



# SurgePays, Inc.

*Q3 weak. Despite near term loss of ACP, we expect high growth potential with Lifeline and new products over the long term. Lowering P/T to \$8.50.*

## COMPANY UPDATE

Rating: **BUY**

Ticker: SURG

Price: \$1.78

Target: \$8.50  
(from \$9.00)

**Q3 weak:** SurgePays recently (on November 12) reported its fiscal Q3 2024 (ending September) results. Revenue was \$5 million (-86% y-o-y), compared to our estimates of \$7 million and consensus of \$9 million. EPS was \$(0.73), compared to our estimates of \$(0.20) and consensus of \$(0.27). There was no Q3 guidance.

**Lower revenue due to end of ACP:** The company was significantly negatively affected by the end of the ACP program in May.

**ACP growth but program has now stopped:** The company had ~250,000 subscribers to its mobile wireless program (Affordable Connectivity Program ("ACP")). Each subscriber is \$30/month of revenue with 60% gross margins. However, funding for ACP has now ran out and it is uncertain when it will be reinstated.

**ACP uncertainty but likely to return:** The ACP stopped accepting new applications for enrollment in February and announced on June 1, 2024 that the ACP has ended due to running out of funding. We believe this important program will be extended but have modeled for significant uncertainty for when it will be reinstated or for delays.

**No 2024 guidance:** The company did not provide 2024 guidance.

**Lowering 2024 estimates:** We are lowering our 2024 estimates for revenue to \$58 million, from \$63 million, and for EPS to \$(1.64) from \$(1.00).

**Focused on large growth opportunities:** The company is targeting the underserved markets by offering financial technology, telecommunications, and retail products for customers at local retailers in their communities. It offers prepaid wireless and underbanked financial products and services, along with popular consumer goods, to retail merchants (mainly operators of convenience stores (C-stores)) for the needs of store customers nationwide.

**Now offering Lifeline:** In October 2024, SurgePays announced that it has signed a Master Services Agreement (MSA) with TerraCom, Inc. to provide Lifeline services. The company already has gotten 70,000 customers in the Lifeline program and believes it can exceed its ACP subscribers over time.

**Strong growth potential in wireless:** The company plans to focus on its LinkUp Mobile prepaid wireless brand which benefits from its convenience store distribution partners which should improve growth, profitability, and customer loyalty. The company recently signed a major agreement with AT&T to offer a full range of mobile wireless, voice, data and messaging services on the nation's largest wireless network.

**Large market potential:** There are ~100 million adults in the U.S. that are underbanked. Many of these adults are conveniently located near C-stores where they can shop and acquire telecom and fintech products. This represents a significant market opportunity for SurgePays's products.

**Positive risks versus rewards:** We believe the demand for SurgePays's retail and fintech products and services will grow fueled by continued strong industry growth and increased product offerings. We believe the stock is significantly undervalued especially when ACP returns as we expect.

**Valuation attractive:** We are maintaining our BUY rating, but lowering our 12-month price target to \$8.50 from \$9.00, which is ~12x our 2026 EPS estimate of \$0.70 and is based on its long term earnings growth rate. This represents significant upside from the current share price and we believe this valuation appropriately balances out the company's risks with the company's high growth prospects and large upside opportunities.

### Company Description

SurgePays, based in Bartlett, TN, is a technology company that offers retail, telecom, and fintech products for retailers in the underbanked community.

United States  
Technology

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### Stock Data

Exchange:	NasdaqCM
52-week Range:	1.33 – 9.23
Shares Outstanding (million):	20
Market cap (\$million):	\$36
EV (\$million):	\$16
Debt (\$million):	\$4
Cash (\$million):	\$24
Avg. Daily Trading Vol. (\$million):	\$1
Float (million shares):	13
Short Interest (million shares):	0.4
Dividend, annual (yield):	\$0 (NA%)

### Revenues (US\$ million)

	<u>2024E</u> (Cur.)	<u>2024E</u> (Old)	<u>2025E</u> (Cur.)	<u>2025E</u> (Old)
Q1 Mar	31A		11E	11E
Q2 Jun	15A		20E	21E
Q3 Sep	5A	7E	19E	22E
Q4 Dec	7E	10E	25E	20E
Total	58E	63E	75E	
EV/Revs	0.3x		0.2x	

### Earnings per Share (pro forma)

	<u>2024E</u> (Cur.)	<u>2024E</u> (Old)	<u>2025E</u> (Cur.)	<u>2025E</u> (Old)
Q1 Mar	0.07A		(0.21)E	(0.06)E
Q2 Jun	(0.66)A		(0.00)E	0.02E
Q3 Sep	(0.73)A	(0.20)E	(0.02)E	0.09E
Q4 Dec	<u>(0.27)E</u>	<u>(0.18)E</u>	<u>0.06E</u>	<u>0.10E</u>
Total	<u>(1.64)E</u>	<u>(1.00)E</u>	<u>(0.16)E</u>	<u>0.16E</u>
P/E	N/A		N/A	

### Important Disclosures

Ascendant Capital Markets LLC seeks to do business with companies covered by its research team. Consequently, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making an investment decision.

**For analyst certification and other important disclosures, refer to the Disclosure Section, located at the end of this report, beginning on page 14.**

## **OVERVIEW**

- SurgePays recently (on November 12) reported its fiscal Q3 2024 (ending September) results.
- Revenue was \$5 million (-86% y-o-y), compared to our estimates of \$7 million and consensus of \$9 million.
- EPS was \$(0.73), compared to our estimates of \$(0.20) and consensus of \$(0.27).
- There was no Q3 guidance.
- The company did not provide 2024 guidance.
- We are lowering our 2024 estimates for revenue to \$58 million, from \$63 million, and for EPS to \$(1.64) from \$(1.00).
- We are maintaining our 2025 revenue estimate of \$75 million, but lowering it for EPS to \$(0.16) from \$0.16.

## **ADDITIONAL DETAILS**

- Gross profit for the quarter was \$(8) million, compared with our estimate of ~\$0 million.
  - Gross margin for the quarter was -164%, versus our expectation of 5% and 31% last year.
  - Operating expenses were \$6 million, versus our expectation of \$5 million.
  - Operating loss was \$(14.3) million, versus our expectation of a loss of \$(4.8) million.
  - Net loss was \$(14.3) million, versus our expectation of a loss of \$(3.9) million.
- 
- In February 2021, the company filed a Form S-1 registration statement with the SEC for the planned sale of ~25% of LogicsIQ shares to the public (IPO). LogicsIQ will remain a majority-owned subsidiary of SurgePays. The exact details and timing of the spinoff/IPO, capital structure, and management teams will be determined later. In November 2023, the company announced that it was winding down (closing) LogicsIQ but has recently announced that it is currently reevaluating its options.
  - In April 2022, the company announced the acquisition of Torch Wireless, a provider of wireless broadband with the FCC's Affordable Connectivity Program (ACP) in a cash and limited royalties deal. The purchase price was ~\$800,000.
  - In January 2024, the company announced the acquisition of the software development and point-of-sale ("POS") equipment and operations of DNR Business Solutions Inc. d/b/a ClearLine Mobile for \$2.5 million in cash and notes.
  - In October 2024, SurgePays announced that it has signed a Master Services Agreement (MSA) with TerraCom, Inc., a wireless service provider and licensed Lifeline provider, to provide Lifeline services. SurgePays and TerraCom have agreed to finalize a stock purchase agreement to acquire the majority of TerraCom stock, subject to regulatory approval. Terms were not disclosed.

The company's balance sheet had \$24 million in cash and \$4 million in debt, compared with \$38 million in cash and \$5 million in debt at the end of June.

**Exhibit 1: SurgePays Overview**

SurgePays is a technology and telecom company focused on underbanked and underserved communities

**SurgePhone & Torch Wireless**

Wireless subsidiaries providing subsidized service to 250k+ subscribers nationwide.

**Prepaid Top-ups**

Financial empowerment for those without checking accounts or credit cards. Technology-layered platform enables clerks at 1,000s of convenience stores to process payment "top-ups" for every prepaid wireless company, load prepaid debit cards, and activate gift cards.

**LinkUp Mobile**

Lowest cost prepaid wireless brand in the industry launched in 2024.

**Nasdaq: SURG**

**250k+**  
Subscribers

**8,000+**  
Locations Nationwide

**100+ Years**  
Management Experience

**170+**  
Team Members

**Bartlett, Tennessee**  
Headquarters



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Source: Company reports.

**Exhibit 2: SurgePays's Affordable Connectivity Program (ACP)**

# SurgePhone + Torch Wireless

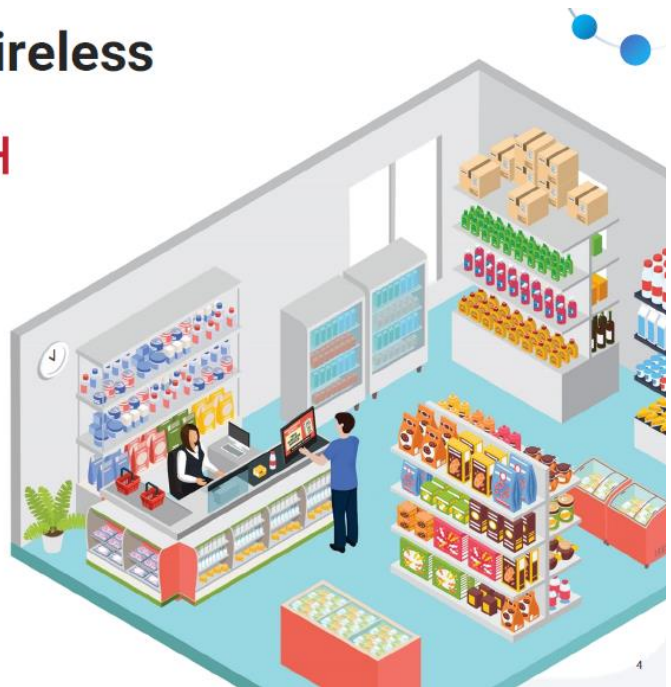


SurgePhone and Torch Wireless are Mobile Virtual Network Operators (MVNOs) licensed by the FCC to provide subsidized wireless services (Talk, Text & Data) to over 250,000 subscribers.

Any household receiving government benefits such as SNAP/Food Stamps, Medicaid, Veterans Pension, etc. is eligible for free wireless service.



- ▶ ACP is a government benefit program supported by the FCC
- ▶ Ensures affordability for qualified participants
- ▶ Supports connectivity for work, school, healthcare, etc.



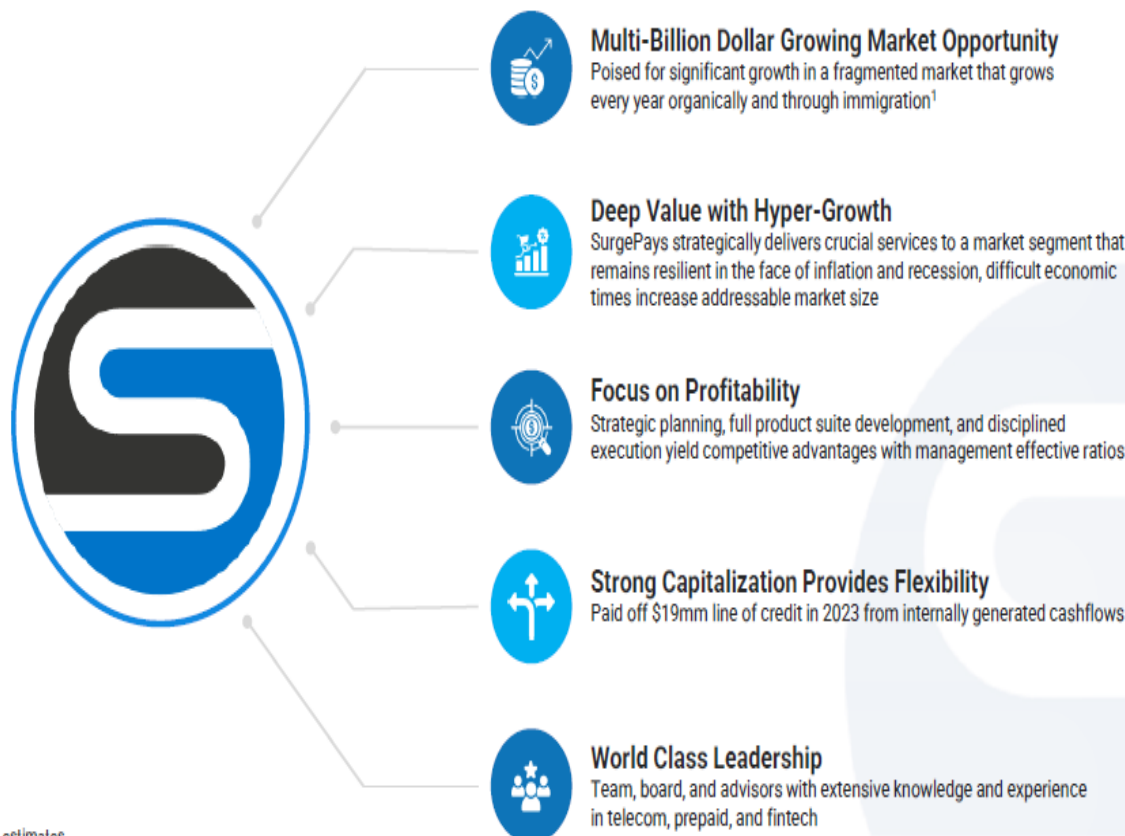
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Source: Company reports.

Exhibit 3: SurgePays Investment Highlights

# Investment Highlights



Based on internal estimates

Source: Company reports.

Exhibit 4: SurgePays Market Opportunity

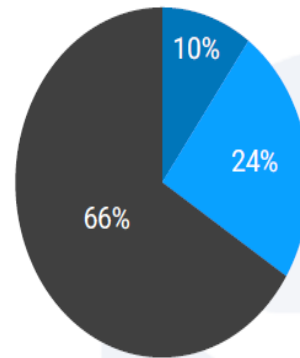
# Market Opportunity

## 100+ Million Adults in the U.S. are Prepaid Customers<sup>1</sup>

The underbanked conduct the majority of financial transactions at their trusted local convenience store closest to their home. SurgePays utilizes these stores as the points of distribution into these communities.

As we onboard stores to our fintech software platform, we enable store clerks to perform transactions such as prepaid wireless activation and payments, along with reloading debit cards and other financially enabling services to improve the daily lives of those without traditional access to banks, credit and checking accounts.

Over 1/3 of the U.S. Population is Under or Unbanked<sup>2</sup>



■ Unbanked    ■ Underbanked    ■ Banked

SurgePays revenue is directly tied to how many essential services we provide to those who need them most

**Addressable Market**

## 68 Million Adults in the U.S. are Underbanked<sup>3</sup>

- Residents of low-income neighborhoods visit c-stores five or more times per week due to proximity, convenience, and a lack of other stores in the neighborhood<sup>2</sup>
- Underbanked generally rely on local retailers to fill the financial services gap that leaves many families operating on a cash basis
- There are over 74,000,000 prepaid wireless subscribers in the U.S. with most paying for service (top-up) in person<sup>3</sup>
- Many c-store distributors have been doing business the same way for over 100 years and additionally do not serve Hispanic stores = primed for disruption
- Hispanic population has increased to more than 63.6 million representing over \$2 trillion in consumer spending power<sup>4</sup>
- Enabling independently owned stores to provide underbanked financial services to their community creates opportunities for upselling wholesale products



Source: Company reports.

Exhibit 5: SurgePays FinTech Suite

## FinTech Suite

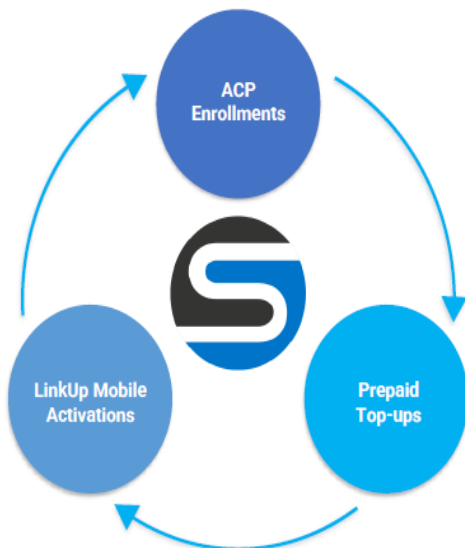
SurgePays fintech platform utilizes a suite of financial and prepaid products to convert corner stores and bodegas into tech-hubs for underbanked neighborhoods.

Dynamic Processing Solution Enables:

Web based Portal or Verifone Terminal

## Complementary Services Drive Revenue

### Services Flywheel Powers Growth



#### Drive Wireless Subscriber Base

- ▶ Estimated 20% of transactions at C-stores are on Benefit Cards (EBT/WIC) in lower-income areas<sup>1</sup>
- ▶ Seamless lead generation when customers utilize their EBT cards
- ▶ Effortless enrollment is facilitated through the 'Surge Point of Sale' tablet
- ▶ Create loyalty with the store and community = upsell LinkUp Mobile



#### Prepaid Top-ups = Underbanked Tech Hub

- ▶ Process prepaid top-ups for every wireless company in the country
- ▶ Gather data on competitor plans and payment trends regionally to better position LinkUp Mobile
- ▶ Load debit cards and activate gift cards for cash consumers desiring digital purchasing power



#### Expanded Products & Services

- ▶ Leveraging our distinct competitive edge, compelling owner-operated stores to embrace our platform
- ▶ We are the only Prepaid wireless company that owns its own prepaid platform. We are the only prepaid top-up platform that owns its own prepaid wireless company

<sup>1</sup> HSA Consulting. <https://www.wsj.com/articles/food-stamps-are-about-to-spoil-grocery-stores-outlook-2d8851d0>

Source: Company reports.

**Exhibit 6: SurgePays Growth Strategy**

# 2024 Growth Strategies

## Services Flywheel Powers Growth

### Organic

- ▶ Successfully launch prepaid brand Linkup Mobile
- ▶ Upsell ACP customers (limit 1 per household) to prepaid wireless family plan
- ▶ Build national sales team to increase store count
- ▶ Partner with distribution companies with existing networks
- ▶ While less than 50% of Hispanic immigrants have bank accounts, those crossing the border are not banked with credit<sup>1</sup>



### Opportunistic Expansion

- ▶ Add complementary services such as Telehealth, Digital Payments & Streaming acquisitions
- ▶ Acquire distributor networks with existing footprint of independently owned stores
- ▶ Pursue additional synergistic acquisitions that achieve cost savings and increased efficiencies

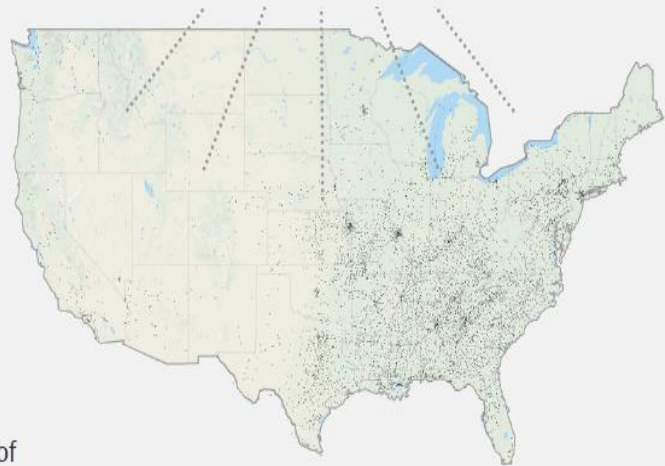
## Growth Strategies

### Organic

- Enable stores to provide a full suite of financial services to the underbanked and underserved
- Increase mobile broadband subscriber base
- Improve cash to digital conversion accessibility
- Build national sales team to grow number of stores

### Acquisitions

- Acquire distributor networks with an existing footprint of independently owned stores to add to our national network of community stores
- Acquire companies with complimentary products to add to our suite of underbanked financial or prepaid products



**Over 8,000 Stores on the SurgePays Network**

Source: Company reports.

## Exhibit 7: LinkUp Mobile

### LinkUp Mobile Prepaid Wireless Brand



Newly launched, lowest cost prepaid wireless brand



Substantial market of over 100 million prepaid customers in the U.S., predominantly using cash for their service payments



We are the only wireless company that owns our payment platform at convenience stores. This competitive advantage allows us to offer the lowest cost prepaid wireless service while paying the highest commissions to store owners – the ultimate influencers to these communities



Source: Company reports.

## Exhibit 8: End of ACP Program (May 31, 2024)

### FCC BRINGS AFFORDABLE CONNECTIVITY PROGRAM TO A CLOSE

*Absent Additional Congressional Funding, Chairwoman Rosenworcel Pens Letter to Congress Highlighting Progress That Will be Lost in Closing the Digital Divide*

WASHINGTON, May 31, 2024—Federal Communications Commission Chairwoman Jessica Rosenworcel today announced that due to a lack of additional Congressional funding, the agency will officially end the Affordable Connectivity Program (ACP) on June 1, 2024. The agency had already imposed an enrollment freeze in early February to help with the accurate forecasting of funding exhaustion and to smooth the administration of the ACP’s end. During the ACP wind-down process, Chairwoman Rosenworcel sent monthly letters to Congress stressing the importance of the program and the need for additional funding to keep the program going. In a [new letter](#) to Congress, Chairwoman Rosenworcel highlighted the nationwide need to support low-income families who struggle to pay for high-speed internet service and outlined the steps the Commission has taken to soften the impact that the conclusion of the ACP will have on enrolled households.

“The Affordable Connectivity Program filled an important gap that provider low-income programs, state and local affordability programs, and the Lifeline program cannot fully address,” **said Chairwoman Rosenworcel**. “The Commission is available to provide any assistance Congress may need to support funding the ACP in the future and stands ready to resume the program if additional funding is provided.”

Source: Federal Communications Commission.



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## Exhibit 9: Q3 2024 Results and Recent Highlights (as of November 12, 2024)

### SurgePays Announces Third Quarter 2024 Financial Results

*Migration of former ACP Subscribers to Lifeline Well Underway*

BARTLETT, Tenn. , Nov. 12, 2024 /PRNewswire/ -- SurgePays, Inc. (Nasdaq: SURG) ("SurgePays" or the "Company"), a bridging critical financial and connectivity gaps in underserved communities, today announced its financial results for the third quarter ended September 30, 2024 .

#### Management Commentary

Chairman and CEO Brian Cox commented on the quarter's results, "We anticipated a challenging third quarter, and we seized it as an opportunity to reset, recalibrate, and accelerate. With every team member intensely focused, we're advancing toward becoming cash flow positive as quickly as possible. We are aligning sales, integration, and strategy to generate new revenue streams across each of our business segments. This quarter wasn't a setback but a setup, priming us for long-term, sustainable growth.

"In the third quarter of 2024, SurgePays reported \$4.8 million in sales, aligning with expectations for our first full quarter without Affordable Connectivity Funding (ACF) since mid-2021. Our Mobile Virtual Network Operator (MVNO) revenue was \$23.609 compared to \$30.2 million in the same quarter last year, reflecting the anticipated funding shift. Meanwhile, sales in our Prepaid Platform Services segment surged 69% to \$4.7 million , showcasing significant growth momentum.

"Gross profit (exclusive of depreciation and amortization) swung to a \$7.8 million loss in the third quarter from a \$10.5 million profit in the year-ago period due to our strategic decision to utilize our strong balance sheet to protect our previous ACP subscriber base and distribution network. With ACP funding ending, our immediate focus was on how to retain and preserve these hard-earned customers within the SurgePays ecosystem. We chose to temporarily self-fund our MVNO operations, prioritizing customer continuity while facilitating a seamless transition to Lifeline, another government-subsidized program. By maintaining connectivity for our low-income customers, we made a socially responsible and strategic choice that positions us well for potential long-term economic returns. We expect this decision to be both customer-centered and financially astute in the long run|

"Our recent Master Services Agreement with TerraCom, Inc., a licensed Lifeline provider, represents a pivotal step. This partnership allows us to migrate up to 280,000 subscribers to Lifeline, establishing a steady alternative subsidy channel. In tandem, our sales teams are now actively engaging new customers, reigniting growth initiatives, and leveraging our SurgePays platform's point-of-sale capabilities at convenience stores. While ACP remains uncertain, our subsidized revenue channel is robustly supported by the Lifeline program. The team and platform built for ACP is now enrolling thousands of Lifeline customers daily without distracting from our core business focus. This department has been overwhelmed and has had to hire additional employees for the sales onboarding team. Our team has now enrolled over 70,000 customers in the Lifeline program, and we believe our Lifeline subscribers potential can far outpace our highest ACP subscriber count.

"Meanwhile, our retail prepaid brand, LinkUp Mobile, has proved to be a more significant opportunity than initially anticipated, and to capture maximum market share, we moved decisively to secure a direct carrier connection. We anticipate this partnership will enable us to quickly generate hundreds of thousands of new subscribers and establish LinkUp Mobile as a formidable presence in the prepaid space.

"Our SurgePays Prepaid Top-ups platform is experiencing exponential growth as a critical element in store readiness for LinkUp Mobile activations. As a prerequisite to LinkUp activations, stores join our platform, which also facilitates prepaid reloads. This channel's monthly revenue growth has surged nearly 400% in just five months, reaching over \$2.2 million in monthly revenue — a trend we expect will continue as market demand intensifies.

"Our ClearLine Point of Sale (POS) SaaS platform is emerging as a high-potential asset within SurgePays. This advanced platform redefines the in-store customer experience by transforming POS terminals and customer-facing screens into interactive engagement tools. ClearLine's patent-pending application supports in-store marketing campaigns, loyalty enrollment, and QR code interactions, effectively replacing traditional posters with smart TVs for dynamic QR-code advertising and instant coupon redemptions. By enhancing revenue per store and elevating customer satisfaction, ClearLine offers retailers actionable insights, driving growth and loyalty. Following years of development, ClearLine is now ready for market deployment, and as it gains traction, we anticipate it will contribute meaningfully to consolidated revenues by Q1 2025.

"While we continue investing across our four business channels, we're also laying a robust foundation for rapid, sustainable growth. Recently, we opened a dedicated sales and operations center in El Salvador , a project over a year in the making and a strategic move in anticipation of growth across all our verticals. Nearly 100 experienced team members, previously outsourced, are now full-time SurgePays employees, bringing continuity and expertise essential for our ambitious expansion and product launches.

This new facility marks a pivotal evolution from our longstanding outsourcing strategy, which enhances customer relationships and maximizes sales opportunities.

"At SurgePays, we're driven by four pillars of success: team, product, distribution, and funding. With what I believe is the most seasoned team in prepaid wireless, a market-leading product suite, proprietary distribution channels, and \$24 million in cash, cash equivalents, and investments as of September 30, 2024 , we're positioned to execute our growth strategy with precision. Over the next few months, we expect each of our four business segments to create a momentum that drives continuous growth and improvement, generating synergistic and scalable recurring revenue."

Source: Company reports.

**Exhibit 10: SurgePays, Inc. Stock Price (5-Years)**



Source: <https://bigcharts.marketwatch.com/>

**Exhibit 11: Consensus Expectations (as of November 12, 2024)**

	Revenue (mils)			EPS	
	2024E	2025E		2024E	2025E
Q1 Mar	\$31A		Q1 Mar	\$0.07A	
Q2 Jun	\$15A		Q2 Jun	\$(0.66)A	
Q3 Sep	\$9E		Q3 Sep	\$(0.27)E	
Q4 Dec	\$11E		Q4 Dec	\$(0.23)E	
<b>Total</b>	<b>\$60E</b>	<b>\$59E</b>	<b>Total</b>	<b>\$(1.11)E</b>	<b>\$(0.09)E</b>

\*Quarterly estimates may not add to annual estimates due to variations in contributing estimates and rounding.

Source: Company report, LSEG, and Ascendant Capital Markets estimates

## FINANCIAL MODEL

### SurgePays Inc.

Income Statement (\$ mils)	Mar-22	Jun-22	Sep-22	Dec-22	2022	Mar-23	Jun-23	Sep-23	Dec-23	2023	Mar-24	Jun-24	Sep-24	Dec-24	2024	Mar-25	Jun-25	Sep-25	Dec-25	2025
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
<b>Total Revenue</b>	<b>21.1</b>	<b>28.0</b>	<b>36.2</b>	<b>36.2</b>	<b>121.5</b>	<b>34.8</b>	<b>35.9</b>	<b>34.2</b>	<b>32.3</b>	<b>137.1</b>	<b>31.4</b>	<b>15.1</b>	<b>4.8</b>	<b>6.8</b>	<b>58.1</b>	<b>11.0</b>	<b>19.6</b>	<b>19.1</b>	<b>25.3</b>	<b>75.0</b>
Cost of Revenues	18.5	25.8	34.3	29.5	108.1	27.1	25.9	23.7	24.9	101.5	23.2	18.5	12.6	6.7	61.1	10.5	13.7	13.4	17.7	55.3
Gross Profit	2.6	2.2	1.9	6.7	13.5	7.7	10.0	10.5	7.4	35.6	8.2	(3.4)	(7.8)	0.1	(3.0)	0.6	5.9	5.7	7.6	19.8
Depreciation and amortization					0.0					0.0					0.0					0.0
Selling, general and administrative	3.7	3.0	2.9	3.2	12.8	3.0	3.8	3.4	6.6	16.8	6.4	7.4	6.4	6.8	27.1	6.1	5.9	6.1	6.3	24.4
Restructuring and other					0.0					0.0					0.0					0.0
Total operating expenses	3.7	3.0	2.9	3.2	12.8	3.0	3.8	3.4	6.6	16.8	6.4	7.4	6.4	6.8	27.1	6.1	5.9	6.1	6.3	24.4
<b>Operating income (loss)</b>	<b>(1.1)</b>	<b>(0.8)</b>	<b>(1.0)</b>	<b>3.5</b>	<b>0.6</b>	<b>4.7</b>	<b>6.2</b>	<b>7.1</b>	<b>0.9</b>	<b>18.9</b>	<b>1.8</b>	<b>(10.9)</b>	<b>(14.3)</b>	<b>(6.7)</b>	<b>(30.1)</b>	<b>(5.5)</b>	<b>0.0</b>	<b>(0.4)</b>	<b>1.3</b>	<b>(4.6)</b>
Interest income (expense)	(0.2)	(0.6)	(0.7)	(0.5)	(2.0)	(0.2)	(0.2)	(0.1)	(0.1)	(0.6)	(0.1)	(0.1)	0.1	(0.1)	(0.3)	(0.1)	(0.1)	(0.1)	(0.1)	(0.2)
Other income (expense)	0.0	0.5	0.2	(0.0)	0.6	0.0	(0.1)	0.1	0.0	0.1	0.0	0.7	(0.1)	0.0	0.6	0.0	0.0	0.0	0.0	0.0
Income before income taxes	(1.2)	(1.0)	(1.5)	3.0	(0.7)	4.5	6.0	7.1	0.8	18.4	1.6	(10.3)	(14.3)	(6.8)	(29.8)	(5.6)	(0.1)	(0.4)	1.2	(4.8)
Income taxes					0.0				(2.3)	(2.3)	0.4	2.5		(1.4)	1.6	(1.4)	(0.0)	(0.1)	0.0	(1.5)
Net income (loss)	(1.2)	(1.0)	(1.5)	3.0	(0.7)	4.5	6.0	7.1	3.0	20.6	1.2	(12.9)	(14.3)	(5.5)	(31.4)	(4.2)	(0.0)	(0.3)	1.2	(3.3)
Nonrecurring/noncash adjustments		0.1			0.1					0.0					0.0					0.0
<b>Net income (pro forma)</b>	<b>(1.2)</b>	<b>(0.9)</b>	<b>(1.5)</b>	<b>3.0</b>	<b>(0.6)</b>	<b>4.5</b>	<b>6.0</b>	<b>7.1</b>	<b>3.0</b>	<b>20.6</b>	<b>1.2</b>	<b>(12.9)</b>	<b>(14.3)</b>	<b>(5.5)</b>	<b>(31.4)</b>	<b>(4.2)</b>	<b>(0.0)</b>	<b>(0.3)</b>	<b>1.2</b>	<b>(3.3)</b>
EBITDA	(0.9)	(0.1)	(0.8)	4.1	2.4	5.0	6.4	7.5	3.4	22.3	4.0	(7.6)	(12.2)	(4.9)	(20.7)	(3.6)	1.9	1.5	3.1	2.8
Shares, Basic	12.1	12.3	12.4	12.8	12.40	14.1	14.2	14.3	14.4	14.3	17.7	19.4	19.7	19.9	19.2	20.0	20.1	20.3	20.5	20.2
Shares, Diluted	12.1	12.3	12.4	12.8	12.4	14.5	15.1	15.1	15.0	14.9	18.7	19.4	19.7	19.9	19.4	20.0	20.1	20.3	20.5	20.2
EPS Basic (pro forma)	(\$0.10)	(\$0.07)	(\$0.12)	\$0.23	(\$0.05)	\$0.32	\$0.42	\$0.50	\$0.21	\$1.45	\$0.07	(\$0.66)	(\$0.73)	(\$0.27)	(\$1.64)	(\$0.21)	(\$0.00)	(\$0.02)	\$0.06	(\$0.16)
EPS Diluted (pro forma)	(\$0.10)	(\$0.07)	(\$0.12)	\$0.23	(\$0.05)	\$0.31	\$0.40	\$0.47	\$0.20	\$1.38	\$0.07	(\$0.66)	(\$0.73)	(\$0.27)	(\$1.62)	(\$0.21)	(\$0.00)	(\$0.02)	\$0.06	(\$0.16)
<b>Margins</b>																				
Gross margin	12%	8%	5%	19%	11%	22%	28%	31%	23%	26%	26%	-23%	-164%	1%	-5%	5%	30%	30%	30%	26%
Selling, general and administrative	17%	11%	8%	9%	11%	9%	11%	10%	20%	12%	20%	49%	135%	100%	47%	55%	30%	32%	25%	32%
Operating margin	-5%	-3%	-3%	10%	1%	14%	17%	21%	3%	14%	6%	-72%	-299%	-99%	-52%	-50%	0%	-2%	5%	-6%
Tax rate, GAAP	0%	0%	0%	0%	0%	0%	0%	0%	-299%	-12%	26%	-25%	0%	20%	-5%	25%	25%	25%	0%	31%
Net margin	-6%	-3%	-4%	8%	-1%	13%	17%	21%	9%	15%	4%	-85%	-299%	-81%	-54%	-38%	0%	-2%	5%	-4%
<b>Y/Y % change</b>																				
Total Revenue	92%	146%	149%	156%	138%	64%	28%	-6%	-11%	13%	-10%	-58%	-86%	-79%	-58%	-65%	30%	300%	273%	29%
Gross margin	133%	65%	1%	272%	118%	192%	358%	446%	11%	165%	6%	-134%	-175%	-99%	-108%	-93%	-271%	-173%	#####	-753%
Selling, general and administrative	22%	11%	27%	-17%	7%	-19%	26%	17%	104%	31%	115%	94%	90%	3%	62%	-6%	-21%	-5%	-7%	-10%
Operating income (loss)	-50%	-40%	157%	-267%	-111%	-548%	-832%	-835%	-75%	2877%	-63%	-275%	-301%	-876%	-260%	-414%	-100%	-97%	-119%	-85%
Net income (loss)	-75%	355%	-10%	-144%	-95%	-475%	-713%	-575%	1%	-3129%	-73%	-316%	-302%	-281%	-252%	-440%	-100%	-98%	-122%	-89%
EPS Diluted (pro forma)	-95%	7%	-76%	-130%	-98%	-411%	-632%	-492%	-14%	-2859%	-79%	-267%	-254%	-236%	-217%	-418%	-100%	-98%	-122%	-90%

Source: Company reports and Ascendant Capital Markets estimates.

**SurgePays Inc.**

Balance Sheet (\$ mils)	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4E	Q1E	Q2E	Q3E	Q4E
<b>Assets</b>																
Cash and cash equivalents	3.4	8.7	7.9	7.0	8.9	5.2	12.7	14.6	42.9	38.4	13.7	10.9	5.4	7.3	8.9	11.5
Short term investments											10.1	10.1	10.1	10.1	10.1	10.1
Accounts receivable, net	5.6	8.3	9.5	9.2	9.7	10.3	9.8	9.5	8.3	1.4	1.5	2.0	3.3	5.9	5.7	7.6
Lifeline revenue due from USAC																
Inventory	3.1	5.7	9.5	11.2	15.5	18.1	14.5	9.0	7.3	8.4	8.4	8.4	8.4	8.4	8.4	8.4
Deferred income taxes											0.0	0.0	0.0	0.0	0.0	0.0
Prepaid expenses and other	0.2	0.0	0.1	0.1	0.2	0.2	0.2	0.2	0.5	0.5	0.3	0.4	0.1	0.2	0.2	0.3
<b>Total current assets</b>	<b>12.4</b>	<b>22.7</b>	<b>27.0</b>	<b>27.6</b>	<b>34.2</b>	<b>33.7</b>	<b>37.3</b>	<b>33.4</b>	<b>59.1</b>	<b>48.7</b>	<b>33.9</b>	<b>31.8</b>	<b>27.3</b>	<b>31.8</b>	<b>33.2</b>	<b>37.7</b>
Property and equipment, net	0.2	0.9	0.7	0.6	0.6	0.5	0.4	0.4	0.3	0.2	0.2	0.1	0.5	0.4	0.3	0.7
Note receivable	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Intangibles, net	3.3	3.1	2.9	3.2	3.1	3.1	2.9	2.7	2.4	2.2	2.0	2.0	2.0	2.0	2.0	2.0
Goodwill	0.9	1.7	1.7	1.7	1.7	1.7	1.7	1.7	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2
Investment in Centercom	0.4	0.5	0.4	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Deferred income tax								2.8	2.5		0.0	0.0	0.0	0.0	0.0	0.0
Other	0.5	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.6	0.6	0.6	0.6	0.6	0.6
<b>Total assets</b>	<b>17.8</b>	<b>29.5</b>	<b>33.4</b>	<b>34.0</b>	<b>40.6</b>	<b>39.9</b>	<b>43.2</b>	<b>41.9</b>	<b>69.6</b>	<b>56.4</b>	<b>41.5</b>	<b>39.3</b>	<b>35.2</b>	<b>39.6</b>	<b>40.9</b>	<b>45.9</b>
<b>Liabilities and stockholders' equity</b>																
Accounts payable and accrued expenses	5.6	11.3	13.7	18.8	20.7	16.8	12.8	6.4	6.5	4.3	3.2	4.5	3.2	5.7	5.5	7.3
Accounts payable and accrued expenses	1.4	2.2	3.6	1.7	2.0	0.5	1.0	1.0	0.6	0.5	0.5	0.7	0.3	0.6	0.6	0.8
Credit card liability												0.0	0.0	0.0	0.0	0.0
Deferred revenue	0.3	0.1	1.9	0.2	0.7	0.0	0.1	0.0				0.0	0.0	0.0	0.0	0.0
Deferred income tax							0.6		0.7	0.1	0.1	0.1	0.0	0.0	0.0	0.0
Warrant liabilities												0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Short term debt	1.5	7.7	7.8	2.7	2.3	1.2	0.6	4.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6
<b>Total current liabilities</b>	<b>8.9</b>	<b>21.3</b>	<b>26.9</b>	<b>23.5</b>	<b>25.7</b>	<b>18.5</b>	<b>14.5</b>	<b>12.7</b>	<b>9.4</b>	<b>6.6</b>	<b>5.4</b>	<b>7.0</b>	<b>5.2</b>	<b>8.0</b>	<b>7.8</b>	<b>9.8</b>
Deferred income taxes												0.0	0.0	0.0	0.0	0.0
Warrant liabilities												0.0	0.0	0.0	0.0	0.0
Other long term liabilities												0.0	0.0	0.0	0.0	0.0
Deferred revenue												0.0	0.0	0.0	0.0	0.0
Long term debt	6.1	5.6	5.6	5.0	4.5	4.5	4.5	0.5	3.6	3.2	2.8	2.8	2.8	2.8	2.8	2.8
<b>Total other liabilities</b>	<b>6.5</b>	<b>6.0</b>	<b>6.0</b>	<b>5.4</b>	<b>4.9</b>	<b>4.9</b>	<b>4.9</b>	<b>0.8</b>	<b>4.0</b>	<b>3.5</b>	<b>2.8</b>	<b>2.8</b>	<b>2.8</b>	<b>2.8</b>	<b>2.8</b>	<b>2.8</b>
Preferred stock	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Common stock	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.8	3.5	5.3	7.1	8.8
Additional paid-in capital	38.7	39.4	39.5	40.8	41.1	41.6	41.9	43.4	70.0	73.0	74.2	74.2	74.2	74.2	74.2	74.2
Retained earnings	(36.3)	(37.3)	(38.8)	(35.8)	(31.3)	(25.3)	(18.2)	(15.2)	(14.0)	(26.8)	(41.1)	(46.6)	(50.7)	(50.8)	(51.1)	(49.9)
Minority Interest	(0.0)	0.0	(0.2)	0.1	0.1	0.2	0.1	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Accumulated other comprehensive income												0.0	0.0	0.0	0.0	0.0
<b>Total stockholders' equity</b>	<b>2.4</b>	<b>2.2</b>	<b>0.5</b>	<b>5.1</b>	<b>10.0</b>	<b>16.6</b>	<b>23.8</b>	<b>28.4</b>	<b>56.2</b>	<b>46.3</b>	<b>33.3</b>	<b>29.6</b>	<b>27.2</b>	<b>28.9</b>	<b>30.3</b>	<b>33.3</b>
<b>Total stockholders' equity and liabilities</b>	<b>17.8</b>	<b>29.5</b>	<b>33.4</b>	<b>34.0</b>	<b>40.6</b>	<b>39.9</b>	<b>43.2</b>	<b>41.9</b>	<b>69.6</b>	<b>56.4</b>	<b>41.5</b>	<b>39.3</b>	<b>35.2</b>	<b>39.6</b>	<b>40.9</b>	<b>45.9</b>

**Balance Sheet Drivers**

	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4E	Q1E	Q2E	Q3E	Q4E
Prepaid as % of total rev	1%	0%	0%	0%	0%	0%	1%	1%	2%	3%	7%	7%	1%	1%	1%	1%
A/P and accrued exp as % of total rev	27%	40%	38%	52%	59%	47%	37%	20%	21%	28%	67%	67%	29%	29%	29%	29%
A/P and accrued exp related as % of total rev	6%	8%	10%	5%	6%	1%	3%	3%	2%	3%	10%	10%	3%	3%	3%	3%
<b>Activity Ratios</b>																
A/R Days Sales Outstanding	24	27	24	23	25	26	26	27	24	8	29	27	27	27	27	27
<b>Book &amp; Cash Value (per share)</b>																
Book Value per Share (diluted)	\$0.20	\$0.18	\$0.04	\$0.40	\$0.69	\$1.10	\$1.58	\$1.89	\$3.01	\$2.38	\$1.69	\$1.49	\$1.36	\$1.44	\$1.49	\$1.62
Cash per Share (diluted)	\$0.29	\$0.71	\$0.63	\$0.55	\$0.61	\$0.34	\$0.84	\$0.97	\$2.30	\$1.98	\$1.20	\$1.06	\$0.77	\$0.87	\$0.93	\$1.05
Net cash per Share (diluted)	-\$0.35	-\$0.37	-\$0.44	-\$0.05	\$0.14	-\$0.03	\$0.51	\$0.64	\$2.02	\$1.73	\$0.98	\$0.83	\$0.55	\$0.65	\$0.71	\$0.84

Source: Company reports and Ascendant Capital Markets estimates

**SurgePays Inc.**

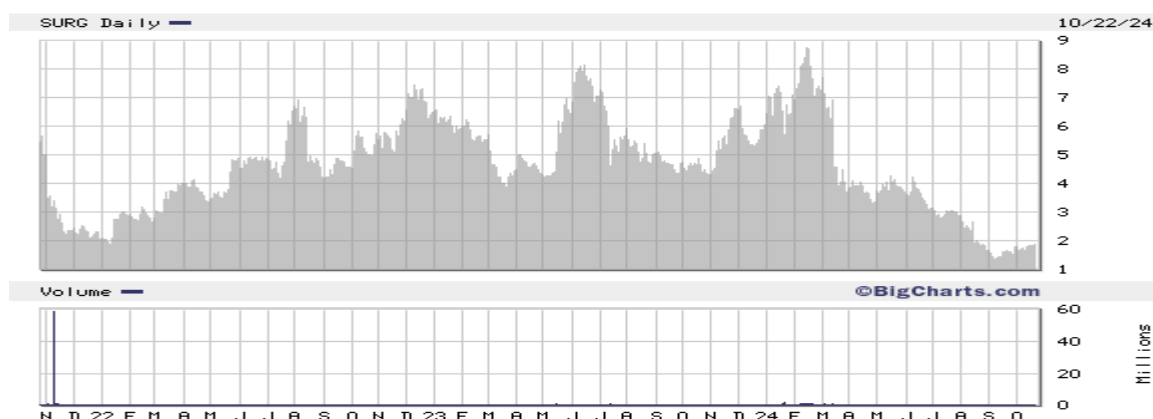
Cash Flow Statement (\$ mils)	Mar-22	Jun-22	Sep-22	Dec-22	2022	Mar-23	Jun-23	Sep-23	Dec-23	2023	Mar-24	Jun-24	Sep-24	Dec-24	2024	Mar-25	Jun-25	Sep-25	Dec-25	2025	
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E	
<b>Cash flow from operating activities</b>																					
Net income	(1.2)	(0.9)	(1.8)	3.3	(0.6)	4.5	6.1	7.0	3.0	20.6	1.2	(12.9)	(14.3)	(5.5)	(31.4)	(4.2)	(0.0)	(0.3)	1.2	(3.3)	
Depreciation	0.2	0.2	0.3	0.3	0.9	0.2	0.2	0.2	0.2	0.9	0.2	0.2	0.2	0.1	0.8	0.1	0.1	0.1	0.1	0.4	
Amortization	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.2	0.1	0.1	0.1		0.2					0.0	
Debt related amortization expense		0.0	0.3	0.1	0.5					0.0	0.0				0.0					0.0	
Dividend					0.0					0.0					0.0					0.0	
Stock comp	0.0	0.0	0.0	0.1	0.1	0.3	0.3	0.3	1.5	2.4	1.9	3.0	1.8	1.8	8.4	1.8	1.8	1.8	1.8	7.0	
Deferred rent					0.0					0.0					0.0					0.0	
A/R and inventory reserves			0.1	(0.1)	(0.0)				0.1	0.1					0.0					0.0	
Deferred income taxes					0.0					0.0	0.3	(0.3)	0.0	0.0	0.0	(0.1)	0.0	0.0	0.0	(0.1)	
Change in fair value of warrant liability	0.2	(0.2)	0.0		0.0					0.0					0.0					0.0	
Writedowns and impairments					0.0					0.0					0.0					0.0	
Other gains/losses	0.0	(0.6)	0.1	0.0	(0.4)	(0.0)	(0.0)	(0.1)	(0.0)	(0.1)	(0.1)	(0.1)	(0.1)	(0.2)						0.0	
Other					0.0					0.0					0.0					0.0	
<b>Changes in operating assets and liabilities:</b>																					
Accounts receivable	(2.4)	(2.7)	(1.1)	0.3	(5.9)	(0.4)	(0.6)	0.5	0.1	(0.4)	1.3	6.9	(0.1)	(0.5)	7.5	(1.3)	(2.6)	0.2	(1.9)	(5.6)	
Lifeline revenue due from USAC					0.0					0.0					0.0					0.0	
Inventory	1.3	(2.6)	(3.9)	(1.7)	(6.9)	(4.3)	(2.6)	3.5	5.5	2.1	1.7	(1.0)	0.0	0.7	0.0					0.0	
Prepaid expenses & other curre	(0.2)	0.2	(0.1)	0.0	(0.1)	(0.1)	0.0	(0.0)	0.0	(0.1)	(0.3)	(0.0)	0.2	(0.1)	(0.3)	0.3	(0.1)	0.0	(0.1)	0.2	
Income tax					0.0					0.0		2.8			2.8					0.0	
Other assets				13.0	13.0				(2.8)	(2.8)				0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Accounts payable	(1.0)	5.7	4.5	(10.1)	(0.8)	1.4	(3.0)	1.9	(0.3)	(0.0)	(2.4)	(2.3)	(1.1)	1.3	(4.4)	(1.3)	2.5	(0.2)	1.8	2.8	
Accrued expenses	(0.0)	0.8	(0.8)	1.0	1.0	(1.3)	(0.3)	(5.4)	(5.4)	(12.4)			(0.6)	0.2	(0.4)	(0.3)	0.3	(0.0)	0.2	0.1	
Deferred revenue	0.0	(0.2)	1.8	(1.7)	(0.0)	0.5	(0.7)	0.1	(0.1)	(0.2)	(0.0)			(0.0)	(0.0)					0.0	
Other liabilities	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	2.0	(2.0)	(0.0)	(0.0)	(0.0)	0.2	(0.6)	0.5	0.0	0.1	0.0	0.0	0.0	0.0	0.0	
<b>Net cash (used in) provided by</b>	<b>(3.3)</b>	<b>0.2</b>	<b>(0.8)</b>	<b>4.7</b>	<b>0.8</b>	<b>2.9</b>	<b>(2.6)</b>	<b>8.1</b>	<b>2.0</b>	<b>10.3</b>	<b>4.0</b>	<b>(4.1)</b>	<b>(13.3)</b>	<b>(2.7)</b>	<b>(16.1)</b>	<b>(5.0)</b>	<b>1.9</b>	<b>1.5</b>	<b>3.1</b>	<b>1.6</b>	
<b>Cash flow from investing activities</b>																					
Purchases of property and equip	(0.0)		0.0	(0.0)	(0.0)					0.0			(0.5)	0.0	(0.5)	(0.5)	0.0	0.0	(0.5)	(1.0)	
Purchases of short-term investments					0.0					0.0			(10.1)		(10.1)					0.0	
Acquisitions		(1.1)		0.0	(1.1)					0.0					0.0					0.0	
Other		(0.4)	(0.4)		(0.4)	(0.2)	(0.1)			(0.3)					0.0					0.0	
<b>Net cash used in investing activ</b>	<b>(0.0)</b>	<b>(1.1)</b>	<b>0.0</b>	<b>(0.4)</b>	<b>(1.5)</b>	<b>(0.2)</b>	<b>(0.1)</b>	<b>0.0</b>	<b>0.0</b>	<b>(0.3)</b>	<b>0.0</b>	<b>0.0</b>	<b>(10.6)</b>	<b>0.0</b>	<b>(10.6)</b>	<b>(0.5)</b>	<b>0.0</b>	<b>0.0</b>	<b>(0.5)</b>	<b>(1.0)</b>	
<b>Cash flow from financing activities</b>																					
Issuance of debt	0.5	6.2			6.7					0.0				0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Repayment of debt	(0.0)	(0.0)	(0.0)	(5.2)	(5.2)	(0.9)	(1.1)	(0.6)	(0.1)	(2.6)	(0.4)	(0.4)	(0.4)		(1.1)					0.0	
Issuance of stock					0.0					0.0	15.9	0.0	0.0	0.0	15.9	0.0	0.0	0.0	0.0	0.0	
Proceeds from stock option exercises				0.0	0.0		0.2			0.2	8.8				8.8					0.0	
Other					0.0					0.0			(0.5)		(0.5)					0.0	
Dividends and distributions					0.0					0.0					0.0					0.0	
<b>Cash provided by (used in) fina</b>	<b>0.5</b>	<b>6.2</b>	<b>(0.0)</b>	<b>(5.2)</b>	<b>1.457</b>	<b>(0.9)</b>	<b>(0.9)</b>	<b>(0.6)</b>	<b>(0.1)</b>	<b>(2.4)</b>	<b>24.3</b>	<b>(0.4)</b>	<b>(0.9)</b>	<b>0.0</b>	<b>23.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	
Effect of exchange rate on cash					0.0					0.0					0.0					0.0	
<b>Net increase (decrease) in cash</b>	<b>(2.8)</b>	<b>5.3</b>	<b>(0.8)</b>	<b>(0.9)</b>	<b>0.8</b>	<b>1.8</b>	<b>(3.7)</b>	<b>7.5</b>	<b>1.9</b>	<b>7.6</b>	<b>28.3</b>	<b>(4.5)</b>	<b>(24.8)</b>	<b>(2.7)</b>	<b>(3.7)</b>	<b>(5.5)</b>	<b>1.9</b>	<b>1.5</b>	<b>2.6</b>	<b>0.5</b>	
<b>Beginning cash and equivalents</b>	<b>6.3</b>	<b>3.4</b>	<b>8.7</b>	<b>7.9</b>	<b>6.3</b>	<b>7.0</b>	<b>8.9</b>	<b>5.2</b>	<b>12.7</b>	<b>7.0</b>	<b>14.6</b>	<b>42.9</b>	<b>38.4</b>	<b>13.7</b>	<b>14.6</b>	<b>10.9</b>	<b>5.4</b>	<b>7.3</b>	<b>8.9</b>	<b>10.9</b>	
<b>Ending cash and equivalents</b>	<b>3.4</b>	<b>8.7</b>	<b>7.9</b>	<b>7.0</b>	<b>7.0</b>	<b>8.9</b>	<b>5.2</b>	<b>12.7</b>	<b>14.6</b>	<b>14.6</b>	<b>42.9</b>	<b>38.4</b>	<b>13.7</b>	<b>10.9</b>	<b>10.9</b>	<b>5.4</b>	<b>7.3</b>	<b>8.9</b>	<b>11.5</b>	<b>11.5</b>	

Source: Company reports and Ascendant Capital Markets estimates

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## SurgePays, Inc.



Source: <https://bigcharts.marketwatch.com/>

Report	Report Date		Price	
	Date	Rating	Target	
1	1/24/2022	Buy	7.00	
2	4/10/2022	Buy	8.00	
3	5/29/2022	Buy	8.50	
4	8/31/2022	Buy	8.75	
5	11/20/2022	Buy	9.00	
6	4/2/2023	Buy	9.50	
7	5/30/2023	Buy	10.50	
8	8/26/2023	Buy	11.00	
9	12/5/2023	Buy	11.50	
10	3/31/2024	Buy	10.00	
11	6/5/2024	Buy	9.50	
12	9/10/2024	Buy	9.00	

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## Ascendant Capital Markets, LLC Rating System

**BUY:** We expect the stock to provide a total return of 15% or more within a 12-month period.

**HOLD:** We expect the stock to provide a total return of negative 15% to positive 15% within a 12-month period.

**SELL:** We expect the stock to have a negative total return of more than 15% within a 12-month period.

Total return is defined as price appreciation plus dividend yield.

## Ascendant Capital Markets, LLC Distribution of Investment Ratings (as of October 11, 2024)

Rating	Count	Percent	Investment Banking Services Past 12 months	
			Count	Percent
Buy	58	98%	25	43%
Hold	0	0%	0	0%
Sell	1	2%	0	0%
Total	59	100%	25	42%

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