

Zacks Small-Cap Research

Sponsored – *Impartial - Comprehensive*

M. Marin
312-265-9211
mmarin@zacks.com

scr.zacks.com

10 S. Riverside Plaza, Chicago, IL 60606

Golden Matrix Group Inc. (GMGI-NASDAQ)

GMGI: Balance Sheet Strengthened, Financial Flexibility Enhanced, With Debt Reduction

GMGI strengthened its balance sheet by fully repaying the \$7.2m remaining balance on a \$12.0m note it issued in July 2024. The non-dilutive debt repayment was funded using cash on hand, with no prepayment penalties incurred. We believe the elimination of this debt enhances the company's financial flexibility to support its multiple growth initiatives.

Current Price (4/29/25)	\$1.94
Valuation	\$3.10

SUMMARY DATA

52-Week High	\$6.27
52-Week Low	\$1.70
One-Year Return (%)	-33
Beta	N/A
Average Daily Volume (sh)	175,134
Shares Outstanding (mil)	132
Market Capitalization (\$mil)	256
Short Interest Ratio (days)	N/A
Institutional Ownership (%)	N/A
Insider Ownership (%)	50+
Annual Cash Dividend	\$0.00
Dividend Yield (%)	0.00

5-Yr. Historical Growth Rates

Sales (%)	N/A
Earnings Per Share (%)	N/A
Dividend (%)	N/A
P/E using TTM EPS	N/A
P/E using 2025 Estimate	34
P/E using 2026 Estimate	N/A

OUTLOOK

GMGI's goal is to maintain sufficient liquidity and financial flexibility to fund operations and growth. Its capital allocation strategy also includes share repurchases and strategic M&A funded using cash, shares & earnouts. With strong momentum as illustrated by 63% y/y 2024 revenue improvement, GMGI is expanding its reach and portfolio. Meridianbet recently launched a new mobile feature to boost gaming volumes and Expanse Studios announced new distribution agreement & game certification in Brazil.

ZACKS ESTIMATES

	Revenue (in millions of \$)				
	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2023	23 A	23 A	22 A	25 E	93 A
2024	25 A	39 A	41 A	46 A	151 A
2025	44 E	49 E	55 E	60 E	209 E

	EPS or Loss Per Share				
	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2023	\$0.06A	\$0.04A	\$0.04A	\$0.05E	\$0.19E
2024	\$0.04A	\$0.00A	-\$0.03A	-\$0.02A	-\$0.01A
2025	\$0.01E	\$0.01E	\$0.02E	\$0.02E	\$0.06E

Quarters might not sum due to rounding & share counts

Disclosures on page 11

STRATEGY TO ENHANCE FINANCIAL FLEXIBILITY TO MAINTAIN GROWTH MEASURES

Balance sheet strengthened with debt reduction

Golden Matrix Group (GMGI-NASDAQ), an iGaming group providing a broad array of gaming products and software solutions on a B2B and B2C basis, strengthened its balance sheet by paying down debt. The company had issued Lind Global Asset Management a \$12.0 million secured convertible note in July 2024. GMGI subsequently has made monthly payments on this note through cash and share payments and fully repaid it this week, with a recent \$7.2 million payment to cover the balance that remained as of April 28, 2025. GMGI incurred no prepayment penalties by repaying this note before it came due.

The debt repayment was funded using cash on hand, with no share issuance. We believe the elimination of this debt enhances the company's financial flexibility to support its multiple growth initiatives. The company had cash and equivalents of \$30 million at year-end 2024. Pro forma for the debt repayment, there would still be an estimated \$20.5 million to support its growth initiatives, all else equal.

In addition to debt reduction, the company's capital allocation strategy also includes a share repurchase plan. GMGI's goal is to maintain sufficient liquidity and financial flexibility to fund operations and growth. The company has also enhanced its financial flexibility with an ATM agreement. As it implements expected growth measures, GMGI intends to prioritize expansion into new regulated markets, including Latin America and Europe, enhance AI-driven gaming innovation and boost operational efficiencies. As GMGI has done in the past, the company intends to pursue strategic acquisitions to boost market share, expand product offerings and complement organic growth. To fund acquisitions, the company has used a combination of cash and shares, as well as earnouts.

The debt reduction comes as GMGI is seeing strong momentum in its underlying business, reflecting industry expansion and its growth measures. The company generated 81% and 63% year-over-year revenue growth in 4Q24 and full year 2024, respectively, to \$46 million and \$151 million. The company noted that on a pro forma basis for the integration of Meridianbet, organic growth was roughly 20%.

Meridianbet was founded in 2001. It operates in more than 15 jurisdictions across Europe, Africa and Central and South America. Meridianbet leverages its proprietary technology and scalable systems to operate in multiple countries and currencies with an omni-channel approach to markets. Fueled by AI-powered engagement tools and content expansion, wagering volume on the GMAG B2B gaming platform increased 84% to \$4.7 billion.

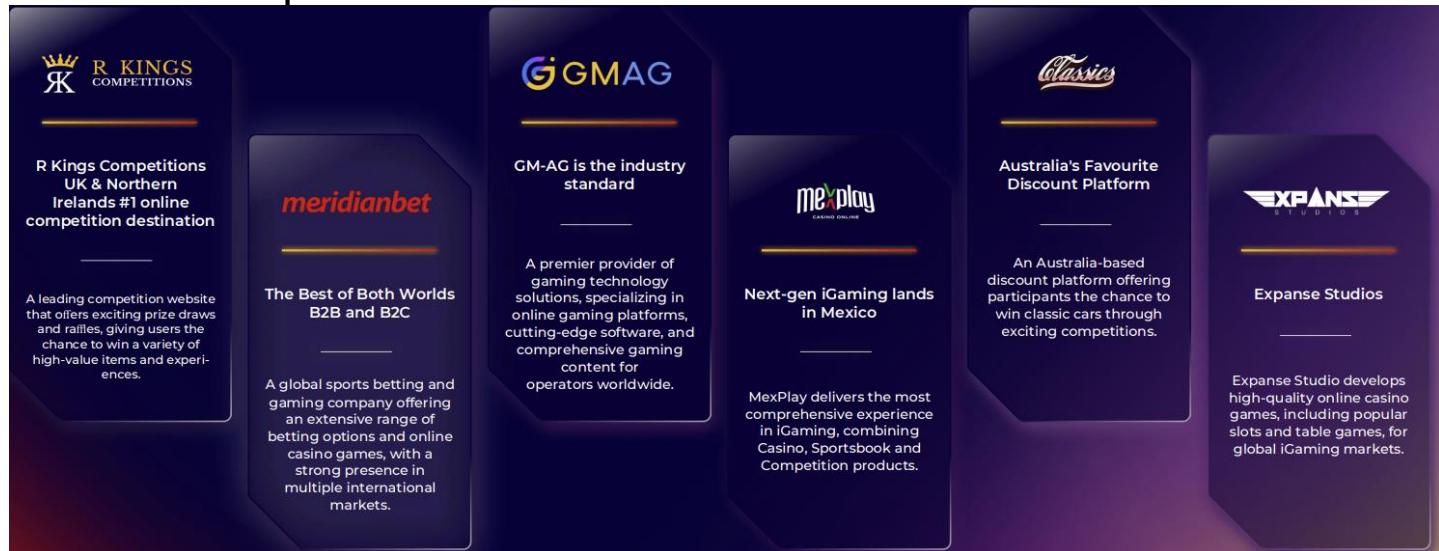
Wagering Volume



...And strengthening capabilities with new game features

The company continues to expand its capabilities and reach. For example, Meridianbet recently launched a new mobile feature, Watch & Bet, which allows users to stream live sports in full-screen mode and concurrently place in-play bets. The Watch & Bet feature is designed to boost in-play betting volume, extend session duration, and drive higher revenue per active user. This is consistent with the company's strategy to continue to add high margin features to its platform and increase revenues and operating leverage. For example, 2024 gross gaming revenue (GGR) margin improved to 10% from 8%.

Golden Matrix Group Brands



Source: [Company presentation](#)

While the 2024 acquisition of Meridianbet was transformative, GMGI operates a growing portfolio of brands and registered strong growth across all of its business units. The company believes its acquisitions of Meridianbet and Classics for a Cause expanded its revenue base and brand value. Specifically, mirroring strong user engagement and acquisition, Meridianbet, which GMGI acquired in April 2024 recorded 14% year-over-year revenue growth in 2024 to \$106 million, which represented about 70% of GMGI total 2024 revenue. Meridianbet leverages its proprietary technology and scalable systems to operate in multiple countries and currencies with an omni-channel approach to markets, including retail, desktop online and mobile. Meridianbet's online revenue advanced 18% in 2024 to \$80 million and retail revenue increased 4% to \$23 million.

With the 2021 and 2022 respective acquisitions of R Kings Competitions and GMG Assets, the company began offering pay to enter prize competitions throughout the UK. With RKings, GMGI gained entry into the pay to enter competition niche in the U.K. Pay to enter competitions are online competitions in which participants pay to enter the competition and generally the winner is selected based on skill, not based on random chance, which differentiates this gameplay from raffles or lotteries where the winner is selected based on random chance. RKings Competitions revenue grew 23% year-over-year as ticket sales reached record levels. The company offered its largest RKings Competitions prize to date, which was £400K in cash or a four-bedroom house and Lamborghini. This competition generated \$665K from 116K in ticket sales. R Kings conducts competitions that provide the opportunity for entrants to win prizes online such as cars, motorbikes, watches, technology, holidays, and luxury gadgets, among other items. Notably, the company's cost of sales in this business line is not directly correlated to revenue, as GMGI can sell a higher number of tickets if demand exists and thereby boost gross margin.

GMGI operates an online casino in Mexico through Golden Matrix MX, which operates under the brand Mexplay. Mexplay features table games, slots, as well as sportsbook, and also offers tournament competition prizes that are similar to those that R Kings offers. Mexplay became commercially operational and began to generate revenues in March of 2023.

...And distribution agreements to extend reach, boost revenue, expand margins

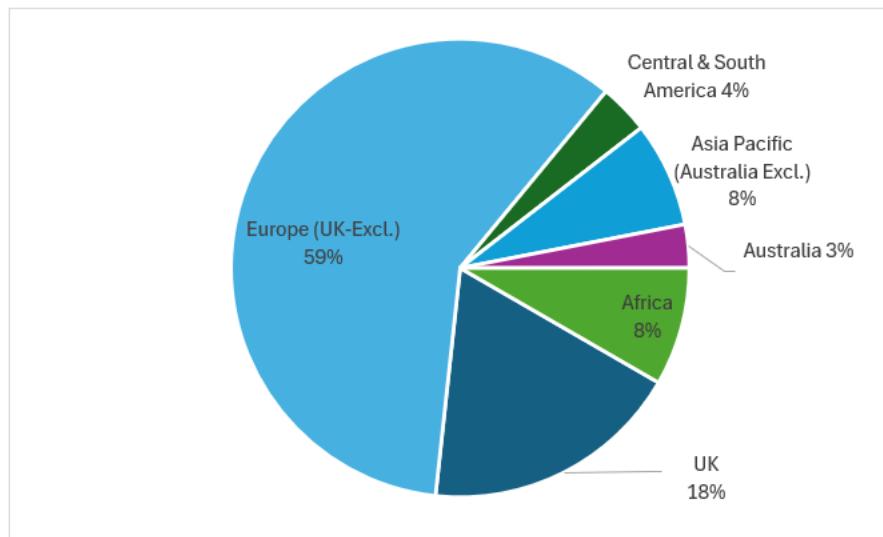
Expanse Studios is GMGI's iGaming division specializing in slots, crash games, table games, and other related features. Expanse has an expanding portfolio of more than 55 proprietary games. Expanse announced a new distribution agreement with BetConstruct, which will enable distribution of Expanse Studios' games through BetConstruct's B2B network, which management notes reaches hundreds of operators in regulated markets globally, including advanced access to U.S. sweepstakes and social casino operators, where GMGI's portfolio is already live in over 40 states. The U.S. sweepstakes market was estimated at \$5.6 billion in 2023, with projections to reach \$7 billion to \$11 billion by 2025, according to various forecasts.

The BetConstruct alliance is expected to strengthen Expanse's reach within the U.S. market and is consistent with GMGI's strategy to expand its footprint without having to depend on third-party content. It is also expected to increase the company's recurring revenue and contribute to margin expansion.

Diversification strategy – multiple expected benefits

The company continues to advance its strategy to expand its global footprint. A core objective to diversify its revenue base across geographic markets, by operating segment and channel. GMGI views the diversification of its operations across both B2B and B2C channels and geographic markets as a competitive advantage that also protects Golden Matrix from contractions in any single market or channel. The company operates in more than 20 countries in total. Moreover, the April 2024 acquisition of Meridianbet is expected to strengthen GMGI's technology offering, enable GMGI to lower its CAC (customer acquisition costs) and improve the LTV (long term value) of a player, in part reflecting AI's ability to learn about players and their preferences and deliver targeted game recommendations and personalized bet suggestions in order to boost customer retention.

2024 Geographic Revenue Breakdown



Source: [Company reports](#)

Capital Allocation & Strategic Investments



Source: [Company presentation](#)

New Atlas technology platform

GMGI has completely transitioned to its newest technology platform, Atlas. Atlas represents the company's fifth-generation sports betting and iGaming platform. Relative to prior iterations, it is characterized by enhanced efficiency and delivers an improved user experience, according to GMGI. GMGI sees Atlas and the ability to integrate AI enhancements relatively easily as another advantage compared to competitors that operate older legacy technology platforms.

As it focuses on driving operational efficiency, GMGI believes Atlas enables scalability and innovation to support a growing customer base. Some of the enhancements with recent upgrades include seamless integration of gaming content and of a transfer wallet for casinos to provide to players so that players are able to access all content seamlessly without interrupting their play to transfer funds into and out of their primary wallet and easy integration of AI enhancements, which GMGI sees as a significant advantage compared to competitors that operate older legacy technology platforms.

BRAZIL PRESENTS SIGNIFICANT OPPORTUNITY

Expanse Studios secured game certification; Meridianbet has online betting license in Brazil

Expanse Studios also secured game certification for the Brazilian market earlier this month covering Expanse's proprietary crash game *Super Heli*, which the company notes is one of its best-performing titles worldwide. Earlier, Meridianbet was awarded an online betting license in Brazil.

Brazil represents a sizable opportunity for GMGI. Brazil is the largest country in South America, with a population of more than 210 million. The country's gaming market has been characterized by rapid growth in sports betting and iGaming industry. The company views its pending entry into this market as potentially transformative and believes its technology and operational knowledge and experience position it to have a significant competitive advantage within Brazil's regulated gaming market that it expects will accelerate its growth prospects.

According to the [Rio Times](#), the Brazilian regulated gaming market “has become the world’s third-largest online betting market since legalizing sports betting in 2018,” representing nearly 1% of Brazilian GDP, according to Strategy & Brasil consultancy. According to forecasts from H2 Gambling Capital consultancy, the market is expected to generate \$5.6 billion in gross gaming revenue (GGR) by 2025.

Meridianbet’s license establishes it as an authorized operator in Brazil and Meridianbet will be able to operate across both online and physical channels in the Brazilian market. According to [iGaming Business](#), sports betting is expected to overtake iGaming in Brazil in the near- to medium-term, possibly reflecting the longstanding importance of soccer to Brazilian fans. The company has formed strategic partnerships in other markets to strengthen its presence in various sports betting niches. For example, GMGI recently formed a strategic alliance with Crvena Zvezda, a major brand in the Euroleague basketball space, aimed at strengthening its presence within the sports betting space. Future branding or marketing agreements in Brazil and / or other markets would not surprise us.

In addition, slots, including crash games, are expected to comprise a sizable portion of the market. [Casino Life Media](#) notes that crash gambling “is when players bet on a multiplying curve. The longer a player stays active, the more they can win, and they are free to cash out at any time. If the game crashes before they have cashed out, they lose.” Since 2021, crash gaming has increasingly become popular with players, likely reflecting their potentially high payout to players. Because crash game operators retain odds that are below those of more traditional games, according to Casino Life Media, the potential return to player (RTP) can be significantly higher compared to slots and other games. Players who invest in crash games try to cash out before the simulated ‘market’ crashes and crash games can reflect diverse various themes, such as games about outer space or racing, among other themes. Crash games initially launched to enable players to bet using cryptocurrencies and have evolved to enable payment with traditional currencies. Given the virtual wallet that GMGI systems enable, the company’s technology can handle a broad range of payment types.

In part reflect the recent and expect growth of iGaming, Brazil is strengthening its regulatory [oversight](#) of the legal online betting market. GMGI believes its extensive experience within the sector, understanding of and compliance with local gaming regulations and flexibility of its technology platform, combined with its local operating team in place to manage the operation, create competitive advantages if / when regulatory modifications occur in the market.

Tailwind of Strong Global Industry Growth

As it executes its growth strategy, the company has the tailwind of a rapidly growing online gambling industry. While forecasts vary, industry outlooks from various market research firms consistently view the sector as characterized by strong growth. For example, according to market research firm [Spherical Insights](#), the global online gambling market was valued at nearly US\$85 billion in 2023 and is expected to reach almost US\$165 billion by 2033. This projection represents an expected CAGR of 6.85% over that period. The sector encompasses wagering games that occur over the Internet or on mobile devices, which the firm believes accounts for a significant majority (more than 85%) of play, particularly as mobile features such as high-definition audio and video continue to improve and mobile phone penetration and availability of high-speed broadband internet continue to rise. Other market research places expected growth even higher.

The Spherical Insights market research firm also attributes the growth of the overall sector, in part, to the expansion of online payment gateways and growing player use of cryptocurrency, facilitated by changes in the regulatory environments and market legalization in multiple gambling jurisdictions. The relatively recent legalization of online gambling in Brazil, noted above, is one example, as are recent legalization activities in several other markets.

VALUATION

We believe GMGI shares represent an option on management's ability to continue to execute its growth strategy, which encompasses expanding its gaming technology platform to new geographic markets and adding complementary products, among other initiatives. The company expects to capitalize on the anticipated continued growth of online wagering and regulated gaming in a growing number of markets and customer adoption of online betting and expansion of its footprint. At this early stage, we view Brazil as a potentially significant opportunity. If the company's iGaming technology platform and online footprint continue to gain traction as management anticipates, we would expect multiple expansion on GMGI shares.

GMGI shares trade below 2x forward revenue projections on a P/S basis, despite the opportunities the company expects. If GMGI continues to hit milestones regarding its growth objectives, we believe the potential opportunities on the company's recent measures to enhance its growth prospects could lead to higher multiple and valuation. Therefore, as GMGI continues to boost awareness of its opportunities and strategy, we would anticipate multiple expansion, if it can execute its strategy successfully.

Companies in this sector command a range of multiples on a P/S basis on forward revenue, ranging from about 2X to much higher. Reflecting GMGI's recent and anticipated growth, we apply a roughly 3X multiple to our 2025 revenue forecast. We also add a risk adjustment factor of about 70% and derive a valuation of about \$3.10. We note that larger players in the overall gaming space command significantly higher multiples on a price to revenue basis. DraftKings, for instance, trades at a multiple of nearly 5X on this basis, according to Yahoo Finance data.

We believe the risk / reward ratio on GMGI shares could be attractive for investors who want exposure to the sector and have a higher than average risk tolerance and longer time horizon. If the company delivers milestones related to growth initiatives earlier / later than expected, our adjustment factor could prove too high / low.

RECENT NEWS

- On April 29, 2025, GMGI announced full repayment of Lind notes.
- Meridianbet launched Watch & Bet feature to on April 4, 2025.
- Expanse Studios secured Brazilian iGaming certification on April 2, 2025.
- Expanse Studios expanded its European presence with Slotino integration on March 25, 2025.
- Meridianbet expanded B2B operations into Nigeria on March 13, 2025.
- GMGI submitted an application for an iGaming license in Romania on March 11, 2025.
- GMGI announced on March 3, 2025, that institutions including BlackRock and Vanguard raised their investments in GMGI.
- GMGI completed its 5th U.S. sweepstakes integration on February 28, 2025.
- On February 11, 2025, Meridianbet reported \$9+ million in January 2025 revenue, up 24% Y/Y.
- Golden Matrix announced that it had doubled its U.S. sweepstakes game lineup on January 17, 2025.
- Meridianbet secured an online betting license in Brazil on January 2, 2025.

RISKS

We believe risks to Golden Matrix Group achieving its goals, and to our valuation, include the following, among other risks.

- GMGI might not gain market share in new areas as quickly as the company expects, which could lead to slower than anticipated revenue ramp.
- The company could incur unanticipated costs associated with its initiatives.
- Competition could increase.
- The company might need to raise capital to support its strategy that might be dilutive to current shareholders.
- Insiders hold a controlling interest in the company's voting rights. Their interests might differ from those of other shareholders.
- Government regulations governing the gambling sector could change.
- The company faces technology risk. Its platform is new generation but competitors might launch newer technology capabilities that would require GMGI to further upgrade.
- Reflecting its diverse geographic footprint and as it continues its international expansion strategy, the company faces potential foreign exchange (FX) risk.

FINANCIAL MODEL

Golden Matrix Holdings

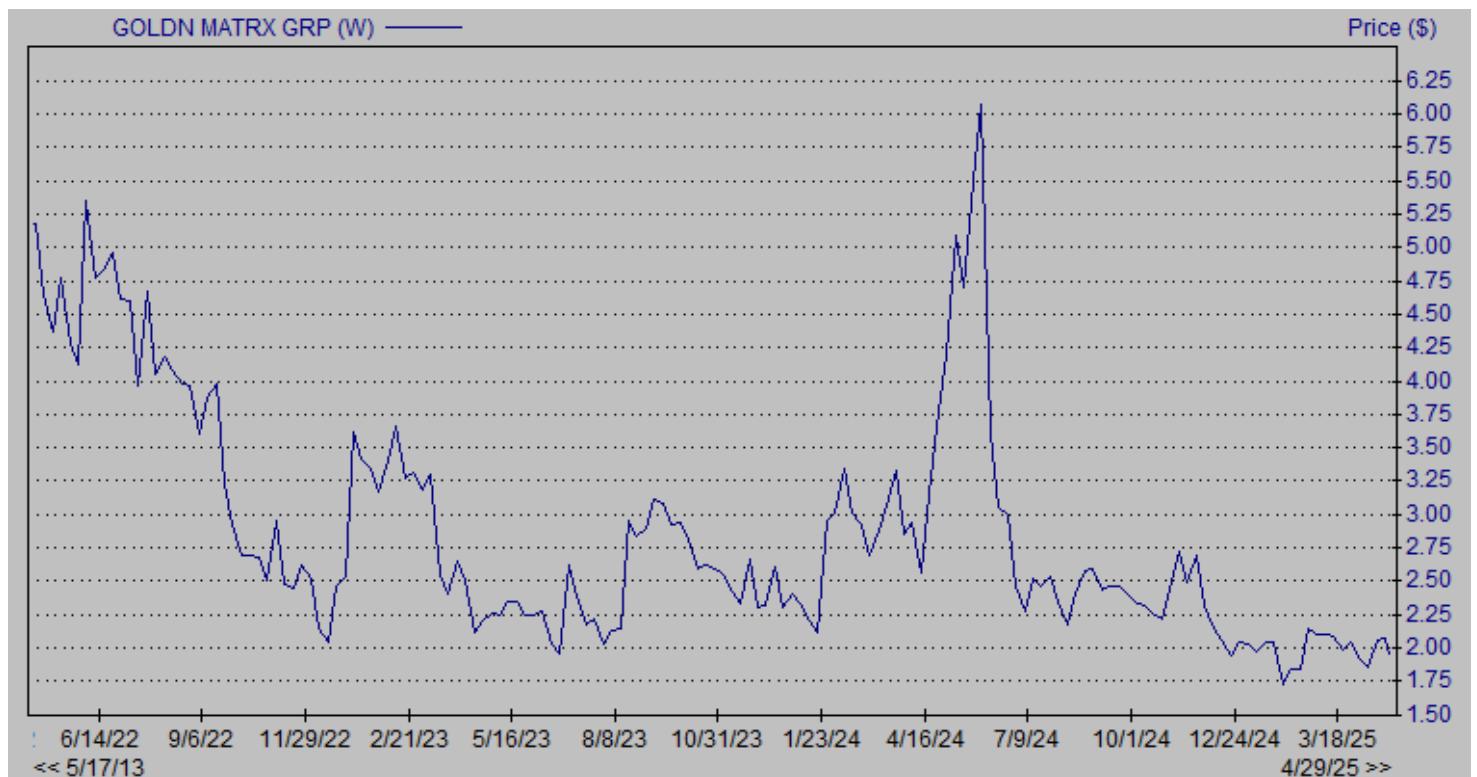
Golden Matrix Group Income Statement and Projections (US\$)

	2023*	1Q24*	2Q24	3Q24	4Q24A	2024A	1Q25E	2Q25E	3Q25E	4Q25E	2025E
Revenues	\$92,993,521	\$24,850,587	\$39,415,242	\$40,992,329	\$45,857,374	\$151,115,532	\$44,234,045	\$49,269,053	\$54,519,798	\$60,477,105	\$208,500,000
Cost of goods sold	(24,750,293)	(7,158,657)	(17,729,700)	(18,589,162)	(19,065,888)	(62,543,407)	(17,698,041)	(19,712,548)	(21,813,371)	(24,196,890)	(83,420,850)
Gross profit	68,243,228	17,691,930	21,685,542	22,403,167	26,791,486	88,572,125	26,536,004	29,556,505	32,706,427	36,280,215	125,079,150
S,G&A	54,483,998	13,997,809	21,560,430	23,379,550	26,890,632	85,828,421	25,456,693	28,354,340	29,713,290	32,839,068	116,363,390
Income (loss) from operations	13,759,230	3,694,121	125,112	(976,383)	(99,146)	2,743,704	1,079,311	1,202,165	2,993,137	3,441,147	8,715,760
<i>Other income / (expense)</i>											
Interest expense	(36,163)	(4,371)	(32,484)	(790,193)	(2,694,240)	(3,521,288)					
Interest income	97,820	34,882	69,666	58,475	55,122	218,145					
FX	72,459	12,937	(131,458)	(219,060)	(157,244)	(494,825)					
Other	1,572,256	493,150	509,759	495,654	764,219	2,262,782	-	-	-	-	-
Total other income (expense)	1,706,372	536,598	415,483	(455,124)	(2,032,143)	(1,535,186)	(894,143)	(885,201)	(876,349)	(867,586)	(3,523,280)
Pretax income / (loss)	15,465,602	4,230,719	540,595	(1,431,507)	(2,131,289)	1,208,518	185,168	316,963	2,116,787	2,573,561	5,192,480
Taxes	1,570,716	281,697	524,969	1,864,122	(52,421)	2,618,367	16,665	28,527	190,511	231,621	467,323
Net income (loss)	13,894,886	3,949,022	15,626	(3,295,629)	(2,078,868)	(1,409,849)	168,503	288,437	1,926,277	2,341,941	4,725,157
Minority interest	192,348	(41,712)	(49,299)	109,935	51,476	70,400	1,988	3,461	19,263	23,419	48,132
Net income (loss) to GMGI	13,702,538	3,990,734	64,925	(3,405,564)	(2,130,344)	(1,480,249)	166,514	284,975	1,907,014	2,318,521	4,677,025
EPS	\$0.16	\$0.04	\$0.00	(\$0.03)	(\$0.02)	(\$0.01)	\$0.01	\$0.01	\$0.02	\$0.02	\$0.06
Avg shares out (FD)	83,475,190	83,475,190	128,455,184	121,510,697	120,605,753	113,511,706	132,087,080	132,087,200	132,087,320	132,087,440	132,087,260

Source: Company reports, Zacks estimates

*Reflects change in FY to December 31 as of 2024 2023 FY is E, 1Q is implied

HISTORICAL STOCK PRICE



DISCLOSURES

The following disclosures relate to relationships between Zacks Small-Cap Research ("Zacks SCR"), a division of Zacks Investment Research ("ZIR"), and the issuers covered by the Zacks SCR Analysts in the Small-Cap Universe.

ANALYST DISCLOSURES

I, M. Marin, hereby certify that the view expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the recommendations or views expressed in this research report. I believe the information used for the creation of this report has been obtained from sources I considered to be reliable, but I can neither guarantee nor represent the completeness or accuracy of the information herewith. Such information and the opinions expressed are subject to change without notice.

INVESTMENT BANKING AND FEES FOR SERVICES

Zacks SCR does not provide investment banking services nor has it received compensation for investment banking services from the issuers of the securities covered in this report or article.

Zacks SCR has received compensation from the issuer directly, from an investment manager, or from an investor relations consulting firm engaged by the issuer for providing non-investment banking services to this issuer and expects to receive additional compensation for such non-investment banking services provided to this issuer. The non-investment banking services provided to the issuer includes the preparation of this report, investor relations services, investment software, financial database analysis, organization of non-deal road shows, and attendance fees for conferences sponsored or co-sponsored by Zacks SCR. The fees for these services vary on a per-client basis and are subject to the number and types of services contracted. Fees typically range between ten thousand and fifty thousand dollars per annum. Details of fees paid by this issuer are available upon request.

POLICY DISCLOSURES

This report provides an objective valuation of the issuer today and expected valuations of the issuer at various future dates based on applying standard investment valuation methodologies to the revenue and EPS forecasts made by the SCR Analyst of the issuer's business. SCR Analysts are restricted from holding or trading securities in the issuers that they cover. ZIR and Zacks SCR do not make a market in any security followed by SCR nor do they act as dealers in these securities. Each Zacks SCR Analyst has full discretion over the valuation of the issuer included in this report based on his or her own due diligence. SCR Analysts are paid based on the number of companies they cover. SCR Analyst compensation is not, was not, nor will be, directly or indirectly, related to the specific valuations or views expressed in any report or article.

ADDITIONAL INFORMATION

Additional information is available upon request. Zacks SCR reports and articles are based on data obtained from sources that it believes to be reliable, but are not guaranteed to be accurate nor do they purport to be complete. Because of individual financial or investment objectives and/or financial circumstances, this report or article should not be construed as advice designed to meet the particular investment needs of any investor. Investing involves risk. Any opinions expressed by Zacks SCR Analysts are subject to change without notice. Reports or articles or tweets are not to be construed as an offer or solicitation of an offer to buy or sell the securities herein mentioned.

CANADIAN COVERAGE

This research report is a product of Zacks SCR and prepared by a research analyst who is employed by or is a consultant to Zacks SCR. The research analyst preparing the research report is resident outside of Canada, and is not an associated person of any Canadian registered adviser and/or dealer. Therefore, the analyst is not subject to supervision by a Canadian registered adviser and/or dealer, and is not required to satisfy the regulatory licensing requirements of any Canadian provincial securities regulators, the Investment Industry Regulatory Organization of Canada and is not required to otherwise comply with Canadian rules or regulations.