same allegations as the putative securities class action described above, including that the Company's Registration Statement was materially false or misleading. The complaint includes claims for violations of Section 14 (a) of the Exchange Act, breach of fiduciary duties, and unjust enrichment, abuse of control, gross mismanagement, waste of corporate assets, and contribution under Section 11(f) of the Securities Act of 1933, and Section 31D of the Exchange Act of 1934. On January 13, 2025, by stipulation of the parties, the court ordered the shareholder derivative lawsuit stayed pending resolution of the Company's motion to dismiss in the putative securities class action. On April 24, 2026, by stipulation of the parties, the court ordered the shareholder derivative lawsuit stayed until the end of the fact discovery period in the securities class action (currently scheduled for November 30, 2026). At this early stage of the proceedings, the Company can neither predict the ultimate outcome of the litigation nor estimate any range of possible losses.

On May 5, 2026, a purported shareholder filed a shareholder derivative lawsuit against the Company's directors, naming the Company as a nominal defendant, in the federal court for the Central District of California. The complaint focuses on similar allegations as the putative securities class action described above, including that the Company's Registration Statement was materially false or misleading. The complaint includes claims for breach of fiduciary duties, aiding and abetting breach of fiduciary duties, unjust enrichment, waste of corporate assets, and contribution under Section 11(f) of the Securities Act of 1933, and Section 31D of the Exchange Act of 1934. At this early stage of the proceedings, the Company can neither predict the ultimate outcome of the litigation nor estimate any range of possible losses.

### Item 1A. Risk Factors.

Our risk factors are set forth in the "Risk Factors" in Part I. Item 1A of our Annual Report. There have been no material changes to our risk factors since the filing of such Annual Report.

**Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.**

None.

**Item 3. Defaults Upon Senior Securities.**

None.

**Item 4. Mine Safety Disclosures.**

Not Applicable.

**Item 5. Other Information.**

None.

**Item 6. Exhibits.**

<b>Exhibit Number</b>	<b>Description</b>
3.1	<a href="#">Amended and Restated Certificate of Incorporation of the Registrant (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed with the SEC on July 1, 2024)</a>
3.2	<a href="#">Amended and Restated By-Laws of the Registrant (incorporated by reference to Exhibit 3.2 to the Registrant's Current Report on Form 8-K filed with the SEC on July 1, 2024)</a>
10.1**	<a href="#">Securities Purchase Agreement dated January 8, 2026, by and between WEBTOON Entertainment Inc., and Accelerator Investments LLC.</a>
10.2	<a href="#">Housing Assistance Policy (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on March 30, 2026)</a>
10.3†	<a href="#">Amended Long-Term Assignment Letter between the Company and Yongsoo Kim dated March 26, 2026 (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on March 30, 2026)</a>
10.4*†	<a href="#">Secondment Letter between the Company and David Lee dated May 7, 2026</a>
10.5*†	<a href="#">Form of Performance Stock Unit Agreement under the 2024 Omnibus Incentive Plan</a>
31.1*	<a href="#">Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>
31.2*	<a href="#">Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>
32.1**	<a href="#">Certification of Principal Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File as its XBRL tags are embedded within the Inline XBRL document
101.SCH	Inline XBRL Taxonomy Extension Schema with Embedded Linkbase Documents
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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\* Filed herewith

\*\*Furnished herewith

†Management compensatory plan or contract

# Certain of the exhibits and schedules to this agreement have been omitted in accordance with Item 601(a)(5) of Regulation S-K. A copy of any omitted schedule and/or exhibit will be furnished to the Securities and Exchange Commission upon request.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: May 11, 2026

**WEBTOON Entertainment Inc.**

By: /s/ David J. Lee

David J. Lee

Chief Financial Officer

(Principal Financial Officer)

EXECUTION VERSION

## SECURITIES PURCHASE AGREEMENT

This SECURITIES PURCHASE AGREEMENT dated as of January 8, 2026 (this “Agreement”) is by and between WEBTOON Entertainment Inc., a Delaware corporation (the “Company”), and Accelerator Investments LLC, a Delaware limited liability company (the “Purchaser”). Capitalized terms used but not defined herein have the meanings assigned to them in Exhibit A. The Purchaser desires to purchase from the Company, and the Company desires to issue and sell to the Purchaser, shares of the Company’s common stock, par value \$0.0001 per share (the “Common Stock”), on the terms and subject to the conditions hereinafter set forth.

In consideration of the premises and the mutual representations, warranties, covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

### ARTICLE I

#### PURCHASE AND SALE OF PURCHASED SHARES

Section 1.1 Purchase and Sale. On the terms and subject to the satisfaction or waiver of the conditions set forth in this Agreement, at the Closing, the Purchaser shall purchase, and the Company shall issue and sell to the Purchaser, 2,666,757 shares of Common Stock (the “Purchased Shares”) at the Price Per Share for an aggregate purchase price equal to the product of the Purchased Shares and the Price Per Share (the “Purchase Price”).

Section 1.2 Closing. On the terms and subject to the satisfaction or waiver of the conditions set forth in this Agreement, the closing of the issuance, sale and purchase of the Purchased Shares (the “Closing”) shall take place remotely via the exchange of final documents and signature pages at 9:00 a.m., New York City time, on January 8, 2026, or such other time and place as the Company and the Purchaser may agree. The date on which the Closing is to occur is herein referred to as the “Closing Date.” At the Closing, upon receipt by the Company of payment in full of the Purchase Price by or on behalf of the Purchaser to the Company by wire transfer of immediately available funds to an account designated in writing by the Company, the Company will deliver to the Purchaser evidence reasonably satisfactory to the Purchaser of the issuance of the Purchased Shares in the name of the Purchaser in book-entry form.

### ARTICLE II

#### REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company represents and warrants to the Purchaser as of the date hereof and as of the Closing (except to the extent made only as of a specified date in which case as of such date), that, except as set forth in the SEC Documents:

Section 2.1 Organization. The Company is a Delaware corporation duly formed, validly existing and in good standing under the laws of the jurisdiction of its formation and has all necessary power and authority to own its assets, rights and properties and to carry on its business as presently conducted, except where the failure to be in good standing would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the business, financial condition or results of operations of the Company and its Subsidiaries, taken as a whole, whether or not arising from transactions in the ordinary course of business (a “Material Adverse Effect”) or delay, prohibit or prevent the consummation of the sale of the Purchased Shares.

Section 2.2 Capitalization. The authorized capital stock of the Company, and the outstanding capital stock of the Company (including securities convertible into, or exercisable or exchangeable for, capital stock of the Company) as of September 12, 2025 (the “Capitalization Date”) is set forth in Schedule I. The outstanding shares of capital stock of the Company have been duly authorized and are validly issued and outstanding, fully paid and nonassessable, and subject to no preemptive rights (and were not issued in violation of any preemptive rights). As of the date hereof, except for the issuance of the Purchased Shares (and other than shares issued upon the exercise of stock options or delivered under other equity-based awards or other convertible securities or warrants which were issued and outstanding on the Capitalization Date and disclosed on Schedule I or issued thereafter in the ordinary course of business), the Company does not have outstanding any securities or other obligations providing the holder the right to acquire Common Stock that is not reserved for issuance as specified on Schedule I, and the Company has not made any other commitment to authorize, issue or sell any Common Stock (or securities convertible into, or exercisable or exchangeable for, Common Stock). As of the date hereof, the Company does not have any current plan or intention to make any commitment or enter into any agreement or arrangement to authorize, issue or sell any Common Stock (or securities convertible into, or exercisable or exchangeable for, Common Stock) that would be material to the Company and its subsidiaries, taken as a whole (for the avoidance of doubt, other than the issuance of equity awards to employees or service providers in the ordinary course of business). Since the Capitalization Date through the date hereof, the Company has not issued any shares of Common Stock (or securities convertible into, or exercisable or exchangeable for, Common Stock), other than shares issued upon the exercise of stock options or delivered under other equity-based awards or other convertible securities or warrants which were issued and outstanding on the Capitalization Date and disclosed on Schedule I or issued thereafter in the ordinary course of business.

Section 2.3 Authorization; No Conflicts.

(a) The Company has all necessary corporate power and authority for the due authorization, execution and delivery of this Agreement and, prior to the Closing, will have taken all necessary corporate action required for the due authorization, execution, delivery and performance by the Company of this Agreement, and the consummation by the Company of the transactions contemplated hereby and, following the effectiveness of such actions, for the due authorization, issuance, sale and delivery of the Purchased Shares. This Agreement has been duly executed and delivered by the Company. Assuming due execution and delivery by the Purchaser, this Agreement will be a valid and binding obligation of the Company enforceable against the

Company in accordance with its terms, except as such enforceability may be limited by applicable laws relating to bankruptcy, insolvency, reorganization, moratorium or other similar legal requirement relating to or affecting creditors' rights generally and except as such enforceability is subject to general principles of equity (regardless of whether enforceability is considered in a proceeding in equity or at law).

(b) The authorization, execution, delivery and performance by the Company of this Agreement, and the consummation by the Company of the transactions contemplated hereby, including the issuance of the Purchased Shares, do not and will not: (A) conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement, lease or other agreement or instrument to which the Company or any of its Subsidiaries is a party or by which the Company or any of its Subsidiaries is bound or to which any of the property or assets of the Company or any of its Subsidiaries is subject, (B) result in any violation of the provisions of the Certificate of Incorporation or Bylaws (or other applicable organizational document) of the Company or any of its Subsidiaries, or (C) result in any violation of any applicable federal, state or local law, rule or regulation or any judgment, order, rule or regulation of any court or governmental agency or body having jurisdiction over the Company or any of its Subsidiaries, or any of its or their properties, except in the case of (A) and (C) for such conflicts, breaches, defaults or violations that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect or delay, prohibit or prevent the consummation of the sale of the Purchased Shares.

Section 2.4 Government Approvals. No consent, approval or authorization of, or filing with, any Governmental Entity is or will be required on the part of the Company in connection with the execution, delivery and performance by the Company of this Agreement, or in connection with the issuance of the Purchased Shares, except for: (a) those which have already been made or granted; (b) filings with the SEC and applicable state securities commissions; or (c) those where the failure to obtain such consent, approval or license would not have a Material Adverse Effect or delay, prohibit or prevent the consummation of the sale of the Purchased Shares.

Section 2.5 Authorized Shares. The Purchased Shares have been duly authorized and, when issued in accordance with the terms hereof, the Purchased Shares will be duly authorized, validly issued, fully paid and non-assessable and will not be subject to any preemptive right or any restrictions on transfer under applicable law or any contract to which the Company is a party, other than those under applicable state and federal securities laws and Section 4.1 of this Agreement. None of the Purchased Shares will be when issued, issued in violation of any preemptive right arising by operation of law or otherwise under the Certificate of Incorporation, the Bylaws (or other applicable organizational document) of the Company or any contract to which the Company is a party or otherwise bound. When issued in accordance with the terms hereof, the Purchased Shares will be free and clear of all liens (other than liens incurred by the Purchaser, restrictions arising under applicable securities laws or restrictions imposed by this Agreement).

Section 2.6 SEC Documents; Financial Statements.

(a) Each of the SEC Documents, as of its respective filing date, complied in all material respects with the requirements of the Securities Act and the Exchange Act, as the case may be, and the rules and regulations of the SEC promulgated thereunder applicable to such SEC Document. Except to the extent that information contained in any SEC Document has been revised or superseded by a later filed SEC Document filed or furnished and publicly available prior to the date of this Agreement, as of their respective filing dates, none of the SEC Documents contained

any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

(b) The consolidated financial statements and the related notes thereto of the Company and its consolidated Subsidiaries included or incorporated by reference in the SEC Documents present fairly in all material respects the financial position of the Company and its consolidated Subsidiaries as of the dates indicated and the results of their operations and the changes in their cash flows for the periods specified (subject, in the case of the unaudited financial statements, to normal year-end adjustments). Such consolidated financial statements have been prepared in conformity with U.S. GAAP (except, in the case of unaudited financial statements, as permitted by the SEC) applied on a consistent basis throughout the periods covered thereby (except as may be indicated in the notes thereto); and the other financial information included or incorporated by reference in the SEC Documents has been derived from the accounting records of the Company and its consolidated Subsidiaries, presents fairly in all material respects the information shown thereby (subject, in the case of unaudited financial statements, to normal year-end adjustments), and has been compiled on a basis consistent in all material respects with that of the audited financial statements included or incorporated by reference in the SEC Documents (except as may be indicated in the notes thereto).

Section 2.7 Disclosure and Accounting Controls.

(a) The Company maintains a system of “disclosure controls and procedures” (as defined in Rule 13a-15(e) of the Exchange Act) that has been designed to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms, including controls and procedures designed to ensure that such information is accumulated and communicated to the Company’s management as appropriate to allow timely decisions regarding required disclosure, in each case in all material respects. The Company and its Subsidiaries have carried out evaluations of the effectiveness of their disclosure controls and procedures as required by Rule 13a-15 of the Exchange Act.

(b) The Company maintains systems of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are (A) executed in accordance with management’s general or specific authorizations and (B) recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain asset accountability,

(ii) access to assets is permitted only in accordance with management's general or specific authorization, (iii) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences and (iv) interactive data in eXtensible Business Reporting Language included or incorporated by reference in each of the SEC Documents is prepared in all material respects in accordance with the SEC's rules and guidelines applicable thereto. Since the end of the Company's most recent audited fiscal year, there has been no change in the Company's internal control over financial reporting that has materially adversely affected, or is reasonably likely to materially adversely affect, the Company's internal control over financial reporting. The Company is not aware of any material weakness in its internal control over financial reporting. With respect to any material weaknesses in the Company's internal control over financial reporting, the Company has used and will use its reasonable best efforts to remediate such material weaknesses.

Section 2.8 Absence of Certain Changes. Since December 31, 2024, except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect or delay, prohibit or prevent the consummation of the sale of the Purchased Shares, neither the Company nor any of its Subsidiaries has entered into any transaction or agreement that is material to the Company and its Subsidiaries, taken as a whole, or incurred any liability or obligation, direct or contingent, that is material to the Company and its Subsidiaries, taken as a whole.

Section 2.9 Brokers. The Company has not retained, utilized or been represented by any broker, investment banker, financial advisor or finder in connection with the transactions contemplated by this Agreement whose fees or expenses the Purchaser could be required to pay.

Section 2.10 Stock Exchange. The Common Stock is registered pursuant to Section 12(b) of the Exchange Act and are listed on Nasdaq. There is no Action (i) pending by the Company, (ii) pending by any other Person and for which the Company has received written notice prior to the date of this Agreement or (iii) to the knowledge of the Company, pending or threatened by any other Person otherwise to terminate the registration of the Common Stock under the Exchange Act or to delist the Common Stock from Nasdaq. The Company has not received any notification that the SEC or Nasdaq is currently contemplating terminating such registration or listing. The issuance and sale of the Purchased Shares and the performance by the Company of its other obligations hereunder does not and will not contravene Nasdaq rules or regulations or require any vote of the shareholders of the Company under the Nasdaq rules or regulations.

Section 2.11 Investment Company. The Company is not, and, immediately after giving effect to the sale of the Purchased Shares pursuant to this Agreement by the Company, will be, required to register as an "investment company" within the meaning of the Investment Company Act.

Section 2.12 Securities Law Exemptions. Assuming the accuracy of the representations and warranties of the Purchaser in this Agreement, it is not necessary under applicable law, in connection with the issuance and sale of the Purchased Shares to the Purchaser, for the Company to register the Purchased Shares under the Securities Act. Neither the Company nor any person acting on its behalf has taken any action (including any offering of any securities of the Company

under circumstances which would require the integration of such offering with the offering of any of the Purchased Shares under the Securities Act, and the rules and regulations of the SEC promulgated thereunder), which might subject the offering, issuance or sale of any of the Purchased Shares to Purchaser pursuant to this Agreement to the registration requirements of the Securities Act.

Section 2.13 Shell Company Status. The Company is not, and never has been, a “shell company” as defined in Rule 405 under the Securities Act.

Section 2.14 Litigation and Other Procedures. Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect or delay, prohibit or prevent the consummation of the sale of the Purchased Shares, there is no (A) pending or, to the knowledge

of the Company, threatened in writing, claim, action, suit, investigation or proceeding, against the Company or any of its Subsidiaries or to which any of their assets are subject nor is the Company or any of its Subsidiaries subject to any order, judgment or decree or (B) unresolved violation, criticism or exception by the SEC with respect to any SEC Document or relating to any SEC examinations or inspections of the Company or any of its Subsidiaries.

Section 2.15 Related Party Transactions. None of the Company’s shareholders, present or former officers or directors, or any family member or Affiliate of any of the foregoing, has either directly or indirectly an interest in, or is a party to, any transaction or arrangement (whether written, oral or otherwise implied) that would be required to be disclosed as a related party transaction pursuant to Item 404 of Regulation S-K promulgated under the Securities Act.

Section 2.16 Anti-Bribery and Anti-Corruption Violations. Neither the Company nor any of its Subsidiaries, nor any director or officer thereof, nor, to the knowledge of the Company, any employee, agent or other person associated with or acting on behalf of the Company or any of its Subsidiaries, in each case, in their capacity as such, has in the past five (5) years; (i) made, offered, promised, or authorized any unlawful contribution, gift, entertainment or other unlawful expense or taken any act in furtherance thereof; (ii) made, offered, promised or authorized any direct or indirect unlawful payment, thing of value, or benefit to any foreign or domestic government official, employee or agent, including those acting on behalf of any government instrumentality such as government-owned or controlled entities, or of a public international organization, or any person acting in an official capacity for or on behalf of any of the foregoing, or any political party or party official or candidate for political office; or (iii) otherwise made any bribe, rebate, payoff, influence payment, kickback or other unlawful payment, in each case of clauses (i) through (iii), in violation in any material respect of any provision of the Foreign Corrupt Practices Act of 1977, as amended (the “FCPA”), the Bribery Act 2010 of the United Kingdom or any other applicable anti-bribery or anti-corruption law (hereinafter, the “Anti-Bribery and Anti-Corruption Laws”). The Company and its Subsidiaries have instituted and maintain, or are subject to, policies and procedures as required by the Anti-Bribery and Anti-Corruption Laws.

Section 2.17 Sanctions. Neither the Company nor any of its Subsidiaries, nor any director or officer thereof, nor, to the knowledge of the Company, any employee or agent of the Company

or any of its Subsidiaries, is (i) the subject or the target of any sanctions administered or enforced by the U.S. Government, including, without limitation, the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State and including, without limitation, the designation as a “specially designated national” or “blocked person,” the European Union, any European Union Member State, His Majesty’s Treasury, the United Nations Security Council (collectively, “Sanctions”), (ii) located, organized or resident in a country or territory that is the subject or the target of comprehensive Sanctions (currently, the Crimea region of Ukraine, the non-government controlled areas of the Kherson and Zaporizhzhia regions of Ukraine, the so-called Donetsk People’s Republic, the so-called Luhansk People’s Republic, Cuba, Iran and North Korea; each, a “Sanctioned Country”) or (iii) owned or controlled (as such terms are defined by applicable Sanctions) by one or more such Persons described in the forgoing clauses (i) or (ii) (Persons described in the forgoing clauses (i), (ii), or (iii), “Sanctioned Persons”). Since April 24, 2019, the Company and its Subsidiaries have complied in all material respects with applicable Sanctions.

Section 2.18 Cybersecurity; Data Protection. The Company and its Subsidiaries’ information technology assets and equipment, computers, systems, networks, hardware, software, websites, applications, and databases (collectively, “IT Systems”) are adequate in all material respects for, and operate and perform in all material respects as required in connection with the operation of the business of the Company and its Subsidiaries as currently conducted, free and clear of all material bugs, errors, defects, Trojan horses, time bombs, malware and other corruptants. Except as would not be material to the Company and its Subsidiaries, taken as a whole, the Company and its Subsidiaries have implemented and maintained commercially reasonable controls, policies, procedures, and safeguards to maintain and protect their material confidential information and the integrity, continuous operation, redundancy and security of all IT Systems and data (including all personal, personally identifiable, sensitive, confidential or regulated data (“Personal Data”)) used in connection with their businesses, and there have been no breaches, violations, outages or unauthorized uses of or accesses to same, except for those that have been remedied without material cost or liability or the duty to notify any other Person, nor any incidents under internal review or investigations relating to the same. To the knowledge of the Company, the Company and its Subsidiaries are presently in material compliance with all applicable laws or statutes and all judgments, orders, rules and regulations of any court or arbitrator or governmental or regulatory authority, internal policies and contractual obligations relating to the privacy and security of IT Systems and Personal Data and to the protection of such IT Systems and Personal Data from unauthorized use, access, misappropriation or modification.

Section 2.19 Taxes. The Company and each of its Subsidiaries have filed all federal, state, local and foreign income and franchise tax returns required to be filed through the date of this Agreement, subject to permitted extensions, and have paid all taxes due thereon (except where the failure to file such tax returns or pay such taxes would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect).

Section 2.20 No Additional Representations. Except for the representations and warranties made by the Company in this Article II and in any certificate delivered to the Purchaser in connection with this Agreement, neither the Company nor any other Person makes any express or implied representation or warranty with respect to the Company or any Subsidiaries or their respective businesses, operations, assets, liabilities, employees, employee

benefit plans, conditions or prospects, and the Company hereby disclaims any such other representations or warranties. In particular, without limiting the foregoing disclaimer, neither the Company nor any other Person makes or has made any representation or warranty to the Purchaser, or any of its Affiliates or representatives, with respect to (a) any financial projection, forecast, estimate, budget or prospect information relating to the Company or any of its Subsidiaries or their respective business, or (b) any oral or written information presented to the Purchaser or any of their respective Affiliates or representatives in the course of their due diligence investigation of the Company, the negotiation of this Agreement or in the course of the transactions contemplated hereby, or the accuracy or completeness thereof. Notwithstanding anything to the contrary herein, nothing in this Agreement shall limit the right of the Purchaser and its Affiliates to rely on the representations, warranties, covenants and agreements expressly set forth in this Agreement and in any certificate delivered to the Purchaser as may be required by this Agreement, nor will anything in this Agreement operate to limit any claim by any Purchaser or any of its respective Affiliates for fraud.

## ARTICLE III

### REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

The Purchaser represents and warrants to the Company as of the date hereof and as of the Closing (except to the extent made only as of a specified date in which case as of such date) that:

Section 3.1 Organization and Power. The Purchaser is a Delaware limited liability company duly formed, validly existing and in good standing under the laws of the jurisdiction of its formation and has all necessary power and authority to own its assets, rights and properties and to carry on its business as presently conducted.

Section 3.2 Authorization; No Conflicts.

(a) The Purchaser has all necessary limited liability company power and authority for the due authorization, execution and delivery of this Agreement and, prior to the Closing, will have taken all necessary limited liability company action required for the due authorization, execution, delivery and performance by the Purchaser of this Agreement, and the consummation by the Purchaser of the transactions contemplated hereby. This Agreement has been duly executed and delivered by the Purchaser. Assuming due execution and delivery by the Company, this Agreement will be a valid and binding obligation of the Purchaser enforceable against the Purchaser in accordance with its terms, except as such enforceability may be limited by applicable laws relating to bankruptcy, insolvency, reorganization, moratorium or other similar legal requirement relating to or affecting creditors' rights generally and except as such enforceability is subject to general principles of equity (regardless of whether enforceability is considered in a proceeding in equity or at law).

(b) The authorization, execution, delivery and performance by the Purchaser of this Agreement, and the consummation by the Purchaser of the transactions contemplated hereby, do not and will not: (A) conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement, lease or other agreement or instrument to which the Purchaser or any of its Subsidiaries is a party or by which the Purchaser or any of its Subsidiaries is bound or to which any of the property or assets of the Purchaser or any of its Subsidiaries is subject, (B) result in any violation of the provisions of the organizational documents of the Purchaser or any of its Subsidiaries, or (C) result in any violation of any applicable federal, state or local law, rule or regulation or any judgment, order, rule or regulation of any court or governmental agency or body having jurisdiction over the Purchaser or any of its Subsidiaries, or any of its or their properties, except in the case of (A) and (C) for such conflicts, breaches, defaults or violations that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect or delay, prohibit or prevent the consummation of the sale of the Purchased Shares.

Section 3.3 Government Approvals. No consent, approval, license or authorization of, or filing with, any Governmental Entity is or will be required on the part of the Purchaser in connection with the execution, delivery and performance by the Purchaser of this Agreement,

except for: (a) those which have already been made or granted or (b) those where the failure to obtain such consent, approval, license or authorization, or to make such filing, would not have a Material Adverse Effect or delay, prohibit or prevent the consummation of the sale of the Purchased Shares.

Section 3.4 Investment Representations.

(a) The Purchaser is an “accredited investor” as that term is defined in Rule 501(a) of Regulation D promulgated under the Securities Act.

(b) The Purchaser has been advised by the Company that the Purchased Shares have not been registered under the Securities Act, that the Purchased Shares will be issued on the basis of the statutory exemption provided by Section 4(a)(2) under the Securities Act or Regulation D promulgated thereunder, or both, relating to transactions by an issuer not involving any public offering and under similar exemptions under certain state securities laws, that this transaction has not been reviewed by, passed on or submitted to any federal or state agency or self-regulatory organization where an exemption is being relied upon, and that the Company’s reliance thereon is based in part upon the representations made by the Purchaser in this Agreement. The Purchaser acknowledges that it has been informed by the Company of, or is otherwise familiar with, the nature of the limitations imposed by the Securities Act and the rules and regulations thereunder on the transfer of securities.

(c) The Purchaser is purchasing the Purchased Shares for its own account and not with a view to, or for sale in connection with, any distribution thereof in violation of federal or state securities laws.

(d) By reason of its business or financial experience, the Purchaser has the capacity to protect its own interest in connection with the transactions contemplated hereunder, is able to bear the economic risk of holding the Purchased Shares for an indefinite period, and has sufficient knowledge of the merits and risks of its investment.

(e) The Company has provided to the Purchaser documents and information that the Purchaser has requested relating to an investment in the Company. The Purchaser has reviewed the Company’s SEC Documents and has had a reasonable opportunity to ask questions of the Company and its representatives, including with respect to the Company’s condition (financial and otherwise), results of operations, businesses, properties, assets, liabilities, plans, management and prospects. The Purchaser has discussed with the Purchaser’s professional advisers the suitability of an investment in the Company, and the Purchaser has determined that the acquisition of the Purchased Shares is a suitable investment for the Purchaser. The Purchaser has not relied on the Company for any tax or legal advice in connection with the purchase of the Purchased Shares.

Section 3.5 No Additional Representations. The Purchaser acknowledges and agrees, on behalf of itself and its Affiliates, that, except for the representations and warranties contained in Article II and in any certificate or other document delivered by the Company in connection with this Agreement, neither the Company nor any other Person, makes any express or implied representation or warranty with respect to the Company, its Subsidiaries or their respective

businesses, operations, assets, liabilities, employees, employee benefit plans, conditions or prospects, and the Purchaser, on behalf of itself and its Affiliates, hereby disclaims reliance upon

any such other representations or warranties, other than in the case of fraud. In particular, without limiting the foregoing disclaimer, the Purchaser acknowledges and agrees, on behalf of itself and its Affiliates, that neither the Company nor any other Person, makes or has made any representation or warranty with respect to, and, other than in the case of fraud, the Purchaser, on behalf of itself and its Affiliates, hereby disclaims reliance upon (a) any financial projection, forecast, estimate, budget or prospect information relating to the Company, its Subsidiaries or their respective business, or (b) without limiting the representations and warranties made by the Company in Article II, any information presented to the Purchaser or any of its Affiliates or representatives in the course of their due diligence investigation of the Company, the negotiation of this Agreement or in the course of the transactions contemplated hereby, or the accuracy or completeness thereof.

#### ARTICLE IV

##### COVENANTS OF THE PARTIES

###### Section 4.1 Restrictions on Transfer; Lock-Up.

(a) The Purchased Shares may not be offered, sold or otherwise transferred except in compliance with the registration requirements of the Securities Act and any other applicable securities laws, or pursuant to an exemption therefrom, and in each case in compliance with the terms of this Agreement and the restrictions set forth in the text of the restrictive legend required to be included on the Purchased Shares pursuant to Section 4.2 hereof. The Purchaser agrees that it shall not, without the Company's written consent, sell, pledge, grant any option to purchase, transfer or otherwise dispose of any Purchased Shares until on or after the six-month anniversary of the Closing, other than to any Affiliates of the Purchaser who agree to be bound by the transfer restrictions herein pursuant to a written agreement in customary form that is reasonably satisfactory to the Company.

(b) Each of the Company and the Purchaser agrees that (i) the issuance of Shares has not been registered under the Financial Investment Services and Capital Markets Act of Korea and (ii) the Purchased Shares shall not be, directly or indirectly, offered, sold or otherwise transferred in Korea or to, or for the account or benefit of, any resident of Korea (as defined in the Foreign Exchange Transactions Laws of Korea and the rules and regulations promulgated thereunder) from and after the Closing through the one-year anniversary of the Closing.

###### Section 4.2 Restrictive Legends.

(a) Each certificate or book-entry position representing the Purchased Shares shall be stamped or otherwise imprinted with, or have a notation to the effect of, a legend in substantially the following form (in addition to any legend required under applicable state securities laws):

“THE OFFER AND SALE OF THIS SECURITY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), AND THIS SECURITY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED EXCEPT (A) PURSUANT TO A REGISTRATION STATEMENT THAT IS EFFECTIVE UNDER THE SECURITIES ACT; OR (B) PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

THE OFFER AND SALE OF THIS SECURITY HAVE NOT BEEN REGISTERED UNDER THE FINANCIAL SERVICES COMMISSION OF KOREA UNDER THE FINANCIAL INVESTMENT SERVICES AND CAPITAL MARKETS ACT OF KOREA, AND THIS SECURITY MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, IN KOREA OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY RESIDENT OF KOREA (AS DEFINED IN THE FOREIGN EXCHANGE TRANSACTIONS LAW OF KOREA AND THE RULES AND REGULATIONS PROMULGATED THEREUNDER) AT THE TIME OF AND WITHIN ONE (1) YEAR OF WEBTOON ENTERTAINMENT INC.’S ISSUANCE OF THIS SECURITY.”

(b) The Purchaser consents to the Company making a notation on its records and giving instructions to any transfer agent of the Purchased Shares in order to implement the restrictions on transfer set forth in this Section 4.2.

(c) (i) Subject to the applicable restrictions set forth in Section 4.1, in the event that any Purchased Shares (a) become registered under the Securities Act or (b) are eligible to be transferred without restriction in accordance with Rule 144 or another exemption from registration under the Securities Act (other than Rule 144A) or (ii) in connection with any sale, assignment, transfer or other disposition of the Purchased Shares by the Purchaser pursuant to Rule 144 or pursuant to any other exemption under the Securities Act such that the subsequent purchaser acquires freely tradable shares, then, in either case, if requested by the Purchaser by written notice to the Company, the Company shall promptly (and in any event within three (3) Business Days) request the transfer agent for the Common Stock to remove any restrictive legends related to the book entry account holding such Purchased Shares and make a new, unlegended entry for such book entry Purchased Shares sold or disposed of without restrictive legends. Subject to the applicable restrictions set forth in Section 4.1, without limiting the foregoing, promptly following such date as the Purchased Shares are first eligible for resale under Rule 144(b)(1) or any successor provision (without regards to paragraph (c)(1) of Rule 144) (and in any event within five (5) Business Days after such date), the Company shall, and shall cause the transfer agent to, take all necessary actions to remove any restrictive legends related to the book entry account holding such Purchased Shares and make a new, unlegended entry for such book entry Purchased Shares. The Company shall provide Purchaser with written notice of such removal and unlegended entry promptly thereafter.

Section 4.3 Confidentiality. The Company and the Purchaser each acknowledge that they are currently bound by that certain Mutual Confidentiality Agreement, dated as of June 26, 2025 (the “Existing NDA”). The Existing NDA shall continue in full force and effect in all respects

without modification. For the avoidance of doubt, subject to Section 7.14 of this Agreement, this Agreement and its terms, and the transaction contemplated hereby, shall constitute “Confidential Information” under the Existing NDA.

Section 4.4 Nasdaq Listing. The Company shall use its reasonable best efforts to cause the Purchased Shares to be approved for listing on Nasdaq at the Closing, subject to official notice of issuance.

## ARTICLE V

### CONDITIONS TO THE PARTIES’ OBLIGATIONS

Section 5.1 Conditions of the Purchaser. The obligations of the Purchaser to consummate the transactions contemplated hereby to be consummated at the Closing are subject to the satisfaction or written waiver (to the extent any such waiver is permitted by applicable law) by the Purchaser, on or prior to the Closing, of each of the following conditions precedent:

(a) Representations and Warranties. Each of the representations and warranties of the Company contained in Article II of this Agreement shall be true and correct on and as of the date hereof and at and as of the Closing with the same effect as though such representations and warranties had been made at and as of the Closing, except for representations and warranties that speak as of a specific date or time other than the Closing (which need only be true and correct as of such date or time), except where the failure of such representations and warranties to be so true and correct, without giving effect to any qualification or limitation as to “materiality,” “material adverse effect” or similar qualifier set forth therein, has not had, and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company or on the Company’s ability to consummate the transactions contemplated by this Agreement.

(b) Covenants. The Company shall have performed and complied in all material respects with all covenants and agreements required by this Agreement to be performed or complied with by it at or prior to the Closing.

(c) Legal Opinion. The Purchaser shall have received an executed opinion from counsel for the Company, dated as of the Closing Date and relating to the Purchased Shares, in the form attached hereto as Exhibit B.

(d) No Order. There shall be no injunction, order or decree of any nature of any Governmental Entity in effect that restrains, prohibits or makes illegal the consummation of the transactions contemplated hereby and there shall be no legal proceeding pending by any Governmental Entity seeking any of the foregoing.

(e) Nasdaq. The Purchased Shares shall have been approved for listing on Nasdaq, subject to official notice of issuance.

Section 5.2 Conditions of the Company. The obligations of the Company to consummate the transactions contemplated hereby are subject to the satisfaction or written waiver (to the

extent any such waiver is permitted by applicable law) by the Purchaser, on or prior to the Closing, of each of the following conditions precedent:

(a) Representations and Warranties; Performance. Each of the representations and warranties of the Purchaser contained in Article III of this Agreement shall be true and correct on and as of the date hereof and at and as of the Closing with the same effect as though such

representations and warranties had been made at and as of the Closing, except for representations and warranties that speak as of a specific date or time other than the Closing (which need only be true and correct as of such date or time), except where the failure of such representations and warranties to be so true and correct, without giving effect to any qualification or limitation as to “materiality,” “material adverse effect” or similar qualifier set forth therein, has not had, and would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on the Purchaser’s ability to consummate the transactions contemplated by this Agreement.

(b) Covenants. The Purchaser shall have performed and complied in all material respects with all covenants and agreements required by this Agreement to be performed or complied with by the Purchaser at or prior to the Closing.

(c) No Order. There shall be no injunction, order or decree of any nature of any Governmental Entity in effect that restrains, prohibits or makes illegal the consummation of the transactions contemplated hereby and there shall be no legal proceeding pending by any Governmental Entity seeking any of the foregoing.

## ARTICLE VI TERMINATION

Section 6.1 Conditions of Termination. Notwithstanding anything to the contrary contained herein, this Agreement may be terminated at any time prior to the Closing (a) by the mutual written consent of the Company and the Purchaser or (b) by either the Company or the Purchaser if all conditions to the Closing have not been satisfied or waived on or before the Closing.

Section 6.2 Effect of Termination. In the event of any termination pursuant to Section 6.1, this Agreement shall become null and void and have no further effect, with no liability on the part of the Company or the Purchaser or their respective Affiliates or Representatives, with respect to this Agreement, except (a) for the terms of this Section 6.2 and Article VII which shall survive the termination of this Agreement, (b) nothing in this Section 6.2 shall relieve any party from liability or damages incurred or suffered by the other party resulting or arising from any willful and intentional breach or failure to perform any covenant or agreement of such first party or (c) for fraud.

## ARTICLE VII

## MISCELLANEOUS

Section 7.1 Survival. The representations and warranties of the Company contained in each of Sections 2.1 (*Organization*), 2.3 (*Authorization; No Conflicts*), 2.5 (*Authorized Shares*), 2.9 (*Brokers*), 2.12 (*Securities Law Exemptions*) and 2.13 (*Shell Company Status*) (collectively, the “Fundamental Representations”) shall survive indefinitely. The representations and warranties contained in each of Sections 2.2 (*Capitalization*) and 2.15 (*Related Party Transactions*) (collectively, the “Specified Representations”) shall survive for eighteen (18) months following the Closing Date; *provided* that nothing herein shall relieve any party of liability for any inaccuracy or breach of such representations and warranties in the case of fraud in the making of such representations and warranties. All other covenants and agreements of the parties contained herein shall survive the Closing in accordance with their terms.

Section 7.2 Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and will become effective when one or more counterparts have been signed by a party and delivered to the other parties. Facsimile, PDF copies or other electronic transmission of signatures shall constitute original signatures for all purposes of this Agreement and any enforcement hereof. The words “execution,” “signed,” “signature,” “delivery,” and words of like import in or relating to this Agreement or any document to be signed in connection with this Agreement shall be deemed to include Electronic Signatures (as defined below), deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, and the parties hereto consent to conduct the transactions contemplated hereunder by electronic means. “Electronic Signatures” means any electronic symbol or process attached to, or associated with, any contract or other record and adopted by a person with the intent to sign, authenticate or accept such contract or record.

Section 7.3 Governing Law; Dispute Resolution.

(a) This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, without giving effect to any choice of law or conflict of law rules or provisions (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware.

(b) Any dispute, claim or controversy arising out of or relating to this Agreement, including but not limited to any action or claim based in tort, contract or statute (including any claims of breach) or concerning the breach, termination, enforcement, effect, performance, interpretation or validity of this Agreement (each, a “Dispute”) shall be resolved by final and binding arbitration at JAMS in the County of New York, State of New York, before a single arbitrator. The arbitration shall proceed under the *JAMS Streamlined Arbitration Rules & Procedures* if the Dispute is in an amount of \$1,000,000 or less and the *JAMS Comprehensive Arbitration Rules & Procedures* if the Dispute is in an amount over \$1,000,000. If the parties are

not able to agree on an arbitrator within fifteen (15) Business Days after JAMS receives the demand for arbitration, the arbitrator shall be selected in accordance with the JAMS rules.

(c) The arbitrator shall apply the substantive law of the State of Delaware and shall have authority to entertain a motion for summary judgment by any party and shall apply the standards governing such motions under the Federal Rules of Civil Procedure. In any arbitration to resolve a Dispute, the parties may seek only those remedies provided for in this Agreement.

(d) By agreeing to arbitration, the parties do not intend to deprive any court of its jurisdiction to issue a pre-arbitral injunction, pre-arbitral attachment or other order in aid of arbitration. Without prejudice to such remedies that may be granted by a court, the arbitrator shall have full authority to grant provisional remedies, to order a party to request that a court modify or vacate any temporary or preliminary relief issued by such court, and to award damages for the failure of any party to respect the arbitrator's orders to that effect.

(e) The parties consent and submit to the personal jurisdiction of any U.S. federal or state court located in the County of New York, State of New York, for the enforcement of any arbitral award rendered hereunder and to compel arbitration or for interim or provisional remedies in aid of arbitration. In any such action, each party irrevocably and unconditionally waives any objection, including any objection on the ground of *forum non conveniens*, which it may now or hereafter have to the laying of venue of such action or proceeding in any above-named court.

(f) Within ten (10) Business Days of the rendering of an award, any party may notify JAMS of its intention to appeal the award (the "Appeal Notice"). The appeal will be administered by JAMS in accordance with the JAMS *Optional Appeal Arbitration Procedure*, except as modified herein, and seated in the County of New York, State of New York. The language of the appeal shall be English and the appeal shall be heard by a single arbitrator or, at the election of either party, by three arbitrators (in either case, the "Appeal Arbitrator"); provided that, if heard by a single arbitrator, such arbitrator must have at least fifteen (15) years' experience as a judge. If the parties are unable to agree on an Appeal Arbitrator(s) within fifteen (15) Business Days after a notice of an appeal is served on the other party, an Appeal Arbitrator(s) shall be selected in accordance with the JAMS rules. The Appeal Arbitrator(s) shall be entitled to accept the initial award, modify the award, or substitute his or her own award. The award, as confirmed, modified or replaced by the Appeal Arbitrator(s), shall be final and binding, and judgment thereon may be entered by any court having jurisdiction thereof.

(g) Claimants and respondents shall bear its or their own costs of the arbitration and the appeal, including attorney's fees and costs, and share equally the arbitrator's and Appeal Arbitrators' fees and JAMS' administrative costs. For purposes of fee/cost sharing, all claimants shall be considered one party and all respondents shall be considered one party.

(h) The parties shall maintain strict confidentiality with respect to all aspects of any arbitration commenced pursuant to this Agreement and shall not disclose the fact, conduct, documents produced or outcome of the arbitration to any non-parties or non-participants, except to the extent required by applicable law, to its auditors or insurers to the

extent necessary or to the extent necessary to recognize, confirm or enforce the final award or decision in the arbitration, without the prior written consent of all parties to the arbitration.

Section 7.4 Indemnification. The Company agrees to defend, protect, indemnify and hold harmless the Purchaser, its Affiliates, their respective officers, directors, members, managers, employees and any of the foregoing Persons' agents or other representatives (including those retained in connection with the transactions contemplated by this Agreement) (collectively, the "Indemnitees") from and against any and all actions, causes of action, suits, claims, losses, costs, penalties, fees, liabilities, damages and expenses in connection therewith, including attorneys' fees and disbursements (but excluding any consequential, indirect, special, punitive or exemplary damages of any nature whatsoever, unless actually awarded by a court of competent jurisdiction to a third party with respect to a third party claim) (collectively, the "Indemnified Liabilities"), incurred by any Indemnitee as a result of, arising out of or relating to (a) any misrepresentation or breach of any Fundamental Representation or any Specified Representation or (b) any breach of any covenant, agreement or obligation of the Company or any of its Affiliates in this Agreement or any other certificate, instrument or document contemplated hereby, except, in each case, to the

extent any Indemnified Liabilities are finally judicially determined by a court of competent jurisdiction to have primarily resulted from the Purchaser's gross negligence, willful misconduct or fraud. To the extent that the foregoing undertaking by the Company may be unenforceable for any reason, the Company shall make the maximum contribution to the payment and satisfaction of each of the Indemnified Liabilities that is permissible under applicable law; *provided* that that the aggregate liability of the Company under this Section 7.4 shall not be greater than the Purchase Price.

Section 7.5 Entire Agreement; No Third Party Beneficiary. This Agreement contains the entire agreement by and among the parties with respect to the subject matter hereof and all prior negotiations, writings and understandings relating to the subject matter of this Agreement. This Agreement is not intended to confer upon any Person not a party hereto (or their successors and permitted assigns) any rights or remedies hereunder.

Section 7.6 Expenses. All fees, costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby, including accounting and legal fees, shall be paid by the party incurring such expenses.

Section 7.7 Notices. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given or made as follows:

- (a) if sent by registered or certified mail in the United States return receipt requested, upon receipt;
- (b) if sent by nationally recognized overnight air courier, one (1) Business Day after mailing; (c) if sent by email transmission, with a copy sent on the same day in the manner provided in the foregoing clause (a) or (b), when transmitted and receipt is confirmed; and (d) if otherwise actually personally delivered, when delivered provided that such notices, requests, demands and other communications are delivered to the address set forth below, or to such other address as any party shall provide by like notice to the other parties to this Agreement:

If to the Company, to:

WEBTOON Entertainment Inc. 5700  
Wilshire Blvd., Suite 220 Los Angeles, CA  
90036

Attention: Maximilian Jo, General Counsel  
Yuson Nam, Corporate Legal Lead Mingshu  
Liu, Corporate Legal

Email: maximilian.jo@webtoon.com  
toyuson@webtooncorp.com  
mingshu.liu@webtoon.com;

with a copy (which shall not constitute notice) to:

Kirkland & Ellis LLP 601 Lexington  
Avenue New York, NY 10022  
Attention: Edward J. Lee, P.C.  
Email: edward.lee@kirkland.com

If to the Purchaser, to:

Accelerator Investments LLC c/o The Walt  
Disney Company 500 South Buena Vista  
Street Burbank, CA 9152101245  
Attention: James M. Kapenstein, Deputy General Counsel, Corporate Legal  
Justin Radell, Assistant Chief Counsel Lisa Phua, Lead  
Counsel

Email: james.kapenstein@disney.com  
justin.radell@disney.com  
lisa.phua@disney.com

with a copy (which shall not constitute notice) to:

Skadden, Arps, Slate, Meagher & Flom LLP 2000 Avenue of  
the Stars, Suite 200N  
Los Angeles, CA 90067  
Attention: P. Michelle Gasaway  
Samuel J. Cammer  
Email: michelle.gasaway@skadden.com  
samuel.cammer@skadden.com

Section 7.8 Successors and Assigns. The provisions of this Agreement shall inure to the benefit of and be binding upon the successors of each of the parties hereto. Notwithstanding the

foregoing, neither the Purchaser nor the Company shall assign or delegate any of its rights or obligations under this Agreement without the prior written consent of the other.

Section 7.9 Headings. The Section, Article and other headings contained in this Agreement are inserted for convenience of reference only and will not affect the meaning or interpretation of this Agreement.

Section 7.10 Amendments and Waivers. This Agreement may not be modified or amended except by an instrument or instruments in writing signed by each party hereto. Any party hereto may, only by an instrument in writing, waive compliance by any other party or parties hereto with any term or provision hereof on the part of such other party or parties hereto to be performed or complied with. No failure or delay of any party in exercising any right or remedy hereunder

shall operate as a waiver thereof, nor will any single or partial exercise of any right or power, or any abandonment or discontinuance of steps to enforce such right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The waiver by any party hereto of a breach of any term or provision hereof shall not be construed as a waiver of any subsequent breach. The rights and remedies of the parties hereunder are cumulative and are not exclusive of any rights or remedies that they would otherwise have hereunder.

Section 7.11 Interpretation; Absence of Presumption.

(a) For the purposes hereof: (i) words in the singular shall be held to include the plural and vice versa and words of one gender shall be held to include the other gender as the context requires; (ii) the terms “hereof,” “herein,” and “herewith” and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole (including all of the Exhibits) and not to any particular provision of this Agreement, and Article, Section, paragraph, Exhibit references are to the Articles, Sections, paragraphs, and Exhibits to this Agreement unless otherwise specified; (iii) the word “including” and words of similar import when used in this Agreement shall mean “including, without limitation,” unless the context otherwise requires or unless otherwise specified; and (iv) the word “or,” “any” or “either” shall not be exclusive. References to a Person are also to its permitted assigns and successors. When calculating the period of time between which, within which or following which any act is to be done or step taken pursuant to this Agreement, the date that is the reference date in calculating such period shall be excluded (and unless, otherwise required by law, if the last day of such period is not a Business Day, the period in question shall end on the next succeeding Business Day).

(b) With regard to each and every term and condition of this Agreement and any and all agreements and instruments subject to the terms hereof, the parties hereto understand and agree that the same have or has been mutually negotiated, prepared and drafted, and if at any time the parties hereto desire or are required to interpret or construe any such term or condition or any agreement or instrument subject hereto, no consideration will be given to the issue of which party hereto actually prepared, drafted or requested any term or condition of this Agreement or any agreement or instrument subject hereto.

Section 7.12 Severability. Any provision hereof that is held to be invalid, illegal or unenforceable in any respect by a court of competent jurisdiction, shall be ineffective only to the extent of such invalidity, illegality or unenforceability, without affecting in any way the remaining provisions hereof; provided, however, that the parties will attempt in good faith to reform this Agreement in a manner consistent with the intent of any such ineffective provision for the purpose of carrying out such intent.

Section 7.13 Specific Performance. The parties hereto agree that irreparable damage could occur and that a party may not have any adequate remedy at law in the event that any of the provisions of this Agreement are not performed in accordance with their terms or were otherwise breached. Accordingly, each party shall, without the necessity of proving the inadequacy of money damages or posting a bond, be entitled to seek an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms, provisions and covenants contained therein, this being in addition to any other remedy to which they are entitled at law or in equity. Under no circumstances will the Company be permitted or entitled to receive both (i) a grant of specific performance resulting in the consummation of the issuance of the Purchased Shares in exchange for receipt by the Company of any of the Purchase Price, and (ii) the payment of monetary damages at any time.

Section 7.14 Public Announcement. Subject to each party's disclosure obligations imposed by applicable law (including beneficial ownership disclosures under Section 13 or Section 16 of the Exchange Act), the Securities Act and any other applicable securities laws and rules of any stock exchange upon which its securities are listed, each of the parties hereto will cooperate with each other in the development and distribution of all news releases and other public information disclosures, and all substantive filings or disclosures under the Securities Act and any other applicable securities laws and rules of any stock exchange upon which its securities are listed, with respect to this Agreement and any of the transactions contemplated by this Agreement, and neither the Company nor any Purchaser will make any such news release or public disclosure, or filings or disclosures under securities laws or stock exchange rules, without prior consultation with, and prior written consent (which shall not be unreasonably withheld, conditioned or delayed) of, the other party, and each party shall coordinate with the party whose consent is required with respect to any such news release or public disclosure, and any such filings or disclosures under securities laws or stock exchange rules. Notwithstanding the foregoing, this Section 7.14 shall not apply to any press release or other public statement, or disclosure made by the Company or the Purchaser that is substantially consistent with prior disclosure and does not contain any information relating to the transactions that has not been previously announced or made public in accordance with the terms of this Agreement.

Section 7.15 Non-Recourse. Any claim or cause of action based upon, arising out of, or related to this Agreement may only be brought against the entities that are expressly named as parties hereto (the "Contract Parties") and then only with respect to the specific obligations of such party and subject to the terms, conditions and limitations set forth herein. No Person other than the Contract Parties, including no member, partner, stockholder, unitholder, Affiliate or Representative thereof, nor any member, partner, stockholder, unitholder, Affiliate or Representative of any of the foregoing, shall have any liability (whether in contract or in tort, in

law or in equity, or granted by statute) for any claims, causes of action, obligations, or liabilities arising under, out of, in connection with, or related in any manner to this Agreement or based on, in respect of, or by reason of this Agreement or its negotiation, execution, performance, or breach; and, to the maximum extent permitted by law, each of the Contract Parties hereby waives and releases all such liabilities, claims, causes of action, and obligations against any such third Person.

Section 7.16 Further Assurances. From the date hereof until the Closing, without further consideration, the Company and the Purchaser shall use their respective reasonable best efforts to take, or cause to be taken, all actions necessary, appropriate or advisable to consummate the transactions contemplated by this Agreement and any and all other agreements or instruments executed and delivered to the Purchaser by the Company hereunder.

*(Signature page follows)*

The parties have caused this Securities Purchase Agreement to be executed as of the date first written above.

WEBTOON Entertainment Inc.

By: /s/ Yongsoo Kim Name: Yongsoo Kim  
Title: Chief Strategy Officer & Head of Global  
WEBTOON

[Signature page to Securities Purchase Agreement]

**PURCHASER**

Accelerator Investments LLC

By: /s/ James M. Kapenstein Name: James M. Kapenstein  
Title: President

*[Signature Page to Securities Purchase Agreement]*

**EXHIBIT A**  
**DEFINED TERMS**

1. The following capitalized terms have the meanings indicated:

“Affiliate” of any Person means any Person, directly or indirectly, Controlling, Controlled by or under common Control with such Person; provided, however, that the Company and its Subsidiaries, on the one hand, and the Purchaser or any of its Subsidiaries, on the other hand, shall not be deemed to be Affiliates.

“Antitrust Laws” means collectively, any applicable law designed to prohibit, restrict or regulate actions having the purpose or effect of substantially lessening competition, monopolization or restraint of trade, foreign investment, government subsidies or national security.

“Board of Directors” means the Company’s board of directors.

“Business Day” means any day other than a Saturday, a Sunday or any day on which the Federal Reserve Bank of New York is authorized or required by law or executive order to close or be closed.

“Bylaws” means the Amended and Restated Bylaws of the Company, as amended and restated on June 26, 2024, as the same may be further amended or restated.

“Certificate of Incorporation” means the Amended and Restated Certificate of Incorporation of the Company, as the same has been and may be further amended or restated.

“Control” (including its correlative meanings “under common Control with” and “Controlled by”) means, with respect to any Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through ownership of securities or partnership or other interests, by contract or otherwise.

“Exchange Act” means the Securities Exchange Act of 1934, as amended.

“GAAP” means generally accepted accounting principles as in effect in the United States, consistently applied.

“Governmental Entity” means any supranational, national, state, municipal, local or foreign government, any court, tribunal, arbitrator, administrative agency, commission or other governmental official, authority or instrumentality (including any legislature, commission, regulatory administrative authority, governmental agency, bureau, branch or department).

“Investment Company Act” means the Investment Company Act of 1940, as amended.

“Nasdaq” means the Nasdaq Global Select Market.

“Person” means an individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization or a government or other agency or political subdivision thereof.

“Price Per Share” means \$12.29.

“Representatives” means a Person’s employees, agents, consultants, accountants, attorneys or financial advisors.

“SEC” means the Securities and Exchange Commission.

“SEC Documents” means all reports, schedules, registration statements, proxy statements and other documents (including all amendments, supplements, exhibits and schedules thereto) filed or furnished by the Company with the SEC (including any documents incorporated by reference therein) since December 31, 2024 and publicly available prior to the date of this Agreement.

“Securities Act” means the Securities Act of 1933, as amended.

“Subsidiary” means, when used with reference to a party, any corporation or other organization, whether incorporated or unincorporated, of which such party or any other Subsidiary of such party is a general partner or serves in a similar capacity, or, with respect to such corporation or other organization, at least a majority of the securities or other interests having by their terms ordinary voting power to elect a majority of the board of directors or others performing similar functions is directly or indirectly owned or Controlled by such party or by any one or more of its Subsidiaries, or by such party and one or more of its Subsidiaries.

**EXHIBIT B**  
**LEGAL**  
**OPINION**

[See attached]



WEBTOON Entertainment Inc.

5700 Wilshire Boulevard, Suite 220

Los Angeles, CA 90036

To: David Lee  
Re: Short-term assignment

Dear David:

I am pleased to confirm our offer to you a short-term assignment from WEBTOON Entertainment Inc. ("WEBTOON") to WATTPAD CORPORATION ("WATTPAD") to assume the position of President at WATTPAD. Your appointment date shall be April 1, 2026 and the start date for this short-term assignment shall begin on May 7, 2026 or once you obtain legal authorization to work with us in Canada.

## **1. Remuneration**

- 1.1. During your assignment, your annual base salary for this position shall continue to be the sum set forth in the Executive Employment Agreement between you and WEBTOON, dated October 14, 2023 (the "Employment Agreement").
- 1.2. You will continue to be eligible to receive merit increases according to WEBTOON's standard merit guidelines used to determine the timing and percentage of the merit increase.
- 1.3. You will continue to be eligible for any target incentive bonus set forth in the Employment Agreement with WEBTOON and its policy.
- 1.4. You shall be considered for eligibility under WEBTOON's tax equalization policy, subject to approval by WEBTOON's Board of Directors and/or Compensation Committee.

## **2. Social Security, Taxes and Payroll Considerations**

- 2.1. You will remain subject to US social security taxes (FICA). Given the Canada-US Social Security Agreement (Totalization Agreement), you may be exempt from Canadian federal social taxes contributions for up to five years, provided you obtain a Certificate of Coverage from the US Social Security Administration. WEBTOON will assist you in obtaining this certificate. You will be required to obtain a Social Insurance Number for Canada when you arrive in Canada.
- 2.2. WEBTOON will continue to pay your remuneration through US payroll.
- 2.3. Generally, you will be subject to Canadian income tax on employment income earned while working in Canada. WEBTOON will work with its tax advisors to ensure appropriate Canadian tax withholdings are made as required by the Canada Revenue Agency.
- 2.4. WEBTOON will also continue to be responsible for US tax compliance as applicable given your status as a US citizen/resident.



WEBTOON Entertainment Inc.

5700 Wilshire Boulevard, Suite 220

Los Angeles, CA 90036

- 2.5. You shall be considered for tax filing services under the Tax Filing Services for WEBTOON Executives Policy, subject to the terms of the policy, as may be amended from time to time.

### **3. Retained Duties with WEBTOON**

- 3.1. During your assignment to WATTPAD, you will retain your position as Chief Financial Officer of WEBTOON. It is expected that you will allocate approximately 60% of your time to your CFO duties with WEBTOON and 40% of your time to your President duties with WATTPAD. You will report to Junkoo Kim at WEBTOON with respect to your CFO duties and to Yongsoo Kim at WATTPAD with respect to your President duties.
- 3.2. Nothing in this letter shall be deemed a modification to any part of your Employment Agreement (which remains in effect) other than to the description of your work location and duties (Section 1) which is modified to be consistent with the terms of this letter.

### **4. Assignment Duration**

- 4.1. It is anticipated that this assignment will last for a period of one (1) year from the earliest of May 7, 2026 or when you obtain legal authorization to work in Canada. At the end of the assignment, or earlier as set out in Section 4.3 below, you will return to the USA and be provided with repatriation benefits set out in Section 5 below.
- 4.2. Should you voluntarily resign your employment with WEBTOON, all benefits under this assignment will cease to be effective as of your last day of employment with WEBTOON. WATTPAD-sponsored work permits/visas will be terminated on the earlier of the last day of your employment or last day in Canada.
- 4.3. WEBTOON may end your short-term assignment to WATTPAD by providing you with four weeks' advance notice of your return to the USA (or pay in lieu of notice). In these circumstances, you will be provided with repatriation benefits set out in Section 5 below.
- 4.4. Except as specifically modified by the terms of this letter to comply with applicable Canadian laws, your employment relationship remains governed by the terms and conditions set forth in your Employment Agreement.

### **5. Repatriation**

- 5.1. Subject to Section 4 above, at the end of your assignment, WEBTOON will provide travel back to the US as applicable.



WEBTOON Entertainment Inc.

5700 Wilshire Boulevard, Suite 220

Los Angeles, CA 90036

## 6. Compliance with Canadian Law

6.1. You will be required to comply with all applicable Canadian federal, provincial, and local laws while working in Canada, including but not limited to the *Employment Standards Act, 2000* (Ontario), the *Occupational Health and Safety Act* (Ontario), and the *Income Tax Act* (Canada).

Once you have read and agreed to the above, please sign below, and retain a copy for your files. If any questions should arise in connection with your assignment package or related tax issues, please contact me, Glenn Choi.

We look forward to working with you as you embark upon this new assignment.

Sincerely,

WEBTOON Entertainment Inc.

Signed

/s/ Glenn Choi  
Glenn Choi

5/7/2026  
Dated

Accepted and acknowledged by:

Signed

/s/ David Lee  
David Lee

5/7/2026  
Dated

**WEBTOON ENTERTAINMENT INC.  
2024 OMNIBUS INCENTIVE PLAN  
NOTICE OF GRANT OF PERFORMANCE STOCK UNITS**

The Participant has been granted Performance Stock Units (the “*PSUs*”) in respect of certain Shares of WEBTOON Entertainment Inc. (the “*Company*”) pursuant to the WEBTOON Entertainment Inc. 2024 Omnibus Incentive Plan (the “*Plan*”), as follows:

**Participant:** [PARTICIPANT]

**Grant Date:** [DATE]

**[Vesting Commencement Date:]** [DATE]

**Vesting Date:** [DATE]

**Number of PSUs:** [NUMBER OF PSUs]

**Performance Period:** For purposes of the Performance Stock Unit Award Agreement, “Performance Period” means the three-year period commencing on [DATE].

Capitalized terms not defined herein shall have the meaning as set forth in the Plan.

By their signatures below, the Company and the Participant agree that the PSU is governed by this Notice of Grant of Performance Stock Units (this “*Grant Notice*”) and by the provisions of the Plan and the Performance Stock Unit Award Agreement, both of which are attached to and made a part of this document. The Participant acknowledges receipt of copies of the Plan and the Performance Stock Unit Award Agreement, represents that the Participant has read and is familiar with their provisions, and hereby accepts the PSU subject to all of their terms and conditions.

Notwithstanding any provision of this Grant Notice or the Performance Stock Unit Award Agreement, if the Participant has not executed and delivered to the Company this Grant Notice by the first, if more than one, Determination Date or 90 days following the Grant Date, whichever comes earlier, then this Performance Stock Unit Award Agreement will be deemed to have been irrevocably accepted by the Participant on such date.

WEBTOON ENTERTAINMENT INC.

By: \_\_\_\_\_  
Its: \_\_\_\_\_

[PARTICIPANT]

Signature  
Date

**WEBTOON ENTERTAINMENT INC.**  
**PERFORMANCE STOCK UNIT AWARD AGREEMENT**

WEBTOON Entertainment Inc. has granted to the Participant named in the *Notice of Grant of Performance Stock Units* (the “**Grant Notice**”) to which this Performance Stock Unit Award Agreement (the “**Performance Stock Unit Award Agreement**”) is attached, Performance Stock Units (“**PSUs**”) in respect of certain Shares upon the terms and conditions set forth in the Grant Notice and this Performance Stock Unit Award Agreement. The PSUs have been granted pursuant to and shall in all respects be subject to the terms and conditions of the WEBTOON Entertainment Inc. 2024 Omnibus Incentive Plan (the “**Plan**”), the provisions of which are incorporated herein by reference. By signing the Grant Notice, the Participant: (a) acknowledges receipt of, and represents that the Participant has read and is familiar with the terms and conditions of, the Grant Notice, this Performance Stock Unit Award Agreement and the Plan; (b) accepts the PSUs subject to all of the terms and conditions of the Grant Notice, this Performance Stock Unit Award Agreement and the Plan; and (c) agrees to accept as binding, conclusive and final all decisions or interpretations of the Board or Committee, as applicable, upon any questions arising under the Grant Notice, this Performance Stock Unit Award Agreement or the Plan.

**1. Definitions and Construction.**

**1.1. Definitions.** Unless otherwise defined herein, capitalized terms shall have the meanings assigned to such terms in the Grant Notice or the Plan.

**1.2. Construction.** Captions and titles contained herein are for convenience only and shall not affect the meaning or interpretation of any provision of this Performance Stock Unit Award Agreement. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term “or” is not intended to be exclusive, unless the context clearly requires otherwise.

**2. Administration.**

All questions of interpretation concerning the Grant Notice, this Performance Stock Unit Award Agreement, the Plan or any other form of agreement or other document employed by the Company in the administration of the Plan or the PSUs shall be determined by the Board or the Committee, as applicable. All such determinations by the Board or the Committee, as applicable, shall be final, binding and conclusive upon all persons having an interest in the PSUs, unless fraudulent or made in bad faith. Any and all actions, decisions and determinations taken or made by the Board or the Committee, as applicable, in the exercise of its discretion pursuant to the Plan or the PSUs or other agreement thereunder (other than determining questions of interpretation pursuant to the preceding sentence) shall be final, binding and conclusive upon all persons having an interest in the PSUs. Any officer of the Company shall have the authority to act on behalf of the Company with respect to any matter, right, obligation, or election which is the responsibility of or which is allocated to the Company herein; provided, that the officer of the Company has apparent authority with respect to such matter, right, obligation, or election.

**3. Vesting and Settlement of the PSUs.**

**3.1. Vesting.** The PSUs shall vest upon the satisfaction of the conditions set forth as follows: The number of PSUs (if any) earned by the Participant based on the Company’s performance against the Performance Goals (as defined in Exhibit A) during the applicable Performance Period, as determined by the Compensation Committee of the Company (the “**Compensation Committee**”) on the Determination Date (as defined in Exhibit A) (each, a “**Final Award**”), will vest in accordance with Exhibit A, subject to the Participant’s continuous

employment with the Company through the Vesting Date. Any fractional amounts will be rounded down to the nearest whole number and will be paid out in cash. Any PSUs that are determined not to be earned by the Participant under this Performance Stock Unit Award Agreement, as determined by the Compensation Committee in its sole discretion, will be forfeited without consideration as of the Determination Date and the Participant will have no further rights to such PSUs.

**3.2. Settlement.** Subject to Section 5, the Company shall issue one Share to the Participant for each PSU that becomes vested under Section 3.1 no later than the end of the next available trading window following the applicable Determination Date, but in no event later than March 15th of the calendar year following the calendar year in which the applicable Determination Date occurs.

**3.3. Dividend Equivalents.** If the Company declares any dividend the record date of which occurs while the PSUs are outstanding, the Participant shall be credited a dividend equivalent in an amount and form equal to the dividend that would have been paid on the Shares underlying the PSUs had such Shares been outstanding on such record date. Any such dividend equivalents shall be subject to the same vesting conditions applicable to the underlying PSU with respect to which they accrue, and shall, if the underlying PSU vests, be paid no later than 10 days following the applicable Determination Date.

**4. No Advice Regarding Grant.** The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Participant's participation in the Plan, or the Participant's acquisition or sale of the underlying Shares. The Participant is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

**5. Taxes.** To the extent that the receipt, vesting or settlement of this award results in compensation income or wages to the Participant for federal, state, local and/or foreign tax purposes, the Participant shall make arrangements satisfactory to the Company regarding the payment of any income tax, social insurance contribution or other applicable taxes that are required to be withheld in respect of this award, which arrangements include the delivery of cash or cash equivalents, Shares (including previously owned Shares (which are not subject to any pledge or other security interest), net settlement, a broker-assisted sale, or other cashless withholding or reduction of the amount of Shares otherwise issuable or delivered pursuant to this award), other property, or any other legal consideration the Board or Committee, as applicable, deems appropriate. If such tax obligations are satisfied through net settlement or the surrender of previously owned Shares, the maximum number of Shares that may be so withheld (or surrendered) shall be the number of Shares that have an aggregate Fair Market Value on the date of withholding or surrender equal to the aggregate amount of such tax liabilities determined based on the greatest withholding rates for federal, state, local and/or foreign tax purposes, including payroll taxes, that may be utilized without creating adverse accounting treatment for the Company with respect to this award, as determined by the Board or Committee, as applicable. Any fraction of a Share required to satisfy such tax obligations shall be disregarded and the amount due shall be paid instead in cash to the Participant. The Participant acknowledges that there may be adverse tax consequences upon the receipt, vesting or settlement of this award or disposition of the underlying shares and that the Participant has been advised, and hereby is advised, to consult a tax advisor. The Participant represents that the Participant is in no manner relying on the Board, the Committee, the Company or an Affiliate or any of their respective managers, directors, officers, employees or authorized representatives (including attorneys, accountants, consultants, bankers, lenders, prospective lenders and financial representatives) for tax advice or an assessment of such tax consequences.

6. **Non-Transferability.** The PSUs may not, at any time prior to being settled, be assigned, alienated, pledged, attached, sold, or otherwise transferred or encumbered by the Participant, other than by will or by the laws of descent and distribution. Any such purported assignment, alienation, pledge, attachment, sale, transfer, or encumbrance shall be void and unenforceable against the Company.

7. **Compliance with Applicable Law.** Notwithstanding any provision of this Performance Stock Unit Award Agreement to the contrary, the issuance of Shares hereunder will be subject to compliance with all applicable requirements of Applicable Law with respect to such securities and with the requirements of any stock exchange or market system upon which the Shares may then be listed. No Shares will be issued hereunder if such issuance would constitute a violation of any Applicable Law or regulation or the requirements of any stock exchange or market system upon which the Shares may then be listed. In addition, Shares will not be issued hereunder unless (a) a registration statement under the Securities Act is in effect at the time of such issuance with respect to the shares to be issued or (b) in the opinion of legal counsel to the Company, the shares to be issued are permitted to be issued in accordance with the terms of an applicable exemption from the registration requirements of the Securities Act. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary for the lawful issuance and sale of any Shares hereunder will relieve the Company of any liability in respect of the failure to issue such shares as to which such requisite authority has not been obtained. As a condition to any issuance of Shares hereunder, the Company may require the Participant to satisfy any requirements that may be necessary or appropriate to evidence compliance with any Applicable Law or regulation and to make any representation or warranty with respect to such compliance as may be requested by the Company.

8. **Miscellaneous Provisions.**

8.1. **Confidential Nature.** The Participant acknowledges and agrees that, to the extent not publicly disclosed, the nature and terms of this Performance Stock Unit Award Agreement are confidential, and expressly agrees not to discuss or disclose them, or the facts and contentions contained therein, without the prior written consent of the Company, with or to any person, except to the Internal Revenue Service, state tax authorities, the Participant's accountant, financial, or tax advisor, the Participant's attorneys, the Participant's immediate family, or as required by law, subpoena or governmental or regulatory investigation or as reasonably necessary in connection with any litigation with the Company; provided, that to the extent the Participant is asked to disclose any confidential information in connection with a subpoena or governmental or regulatory investigation, the Participant will, to the extent permitted by law, provide notice to the Company and cooperate with the Company to limit such disclosure.

8.2. **Unfunded Plan.** The award of PSUs is unfunded and the Participant shall be considered an unsecured creditor of the Company with respect to the Company's obligations, if any, to issue Shares pursuant to this Performance Stock Unit Award Agreement. Nothing contained in this Performance Stock Unit Award Agreement, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind or a fiduciary relationship between the Participant and the Company or any other person.

8.3. **Termination or Amendment.** The Board or Committee, as applicable, may terminate or amend the Plan or this Performance Stock Unit Award Agreement at any time; provided, however, that except as provided in Section 10 of the Plan in connection with a Change in Control, no such termination or amendment may adversely affect the PSU without the consent of the Participant unless such termination or amendment is necessary to comply with any Applicable Law or government regulation, including, but not limited to

Section 409A of the Code. No amendment or addition to this Performance Stock Unit Award Agreement shall be effective unless in writing.

**8.4. Further Instruments.** The parties hereto agree to execute such further instruments and to take such further action as may reasonably be necessary to carry out the intent of this Performance Stock Unit Award Agreement.

**8.5. Binding Effect.** Subject to the restrictions on transfer set forth herein, this Performance Stock Unit Award Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.

**8.6. Electronic Delivery and Acceptance.** The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

**8.7. Integrated Agreement.** The Grant Notice, this Performance Stock Unit Award Agreement, including any exhibit hereto, and the Plan shall constitute the entire understanding and agreement of the Participant and Company with respect to the subject matter contained herein or therein and supersede any prior agreements, understandings, restrictions, representations, or warranties among the Participant and the Company with respect to such subject matter. To the extent contemplated herein or therein, the provisions of the Grant Notice, the Performance Stock Unit Award Agreement and the Plan shall survive any vesting of the PSUs and shall remain in full force and effect.

**8.8. No Rights as a Shareholder or Employee.** The Participant shall have no rights as a shareholder with respect to any Shares covered by the PSUs until the date of the issuance of the Shares for which the PSUs have been settled (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company). No adjustment shall be made for dividends (other than as set forth in Section 3.3), distributions or other rights for which the record date is prior to the date the Shares are issued, except as provided under the Plan. If the Participant is an Employee, the Participant understands and acknowledges that, except as otherwise provided in a separate, written employment agreement between the Company and the Participant, the Participant's employment is "at will" and is for no specified term. Nothing in this Performance Stock Unit Award Agreement shall confer upon the Participant any right to continue in the service of the Company or Subsidiary or interfere in any way with any right of the Company to terminate the Participant's service to the Company as a Director, an Employee or Consultant, as the case may be, at any time.

**8.9. Company Recoupment of Awards.** The Participant's rights with respect to this award shall in all events be subject to (a) any right that the Company may have under any Company recoupment policy or other agreement or arrangement with the Participant, and (b) any right or obligation that the Company may have regarding the clawback of "incentive-based compensation" under Section 10D of the Exchange Act and any applicable rules and regulations promulgated thereunder from time to time by the U.S. Securities and Exchange Commission or any other Applicable Law.

**8.10. Governing Law** This Performance Stock Unit Award Agreement shall be governed by the laws of the State of Delaware without regard to its conflict of law rules.

**8.11. Counterparts.** The Grant Notice may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

**Section 409A of the Code.** It is intended that the PSUs granted pursuant to hereunder and the provisions of this Performance Stock Unit Award Agreement be exempt from Section 409A of the Code, and all provisions of this Performance Stock Unit Award Agreement shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A of the Code. In no event shall the Company or any Affiliate be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Participant on account of non-compliance with Section 409A of the Code. Notwithstanding any contrary provision in the Plan or this Performance Stock Unit Award Agreement, any payment(s) of “nonqualified deferred compensation” (within the meaning of Section 409A of the Code) that are otherwise required to be made under the Plan or this Performance Stock Unit Award Agreement to a “specified employee” (as defined under Section 409A of the Code) as a result of such employee’s separation from service (other than a payment that is not subject to Section 409A of the Code) shall be delayed for the first six (6) months following such separation from service (or, if earlier, until the date of death of the specified employee) and shall instead be paid (in a manner set forth in this Performance Stock Unit Award Agreement) upon expiration of such delay period.

**Exhibit A**

**I. Performance Goals**

**CERTIFICATION**  
**PURSUANT TO RULE 13a-14 AND 15d-14**  
**UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED**

I, Junkoo Kim, certify that:

1. I have reviewed this quarterly report on Form 10-Q of WEBTOON Entertainment Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected or is reasonably likely to materially affect the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

- b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 11, 2026

/s/ Junkoo Kim

Name: Junkoo Kim

Title: Chairman of the Board and Chief Executive Officer

**CERTIFICATION**  
**PURSUANT TO RULE 13a-14 AND 15d-14**  
**UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED**

I, David J. Lee, certify that:

1. I have reviewed this quarterly report on Form 10-Q of WEBTOON Entertainment Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected or is reasonably likely to materially affect the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

- b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 11, 2026

/s/ David J. Lee

Name: David J. Lee

Title: Chief Financial Officer

**CERTIFICATION**  
**PURSUANT TO 18 U.S.C. 1350**  
**(SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002)**

Junkoo Kim, Chairman of the Board and Chief Executive Officer of WEBTOON Entertainment Inc. (the “Company”), and David J. Lee, Chief Financial Officer and Chief Operating Officer of the Company, each, hereby certifies, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that, to the best of his knowledge:

1. The Quarterly Report on Form 10-Q of the Company for the quarter ended March 31, 2026 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 11, 2026

/s/ Junkoo Kim

Name: Junkoo Kim

Title: Chairman of the Board and Chief Executive Officer

/s/ David J. Lee

Name: David J. Lee

Title: Chief Financial Officer