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Research Report – Update

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

Super League Enterprise, Inc.

Rating: Speculative Buy

Howard Halpern

August 21, 2025

SLE \$3.30 — (NASDAQ)

	2023 A	2024 A	2025 E	2026 E
Total Revenues (in millions)	\$25.1	\$16.2	\$16.6	\$18.0
Earnings (loss) per share**	(\$433.42)*	(\$94.06)	(\$13.26)	(\$2.88)

52-Week range	\$52.80– \$3.07	Fiscal year ends:	December
Shares outstanding Estimated a/o 8/10/25	1.1 million	Revenue/shares (ttm)	\$32.79
Approximate float	0.96 million	Price/Sales (ttm)	0.1X
Market Capitalization	\$3.6 million	Price/Sales (2026) E	0.6X
Tangible Book value/shr	(\$9.98)	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 and 1 for 40 reverse stock split effective on June 23, 2025

* Includes goodwill/intangible asset impairments and other negative items, and a positive change in warrant liability ** Loss per share is to common stockholder after preferred dividends

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 and reestablishing a twelve-month price target of \$6.50 per share after the 1 for 40 reverse stock split effective June 23, 2025.

Super League has growth potential for its integrated end-to-end in-game advertising, branding technology, and in-game play offerings. Entering 2H25, 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, partnerships, and new product launches to leverage its reduced operating cost structure. Through August 2025, SLE has acquired Supersocial, expanded its partnership with Meta Stadiums through their AI-powered TikTok creator monetization platform and launched its own subscription service called Rotrends Pro. These actions should support SLE's goal to achieve positive EBITDA in 4Q25.

In 2Q25, SLE reported a loss per share of (\$4.52) on revenue of \$3 million versus a loss per share of (\$24.01) on revenue of \$4.1 million in 2Q24. We projected a loss per share of (\$6.72) on revenue of \$3.2 million.

For 2025, we project a net loss per share of (\$13.26) on revenue growth of 2.5% to \$16.6 million. We previously forecasted a net loss per share of (\$19.07) on revenue of \$16.6 million. Our forecast reflects a strong 4Q25 compared to 3Q25, continued reduction in operating expenses, and an increase in average shares outstanding to an estimated 869,000, up from 223,00 in 2024 due to capital raises and debt conversions.

For 2026, we project a net loss per share of (\$2.88) on revenue growth of 8.4% to \$18 million (prior was \$17.5 million). Our forecasts reflect revenue growth from recently established sales hubs in New York and Chicago, as well as enhanced operating leverage from cost rationalize efforts, and anticipated increase in average share outstanding stemming from additional capital raises during 2H26.

Please view our Disclosures on pages 14 – 16.

37 Main Street, Cold Spring Harbor, N.Y. 11724
(631) 757-1500

Appreciation Potential

Maintaining our Speculative Buy rating and reestablishing a twelve-month price target of \$6.50 per share after the 1 for 40 reverse stock split effective June 23, 2025.

Our rating reflects SLE growth potential for its integrated end-to-end in-game advertising, branding technology, and in-game play offerings. Entering 2H25, 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, partnerships, and new product launches to leverage its reduced operating cost structure. Through August 2025, SLE has acquired Supersocial, expanded its partnership with Meta Stadiums through their AI-powered TikTok creator monetization platform and launched its own subscription service called Rotrends Pro. These actions should support SLE's goal and our forecast of achieving positive EBITDA in 4Q25.

Our 12-month price target of \$6.50 per share implies shares could 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 2.3X (prior was 2.3X), compared to Super League's trailing price-to-sales multiple of 0.1X (unchanged). We anticipate investors are likely to accord SLE a multiple approaching that of the sector price-to-sales multiple. We applied a price-to-sales multiple of 1.5X to our 2026 sales per share forecast of \$5.43, discounted for execution and financial risks, to obtain a year-ahead price target of approximately \$6.50 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 partnerships, and ability to achieve positive adjusted EBITDA in 4Q25 and 4Q26. We anticipate a decrease in operating expenses to \$16.7 million in 2026, down from \$22.9 million in 2024, as well as an increase in gross margin to 49.7% in 2026, up from 39% in 2024. If achieved we anticipate cash burn of \$5.5 million in 2026, down from \$12.8 million in 2024. We are forecasting positive EBITDA in 4Q25 and 4Q26, respectively, of \$120,000 and \$995,000.

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.

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.

During 3Q25

Super League and Advertising Week announced they will co-present the first-ever Gaming Summit at Advertising Week New York 2025. A report by Dentsu shows the worldwide audience of people who play video games is approximately 3.5 billion with only 5% of advertising spend being deployed to engage them. The Gaming Summit is Advertising Week's first dedicated forum to showcase the value, effectiveness, and scale available within this underappreciated sector. Also, the company was part of the team that help Panda Express launch a cross-platform campaign that brings the 'swicy'- sweet and spicy- sizzle of Hot Orange Chicken into the world of immersive in-game experiences on Fortnite Creative and Roblox.

The company announced Rotrends Pro, its paid tier for its newly-launched (July 2025) intelligence solution built to surface trend and performance insights across Roblox is gaining adoption across a wide range of users, including - brands and agencies, game developers and studios, game traders and collectors, investors and analysts, content creators and influencers, and journalists and bloggers. This offering was initially developed as an internal strategy and analytics tool powering Super League's branded activations and creator partnerships on Roblox. However, it proved to have broader market potential, emerging as the Roblox equivalent of SEMrush or SimilarWeb for real-time gaming intelligence. The company believes this is the first tool of its kind that provides platform-level trend intelligence built for the world's largest immersive gaming platform.

During 2Q25

SLE 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.

During 1Q25

Super League 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.

Projections

Basis of Forecast

Our forecast reflects increasing 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, an expanded partnership with Meta Stadiums through their AI-powered TikTok creator monetization platform, launched its own subscription service called Rotrends Pro, and established sales hubs in New York and Chicago, as well as 1H25 results. Our forecast 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 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 \$16.7 million in 2026, down from \$22.9 million in 2024 and an increase in gross margin to 49.7% in 2026, up from 39% in 2024. We also are forecasting the company generating positive EBITDA of \$120,000 in 4Q25, as well as positive EBITDA in the 4Q26 of \$995,000 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.

Operations 2025

We project total revenue growth of 2.5% to \$16.6 million (unchanged) reflecting modest growth in the 2H25 that should be weighted to 4Q25 results due to increased seasonal spending by existing customer and modest spending by new customer projects.

We forecast gross profit increasing 26.8% to \$7.7 million from \$6.1 million in 2024 due primarily to gross margin expansion to 46.6% from 39% in 2024, along with 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 \$17.9 million from \$22.9 million in 2024. We anticipate engineering, technology and development expenses decreasing to \$2.9 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 \$6.4 million from \$8.6 million in 2024 and selling, marketing and advertising expenses decreasing to \$8.7 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 \$10.2 million from \$16.8 million in 2024 due to revenue growth, gross margin expansion, and operating expense margin improving to 108% from 141% in 2024. We anticipate non-operating expense of \$1.2 million compared to non-operating income of \$280,000. The current period includes \$2.2 million of interest expense that includes change in fair value of debt obligations.

We project a net loss of \$11.5 million or (\$13.26) per share, after preferred dividends of \$101,000, on average shares of 869,000. We previously projected a net loss to common shareholders of \$11 million or (\$19.07) per share, after no preferred dividends, on average shares of 575,000.

We forecast 2025 cash burn of \$8.3 million and a decrease in working capital of \$1.9 million resulting in cash used in operations of \$6.4 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 other debt obligations. We anticipate cash decreasing by \$590,000 to \$720,000 at December 31, 2025.

Operations – 2026

We project total revenue growth of 8.4% to \$18 million (prior was \$17.5 million) from an estimated \$16.6 million in 2024. Our forecast reflects growth in the company's core offerings to new and existing customers and an increased contribution from the company's sales hubs in New York and Chicago. Our forecast does not include the potential of completing an accretive acquisition prior to the end of 2025.

We forecast gross profit increasing 15.6% to \$9 million from an estimated \$7.7 million in 2025 due primarily to revenue growth and gross margin expansion to 49.7% from an estimated 46.6% 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 \$16.7 million from an estimated \$17.9 million in 2025. We anticipate engineering, technology and development expenses decreasing to \$2.4 million from an estimated \$2.9 million in 2025 reflecting reduced personnel and third party costs. G&A expenses should decrease to \$6.2 million from an estimated \$6.4 million in 2025 and selling, marketing and advertising expenses should decrease to \$8.2 million from an estimated \$8.6 million in 2025 with spending levels continuing to be streamlined to support higher margin customer projects.

We project operating losses narrowing to \$7.8 million from an estimated \$10.2 million in 2025 due primarily to revenue growth, gross margin expansion, and operating expense margin improving to 92.8% from an estimated 108% in 2025. We anticipate non-operating interest expense to \$1.8 million, down from an estimated \$2.2 million in 2025.

We project a net loss of \$9.5 million or (\$2.88) per share, after no preferred dividends and average shares of 3.3 million. We previously projected a net loss of \$7.5 million or (\$9.25) per share, after no preferred dividends, on average shares of 815,000.

We forecast 2026 cash burn of \$5.5 million and a decrease in working capital of \$2.9 resulting in cash used in operations of \$2.6 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 \$349,000 to \$372,000 at December 31, 2026.

2Q25 and 1H25 Results

2Q25

SLE reported revenue decreased 27.1% to \$3 million from \$4.1 million in 2Q24. 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. Partly offsetting the overall revenue decline was an uptick of \$341,000 in off-platform related media sales. Sales for the current period included immersive experiences for Lions Gate Ancillary (World Crossing), Second Dinner Studios, Inc. (Nuverse Marvel Snap), CMG Strategy Co., (Chipotle / Halsey experience), United States Golf Association, Hi-Chew, Panda Express, Heidi Klum Company, and Logitech.

Gross profit decreased 24.4% to \$1.3 million from \$1.6 million in the year-ago period due to lower revenue, partly offset by gross margin improvement to 43.6% from 40% in 2Q24. Gross margin improvement reflects a reduction in lower margin influencer marketing projects.

Operating expenses decreased 22.4% to \$4.5 million from \$5.7 million in 2Q24. Engineering, technology and development expenses decreased to \$694,000 from \$792,000 reflecting headcount reductions and cost optimization activities. G&A expense decreased to \$1.7 million from \$2.5 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, partly offset by slightly higher stock-based compensation expense. Selling and marketing expense decreased to \$2.1 million from \$2.6 million in 2Q24 reflecting headcount reduction, partly offset by an increase in advertising costs.

The company's operating loss was \$3.1 million compared to a loss of \$4.1 million in 2Q24. The improvement reflects lower operating expenses and gross margin improvement, partly offset by lower revenue.

Non-operating income was \$362,000 compared income of \$1.6 million last year. The current period included interest income of \$181,000 due to the inclusion of a change in fair value of certain notes, \$100,000 gain on sale of intangible assets, \$144,000 positive change in fair value of warrant liability, partly offset by other expense of \$63,000. The year-ago period included a \$1.7 million positive change in fair value of warrant liability, interest expense of \$15,000, \$14,000 other expense.

Net loss to common shareholders was \$2.9 million or (\$4.52) per share, after preferred dividends of \$100,000, on 637,900 average shares. We projected a net loss to common shareholders of \$4.4 million or (\$6.72) per share, after no preferred dividends, on 500,000 average shares with revenue of \$3.2 million.

1H25

SLE reported revenue decreased by 31.3% to \$5.7 million from \$8.3 million in 1H24. The revenue decrease reflects reduced custom game development and immersive experience related activity, as well as a strategic decrease in lower margin influencer marketing revenues.

Gross profit decreased 25.8% to \$2.5 million from \$3.4 million in the year-ago period due primarily to lower revenue, partly offset by gross margin improvement to 43.8% from 40.6% in 1H24. Gross margin improvement reflects the strategic shift away from lower margin influencer marketing programs.

Total operating expenses decreased 23.1% to \$9.3 million from nearly \$12.1 million last year reflecting cost reduction and optimization activities that resulted in reduced headcount.

The operating loss was \$6.8 million compared to \$8.7 million in the year-ago period. The improvement reflects lower core operating expenses.

Non-operating expense was \$237,000 compared to income of \$983,000 last year.

Net loss was \$7.1 million or (\$13.40) per share, after preferred dividends of \$101,000, on 531,000 average shares compared to a net loss of \$9.3 million or (\$62.14) per share, after preferred dividends of \$1.6 million, on 150,000 average shares in the year-ago period.

Finances

In 1H25, cash burn of \$5.9 million and a decrease in working capital of \$1.9 million resulted in cash used in operations of \$4 million. Proceeds from the issuance of common stock, sales of assets, 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 \$835,000 to \$475,000 at June 30, 2025.

Capital Structure

At June 30, 2025, SLE had outstanding a \$1.7 million promissory note for contingent consideration, contract liabilities of \$1 million, promissory notes and accrued interest of \$2.6 million and promissory notes and accrued interest – related party of \$1.5 million, and shareholders' deficit of \$4.1 million. Also preferred stock outstanding was 16,426 shares that can be converted into approximately 246,000 common stock as of June 30, 2025.

	in \$ thousands		
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Total Revenue	\$ 5,719	\$ 8,325	(31.3%)
Total Cost of Sales	3,214	4,947	(35.0%)
Gross Profit	<u>\$ 2,505</u>	<u>\$ 3,378</u>	(25.8%)
Total Operating Expenses	9,281	12,076	(23.1%)
Operating Income (loss)	(6,776)	(8,698)	(22.1%)
Total Other Income (Expense)	(237)	983	NMF
Pre-Tax Income (loss)	(7,013)	(7,715)	(9.1%)
Income tax expense (benefit)	-	-	
Preferred Dividends	(101)	(1,592)	
Net Income (loss)	<u>\$ (7,114)</u>	<u>\$ (9,307)</u>	39.9%
Earnings (loss) per share	(\$13.40)	(\$62.14)	
Avg Shares Outstanding	531	150	
Margins			
Gross margin	43.8%	40.6%	
Operating Margin	(118.5%)	(104.5%)	
Pre-Tax Margins	(122.6%)	(92.7%)	
Source: company reports			

On June 13, 2025, the company entered into an amendment for its outstanding related party notes. The maturity date had been extended to November 19, 2026 and starting on November 19, 2025, interest will no longer accrue, and monthly payments of \$175,000 will be made beginning in November 2025 and ending in November 2026.

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. No shares were sold in 2Q25.

In March 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 \$445,000, 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. At June 30, 2025, the outstanding balance was \$1.1 million.

At June 30, 2025, the company received net proceeds of approximately \$1.9 million from the issuance of common stock for working capital purposes.

Subsequent to the end of 2Q25, in July 2025, SLE entered into the equity purchase agreement with the investor. Under agreement, the company has the right, but not the obligation, to direct the investor to purchase up to the maximum commitment amount of \$20 million in shares of common stock upon satisfaction of certain terms and conditions. Also, SLE entered into the purchase agreement pursuant to which it agreed to sell up to nearly \$4.5 million 8% senior secured convertible notes, maturing January 2027, with original issue discount of 11%, and convertible into shares of common stock at a conversion price of \$6.815 per share. The company received \$4 million in gross proceeds.

Market Brief

The company generates its revenue from customer by engaging audiences through playable media, content, and experiences within mobile games and the world's largest immersive platforms such as Roblox. Super League believes that people while playing mobile games are engaged mentally and physically, emotionally connected, aspirational, and deeply focused thus making it an ideal landing spot brand to connect with attentive audiences. The company internal research estimates that there are more than 5 billion people in the world who play using a mobile platform and 3.32 billion are playing video games.

Mobile Gaming

Grandview Research published a report indicating that global mobile gaming market could reach over \$256 billion in 2023, up from an estimated \$139 billion in 2024, for annualized growth of 10.7%. Growth in mobile gaming is the direct result of the increase usage of more highly powered smartphones. Another driver of mobile gaming growth is based on the free-to-play model that removed initial costs and thereby broadening a games audience. This has enable developers to attract large install rates, build large user communities, and broaden monetization potential through in-app purchases, advertising and branding of products, and gated premium features all of which a designed to bring users a great experience without interfering with gameplay.

Immersive Technology

Precedence Research published a report estimating that the global immersive technology market could reach \$251 billion by 2034, up from an estimated at \$33.5 billion in 2024, for annualized growth of 22.3%.

The Business Research Company issued a report that indicates the immersive technology market within in the gaming industry should growth annually by 29.4% to nearly \$52 billion by 2029, up from an estimated \$18.4 billion in 2025. Support forecasted growth is likely to be the increasing investments toward immersive gaming startups, increased usage of immersive games, and more investment in motion-tracking wearable technology, as well as hybridization.

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 June 30, 2025, the company's accumulated deficit was \$277.1 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 – (all share figures reflect the 1 for 40 reverse stock split effective June 2025)

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 246,000 common shares. In October 2024 through July 2025, Super League issued common shares for proceeds of approximately \$3.6 million. 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 445,000 million from 162,500 million on April 25, 2024. In May 2025, after a registered direct offering share increased to 605,000 and further increased to nearly 1.1 million as of August 10, 2025.

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 August 20, 2025, average daily trading volume increased to 240,000. Super League has a float of 959,000 shares and outstanding shares of nearly 1.1 million at August 10, 2025 and reflects the 1 for 40 reverse stock split in June 2025.

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

	FY23A	FY24A	2Q25A	FY25E	FY26E
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 7,609	\$ 1,310	\$ 475	\$ 720	\$ 372
Accounts receivable, net	8,287	3,766	2,337	2,906	2,500
Prepaid expenses and other current assets	862	677	922	913	540
Total current assets	16,758	5,753	3,734	4,539	3,412
Property and equipment, net	70	24	14	15	10
Intangible and other assets, net	6,636	4,070	2,849	2,400	1,257
Goodwill	1,864	1,864	1,864	1,864	1,864
Total assets	\$ 25,328	\$ 11,711	\$ 8,461	\$ 8,818	\$ 6,543
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current liabilities:					
Accounts payable and accrued expenses	10,420	5,282	5,461	5,786	7,542
Accrued contingent consideration	1,812	138	116	125	150
Contract liabilities	339	50	1,036	379	379
Secured loan - SLR Facility	800	24	-	-	-
Promissory note - contingent consideration	-	1,735	1,700	1,700	1,700
Promissory notes payable and accrued interest	-	1,707	2,557	1,226	1,000
Promissory notes payable and accrued interest - related party	-	1,509	1,473	1,900	-
Total current liabilities	13,371	10,445	12,343	11,116	10,771
Accrued contingent consideration	396	-	-	-	-
Convertible notes, net	-	-	-	3,840	2,020
Warrant liability	1,571	935	74	74	74
Deferred taxes	-	161	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	78	80	85
Additional paid-in capital	258,923	270,111	272,954	275,005	284,425
Retained earnings (accumulated deficit)	(249,014)	(270,035)	(277,149)	(281,458)	(290,993)
Total stockholders' equity	9,990	170	(4,117)	(6,373)	(6,483)
Total liabilities and stockholders' equity	\$ 25,328	\$ 11,711	\$ 8,461	\$ 8,818	\$ 6,543
Shares Outstanding - Common Stock	105	406	885	1,400	4,000
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)

	<u>FY23 A</u>	<u>FY24 A</u>	<u>FY25 E</u>	<u>FY26 E</u>
Revenues	\$ 25,079	\$ 16,182	\$ 16,604	\$ 18,000
Cost of sales	<u>15,297</u>	<u>10,080</u>	<u>8,864</u>	<u>9,050</u>
Gross Profit	<u>9,782</u>	<u>6,102</u>	<u>7,740</u>	<u>8,950</u>
Operating Expenses:				
Selling, marketing and advertising	12,450	9,822	8,599	8,150
Engineering, technology and development	9,500	4,447	2,923	2,400
General and administrative	10,258	8,731	6,423	6,150
Contingent consideration (positive adjustment)	1,075	(144)	(14)	-
Impairment of goodwill, intangibles and loss on disposal	9,336	-	-	-
Total Operating Expenses	<u>42,619</u>	<u>22,856</u>	<u>17,931</u>	<u>16,700</u>
Operating Income (loss)	(32,837)	(16,754)	(10,191)	(7,750)
Interest (expense) income, includes change in fair value	(23)	(559)	(2,216)	(1,785)
Change in fair value of warrant liability	2,898	1,115	861	-
Loss on preferred instruments/contingent consideration	(681)	(336)	-	-
Gain on sale of intangible assets	-	183	343	-
Other	<u>-</u>	<u>(123)</u>	<u>(220)</u>	<u>-</u>
Total Other Income (expense)	<u>2,194</u>	<u>280</u>	<u>(1,232)</u>	<u>(1,785)</u>
Pre-Tax Income (loss)	(30,643)	(16,474)	(11,423)	(9,535)
Income Tax Expense (Benefit)	<u>(313)</u>	<u>161</u>	<u>-</u>	<u>-</u>
Preferred Dividends paid in shares of common stock	-	(4,386)	(101)	-
Net income (loss) - to common shareholders	<u>(30,330)</u>	<u>(21,021)</u>	<u>(11,524)</u>	<u>(9,535)</u>
Earning (loss) per share	<u>\$ (433.42)</u>	<u>\$ (94.06)</u>	<u>\$ (13.26)</u>	<u>\$ (2.88)</u>
Avg Shares Outstanding	70	223	869	3,313
Adjusted EBITDA	\$ (15,336)	\$ (12,488)	\$ (6,450)	\$ (3,750)
Margin Analysis				
Gross margin	39.0%	37.7%	46.6%	49.7%
Selling, marketing and advertising	49.6%	60.7%	51.8%	45.3%
Engineering, technology and development	37.9%	27.5%	17.6%	13.3%
General and administrative	40.9%	54.0%	38.7%	34.2%
Operating margin	(130.9%)	(103.5%)	(61.4%)	(43.1%)
Pre-tax margin	(122.2%)	(101.8%)	(68.8%)	(53.0%)
Tax rate	1.0%	(1.0%)	0.0%	0.0%

YEAR / YEAR GROWTH

Total Revenues	27.5%	(35.5%)	2.6%	8.4%
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All per share and share figures reflect a 1 for 20 reverse stock split effective on September 11, 2023 and 1 for 40 reverse stock split effective on June 23, 2025

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 A	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	\$ 3,001	\$ 3,790	\$ 7,095	\$ 16,604	\$ 2,880	\$ 3,250	\$ 4,025	\$ 7,845	\$ 18,000
Cost of sales	2,477	2,470	2,706	2,427	10,080	1,522	1,692	2,100	3,550	8,864	1,575	1,775	2,100	3,600	9,050
Gross Profit	1,732	1,646	1,725	999	6,102	1,196	1,309	1,690	3,545	7,740	1,305	1,475	1,925	4,245	8,950
Operating Expenses:															
Selling, marketing and advertising	2,277	2,633	2,397	2,515	9,822	2,392	2,107	2,000	2,100	8,599	2,000	2,025	2,050	2,075	8,150
Engineering, technology and development	1,699	792	914	1,042	4,447	929	694	675	625	2,923	600	600	600	600	2,400
General and administrative	2,102	2,520	1,935	2,174	8,731	1,520	1,653	1,575	1,675	6,423	1,500	1,525	1,550	1,575	6,150
Contingent consideration (positive adjustment)	259	(206)	(68)	(129)	(144)	(14)	-	-	-	(14)	-	-	-	-	-
Total Operating Expenses	6,337	5,739	5,178	5,602	22,856	4,827	4,454	4,250	4,400	17,931	4,100	4,150	4,200	4,250	16,700
Operating Income (loss)	(4,605)	(4,093)	(3,453)	(4,603)	(16,754)	(3,631)	(3,145)	(2,560)	(855)	(10,191)	(2,795)	(2,675)	(2,275)	(5)	(7,750)
Interest (expense) income, includes change in fair value	(18)	(15)	(45)	(481)	(559)	(1,402)	181	(500)	(495)	(2,216)	(475)	(450)	(435)	(425)	(1,785)
Change in fair value of warrant liability	(761)	1,667	198	11	1,115	717	144	-	-	861	-	-	-	-	-
Loss on preferred instruments/contingent consideration	-	-	(336)	-	(336)	-	-	-	-	-	-	-	-	-	-
Gain on sale of intangible assets	144	-	-	39	183	243	100	-	-	343	-	-	-	-	-
Other	(20)	(14)	4	(93)	(123)	(157)	(63)	-	-	(220)	-	-	-	-	-
Total Other Income (expense)	(655)	1,638	(179)	(524)	280	(599)	362	(500)	(495)	(1,232)	(475)	(450)	(435)	(425)	(1,785)
Pre-Tax Income (loss)	(5,260)	(2,455)	(3,632)	(5,127)	(16,474)	(4,230)	(2,783)	(3,060)	(1,350)	(11,423)	(3,270)	(3,125)	(2,710)	(430)	(9,535)
Income Tax Expense (Benefit)	-	-	-	161	161	-	-	-	-	-	-	-	-	-	-
Preferred Dividends paid in shares of common stock	-	(1,592)	(1,694)	(1,100)	(4,386)	(1)	(100)	-	-	(101)					-
Net income (loss) - to common shareholders	(5,260)	(4,047)	(5,326)	(6,388)	(21,021)	(4,231)	(2,883)	(3,060)	(1,350)	(11,524)	(3,270)	(3,125)	(2,710)	(430)	(9,535)
Earning (loss) per share	\$ (40.15)	\$ (24.01)	\$ (21.48)	\$ (18.44)	\$ (94.06)	\$ (9.98)	\$ (4.52)	\$ (2.83)	\$ (1.01)	\$ (13.26)	\$ (1.09)	\$ (1.01)	\$ (0.86)	\$ (0.11)	\$ (2.88)
Avg Shares Outstanding	131	169	248	346	223	424	638	1,080	1,335	869	3,000	3,100	3,150	4,000	3,313
Adjusted EBITDA	\$ (3,454)	\$ (2,867)	\$ (2,526)	\$ (3,641)	\$ (12,488)	\$ (2,865)	\$ (2,120)	\$ (1,585)	\$ 120	\$ (6,450)	\$ (1,795)	\$ (1,675)	\$ (1,275)	\$ 995	\$ (3,750)
Margin Analysis															
Gross margin	41.1%	40.0%	38.9%	29.2%	37.7%	44.0%	43.6%	44.6%	50.0%	46.6%	45.3%	45.4%	47.8%	54.1%	49.7%
Selling, marketing and advertising	54.1%	64.0%	54.1%	73.4%	60.7%	88.0%	70.2%	52.8%	29.6%	51.8%	69.4%	62.3%	50.9%	26.4%	45.3%
Engineering, technology and development	40.4%	19.2%	20.6%	30.4%	27.5%	34.2%	23.1%	17.8%	8.8%	17.6%	20.8%	18.5%	14.9%	7.6%	13.3%
General and administrative	49.9%	61.2%	43.7%	63.5%	54.0%	55.9%	55.1%	41.6%	23.6%	38.7%	52.1%	46.9%	38.5%	20.1%	34.2%
Operating margin	(109.4%)	(99.4%)	(77.9%)	(134.4%)	(103.5%)	(133.6%)	(104.8%)	(67.5%)	(12.1%)	(61.4%)	(97.0%)	(82.3%)	(56.5%)	(0.1%)	(43.1%)
Pre-tax margin	(125.0%)	(59.6%)	(82.0%)	(149.6%)	(101.8%)	(155.6%)	(92.7%)	(80.7%)	(19.0%)	(68.8%)	(113.5%)	(96.2%)	(67.3%)	(5.5%)	(53.0%)
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%)	(27.1%)	(14.5%)	107.1%	2.6%	6.0%	8.3%	6.2%	10.6%	8.4%
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All per share figures reflect a 1 for 40 reverse stock split effective on June 23, 2025

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>6 Mos. 25A</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)	\$ (7,013)	\$ (11,423)	\$ (9,535)
Depreciation and amortization	5,376	2,612	1,091	2,200	2,400
Stock-based compensation	2,735	1,289	759	1,618	1,600
Impairment of goodwill and intangible assets	7,052	-	-	-	-
Gain on sale of intangible assets	-	163	392	392	-
Write off of intangible asset	2,284	-	(152)	(152)	-
Amortization of convertible notes discount	40	-	-	-	-
Change in fair value of warrant liability	(2,898)	(1,115)	(861)	(861)	-
Change in fair value of contingent consideration	(545)	(252)	(91)	(91)	-
Change in fair value of non-cash legal settlement, debt, and other	-	959	-	-	-
Loss on extinguishment of liability - contingent consideration	-	(183)	-	-	-
Loss on exchange of placement agent warrants	681	336	-	-	-
Cash earnings (burn)	(15,605)	(12,826)	(5,875)	(8,317)	(5,535)
<i>Changes In:</i>					
Accounts receivable	(2,113)	4,521	773	860	406
Prepaid expenses and other current assets	146	821	(74)	(236)	373
Accounts payable and accrued expense	3,412	(3,960)	103	504	1,755
Accrued contingent consideration	(1,064)	(20)	-	-	-
Deferred revenue - contract liabilities	228	(289)	986	583	367
Deferred taxes	(313)	161	-	-	-
Accrued interest on notes payable	(180)	130	92	184	-
(Increase)/decrease in Working Capital	116	1,364	1,880	1,895	2,901
Net cash provided (used in) Operations	(15,489)	(11,462)	(3,995)	(6,422)	(2,634)
<i>Cash Flows from Investing Activities</i>					
Proceeds from sale of Minehut and Mineville assets	-	192	1,006	383	-
Cash paid in connection with Melon acquisition, net	(150)	-	-	-	-
Other purchases of intangible assets	-	-	(10)	-	-
Purchase of property and equipment	(8)	(23)	-	(5)	(15)
Purchase of third-party game properties	-	-	-	-	-
Capitalization of software development costs	(650)	(452)	(200)	(400)	(300)
Acquisition of other intangible and other assets	(17)	-	-	-	-
Cash flow provided (used in) Investing Activities	(825)	(283)	796	(22)	(315)
<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	1,945	1,945	5,000
Proceeds (payments) from notes payable	-	-	493	(838)	(500)
Shares issued for exchange of notes and convertible notes	-	-	-	1,331	1,820
Proceeds (payments) on convertible notes, net	(539)	-	-	3,840	(1,820)
Proceeds (payment) on notes payable - related party	-	2,861	-	(350)	(1,900)
Contingent consideration payments	-	(32)	(50)	(50)	-
Advances from accounts receivable facility	-	-	-	-	-
Secured loan - AR facility proceeds (payments)	800	(776)	(24)	(24)	-
Net cash provided (used) by Financing	21,441	5,446	2,364	5,854	2,600
Net change in Cash and restricted cash	5,127	(6,299)	(835)	(590)	(349)
Cash and restricted cash Beginning of Period	2,482	7,609	1,310	1,310	720
Cash (and restricted) End of Period	<u>\$ 7,609</u>	<u>\$ 1,310</u>	<u>\$ 475</u>	<u>\$ 720</u>	<u>\$ 372</u>

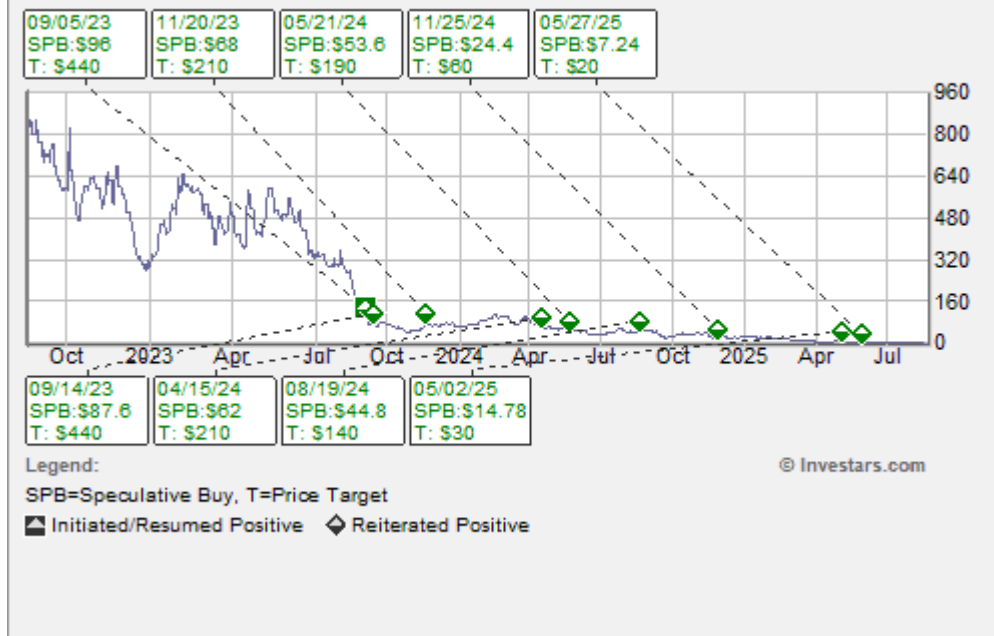
Source: Company reports and Taglich Brothers estimates

Taglich Brothers, Inc.

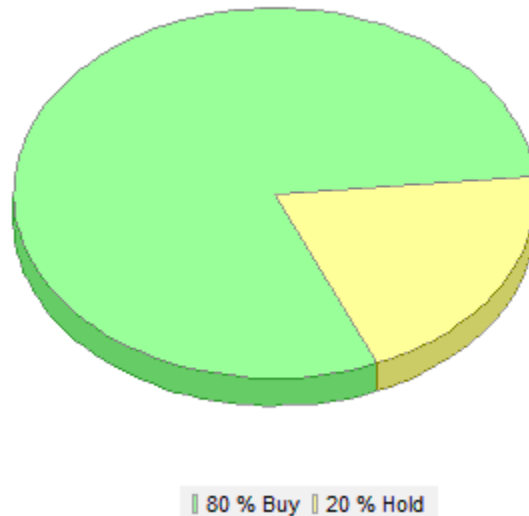
Price Chart

Closing Price August 20, 2025: \$3.30

Taglich Brothers ratings for SLE (Super League Enterprise Inc)
Closing Price Aug 19, 2025: \$3.35



Taglich Brothers Current Ratings Distribution



Investment Banking Services for Companies Covered in the Past 12 Months

Rating	#	%
Buy	3	30
Hold		
Sell		
Not Rated		

Important Disclosures

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Analyst Certification

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)
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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)
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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.