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Meridian Holdings Inc.

(MRDN-NASDAQ)

MRDN: Believe Noncash Charge Masks Positive Trends; Raising '26 Revenue Forecast

MRDN reported a 2025 y/y revenue increase of 21% to \$182.9m. New customer registrations grew 72% to 1.2m & active users and depositors advanced 35% and 40% respectively. However, a non-cash 1-time charge masked these positive revenue and operating trends, we believe. MRDN provided 1Q26 revenue guidance of +17% y/y. 1Q26 does not reflect expected 2Q-3Q26 FIFA games benefits.

OUTLOOK

MRDN has strengthened its balance sheet, reduced debt, enacted a leadership transition to support its growth strategy and upgraded its technology platform to further leverage AI to 'learn' player behavior, boost customer retention, leverage an omni-channel approach & enable operations in multiple countries and currencies. With these initiatives, the tailwind of positive 2025 trends & the 2026 expected benefits of the FIFA games, MRDN is optimistic about the company outlook & provided 1Q26 revenue guidance of ~\$50m, up ~17% y/y, and adjusted EBITDA of ~\$6.1m, up ~9%.

Current Price (4/6/26) \$6.87
Valuation \$16.20

SUMMARY DATA

52-Week High \$10.80
52-Week Low \$5.80
One-Year Return (%) N/A
Beta N/A
Average Daily Volume (sh) 23,376

Shares Outstanding (mil) 12
Market Capitalization (\$mil) 86
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 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	50 A	183 A
2026	50 E	55 E	56 E	52 E	213 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	-\$7.09A	-\$7.76A
2026	-\$0.04E	-\$0.00E	-\$0.00E	-\$0.02E	-\$0.05E

Quarters might not sum due to rounding & share counts

Disclosures on page 9 2025-26 shares out PF

BELIEVE NONCASH CHARGE MASKS POSITIVE TRENDS

With initiatives, positive 2025 trends & upcoming FIFA games, MRDN optimistic about outlook

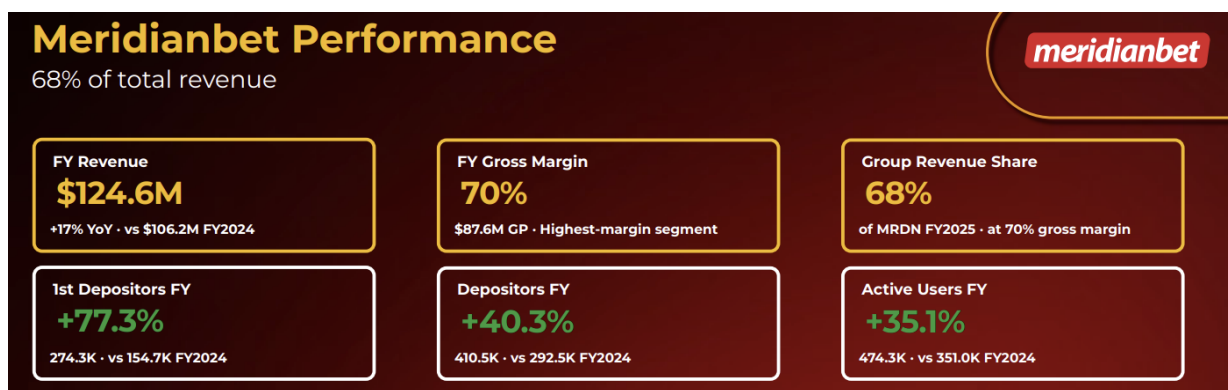
Meridian Holdings Inc. (MRDN-NASDAQ) reported 4Q25 / 2025 results last week and provided 1Q26 preliminary revenue guidance. The company is a global operator and licensor of online sports betting and gaming platforms. It recently implemented rebranding to align the public company name, Meridian, which management has indicated has significant brand awareness among gaming operators.

Meridian continues to advance its B2B and B2C expansion strategy and is optimistic about the outlook, adding new gaming licenses, expanding its geographic footprint and growing its gaming content library, among other growth initiatives. The company also is optimistic about the benefits of its AI-driven technology and cites this as a key factor contributing to lowering its acquisition costs and extending customer lifetime value.

Year-over-year revenue increases of 8% and 21%, respectively in 4Q25 and full year 2025 to \$49.6 million and \$182.9 million would seem to support Meridian's optimism. MRDN's 4Q25 gross profit improved 6% to \$28.5 million. Reflecting higher selling and marketing expenses designed to drive customer growth, 4Q25 adjusted EBITDA came in at \$4.6 million compared to \$6.5 million in 4Q24. Full year 2025 gross profit improved 17% year-over-year to \$103.5 million.

However, primarily reflecting a \$91.8 million non-cash goodwill and intangible asset impairment charge, the company recorded a 4Q25 net loss of \$88.4 million, or \$7.09 per share, compared with a net loss of \$2.1 million, or \$0.20 per share, in 4Q24. Largely reflecting the non-recurring charge, which was the result of a decline in the company's share price, 4Q25 results mask the positive revenue and operating trends, we believe. Specifically, Meridianbet new customer registrations grew 72% year-over-year to 1.2 million and active users and depositors advanced 35% and 40% respectively.

Meridianbet Group segment an engine for growth



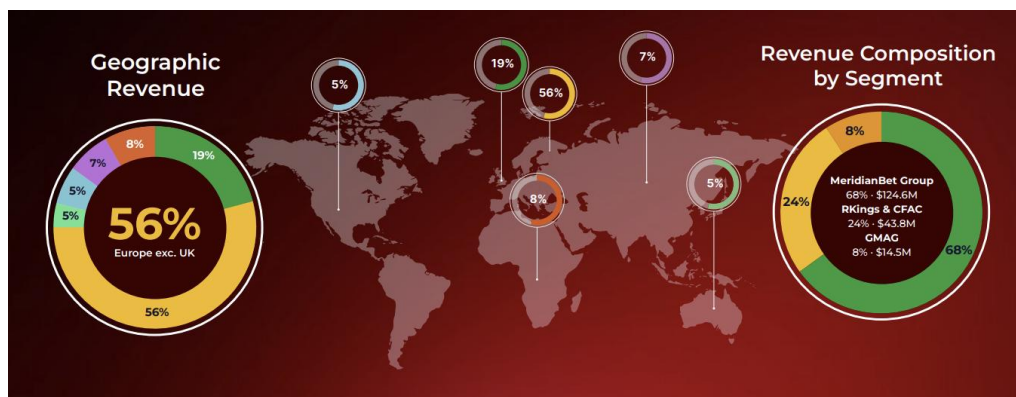
Source: [Company presentation](#)

Initiatives include debt reduction & stronger balance sheet, leadership change, technology upgrade

MRDN has strengthened its balance sheet, reducing net debt by 59% with total debt down 51% and cash up, and enacted a leadership transition expected to support the execution of its growth strategy. The company has upgraded its technology platform to a next-gen system that 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. The company's AI technology enables MRDN to learn about players and their preferences and thereby is expected to boost customer retention. Meridian leverages an omni-channel approach to markets, with its scalable technology systems enabling the company to operate in multiple countries and currencies.

With these initiatives, the tailwind of positive 2025 trends including growth in new customer registrations, active users and depositors noted above and the 2026 expected benefits of the FIFA games, the company is optimistic about its outlook. For 1Q26, MRDN expects revenue of about \$50 million, representing about 17% annual growth, and adjusted EBITDA of about \$6.1, equating to roughly 9% annual growth.

Meridian remains focused on growth, organically and using strategic M&A that prioritizes acquisitions in high-barrier markets with limited licensing to complement organic growth. For example, MRDN's Expanse subsidiary recently acquired Fairbet Ltd., a licensed retail gaming operator in Malta. Malta's retail gaming sector operates under one of Europe's most stringent regulatory frameworks, according to the company. Only three licenses have been granted and with the Fairbet acquisition, Meridianbet now holds two of the three. The other license is held by Izibet, the National Lottery operator.



Source: [Company presentation](#)

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

Following the Fairbet transaction, Meridianbet now holds 100% ownership of Fairbet's operations across Malta and Gozo, has added nine new retail locations, bringing its footprint in the market to 20 total storefronts integrated under the Meridianbet brand.

Meridianbet Group segment 2025 revenue up 17% y/y

Meridianbet has been an engine for growth for the company. The Meridianbet Group segment revenue grew 17% year-over-year in 2025 to \$124.6 million, representing 68% of total revenue. The segment gross margin was roughly 70%. As noted, Meridianbet new customer registrations increased 72% to 1.2 million, with active users and depositors increasing 35% and 40%, respectively.

The company continues to expand B2B gaming content provider Expanse Studios, which is included in the Meridianbet Group segment. Expanse Studios develops proprietary gaming content for 1,344 operators across North America, Europe, Latin America, Africa, and Asia. Its operator network grew 630% year-over-year in 2025, contributing to 4Q25 year-over-year revenue growth of 435%.

Among recent network expansion measures, 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 has also filed for system regulatory certification in Ontario, Canada.

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.

Other segments also recorded solid 2025 revenue growth

2025 RKings & Classics for a Cause Segment revenue of \$43.8 million advanced 35% year-over-year and comprised 24% of total revenue. RKings raffle ticket volumes advanced 137% year-over-year to 25.2 million, driven by higher-value customer acquisition. MRDN boosted its estimate of customer lifetime value per new registration 19%.

The GMAG segment produced 2025 revenue growth of 16% year-over-year to \$14.5 million. the segment represented 8% of total revenue. Within the GMAG segment, MexPlay online casino operations more than tripled registrations (up 256% year-over-year) in 4Q25. Total active users reached 32,308.



Source: [Company presentation](#)

Brazil – large market opportunity

Brazil is one of the largest markets in which MRDN operates. Meridianbet secured an online betting license in Brazil on January 2, 2025. Brazil 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.

Stronger balance sheet, enhanced financial flexibility

As MRDN continues to strengthen its balance through debt repayments and other measures, net debt leverage at the end of 4Q25 equated to under 1.0x annual adjusted EBITDA, down from a leverage ratio of about 1.5x at the end of 1H 2025. 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, 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 \$18.1 million at the end of 2025 and \$6.6 million in long-term debt. The current portion of long-term loan is \$10.6 million. The current portion of consideration payable to related parties is \$16.2 million. Given that this is to related parties, if MRDN does not fully repay this in 2026, we would expect that it can negotiate an extension or swap with the related parties.

In fact, Meridianbet's founder and largest shareholder, Aleksandar Milovanović, opted for a debt-to-equity conversion on \$8 million that MRDN owed him following its acquisition of Meridianbet. 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.

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. Following higher customer registrations, expanded operating footprint and 1Q26 guidance, we have raised our 2026 revenue forecast to \$213 million from \$211 million previously, although we model higher investment and marketing spending than we previously anticipated. Reflecting recent sector multiple fluctuations, we apply a roughly 2X multiple to our 2026 revenue forecast. We also add a risk adjustment factor of about 50% and derive a valuation of about \$16.20. We note that larger prominent 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.

RECENT NEWS

- MRDN reported 2025 results on March 31, 2026.
- 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.

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\$)

	1Q25A	2Q25A	3Q25A	4Q25A	2025A	1Q26	2Q26	3Q26	4Q26	2026E
Revenues	\$42,723,053	\$43,245,368	\$47,316,308	\$49,578,644	\$182,863,373	\$50,028,695	\$55,431,794	\$56,041,544	\$51,558,220	\$213,060,253
Cost of goods sold	(18,527,092)	(18,868,349)	(20,929,885)	(21,081,327)	(79,406,653)	(22,763,056)	(25,942,080)	(26,227,443)	(24,026,131)	(98,958,709)
Gross profit	24,195,961	24,377,019	26,386,423	28,497,317	103,456,720	27,265,639	29,489,714	29,814,101	27,532,090	114,101,544
S,G&A income (loss) from operations	<u>24,301,978</u> (106,017)	<u>26,681,869</u> (2,304,850)	<u>26,774,044</u> (387,621)	<u>121,867,837</u> (93,370,520)	<u>199,625,728</u> (2,842,374)	<u>27,309,525</u> (43,886)	<u>28,948,096</u> 541,618	<u>29,237,577</u> 576,524	<u>27,190,947</u> 341,143	<u>112,686,146</u> 1,415,399
<i>Other income / (expense)</i>										
Interest expense	(1,471,360)	(1,481,669)	(510,636)	(1,115,179)	(4,578,844)					
Interest income	43,936	16,884	62,036	117,867	240,723					
FX	433,668	(63,455)	817,201	(427,194)	760,220					
Other Total other income (expense)	<u>505,503</u> (488,253)	<u>591,576</u> (936,664)	<u>634,458</u> 1,003,059	<u>827,042</u> (597,464)	<u>2,558,579</u> (1,019,322)	<u>-</u> (418,225)	<u>-</u> (585,515)	<u>-</u> (603,080)	<u>-</u> (615,142)	<u>-</u> (2,221,961)
Pretax income / (loss)	(594,270)	(3,241,514)	615,438	(93,967,984)	(3,861,696)	(462,111)	(43,897)	(26,556)	(273,999)	(806,563)
Taxes	(336,053)	490,377	201,636	(5,562,154)	(5,206,194)	(27,727)	(4,346)	(2,390)	(10,960)	(45,422)
Net income (loss)	(258,217)	(3,731,891)	413,802	(88,405,830)	(91,982,136)	(434,384)	(39,551)	(24,166)	(263,039)	(761,140)
Minority interest Net income (loss) to MDRM	(26,609) (231,608)	(147,546) (3,584,345)	(152,212) 566,014	(1,757,919) (86,647,911)	(2,084,286) (89,897,850)	(8,688) (425,697)	(1,978) (37,573)	(1,329) (22,837)	(5,261) (257,778)	(17,255) (743,885)
EPS	(\$0.02)	(\$0.31)	\$0.05	(\$7.09)	(\$7.76)	(\$0.04)	(\$0.00)	(\$0.00)	(\$0.02)	(\$0.05)
Avg shares out (FD)	10,977,405	11,497,369	11,896,565	12,219,910	11,589,076	12,220,910	12,221,910	12,222,910	12,223,910	12,222,410

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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