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 $0.18 — (NASDAQ)

May 27, 2025

	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)	***($0.48)***	***($0.23)***

52-Week range	$1.74– $0.145	Fiscal year ends:	December
Shares outstanding Estimated a/o 5/14/25	24.2 million	Revenue/shares (ttm)	$1.21
Approximate float	18.1 million	Price/Sales (ttm)	0.1X
Market Capitalization	$4.4 million	Price/Sales (2026) E	0.3X
Tangible Book value/shr	($0.50)	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 $0.50 per share from $0.75 per share due to our revised 2026 sales per share forecast and reduced sector valuation.

Super League has growth potential for its integrated end-to-end in-game advertising, branding technology, and in-game play offerings. In May 2025, SLE had a strong revenue pipeline with approximately $20 million in active opportunities across 97 unique programs that was split between new and returning partners.

The company is actively pursuing accretive acquisitions or asset combinations in order to leverage its rapidly evolving reduced operating cost structure. In 2Q25 Supersocial, a production studio and creative agency on the Roblox platform was acquired. This small but accretive acquisition should support revenue growth, gross margin expansion, and enable SLE to achieve its goal of being EBITDA positive in 4Q25.

In 1Q25, SLE reported a loss per share of ($0.25) on revenue of $2.7 million versus a loss per share of ($1.00) on revenue of $4.2 million in 1Q24. We projected a loss per share of ($0.30) on revenue of $2.2 million.

For 2025, we project a net loss per share of ($0.48) on revenue growth of 2.5% to $16.6 million. We previously forecasted a net loss per share of ($0.75) on revenue of $16.6 million. Our forecasts reflect modest revenue growth in 2H25, continued reduction in operating expenses, and an increase in average shares outstanding to an estimated 23 million, up from 8.9 million in 2024 due to capital raises throughout the year.

For 2026, we project a net loss per share of ($0.23) on revenue growth of 5.5% to $17.5 million (unchanged). Our forecast anticipates modest revenue growth and enhanced operating leverage reflecting a continued effort to rationalize costs with new customer projects, as well as an anticipated increase in average share outstanding stemming from additional capital raises during 2H26.

Please view our Disclosures on pages 13 – 15.

Appreciation Potential

Maintaining our Speculative Buy rating but reducing our twelve-month price target to $0.50 per share from $0.75 per share due to our revised 2026 sales per share forecast and reduced sector valuation.

Our rating reflects SLE growth potential for its integrated end-to-end in-game advertising, branding technology, and in-game play offerings. In May 2025, SLE had a strong revenue pipeline with approximately $20 million in active opportunities across 97 unique programs that was split between new and returning partners with an average deal size of approximately $200,000.

The company is actively pursuing accretive acquisitions or asset combinations in order to leverage its rapidly evolving reduced operating cost structure. In 2Q25 Supersocial, a production studio and creative agency on the Roblox platform was acquired. This small but accretive acquisition should support revenue growth, gross margin expansion, and enable SLE to achieve its goal of being EBITDA positive in 4Q25.

Our forecast through 2026, reflects the May 2025 accretive acquisition of Supersocial, which 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 $0.50 per share implies shares could increase nearly three-fold 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 2.2X (prior was 2.4X), compared to Super League's trailing price-to-sales multiple of 0.1X (unchanged). 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 1.2X (prior was 1.4X) to our 2026 sales per share forecast of $0.54 (prior was $0.65), discounted for execution and financial risks, to obtain a year-ahead price target of approximately $0.50 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 4Q26. We anticipate a rapid decrease in operating expenses to $13.8 million in 2026, down from $22.9 million in 2024, as well as an increase in gross margin to 51.6% in 2026, up from 39% in 2024. If achieved we anticipate cash burn of $3.5 million in 2026, down from $12.8 million in 2024. We are forecasting positive EBITDA in 4Q25 and 4Q26, respectively, of $665,000 and $895,000.

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.

Growth Opportunities and Accomplishments

The growth opportunities for Super Leagues customer partners is vast since its sits at the intersection of interactive entertainment and advertising, which is where consumers spend significant time by consuming playable content (playing video games). One reason the opportunity is vast is that the average daily time spent by members of Generation Z and Generation Alpha (the population under the age of 30) is 88.5 minutes across mobile games, Roblox, Fortnite, and Minecraft combined, which exceeds the combined 59.6 daily minutes spent across TikTok, YouTube, Instagram, Facebook and X.

The company has a recent accomplishments with its long standing partner Chipotle for which seven projects, including five consumer facing campaigns have been deployed with some having won innovation awards. SLE helped Chipotle be the first quick serve restaurant to launch a new ingredient in and debut a new television ad in the metaverse. The most recent accomplishment with Chipotle is when the metaverse experience became the number one trending game on the Roblox platform and broke into the top 75 most visited games, with consumers rolling 1.27 million virtual burritos in the first day and redeeming 50,000 codes for free real-world burritos in less than three hours.

In 2025, the company launched a program with GoGo squeeze with the message 'There is no right way to play just like there is no right way to snack.' Using that statement the campaign developed by SLE is running across multiple platforms, including mobile games, Minecraft, TikTok and YouTube. The features include GoGo squeeZ mini games, interactive characters in Minecraft, as well as playable mobile ads. Most exciting is that this is the first time GoGo squeeZ is running a program to reach younger audiences with all previous campaigns having been parent-focused.

In 1Q25, SLE delivered a mini game arcade for Logitech in multiple Roblox experiences and reached the under 30 year old audiences through mobile playable ads for brands as diverse as Hasbro and Accounting+. Also, the company build a Roblox world for Google's Be Internet Awesome campaign based on the largest curriculum taught globally on Internet safety for young students that was recently demoed in person to Congressional staffers in Washington, DC.

In 2Q25, the company announced it continued its streamlining and cost reduction efforts through the sale of its Minecraft property to Mineville LLC for an undisclosed amount of cash. This transaction enables Super League to focus its efforts on playable media and playable content solutions for global brands. SLE will become Mineville LLC's exclusive partner for brand partnerships and advertising sales.

Projections

<u>Basis of Forecast</u>
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. Our 2025 and 2026 revenue forecasts include the May 1, 2025 acquisition of Supersocial and 1Q25 results, 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 $13.8 million in 2026, down from $22.9 million in 2024 and an increase in gross margin to 51.6% in 2026, up from 39% in 2024. We also are forecasting the company generating positive EBITDA of $665,000 in 4Q25, as well as positive EBITDA in the 4Q26 of $895,000 million.

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. Also, we will only record preferred dividend as they are reported

<u>*Operations 2025*</u>
We project total revenue growth of 2.5% to $16.6 million (unchanged) reflecting modest growth in the 2H25.

We forecast gross profit increasing 34.4% to $8.4 million from $6.1 million in 2024 due primarily to gross margin expansion to 49.4% 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 $16.4 million from $22.9 million in 2024. We anticipate engineering, technology and development expenses decreasing to $3.1 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 $5.2 million from $8.7million in 2024 and selling, marketing and advertising expenses decreasing to $8.1 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 $8.2 million from $16.8 million in 2024 due to revenue growth, gross margin expansion, and operating expense margin improving to 98.9% from 141% in 2024. We anticipate non-operating expense of nearly $2.7 million compared to non-operating income of $280,000. The current period includes $3.5 million of interest expense that includes change in fair value of debt obligations.

We project a net loss of $11 million or ($0.58) per share, after no preferred dividends and average shares of 23 million. We previously projected a net loss to common shareholders of $15.8 million or ($0.1475) per share, after preferred dividends of $4.4 million on average shares of 21 million.

We forecast 2025 cash loss of $8.2 million and a decrease in working capital of $889,000 resulting in cash used in operations of $7.3 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 $541,000 to $769,000 at December 31, 2025.

<u>*Operations – 2026*</u>
We project total revenue growth of 5.5% to $17.5 million (unchanged) 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 10.1% to $9 million from an estimated $8.3 million in 2025 due primarily to revenue growth and gross margin expansion to 51.6% from an estimated 49.4% 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 $13.8 million from an estimated $16.4 million in 2025. We anticipate engineering, technology and development expenses decreasing to $2.6 million from an estimated $3.1 million in 2025 reflecting reduced personnel and third party costs. G&A expenses should decrease to $4.9 million from an estimated $5.2 million in 2025 and selling, marketing and advertising expenses should decrease to $6.4 million from an estimated $8.1 million in 2025 with spending levels continuing to be streamlined to support higher margin customer projects.

We project operating losses narrowing to $4.8 million from an estimated $8.2 million in 2025 due primarily to revenue growth, gross margin expansion, and operating expense margin improving to 78.8% from an estimated 98.9% in 2025. We anticipate non-operating interest expense to $2.7 million.

We project a net loss of $7.4 million or ($0.23) per share, after no preferred dividends and average shares of 32.6 million. We previously projected 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 $3.5 million and a decrease in working capital of $2.2 resulting in cash used in operations of $1.3 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 $143,000 to $626,000 at December 31, 2026.

1Q25 Results

<u>1Q25</u>

SLE reported revenue decreased 35.4% to $2.7 million from $4.2 million in 1Q24. The revenue decrease stemmed from industry softness in ad sales reflecting consumer spending softness, reduced influencer marketing activity and lower custom game development and immersive experience related revenues, as well as no revenue from its previously own Minehut assets which were sold in 1Q24. Partly offsetting the overall revenue decline was and uptick in on-platform and $96,000 increase in off-platform related media sales. Sales for the current period included immersive experiences for Lions Gate, Funnico Inc., Bandai Namco Entertainment America Inc., CMG Strategy, and United States Golf Association.

Gross profit decreased 30.9% to $1.2 million from $1.7 million in the year-ago period due to lower revenue, partly offset by gross margin improvement to 44% from 41.1% in 1Q24. Gross margin improvement reflects a reduction in lower margin influencer marketing projects.

Operating expenses decreased to 23.8% to $4.8 million from $6.3 million in 1Q24. Engineering, technology and development expenses decreased to $929,000 from $1.7 million reduced personnel and other cost reduction activities that included sale of Minehut assets in 1Q24. G&A expense decreased to $1.5 million from $2.1 million in the year-ago period due primarily to reduction in connection with the company's ongoing cost reduction and optimization activities, reduced amortization of prior acquisitions, and reduced information technology, insurance and other costs.

The decrease in operation expenses was partly offset by an increase of $115,000 in selling, marketing and advertising expense to $2.4 million from $2.3 million the year-ago period. The increase stems from a shift of expenses related to influencer marketing costs out of cost of revenue to operating expenses, nearly offset by a $325,000 reduction in selling, marketing and advertising personnel costs, including a 28% reduction in related noncash stock compensation expense, in connection with ongoing cost reduction and optimization activities.

Included in operating expenses was a positive adjustment of $14,000 related to contingent consideration compared to a negative adjustment of $259,000 in the year-ago period.

The company's operating loss was $3.6 million compared to a loss of $4.6 million in 1Q24. The improvement reflects lower operating expenses and gross margin improvement, partly offset by lower revenue.

Non-operating expense was $599,000 compared an expense of $655,000 last year. The current period included interest expense that included change in fair value of debt of $1.4 million and a $157,000 loss on other, partly offset by a $717,000 positive change in fair value of warrant liability and $243,000 gain on sale of intangible assets. The year-ago period included a $761,000 negative change in fair value of warrant liability, interest expense of $18,000, $20,000 other expense, partly offset by a $144,000 gain on intangible assets.

Net loss to common shareholders was $4.2 million or ($0.25) per share on 17 million average shares. We projected a net loss to common shareholders of $5.4 million or ($0.30) per share, after preferred dividends of $1.1 million, on 17.8 million average shares with revenue of $2.2 million.

Finances

In 1Q25, cash burn of $3.9 million and a decrease in working capital of $1.7 million resulted in cash used in operations of $2.2 million. Proceeds from the issuance of common stock and proceeds from issuance of a note payable did not cover cash used in operations, software development costs, and repayment of receivables facility. Cash decreased by $563,000 to $747,000 at March 31, 2025.

Capital Structure

At March 31, 2025, SLE had outstanding a $1.7 million promissory note for contingent consideration, accrued contingent consideration liabilities of $124,000, and shareholders' deficit of $3.5 million. The company also has preferred stock outstanding of 16,669 shares that can be converted into approximately 10 million common stock as of March 31, 2025.

Super League Enterprise has a financing and Security Agreement with SLR Digital Finance, LLC, effective December 17, 2023. Under the agreement SLR may, from time-to-time at its sole discretion, make certain cash advances to SLE against the face amounts of certain uncollected accounts receivable at a rate of 85% of face value.

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.

During May 2025, the company entered into an underwriting agreement with Aegis Capital Corp. and ultimately including the overallotment over 5.7 million share of common stock were issued for net proceeds of nearly $800,000.

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 March 31, 2025, the company's accumulated deficit was $274.3 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 needs 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 and May 2025, Super League issued common shares for combined net proceeds of approximately $1.7 million in a registered direct offering. We are forecasting additional capital raised through our forecast period, the company could 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. That again increased in May 2025, after the registered direct offering to approximately 24.2 million.

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, as well as the minimum bid price. 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 participates 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 2.6% of the company's outstanding voting common stock and additionally two shareholder owns collectively 14.3% of the company's outstanding voting common stock as of a May 2025 Proxy filing. Also, there are a significant number of individual holders that own various preferred stock classes that could impact common stock ownership in the future if converted. 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 23, 2025, average daily trading volume increased to 459,000. Super League has a float of 18.1 million shares and outstanding shares of approximately 24.2 million, after the May 2025 common stock offering.

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

	FY23A	FY24A	1Q25A	**FY25E**	**FY26E**
ASSETS					
Current assets:					
Cash and cash equivalents	$ 7,609	$ 1,310	$ 747	**$ 769**	**$ 626**
Accounts receivable, net	8,287	3,766	2,568	**3,229**	**2,675**
Prepaid expenses and other current assets	862	677	958	**830**	**525**
Total current assets	16,758	5,753	4,273	**4,829**	**3,827**
Property and equipment, net	70	24	18	**15**	**10**
Intangible and other assets, net	6,636	4,070	3,629	**2,000**	**1,315**
Goodwill	1,864	1,864	1,864	**1,864**	**1,864**
Total assets	$ 25,328	$ 11,711	$ 10,179	**$ 8,708**	**$ 7,016**
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current liabilities:					
Accounts payable and accrued expenses	10,420	5,282	5,373	**5,021**	**6,007**
Accrued contingent consideration	1,812	138	124	**125**	**150**
Contract liabilities	339	50	633	**633**	**1,000**
Secured loan - SLR Facility	800	24	146	-	-
Promissory note - contingent consideration	-	1,735	1,727	**1,727**	**1,727**
Promissory notes payable and accrued interest	-	1,707	3,049	**4,300**	**3,800**
Promissory notes payable and accrued interest - related party	-	1,509	1,813	**1,813**	**1,813**
Total current liabilities	13,371	10,445	12,865	**13,619**	**14,497**
Accrued contingent consideration	396	-	-	-	-
Warrant liability	1,571	935	219	**219**	**219**
Deferred taxes	-	161	161	**161**	**161**
Preferred stock, $0.001 par value 10,000,000 shares authorized	-	-	-	-	-
Stockholders' equity:					
Common stock,$.001 par value; authorized 100,000,000 shares;	81	94	95	**100**	**105**
Additional paid-in capital	258,923	270,111	270,710	**275,604**	**280,569**
Retained earnings (accumulated deficit)	(249,014)	(270,035)	(274,266)	**(280,995)**	**(288,535)**
Total stockholders' equity	9,990	170	(3,461)	**(5,291)**	**(7,861)**
Total liabilities and stockholders' equity	$ 25,328	$ 11,711	$ 9,784	**$ 8,708**	**$ 7,016**
Shares Outstatnding - Common Stock	4,180	16,224	17,829	**30,000**	**35,000**
Preferred stock - outstanding	24	17	17	**17**	**17**

Source: Company reports and Taglich Brothers estimates

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

	FY23 A	FY24 A	**FY25 E**	**FY26 E**
Revenues	$ 25,079	$ 16,182	**$ 16,608**	**$ 17,510**
Cost of sales	15,297	10,080	**8,407**	**8,480**
Gross Profit	9,782	6,102	**8,201**	**9,030**
Operating Expenses:				
Selling, marketing and advertising	12,450	9,822	**8,092**	**6,350**
Engineering, technology and development	9,500	4,447	**3,129**	**2,600**
General and administrative	10,258	8,731	**5,220**	**4,875**
Contingent consideration (positive adjustment)	1,075	(144)	**(14)**	-
Impairment of goodwill, intangibles and loss on disposal	9,336	-	-	-
Total Operating Expenses	42,619	22,856	**16,427**	**13,825**
Operating Income (loss)	(32,837)	(16,754)	**(8,226)**	**(4,795)**
Interest (expense) income, includes change in fair value	(23)	(559)	**(3,537)**	**(2,745)**
Change in fair value of warrant liability	2,898	1,115	**717**	-
Loss on preferred instruments/contingent consideration	(681)	(336)	-	-
Gain on sale of intangible assets	-	183	**243**	-
Other	-	(123)	**(157)**	-
Total Other Income (expense)	2,194	280	**(2,734)**	**(2,745)**
Pre-Tax Income (loss)	(30,643)	(16,474)	**(10,960)**	**(7,540)**
Income Tax Expense (Benefit)	(313)	161	-	-
Preferred Dividends paid in shares of common stock	-	(4,386)	-	-
Net income (loss) - to common shareholders	(30,330)	(21,021)	**(10,960)**	**(7,540)**
Earning (loss) per share	$ (10.84)	$ (2.35)	**$ (0.48)**	**$ (0.23)**
Avg Shares Outstanding	2,799	8,940	**22,988**	**32,600**
Adjusted EBITDA	$ (15,336)	$ (12,488)	**$ (4,985)**	**$ (1,395)**
Margin Analysis				
Gross margin	39.0%	37.7%	**49.4%**	**51.6%**
Selling, marketing and advertising	49.6%	60.7%	**48.7%**	**36.3%**
Engineering, technology and development	37.9%	27.5%	**18.8%**	**14.8%**
General and administrative	40.9%	54.0%	**31.4%**	**27.8%**
Operating margin	(130.9%)	(103.5%)	**(49.5%)**	**(27.4%)**
Pre-tax margin	(122.2%)	(101.8%)	**(66.0%)**	**(43.1%)**
Tax rate	1.0%	(1.0%)	**0.0%**	**0.0%**
YEAR / YEAR GROWTH				
Total Revenues	27.5%	(35.5%)	**2.6%**	**5.4%**

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 A	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	$ 2,718	$ 3,200	$ 4,275	$ 6,415	**$ 16,608**	$ 2,895	$ 3,415	$ 4,525	$ 6,675	**$ 17,510**
Cost of sales	2,477	2,470	2,706	2,427	10,080	1,522	1,760	2,225	2,900	**8,407**	1,595	1,705	2,175	3,005	**8,480**
Gross Profit	1,732	1,646	1,725	999	6,102	1,196	1,440	2,050	3,515	**8,201**	1,300	1,710	2,350	3,670	**9,030**
Operating Expenses:															
Selling, marketing and advertising	2,277	2,633	2,397	2,515	9,822	2,392	2,000	1,900	1,800	**8,092**	1,500	1,550	1,600	1,700	**6,350**
Engineering, technology and development	1,699	792	914	1,042	4,447	929	900	700	600	**3,129**	650	650	650	650	**2,600**
General and administrative	2,102	2,520	1,935	2,174	8,731	1,520	1,200	1,225	1,275	**5,220**	1,150	1,200	1,250	1,275	**4,875**
Contingent consideration (positive adjustment)	259	(206)	(68)	(129)	(144)	(14)	-	-	-	**(14)**	-	-	-	-	-
Impairment of goodwill, intangibles and loss on disposal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	6,337	5,739	5,178	5,602	22,856	4,827	4,100	3,825	3,675	**16,427**	3,300	3,400	3,500	3,625	**13,825**
Operating Income (loss)	(4,605)	(4,093)	(3,453)	(4,603)	(16,754)	(3,631)	(2,660)	(1,775)	(160)	**(8,226)**	(2,000)	(1,690)	(1,150)	45	**(4,795)**
Interest (expense) income, includes change in fair value	(18)	(15)	(45)	(481)	(559)	(1,402)	(700)	(715)	(720)	**(3,537)**	(700)	(690)	(680)	(675)	**(2,745)**
Change in fair value of warrant liability	(761)	1,667	198	11	1,115	717	-	-	-	**717**	-	-	-	-	-
Loss on preferred instruments/contingent consideration	-	-	(336)	-	(336)	-	-	-	-	-	-	-	-	-	-
Gain on sale of intangible assets	144	-	-	39	183	243	-	-	-	**243**	-	-	-	-	-
Other	(20)	(14)	4	(93)	(123)	(157)	-	-	-	**(157)**	-	-	-	-	-
Total Other Income (expense)	(655)	1,638	(179)	(524)	280	(599)	(700)	(715)	(720)	**(2,734)**	(700)	(690)	(680)	(675)	**(2,745)**
Pre-Tax Income (loss)	(5,260)	(2,455)	(3,632)	(5,127)	(16,474)	(4,230)	(3,360)	(2,490)	(880)	**(10,960)**	(2,700)	(2,380)	(1,830)	(630)	**(7,540)**
Income Tax Expense (Benefit)	-	-	-	161	161	-	-	-	-	-	-	-	-	-	-
Preferred Dividends paid in shares of common stock	-	(1,592)	(1,694)	(1,100)	(4,386)	-	-	-	-	-					-
Net income (loss) - to common shareholders	(5,260)	(4,047)	(5,326)	(6,388)	(21,021)	(4,230)	(3,360)	(2,490)	(880)	**(10,960)**	(2,700)	(2,380)	(1,830)	(630)	**(7,540)**
Earning (loss) per share	$ (1.00)	$ (0.60)	$ (0.54)	$ (0.46)	$ (2.35)	$ (0.25)	$ (0.17)	$ (0.10)	$ (0.03)	**$ (0.48)**	$ (0.09)	$ (0.08)	$ (0.05)	$ (0.02)	**$ (0.23)**
Avg Shares Outstanding	5,241	6,741	9,920	13,857	8,940	16,954	20,000	25,000	30,000	**22,988**	30,100	30,200	35,000	35,100	**32,600**
Adjusted EBITDA	$ (3,454)	$ (2,867)	$ (2,526)	$ (3,641)	$ (12,488)	$ (2,865)	$ (1,835)	$ (950)	$ 665	**$ (4,985)**	$ (1,150)	$ (840)	$ (300)	$ 895	**$ (1,395)**
Margin Analysis															
Gross margin	41.1%	40.0%	38.9%	29.2%	37.7%	44.0%	45.0%	48.0%	54.8%	**49.4%**	44.9%	50.1%	51.9%	55.0%	**51.6%**
Selling, marketing and advertising	54.1%	64.0%	54.1%	73.4%	60.7%	88.0%	62.5%	44.4%	28.1%	**48.7%**	51.8%	45.4%	35.4%	25.5%	**36.3%**
Engineering, technology and development	40.4%	19.2%	20.6%	30.4%	27.5%	34.2%	28.1%	16.4%	9.4%	**18.8%**	22.5%	19.0%	14.4%	9.7%	**14.8%**
General and administrative	49.9%	61.2%	43.7%	63.5%	54.0%	55.9%	37.5%	28.7%	19.9%	**31.4%**	39.7%	35.1%	27.6%	19.1%	**27.8%**
Operating margin	(109.4%)	(99.4%)	(77.9%)	(134.4%)	(103.5%)	(133.6%)	(83.1%)	(41.5%)	(2.5%)	**(49.5%)**	(69.1%)	(49.5%)	(25.4%)	0.7%	**(27.4%)**
Pre-tax margin	(125.0%)	(59.6%)	(82.0%)	(149.6%)	(101.8%)	(155.6%)	(105.0%)	(58.2%)	(13.7%)	**(66.0%)**	(93.3%)	(69.7%)	(40.4%)	(9.4%)	**(43.1%)**
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%)	(35.4%)	(22.3%)	(3.5%)	87.2%	**2.6%**	6.5%	6.7%	5.8%	4.1%	**5.4%**

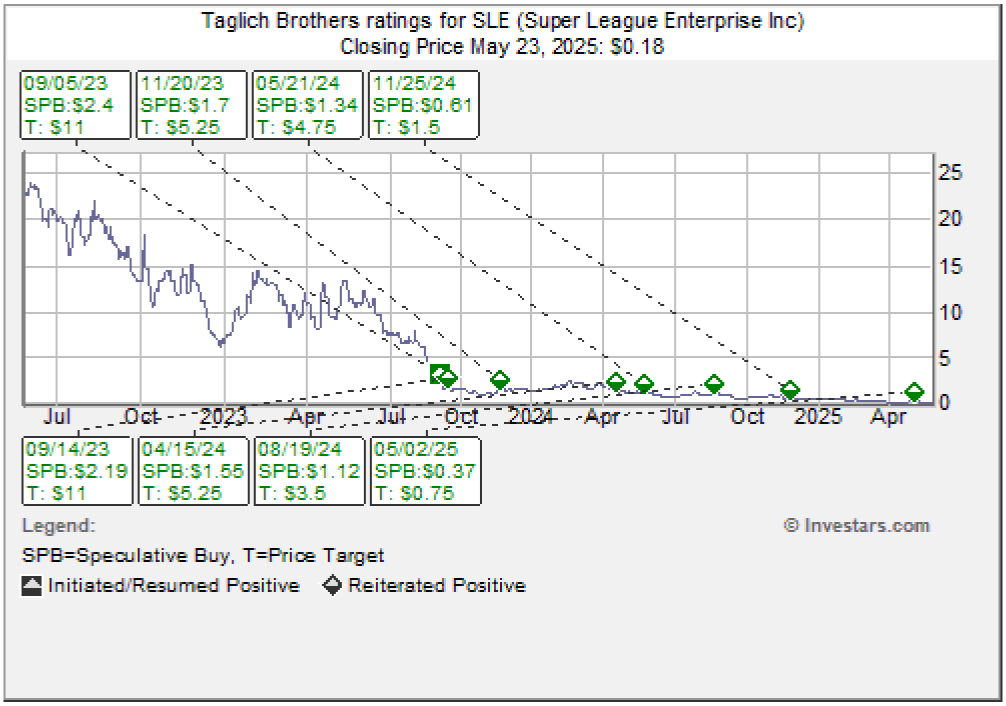
Source: Company reports and Taglich Brothers estimates

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

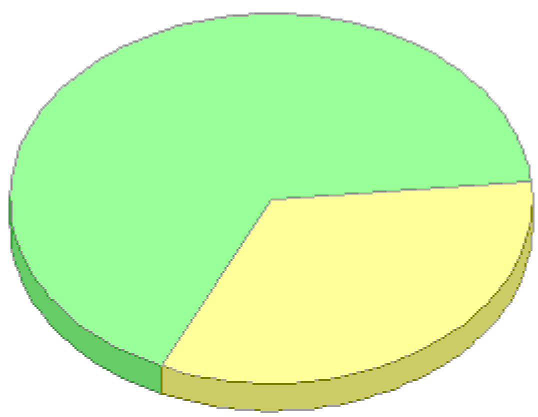
	FY2023A	FY2024A	1Q25A	FY2025E	FY2026E
Cash Flows from Operating Activities					
Net Income (loss), net of deemed dividends	$ (30,330)	$ (16,635)	$ (4,230)	**$ (10,960)**	**$ (7,540)**
Depreciation and amortization	5,376	2,612	547	**2,200**	**2,400**
Stock-based compensation	2,735	1,289	284	**1,100**	**1,600**
Impairment of goodwill and intangible assets	7,052	-	-	-	-
Gain on slae of intangible assets	-	163			
Write off of intangible asset	2,284	-	(243)	**(243)**	-
Amortization of convertible notes discount	40	-	-	-	-
Change in fair value of warrant liability	(2,898)	(1,115)	(717)	**(717)**	-
Change in fair value of contingent consideration	(545)	(252)	(59)	**(59)**	-
Change in fair value of non-cash legal settlement, debt, and other	-	959	495	**495**	-
Loss on extinguishment of liability - contingent consideration	-	(183)	-	-	
Loss on exchange of placement agent warrants	681	336	-	-	-
Cash earnings (burn)	(15,605)	(12,826)	(3,923)	**(8,184)**	**(3,540)**
Changes In:					
Accounts receivable	(2,113)	4,521	1,198	**537**	**554**
Prepaid expenses and other current assets	146	821	(352)	**(153)**	**305**
Accounts payable and accrued expense	3,412	(3,960)	107	**(261)**	**986**
Accrued contingent consideration	(1,064)	(20)	-	-	-
Deferred revenue - contract liabilities	228	(289)	583	**583**	**367**
Deferred taxes	(313)	161	-	-	-
Accrued interest on notes payable	(180)	130	184	**184**	-
(Increase)/decrease in Working Capital	116	1,364	1,720	**889**	**2,212**
Net cash provided (used in) Operations	(15,489)	(11,462)	(2,203)	**(7,295)**	**(1,328)**
Cash Flows from Investing Activities					
Proceeds from sale of Minehut assets	-	192	383	**383**	-
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)	(100)	**(400)**	**(300)**
Acquisition of other intangible and other assets	(17)	-	-	-	-
Cash flow provided (used in) Investing Activities	(825)	(283)	283	**(22)**	**(315)**
Cash Flows from Financing Activities					
Proceeds from issuance of pereferred stock, net of issuance costs	19,295	2,393	-	-	-
Proceeds from issuance of common stock, net of issuance costs	1,885	1,000	231	**2,500**	**2,000**
Proceeds (payments) from notes payable	-	-	1,004	**4,300**	**(500)**
Payments on convertible notes	(539)	-	-	-	-
Proceeds (payment) on notes payable	-	2,861	-	-	-
Contingent consideration payments	-	(32)	-	-	-
Advances from accounts receivable facility	-	-	259		
Secured loan - AR facility proceeds (payments)	800	(776)	(137)	**(24)**	-
Net cash provided (used) by Financing	21,441	5,446	1,357	**6,776**	**1,500**
Net change in Cash and restricted cash	5,127	(6,299)	(563)	**(541)**	**(143)**
Cash and restricted cash Beginning of Period	2,482	7,609	1,310	**1,310**	**769**
Cash (and restricted) End of Period	$ 7,609	$ 1,310	$ 747	**$ 769**	**$ 626**

Source: Company reports and Taglich Brothers estimates

Price Chart



Taglich Brothers Current Ratings Distribution



Investment Banking Services for Companies Covered in the Past 12 Months		
Rating	#	%
Buy	3	25
Hold		
Sell		
Not Rated		

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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.

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