

December 5, 2025



# Allied Gaming and Entertainment Issues Statement to Shareholders and the Investment Community

## **Company Reaffirms Financial Strength, Strategic Progress and Long-Term Confidence Amid Elevated Short-Selling Activity**

New York, Dec. 05, 2025 (GLOBE NEWSWIRE) -- NEW YORK, NY — December 5, 2025 — Allied Gaming & Entertainment Inc. (NASDAQ: AGAE) (the “Company”) today issued a statement to shareholders and the investment community regarding recent market activity and to reinforce management’s confidence in the Company’s financial position and strategic outlook.

The Company has observed unusually elevated levels of short-selling and speculative trading activity in recent periods, resulting in a share price that management believes has diverged materially from Allied’s asset base and intrinsic value.

To ensure transparency and avoid market misinterpretation, the Board of Directors and management issue the following update.

### **Current Market Valuation Is Misaligned with Financial Fundamentals**

As disclosed in the Company’s most recent Form 10-Q for the quarter ended September 30, 2025:

- Total assets exceed US\$106.7 million
- Cash, cash equivalents and short-term investments total approximately US\$53.8 million
- Shareholders’ equity (net assets) is approximately US\$56.9 million

By contrast, the Company’s current market capitalization of approximately US\$14 million represents:

- Roughly 25% of its net asset value; and
- Less than 30% of the value of its cash and short-term investments

This valuation disparity highlights a disconnect between trading behavior and underlying fundamentals, which management believes is largely influenced by short-term transactional dynamics rather than long-term business performance.

### **Expense Changes Reflect Extraordinary Events, Not Operational Weakness**

Some investors may have noted higher operating expenses during the reporting period. To clarify:

1. The increase primarily reflects costs associated with a prolonged shareholder control

- dispute,
- 2.Which is exceptional and non-recurring, and
  - 3.Does not reflect deterioration in operating capability

Despite this external pressure, management has:

- Continued optimizing its cost structure;
- Improved efficiency of strategic capital deployment; and
- Maintained stable operational progress.

Additionally, through disciplined asset management, the Company generated more than US\$3.5 million in interest and investment income during the first nine months, demonstrating a resilient financial foundation capable of supporting growth initiatives.

### **Strategic Direction Is Clear and Supported by Strong Resources**

The Company remains focused on:

- Expanding higher-margin experiential and live entertainment businesses
- Advancing monetization models and digital-first initiatives
- Pursuing selective, synergistic investment opportunities

With liquidity of over US\$53 million, management believes it is well positioned to execute its growth strategy without operational pressure from short-term market fluctuations.

### **Call for Rational, Long-Term Assessment by Shareholders**

Short-selling and market volatility frequently reflect emotional short-term trading behavior. Accordingly, the Company advises shareholders and investors to:

- Exercise caution toward unverified commentary or rumors
- Evaluate Allied based on official disclosures, asset strength, and strategic direction
- Focus on long-term value rather than short-term price movement

Management and the Board continue to evaluate — and when appropriate, will consider implementing — lawful and compliant measures designed to protect corporate value and shareholder interests.

“We remain confident in Allied’s outlook and in our ability to deliver meaningful, sustainable value to long-term shareholders,” said James Li, Chairman & CEO of AGAE, “We are committed to disciplined execution, transparent communication, and advancing a platform positioned for long-term growth.”

### **Forward Looking Statements**

This communication contains certain forward-looking statements under federal securities laws. Forward-looking statements includes, but are not limited to, potential growth opportunities and other statements regarding our goals, beliefs, strategies, objectives, plans, product and service developments, future financial conditions, results or projections or current expectations. In some cases, you can identify forwardlooking statements by terminology such as "may," "will," "should," "expect," "plan,"

"anticipate," "believe," "estimate," "predict," "potential," "intend" or "continue," the negative of such terms, or other comparable terminology. These statements are subject to known and unknown risks, uncertainties, assumptions and other factors that may cause actual results to be materially different from those contemplated by the forward-looking statements. These forward-looking statements are not guarantees of future performance, conditions or results, and involve a number of known and unknown risks, uncertainties, assumptions and other important factors, many of which are outside our control, that could cause actual results or outcomes to differ materially from those discussed in these forward-looking statements. The inclusion of such information should not be regarded as a representation by the Company, or any person, that the objectives of the Company will be achieved. Important factors, among others, that may affect actual results or outcomes include: risks associated with the future direction or governance of the Company; our ability to execute on our strategic and business plans; the substantial uncertainties inherent in the acceptance of existing and future products and services; the ability to retain key personnel; current and potential litigation and related legal expenses; general economic and market conditions impacting demand for our services; our inability to enter into one or more future acquisition or strategic transactions; and our ability, or a decision not to pursue strategic options for the esports business. You should consider the areas of risk described in connection with any forward-looking statements that may be made herein. The business and operations of AGAE are subject to substantial risks, which increase the uncertainty inherent in the forward-looking statements contained in this communication. Except as required by law, we undertake no obligation to release publicly the result of any revision to these forward-looking statements that may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events. Further information on potential factors that could affect our business and results is described under "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2024, as filed with the U.S. Securities and Exchange Commission (the "SEC") on June 9, 2025, as well as subsequent reports we file with the SEC. Readers are also urged to carefully review and consider the various disclosures we made in such Annual Report on Form 10-K and in subsequent reports with the SEC.

### About Allied Gaming & Entertainment

Allied Gaming & Entertainment Inc. (NASDAQ: AGAE) is a global experiential entertainment company operating across esports, live event production, education, digital content, and interactive media. The Company develops cross-border gaming and entertainment ecosystems that integrate venues, broadcast infrastructure, digital IP, and emerging media strategies.

For more information, please visit: [www.alliedgaming.gg](http://www.alliedgaming.gg)

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### Attachment

- [Allied Gaming Photo](#)



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