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Zacks Small-Cap Research

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Meridian Holdings Inc. (MRDN-NASDAQ)

MRDN: Sponsorship of High Profile UFC MMA Event That Will be Distributed Internationally

MRDN subsidiary Meridianbet will be Official Partner of UFC Fight Night Serbia, UFC's 1st event ever in Serbia, with Meridianbet the exclusive sponsor in the sports-betting category. Meridianbet brand will be highly visible; with branding inside the Octagon & logo placement across UFC's omnichannel promotional activities. The event will reach a global audience via international distribution, including live broadcast in the U.S. on Paramount+.

Current Price (7/20/26)	$13.52
Valuation	**$16.20**

OUTLOOK

The UFC event sponsorship is consistent with other Meridian promotional activities aligning its brand with high profile sports figures or brands. For example, just ahead of the 2026 FIFA games, MRDN formed an agreement with Serbian-born former Brazilian soccer star Dejan Petković to be a company Global Brand Ambassador. The UFC sponsorship comes as Meridian continues to advance its B2B and B2C expansion strategy and as core Meridianbet operations continue to scale. Reflecting what we see as its growing traction, Meridianbet new customer registrations grew 41% y/y in 1Q26.

SUMMARY DATA

52-Week High	**$20.88**
52-Week Low	**5.80**
One-Year Return (%)	**-29**
Beta	**1.36**
Average Daily Volume (sh)	**69,026**
Shares Outstanding (mil)	**12**
Market Capitalization ($mil)	**171**
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 8 2025-26 shares out PF

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NEW SPONSORSHIP ALIGNS BRAND WITH HIGH PROFILE UFC MMA BRAND

Meridianbet Official Partner of UFC Fight Night Serbia, UFC's 1st MMA event in Serbia

Meridian Holdings Inc. (MRDN-NASDAQ) licenses and operates online sports betting and gaming platforms globally. Its subsidiary Meridianbet has been named Official Partner of UFC Fight Night Serbia, the first MMA (mixed-martial-arts) event the Ultimate Fighting Championship (UFC) has ever held in Serbia, which will take place on August 1, 2026, at Belgrade's Belgrade Arena. Meridianbet will be the event's exclusive sponsor in the sports-betting category. Meridianbet was founded in Serbia in 2001 and has operated in the market continuously since then.

The Meridianbet brand will be highly visible, as the partnership includes branding inside the Octagon during the event, logo placement across official event promotions, including the fight poster and round cards, an in-venue commercial at Belgrade Arena and a digital and social media campaign across UFC's omnichannel promotional activities. Moreover, the event will reach a global audience via international distribution through UFC's broadcast partners, including live broadcast in the U.S. on Paramount+.

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

Meridianbet represents the largest contributor to MRDN consolidated revenue. MRDN noted that the Meridianbet partnership with UFC, part of TKO Group Holdings, marks its highest profile alignment with a global sports brand thus far, although Meridianbet has sponsored combat sports for years. UFC is a globally recognized MMA organization. Its more than 40 annual live events are distributed to an estimated one billion broadcast and digital households across 210 countries and territories and its MMA athletes represent 75+ countries.

MRDN believes the partnership reflects its longstanding commitment to sport in the communities where it operates. Meridianbet has engaged in multiple other community sponsorships, ranging from supporting clubs, youth academies and local sports programs to community initiatives in health and education.

Sponsorship consistent with Meridian promotional activities aligning its brand with high profile sports figures or brands

The sponsorship is consistent with Meridian's promotional activities aligning its brand with high profile sports figures or brands. For example, MRDN recently formed an agreement with Serbian-born former soccer player Dejan Petković who became 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 and has launched Pet TV in Brazil. 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.

The UFC sponsorship comes as Meridian continues to advance its B2B and B2C expansion strategy and as core Meridianbet operations continue to scale. 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. Reflecting what we see as its growing traction, Meridianbet new customer registrations grew 41% in 1Q26 compared to 1Q25.

Dejan Petković's appointment as Brand Ambassador came just ahead of the 2026 FIFA games. 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 MRDN viewed the recent FIFA World Cup games as a possible catalyst to boost Meridianbet new customer registrations.

Expanse Studios recently strengthened 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.

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.

Balance sheet strengthening measures

MRDN has also strengthened its balance sheet, reducing net debt by 62% year-over-year in 1Q26, 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

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 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.

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.

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

- Meridianbet was named Official Partner of UFC Fight Night Belgrade on July 17, 2026.
- 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.

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

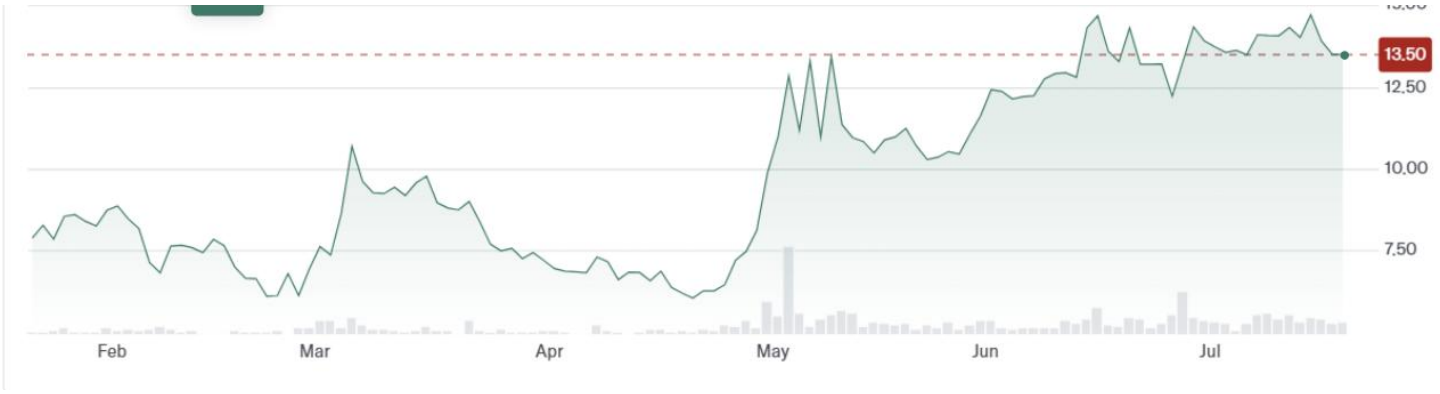
Meridian Holdings Income Statement and Projections (US$)

	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
Other income / (expense)										
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

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HISTORICAL STOCK PRICE



Source: Yahoo Finance

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