



**Super League Enterprise, Inc.**

**Fourth Quarter 2024 Conference Call**

**March 28, 2025**

## CORPORATE PARTICIPANTS

**Ann Hand**, *Executive Chair*

**Matt Edelman**, *President & Chief Executive Officer*

## CONFERENCE CALL PARTICIPANTS

**Jack Cordera**, *Maxim Group*

**Howard Halpern**, *Taglich Brothers*

## PRESENTATION

### Operator

Greetings, and welcome to the Super League Fourth Quarter and Full Year 2024 Conference Call.

Please note, this conference is being recorded.

Before we begin, I'd like to caution listeners that comments made by management during this call may include forward-looking statements within the meaning of applicable securities laws. These statements involve material risks and uncertainties, and actual results could differ from those projected in any forward-looking statements due to numerous factors.

For a description of these risks and uncertainties, please see Super League's financial statements and MD&A for the fourth quarter and full year 2024 ended December 31, 2024, available on EDGAR. Important qualifications regarding forward-looking statements are also contained in Super League's earnings release distributed earlier this afternoon and also available on EDGAR. Furthermore, the content of this conference call contains time sensitive information accurate only as of today, March 28, 2025. Super League undertakes no obligation to revise or otherwise update any statements to reflect events or circumstances after the date of this call.

I'd now like to turn the conference over to Ann Hand, Chief Executive Officer.

### Ann Hand

Good morning, everyone. You have us bright and early here on the West Coast. I want to start by saying that I'm excited about this call. I'm excited because you have a Super League team in front of you that is fired up. We have worked hard to build something of value and are committed to this objective. While we face some challenges, some that all micro-caps have faced, some unique to our nascent industry, we are bullish on the opportunity to optimize our business model and deliver meaning shareholder value, and today allows us the opportunity to provide all of you with updates on important aspects of our strategy, operating model, and leadership.

I'll dive in. As I just mentioned, the micro-cap and macro-economic headwinds along with some structural shifts in the Roblox ad ecosystem have challenged us, but it has not broken us, and we have responded. This provides a lot of opportunity for our stock going forward as we have adapted. We have and are being assertive and fast. We have grit, resilience, and our confidence is supported by an actionable plan already underway.

While we've achieved plenty of success across hundreds of campaigns with blue chip brands, creating innovative technology and growing our audience base, our financial results in the back half of 2024 did not live up to the results we expected. We need to do better, perhaps a speed bump on our path to profitability, but as well it serves as a call for a sea change. Again, I want to reiterate that, a sea change. We believe in our long-term prospects, and there are positive signs in Q1, notably that revenue diversification is kicking in, margins are recovering, and our pipeline is healthy. We currently have about 20 million in active pursuits across 77 unique programs, and we've brought in higher margin products into our portfolio that can further grow average deal size and margin profiles.

The key challenge remains that we are still in the market education phase on ways brands can target elusive gaming audiences through innovative, playable advertising. As you've heard me say before, traditional social media went through the same adoption curve, and over time, it became a ubiquitous part of any marketer's strategy. The same lies ahead for us with our gaming marketing channels and audiences.

What is our mandate? It's getting to break even, that's job number one for you, our shareholders. Today, we are making it clear that we are aggressively attacking our cost structure to align with that imperative, with an aim to be EBITDA positive in Q4, as well as focusing on larger revenue, higher margin programs to be more selective in where we focus our limited resources. We understand the trade-offs, and we know what we need to do.

In addition, as part of the realignment, I'm moving to Executive Chair through the end of the year and I'm passing the torch to Matt Edelman to be our new CEO. I will continue to support and mentor Matt through the transformation process and strategic alternatives exploration. Matt has been our fearless President for the last two years and has the intellect, the deep product and industry knowledge, work ethic, energy, and enthusiasm to hit the ground running. Take a look at his LinkedIn, and you'll see he is a business builder at the intersection of innovative digital content and technology for more than 20 years, with notable experience at WME-IMG Endeavor and Marvel, just to name a couple.

As well in an effort to bolster our Board, we're thrilled to appoint Bant Breen as a Director. Bant is a noted marketing and media executive, entrepreneur, and academic. Specifically, Bant has spent a vast amount of his career in holding company and operating leadership roles with some of the largest global ad agencies, including Publicis, Dentsu, and IPG. He was inducted into the Advertising Hall of Achievement in 2010. When you think about our market adoption challenge that we face, someone is connected and trusted at the executive level as Bant can open big doors for us, doors with agencies and brands, and be a game changer for our pipeline and, ultimately, our revenue trajectory.

As for the opportunity, we announced with Infinite Reality back in October, the deal as you know has not completed. With the exclusivity period expired, it has allowed us to advance some very exciting alternative opportunities that are very on strategy for Super League. These few pursuits have significant overlap with us for more material revenue and cost synergies. These are companies that are close to breakeven or already profitable, offering a combined P&L that accelerates our path to EBITDA positive along with providing us with a more dominant position in the playable digital advertising space. To support this process, we have been able to shore up some short-term capital to provide us the runway for these advancing strategic conversations and complete our cost restructuring.

Now I'm excited to have Matt join. We're going to do a little bit of Q&A, so you can hear directly from our new CEO. Okay. Matt, welcome.

**Matt Edelman**

Thank you.

**Ann Hand**

Matt and I have worked together now for five, six years. I consider him a very trusted, great colleague and a friend. We talk a lot, but I'm excited about this format because I think it's a great opportunity for you really to get in front of our investor and analyst community and put the spotlight on you.

The spotlight is on you every day of the week, because you're really have been holding together so much about the operations of the firm. Why don't we just kick-off with you telling me a little bit about why you're confident and excited. First, maybe about the size of the market. Let's go macro a bit. The size of the market, the opportunity for us to build a profitable business at scale. Why do you believe that?

**Matt Edelman**

Sure. Well, first it's terrific to be alongside you, and I'm quite excited for all that's ahead for Super League. When I think about the market, what makes me confident is the size. There are 3.3 billion gamers in the world, 61% of all Americans, 190 million people play video games. It's estimated two out of three people under the age of 40 play video games, including 85% of all teenagers.

I think in the coming decade, it's reasonable just based on demographics that two out of three will become four out of five, and it will be under 50, not under 40. Even in the entertainment industry since 2021, so for the past four years, a streaming series based on video game IP has been one of the most popular of the year. It's really that everything connected to the act of play is dominating consumer engagement. I love our solutions. I think our solutions for brands are very well designed to ride that wave.

**Ann Hand**

Okay. Wonderful. It's interesting because you've just pointed out the ways that, that gaming has become very kind of mainstream, and yet, we see that still the ad dollars are just slowly moving over more and more into gaming as an advertising channel. What are the trends you think that support that point of view and why we're about to see a nice shift there?

**Matt Edelman**

A lot of it has to do with perception. For so many years, marketers have viewed gamers as sort of a quirky Unimog of elusive consumers, and that's changing. We're starting to see that tide shift in a material way. Brands have started to realize that gamers are regular people too. They're just people who play.

The same audiences brands target when they buy video ads on social media, teens who are into streetwear or college women who love TikTok, beauty, millennial parents with young kids, all of those same audiences are available through playable media. Trend number one is definitely about that, that terrific shift in perception. Trend number two is about demographics, but in a different way. It's about demographics at the decision maker level. The average age of incoming CEOs at U.S. companies is 56—no comment about my age on that. Okay. CMOs are only a few years younger, that puts most C-suite decision makers, in Generation X, and, frankly, Generation X did not grow up gaming online. We stood tall at arcade machines at a mall dropping as many quarters as we could afford, and for us, ads were TV commercials. In the coming years, millennials will start taking over the C-suite, and gaming is baked into their DNA. As their influence over marketing budgets expands, there will be a steady movement of dollars into interactive channels. People buy what they know.

**Ann Hand**

Love it. With a bullish view on the market opportunity, tell us more about your vision for Super League in this next transformational chapter.

**Matt Edelman**

It's actually quite simple. We think that for brands to win the future, they need to become playable, and that's where we come in. We have advanced our products and expanded our partnerships to be able to help brands step into gaming platforms and gaming media channels, as part of the play experience. Really, we do that by translating a brand's creative identity and messaging into fun, attention grabbing, interactive formats that consumers actually enjoy. Through what we offer, brands are not interrupting consumers when they're dialed into a game. We're helping brands give their target audience more playable moments.

**Ann Hand**

I want you to for the audience, just we say playable a lot. What is so magical about playable? If you could just give us a little bit of what the feeling or experience means, when it's the player and the brand having that type of a dialogue?

**Matt Edelman**

When people are in the active play, they are leaned in. They're focused. They're passionate. They're not distracted or multi-tasking or thinking about something else. It is a very dialed in behavior. The opportunity for a brand to be part of that environment is significant. The attention is much more engaged. In fact, engaged attention as a concept is something that resonates with our clients. It also has a lot to do with time spent. I'm not sure how many people still believe that the one second to four seconds people view video ads on social media is as being particularly impactful, whereas the minutes at a time. For instance, in Roblox, the 11 minutes to 14 minute average session time is a substantial difference. Being part of play matters a great deal.

**Ann Hand**

Yeah. I would think my heavens, when you think about in the early adoption of customer acquisition, how much more quickly you can move people from awareness to preference and loyalty, and collapse that cycle, when you when you engage right out of the gate in such a meaningful way with a consumer. You talked a little bit about the vision. What do you think are the key growth vectors for the company that support that vision? Where are the couple areas that you see the most opportunity for us to grow?

**Matt Edelman**

I think most significant has been our diversification strategy and our commitment to exploring the right product offerings that can generate the right kind of revenue. With some of the structural changes you referenced, in the Roblox brand partnership ecosystem, we did realize in the middle of 2024 that more meaningful growth need to be fueled by additional complimentary offerings. We also wanted to make sure our future would be less dependent on possible similar platform adjustments.

As a result, our fastest growth area now is within mobile games. Our expansion into mobile kicked in on a more material level in Q4, at about 16% of our revenue, and it looks like it'll be close to 20% in Q1 with continued growth ahead. That said, we do remain bullish on the value of immersive platforms for brand activations. It took more time than we would have liked, but we have adjusted to the updated ecosystem and see new opportunities for growth across Roblox and also Minecraft and Fortnite.

**Ann Hand**

That's it. I just want to underscore something important you said. That's pretty impressive—and I credit you and your sales leadership on this move, how quickly you guys introduced the mobile category and the fact that already in Q1, it looks like about 20% of our revenue. Fast response and already seeing the results is very impressive. Thank you for that.

With that, you and I have been, kind of riding side saddle on these advancing strategic conversations that really we kicked-off, I think in some earnest, kind of, in December with the exclusivity period expiring with Infinite Reality. What excites you most about those current conversations that we're having? As I indicated earlier, it's with a few different companies, different stages, much more advanced, but what does excite you about those?

**Matt Edelman**

It really comes down to one word, and I think that the best word is alignment. We have an alignment of vision, of capabilities, of team composition, complementary areas of strengths, and also alignment of leadership. I think when we do complete our process, it will be very clear why we made the decision we made.

**Ann Hand**

Well said. Okay. Well, I think we'll wrap with the final question. What can we expect from you for your first 30 days in the seat?

**Matt Edelman**

Consistent with some of your comments, the first 30 days are really going to be focused on becoming even more lean and scrappy. We can reduce our burn, while still being set up to meet our goals as we charge towards an EBITDA positive Q4. We do have a plan. I'll be dedicated to implementing it.

**Ann Hand**

Yeah. All right. Well, thank you so much. With that, we will turn it over to the Operator for questions from our audience.

**Operator**

Thank you. We will now be conducting a question-and-answer session. If it is over phone, you could press star, one to be placed into question queue at time, and you may also use your raise your hand function via web. Our first question today is coming from Jack Codera from Maxim Group. Your line is now live.

**Jack Codera**

Hi. This is Jack Codera calling in for Jack Vander Aarde. Congrats to Matt on the new role and thanks to you Ann Hand for taking my questions. Kind of, the first one is a little bit more general. I'm wondering, if you can give any more context on the discussions you've had with potential acquisition targets. I noted in the press release, it mentioned that for the Infinite Reality deals that discussions continue. I don't know if—any additional context would be helpful.

**Ann Hand**

Yeah. I mean, unfortunately, we're not in a position with anything binding that we're able to disclose. What's always interesting about these processes is that, you're talking to one company and the next thing you're talking to three. Things kind of move fast. We just had a new entrant, a very exciting new entrant kind of pop up just over the last couple weeks.

Infinite Reality, we do continue to stay in touch with. They've obviously been on a big acquisition spree with doing some real big kind of, multi, multi-million dollar deals. They've just had their hands full. But I do think the time has been valuable for us to really think a lot. Because if you think about it, right, as we were had announced that deal, we were right then feeling a lot of the weight of some of those structural shifts happening in Roblox and elsewhere.

In real time, we've been able to reset our strategy and road map, and that's helped us, target better, maybe, companies that have a better fit. The attractiveness of Infinite Reality was, they do have audiences, they have the drone racing audiences. We sell against audiences. In some ways, at a high level, we are both building, or have assets that have these large fan based, very loyal audiences. But at the end of the day, our business is a digital business. It's not a live event business, and there are core capabilities that we have that do line up stronger with the other companies that we're speaking with. But I really do believe that there's still a lot of opportunity with Infinite Reality. Even if it doesn't become the main opportunity that comes out of our strategic alternative process, I do think there's commercial, partnership opportunities there.

**Jack Codera**

Okay. That's helpful. Then, if we could pin in on Roblox again, obviously, the development in their ad ecosystem, it seems like longer term they may potentially try to become kind of like a walled garden. Can you talk about how you're trying to deal with that work around it? Then, maybe more generally, where can you key in again on the biggest potential opportunities for growth?

**Ann Hand**

Yeah, Matt, you should take that. I think it'd be good to talk a little bit about our strategic partnership with Roblox and the status of that and where you think it's going.

**Matt Edelman**

Sure. We are part of the Roblox partner program and—alongside a number of other terrific companies. Roblox is quite supportive of the companies in that partner program. In fact, they just hosted their very first partner day at their headquarters last week during the Game Developers Conference. The ecosystem is really divided into two areas. One is, ads and one is, content. What has changed is that Roblox is focused on really creating an ads ecosystem that they will directly manage, build the products for and sell, whereas the opportunity in the content area, branded content really as the operating term is open to the partner programs to pursue. That represents the type of opportunity for us going forward.

**Jack Codera**

Okay. That's helpful. Thanks again for taking the questions and congrats on the new role.

**Matt Edelman**

Thank you.

**Operator**

Thank you. Your next question today is coming from Howard Halpern from Taglich Brothers. Your line is now live.

**Ann Hand**

Hi, Howard.

**Howard Halpern**

Hi, guys. Could you talk a little more about the opportunity in mobile, especially, with the library that you built and how quickly you can get things up and running on mobile when a client wants a program?

**Matt Edelman**

Happy to. Thanks for the question, Howard. In mobile, we are really focused on two opportunities. One is playable advertising in the form of an ad that a consumer can actually interact with when they see it after moving through a mobile game that they're playing. The other is, by collaborating with the developers of popular mobile games to help them create branded content in their games. The advertising piece is quite fast. We can turn around a campaign in less than a week and get it live. The branded content piece takes a bit longer because it relies upon the developer to do some of the creative work.

**Howard Halpern**

Okay. Can you talk a little bit about the educational process for your customers, and once you get a customer showing them the data analytics involved as to why they should continue with programs and expand programs?

**Matt Edelman**

Another good question. I think the education process is really a multiyear process that started, thankfully several years ago. We have great partners in that process, including companies like Roblox, which is the biggest gaming platform in the world. Agencies and brands have really begun to understand the opportunity in the gaming ecosystem and why being part of the play experience is valuable.

As it relates to the measurement, right now, the measurement on each platform is a bit different than other platforms. We have built products to help facilitate the collection of data and reporting to our clients, which does make it easier, and we continue to advance our products and our reporting capabilities to make sure clients are quite confident in coming back and repeating programs and spending money on an ongoing basis in these platforms.

**Ann Hand**

Howard, you've heard me say this before, but just to kind of put a bow on that, it would be unthinkable today for a global brand to not have a persistent annual program specific to Instagram or other important social media channels. The measurement piece that Matt was just talking about, that's kind of the next significant move that will really have brands stop resisting what they do today, which is they come in and out very campaign-centric. It's a lot of innovation and testing to understand and learn and really move to something that is a persistent strategy, and it's just a chunk of their marketing budget, no different than the way they're spending money out of home, TV, what have you.

**Howard Halpern**

Okay. Well, I look forward to seeing the next 30 days, 60 days and 90 days what transpires. Thank you, guys.



**Matt Edelman**

Thank you.

**Operator**

Thank you. We reached the end of our question-and-answer session. I'd like to turn the floor back over for any further or closing comments.

**Ann Hand**

Okay. Well, in closing, I often say change is opportunity, and I truly believe that. At the start of the year, we created a mandate ourselves and one that Matt will now shepherd. The time is now to make bolder moves and deliver value for our shareholders.

As I said earlier, we are confident and determined and we're calm not because this is easy, not because we don't have urgency, this is of the utmost urgency. But again, it's because we know what we have to do and do it immediately. We have the road map, and we're already on our way. The Board and I have tremendous enthusiasm and conviction for Matt's appointment. With that, thank you for your time, and have a great day.

**Operator**

Thank you. That does conclude today's webcast. You may disconnect your lines at this time, and have a wonderful day. We thank you for your participation today.