



Super League Enterprise, Inc.

Second Quarter 2024 Conference Call

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C O R P O R A T E P A R T I C I P A N T S

Ann Hand, *Chief Executive Officer*

C O N F E R E N C E C A L L P A R T I C I P A N T S

Scott Buck, *H.C. Wainwright*

Jack Cordero, *Maxim Group*

Howard Halpern, *Taglich Brothers*

P R E S E N T A T I O N

Operator

Greetings, and welcome to the Super League Second Quarter 2024 Conference Call.

Please note, this conference is being recorded.

Before we begin, I'd like to caution listeners that comments made by Management during this call may include forward-looking statements within the meaning of applicable Securities Laws. These statements involve material risks and uncertainties, and actual results could differ from those projected in any forward-looking statements due to numerous factors. For a description of these risks and uncertainties, please see Super League's financial statements and MD&A for the second quarter 2024 ended June 30, 2024, available on EDGAR. Important qualifications regarding forward-looking statements are also contained in Super League's earnings release distributed earlier this afternoon and also available on EDGAR.

Furthermore, the content of this conference call contains time-sensitive information accurate only as of today, August 14, 2024. Super League undertakes no obligation to revise or otherwise update any statements to reflect events or circumstances after the date of this call.

I'll now play a short video before I turn the conference over to Ann Hand, Chief Executive Officer.

Ann Hand

Well, good afternoon, everyone.

I'm delighted to report on Super League's second quarter financial results and provide an update on our Company's continued operational progress. During the quarter, we continued on our mission to redefine the gaming industry as a media channel for global brands through our innovative technology, capabilities and products. Our leadership position earned through the work we have done to-date allows us to further

grow our competitive moat with extensive barriers to entry. Through a variety of collaborations with major global brands, IP owners and talent, we launched multiple captivating immersive experiences with tremendous results that verify our ongoing momentum in driving 3D engagement on platforms where the massive Generation Z and Alpha audiences already live.

We continue to believe in the unstoppable secular shift in digital advertising towards 3D immersion. Immersive engagement allows brands to speak to young consumers in a highly customized and personalized way, and it performs, offering a 252% higher engagement rate and a 40% higher conversion rate. This is a transformational time that we're all living in, and the way that content is created and consumed. It requires a new imperative for the C-suite to think differently about how they engage with the next generation. While it is new terrain, it offers an exciting opportunity for brands to create deeper affinity and ultimately, conversion for a greater share of consumers' wallets.

As you've heard me say before, the average Roblox users spends an astounding 156 minutes a day on the platform, as compared to 95 average daily minutes on TikTok. These young consumers expect to meet brands-first in digital environments and feel as strongly about their digital identity as they do their physical identity. Currently, 75% of Gen Z spends money on virtual and game items. Some in the industry believe that by 2030, this next generation will have 30% of their total wardrobe be in the shape of digital clothing for their digital self.

Being in a nascent, rapidly changing industry, it is a requirement that we learn and iterate quickly as we continue to evolve the trajectory of the Company. This is our office, and makes us stronger against competition and stickier with our customers. It speaks to our creative collaborative and competitive spirit that is really at Super League's core.

Super League is first and foremost, a product and technology Company with currently more than 10,000 experiences in our Roblox network alone that currently reach approximately 160 million monthly unique players. Now that's real scale. This is what separates us from the pack. We are not merely an ad agency or a game development studio.

Our approach to productization is how we scale our pipeline and grow our margin profile. When we build an immersive experience, we create a 3D model of key building blocks. These reusable elements collapse our development pipelines. They lower the cost of entry for new brands looking to enter these pioneering marketing channels, and they do allow us again to improve our margin profile. Super League Pop-Ups, repeatable drag-and-drop elements of our customer experiences, which are deployed throughout our software, are officially in market and can be easily reskinned for a wide berth of brands and IP owners. This leads to faster brand adoption and depth in key verticals like music, fashion, QSR, automotive and more.

As well, we create beautiful experiences and are increasingly being asked to build dedicated worlds that are more persistent in nature. What did you think about the opening Olympics video? Pretty amazing, right? Since our acquisition of MELON Studios last year, we've seen our dedicated build revenues increase by three times. With a product mindset, we can build vast, exciting, dedicated worlds faster as well.

We don't stop there, as we have proven success at driving real live commerce on behalf of our brand partners. That's a leading edge for us. We think about our brands' P&L, not just trying to grab a portion of their in year marketing spend.

As we transition now to Q2 results, we've seen some macroeconomic factors continue to provide an overhang, namely prolonged inflation resulting in softening of consumer spend and some ad sales. We were thrilled to see the positive inflation news this morning, and we hope this is an entry point for interest rate reductions and an opportunity for small cap stocks to begin to have their moment once again, a moment we've all been patiently waiting for, as have all of you on the call.

While our top line revenues were flat sequentially, we did see approximately \$1.8 million in expected revenues that were deferred due to delayed advertiser launch dates, and we continue to win big signature programs, some of which offering recurring revenues beyond the immersive experience build and launch.

Going back to our productization approach, we are starting to see the impact on our forward margins. Currently we have an internal target of 45% to 50% margins on most programs with lower margin proposals accepted by exception only when they're offering a greater longer term strategic benefit to the Company, such as subsequent repeat business or perhaps a proof point for a new vertical that we're chasing. The more repeatable products we sell, the more the margins climb, making Pop-Ups and other product innovation essential.

We continue to apply a laser focus on our P&L as we aim to achieve our first profitable quarter in Q4 of this year. We continue to positively test the capacity of the organization as a core lever to profitability and scale. We currently operate with approximately 15% less in headcount than we had last year, which has contributed to a 25% and 23% decrease in our Q2 pro forma operating expenses and operating losses, respectively. Again, to reiterate, a 25% decrease in our Q2 pro forma operating expenses relative to same quarter prior year, and a 23% decrease in our operating losses relative to same quarter prior year. We are off to a strong start for Q3 and expect to be able to deliver a large amount of revenues in the second half of the year and do that inside of our current cost structure.

Second quarter 2024 top line highlights included revenues associated with immersive experiences for global brands such as the International Olympic Committee, Visa, Maybelline, Claire's, Skechers, Google and Universal Pictures. A fun one to highlight is the work we kicked off with Google, experiences to help use, learn more about Internet literacy and digital privacy - that's right, game aside education. This program speaks to another important signal: with our proven expertise in the space, we were able to pitch and win this business within a 24-hour period.

Chasing six and seven figure deals has become our new normal. We continue to see strong repeat opportunities with the likes of Kraft, iHeart, Samsung, Sony, Universal, Ubisoft and the FDA as well as seeing new brands enter the space. The FDA program is a fun one to highlight because it's another signature opportunity to really do good beyond just gameplay. That specific campaign is raising anti-vaping awareness amongst youth.

If we look at our current pipeline, it features 51 repeat customers and 68 new brand entrants. As we anticipate the larger deal trend to continue, we can quickly scale our revenue with fewer brand partners that are committed to the larger and longer-term engagements. Our strategy begins with creating a brand's short-term experience and then we leverage that engagement into more persistent programs, offering them a way to enter into this new immersive marketing channel. This is a well-recognized persistent strategy used already by brands today on traditional social media channels like Instagram and Facebook. They don't pop in here and there for a month or a week at a time. They have a consistent strategy. That's the corner that we're starting to turn with more and more of these repeat brands that we've been engaging with.

We expect larger deal sizes with more predictable longer-term revenue that over time should offer stable cash flow for the Company and ultimately drive shareholder value. As we grow and deliver on these larger programs, it verifies our unique position as a one-stop shop and enterprise solution capable of driving commerce across a variety of existing immersive platforms and ultimately back to a brand's own immersive website and commerce experiences. We see evidence of this with retailers who increasingly realize the value in hosting their own virtual worlds to create brand awareness, highlight trendy products, drive community among customers and now to even recruit young workers. Recent moves from various major retailers such as Wal-Mart's rollout of Realm and IKEA's virtual universe confirm this trend.

With our leadership position and relationships with a host of major global brands across various verticals, the opportunity in front of us remains enticing. Super League has the strategic and creative capabilities that, when coupled with our suite of proprietary products and measurement tools, guide brands to appropriately position in this new 3D chapter of brand marketing, digital advertising and e-commerce. This new chapter is one that can truly transform business models.

Now let's move on to some operational highlights. First, focusing on dedicated worlds we built, there was no better example of the excitement and breadth in our offering than the work we launched in partnership with Visa. The Olympics Games in Paris provided a great opportunity to showcase the growth of immersive engagement and allowed Super League to shine through collaborations that showcase our innovation.

In June, leading up to the games, we launched a first-of-its-kind event featuring a Post Malone hybrid concert. There was a live concert and then a live stream virtual concert as well. That was hosted at the iconic Louvre Museum and streamed live into a Roblox event that we created, reaching over 170 countries worldwide. In addition to the concert, players were able to explore the Virtual Louvre Museum experience we built to learn and interact with the collection of curated artworks such as the Mona Lisa.

This was followed by the launch of Olympic World, a global experience to unite Olympic fans that was brought in partnership with Visa and the IOC. As shown in the opening video, the historic first features Olympic and Paralympic intellectual property, offering players the virtual space to explore the Olympic spirit through various games, activities, quests and events, including Olympic inspired mini games and access to virtual products in the Olympic shop.

As well, we continue to gain traction with retailers such as with Skechers, where we created the first immersive Skechers store within Roblox's Lifthopia Mall. The Skechers Shop was designed to build community and engage young consumers in a world that bring Skechers brand to life. As a visitor, you could participate in a treasure hunt to win exclusive Skechers digital items as well as create stylish looks inspired by select Skechers' products. The results were compelling with 3.4 million visits to the store, 4 million try-ons and nearly 45 million impressions generated in five weeks.

We're seeing more retailers getting in the mix. Go check out our recently launched Old Navy store, developed through our Pop-Ups store product, offering players the opportunity to shop for digital twin fashions of current and real-life clothing that is in stores now for the back-to-school shopping season.

Additionally, during the quarter, we continued to demonstrate further product innovation with the debut of SOUNDZ, a new scalable immersive music offering, inclusive of many of the elements that make for a great concert experience, including listening parties, dance moves and digital merchandise. SOUNDZ launched with a bang with Bebe Rexha, her custom-built Avatar set to dance and engage with fans through games, gave players the ability to try on and purchase virtual gear and offered other rewards, all while debuting Bebe Rexha's newest singles.

In conjunction with our Unlockables product module that offers unique player rewards, the experience was launched in three mini games inside of our vast network, delivering over two million visits, 230,000 dance party completions and 43,000 visitors to our awards center.

Key to our strategy as well is diversification across existing game platforms that, again, with the vision of the Company, leading to ownable dedicated worlds for brands and IP owners as well as for ourselves. Again, controlling more of that and fully ownable dotcom experience. Our recent announcement of a strategic partnership with Meta-Stadiums is precisely in that lane.

Together, we offer a unified solution to build and leverage immersion with audiences on today's dominant gamify platforms such as Roblox, Fortnite, Creative, Sandbox, Decentraland and more and ultimately drive people to a brand owned and operated set of digital and physical experiences. Meta-Stadiums is a

cutting-edge platform to build, customize and manage dedicated ownable virtual stadiums in the metaverse that, coupled with our products and capability, can deliver metaverse world design and game development, live virtual events, avatar item collections, digital to physical engagement systems, as well as comprehensive marketing, promotional and content execution.

The combined capabilities offer cross-platform immersive experiences and events. By leveraging our tech and expertise in creating captivating experiences, coupled with Meta-Stadium's incredible portfolio of top-tier sports and entertainment IP with proven commercialization and monetization capabilities, we create a compelling offering that we believe could be the beginning of our foray into new recurring revenue streams in the areas of consumer monetization and data.

Finally, as we've mentioned, the Company has never been more agile and proactive. Historical data has shown that a top seller in our organization can generate \$4 million or more in annual bookings. As we strive to achieve annual bookings precedents, in Q2, we restructured our sales team, inclusive of a top-down reorganization overhaul of our East Coast sales team and the recruitment of an experienced new East Coast leader who's already contributing large programs to the pipeline. Like margin growth and cost control, sales force effectiveness is an essential component for scale and profitability.

With that, Operator, let's move to Q&A.

Operator

Thanks. We will now be conducting a question-answer session for our covering analysts. If you'd like to be placed in the question queue via the phone, please press star, one on your telephone keypad. Over the webcast, please use your raise your hand feature. One moment, please, while we poll for questions.

Our first question today is coming from Scott Buck from H.C. Wainwright. Your line is now live.

Scott Buck

Hi, good afternoon, Ann. Thanks for taking my questions.

Ann Hand

Hey, Scott.

Scott Buck

I'm curious, of the \$1.8 million of revenue deferred to 3Q, has that program started now in the third quarter?

Ann Hand

Yes. These are programs that should have launched in Q2. In some cases, the revenues were extending between Q2 and Q3 and so they now have Q3 launch dates, and then they're extending some into Q4. We have about closer to \$2.2 million in total revenues that deferred, but I'm only speaking to the \$1.8 million that specifically will have impact in some of the Q3 revenues we'll be reporting on.

Scott Buck

Okay, but they're active now, it sounds like.

Ann Hand

Yes.

Scott Buck

Yes, okay, perfect. Then I was hoping you could maybe give a little more color on the Meta-Stadium's partnership. I'm not sure if there are direct economics or it's a partnership that you're able to go and joint pitch? Maybe if you could just walk us through the benefits of this relationship.

Ann Hand

Yes, it's a little bit of both. The first thing it starts with is, imagine if we hold a concert for Bebe Rexha inside one of our existing game platforms. But at the same time, with Meta-Stadiums tech, we then create a dedicated Bebe Rexha stadium or concert that you can go to through a direct URL link. You're not coming in through a gaming platform. We can promote and create the buildup and the excitement and audience inside the platforms where we have a lot of great reach, but then we can drive people to that maybe more signature marquee event.

Once we've taken you into that dedicated event that's ownable and off-platform, the way that Meta-Stadiums work, because they've actually brokered a lot of deals with big sports teams and top talent, is they get to control a part of the economy. If you're buying virtual goods inside that dedicated Bebe Rexha stadium, they get a very attractive rev share from that as part of their licensing agreements.

This is probably one of the most generous partnerships, and I'm really indebted to Delence and all of his leadership for it because what they're doing is they are willing to allow us to participate in that final node of the economy. The conversations we're having as we're going out and jointly pitching is that in the event that we win programs that start where we have reach and through our product and tech, but then it turns into a second component, which is where they have products and tech, that we will get to participate in the consumer monetization of it.

I'll say, too, their relationships are extremely impressive. We were in front of people at Warner Music through Bebe Rexha. They're in front of people as well, very complementary over there. It really is something that, right out of the gate, we're putting active pitches together, selling SOUNDZ, which is our product, and their Meta-Stadium product, as one whole program, which again will be sizable, right? On top of it, I don't think with the types of relationships they're bringing, it's going to be too long before we're announcing a deal.

Scott Buck

Great, that's very helpful. Then last one for me, you guys have done a really nice job on the cost reductions. It sounds like you're set for the remainder of this year. But how much of the revenue growth in '25 and potentially '26 can the current cost infrastructure support? You have to add at some point, right?

Ann Hand

Yes. We've talked about this before. Historically, because a lot of our work was highly manual, every time we took on a bigger program or more work, we were adding bodies. It's really, again, the product approach, which started with our acquisition of Bloxbiz, which is now two years ago that we started to lean into this notion of repeatable products. We first built repeatable media products and now the bigger dollars are where the immersive experiences are.

Applying that mindset to be able to launch an Old Navy store faster or a concert faster, that's really the key there. That is the difference between us not having to take on larger and larger programs and start adding more cost. Now inevitably, when we're delivering \$50 million in top line revenue, I'm not going to pretend that our cost profile will look the same as it does next quarter. But what I would say is that

productization is the path to really change that ratio relationship that for every additional dollar of revenue, it's an exponentially lower amount of cost that has to be incurred.

Again, you just can't take it out of our DNA at this stage anymore. We've just become, as I said, so hypercritical on profitability in the P&L that I approve every new hire in the Company personally and every salary increase. Clayton and I, every week, go through a fine-tooth comb of all expenditure, and that's just become the way we operate.

Scott Buck

That's great to hear. Then if I could just sneak in one more. Of the 68 new customers in the pipeline, where are these originating through? How much are coming from your internal sales team versus some of your agency relationships?

Ann Hand

Yes. I've historically said that the makeup has typically been about 80% agencies representing brands and 20% direct relationships with brands. Actually, we've started to see that we're improving that percentage. A higher percent is direct relationships with brands, brands like Chipotle that we've had a long-standing relationship with, and there's a few really exciting opportunities in the pipeline for this year for more work that we're going to do with them. Google is a good example where we very quickly got directly in front of the brand and that's why we're able to have such a quick time frame between pitch and conversion, being notified that we have won the account.

We have some great leaders in the Company who really understand how to nurture those longer-term business development-like partnerships. When you look at our sales org, while our day-to-day sellers are working very closely with the agencies, and they're hunting down those new RFPs, we have three or four sellers in the Company who really have some expertise coming in from the brand.

Over time, it's not that we want to cut the agency out, right? Because that is a part of the name of the game. They are holding the in-year marketing budget. When we're trying to meet a new brand for the first time, a lot of times we are going to meet them through the agency. But the power over time of us shifting that relationship to be one that's co-owned by the brand or agency or just through the brand, is that that's when you get into the bigger repeat programs and that notion of creating like a persistent strategy. Heather, who is one of our great business developers, she spent a lot of time courting that Chipotle relationship. She is the person behind the direct relationship with Dave & Buster's and Main Event. It was her and Zack there, winning Google. We've got people who just really—that is their natural selling strength is to go direct to brand.

Scott Buck

Great, that's helpful. Appreciate the added color. Thank you very much.

Ann Hand

Thank you, Scott.

Operator

Thank you. Next question today is coming from Jack Cordero from Maxim Group. Your line is now live.

Jack Cordero

Hi, Ann. This is Jack Cordero calling in for Jack Van Aarde. Thanks for taking my questions. In terms of the advertiser habits, can you give a little more color on these delayed launch dates? Do you think this persists? Any color, are they dialing back spend or just pausing it in preparation for a higher ROA holiday season? How should we be thinking about that?

Ann Hand

Yes. I definitely wouldn't say that it is them canceling programs or dialing down budgets as much. I do think that, generally speaking, if I was in the shoes of a CMO right now, there's no doubt that with the continued inflation, there was a little bit of fatigue happening in consumer spend, right? Finally, the impacts of inflation are catching up with people, both financially and psychologically. Advertisers will respond to that and be watching those elements. Certainly, to your point, you get the biggest ROI in Q3 and Q4.

But in this case, the deferred programs really came down to things like just internally getting all their ducks in a row. It wasn't so much that we have to hold back budget or there's a message in the org that budgets are on hold or anything like that. These are just more that when a brand, especially when a brand is building something dedicated or this is their first time in, they're trying to learn about this space. Google is launching a few weeks later. By the way, this one I've heard has been project managed on both sides of the house to the T. It's been a wonderful experience for our team and the way they work so well with the Google project team.

But people are excited because the program's so meaningful in how it's going to educate young people about the Internet and safety that people really want to design the game and get it right. Sometimes it's just the creative excitement that can sometimes make a brand want to spend a few more weeks in the ideation phase.

Jack Cordero

Okay, that's very helpful. Then it's nice to see the continued focus on moving towards profitability. I was wondering if you could give any additional color on the actual number of sales force, the scope of the sales force and then where you expect that trending towards the end of the year.

Ann Hand

Yes. Depending on how you look at it, we have eight sellers. But then again, people like Matt, our President, is always selling, right? He's behind a lot of the work we've done with Visa. I talked about those more business development sellers. When you look at it more holistically, it's, on a full time equivalent, more like ten active sellers.

I do think that, again, the reorganization we did, we've talked about this a little bit before, but we were seeing anywhere from a six- to eight-month learning curve for a new seller because these are completely new ad products, and our patience just wore thin. I'm proud of the intervention that we took there. While we did we release a few sellers, brought in that new senior East Coast leader I talked about, who, like I said, is already out of the gate bringing big deals in the pipeline because he understood the space and was selling similar types of products prior, so he didn't have that same learning curve and he's got a vast rolodex and all of that.

But what we really are trying to do is collapse that learning curve time. We lost a little momentum. When you let three sellers go and you have to backfill, you're going to lose a little bit of time in 2Q, but it was the right long-term decision for the Company.

Jack Cordero

Okay, that's helpful. Then if I have one more, I think it's really, really exciting to see this pickup in the repeat customers, just this growing group of customers that like the product. I don't know if you track this, but do you have any sense if this was a customer in 2023 and then you repeat them in 2024, what's the scope of these repeat customers, the growth in their initial spend towards, say, a year later? If you have any color there, that would be helpful.

Ann Hand

Yes, it's a good question. When I think about a Chipotle, we've done a couple of engagements for them previously. We now have three new engagements in the pipeline for this year. Order of magnitude, over two years, we did two engagements, now we have three. Inevitably, those dollars are bigger. Some repeat work that we're pursuing right now for Kraft, we're excited about and very hopeful that we'll win that business. But remember that the Kraft program we did last year with Lunchables was almost a \$4 million campaign. In that instance, that's a pretty big bogey to hit for a repeat.

But my gut would be, and I can definitely—we can do some more analysis on it, Jack, and give it to you. But my gut would be that anybody who's repeating is spending more. The key is, again, first, we want to see you come in and test the campaign.

The second thing we want you to become is more like the way Sony and Universal have become to us where we do several campaigns with them throughout the year. They're all discrete independent campaigns because they're for different movie launches. But when you add up the spend, they spend with us, they spend north of \$1 million a year when you add up those unique campaigns.

But then the third place we want to take you to is to say, from just a marketing spend efficiency point of view, don't keep popping in and out, and we do a new build for you every time. Let's build a universal theater and let's leave it open all year long. You'll leverage that development cost over multiple campaigns, and then we can have that movie theater open for you all year long to handle 2x the amount of new releases.

Whether it's a persistent world for Dave & Buster's, the way the Olympics build is now being leveraged for the Paralympics and for the winter games, what we really are trying to impress upon people is to make that progression from a one-time campaign trial to multiple campaigns because now you understand the channel, to the smart thing to do is to create a persistent strategy where it's an always-on strategy.

Jack Cordero

That's helpful. Congrats on the progress. I'll hop back in queue. Thank you.

Ann Hand

Thank you.

Operator

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

Ann Hand

Hi, Howard.

Howard Halpern

Hi, you got me.

Ann Hand

Yes.

Howard Halpern

Okay. Can you talk a little bit more about the opportunity that the data analytics side will present to you over the longer term?

Ann Hand

Yes. Right now, inside other people's platforms, namely in Roblox, we do have additional analytical tools and insights. Often, when we're pitching a brand, because we are a one-stop shop, we say we want to build your experience. We also want to be the people who continue to maintain and operate it with updates to keep it lively. We want to pull from our shelf of products to build that faster and make it more engaging and exciting for you. At the same time, we want to throw in additional modules like that reward center. That's ways that we can help a brand further incentivize players to keep coming back and earning in game rewards, but they could also tie to physical rewards.

That's one more way that we can help a brand capture that consumer and convert them into a physical consumer of theirs. Then often, because we have very advanced strong analytics and reporting, it's also the way we report on performance and other in the site. Inside the universe today, when we're taking down these large programs, and I say we're end-to-end, it has all of those elements in it. We also will do influencer marketing to further amplify our platform.

We'll do other off-platform media buys. Maybe you want us to manage a budget for you and buy some YouTube advertising across the campaign, too. When I say one-stop shop in the data component today, that's where we are. But when you start to think about the ways that we can capture a consumer in a web environment like a landing page and incentivize them with new rewards, we can now build a relationship with them directly. We can capture their e-mail and start allowing the brand or ourselves to have more communication and drive more commerce with them.

When I talk about the Meta-Stadium's opportunity, in that event, because Meta-Stadiums owns a large interest in the stadium event that's being created for the music artist or team talent, they not only get a large piece of the consumer monetization, they also have a large stake in the data. It's a journey that we're on. I would say that first step is getting more consumer monetization going further downstream and then data, we think, could be the icing on the cake down the road.

Howard Halpern

Just one last one of the potential new customers, new entrants, have some of them started to come from the Roblox program that you're now part of?

Ann Hand

Yes. There's a handful of us that were deemed last year's strategic partners. Certainly, when we're talking about things like the Olympics, while that didn't come through Roblox, they were right there because it was such a ground-breaking event. We're liaising with them in real time because these great experiences that we're launching are a reflection of their platform as well, and they want to be a part of it and promote it and be excited. We need their promotion. That's a wonderful thing for us if they're willing to promote it through their reach, which is 3x ours. We certainly had some recommendations.

We're currently right now doing a couple of things through the Roblox EDU Group, so the education team. That's where they've come to us. They have a dedicated fund specific to educational programs, and they have brought us now a couple of deals that they are funding for us to launch education campaigns, so they have been a source of nominating us as a good party. The thing that's different is, the other partners that are out there, they're more like traditional game studios but I don't think that they would define themselves as a product company, and certainly, we do define ourselves as a product.

When we talk to Roblox leadership, what I see is that their eyes light up about things like Pop-Ups and ways that we can accelerate getting more brands in faster through the innovative products that we're launching.

Howard Halpern

Okay, well, thanks, and keep up the great work.

Ann Hand

Okay, thank you, Howard. Have a nice day.

Operator

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

Ann Hand

Yes. We are pleased with our Q2 financial results, all things considered. While revenues were relatively flat, we adjusted and continue to deliver material decreases to our operating expenses and losses in our march to a profitable Q4. Our confidence in the opportunity and our ability to execute is unwavering, and our product approach is our differentiator, as I just said, that allows for scale and margin growth.

I'd like to leave you with five key takeaways that capture our strategy positioning and the unmistakable traction that has us so excited about our product set for the future of the immersive world and media. The macro environment challenges come and go, but what cannot be disputed is the massive audience shift to gaming platforms that offer personalization and socialization that goes way beyond traditional video gaming. This is the future of social media, and it's here now.

Our larger share of publishing content revenue leads to larger and longer brand programs, opening the door for recurring revenue growth and more predictable, stable cash flow. Our innovative technology and productization of repeatable elements establish a competitive edge and enable higher margins. Diversification across immersive world platform improves our audience breadth and the opportunity to create and participate in expanded revenue streams at ownable .com worlds. Expertise in driving greater commerce through digital to physical crossover is our key. As I said earlier, we stand in the shoes of our brand partners with a P&L mindset.

With that, we thank you for your interest and your ongoing support. Have a nice day.

Operator

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