

# Zacks Small-Cap Research

Sponsored – Impartial - Comprehensive

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

scr.zacks.com

101 N. Wacker Drive, Chicago, IL 60606

## Meridian Holdings Inc.

(MRDN-NASDAQ)

### MRDN: Popular Former Footballer as Brand Ambassador in Brazil; Expanded Serbia Reach

MRDN named Serbian-born former footballer Dejan Petković (Pet) as Global Brand Ambassador & will launch multimedia content platform Pet TV to extend brand reach beyond traditional sports betting into lifestyle and entertainment content. As a Serbian born player who gained soccer fame in Brazil, Pet's origins are similar to the company's, making him an ideal ambassador for MRDN ahead of the upcoming FIFA games.

### OUTLOOK

In addition to the Pet TV/brand ambassador initiative as MRDN focuses on growing operations & expanding its customer base with users expected to be long-term customers, subsidiary Expanse Studios recently signed a strategic distribution agreement with MaxBet, one of Serbia's leading omni-channel gaming operators, to expand its reach across the Serbian market. With online gambling revenue in the country projected to reach \$186m by 2029, MaxBet controls an estimated 15%-20% online market share in Serbia.

Current Price (6/2/26) \$12.38  
Valuation \$16.20

### SUMMARY DATA

52-Week High ~\$23.00  
52-Week Low \$5.80  
One-Year Return (%) -45  
Beta 1.41  
Average Daily Volume (sh) 45,671

Shares Outstanding (mil) 12  
Market Capitalization (\$mil) 149  
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 A	53 E	54 E	50 E	206 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	\$0.18A	\$0.07E	\$0.07E	\$0.02E	\$0.33E

Quarters might not sum due to rounding & share counts

Disclosures on page 9 2025-26 shares out PF

---

## **NEW POPULAR BRAND AMBASSADOR, AS BRAZIL'S FANS ANTICIPATE FIFA GAMES**

### ***Famous brand ambassador with same origins as MRDN to help market & expand brand reach beyond traditional sports betting***

Meridian Holdings Inc. (MRDN-NASDAQ) licenses and operates online sports betting and gaming platforms globally. Meridian continues to advance its B2B and B2C expansion strategy and core Meridianbet operations continue to scale. Reflecting what we see as its growing traction, Meridianbet new customer registrations grew 41% in 1Q26 compared to 1Q25.

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 and further its goal to diversify its revenue base across geographic markets, by operating segment and by channel. At the same time, the company maintains a disciplined approach to spending. The company believes that appointing well-known sports figures as brand ambassadors to help market the brand and company operations creates a strategic and cost-effective way to reach existing and prospective customers.

Last week MRDN announced that Serbian-born former football (soccer) player Dejan Petković has signed an agreement to become the company's Global Brand Ambassador. Dejan Petković, known as Pet, is currently a television personality and analyst. He is regarded as one of the best known and popular foreign players in Brazilian football history. He will launch Pet TV, a planned multimedia content platform focused on sport, culture, and entertainment designed to extend the reach of the Meridian brand beyond traditional sports betting into lifestyle and entertainment content.

The company views Dejan Petković as a strong choice as representative, reflecting his popularity and that he was born in Serbia and gained fame in Brazil, similar to the company's origins and entry into the Brazilian market. Petković came to Brazil in 1997 from Real Madrid and is broadly known in Brazil by his nickname "Pet." Over the course of his football career in Brazil, he scored 167 goals across seven football clubs including Flamengo, which he led to the 2009 Brazilian Championship, Vasco da Gama, Fluminense, Vitória, Santos, and Atlético Mineiro. He won three Bola de Prata awards. In 2001, he made an 89th-minute free kick for Flamengo and he is one of only three foreigners to ever be inducted into the Maracanã Walk of Fame. He has also been named an Honorary Citizen of Rio de Janeiro. He resides in Brazil since he retired in 2011 and serves as an Honorary Consul of the Republic of Serbia in Brazil.

### ***Pet TV multimedia campaign to extend brand reach into lifestyle & entertainment content***

His appointment as Brand Ambassador is designed to boost Meridian's brand visibility with one of the most engaged sports audiences globally and to extend our reach beyond traditional sports betting channels. By integrating content, culture, and entertainment through Pet TV, we are creating new avenues to connect with our users and support long-term growth across our ecosystem.

We believe the appointment just ahead of the 2026 FIFA games, which we believe could also present benefits, is propitious. Brazil is one of the largest markets in which MRDN operates and one expected to represent billions of dollars in gross gaming revenue market. The Brazilian population is generally considered to be ardent soccer fans and the upcoming FIFA World Cup games could also be a potential catalyst for growth in Brazil, as well as in other markets depending on the outcome of matches, as MRDN believes wagering could be impacted by how well the Brazilian team fares. 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.

### ... While Expanse Studios strengthens & extends distribution in Serbia

Separately, MRDN subsidiary Expanse Studios recently signed a strategic distribution agreement with MaxBet, one of Serbia's leading omni-channel gaming operators and a subsidiary of Flutter Entertainment plc (NYSE: FLUT, nr). Expanse Studios is a leading B2B iGaming content provider that specializes in slots, crash games, turn-based strategies, and card games. Expanse has a growing portfolio of more than 70 proprietary titles and 1,500+ casino brands across Europe, LATAM, and North America.

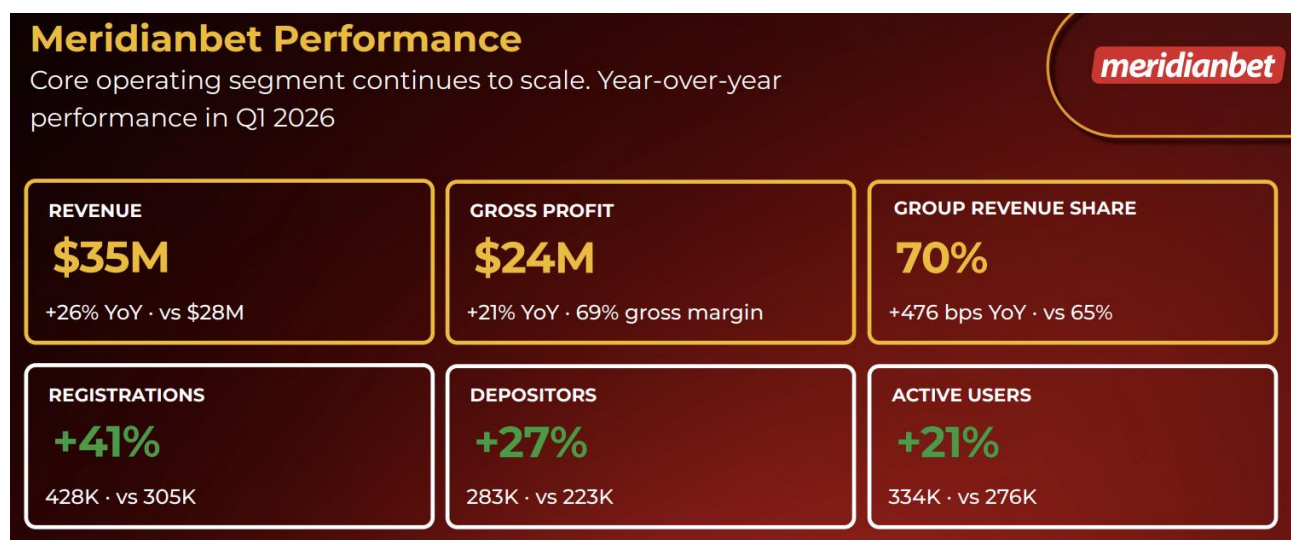
The agreement expands Expanse's reach across the Serbian market by integrating with MaxBet's infrastructure. Expanse titles are already live and accessible with MaxBet. Serbian online gambling revenue is projected to reach \$186 million by 2029, according to MRDN, with MaxBet controlling an estimated 15%-20% online market share in Serbia.

Separately, the company also continues to add new gaming licenses, expand its geographic footprint and expand its gaming content library, as noted. The company also is optimistic about the benefits of its AI-driven technology. MRDN also 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.

### Meridian 2Q26 revenue guidance represents 18%-23% y/y anticipated growth

MRDN is optimistic about its business outlook and issued 2Q26 revenue guidance of \$51 million to \$53 million. This would represent 18% to 23% year-over-year anticipated growth compared to 2Q25 revenue of \$43.2 million, reflecting continued momentum in core Meridianbet operations and incremental contribution from new Expanse markets, among other factors.

The Meridianbet Group B2C sports betting and online casino segment was the key driver of aggregate revenue growth. Meridianbet new customer registrations grew 41% year-over-year, as noted. Converting new registrations to active users can vary market to market depending on regulatory backdrop. Active users advanced 21% and depositors advanced 27%.



Source: [Company presentation](#)

Meridianbet Group segment revenue grew 26% year-over-year to \$34.9 million, representing ~70% of total revenue. The segment gross margin was roughly 69%. Within the Meridianbet Group segment, the company continues to expand Expanse Studios' content library and operator network. Expanse Studios is MRDN's B2B gaming content provider developing proprietary gaming content for 1,344 operators across North America, Europe, Latin America, Africa, and Asia. Expanse added 175 new sites in 1Q26, expanding its operator network to 1,519 active sites. Expanse secured new certifications in Latvia, Estonia, Sweden, and Portugal during 1Q26 and is pending regulatory approval of its application for system certification in Ontario, Canada.

Segment Metric	meridianbet	R. KINGS COMPETITIONS	Classics	GMAG
Revenue	\$34.9M	\$12.1M		\$3.1M
Revenue YoY	+25.9%	+8.5%		-18.4%
Gross Profit	\$24.1M	\$2.9M		\$1.1M
Gross Profit YoY	+21.2%	-9.2%		-3.7%
Gross Margin	69.3%	24.2%		33.9%
Gross Margin YoY	-271 bps	-474 bps		+519 bps
Segment Income (Loss) from Operations	\$6.6M	\$0.4M		\$(0.4)M

Segment operating income reconciles to consolidated Income from Operations through unallocated corporate expenses. All figures unaudited.

Source: [Company presentation](#)

### Balance sheet strengthening measures

MRDN has strengthened its balance sheet, reducing net debt by 62% year-over-year, as MRDN continues to strengthen its balance through debt repayments and cost containment measures to conserve and grow the cash balance. The net debt leverage at the end of 1Q26 equated to under 1.0x (0.53x) annual adjusted EBITDA, down from a leverage ratio of about 1.5x at the end of 1H 2025. This enhances the company's financial flexibility to support its multiple growth initiatives, in our view.

MRDN had cash of \$16.2 million at the end of 1Q26 and \$13.5 million in net debt. In terms of consideration payable to related parties, 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.



Source: [Company presentation](#)

---

## VALUATION

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.

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, in our view.

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

- Expanse Studios signed a content distribution agreement with MaxBet for Serbia on June 2, 2026.
- On May 25, 2026, Meridian announced Dejan “Pet” Petković as its Global Brand Ambassador.
- MRDN reported 1Q26 results on April 28, 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.

---

## 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

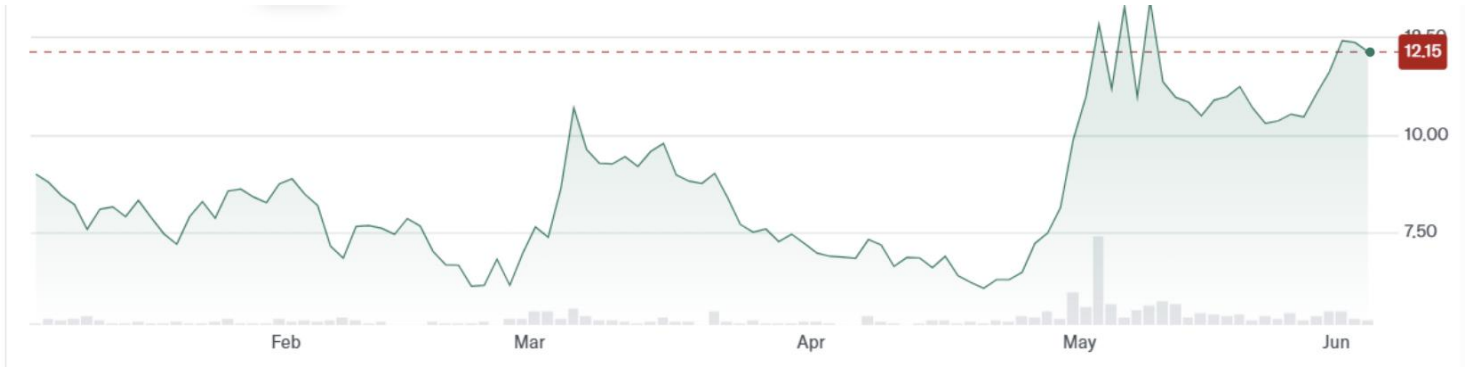
#### Meridian Holdings Income Statement and Projections (US\$)

	1Q25A	2Q25A	3Q25A	4Q25A	2025A	1Q26A	2Q26E	3Q26E	4Q26E	2026E
Revenues	\$42,723,053	\$43,245,368	\$47,316,308	\$49,578,644	\$182,863,373	\$50,103,870	\$52,959,791	\$53,542,348	\$49,794,384	\$206,400,393
Cost of goods sold	(18,527,092)	(18,868,349)	(20,929,885)	(21,081,327)	(79,406,653)	(21,959,630)	(24,361,504)	(24,468,853)	(22,457,267)	(93,247,254)
Gross profit	24,195,961	24,377,019	26,386,423	28,497,317	103,456,720	28,144,240	28,598,287	29,073,495	27,337,117	113,153,139
S,G&A	24,301,978	26,681,869	26,774,044	121,867,837	199,625,728	24,987,116	26,636,266	27,382,081	26,560,619	105,566,081
Income (loss) from operations	(106,017)	(2,304,850)	(387,621)	(93,370,520)	358,636	3,157,124	1,962,021	1,691,414	776,498	7,587,057
<i>Other income / (expense)</i>										
Interest expense	(1,471,360)	(1,481,669)	(510,636)	(1,115,179)	(4,578,844)	(353,726)				
Interest income	43,936	16,884	62,036	117,867	240,723	5,999				
FX	433,668	(63,455)	817,201	(427,194)	760,220	(412,194)				
Other	505,503	591,576	634,458	827,042	2,558,579	467,088	-	-	-	-
Total other income (expense)	(488,253)	(936,664)	1,003,059	(597,464)	(1,019,322)	(292,833)	(439,250)	(592,987)	(474,389)	(1,799,459)
Pretax income / (loss)	(594,270)	(3,241,514)	615,438	(93,967,984)	(660,686)	2,864,291	1,522,772	1,098,427	302,109	5,787,599
Taxes	(336,053)	490,377	201,636	(5,562,154)	(5,206,194)	696,134	335,010	120,827	60,422	1,212,393
Net income (loss)	(258,217)	(3,731,891)	413,802	(88,405,830)	(91,982,136)	2,168,157	1,187,762	977,600	241,687	4,575,206
Minority interest	(26,609)	(147,546)	(152,212)	(1,757,919)	(2,084,286)	(92,638)	118,776	97,760	4,834	128,732
Net income (loss) to MRDN	(231,608)	(3,584,345)	566,014	(86,647,911)	(89,897,850)	2,260,795	1,068,986	879,840	236,853	4,446,474
EPS	(\$0.02)	(\$0.31)	\$0.05	(\$7.09)	(\$7.76)	\$0.18	\$0.07	\$0.07	\$0.02	\$0.33
Avg shares out (FD)	10,977,405	11,497,369	11,896,565	12,219,910	11,589,076	12,785,352	12,786,352	12,787,352	12,788,352	12,786,852

Source: Company reports, Zacks estimates

FY changed to December 31 as of 2024 2025-26 shares out. PF

## HISTORICAL STOCK PRICE



Source: Yahoo Finance

## 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.