UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **September 30, 2026**

OR

☐ TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE EXCHANGE ACT OF 1934

For the transition period from _____ to

Commission File Number **001-38819**

SUPER LEAGUE ENTERPRISE, INC.

(Exact name of registrant as specified in its charter)

Delaware	**47-1990734**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

2450 Colorado Ave., Suite 100E
Santa Monica, California 90404
(Address of principal executive offices)

Company: (213) 421-1920; Investor Relations: 203-741-8811
(Issuer's telephone number)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically on its corporate web site, if any, every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (Sec.232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Trading Symbol(s)**	**Name of each exchange on which registered**
Common Stock, par value $0.001 per share	SLE	NASDAQ Capital Market

As of November 12, 2026, there were 3,814,299 shares of the registrant's common stock, $0.001 par value, issued and outstanding.

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PART I

FINANCIAL INFORMATION

ITEM 1. CONDENSED FINANCIAL STATEMENTS

SUPER LEAGUE ENTERPRISE, INC.
CONDENSED BALANCE SHEETS
(In U.S. dollars, rounded to the nearest thousands, except share and per share data)

	September 30, 2026 (Unaudited)	December 31, 2025
ASSETS		
Current Assets		
Cash and cash equivalents	$ 4,357,000	$ 14,390,000
Marketable securities, available-for-sale	2,474,000	-
Accounts receivable, net	3,077,000	2,346,000
Contract assets	788,000	107,000
Prepaid expense and other current assets	2,509,000	1,369,000
Total current assets	13,205,000	18,212,000
Investments - noncurrent	402,000	-
Property and equipment, net	3,000	8,000
Intangible assets, net	3,029,000	1,785,000
Goodwill	4,651,000	1,864,000
Total assets	$ 21,290,000	$ 21,869,000
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued expenses	$ 4,603,000	$ 3,614,000
Accrued contingent consideration	870,000	-
Contract liabilities	462,000	566,000
Total current liabilities	5,935,000	4,180,000
Deferred taxes	147,000	147,000
Warrant liability	4,000	8,000
Total liabilities	6,086,000	4,335,000
Commitments and Contingencies (Note 7)		
Stockholders' Equity		
Preferred stock, par value $0.001 per share; 10,000,000 shares authorized; zero and 98,636 shares issued and outstanding as of September 30, 2026 and December 31, 2025, respectively	-	-
Common stock, par value $0.001 per share; 750,000,000 shares authorized; 3,008,498 and 1,129,901 shares issued and outstanding as of September 30, 2026 and December 31, 2025, respectively	3,000	1,000
Additional paid-in capital	317,430,000	307,495,000
Accumulated deficit	(302,107,000)	(289,962,000)
Accumulated other comprehensive loss	(122,000)	-
Total stockholders' equity	15,204,000	17,534,000
Total liabilities and stockholders' equity	$ 21,290,000	$ 21,869,000

See accompanying notes to condensed financial statements.

SUPER LEAGUE ENTERPRISE, INC.
CONDENSED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
(Rounded to the nearest thousands, except share and per share data)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	**2025**	**2026**	**2025**
REVENUE	$ 2,611,000	$ 2,423,000	$ 8,623,000	$ 8,142,000
COST OF REVENUE	1,620,000	1,343,000	5,311,000	4,557,000
GROSS PROFIT	991,000	1,080,000	3,312,000	3,585,000
OPERATING EXPENSE				
Selling, marketing and advertising	1,688,000	1,699,000	5,416,000	6,198,000
Engineering, technology and development	447,000	667,000	2,329,000	2,290,000
General and administrative	1,820,000	1,765,000	6,336,000	4,938,000
Contingent consideration	(103,000)	-	(103,000)	(14,000)
Total operating expense	3,852,000	4,131,000	13,978,000	13,412,000
NET OPERATING LOSS	(2,861,000)	(3,051,000)	(10,666,000)	(9,827,000)
OTHER INCOME (EXPENSE)				
Gain on sale of intangible assets	-	-	-	343,000
Interest income	36,000	-	175,000	-
Change in fair value of warrant liability	-	1,073,000	4,000	1,934,000
Loss on extinguishment of liability	-	(161,000)	-	(161,000)
Interest expense, including change in fair value of debt accounted for at fair value	(61,000)	(1,010,000)	(61,000)	(2,231,000)
Write off of deferred financing costs	-	-	(825,000)	-
Debt issuance costs	-	(415,000)	-	(554,000)
Other (expense) income, net	10,000	2,000	56,000	(79,000)
Total other expense, net	(15,000)	(511,000)	(651,000)	(748,000)
Loss before income taxes	(2,876,000)	(3,562,000)	(11,317,000)	(10,575,000)
Provision (benefit) for income taxes	-	-	-	-
NET LOSS	$ (2,876,000)	$ (3,562,000)	$ (11,317,000)	$ (10,575,000)
Net income (loss) per share attributable to common stockholders				
Basic net income (loss) per common share	$ (0.83)	$ 39.01	$ (4.17)	$ (59.53)
Weighted-average number of common shares outstanding, basic	3,479,304	90,845	2,913,879	59,970
Diluted net loss per common share	$ (0.83)	$ (31.82)	$ (4.17)	$ (59.53)
Weighted-average number of common shares outstanding, diluted	3,479,304	130,152	2,913,879	59,970
Reconciliation of net income (loss) to net income (loss) attributable to common stockholders				
Net income (loss) attributable to common stockholders – basic (Note 2)	$ (2,876,000)	$ 3,544,000	$ (12,145,000)	$ (3,570,000)
Net loss attributable to common stockholders – diluted (Note 2)	$ (2,876,000)	$ (4,141,000)	$ (12,145,000)	$ (3,570,000)
OTHER COMPREHENSIVE LOSS				
Net loss	$ (2,876,000)	$ (3,562,000)	$ (11,317,000)	$ (10,575,000)
Unrealized loss on available-for-sale securities	(42,000)	-	(122,000)	-
Total other comprehensive loss	(42,000)	-	(122,000)	-
TOTAL COMPREHENSIVE LOSS	$ (2,918,000)	$ (3,562,000)	$ (11,439,000)	$ (10,575,000)

See accompanying notes to condensed financial statements.

SUPER LEAGUE ENTERPRISE, INC.
CONDENSED STATEMENTS OF STOCKHOLDERS' (DEFICIT) EQUITY
(Rounded to the nearest thousands, except share and per share data)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	**2025**	**2026**	**2025**
Preferred stock (Shares):				
Balance, beginning of period	-	16,426	98,636	17,499
Issuance of Series AAAA Junior preferred stock at $1.00 per share – RP Note Exchange	-	1,500,000	-	1,500,000
Issuance of Series AAAA Junior preferred stock at $1.00 per share – Super Biz Note Exchange	-	1,894,964	-	1,894,964
Conversion of Series A preferred stock to common stock	-	-	-	(780)
Conversion of Series AA preferred stock to common stock	-	-	(50)	(60)
Conversion of Series AAA preferred stock to common stock	-	-	(20)	(150)
Conversion of Series AAA Junior preferred stock to common stock	-	-	-	(83)
Conversion of Series AAAA Junior preferred stock to common stock	-	(1,528,483)	(97,413)	(1,528,483)
Conversion of Series AA, AAA and AAA Junior Preferred Stock into Series B Preferred Stock	-	(15,987)	-	(15,987)
Issuance of Series B Preferred Stock in exchange for Series AA, AAA and AAA Junior Preferred Stock	-	15,987	-	15,987
Redemption of Series C preferred stock to common stock	-	-	(1,153)	-
Balance, end of period	-	1,882,907	-	1,882,907
Preferred stock (Amount, at Par Value):				
Balance, beginning of period	$ -	$ -	$ -	$ -
Issuance of Series AAAA Junior preferred stock at $1.00 per share – RP Note Exchange	-	2,000	-	2,000
Issuance of Series AAAA Junior preferred stock at $1.00 per share – Super Biz Note Exchange	-	2,000	-	2,000
Conversion of Series A preferred stock to common stock	-	-	-	-
Conversion of Series AA preferred stock to common stock	-	-	-	-
Conversion of Series AAA preferred stock to common stock	-	-	-	-
Conversion of Series AAA Junior preferred stock to common stock	-	-	-	-
Redemption of Series C preferred stock to common stock	-	-	-	-
Balance, end of period	$ -	$ 4,000	$ -	$ 4,000
Common stock (Shares):				
Balance, beginning of period	1,668,082	73,729	1,129,901	33,801
Exercise of October 2025 PIPE prefunded warrants	159,300	-	488,311	-
Exercise of Misfits prefunded warrants	157,300	-	157,300	-
Issuances of common stock, net of issuance costs	983,292	-	983,292	33,129
Common stock issued in connection with Hudson ELOC	-	-		1,494
Commitment Shares – Hudson ELOC				625
Issuance of common stock - Agile II Exchange	-	18,092	-	18,092
Partial conversion of 1800 Diagonal Note I	-	4,416	-	4,416
Common stock issued in connection with ELOC, including commitment shares	-	-	-	-
Commitment Shares – ELOC	-	-	-	-
Issuance of common stock in connection with Melon Acquisition	-	-	-	75
Common stock issued for Super Biz Acquisition / Super Biz Note	-	-	-	547
Issuance of common stock in connection with Misfits Transaction	-	-	26,768	
Preferred stock dividends paid – common stock	-	-	34,575	662
Conversion of Series A preferred stock	-	-	-	147
Conversion of Series AA preferred stock	-	-	596	66
Conversion of Series AAA preferred stock	-	-	238	187
Conversion of Series AAA Junior preferred stock	-	-	-	138
Conversion of Series AAAA Junior preferred stock	-	25,941	1,655	25,941
Issuance of fractional shares – January 2026 Reverse Split	-	-	59,032	-
Stock-based compensation	40,524	6,914	122,504	9,772
Issuance of common stock – Hide or OOF!	-	-	4,326	-
Balance, end of period	3,008,498	129,092	3,008,498	129,092
Common stock (Amount):				
Balance, beginning of period	$ 2,000	$ -	$ 1,000	$ -
Exercise of October 2025 PIPE prefunded warrants	-	-	1,000	-
Issuances of common stock, net of issuance costs	1,000	-	1,000	-
Reverse stock split	-	-	-	-
Common stock issued in connection with ELOC, including commitment shares	-	-	-	-
Conversion of Series A, AA and AAA preferred stock	-	-	-	-
Preferred stock dividends paid – common stock	-	-	-	-
Issuance of common stock in connection with Melon Acquisition	-	-	-	-
Issuance of common stock in connection with Super Biz Acquisition	-	-	-	-
Issuance of common stock in connection with Misfits Transaction	-	-	-	-
Stock-based compensation	-	-	-	-
Issuance of common stock in settlement of legal matter	-	-	-	-

Balance, end of period	$ 3,000	$ -	$ 3,000	$ -
Additional paid-in-capital:				
Balance, beginning of period	$ 312,214,000	$ 273,032,000	$ 307,495,000	$ 270,205,000
Issuances of common stock, net of issuance costs	4,414,000	-	4,409,000	1,561,000
Issuance of common stock - Agile II Exchange	-	1,440,000	-	1,440,000
Commitment fees – YP ELOC Prefunded warrants	-	600,000	-	600,000
Partial conversion of 1800 Diagonal Note I	-	248,000	-	248,000
Issuance of Series AAAA Junior preferred stock at $1.00 per share – RP Note Exchange	-	1,498,000	-	1,498,000
Issuance of Series AAAA Junior preferred stock at $1.00 per share – Super Biz Note Exchange	-	1,895,000	-	1,895,000
Common stock issued in connection with Hudson ELOC	-	-	-	232,000
Commitment Shares – Hudson ELOC	-	-	-	138,000
Conversion of Series AA, AAA, AAA Junior Preferred Stock to Series B Preferred Stock – issuance costs	-	(24,000)	-	(24,000)
Redemption of Series C preferred stock	-	-	(1,349,000)	-
Preferred stock dividends paid – common stock	-	-	253,000	101,000
Deemed dividend - Down round	-	308,000	1,002,000	308,000
Deemed dividend on exchange of Series AA, AAA and AAA Junior Preferred Stock for Series B Preferred Stock	-	(7,685,000)	-	(7,685,000)
Issuance of common stock in connection with Misfits Transaction	-	-	105,000	-
Issuance of prefunded warrants in connection with Misfits Transaction	-	-	2,003,000	-
Common stock issued for Melon Acquisition	-	-	-	9,000
Warrants issued in connection with Misfits Transaction	-	-	642,000	-
Stock-based compensation	802,000	284,000	2,833,000	839,000
Prepaid consultant costs and other	-	-	-	231,000
Issuance of common stock – Hide or OOF!	-	-	37,000	-
Balance, end of period	$ 317,430,000	$ 271,596,000	$ 317,430,000	$ 271,596,000
Accumulated Deficit:				
Balance, beginning of period	$ (299,231,000)	$ (277,149,000)	$ (289,962,000)	$ (270,035,000)
Preferred stock dividends paid – common stock	-	(271,000)	(253,000)	(372,000)
Deemed dividend on exchange of Series AA, AAA and AAA Junior Preferred Stock for Series B Preferred Stock	-	7,685,000	-	7,685,000
Deemed dividend on Series AA, AAA and AAA Junior preferred stock – down round	-	(308,000)	-	(308,000)
Deemed contribution – Series C redemption	-	-	427,000	-
Deemed dividend – Down round	-	-	(1,002,000)	-
Net Loss	(2,876,000)	(3,562,000)	(11,317,000)	(10,575,000)
Balance, end of period	$ (302,107,000)	$ (273,605,000)	$ (302,107,000)	$ (273,605,000)
Other comprehensive loss:				
Balance, beginning of period	$ (80,000)	$ -	$ -	$ -
Unrealized loss on available-for-sale securities	(42,000)	-	(122,000)	-
Balance, end of period	(122,000)	-	(122,000)	-
Total stockholders' (deficit) equity	$ 15,204,000	$ (2,005,000)	$ 15,204,000	$ (2,005,000)

See accompanying notes to condensed financial statements.

SUPER LEAGUE ENTERPRISE, INC.
CONDENSED STATEMENTS OF CASH FLOWS
(Rounded to the nearest thousands)
(Unaudited)

	Nine Months Ended September 30,	
	2026	**2025**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$ (11,317,000)	$ (10,575,000)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	1,779,000	1,607,000
Stock-based compensation	2,872,000	1,372,000
Change in fair value of warrant liability	(4,000)	(1,934,000)
Write off of noncash deferred financing costs	600,000	-
Change in fair value of debt	-	924,000
Amortization/accretion of premiums and discounts on available-for-sale securities, net	(24,000)	-
Debt issuance costs	-	554,000
Change in fair value of contingent consideration	(103,000)	-
Loss on extinguishment of liability	-	161,000
Changes in operating assets and liabilities:		
Accounts receivable and contract assets	(1,412,000)	1,040,000
Prepaid expense and other current assets	(1,750,000)	(319,000)
Accounts payable and accrued expense	775,000	(398,000)
Accrued contingent consideration	-	-
Contract liabilities	(104,000)	763,000
Accrued interest on available-for-sale securities	(21,000)	-
Net cash used in operating activities	(8,709,000)	(6,805,000)
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash paid in connection with Misfits Transaction	(1,500,000)	-
Cash paid in connection with Bounce Acquisition	(200,000)	-
Investment in Roblox digital property	(165,000)	-
Investment in Solsten Inc.	(200,000)	-
Investment in marketable securities, available-for-sale	(8,982,000)	-
Proceeds from sale of marketable securities, available-for-sale	6,409,000	-
Proceeds from sale of Mineville Assets	-	350,000
Proceeds from sale of Minehut Assets	-	808,000
Capitalization of software development costs	(125,000)	(200,000)
Other purchases of intangible assets	(25,000)	(35,000)
Net cash provided by (used in) investing activities	(4,788,000)	923,000
CASH FLOWS FROM FINANCING ACTIVITIES		
Redemption of Series C preferred stock	(922,000)	-
Proceeds from issuance of common stock, net of issuance costs	4,386,000	1,945,000
Proceeds from notes payable, net of debt issuance costs	-	7,607,000
Payments on notes payable	-	(3,818,000)
Advances from accounts receivable facility	-	429,000
Payments on accounts receivable facility	-	(453,000)
Contingent consideration payments – Melon Acquisition	-	(77,000)
Net cash provided by financing activities	3,464,000	5,633,000
NET DECREASE IN CASH AND CASH EQUIVALENTS	(10,033,000)	(249,000)
Cash and Cash Equivalents – beginning of period	14,390,000	1,310,000
Cash and Cash Equivalents – end of period	$ 4,357,000	$ 1,061,000
Cash paid for interest	$ -	$ 1,274,000
SUPPLEMENTAL NONCASH, INVESTING AND FINANCING ACTIVITIES		
Common stock issued in connection with Misfits Transaction	$ 105,000	$ -
Misfits Prefunded Warrants and Misfits Warrant issued in connection with Misfits Transaction	2,645,000	-
Contingent consideration – Misfits Transaction	800,000	-
Contingent consideration – Bounce Acquisition	173,000	-
Common stock issued - Investment in Roblox digital property	37,000	-
Dividends Paid – preferred stock	(253,000)	(372,000)
Deemed Dividend – down round	(1,002,000)	(308,000)
Deemed contribution – Series C redemption	427,000	-
Accrued deferred offering costs	181,000	-
Issuance of equity securities in exchange for debt	-	4,920,000
Commitment shares issued in connection with YP ELOC	-	600,000
Commitment shares issued in connection with Hudson ELOC	-	159,000
Common stock issued in connection with Super Biz Note	-	336,000
Common stock issued in connection with Melon Contingent Consideration	-	8,000

See accompanying notes to condensed financial statements.

SUPER LEAGUE ENTERPRISE, INC.
NOTES TO CONDENSED FINANCIAL STATEMENTS
(Unaudited)

1. DESCRIPTION OF BUSINESS

Super League Enterprise, Inc. ("Super League" or the "Company") (Nasdaq: SLE) connects brands with the 3.5 billion-person global gaming population through advertising and branded content programs across gaming and digital media platforms. The Company generates revenue by executing these programs through proprietary interactive formats, creator content, immersive experiences, data-driven insights, and strategic campaign services to improve marketing performance. By translating player behavior into actionable intelligence, Super League serves as a trusted partner that enables brands to more effectively influence consumers who play video games, positioning the Company to capture a greater share of advertising spend over time.

Super League was incorporated on October 1, 2014 as Nth Games, Inc. under the laws of the State of Delaware and changed its name to Super League Gaming, Inc. on June 15, 2015, and to Super League Enterprise, Inc. on September 11, 2023.

All references to "common stock" refer to the Company's common stock, par value $0.001 per share. References to "financial statements," "balance sheets," "statements of operations and comprehensive income (loss)," "statements of cash flows," and "statements of stockholders' equity," refer to the "condensed financial statements," "condensed balance sheets," "condensed statements of operations and comprehensive income (loss)," "condensed statements of cash flows" and "condensed statements of stockholders' equity," respectively, of the Company, including the accounts of the Company and its wholly owned subsidiaries, if any. As of September 30, 2026 and December 31, 2025, there were no wholly owned subsidiaries of the Company. The legal entity Mobcrush Streaming, Inc. was dissolved effective May 14, 2025. InPvP, LLC was sold in May 2025. All references to "Note," followed by a number reference, refer to the applicable corresponding numbered footnotes to these financial statements.

Reverse Split

On January 16, 2026, the Company filed an amendment (the "2026 Amendment") to the Company's Third Amended and Restated Certificate of Incorporation, to effect a reverse stock split of the Company's issued and outstanding shares of common stock, par value $0.001 per share at a ratio of 1-for-12 (the "2026 Reverse Split"). The 2026 Amendment became effective on January 23, 2026. As a result of the 2026 Reverse Split, every 12 shares of the Company's issued and outstanding common stock was automatically combined and converted into one issued and outstanding share of common stock. Refer to Note 6 for additional information on reverse stock splits.

As a result of the 2026 Reverse Split, all references to common stock, warrants to purchase common stock and other rights, options to purchase common stock, restricted stock, share data, per share data and related information contained in the financial statements (hereinafter, "financial statements") have been retroactively adjusted to reflect the effect of the 2026 Reverse Split for all periods presented.

October 2025 PIPE

In October 2025, the Company entered into Securities Purchase Agreements (the "PIPE Purchase Agreement") with certain accredited investors, relating to the Company's offering of an aggregate of (a) 332,084 shares (the "PIPE Shares") of the Company's common stock, at a price per share equal to $12.00 and (b) Pre-Funded Warrants to purchase 1,334,584 shares of common stock (the "PIPE Pre-Funded Warrants") at a price per PIPE Pre-Funded Warrant equal to same price as that for PIPE Shares minus $0.00001, and the remaining exercise price of each PIPE Pre-Funded Warrant will equal $0.00001 per share, for gross proceeds to the Company of approximately $20,000,000, before deducting offering costs and expenses (as referenced herein, "October 2025 PIPE").

Metaplanet Subscription Agreement and Evo Subscription Agreement

On August 18, 2026, Super League Enterprise, Inc. (the "Company" or "Super League") entered into (A) a subscription agreement (the "Metaplanet Subscription Agreement") with Metaplanet Holdings, Inc., a Florida corporation ("Metaplanet") and a wholly owned subsidiary of Metaplanet, Inc., a corporation formed under the laws of Japan, and (B) a subscription agreement (the "Evo Subscription Agreement," and together with the Metaplanet Subscription Agreement, the "Subscription Agreements") with Evo Fund, a Cayman Islands exempted company ("Evo").

Pursuant to the Subscription Agreements, subject to the terms and conditions set forth therein, it is contemplated that the Company will issue the following securities: (A) to Metaplanet, (i) 44,859,400 shares of common stock, at a price of $3.00 per share (the "Investment Shares"), (ii) 100 shares of convertible, perpetual preferred stock, par value $0.001 per share, of the Company, with no liquidation value (the "Strategic Alliance Preferred Stock"), and (iii) four common stock purchase warrants to purchase up to 381,000,000 shares of common stock at exercise prices ranging from $3.00 per share to $33.50 per share, with a ten-year exercise period (collectively, the "Metaplanet Warrants"); and (B) to Evo, two common stock purchase warrants to purchase up to 10,000,000 shares of common stock at exercise prices ranging from $3.00 per share to $5.55 per share, with a two-year exercise period (collectively, the "Evo Warrants").

Additionally, for a period of twenty-four (24) months after the closing of the Transactions (as defined below), Metaplanet will have the right to subscribe for up to 2,100,000 shares of non-convertible, perpetual junior preferred stock, par value $0.001 per share, of the Company, with a stated value of $100.00 per share, allowing Metaplanet to invest up to an additional $210,000,000 in the Company. The Investment Shares, the Strategic Alliance Preferred Stock, the Metaplanet Warrants and the Evo Warrants are collectively referred to herein as the "Securities," and the transactions contemplated by the Subscription Agreements are referred to herein as the "Transactions."

As consideration for the issuance of the Securities, at the closing of the Transactions, Metaplanet will deliver to the Company (i) 2,100 Bitcoin, based on the U.S. dollar market value measured using the closing market price of Bitcoin on the Coinbase Exchange at 4:00 p.m. (New York City time) on August 14, 2026, and (ii) $2,500,000 in immediately available funds (collectively, the "Closing Consideration"). The value of the Closing Consideration will be used to determine the number of Investment Shares, which will be rounded to the nearest 100 shares.

In connection with the Transactions, Metaplanet intends to enter into a lock-up agreement, pursuant to which Metaplanet will agree not to sell, transfer, or otherwise dispose of the securities issued to it pursuant to the Metaplanet Subscription Agreement for a period of five years after the closing of the Transactions, subject to certain exceptions.

So long as Metaplanet and its affiliates beneficially own any shares of Strategic Alliance Preferred Stock, Metaplanet will have certain voting and director designation and nomination rights, which will be set forth in a Stockholder Rights Agreement to be entered into with the Company at the closing of the Transactions. In addition, at the closing of the Transactions, the Company expects to enter into registration rights agreements with each of Metaplanet and Evo, which will provide for customary registration rights.

Each of the Subscription Agreements contains customary representations, warranties and covenants by the Company, Metaplanet and Evo, as applicable, including for liabilities under the Securities Act of 1933, as amended (the "Securities Act"), and other customary obligations of the respective parties.

In connection with the Transactions, the Company expects to file the Fourth Amended and Restated Certificate of Incorporation of the Company (the "Amended Charter") with the Secretary of State of the State of Delaware, providing for, among other things, a name change to "Superplanet, Inc.," increases to the number of authorized shares of common stock and preferred stock, declassification of the Company's Board of Directors, and exclusive forum provisions. Substantially concurrently therewith, the Company expects to amend and restate its bylaws to reflect, among other things, the governance changes contemplated by the Amended Charter.

The proposed transaction is a strategic investment in the Company, an existing Nasdaq-listed operating company, through a private placement of newly issued securities. Subject to Nasdaq approval, the Company will remain listed on Nasdaq and continue to operate its established gaming media business. We believe that the Metaplanet Transaction will pair Metaplanet's disciplined Bitcoin treasury model with Super League's gaming-native audience and brand-partnership platform, anchored by an initial Bitcoin commitment to Super League's balance sheet intended to serve as a long-term strategic reserve for the convergence of digital assets and digital culture. In addition, revenue diversification will be realized through Metaplanet's Bitcoin income generation platform as well as the opportunity to launch financial and other products within the Bitcoin economy.

The Transactions are expected to close in the fourth quarter of 2026, subject to the satisfaction or waiver of customary closing conditions, including, among other things, receipt of the Company stockholders' approval. Upon the closing of the Transactions, the Company will be renamed "Superplanet, Inc." The Company will become a "controlled company" under Nasdaq rules and a consolidated subsidiary of Metaplanet, with Metaplanet holding approximately 95.7% of the Company's issued and outstanding common stock (or approximately 93.6%, assuming exercise of the Company's outstanding pre-funded warrants).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying condensed financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim financial information and with the instructions to Form 10-Q and Rule 8-03 of Regulation S-X. Accordingly, certain information and footnotes required by U.S. GAAP in annual financial statements have been omitted or condensed in accordance with quarterly reporting requirements of the Securities and Exchange Commission ("SEC"). These interim condensed financial statements should be read in conjunction with our audited financial statements for the year ended December 31, 2025 included in our Annual Report on Form 10-K for the year ended December 31, 2025, as amended (amended to present the information required by Items 10, 11, 12, 13, and 14 of Part III of the Original Filing in reliance on General Instruction G(3) to Form 10-K, which provides that registrants may incorporate by reference certain information from a definitive proxy statement filed with the SEC within 120 days after fiscal year end), filed with the SEC on March 31, 2026.

The December 31, 2025 condensed balance sheet data was derived from audited financial statements, but does not include all disclosures required by U.S. GAAP. The condensed financial statements of Super League include all adjustments of a normal recurring nature which, in the opinion of management, are necessary for a fair statement of Super League's financial position as of September 30, 2026, and results of its operations and its cash flows for the interim periods presented. The results of operations for the three and nine months ended September 30, 2026 are not necessarily indicative of the results to be expected for the entire fiscal year, or any future period.

Liquidity and Capital Resources

Cash and cash equivalents and marketable securities, available-for-sale totaled $6.8 million and $14.4 million at September 30, 2026 and December 31, 2025, respectively. The change in cash and cash equivalents for the periods presented reflects the impact of operating, investing and financing cash flow related activities as described herein.

On August 18, 2026, the Company entered into sales agreement (the "Benchmark Sales Agreement") with The Benchmark Company, LLC ("Benchmark") and StoneX Financial Inc. ("StoneX" and, together with Benchmark, the "Agents"), to sell shares of the Company's common stock having an aggregate sales amount of up to $2.23 million, from time to time, through an "at the market offering" program under which Benchmark and StoneX have acted as sales agent (the "Benchmark ATM"), as described at Note 6. On August 21, 2026, the Company increased the maximum aggregate offering amount of the shares of the Company's common stock issuable under the Benchmark Sales Agreement by an additional $2.27 million, for an aggregate offering amount of approximately $4.5 million. On September 29, 2026, the Company increased the maximum aggregate offering amount of the shares of the Company's common stock issuable under that certain Benchmark Sales Agreement with StoneX by an additional $966,000, for an aggregate offering amount of approximatley $5.5 million. On October 21, 2026, the Company increased the maximum aggregate offering amount of the shares of the Company's common stock issuable under the Benchmark Sales Agreement by an additional $950,000, for an aggregate offering amount of approximatley $6.4 million.

During the three months ended September 30, 2026, the company sold 983,292 shares of the Company's common stock under the Benchmark ATM, raising gross proceeds of approximately $4,474,000. Subsequent to September 30, 2026, the Company sold 209,704 shares of the Company's common stock under the Benchmark ATM, raising gross proceeds of approximately $1.1 million, for an aggregate total of $5.5 million in shares of common stock sold under the Benchmark ATM.

We have historically incurred net losses and negative cash flows from operating activities and may continue to incur net losses and negative cash flows from operating activities as we execute our business strategy. For the nine months ended September 30, 2026, we incurred a net operating loss of $10.7 million and used $8.7 million of cash in operating activities. Net operating loss for the nine months ended September 30, 2026 included $4.5 million of noncash charges, including noncash intangible asset amortization totaling $1.8 million, and noncash stock compensation totaling $2.9 million.

Since approximately May 2024, the Company implemented a number of operating expense reduction initiatives designed to decrease future operating cash outflows. These actions included workforce optimization, vendor contract renegotiations, reduced discretionary spending, and restructuring of non-core activities. Excluding noncash charges, these operating expense reductions resulted in a decrease in operating expense of 10% for the nine months ended September 30, 2026, compared to the nine months ended September 30, 2025.

Our principal uses of liquidity are expected to include funding our operations, including personnel costs, technology and infrastructure costs, working capital requirements, capital expenditures and other general corporate purposes.

We regularly evaluate our liquidity requirements, including our expected operating expenses, capital requirements and contractual obligations, based on our current operating plans and expectations. Based on our current working capital, operating plan and forecasted cash requirements, we believe that our existing cash, cash equivalents and marketable securities will be sufficient to meet our working capital requirements, anticipated capital expenditures and other cash requirements for at least the next 12 months from the date of issuance of these financial statements.

Our estimates of future cash requirements and available liquidity are based on estimates and assumptions and our actual cash requirements may differ materially from our current expectations. Our future capital requirements will depend on numerous factors, including our operating performance, the timing and extent of expenditures in support of our business strategy, our ability to generate revenue and cash flows from operations, and other factors described under "Risk Factors." We may from time to time seek additional financing through the issuance of equity or debt securities or other financing arrangements to support our business strategy or for other corporate purposes. However, due to the cash inflows from financing activities subsequent to the third quarter of 2026, including sales under the Benchmark ATM as described herein, and expected results from operations for the next 12 months, our current operating plan does not depend upon obtaining additional financing to meet our obligations for at least the next 12 months from the date of issuance of these financial statements.

Principles of Consolidation

The condensed financial statements include the accounts of the Company and its wholly owned subsidiaries, if any. All intercompany accounts and transactions have been eliminated in consolidation, if any. As of September 30, 2026 and December 31, 2025, the Company had no wholly owned subsidiaries. Mobcrush Streaming, Inc. was dissolved effective May 14, 2025. InPvP, LLC was sold in May 2025.

Reclassifications

Certain reclassifications to operating expense line have been made to prior year amounts for consistency and comparability with the current year's condensed financial statement presentation. These reclassifications had no effect on the reported total revenue, operating expense, total assets, total liabilities, total stockholders' equity, or net loss for the prior periods presented.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Actual results could differ from these estimates. The Company believes that, of the significant accounting policies described herein, the accounting policies associated with revenue recognition, impairment of intangible assets, including goodwill, stock-based compensation expense, accounting for business combinations and related contingent consideration, accounting for debt, including estimates and assumptions used to calculate the fair value of debt instruments, accounting for debt modifications, exchanges and extinguishments, accounting for derivatives, including estimates and assumptions used to calculate the fair value of derivative instruments, accounting for convertible preferred stock, including modifications and exchanges of equity and equity-linked instruments, accounting for warrant liabilities and accounting for income taxes and valuation allowances against net deferred tax assets, require its most difficult, subjective, or complex judgements.

Revenue Recognition

Revenue is recognized when the Company transfers promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods and services and when the customer obtains control of the goods or services. In this regard, revenue is recognized when (i) the parties to the contract have approved the contract (in writing, orally, or in accordance with other customary business practices) and are committed to perform their respective obligations; (ii) the entity can identify each party's rights regarding the goods or services to be transferred; (iii) the entity can identify the payment terms for the goods or services to be transferred; (iv) the contract has commercial substance (that is, the risk, timing, or amount of the entity's future cash flows is expected to change as a result of the contract); and (v) it is probable that the entity will collect substantially all of the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

Transaction prices are based on the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties, if any. The Company considers the explicit terms of the revenue contract, which are typically written and executed by the parties, the Company's customary business practices, the nature, timing, and the amount of consideration promised by a customer in connection with determining the transaction price for the Company's revenue arrangements. Refunds and sales returns historically have not been material.

The Company generates revenue from brands and agencies by executing programs targeting U.S. audiences that include (i) mini-games and experiences within Roblox, Minecraft, and Fortnite, (ii) playable and rewarded video ads in mobile and immersive environments, (iii) in-game ads across mobile and PC, (iv) connected TV gaming applications and sponsorships, (v) custom integrations within games, (vi) interactive characters, and (vii) influencer content across social and digital video platforms. An additional emerging revenue source includes participation in revenue generated by select game properties.

The Company reports revenue on a gross or net basis based on management's assessment of whether the Company acts as a principal or agent in the transaction and is evaluated on a transaction-by-transaction basis. To the extent the Company acts as the principal, revenue is reported on a gross basis net of any sales tax from customers, when applicable. The determination of whether the Company acts as a principal or an agent in a transaction is based on an evaluation of whether the Company controls the goods or services prior to transfer to the customer. Where applicable, the Company has determined that it acts as the principal in all of its media and advertising, publishing and content studio and direct to consumer revenue streams, except in situations where the Company utilizes a reseller partner with respect to media and advertising sales arrangements.

In the event a customer pays the Company consideration, or the Company has a right to an amount of consideration that is unconditional, prior to the Company's transfer of a good or service to the customer, the Company reflects the contract as a contract liability when the payment is made or the payment is due, whichever is earlier. In the event the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, the Company reflects the contract as a contract asset, excluding any amounts reflected as a receivable.

Depending on the complexity of the underlying revenue arrangement and related terms and conditions, significant judgements, assumptions and estimates may be required to determine each party's rights regarding the goods or services to be transferred, each party's performance obligations, whether performance obligations are satisfied at a point in time or over time, estimates of completion methodologies, the timing of satisfaction of performance obligations, whether we are a principal or agent in the arrangement and the appropriate period or periods in which, or during which, the completion of the earnings process and transfer of control occurs. Depending on the magnitude of specific revenue arrangements, if different judgements, assumptions and estimates are made regarding revenue arrangements in any specific period, the Company's periodic financial results may be materially affected.

Media and Advertising

Media and advertising revenue primarily consists of direct and reseller sales of the Company's on-platform media (including off-platform media) and analytics products, and influencer marketing campaign sales to third-party brands and agencies (hereinafter, "Brands").

On Platform Media

On platform media revenue is generated from third party Brands advertising in-game on Roblox, Minecraft or other digital platforms. Media assets include static billboards, video billboards, portals, 3D characters, Pop Ups and other media products. The Company works with Brands to determine the specific campaign media to deploy, target ad units and target demographics. The Company customizes the media advertising campaign and media products with applicable branding, images and design and places the media on the various digital platforms. Media is delivered via the Company's Super Biz Roblox platform, the Roblox Immersive Ads platform, other platforms, and prior to the Minehut Sale, on the Company's owned and operated Minehut platform. Media placement can be based on a cost per thousand, other cost per measure, or a flat fee. Media and advertising arrangements typically include contract terms for time periods ranging from one week to two or three months in length.

For on-platform media campaigns, the Company typically inserts media products on-platform (in-game) to deliver to the Brand a predetermined number of impressions identified in the underlying contract. The benefit accrues to the Brand at the time that the Company delivers the impression on the platform, and the media product is viewed or interacted with by the on-platform user. The performance obligation for on-platform media campaigns is each impression that is guaranteed or required to be delivered per the underlying contract. Each impression is considered a good or service that is distinct under the revenue standard, and the performance obligation under the Company's on-platform media contracts is the delivery of a series of impressions. Each impression required to be delivered in the series that the Company promises to transfer to the Brand meets the criteria to be a performance obligation satisfied over time, due to the fact that (1) the Company's performance does not create an asset with an alternative use to the Company, and (2) the Company has an enforceable right to payment for performance completed to date per the terms of the contract. Further, the same method is used to measure the Company's progress toward complete satisfaction of the performance obligation to transfer each distinct impression, as in the transfer of the series of impressions to the customer, which is based on actual delivery of impressions. As such, the Company accounts for the specified series of impressions as a single performance obligation.

The delivery of the impression on platform represents the change in control of the good or service, and therefore, the Company satisfies its performance obligations and recognizes revenue based on the delivery of impressions under the contract.

Influencer Marketing

Influencer marketing revenue is generated in connection with the development, management and execution of influencer marketing campaigns on behalf of Brands, primarily on YouTube, Instagram and TikTok. Influencer marketing campaigns are collaborations between Super League, popular social-media influencers, and Brands, to promote a Brands' products or services. Influencers are paid a flat rate per post to feature a Brand's product or service on their respective social media outlets.

For influencer marketing campaigns that include multiple influencers, the customer can benefit from the influencer posts either on its own or together with other resources that are readily available to the customer. The Company's influencer marketing campaigns for Brands (1) incorporate a significant service of integrating the goods or services with other goods or services promised in the contract (typically additional influencer posts) into a bundle of goods or services that represent the combined output that the customer has contracted for, and (2) the goods or services are interdependent in that each of the goods or services is affected by one or more of the other goods or services in the contract which combined, create an influencer marketing campaign to satisfy the Brand's specific campaign objectives. The interdependency of the performance obligations is supported by an understanding of what a customer expects to receive as a final product with respect to an influencer marketing campaign, which is an integrated influencer marketing advertising campaign that the influencer posts create when they are combined into an overall integrated campaign.

Our customers receive and consume the benefits of each influencer's post as the content is posted on the influencer's respective social media outlet. In addition, the influencer marketing campaigns and videos created by influencers are highly customized advertising engagements, where Brand specific assets and collateral are created for the customer based on specific and customized specifications, and therefore, does not create an asset with an alternative use. Further, based on contract terms, the Company typically has an enforceable right to payment for performance to date during the term of the arrangement.

We recognize revenues for influencer marketing campaigns based on input methods which recognize revenue on the basis of the entity's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation. As such, revenues are recognized over the term of the campaign, as the influencer videos are posted, based on costs incurred to date relative to total costs for the influencer marketing campaign.

Publishing and Content Studio

Publishing and content studio revenue consists of revenue generated from immersive game development and custom game experiences within the Company's owned and affiliate game worlds, and revenue generated in connection with the Company's production, curation and distribution of entertainment content for the Company's own network of digital channels and media and entertainment partner channels.

Publishing

Custom builds are highly customized branded game experiences created and built by Super League for customers on existing digital platforms such as Roblox, Fortnite, Decentraland and others. Custom builds often include the creation of highly customized and branded gaming experiences and other campaign specific media or products to create an overall customized immersive world campaign.

Custom integrations are highly customized advertising campaigns that are integrated into and run on existing affiliate Roblox gaming experiences. Custom integrations will often include the creation of highly customized and branded game integration elements to be integrated into the existing Roblox gaming experience to the customer's specifications and other campaign-specific media or products.

Our custom builds and custom integration (hereinafter, "Custom Programs") campaign revenue arrangements typically include multiple promises and performance obligations, including requirements to design, create and launch a platform game, customize and enhance an existing game, deploy media products, and related performance measurement. Custom Programs offer a strategically integrated advertising campaign with multiple integrated components, and the Company provides a significant service of integrating the goods or services with other goods or services promised in the contract into a bundle of goods or services that represent the combined output or outputs that the customer has contracted for. As such, Custom Program revenue arrangements are combined into a single performance obligation, as the Company's performance does not create an asset with an alternative use to the entity and the Company typically has an enforceable right to payment for performance to date during the term of the arrangement.

We recognize revenues for Custom Programs based on input methods, that recognize revenue based upon estimates of progress toward complete satisfaction of the contract performance obligations, utilizing primarily costs or direct labor hours incurred to date to estimate progress towards completion.

Content Production

Content production revenue is generated in connection with the Company's production, curation and distribution of entertainment content for the Company's own network of digital channels and media and entertainment partner channels. The Company distributes three primary types of content for syndication and licensing, including (1) the Company's own original programming content, (2) user generated content ("UGC"), including online gameplay and gameplay highlights, and (3) the creation of content for third parties utilizing the Company's remote production and broadcast technology.

Content production arrangements typically involve promises to provide a distinct set of videos, creative, content creation and/or other live or remote production services. These services can be one-off in nature (relatively short services periods of one day to one week) or can be specified as monthly services over a multi-month period.

One-off and monthly content production services are distinct in that the customer can benefit from the service either on its own or together with other resources that are readily available to the customer. Further, promises to provide one-off or monthly content production services are typically separately identifiable as the nature of the promises, within the context of the contract, is to transfer each of those goods or services individually. Each month's content production services are separate and not integrated with a prior month's or subsequent month's services and do not represent a combined output; each month's content production services do not modify any other prior period content production services, and the monthly services are not interdependent or highly interrelated.

As a result, each one-off or monthly promise to provide content production services is a distinct good or service that the Company promises to transfer and are therefore performance obligations. In general, content production contracts do not meet the criteria for recognition of revenues over time as the customer typically does not simultaneously receive and consume the benefits provided by the Company's performance as the Company performs, the Company's performance does not typically create or enhance an asset that the customer controls, and while the Company's performance does not create an asset with an alternative use, the Company typically has a right to payment upon completion of each distinct performance obligation.

A performance obligation is satisfied at a point in time if none of the criteria for satisfying a performance obligation over time are met. For content production arrangements, the Company has a right to payment and the customer has control of the good or service at the time of completion and delivery of the one-off or monthly content production services in accordance with the terms of the underlying contract. As such, revenue is recognized at the time of completion of the one-off or monthly content production services.

Direct to Consumer

Direct to consumer revenue primarily consists of monthly digital subscription fees, and sales of in-game digital goods. Subscription revenue is recognized in the period the services are rendered. Payments are typically due from customers at the point of sale.

Refer to Note 3, “Sale of Mineville” below for information concerning the sale of the related digital property in May 2025.

InPvP Platform Generated Sales Transactions. Through a relationship with Microsoft, the owner of Minecraft, the Company operated a Minecraft server world for players playing the game on consoles and tablets. The Company was one of seven partner servers with Microsoft that, while “free to play,” monetize the players through in-game micro transactions. The Company generated in-game platform sales revenue from the sale of digital goods, including cosmetic items, durable goods, player ranks and game modes, leveraged the flexibility of the Microsoft Minecraft Bedrock platform, and powered by the InPvP cloud architecture technology platform. Revenue was generated when transactions were facilitated between Microsoft and the end user, either via in-game currency or cash.

InPvP revenues were generated from single transactions for various distinct digital goods sold to users in-game. Microsoft processed sales transactions and remitted the applicable revenue share to the Company pursuant to the terms of the Microsoft agreement.

Revenue for digital goods sold on the platform was recognized when Microsoft (our partner) collected the revenue and facilitated the transaction, including delivery of digital goods, on the platform. Revenue for such arrangements included all revenue generated, make goods, and refunds of all transactions managed via the platform by Microsoft. Payments were made to the Company monthly based on the sales revenue generated on the platform.

Revenue was comprised of the following for the periods presented:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Media and advertising	$ 1,885,000	$ 1,025,000	$ 5,011,000	$ 3,773,000
Publishing and content studio	726,000	1,398,000	3,612,000	4,056,000
Direct to consumer[1]	-	-	-	313,000
	$ 2,611,000	$ 2,423,000	$ 8,623,000	$ 8,142,000
Revenue Recognition:				
Single point in time	72%	43%	58%	42%
Over time	28%	57%	42%	58%
Total	100%	100%	100%	100%

[1] Refer to Note 3, “Sale of Mineville” below for information concerning the sale of the related digital properties in May 2025.

Contract assets represent revenue recognized for performance obligations delivered prior to the Company having an unconditional right to bill the customer. All contract assets are expected to be billed and collected within 12 months and are classified within *Contract assets* on the condensed balance sheets.

Contract liabilities consist of upfront prepayments and deposits received from customers prior to the delivery of performance obligations. Because the Company’s advertising campaigns generally have durations of less than one year, all contract liabilities are classified as current liabilities and are expected to be recognized as revenue within 12 months.

Contract assets totaled $788,000 at September 30, 2026, $107,000 at December 31, 2025 and $372,000 at December 31, 2024. Contract liabilities totaled $462,000 at September 30, 2026, $566,000 at December 31, 2025, and $50,000 at December 31, 2024.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Revenue recognized related to contract liabilities as of the beginning of the respective period	$ 102,000	$ 40,000	$ 564,000	$ 50,000

In accordance with FASB ASC Topic 606-10-50-13, the Company is required to include disclosure on its remaining performance obligations as of the end of the current reporting period. Due to the nature of the Company’s contracts with customers, these reporting requirements are not applicable pursuant to FASB ASC Topic 606-10-50-14, as the performance obligations are part of contracts that have original durations of one year or less.

Seasonality. Our revenue fluctuates quarterly and is generally higher in the second half of our fiscal year, with the fourth quarter typically representing our highest revenue quarter each year. Advertising spending is traditionally seasonally strong in the second half of each year, reflecting the impact of seasonal back to school, game release and holiday season advertising spending by brands and advertisers. We believe that this seasonality in advertising spending affects our quarterly results, which generally reflect relatively higher advertising revenue in the second half of each year, compared to the first half of the year.

Cost of Revenues

Cost of revenues includes direct costs incurred in connection with the satisfaction of performance obligations under the Company’s revenue arrangements, including internal and third-party engineering, creative, content, broadcast and other personnel, talent and influencers, internal and third-party game developers, third-party ad-platform, content capture and production services, direct marketing, cloud services, software, prizing, and revenue sharing fees.

Engineering, Technology and Development Costs

Components of our platform are available on a "free to use," "always on basis," and are utilized and offered as an audience acquisition tool, as a means of growing our audience, engagement, viewership, players and community. Engineering, technology and development related operating expense includes the costs described below, incurred in connection with our audience acquisition and viewership expansion activities. Engineering, technology and development related operating expense includes (i) allocated internal engineering personnel expense, including salaries, noncash stock compensation, taxes and benefits, (ii) third-party contract software development and engineering expense, (iii) internal use software cost amortization expense, and (iv) technology platform related cloud services, broadband and other platform expense, incurred in connection with our audience acquisition and viewership expansion activities, including tools and product offering development, testing, minor upgrades and features, free to use services, corporate information technology and general platform maintenance and support.

Cash and Cash Equivalents

The Company considers all highly-liquid, short-term investments with original maturities of three months or less when purchased to be cash equivalents. At September 30, 2026 and December 31, 2025, cash and cash equivalents balance totaled $4.4 million and $14.4 million, respectively. At September 30, 2026 and December 31, 2025, cash equivalents were comprised solely of investments in highly-liquid U.S. treasury bills and money market funds, valued based on quoted market prices, a Level 1 input.

Marketable Securities, Available-for-Sale

Investments in securities with original maturities of greater than three months and less than one year and other investments representing amounts that are available for current operations, including available-for-sale securities, are classified as short-term investments, unless there are indications that such investments may not be readily sold in the short term, and are carried at fair value.

As of September 30, 2026 and December 31, 2025, short term investments, which were comprised of direct investments in highly liquid, AA and A-1+ rated, U.S. government securities with a weighted average maturity of approximately 3.8 years, totaled $2.5 million (with an amortized cost basis of $2.6 million and $0, respectively) and $0, respectively. At September 30, 2026, all of the Company's investments were classified as available-for-sale, which are reported at fair value on a recurring basis using significant observable inputs (Level 2), with related unrealized gains and losses in the value of such securities recorded as a separate component of other comprehensive income (loss) in stockholders' equity until realized. Realized and unrealized gains and losses are recorded based on the specific identification method. Interest on all securities is included in interest income (loss) in the statements of operations and comprehensive income (loss).

Accounts Receivable

Accounts receivable are recorded at the invoice amount, less allowances for credit losses, if any, and do not bear interest. At each balance sheet date, the Company provides an allowance for potential credit losses based on its evaluation of the collectability and the customers' creditworthiness. The Company regularly reviews the allowance by considering factors such as the age of the receivable balances, historical experience, credit quality, current economic conditions, and reasonable forecasts of future economic conditions that may affect a customer's ability to pay. Accounts receivable are written off when they are determined to be uncollectible. As of September 30, 2026 and December 31, 2025, no allowance for expected credit losses was deemed necessary. Gross write-offs of accounts receivable recorded during the three and nine months ended September 30, 2026 were $46,000 and $46,000, respectively. Gross write-offs of accounts receivable recorded during the three and nine months ended September 30, 2025 were $0 and $0, respectively.

Fair Value Measurements

Fair value is defined as the exchange price that would be received from selling an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Company measures financial assets and liabilities at fair value at each reporting period using a fair value hierarchy which requires the Company to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. A financial instrument's classification within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Three levels of inputs may be used to measure fair value:

Level 1. Quoted prices in active markets for identical assets or liabilities.

Level 2. Quoted prices for similar assets and liabilities in active markets or inputs other than quoted prices which are observable for the assets or liabilities, either directly or indirectly through market corroboration, for substantially the full term of the financial instruments.

Level 3. Unobservable inputs which are supported by little or no market activity and which are significant to the fair value of the assets or liabilities.

Certain liabilities are required, or elected, to be recorded at fair value on a recurring basis in accordance with applicable guidance. As described in the notes below, certain promissory notes, contingent consideration, warrant liabilities and contingent interest derivatives outstanding during the periods presented are recorded at fair value. Transfers to/from Levels 1, 2, and 3 are recognized at the beginning of the reporting period. There were no transfers to/from Levels 1, 2, and 3 during the periods presented.

Certain long-lived assets may be periodically required to be measured at fair value on a nonrecurring basis, including long-lived assets that are impaired. The fair value for other assets and liabilities such as cash, restricted cash, accounts receivable, other receivables, prepaid expense and other current assets, accounts payable and accrued expense, and liabilities to customers have been determined to approximate carrying amounts due to the short maturities of these instruments.

Derivative Financial Instruments

The Company evaluates its financial instruments to determine if such instruments are derivatives or contain features that qualify as embedded derivatives. For derivative financial instruments that are accounted for as liabilities, the derivative instrument is initially recorded at its fair value and is then re-valued at each reporting date, with changes in the fair value reported in the statements of operations and comprehensive income (loss). The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is reassessed at the end of each reporting period. Equity instruments that are initially classified as equity that become subject to reclassification are reclassified to a liability at the fair value of the instrument on the reclassification date. Derivative instrument liabilities are classified in the condensed balance sheets as current or non-current based on whether or not net-cash settlement of the derivative instrument could be required within 12 months of the balance sheet date. In circumstances where the embedded conversion option in a convertible instrument is required to be bifurcated and there are also other embedded derivative instruments in the convertible instrument that are required to be bifurcated, the bifurcated derivative instruments are accounted for as a single, compound derivative instrument.

Equity-linked instruments that are deemed to be freestanding instruments issued in conjunction with preferred stock are accounted for separately. For equity linked instruments classified as equity, the proceeds are allocated based on the relative fair values of the preferred stock and the equity-linked instrument following the guidance in FASB ASC Topic 470, “Debt”.

Certain of the Company's outstanding common stock purchase warrants contain contractual down-round provisions that reduce the exercise price of the applicable warrants in the event that the Company issues common stock or common stock equivalents at a price below the then-current exercise price, subject to the specific terms and limitations contained in the applicable warrant agreements. The existence of a contractual down-round feature does not, by itself, preclude equity classification. Accordingly, the Company's equity-classified warrants containing down-round provisions continue to be reported within stockholders' equity unless subsequent events or changes in the terms of the instruments require an alternative accounting treatment under applicable U.S. GAAP.

When a down-round feature is triggered, the Company accounts for the resulting exercise price adjustment in accordance with ASC 260, “Earnings Per Share,” as amended by ASU 2017-11, “Accounting for Certain Financial Instruments with Down Round Features.” Upon the occurrence of a triggering event, the Company measures the incremental fair value transferred to the warrant holders as the difference between the fair value of the warrants immediately after the exercise price adjustment and the fair value of the warrants immediately before the adjustment, measured as of the triggering date.

In general, the Company determines the fair value of the warrants using an option-pricing model, generally the Black-Scholes option-pricing model (“Black-Scholes”), utilizing assumptions that reflect market participant assumptions as of the measurement date in accordance with the fair value measurement objective of ASC 820, “Fair Value Measurement” (“ASC 820”). Significant valuation assumptions include, among others, the Company's common stock price, expected volatility, expected term, risk-free interest rate and expected dividend yield.

The incremental fair value resulting from the down-round adjustment is recognized as a deemed dividend within stockholders' equity. The deemed dividend does not affect the Company's statements of operations and comprehensive income (loss), or statements of cash flows. Instead, the deemed dividend reduces income available to common stockholders in the computation of basic and diluted earnings (loss) per share for the period in which the down-round feature is triggered.

Acquisitions

Acquisition Method. Acquisitions that meet the definition of a business under FASB ASC Topic 805*,* “Business Combinations” (“ASC 805”), are accounted for using the acquisition method of accounting. Under the acquisition method of accounting, assets acquired, liabilities assumed, contractual contingencies, and contingent consideration, when applicable, are recorded at fair value at the acquisition date. Any excess of the purchase price over the fair value of the net assets acquired is recorded as goodwill. The application of the acquisition method of accounting requires management to make significant estimates and assumptions in the determination of the fair value of assets acquired and liabilities assumed in connection with the allocation of the purchase price consideration to the assets acquired and liabilities assumed. Transaction costs associated with business combinations are expensed as incurred and are included in general and administrative expense in the statements of operations and comprehensive income (loss).

Contingent consideration, representing an obligation of the acquirer to transfer additional assets or equity interests to the seller if future events occur or conditions are met, is recognized when probable and reasonably estimable. Contingent consideration recognized is included in the initial cost of the assets acquired, with subsequent changes in the fair value reported in the statements of operations and comprehensive income (loss). Subsequent changes are allocated to the acquired assets based on their relative fair value. Depreciation and/or amortization of adjusted assets are recognized as a cumulative catch-up adjustment, as if the additional amount of consideration that is no longer contingent had been accrued from the outset of the arrangement.

Contingent consideration that is paid to sellers that remain employed by the acquirer and linked to future services is generally considered compensation cost and recorded in the statements of operations and comprehensive income (loss) in the post-combination period.

Intangible Assets

Intangible assets primarily consist of (i) internal-use software development costs, (ii) domain name, copyright and patent registration costs, (iii) commercial licenses, (iv) developed technology acquired, (v) partner, customer, creator and influencer related intangible assets acquired and (vi) other intangible assets, which are recorded at cost (or in accordance with the acquisition method or cost accumulation methods described above) and amortized using the straight-line method over the estimated useful lives of the assets, ranging from 3 to 10 years.

Software development costs incurred to develop internal-use software during the application development stage are capitalized and amortized on a straight-line basis over the software's estimated useful life, which is generally three years. Software development costs incurred during the preliminary stages of development are charged to expense as incurred. Maintenance and training costs are charged to expense as incurred. Upgrades or enhancements to existing internal-use software that result in additional functionality are capitalized and amortized on a straight-line basis over the applicable estimated useful life.

Transfer or Sale of Intangible Assets

Upon the sale of an intangible asset, or group of intangible assets (hereinafter, "nonfinancial assets"), the Company initially evaluates whether the Company has a controlling financial interest in the legal entity that holds the nonfinancial assets by applying the guidance on consolidation. Any nonfinancial assets transferred that are held in a legal entity in which the Company does not have (or ceases to have) a controlling financial interest is further evaluated to determine whether the underlying transaction contract meets all of the criteria for accounting for contract under the revenue standard. Once a contract meets all of the criteria, the Company identifies each distinct nonfinancial asset promised to a counterparty and derecognizes each distinct nonfinancial asset when the Company transfers control of the nonfinancial asset to the counterparty. The Company evaluates the point in time at which a counterparty obtains control of the nonfinancial assets, including whether or not the counterparty can direct the use of, and obtain substantially all of the benefits from, each distinct nonfinancial asset.

Impairment of Long-Lived Assets

The Company assesses the recoverability of long-lived assets whenever events or changes in circumstances indicate that their carrying value may not be recoverable. Factors we consider important, which could trigger an impairment review, include the following: significant underperformance relative to expected historical or projected future operating results; significant changes in the manner of our use of the acquired assets or the strategy for our overall business; significant negative industry or economic trends; significant adverse changes in legal factors or in the business climate, including adverse regulatory actions or assessments; and significant decline in our stock price for a sustained period. In the event the sum of the expected undiscounted future cash flows resulting from the use of the asset is less than the carrying amount of the asset, an impairment loss equal to the excess of the asset's carrying value over its fair value is recorded.

Other assets of a reporting unit that are held and used may be required to be tested for impairment when certain events trigger interim goodwill impairment tests. In such situations, other assets, or asset groups, are tested for impairment under their respective standards and the other assets' or asset groups' carrying amounts are adjusted for impairment before testing goodwill for impairment as described below. There can be no assurance, however, that market conditions or demand for the Company's products or services will not change, which could result in long-lived asset impairment charges in the future.

Goodwill

Goodwill represents the excess of the purchase price over the fair value of net identifiable assets acquired in a business combination. Goodwill is not amortized but is tested for impairment annually, or more frequently when events or changes in circumstances indicate that it is more likely than not that the fair value of a reporting unit is less than its carrying amount.

In accordance with ASC 350, *Intangibles—Goodwill and Other*, as amended by ASU 2017-04, the Company may first perform a qualitative assessment to determine whether a quantitative impairment test is necessary. If the Company determines that it is more likely than not that the fair value of a reporting unit is less than its carrying amount, or elects to bypass the qualitative assessment, it performs a quantitative impairment test by comparing the reporting unit's fair value with its carrying amount.

An impairment loss is recognized for the amount by which the reporting unit's carrying amount exceeds its fair value, limited to the total amount of goodwill allocated to that reporting unit. Any goodwill impairment loss is recognized in earnings and is not subsequently reversed. As of September 30, 2026, the Company performed a qualitative evaluation concluding that, as of September 30, 2026, it was not more likely than not that goodwill was impaired.

Stock-Based Compensation

Compensation expense for stock-based awards is measured at the grant date, based on the estimated fair value of the award, and is recognized as an expense, typically on a straight-line basis over the employee's requisite service period (generally the vesting period of the equity award) which is generally two to four years. Compensation expense for awards with performance conditions that affect vesting is recorded only for those awards expected to vest or when the performance criteria are met. The fair value of restricted stock and restricted stock unit awards is determined by the product of the number of shares or units granted and the grant date market price of the underlying common stock. The fair value of stock option and common stock purchase warrant awards is estimated on the date of grant utilizing Black-Scholes. The Company utilizes the simplified method for estimating the expected term for options granted to employees due to the lack of available or sufficient historical exercise data for the Company for the applicable options terms. The Company accounts for forfeitures of awards as they occur. Estimates of expected volatility of the underlying common stock for the expected term of the stock option used in the Black-Scholes option pricing model are determined by reference to historical volatilities of the Company's common stock and historical volatilities of similar companies.

Grants of equity-based awards (including warrants) to non-employees in exchange for consulting or other services are accounted for using the grant date fair value of the equity instruments issued.

A condition affecting the exercisability or other pertinent factors used in determining the fair value of an award that is based on an entity achieving a specified share price constitutes a market condition pursuant to FASB ASC Topic 718, "Compensation – Stock Compensation" ("ASC 718"). A market condition is reflected in the grant-date fair value of an award, and therefore, a Monte Carlo simulation model is utilized to determine the estimated fair value of the equity-based award. Compensation cost is recognized for awards with a market condition, provided the requisite service period is satisfied, regardless of whether the market condition is ever satisfied.

Cancellation of an existing equity-classified award along with a concurrent grant of a replacement award is accounted for as a modification under ASC 718. Total compensation cost to be recognized in connection with a modification and concurrent grant of a replacement award is equal to the original grant date fair value plus any incremental fair value, calculated as the excess of the fair value of the replacement award over the fair value of the original awards on the cancellation date. Any incremental compensation cost related to vested awards is recognized immediately on the modification date. Any incremental compensation cost related to unvested awards is recognized prospectively over the remaining service period, in addition to the remaining unrecognized grant date fair value.

Total noncash stock-based compensation expense for the periods presented was included in the following financial statement line items:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	**2025**	**2026**	**2025**
Selling, marketing and advertising	$ 352,000	$ 53,000	$ 1,110,000	$ 304,000
Engineering, technology and development	66,000	2,000	216,000	15,000
General and administrative	384,000	558,000	1,546,000	1,053,000
Total noncash stock compensation expense	$ 802,000	$ 613,000	$ 2,872,000	$ 1,372,000

Approval of the 2025 Omnibus Equity Incentive Plan

On June 9, 2025, the stockholders of the Company approved the 2025 Omnibus Equity Incentive Plan (the "2025 Plan") which (i) reserves thereunder 6,250 shares for issuance in the form of restricted stock units ("RSUs") and stock option grants ("Option Grants"), among other derivative securities, and (ii) provides for the integration of one hundred percent (100%) of the reserved shares available under the Company's existing 2014 Stock Option and Incentive Plan (the "2014 Plan") including (a) all shares of common stock reserved and unaffiliated with any issued and outstanding restricted stock units and stock option grants under the 2014 Plan totaling 309 shares, (b) all shares of common stock relating to unvested restricted stock units under the 2014 Plan totaling 267 shares, and (c) all shares of common stock relating to issued and outstanding stock option grants totaling 703. In connection with the adoption of the 2025 Plan, the Board also approved the cancellation of all issued and outstanding stock options under the 2014 Plan (2014 Plan Canceled Awards").

Concurrent with the cancellation of the 2014 Plan Canceled Awards the Board approved the issuance of 5,908 equity awards under the 2025 Plan, comprised of 3,342 stock options and 2,566 RSUs to employees with the following general terms: 1) exercise price of $60.96 per share for stock options, 2) shares of common stock associated with all RSUs valued at $60.96 per share, the closing price of the Company's common stock on the grant date, and 3) RSU and Option grants to vest at the rate of 1/24th per month in arrears ("2025 Exchanged Awards").

Unrecognized compensation expense related to the awards cancelled under the 2014 Plan totaled $408,000 which is being recognized prospectively over the remaining modified service period of 2 years. Total incremental compensation cost related to the 2025 Exchanged Awards totaled $307,000, $165,000 of which related to vested awards as of the modification date and was recognized as expense immediately in the statement of operations and comprehensive income (loss) for the nine months ended September 30, 2025, and $141,000 related to unvested awards which is being recognized prospectively over the remaining modified service period of 2 years.

On October 20, 2025, stockholders approved an amendment to the Company's 2025 Omnibus Equity Incentive Plan to increase the number of shares of common stock available for issuance under the 2025 Plan by 580,655 shares of common stock.

Financing Costs

Specific incremental costs directly attributable to a proposed or actual offering of securities are deferred and charged against the gross proceeds of the equity financing. In the event that the proposed or actual equity financing is not completed, or is deemed not likely to be completed, such costs are expensed in the period that such determination is made. Deferred equity financing costs, if any, are included in other current assets in the accompanying condensed balance sheets. Deferred financing costs, included in prepaid expense and other current assets, at September 30, 2026 and December 31, 2025, totaled $1.6 million and $888,000, respectively.

Specific incremental costs directly attributable to a proposed or actual debt offering are reported in the condensed balance sheets as a direct deduction from the face amount of the debt instrument. In the event that the proposed or actual debt financing is not completed, or is deemed not likely to be completed, such costs are expensed in the period that such determination is made. In the event that the Company elects to use the fair value option to account for debt instruments, all costs directly attributable to the debt offering are expensed as incurred in the statements of operations and comprehensive income (loss). For the three and nine months ended September 30, 2026, debt financing costs expensed as incurred in connection with debt financings totaled $0 and $0, respectively. For the three and nine months ended September 30, 2025, debt financing costs expensed as incurred in connection with debt financings totaled $415,000 and $554,000, respectively.

Debt

Fair Value Option ("FVO") Election

The Company accounted for certain promissory notes and convertible notes issued, as described at Note 5, under the fair value option election pursuant to ASC 825, "Financial Instruments" ("ASC 825"), as discussed below. The promissory notes accounted for under the FVO election are each debt host financial instruments containing embedded features which would otherwise be required to be bifurcated from the debt-host and recognized as separate derivative liabilities subject to initial and subsequent periodic estimated fair value measurements under ASC 815. Notwithstanding, ASC 825 provides for the "fair value option" election, to the extent not otherwise prohibited by ASC 825, to be afforded to financial instruments, wherein bifurcation of an embedded derivative is not necessary, and the financial instrument is initially measured at its issue-date estimated fair value and then subsequently remeasured at estimated fair value on a recurring basis at each reporting period date. The estimated fair value adjustments, subsequent to the issuance date, as required by ASC 825, are recognized as a component of other comprehensive income ("OCI") with respect to the portion of the fair value adjustment attributed to a change in the instrument-specific credit risk, with the remaining amount of the fair value adjustment recognized as other income (expense) in the accompanying statements of operations and comprehensive income (loss). With respect to the promissory notes described at Note 5, as provided for by ASC 825, the estimated fair value adjustments are presented in a respective single line item within other income (expense) in the accompanying statements of operations and comprehensive income (loss), since the change in fair value of the convertible notes payable was not attributable to instrument specific credit risk. The estimated fair value adjustment is included in interest expense in the accompanying statements of operations and comprehensive income (loss).

The fair value of the promissory notes described at Note 5 was estimated based on a calculation of the present value of the related cash flows (i.e. payments of principal and interest based on contractual agreement terms) using a discount rate that reflected market rates and related credit risk (Level 3 inputs). The FVO was elected for the promissory notes described at Note 5 due to the short-term nature of the promissory notes and to provide relevant and timely information regarding the current market value of the debt, which is marked to market at each balance sheet date reflecting the effects of market fluctuations and other factors.

Significant judgements and estimates may be required in connection with the determination of whether or not to elect the FVO for specific assets and/or liabilities. In addition, significant judgements and estimates may be required in connection with the determination of appropriate discount rates utilized in connection with present value related valuation techniques. Discount rate assumptions typically reflect the estimated yield to maturity of the debt instrument, incorporating the estimated market-implied rate of return an investor would receive if they held the debt until maturity, and taking into account all future cash flows and the current market price; adjusted for credit risk and market conditions. In addition, judgements and estimates are required in connection with the determination of the portion of subsequent fair value adjustments that relate to instrument-specific credit risk, which are reflected in OCI, and the portion of subsequent fair value adjustments that relate to changes in interest rates or other variables, which are reflected in the statements of operations and comprehensive income (loss). Variations in any of these judgements and estimates could have a material impact on the Company's financial results.

The Company may issue convertible debt instruments that include detachable common stock purchase warrants. The Company evaluates the terms of each instrument to determine the appropriate accounting treatment under ASC 825-10, “Fair Value Option,” ASC 480, “Distinguishing Liabilities from Equity,” and ASC 815-40, “Contracts in Entity’s Own Equity” (“ASC 815-40”). The Company has elected the FVO for certain convertible debt instruments, as described at Note 5. Under the FVO, the entire debt instrument, including any embedded conversion feature, is initially recognized and subsequently measured at fair value, with changes in fair value recognized in earnings within other income (expense) in the statement of operations and comprehensive income (loss) each reporting period. The fair value election eliminates the need to separately account for the embedded conversion feature under ASC 815-40.

Detachable warrants issued in connection with convertible debt are evaluated separately from the debt instrument. If the warrants meet the criteria for equity classification under ASC 815-40 (including the fixed-for-fixed equity scope exception and no cash-settlement provisions), the warrants are recorded in additional paid-in capital and are not subsequently remeasured. If the warrants do not meet the criteria for equity classification, they are accounted for as derivative liabilities at fair value with changes in fair value recognized in earnings. The classification of equity-linked instruments is reassessed at each balance sheet date. If the classification changes as a result of events during the applicable period, the equity linked instrument shall be reclassified as of the date of the event that caused the reclassification. If an equity-linked instrument is reclassified from an asset or a liability to equity, gains or losses recorded to account for the equity-linked instrument at fair value during the period that the contract was classified as an asset or a liability are not reversed. The equity-linked instrument is marked to fair value immediately before the reclassification.

At issuance, proceeds are allocated between the fair-value-option debt instrument and any separately issued equity-classified warrants based on their relative fair values. Transaction costs related to fair-value-option debt instruments are expensed as incurred. For equity-classified warrants, issuance costs are recorded as a reduction to additional paid-in capital. Changes in the fair value of convertible debt for which the FVO has been elected may reflect changes in the Company’s credit risk, market interest rates, and the value of the conversion feature.

Debt Modifications and Extinguishments

Modifications to debt obligations are initially analyzed to determine whether the modification qualifies as a troubled debt restructuring (“TDR”). A modification is a troubled debt restructuring if both (1) the borrower is experiencing financial difficulty, and (2) the lender grants the borrower a concession. In determining if a company is experiencing financial difficulties for a TDR, as contemplated by the applicable standard, several factors are considered including whether the Company is currently in payment default on any debt, if there is a high probability of future default without modification, bankruptcy considerations, or if there is substantial doubt about the Company’s ability to continue as a going concern. A lender is granting a concession when the effective borrowing rate on the restructured debt is less than the effective borrowing rate on the original debt. The recognition and measurement of the impact of a TDR on the financial statements depends on whether the future undiscounted cash flows specified by the new terms are less (gain is recorded in the statements of operations and comprehensive income (loss) for the difference) or greater (no gain is recorded in the statements of operations and comprehensive income (loss) for the difference) than the carrying value of the debt.

For an exchange of debt instruments or a modification of a debt instrument by a debtor and a creditor in a nontroubled debt situation, the Company initially evaluates whether the modified debt terms are "substantially different" from the original debt. An exchange of debt instruments or a modification of a debt instrument by a debtor and a creditor is deemed to have been accomplished with debt instruments that are substantially different if the present value of the cash flows under the terms of the new debt instrument is at least 10 percent different from the present value of the remaining cash flows under the terms of the original instrument. If the terms of a debt instrument are changed or modified and the cash flow effect on a present value basis is less than 10 percent, the debt instruments are not considered to be substantially different.

If the modification is not deemed to be substantially different, the modification is accounted for as an adjustment to the carrying amount of the debt, with a recalculated effective interest rate. If the modification is deemed to be substantially different, then the modification is accounted for as an extinguishment of the original debt and issuance of new debt, requiring the recognition of a gain or loss on the extinguishment in the statements of operations and comprehensive income (loss).

In an early extinguishment of debt for which the fair value option has been elected, the net carrying amount of the extinguished debt is determined to be equal to its fair value at the reacquisition date. As such, there is no difference between the carrying amount of the debt and its reacquisition price for which to recognize a gain or loss. Upon extinguishment of debt, the Company includes in net income only the cumulative amount of the gain or loss previously recorded in other comprehensive income for the extinguished debt that resulted from changes in instrument-specific credit risk, if any.

Debt Exchanges for Equity — Fair Value Option

The Company may settle or exchange debt instruments by issuing equity securities (i.e. common stock or preferred stock). Upon settlement or exchange of FVO-elected debt for the Company's equity securities, the carrying amount of the debt immediately prior to settlement represents its fair value at the settlement date. Any difference between the fair value of the equity instruments issued and the carrying amount of the debt extinguished is recognized as a gain or loss in earnings within Other income (expense) at the time of the exchange. Equity instruments issued in settlement of debt are recorded in stockholders' equity at their fair value on the settlement date. Any incremental direct costs associated with issuing equity securities are accounted for as a reduction to additional paid-in capital.

Transfers of Financial Assets

The Company accounts for transfers of financial assets as sales when it has surrendered control over the related assets. Whether control has been relinquished requires, among other things, an evaluation of relevant legal considerations and an assessment of the nature and extent of the Company's continuing involvement with the assets transferred. Gains and losses stemming from transfers reported as sales, if any, are included in the statements of operations and comprehensive income (loss). Assets obtained and liabilities incurred in connection with transfers reported as sales are initially recognized in the balance sheet at fair value.

Transfers of financial assets that do not qualify for sale accounting are reported as collateralized borrowings. Accordingly, the related assets remain on the Company's balance sheets and continue to be reported and accounted for as if the transfer had not occurred. Cash proceeds from these transfers are reported as liabilities, with attributable interest expense recognized over the life of the related transactions. Commitment fees charged irrespective of drawdown activity are recognized as expense on a straight line basis over the commitment period and included in other income (expense) in the statements of operations and comprehensive income (loss). Refer to Note 5 for additional information.

Concentration of Credit Risks

Financial instruments that potentially subject the Company to concentrations of credit risk are cash equivalents and accounts receivable. Cash and cash equivalents are also invested in deposits with certain financial institutions and may, at times, exceed federally insured limits. Any loss incurred or a lack of access to such funds could have a significant adverse impact on the Company's financial condition, results of operations, and cash flows.

Risks and Uncertainties

Concentrations. The Company had certain customers whose revenue individually represented 10% or more of the Company's total revenue, or whose accounts receivable balances individually represented 10% or more of the Company's total accounts receivable, and vendors whose accounts payable balances individually represented 10% or more of the Company's total accounts payable, as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Number of customers > 10% of revenue / percent of revenue	One / 10%	Three / 37%	Two / 25%	Two / 28%

Revenue concentrations were comprised of the following revenue categories:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Media and advertising	10%	13%	19%	14%
Publishing and content studio	-%	24%	6%	14%
	10%	37%	25%	28%

	September 30, 2026	December 31, 2025
Number of customers > 10% of accounts receivable / percent of accounts receivable	One / 19%	Three / 57%
Number of vendors > 10% of accounts payable / percent of accounts payable	- / -%	One / 24%

Net Earnings (Loss) Per Share

Basic net earnings (loss) per share is computed by dividing the income or loss by the weighted-average number of outstanding shares of common stock for the applicable period. Diluted earnings per share is computed by dividing the income or loss by the weighted-average number of outstanding shares of common stock for the applicable period, including the dilutive effect of common stock equivalents. Potentially dilutive common stock equivalents primarily consist of common stock potentially issuable in connection with the conversion of outstanding preferred stock, convertible notes payable, employee stock options, warrants issued to employees and non-employees in exchange for services and warrants issued in connection with financings.

A reconciliation of net loss to net income (loss) attributable to common stockholders is as follows for the three and nine months ended September 30:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Net loss	$ (2,876,000)	$ (3,562,000)	$ (11,317,000)	$ (10,575,000)
Deemed dividend – Down round common stock purchase warrants	-	-	(1,002,000)	-
Deemed contribution – Preferred Redemption	-	-	427,000	-
Deemed dividend on Series AA Preferred Stock – down round feature	-	(308,000)	-	(308,000)
Deemed dividend on exchange of Series AA, AAA and AAA Junior Preferred Stock for Series B Preferred Stock	-	7,685,000	-	7,685,000
Preferred stock dividends paid or accrued– common stock	-	(271,000)	(253,000)	(372,000)
Net income (loss) attributable to common stockholders - basic	$ (2,876,000)	$ 3,544,000	$ (12,145,000)	$ (3,570,000)
Add back:				
Deemed dividend on exchange of Series AA, AAA and AAA Junior Preferred Stock for Series B Preferred Stock	-	(7,685,000)	-	-
Net loss attributable to common stockholders - diluted	$ (2,876,000)	$ (4,141,000)	$ (12,145,000)	$ (3,570,000)

The following table sets forth the computation of basic and diluted EPS for the three and nine months ended September 30:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Basic Earnings (Loss) Per Common Share:				
Net income (loss)	$ (2,876,000)	$ 3,544,000	$ (12,145,000)	$ (3,570,000)
Weighted-average number of common shares—basic	3,479,304	90,845	2,913,879	59,970
Basic earnings (loss) per common share	$ (0.83)	$ 39.01	$ (4.17)	$ (59.53)
Diluted Earnings Per Common Share:				
Net loss	$ (2,876,000)	$ (4,141,000)	$ (12,145,000)	$ (3,570,000)
Weighted-average number of common shares—basic	3,479,304	90,845	2,913,879	59,970
Effect of dilutive securities:	-	-	-	-
Deemed dividend on exchange of Series AA, AAA and AAA Junior Preferred Stock for Series B Preferred Stock	-	39,307	-	-
Weighted-average number of common shares—diluted	3,479,304	130,152	2,913,879	59,970
Diluted earnings (loss) per common share	$ (0.83)	$ (31.82)	$ (4.17)	$ (59.53)
Anti-dilutive shares excluded from diluted earnings per share calculation (rounded to the nearest thousands):				
Preferred Stock	-	184,000	-	223,000
Options, warrants, restricted stock units	519,000	95,000	519,000	95,000
October 2025 PIPE Warrants	1,667,000	-	1,667,000	-
Warrants issued in connection with Misfits Transaction	536,000	-	536,000	-
Other warrants	1,204,000	-	1,204,000	-
Convertible notes	-	12,000	-	12,000
AIRs	-	41,000	-	41,000

At September 30, 2026 and 2025, prefunded warrants representing the right to acquire 1,081,570 and zero shares of the Company's common stock, respectively, were outstanding. Due to the fact that the holders of prefunded warrants to purchase common stock have the present ability to obtain common shares of the Company for little or effectively no additional consideration, the prefunded warrants are treated as common shares outstanding for purposes of basic and diluted earnings per share.

Other Comprehensive Income (Loss) ("OCI")

The following table summarizes the changes in accumulated other comprehensive income (loss) by component for the periods presented:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Available-for-Sale-Securities:				
Gross realized gains reclassified from OCI	$ -	$ -	$ -	$ -
Gross realized losses reclassified from OCI	(40,000)	-	(48,000)	-
Net gains (losses) reclassified from OCI	$ (40,000)	$ -	$ (48,000)	$ -

The cost of a security sold and amounts reclassified out of accumulated other comprehensive income (loss) into earnings was determined based on the specific identification method.

Preferred Stock

Changes to the terms of the Company's preferred stock or exchanges of shares of the Company's preferred stock for another, are assessed to determine whether the changes or exchange should be accounted for as either a modification or an extinguishment. This assessment can be done either qualitatively or quantitatively based upon the significance of the change. When preferred stock is modified in a manner that cannot be reliably assessed qualitatively, the Company performs a quantitative test to determine whether the modification or exchange should be accounted for as a modification or an extinguishment.

The Company applies the cash flow model used to assess debt modifications in ASC 470-50, "Debt – Modifications and Extinguishments", to determine whether a modification or exchange of preferred stock should be accounted for as a modification or extinguishment. Under that model, the present value of the contractual cash flows is compared before and after a modification or exchange. If the present value of the contractual cash flows changes by ten percent or more, the modification or exchange is accounted for as an extinguishment; if the present value of the contractual cash flows differs by less than ten percent, the modification or exchange is accounted for as a modification.

If the assessment results in an extinguishment, then the difference between the fair value of the new or modified preferred stock and the carrying value of the original preferred stock is recognized as a reduction of, or increase to, retained earnings, as a deemed dividend. The difference is also recognized as an adjustment to earnings available to common shareholders for purposes of calculating earnings per share. If the assessment results in a modification, the Company measures any transfer of value between preferred shareholders and common shareholders as the difference between the fair value of the preferred stock before and after the modification or exchange, measured on the modification or exchange date. Transfers of value are recorded as a reduction of, or increase to, retained earnings as a deemed dividend. In addition, transfers of value are recognized as an adjustment to earnings available to common shareholders for purposes of calculating earnings per share.

Preferred Stock Dividends

Dividends on preferred stock paid in another class of stock are recorded at the fair value of the shares issued as a charge to retained earnings. Dividends declared on preferred stock that are payable in the Company's common shares are deducted from earnings available to common shareholders when computing earnings per share. Dividends on preferred stock that are due, but unpaid, are reflected in accrued liabilities in the condensed balance sheet until paid.

Certain of the Company's outstanding preferred stock contain a conversion price down round feature subject to a contractual floor pursuant to the underlying rights in the applicable certificate of designation. Upon the occurrence of a triggering event that results in a reduction of the conversion price for an equity-classified convertible preferred stock, the Company measures the value of the effect of the feature as the difference between the fair value of the financial instrument without the down round feature, with a conversion price corresponding to the currently stated conversion price of the issued instrument, and the fair value of the financial instrument without the down round feature with a conversion price corresponding to the reduced conversion price upon the down round feature being triggered. The value of the effect of a down round feature that is triggered is recognized as a charge to retained earnings and a reduction to income available to common stockholders in the computation of earnings per share. Refer to the condensed statements of stockholders' (deficit) equity for total charges to accumulated deficit as a result of the triggering of down round features related to outstanding preferred stock for the periods presented.

Income Taxes

Income taxes are accounted for using an asset and liability approach that requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been recognized in the Company's condensed financial statements or income tax returns. A valuation allowance is established to reduce deferred tax assets if more likely than not that some portion or all will not be realized, or if it is determined that there is uncertainty regarding future realization of such assets.

Under U.S. GAAP, a tax position is a position in a previously filed tax return, or a position expected to be taken in a future tax filing that is reflected in measuring current or deferred income tax assets and liabilities. Tax positions are recognized only when it is more likely than not, based on technical merits, that the position will be sustained upon examination. Tax positions that meet the more likely than not thresholds are measured using a probability weighted approach as the largest amount of tax benefit being realized upon settlement. The Company considers many factors when evaluating and estimating its tax positions and tax benefits, which may require periodic adjustments, and which may not accurately forecast actual outcomes. Management believes the Company has no uncertain tax positions for the periods presented.

On July 4, 2025, H.R.1 – 119th Congress (2025-2026)("H.R.1") was signed into law. H.R.1 introduces changes to United States tax policy, trade regulations, and federal spending priorities. Key provisions include the extension and modification of tax provisions from the 2017 Tax Cuts and Jobs Act, modification of certain energy-related tax credits and incentives, and timing of deductions related to certain domestic expenses. The enactment of H.R.1 did not have a material impact on the Company's statements of operations and comprehensive income (loss), financial position or cash flows for the periods presented herein.

Contingencies

Certain conditions may exist as of the date the condensed financial statements are issued, which may result in a loss to the Company, but which will only be resolved when one or more future events occur or fail to occur. The Company's management, in consultation with its legal counsel as appropriate, assesses such contingent liabilities, and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against the Company or unasserted claims that may result in such proceedings, the Company, in consultation with legal counsel, evaluates the perceived merits of any legal proceedings or unasserted claims, as well as the perceived merits of the amount of relief sought or expected to be sought therein. If the assessment of a contingency indicates it is probable that a material loss has been incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in the Company's condensed financial statements. If the assessment indicates a potentially material loss contingency is not probable, but is reasonably possible, or is probable, but cannot be estimated, then the nature of the contingent liability, together with an estimate of the range of possible loss, if determinable and material, would be disclosed. Loss contingencies considered remote are generally not disclosed unless they involve guarantees, in which case the guarantees would be disclosed.

Reportable Segments

The Company utilizes the management approach to identify the Company's operating segments, based on information reported internally to the Chief Operating Decision Maker ("CODM") to make resource allocation and performance assessment decisions. The Company's CODM is the Company's Chief Executive Officer.

An operating segment of a public entity has all the following characteristics: (1) it engages in business activities from which it may earn revenue and incur expense; (2) its operating results are regularly reviewed by the public entity's CODM to make decisions about resources to be allocated to the segment and assess its performance; and (3) its discrete financial information is available. Based on the applicable criteria under the standard, the components of the Company's operations are its media and advertising component, including its publishing and content studio component. A reportable segment is an identified operating segment that also exceeds the quantitative thresholds described in the applicable standard.

Based on the applicable criteria under the standard, including quantitative thresholds, the Company determined it has one operating segment and one reporting segment, operated primarily in domestic markets for the periods presented, as the CODM regularly reviews and manages the Company's operations, business activities and financial performance and allocates resources as a single operating and reportable segment at the entity level.

Super League's single reporting segment derives revenues from customers as summarized at Note 2, "*Revenue Recognition.*" The accounting policies of the Company's single reporting segment are described in the summary of significant accounting policies herein.

The chief operating decision maker assesses performance, establishes management compensation and decides how to allocate resources for the single reporting segment, primarily by monitoring actual results versus the annual plan, based on total revenues, net operating income (loss) and net income (loss) as reported in the statements of operations and comprehensive income (loss). The CODM does not evaluate segment performance using entity level balance sheet information.

The significant expenses reviewed by the CODM are cost of revenue; selling, marketing and advertising expense; engineering, technology and development expense; and general and administrative expense, as presented in the statements of operations and comprehensive income (loss), including noncash amortization and noncash stock compensation expense included in the expense categories. Selling, marketing and advertising expense, engineering, technology and development expense, and general and administrative expense include noncash amortization expense and noncash stock compensation expense, which is disclosed in Note 2 and Note 3, respectively. Other segment items consist of contingent consideration, interest expense, changes in the fair value of derivative instruments and other income (expense) items, as presented in the statements of operations and comprehensive income (loss).

Recent Accounting Guidance

Recently Adopted Accounting Pronouncements.

Accounting standards updates ("ASU") applicable to the Company that were recently adopted are summarized below.

ASU	Description	Date Adopted
Debt—Debt with Conversion and Other Options (Subtopic 470-20): Induced Conversions of Convertible Debt Instruments (ASU 2024-04)	This ASU clarifies the requirements for determining whether certain settlements of convertible debt instruments should be accounted for as an induced conversion. Under the amendments, to account for a settlement of a convertible debt instrument as an induced conversion, (1) an inducement offer is required to preserve the form and amount of consideration issuable upon conversion in accordance with the terms of the existing debt instrument, (2) the assessment of the form and amount of consideration in the inducement offer should be performed as of the date the inducement offer is accepted by the holder, and (3) issuers that have exchanged or modified a convertible debt instrument within the preceding 12 months should use the terms that existed 12 months before the inducement offer was accepted when determining whether induced conversion accounting should be applied. The adoption of this standard did not have a material impact on the Company's financial statements.	January 1, 2026
Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets (ASU 2025-05)	This standard allows entities to apply a practical expedient when estimating expected credit losses for current accounts receivable and current contract assets that arise from transactions accounted for under Accounting Standards Codification (“ASC”) Topic 606, Revenue from Contracts with Customers. The adoption of this standard did not have a material impact on the Company's financial statements.	Elected effective January 1, 2026.
Intangibles—Goodwill and Other—Crypto Assets (Subtopic 350-60): Accounting for and Disclosure of Crypto Assets (ASU 2023-08)	This standard requires in-scope crypto assets to be measured at fair value in the statement of financial position, with gains and losses from changes in the fair value of such crypto assets recognized in the statements of operations and comprehensive income (loss) each reporting period. The standard also requires certain interim and annual disclosures for crypto assets within the scope of the standard. The Company did not hold any in-scope digital assets prior to September 30, 2026. As such, there was no cumulative-effect adjustment as a result of the adoption of ASU 2023-08 as of September 30, 2026.	January 1, 2026. Refer to Note 8 for related subsequent events

Recently Issued Accounting Pronouncements.

Accounting standards updates ("ASU") applicable to the Company that were recently issued are summarized below.

ASU	Description	Effective Date
Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software (ASU 2025-06)	This ASU modernizes the recognition and disclosure framework for internal-use software costs, removing the previous “development stage” model and introduces a more judgment-based approach. Early adoption is permitted and should be applied using either the prospective, modified, or retrospective transition approach. The Company is currently evaluating the impact this standard will have on its financial statements and related disclosures.	Fiscal years beginning after December 15, 2027 and interim periods within those fiscal years.
Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses (ASU 2024-03)	This ASU requires that an entity disaggregate relevant expense captions presented on the face of the income statement into natural expense categories within the footnotes of the financial statements. In addition, a separate disclosure of selling expenses is required to be presented. The ASU is intended to allow stakeholders to better understand the components of an entity's expenses. Early adoption is permitted. The Company is currently evaluating the impact this standard will have on its financial statements and related disclosures.	Fiscal years beginning after December 15, 2026 and interim periods after December 15, 2027.
Interim Reporting (Topic 270): Narrow-Scope Improvements (ASU 2025-11)	The amendments in this update are intended to enhance clarity and consistency in interim reporting disclosures. The update improves the navigability of interim reporting guidance, provides a comprehensive list of required disclosures, and includes a new disclosure principle for reporting material events occurring after the most recent annual period. The Company is currently evaluating the effect of adoption of this update on the Company’s financial statements.	Fiscal years beginning after December 15, 2027, and interim periods within those fiscal years.

3. INTANGIBLE ASSETS

Intangible assets consisted of the following:

	September 30, 2026	December 31, 2025	Weighted Average Amortization Period (Years)
Partner and customer relationships	$ 9,827,000	$ 7,239,000	5.0
Capitalized software development costs	5,064,000	4,939,000	3.0
Capitalized third-party game property costs	500,000	500,000	5.0
Developed technology	4,225,000	3,920,000	5.0
Influencers/content creators	2,559,000	2,559,000	4.5
Trade name	209,000	209,000	5.0
Domain	68,000	68,000	10.0
Copyrights and other	795,000	795,000	5.5
	23,247,000	20,229,000	5.0
Less: accumulated amortization	(20,218,000)	(18,444,000)	
Intangible assets, net	$ 3,029,000	$ 1,785,000	

Amortization expense included in operating expense for the three and nine months ended September 30, 2026 totaled $230,000 and $1,766,000, respectively. Amortization expense included in operating expense for the three and nine months ended September 30, 2025 totaled $513,000 and $1,594,000, respectively. Amortization expense included in cost of revenue for the three and nine months ended September 30, 2026 totaled $0 and $8,000, respectively. Amortization expense included in cost of revenue for the three and nine months ended September 30, 2025 totaled $0 and $0, respectively.

The Company expects to record amortization of intangible assets for the year ending December 31, 2026 and future fiscal years as follows:

For the years ending December 31,	
2026 remaining	$ 232,000
2027	833,000
2028	720,000
2029	541,000
2030	521,000
Thereafter	182,000
	$ 3,029,000

Sale of Mineville

On May 19, 2025, the Company entered into a Membership Interest Purchase and Sale Agreement (the "Mineville Purchase Agreement") with Mineville, LLC, a Delaware limited liability company ("Purchaser"), pursuant to which the Company agreed to sell, and Purchaser agreed to purchase, 100% of the membership interests (the "Interests") of InPvP, LLC ("InPvP"). Prior to the consummation of the transactions (the "Mineville Closing") contemplated by the Mineville Purchase Agreement (the "Mineville Sale"), InPvP was a wholly owned subsidiary of the Company that operated our Mineville digital property. The closing of the Mineville Sale occurred simultaneously with the execution of the Mineville Purchase Agreement. The Purchaser paid cash consideration totaling $350,000 at the Mineville Closing to acquire the Interests.

The parties also agreed upon separate terms for an ongoing commercial relationship whereby the Company was granted the rights to ad sales and brand integration to all of Purchaser's Microsoft servers for a term of two years. The Company will have exclusive Sales Rights for the first year of the Sales Term, and during the second year the Sales Rights will be non-exclusive. During the Sales Term, the revenue generated from the Sales Rights will be allocated among the Company and Purchaser as follows: (i) the Company will retain 60% of the net revenue until gross sales revenue exceeds $1.0 million; (ii) after gross sales revenue exceed $1.0 million, the Company will retain 50% of the net revenue through the remainder of the Sales Term; and (iii) if gross sales revenue exceeds $1.5 million during the Sales Term, the Sales Term shall renew automatically for one additional year on the same terms as the second year of the Sales Term.

The net carrying value of Mineville assets sold totaled $350,000 as of May 19, 2025, which historically were included in intangible assets, net in the balance sheets, resulting in no gain or loss in connection with the Mineville Sale.

4. ACQUISITIONS

Misfits Transaction

On March 16, 2026, the Company entered into an asset purchase agreement (the "Misfits Asset Purchase Agreement") with Esports Now, LLC ("Misfits"), pursuant to which Misfits agreed to sell certain assets strictly constituting the Misfits Ads assets (the "Misfits Purchased Assets") to the Company (the "Misfits Transaction").

The Misfits Transaction expands the Company's revenue base, diversifies monetization channels and enhances the Company's ability to serve as a strategic audience partner for brands, providing scaled access to gamers across gaming and digital channels. Beyond expanded reach, the Company will be able to deliver deeper audience intelligence, helping brands further understand what games people play, and what drives engagement, affinity, and conversion.

On March 20, 2026, the Company filed a preliminary proxy statement with the SEC, followed by the filing of a definitive proxy statement with the SEC on April 2, 2026 (the "Misfits Proxy Statement"). The Misfits Proxy Statement solicited the approval of the issuance of an aggregate of 1,161,813 shares of common stock to be issued as consideration in connection with the Misfits Transaction (the "Issuance Proposal") by the affirmative vote of a majority of the voting power of the Company's shares present at a special meeting of the Company's stockholders, scheduled for April 30, 2026 (the "Special Meeting").

On April 30, 2026, at the Special Meeting, the Company's stockholders approved the Issuance Proposal. On May 1, 2026 (the "Misfits Closing Date"), the Company and Misfits consummated the Misfits Transaction (the "Misfits Closing").

Misfits Transaction Consideration

At the Misfits Closing, the Company paid the following consideration for the Misfits Purchased Assets ("Misfits Consideration"): (i) a cash payment in the amount of $1.5 million (the "Misfits Closing Cash Consideration"), (ii) 26,768 shares of common stock (the "Misfits Closing Shares"), (iii) a pre-funded common stock purchase warrant to purchase 509,682 shares of common stock (the "Misfits Pre-Funded Warrant," and the shares issuable upon exercise of the Misfits Pre-Funded Warrant, the "Misfits PFW Shares"), and (iv) a common stock purchase warrant to purchase 536,450 shares of common stock, with an exercise price of $18.00 (the "Misfits Warrant", and the shares issuable upon exercise of the Misfits Warrant, the "Misfits Warrant Shares")(the Misfits Closing Shares, the Misfits PFW Shares, and the Misfits Warrant Shares collectively, the "Misfits Closing Share Consideration"). Pursuant to the terms and subject to the conditions of the Misfits Asset Purchase Agreement, on the one-year anniversary of the Misfits Closing, the Company will pay an additional cash payment in the amount of $300,000 (the "Delayed Cash Payment").

In addition, pursuant to the terms and subject to the conditions of the Misfits Asset Purchase Agreement, on the one-year anniversary of the Misfits Closing, the Company may pay up to an aggregate of (i) $1.2 million in cash (the "Misfits Earnout Cash"), and (ii) 105,571 shares of common stock, or, upon the election of Misfits, Misfits Pre-Funded Warrants to purchase 105,571 shares of common stock (the "Misfits Earnout Shares", and collectively with the Misfits Earnout Cash, the "Misfits Earnout Consideration"). The Misfits Earnout Consideration will be payable to Misfits in connection with: (i) the achievement of certain gross profit milestones for the period beginning on the Misfits Closing Date until the date that is one year from the date of the Misfits Closing; and (ii) the Company's market capitalization as of the one and two year anniversary of the Misfits Closing Date.

The Misfits Warrants are exercisable immediately upon issuance, expire two years from the date of issuance, and have an initial exercise price of $18.00 (the "Initial Exercise Price"), subject to adjustment for any stock splits, stock dividends, recapitalizations, and similar events. The Misfits Warrants also contain a call feature, whereby, after the Company has registered the Misfits Warrant Shares on an effective registration statement filed with the SEC, the Company has the option, but not the obligation, and in the Company's sole and absolute discretion, to purchase the Misfits Warrant from the holder at a price of $0.001 per share of common stock underlying the Misfits Warrant (the "Call Option"), in the event the closing price of the Company's common stock, as listed on the Nasdaq Capital Market, is at or above $18.00 per share for 20 consecutive trading days (the "Call Trigger"). The Company's right to exercise the Call Option will begin on the day immediately following the Call Trigger until the day that is thirty (30) calendar days thereafter, by way of delivery of a notice to exercise the Call Option to the holders of the Misfits Warrants.

The exercise price of the Misfits Pre-Funded Warrant per underlying share of common stock is $0.001. Pursuant to the Misfits Pre-Funded Warrant, a holder will not be entitled to exercise any portion of any Misfits Pre-Funded Warrant that, upon giving effect to such exercise, would cause: (i) the aggregate number of shares of common stock beneficially owned by such holder (together with its affiliates) to exceed 4.99% of the number of shares of common stock outstanding immediately after giving effect to the exercise; or (ii) the combined voting power of the Company's securities beneficially owned by such holder (together with its affiliates) to exceed 4.99% of the combined voting power of all of the Company's securities outstanding immediately after giving effect to the exercise, as such percentage ownership is determined in accordance with the terms of the Misfits Pre-Funded Warrant, which percentage may be changed at the holder's election to a higher or lower percentage not in excess of 9.99% upon 61 days' notice to the Company. In addition, in certain circumstances, upon a fundamental transaction, a holder of Misfits Pre-Funded Warrants will be entitled to receive, upon exercise of the Misfits Pre-Funded Warrants, the kind and amount of securities, cash or other property that such holder would have received had they exercised the Misfits Pre-Funded Warrants immediately prior to the fundamental transaction.

The Misfits Asset Purchase Agreement contains representations, warranties and covenants of each of the parties thereto that are customary for transactions of this type.

Brand Partnership Agreement

In connection with the Misfits Closing and the entrance into the Misfits Asset Purchase Agreement, the Company and Misfits entered into an exclusive brand partnership agreement dated May 1, 2026 (the "Brand Partnership Agreement"), pursuant to which Misfits agreed to grant certain preferred rights to the Company for purposes of selling brand partnerships where a third-party brand may be advertised (via sponsorships, marketing, brand endorsements, product placements, brand integrations and other similar associations) in certain games in the Misfits Roblox game portfolio. The initial term of the Brand Partnership Agreement is one year, subject to extension by mutual agreement. The Brand Partnership Agreement may be terminated upon written notice by the parties.

In accordance with the acquisition method of accounting, the financial results of Super League presented herein include the financial results of Misfits subsequent to the Misfits Closing Date. Disclosure of revenue and net loss for Misfits on a stand-alone basis for the applicable periods presented is not practical due to the integration of Misfits, including sales, products, resource allocation and related operating expense, with those of the consolidated Company upon acquisition, consistent with Super League operating in one reporting segment.

The Misfits Transaction was accounted for as a business acquisition as defined by ASC 805. Accordingly, the assets acquired in the transaction were recorded at their estimated acquisition date fair values, while transaction costs associated with the acquisition, totaling approximately $105,000, were expensed. Super League's preliminary purchase price allocation was based on an evaluation of the appropriate fair values of the assets acquired and represents management's best estimate based on available data. Fair values are determined based on the requirements of ASC 820.

The following table summarizes the determination of the preliminary fair value of the purchase price consideration paid in connection with the Misfits Transaction, as of the Misfits Closing Date:

		Amount
Misfits Closing Cash Consideration	$	1,500,000
Misfits Closing Shares		105,000
Misfits PFW Shares		2,003,000
Misfits Warrant		642,000
Delayed Cash Payment (included in accrued expenses)		257,000
Misfits Earnout Consideration		800,000
	$	5,307,000

The fair value of the Misfits Closing Shares and Misfits PFW Shares used in determining the estimated fair value of the Misfits Transaction Consideration was $3.93 per share based on the closing price of the Company's common stock on May 1, 2026, the Misfits Closing Date, as quoted on the Nasdaq Capital Market, a Level 1 input.

The fair value of the Misfits Warrant was determined using a Monte Carlo simulation model, measured using Level 3 inputs, and weighted-average assumptions for expected volatility of 154.6%, risk-free interest rate of 3.88% and expected life of 1.4 years.

The purchase price allocation was based upon a preliminary estimate of the fair value of the assets acquired by the Company in connection with the Misfits Transaction, as of the Misfits Closing Date, as follows:

Assets Acquired	**Estimated Useful Life (years)**		**Amount**
Customer relationships intangible assets	5	$	2,500,000
Developed Technology	5		20,000
Identifiable net assets acquired			2,520,000
Goodwill			2,787,000
Total purchase price		$	5,307,000

Contingent consideration is recorded as a liability in the accompanying balance sheets in accordance with ASC 480, which requires freestanding financial instruments where the Company must or could settle the obligation in the form of cash, and/or by issuing a variable number of its shares, and the obligation's monetary value is based solely or predominantly on variations in something other than the fair value of the Company's shares, to be recorded as a liability at fair value and re-valued at each reporting date, with changes in the fair value reported in the statements of operations and comprehensive income (loss) . The fair value of the Misfits Earnout Consideration on the respective valuation dates was determined utilizing a Monte Carlo simulation model and measured using Level 3 inputs, as described at Note 2. Assumptions utilized in connection with utilization of the Monte Carlo simulation model for the periods presented included weighted average assumptions for expected volatility ranging from 154.6% to 183.9%, risk-free interest rate of 3.73%, discount rate of 60%, counter-party risk rate of approximately 16% and expected life of approximately one year.

The estimated fair value of the Misfits Earnout Consideration at September 30, 2026 was $870,000, resulting in a change in the fair value from the Misfits Closing Date totaling $70,000, which is reflected as a charge to operating expense in the statement of operations and comprehensive income (loss) for the three and nine months ended September 30, 2026.

Aggregated amortization expense for the three and nine months ended September 30, 2026, related to intangible assets acquired in connection with the Misfits Transaction, totaled $126,000 and $210,000, respectively. Goodwill represents the excess of the purchase price of the acquired business over the acquisition date fair value of the net assets acquired. Goodwill recorded in connection with the Misfits Transaction is primarily attributable to expected synergies from combining the operations and assets of Super League with the Misfits Purchased Assets. Goodwill recognized in the Misfits Transaction primarily represents the value of the acquired resource, expected asset related synergies, future economic benefits from the assets acquired, and other intangible assets that do not qualify for separate recognition under ASC 805.

Management is primarily responsible for determining the fair value of the identifiable intangible assets acquired as of the Misfits Closing Date. Management considered a number of factors, including reference to a preliminary independent analysis of estimated fair values solely for the purpose of allocating the purchase price to the assets acquired and liabilities assumed. The analysis included a discounted cash flow analysis which estimated the future net cash flows expected to result from the respective assets acquired as of the Misfits Closing Date. A discount rate consistent with the risks associated with achieving the estimated net cash flows was used to estimate the present value of future estimated net cash flows. The Company is in the process of finalizing the estimates and assumptions developed in connection with the independent analysis of estimated fair values of intangible assets acquired solely for the purpose of allocating the purchase price to the assets acquired. Any adjustments to the fair values of intangible assets acquired, or estimates of economic useful lives of the intangible assets acquired, could impact the carrying value of those assets and related goodwill, as well as the estimates of periodic amortization of intangible assets acquired to be reflected in the statements of operations and comprehensive income (loss). In addition, the Company is in the process of finalizing its estimate and analysis of the fair values of certain tax attributes acquired. Any adjustments to the preliminary estimates of tax attributes acquired will increase or decrease the estimated net deferred tax liability recorded in connection with the acquisition method of accounting, with an offsetting adjustment to goodwill.

The preliminary fair values of the acquired intangible assets, as described above, were determined using the following methods:

Description	Valuation Method Applied	Valuation Method Description	Assumptions
Customer relationships	Multi-Period Excess Earnings Method ("MPEEM") under the Income Approach	MPEEM is an application of the discounted cash flow ("DCF") Method, whereby revenue derived from the intangible asset is estimated using the overall business revenue, adjusted for attrition, obsolescence, cost of goods sold, operating expense, and taxes. Required returns attributable to other assets employed in the business are subtracted. The "excess" earnings are attributable to the intangible asset and are discounted to present value at a rate of return to estimate the fair value of the intangible asset.	Discount rate: 55.0%; Forecast period: 5.6 years; Attrition Rate: 30.0%.
Developed technology	Cost Approach	In the Replacement Cost Method, value is estimated by determining the current cost of replacing an asset with one of equivalent economic utility. The premise of the approach is that a prudent investor would pay no more for an asset than the amount for which the utility of the asset could be replaced.	Required Return: (WACC): 6.9%; Developers Profit: 10%; Period: 1.5 months;

For tax purposes, consistent with the accounting for book purposes, the Misfits Consideration was allocated to the assets acquired based on their estimated fair values as of the Misfits Closing Date, with the excess purchase price allocated to goodwill. The Company recognized deferred tax assets in connection with the Misfits Transaction primarily related to differences between the financial reporting bases and tax bases of the acquired identifiable assets. Gross deferred tax assets recognized were not material. The Company has recorded a full valuation allowance on its net deferred tax assets. The financial reporting basis of tax-deductible goodwill was consistent with its adjusted tax basis determined in accordance with the goodwill component analysis prescribed by ASC 805 and ASC 740. As a result, no net deferred tax assets or liabilities were recorded with the acquisition and all of the goodwill is expected to be deductible for tax purposes.

The following unaudited pro forma combined results of operations for the periods presented are provided for illustrative purposes only. The unaudited pro forma combined statements of operations assume the transaction occurred as of January 1, 2025. The unaudited pro forma combined financial results do not purport to be indicative of the results of operations for future periods or the results that actually would have been realized had the entities been a single entity during these periods.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Revenue	$ 2,611,000	$ 3,182,000	$ 11,751,000	$ 9,876,000
Net Loss	(2,876,000)	(3,565,000)	(10,247,000)	(11,099,000)

Pro forma adjustments primarily relate to the amortization of identifiable intangible assets acquired over the estimated economic useful life as described above, and the exclusion of nonrecurring transaction costs.

The closing of the Misfits Transaction and the integration of the Misfits Purchased Assets involves certain risks and uncertainties, including, among other things, risks related to our ability to successfully integrate the Misfits Purchased Assets into our operations; our ability to implement plans, forecasts and other expectations with respect to the Misfits Purchased Assets; our ability to realize the anticipated benefits of the Misfits Transaction, including the possibility that the expected benefits from the Misfits Transaction will not be realized or will not be realized within the expected time period; the achievement of the revenue milestones and payment of the Misfits Earnout Consideration; the outcome of any legal or governmental proceedings related to the Misfits Transaction or otherwise; the negative effects of the announcement of the Misfits Transaction on the market price of our common stock or on our operating results; significant Misfits Transaction costs; unknown liabilities; attracting new customers and maintaining and expanding our existing customer base; our ability to scale and update our platform to respond to customers' needs and rapid technological change; increased competition in our market and our ability to compete effectively; and expansion of our operations and increased adoption of our platform internationally.

Acquisition of Let's Bounce

On January 5, 2026 ("Bounce Effective Date") the Company acquired Let's Bounce, Inc. ("Bounce"), a marketing technology company focused on enabling scalable, measurable brand engagement inside gaming and UGC environments. The total purchase price for Bounce, which was structured as an asset acquisition, was $200,000, payable as follows: (a) $75,000 at closing; (b) $25,000 on the three-month anniversary of closing; and (c) $100,000 on the six-month anniversary of closing. In addition, pursuant to the terms and subject to the conditions of the asset purchase agreement ("Bounce Asset Purchase Agreement"), up to $325,000 is contingently payable in connection with the achievement of certain net revenue milestones for the Bounce assets acquired during the year ended December 31, 2026 ("Bounce Contingent Consideration") (the "Bounce Acquisition"). The Bounce Acquisition provides the Company with an existing pipeline of opportunities, enabling more efficient in-game marketing programs, the addition of turnkey loyalty solutions to drive advertiser outcomes, and a roadmap to more automated campaign measurement. The Bounce Acquisition was approved by the board of directors of each of the Company and Bounce.

Additionally, the Company entered into employment agreements with two former key Bounce employees ("Key Bounce Employees"), pursuant to which the Key Bounce Employees were granted inducement awards consisting of restricted stock unit awards ("RSUs") to acquire an aggregate of 56,112 shares of the Company's common stock. The awards were granted pursuant to terms and conditions fixed by the Compensation Committee of the Board and as an inducement material to each new employee entering employment with the Company in accordance with Nasdaq Listing Rule 5635(c)(4). Of the 56,112 RSUs, subject to the applicable employee's continued service with Super League on each such vesting date; (i) 25% will vest upon the six (6) month anniversary of the Bounce Effective Date; and (ii) the remaining 75% shall thereafter vest monthly in arrears in 1/18th increments. In the event of termination without cause, the unvested portion of the RSUs fully vests. In the event of termination for cause, unvested RSUs are forfeited. The award also includes provisions that preserve vesting and employment terms upon a change in control, and provides for termination upon death or disability, consistent with standard employment and equity compensation arrangements. The RSUs are subject to the terms and conditions of the RSU agreement covering each grant.

In accordance with the acquisition method of accounting, the financial results of Super League presented herein include the financial results of Bounce subsequent to the Bounce Effective Date. Disclosure of revenue and net loss for Bounce on a stand-alone basis for the applicable periods presented is impractical due to the integration of Bounce activities, including sales, products, advertising inventory, resource allocation and related operating expense, with those of the Company upon acquisition, consistent with Super League operating in one reporting segment.

The Company determined that the Bounce Acquisition constitutes a business acquisition as defined by ASC 805, and therefore, the assets acquired in the transaction were recorded at their estimated acquisition date fair values. Transaction costs associated with the Bounce Acquisition were not material. No liabilities were assumed in connection with the Bounce Acquisition. Super League's preliminary purchase price allocation was based on an evaluation of the appropriate fair values of the assets acquired and represents management's best estimate based on available data. Fair values are determined based on the requirements of ASC 820.

The following table summarizes the determination of the fair value of the purchase price consideration paid in connection with the Bounce Acquisition, as of the Bounce Effective Date:

	Amount
Cash consideration	$ 200,000
Fair value of contingent consideration	173,000
Fair value of total consideration paid	$ 373,000

The preliminary purchase price allocation was based upon an estimate of the fair value of the assets acquired by the Company in connection with the Bounce Acquisition, as of the Bounce Effective Date, as follows:

	Estimated Useful Life (in years)	Amount
Assets Acquired		
Developed technology	3.0	$ 285,000
Customer relationships	3.0	88,000
Identifiable net assets acquired		373,000
Total purchase price		$ 373,000

Contingent consideration is recorded as a liability in the accompanying balance sheets in accordance with ASC 480, which requires freestanding financial instruments where the Company is required to settle the obligation in cash or other assets to be recorded as a liability at fair value and re-valued at each reporting date, with changes in the fair value reported in the statements of operations and comprehensive income (loss). The fair value of the Bounce Contingent Consideration on the respective valuation dates was determined utilizing a Monte Carlo simulation model and measured using Level 3 inputs, as described at Note 2. Assumptions utilized in connection with utilization of the Monte Carlo simulation model for the periods presented included a risk free interest rate of 3.47%, volatility rates ranging from 40% to 65%, and discount rate of 25%.

As of September 30, 2026, the estimated fair value of the Bounce Contingent Consideration was determined to be zero, resulting in a credit in the statements of operations and comprehensive income (loss) for each of the three and nine months ended September 30, 2026 totaling $173,000. For the three and nine months ended September 30, 2026, aggregated amortization expense related to intangible assets acquired in connection with the Bounce Acquisition, totaled $31,000 and $92,000, respectively.

Management is primarily responsible for determining the fair value of the identifiable intangible assets acquired as of the Bounce Effective Date. Management considered a number of factors in connection with estimating fair values solely for the purpose of allocating the purchase price to the assets acquired. The analysis included a preliminary discounted cash flow analysis which estimated the future net cash flows expected to result from the respective assets acquired as of the Bounce Effective Date. A discount rate consistent with the risks associated with achieving the estimated net cash flows was used to estimate the present value of future estimated net cash flows. The Company is in the process of finalizing the estimates and assumptions developed in connection with the analysis of estimated fair values of intangible assets acquired solely for the purpose of allocating the purchase price to the assets acquired. Any adjustments to the fair values of intangible assets acquired, or estimates of economic useful lives of the intangible assets acquired, could impact the carrying value of those assets and potential goodwill, as well as the estimates of periodic amortization of intangible assets acquired to be reflected in the statement of operations and comprehensive income (loss).

The fair values of the acquired intangible assets, as described above, were determined using the following methods:

Description	Valuation Method Applied	Valuation Method Description	Assumptions
Customer relationships	Multi-Period Excess Earnings Method (“MPEEM”) under the Income Approach	MPEEM is an application of the DCF Method, whereby revenue derived from the intangible asset is estimated using the overall business revenue, adjusted for attrition, obsolescence, cost of goods sold, operating expense, and taxes. Required returns attributable to other assets employed in the business are subtracted. The “excess” earnings are attributable to the intangible asset and are discounted to present value at a rate of return to estimate the fair value of the intangible asset.	Risk free rate: 3.71%; Discount rate: 25.0%; Forecast period: 5 years; Attrition Rate: 65.0%.
Developed technology	Income-Based Approach	The Company estimated the fair value of developed technology using an income-based approach, specifically a discounted cash flow methodology, which measures value based on the present value of expected future cash flows over the asset’s estimated economic life. These projections incorporate market participant assumptions regarding revenue growth, profitability, and lifecycle characteristics of comparable assets. The resulting cash flows are discounted using asset-specific rates that reflect the risks associated with the asset, consistent with ASC 820.	Risk free rate: 3.71%; Discount rate: 25.0%; Forecast period: 5 years;

For tax purposes, consistent with the accounting for book purposes, the Bounce Acquisition consideration was allocated to the assets acquired based on their estimated fair values as of the Bounce Effective Date, with no excess purchase price allocated to goodwill. No deferred tax assets or liabilities were recorded with the acquisition.

The following unaudited pro forma combined results of operations for the periods presented are provided for illustrative purposes only. The unaudited pro forma combined statements of operations and comprehensive income (loss) assume the acquisition occurred as of January 1, 2025. The unaudited pro forma combined financial results do not purport to be indicative of the results of operations for future periods or the results that actually would have been realized had the entities been a single entity during these periods.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Revenue	$ 2,611,000	$ 2,473,000	$ 8,623,000	$ 8,216,000
Net Loss	(2,876,000)	(3,594,000)	(11,317,000)	(10,577,000)

Pro forma adjustments primarily relate to the amortization of identifiable intangible assets acquired over the estimated economic useful life, as described above and the exclusion of nonrecurring transaction costs.

Other

Investment in Hide or OOF! Roblox Game

In January 2026, the Company acquired economic and contractual interests in the Roblox digital property commonly referred to as "Hide or OOF!," (formerly known as Hide or Die!) pursuant to an Investment and Brand Partnership Agreement ("HOO Agreement") dated January 5, 2026 ("HOO Effective Date").

Pursuant to the HOO Agreement, the Company transferred total consideration of $202,000 in exchange for certain rights associated with the Hide or OOF! digital property. The consideration consisted of $165,000 in cash and 4,326 shares of the Company's restricted common stock valued at $37,000. In connection with the investment, the Company obtained (i) a fifteen percent (15.0%) equity ownership interest in Hide or OOF!, (ii) a contractual right to receive fifteen percent (15.0%) of Hide or OOF!'s gross revenue, as paid in Robux, post-Roblox split, for the existence of the game, (iii) a contractual right to receive a twelve percent (12.0%) fee on certain direct brand transactions, and (iv) exclusive rights with respect to certain brand partnership opportunities and related placement economics. The agreement also contains a right of first refusal with respect to future sales of equity ownership interests and economic interests in the property. Management evaluated these rights to determine which elements represent distinct assets and how the total consideration should be allocated to the assets acquired. The Company utilized the relative fair value method to allocate total consideration to the identifiable elements based on their relative standalone fair values as of the HOO Effective Date.

Management estimated the fair value of the acquired assets using income-based valuation techniques, primarily discounted cash flow ("DCF") methodologies, using Level 3 inputs, consistent with the fair value measurement framework in ASC 820 which permits the use of present value techniques when observable market inputs are limited. For the contractual revenue participation right and the equity ownership interest, management projected expected future cash flows over the assets' finite economic lives based on market participant assumptions, including observed lifecycle patterns of comparable Roblox properties, and discounted those cash flows to present value. The direct brand transaction fee stream was similarly valued using a probability-weighted DCF approach to reflect uncertainty in transaction volume and timing, while the exclusive commercialization rights were valued using a with-and-without method to isolate the incremental economic benefit attributable to exclusivity, with the resulting differential cash flows discounted to present value.

Across all assets, management applied asset-specific discount rates developed using a build-up approach, reflecting the risks inherent in early-stage, single-game digital assets, including platform dependency, revenue concentration, limited operating history, and volatility in user engagement and monetization. These discount rates are intended to approximate the return expectations of market participants, and result in higher-than-average discount rates relative to traditional operating businesses. In addition, consistent with the finite lifecycle characteristics of comparable digital gaming assets, management applied limited or no terminal value assumptions, such that the estimated fair values are primarily driven by explicitly forecasted cash flows. The investment is included in investments - noncurrent in the applicable accompanying balance sheet.

The consideration paid was allocated to the assets acquired as follows:

	Amount
Contractual Revenue Participation Right.	$ 90,000
Direct Brand Transaction Fee Stream	32,000
Exclusive Commercialization Rights	45,000
Equity Ownership Interest	35,000
Total	$ 202,000

Assumptions utilized in connection with utilization of the discounted cash flow method included discount rates ranging from 30% to 35%, useful lives of approximately four years, and discount for lack of marketability of 10% to 20%. The assets acquired were recorded at their estimated fair values on the date of acquisition, and will subsequently be assessed for impairment at each balance sheet date, with any impairment reflected as a charge in the statements of operations and comprehensive income (loss).

Investment in Solsten, Inc.

In January 2026, the Company invested $200,000 in Solsten, Inc ("Solsten") an AI-driven audience intelligence company specializing in psychology-based consumer insights, through a Simple Agreement for Future Equity ("SAFE"), which provides the Company with the right to receive equity in a future financing event, subject to the terms and conditions of the SAFE agreement. The SAFE does not represent a current equity ownership interest but rather a forward contract to acquire equity upon the occurrence of specified events, including a qualifying equity financing or liquidity event, at which point the instrument will either convert into preferred stock or entitle the Company to receive the greater of its invested amount or the value of the underlying equity on an as-converted basis. The investment is included in investments - noncurrent assets in the accompanying balance sheets.

The SAFE is accounted for as a non-marketable equity investment within the scope of ASC 321, "Investments – Equity Securities" and is recorded at cost, subject to impairment and observable price adjustments for identical or similar investments of the same issuer.

5. DEBT

Promissory Notes Accounted for at Fair Value

Agile I

On November 8, 2024 (the "Agile I Effective Date"), the Company entered into a loan agreement with Agile Capital Funding, LLC, as collateral agent ("Agile") (the "Agile I Loan Agreement"), pursuant to which the Company issued to Agile a Confessed Judgment Secured Promissory Note for an aggregate value of $1.85 million (the "Agile I Note"). Pursuant to the Agile I Loan Agreement, (i) the Agile I Note matured 28 weeks from the Agile I Effective Date; (ii) carried an aggregate total interest payment of approximately $0.78 million (the "Applicable Rate"), and (iii) immediately upon the occurrence and during the continuance of an Event of Default (as defined in the Agile I Loan Agreement), interest accrued at a fixed per annum rate equal to the Applicable Rate plus five percent, or 42%. The Company was required to repay all the obligations due under the Agile I Loan Agreement and the Agile I Note in 28 equal payments of $93,821 with the first payment being made to Agile on November 14, 2024, and every seven days thereafter until the Maturity Date. The proceeds received from the Agile I Note were used to fund general working capital needs.

On February 10, 2025, in connection with entering into the Agile II Loan Agreement as described below, the Company paid the remaining balance of the Agile I Note, including interest for the remaining term, totaling $1.5 million.

Agile II

On February 10, 2025 (the "Agile II Effective Date"), the Company entered into a Business Loan and Security Agreement (the "Agile II Loan Agreement"), with Agile Capital Funding, LLC as collateral agent ("Collateral Agent"), and Agile), pursuant to which the Company issued to Agile a Confessed Judgment Secured Promissory Note for an aggregate value of $2.5 million (the "Agile II Note"). Pursuant to the Agile II Loan Agreement, (i) the Agile II Note matures 32 weeks from the Agile II Effective Date; (ii) carried an aggregate total interest payment of approximately $1.05 million, and (iii) immediately upon the occurrence and during the continuance of an Event of Default (as defined in the Agile II Loan Agreement), interest would accrue at a fixed per annum rate equal to the applicable rate plus five percent, or 42%. The Company was required to repay all the obligations due under the Agile II Loan Agreement and the Agile II Note in 32 equal payments of $110,937, with the first payment being made to Agile on February 17, 2025, and every seven days thereafter until the maturity date. The proceeds received from the Agile II Note will be used to fund general working capital needs.

In connection with entering into the Agile II Loan Agreement, the Company was required to pay an administrative fee of $125,000 to the Collateral Agent, which was paid at the closing out of proceeds of the issuance of the Agile II Note and expensed in "other income (expense)" in the statements of operations and comprehensive income (loss) for the nine months ended September 30, 2025. $1.5 million of the Agile II Note was used to repay the remaining balance of principal and interest under the Agile I Note, with net proceeds to the Company of approximately $875,000.

On July 10, 2025, the Company entered into an exchange agreement (the "Agile Exchange Agreement") with Agile, pursuant to which the Company and Agile agreed that in exchange for the surrender and forgiveness of the Agile II Note, dated February 10, 2025, with the remaining amount of principal and interest thereunder being $1,331,250, Agile received (a) 3,678 shares of common stock (the "Agile Exchange Shares"), (b) pre-funded warrants to purchase 14,419 shares of common stock (the "Agile Pre-Funded Warrants", and collectively with the Agile Exchange Shares, the "Agile Exchange Securities"), with the Agile Exchange Securities valued at a price of $68.04, such amount above the Nasdaq Minimum Price, and (c) four equal cash payments of $25,000 to Agile, totaling $100,000.

The July 10, 2025 exchange of the balance of the Agile II Note for shares of the Company's common stock was accounted for as an extinguishment of the Agile II Note, resulting in the derecognition of the related liability and the recording of the fair value of the equity securities and other assets exchanged on the date of settlement. The Agile II Note was accounted for under the FVO, and therefore, the carrying amount of the Agile II Note immediately prior to settlement represented its fair value at the settlement date. The fair value of the common stock and cash payments exceeded the fair value of the Agile II Note on the date of the exchange resulting in a loss on extinguishment of a liability totaling $256,000, which was included in other income (expense) in the statements of operations and comprehensive income (loss) for the year ended December 31, 2025.

1800 Diagonal Lending I

On March 26, 2025, the Company and 1800 Diagonal Lending, LLC, a Virginia limited liability company, or registered assignees entered into a Securities Purchase Agreement, pursuant to which the Company issued a Convertible Promissory Note in the principal amount of $300,000, for which the Diagonal Note, among other things, (a) matured on December 30, 2025 (unless otherwise accelerated upon an Event of Default (as defined below)), (b) accrued interest at a rate of 10% per annum on the unpaid principal balance from the date the Diagonal Note was issued (the "Diagonal Issuance Date") until the principal and interest became due and payable, whether on the Maturity Date or upon acceleration by prepayment or otherwise, (c) began to accrue interest on the Diagonal Issuance Date but would not be payable until the Diagonal Note became payable, and (d) interest accrued at a rate of 22% per annum for any amount of principal or interest which was not paid as required under the Diagonal Note, or during an Event of Default.

The Diagonal Note was issued with an Original Issue Discount of 4.75% (the "OID"), with net proceeds to the Company of approximately $279,000 after deducting the OID, reimbursement of Diagonal's expenses in an amount equal to $7,000 (expensed in the statements of operation for the nine months ended September 30, 2025), and other estimated offering expenses. The Company used the net proceeds from the offering for working capital and general corporate purposes.

During the year ended December 31, 2025, Diagonal converted an aggregate principal and interest amount under the Diagonal Note of $320,000 into shares of the Company's common stock at an average price of $28.44 per share, resulting in the issuance of 11,334 shares of common stock to Diagonal. As of December 31, 2025, the Diagonal Note was fully extinguished.

1800 Diagonal Lending II

On May 12, 2025, the Company and Diagonal entered into a Securities Purchase Agreement, pursuant to which the Company issued a Convertible Promissory Note (the "Diagonal II Note") in the principal amount of $145,200 (the "Diagonal II Principal"), for which the Diagonal II Note, among other things, (a) matured on February 15, 2026 (unless otherwise accelerated upon an Event of Default (as defined below)) (the "Diagonal II Maturity Date"), (b) accrued interest at a rate of 10% per annum on the unpaid principal balance from the date the Diagonal II Note was issued (the "Diagonal II Issuance Date") until the principal and interest becomes due and payable, whether on the Maturity Date or upon acceleration by prepayment or otherwise, (c) interest began to accrue on the Diagonal II Issuance Date but would not be payable until the Diagonal II Note became payable, and (d) interest would accrue at a rate of 22% per annum for any amount of principal or interest which is not paid as required under the Diagonal II Note, or during an Event of Default.

The Diagonal II Note was issued with an Original Issue Discount of 4.75% (the "OID"), with net proceeds to the Company of $125,000 after deducting the OID, reimbursement of Diagonal's expenses in an amount equal to $7,000 (expensed in the statement of operations and comprehensive income (loss) for the three and nine months ended September 30, 2025), and other estimated offering expenses. The Company used the net proceeds from the offering for working capital and general corporate purposes.

During the year December 31, 2025, Diagonal converted an aggregate principal and interest amount under the Diagonal II Note of $157,000 into shares of the Company's common stock at an average price of $9.72 per share, resulting in the issuance of 13,084 shares of common stock to Diagonal. As of December 31, 2025, the Diagonal II Note was fully extinguished.

Belleau Note Purchase Agreement

On March 28, 2025, the Company entered into a Note Purchase Agreement (the "Belleau Purchase Agreement") with Belleau Wood Capital, LP, or its assignees ("Belleau"). Pursuant to the Belleau Purchase Agreement, the Company will issue to Belleau a total of three Unsecured Promissory Notes (each, a "Belleau Note" and collectively, the "Belleau Notes") with an aggregate principal amount of $1,500,000 (the "Belleau Principal"). Each of the Belleau Notes (x) matured on the date that was 12 months from the date of the issuance of each respective Belleau Note (collectively, the "Belleau Maturity Date"); (y) may be prepaid in part or in full at any time by the Company without penalty; and (z) accrued interest at a rate of 20% simple interest per annum (the "Belleau Interest Rate", and the dollar value of the accrued interest, the "Belleau Interest"). The Company used the proceeds from the sale of the Belleau Notes for working capital and general corporate purposes.

The Belleau Interest that accrued on each respective Belleau Note was payable on each respective Belleau Maturity Date in the form of restricted shares of the Company's common stock equal to 20% of the Belleau Principal, calculated at a price per share of $168.00. In the event of a prepayment of any Belleau Note by the Company, the Belleau Interest would be payable in full at the time of such prepayment.

On August 11, 2025, the Company and Belleau entered into an Amended & Restated Unsecured Promissory Note, pursuant to which the Belleau Principal was reduced to $1,250,000. The Company used the proceeds from the sale of the Belleau Notes for working capital and general corporate purposes. During the three months ended September 30, 2025, the Company repaid $250,000 of principal on the Belleau Note.

Effective October 22, 2025, the Company and Belleau Wood Capital, LP ("Belleau") entered into an exchange agreement, pursuant to which the Company and Belleau agreed (a) to convert the remaining principal amount of $1.0 million due under the Belleau Note into 83,334 shares of common stock, valued at $12.00 per share, simultaneous with the close of the October 2025 PIPE (the "Note Exchange Consideration"), and (b) issue Belleau a common stock purchase warrant to purchase the sum of 10,417 shares of common stock, in form similar to the October 2025 PIPE Warrants (the "Belleau Warrants"), except the warrants will be exercisable for a period of two (2) years.

The exchange of the remaining balance of the Belleau Note for common stock and common stock purchase warrants, as described above, was accounted for as an exchange of debt for equity, resulting in a loss on exchange totaling $1,871,000, reflected in other income (expense) in the statement of operations and comprehensive income (loss) for the year ended December 31, 2025. The Belleau Note was accounted for under the FVO, and therefore, the carrying amount of the Belleau Note immediately prior to the exchange represented its fair value at the exchange date. The fair value of the Belleau Warrants was estimated utilizing Black-Scholes, with inputs including term of 2 years, stock price of $31.20, volatility of 93% and risk-free interest rate of 3.45%.

Related Party Promissory Note

On November 19, 2024 (the "RP Effective Date"), the Company entered into a Note Purchase Agreement (the "RP Purchase Agreement") with a non-employee member of the Board (the "Note Purchaser"). Pursuant to the RP Purchase Agreement, the Company issued to the Note Purchaser an Unsecured Promissory Note (the "RP Note") in the amount of $1,500,000 (the "RP Principal"), for which the RP Note (i) matured on the date that was 12 months from the RP Effective Date (the "RP Maturity Date"), (ii) may be pre-paid at any time by the Company without penalty, and (iii) accrued interest on the RP Principal at a rate of 40% simple interest per annum (the "RP Interest"). The RP Interest was payable on the RP Maturity Date. In the event of a prepayment of the RP Note by the Company, the RP Interest would be pro-rated for the period the RP Note is outstanding. The Company utilized the proceeds for working capital and general corporate purposes.

On June 13, 2025, the Company entered into an amendment to the RP Note (the "RP Amendment"). Pursuant to the RP Amendment, (a) the maturity date of the RP Note was extended to November 19, 2026; (b) beginning on November 19, 2025, interest no longer accrued on the remaining Principal outstanding; and (c) the Company agreed to make monthly payments of $175,000, with such payments to start on November 19, 2025, and continue thereafter for twelve months, at which time the RP Note would be paid in full.

On July 7, 2025, the Company entered into an exchange agreement with the Michael Keller Trust (the "Trust") ("RP Exchange Agreement"), pursuant to which the Company and the Trust agreed that in exchange for the surrender and forgiveness of RP Note, with the principal and interest thereon being equal to $1,878,082, the Trust would be granted (a) 1,500,000 shares of Series AAAA Jr. Convertible Preferred Stock, and (b) cash payments totaling $378,000, such payments to be made in equal monthly installments of approximately $63,000, commencing on October 15, 2025, and concluding on March 15, 2026.

The July 7, 2025 exchange of the balance of the RP Note for shares of the Company's Series AAAA Junior Preferred Stock was accounted for as an extinguishment of the RP Note, resulting in the derecognition of the related liability and the recording of the fair value of the Series AAAA Jr. Preferred Stock exchanged on the date of settlement. The RP Note was accounted for under the FVO, and therefore, the carrying amount of the RP Note immediately prior to settlement represented its fair value at the settlement date, resulting in a loss on extinguishment totaling $26,000. The $378,000 of accrued cash payments were included as a component of the change in fair value of the RP Note for the year ended December 31, 2025, which is included in other income (expense) in the statement of operations and comprehensive income (loss).

Yield Point Convertible Note

On July 10, 2025, the Company and Yield Point NY, LLC (the "Yield Point") entered into a Securities Purchase Agreement, pursuant to which the Company agreed to sell up to (i) an aggregate principal amount of $4,494,382 in 8% Senior Secured Convertible Notes, maturing eighteen (18) months after the issue date, with original issue discount of 11%, convertible into shares of the Company's common stock at a conversion price of $81.78 per share, and if not converted then amortized over the final twelve (12) months concluding on the maturity date ("YP Notes"), and (ii) common stock purchase warrants to purchase 54,998 shares of common stock at an exercise price of $64.33 per share (the "Original YP Warrant") (the "Offering") (the "YP Purchase Agreement"). The Company received $4,000,000 in gross proceeds from the Offering. The Company used the proceeds from the sale of the YP Notes for working capital and general corporate purposes.

The YP Notes were senior secured obligations of the Company and were secured by certain personal property of the Company, pursuant to a security agreement. Unless earlier converted, the YP Notes would mature in January 2027. The YP Notes bore interest at a rate of 8% per annum, subject to increase in the event of default to the lesser of 18% per annum or the maximum rate permitted under applicable law. The YP Notes, including interest accrued thereon, were convertible at any time until a convertible note is no longer outstanding, in whole or in part, at the option of the holders into shares of common stock at a conversion price of $81.78 per share, subject to adjustment as set forth therein. The YP Notes had a beneficial ownership limitation such that none of Yield Point have the right to convert any portion of their YP Notes if Yield Point (together with its affiliates or any other persons acting together as a group with Yield Point) would beneficially own in excess of 4.99% of the number of shares of common stock outstanding immediately after giving effect to the issuance of common stock issuable upon conversion of such YP Notes, or, upon 61 days' prior written notice to the Company, 9.99% of the number of shares of common stock outstanding immediately after giving effect to the issuance of common stock issuable upon conversion of such YP Notes. Commencing on the six-month anniversary of the date of the issuance of the YP Note, and on the same date every month thereafter, the Company would make 12 equal amortization payments, with each payment being equal to one-twelfth of the initial principal amount, plus all accrued but unpaid interest.

The Original YP Warrant entitled the holders to purchase 54,998 shares of common stock. The Original YP Warrant was exercisable immediately and had a term of four years. The Original YP Warrant had an exercise price of $64.33 per share, subject to adjustment as set forth therein.

The terms of each of the YP Notes and the Original YP Warrant provided for anti-dilution protection for issuances of common stock at a price per share less than the price equal to the conversion price or exercise price, as applicable, subject to approval by the Company's stockholders.

On September 30, 2025, the Company and Yield Point, entered into Amendment No. 1 to the YP Note (the "YP Note Amendment"), originally issued on July 10, 2025, pursuant to that certain YP Purchase Agreement, dated therewith. Pursuant to the YP Note Amendment, (i) the "Conversion Price" was amended to $71.40, subject to adjustment as set forth in the YP Note; and (ii) the "Floor Price" was amended to $14.28. All other terms and conditions of the YP Note remain in full force and effect.

The initial fair value of the Original YP Warrant, totaling $1,935,000, was classified as a liability in the balance sheets, and remeasured at fair value at each balance date. The change in fair value of the Original YP Warrant for the year ended December 31, 2025 totaled $1,070,000 which is reflected in other income (expense) in the statements of operations and comprehensive income (loss). The fair value of the Original YP Warrant was estimated using the Black-Scholes option pricing model and the following weighted-average assumptions: expected volatility of 40%; risk free interest rate range of 3.66% - 3.88%; and expected life range of 3.83-4.0 years. The fair value of the conversion feature embedded in the YP Note was estimated using the Black-Scholes option pricing model and the following weighted-average assumptions: expected volatility of 40%; risk free interest rate range of 3.66% - 3.97%; and expected life range of 1.30-1.53 years. In conjunction with the Company's October 2025 shareholder meeting, shareholders approved the issuance of the shares underlying the Original YP Warrant as required by Nasdaq Listing Rule 5635(d). As such, the fair value of the Original YP Warrant on the approval date totaling $1,679,000 was reclassified to equity.

Effective October 22, 2025, the Company and Yield Point entered into an exchange agreement (the "YP Exchange Agreement"), pursuant to which the Company and Yield Point would, on a date no earlier than ten (10) business days after the effectiveness of the YP Exchange Agreement, exchange up to 100% of unconverted and unpaid principal and interest under the YP Note, for (i) that number of shares of the Company's Series C Preferred Stock; (ii) common stock purchase warrants to purchase 166,667 shares of common stock, on terms substantially similar to the PIPE Warrants, at an initial exercise price of $12.00 per share subject to adjustment as set forth therein (the "YP Exchange Warrant"); and (iii) the cancellation of all remaining common stock purchase warrants previously issued to Yield Point in connection with the sale to Yield Point of the YP Note, dated July 10, 2025 ("YP Note Exchange").

In addition, during the 10-day period from the effective date of the YP Exchange Agreement, Yield Point converted $1,953,000 of the outstanding principal balance under the YP Note, resulting in the issuance of 136,834 shares of common stock to Yield Point upon conversion, and the Company repaid in cash and additional $1,500,000 of outstanding principal on the YP Note. As a result, the remaining balance under the YP Note as of the YP Note Exchange date was $1,153,000.

The exchange of the remaining balance of the YP Note for Series C Preferred stock, as described above, was accounted for as an exchange of debt for equity, resulting in a loss on exchange totaling $196,000, reflected in other income (expense) in the statement of operations and comprehensive income (loss) for the year ended December 31, 2025. The exchange of the Original YP Warrant for the YP Exchange Warrant, as described above, was accounted for as a modification of the Original YP Warrant, resulting in a loss on extinguishment totaling $1,459,000 reflected in other income (expense) in the statement of operations and comprehensive income (loss) for the year ended December 31, 2025.

The fair value of the Original YP Warrant and the YP Exchange Warrant, on the date of the exchange was estimated utilizing Black-Scholes, with inputs including, Term of 4 years, stock price of $14.04, volatility ranging from 40% to 103% and risk-free interest rate of 3.58%.

The Agile I Note, Agile II Note, Diagonal Notes, Belleau Note, RP Note and the YP Note were accounted for at fair value as described in Note 2, measured using Level 3 inputs with the following impact on the condensed financial statements for the applicable periods referenced:

	Agile I Note	Agile II Note	Belleau Note	Diagonal I Note	Diagonal II Note	RP Note	YP Note
Interest paid during the three months ended September 30, 2025(2)	$ -	$ 426,000	$ -	$ -	$ -	$ -	$ -
Interest paid during the nine months ended September 30, 2025(2)	563,000	656,000	-	-	-	-	-
Change in fair value - three months ended September 30, 2025(2)	-	-	312,000	40,000	11,000	-	24,000
Change in fair value - nine months ended September 30, 2025(2)	(178,000)	67,000	305,000	64,000	3,000	35,000	24,000
Debt issue costs (1)	180,000	125,000	-	7,000	7,000	-	415,000
Interest Rate / Discount rate	42%/42%	42%/42%	20%/42%	10%/42%	10%/42%	40%/42%	8% / NA

(1) Debt issue costs incurred in connection with the Agile Loan included administrative fee of $92,500 to the collateral agent and advisor fees. Debt issuance costs are reflected in "other expense" in the statements of operations and comprehensive income (loss).

(2) Reflected in interest expense in the statements of operations and comprehensive income (loss).

Super Biz Note

On October 4, 2021, the Company entered into an Asset Purchase Agreement with Super Biz Co. and the founders of Super Biz (the "Founders"), pursuant to which the Company acquired (i) substantially all of the assets of Super Biz, and (ii) the personal goodwill of the Founders regarding Super Biz's business, (the "Super Biz Acquisition").

Issuance of Promissory Note. In August 2024, the Company issued an unsecured promissory note to the Founders in connection with the accrued contingent consideration outstanding related to the final earn out period, with a principal amount totaling approximately $1.8 million ("Super Biz Note").

On June 13, 2025, the Company entered into: (a) Amendment No. 1 to Super Biz Note (the "Drozdov Amendment"), originally issued on August 1, 2024, to Sam Drozdov ("Drozdov")(the "Drozdov Note"); (b) Amendment No. 1 to Super Biz Note (the "Khakshoor Amendment"), originally issued on August 1, 2024, to Ben Khakshoor ("Khakshoor") (the "Khakshoor Note"); and (c) Amendment No. 1 to Super Biz Note (the "Firepit Amendment", and collectively with the Drozdov Amendment and the Khakshoor Amendment, the "Super Biz Note Amendments"), originally issued on August 1, 2024, to Firepit Partners Co. (f/k/a Bloxbiz Co.) ("Firepit", and collectively with Drozdov and Khakshoor, the "Super Biz Lenders") (the "Firepit Note", and collectively with the Drozdov Note and the Khakshoor Note, the "Super Biz Amended Notes").

Pursuant to the Super Biz Note Amendments: (a) the maturity date for each of the Super Biz Amended Notes was extended to August 1, 2025 (the "Amended Maturity Date"); and (b) beginning on June 1, 2025, through the Amended Maturity Date, the interest rate on each of the Super Biz Amended Notes was increased to 20%. As consideration for entering into the Super Biz Note Amendments, the Company agreed to pay: (x) two payments of $18,750 to each of Drozdov and Khakshoor; and (y) two payments of $12,500 to Firepit (collectively, the "Consideration Payments"). The first Consideration Payment was paid on June 15, 2025, and the second Consideration Payment was made on July 15, 2025.

The modification of the Super Biz Note was accounted for as a modification as the lender did not grant any concessions and the debt terms were not determined to be "substantially different" from the original debt as described at Note 2.

On July 8, 2025, the Company entered into exchange agreements with (i) Khakshoor, pursuant to which the Company and Khakshoor agreed that in exchange for the surrender and forgiveness of that certain promissory note issued to Khakshoor, dated August 1, 2024, and amended on June 13, 2025, with the principal and interest thereon being equal to $711,361, Khakshoor will be issued 711,361 shares of the Company's Series AAAA Jr. Convertible Preferred Stock (the "Khakshoor Agreement"); (ii) Drozdov, pursuant to which the Company and Drozdov agreed that in exchange for the surrender and forgiveness of that certain promissory note issued to Drozdov, dated August 1, 2024, and amended on June 13, 2025, with the principal and interest thereon being equal to $711,361, Drozdov would be granted 711,361 shares of the Company's Series AAAA Jr. Convertible Preferred Stock (the "Drozdov Agreement"); and (iii) Firepit, pursuant to which the Company and Firepit agreed that in exchange for the surrender and forgiveness of that certain promissory note issued to Firepit, dated August 1, 2024, and amended on June 13, 2025, with the principal and interest thereon being equal to $474,242, Firepit would be granted 474,242 shares of the Company's Series AAAA Jr. Convertible Preferred Stock (the "Firepit Agreement", and collectively with the Khakshoor Agreement and Drozdov Agreement, the "SB Exchange Agreements").

The July 8, 2025 exchange of the Super Biz Amended Notes for shares of the Company's Series AAAA Junior Preferred Stock was accounted for as an extinguishment of the related promissory notes, resulting in a loss on extinguishment of liability of $161,000, included in the statement of operations and comprehensive income (loss) for the year ended December 31, 2025.

Accounts Receivable Financing Facility

Super League Enterprise, Inc. and certain of its subsidiaries (collectively with the Company, the "Borrowers"), entered into a Financing and Security Agreement (the "SLR Agreement") with SLR Digital Finance, LLC ("Lender"), effective December 17, 2023 (the "Facility Effective Date"). Pursuant to the SLR Agreement, Lender may, from time to time and in its sole discretion, make certain cash advances to the Company (each an "Advance", and collectively, "Advances"), against the face amounts of certain uncollected accounts receivable of the Borrowers on an account-by-account basis (each, a "Financed Account", and collectively, the "Accounts"), at a rate of 85% multiplied by the face value of such Account (the "Advance Rate"), less any reserved funds and any other amounts due to Lender from Borrowers, up to a maximum aggregate Advance amount of $4,000,000 (the "Maximum Amount")(collectively, the "AR Facility"). Upon receipt of any Advance, Borrowers assigned all of their rights in such receivables and all proceeds thereof. The proceeds received from the Facility will be used to fund general working capital needs. On June 10, 2025, the AR Facility was terminated.

Transfers of financial assets that do not qualify for sale accounting are reported as collateralized borrowings. Financing and servicing fees calculated with reference to amounts advanced under the AR Facility are included in interest expense. The commitment fee, based on the maximum facility amount and payable irrespective of drawdowns, is expensed on a straight-line basis over the term of the AR Facility and included in other income (expense) in the statements of operations and comprehensive income (loss).

Total amounts advanced and repaid under the AR Facility for the nine months ended September 30, 2025 are reflected in financing activities in the condensed statements of cash flows. The AR Facility had no activity during the 2026 periods presented herein as the facility was terminated in June 2025. Interest expense for the three and nine months ended September 30, 2025 totaled $0 and $45,000, respectively. Commitment fee expense for the three and nine months ended September 30, 2025 totaled $0 and $73,000, respectively.

6. STOCKHOLDERS' EQUITY AND EQUITY-LINKED INSTRUMENTS

General

Reverse Stock Split

On January 16, 2026, the Company filed an amendment to the Company's Third Amended Certificate, to effect a reverse stock split of the Company's issued and outstanding shares of common stock at a ratio of 1-for-12 (the "2026 Reverse Split") (the "2026 Amendment"). The 2026 Amendment became effective on January 23, 2026. As a result of the 2026 Reverse Split, every 12 shares of the Company's issued and outstanding common stock was automatically combined and converted into one issued and outstanding share of common stock. The 2026 Reverse Split was approved by the Company's Board on January 2, 2026, and approved by the stockholders of the Company on June 9, 2025.

All references to common stock, warrants to purchase common stock, options to purchase common stock, restricted stock, share data, per share data and related information contained in the financial statements have been retroactively adjusted to reflect the effect of the 2026 Reverse Split (and all other reverse splits described herein) for all periods presented.

Common Stock

Equity Financings

Benchmark ATM

On August 18, 2026, the Company entered into sales agreement (the "Benchmark Sales Agreement") with The Benchmark Company, LLC ("Benchmark") and StoneX Financial Inc. ("StoneX" and, together with Benchmark, the "Agents"), to sell shares of the Company's common stock having an aggregate sales price of up to $2.23 million from time to time, through an "at the market offering" program under which Benchmark and StoneX will act as sales agent (the "Benchmark ATM"). The sales of the Company's common stock made under the Benchmark Sales Agreement will be made by any method permitted by law deemed to be an "at the market offering" as defined in Rule 415 promulgated under the Securities Act of 1933, as amended. We are not obligated to sell any shares of the Company's common stock under the Benchmark Sales Agreement and may at any time suspend solicitation and offers thereunder. The offering of shares of the Company's common stock pursuant to the Benchmark Sales Agreement will terminate on the earlier of (1) the sale, pursuant to the Benchmark Sales Agreement, of shares of the Company's common stock having an aggregate offering price of $2.23 million and (2) the termination of the Benchmark Sales Agreement by either the Company, or Benchmark, as permitted therein.

On August 21, 2026, the Company increased the maximum aggregate offering price of the shares of the Company's common stock issuable under the Benchmark Sales Agreement with StoneX to up to an additional aggregate of $2.27 million, for an aggregate offering amount of approximately $4.5 million. On September 29, 2026, the Company increased the maximum aggregate offering price of the shares of the Company's common stock, issuable under that certain Benchmark Sales Agreement with StoneX, to up to an additional aggregate of $966,000, for an aggregate offering amount of $5.5 million. As described at Note 8, on October 21, 2026, the Company increased the maximum aggregate offering price of the shares of the Company's common stock issuable under that certain Benchmark Sales Agreement with StoneX to up to an additional aggregate of $950,000, for an aggregate offering amount of $6.4 million.

The Company will pay the Agents a commission equal to 1.0% of the aggregate gross proceeds from each sale of shares of the Company's common stock. In addition, the Company has provided the Agents with customary indemnification rights. The Company will also reimburse the Agents for certain specified expenses in connection with entering into the Benchmark Sales Agreement. The Benchmark Sales Agreement contains customary representations and warranties and conditions to the sale of the Shares pursuant thereto. The Shares will be issued pursuant to our shelf registration statement on Form S-3 (File No. 333-283812), filed by the Company with the SEC on December 13, 2024, and declared effective by the SEC on December 20, 2024.

During the three months ended September 30, 2026, the company sold 983,292 shares of the Company's common stock under the Benchmark ATM, raising gross proceeds of approximately $4,474,000. Total fees and expenses paid during the period in connection with the sales under the Benchmark ATM totaled $87,000, and will be amortized to additional paid-in capital over the estimated remaining term of the Benchmark ATM facility.

May 2025 Equity Financings

On May 30, 2025, the Company entered into a securities purchase agreement with certain investors, which provided for the sale and issuance by the Company in a registered direct offering (the "May III Offering") of an aggregate of (i) 6,646 shares of the Company's common stock, at a purchase price of $57.60 per share (the "May III Shares"), and (ii) pre-funded warrants to purchase up to 4,987 shares of common stock at a purchase price of $57.48 per pre-funded warrant (the "May III Pre-Funded Warrants" and, together with the May III Shares, the "May III Securities"), which represents the per share price for the May III Shares less the exercise price of $0.00001 per share. The May III Offering closed on June 2, 2025. The aggregate gross proceeds to the Company from the May III Offering were approximately $670,000, before deducting placement agent commissions and other estimated offering expenses. The Company utilized the net proceeds of the May III Offering for working capital and general corporate purposes, as well as to repay a portion of the Company's indebtedness.

On May 30, 2025, the Company also entered into a placement agent agreement (the "May III Placement Agent Agreement") with Aegis Capital Corp. (the "Placement Agent"). Pursuant to the terms of the May III Placement Agent Agreement, the Placement Agent agreed to use its reasonable best efforts to arrange for the sale of the securities in the May III Offering. The Company agreed to pay the Placement Agent a cash fee equal to 8% of the aggregate gross proceeds from the sale of the May III Securities. The Company also agreed to reimburse the Placement Agent for certain expenses.

On May 29, 2025, the Company entered into an underwriting agreement (the "May II Underwriting Agreement") with Aegis Capital Corp., (the "Underwriter"), relating to the Company's public offering (the "May II Offering") of 8,681 shares (the "May II Shares") of its common stock. Pursuant to the May II Underwriting Agreement, the Company also granted the Underwriter a 45-day option ("May II Option") to purchase an additional 869 shares of common stock (the "May II Option Securities", and together with the Shares, the "May II Securities"). On May 30, 2025, the Company issued the May II Shares and closed the May II Offering at a public price of $57.60 per share, for net proceeds to the Company of approximately $380,000 after deducting underwriting discounts and commissions and estimated offering expenses payable by the Company. The Company utilized the net proceeds of the May II Offering for working capital and general corporate purposes, as well as to repay a portion of the Company's indebtedness. On May 29, 2025, the Underwriter delivered notice to the Company that it elected to exercise the May II Option with respect to an aggregate of 869 May II Option Securities. The closing of the sale of the May II Option Shares occurred on May 30, 2025.

On May 9, 2025, the Company entered into an underwriting agreement (the "May I Underwriting Agreement") with the Underwriter, relating to the Company's public offering (the "May I Offering") of 10,662 shares (the "May I Shares") of its common stock, par value $0.001 per share. Pursuant to the May I Underwriting Agreement, the Company also granted the Underwriters a 45-day option ("May I Option") to purchase an additional 1,600 shares of common stock (the "May I Option Securities", and together with the Shares, the "May I Securities"). On May 12, 2025, the Company issued the firm May I Securities and closed the May I Offering at a public price of $81.60 per share, for net proceeds to the Company of approximately $700,400 after deducting underwriting discounts, commissions and estimated offering expenses payable by the Company. On May 14, 2025, the Underwriter partially exercised its May I Option and purchased an additional 1,287 shares of common stock at a price of $81.60 per share, before deducting underwriting discounts. The issuance by the Company of the May I Option Securities resulted in total gross proceeds of approximately $104,999, before deducting underwriting discounts, commissions, and other offering expenses payable by the Company. The Company utilized the net proceeds of the May I Offering for working capital and general corporate purposes, as well as to repay a portion of the Company's indebtedness.

Yield Point Equity Line of Credit

On July 10, 2025 (the "YP Execution Date"), the Company entered into an equity purchase agreement (the "YP Equity Purchase Agreement) with Yield Point. Under the YP Equity Purchase Agreement, the Company has the right, but not the obligation, to direct Yield Point to purchase up to $20,000,000 (the "Maximum Commitment Amount") in shares of common stock of the Company upon satisfaction of certain terms and conditions contained in the YP Equity Purchase Agreement, including, without limitation, an effective registration statement filed with SEC registering the resale of the shares of Put Stock (defined below) and the shares of Commitment Stock (defined below) and additional shares to be sold to Yield Point from time to time under the YP Equity Purchase Agreement. The original term of the YP Equity Purchase Agreement began on the YP Execution Date and ended on the earlier of (i) the date on which Yield Point shall have purchased shares of common stock issued, or that the Company shall be entitled to issue, per any applicable Put Notice in accordance with the terms and conditions of the YP Equity Purchase Agreement (the "Put Stock") equal to the Maximum Commitment Amount (as defined in the YP Equity Purchase Agreement), (ii) the date that is thirty-six (36) months from the date the registration statement is declared effective, (iii) written notice of termination by the Company to Yield Point (which shall not occur at any time that Yield Point holds any of the shares of Put Stock, or within 30 days of the sale to Yield Point of Put Stock), or (iv) written notice of termination by Yield Point to the Company (the "Commitment Period").

In consideration for Yield Point's execution and delivery of, and performance under the YP Equity Purchase Agreement, on the Execution Date, the Company issued pre-funded warrants to purchase common stock (to Yield Point in a form acceptable to Yield Point in its sole discretion and having an exercise price per share of $0.001 (the "Commitment Stock") having a value of $600,000 based on closing price of the common stock on July 9, 2025. All of the shares of Commitment Stock were fully earned as of the Execution Date. The fair value of the Commitment Stock was recorded in Deferred Financing costs included in prepaids and other assets in the company balance sheet as of December 31, 2025.

On June 3, 2026, the Company entered into the Series C Redemption Agreement with the Series C Holder pursuant to which the Company and the Series C Holder, among other items, agreed to the termination of a certain equity purchase agreement between the Series C Holder and the Company, dated July 10, 2025 (the "*Series C Purchase Agreement*"), including, without limitation, the termination of any and all agreements, instruments and documents entered into in connection therewith, so that neither the Company nor the Series C Holder shall have any further rights, obligations, or liabilities under the Series C Purchase Agreement ("Series C Redemption"). In connection with the termination of the equity purchase agreement, the Company expensed $825,000 of deferred financing costs which is reflected in other income (expense) in the statement of operations and comprehensive income (loss) for the three and nine months ended September 30, 2026. Of the total deferred financing costs expensed, $600,000 related to the Commitment Stock issued to Yield Point, as described above, and therefore represented noncash financing costs.

Hudson Equity Line of Credit

On February 14, 2025, the Company entered into an equity purchase agreement (the "Hudson Equity Purchase Agreement") with Hudson Global Ventures, LLC, a Nevada limited liability company ("Hudson"). Pursuant to the Hudson Equity Purchase Agreement, the Company had the right, but not the obligation, to sell to Hudson, and Hudson 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 Hudson Equity Purchase Agreement, subject to certain limitations and conditions (the "Hudson Offering" or "Hudson ELOC"). As consideration for Hudson's commitment to purchase shares of common stock under the Hudson Equity Purchase Agreement, the Company issued to Hudson 625 shares of common stock, valued at $159,000, following the execution of the Hudson Equity Purchase Agreement (the "Hudson Commitment Shares").

During the nine months ended September 30, 2025, the Company sold 1,494 shares of common stock, under the Hudson ELOC at an average per share price of $163.20, raising net proceeds totaling $231,000. The Hudson Equity Purchase Agreement was terminated effective May 8, 2025. The Company utilized the net proceeds from the Hudson Offering for working capital and general corporate purposes, including sales and marketing activities, product development and capital expenditures.

Preferred Stock

Series Designation	Closing Date	Conversion Prices (1)(2)(3)	Original Shares Issued	Conversions /Exchanges	Outstanding- December 31, 2025	Conversions /Exchanges	Outstanding- September 30, 2026
A-5	January 31, 2023	$5,323.20	2,299	(2,299)	-	-	-
AA	April 19, 2023	$4,526.40 / $907.20	7,680	(7,630)	50	(50)	-
AA-3	April 28, 2023	$4,560.00 / $912.00	1,025	(1,025)	-	-	-
AA-4	May 5, 2023	$4,454.40 / $892.80	1,026	(1,026)	-	-	-
AA-5	May 26, 2023	$5,088.00 / $1,017.60	550	(550)	-	-	-
AAA	November 30, 2023	$801.60 / $240.96	9,388	(9,388)	-	-	-
AAA-2	December 22, 2023	$820.80 / $246.24	5,334	(5,314)	20	(20)	-
AAA-Junior	June 26, 2024	$600.00 / $180.00	1,210	(1,210)	-	-	-
AAA-Junior-2	July 10, 2024	$600.00 / $180.00	551	(551)	-	-	-
AAA-Junior-3	September 20, 2024	$600.00 / $180.00	697	(697)	-	-	-
AAA-Junior-4	September 30, 2024	$600.00 / $180.00	399	(399)	-	-	-
AAAA-Junior (4)	July 14, 2025	$58.92	3,394,964	(3,297,551)	97,413	(97,413)	-
B (5)	September 29, 2025	$84.00	16,321	(16,321)	-	-	-
C	November 6, 2025	$12.00	1,153	-	1,153	(1,153)	-
			3,442,597	**(3,343,961)**	**98,636**	**(98,636)**	**-**

(1) The Conversion price for Series AA Preferred Stock outstanding as of August 23, 2023, totaling 10,706 shares of Series AA Preferred Stock, was adjusted to $1,248.00 as a result of the Series AA Down Round Feature described below.

(2) The Conversion prices for the Series AA Preferred Stock outstanding as of November 30, 2023, totaling 7,322 shares of Series AA Preferred Stock, were adjusted to the conversion prices shown in the table above, as a result of the Series AA Down Round Feature described below.

(3) In July 2025, the conversion prices for the AAA Preferred and the AAA Junior Preferred were adjusted pursuant to the applicable Down Round Feature. The conversion prices for AAA, AAA-2, AAA Junior, AAA Junior-2, AAA Junior-3 and AAA Junior-4 Preferred stock outstanding were adjusted to the conversion prices shown in the table above on the applicable date that the Down Round Feature was triggered ("July 2025 Down Round"). The July 2025 Down Round, resulted in a deemed dividend totaling $308,000, which was charged to accumulated deficit in the September 30, 2025 condensed balance sheet.

(4) Series AAAA Junior Preferred Stock was issued in exchange for certain debt outstanding, as described at Note 5.

(5) Series B Preferred Stock was issued in exchange for certain preferred stock outstanding, as described below.

Series C Preferred Stock. On October 22, 2025, the Company filed the COD of the Series C Senior Convertible Preferred Stock (the "Series C COD"), designating 4,700 shares of Series C Senior Convertible Preferred Stock, par value $0.001 per share ("Series C Preferred"). At December 31, 2025, there were 1,153 shares of Series C Preferred issued and outstanding. Pursuant to the Series C COD, the Series C Preferred Stock, among other terms: (i) ranks, with respect to dividend rights and rights upon liquidation, dissolution or winding up of the Company, senior to all classes of common stock and each other class or series of equity security of the Company which is not expressly senior or on parity with the Series C Preferred Stock ; (ii) the Series C Preferred Stock shall remain outstanding until the Series C Preferred Stock is converted into common stock either optionally by the holder or automatically pursuant to its terms described below, and will automatically be converted into common stock on the eighteen-month anniversary of effectiveness of the registration statement relating to the shares of common stock issuable upon conversion of the Series C Preferred Stock ; (iii) the shares of Series C Preferred Stock when converted, subject to certain beneficial ownership limitations, into shares of the Company's common stock, will have a conversion price of $12.00, with a stated value of $1,000; and (iv) subject to certain limitations set forth in the Series C COD, the holders of Series C Preferred Stock are entitled to vote on all matters submitted to the stockholders for a vote together with the holders of the common stock as a single class, on an as-converted basis.

On June 3, 2026, the Company entered into a Redemption Agreement (the "Series C Redemption Agreement") with the sole holder (the "Series C Holder") of the Company's Series C Preferred, pursuant to which the Company agreed to pay the Series C Holder a one-time cash payment of $922,400 (the "Series C Agreement Consideration") in exchange for the Series C Holder agreeing to (i) the Company's redemption and cancellation of all 1,153 outstanding shares of Series C Preferred, and (ii) the termination of a certain equity purchase agreement between the Series C Holder and the Company, dated July 10, 2025 (the "Series C Purchase Agreement"), including, without limitation, the termination of any and all agreements, instruments and documents entered into in connection therewith, so that neither the Company nor the Series C Holder shall have any further rights, obligations, or liabilities under the Series C Purchase Agreement ("Series C Redemption"). The Series C Redemption Agreement further contains a release by each of the Company and the Series C Holder releasing the other party from any and all claims, demands, actions, causes of action, liabilities, damages, costs, and expenses of any kind or nature whatsoever, whether known or unknown, arising out of or relating to the Series C Preferred or the Series C Purchase Agreement. On June 8, 2026, the Company paid the Series C Agreement Consideration to the Series C Holder in full satisfaction of its obligations under the Series C Redemption Agreement.

Upon redemption of preferred stock, the difference between (1) the fair value of the consideration transferred to the holders of the preferred stock and (2) the carrying amount of the preferred stock in the registrant's balance sheet (net of issuance costs) is subtracted from (or added to) net income (loss) to arrive at income available to common stockholders in the calculation of earnings (loss) per share. If the fair value of the consideration transferred is greater than the carrying amount of the shares surrendered, (1) retained earnings is reduced by the difference (or additional paid-in capital in the absence of retained earnings), and (2) earnings available to common shareholders is reduced by the difference. If the fair value of the consideration transferred is less than the carrying amount of the shares surrendered, the difference is credited to retained earnings and added to earnings available to common shareholders. As a result of the Series C Redemption the Company recorded a deemed dividend totaling $427,000, crediting accumulated deficit and debiting additional paid in capital for the three and nine months ended September 30, 2026.

Series AAAA Junior. On July 11, 2025, the Company filed the Certificate of Designation of Preferences, Rights and Limitations ("COD") of the Series AAAA Jr. Preferred Stock (the "AAAA Jr. Certificate"), designating 3,775,047 shares of Series AAAA Jr. Convertible Preferred Stock (the "AAAA Jr. Preferred Stock") in connection with the entry into the SB Exchange Agreements.

Each share of AAAA Jr. Preferred Stock is convertible at the option of the holder, subject to certain beneficial ownership limitations and primary market limitations as set forth in each AAAA Jr. Certificate, into such number of shares of the common stock, equal to the number of AAAA Jr. Preferred Stock to be converted, multiplied by the stated value of $1.00 (the "*Stated Value*"), divided by the conversion price in effect at the time of the conversion (the initial conversion price is equal to the Nasdaq Minimum Price, plus $0.01, subject to adjustment in the event of stock splits, stock dividends, and similar transactions). Holders of the AAAA Jr. Preferred Stock will be entitled to receive dividends, subject to the beneficial ownership and primary market limitations, payable in the form of that number of shares of common stock equal to 60% of the shares of common stock underlying the AAAA Jr. Preferred Stock upon issuance, provided that the holder holds at least 1% of the AAAA Jr. Preferred Stock on January 1, 2026. In addition, subject to the beneficial ownership and primary market limitations, holders of AAAA Jr. Preferred Stock will be entitled to receive dividends equal, on an as-if-converted to shares of common stock basis, and in the same form as dividends actually paid on shares of the common stock when, as, and if such dividends are paid on shares of the common stock. Notwithstanding the foregoing, to the extent that a holder's right to participate in any dividend in shares of common stock to which such holder is entitled would result in such holder exceeding the beneficial ownership and primary market limitations, then such holder shall not be entitled to participate in any such dividend to such extent and the portion of such shares that would cause such holder to exceed the beneficial ownership and primary market limitations shall be held in abeyance for the benefit of such holder until such time, if ever, as such holder's beneficial ownership thereof would not result in such holder exceeding the beneficial ownership and primary market limitations.

Series B. On September 12, 2025, the Company filed the COD of the Series B Convertible Preferred Stock (the "*Series B COD*"), designating 16,426 shares of Series B Preferred Stock in connection with the entry into the 2025 Exchange Agreements, as described below.

Each share of Series B Preferred Stock is convertible (i) at the sole discretion of the Company at any time, (ii) mandatorily on February 11, 2026, and/or (iii) at the option of the holder, each conversion method being subject to certain beneficial ownership limitations and primary market limitations as set forth in the Series B COD, into such number of shares of the common stock, equal to the number of Preferred Stock to be converted, multiplied by the stated value of $1.00 (the "Stated Value"), divided by the conversion price in effect at the time of the conversion (the initial conversion price equal to $84.00, subject to adjustment in the event of stock splits, stock dividends, and similar transactions). Holders of Series B Preferred will be entitled to receive dividends, subject to the beneficial ownership and primary market limitations, on an as-if-converted to shares of common stock basis, to and in the same form as dividends actually paid on shares of the common stock when, as, and if such dividends are paid on shares of the common stock. Notwithstanding the foregoing, to the extent that a holder's right to participate in any dividend in shares of common stock to which such holder is entitled would result in such holder exceeding the beneficial ownership and primary market limitations, then such holder shall not be entitled to participate in any such dividend to such extent and the portion of such shares that would cause such holder to exceed the beneficial ownership and primary market limitations shall be held in abeyance for the benefit of such holder until such time, if ever, as such holder's beneficial ownership thereof would not result in such holder exceeding the beneficial ownership and primary market limitations.

The Series B Preferred Stock shall, with respect to distributions of assets and rights upon the occurrence of any voluntary or involuntary liquidation, dissolution or winding-up of the Company rank senior to the common stock, the Series AA Preferred, the Series AAA Preferred, and Series AAA Jr. Preferred, but junior to any future series of Preferred Stock issued by the Company.

Exchange of Series AA, AAA and AAA Junior Preferred Stock for Series B Preferred Stock

On September 12, 2025, the Company entered into an Amended & Restated Exchange Agreement, Consent and Waiver (the "2025 Exchange Agreements") with certain holders (the "2025 Exchange Preferred Stockholders") of the Company's Series AA, AAA and AAA Junior Preferred Stock, par value $0.001 per share ("2025 Exchanged Preferred Stock"), pursuant to which the Company and the 2025 Exchange Preferred Stockholders agreed that in exchange for the shares of 2025 Exchanged Preferred Stock held by the 2025 Exchange Preferred Stockholders, the 2025 Exchange Preferred Stockholders were granted shares of the Company's newly issued Series B Preferred Stock, par value $0.001 per share ("2025 Exchange"). Up to an aggregate of 16,426 shares of Series B Preferred will be issued pursuant to the 2025 Exchange Agreements.

In connection with the issuance of the Series B Preferred Stock, the 2025 Exchange Preferred Stockholders, among other things: (i) agreed to terminate their additional investment rights granted to them in their respective subscription agreements; (ii) waived any issuances by the Company of securities below the respective prior conversion price floors prior to the Exchange; (iii) waived any incurrence of indebtedness by the Company prior to the Exchange; (iv) agreed, for a period of six months following the date of the Exchange Agreements, to attend any annual or special meeting of the Company's stockholders and vote their shares in accordance with management's recommendation; and (v) provided a general release of the Company from any obligations that may exist under the terms of the Preferred Stock.

The 2025 Exchange was accounted for as an extinguishment of the 2025 Exchanged Preferred Stock, and therefore the difference between the fair value of the new / modified preferred stock and the carrying value of the original preferred stock, totaling $7,685,000, was recognized as a decrease to accumulated deficit and a decrease in additional-paid-in capital in the condensed balance sheet, as a deemed dividend.

Preferred Stock Dividends

The Company paid or accrued common stock dividends on outstanding preferred stock for the periods presented as follows:

For The Three and Nine months ended September 30, 2026:

Series Designation	Date	Dividend Shares	Fair Value Shares (1)
Series AAAA Junior	January 1, 2026	34,575	$253,000

Three and Nine months ended September 30, 2025:

Series Designation	Date	Dividend Shares	Fair Value Shares (1)
Series A-5	February 4, 2025	5	$1,000
Series AA	April 28, 2025	529	89,000
Series AA-3	May 1, 2025	6	1,000
Series AA-4	May 21, 2025	112	9,000
Series AA-5	May 30, 2025	10	1,000
Series AAA / AAA-2	September 30, 2025 (Accrued)	7,407	271,000
		8,069	$372,000

(1) Fair valued based on the closing price of the Company's common stock on the respective common stock dividend payment date.

Dividend Acceleration

In connection with the 2025 Exchange Agreements, remaining Series AAA and AAA-2 Preferred Stock dividends totaling 7,407 shares of common stock, originally payable in November and December 2025, were accelerated as of the date of the exchange. The fair value of the accelerated dividends totaled $271,000, based on the closing price of the Company's common stock on September 30, 2025, which is reflected as a charge to accumulated deficit and accrued liabilities as of September 30, 2025.

Change in Fair Value of Warrant Liability

Series AAA Junior -3 and Series AAA Junior – 4 Warrants

The Series AAA Junior-3 and Series AAA Junior-4 subscription agreements entered into in September 2024, included the sale of an aggregate of 1,096 units (the "Units"), each Unit consisting of (i) one share of newly designated Series AAA-3 Junior Convertible Preferred Stock or Series AAA-4 Junior Convertible Preferred Stock, as reflected in the table above, and (ii) a warrant to purchase 3 shares of the Company's common stock (the "September 2024 Series AAA Junior Investor Warrants"), at a purchase price of $1,000 per Unit, for aggregate gross proceeds to the Company of approximately $1,096,000.

The September 2024 Series AAA Junior Investor Warrants do not meet the requirements for equity classification, and therefore, the fair value of the September 2024 Series AAA Junior Investor Warrants are recorded as a liability on the balance sheets and re-valued at each reporting date, with changes in the fair value reported in the statements of operations and comprehensive income (loss). There was no change in fair value for the September 2024 Series AAA Junior Investor Warrants for the three and nine months ended September 30, 2026, respectively. The change in fair value for the September 2024 Series AAA Junior Investor Warrants for the three and nine months ended September 30, 2025 totaled ($3,000) and ($331,000), respectively.

Placement Agent Warrants

The Placement Agent Warrants issued in connection with the Series A Preferred Stock, Series AA Preferred Stock and Series AAA Preferred Stock are not eligible for the scope exception under ASC 815, and therefore, the fair value of the Placement Agent Warrants is recorded as a liability on the balance sheets and re-valued at each reporting date, with changes in the fair value reported in the statements of operations and comprehensive income (loss). The change in fair value for the Placement Agent Warrants for the three and nine months ended September 30, 2026 totaled $0 and $(4,000), respectively. The change in fair value for the Placement Agent Warrants for the three and nine months ended September 30, 2025 totaled $0 and $(533,000), respectively.

Common Stock Purchase Warrant - Price Adjustment

In connection with the closing of the Misfits Transaction, pursuant to the terms of the applicable underlying common stock warrant agreements, the exercise price for certain of the common stock purchase warrants issued in connection with the October 2025 PIPE, representing the right to purchase an aggregate of 2.7 million shares of common stock, was reset to the floor price, as defined in the underlying common stock purchase agreements, ranging from $4.99 to $6.84 per share, from $12.00 per share.

The Company determined that the triggering of the down-round feature represented a transfer of value to the warrant holders. The Company measured the incremental fair value attributable to the exercise price adjustment using a Black-Scholes option-pricing model as of the trigger date, utilizing the following assumptions: stock prices ranging from $4.99 to $12.00, expected volatility range of 103% to 105%, expected terms of 4.46 to 4.51 years, and a risk-free interest rate of 3.97%, based on the specific warrants being remeasured at the measurement date. The incremental fair value transferred to the applicable warrant holders was estimated to be $1,002,000. The applicable warrants continue to qualify for equity classification under ASC 815-40, and therefore, the Company did not recognize a gain or loss in the statements of operations and comprehensive income (loss) in connection with the triggering of the down round feature. Instead, the incremental fair value was recognized as a deemed dividend within stockholders' equity and reduced income available to common shareholders for purposes of calculating earnings (loss) per share.

Other

On July 29, 2026, Super League Enterprise, Inc. (the "Company") entered into a waiver and release agreement (the "Agreement") with Aegis Capital Corp. ("Aegis") pursuant to which the Company agreed to pay Aegis: (i) $0.7 million, which was paid on July 30, 2026, in exchange for a waiver of any and all rights of first refusal arising from prior engagement agreements with Aegis (the "Prior Agreements"); and (ii) $0.3 million, to be paid prior to any future financing, in exchange for a waiver of any tail fees associated with the Prior Agreements. The amounts paid are included in deferred financing costs as of September 30, 2026.

7. COMMITMENTS AND CONTINGENCIES

Pending or Threatened Claims

The Company may periodically be involved in legal proceedings and regulatory matters arising in the ordinary course of business, including contractual disputes, employment-related matters, and other commercial legal matters. Legal fees and other defense costs incurred in connection with such matters are recorded in operating expenses as incurred in the period incurred, within general and administrative expenses in the statements of operations and comprehensive income (loss). Reimbursements from insurance carriers, if any, related to legal defense costs are recognized when recovery is considered probable and reasonably estimable. Insurance recoveries, when recognized, are recorded separately from the related legal expense and are not offset against legal costs in the statements of operations and comprehensive income (loss).

Existing Pending or Threatened Claims

Global Leisure Partners, LLC, and Blackwatch Advisors, LLC vs. Super League Enterprise, Inc. On January 26, 2026, a complaint was filed against the Company in the United States District Court for the Southern District of New York by Global Leisure Partners, LLC and Blackwatch Advisors, LLC (the "Plaintiff"). Formal service of process on the complaint occurred on February 12, 2026. The complaint alleges, among other things, breach of contract and related claims arising from the Company's completion of a series of financing transactions during the fiscal year. The Plaintiff seeks unspecified damages, together with interest, attorneys' fees and other relief.

The Company believes the claims are wholly without merit and intends to vigorously defend the action. Based on the Company's assessment of the facts currently known, and after consultation with outside legal counsel, the Company believes that the likelihood of a material loss is remote. Accordingly, no liability has been recorded in the accompanying financial statements. Litigation is inherently uncertain, and while the Company believes the claims lack merit, an unfavorable outcome could occur. However, at this time, the Company does not see the need to, nor can it reasonably estimate any possible loss or range of loss associated with this matter.

8. SUBSEQUENT EVENTS

The Company evaluated subsequent events for their potential impact on the condensed financial statements and disclosures through the date the condensed financial statements were issued and determined that, except as set forth below, no subsequent events occurred that were reasonably expected to impact the condensed financial statements presented herein.

Annual Meeting of Stockholders – Approval of Metaplanet Transaction Related Matters and Other

On October 16, 2026, Company held its 2026 Annual Meeting of Stockholders (the "*Annual Meeting*"), at which a quorum for the transaction of business was present virtually or represented by proxy. The matters voted upon at the Annual Meeting and the results of the voting are set forth below:

Proposal No. 1 – Election of the Two Class III Directors. The Company's stockholders voted to re-elect two Class III director nominees, Ann Hand and Robert Kalutkiewicz, to serve on the Company's Board of Directors (the "*Board*"), each for a term to conclude at the Company's 2029 annual meeting of stockholders.

Proposal No. 2 – Approval of the Common Stock Issuance Pursuant to Nasdaq Listing Rule 5635. The Company's stockholders voted to approve, for purposes of complying with Nasdaq Listing Rule 5635, the issuance of up to 435,859,500 shares of common stock, pursuant to the terms of (i) the Subscription Agreement, dated as of August 18, 2026, by and between the Company and Metaplanet, and (ii) the Subscription Agreement, dated as of August 18, 2026, by and between the Company and Evo Fund, a Cayman Islands exempted company.

Proposal No. 3 – Approval of the Fourth Amended and Restated Certificate of Incorporation. The Company's stockholders voted to approve and adopt, assuming Proposal No. 2 is approved and adopted, the Fourth Amended and Restated Certificate of Incorporation of the Company (the "*Amended Charter*").

Proposal No. 4 – Approval of the Advisory Charter Proposals. The Company's stockholders voted to approve and adopt, on a non-binding advisory basis, assuming Proposal No. 2 is approved and adopted, certain differences between the Company's current Certificate of Incorporation, as amended and restated, and the Amended Charter, as follows:

Proposal No. 4(a) — Name Change. The vote required to approve advisory Proposal No. 4(a), assuming Proposal No. 2 is approved, was the affirmative vote of a majority of the votes cast at the Annual Meeting. Accordingly, the Company's stockholders approved, on a non-binding advisory basis, this Proposal No. 4(a).

Proposal No. 4(b) — Increase the Number of Authorized Capital Stock. The Company's stockholders voted to approve and adopt, on a non-binding advisory basis, an amendment to (i) increase the number of shares of common stock authorized for issuance thereunder from 750,000,000 to 1,000,000,000; and (ii) increase the number of shares of preferred stock authorized for issuance thereunder from 10,000,000 to 100,000,000.

*Proposal No. 4(c) — Special Meetings; Stockholder Action by Written Consent. T*he Company's stockholders voted to approve and adopt, on a non-binding advisory basis, an amendment to set forth that (i) special meetings of the stockholders of the Company may only be called by (a) the Board, (b) the chairperson of the Board or (c) the Chief Executive Officer of the Company; and (ii) on and after the date on which Metaplanet and its affiliates cease to own shares of voting stock representing at least fifty percent (50%) of the votes entitled to be cast by the holders of the outstanding shares of voting stock, voting together as a single class (such date, the "*Ownership Threshold Date*"), any action required or permitted to be taken by stockholders may be effected only at an annual or special meeting of stockholders.

Proposal No. 4(d) — Waiver of Section 203 of the DGCL. The Company's stockholders voted to approve and adopt, on a non-binding advisory basis, an amendment to provide that Section 203 of the Delaware General Corporation Law, which governs business combinations between the Company and certain interested stockholders, will not apply to the Company until the Ownership Threshold Date.

Proposal No. 4(e) – Corporate Opportunity Waiver. The Company's stockholders voted to approve and adopt, on a non-binding advisory basis, an amendment to provide for a waiver of the doctrine of corporate opportunities, and to eliminate any duty to refrain from competing with the Company or any of its affiliates, for (i) Metaplanet and any of its affiliates, and (ii) any director of the Company who is not an employee of the Company.

Proposal No. 4(f) — Forum Selection Clause. The Company's stockholders voted to approve and adopt, on a non-binding advisory basis, an amendment to designate Delaware courts as the exclusive forum for certain litigation matters, and to designate the U.S. federal district courts as the exclusive forum for claims arising under the Securities Act of 1933, as amended (the "Securities Act"), and U.S. federal securities laws.

Proposal No. 4(g) — Removal of Classification of Board of Directors Provisions. The Company's stockholders voted to approve and adopt, on a non-binding advisory basis, an amendment to declassify the Board, resulting in one class of directors serving for a term expiring at the following annual meeting of stockholders.

Proposal No. 5 – Approval of the Amendment and Restatement of the 2025 Omnibus Equity Incentive Plan. The Company's stockholders voted to approve, assuming Proposal No. 2 is approved, amendment and restatement of the Company's 2025 Omnibus Equity Incentive Plan to (i) increase the number of shares authorized thereunder by 6,000,000 shares of common stock and (ii) make certain other amendments consistent with good governance practice or applicable law.

Proposal No. 6 – Ratification of the Appointment of WithumSmith+Brown, PC as the Company's Independent Auditor. The Company's stockholders voted to ratify the appointment of WithumSmith+Brown, PC as the Company's independent auditor for the fiscal year ending December 31, 2026.

Proposal No. 7 – Approval of an Adjournment of the Annual Meeting. The Company's stockholders voted to approve an adjournment of the Annual Meeting, if necessary, to solicit additional proxies if there were not sufficient votes at the time of the Annual Meeting to approve the election of the two Class III directors and approve Proposals No. 2, 3, 4, 5 and 6.

Benchmark ATM

Subsequent to September 30, 2026, the Company sold 209,704 shares of the Company's common stock under the Benchmark ATM, raising gross proceeds of approximately $1,076,000. On October 21, 2026, the Company increased the maximum aggregate offering price of the shares of the Company's common stock issuable under that certain Benchmark Sales Agreement with StoneX to up to an additional aggregate of $950,000, for an aggregate offering amount of approximately $6.4 million.

Registered Direct Offering

On November 13, 2026, the Company entered into a securities purchase agreement (the "RDO Purchase Agreement") with an accredited investor for the registered direct offering of an aggregate of 150,000 shares of the Company's common stock (the "RDO Shares"), at a purchase price of $4.00 per share (the "November Registered Direct Offering"). The November Registered Direct Offering closed on November 16, 2026, and will result in gross proceeds to the Company of approximately $600,000. The RDO Shares were offered by the Company pursuant to a prospectus supplement to the Company's currently effective shelf Registration Statement on Form S-3, which was declared effective by the U.S. Securities and Exchange Commission on December 20, 2024 (File No. 333-283812).

Bitcoin Purchases

During the period from October 10, 2026 to November 14, 2026, the Company purchased 39 Bitcoin for an average purchase price of $76,368.75 per Bitcoin, excluding fees and expenses, as part of its exploration of Bitcoin as a treasury asset alongside cash and cash equivalents.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

References in this Quarterly Report on Form 10-Q to "Super League Enterprise, Inc." "Company," "we," "us," "our," or similar references mean Super League Enterprise, Inc. References to the "SEC" refer to the U.S. Securities and Exchange Commission. All references to "Note," followed by a number reference herein, refer to the applicable corresponding numbered footnotes to the condensed financial statements contained elsewhere herein. Percentage changes with an "" reflect changes greater than 300%.*

References to "financial statements," "balance sheets," "statements of operations and comprehensive income (loss)," "statements of cash flows," and "statements of stockholders' equity," refer to the "condensed financial statements," "condensed balance sheets," "condensed statements of operations and comprehensive income (loss)," "condensed statements of cash flows" and "condensed statements of stockholders' equity," respectively, of the Company, including the accounts of the Company and its wholly owned subsidiaries, if any. As of September 30, 2026 and December 31, 2025, there were no wholly owned subsidiaries of the Company. The legal entity Mobcrush Streaming, Inc. was dissolved effective May 14, 2025. InPvP, LLC was sold in May 2025 as described at Note 3.

All references to "common stock" refer to the Company's common stock, par value $0.001 per share.

In October 2025, the Company entered into Securities Purchase Agreements (the "PIPE Purchase Agreement") with certain accredited investors, relating to the Company's offering of an aggregate of (a) 332,084 shares (the "PIPE Shares") of the Company's common stock, at a price per share equal to $12.00 and (b) Pre-Funded Warrants to purchase 1,334,584 shares of common stock (the "PIPE Pre-Funded Warrants") at a price per PIPE Pre-Funded Warrant equal to same price as that for PIPE Shares minus $0.00001, and the remaining exercise price of each PIPE Pre-Funded Warrant will equal $0.00001 per share, for gross proceeds to the Company of approximately $20,000,000, before deducting offering costs and expenses (as referenced herein, "October 2025 PIPE")

Forward-Looking Statements

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our condensed financial statements and the related notes included elsewhere in this interim report. Our condensed financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The following discussion and analysis contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), including, without limitation, statements regarding our expectations, beliefs, intentions or future strategies that are signified by the words "expect," "anticipate," "intend," "believe," or similar language. All forward-looking statements included in this document are based on information available to us on the date hereof, and we assume no obligation to update any such forward-looking statements. Our business and financial performance are subject to substantial risks and uncertainties. Actual results could differ materially from those projected in the forward-looking statements. In evaluating our business, you should carefully consider the information set forth under the heading "Risk Factors" included Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2025, as well as in Part II, Item 1A of this Quarterly Report on Form 10-Q (this "Report"). Readers are cautioned not to place undue reliance on these forward-looking statements.

Overview

Super League (Nasdaq: SLE) connects brands with the 3.5 billion-person global gaming population through advertising and branded content programs across gaming and digital media platforms. The Company generates revenue by executing these programs through proprietary interactive formats, creator content, immersive experiences, data-driven insights, and strategic campaign services to improve marketing performance. By translating player behavior into actionable intelligence, Super League serves as a trusted partner that enables brands to more effectively influence consumers who play video games, positioning the Company to capture a greater share of advertising spend over time.

The Company generates revenue from brands and agencies by executing programs targeting U.S. audiences that include (i) mini-games and experiences within Roblox, Minecraft, and Fortnite, (ii) playable and rewarded video ads in mobile and immersive environments, (iii) in-game ads across mobile and PC, (iv) connected TV gaming applications and sponsorships, (v) custom integrations within games, (vi) interactive characters, and (vii) influencer content across social and digital video platforms. An additional emerging revenue source includes participation in revenue generated by select game properties.

Reverse Common Stock Split

On January 16, 2026, the Company filed an amendment (the "2026 Amendment") to the Company's Third Amended Certificate, to effect a reverse stock split of the Company's issued and outstanding shares of common stock at a ratio of 1-for-12 (the "2026 Reverse Split"). The 2026 Amendment became effective on January 23, 2026. As a result of the 2026 Reverse Split, every 12 shares of the Company's issued and outstanding common stock was automatically combined and converted into one issued and outstanding share of common stock.

All references to common stock, warrants to purchase common stock, options to purchase common stock, restricted stock, share data, per share data and related information contained in the financial statements have been retroactively adjusted to reflect the effect of the 2026 Reverse Split (and all other reverse splits described herein) for all periods presented.

Summary Financial Results

Three Months Ended September 30, 2026 as compared to the Three Months Ended September 30, 2025

Revenue for the three months ended September 30, 2026 totaled $2.6 million, an increase of $188,000 or 8%, compared to $2.4 million for the comparable prior year quarter. Cost of revenue for the three months ended September 30, 2026 totaled $1.6 million, an increase of $277,000, or 21%, compared to $1.3 million in the comparable prior year quarter. As a percentage of revenue, gross profit for the three months ended September 30, 2026 was 38%, compared to 45% for the comparable prior year quarter.

Total operating expense for the three months ended September 30, 2026 decreased $279,000, or 7% to $3.9 million, compared to $4.1 million in the comparable prior year quarter. Excluding noncash stock compensation expense, intangible asset amortization expense, mark to market related fair value adjustments, and other noncash charges (collectively, “noncash charges and credits”), totaling $930,000 and $1.1 million, respectively, operating expense for the three months ended September 30, 2026 and 2025 was $2.9 million and $3.0 million, respectively, reflecting an $80,000, or 3% decrease compared to the prior year quarter. Net loss for the three months ended September 30, 2026, which includes the impact of net noncash charges and credits totaling $930,000, was $2.9 million or $(0.83) per share, compared to a net loss of $3.6 million, or $39.01 per share (refer to Note 2), in the comparable prior year quarter. Excluding net noncash charges and credits, net loss for the three months ended September 30, 2026 was $1.9 million, compared to a net loss of $2.7 million in the comparable prior year quarter. The calculation of net loss per share for the three months ended September 30, 2025 included net noncash common stock dividend and deemed dividend related direct net credit to accumulated deficit totaling $7.1 million, as described at Note 6.

Nine Months Ended September 30, 2026 as compared to the Nine Months Ended September 30, 2025

Revenue for the nine months ended September 30, 2026 totaled $8.6 million, an increase of $481,000 or 6%, compared to $8.1 million for the comparable prior year period. Cost of revenue for the nine months ended September 30, 2026 totaled $5.3 million, an increase of $754,000 or 17%, compared to $4.6 million in the comparable prior year period, driven partially by the 6% increase in revenues for the same periods. As a percentage of revenue, gross profit for the nine months ended September 30, 2026 was 38%, compared to 44% for the comparable prior year period.

Total operating expense for the nine months ended September 30, 2026 increased $566,000, or 4% to $14.0 million, compared to $13.4 million in the comparable prior year period. Excluding noncash charges and credits totaling $4.5 million and $3.0 million, respectively, operating expense for the nine months ended September 30, 2026 and 2025 was $9.4 million and $10.4 million, respectively, reflecting a $1.0 million, or 10% decrease compared to the prior year period, reflecting the impact of our ongoing focus on cost reductions and operating efficiencies. Net loss for the nine months ended September 30, 2026, which includes the impact of net noncash charges and credits totaling $5.1 million, was $11.3 million or $(4.17) per share, compared to a net loss of $10.6 million, or $(59.53) per share, in the comparable prior year period. Excluding net noncash charges and credits, net loss for the nine months ended September 30, 2026 was $6.2 million, compared to a net loss of $8.4 million in the comparable prior year period. The calculation of net loss per share for the nine months ended September 30, 2026 and September 30, 2025, included net noncash common stock dividend and deemed dividend related direct (charges)/credits to accumulated deficit totaling ($828,000) and $7.0 million, respectively, as described at Note 6.

Executive Summary

Metaplanet Subscription Agreement and Evo Subscription Agreement

On August 18, 2026, the Company entered into (A) a subscription agreement (the "Metaplanet Subscription Agreement") with Metaplanet Holdings, Inc., a Florida corporation ("Metaplanet") and a wholly owned subsidiary of Metaplanet, Inc., a corporation formed under the laws of Japan, and (B) a subscription agreement (the "Evo Subscription Agreement," and together with the Metaplanet Subscription Agreement, the "Subscription Agreements") with Evo Fund, a Cayman Islands exempted company ("Evo").

Pursuant to the Subscription Agreements, subject to the terms and conditions set forth therein, it is contemplated that the Company will issue the following securities: (A) to Metaplanet, (i) 44,859,400 shares of common stock, at a price of $3.00 per share (the "Investment Shares"), (ii) 100 shares of convertible, perpetual preferred stock, par value $0.001 per share, of the Company, with no liquidation value (the "Strategic Alliance Preferred Stock"), and (iii) four common stock purchase warrants to purchase up to 381,000,000 shares of common stock at exercise prices ranging from $3.00 per share to $33.50 per share, with a ten-year exercise period (collectively, the "Metaplanet Warrants"); and (B) to Evo, two common stock purchase warrants to purchase up to 10,000,000 shares of common stock at exercise prices ranging from $3.00 per share to $5.55 per share, with a two-year exercise period (collectively, the "Evo Warrants").

Additionally, for a period of twenty-four (24) months after the closing of the Transactions (as defined below), Metaplanet will have the right to subscribe for up to 2,100,000 shares of non-convertible, perpetual junior preferred stock, par value $0.001 per share, of the Company, with a stated value of $100.00 per share, allowing Metaplanet to invest up to an additional $210,000,000 in the Company. The Investment Shares, the Strategic Alliance Preferred Stock, the Metaplanet Warrants and the Evo Warrants are collectively referred to herein as the "Securities," and the transactions contemplated by the Subscription Agreements are referred to herein as the "Transactions."

As consideration for the issuance of the Securities, at the closing of the Transactions, Metaplanet will deliver to the Company (i) 2,100 Bitcoin, based on the U.S. dollar market value measured using the closing market price of Bitcoin on the Coinbase Exchange at 4:00 p.m. (New York City time) on August 14, 2026, and (ii) $2,500,000 in immediately available funds (collectively, the "Closing Consideration"). The value of the Closing Consideration will be used to determine the number of Investment Shares, which will be rounded to the nearest 100 shares.

In connection with the Transactions, Metaplanet intends to enter into a lock-up agreement, pursuant to which Metaplanet will agree not to sell, transfer, or otherwise dispose of the securities issued to it pursuant to the Metaplanet Subscription Agreement for a period of five years after the closing of the Transactions, subject to certain exceptions.

So long as Metaplanet and its affiliates beneficially own any shares of Strategic Alliance Preferred Stock, Metaplanet will have certain voting and director designation and nomination rights, which will be set forth in a Stockholder Rights Agreement to be entered into with the Company at the closing of the Transactions. In addition, at the closing of the Transactions, the Company expects to enter into registration rights agreements with each of Metaplanet and Evo, which will provide for customary registration rights.

Each of the Subscription Agreements contains customary representations, warranties and covenants by the Company, Metaplanet and Evo, as applicable, including for liabilities under the Securities Act of 1933, as amended (the "Securities Act"), and other customary obligations of the respective parties.

In connection with the Transactions, the Company expects to file the Fourth Amended and Restated Certificate of Incorporation of the Company (the "Amended Charter") with the Secretary of State of the State of Delaware, providing for, among other things, a name change to "Superplanet, Inc.," increases to the number of authorized shares of common stock and Preferred Stock, declassification of the Company's Board of Directors, and exclusive forum provisions. Substantially concurrently therewith, the Company expects to amend and restate its bylaws to reflect, among other things, the governance changes contemplated by the Amended Charter.

The proposed transaction is a strategic investment in the Company, an existing Nasdaq-listed operating company, through a private placement of newly issued securities. Subject to Nasdaq approval, the Company will remain listed on Nasdaq and continue to operate its established gaming media business. We believe that the Metaplanet Transaction will pair Metaplanet's disciplined Bitcoin treasury model with Super League's gaming-native audience and brand-partnership platform, anchored by an initial Bitcoin commitment to Super League's balance sheet intended to serve as a long-term strategic reserve for the convergence of digital assets and digital culture. In addition, revenue diversification will be realized through Metaplanet's Bitcoin income generation platform as well as the opportunity to launch financial and other products within the Bitcoin economy.

The Transactions are expected to close in the fourth quarter of 2026, subject to the satisfaction or waiver of customary closing conditions, including, among other things, receipt of the Company stockholders' approval. Upon the closing of the Transactions, the Company will be renamed "Superplanet, Inc." The Company will become a "controlled company" under Nasdaq rules and a consolidated subsidiary of Metaplanet, with Metaplanet holding approximately 95.7% of the Company's issued and outstanding common stock (or approximately 93.6%, assuming exercise of the Company's outstanding pre-funded warrants).

The foregoing descriptions of the Metaplanet Subscription Agreement and the Evo Subscription Agreement are summaries and are qualified in their entirety by reference to the full text of such agreements, forms of which are filed as Exhibit 10.1 and Exhibit 10.2, respectively, to the Company's Current Report on Form 8-K, filed with the Securities and Exchange Commission on August 18, 2026.

Annual Meeting of Stockholders – Approval of Metaplanet Transaction Related Matters and Other

On October 16, 2026, Company held its 2026 Annual Meeting of Stockholders (the "*Annual Meeting*"), at which a quorum for the transaction of business was present virtually or represented by proxy. The matters voted upon at the Annual Meeting and the results of the voting are set forth below:

Proposal No. 1 – Election of the Two Class III Directors. The Company's stockholders voted to re-elect two Class III director nominees, Ann Hand and Robert Kalutkiewicz, to serve on the Company's Board of Directors (the "*Board*"), each for a term to conclude at the Company's 2029 annual meeting of stockholders.

Proposal No. 2 – Approval of the Common Stock Issuance Pursuant to Nasdaq Listing Rule 5635. The Company's stockholders voted to approve, for purposes of complying with Nasdaq Listing Rule 5635, the issuance of up to 435,859,500 shares of common stock, pursuant to the terms of (i) the Subscription Agreement, dated as of August 18, 2026, by and between the Company and Metaplanet, and (ii) the Subscription Agreement, dated as of August 18, 2026, by and between the Company and Evo Fund, a Cayman Islands exempted company.

Proposal No. 3 – Approval of the Fourth Amended and Restated Certificate of Incorporation. The Company's stockholders voted to approve and adopt, assuming Proposal No. 2 is approved and adopted, the Fourth Amended and Restated Certificate of Incorporation of the Company (the "*Amended Charter*").

Proposal No. 4 – Approval of the Advisory Charter Proposals. The Company's stockholders voted to approve and adopt, on a non-binding advisory basis, assuming Proposal No. 2 is approved and adopted, certain differences between the Company's current Certificate of Incorporation, as amended and restated, and the Amended Charter, as follows:

Proposal No. 4(a) — Name Change. The vote required to approve advisory Proposal No. 4(a), assuming Proposal No. 2 is approved, was the affirmative vote of a majority of the votes cast at the Annual Meeting. Accordingly, the Company's stockholders approved, on a non-binding advisory basis, this Proposal No. 4(a).

Proposal No. 4(b) — Increase the Number of Authorized Capital Stock. The Company's stockholders voted to approve and adopt, on a non-binding advisory basis, an amendment to (i) increase the number of shares of common stock authorized for issuance thereunder from 750,000,000 to 1,000,000,000; and (ii) increase the number of shares of preferred stock authorized for issuance thereunder from 10,000,000 to 100,000,000.

*Proposal No. 4(c) — Special Meetings; Stockholder Action by Written Consent. T*he Company's stockholders voted to approve and adopt, on a non-binding advisory basis, an amendment to set forth that (i) special meetings of the stockholders of the Company may only be called by (a) the Board, (b) the chairperson of the Board or (c) the Chief Executive Officer of the Company; and (ii) on and after the date on which Metaplanet and its affiliates cease to own shares of voting stock representing at least fifty percent (50%) of the votes entitled to be cast by the holders of the outstanding shares of voting stock, voting together as a single class (such date, the "*Ownership Threshold Date*"), any action required or permitted to be taken by stockholders may be effected only at an annual or special meeting of stockholders.

Proposal No. 4(d) — Waiver of Section 203 of the DGCL. The Company's stockholders voted to approve and adopt, on a non-binding advisory basis, an amendment to provide that Section 203 of the Delaware General Corporation Law, which governs business combinations between the Company and certain interested stockholders, will not apply to the Company until the Ownership Threshold Date.

Proposal No. 4(e) — Corporate Opportunity Waiver. The Company's stockholders voted to approve and adopt, on a non-binding advisory basis, an amendment to provide for a waiver of the doctrine of corporate opportunities, and to eliminate any duty to refrain from competing with the Company or any of its affiliates, for (i) Metaplanet and any of its affiliates, and (ii) any director of the Company who is not an employee of the Company.

Proposal No. 4(f) — Forum Selection Clause. The Company's stockholders voted to approve and adopt, on a non-binding advisory basis, an amendment to designate Delaware courts as the exclusive forum for certain litigation matters, and to designate the U.S. federal district courts as the exclusive forum for claims arising under the Securities Act of 1933, as amended (the "Securities Act"), and U.S. federal securities laws.

Proposal No. 4(g) — Removal of Classification of Board of Directors Provisions. The Company's stockholders voted to approve and adopt, on a non-binding advisory basis, an amendment to declassify the Board, resulting in one class of directors serving for a term expiring at the following annual meeting of stockholders.

Proposal No. 5 – Approval of the Amendment and Restatement of the 2025 Omnibus Equity Incentive Plan. The Company's stockholders voted to approve, assuming Proposal No. 2 is approved, amendment and restatement of the Company's 2025 Omnibus Equity Incentive Plan to (i) increase the number of shares authorized thereunder by 6,000,000 shares of common stock and (ii) make certain other amendments consistent with good governance practice or applicable law.

Proposal No. 6 – Ratification of the Appointment of WithumSmith+Brown, PC as the Company's Independent Auditor. The Company's stockholders voted to ratify the appointment of WithumSmith+Brown, PC as the Company's independent auditor for the fiscal year ending December 31, 2026.

Proposal No. 7 – Approval of an Adjournment of the Annual Meeting. The Company's stockholders voted to approve an adjournment of the Annual Meeting, if necessary, to solicit additional proxies if there were not sufficient votes at the time of the Annual Meeting to approve the election of the two Class III directors and approve Proposals No. 2, 3, 4, 5 and 6.

Misfits Transaction

On March 16, 2026, the Company entered into an asset purchase agreement (the "Misfits Asset Purchase Agreement") with Esports Now, LLC ("Misfits"), pursuant to which Misfits agreed to sell certain assets strictly constituting the Misfits Ads assets (the "Misfits Purchased Assets") to the Company (the "Misfits Transaction").

On March 20, 2026, the Company filed a preliminary proxy statement with the SEC, followed by the filing of a definitive proxy statement with the SEC on April 2, 2026 (the "Misfits Proxy Statement"). The Misfits Proxy Statement solicited the approval of the issuance of an aggregate of 1,161,813 shares of common stock to be issued as consideration in connection with the Misfits Transaction (the "Issuance Proposal") by the affirmative vote of a majority of the voting power of the Company's shares present at a special meeting of the Company's stockholders, scheduled for April 30, 2026 (the "Special Meeting").

On April 30, 2026, at the Special Meeting, the Company's stockholders approved the Issuance Proposal. On May 1, 2026 (the "Misfits Closing Date"), the Company and Misfits consummated the Misfits Transaction (the "Misfits Closing").

Misfits Transaction Consideration. At the Misfits Closing, the Company paid the following consideration for the Misfits Purchased Assets: (i) a cash payment in the amount of $1.5 million (the "Misfits Closing Cash Consideration"), (ii) 26,768 shares of common stock (the "Misfits Closing Shares"), (iii) a pre-funded common stock purchase warrant to purchase 509,682 shares of common stock (the "Misfits Pre-Funded Warrant," and the shares issuable upon exercise of the Misfits Pre-Funded Warrant, the "Misfits PFW Shares"), and (iv) a common stock purchase warrant to purchase 536,450 shares of common stock, with an exercise price of $18.00 (the "Misfits Warrant", and the shares issuable upon exercise of the Misfits Warrant, the "Misfits Warrant Shares")(the Misfits Closing Shares, the Misfits PFW Shares, and the Misfits Warrant Shares collectively, the "Misfits Closing Share Consideration"). Pursuant to the terms and subject to the conditions of the Misfits Asset Purchase Agreement, on the one-year anniversary of the Misfits Closing, the Company will pay an additional cash payment in the amount of $300,000 (the "Delayed Cash Payment").

In addition, pursuant to the terms and subject to the conditions of the Misfits Asset Purchase Agreement, on the one-year anniversary of the Misfits Closing, the Company may pay up to an aggregate of (i) $1.2 million in cash (the "Misfits Earnout Cash"), and (ii) 105,571 shares of common stock, or, upon the election of Misfits, Misfits Pre-Funded Warrants to purchase 105,571 shares of common stock (the "Misfits Earnout Shares", and collectively with the Misfits Earnout Cash, the "Misfits Earnout Consideration"). The Misfits Earnout Consideration will be payable to Misfits in connection with: (i) the achievement of certain gross profit milestones for the period beginning on the Misfits Closing Date until the date that is one year from the date of the Misfits Closing; and (ii) the Company's market capitalization as of the one and two year anniversary of the Misfits Closing Date.

The Misfits Warrants are exercisable immediately upon issuance, expire two years from the date of issuance, and have an initial exercise price of $18.00 (the "Initial Exercise Price"), subject to adjustment for any stock splits, stock dividends, recapitalizations, and similar events. The Misfits Warrants also contain a call feature, whereby, after the Company has registered the Misfits Warrant Shares on an effective registration statement filed with the SEC, the Company has the option, but not the obligation, and in the Company's sole and absolute discretion, to purchase the Misfits Warrant from the holder at a price of $0.001 per share of common stock underlying the Misfits Warrant (the "Call Option"), in the event the closing price of the Company's common stock, as listed on the Nasdaq Capital Market, is at or above $18.00 per share for 20 consecutive trading days (the "Call Trigger"). The Company's right to exercise the Call Option will begin on the day immediately following the Call Trigger until the day that is thirty (30) calendar days thereafter, by way of delivery of a notice to exercise the Call Option to the holders of the Misfits Warrants.

The exercise price of the Misfits Pre-Funded Warrant per underlying share of common stock is $0.001. Pursuant to the Misfits Pre-Funded Warrant, a holder will not be entitled to exercise any portion of any Misfits Pre-Funded Warrant that, upon giving effect to such exercise, would cause: (i) the aggregate number of shares of common stock beneficially owned by such holder (together with its affiliates) to exceed 4.99% of the number of shares of common stock outstanding immediately after giving effect to the exercise; or (ii) the combined voting power of the Company's securities beneficially owned by such holder (together with its affiliates) to exceed 4.99% of the combined voting power of all of the Company's securities outstanding immediately after giving effect to the exercise, as such percentage ownership is determined in accordance with the terms of the Misfits Pre-Funded Warrant, which percentage may be changed at the holder's election to a higher or lower percentage not in excess of 9.99% upon 61 days' notice to the Company. In addition, in certain circumstances, upon a fundamental transaction, a holder of Misfits Pre-Funded Warrants will be entitled to receive, upon exercise of the Misfits Pre-Funded Warrants, the kind and amount of securities, cash or other property that such holder would have received had they exercised the Misfits Pre-Funded Warrants immediately prior to the fundamental transaction.

The Misfits Purchase Agreement contains representations, warranties and covenants of each of the parties thereto that are customary for transactions of this type.

Brand Partnership Agreement. In connection with the Misfits Closing and the entrance into the Misfits Purchase Agreement, the Company and Misfits entered into an exclusive brand partnership agreement dated May 1, 2026 (the "Brand Partnership Agreement"), pursuant to which Misfits agreed to grant certain preferred rights to the Company for purposes of selling brand partnerships where a third-party brand may be advertised (via sponsorships, marketing, brand endorsements, product placements, brand integrations and other similar associations) in certain games in the Misfits Roblox game portfolio. The initial term of the Brand Partnership Agreement is one year, subject to extension by mutual agreement. The Brand Partnership Agreement may be terminated upon written notice by the parties.

Misfits Director Designee. Pursuant to the terms and conditions of the Misfits Purchase Agreement, at the Misfits Closing, Misfits was granted the right to appoint a designee to the Board of Directors of the Company ("Misfits Board Designee"); provided, however, the Misfits Board Designee must be qualified to serve on a public company's board of directors and meet the requirements of an "independent director" pursuant to the rules and regulations of Nasdaq.

Registration Rights Agreement. In connection with the closing of the Misfits Transaction and the entrance into the Misfits Purchase Agreement, the Company and Misfits entered into a registration rights agreement dated May 1, 2026 (the "Registration Rights Agreement"), pursuant to which the Company agreed to file a registration statement with the SEC on or prior to the 90th calendar day following the Misfits Closing Date, for purposes of registering the Misfits Closing Shares, the Misfits Warrant Shares, and the Misfits PFW Shares (the "Misfits Registration Statement"). The Company agreed to use commercially reasonable efforts to have such Registration Statement declared effective within the time period set forth in the Registration Rights Agreement, and to keep the Registration Statement effective until the date that all registrable securities covered by the Registration Statement (i) have been sold, thereunder or pursuant to Rule 144, or (ii) may be sold without volume or manner-of-sale restrictions pursuant to Rule 144 and without the requirement for the Company to be in compliance with the current public information requirement under Rule 144.

Other. The closing of the Misfits Transaction and the integration of the Misfits Purchased Assets involves certain risks and uncertainties, including, among other things, risks related to our ability to successfully integrate the Misfits Purchased Assets into our operations; our ability to implement plans, forecasts and other expectations with respect to the Misfits Purchased Assets; our ability to realize the anticipated benefits of the Misfits Transaction, including the possibility that the expected benefits from the Misfits Transaction will not be realized or will not be realized within the expected time period; the achievement of the revenue milestones and payment of the Misfits Earnout Consideration; the outcome of any legal or governmental proceedings related to the Misfits Transaction or otherwise; the negative effects of the announcement of the Misfits Transaction on the market price of our common stock or on our operating results; significant Misfits Transaction costs; unknown liabilities; attracting new customers and maintaining and expanding our existing customer base; our ability to scale and update our platform to respond to customers' needs and rapid technological change; increased competition in our market and our ability to compete effectively; and expansion of our operations and increased adoption of our platform internationally.

In connection with the closing of the Misfits Transaction, pursuant to the terms of the applicable underlying common stock warrant agreements, the exercise price on certain of the common stock purchase warrants issued in connection with the October 2025 PIPE, representing the right to purchase an aggregate 2.7 million shares of common stock, was reset to the floor price, as defined in the underlying common stock purchase agreements, ranging from $4.99 to $6.84 per share, from $12.00 per share.

Acquisition of Let's Bounce, Inc.

In January 2026 ("Bounce Effective Date") the Company acquired Let's Bounce, Inc. ("Bounce"), a marketing technology company focused on enabling scalable, measurable brand engagement inside gaming and UGC environments. The total purchase price for Bounce, which was structured as an asset acquisition, was $200,000, payable as follows: (a) $75,000 at closing; (b) $25,000 on the three-month anniversary of closing; and (c) $100,000 on the six-month anniversary of closing. In addition, pursuant to the terms and subject to the conditions of the asset purchase agreement ("Bounce Asset Purchase Agreement"), up to $325,000 is contingently payable in connection with the achievement of certain net revenue milestones for the Bounce assets acquired during the year ended December 31, 2026 ("Bounce Contingent Consideration") (the "Bounce Acquisition"). The Bounce Acquisition provides the Company with an existing pipeline of opportunities, enabling more efficient in-game marketing programs, the addition of turnkey loyalty solutions to drive advertiser outcomes, and a roadmap to more automated campaign measurement. Refer to Note 4 for additional information.

Investment in Solsten, Inc.

In January 2026, the Company invested $200,000 in Solsten, Inc ("Solsten") an AI-driven audience intelligence company specializing in psychology-based consumer insights, through a Simple Agreement for Future Equity ("SAFE"), which provides the Company with the right to receive equity in a future financing event, subject to the terms and conditions of the SAFE agreement. The SAFE does not represent a current equity ownership interest but rather a forward contract to acquire equity upon the occurrence of specified events, including a qualifying equity financing or liquidity event, at which point the instrument will either convert into preferred stock or entitle the Company to receive the greater of its invested amount or the value of the underlying equity on an as-converted basis. The collaboration expands Super League's ability to deliver differentiated solutions that move beyond traditional demographics toward predictive audience understanding and insights-led campaign design.

Through the partnership, Super League gains select exclusivity to integrate Solsten's proprietary psychographic data and predictive models directly into its campaign planning, creative development, and optimization workflows. Drawing on a proprietary data set built from opt-in assessments from millions of individuals, Super League can identify the underlying motivations and behavioral drivers, such as status orientation or independence, that shape engagement across interactive, social, and linear environments.

Investment in Hide or OOF! Roblox Game

In January 2026, the Company acquired economic and contractual interests in the Roblox digital property commonly referred to as "Hide or OOF!," ("HOO") (formerly known as Hide or Die!) pursuant to an Investment and Brand Partnership Agreement ("HOO Agreement") dated January 5, 2026 ("HOO Effective Date"). HOO is a Top 100 Roblox game (source: Rotrends) that has been visited more than 570 million times in 16 months. The investment reflects a transition from strategy to execution as the Company begins securing ownership positions in cash-generating assets within the gaming content and media economy, establishing a foundation for future digital-asset-based initiatives aligned with owned revenue streams.

Pursuant to the HOO Agreement, the Company transferred total consideration of $202,000 in exchange for certain rights associated with the Hide or OOF! digital property. The consideration consisted of $165,000 in cash and 4,326 shares of the Company's restricted common stock valued at $37,000. In connection with the investment, the Company obtained (i) a fifteen percent (15.0%) equity ownership interest in Hide or OOF!, (ii) a contractual right to receive fifteen percent (15.0%) of Hide or OOF!'s gross revenue, as paid in Robux, post-Roblox split, for the existence of the game, (iii) a contractual right to receive a twelve percent (12.0%) fee on certain direct brand transactions, and (iv) exclusive rights with respect to certain brand partnership opportunities and related placement economics. The agreement also contains a right of first refusal with respect to future sales of equity ownership interests and economic interests in the property.

Expansion of AdArcade Partnership

In January 2026, the Company announced an expansion of its exclusive partnership with AdArcade, introducing new AI-powered capabilities that significantly broaden how brands can deploy playable media at scale within rewarded mobile video inventory. AdArcade's patented Native Playables® technology converts a brand's existing video ad into a playable experience that gamifies interaction with brand messaging. With AdArcade's new AI-powered Creative-as-a-Service (CaaS) offering, programmatic teams can utilize Native Playables with virtually no incremental effort or creative cost. This allows brands to seamlessly extend video campaigns into mobile gaming video inventory, turning what was once a workflow gap into a true omnichannel opportunity without added complexity.

Ownership Interest in My Avatar!

In April 2026, the Company announced the acquisition of an ownership interest in My Avatar!, a Top 25 shopping experience on Roblox (source: Rotrends). The investment advances Super League's Strategic Properties initiative, expanding its portfolio of equity ownership positions in high-performing Roblox experiences that generate both direct cash flow and differentiated inventory for playable advertising and interactive content programs delivered on behalf of global brand partners. The initiative expands Super League's ability to reach one of the largest, most influential, and under-monetized consumer segments in modern media and culture, positioning the Company to capture a greater share of advertising spend directed toward this audience.

Sale of Mineville

On May 19, 2025, the Company entered into a Membership Interest Purchase and Sale Agreement (the "Mineville Purchase Agreement") with Mineville, LLC, a Delaware limited liability company ("Purchaser"), pursuant to which the Company agreed to sell, and Purchaser agreed to purchase, 100% of the membership interests (the "Interests") of InPvP, LLC ("InPvP"). Prior to the Mineville Sale, InPvP was a wholly owned subsidiary of the Company that owned and operated the Company's Mineville digital offering. The closing of the Mineville Sale occurred simultaneously with the execution of the Mineville Purchase Agreement. The Purchaser paid cash consideration totaling $350,000 at the Mineville Closing to acquire the Interests.

The parties also agreed upon separate terms for an ongoing commercial relationship whereby the Company was granted the rights to ad sales and brand integration (the "Sales Rights") to all of Purchaser's Microsoft servers for a term of two years (the "Sales Term"). The Company will have exclusive Sales Rights for the first year of the Sales Term, and during the second year the Sales Rights will be non-exclusive. During the Sales Term, the revenue generated from the Sales Rights will be allocated among the Company and Purchaser as follows: (i) the Company will retain 60% of the net revenue until gross sales revenue exceeds $1.0 million; (ii) after gross sales revenue exceed $1.0 million, the Company will retain 50% of the net revenue through the remainder of the Sales Term; and (iii) if gross sales revenue exceeds $1.5 million during the Sales Term, the Sales Term shall renew automatically for one additional year on the same terms as the second year of the Sales Term.

Other

Bitcoin Purchases. During the period from October 10, 2026 to November 14, 2026, the Company purchased 39 Bitcoin for an average purchase price of $76,368.75 per Bitcoin, excluding fees and expenses, as part of its exploration of Bitcoin as a treasury asset alongside cash and cash equivalents.

Registered Direct Offering. On November 13, 2026, the Company entered into a securities purchase agreement (the "RDO Purchase Agreement") with certain accredited investors for the registered direct offering of an aggregate of 150,000 shares of the Company's common stock (the "RDO Shares"), at a purchase price of $4.00 per share (the "November Registered Direct Offering"). The November Registered Direct Offering will close on or about November 16, 2026, subject to the satisfaction of customary closing conditions in the RDO Purchase Agreement, and will result in gross proceeds to the Company of approximately $600,000. The RDO Shares were offered by the Company pursuant to a prospectus supplement to the Company's currently effective shelf Registration Statement on Form S-3, which was declared effective by the U.S. Securities and Exchange Commission on December 20, 2024 (File No. 333-283812).

Seasonality

Our revenue fluctuates quarterly and is generally higher in the second half of our fiscal year, with the fourth quarter typically representing our highest revenue quarter each year. Advertising spending is traditionally seasonally strong in the second half of each year, reflecting the impact of seasonal back to school, game release and holiday season advertising spending by brands and advertisers. We believe that this seasonality in advertising spending affects our quarterly results, which generally reflect relatively higher advertising revenue in the second half of each year, compared to the first half of the year.

Condensed Results of Operations

The following table sets forth a summary of our results of operations for the three and nine months ended September 30, 2026 and 2025 (dollars in thousands):

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2026	2025	$	%	2026	2025	$	%
REVENUE	$ 2,611	$ 2,423	$ 188	8%	$ 8,623	$ 8,142	$ 481	6%
COST OF REVENUE	1,620	1,343	277	21%	5,311	4,557	754	17%
GROSS PROFIT	991	1,080	(89)	(8)%	3,312	3,585	(273)	(8)%
OPERATING EXPENSE								
Selling, marketing and advertising	1,688	1,699	(11)	(1)%	5,416	6,198	(782)	(13)%
Engineering, technology and development	447	667	(220)	(33)%	2,329	2,290	39	2%
General and administrative	1,820	1,765	55	3%	6,336	4,938	1,398	28%
Contingent consideration	(103)	-	(103)	*%	(103)	(14)	(89)	*%
Total operating expense	3,852	4,131	(279)	(7)%	13,978	13,412	566	4%
NET OPERATING LOSS	(2,861)	(3,051)	(190)	(6)%	(10,666)	(9,827)	839	9%
OTHER INCOME (EXPENSE), NET	(15)	(511)	(496)	(97)%	(651)	(748)	(97)	(13)%
Loss before income taxes	(2,876)	(3,562)	(686)	(19)%	(11,317)	(10,575)	742	7%
Provision (benefit) for income taxes	-	-	-	-	-	-	-	-
NET LOSS	$ (2,876)	$ (3,562)	$ (686)	(19)%	$ (11,317)	$ (10,575)	$ 742	7%

Comparison of the Results of Operations for the Three and Nine Months Ended September 30, 2026 and 2025

Revenue (dollars in thousands)

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2026	2025	$	%	2026	2025	$	%
Media and advertising	$ 1,885	$ 1,025	$ 860	84%	$ 5,011	$ 3,773	$ 1,238	33%
Publishing and content studio	726	1,398	(672)	(48)%	3,612	4,056	(444)	(11)%
Direct to consumer	-	-	-	-%	-	313	(313)	(100)%
	$ 2,611	$ 2,423	$ 188	8%	$ 8,623	$ 8,142	$ 481	6%

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Number of customers > 10% of revenue / percent of revenue	One / 10%	Three / 37%	Two / 25%	Two / 28%
By revenue category:				
Media and advertising	One / 10%	One / 13%	Two / 19%	One / 14%
Publishing and content studio	- / -%	Two / 24%	One / 6%	One / 14%

Three Months Ended September 30, 2026, Compared to the Three Months Ended September 30, 2025:

- Total revenue increased $188,000, or 8% to $2.6 million, compared to $2.4 million in the comparable prior year quarter.

- Media and advertising revenue increased $860,000, or 84%, to $1.9 million, compared to $1.0 million in the comparable prior year quarter. The change reflected a $440,000 increase in on-platform revenues and a $332,000 increase in programmatic media revenues. Off-platform sales revenues as a percentage of total revenue for the three months ended September 30, 2026 and 2025 were 15% and 16%, respectively, reflecting the impact of our strategic focus on diversifying our revenue streams and related opportunities.

- Publishing and content studio revenue decreased $672,000 or 48%, to $726,000, compared to $1.4 million in the comparable prior year quarter, driven primarily by a net $388,000 decrease in custom game development and immersive experience related revenues and $283,000 decrease in content studio revenues. Revenues for the three months ended September 30, 2026 included revenues from immersive experiences for Gogo SqueeZ, Panda Express and Sony Pictures: Jumanji. Revenues for the three months ended September 30, 2025 included revenues from immersive experiences for Lions Gate Ancillary LLC (World Crossing), Second Dinner Studios, Inc. (Nuverse Marvel Snap), Heidi Klum Company, L'OREAL USA, Inc. and Logitech.

Nine Months Ended September 30, 2026, Compared to the Nine Months Ended September 30, 2025:

- Total revenue increased $481,000, or 6% to $8.6 million, compared to $8.1 million in the comparable prior year period.

- Media and advertising revenue increased $1.2 million, or 33%, to $5.0 million, compared to $3.8 million in the comparable prior year period. The change reflected an $875,000 increase in on-platform revenues, a $502,000 increase in off-platform revenues and a $531,000 increase in programmatic media revenues. This is offset by a $651,000 strategic decrease in lower margin influencer marketing revenues. Off-platform sales revenues as a percentage of total revenue for the nine months ended September 30, 2026 and 2025 were 20% and 15%, respectively, reflecting the impact of our strategic focus on diversifying our revenue streams and related opportunities.

- Publishing and content studio revenue decreased $444,000, or 11%, to $3.6 million, compared to $4.1 million in the comparable prior year period, driven primarily by a $795,000 decrease in content studio revenues. The decrease was partially offset by a net $352,000 increase in custom game development and immersive experience related revenues. Revenues for the nine months ended September 30, 2026 included revenues from immersive experiences for Gogo SqueeZ, Trident, Panda Express, Indeed, Sony Pictures: Jumanji, Chupa Chups and H&R Block. Revenues for the nine months ended September 30, 2025 included revenues from immersive experiences for Lions Gate Ancillary LLC. (World Crossing), Second Dinner, Inc./Funnico Inc. (Nuverse Marvel Snap), CMG Strategy Co., LLC (Chipotle / Halsey experience), United States Golf Association, Hi-Chew, Panda Express, Heidi Klum Company and Logitech.

- Direct to consumer revenue decreased $313,000, or 100%, primarily reflecting the impact of the sale of our Mineville digital property in May 2025, which prior to the sale, generated direct to consumer Minecraft related digital goods revenues for the Company.

Cost of Revenue

Cost of revenue includes direct costs incurred in connection with the satisfaction of performance obligations under our revenue arrangements including internal and third-party engineering, creative, content, broadcast and other personnel, talent and influencers, internal and third-party game developers, third-party ad-platform, content capture and production services, direct marketing, cloud services, software, prizing, and revenue sharing fees. Cost of revenue fluctuates period to period based on the specific programs and revenue streams contributing to revenue each period and the related cost profile of our physical and digital experiences, media and advertising campaigns and publishing and content studio sales activities occurring each period.

Three Months Ended September 30, 2026, Compared to the Three Months Ended September 30, 2025:

- Cost of revenue increased $277,000, or 21%, compared to the 8% increase in related revenues due to the impact of the 5% increase in off platform media sales revenues with lower average margins, compared to the mix of programs that generated revenues during the prior year comparable quarter.

Nine Months Ended September 30, 2026, Compared to the Nine Months Ended September 30, 2025:

- Cost of revenue increased $754,000, or 17%, compared to the 6% increase in related revenues due to the impact of the 42% increase in off platform media sales revenues with lower average margins during the nine months ended September 30, 2026 compared to the mix of programs that generated revenues during the prior year comparable period.

Operating Expense

Refer to the table summarizing our results of operations for the three and nine months ended September 30, 2026 and 2025 above.

Noncash stock-based compensation. Noncash stock-based compensation expense for the periods presented was included in the following operating expense line items (dollars in thousands):

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2026	2025	$	%	2026	2025	$	%
Selling, marketing and advertising	$ 352	$ 53	$ 299	*	$ 1,110	$ 304	$ 806	265%
Engineering, technology and development	66	2	64	*	216	15	201	*%
General and administrative	384	558	(174)	(31)%	1,546	1,053	493	47%
Total noncash stock compensation expense	$ 802	$ 613	$ 189	31%	$ 2,872	$ 1,372	$ 1,500	109%

The increase in noncash stock compensation expense for the periods presented was primarily due to shareholder approval of the 2025 Omnibus Equity Incentive Plan in June 2025, and shareholder approval of the increase in the number of shares authorized for issuance under the 2025 Plan to 580,655 shares in October 2025. Prior to June and October 2025, the Company granted minimal equity awards due to a lack of availability of authorized shares under the prior 2014 Stock Incentive Plan. As a result of the increase in the available authorized shares for issuance, in June, November and December 2025 the Company's Board issued an aggregate of 529,000 equity incentive awards to employees and contractors under the 2025 Plan, as part of Board approved equity incentive programs, with in general, two year vesting periods and a weighted average grant date fair value of $10.98, resulting in an increase in noncash stock compensation expense in the three and nine months ended September 30, 2026, compared to the prior year comparable periods.

Unrecognized compensation expense related to the awards cancelled under the 2014 Plan, as described at Note 2, totaled $408,000 which is being recognized prospectively over the remaining modified service period of 2 years. Total incremental compensation cost related to the 2025 Exchanged Awards totaled $307,000, $165,000 of which related to vested awards as of the modification date and was recognized as expense immediately in the statement of operations and comprehensive income (loss) for the nine months ended September 30, 2025, and $141,000 related to unvested awards which is being recognized prospectively over the remaining modified service period of 2 years.

Amortization of intangible assets. Amortization expense for the periods presented was included in the following operating expense line items (dollars in thousands):

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2026	2025	$	%	2026	2025	$	%
Selling, marketing and advertising	$ 43	$ 157	$ (114)	(73)%	$ 255	$ 508	$ (253)	(50)%
Engineering, technology and development	166	231	(65)	(28)%	1,274	699	575	82%
General and administrative	21	125	(104)	(83)%	237	386	(149)	(39)%
Total amortization expense	$ 230	$ 513	$ (283)	(55)%	$ 1,766	$ 1,593	$ 173	11%

Amortization expense for the quarterly periods presented decreased due to the impact of the prior period write-down of Super Biz and Mobcrush acquisition related intangible assets, resulting in a decrease in current period amortization expense totaling $436,000, partially offset by an increase in amortization in connection with the January 2026 Bounce Acquisition and May 2026 Misfits Transaction totaling $157,000.

Amortization expense for the nine months ended September 30, 2026 increased due primarily to the net impact of the increase in current period year to date amortization in connection with the January 2026 Bounce Acquisition and May 2026 Misfits Transaction totaling $302,000 and the acceleration of amortization related to capitalized internal use software costs due to the reduction of the related estimated useful life, totaling $400,000, partially offset by a reduction in amortization expense due to the prior period write-down of Mobcrush acquisition related intangible assets, resulting in a decrease in current period year to date amortization expense totaling $516,000.

Selling, Marketing and Advertising

Three Months Ended September 30, 2026, Compared to the Three Months Ended September 30, 2025:

Selling, marketing and advertising expense decreased primarily due to a $306,000 net decrease in personnel costs reflecting the impact of fiscal year 2025 and 2026 net headcount reductions in connection with ongoing cost reduction and optimization activities, and a $114,000 decrease in amortization expense, as described above. This decrease is partially offset by an increase in noncash stock compensation expense totaling $299,000, as described above, and a $48,000 increase in outside contractor costs.

Nine Months Ended September 30, 2026, Compared to the Nine Months Ended September 30, 2025:

Selling, marketing and advertising expense decreased primarily due to a $1.6 million net decrease in personnel costs reflecting the impact of fiscal year 2025 and 2026 net headcount reductions in connection with ongoing cost reduction and optimization activities, and a $253,000 decrease in amortization expense, as described above, partially offset by an increase in noncash stock compensation expense totaling $806,000, as described above, and a $217,000 reduction in selling, marketing and advertising personnel costs allocated to cost of revenue due to an increase in the mix of revenue generating programs utilizing external resources.

Engineering, Technology and Development

Components of our platform are available on a “free to use,” “always on basis,” and are utilized and offered as an audience acquisition tool, as a means of growing our audience, engagement, viewership, players and community. Engineering, technology and development related operating expense include the costs described below, incurred in connection with our audience acquisition and viewership expansion activities. Engineering, technology and development related operating expense includes (i) allocated internal engineering personnel expense, including salaries, noncash stock compensation, taxes and benefits, (ii) third-party contract software development and engineering expense, (iii) internal use software cost amortization expense, and (iv) technology platform related cloud services, broadband and other platform expense, incurred in connection with our audience acquisition and viewership expansion activities, including tools and product offering development, testing, minor upgrades and features, free to use services, corporate information technology and general platform maintenance and support. Capitalized internal use software development costs are amortized on a straight-line basis over the software’s estimated useful life.

Three Months Ended September 30, 2026, Compared to the Three Months Ended September 30, 2025:

- Decreased primarily due to a decrease in product and engineering personnel expense totaling $195,000 reflecting the impact of fiscal year 2025 and 2026 net headcount reductions in connection with ongoing cost reduction and optimization activities, and a decrease in cloud services and other technology platform costs totaling $68,000.

Nine Months Ended September 30, 2026, Compared to the Nine Months Ended September 30, 2025:

- Increased primarily due to a $575,000 increase in amortization expense, as described above, a $201,000 increase in noncash stock compensation expense in connection with fiscal year 2025 equity incentive award grants, as described above, a $223,000 reduction in personnel costs allocated to cost of revenue due to an increase in the mix of revenue generating programs utilizing external resources, and a $204,000 increase in outside contractor costs. The increase was partially offset by a decrease in product and engineering personnel expense totaling $884,000, or 70%, reflecting the impact of fiscal year 2025 and 2026 net headcount reductions, and other cost reduction activities, including the sale of our Mineville assets, and a decrease in cloud services and other technology platform costs totaling $172,000, or 47%.

General and Administrative

General and administrative expense for the periods presented was comprised of the following (dollars in thousands):

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2026	2025	$	%	2026	2025	$	%
Personnel costs	$ 324	$ 361	$ (37)	(10)%	$ 1,333	$ 1,230	$ 103	8%
Office and facilities	13	12	1	8%	38	66	(28)	(42)%
Professional fees	355	128	227	177%	1,122	568	554	98%
Stock-based compensation	384	558	(174)	(31)%	1,546	1,053	493	47%
Depreciation and amortization	22	128	(106)	(83)%	243	398	(155)	(39)%
Other	722	578	144	25%	2,054	1,623	431	27%
Total general and administrative expense	$ 1,820	$ 1,765	$ 55	3%	$ 6,336	$ 4,938	$ 1,398	28%

Three Months Ended September 30, 2026, Compared to the Three Months Ended September 30, 2025:

A summary of the main drivers of the change in general and administrative expense for the quarterly periods presented is as follows:

- Personnel costs decreased due to a reduction in various corporate, general and administrative costs in connection with the fiscal year 2025 and 2026 net headcount reductions in connection with ongoing cost reduction and optimization activities.

- Professional fees expense increased primarily due to an increase in legal, accounting and tax related costs in connection with the Misfits Transaction and the proposed Metaplanet transaction, as described above.

- Noncash Stock Compensation expense decreased primarily due to a $316,000 decrease in noncash stock compensation expense incurred in connection with the utilization of third-party investor relations and other consultants during the quarterly periods presented, and a decrease in expense totaling $204,000 related to non-employee director RSU grants resulting from accelerated expense in the third quarter of 2025 in connection with annual shareholder meetings held in June 2025 and October 2025, in accordance with the related director compensation plan. The decrease was partially offset by an increase in net new equity award grants totaling $322,000, as described above.

- Amortization expense decreased primarily due to the completion of amortization, in the second quarter of 2026, of influencer and content related intangible assets acquired in connection with the acquisition of Mobcrush in FY 2021.

- The increase in other expense was primarily due to an increase in investor relations costs associated with 2026 corporate and investor relations activities, partially offset by a reduction in insurance, information technology and other corporate costs in connection with ongoing cost reduction activities.

Nine Months Ended September 30, 2026, Compared to the Nine Months Ended September 30, 2025:

A summary of the main drivers of the change in general and administrative expense for the year-to-date periods presented is as follows:

- Personnel costs increased due to an increase in incentive compensation in the first quarter of 2026.
- Professional fees increased primarily due to an increase in legal, accounting and tax related costs in connection with the Misfits Transaction and the proposed Metaplanet transaction, as described above.
- Noncash Stock Compensation expense increased primarily due to a net $661,000 increase in noncash stock compensation expense related to net new equity award grants, as described above, partially offset by a decrease in noncash stock compensation expense incurred in connection with the utilization of third-party investor relations and other consultants during the quarterly periods presented totaling $261,000.
- Amortization expense decreased primarily due to the completion of amortization, in the second quarter of 2026, of influencer and content related intangible assets acquired in connection with the acquisition of Mobcrush in FY 2021.
- The increase in other expense was primarily due to an increase in investor relations costs associated with 2026 corporate and investor relations activities, partially offset by a reduction in insurance, information technology and other corporate costs in connection with ongoing cost reduction activities.

Contingent Consideration

The estimated fair value of the Misfits Earnout Consideration at September 30, 2026 was $870,000, resulting in a change in the fair value from the Misfits Closing Date totaling $70,000, which is reflected as a charge to operating expense in the statement of operations and comprehensive income (loss) for the three and nine months ended September 30, 2026.

As of September 30, 2026, the estimated fair value of the Bounce Contingent Consideration was determined to be zero, resulting in a credit in the statement of operations and comprehensive income (loss) for each of the three and nine months ended September 30, 2026 totaling $173,000.

Other Income (Expense), Net

Sale of Mineville

On May 19, 2025, the Company entered into the Mineville Purchase Agreement with Mineville, LLC a Delaware limited liability company, pursuant to which the Company agreed to sell, and Purchaser agreed to purchase 100% of the Interests of InPvP for cash consideration totaling $350,000, as described earlier in this Report. The net carrying value of Mineville assets sold totaled $350,000 as of May 19, 2025, which historically were included in intangible assets, net in the condensed balance sheets, resulting in no gain or loss in connection with the Mineville Sale.

Gain on Sale of Minehut Assets

On February 29, 2024, the Company sold its Minehut Assets to GamerSafer in a transaction approved by the Board. Pursuant to the GS Agreement entered into by and between Super League and GamerSafer, the Company received $1.0 million of purchase consideration for the Minehut Assets, which amount was paid by GamerSafer in revenue and royalty sharing over a multiple-year period, as described in the GS Agreement. Super League and GamerSafer maintained a commercial relationship which ensures that Minehut can remain an ongoing destination available to Super League's partners.

The Minehut Purchase Consideration in the GS Agreement was variable pursuant to the guidance set forth in ASC 606. Amounts collected in excess of the estimated purchase consideration recorded at contract inception, up to the $1.0 million stated contractual amount of purchase consideration, are recognized as additional gains on the sale of Minehut Assets when realized. Additional gains on the sale of the Minehut Assets subsequent to the initial accounting for the transaction for the three and nine months ended September 30, 2026, totaled $0 and $0, respectively. Additional gains on the sale of the Minehut Assets subsequent to the initial accounting for the transaction for the three and nine months ended September 30, 2025, totaled $0 and $343,000, respectively.

Change in Fair Value of Warrant Liabilities

YP Warrants. The initial fair value of the YP Warrants, totaling $1,935,000, was initially classified as a liability, and is remeasured at fair value at each balance date. The fair value of the YP Warrants was $865,000 at September 30, 2025, resulting in a $1,070,000 credit in the statements of operations and comprehensive income (loss) for the three and nine months ended September 30, 2025, reflecting the change in fair value of the YP Warrant liability for the period from issuance to September 30, 2025. In conjunction with the Company's October 2025 shareholder meeting, shareholders approved the issuance of the shares underlying the Original YP Warrant as required by Nasdaq Listing Rule 5635(d). As such, the fair value of the Original YP Warrant on the approval date totaling $1,679,000 was reclassified to equity, and therefore, subsequent to October 20, 2025 the Original YP Warrant was no longer required to be marked to market.

Series AAA Junior -3 and Series AAA Junior – 4 Warrants. The fair value of the September 2024 Series AAA Junior Investor Warrants are recorded as a liability on the balance sheet and re-valued at each reporting date, with changes in the fair value reported in the statements of operations and comprehensive income (loss). The change in fair value for the September 2024 Series AAA Junior Investor Warrants for the three and nine months ended September 30, 2026 totaled $0 and $0, respectively. The change in fair value for the September 2024 Series AAA Junior Investor Warrants for the three and nine months ended September 30, 2025 totaled ($3,000) and $(331,000), respectively.

Placement Agent Warrants. The fair value of the Placement Agent Warrants are recorded as a liability and re-valued at each reporting date, with changes in the fair value reported in the statements of operations and comprehensive income (loss). The change in fair value for the Placement Agent Warrants for the three and nine months ended September 30, 2026 totaled $0 and $(4,000), respectively. The change in fair value for the Placement Agent Warrants for the three and nine months ended September 30, 2025 totaled $0 and $(533,000), respectively.

Interest expense, including change in fair value of promissory notes carried at fair value

Interest expense, including change in fair value of promissory notes carried at fair value, primarily reflects the change in fair value of debt accounted for under the fair value option ("FVO") as described at Note 2. Interest expense, including change in fair value of promissory notes carried at fair value for the periods presented was comprised of the following:

Description:	Three Months Ended September 30, 2026	Three Months Ended September 30, 2025	Nine Months Ended September 30, 2026	Nine Months Ended September 30, 2025
Super Biz Note	$ -	$ (36,000)	$ -	$ (51,000)
Agile I Note	-	-	-	(358,000)
Agile II Note	-	(256,000)	-	(1,258,000)
RP Note	-	(404,000)	-	(439,000)
Belleau Note	-	(287,000)	-	(75,000)
1800 Diagonal Notes	-	(51,000)	-	(26,000)
YP Note	-	24,000	-	24,000
SLR Facility	-	-	-	(45,000)
Other	(61,000)	-	(61,000)	(3,000)
Total Interest (expense) income, including change in fair value of promissory notes carried at fair value	$ (61,000)	$ (1,010,000)	$ (61,000)	$ (2,231,000)

Deferred Financing Costs

On June 3, 2026, the Company entered into the Series C Redemption Agreement with the Series C *Holder* pursuant to which the Company and the Series C Holder, among other items, agreed to the termination of a certain equity purchase agreement between the Series C Holder and the Company, dated July 10, 2025 (the "Series C *Purchase Agreement*"), including, without limitation, the termination of any and all agreements, instruments and documents entered into in connection therewith, so that neither the Company nor the Series C Holder shall have any further rights, obligations, or liabilities under the Series C Purchase Agreement ("Series C Redemption"). In connection with the termination of the equity purchase agreement, the Company expensed $825,000 of deferred financing costs which are reflected in other income (expense) in the statement of operations and comprehensive income (loss) for the nine months ended September 30, 2026. Of the total deferred financing costs expensed, $600,000 related to the Commitment Stock issued to Yield Point and therefore represented noncash financing costs.

Loss on Extinguishment of Liability

On July 8, 2025, the Company entered into the SB Exchange Agreements as described at Note 5, pursuant to which the Company and Khakshoor, Drozdov and Firepit (collectively, the "SB Note Holders") agreed that in exchange for the surrender and forgiveness of the Super Biz Notes, with an aggregate principal and interest balance of $1.9 million, the SB Note Holders were issued 1,894,964 shares of the Company's Series AAAA Jr. Convertible Preferred Stock. The July 8, 2025 exchange of the Super Biz Notes for shares of the Company's Series AAAA Junior Preferred Stock was accounted for as an extinguishment of the related promissory note, resulting in a loss on extinguishment of liability of $161,000, included in the statements of operations and comprehensive income (loss) for the three and nine months ended September 30, 2025.

Debt Issuance Costs

Other income (expense), net for the three and nine months ended September 30, 2025 included debt issuance costs paid totaling $415,000 and $554,000, respectively, in connection with the issuance of the YP Note, Agile II Note, Diagonal I Note, and Diagonal II Note, as described at Note 5.

Liquidity and Capital Resources

General

Cash and cash equivalents and marketable securities, available-for-sale totaled $6.8 million and $14.4 million at September 30, 2026 and December 31, 2025, respectively. The change in cash and cash equivalents for the periods presented reflects the impact of operating, investing and financing cash flow related activities as described herein.

We have historically incurred net losses and negative cash flows from operating activities and may continue to incur net losses and negative cash flows from operating activities as we execute our business strategy. For the nine months ended September 30, 2026, we incurred a net operating loss of $10.7 million and used $8.7 million of cash in operating activities. Net operating loss for the nine months ended September 30, 2026 included $4.5 million of noncash charges, including noncash intangible asset amortization totaling $1.8 million, and noncash stock compensation totaling $2.9 million. Excluding noncash charges and credits, our net operating loss for the nine months ended September 30, 2026 was $6.1 million. Refer to the heading, “Executive Summary” above for additional information.

On August 18, 2026, the Company entered into sales agreement (the “Benchmark Sales Agreement”) with The Benchmark Company, LLC ("Benchmark") and StoneX Financial Inc. ("StoneX" and, together with Benchmark, the "Agents"), to sell shares of the Company’s common stock having an aggregate sales price of up to $2.3 million, from time to time, through an “at the market offering” program under which Benchmark and StoneX will act as sales agent (the “Benchmark ATM”), as described at Note 6.

On August 21, 2026, the Company increased the maximum aggregate offering price of the shares of the Company’s common stock issuable under the Benchmark Sales Agreement with StoneX to up to an additional aggregate of $2.27 million, for an aggregate offering amount of approximately $4.5 million. On September 29, 2026, the Company increased the maximum aggregate offering price of the shares of the Company’s common stock, issuable under that certain Benchmark Sales Agreement with StoneX, to up to an additional aggregate of $966,000, for an aggregate offering amount of $5.5 million. On October 21, 2026, the Company increased the maximum aggregate offering price of the shares of the Company’s common stock issuable under that certain Benchmark Sales Agreement with StoneX to up to an additional aggregate of $950,000, for an aggregate offering amount of $6.4 million.

During the three months ended September 30, 2026, the company sold 983,292 shares of the Company’s common stock under the Benchmark ATM, raising gross proceeds of approximately $4,474,000. Subsequent to September 30, 2026, the Company sold 209,704 shares of the Company’s common stock under the Benchmark ATM, raising gross proceeds of approximately $1,076,000.

Since approximately May 2024, the Company implemented a number of operating expense reduction initiatives designed to decrease future operating cash outflows. These actions included workforce optimization, vendor contract renegotiations, reduced discretionary spending, and restructuring of non-core activities. Excluding noncash charges, these operating expense reductions resulted in a decrease in operating expense of 10% for the nine months ended September 30, 2026, compared to the nine months ended September 30, 2025.

Our principal uses of liquidity are expected to include funding our operations, including personnel costs, technology and infrastructure costs, working capital requirements, capital expenditures and other general corporate purposes.

We regularly evaluate our liquidity requirements, including our expected operating expenses, capital requirements and contractual obligations, based on our current operating plans and expectations. Based on our current working capital, operating plan and forecasted cash requirements, we believe that our existing cash, cash equivalents and marketable securities will be sufficient to meet our working capital requirements, anticipated capital expenditures and other cash requirements for at least the next 12 months from the date of issuance of these financial statements.

Our estimates of future cash requirements and available liquidity are based on estimates and assumptions and our actual cash requirements may differ materially from our current expectations. Our future capital requirements will depend on numerous factors, including our operating performance, the timing and extent of expenditures in support of our business strategy, our ability to generate revenue and cash flows from operations, and other factors described under “Risk Factors.” We may from time to time seek additional financing through the issuance of equity or debt securities or other financing arrangements to support our business strategy or for other corporate purposes. However, due to the cash inflows from financing activities subsequent to the third quarter of 2026, including sales under the Benchmark ATM as described herein, and expected results from operations for the next 12 months, our current operating plan does not depend upon obtaining additional financing to meet our obligations for at least the next 12 months from the date of issuance of these financial statements.

Cash Flows for the Nine Months Ended September 30, 2026 and 2025

The following table summarizes the change in cash and cash equivalents balances for the periods presented (dollars in thousands) (Unaudited):

	Nine Months Ended September 30,	
	2026	**2025**
Net cash used in operating activities	$ (8,709)	$ (6,805)
Net cash (used in) provided by investing activities	(4,788)	923
Net cash provided by financing activities	3,464	5,633
Net decrease in cash	(10,033)	(249)
Cash and cash equivalents, at beginning of period	14,390	1,310
Cash and cash equivalents, at end of period	$ 4,357	$ 1,061

Cash Flows from Operating Activities.

Net cash used in operating activities during the nine months ended September 30, 2026, primarily reflected our GAAP net loss, net of adjustments to reconcile net GAAP loss to net cash used in operating activities, which included noncash stock compensation charges of $2.9 million, depreciation and amortization charges of $1.8 million, net changes in fair value of certain liabilities of ($103,000), amortization/accretion of premium/discount on marketable securities of ($24,000), the noncash write off of deferred financing costs of $600,000, and net changes in working capital of ($2.5 million). Changes in working capital primarily reflected the impact of the management and settlement of receivables and payables in the ordinary course.

Net cash used in operating activities during the nine months ended September 30, 2025, primarily reflected our GAAP net loss, net of adjustments to reconcile net GAAP loss to net cash used in operating activities, which included noncash stock compensation charges of $1.4 million, depreciation and amortization charges of $1.6 million, net changes in fair value of certain liabilities of ($1.0 million), noncash loss on extinguishment of liability of $161,000, debt issuance costs of $554,000, and net changes in working capital of $1.1 million. Changes in working capital primarily reflected the impact of the management and settlement of receivables and payables in the ordinary course.

Cash Flows from Investing Activities.

Cash flows from investing activities were comprised of the following for the periods presented (dollars in thousands) (Unaudited):

	Nine Months Ended September 30,	
	2026	**2025**
Cash paid in connection with Misfits Transaction	$ (1,500)	$ -
Cash paid in connection with Bounce Acquisition	(200)	-
Investment in Roblox digital property	(165)	-
Investment in Solsten Inc.	(200)	-
Investment in marketable securities, available-for-sale	(8,982)	-
Proceeds from sale of marketable securities, available-for-sale	6,409	-
Proceeds from sale of Mineville Assets	-	350
Proceeds from sale of Minehut Assets	-	808
Capitalization of software development costs	(125)	(200)
Other	(25)	(35)
Net cash provided by (used in) investing activities	$ (4,788)	$ 923

Acquisition of Misfits Ads Assets

At the Misfits Closing, the Company paid the following consideration for the Misfits Purchased Assets: (i) a cash payment in the amount of $1.5 million (the "*Misfits Closing Cash Consideration*"), (ii) 26,768 shares of common stock (the "*Misfits Closing Shares*"), (iii) a pre-funded common stock purchase warrant to purchase 509,682 shares of common stock (the "*Misfits Pre-Funded Warrant,*" and the shares issuable upon exercise of the Misfits Pre-Funded Warrant, the "*Misfits PFW Shares*"), and (iv) a common stock purchase warrant to purchase 536,450 shares of common stock, with an exercise price of $18.00 (the "Misfits *Warrant*", and the shares issuable upon exercise of the Misfits Warrant, the "*Misfits Warrant Shares*")(the Misfits Closing Shares, the Misfits PFW Shares, and the Misfits Warrant Shares collectively, the "*Misfits Closing Share Consideration*"). Pursuant to the terms and subject to the conditions of the Misfits Purchase Agreement, on the one-year anniversary of the Misfits Closing, the Company will pay an additional cash payment in the amount of $300,000 (the "*Delayed Cash Payment*").

Acquisition of Let's Bounce

On the Bounce Effective Date, the Company acquired Bounce, a marketing technology company focused on enabling scalable, measurable brand engagement inside gaming and UGC environments. The total purchase price for Bounce, which was structured as an asset acquisition, was $200,000, payable as follows: (a) $75,000 at closing; (b) $25,000 on the three-month anniversary of closing; and (c) $100,000 on the six-month anniversary of closing. In addition, pursuant to the terms and subject to the conditions of the Bounce Asset Purchase Agreement, up to $325,000 is contingently payable in connection with the achievement of certain net revenue milestones for the Bounce assets acquired during the year ended December 31, 2026. The Bounce Acquisition provides the Company with an existing pipeline of opportunities, enabling more efficient in-game marketing programs, the addition of turnkey loyalty solutions to drive advertiser outcomes, and a roadmap to more automated campaign measurement. Refer to Note 4 for additional information.

Investment in Hide or OOF! Roblox Game

In January 2026, the Company acquired economic and contractual interests in the Roblox digital property HOO (formerly known as Hide or Die!) pursuant to the HOO Agreement.

Pursuant to the HOO Agreement, the Company transferred total consideration of $202,000 in exchange for certain rights associated with the Hide or OOF! digital property. The consideration consisted of $165,000 in cash and 4,326 shares of the Company's restricted common stock valued at $37,000. In connection with the investment, the Company obtained (i) a fifteen percent (15.0%) equity ownership interest in Hide or OOF!, (ii) a contractual right to receive fifteen percent (15.0%) of Hide or OOF!'s gross revenue, as paid in Robux post-Roblox split, for the existence of the game, (iii) a contractual right to receive a twelve percent (12.0%) fee on certain direct brand transactions, and (iv) exclusive rights with respect to certain brand partnership opportunities and related placement economics. The agreement also contains a right of first refusal with respect to future sales of equity ownership interests and economic interests in the property. Management evaluated these rights to determine which elements represent distinct assets and how the total consideration should be allocated to the assets acquired. The Company utilized the relative fair value method to allocate total consideration to the identifiable elements based on their relative standalone fair values as of the HOO Effective Date. Refer to Note 4 for additional information. The investment is included in investments - noncurrent in the applicable accompanying balance sheets.

Investment in Solsten, Inc.

In January 2026, the Company invested $200,000 in Solsten, an AI-driven audience intelligence company specializing in psychology-based consumer insights, through a SAFE, which provides the Company with the right to receive equity in a future financing event, subject to the terms and conditions of the SAFE agreement. The SAFE does not represent a current equity ownership interest but rather a forward contract to acquire equity upon the occurrence of specified events, including a qualifying equity financing or liquidity event, at which point the instrument will either convert into preferred stock or entitle the Company to receive the greater of its invested amount or the value of the underlying equity on an as-converted basis. The investment is included in investments - noncurrent assets in the accompanying balance sheets. Refer to Note 4 for additional information.

Sale of Mineville Assets. On May 19, 2025, the Company entered into the Mineville Purchase Agreement with the Purchaser, pursuant to which the Company agreed to sell, and Purchaser agreed to purchase 100% of the Interests of InPvP. Prior to the Mineville Closing contemplated by the Mineville Sale, InPvP was a wholly owned subsidiary of the Company. The closing of the Mineville Sale occurred simultaneously with the execution of the Mineville Purchase Agreement. The Purchaser paid cash consideration totaling $350,000 at the Mineville Closing to acquire the Interests.

Sale of Minehut Assets. On February 29, 2024, the Company sold its Minehut Assets to GamerSafer as described above. Pursuant to the GS Agreement, the Company received $1.0 million of purchase consideration for the Minehut Assets, which amount was paid by GamerSafer in revenue and royalty sharing over a multiple-year period, as described in the GS Agreement. During the nine months ended September 30, 2025 we received Minehut Purchase Consideration payments totaling $808,000.

Capitalized Internal Use Software Costs. Software development costs incurred to develop internal-use software during the application development stage are capitalized and amortized on a straight-line basis over the software's estimated useful life, which is generally three years. Software development costs incurred during the preliminary stages of development are charged to expense as incurred. Maintenance and training costs are charged to expense as incurred. Upgrades or enhancements to existing internal-use software that result in additional functionality are capitalized and amortized on a straight-line basis over the applicable estimated useful life.

Cash Flows from Financing Activities.

Cash flows from financing activities were comprised of the following for the periods presented (dollars in thousands) (Unaudited):

	Nine Months Ended September 30,	
	2026	**2025**
Cash paid in connection with redemption of Series C Preferred Stock	$ (922)	$ -
Proceeds from issuance of common stock, net of issuance costs	4,386	1,945
Proceeds from notes payable, net of issuance costs	-	7,607
Payments on notes payable	-	(3,818)
Contingent consideration payments	-	(77)
Advances from accounts receivable facility	-	429
Payments on accounts receivable facility	-	(453)
Net cash (used in) provided by financing activities	$ 3,464	$ 5,633

Equity Financings

Benchmark ATM

On August 18, 2026, the Company entered into sales agreement (the "Benchmark Sales Agreement") with The Benchmark Company, LLC ("Benchmark") and StoneX Financial Inc. ("StoneX" and, together with Benchmark, the "Agents"), to sell shares of the Company's common stock having an aggregate sales price of up to $2.23 million, from time to time, through an "at the market offering" program under which Benchmark and StoneX will act as sales agent (the "Benchmark ATM"). The sales of the Company's common stock made under the Benchmark Sales Agreement will be made by any method permitted by law deemed to be an "at the market offering" as defined in Rule 415 promulgated under the Securities Act of 1933, as amended. We are not obligated to sell any shares of the Company's common stock under the Benchmark Sales Agreement and may at any time suspend solicitation and offers thereunder. The offering of shares of the Company's common stock pursuant to the Benchmark Sales Agreement will terminate on the earlier of (1) the sale, pursuant to the Benchmark Sales Agreement, of shares of the Company's common stock having an aggregate offering price of $2.23 million and (2) the termination of the Benchmark Sales Agreement by either the Company, or Benchmark, as permitted therein.

On August 21, 2026, the Company increased the maximum aggregate offering price of the shares of the Company's common stock issuable under the Benchmark Sales Agreement with StoneX to up to an additional aggregate of $2.27 million, for an aggregate offering amount of approximately $4.5 million. On September 29, 2026, the Company increased the maximum aggregate offering price of the shares of the Company's common stock, issuable under that certain Benchmark Sales Agreement with StoneX, to up to an additional aggregate of $966,000, for an aggregate offering amount of $5.5 million. On October 21, 2026, the Company increased the maximum aggregate offering price of the shares of the Company's common stock issuable under that certain Benchmark Sales Agreement with StoneX to up to an additional aggregate of $950,000, for an aggregate offering amount of $6.4 million.

The Company will pay the Agents a commission equal to 1.0% of the aggregate gross proceeds from each sale of shares of the Company's common stock. In addition, the Company has provided the Agents with customary indemnification rights. The Company will also reimburse the Agents for certain specified expenses in connection with entering into the Benchmark Sales Agreement. The Benchmark Sales Agreement contains customary representations and warranties and conditions to the sale of the Shares pursuant thereto. The Shares will be issued pursuant to our shelf registration statement on Form S-3 (File No. 333-283812), filed by the Company with the SEC on December 13, 2024, and declared effective by the SEC on December 20, 2024.

During the three months ended September 30, 2026, the company sold 983,292 shares of the Company's common stock under the Benchmark ATM, raising gross proceeds of approximately $4,474,000. Total fees and expenses paid during the period in connection with the sales under the Benchmark ATM totaled $87,000, $42,000 of which are included in deferred financing costs as of September 30, 2026 and are being amortized over the estimated remaining term of the Benchmark ATM facility.

May 2025 Equity Offerings

On May 30, 2025, the Company entered into a securities purchase agreement with certain investors, which provided for the sale and issuance by the Company in a registered direct offering (the "May III Offering") of an aggregate of (i) 6,646 shares of the Company's common stock, at a purchase price of $57.60 per share (the "May III Shares"), and (ii) pre-funded warrants to purchase up to 4,987 shares of common stock at a purchase price of $57.48 per pre-funded warrant (the "May III Pre-Funded Warrants" and, together with the May III Shares, the "May III Securities"), which represents the per share price for the May III Shares less the exercise price of $0.00001 per share. The May III Offering closed on June 2, 2025. The aggregate gross proceeds to the Company from the May III Offering were approximately $670,000, before deducting placement agent commissions and other estimated offering expenses. The Company utilized the net proceeds of the May III Offering for working capital and general corporate purposes, as well as to repay a portion of the Company's indebtedness.

On May 30, 2025, the Company also entered into a placement agent agreement (the "May III Placement Agent Agreement") with Aegis Capital Corp. (the "Placement Agent"). Pursuant to the terms of the May III Placement Agent Agreement, the Placement Agent agreed to use its reasonable best efforts to arrange for the sale of the securities in the May III Offering. The Company agreed to pay the Placement Agent a cash fee equal to 8% of the aggregate gross proceeds from the sale of the May III Securities. The Company also agreed to reimburse the Placement Agent for certain expenses.

On May 29, 2025, the Company entered into an underwriting agreement (the "May II Underwriting Agreement") with Aegis Capital Corp., (the "Underwriter"), relating to the Company's public offering (the "May II Offering") of 8,681 shares (the "May II Shares") of its common stock. Pursuant to the May II Underwriting Agreement, the Company also granted the Underwriter a 45-day option ("May II Option") to purchase an additional 869 shares of common stock (the "May II Option Securities", and together with the Shares, the "May II Securities"). On May 30, 2025, the Company issued the May II Shares and closed the May II Offering at a public price of $57.60 per share, for net proceeds to the Company of approximately $380,000 after deducting underwriting discounts and commissions and estimated offering expenses payable by the Company. The Company utilized the net proceeds of the May II Offering for working capital and general corporate purposes, as well as to repay a portion of the Company's indebtedness. On May 29, 2025, the Underwriter delivered notice to the Company that it elected to exercise the May II Option with respect to an aggregate of 869 May II Option Securities. The closing of the sale of the May II Option Shares occurred on May 30, 2025.

On May 9, 2025, the Company entered into an underwriting agreement (the "May I Underwriting Agreement") with the Underwriter, relating to the Company's public offering (the "May I Offering") of 10,662 shares (the "May I Shares") of its common stock, par value $0.001 per share. Pursuant to the May I Underwriting Agreement, the Company also granted the Underwriters a 45-day option ("May I Option") to purchase an additional 1,600 shares of common stock (the "May I Option Securities", and together with the Shares, the "May I Securities"). On May 12, 2025, the Company issued the firm May I Securities and closed the May I Offering at a public price of $81.60 per share, for net proceeds to the Company of approximately $700,400 after deducting underwriting discounts, commissions and estimated offering expenses payable by the Company. On May 14, 2025, the Underwriter partially exercised its May I Option and purchased an additional 1,287 shares of common stock at a price of $81.60 per share, before deducting underwriting discounts. The issuance by the Company of the May I Option Securities resulted in total gross proceeds of approximately $104,999, before deducting underwriting discounts, commissions, and other offering expenses payable by the Company. The Company utilized the net proceeds of the May I Offering for working capital and general corporate purposes, as well as to repay a portion of the Company's indebtedness.

Series C Preferred Redemption

On June 3, 2026, the Company entered into a Redemption Agreement (the "Series C Redemption Agreement") with the sole holder (the "Series C *Holder*") of the Company's Series C Preferred, pursuant to which the Company agreed to pay the Series C Holder a one-time cash payment of $922,400 (the "Series C Agreement Consideration") in exchange for the Series C Holder agreeing to (i) the Company's redemption and cancellation of all 1,153 outstanding shares of Series C Preferred, and (ii) the termination of that certain Equity Purchase Agreement between the Series C Holder and the Company, dated July 10, 2025 (the "Series C *Purchase Agreement*"), including, without limitation, the termination of any and all agreements, instruments and documents entered into in connection therewith, so that neither the Company nor the Series C Holder shall have any further rights, obligations, or liabilities under the Series C Purchase Agreement ("Series C Redemption"). The Series C Redemption Agreement further contains a release by each of the Company and the Series C Holder releasing the other party from any and all claims, demands, actions, causes of action, liabilities, damages, costs, and expenses of any kind or nature whatsoever, whether known or unknown, arising out of or relating to the Series C Preferred or the Series C Purchase Agreement. On June 8, 2026, the Company paid the Series C Agreement Consideration to the Series C Holder in full satisfaction of its obligations under the Series C Redemption Agreement.

Debt Financings

Agile I

On November 8, 2024 (the "Agile I Effective Date"), the Company entered into a loan agreement with Agile Capital Funding, LLC, as collateral agent ("Agile") (the "Agile I Loan Agreement"), pursuant to which the Company issued to Agile a Confessed Judgment Secured Promissory Note for an aggregate value of $1.85 million (the "Agile I Note"). Pursuant to the Agile I Loan Agreement, (i) the Agile I Note matured 28 weeks from the Agile I Effective Date; (ii) carried an aggregate total interest payment of approximately $0.78 million (the "Applicable Rate"), and (iii) immediately upon the occurrence and during the continuance of an Event of Default (as defined in the Agile I Loan Agreement), interest accrued at a fixed per annum rate equal to the Applicable Rate plus five percent, or 42%. The Company was required to repay all the obligations due under the Agile I Loan Agreement and the Agile I Note in 28 equal payments of $93,821 with the first payment being made to Agile on November 14, 2024, and every seven days thereafter until the Maturity Date. The proceeds received from the Agile I Note were used to fund general working capital needs.

On February 10, 2025, in connection with entering into the Agile II Loan Agreement as described below, the Company paid the remaining balance of the Agile I Note, including interest for the remaining term, totaling $1.5 million.

Agile II

On February 10, 2025 (the "Agile II Effective Date"), the Company entered into a Business Loan and Security Agreement (the "Agile II Loan Agreement"), with Agile Capital Funding, LLC as collateral agent ("Collateral Agent"), and, pursuant to which the Company issued to Agile a Confessed Judgment Secured Promissory Note for an aggregate value of $2.5 million (the "Agile II Note"). Pursuant to the Agile II Loan Agreement, (i) the Agile II Note matures 32 weeks from the Agile II Effective Date; (ii) carried an aggregate total interest payment of approximately $1.05 million, and (iii) immediately upon the occurrence and during the continuance of an Event of Default (as defined in the Agile II Loan Agreement), interest would accrue at a fixed per annum rate equal to the applicable rate plus five percent, or 42%. The Company was required to repay all the obligations due under the Agile II Loan Agreement and the Agile II Note in 32 equal payments of $110,937, with the first payment being made to Agile on February 17, 2025, and every seven days thereafter until the maturity date. The proceeds received from the Agile II Note will be used to fund general working capital needs.

In connection with entering into the Agile II Loan Agreement, the Company was required to pay an administrative fee of $125,000 to the Collateral Agent, which was paid at the closing out of proceeds of the issuance of the Agile II Note and expensed in "other income (expense)" in the statements of operations and comprehensive income (loss) for the nine months ended September 30, 2025. $1.5 million of the Agile II Note was used to repay the remaining balance of principal and interest under the Agile I Note, with net proceeds to the Company of approximately $875,000.

On July 10, 2025, the Company entered into an exchange agreement (the "Agile Exchange Agreement") with Agile, pursuant to which the Company and Agile agreed that in exchange for the surrender and forgiveness of the Agile II Note, dated February 10, 2025, with the remaining amount of principal and interest thereunder being $1,331,250, Agile received (a) 3,678 shares of common stock (the "Agile Exchange Shares"), (b) pre-funded warrants to purchase 14,419 shares of common stock (the "Agile Pre-Funded Warrants", and collectively with the Agile Exchange Shares, the "Agile Exchange Securities"), with the Agile Exchange Securities valued at a price of $68.04, such amount above the Nasdaq Minimum Price, and (c) four equal cash payments of $25,000 to Agile, totaling $100,000.

The July 10, 2025 exchange of the balance of the Agile II Note for shares of the Company's common stock was accounted for as an extinguishment of the Agile II Note, resulting in the derecognition of the related liability and the recording of the fair value of the equity securities and other assets exchanged on the date of settlement. The Agile II Note was accounted for under the FVO, and therefore, the carrying amount of the Agile II Note immediately prior to settlement represented its fair value at the settlement date. The fair value of the common stock and cash payments exceeded the fair value of the Agile II Note on the date of the exchange resulting in a loss on extinguishment of a liability totaling $256,000, which was included in other income (expense) in the statement of operations and comprehensive income (loss) for the year ended December 31, 2025.

1800 Diagonal Lending I

On March 26, 2025 (the "Diagonal Effective Date"), the Company and 1800 Diagonal Lending, LLC, a Virginia limited liability company, or registered assignees entered into a Securities Purchase Agreement, pursuant to which the Company issued a Convertible Promissory Note in the principal amount of $300,000, for which the Diagonal Note, among other things, (a) matured on December 30, 2025 (unless otherwise accelerated upon an Event of Default (as defined below)) (the "Diagonal Maturity Date"), (b) accrued interest at a rate of 10% per annum on the unpaid principal balance from the date the Diagonal Note was issued (the "Diagonal Issuance Date") until the principal and interest became due and payable, whether on the Maturity Date or upon acceleration by prepayment or otherwise, (c) began to accrue interest on the Diagonal Issuance Date but would not be payable until the Diagonal Note became payable, and (d) interest accrued at a rate of 22% per annum for any amount of principal or interest which was not paid as required under the Diagonal Note, or during an Event of Default.

Pursuant to the Diagonal Note, Diagonal had the right, from time to time, and at any time, during the period beginning on the date which is 180 days from the Diagonal Effective Date and ending on the earlier of (a) the Diagonal Maturity Date, or (b) the date of payment of the Default Amount, each in respect of the remaining outstanding amount of the Diagonal Note into fully paid and non-assessable shares of common stock at a price equal to 75% multiplied by the Market Price (as defined below) (the "Conversion Price"). For purposes of the Diagonal Note (x) the "Market Price" means the lowest Trading Price for the Company's common stock during the 10 trading days ending on the latest complete trading day prior to the Diagonal Conversion Date; (y) the "Trading Price" means the closing price (or bid, if applicable) of the Company's common stock as listed (or quoted, as applicable) on the principal securities exchange or trading market where it is listed or traded; and (z) the "Diagonal Conversion Date" means the date specified in the applicable notice of conversion, delivered to the Company by Diagonal in accordance with the Diagonal Note.

The Diagonal Note was issued with an Original Issue Discount of 4.75% (the "OID"), with net proceeds to the Company of approximately $279,000 after deducting the OID, reimbursement of Diagonal's expenses in an amount equal to $7,000 (expensed in the statements of operation for the nine months ended September 30, 2025), and other estimated offering expenses. The Company used the net proceeds from the offering for working capital and general corporate purposes.

During the year ended December 31, 2025, Diagonal converted an aggregate principal and interest amount under the Diagonal Note of $320,000 into shares of the Company's common stock at an average price of $28.44 per share, resulting in the issuance of 11,334 shares of common stock to Diagonal. As of December 31, 2025, the Diagonal Note was fully extinguished.

1800 Diagonal Lending II

On May 12, 2025, the Company and Diagonal entered into a Securities Purchase Agreement, pursuant to which the Company issued a Convertible Promissory Note (the "Diagonal II Note") in the principal amount of $145,200 (the "Diagonal II Principal"), for which the Diagonal II Note, among other things, (a) matured on February 15, 2026 (unless otherwise accelerated upon an Event of Default (as defined below)) (the "Diagonal II Maturity Date"), (b) accrued interest at a rate of 10% per annum on the unpaid principal balance from the date the Diagonal II Note was issued (the "Diagonal II Issuance Date") until the principal and interest became due and payable, whether on the Maturity Date or upon acceleration by prepayment or otherwise, (c) interest began to accrue on the Diagonal II Issuance Date but was not payable until the Diagonal II Note became payable, and (d) interest accrued at a rate of 22% per annum for any amount of principal or interest which is not paid as required under the Diagonal II Note, or during an Event of Default. Refer to Note 6 for additional details.

The Diagonal II Note was issued with an Original Issue Discount of 4.75% (the "OID"), with net proceeds to the Company of $125,000 after deducting the OID, reimbursement of Diagonal's expenses in an amount equal to $7,000 (expensed in the statement of operations and comprehensive income (loss) for the nine months ended September 30, 2025), and other estimated offering expenses. The Company used the net proceeds from the offering for working capital and general corporate purposes.

During the year ended December 31, 2025, Diagonal converted an aggregate principal and interest amount under the Diagonal II Note of $157,000 into shares of the Company's common stock at an average price of $9.72 per share, resulting in the issuance of 13,084 shares of common stock to Diagonal. As of December 31, 2025 the Diagonal II Note was fully extinguished.

Belleau Note Purchase Agreement

On March 28, 2025, the Company entered into a Note Purchase Agreement (the "Belleau Purchase Agreement") with Belleau Wood Capital, LP, or its assignees ("Belleau"). Pursuant to the Belleau Purchase Agreement, the Company will issue to Belleau a total of three Unsecured Promissory Notes (each, a "Belleau Note" and collectively, the "Belleau Notes") with an aggregate principal amount of $1,500,000 (the "Belleau Principal"). Each of the Belleau Notes (x) matured on the date that was 12 months from the date of the issuance of each respective Belleau Note (collectively, the "Belleau Maturity Date"); (y) may be prepaid in part or in full at any time by the Company without penalty; and (z) accrued interest at a rate of 20% simple interest per annum (the "Belleau Interest Rate", and the dollar value of the accrued interest, the "Belleau Interest"). The Company used the proceeds from the sale of the Belleau Notes for working capital and general corporate purposes.

The Belleau Interest that accrued on each respective Belleau Note was payable on each respective Belleau Maturity Date in the form of restricted shares of the Company's common stock equal to 20% of the Belleau Principal, calculated at a price per share of $168.00. In the event of a prepayment of any Belleau Note by the Company, the Belleau Interest would be payable in full at the time of such prepayment.

On August 11, 2025, the Company and Belleau entered into an Amended & Restated Unsecured Promissory Note, pursuant to which the Belleau Principal was reduced to $1,250,000. The Company used the proceeds from the sale of the Belleau Notes for working capital and general corporate purposes. During the three months ended September 30, 2025, the Company repaid $250,000 of principal on the Belleau Note.

Effective October 22, 2025, the Company and Belleau Wood Capital, LP ("Belleau") entered into an exchange agreement, pursuant to which the Company and Belleau agreed (a) to convert the remaining principal amount of $1.0 million due under the Belleau Note into 83,334 shares of common stock, valued at $12.00 per share, simultaneous with the close of the October 2025 PIPE (the "Note Exchange Consideration"), and (b) issue Belleau a common stock purchase warrant to purchase the sum of 10,417 shares of common stock, in form similar to the October 2025 PIPE Warrants (the "Belleau Warrants"), except the warrants will be exercisable for a period of two (2) years.

The exchange of the remaining balance of the Belleau Note for common stock and common stock purchase warrants, as described above, was accounted for as an exchange of debt for equity, resulting in a loss on exchange totaling $1,871,000, reflected in other income (expense) in the statement of operations and comprehensive income (loss) for the year ended December 31, 2025. The Belleau Note was accounted for under the FVO, and therefore, the carrying amount of the Belleau Note immediately prior to the exchange represented its fair value at the exchange date. The fair value of the Belleau Warrants was estimated utilizing Black-Scholes, with inputs including term of 2 years, stock price of $31.20, volatility of 93% and risk-free interest rate of 3.45%.

Related Party Promissory Note

On November 19, 2024 (the "RP Effective Date"), the Company entered into a Note Purchase Agreement (the "RP Purchase Agreement") with a non-employee member of the Board (the "Note Purchaser"). Pursuant to the RP Purchase Agreement, the Company issued to the Note Purchaser an Unsecured Promissory Note (the "RP Note") in the amount of $1,500,000 (the "RP Principal"), for which the RP Note (i) matured on the date that was 12 months from the RP Effective Date (the "RP Maturity Date"), (ii) may be pre-paid at any time by the Company without penalty, and (iii) accrued interest on the RP Principal at a rate of 40% simple interest per annum (the "RP Interest"). The RP Interest was payable on the RP Maturity Date. In the event of a prepayment of the RP Note by the Company, the RP Interest would be pro-rated for the period the RP Note is outstanding. The Company utilized the proceeds for working capital and general corporate purposes.

On June 13, 2025, the Company entered into an amendment to the RP Note (the "RP Amendment"). Pursuant to the RP Amendment, (a) the maturity date of the RP Note was extended to November 19, 2026; (b) beginning on November 19, 2025, interest no longer accrued on the remaining Principal outstanding; and (c) the Company agreed to make monthly payments of $175,000, with such payments to start on November 19, 2025, and continue thereafter for twelve months, at which time the RP Note would be paid in full.

On July 7, 2025, the Company entered into an exchange agreement with the Michael Keller Trust (the "Trust") ("RP Exchange Agreement"), pursuant to which the Company and the Trust agreed that in exchange for the surrender and forgiveness of RP Note, with the principal and interest thereon being equal to $1,878,082, the Trust would be granted (a) 1,500,000 shares of Series AAAA Jr. Convertible Preferred Stock, and (b) cash payments totaling $378,000, such payments to be made in equal monthly installments of approximately $63,000, commencing on October 15, 2025, and concluding on March 15, 2026.

The July 7, 2025 exchange of the balance of the RP Note for shares of the Company's Series AAAA Junior Preferred Stock was accounted for as an extinguishment of the RP Note, resulting in the derecognition of the related liability and the recording of the fair value of the Series AAAA Jr. Preferred Stock exchanged on the date of settlement. The RP Note was accounted for under the FVO, and therefore, the carrying amount of the RP Note immediately prior to settlement represented its fair value at the settlement date, resulting in a loss on extinguishment totaling $26,000. The $378,000 of accrued cash payments were included as a component of the change in fair value of the RP Note for the year ended December 31, 2025, which is included in other income (expense) in the statement of operations and comprehensive income (loss).

Yield Point Convertible Note

On July 10, 2025, the Company and Yield Point NY, LLC (the "Yield Point") entered into a Securities Purchase Agreement, pursuant to which the Company agreed to sell up to (i) an aggregate principal amount of $4,494,382 in 8% Senior Secured Convertible Notes, maturing eighteen (18) months after the issue date, with original issue discount of 11%, convertible into shares of the Company's common stock at a conversion price of $81.78 per share, and if not converted then amortized over the final twelve (12) months concluding on the maturity date ("YP Notes"), and (ii) common stock purchase warrants to purchase 54,998 shares of common stock at an exercise price of $64.33 per share (the "Original YP Warrant") (the "Offering") (the "YP Purchase Agreement"). The Company received $4,000,000 in gross proceeds from the Offering. The Company used the proceeds from the sale of the YP Notes for working capital and general corporate purposes.

The YP Notes were senior secured obligations of the Company and were secured by certain personal property of the Company, pursuant to a security agreement. Unless earlier converted, the YP Notes would mature in January 2027. The YP Notes bore interest at a rate of 8% per annum, subject to increase in the event of default to the lesser of 18% per annum or the maximum rate permitted under applicable law. The YP Notes, including interest accrued thereon, were convertible at any time until a convertible note is no longer outstanding, in whole or in part, at the option of the holders into shares of common stock at a conversion price of $81.78 per share, subject to adjustment as set forth therein. Commencing on the six-month anniversary of the date of the issuance of the YP Note, and on the same date every month thereafter, the Company would make 12 equal amortization payments, with each payment being equal to one-twelfth of the initial principal amount, plus all accrued but unpaid interest.

The Original YP Warrant entitled the holders to purchase 54,998 shares of common stock. The Original YP Warrant was exercisable immediately and had a term of four years. The Original YP Warrant had an exercise price of $64.33 per share, subject to adjustment as set forth therein.

The terms of each of the YP Notes and the Original YP Warrant provided for anti-dilution protection for issuances of common stock at a price per share less than the price equal to the conversion price or exercise price, as applicable, subject to approval by the Company's stockholders.

On September 30, 2025, the Company and Yield Point, entered into Amendment No. 1 to the YP Note (the "YP Note Amendment"), originally issued on July 10, 2025, pursuant to that certain YP Purchase Agreement, dated therewith. Pursuant to the YP Note Amendment, (i) the "Conversion Price" was amended to $71.40, subject to adjustment as set forth in the YP Note; and (ii) the "Floor Price" was amended to $14.28. All other terms and conditions of the YP Note remain in full force and effect.

The initial fair value of the Original YP Warrant, totaling $1,935,000, was classified as a liability in the balance sheets, and remeasured at fair value at each balance date. The change in fair value of the Original YP Warrant for the year ended December 31, 2025 totaled $1,070,000 which is reflected in other income (expense) in the statements of operations and comprehensive income (loss). The fair value of the Original YP Warrant was estimated using the Black-Scholes option pricing model and the following weighted-average assumptions: expected volatility of 40%; risk free interest rate range of 3.66% - 3.88%; and expected life range of 3.83-4.0 years. The fair value of the conversion feature embedded in the YP Note was estimated using the Black-Scholes option pricing model and the following weighted-average assumptions: expected volatility of 40%; risk free interest rate range of 3.66% - 3.97%; and expected life range of 1.30-1.53 years. In conjunction with the Company's October 2025 shareholder meeting, shareholders approved the issuance of the shares underlying the Original YP Warrant as required by Nasdaq Listing Rule 5635(d). As such, the fair value of the Original YP Warrant on the approval date totaling $1,679,000 was reclassified to equity.

Effective October 22, 2025, the Company and Yield Point entered into an exchange agreement (the "YP Exchange Agreement"), pursuant to which the Company and Yield Point would, on a date no earlier than ten (10) business days after the effectiveness of the YP Exchange Agreement, exchange up to 100% of unconverted and unpaid principal and interest under the YP Note, for (i) that number of shares of the Company's Series C Preferred Stock; (ii) common stock purchase warrants to purchase 166,667 shares of common stock, on terms substantially similar to the PIPE Warrants, at an initial exercise price of $12.00 per share subject to adjustment as set forth therein (the "YP Exchange Warrant"); and (iii) the cancellation of all remaining common stock purchase warrants previously issued to Yield Point in connection with the sale to Yield Point of the YP Note, dated July 10, 2025 ("YP Note Exchange").

In addition, during the 10-day period from the effective date of the YP Exchange Agreement, Yield Point converted $1,953,000 of the outstanding principal balance under the YP Note, resulting in the issuance of 136,834 shares of common stock to Yield Point upon conversion, and the Company repaid in cash and additional $1,500,000 of outstanding principal on the YP Note. As a result, the remaining balance under the YP Note as of the YP Note Exchange date was $1,153,000.

The exchange of the remaining balance of the YP Note for Series C Preferred stock, as described above, was accounted for as an exchange of debt for equity, resulting in a loss on exchange totaling $196,000, reflected in other income (expense) in the statement of operations and comprehensive income (loss) for the year ended December 31, 2025 (fourth quarter of 2025). The exchange of the Original YP Warrant for the YP Exchange Warrant, as described above, was accounted for as a modification of the Original YP Warrant, resulting in a loss on extinguishment totaling $1,459,000 reflected in other income (expense) in the statement of operations and comprehensive income (loss) for the year ended December 31, 2025 (fourth quarter of 2025).

The fair value of the Original YP Warrant and the YP Exchange Warrant, on the date of the exchange was estimated utilizing Black-Scholes, with inputs including, Term of 4 years, stock price of $14.04, volatility ranging from 40% to 103% and risk-free interest rate of 3.58%.

Account Receivable Financing Facility

The Company and its subsidiaries (collectively with the Company, the "Borrowers"), entered into a Financing and Security Agreement (the "SLR Agreement") with SLR Digital Finance, LLC ("Lender"), effective December 17, 2023 (the "Facility Effective Date"). Pursuant to the SLR Agreement, Lender may, from time to time and in its sole discretion, make certain cash advances to the Company (each an "Advance", and collectively, "Advances"), against the face amounts of certain uncollected accounts receivable of the Borrowers on an account-by-account basis (each, a "Financed Account", and collectively, the "Accounts"), at a rate of 85% multiplied by the face value of such Account (the "Advance Rate"), less any reserved funds and any other amounts due to Lender from Borrowers, up to a maximum aggregate Advance amount of $4,000,000 (the "Maximum Amount")(the Advances on the Accounts is hereinafter, the "Facility"). Upon receipt of any Advance, Borrowers will have assigned all of its rights in such receivables and all proceeds thereof. The proceeds received from the Facility are, and will be, used to fund general working capital needs.

The SLR Agreement is effective for 24 months from the Facility Effective Date (the "Term"), automatically extends for successive Terms (each, a "Renewal Term"), and the Borrowers' are obligated to pay the Lender an early termination fee in the event the SLR Agreement is terminated under certain circumstances prior to the end of any Term or Renewal Term, as more specifically set forth in the SLR Agreement.

As security for the full and prompt payment and performance of any obligations arising under the SLR Agreement, the Borrowers granted to Lender a continuing first priority security interest in all the assets of the Borrowers. The SLR Agreement also provides for customary provisions, including representations, warranties and covenants, indemnification, waiver of jury trial, arbitration, and the exercise of remedies upon a breach or default. Refer to Note 5 for additional information.

Hudson Equity Line of Credit

On February 14, 2025, the Company entered into an equity purchase agreement (the "Hudson Equity Purchase Agreement") with Hudson Global Ventures, LLC, a Nevada limited liability company ("Hudson"). Pursuant to the Hudson Equity Purchase Agreement, the Company had the right, but not the obligation, to sell to Hudson, and Hudson 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 Hudson Equity Purchase Agreement, subject to certain limitations and conditions (the "Hudson Offering" or "Hudson ELOC"). As consideration for Hudson's commitment to purchase shares of common stock under the Hudson Equity Purchase Agreement, the Company issued to Hudson 625 shares of common stock, valued at $159,000, following the execution of the Hudson Equity Purchase Agreement (the "Hudson Commitment Shares").

During the nine months ended September 30, 2025, the Company sold 1,494 shares of common stock, under the Hudson ELOC at an average per share price of $163.20, raising net proceeds totaling $231,000. The Hudson Equity Purchase Agreement was terminated effective May 8, 2025. The Company utilized the net proceeds from the Hudson Offering for working capital and general corporate purposes, including sales and marketing activities, product development and capital expenditures.

Other

On July 29, 2026, the *Company* entered into a waiver and release agreement with Aegis Capital Corp. ("Aegis") pursuant to which the Company agreed to pay Aegis: (i) $0.7 million, which was paid on July 30, 2026, in exchange for a waiver of any and all rights of first refusal arising from prior engagement agreements with Aegis; and (ii) $0.3 million, to be paid prior to any future financing, in exchange for a waiver of any tail fees associated with the Prior Agreements. The amounts paid are included in deferred financing costs as of September 30, 2026.

Contractual Obligations and Off-Balance Sheet Commitments and Arrangements

As of September 30, 2026, except as disclosed elsewhere herein, we had no significant commitments for capital expenditures, nor do we have any committed lines of credit, other committed funding or long-term debt, and no guarantees. As of September 30, 2026 we maintain approximately 200 square feet of office space which is leased on an annual basis at a rate of approximately $3,000 per month.

We have not entered into any off-balance sheet financial guarantees or other off-balance sheet commitments to guarantee the payment obligations of any third parties. Except as disclosed herein, with reference to Note 4, Note 5 and Note 6, we have not entered into any derivative contracts that are indexed to our shares and classified as stockholders' (deficit) equity or that are not reflected in our financial statements included elsewhere herein. Furthermore, we do not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or engages in leasing, hedging or product development services with us.

Contingencies

Certain conditions may exist as of the date the financial statements are issued, which may result in a loss to the Company, but which will only be resolved when one or more future events occur or fail to occur. The Company's management, in consultation with its legal counsel as appropriate, assesses such contingent liabilities, and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against the Company or unasserted claims that may result in such proceedings, the Company, in consultation with legal counsel, evaluates the perceived merits of any legal proceedings or unasserted claims, as well as the perceived merits of the amount of relief sought or expected to be sought therein. If the assessment of a contingency indicates it is probable that a material loss has been incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in the Company's financial statements. If the assessment indicates a potentially material loss contingency is not probable, but is reasonably possible, or is probable, but cannot be estimated, then the nature of the contingent liability, together with an estimate of the range of possible loss, if determinable and material, would be disclosed. Loss contingencies considered remote are generally not disclosed unless they involve guarantees, in which case the guarantees would be disclosed.

Global Leisure Partners, LLC, and Blackwatch Advisors, LLC vs. Super League Enterprise, Inc. On January 26, 2026, a complaint was filed against the Company in the United States District Court for the Southern District of New York by Global Leisure Partners, LLC and Blackwatch Advisors, LLC (the "Plaintiff"). Formal service of process on the complaint occurred on February 12, 2026. The complaint alleges, among other things, breach of contract and related claims arising from the Company's completion of a series of financing transactions during the fiscal year. The Plaintiff seeks unspecified damages, together with interest, attorneys' fees and other relief.

The Company believes the claims are wholly without merit and intends to vigorously defend the action. Based on the Company's assessment of the facts currently known, and after consultation with outside legal counsel, the Company believes that the likelihood of a material loss is remote. Accordingly, no liability has been recorded in the accompanying financial statements as of September 30, 2026 and December 31, 2025. Litigation is inherently uncertain, and while the Company believes the claims lack merit, an unfavorable outcome could occur. However, at this time, the Company does not see the need to, nor can it reasonably estimate any possible loss or range of loss associated with this matter.

Recent Accounting Pronouncements

Refer to Note 2 to the accompanying condensed financial statements contained elsewhere in this Report.

Critical Accounting Estimates

Our unaudited interim condensed financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. Preparation of these condensed statements requires management to make judgments and estimates. Some accounting policies have a significant impact on amounts reported in these condensed financial statements. The SEC has defined a company's critical accounting policies as the ones that are most important to the portrayal of a company's financial condition and results of operations, and which require a company to make its most difficult and subjective judgments. A summary of significant accounting policies and a description of accounting policies that are considered critical may be found in the audited financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2025, as amended (amended to present the information required by Items 10, 11, 12, 13, and 14 of Part III of the Original Filing in reliance on General Instruction G(3) to Form 10-K, which provides that registrants may incorporate by reference certain information from a definitive proxy statement filed with the SEC within 120 days after fiscal year end), filed with the SEC on March 31, 2026. In addition, refer to Note 2 to the condensed financial statements included in this Report. The following accounting policies were identified during the current period, based on activities occurring during the current period, as critical and requiring significant judgments and estimates.

Revenue Recognition

The Company generates revenue from (i) innovative advertising including immersive game world and experience publishing and in-game media products, (ii) content and technology through the production and distribution of our own, advertiser and third-party content, and (iii) direct to consumer offers, including in-game items, e-commerce, game passes and digital collectibles.

Revenue is recognized when the Company transfers promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods and services and when the customer obtains control of the goods or services. In this regard, revenue is recognized when: (i) the parties to the contract have approved the contract (in writing, orally, or in accordance with other customary business practices) and are committed to perform their respective obligations; (ii) the entity can identify each party's rights regarding the goods or services to be transferred; (iii) the entity can identify the payment terms for the goods or services to be transferred; (iv) the contract has commercial substance (that is, the risk, timing, or amount of the entity's future cash flows is expected to change as a result of the contract); and (v) it is probable that the entity will collect substantially all of the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

We make estimates and judgments when determining whether we will collect substantially all of the consideration to which we will be entitled in exchange for the goods or services that will be transferred to the customer. We assess the collectability of receivables based on several factors, including past transaction history and the creditworthiness of our customers. If it is determined that collection is not probable, amounts due are recognized when collectability becomes probable, assuming all other revenue recognition criteria have been met, which is generally upon receipt of cash for transactions where collectability may have been an issue. Management's estimates regarding collectability impact the actual revenue recognized each period and the timing of the recognition of revenue. Our assumptions and judgments regarding future collectability could differ from actual events and thus materially impact our financial position and results of operations.

Depending on the complexity of the underlying revenue arrangement and related terms and conditions, significant judgments, assumptions and estimates may be required to determine each party's rights regarding the goods or services to be transferred, each party's performance obligations, whether performance obligations are satisfied at a point in time or over time, estimates of completion methodologies, the timing of satisfaction of performance obligations, whether we are a principal or agent in the arrangement and the appropriate period or periods in which, or during which, the completion of the earnings process and transfer of control occurs. Depending on the magnitude of specific revenue arrangements, if different judgments, assumptions and estimates are made regarding revenue arrangements in any specific period, our periodic financial results may be materially affected.

Fair Value Option ("FVO") Election

The Company accounted for certain promissory notes issued, as described at Note 5, under the fair value option election pursuant to ASC 825, "Financial Instruments," ("ASC 825") as discussed below. The promissory notes accounted for under the FVO election are each debt host financial instruments containing embedded features which would otherwise be required to be bifurcated from the debt-host and recognized as separate derivative liabilities subject to initial and subsequent periodic estimated fair value measurements under ASC 815. Notwithstanding, ASC 825 provides for the "fair value option" election, to the extent not otherwise prohibited by ASC 825, to be afforded to financial instruments, wherein bifurcation of an embedded derivative is not necessary, and the financial instrument is initially measured at its issue-date estimated fair value and then subsequently remeasured at estimated fair value on a recurring basis at each reporting period date. The estimated fair value adjustments, subsequent to the issuance date, as required by ASC 825, are recognized as a component of other comprehensive income ("OCI") with respect to the portion of the fair value adjustment attributed to a change in the instrument-specific credit risk, with the remaining amount of the fair value adjustment recognized as other income (expense) in the accompanying statements of operations and comprehensive income (loss). With respect to the promissory notes described at Note 5, as provided for by ASC 825, the estimated fair value adjustments are presented in a respective single line item within other income (expense) in the accompanying statements of operations and comprehensive income (loss), since the change in fair value of the convertible notes payable was not attributable to instrument specific credit risk. The estimated fair value adjustment is included in interest expense in the accompanying statements of operations and comprehensive income (loss).

The fair value of the promissory notes described at Note 5 was estimated based on a calculation of the present value of the related cash flows (i.e. payments of principal and interest based on contractual agreement terms) using a discount rate that reflected market rates and related credit risk. The FVO was elected for the promissory notes described at Note 5 due to the short term nature of the promissory notes and to provide relevant and timely information regarding the current market value of the debt, which is marked to market at each balance sheet date reflecting the effects of market fluctuations and other factors.

Significant judgements and estimates may be required in connection with the determination of whether or not to elect the FVO for specific assets and/or liabilities. In addition, significant judgements and estimates may be required in connection with the determination of appropriate discount rates utilized in connection with present value related valuation techniques. Discount rate assumptions typically reflect the estimated yield to maturity of the debt instrument, incorporating the estimated market-implied rate of return an investor would receive if they held the debt until maturity, and taking into account all future cash flows and the current market price; adjusted for credit risk and market conditions. In addition, judgements and estimates are required in connection with the determination of the portion of subsequent fair value adjustments relate to instrument-specific credit risk, which are reflected in OCI, and the portion of subsequent fair value adjustments that relate to changes in interest rates or other variables, which are reflected in the statements of operations and comprehensive income (loss). Variations in any of these judgements and estimates could have a material impact on our financial results.

Accounting for Business Combinations

We account for our business combinations under the acquisition method of accounting. Identifiable assets acquired, liabilities assumed and any noncontrolling interest in the acquiree are recognized and measured as of the acquisition date at fair value. Additionally, contingent consideration is recorded at fair value on the acquisition date and classified as a liability. Goodwill is recognized to the extent by which the aggregate of the acquisition-date fair value of the consideration transferred and any noncontrolling interest in the acquiree exceeds the recognized basis of the identifiable assets acquired, net of assumed liabilities. Determining the fair value of assets acquired, liabilities assumed and noncontrolling interest requires management's judgment and often involves the use of significant estimates and assumptions, including assumptions with respect to future cash flows, discount rates and asset lives among other items. In addition, when we have acquisitions where substantially all of the fair value of assets acquired is concentrated in a single asset or group of similar assets, we account for the acquisitions as asset acquisitions.

Goodwill

Goodwill is evaluated for impairment at least annually and more frequently if events or changes in circumstances indicate that the carrying value of a reporting unit may exceed its fair value. The Company operates with a single reporting unit and applies significant judgment in both qualitative and quantitative assessments performed in accordance with ASC 350. In performing these assessments, management estimates the fair value of the reporting unit using a combination of market-based and income-based approaches, if applicable, including consideration of the Company's market capitalization. Determining market capitalization requires judgment, including the selection of an appropriate stock price to use (e.g., point-in-time closing price versus an average or volume-weighted average price over a period surrounding the measurement date), particularly in periods of elevated volatility, low trading volume or other nonstandard activities.

Management also exercises significant judgment in evaluating the extent and duration of declines in the Company's stock price relative to carrying value, including whether such declines are temporary or indicative of a potential impairment. This assessment involves consideration of multiple factors, including the length of time market capitalization has been below carrying value, the magnitude of the decline, overall market and industry conditions, and company-specific performance. The Company has established internal thresholds and policies to assist in evaluating volatility in the Company's stock price; however, these determinations require significant judgment and may change based on evolving facts and circumstances. If management determines that it is more likely than not that the fair value of the reporting unit is less than its carrying value, a quantitative impairment test is performed, which involves additional estimates and assumptions that could materially impact the amount of any impairment charge.

Relaxed Ongoing Reporting Requirements

We qualify to report as a "smaller reporting company" (as defined in Rule 12b-2) under the reporting rules set forth under the Exchange Act. For so long as we remain a "smaller reporting company," we may take advantage of certain exemptions from various reporting requirements that are applicable to other Exchange Act reporting companies that are not "smaller reporting companies," including but not limited to not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, and being permitted to comply with reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements.

We are subject to ongoing public reporting requirements that are less rigorous than Exchange Act rules for companies that are not "smaller reporting company," and our stockholders could receive less information than they might expect to receive from more mature public companies.

We expect to take advantage of these reporting exemptions until we are no longer a smaller reporting company.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The primary objective of our investment activities is to preserve principal while concurrently maximizing the income we receive from our investments without significantly increasing risk. Some of the securities that we invest in may be subject to interest rate risk and/or market risk. This means that a change in prevailing interest rates, with respect to interest rate risk, or a change in the value of the United States equity markets, with respect to market risk, may cause the principal amount or market value of the investments to fluctuate. For example, if we hold a security that was issued with a fixed interest rate at the then-prevailing rate and the prevailing interest rate later rises, the current value of the principal amount of our investment may decline. To minimize these risks in the future, we intend to maintain our portfolio of cash equivalents and short-term investments in a variety of securities, including commercial paper, money market funds, high-grade corporate bonds, government and non-government debt securities and certificates of deposit.

At September 30, 2026, our short-term investments were comprised of AAA rated money market funds that invest in securities issued or guaranteed by the U.S. government or its agencies, (included in cash and cash equivalents in the accompanying balance sheets), and direct investments in highly liquid, AA and A-1+ rated, U.S. government securities (included in marketable securities, available-for-sale in the accompanying balance sheets). Marketable securities, available-for-sale balances were zero at December 31, 2025.

In general, money market funds are not subject to market risk because the interest paid on such funds fluctuates with the prevailing interest rate. Accordingly, a 100 basis point increase in interest rates or a 10% decline in the value of the United States equity markets would not be expected to have a material impact on the value of such money market funds. Investments in U.S. government fixed income securities are subject to interest rate risk and will decline in value if interest rates increase. However, due to the relatively short duration of our investment portfolio, an immediate 10% change in interest rates would have no material impact on our financial condition, results of operations or cash flows. Declines in interest rates over time will, however, reduce our interest income.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

As required by Rule 13a-15(b) under the Exchange Act, our Chief Executive Officer (“CEO”) and our Chief Financial Officer (“CFO”) conducted an evaluation as of the end of the period covered by this Quarterly Report on Form 10-Q, of the effectiveness of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. Based on that evaluation, our CEO and our CFO each concluded that our disclosure controls and procedures are effective to provide reasonable assurance that information required to be disclosed in the reports that we file or submit under the Exchange Act, (i) is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and (ii) is accumulated and communicated to our management, including our CEO and our CFO, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting identified in management’s evaluation pursuant to Rules 13a-15(d) or 15d-15(d) of the Exchange Act during the period covered by this Report that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II

OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We may from time to time be subject to various legal or administrative claims and proceedings arising in the ordinary course of business. Litigation or any other legal or administrative proceeding, regardless of the outcome, is likely to result in substantial cost and diversion of our resources, including our management’s time and attention. There are no proceedings in which any of our directors, executive officers or affiliates, or any registered or beneficial stockholder, is an adverse party or has a material interest adverse to our interest.

As of the date hereof, except as described below under “Contingencies” and Note 7, “Commitments and Contingencies,” we are not a party to any material legal or administrative proceedings.

ITEM 1A. RISK FACTORS

Other than as set forth below, management is not aware of any material changes to the risk factors discussed in Part I, Item 1A, of the Annual Report on Form 10-K for the year ended December 31, 2025, as amended. In addition to other information set forth in this Quarterly Report on Form 10-Q, you should carefully consider the risk factors discussed below and in Part I, Item 1A, of the Annual Report on Form 10-K for the year ended December 31, 2025, as amended, and subsequent reports filed pursuant to the Exchange Act which could materially and adversely affect the Company's business, financial condition, results of operations, and stock price. The risks described below and in the Annual Report on Form 10-K and subsequent reports filed pursuant to the Exchange Act are not the only risks facing the Company. Additional risks and uncertainties not presently known to management, or that management presently believes not to be material, may also result in material and adverse effects on our business, financial condition, and results of operations.

Risks Related to the Misfits Transaction

We may experience difficulties in integrating the assets purchased and contracts assumed in the Misfits Transaction into our business and in realizing the expected benefits of the Misfits Transaction.

The success of the Misfits Transaction will depend in part on our ability to realize the anticipated business opportunities from combining the Misfits Purchased Assets with our business in an efficient and effective manner. The integration process could take longer than anticipated and could result in the loss of key employees, the disruption of our current and ongoing businesses, tax costs or inefficiencies, or inconsistencies in standards, controls, information technology systems, procedures and policies, any of which could adversely affect our ability to maintain relationships with customers, employees or other third parties, or our ability to achieve the anticipated benefits of the Transaction, and could harm our financial performance. If we are unable to successfully or timely integrate the Misfits Purchased Assets with our business, we may incur unanticipated liabilities and be unable to realize the revenue growth, synergies and other anticipated benefits resulting from the Misfits Transaction, and our business, results of operations and financial condition could be materially and adversely affected.

We have incurred significant costs in connection with the Misfits Transaction. The substantial majority of these costs are non-recurring expenses related to the Misfits Transaction. We may incur additional costs in the integration of the Misfits Purchased Assets into the Company's business, and may not achieve cost synergies and other benefits sufficient to offset the incremental costs of the Misfits Transaction.

The Misfits Transaction will present challenges associated with integrating operations, personnel, and other aspects of the Misfits Purchased Assets and assignment of contracts, which may have liabilities associated therewith, and which may be known or unknown by the Company.

The results of the combined company following the Misfits Transaction will depend in part upon the Company's ability to integrate the Misfits Purchased Assets with the Company's business in an efficient and effective manner. The Company's attempt to integrate the Misfits Purchased Assets may result in significant challenges, and the Company may be unable to accomplish the integration smoothly or successfully. In particular, the necessity of coordinating geographically dispersed organizations and addressing possible differences in corporate cultures and management philosophies may increase the difficulties of integration. The integration may require the dedication of significant management resources, which may temporarily distract management's attention from the day-to-day operations of the Company's business. In addition, the integration of the Misfits Purchased Assets may adjust the way in which the Company has conducted its operations and utilized its assets, which may require retraining and development of new procedures and methodologies. The process of integrating the purchased assets and making such adjustments after the Transaction could cause an interruption of, or loss of momentum in, the activities of the Company's businesses and the loss of key personnel. Employee uncertainty, lack of focus, or turnover during the integration process may also disrupt the businesses of the Company. Any inability of management to integrate the purchased assets successfully could have a material adverse effect on the business and financial condition of the combined company.

In addition, the Transaction will subject the Company to contractual or other obligations and liabilities arising from the purchased assets and assigned contracts, some of which may be unknown. Although the Company and its legal and financial advisors have conducted due diligence on the purchased assets, there can be no assurance that the Company is aware of all obligations and liabilities arising from the purchased assets and assumed liabilities. These liabilities, and any additional risks and uncertainties related to the purchased assets and to the Transaction not currently known to the Company or that the Company may currently be aware of, but that prove to be more significant than assessed or estimated by the Company, could negatively impact the business, financial condition, and results of operations of the Company following consummation of the Transaction.

Risks Related to the Metaplanet Transaction

Failure to satisfy the conditions to the Closing on a timely basis or at all could cause delay and additional expense or prevent the Metaplanet Transaction from occurring altogether.

The Metaplanet Subscription Agreement contains conditions to the Closing that must be fulfilled (or, as permitted by law, waived by the parties) to complete the Metaplanet Transaction. These conditions include, among other customary conditions, the approval of the Share Issuance Proposal and the Charter Amendment Proposal by Super League's stockholders. Several of these conditions, such as obtaining Super League stockholder approval, are partially or largely outside of the control and timing of Super League and may be driven by factors unrelated to the Metaplanet Transaction or the parties thereto.

The Metaplanet Subscription Agreement may be terminated by Metaplanet if the Closing does not occur by December 31, 2026. Should satisfaction of these conditions take longer than the parties anticipate, or if any condition is not met by such date, the parties may mutually agree to either postpone the Closing until the condition(s) are met or to waive or amend the condition. If a Closing condition cannot be met on a timely basis, or the parties are unable to agree on a waiver or amendment, the Closing may be delayed or the Metaplanet Subscription Agreement may be terminated, subject to the terms and conditions contained therein.

There can be no assurance that the conditions to the Closing will be satisfied or waived or that the Metaplanet Transaction will be completed. Any delay in completing the Metaplanet Transaction could cause Super League not to realize some or all of the benefits that the parties expect the Metaplanet Transaction to achieve. Furthermore, the parties will fail to realize any benefits of the Metaplanet Transaction should the Closing not occur, and in such event, each party will be subject to the go-forward risks of its respective business, potential reputational and economic harm that may result from a failure to consummate the Metaplanet Transaction, and the potential economic burden of certain fees or expenses associated with a termination of the Metaplanet Subscription Agreement.

Termination of the Metaplanet Subscription Agreement could trigger payment of fees or expenses to Metaplanet, as well as negatively impact the business, financial condition, results of operations or stock price of Super League.

If the Metaplanet Transaction is not consummated, Super League may be subject to a number of adverse effects, including:

- Super League may be required to pay Metaplanet a termination fee under certain circumstances equal to all reasonable and documented costs and expenses (including, without limitation, attorney, auditor and advisor fees and disbursements) incurred by Metaplanet, Metaplanet Parent, or any of their respective representatives or affiliates in connection with, or arising out of, or relating to the negotiation, preparation and execution of the Metaplanet Subscription Agreement and the other Transaction Documents and the transactions contemplated thereby (see the section entitled "*The Metaplanet Subscription Agreement—Termination of the Metaplanet Subscription Agreement—Termination Fee*");
- the price of Common Stock may decline;
- Super League may experience negative reactions from the financial markets or from its employees, suppliers or customers; and
- costs related to the Metaplanet Transaction, such as legal, accounting, financial advisory and proxy solicitation fees, must be paid even if the Metaplanet Transaction is not completed.

In addition, if the Metaplanet Transaction is not consummated, Super League could be subject to litigation related to any failure to consummate the Metaplanet Transaction or related to any enforcement proceedings commenced against Super League to perform its obligations under the Metaplanet Subscription Agreement. Finally, if the Metaplanet Transaction is not consummated and the Super League Board seeks another investor, there can be no assurance that Super League would be able to find another investor partner on terms as favorable as those of the Metaplanet Subscription Agreement or at all.

Consummation of the Metaplanet Transaction is subject to conditions, including conditions that may not be satisfied or waived on a timely basis or at all, and which if delayed or not satisfied may prevent, delay or jeopardize the Closing, result in additional expenditures of money and resources and/or reduce the anticipated benefits of the Metaplanet Transaction.

Even if the Share Issuance Proposal and other related proposals that Super League stockholders are being asked to consider at the Annual Meeting are approved by Super League stockholders, specified conditions must be satisfied or waived to complete the Metaplanet Transaction. These conditions are set forth in the Metaplanet Subscription Agreement and described in the section entitled "*Summary – Conditions to Consummation of the Metaplanet Transaction*" in this Proxy Statement. We cannot assure you that all of the conditions will be satisfied or waived. If the conditions are not satisfied or waived, the Metaplanet Transaction will not occur or will be delayed, and Super League may lose some or all of the intended benefits of the Metaplanet Transaction and incur significant costs that it will not be able to recover or recoup.

The Metaplanet Subscription Agreement contains provisions that limit Super League's ability to pursue alternatives to the Metaplanet Transaction and could discourage a potential competing transaction counterparty from making a favorable alternative transaction proposal to Super League.

The Metaplanet Subscription Agreement contains provisions that make it more difficult for Super League to enter into certain transactions with a third party, including constraints preventing the acquisition or merger of Super League by or with a third party, and certain restrictions on capital expenditures and restrictions on loan transactions and incurrences of indebtedness on Super League.

The Metaplanet Subscription Agreement contains certain provisions that restrict Super League's ability to, among other things, solicit, initiate or take any action to knowingly induce the making, submission or announcement of, or knowingly facilitate or encourage the submission of, an alternative transaction, or participate or engage in any discussions or negotiations, or cooperate with any person, with respect to an alternative transaction. In addition, even in circumstances in which Super League is permitted under the Metaplanet Subscription Agreement to entertain an alternative transaction proposal, the other party would have an opportunity to offer to revise the terms of the Metaplanet Subscription Agreement before Super League may decide to withhold, qualify or modify its recommendation with respect to the Metaplanet Transaction in a manner adverse to the other party and before it may terminate the Metaplanet Subscription Agreement. If the Metaplanet Subscription Agreement is terminated by Super League to enter into an alternative transaction or if the Super League Board withholds, qualifies or modifies in a manner adverse to Metaplanet its recommendation with respect to the Metaplanet Transaction or in certain other circumstances, Super League would be required to pay a termination fee to Metaplanet, as contemplated by the Metaplanet Subscription Agreement. For more details, see the section entitled "*The Metaplanet Subscription Agreement—Termination—Termination Fee.*"

These provisions could discourage a potential third-party acquirer or merger partner that might have an interest in acquiring or combining with all or a significant portion of Super League or pursuing an alternative transaction from considering or proposing such a transaction.

Until the Closing or the termination of the Metaplanet Subscription Agreement in accordance with its terms, Super League is prohibited from entering into certain transactions and taking certain actions that might otherwise be beneficial to Super League and its stockholders.

After the date of the Metaplanet Subscription Agreement and prior to the Closing, the Metaplanet Subscription Agreement restricts Super League from taking specified actions without the written consent of the other party (such consent not to be unreasonably withheld, conditioned or delayed) and requires that the business of Super League be conducted in all material respects in the ordinary course of business consistent with past practice. These restrictions may prevent Super League from making appropriate changes to their respective businesses or organizational structures or from consummating attractive business opportunities that may arise prior to the Closing and could have the effect of delaying or preventing other strategic transactions. Adverse effects arising from the pendency of the Metaplanet Transaction could be exacerbated by any delays in the Closing or termination of the Metaplanet Subscription Agreement.

Certain of Super League's directors and executive officers may have interests in the Metaplanet Transaction that may differ from the interests of holders of Common Stock.

Holders of Common Stock should be aware that some of Super League's directors and executive officers may have interests in the Metaplanet Transaction and arrangements that are different from, or in addition to, those of holders of Common Stock generally. The Super League Board was aware of these respective interests and considered these interests, among other matters, when making its decision to approve the Subscription Agreements and recommending that stockholders vote to approve the Share Issuance Proposal and the other proposals to be considered at the Annual Meeting. For a more complete description of these interests, please see the section entitled "*Interests of Certain Persons in the Metaplanet Transaction*" beginning on page 68.

The issuance of shares of Common Stock will be dilutive, and there may be future dilution of Common Stock, which may adversely affect the market price of Common Stock.

We cannot predict whether the future issuances or sale of shares of Common Stock pursuant to the Subscription Agreement or the availability of shares for resale in the open market will decrease the per share trading price of our Common Stock. The market price of our Common Stock could decline as a result of any dilutive effect that such sales, including the issuances pursuant to the Subscription Agreements, may have on our earnings per share. Such a decline may also occur as a result of (i) additional sales, or the perception that such additional sales could occur, particularly by our directors, officers and significant stockholders; (ii) issuances of vested restricted shares granted to certain directors, officers or employees under our equity incentive plans; or (iii) issuances in connection with future acquisitions. The increase in the number of outstanding shares of Common Stock being issued or that could be issued pursuant to the Subscription Agreements will dilute a current Super League stockholder's ownership interest or could have a negative effect on the market price of our Common Stock and may make it more difficult for stockholders to sell their shares of Common Stock at a time and price that they deem appropriate. A decline in the market price of Common Stock could adversely affect our ability to raise capital through future offerings of equity securities.

The Super League Board did not obtain a third-party valuation or fairness opinion in determining whether to proceed with the Metaplanet Transaction.

The Super League Board did not obtain a third-party valuation or fairness opinion in connection with its determination to approve the Metaplanet Transaction. In analyzing the Metaplanet Transaction, the Super League Board and management conducted due diligence on Metaplanet and researched the industry in which Metaplanet operates and concluded that the Metaplanet Transaction was fair to and in the best interests of Super League and its stockholders. Accordingly, investors will be relying solely on the judgment of the Super League Board.

Bitcoin is a novel asset, and subject to significant legal, commercial, regulatory and technical uncertainty.

Bitcoin is relatively novel and subject to significant uncertainty, which could adversely impact its price. The application of state and federal securities laws and other laws and regulations to digital assets such as Bitcoin is unclear in certain respects, and it is possible that regulators in the United States or foreign countries may interpret or apply existing laws and regulations in a manner that adversely affects the price of Bitcoin or the ability of individuals or institutions such as Super League to own or transfer Bitcoin.

The U.S. federal government, states, regulatory agencies, and foreign countries may also enact new laws and regulations that could materially impact the price of Bitcoin or the ability of individuals or institutions such as Super League to own or transfer Bitcoin. Within the past several years, the European Union adopted Markets in Crypto Assets Regulation, a comprehensive digital asset regulatory framework for the issuance and use of digital assets, like Bitcoin, the United Kingdom adopted and implemented the Financial Services and Markets Act 2023, which regulates market activities in "cryptoassets," and in China, the People's Bank of China and the National Development and Reform Commission have outlawed cryptocurrency mining and declared all cryptocurrency transactions illegal within the country. While the current U.S. administration has expressed support regarding the development and use of digital assets, and the U.S. federal government enacted the GENIUS Act in July 2025, which provide a regulatory framework for the issuance of payment stablecoins, additional regulatory frameworks and timeline for implementation are still to be developed.

In addition, federal, state and foreign governments and regulatory agencies may pursue regulatory, enforcement or judicial actions. For example, in June 2023, the SEC filed complaints against Binance Holdings Ltd. and Coinbase, Inc., and their respective affiliated entities, relating to, among other claims, that each party was operating as an unregistered securities exchange, broker, dealer, and clearing agency, and in November 2023, the SEC filed a complaint against Payward Inc. and Payward Ventures Inc., together known as Kraken, alleging, among other claims, that Kraken's crypto trading platform was operating as an unregistered securities exchange, broker, dealer, and clearing agency. In November 2023, Binance Holdings Ltd. and its then chief executive officer reached a settlement with the U.S. Department of Justice, CFTC, the U.S. Department of the Treasury's Office of Foreign Asset Control, and the Financial Crimes Enforcement Network to resolve a multi-year investigation by the agencies and a civil suit brought by the CFTC, pursuant to which Binance Holdings Ltd. agreed to, among other things, pay $4.3 billion in penalties across the four agencies and to discontinue its operations in the United States.

It is not possible to predict whether, or when, new laws will be enacted that change the legal framework governing digital assets such as Bitcoin or provide additional authorities to the SEC or other regulators, or whether, or when, any other federal, state or foreign legislative bodies will take any similar actions. It is also not possible to predict the nature of any such additional laws or authorities, how additional legislation or regulatory oversight might impact the ability of digital asset markets to function, the willingness of financial and other institutions to continue to provide services to the digital assets industry, or how any new laws or regulations, or changes to existing laws or regulations, might impact the value of digital assets generally and Bitcoin specifically. The consequences of any new law or regulation relating to digital assets and digital asset activities could adversely affect the market price of Bitcoin, as well as Super League's ability to hold or transact in Bitcoin, and in turn adversely affect the market price of Super League's securities. Moreover, the risks of engaging in a Bitcoin strategy are relatively novel and have created, and could continue to create, complications due to the lack of experience that third parties have with companies engaging in such a strategy, such as increased costs of director and officer liability insurance or the potential inability to obtain such coverage on acceptable terms in the future. The growth of the digital assets industry in general, and the use and acceptance of Bitcoin in particular, may also impact the price of Bitcoin and is subject to a high degree of uncertainty. The pace of worldwide growth in the adoption and use of Bitcoin may depend, for instance, on public familiarity with digital assets, ease of buying, accessing or gaining exposure to Bitcoin, institutional demand for Bitcoin as an investment asset, the participation of traditional financial institutions in the digital assets industry, consumer demand for Bitcoin as a store of value or means of payment, and the availability and popularity of alternatives to Bitcoin. Even if growth in Bitcoin adoption occurs in the near or medium term, there is no assurance that Bitcoin usage will continue to grow over the long term.

Because Bitcoin has no physical existence beyond the record of transactions on the Bitcoin blockchain, a variety of technical factors related to the Bitcoin blockchain could also impact the price of Bitcoin. For example, malicious attacks by miners, inadequate mining fees to incentivize validating of Bitcoin transactions, hard "forks" of the Bitcoin blockchain into multiple blockchains, and advances in digital computing, algebraic geometry, and quantum computing could undercut the integrity of the Bitcoin blockchain and negatively affect the price of Bitcoin. The liquidity of Bitcoin may also be reduced, and damage to the public perception of Bitcoin may occur, if financial institutions were to deny or limit banking services to businesses that hold Bitcoin, provide Bitcoin-related services or accept Bitcoin as payment, which could also decrease the price of Bitcoin. Actions by U.S. banking regulators, such as the issuance in February 2023 by federal banking agencies of the "*Interagency Liquidity Risk Statement,*" which cautioned banks on contagion risks posed by providing services to digital assets customers, and similar actions, have in the past resulted in or contributed to reductions in access to banking services for Bitcoin-related customers and service providers, or the willingness of traditional financial institutions to participate in markets for digital assets. The liquidity of Bitcoin may also be impacted to the extent that changes in applicable laws and regulatory requirements negatively impact the ability of exchanges and trading venues to provide services for Bitcoin.

Super League has a limited operating history in holding Bitcoin, which makes it difficult to evaluate Super League's post-Closing business and prospects and may increase the risks associated with any investment.

After the Closing, Super League will launch a Bitcoin treasury strategy. Super League's management team has a limited operating history of investing in and holding Bitcoin. Super League cannot provide assurances that it will be able to operate its business successfully or implement its operating policies and strategies, including with respect to its potential Bitcoin treasury strategy, as described elsewhere herein. Super League may encounter risks and challenges frequently experienced by growing companies in rapidly developing industries, including risks related to its ability to:

- implement and maintain a Bitcoin treasury strategy, including with respect to the financing, acquisition and custody of Bitcoin;
- identify and successfully implement its strategies, such as the identification and acquisition of discounted Bitcoin claims;
- improve Super League's current operational infrastructure and non-platform technology to support its growth, including its potential Bitcoin treasury strategy, and to respond to the evolution of Super League's market and competitors' developments;
- further trust with future investors and partners with respect to its potential Bitcoin treasury business;
- distinguish itself from competitors in the Bitcoin treasury business and Super League's other businesses and navigate political issues;
- respond appropriately to changes in the price of Bitcoin, the price of which has been, and will likely continue to be, highly volatile;
- respond to complex, evolving, stringent, contradictory industry standards and government regulation on an international scale that impact Super League's businesses, including its potential Bitcoin treasury strategy;
- maintain and grow Super League's existing asset management operations;
- identify, complete and integrate acquisitions;
- prevent, detect, respond to, or mitigate failures or breaches of privacy and security, including with respect to Super League's Bitcoin and its custodial partners;
- hire and retain qualified and motivated employees;
- respond to varying general economic, industry and market conditions; and
- address the other factors described in this section.

If Super League is unable to do so, its business may suffer, its revenue and operating results may decline and Super League may not be able to achieve further growth or sustain profitability.

The broader digital assets industry in which Bitcoin exists is subject to counterparty risks, which could adversely impact the adoption rate, price, and use of Bitcoin.

A series of recent high-profile bankruptcies, closures, liquidations, regulatory enforcement actions and other events relating to companies operating in the digital asset industry have highlighted the counterparty risks applicable to owning and transacting in digital assets. Such events could adversely impact Super League's access to any Bitcoin it acquires and negatively impact the adoption rate and use of Bitcoin. Additional bankruptcies, closures, liquidations, regulatory enforcement actions or other events involving participants in the digital assets industry in the future may further negatively impact the adoption rate, price, and use of Bitcoin, limit the availability to Super League of financing collateralized by Bitcoin, or create or expose additional counterparty risks.

Super League's proposed Bitcoin strategy will subject Super League to enhanced regulatory oversight.

Several spot Bitcoin exchange-traded products ("*ETPs*") have received approval from the SEC to list their shares on a U.S. national securities exchange with continuous share creation and redemption at net asset value. Even though Super League does not intend to be, nor intend to function in the manner of, a spot Bitcoin ETP, it is possible that Super League nevertheless could face regulatory scrutiny from the SEC or other federal or state agencies due to its proposed Bitcoin holdings.

In addition, there has been increasing focus on the extent to which digital assets such as Bitcoin can be used to launder the proceeds of illegal activities, fund criminal or terrorist activities, or circumvent sanctions regimes, including those sanctions imposed in response to the ongoing conflict between Russia and Ukraine. While Super League is implementing and expects to maintain policies and procedures reasonably designed to promote compliance with applicable anti-money laundering and sanctions laws and regulations and take care to only acquire Bitcoin through entities subject to anti-money laundering regulation and related compliance rules in the United States, if Super League is found to have purchased any Bitcoin from bad actors that have used Bitcoin to launder money or persons subject to sanctions, Super League may be subject to regulatory proceedings and any further transactions or dealings in Bitcoin by Super League may be restricted or prohibited. Super League may also incur indebtedness or enter into other financial instruments in the future that may be collateralized by Super League's Bitcoin holdings.

Super League may pursue strategies to create income streams or otherwise generate funds using Super League's Bitcoin holdings. These types of Bitcoin-related transactions are the subject of enhanced regulatory oversight. These and any other Bitcoin-related transactions Super League may enter into, beyond simply acquiring and holding Bitcoin, may subject Super League to additional regulatory compliance requirements and scrutiny, including under federal and state and foreign money services regulations, money transmitter licensing requirements and various commodity and securities laws and regulations. Additional laws, guidance and policies may be issued by domestic and foreign regulators following the filing for Chapter 11 bankruptcy protection by FTX, one of the world's largest cryptocurrency exchanges, in November 2022. In addition, private actors that are wary of Bitcoin or the regulatory concerns associated with Bitcoin have in the past taken and may in the future take further actions that may have an adverse effect on Super League's business or the market price of Super League's future securities.

Bitcoin is a highly volatile asset, and fluctuations in the price of Bitcoin are likely to influence Super League's financial results and the market price of Super League's listed securities.

Super League will receive consideration for the Transaction Shares principally in Bitcoin. Super League's financial results, and the market price of Super League's listed securities, would be adversely affected, and its business and financial condition would be negatively impacted, if the price of Bitcoin decreased substantially (as it has in 2026 and during 2022), including as a result of:

- decreased user and investor confidence in Bitcoin, including due to the various factors described herein;
- increases in the price of Bitcoin at a pace that would prevent Super League from executing on a potential Bitcoin treasury strategy in a cost-effective manner;
- investment and trading activities, such as trading activities of highly active retail and institutional users, speculators, miners and investors;
- actual or expected significant dispositions of Bitcoin by large holders, including the expected liquidation of digital assets associated with entities that have filed for bankruptcy protection and the transfer and sale of Bitcoin associated with significant hacks, seizures, or forfeitures, such as the transfers of Bitcoin to creditors of Mt. Gox and Bitfinex, and liquidation of seized assets of Movie2k and the Silk Road marketplace;
- actual or perceived manipulation of the spot or derivative markets for Bitcoin or spot Bitcoin ETPs;
- negative publicity, media or social media coverage, or sentiment due to events in or relating to, or perception of, Bitcoin or the broader digital assets industry, for example, (i) public perception that Bitcoin can be used as a vehicle to circumvent sanctions, including sanctions imposed on Russia or certain regions related to the ongoing conflict between Russia and Ukraine, or to fund criminal or terrorist activities, such as the purported use of digital assets by Hamas to fund its terrorist attack against Israel in October 2023; (ii) expected or pending civil, criminal, regulatory enforcement or other high-profile actions against major participants in the Bitcoin ecosystem, including the SEC's enforcement actions against Coinbase, Inc. and Binance Holdings Ltd.; (iii) additional filings for bankruptcy protection or bankruptcy proceedings of major digital asset industry participants, such as the bankruptcy proceeding of FTX Trading and its affiliates; and (iv) the actual or perceived environmental impact of Bitcoin and related activities, including environmental concerns raised by private individuals, governmental and non-governmental organizations, and other actors related to the energy resources consumed in the Bitcoin mining process;
- changes in consumer preferences and the perceived value or prospects of Bitcoin;

- competition from other digital assets that exhibit better speed, security, scalability, or energy efficiency, that feature other more favored characteristics, that are backed by governments, including the U.S. government, or reserves of fiat currencies, or that represent ownership or security interests in physical assets;

- a decrease in the price of other digital assets, including stablecoins, or the crash or unavailability of stablecoins that are used as a medium of exchange for Bitcoin purchase and sale transactions, such as the crash of the stablecoin Terra USD in 2022, to the extent the decrease in the price of such other digital assets or the unavailability of such stablecoins may cause a decrease in the price of Bitcoin or adversely affect investor confidence in digital assets generally;

- the identification of Satoshi Nakamoto, the pseudonymous person or persons who developed Bitcoin, or the transfer of substantial amounts of Bitcoin from Bitcoin wallets attributed to Mr. Nakamoto;

- developments relating to the Bitcoin protocol, including (i) changes to the Bitcoin protocol that impact its security, speed, scalability, usability, or value, such as changes to the cryptographic security protocol underpinning the Bitcoin blockchain, changes to the maximum number of Bitcoin outstanding, changes to the mutability of transactions, changes relating to the size of blockchain blocks, and similar changes, (ii) failures to make upgrades to the Bitcoin protocol to adapt to security, technological, legal or other challenges, and (iii) changes to the Bitcoin protocol that introduce software bugs, security risks or other elements that adversely affect Bitcoin, or disruptions, failures, unavailability, or interruptions in service of trading venues for Bitcoin, such as, for example, the announcement by the digital asset exchange FTX Trading that it would freeze withdrawals and transfers from its accounts and subsequent filing for bankruptcy protection and the SEC enforcement action brought against Binance Holdings Ltd., which initially sought to freeze all of its assets during the pendency of the enforcement action and has since resulted in Binance discontinuing all fiat deposits and withdrawals in the United States;

- the filing for bankruptcy protection by, liquidation of, or market concerns about the financial viability of digital asset custodians, trading venues, lending platforms, investment funds, or other digital asset industry participants, such as the filing for bankruptcy protection by digital asset trading venues FTX Trading and BlockFi and digital asset lending platforms Celsius Network and Voyager Digital Holdings in 2022, the ordered liquidation of the digital asset investment fund Three Arrows Capital in 2022, the announced liquidation of Silvergate Bank in 2023, the government-mandated closure and sale of Signature Bank in 2023, the placement of Prime Trust, LLC into receivership following a cease-and-desist order issued by the Nevada Department of Business and Industry in 2023, and the exit of Binance from the U.S. market as part of its settlement with the Department of Justice and other federal regulatory agencies;

- regulatory, legislative, enforcement and judicial actions that adversely affect the price, ownership, transferability, trading volumes, legality or public perception of Bitcoin, or that adversely affect the operations of or otherwise prevent digital asset custodians, trading venues, lending platforms or other digital assets industry participants from operating in a manner that allows them to continue to deliver services to the digital assets industry;

- further reductions in mining rewards of Bitcoin, including due to block reward halving events, which are events that occur after a specific period of time (the most recent of which occurred in April 2024) that reduce the block reward earned by “miners” who validate Bitcoin transactions, or increases in the costs associated with Bitcoin mining, including increases in electricity costs and hardware and software used in mining, or new or enhanced regulation or taxation of Bitcoin mining, which could further increase the costs associated with Bitcoin mining, any of which may cause a decline in support for the Bitcoin network;

- transaction congestion and fees associated with processing transactions on the Bitcoin network;

- macroeconomic changes, such as changes in the level of interest rates and inflation, fiscal and monetary policies of governments (such as increased or decreased fiscal austerity), trade restrictions, and fiat currency devaluations;

- developments in mathematics or technology, including in digital computing, algebraic geometry and quantum computing, that could result in the cryptography used by the Bitcoin blockchain becoming insecure or ineffective; and

- changes in national and international economic and political conditions, including, without limitation, federal government policies, trade tariffs and trade disputes, the adverse impacts attributable to the current conflict between Russia and Ukraine and the economic sanctions adopted in response to the conflict, and the broadening of the Israel-Hamas conflict to other countries in the Middle East.

Bitcoin holdings and Bitcoin claims are less liquid than cash and cash equivalents and may not be able to serve as a source of liquidity to the same extent as cash and cash equivalents.

Historically, the Bitcoin market has been characterized by significant volatility in price, limited liquidity and trading volumes compared to sovereign currencies markets, relative anonymity, a developing regulatory landscape, potential susceptibility to market abuse and manipulation, compliance and internal control failures at exchanges, and various other risks inherent in its entirely electronic, virtual form and decentralized network. During times of market instability, Super League may not be able to sell any Bitcoin it acquires at favorable prices or at all. For example, a number of Bitcoin trading venues temporarily halted deposits and withdrawals in 2022 and Bitcoin declined by more than fifty percent (50%) in the fourth quarter of 2025 and the first and second quarters of 2026. As a result, Bitcoin holdings may not be able to serve as a source of liquidity to the same extent as cash and cash equivalents.

Super League may also use proceeds of the Metaplanet Transaction and future capital raising activities in part to acquire Bitcoin claims, including claims on Bitcoin assets associated with entities that have filed for bankruptcy protection, such as Mt. Gox, or other claims on Bitcoin. Such Bitcoin claims are less liquid than Bitcoin and are subject to additional risks, including the potential for higher price volatility, counterparty risks, and reduced trading volumes as compared to Bitcoin.

Further, Bitcoin held with Super League's future custodians or transacted with its trade execution partners will not be subject to the same protections as are available to cash or securities deposited with or transacted by institutions subject to regulation by the Federal Deposit Insurance Corporation or the Securities Investor Protection Corporation. Additionally, Super League may be unable to enter into term loans or other capital raising transactions collateralized by any unencumbered Bitcoin it may hold or otherwise generate funds using our Bitcoin holdings, including in particular during times of market instability or when the price of Bitcoin has declined significantly. If Super League is unable to sell any Bitcoin it acquires, enter into additional capital raising transactions, including capital raising transactions using Bitcoin as collateral, or otherwise generate funds using any future Bitcoin holdings, or if Super League is forced to sell Bitcoin at a significant loss, in order to meet its working capital requirements, Super League's business and financial condition could be negatively impacted.

The availability of spot ETPs for Bitcoin may adversely affect the market price of our listed securities.

On January 10, 2024, the SEC approved the listing and trading of spot Bitcoin ETPs, the shares of which can be sold in public offerings and are traded on U.S. national securities exchanges.

Investors may choose to purchase shares of a spot Bitcoin ETP instead of Common Stock. They may do so for a variety of reasons, including if they believe that ETPs offer a "pure play" exposure to Bitcoin that is generally not subject to federal income tax at the entity level as Super League is expected to be, or the other risk factors applicable to an operating business, such as Super League's existing operating businesses. Additionally, unlike spot Bitcoin ETPs, Super League (i) will not seek for shares of Common Stock to track the value of the underlying Bitcoin it expects to hold before payment of expenses and liabilities, (ii) does not benefit from various exemptions and relief under the Exchange Act, including Regulation M, and other securities laws, which enable ETPs to continuously align the value of their shares to the price of the underlying assets they hold through share creation and redemption, (iii) will be a Delaware corporation rather than a statutory trust, and does not operate pursuant to a trust agreement that would require Super League to pursue one or more stated investment objectives, and (iv) is not required to provide daily transparency as to its Bitcoin holdings or its daily net asset value. Furthermore, recommendations by broker-dealers to buy, hold, or sell complex products and non-traditional ETPs, or an investment strategy involving such products, may be subject to additional or heightened scrutiny that would not be applicable to broker-dealers making recommendations with respect to the Common Stock. Based on how Super League may be viewed in the market relative to ETPs, and other vehicles which offer economic exposure to Bitcoin, such as Bitcoin futures exchange-traded funds ("*ETFs*"), leveraged Bitcoin futures ETFs, and similar vehicles offered on international exchanges, any premium or discount in the Common Stock relative to the value of Super League's future Bitcoin holdings may increase or decrease in different market conditions.

As a result of the foregoing factors, availability of spot ETPs for Bitcoin could have a material adverse effect on the market price of Super League's securities.

Risks relating to the blockchain, cryptocurrencies, and nonfungible token ("NFT") industries may cause material adverse effects on our business operations.

There are a number of unique risks to investments in digital assets such as cryptocurrencies and NFTs which use blockchain technologies in retail and commercial marketplaces. Currently, there is a relatively limited use for such digital assets. Moreover, the regulations governing such assets and underlying blockchain technologies are at present limited and have not prevented significant and sudden losses in the value of such assets. We believe that these and other risks have contributed to the price volatility of these assets. If, due to the unique risks of these types of assets, any of our customers believe that our services relating to these industries have caused them to incur losses on their investments, we may lose or fail to expand our current business operations and related revenues, and be unable to sustain or gain credibility with other brand partners and customers, which may have a material adverse effect on our business, results of operations, financial condition and cash flow, as well as require additional resources to rebuild our brand and reputation.

Super League has an evolving business model and strategy.

Super League's business model has significantly evolved since its inception and Super League expects it to continue to do so in the future. As digital assets become more widely available, Super League expects the services and products associated with them to evolve. In order to stay current with the industry, Super League's business model may need to evolve as well. As a result, from time to time, Super League may modify aspects of its business model relating to its strategy, including pursuing business opportunities outside of its potential Bitcoin treasury business or additional opportunities in line with Super League's existing businesses. In addition, Super League's potential Bitcoin treasury strategy itself may continue to develop and shift over time, including changes to the scope, timing, structure or implementation of that strategy, or a potential reduction in emphasis on Bitcoin-related activities altogether.

Super League cannot offer any assurance that these or any other modifications will be successful or will not result in harm to its business. These modifications may increase the complexity of Super League's business and place significant strain on its management, personnel, operations, systems, technical performance, financial resources and internal financial control and reporting functions. Super League may not be able to manage growth effectively, which could damage its reputation, limit its growth and negatively affect its operating results. Further, Super League cannot provide any assurance that it will successfully identify all emerging trends and growth opportunities within Bitcoin treasury business and Super League may lose out on such opportunities. Such circumstances could have a material adverse effect on Super League's business, prospects, financial condition and operating results.

Failure to effectively manage Super League's growth could place strains on its managerial, operational and financial resources and could adversely affect its business, prospects, financial condition and operating results.

Super League's current and future growth, including increases in the number of its strategic relationships, may place a strain on its managerial, operational and financial resources and systems, as well as on its management team. Although Super League may not grow as it expects, if Super League fails to manage its growth effectively or to develop and expand its managerial operational and financial resources and systems, Super League's business and financial results would be materially harmed.

A significant decrease in the market value of Super League's Bitcoin holdings could adversely affect its ability to satisfy any financial obligations.

As part of Super League's potential Bitcoin strategy, it may incur indebtedness and other fixed charges. Super League may also issue preferred equity and other securities that increase its cash dividend payments. For the year ended December 31, 2025, Super League's historical operating businesses did not generate positive cash flow from operations. If Super League's historical operating businesses do not generate cash flow in future periods sufficient to satisfy its financial obligations, including any future debt and cash dividend obligations, Super League intends to fund obligations using cash flow generated by equity or debt financings. Super League's ability to obtain equity or debt financing may in turn depend on, among other factors, the value of its then-existing Bitcoin holdings, investor sentiment and the general public perception of Bitcoin, Super League's potential strategy and Super League's value proposition, including as compared to other Bitcoin treasury companies. Accordingly, a significant decline in the market value of Super League's anticipated Bitcoin holdings or a negative shift in these other factors may create liquidity and credit risks, as such a decline or such shifts may adversely impact Super League's ability to secure sufficient equity or debt financing to satisfy any future financial obligations, including any future debt and cash dividend obligations. These risks could materialize at times when Bitcoin or any Bitcoin claims are trading below their carrying value on Super League's most recent balance sheet or Super League's cost basis. As Super League has limited operating assets, Super League may be required to sell Bitcoin or Bitcoin claims to satisfy such future obligations. Any such sale of Bitcoin or Bitcoin claims may have a material adverse effect on Super League's business, prospects, financial condition and operating results, and could impair Super League's ability to secure additional equity or debt financing in the future. Super League's inability to secure additional equity or debt financing in a timely manner, on favorable terms or at all, or to sell its Bitcoin in amounts and at prices sufficient to satisfy its financial obligations, including its debt service and cash dividend obligations, could cause Super League to default under any future debt obligations and have a material adverse effect on Super League's financial condition.

Super League's proposed Bitcoin strategy could expose it to risk of non-performance by counterparties.

Super League's proposed Bitcoin strategy will expose it to the risk of non-performance by counterparties, whether contractual or otherwise. Risk of non-performance includes inability or refusal of a counterparty to perform because of a deterioration in the counterparty's financial condition and liquidity or for any other reason. For example, Super League's future partners, custodians, or other counterparties might fail to perform in accordance with the terms of Super League's agreements with them, which could result in a loss of Bitcoin, a loss of the opportunity to generate funds, or other losses.

Super League anticipates that its primary counterparty risk with respect to any potential Bitcoin treasury strategy is custodian performance obligations under the custody arrangements it expects to enter into in the future. A series of recent high-profile bankruptcies, closures, liquidations, regulatory enforcement actions and other events relating to companies operating in the digital asset industry, including the filings for bankruptcy protection by Three Arrows Capital, Celsius Network, Voyager Digital, FTX Trading and Genesis Global Capital, the closure or liquidation of certain financial institutions that provided lending and other services to the digital assets industry, including Signature Bank and Silvergate Bank, SEC enforcement actions against Coinbase, Inc., Binance Holdings Ltd., and Kraken, the placement of Prime Trust, LLC into receivership following a cease-and-desist order issued by Nevada's Department of Business and Industry, and the filing and subsequent settlement of a civil fraud lawsuit by the New York Attorney General against Genesis Global Capital, its parent company, Digital Currency Group, Inc., and former partner Gemini Trust Company have highlighted the perceived and actual counterparty risk applicable to digital asset ownership and trading. Legal precedent created in these bankruptcy and other proceedings may increase the risk of future rulings adverse to Super League's interests in the event one or more of Super League's future custodians becomes a debtor in a bankruptcy case or is the subject of other liquidation, insolvency or similar proceedings.

While Super League expects that any of its future custodians will be subject to regulatory regimes intended to protect customers in the event of a custodial bankruptcy, receivership or similar insolvency proceeding, no assurance can be provided that Super League's custodially held Bitcoin will not become part of the custodian's insolvency estate if one or more of Super League's future custodians enters bankruptcy, receivership or similar insolvency proceedings. Additionally, if Super League pursues any strategies to create income streams or otherwise generate funds using any future Bitcoin holdings, Super League would become subject to additional counterparty risks.

Super League may also have additional counterparty exposure with respect to its Bitcoin counterparties due to Super League's limited operating history, adoption of a Bitcoin treasury strategy, limited Bitcoin treasury experience, and need to establish new counterparty relationships, including the identification, diligence and establishment of new custodial relationships for future Bitcoin purchases. Any significant non-performance by counterparties, including in particular the custodians with which Super League custodies any future Bitcoin, could have a material adverse effect on Super League's business, prospects, financial condition, and operating results.

Any regulatory change reclassifying Bitcoin as a security could lead to Super League's classification as an "investment company" under the Investment Company Act of 1940 and could adversely affect the market price of Bitcoin and the market price of Super League's listed securities.

Super League's future assets are expected to be in future Bitcoin holdings. While senior SEC officials have stated their view that Bitcoin is not a "security" for purposes of the federal securities laws, a contrary determination by the SEC could lead to Super League's classification as an "investment company" under the Investment Company Act of 1940, which would subject Super League to significant additional regulatory controls that could have a material adverse effect on Super League's ability to execute on Super League's potential Bitcoin strategy, and Super League's business and operations and may also require Super League to substantially change the manner in which it conducts its business. In addition, if Bitcoin is determined to constitute a security for purposes of the federal securities laws, the additional regulatory restrictions imposed by such a determination could adversely affect the market price of Bitcoin and in turn adversely affect the market price of the combined company's listed securities.

Super League expects its future assets will be concentrated in Bitcoin.

The vast majority of Super League's future assets are expected to be concentrated in Bitcoin holdings or claims. The concentration of Super League's assets in Bitcoin or Bitcoin claims will limit its ability to mitigate risk that could otherwise be achieved by holding a more diversified portfolio of treasury assets.

Future developments regarding the treatment of Bitcoin for U.S. and foreign tax purposes could adversely affect Super League's business, prospects, operating results, and financial condition.

Due to the new and evolving nature of crypto assets such as Bitcoin and the absence of comprehensive legal and tax guidance with respect to crypto asset products and transactions, including Bitcoin and Bitcoin transactions, many significant aspects of the U.S. and foreign tax treatment of transactions involving crypto assets, such as the purchase and sale of crypto assets, as well as the provision of blockchain rewards and other crypto asset incentives and rewards products, are uncertain, and it is unclear whether, when and what guidance may be issued in the future on the treatment of crypto asset transactions for U.S. and foreign tax purposes.

In 2014, the IRS released Notice 2014-21, discussing certain aspects of "virtual currency" for U.S. federal income tax purposes and, in particular, stating that such virtual currency (i) is "property," (ii) is not "currency" for purposes of the rules relating to foreign currency gain or loss, and (iii) may be held as a capital asset. From time to time, the IRS has released other guidance relating to the tax treatment of virtual currency or crypto assets reflecting the IRS's position on certain issues. The IRS has not addressed many other significant aspects of the U.S. federal income tax treatment of crypto assets and related transactions.

There continues to be uncertainty with respect to the timing, character, and amount of income inclusions for various crypto asset transactions including, but not limited to, lending and borrowing crypto assets and other crypto asset incentives and products that Super League may offer. Because of the rapidly evolving nature of crypto asset innovations and the increasing variety and complexity of crypto asset transactions and products, it is possible the IRS and various U.S. states may disagree with Super League's future treatment of certain crypto asset offerings for U.S. tax purposes. Similar uncertainties exist in the foreign markets in which Super League expects to operate with respect to direct and indirect taxes, and these uncertainties and potential adverse interpretations of tax law could impact the amount of tax Super League is required to pay.

There can be no assurance that the IRS, U.S. state revenue agencies, or other foreign tax authorities will not alter their respective positions with respect to crypto assets in the future or that a court would uphold the treatment set forth in existing positions. It also is unclear what additional tax authority positions, regulations, or legislation may be issued in the future on the treatment of existing crypto asset transactions and future crypto asset innovations under U.S. federal, U.S. state, or foreign tax law. Any such developments could result in adverse tax consequences for holders of crypto assets and could have an adverse effect on the value of crypto assets and the broader crypto asset markets. Future technological and operational developments that may arise with respect to crypto assets may increase the uncertainty with respect to the treatment of crypto assets for U.S. and foreign tax purposes. The uncertainty regarding tax treatment of crypto asset transactions could impact Super League's business.

Bitcoin does not pay interest or dividends.

Bitcoin and Bitcoin claims do not pay interest or other returns and Super League can only generate cash from its Bitcoin holdings if it sells Bitcoin or its Bitcoin claims. or implements additional strategies to create income streams or otherwise generate cash by using its future Bitcoin holdings. Even if Super League pursues any such strategies, it may be unable to create income streams or otherwise generate cash from its Bitcoin holdings, and any such strategies may subject Super League and holders of Super League's securities to additional risks not applicable to other companies.

Super League's Bitcoin treasury strategy is capital-intensive and depends on continued access to the capital markets and the market price of Bitcoin. Accordingly, the value of your investment in Super League will depend largely on the success of this strategy.

Following the Closing, Super League intends to adopt a Bitcoin treasury strategy as its principal corporate strategy as described in this Proxy Statement, with the objective of increasing, over time, the amount of Bitcoin attributable to each outstanding share of Common Stock. Accordingly, the value of your investment in Super League will depend largely on the success of such Bitcoin treasury strategy and on the market price of Bitcoin. Bitcoin is a highly volatile asset that does not generate cash flow, pay interest or pay dividends. Super League can only generate cash from its Bitcoin holdings if it sells Bitcoin, implements strategies to create income streams using its Bitcoin holdings, or raises additional capital. If the Bitcoin treasury strategy is unsuccessful, or if Bitcoin prices decline substantially, Super League's financial condition and results of operations and the market price of the Common Stock would be materially adversely affected, and you could lose all or a substantial portion of your investment.

Super League's Bitcoin treasury strategy will depend in large part on its ability to raise capital in a manner that compounds, over time, the amount of Bitcoin attributable to each outstanding share of Common Stock. Super League expects such financing to include offerings of Preferred Stock, Common Stock, and potentially, convertible or other debt securities. In particular, Super League's objective over time is that perpetual Preferred Stock would serve as the principal engine of the capital strategy. Super League intends to favor perpetual Preferred Stock over term indebtedness to limit the amount of obligations that would rank ahead of any issued Preferred Stock. However, Super League's ability to issue any such series of Preferred Stock to fund Bitcoin acquisitions in the manner contemplated is subject to significant uncertainties. Any such issuance would be subject to market conditions and investor demand and would be affected by, among other things, prevailing interest rates, the market's assessment of our creditworthiness and our ability to pay dividends, the price of Bitcoin, the liquidity of the security, and general market and economic conditions. Accordingly, Super League can provide no assurance that any series of Preferred Stock described above will be created or issued, as to its rank or terms, or as to the availability, timing, size or terms of any future financing.

In addition, Super League intends to evaluate issuances of Common Stock as opportunities arise. Such issuances could take a variety of forms, including underwritten offerings, at-the-market offerings, private placements, issuances as consideration in acquisitions and issuances upon exercise of the Warrants, and issuances of equity in exchange for Bitcoin. Super League does not intend to restrict in advance the circumstances in which it may issue Common Stock. However, the ability to issue Common Stock to help achieve the scale at which Super League intends to operate will be dependent on many factors, including the market price of our Common Stock relative to the per share market value of Bitcoin, investor demand and market conditions more generally. In addition, any such issuance of Common Stock could result in possibly substantial dilution to holders of our Common Stock and may not necessarily result in an increase in the amount of Bitcoin attributable to each outstanding share of Common Stock.

Super League may also incur indebtedness or issue debt securities from time to time where the Super League Board believes it to be in the interests of Super League and its stockholders. However, there can be no assurance that any such debt financing will be available. In addition, if Super League is unable to generate sufficient cash flow to service its debt, Super League may be required to sell Bitcoin to fund its debt service obligations. These alternative measures may not be successful and may not permit Super League to meet its scheduled debt service obligations or comply with its financial covenants, which could cause Super League to default on its debt obligations. Any failure by Super League to make payments of interest and principal on its outstanding indebtedness on a timely basis would likely result in a reduction of its credit rating, which could harm Super League's ability to incur additional indebtedness.

If Super League is unable to obtain such equity or debt financing on favorable terms, or at all, Super League may not be able to successfully execute on its Bitcoin treasury strategy and the value of your investment would be materially adversely affected. Super League's ability to access the capital markets may be adversely affected by general macroeconomic conditions, Bitcoin market conditions and any disruptions in the Bitcoin market, competition from other Bitcoin treasury companies or alternate investments, instability in the global banking system, increasing regulatory uncertainty and scrutiny, volatility in the trading price of the Common Stock, downgrades in any credit rating that may be assigned to Super League or its securities, negative market perception of Bitcoin or Super League's strategy, or other unforeseen factors. If the market does not respond favorably to Super League's capital markets program, or if access to capital is limited or unavailable for any reason, the Bitcoin treasury strategy will not be successful, and your investment would not achieve its intended result.

Super League's Bitcoin treasury strategy will be pursued and developed over the long term and may expand and change in the future.

While Super League intends to adopt a Bitcoin treasury strategy as its principal corporate strategy following the Closing, Super League does not intend to confine itself to any particular instrument, structure or line of business in pursuing this strategy. The means available to Super League could include capital markets transactions, treasury and liquidity management, commercial arrangements, the establishment of new lines of business and acquisitions of businesses or assets. Super League's intention is to develop, over time, a financial enterprise built upon Bitcoin, rather than a holding vehicle for a single asset. As a result, over time, Super League may seek to develop capabilities intended to generate income from its Bitcoin holdings and dollar reserves, and it may consider launching financial and other products within the Bitcoin economy. Accordingly, Super League's strategy will be developed and pursued over the long-term, and the means in which Super League employs this strategy is expected to change over time as its size, its access to capital and market conditions change. Any such expansion would be subject to additional risks, including risks associated with entering markets in which Super League has no operating history, and there can be no assurance that any such expansion would be successful. In addition, the Super League Board could suspend or abandon the Bitcoin treasury strategy at any time.

Super League's Bitcoin treasury business will not be subject to legal and regulatory obligations that apply to investment companies such as mutual funds and exchange-traded funds, or to obligations applicable to investment advisers.

Mutual funds, ETFs and their directors and management are subject to extensive regulation as "investment companies" and "investment advisers" under U.S. federal and state law; this regulation is intended for the benefit and protection of investors. Super League's proposed Bitcoin treasury business is not subject to, and does not intend to otherwise voluntarily comply with, these laws and regulations. This means, among other things, that the execution of or changes to Super League's Bitcoin potential strategy, our use of leverage, the manner in which Super League's Bitcoin is custodied, Super League's ability to engage in transactions with affiliated parties and Super League's operating and investment activities generally with respect to its potential Bitcoin strategy are not subject to the extensive legal and regulatory requirements and prohibitions that apply to investment companies and investment advisers. For example, no stockholder or regulatory approval would be necessary with respect to a significant change in Super League's potential Bitcoin strategy. Consequently, the Super League Board and management are expected to have broad discretion over the investment, leverage and cash management policies it authorizes, whether in respect of Super League's future Bitcoin holdings or other activities it may pursue, and have the power to change Super League's current policies, including Super League's strategy of acquiring and holding Bitcoin.

Metaplanet will control Super League after the closing of the Metaplanet Transaction, which will limit your ability to influence the outcome of certain key transactions, including a change of control or sale.

Metaplanet will control a majority of the voting power of the Common Stock immediately after the Closing. In addition, pursuant to the terms of the Stockholder Rights Agreement, as long as Metaplanet and its affiliates beneficially owns any shares of Strategic Alliance Preferred Stock, the following corporate actions will require the affirmative vote of the holders of a majority of the then outstanding shares of the Strategic Alliance Preferred Stock, voting as a separate class: (1) the designation of a majority of the directors to the Super League Board; (2) any amendment or modification to the Governing Documents, or any termination, repeal or adoption of any provision of any of Super League's Governing Documents inconsistent therewith; (3) any merger, consolidation, change of control or similar transaction (including, but not limited to, any transaction in which at least fifty percent (50%) of the outstanding voting power of Super League is transferred to a third party) with or into any other person; (4) any complete or partial liquidation, winding up or dissolution of Super League; and (5) entering, directly or indirectly, into any agreement with respect to the foregoing matters. As a result, Metaplanet will have control of the outcome of matters requiring approval by our voting stockholders.

In addition, pursuant to the Stockholder Rights Agreement, for so long as Metaplanet and its affiliates beneficially own any shares of Strategic Alliance Preferred Stock, Metaplanet will have the right to designate up to five (5) directors to the Super League Board and nominate up to an additional four (4) directors for election to the Super League Board. Even if the size of the Super League Board is reduced to fewer than nine (9) directors, the number of Metaplanet Director Designees may not be fewer than a majority of the number of directors then serving on the Super League Board. Metaplanet will also have the right to designate the Chair of the Super League Board. As a result, Metaplanet will effectively control the composition of the Super League Board at all times for so long as it or its affiliates hold any shares of Strategic Alliance Preferred Stock.

Metaplanet may have interests that differ from yours, including as a result of holding other investments, and may vote in a way with which you disagree and which may be adverse to your interests, including, but not limited to, in connection with any future change of control of Super League or premiums received in connection with any future sale of Super League.

Super League will become a "controlled company" within the meaning of the Nasdaq Stock Market Rules because Super League's insiders will beneficially own more than fifty percent (50%) of the voting power of Super League's outstanding voting securities.

Metaplanet will enter into the Stockholder Rights Agreement and will beneficially own more than fifty percent (50%) of the voting power of Super League's outstanding voting securities upon the closing of the Metaplanet Transaction and Super League will therefore be a "controlled company" within the meaning of the Nasdaq Listing Rules. So long as Metaplanet beneficially owns more than fifty percent (50%) of the voting power of Super League, Super League may rely on certain exemptions from corporate governance rules, including an exemption from the rule that a majority of the Super League Board must be independent directors. In the event that we elect to rely on the "controlled company" exemption as expected, a majority of the members of the Super League Board are not expected to be independent directors, and Super League's Nominating and Governance Committee and Compensation Committee might not consist entirely of independent directors. Super League's status as a controlled company could cause the shares of Common Stock to be less attractive to certain investors or otherwise harm Super League's trading price. As a result, our stockholders would not have the same protections afforded to stockholders of companies that are subject to these corporate governance requirements.

Risks Related to Our Common Stock

We have issued certain Common Stock Purchase Warrants and Pre-Funded Common Stock Purchase Warrants in connection with October 2025 PIPE that have provisions that can increase the number of warrants and reduce the exercise price if we complete certain transactions.

The October 2025 PIPE included the sale of certain Common Stock Purchase Warrants ("October Warrants") and Pre-Funded Common Stock Purchase Warrants ("PIPE Pre-Funded Warrants") to purchase our common stock with initial exercise prices of $1.00 per share (or $12.00 per share after giving effect to the 2026 Reverse Split), and $0.00001 per share, respectively. As of September 30, 2026, approximately 1,666,667 October Warrants remain outstanding with a weighted average exercise price of $6.42 per share, and 729,188 PIPE Pre-Funded Warrants remain outstanding with an exercise price of $0.00001 per share.

Although the holders of the October Warrants and the PIPE Pre-Funded Warrants have ownership limitations, if and when we do issue shares of common stock to holders of the October Warrants and the PIPE Pre-Funded Warrants upon the exercise by the holder, such stockholders may resell all, some or none of those shares of common stock at any time or from time to time at their discretion. Resales of our common stock may cause the market price of our securities to drop significantly, regardless of the performance of our business.

Provisions of the October Warrants and the PIPE Pre-Funded Warrants could discourage parties from entering into certain "fundamental transactions" with the Company.

The October Warrants and the PIPE Pre-Funded Warrants may prevent us from engaging in certain transactions constituting "fundamental transactions" unless, among other things, the surviving entity assumes our obligations under the October Warrants and the PIPE Pre-Funded Warrants. These and other provisions of the October Warrants and the PIPE Pre-Funded Warrants could prevent or deter a third-party from acquiring us even where the acquisition could be beneficial to you.

The October Warrants and the PIPE Pre-Funded Warrants may have an adverse effect on the market price of our common stock and make it more difficult to effect financings or acquisitions.

To the extent we issue shares of common stock to effect a future financing or other acquisition, the potential for the issuance of a substantial number of additional shares of common stock upon exercise of the October Warrants and the PIPE Pre-Funded Warrants could make us a less attractive investment or acquiror in the eyes of an investor or a target business. Such October Warrants and the PIPE Pre-Funded Warrants, when exercised, will increase the number of issued and outstanding shares of common stock and reduce the value of the shares issued in a financing or to a potential target. Accordingly, the October Warrants and the PIPE Pre-Funded Warrants may make it more difficult to effectuate a financing or increase the cost of acquiring a target business. Additionally, the sale, or even the possibility of a sale, of the shares of common stock underlying the October Warrants and the PIPE Pre-Funded Warrants could have an adverse effect on the market price for our securities or on our ability to obtain future financing. If and to the extent the October Warrants and the PIPE Pre-Funded Warrants are exercised, you will experience dilution to your holdings.

We will not receive any additional material funds upon the exercise of the PIPE Pre-Funded Warrants.

The PIPE Pre-Funded Warrants may be exercised by way of cashless exercise, meaning that the holder may not pay a cash purchase price upon exercise, but instead would receive upon such exercise the net number of shares of our common stock determined according to the formula set forth in the PIPE Pre-Funded Warrants. Accordingly, we will likely not receive any additional funds upon the exercise of the PIPE Pre-Funded Warrants.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

No unregistered securities were issued during the three months ended September 30, 2026 that were not previously reported.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

ITEM 6. EXHIBITS

(b) Exhibits

Exhibit No.	Description	Incorporation by Reference
3.1	Pre-Funded Warrant, issued August 12, 2026, by Super League Enterprise, Inc. to Esports Now, LLC	Exhibit 3.1 to the Company's Current Report on Form 8-K filed on August 18, 2026
3.2	Pre-Funded Warrant, issued August 14, 2026, by Super League Enterprise, Inc. to Evo Fund	Exhibit 3.2 to the Company's Current Report on Form 8-K filed on August 18, 2026
10.1	Waiver and Release Agreement by and between Super League Enterprise, Inc., and Aegis Capital Corp., dated July 29, 2026	Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q, filed on August 14, 2026
10.2	Subscription Agreement, dated as of August 18, 2026, by and between Super League Enterprise, Inc. and Metaplanet Holdings, Inc.	Exhibit 10.1 to the Company's Current Report on Form 8-K filed on August 18, 2026
10.3	Subscription Agreement, dated as of August 18, 2026, by and between Super League Enterprise, Inc. and Evo Fund	Exhibit 10.2 to the Company's Current Report on Form 8-K filed on August 18, 2026
10.4	Exchange Agreement, dated as of August 12, 2026, by and between Super League Enterprise, Inc. and Esports Now, LLC	Exhibit 10.3 to the Company's Current Report on Form 8-K filed on August 18, 2026
10.5	Exchange Agreement, dated as of August 14, 2026, by and between Super League Enterprise, Inc. and Evo Fund	Exhibit 10.4 to the Company's Current Report on Form 8-K filed on August 18, 2026
10.6	Form of Securities Purchase Agreement, dated November 16, 2026	Exhibit 10.1 to the Company's Current Report on Form 8-K filed on November 16, 2026
10.7	Sales Agreement between Super League Enterprise, Inc., The Benchmark Company, LLC and StoneX Financial Inc. dated August 18, 2026	Exhibit 1.1 to the Company's Current Report on Form 8-K filed on August 18, 2026
31.1	Certification of the Principal Executive Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	
31.2	Certification of the Principal Financial Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	
32.1	Certification of the Principal Executive Officer and Principal Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	
101.INS	Inline XBRL Instance Document - The instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.	
101.SCH	Inline XBRL Taxonomy Extension Schema Document	
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document	
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document	
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document	
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document	
104	Cover Page Interactive Data File (embedded within the Inline XBRL Document and included in Exhibit 101)	

** Certain portions of this exhibit have been omitted as the Company has determined (i) the omitted information is not material and (ii) the omitted information would likely cause harm to the Company if publicly disclosed.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SUPER LEAGUE ENTERPRISE, INC.

By /s/ Matt Edelman
Matt Edelman
Chief Executive Officer
(Principal Executive Officer)

By /s/ Clayton Haynes
Clayton Haynes
Chief Financial Officer
(Principal Financial and Accounting Officer)

Date: November 16, 2026

EXHIBIT 31.1

CERTIFICATION PURSUANT TO RULE 13A-14 OF THE SECURITIES EXCHANGE ACT OF 1934
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Matt Edelman, Chief Executive Officer of Super League Enterprise, Inc., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Super League Enterprise, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 16, 2026

/s/ Matt Edelman
Matt Edelman
Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION PURSUANT TO RULE 13A-14 OF THE SECURITIES EXCHANGE ACT OF 1934
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Clayton Haynes, Chief Financial Officer of Super League Enterprise, Inc., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Super League Enterprise, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 16, 2026

/s/ Clayton Haynes
Clayton Haynes
Chief Financial Officer
(Principal Financial and Accounting Officer)

EXHIBIT 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Super League Enterprise, Inc. (the "Company") on Form 10-Q for the period ended September 30, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Matt Edelman, Chief Executive Officer of the Company, and Clayton Haynes, Chief Financial Officer of the Company, each certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 16, 2026

/s/ Matt Edelman
Matt Edelman
Chief Executive Officer
(Principal Executive Officer)

/s/ *Clayton Haynes*
Clayton Haynes
Chief Financial Officer
(Principal Financial and Accounting Officer)