

# Zacks Small-Cap Research

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

scr.zacks.com

101 N. Wacker Drive, Chicago, IL 60606

## Meridian Holdings Inc.

(MRDN-NASDAQ)

### MRDN: Positive Takeaways of Virtual Meeting With Management

We met virtually with Meridian Holdings, which recently completed a corporate rebranding strategically designed to align the company brand with the Meridian name, which management has indicated has significant brand awareness among operators. As Meridian continues to advance its B2B expansion, many operations have been added by leveraging industry awareness of the Meridianbet brand, which has been an engine for growth.

### OUTLOOK

A core objective is to diversify the revenue base across geographic markets, by operating segment and channel. Thus, MRDN continues to expand its global footprint. MRDN recently acquired Fairbet Ltd., a licensed retail gaming operator in Malta, and now holds two of the market's three retail licenses. Separately, Expanse Studios launched Bonus Bet, a proprietary promotional feature addressing operator retention challenges that management believes strengthens Expanse's market position and creates a competitive advantage.

Current Price (3/6/26) \$9.63  
Valuation \$16

### SUMMARY DATA

52-Week High \$10.80  
52-Week Low \$5.80  
One-Year Return (%) N/A  
Beta N/A  
Average Daily Volume (sh) 22,608

Shares Outstanding (mil) 12  
Market Capitalization (\$mil) 116  
Short Interest Ratio (days) N/A  
Institutional Ownership (%) N/A  
Insider Ownership (%) 60+

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 N/A  
P/E using 2026 Estimate N/A

Risk Level High  
Type of Stock Small-Growth

### 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	43 A	43 A	47 A	53 E	186 E
2026					211 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	-\$0.02A	-\$0.31A	\$0.05A	\$0.00E	-\$0.28E
2026					-\$0.05E

Quarters might not sum due to rounding & share counts

Disclosures on page 9 2025-26 shares out PF

## POSITIVE TAKEAWAYS OF VIRTUAL MEETING WITH MANAGEMENT

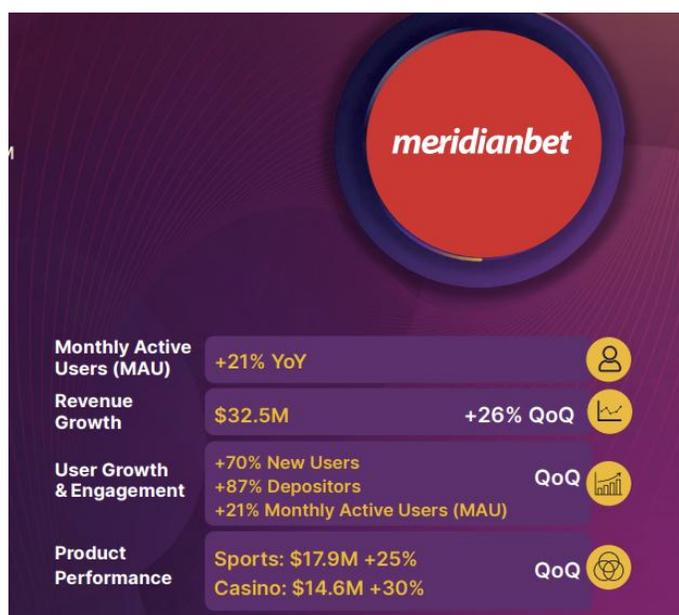
We recently met virtually with the management of Meridian Holdings Inc. (MRDN-NASDAQ) and present our takeaways in this report. Meridian Holdings is an iGaming group providing a broad array of gaming products and software solutions on a B2B and B2C basis, recently completed a corporate rebranding, changing the name of the company from Golden Matrix, ticker GMGI, to Meridian Holdings, ticker MRDN. The rebranding is strategically designed to align the public company brand with the Meridian name, which management has indicated has significant brand awareness among operators, as the company continues to advance its B2B and B2C expansion strategy.

Meridian Holdings is optimistic about the company outlook, with the addition of new gaming licenses, expansion of its geographic footprint and of its gaming content library, among other growth initiatives. The company also is optimistic about the benefits of its AI-driven technology as a key factor contributing to lowering its acquisition costs and extending customer lifetime value. MRDN has completely transitioned to its newest technology platform, Atlas, which represents the company's fifth-generation sports betting and iGaming platform, strengthened its balance sheet and enacted a leadership transition expected to support the execution of its growth strategy.

Meridianbet Group is an online sports betting and gaming group, licensed and operating in a growing number of jurisdictions across Europe, Africa and South America. It was founded in 2001. Meridianbet leverages its proprietary technology and scalable systems to operate in multiple countries and currencies with an omni-channel approach to markets. The Meridianbet Group segment includes revenues from retail sports betting, retail casinos, online sports betting, online casinos, and bars that MeridianBet operates.

### *Facilitating growth by leveraging industry awareness of the Meridianbet brand*

Many of the company's operations have been added through leveraging industry awareness of the Meridianbet brand. The company acquired Meridianbet, in part, to strengthen its technology offering and enable the company to lower its CAC (customer acquisition costs) and improve the LTV (long term value) of a player, in part reflecting the ability of the AI technology to learn about players and their preferences and thereby boost customer retention. With Meridianbet, the company's system leverages AI to 'learn' player behavior and preferences in order to deliver targeted game recommendations in the iGaming segment, as well as personalized bet suggestions.



Source: [Company presentation](#)

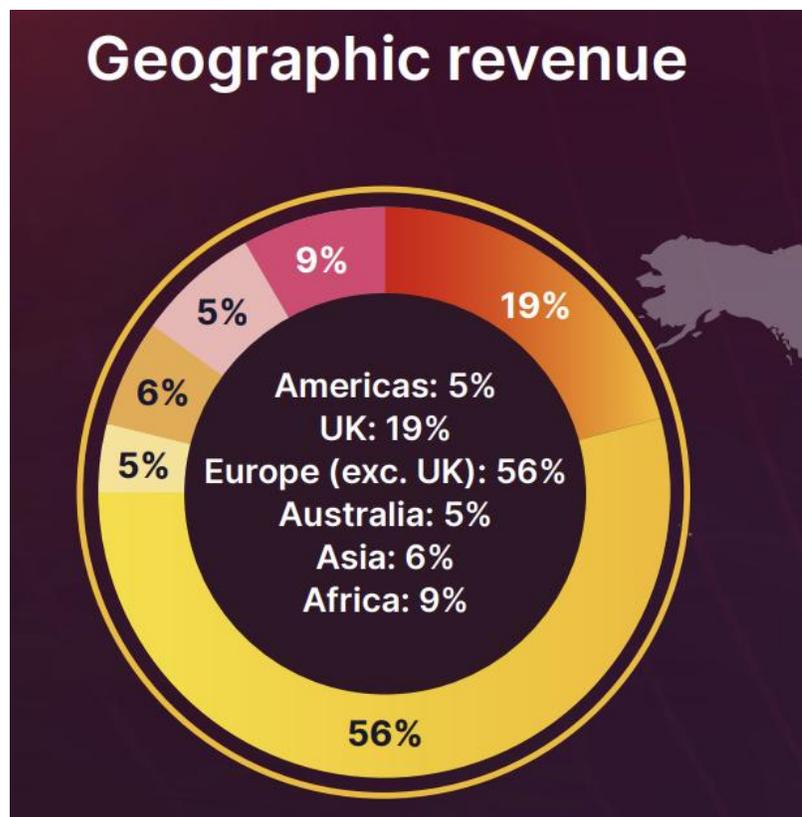
Meridianbet has been an engine for growth for the company. For example, Meridianbet segment revenue increased 26% year-over-year to \$32.5 million in 3Q25, reflecting robust online and retail performance. Online casino gross gaming revenue (GGR) grew 30% to \$14.6 million. A key driver behind this growth reflects an increase in the library of online casino games offered from different providers to more than 2.5k titles and the debut of a new game, *Gates of Olympus*, from the company's proprietary game arm, Expanse studio, which became a top 5 most popular game in 3Q25. New player registrations were up 70% year-over-year, as the company continues to scale its Brazil operations.

### ***Prioritizing expansion into new regulated markets***

A core objective to diversify its revenue base across geographic markets, by operating segment and channel. MRDN views the diversification of its operations across both B2B and B2C channels and geographic markets as a competitive advantage that also protects the company from contractions in any single market or channel. The company continues to advance its strategy to expand its global footprint, which is a core objective, as noted. As it implements expected growth measures, MRDN intends to prioritize expansion into new regulated markets, including Latin America and Europe, enhance AI-driven gaming innovation and boost operational efficiencies.

Meridianbet recently acquired Fairbet Ltd., a licensed retail gaming operator in Malta. As a result of the transaction, Meridianbet holds 100% ownership of Fairbet's operations across Malta and Gozo, adding nine new retail locations and bringing its footprint in the market to 20 total storefronts integrated under the Meridianbet brand.

The company's strategy regarding M&A has been to prioritize acquisitions in high-barrier markets where limited licensing to create structural competitive advantages. According to the company, Malta's retail gaming sector operates under one of Europe's most stringent regulatory frameworks. Only three licenses have been granted and with the Fairbet acquisition, Meridianbet now holds two of the market's three retail licenses. The other license is held by Izibet, the National Lottery operator.



Source: [Company presentation](#)

Meridianbet secured an online betting license in Brazil on January 2, 2025. Among the most significant new markets in which MRDN operates is Brazil, which represents an estimated \$5.6 billion gross gaming revenue market. As noted, the upcoming FIFA World Cup games could also be a potential catalyst for growth in Brazil and other markets. The 2026 World Cup will be the first to have 48 teams playing, up from 32. Moreover, tournament hosting by three countries - Canada, Mexico and the U.S. and featuring a new format with 104 matches – might also boost reach and interest in sports betting across various markets, we believe.

**The company continues to expand B2B gaming content provider Expanse Studios, a subsidiary of Meridian Holdings, presence.** For example, Expanse Studios recently secured a Romanian gaming license, signed a distribution deal with MerkurXtip and one with Admiral Bet, completed multiple U.S. integrations, secured Brazilian iGaming certification and an U.S. and EU distribution deal with Bragg Gaming, among other measures.

Expanse Studios develops proprietary gaming content for 1,300+ operators across North America, Europe, Latin America, Africa, and Asia with a 67-title portfolio. Expanse recently launched Bonus Bet, a proprietary promotional feature addressing operator retention challenges and promotional spend efficiency. Bonus Bet is designed to improve operator ROI on retention spend and lower player friction points. According to the company, early deployments show improvements in engagement patterns compared to standard bonus mechanics. The company believes the Bonus Bet feature strengthens Expanse’s market position and creates a competitive advantage.

As MRDN executes its growth strategy, the company achieved record quarterly revenue of \$47.3 million in 3Q25, up 15.4% year-over-year, and gross profit of \$26.4 million up 18% year-over-year. These improvements reflect a shift in the product mix, as well as optimization of the company’s marketing spend, among other factors, as MRDN leverages the infrastructure it has developed, including integrating and scaling Meridianbet.



Source: [Company reports](#)

For full year 2025 guidance, revenue is expected in the range of \$186 million to \$187 million, which would represent annual growth of 23% to 24% compared to 2024. The company expects to continue to benefit from growing scale and geographic and product diversification.

## ***Stronger balance sheet enhances financial flexibility; debt-to-equity transaction***

As MRDN continues to strengthen its balance through debt repayments and other measures, net debt leverage at the end of 3Q25 equated to about 1.2x annual adjusted EBITDA, down from a leverage ratio of about 1.5x at the end of the prior quarter. We believe this enhances the company's financial flexibility to support its multiple growth initiatives.

MRDN has reduced total debt, including long-term loans and acquisition-related payables, by \$25.9 million since year-end 2024, including fully repaying a note issued to Lind Global Asset Management in July 2024 before it came due earlier in 2025. The company had cash of \$22 million at the end of 3Q25 and \$45.1 million in total debt.

Meridianbet's founder and largest shareholder, Aleksandar Milovanović, has opted for a debt-to-equity conversion on \$8 million that MRDN owed him following its acquisition of Meridianbet. By eliminating \$8 million in short-term debt helps enhance MRDN's financial flexibility to support its growth measures. Following the debt-to-equity transaction, Mr. Milovanović beneficially owns about 93.3 million shares, further aligning insiders' interests with that of public shareholders.

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## **VALUATION**

Concurrent with the rebranding, the company also implemented a 12:1 reverse stock split, reducing the number of shares outstanding to about 12.6 million from 151.7 million. The number of authorized shares went from 300 million to 25 million. We have updated our per share valuation.

We believe MRDN 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 MRDN shares. If MRDN continues to hit milestones regarding its growth objectives, we believe it could lead to higher multiple and valuation if MRDN 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 recent fluctuations in sector multiples, we apply a roughly 2X multiple to our 2025 revenue forecast compared to 3X before. We also add a risk adjustment factor of about 65% and derive a valuation of about \$16. 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 MRDN 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.

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## RECENT NEWS

- Expanse Studios launched Bonus Bet feature on March 4, 2026.
- On February 26, 2026, the company approved a 12:1 reverse stock split and corporate rebranding.
- On December 1, 2025, Expanse Studios secured a Romanian gaming license.
- MRDN announced the retirement of its CEO on December 1, 2025.
- Meridianbet launched "Missions" Gamification Platform on November 30, 2025.
- Expanse Studios signed a distribution deal with MerkurXtip on November 29, 2025.
- Expanse Studios signed a distribution deal with Admiral Bet on November 28, 2025.
- Meridianbet's founder completed an \$8 million debt-to-equity conversion on November 28, 2025.
- On October 30, 2025, MRDN reported 3Q25 results.
- Expanse Studios secured an U.S. and EU distribution deal with Bragg Gaming on July 22, 2025.
- Expanse Studios obtained Croatian iGaming certification on July 1, 2025.
- On June 13, 2025, Meridianbet closed a sponsorship deal with Aquatic Sports Association of Malta.
- Expanse completed multiple U.S. integrations and launched a new flagship slot on May 16, 2025.

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## RISKS

We believe risks to Meridian achieving its goals and to our valuation, include the following, among others.

- MRDN 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.
- MRDN might need to raise capital, which 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 MRDN to further upgrade.
- Reflecting its diverse geographic footprint, MRDN faces potential foreign exchange (FX) risk.

## FINANCIAL MODEL

### Meridian Holdings

#### Meridian Holdings Income Statement and Projections (US\$)

	1Q24	2Q24	3Q24	4Q24A	2024A	1Q25A	2Q25A	3Q25A	4Q25E	2025E	2026E
Revenues	\$24,850,587	\$39,415,242	\$40,992,329	\$45,857,374	\$151,115,532	\$42,723,053	\$43,245,368	\$47,316,308	\$52,922,122	\$186,206,851	\$211,344,775
Cost of goods sold	(7,158,657)	(17,729,700)	(18,589,162)	(19,065,888)	(62,543,407)	(18,527,092)	(18,868,349)	(20,929,885)	(24,079,565)	(82,404,891)	(95,950,528)
Gross profit	17,691,930	21,685,542	22,403,167	26,791,486	88,572,125	24,195,961	24,377,019	26,386,423	28,842,556	103,801,959	115,394,247
S,G&A	13,997,809	21,560,430	23,379,550	26,890,632	85,828,421	24,301,978	26,681,869	26,774,044	28,380,487	106,138,378	116,752,215
Income (loss) from operations	3,694,121	125,112	(976,383)	(99,146)	2,743,704	(106,017)	(2,304,850)	(387,621)	462,070	(2,336,418)	(1,357,968)
<i>Other income / (expense)</i>											
Interest expense	(4,371)	(32,484)	(790,193)	(2,694,240)	(3,521,288)	(1,471,360)	(1,481,669)	(510,636)			
Interest income	34,882	69,666	58,475	55,122	218,145	43,936	16,884	62,036			
FX	12,937	(131,458)	(219,060)	(157,244)	(494,825)	433,668	(63,455)	817,201			
Other	493,150	509,759	495,654	764,219	2,262,782	505,503	591,576	634,458	-	-	-
Total other income (expense)	536,598	415,483	(455,124)	(2,032,143)	(1,535,186)	(488,253)	(936,664)	1,003,059	(438,175)	(860,033)	(438,175)
Pretax income / (loss)	4,230,719	540,595	(1,431,507)	(2,131,289)	1,208,518	(594,270)	(3,241,514)	615,438	23,895	(3,196,451)	(1,796,143)
Taxes	281,697	524,969	1,864,122	(52,421)	2,618,367	(336,053)	490,377	201,636	8,124	364,084	(610,689)
Net income (loss)	3,949,022	15,626	(3,295,629)	(2,078,868)	(1,409,849)	(258,217)	(3,731,891)	413,802	15,771	(3,560,535)	(1,185,454)
Minority interest	(41,712)	(49,299)	109,935	51,476	70,400	(26,609)	(147,546)	(152,212)	(6,308)	(332,675)	(426,764)
Net income (loss) to MRDN	3,990,734	64,925	(3,405,564)	(2,130,344)	(1,480,249)	(231,608)	(3,584,345)	566,014	22,079	(3,227,860)	(758,691)
EPS	\$0.05	\$0.00	(\$0.03)	(\$0.02)	(\$0.01)	(\$0.02)	(\$0.31)	\$0.05	\$0.00	(\$0.28)	(\$0.05)
Avg shares out (FD)	83,475,190	128,455,184	121,510,697	120,605,753	113,511,706	10,977,405	11,497,369	11,896,565	12,296,565	11,666,976	14,796,565

Source: Company reports, Zacks estimates  
FY changed to December 31 as of 2024

2025-26 shares out. PF

## HISTORICAL STOCK PRICE



Source: Yahoo Finance

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