

Research Note

Investors should consider this report as only a single factor in making their investment decision.

Super League Enterprise, Inc.

Rating: Speculative Buy

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SLE \$0.37 — (NASDAQ)

	2023 A	2024 A	2025 E	2026 E
Total Revenues (in millions)	\$25.1	\$16.2	\$16.6	\$17.5
Earnings (loss) per share	(\$8.30)*	(\$2.35)	(\$0.75)	(\$0.42)
52-Week range	\$1.74– \$0.17		Fiscal year ends:	December
Shares outstanding Estimated a/o 3/28/25	17.8 million		Revenue/shares (ttm)	\$1.81
Approximate float	12.4 million		Price/Sales (ttm)	0.2X
Market Capitalization	\$6.6 million		Price/Sales (2026) E	0.6X
Tangible Book value/shr	(\$0.36)		Price/Earnings (ttm)	NMF
Price/Book	NMF		Price/Earnings (2026) E	NMF

*All per share and share figures reflect a 1 for 20 reverse stock split effective on September 11, 2023 * Excludes a net (\$2.54) per share related to goodwill and intangible asset impairment charges and other negative items, partly offset by positive change in warrant liability*

Super League Enterprise, Inc., headquartered in Santa Monica, CA, is a strategically-integrated publisher and creator of in-game advertising brand programs within games and experiences across immersive digital platforms. The company enables marketers, advertisers, and IP owners to reach large audiences through creativity, innovation, and gameplay within the world's largest immersive platforms.

Key Investment Considerations:

Maintaining our Speculative Buy rating but reducing our twelve-month price target to \$0.75 per share from \$1.50 per share due primarily to our initial 2026 sales per share forecast.

Super League has growth potential for its integrated end-to-end in-game advertising, branding technology, and in-game play offerings. In March 2025, SLE announced it was actively engaged in pursuing 77 unique higher margin customer programs, as well as pursuing accretive acquisitions or asset combinations. Those acquisitions should integrate easily into the company's rapidly evolving reduced operating cost structure.

On May 1, 2025, SLE announced it acquired Supersocial, a production studio and creative agency on the Roblox platform that brings into the fold multiple live branded games and experiences on Roblox, with the additional launches to occur. This accretive acquisition should support our revenue growth, gross margin expansion, and reduced operating loss forecasts, as well as aid in reaching positive EBITDA in 4Q25.

In 2024, SLE reported a loss per share of (\$2.35) on revenue of \$16.2 million versus a loss per share of (\$8.30) on revenue of \$25.1 million in 2023. We projected a loss per share of (\$2.16) on revenue of \$17.8 million.

For 2025, we project a net loss per share of (\$0.75) on revenue growth of 2.5% to \$16.6 million. We previously forecasted a net loss per share of (\$1.40) on revenue of \$19.6 million. Our forecast reflects modest growth in 2H25. Our forecast anticipates a significant reduction in operating expenses and improvement in gross margin as management targets higher margin projects for new and existing customers.

For 2026, we project a net loss per share of (\$0.42) on revenue growth of 5.5% to \$17.5 million. Our forecast anticipates modest revenue growth and enhanced operating leverage. We project improvement in gross margin and operating expense margin to 53.3% and 83%, respectively, from an estimated 44.5% and 103% in 2024.

Please view our Disclosures on pages 13 – 15.

Appreciation Potential

Maintaining our Speculative Buy rating but reducing our twelve-month price target to \$0.75 per share from \$1.50 per share due to our initial 2026 sales per share forecast.

Our rating reflects SLE growth potential for its integrated end-to-end in-game advertising, branding technology, and in-game play offerings. In March 2025, the company announced it was actively engaged in pursuing 77 unique higher margin programs, as well as pursuing accretive acquisitions or asset combinations. Those acquisitions should integrate easily into the company's rapidly evolving reduced operating cost structure, as management is focused on aggressively reducing its operating cost structure. The reduced cost structure, the integration of Supersocial (acquired in May 2025), and the targeting of higher margin customer projects should help drive the company achieve positive EBITDA in 4Q25.

Our forecast through 2026, reflects the termination of a previously announced asset combination with Infinite Reality Inc. It also reflects the May 2025 accretive acquisition of Supersocial, a production studio and creative agency on the Roblox platform that brings with it multiple live branded games and experiences on Roblox. This acquisition expands SLE's roster of partnerships and reinforces the company's mission to connect brands with passionate consumer audiences through the power of play. SLE and Supersocial combined have been responsible for 49 immersive builds that have generated more than 390 million visits and 3+ billion impressions on Roblox. The addition of Supersocial partners provides cross selling opportunity from SLE's turnkey playable advertising and playable content technology platform offerings.

Our 12-month price target of \$0.75 per share implies shares could more than double over the next twelve months. According to finviz.com, the average price-to-sales multiple for companies in the electronic gaming and multimedia, internet content and information, and application software sectors is 2.4X (prior was 2.2X), compared to Super League's trailing price-to-sales multiple of 0.1X (prior was 0.2X). We anticipate investors are likely to accord SLE a multiple at the midpoint between the sector and its trailing price-to-sales multiple. We applied a price-to-sales multiple of 1.4X to our 2026 sales per share forecast of \$0.65, discounted for execution and financial risks, to obtain a year-ahead price target of approximately \$0.75 per share.

SLE's valuation should improve with revenue growth, reduced operating expenses, reduction in cash burn, as well as announcements regarding potential accretive acquisitions, and ability to achieve positive adjusted EBITDA in 4Q25 and 2H26. We anticipate a rapid decrease in operating expenses to \$14.5 million in 2026, down from \$22.9 million in 2024, as well as an increase in gross margin to 53.3% in 2026, up from 39% in 2024. If achieved we anticipate cash burn of \$3 million in 2026, down from \$12.8 million in 2024.

We believe Super League is most suitable for high-risk tolerant investors seeking exposure to an emerging growth company providing in-game advertising and branding programs for its customer brand partners and partnerships within immersive virtual worlds and virtual social gathering venues.

Overview

Super League Enterprise, Inc., headquartered in Santa Monica, CA, is a strategically-integrated publisher and creator of games and experiences across immersive virtual digital platforms. The company is trusted by customer brand partnerships with a complete range of development, distribution, monetization, and optimization capabilities that are designed to engage users through dynamic and energized programs. SLE utilizes its publishing engine technology for the immersive Web in order to help brands change their dot com experience.

Super League through their innovative solutions and integrated publishing engine provides at scale access to audiences who gather in immersive digital and virtual spaces to socialize, play, explore, collaborate, shop, learn and create.

The company's mission is to drive the creation, growth, and monetization of digital experiences across the wider virtual immersive Web landscape through its publishing engine technology and service offerings that was enhanced

by the May 2023 acquisition of SL Studios. The company has its own and third-party virtual publishing worlds, experiences and destinations that provide marketing solutions for its customer brand partners.

The global immersive platforms used by SLE to accelerate its intellectual property and audience success for its digital advertising services include Roblox (the ultimate virtual universe where games are called experiences allows users to play and create games, and chat with others online within and immersive gaming, social media, and social commerce venue), Minecraft (a brand name for a sandbox video game with construction, crafting, exploration, and combat mechanics, available on many game platforms) and Fortnite (a player-versus-player game for up to 100 players, allowing one to play alone, in a duo, or in a squad) to the popular next generation Web environment platform such as Sandbox, LandVault, and Decentraland.

We anticipate the company will continue its development and deployment of its multiverse technology capabilities. These actives should be enhanced by joining the Roblox's partner program in August 2023. This partner program should elevates SLE's offerings within the official Roblox advertising eco-system with immersive advertising. The benefits to joining the partner program include access to educational resources and training, along with tools and broader insights for brand onboarding. Also, entering 2025, the company began collaborating with developers of popular mobile games to help them create branded content in their games.

Recent Developments

On May 1, 2025, the company announced it acquired Supersocial, a production studio and creative agency that has been a pioneer on the Roblox platform since its founding in 2020. While terms were not disclosed, this accretive acquisition, provides for an expansion of SLE's roster of partnerships and reinforces the company's mission to connect brands with passionate consumer audiences through the power of play. Supersocial's past clients and partners include Gucci, e.l.f. Cosmetics, NARS Cosmetics, Warner Bros., Walmart, Supermodel Heidi Klum, Universal Music Group, Bandai Namco, Jon Favreau's Fairview Portals, Innov8 Creative Academy, and Legendary Entertainment. Supersocial's CEO and founder Mr. Raz-Fridman will serve as an advisor to Super League.

Effective April 1, 2025, Matthew Edelman was appointed as the company's CEO, while also continuing to serve in his role as President. Mr. Edelman replaces Ann Hand, the company's prior CEO, who was appointed to the role of Executive Chair of Super League Enterprise. Also, the company announced replaced board member Clark Callendar with Bant Breen, the Founder, Chairman and CEO of Qnary, a global technology and solutions leader in digital reputation growth solutions for professionals and brands.

On March 28, 2025, management announced it is focusing on getting the company to break even operationally and will attempt to accomplish this goal by aggressively attacking and reducing operating costs. The focus is not only on reducing costs it will be to aggressively obtain customers that will provide significant revenue in combination with higher margin programs.

On October 1, 2024, the Super League announced it entered into a binding term sheet with Infinite Reality, Inc. to combine assets and obtain an infusion of cash. In late March of 2025, the company and Infinite Reality mutually agreed to terminate both the Binding Term Sheet and the iR Transactions contemplated in their entirety, as well as mutually agreeing to terminate and Amended Exchange Agreement.

Projections

Basis of Forecast

Our forecast reflects modest revenue generating opportunities from the company's ability to obtain new customer brand partners, deepen relationships with existing customer brand partners, and creation of advertising and branding monetization programs. However, due to customer delays and the need for continued market education for the adoption of immersive platforms as a marketing channel we have significantly reduced our revenue forecast for 2025 and anticipate modest growth in 2026. Our 2025 and 2026 revenue forecasts include the May 1, 2025 acquisition of Supersocial, but does not include the potential consummation of additional accretive acquisitions that management is working towards concluding prior to the end of 2025.

For 2025, the company announced it is aggressively reducing its cost structure to align with higher margin projects and future revenue potential. The company anticipates it could be EBITDA positive in 4Q25. This could occur as company is be more selective in obtaining larger revenue and higher margin programs. Our forecast anticipates a rapid decrease in operating expenses to \$14.5 million in 2026, down from \$22.9 million in 2024 and an increase in gross margin to 53.3% in 2026, up from 39% in 2024. We also are forecasting the company generating positive EBITDA of \$615,000 in 4Q25, as well as positive EBITDA in the 2H26 of \$1.1 million combined.

We are not forecasting (only recording what SLE reports) income tax expense as the company has (as of December 31, 2024) US federal, state, and foreign net operating loss carryforwards of approximately \$148.5 million, \$141.8 million, and \$1.1 million, respectively, expiring through 2044.

Operations 2025

We project total revenue growth of 2.5% to \$16.6 million (prior was \$19.6 million) reflecting modest growth in the 2H25.

We forecast gross profit increasing 21.1% to \$7.4 million from \$6.1 million in 2024 due primarily to gross margin expansion to 44.5% from 39% in 2024, along with modest revenue growth. Gross margin improvement should occur as the company executes on higher margin revenue programs that utilizes deployment of previously developed technology on future projects.

We expect operating expenses decreasing to \$17 million from \$22.9 million in 2024. We anticipate engineering, technology and development expenses decreasing to \$2.4 million from \$4.4 million in 2024 reflecting a full year of cost reductions from the sale of Minehut and reduced third party costs. G&A expenses should decrease to \$7.4 million from \$8.7million in 2024 and selling, marketing and advertising expenses decreasing to \$7.2 million from \$9.8 million in 2024 with spending levels in each category reflecting streamlining of operations in order to target higher margin revenue generating projects from a select group of customers.

We project operating losses narrowing to \$9.6 million from \$16.8 million in 2024 due to revenue growth, gross margin expansion, and operating expense margin improving to 103% from 141% in 2024. We anticipate non-operating expense of nearly \$1.8 million compared to non-operating income of \$280,000.

We project a net loss to common shareholders of \$15.8 million or (\$0.75) per share, after preferred dividends of \$4.4 million on average shares of 21 million. We previously projected a net loss to common shareholders of \$18.9 million or (\$0.14) per share, after preferred dividends of \$7.3 million on average shares of 13.5 million.

We forecast 2025 cash loss of \$7.8 million and a decrease in working capital of \$1.1 million resulting in cash use in operations of \$6.8 million. We estimate proceeds from the issuance of common stock and debt is unlikely to cover cash used in operations, capitalized software development costs, and repayment of obligations. We anticipate cash decreasing by \$303,000 to \$1 million at December 31, 2025.

Operations – 2026

We project total revenue growth of 5.5% to \$17.5 million from an estimated \$16.6 million in 2024. Our forecast reflects modest growth in the company's core offerings to new and existing customers. Our forecast does not include the potential of completing an accretive acquisition prior to the end of 2025.

We forecast gross profit increasing 16.2% to \$9.3 million from an estimated \$7.4 million in 2025 due primarily to revenue growth and gross margin expansion to 53.3% from an estimated 44.5% in 2025. Gross margin improvement should occur as the company executes on higher margin revenue type customer brand partnership projects and continued deployment of previously developed technology on future projects.

We expect operating expenses to decrease to \$14.5 million from an estimated \$17 million in 2025. We anticipate engineering, technology and development expenses decreasing to \$2 million from an estimated \$2 million in 2025 reflecting continuing to reduce third party costs. G&A expenses should decrease to \$6.6 million from an estimated

\$7.4 million in 2025 and selling, marketing and advertising expenses should decrease to \$6 million from an estimated \$7.2 million in 2025 with spending levels continuing to be streamlined to support higher margin customer projects.

We project operating losses narrowing to \$5.2 million from an estimated \$9.6 million in 2025 due primarily to revenue growth, gross margin expansion, and operating expense margin improving to 83% from an estimated 103% in 2025. We anticipate non-operating interest expense to be flat at \$1.8 million.

We project a net loss to common shareholders of \$11.4 million or (\$0.42) per share, after preferred dividends of \$4.4 million on average shares of 27 million.

We forecast 2026 cash loss of \$3 million and a decrease in working capital of \$1.6 resulting in cash use in operations of \$1.4 million. We estimate proceeds from the issuance of common stock is unlikely to cover cash used in operations, capitalized software development costs, and repayment of debt obligations. We anticipate cash decreasing by \$205,000 to \$802,000 at December 31, 2026.

2024 Financial Results

2024

SLE reported revenue decreased 35.5% to \$16.2 million from \$25.1 million in 2023. The revenue decrease stemmed from industry softness in ad sales reflecting consumer spending softness, continued market education and adoption of immersive platforms as a marketing channel, as well as program start delays to future periods by its advertiser customers. Also, no sales from its previously sold (in 1Q24) Minehut digital assets.

Gross profit decreased 37.6% to \$6.1 million from \$9.8 million last year due to lower revenue and gross margin compression to 37.7% from 39% in 2023. Gross margin compression reflects higher average direct cost profile for certain projects in the current period compared to last year.

Operating expenses decreased to 31.3% to \$22.9 million from \$33.3 million (excluding \$9.3 million in impairment charges) last year. Engineering, technology and development expenses decreased to \$4.4 million from \$9.5 million reflecting reduced cloud services and other technology platform costs including the sale of Minehut assets in 1Q24. Selling, marketing and advertising expense decreased to \$9.8 million from \$12.5 million in 2023 due primarily to a reduction in amortization expense related to the write-down of intangible assets from partner relationships, lower sales commission and performance based compensation, and lower marketing personnel costs. G&A expense decreased to \$8.7 million from \$10.3 million last year due primarily to headcount reductions and reduced stock-based compensation. Included in operating expenses was a positive adjustment of \$144,000 related to contingent consideration compared to a negative adjustment of \$1.1 million in the year-ago period.

The company's operating loss was \$16.8 million compared to a loss of \$23.5 million (excluding \$9.3 million in impairment charges) in the year-ago period. The improvement reflects lower operating expenses, partly offset by gross margin compression and lower revenue.

Non-operating income was \$280,000 compared to income of \$2.2 million last year. The current period included a \$1.1 million positive change in fair value of warrant liability and \$183,000 gain on sale of intangible assets, partly offset by interest expense of \$559,000, a \$336,000 loss on exchange of preferred instrument, and \$123,000 loss on other income. The year-ago period included a \$2.9 million positive change in fair value of warrant liability, partly offset by interest expense of \$23,000 and a \$681,000 loss on exchange of preferred instrument.

Net loss to common shareholders was \$21 million or (\$2.35) per share, after preferred dividends of \$4.4 million, on 8.9 million average shares. We projected a net loss to common shareholders of \$18.8 million or (\$2.16 per share, after preferred dividends of \$5 million, on 8.7 million average shares with revenue of \$17.8 million.

Finances

In 2024, cash burn of \$12.8 million and a decrease in working capital of \$1.4 million resulted in cash used in operations of \$11.5 million. Proceeds from the issuance of preferred and common stock, as well as proceeds from

issuance of a note payable did not covers cash used in operations, software development costs, and repayment of receivables facility. Cash decreased by \$6.3 million to \$1.3 million at December 31, 2024.

Capital Structure

At December 31, 2024, SLE had outstanding a nearly \$1.8 million promissory note for contingent consideration, accrued contingent consideration liabilities of \$138,000, and shareholders' equity of \$170,000. The company also has preferred stock outstanding of 16,699 shares that can be converted into approximately 10 million common stock as of March 28, 2025.

On October 24, 2024, the company entered into a securities purchase agreement with an accredited investor for a registered direct offering of more than 1.1 million shares of common stock at a purchase price of \$0.88 per share with gross proceeds to of approximately \$1 million. A final prospectus supplement was filed in connection with this offering October 25, 2024.

On October 29, 2024, SLE entered into an amended and restated equity exchange agreement with Infinite Reality, for which the company will be issuing an aggregate total of nearly 2.5 million shares of common stock in exchange for nearly 217,000 shares of Infinite Reality common stock. On March 28, 2025, SLE and Infinite Reality mutually agreed to terminate both the amended exchange agreement and the exchange contemplated thereby in its

On November 8, 2024, the company's subsidiary, entered into the Agile Loan Agreement, with Agile Capital Funding, LLC for a confessed judgment secured promissory note for an aggregate value of nearly \$1.9 million. The note matures in 28 weeks from the effective date and carries an aggregate total interest payment of approximately \$78,000. The company is required to repay the obligation in 28 equal payments of nearly \$94,000, with the first payment being made on November 14, 2024.

Subsequent to the end of December 31, 2024, the company had the following transactions occur. On February 10, 2025, SLE entered into a business loan and security agreement with Agile Capital Funding, LLC and Agile Lending, pursuant to which the company issued to Agile a Confessed Judgment Secured Promissory Note for an aggregate value of \$2.5 million. Repayment will occur in 32 equal payments of nearly \$111,000. The proceeds received from are being used to fund general working capital needs.

On February 14, 2025, Super League Enterprise entered into an equity purchase agreement with Hudson Global Ventures, LLC, a Nevada limited, pursuant to which SLE has the right, but not the obligation, to sell to Hudson Global Ventures, and Hudson Global Ventures is obligated to purchase, up to \$2.9 million of newly issued shares of the company's common stock, from time to time during the term of the agreement. As consideration for Hudson's commitment they received 300,000 shares of SLE's common stock, valued at \$165,000, following the execution of the agreement.

On March 26, 2025, the company and 1800 Diagonal Lending, LLC, entered into a securities purchase agreement pursuant to which SLE issued a convertible promissory note in the principal amount of \$300,000, which matures on December 30, 2025 and accrues interest annually at 10%.

On March 28, 2025, SLE entered into a note purchase agreement with Belleau Wood Capital, LP, pursuant to which the company will issue to Belleau a total of three unsecured promissory notes with an aggregate principal amount of \$1.5 million. By the end of April 2025, all three notes should have been issued and interest will accrue at a rate of 20% annually.

Risks

In our view, these are the principal risks underlying the stock.

Operating Losses – Going Concern

Super League has not generated an operating profit. At December 31, 2024, the company's accumulated deficit was \$270 million, up from \$85.8 million in 2019. Operating losses are likely to continue but diminish through our

forecast. The lack of operating profits could result in the company's inability to execute its growth strategy and diminish its operations or not continue as a going concern. In order to continue as a going concern the company will need to continue raising capital in the form of debt or equity or execute a transaction that can generate significant cash flow.

Dilution

In 4Q22, 2023, and through July 2024, SLE entered into subscription agreements with accredited investors in connection with the sale and issuance of newly created convertible preferred stock. Common shares issuable upon conversions could exceed 11 million common shares. In October 2024, Super League issued common shares for net proceeds of approximately \$920,000 in a registered direct offering. We are forecasting additional capital raised through our forecast period, the company could be seeking funding above our forecast in order to grow operations or complete acquisitions, which would likely dilute existing shareholders. On March 28, 2024, the company's total shares outstanding increased to 17.8 million from 6.5 million on April 25, 2024.

Delisting

On April 7, 2025, Super League Enterprise, Inc. received a letter from the Listing Qualifications Staff of The Nasdaq Stock Market, LLC ("Nasdaq") notifying that it is not in compliance with Nasdaq Listing Rule 5550(b)(1), which requires the company to maintain a minimum of \$2.5 million in stockholders' equity for continued listing. The notice also indicates that it does not meet the alternative compliance standards of market value of listed securities or net income from continuing operations. The company has 45 calendar days to submit a plan to regain compliance and it intends to submit such a plan during this period. If the plan is accepted, NASDAQ can grant an extension of up to 180 calendar days from April 7, 2025. In the event the plan and/or the extension is not accepted or granted by the NASDAQ staff, the company would have the right to a hearing before an independent panel. The hearing request would stay any suspension or delisting action pending the conclusion of the hearing process and the expiration of any additional extension period granted by the panel following the hearing.

Competition

Super League competes for users, developers, and creators within the online immersive Web gaming industry. The competitive environment also involves attracting and retaining developers by providing tools that enable easy to build, publish, operate, and monetize content. Therefore, there is substantial competition for developers and engineering talent that have gaming and metaverse platform experience.

In this industry there are a wide number of participants that include global technology leaders such as Amazon, Apple, Meta Platforms, Google, Microsoft, and Tencent, as well as global entertainment companies such as Comcast, Disney, and Paramount, along with online content platforms including Netflix, Spotify, and YouTube and social platforms such as Facebook, Instagram, Pinterest, and Snap.

Integration of Acquisitions

Since 2021, the company has acquired multiple businesses. Future acquisitions could involve substantial investment of funds or financings, as well as resulting in related expenses and also the potential to either dilute the interests of existing shareholders or make significant earn-out payments. Future acquisitions may require management's time and effort to generate revenues and operating profits that could take away from existing operations.

Technology

Rapid technology changes will require SLE to anticipate what it must be developed in order to take advantage of and remain competitive in both the content-creation and the delivery of in-game advertising. Investments involved in staying at the forefront of content creation and in-game advertising involve risks and uncertainties with no assurance that those technology investments be successful. If investments in new technologies are unsuccessful the company's reputation may be negatively impacted, as well as diminish its financial condition and operating results.

Intellectual Property

SLE develops and owns various intellectual properties, including pending and issued trademarks, patents, and copyrights, as well as the obtaining of licenses to intellectual property with game publishers. Entering 2024, the company had one pending patent application and five issued patents, and various trademark applications.

Cyber Security

SLE's operations face cyber risks and threats that seek to damage, disrupt, and/or gain access to its networks and platform, supporting infrastructure, intellectual property, as well as other assets. Any failure to prevent, mitigate, or respond to security breaches could result in interruptions to the company's platform, degrade the user experience, cause users and creators to lose confidence its technology platforms, and incur legal and financial exposure.

Shareholder Control

Officers and directors collectively own or have a controlling interest in 5.2% of the company's outstanding voting common stock and additionally five shareholder owns collectively 33.2% of the company's outstanding voting common stock (as if preferred was converted) as of a July 2024 Proxy filing. Collectively this ownership could potentially greatly influence the outcome of matters requiring stockholder approval. These decisions may or may not be in the best interests of the other shareholders.

Other Risk Factors

Investors should be aware of additional risk factors that should be considered. **An evolving revenue generation model, a lack of definitive license agreements with game publishers for the use of certain game titles played, an ability to follow laws and regulations, as well as seasonality** that can impact quarterly results. Also, the company's debt obligations could restrict its liquidity and inability to meet financial covenants could trigger a default. All these other factors could negatively impact the company's operations that could diminish growth initiatives, financial results, and share price.

Miscellaneous Risk

The company's financial results and equity values are subject to other risks and uncertainties, including third party, competition, stability of the management team, operations, financial markets, regulatory, legislative, status as an emerging growth company, Web-based activities, and/or other events. These risks may cause actual results to differ from expected results.

Trading Volume

Average daily trading volume decreased to 101,200 in 2024 from 349,000 in 2023. Over the last three month ending May 1, 2025, average daily trading volume increased to 189,500. Super League has a float of 12.4 million shares and outstanding shares of 17.8 million.

Super League Enterprise, Inc.
Consolidated Balance Sheets
FY2023 – FY2026E
(in thousands)

	FY23A	FY24A	FY25E	FY26E
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 7,609	\$ 1,310	\$ 1,007	\$ 802
Accounts receivable, net	8,287	3,766	3,650	3,000
Prepaid expenses and other current assets	862	677	750	600
Total current assets	16,758	5,753	5,407	4,402
Property and equipment, net	70	24	20	10
Intangible and other assets, net	6,636	4,070	2,000	1,000
Goodwill	1,864	1,864	1,864	1,864
Total assets	\$ 25,328	\$ 11,711	\$ 9,291	\$ 7,276
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities:				
Accounts payable and accrued expenses	10,420	5,282	6,000	6,500
Accrued contingent consideration	1,812	138	140	150
Contract liabilities	339	50	50	50
Secured loan - SLR Facility	800	24	-	-
Promissory note - contingent consideration	-	1,735	1,735	1,735
Promissory notes payable and accrued interest	-	1,707	1,707	1,707
Promissory notes payable and accrued interest - related party	-	1,509	1,509	1,509
Total current liabilities	13,371	10,445	11,141	11,651
Accrued contingent consideration	396	-	-	-
Debt	-	-	4,300	3,800
Warrant liability	1,571	935	935	935
Deferred taxes	-	161	161	161
Preferred stock, \$0.001 par value 10,000,000 shares authorized	-	-	-	-
Stockholders' equity:				
Common stock, \$0.001 par value; authorized 100,000,000 shares;	81	94	100	100
Additional paid-in capital	258,923	270,111	274,124	279,089
Retained earnings (accumulated deficit)	(249,014)	(270,035)	(281,470)	(288,460)
Total stockholders' equity	9,990	170	(7,246)	(9,271)
Total liabilities and stockholders' equity	\$ 25,328	\$ 11,711	\$ 9,291	\$ 7,276
Shares Outstanding - Common Stock	4,180	16,224	24,000	29,000
Preferred stock - outstanding	24	17	17	17

Source: Company reports and Taglich Brothers estimates

Super League Enterprise, Inc.
Annual Income Statement
FY2023 – FY2026E
(in thousands)

	<u>FY23 A</u>	<u>FY24 A</u>	<u>FY25 E</u>	<u>FY26 E</u>
Revenues	\$ 25,079	\$ 16,182	\$ 16,590	\$ 17,510
Cost of sales	<u>15,297</u>	<u>10,080</u>	<u>9,200</u>	<u>8,185</u>
Gross Profit	<u>9,782</u>	<u>6,102</u>	<u>7,390</u>	<u>9,325</u>
Operating Expenses:				
Selling, marketing and advertising	12,450	9,822	7,200	5,950
Engineering, technology and development	9,500	4,447	2,400	2,000
General and administrative	10,258	8,731	7,435	6,575
Contingent consideration (positive adjustment)	1,075	(144)	-	-
Impairment of goodwill, intangibles and loss on disposal	9,336	-	-	-
Total Operating Expenses	<u>42,619</u>	<u>22,856</u>	<u>17,035</u>	<u>14,525</u>
Operating Income (loss)	(32,837)	(16,754)	(9,645)	(5,200)
Interest (expense) income	(23)	(559)	(1,790)	(1,790)
Change in fair value of warrant liability	2,898	1,115	-	-
Loss on preferred instruments/contingent consideration	(681)	(336)	-	-
Gain on sale of intangible assets	-	183	-	-
Other	<u>-</u>	<u>(123)</u>	<u>-</u>	<u>-</u>
Total Other Income (expense)	<u>2,194</u>	<u>280</u>	<u>(1,790)</u>	<u>(1,790)</u>
Pre-Tax Income (loss)	(30,643)	(16,474)	(11,435)	(6,990)
Income Tax Expense (Benefit)	<u>(313)</u>	<u>161</u>	<u>-</u>	<u>-</u>
Preferred Dividends paid in shares of common stock	-	(4,386)	(4,400)	(4,400)
Net income (loss) - to common shareholders	<u>(30,330)</u>	<u>(21,021)</u>	<u>(15,835)</u>	<u>(11,390)</u>
Earning (loss) per share	<u>\$ (10.84)</u>	<u>\$ (2.35)</u>	<u>\$ (0.75)</u>	<u>\$ (0.42)</u>
Avg Shares Outstanding	2,799	8,940	21,025	26,975
Adjusted EBITDA	\$ (15,336)	\$ (12,488)	\$ (6,045)	\$ (1,200)
Margin Analysis				
Gross margin	39.0%	37.7%	44.5%	53.3%
Selling, marketing and advertising	49.6%	60.7%	43.4%	34.0%
Engineering, technology and development	37.9%	27.5%	14.5%	11.4%
General and administrative	40.9%	54.0%	44.8%	37.5%
Operating margin	(130.9%)	(103.5%)	(58.1%)	(29.7%)
Pre-tax margin	(122.2%)	(101.8%)	(68.9%)	(39.9%)
Tax rate	1.0%	(1.0%)	0.0%	0.0%
YEAR / YEAR GROWTH				
Total Revenues	27.5%	(35.5%)	2.5%	5.5%

Source: Company reports and Taglich Brothers estimates

Super League Enterprise, Inc.
Income Statement Model
Quarters FY2024A – 2026E
(in thousands)

	Q1 24 A	Q2 24 A	Q3 24 A	Q4 24 A	FY24 A	Q1 25 E	Q2 25 E	Q3 25 E	Q4 25E	FY25 E	Q1 26 E	Q2 26 E	Q3 26 E	Q4 26E	FY26 E
Revenues	\$ 4,209	\$ 4,116	\$ 4,431	\$ 3,426	\$ 16,182	\$ 2,225	\$ 3,375	\$ 4,600	\$ 6,390	\$ 16,590	\$ 2,395	\$ 3,610	\$ 4,860	\$ 6,645	\$ 17,510
Cost of sales	2,477	2,470	2,706	2,427	10,080	1,445	2,095	2,760	2,900	9,200	1,390	1,805	2,200	2,790	8,185
Gross Profit	1,732	1,646	1,725	999	6,102	780	1,280	1,840	3,490	7,390	1,005	1,805	2,660	3,855	9,325
Operating Expenses:															
Selling, marketing and advertising	2,277	2,633	2,397	2,515	9,822	2,200	2,100	1,500	1,400	7,200	1,450	1,475	1,500	1,525	5,950
Engineering, technology and development	1,699	792	914	1,042	4,447	700	700	500	500	2,400	500	500	500	500	2,000
General and administrative	2,102	2,520	1,935	2,174	8,731	1,910	1,850	1,800	1,875	7,435	1,600	1,625	1,650	1,700	6,575
Contingent consideration (positive adjustment)	259	(206)	(68)	(129)	(144)	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	6,337	5,739	5,178	5,602	22,856	4,810	4,650	3,800	3,775	17,035	3,550	3,600	3,650	3,725	14,525
Operating Income (loss)	(4,605)	(4,093)	(3,453)	(4,603)	(16,754)	(4,030)	(3,370)	(1,960)	(285)	(9,645)	(2,545)	(1,795)	(990)	130	(5,200)
Interest (expense) income	(18)	(15)	(45)	(481)	(559)	(250)	(500)	(515)	(525)	(1,790)	(450)	(450)	(445)	(445)	(1,790)
Change in fair value of warrant liability	(761)	1,667	198	11	1,115	-	-	-	-	-	-	-	-	-	-
Loss on preferred instruments/contingent consideration	-	-	(336)	-	(336)	-	-	-	-	-	-	-	-	-	-
Gain on sale of intangible assets	144	-	-	39	183	-	-	-	-	-	-	-	-	-	-
Other	(20)	(14)	4	(93)	(123)	-	-	-	-	-	-	-	-	-	-
Total Other Income (expense)	(655)	1,638	(179)	(524)	280	(250)	(500)	(515)	(525)	(1,790)	(450)	(450)	(445)	(445)	(1,790)
Pre-Tax Income (loss)	(5,260)	(2,455)	(3,632)	(5,127)	(16,474)	(4,280)	(3,870)	(2,475)	(810)	(11,435)	(2,995)	(2,245)	(1,435)	(315)	(6,990)
Income Tax Expense (Benefit)	-	-	-	161	161	-	-	-	-	-	-	-	-	-	-
Preferred Dividends paid in shares of common stock	-	(1,592)	(1,694)	(1,100)	(4,386)	(1,100)	(1,100)	(1,100)	(1,100)	(4,400)	(1,100)	(1,100)	(1,100)	(1,100)	(4,400)
Net income (loss) - to common shareholders	(5,260)	(4,047)	(5,326)	(6,388)	(21,021)	(5,380)	(4,970)	(3,575)	(1,910)	(15,835)	(4,095)	(3,345)	(2,535)	(1,415)	(11,390)
Earning (loss) per share	\$ (1.00)	\$ (0.60)	\$ (0.54)	\$ (0.46)	\$ (2.35)	\$ (0.30)	\$ (0.28)	\$ (0.15)	\$ (0.08)	\$ (0.75)	\$ (0.17)	\$ (0.14)	\$ (0.09)	\$ (0.05)	\$ (0.42)
Avg Shares Outstanding	5,241	6,741	9,920	13,857	8,940	17,800	17,900	23,900	24,500	21,025	24,550	24,600	29,250	29,500	26,975
Adjusted EBITDA	\$ (3,454)	\$ (2,867)	\$ (2,526)	\$ (3,641)	\$ (12,488)	\$ (3,130)	\$ (2,470)	\$ (1,060)	\$ 615	\$ (6,045)	\$ (1,545)	\$ (795)	\$ 10	\$ 1,130	\$ (1,200)
Margin Analysis															
Gross margin	41.1%	40.0%	38.9%	29.2%	37.7%	35.1%	37.9%	40.0%	54.6%	44.5%	42.0%	50.0%	54.7%	58.0%	53.3%
Selling, marketing and advertising	54.1%	64.0%	54.1%	73.4%	60.7%	98.9%	62.2%	32.6%	21.9%	43.4%	60.5%	40.9%	30.9%	22.9%	34.0%
Engineering, technology and development	40.4%	19.2%	20.6%	30.4%	27.5%	31.5%	20.7%	10.9%	7.8%	14.5%	20.9%	13.9%	10.3%	7.5%	11.4%
General and administrative	49.9%	61.2%	43.7%	63.5%	54.0%	85.8%	54.8%	39.1%	29.3%	44.8%	66.8%	45.0%	34.0%	25.6%	37.5%
Operating margin	(109.4%)	(99.4%)	(77.9%)	(134.4%)	(103.5%)	(181.1%)	(99.9%)	(42.6%)	(4.5%)	(58.1%)	(106.3%)	(49.7%)	(20.4%)	2.0%	(29.7%)
Pre-tax margin	(125.0%)	(59.6%)	(82.0%)	(149.6%)	(101.8%)	(192.4%)	(114.7%)	(53.8%)	(12.7%)	(68.9%)	(125.1%)	(62.2%)	(29.5%)	(4.7%)	(39.9%)
Tax rate	0.0%	0.0%	0.0%	(3.1%)	(1.0%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
YEAR / YEAR GROWTH															
Total Revenues	26.7%	(18.5%)	(38.4%)	(64.0%)	(35.5%)	(47.1%)	(18.0%)	3.8%	86.5%	2.5%	7.6%	7.0%	5.7%	4.0%	5.5%

Source: Company reports and Taglich Brothers estimates

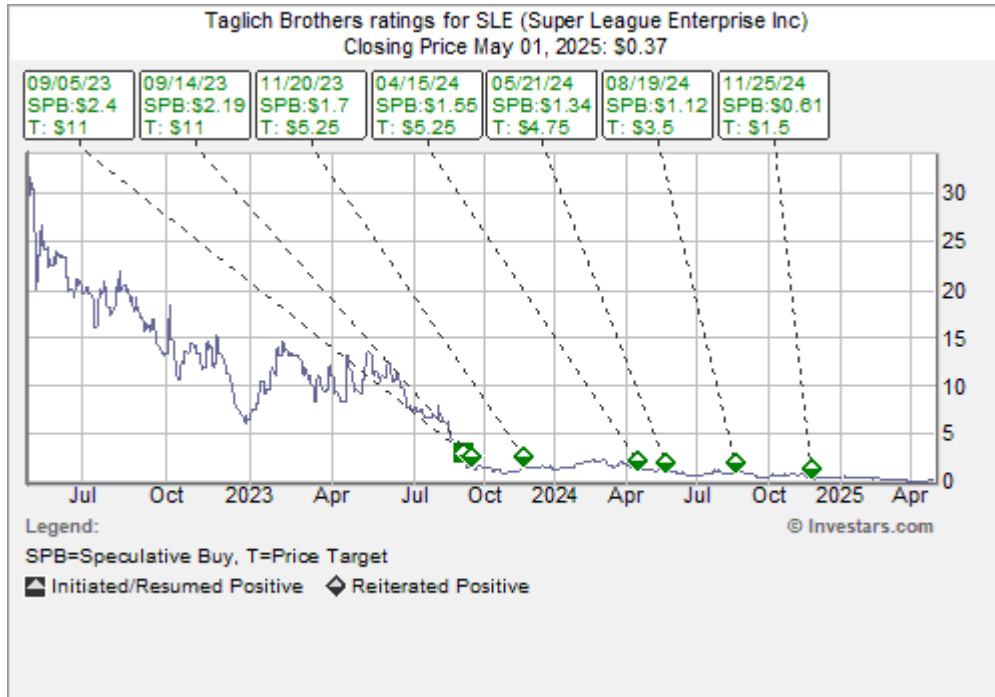
Super League Enterprise, Inc.
Cash Flow Statement
FY2023 – FY2026E
(in thousands)

	<u>FY2023A</u>	<u>FY2024A</u>	<u>FY2025E</u>	<u>FY2026E</u>
<i>Cash Flows from Operating Activities</i>				
Net Income (loss), net of deemed dividends	\$ (30,330)	\$ (16,635)	\$ (11,435)	\$ (6,990)
Depreciation and amortization	5,376	2,612	2,500	2,400
Stock-based compensation	2,735	1,289	1,100	1,600
Impairment of goodwill and intangible assets	7,052	-	-	-
Gain on sale of intangible assets	-	163	-	-
Write off of intangible asset	2,284	-	-	-
Amortization of convertible notes discount	40	-	-	-
Change in fair value of warrant liability	(2,898)	(1,115)	-	-
Change in fair value of contingent consideration	(545)	(252)	-	-
Change in fair value of non-cash legal settlement and other noncash charges	-	959	-	-
Loss on extinguishment of liability - contingent consideration	-	(183)	-	-
Loss on exchange of placement agent warrants	681	336	-	-
Cash earnings (burn)	<u>(15,605)</u>	<u>(12,826)</u>	<u>(7,835)</u>	<u>(2,990)</u>
<i>Changes In:</i>				
Accounts receivable	(2,113)	4,521	116	650
Prepaid expenses and other current assets	146	821	(73)	150
Accounts payable and accrued expense	3,412	(3,960)	718	500
Accrued contingent consideration	(1,064)	(20)	-	-
Deferred revenue - contract liabilities	228	(289)	300	300
Deferred taxes	(313)	161	-	-
Accrued interest on notes payable	(180)	130	-	-
(Increase)/decrease in Working Capital	<u>116</u>	<u>1,364</u>	<u>1,061</u>	<u>1,600</u>
Net cash provided (used in) Operations	<u>(15,489)</u>	<u>(11,462)</u>	<u>(6,774)</u>	<u>(1,390)</u>
<i>Cash Flows from Investing Activities</i>				
Proceeds from sale of Minehut assets	-	192	-	-
Cash paid in connection with Melon acquisition, net	(150)	-	-	-
Purchase of property and equipment	(8)	(23)	(5)	(15)
Purchase of third-party game properties	-	-	-	-
Capitalization of software development costs	(650)	(452)	(300)	(300)
Acquisition of other intangible and other assets	(17)	-	-	-
Cash flow provided (used in) Investing Activities	<u>(825)</u>	<u>(283)</u>	<u>(305)</u>	<u>(315)</u>
<i>Cash Flows from Financing Activities</i>				
Proceeds from issuance of preferred stock, net of issuance costs	19,295	2,393	-	-
Proceeds from issuance of common stock, net of issuance costs	1,885	1,000	2,500	2,000
Proceeds from issuance of high interest rate debt	-	-	4,300	(500)
Payments on convertible notes	(539)	-	-	-
Proceeds (payment) on notes payable	-	2,861	-	-
Contingent consideration payments	-	(32)	-	-
Secured loan - AR facility proceeds (payments)	800	(776)	(24)	-
Net cash provided (used) by Financing	<u>21,441</u>	<u>5,446</u>	<u>6,776</u>	<u>1,500</u>
Net change in Cash and restricted cash	5,127	(6,299)	(303)	(205)
Cash and restricted cash Beginning of Period	<u>2,482</u>	<u>7,609</u>	<u>1,310</u>	<u>1,007</u>
Cash (and restricted) End of Period	<u>\$ 7,609</u>	<u>\$ 1,310</u>	<u>\$ 1,007</u>	<u>\$ 802</u>

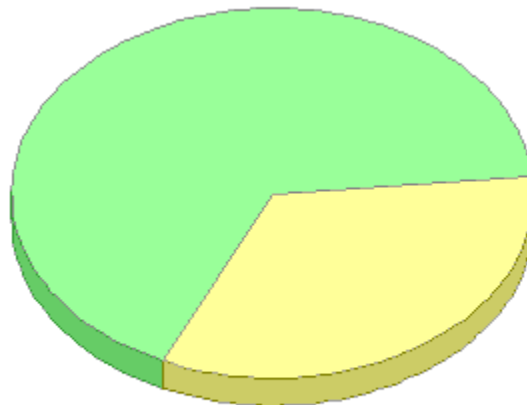
Source: Company reports and Taglich Brothers estimates

Taglich Brothers, Inc.

Price Chart



Taglich Brothers Current Ratings Distribution



66.67 % Buy | 33.33 % Hold

Investment Banking Services for Companies Covered in the Past 12 Months		
Rating	#	%
Buy	2	25
Hold		
Sell		
Not Rated		

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I, Howard Halpern, the research analyst of this report, hereby certify that the views expressed in this report accurately reflect my personal views about the subject securities and issuers; and that no part of my compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in this report.

Public Companies mentioned in this report:

Alphabet Inc. (NASDAQ: GOOG)

Apple Inc. (NASDAQ: AAPL)

Microsoft Corporation (NASDAQ: MSFT)

Tencent Holdings Limited (OTC: TCEHY)

The Walt Disney Company (NYSE: DIS)

Netflix, Inc. (NASDAQ: NFLX)

Snap Inc. (NYSE: SNAP)

Amazon.com, Inc. (AMZN)

Meta Platforms, Inc. (NASDAQ: META)

Roblox Corporation (NYSE: RBLX)

Comcast Corporation (NASDAQ: CMCSA)

Paramount Global (NASDAQ: PARA),

Spotify Technology S.A. (NYSE: SPOT)

Meaning of Ratings

Buy – The growth prospects, degree of investment risk, and valuation make the stock attractive relative to the general market or comparable stocks.

Speculative Buy – Long-term prospects of the company are promising but investment risk is significantly higher than it is in our BUY-rated stocks. Risk-reward considerations justify purchase mainly by high risk-tolerant accounts. In the short run, the stock may be subject to high volatility and could continue to trade at a discount to its market.

Neutral – Based on our outlook the stock is adequately valued. If investment risks are within acceptable parameters, this equity could remain a holding if already owned.

Sell – Based on our outlook the stock is significantly overvalued. A weak company or sector outlook and a high degree of investment risk make it likely that the stock will underperform relative to the general market.

Discontinued – Research coverage discontinued due to the acquisition of the company, termination of research services (includes non-payment for such services), diminished investor interest, or departure of the analyst.

Some notable Risks within the Microcap Market

Stocks in the Microcap segment of the market have many risks that are not as prevalent in Large-cap, Blue Chips or even Small-cap stocks. Often it is these risks that cause Microcap stocks to trade at discounts to their peers. The most common of these risks is liquidity risk, which is typically caused by small trading floats and very low trading volume which can lead to large spreads and high volatility in stock price. In addition, Microcaps tend to have significant company-specific risks that contribute to lower valuations. Investors need to be aware of the higher probability of financial default and higher degree of financial distress inherent in the microcap segment of the market.

From time to time our analysts may choose to withhold or suspend a rating on a company. We continue to publish informational reports on such companies; however, they have no ratings or price targets. In general, we will not rate any company that has too much business or financial uncertainty for our analysts to form an investment conclusion, or that is currently in the process of being acquired.