

May 22, 2025

GOLDEN MATRIX GROUP INC.

(NasdaqCM: GMGI)

Golden Matrix Group Inc. (GMGI), based in Las Vegas, is an established business-to-business (B2B) and business-to-consumer (B2C) gaming technology company that operates across more than 20 international markets. The B2B division of Golden Matrix develops and licenses proprietary gaming platforms, while its B2C operations, through Meridianbet, provide sports betting and gaming services across 18 regulated global jurisdictions. The company also operates a high-volume e-commerce site enabling end users to enter paid-for competitions on its proprietary platform in authorized markets.

COMPANY HIGHLIGHTS

- * **Expanding Footprint:** Golden Matrix Group provides a broad and growing array of software solutions, products, and services to the gaming industry, offering casino, sports book, and other competition products under B2B and B2C models. As of May 2025, the company operated in more than 25 global markets, and its Meridianbet subsidiary, which operates in 18 markets, recently secured a license in Brazil, one of the world's largest regulated gaming markets, which we see providing a long-term operating tailwind.
- * **Strategic M&A Model:** In recent years, GMGI has expanded its operations through strategic mergers and acquisitions (M&A). In many of these instances, GMGI has acquired companies that were initially strategic partners. We view this as important, as GMGI has validated and retained the acquired management teams to continue running these entities, which we see limiting execution risk. Notably, Meridianbet has more than 20 years of experience as a leading global sports betting and internet gaming (iGaming) brand.
- * **Proprietary iGaming Platform:** GMGI's latest version of its proprietary B2B iGaming aggregator platform, GM-AG (Atlas), was introduced in 2024 and provides online gaming operators with access, either directly or with a "white-label" option, to over 10,000 games, enabling these providers to efficiently expand into

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PRICE CHART



KEY STATISTICS

Key Stock Statistics

Recent price (5/21/25)	\$1.43
Fair Value Estimate	\$4.00
52 week high/low	\$6.27/\$1.37
Shares outstanding (M)	138.4
Market cap (\$M)	197.9
Dividend	NA
Yield	NA

Sector Overview

Sector	Consumer Discretionary
Sector % of S&P 500	10.4%

Financials (\$M, as of 3/31/25)

Cash & Mkt Securities	29.7
Debt	28.5
Working Capital	-16.1
Current Ratio	0.7
Revenue (TTM)	169.0
Net Income (TTM)	NM
Net Margin (TTM)	NM

Risk

Beta	NA
Inst. ownership	2%

Valuation

P/E Forward EPS	28.6
Price/Revenue (TTM)	1.2
Price/BV	NM

Top Holders

BlackRock Inc
Geode Capital Management LLC
Vanguard Group Inc

Management

CEO	Mr. Brian Goodman
CEO, MeridianBet	Mr. Zoran Milosevic
CFO	Mr. Rich Christensen
Company website	https://goldenmatrix.com

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new markets. The platform's artificial intelligence (AI) capabilities, which feature user learning and betting recommendation capabilities, have driven robust increases in user engagement.

- * **Balance Sheet Delevering:** As of March 31, 2025, GMGI had \$29.7 million in cash and equivalents on its balance sheet. Subsequent to 1Q25, the company has further delevered its balance sheet by retiring a convertible note that had \$7.2 million remaining, using cash on hand, and by converting over \$9.5 million in Meridianbet acquisition-related consideration obligations into equity. We expect the continued equitization of some of these obligations to further enhance the balance sheet.
- * **Fair Value:** Based on our forward enterprise value (EV)/revenue analysis, we arrive at a fair value of \$4.00 for GMGI shares.

COMPANY/INDUSTRY BACKGROUND

Las Vegas-based Golden Matrix Group is an online gaming company that provides a broad and expanding portfolio of products and software solutions to both industry operators and end users. GMGI offers casino, sports book, and other competition products in more than 25 regulated jurisdictions across Europe, Africa, the Asia-Pacific region, Central and South America, the U.K., and Australia. The company also provides enterprise software-as-a-service (SaaS) solutions for iGaming operators, including casino and online sports betting operators.

The company has built a platform of configurable and scalable iGaming platforms and operates recognized brands including Meridianbet, R Kings Competitions, Classics for a Cause, Expanse Studios, MexPlay, and its GM-AG iGaming platform. As of March 31, 2025, its systems had over 8.4 million registered players and its platforms had a total of more than 900 unique casino and live game operations.

In our view, GMGI is well positioned to participate in a large and still growing global market for online gambling and iGaming products and services. While estimates vary across its iGaming and sports-betting platforms, we estimate that the global market for these activities is at least \$200 billion. In addition, we see many global gaming markets as being in the early stages of building regulatory infrastructure.

In 2024, Europe accounted for approximately 60% of GMGI's revenues, followed by the U.K. (18%), Africa (8%), Asia Pacific (7%), Central and South America (3.5%), and Australia (3%). We see substantial opportunity for further expansion over the coming years, as GMGI focuses on entering emerging growth markets that are currently underregulated, which may include India, Canada,

and Japan. We note that some jurisdictions have blanketed national approaches regarding gaming regulations while others have state-by-state dynamics, as it is in the U.S., which will require distinct requirements and regulatory time frames.

The current Golden Matrix Group was formed through the April 2024 merger with Meridianbet Group, in which the legacy GMGI was folded into the existing operations of Meridianbet, an established online sports betting and gaming group that is licensed and operates in 18 jurisdictions across Europe, Africa, and South America. In our view, the Golden Matrix/Meridianbet merger had a strong strategic rationale, given Meridianbet's strong presence in Europe and Latin America and GMGI's presence in Asia.

The company currently has three operating segments: Meridianbet, R Kings/Classics for a Cause, and its B2B iGaming GMAG platform. These segments generated revenues of \$106.2 million, \$32.4 million, and \$12.5 million in 2024 as of the closing date of the merger.

Meridianbet, which accounted for more than 70% of the company's reported 2024 revenues and 60% of consolidated pro forma revenues, if the merger had occurred on January 1, 2024, operates through an omnichannel approach, including both online and retail channels, utilizing proprietary technology and scalable systems. The company operates in more than 10 legally regulated markets for sports betting/casinos and additional markets through a franchise model. In most of its markets, including Mexico, Tanzania, Peru, and, most recently, Brazil and Nigeria, Meridianbet has been among the first to obtain a license to legally operate and is consistently a top three player in many of its operating markets.

Importantly, Meridianbet recently secured one of only a few granted betting licenses in Brazil, providing entry into what we view as one of the world's largest regulated gaming markets. GMGI estimates \$5.6 billion in gross gaming revenue for 2025, supported by more than 200 million in population and strong demand, given the country's passionate following of sports including soccer. Meridianbet will be able to operate through both online and physical channels. We think that Brazil's contribution to GMGI's operations will ramp up in the second half of 2025 and into 2026. We also see potential for the company to partner with or acquire additional resources in Brazil to help drive penetration.

Among its other brands, GMGI operates competition operations in the U.K. via its profitable R Kings subsidiary, which operates competitions to win prizes online such as cars, motorbikes, watches, technology, holidays, luxury gadgets, and other items by offering pay-to-enter prize competitions that require entrants

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PEER COMPARISON

Company	Ticker	Recent Price (\$)	52-Week High (\$)	52-Week Low (\$)	Mkt. Cap (\$MIL)	1-yr Price Change (%)	1-yr Rev Growth (%)	1 YR EPS Growth (%)	P/E Ratio	Beta	Yield (%)
GOLDEN MATRIX GROUP INC	NASDAQ: GMGI	1.43	6.27	1.37	198	-70	63	NM	NM	NA	NA
SPORTRADAR GROUP AG	NASDAQ: SRAD	23.31	25.85	9.94	6966	114	26	0	194.3	2.09	NA
GENIUS SPORTS LIMITED	NYSE:GENI	9.85	11.4	5.05	2333	78	24	NM	NM	1.97	NA
GAN LIMITED	NASDAQ: GAN	1.95	1.96	1.29	91	46	4	NM	NM	1.87	NA

to demonstrate sufficient skill, knowledge, or judgment to have a chance of winning. GMGI acquired an 80% stake in R Kings in 2021 and acquired the balance in 2022. The company has recently enhanced the platform's functionality to improve stickiness and customer engagement. In 2024, R Kings achieved record ticket sales, with revenue increasing 23% year over year, and the prize competition category contributed more than \$32 million in 2024 pro forma revenues, or approximately 19%. GMGI has also acquired Ireland-based GMG Assets, which was formed to facilitate the operation of R Kings and provide alternative payment offers to winners on R Kings.

In August 2024, GMGI acquired an 80% stake (paid in cash and restricted shares) in Classics for a Cause, a profitable, revenue-generating Australian online trade promotions company, which operates a well-established B2C platform that offers paid members access to a wide range of discounts and free entries to promotional giveaways on luxury items and experiences from retailers across Australia. Classics for a Cause has surpassed 10,000 VIP members, and we see the business representing up to \$1 million in monthly revenue contributions in 2025. In aggregate, the raffle/competition segment saw all-time highs in revenue, ticket sales, and prize values in 1Q25, with user growth increasing 146% year over year, with 26,000 new registrations in the quarter.

In March 2023, GMGI acquired Golden Matrix MX, which operates an online casino in Mexico that operates under the brand Mexplay. Mexplay features an extensive number of table games and slots, as well as sports book, and offers tournament competition prizes that are similar to those that R Kings offers. It is the only iGaming business that provides access to casino, sports book, and competition products and that is fully licensed by the Mexican government.

Although still small in scale, Mexplay saw a 50% increase in active players in 2024, to approximately 15,000.

GMGI's B2B segment operates the iGaming platform GM-AG (or Atlas). It provides enterprise SaaS services and products to online gaming and casino operators who, in turn, interface with players. Its online gaming intellectual property develops and supports scalable, turn-key, and direct or "white-label" gaming access to over 10,000 games that can be configured and customized for the needs of its international customers, helping providers to expand into new markets.

Wagering volumes processed through the platform increased by 84% in 2024 to \$4.7 billion, and gross gaming revenue margin improved from 8% to 10% in 2024. We see this business supporting recurring revenues at attractive margins as it realizes revenues from licensing fees from gaming operators and revenue sharing from gaming content under distribution rights.

Atlas, GMGI's fifth-generation iGaming platform, supports end-to-end solutions for casino operators, including gaming content, sports book, player registration, payment gateways, back-office reports, accounting, management, and customer loyalty and marketing tools. Under this model, GMGI does not deal directly with players through its SaaS services segment.

The content GMGI distributes includes games such as slots; table games like roulette, blackjack, and poker; sports books; and live games where a live casino game is streamed in real time

through a streaming video link from a table located in a physical casino. This latter feature enables players to place an online bet on the outcome of a live card game taking place in a physical casino.

The B2B segment also operates Expanse Studios, a casino games developer that operates through revenue-sharing agreements with gaming providers. Expanse offers more than 50 titles, including offerings in the popular fast-paced "crash" format, where players need to cash out before the in-game multiplier crashes. Despite being at an early stage in its development, Expanse's active user base has increased to over 250,000. To date in 2025, Expanse Studios has entered the U.S. sweepstakes market in partnership with sweepstake casino operators in the U.S., which we see representing an attractive long-term growth opportunity. Expanse Studios expanded its North American footprint with five new integrations into U.S.-based sweepstakes casinos. The studio also advanced its in-house content road map, including an enhanced crash games portfolio, and anticipates licensing in Romania in 2Q25.

INVESTMENT THESIS

In our view, Golden Matrix has successfully implemented a strategy through M&A activity, which we expect to continue, given the large global market opportunity. We view positively that many of these companies began through partnerships, giving each party an opportunity to validate management. As such, we see this fostering continuity and a seamless integration into the company's operations, as most of these deals have resulted in the retention of the founding leadership teams, thus limiting execution risk. In addition, the structure of these deals has resulted in many of these management teams having an equity stake in the business, which has included subsequent insider buying.

As mentioned earlier, we view the rationale for the Meridianbet acquisition positively, given its global diversification of the business. We view this diversification positively, as it should help mitigate macroeconomic volatility that could impact individual markets or product categories. We also think this is important given the challenges in implementing operations in new markets, particularly in emerging markets that may have limited regulatory infrastructure in place.

In this regard, we see Meridianbet's model as scalable as it expands, given that its management team has expertise in local markets and navigating their regulations. Over the longer term, we see such experience helping the company to penetrate the U.S. online gambling market, which is regulated at the state level and requires different processes as compared with countries such as Brazil, which is regulated at the national level.

The current version of the iGaming platform, dubbed Atlas (or GM-AG), provides seamless integration of gaming content and a transfer wallet for casinos to provide its players with access in various markets, which we see supporting customer stickiness among its casino and betting customers.

Another key competitive advantage for GMGI, in our view, is that it owns its own proprietary software, which is rare in the gaming industry. We think this should enable it to adapt its platform to meet its customers' needs. Importantly, much of the investment phase in building these capabilities through Oracle tools has been

incurred, which we think should yield enhanced operating leverage and scalability. The platform leverages AI technology to enhance the user experience. Primary among these features is the platform's ability to learn its players' behaviors and preferences, offering AI-driven bet recommendations for casino games and real time sports betting. These features are fully integrated within GMGI's customer relationship management tools.

In our view, the platform has already had a positive impact on customer behavior, as GMGI has cited a 10% increase in engagement and a 9% boost in interactions with new game titles since launch. Over time, we see the platform helping to lower customer acquisition costs per new user and to maximize the lifetime value of each customer, as all back-office capabilities and loyalty, marketing, and promotional tools to facilitate customer acquisition and retention are embedded. This should present operators with an attractive return on investment and allow them to streamline costs and optimize resources.

In 2024, Meridianbet executed 293 corporate social responsibility actions across 25 markets in Europe, Africa, and Latin America. Such initiatives focused on healthcare, education, responsible gambling, amateur sports, and environmental sustainability, aligning with the United Nations Global Compact principles. In addition, it is a participant in the UN Global Compact, which we see enhancing the company's reputation among investors who look for companies with a commitment to making a favorable social impact over time. We view this positively, as it can help the company to mitigate any impact of its operations being labeled as a "vice" stock in the view of potential investors.

RECENT DEVELOPMENTS

Golden Matrix shares are listed on the Nasdaq Capital Markets under the symbol "GMGI." In 2024, the stock declined by 23%, versus an increase of 23% for the S&P 500. Year-to-date in 2025, the shares have declined by 28%, compared with a 1% decline for the S&P 500.

In May 2025, Golden Matrix reported results for the first quarter of 2025, highlighted by 72% revenue growth to \$42.7 million, resulting from the acquisition in 1Q24. Gross margin was 57%, including 72% at Meridianbet (29% from the raffle/competition and iGaming segments). Adjusted EBITDA was \$5.6 million, and net loss was \$300,000 (\$0.00 per share), due to higher interest expense and stock-based compensation.

In April 2025, GMGI repaid the remaining \$7.2 million balance on a \$10 million secured convertible note that had no prepayment penalty. In addition, it converted approximately \$9.5 million in post-closing considerations from the Meridianbet acquisition into equity, which resulted in the issuance of around 4.8 million common shares.

In March 2025, Golden Matrix reported results for the fourth quarter and full-year 2024, highlighted by \$151.1 million in revenue for the full year (\$170.6 million on a pro forma basis, as the Meridianbet acquisition was completed in April 2024 and does not include legacy Golden Matrix revenues generated prior to closing). Adjusted EBITDA rose 69% to \$6.5 million in the fourth quarter and 4% to \$22.2 million for the full year.

In March 2025, Meridianbet secured a full online betting license in Brazil, after having previously received a provisional license in January 2025.

In March 2025, Meridianbet officially launched its B2B operations in Nigeria, one of the largest and fastest-growing regulated betting markets in Africa.

In March 2025, GMGI's Expanse Studios subsidiary applied for a Class 2 iGaming license in Romania, which will allow the company to distribute its proprietary gaming content to licensed operators across the regulated Romanian market. It anticipates receipt of the license around mid-2025.

Across the first quarter of 2025, Golden Matrix's Expanse Studios subsidiary launched a gaming platform focused on U.S. sweepstakes casinos and has announced five such integrations to date. Golden Matrix entered the U.S. sweepstakes market through a partnership with Moozi in December 2024.

In February 2025, Golden Matrix announced that its Meridianbet subsidiary secured a 10-year renewal for its online gaming license in Serbia. The reissuance makes Meridianbet one of the first operators to be granted a license renewal. Serbia is one of the oldest regulated online gaming and sports-betting markets in Europe and has been significantly regulated since 2004. In December 2024, GMGI filed for an Ontario gaming license.

EARNINGS & GROWTH ANALYSIS

We expect GMGI to continue to produce robust revenue growth over the coming years, as it expands its product offerings and geographic footprint. In 2024, the company reported \$151.1 million in revenue (\$170.6 million on a pro forma basis, as the Meridianbet acquisition was completed in April 2024 and does not include legacy Golden Matrix revenues generated prior to closing).

In 2024, Meridianbet generated 14% revenue growth to \$106.2 million, consisting of online revenue (\$80 million, up 18%) and retail revenue (\$23 million, up 4%), with the balance from retail food and beverage sales. Revenues from the legacy Golden Matrix entities accounted for approximately \$45 million (\$32.4 million from prize competitions and \$12.5 million from third-party gaming content/software reselling).

By category, online casinos generated \$42.5 million in 2024 revenues (up 24%), due to the expansion of the company's online casino game provider base to more than 1,500 and the launch of new games from Expanse Studios. Online sports betting generated \$37.6 million in revenues (up 12%), while retail sports betting and retail casino generated \$23.2 million in revenues (up 4%).

Approximately 60% of total consolidated revenue came from aggregate European markets, excluding the U.K., which represented about 14% of total revenue. The company noted that 2024 results reflect strong performance across various markets, as well as the company's expanding portfolio of sports and iGaming offerings, including the launch of a series of AI-driven products and entry into new markets in South Africa, Peru, and Australia, which is consistent with its core objective of further diversifying its global geographic footprint and revenue streams.

For 2025, we forecast revenues of \$200 million, which would represent 32% growth (17% over pro forma 2024 revenues). This is above the company's current guidance range of \$190 million-\$195

million, which we think will prove conservative, given the multiple catalysts. For 2026, we project revenue of \$245 million, which would represent 22% growth. We note that 1Q tends to be the lightest revenue-generating quarter (\$42.7 million) due to the impact of weather on sporting event betting.

We expect 2025 revenue growth to be supported by a full year of contribution from Classics for a Cause, which we expect to be around \$1 million a month. We see 2026 revenues benefiting from a full contribution and ramp of revenue from new betting markets for Meridianbet, including Brazil, and the expected entry into the U.S. sweepstakes market through Expanse Studios' partnership with Moozi, which is currently applying for required licensing.

We are encouraged by the improvement in gross profit, which increased by 30% to \$89 million, representing 59% of revenues in 2024. We see the company's results benefiting from operational efficiencies and high-margin product offerings. We forecast gross margins of 59% in 2025 and incremental expansion in 2026 to 61%. In 2025, we expect higher interest expense, reflecting charges related to debt extinguishment charges, as GMGI continues to enhance its balance sheet.

Over the longer term, we expect the company's profitability to continue to improve as its operations normalize and incur modest integration costs and legal costs from its acquisitions, which led to several one-time expenses in 2024. As a percentage of revenues, we see selling, general, and administrative expenses of approximately 54% in 2025 and 49% in 2026, driven by economies of scale and operating efficiencies.

We forecast EPS of \$0.05 in 2025 and \$0.15 in 2026, compared with a loss per share of \$0.01 in 2024. Results in 2024 included more than \$2 million in nonrecurring restructuring and acquisition-related costs. We assume a weighted average share count of approximately 138 million shares in 2025 and 145 million in 2026, as the company issues shares in order to satisfy post-closing consideration requirements due to Meridianbet's founders, which we see continuing over the next few years.

FINANCIAL STRENGTH & DIVIDEND

Our financial strength rating for Golden Matrix is Low-Medium. As of March 31, 2025, the company had \$29.7 million in cash and equivalents on its balance sheet, and a working capital deficit of \$16.1 million. The working capital deficit is attributable to approximately \$35 million in current liabilities related to loans (\$15.1 million) and post-closing obligations (\$19.9 million) related to the Meridianbet acquisition. The cash balance compares with \$20.4 million at the end of 2023 and was boosted from loan proceeds.

In aggregate, the company had liabilities from loans and acquisition post-closing considerations totaling around \$65 million, which we expect to be pared down or retired through cash on hand, free cash flow (\$17 million in 2024), and conversions to equity. To that end, subsequent to 1Q25, in April 2025, GMGI repaid the remaining \$7.2 million balance on a \$10 million secured convertible note that had no prepayment penalty. The noteholders, Lind Global, retained a warrant to acquire 750,000 shares of common stock. Also in April 2025, GMGI entered into an agreement to convert approximately \$9.5 million in post-closing considerations from the Meridianbet acquisition into equity, which resulted in

the issuance of around 4.8 million common shares. We expect the equitization of some of these obligations to further enhance the balance sheet.

As of the end of 2024, GMGI's net debt-to-EBITDA leverage ratio was 1.8, which we view positively and see mitigating the negative working capital position.

As the company continues to execute its growth strategy, its goal is to maintain sufficient liquidity and financial flexibility to fund operations and support growth initiatives. GMGI also has an at-the-market equity distribution agreement in place through Craig-Hallum Capital Group LLC, under which it can sell up to \$20 million of its shares.

In 2024, net cash generated by operating activities was \$23.9 million (compared to \$23.7 million generated in 2023). Net cash used in investing activities in 2024 totaled \$37.4 million (compared to \$13.1 million used in 2023), with the increase attributable to consideration issued to complete acquisitions. Net cash provided by financing activities in 2024 was \$27.7 million (compared to net cash used of \$4.2 million provided in 2023), attributable to loans and borrowings to complete the Meridianbet and Champions for a Cause acquisitions.

In 1Q25, GMGI generated \$7.7 million in cash from operating activities, up from \$4.5 million in the year-earlier period. In 1Q25, cash used in investing activities was \$5.3 million, compared with \$2.2 million in 1Q24. In 1Q25, cash used in financing activities was \$5.0 million, compared with cash provided of \$818,000 in the prior-year period. The former period was driven by debt repayments.

In December 2024, GMGI resumed an existing stock repurchase program originally authorized in July 2024, which had approximately \$5 million available through July 15, 2025. Although we expect the company to use most of its cash to invest in the business, we see the resumption of the program signaling management's confidence in the business and the underlying health in its balance sheet to service its debt obligations and pursue additional acquisitions.

Besides the current approximately 138 million common shares outstanding, we also note that GMGI has 1,000 outstanding shares of Series B preferred stock, held by CEO Brian Goodman, and 1,000 outstanding shares of Series C preferred stock, held by the Meridianbet sellers. These shares can be converted to common stock at a ratio of 1:1,000, for a total of 1 million shares each. Golden Matrix does not pay a dividend, and we do not expect the company to initiate a dividend policy over the near term.

MANAGEMENT

Brian Goodman is a co-founder of Golden Matrix and has served as its CEO, among other roles, since 2016. From 2016 to 2024, he served as the board's chairman, before turning the role over to independent Chairman William Scott. Mr. Goodman has more than 20 years of experience in the iGaming industry. Mr. Goodman is the co-founder and managing director of Articulate Pty Ltd. He is also CEO, president and chief financial officer of Elray Resources and a managing member of Luxor Capital LLC and of Goodman Capital Group LLC. Mr. Goodman also serves as the managing director of Global Technology Group Pty Ltd.

Zoran Milošević has served as CEO of Meridianbet since 2008. He has more than 20 years of experience in various iGaming managerial roles. He led the expansion of Meridianbet to its current operating footprint of 18 global markets. Under his leadership, Meridianbet has expanded its brand portfolio and has improved its market share in Europe, Africa, and Latin America.

In March 2025, Golden Matrix appointed Richard Christensen as its CFO. Mr. Christensen has more than 25 years of experience in corporate finance, capital markets, M&A, and financial operations at publicly traded companies. Most recently, he served as senior vice president, chief accounting officer, and treasurer at TrueBlue Inc., and previously to that, he held leadership roles at Itron Inc., overseeing global finance operations, strategic restructuring, and M&A transactions.

Cathy Feng, a co-founder of GMGI, is the company's chief operating officer and previously served as its chief financial officer as well. She has more than 10 years of experience in various executive roles within the iGaming industry.

Golden Matrix's board of directors includes three independent directors of the five total members. We note that the company has an independent chairman, which we view favorably for its corporate governance. In February 2025, Golden Matrix appointed Snežana Božović, Meridianbet's chief operating officer since 2022, to its board.

Upon the closing of the GMGI/Meridianbet merger, Aleksandar Milovanović, Meridianbet's founder, became GMGI's largest shareholder, and currently holds 61% of the company's shares outstanding. Overall, insiders hold more than 85% of GMGI's shares, including Mr. Milovanovic's 61%, Mr. Goodman's 12% stake, and Mr. Milošević's nearly 7% stake.

We are encouraged by what we consider to be robust buying of GMGI shares by insiders. According to Nasdaq, over the past three months, there were 25 insider buys and three insider sells, with net shares bought of 6.7 million. Over the past 12 months, there were 46 open market buys, compared with just six sells, with net shares purchased of 15.6 million, representing more than 10% of GMGI's shares outstanding.

RISKS

Risks to an investment in Golden Matrix Group include its reliance on gaining market share and expanding its operating footprint in order to sustain revenue growth, its participation in competitive markets and its reliance on maintaining adequate technological advantages over peer companies to retain current users and attract new ones, the potential need to raise additional capital in uncertain financing markets, the potential for increased regulatory oversight of gambling markets, and the potential for foreign exchange risk resulting from its diversification model. We note that goodwill and intangibles represent around 60% of its total assets, as of December 31, 2024.

VALUATION

GMGI shares are currently trading at the low end of their 52-week range of \$1.37 to \$6.27. In our view, GMGI's valuation does not fairly reflect management's execution to date in significantly expanding its geographic and product footprint while maintaining a financial position that should support continued acquisitions and debt obligation servicing.

We expect the company to participate in high-growth markets and see its technology offerings securing market share in its current and future footprint. We particularly view the Brazil market as attractive, as the third-largest regulated betting market in the world and, thus, view the Meridianbet merger with GMGI and the integration of its proprietary technology platform as strategically positive.

We note that the company's forward EV/revenues multiple on our 2025 revenue estimate of \$200 million is only 1.1-times, lower than a basket of global iGaming peers that carry an average around 3-times. We apply a 2.75-times multiple, a modest discount to the group average, to the 2025 revenue estimate. We see a modest discount as prudent, as GMGI executes on its strategic plan and manages its balance sheet obligations. We expect the valuation gap to its peers to narrow further over time, and for its operations to warrant multiple expansion as it executes.

After adjusting for net debt/post-acquisition considerations, which we estimate will be below \$20 million at the end of 2025, we arrive at a fair value of \$4.00 for GMGI shares.

Steve Silver,
Argus Research Analyst)

INCOME STATEMENT

Growth Analysis (\$MIL)	2023	2024	Q1 2025	Q2 2025E	Q3 2025E	Q4 2025E	2025E	Q1 2026E	Q2 2026E	Q3 2026E	Q4 2026E	2026E
Revenue	93.0	151.1	42.7	49.7	52.6	55.0	200.0	50.0	58.7	64.1	72.2	245.0
Gross Profit	68.2	88.6					118.6					148.2
SG&A	54.5	85.8					107.6					119.6
Operating Income	13.7	2.6					11.0					28.8
Interest Expense	NA	3.5					3.6					1.2
Pretax Income	15.4	2.8					8.6					28.0
Tax Rate (%)	NA	NA					22					22
Net Income	13.7	-1.5					6.9					21.8
EPS (\$)	0.16	-0.01	0.00	0.00	0.02	0.03	0.05	0.01	0.04	0.04	0.06	0.15
Diluted Shares	83.5	113.5					137.5					140.0
Dividend Per Share (\$)	NA	NA					NA					NA
Growth Rates (%)												
Revenue	24	62					32					23
Operating Income	NM	NM					323					162
Pre-Tax Income	NM	NM					207					226
Net Income	NM	NM					NM					216
EPS	NM	NM					NM					200
Valuation Analysis												
Price (\$): High	4.46	6.27					NA					NA
Price (\$): Low	1.95	1.89					NA					NA
PE: High	NA	NA					NA					NA
PE: Low	NA	NA					NA					NA
PS: High	NA	NA					NA					NA
PS: Low	NA	NA					NA					NA
Yield: High	NA	NA					NA					NA
Yield: Low	NA	NA					NA					NA
Financial & Risk Analysis (\$MIL)												
Cash	20.4	30.1					NA					NA
Working Capital	9.3	-18.5					NA					NA
Current Ratio	1.5	0.7					NA					NA
LTDebt/Equity (%)	NA	29.1					NA					NA
Total Debt/Equity (%)	NA	29.1					NA					NA
Ratio Analysis												
Gross Profit Margin	73%	59%					59%					60%
Operating Margin	15%	2%					6%					12%
Net Margin	15%	NM					3%					9%
Return on Assets (%)	12.0	1.2					NA					NA
Return on Equity (%)	26.0	NM					NA					NA
Op Inc/Int Exp	NM	NM					NM					NM

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