

# SurgePays, Inc.

*Q4 weak, but strong 2025 guidance. Despite near term loss of ACP, we expect high growth potential with Lifeline and new products over the long term. Raising P/T to \$8.75.*

## COMPANY UPDATE

### Rating: BUY

Ticker: SURG

Price: \$2.68

Target: \$8.75  
(from \$8.50)

**Q4 weak:** SurgePays recently (on March 25) reported its fiscal Q4 2024 (ending December) results. Revenue was \$10 million (-70% y-o-y), compared to our estimates of \$7 million and consensus of \$8 million. EPS was \$(1.00), compared to our estimates of \$(0.27) and consensus of \$(0.25). There was no Q4 guidance.

**Lower revenue due to end of ACP:** The company was significantly negatively affected by the end of the ACP program in May 2024.

**ACP program has now stopped:** In 2024, the company had ~250,000 subscribers to its mobile wireless program (Affordable Connectivity Program ("ACP")). Each subscriber is \$30/month of revenue. 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 significantly uncertainty for when it will be reinstated or for delays.

**Strong 2025 guidance:** The company provided strong 2025 revenue guidance of \$200 million.

**Adjusting 2025 estimates:** We are adjusting our 2025 estimates for revenue to \$180 million, from \$75 million, and for EPS to \$(0.24) from \$(0.16).

**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 believes its Lifeline program 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 raising our 12-month price target to \$8.75 from \$8.50, which is ~12x our 2027 EPS estimate of \$0.75 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

April 21, 2025

Edward Woo, CFA  
(561) 327-9435  
ewoo@ascendant.com

### Stock Data

Exchange:	NasdaqCM
52-week Range:	1.05 – 4.38
Shares Outstanding (million):	20
Market cap (\$million):	\$54
EV (\$million):	\$46
Debt (\$million):	\$4
Cash (\$million):	\$12
Avg. Daily Trading Vol. (\$million):	\$5
Float (million shares):	14
Short Interest (million shares):	1
Dividend, annual (yield):	\$0 (NA%)

### Revenues (US\$ million)

	<u>2025E</u> (Cur.)	<u>2025E</u> (Old)	<u>2026E</u> (Cur.)	<u>2026E</u> (Old)
Q1 Mar	10E	11E	38E	
Q2 Jun	20E		40E	
Q3 Sep	35E	19E	41E	
Q4 Dec	115E	25E	81E	
Total	180E	75E	200E	
EV/Revs	0.3x		0.2x	

### Earnings per Share (pro forma)

	<u>2025E</u> (Cur.)	<u>2025E</u> (Old)	<u>2026E</u> (Cur.)	<u>2026E</u> (Old)
Q1 Mar	(0.44)E	(0.21)E	(0.04)E	
Q2 Jun	(0.30)E	(0.00)E	(0.00)E	
Q3 Sep	(0.35)E	(0.02)E	(0.00)E	
Q4 Dec	0.82E	0.06E	0.56E	
Total	(0.24)E	(0.16)E	0.52E	
P/E	N/A		5x	

### 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 March 25) reported its fiscal Q4 2024 (ending December) results.
- Revenue was \$10 million (-70% y-o-y), compared to our estimates of \$7 million and consensus of \$8 million.
- EPS was \$(1.00), compared to our estimates of \$(0.27) and consensus of \$(0.25).
- There was no Q4 guidance.
- The company provided strong 2025 revenue guidance of \$200 million.
- We are adjusting our 2025 estimates for revenue to \$180 million, from \$75 million, and for EPS to \$(0.24) from \$(0.16).
- We are initiating our 2026 estimates for revenue of \$200 million, and for EPS of \$0.52.

## **ADDITIONAL DETAILS**

- Gross profit for the quarter was \$(11) million, compared with our estimate of ~\$0 million.
  - Gross margin for the quarter was -117%, versus our expectation of 1% and 23% last year.
  - Operating expenses were \$7 million, versus our expectation of \$7 million.
  - Operating loss was \$(18) million, versus our expectation of a loss of \$(6.7) million.
  - Net loss was \$(19.8) million, versus our expectation of a loss of \$(5.5) 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.
  - In November 2024, SurgePays signed a major agreement with AT&T enabling SurgePays to offer mobile wireless, voice, data and messaging services.

The company's balance sheet had \$12 million in cash and \$4 million in debt, compared with \$24 million in cash and \$4 million in debt at the end of September.

## Exhibit 1: SurgePays Overview (as of 2024)

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



2

Source: Company reports.

## Exhibit 2: SurgePays's Affordable Connectivity Program (ACP) (as of 2024)

# 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.



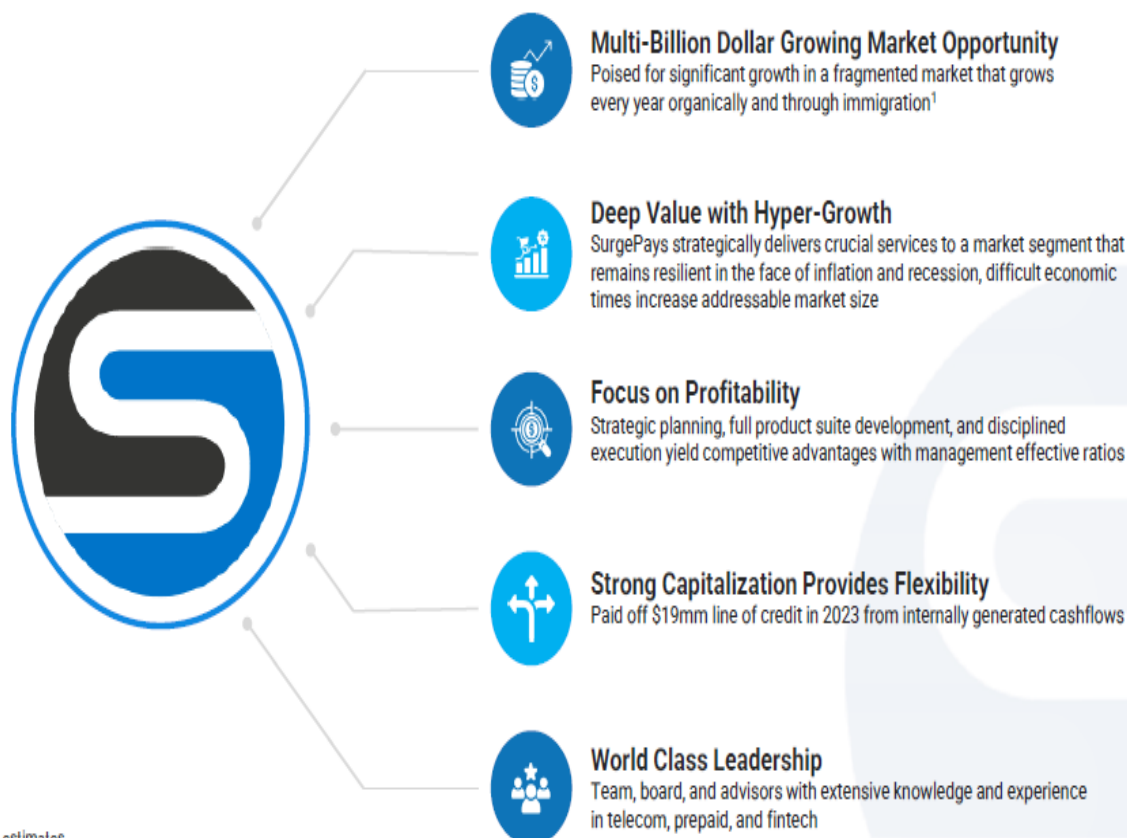
4



Source: Company reports.

### Exhibit 3: SurgePays Investment Highlights

# Investment Highlights



Based on internal estimates

Source: Company reports.

## Exhibit 4: SurgePays Market Opportunity

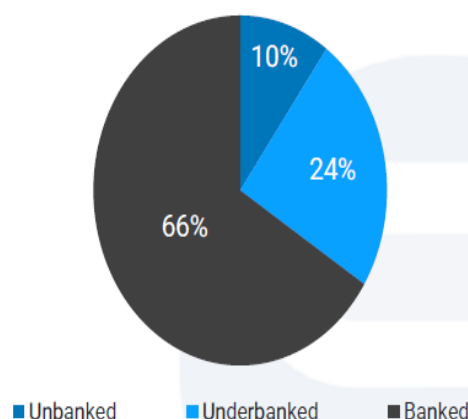
# Market Opportunity

## 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>



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>1</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:



## 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 (as of 2024)

# 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

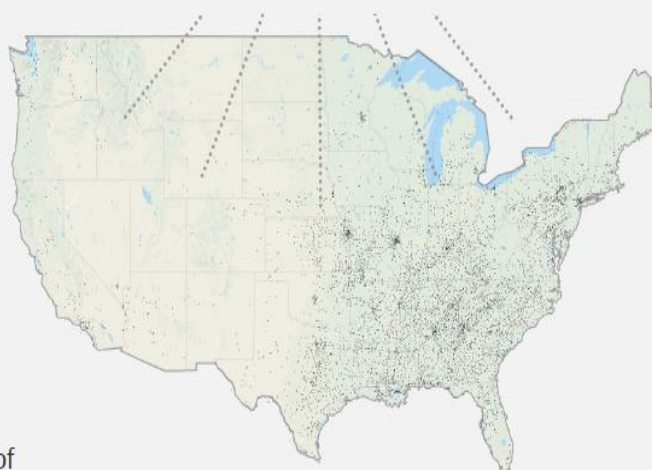
## Growth Strategies

### 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.



---

Exhibit 9: Q4 2024 Results and Recent Highlights (as of March 25, 2025)

## SurgePays Reports 2024 Financial Results and Issues Revenue Guidance of Over \$200 Million in Next 12 Months



---

NEWS PROVIDED BY  
**SurgePays** →  
Mar 25, 2025, 16:05 ET

---

*Completed AT&T integration positions company for its most aggressive growth phase to date with projected positive cash flow from operations in 2025*

BARTLETT, Tenn., March 25, 2025 /PRNewswire/ — **SurgePays, Inc. (Nasdaq: SURG)** ("**SurgePays**" or the "**Company**"), a wireless and point of sale technology company, today announced its financial results for the year ended December 31, 2024, and is issuing guidance of over \$200 million in revenue over the next 12 months and positive cash flow from operations before the end of 2025, following the successful integration and official launch with AT&T.

Brian Cox, Chairman and CEO, commented, "We built the infrastructure. Now we are scaling. With AT&T integration complete and LinkUp Mobile launching nationally, SurgePays is positioned for the most aggressive revenue growth phase in our history."

### 2024 Operational Highlights:

- **Nationwide Launch of LinkUp Mobile:** SurgePays has begun its national rollout of its retail prepaid wireless brand, LinkUp Mobile. The Company expects monthly SIM card shipments of 250,000–300,000, driven by robust demand from its retail distribution network of nearly 9,000 convenience and community stores.
- **AT&T Integration Complete:** In November 2024, SurgePays signed a multi-year strategic agreement with AT&T to deliver full access to 4G LTE and 5G wireless services across North America. As of April 1, 2025, the integration is complete and live.
- **MVNE Wholesale Business Launch:** SurgePays now offers wireless infrastructure services, including SIM provisioning and billing, to other wireless companies as a Mobile Virtual Network Enabler (MVNE). This high-margin revenue channel is expected to scale rapidly.
- **Lifeline Subscriber Retention:** Following the end of ACP funding, SurgePays retained a portion of its wireless subscriber base and is transitioning eligible customers to the federally supported Lifeline program. Daily Lifeline enrollments are ongoing through the Company's Torch Wireless brand.
- **POS Platform Growth:** SurgePays' point-of-sale software platform, used in thousands of retail locations, grew prepaid wireless top-up revenue over 400% from Q1 to Q2 2024. The POS platform is a critical distribution and activation tool for both LinkUp Mobile and third-party services.
- **Leadership Expansion:** The Company strengthened its leadership team with the promotion of Mark Garner to Executive Vice President, and Allison Seyler to VP of Sales.

Source: Company reports.

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



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

## Exhibit 11: Consensus Expectations (as of March 25, 2025)

	Revenue (mils)			EPS	
	2024E	2025E		2024E	2025E
Q1 Mar	\$31A	\$13E	Q1 Mar	\$0.07A	\$(0.14)E
Q2 Jun	\$15A		Q2 Jun	\$(0.66)A	
Q3 Sep	\$5A		Q3 Sep	\$(0.73)A	
Q4 Dec	\$8E		Q4 Dec	\$(0.25)E	
Total	\$60E	\$95E	Total	\$(1.59)E	\$(0.16)E

\*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-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	Mar-26	Jun-26	Sep-26	Dec-26	2026
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1E	Q2E	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
Total Revenue	34.8	35.9	34.2	32.3	137.1	31.4	15.1	4.8	9.6	60.9	9.6	20.1	35.2	115.2	180.0	38.3	40.1	41.1	80.6	200.2
Cost of Revenues	27.1	25.9	23.7	24.9	101.5	23.2	18.5	12.6	20.8	75.2	14.4	20.1	33.4	86.4	154.2	28.8	30.1	28.8	56.4	144.1
Gross Profit	7.7	10.0	10.5	7.4	35.6	8.2	(3.4)	(7.8)	(11.2)	(14.3)	(4.8)	0.0	1.8	28.8	25.8	9.6	10.0	12.3	24.2	56.1
Depreciation and amortization					0.0					0.0					0.0					0.0
Selling, general and administrative	3.0	3.8	3.4	6.6	16.8	6.4	7.4	6.4	7.1	27.5	7.2	8.0	11.2	11.5	38.0	10.4	10.0	12.3	12.1	44.8
Restructuring and other					0.0					0.0					0.0					0.0
Total operating expenses	3.0	3.8	3.4	6.6	16.8	6.4	7.4	6.4	7.1	27.5	7.2	8.0	11.2	11.5	38.0	10.4	10.0	12.3	12.1	44.8
Operating income (loss)	4.7	6.2	7.1	0.9	18.9	1.8	(10.9)	(14.3)	(18.4)	(41.8)	(12.0)	(8.0)	(9.5)	17.3	(12.2)	(0.8)	0.0	0.0	12.1	11.3
Interest income (expense)	(0.2)	(0.2)	(0.1)	(0.1)	(0.6)	(0.1)	(0.1)	0.1	(0.3)	(0.4)	(0.1)	(0.1)	(0.1)	(0.1)	(0.2)	(0.1)	(0.1)	(0.1)	(0.1)	(0.2)
Other income (expense)	0.0	(0.1)	0.1	0.0	0.1	0.0	0.7	(0.1)	(1.3)	(0.6)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income before income taxes	4.5	6.0	7.1	0.8	18.4	1.6	(10.3)	(14.3)	(19.9)	(42.9)	(12.0)	(8.1)	(9.5)	17.2	(12.4)	(0.8)	(0.1)	(0.1)	12.0	11.1
Income taxes			(2.3)		(2.3)	0.4	2.5		(0.1)	2.9	(3.0)	(2.0)	(2.4)	0.0	(7.4)	0.0	0.0	0.0	0.0	0.0
Net income (loss)	4.5	6.0	7.1	3.0	20.6	1.2	(12.9)	(14.3)	(19.8)	(45.7)	(9.0)	(6.1)	(7.2)	17.2	(5.0)	(0.8)	(0.1)	(0.1)	12.0	11.1
Nonrecurring/noncash adjustments					0.0					0.0					0.0					0.0
Net income (pro forma)	4.5	6.0	7.1	3.0	20.6	1.2	(12.9)	(14.3)	(19.8)	(45.7)	(9.0)	(6.1)	(7.2)	17.2	(5.0)	(0.8)	(0.1)	(0.1)	12.0	11.1
EBITDA	5.0	6.4	7.5	3.4	22.3	4.0	(7.6)	(12.2)	(15.9)	(31.7)	(9.8)	(5.8)	(7.3)	19.5	(3.4)	1.5	2.2	2.2	14.3	20.2
Shares, Basic	14.1	14.2	14.3	14.4	14.3	17.7	19.4	19.7	19.8	19.1	20.4	20.5	20.7	20.9	20.6	21.0	21.1	21.3	21.5	21.2
Shares, Diluted	14.5	15.1	15.1	15.0	14.9	18.7	19.4	19.7	19.8	19.1	20.4	20.5	20.7	20.9	20.6	21.0	21.1	21.3	21.5	21.2
EPS Basic (pro forma)	\$0.32	\$0.42	\$0.50	\$0.21	\$1.45	\$0.07	(\$0.66)	(\$0.73)	(\$1.00)	(\$2.39)	(\$0.44)	(\$0.30)	(\$0.35)	\$0.82	(\$0.24)	(\$0.04)	(\$0.00)	(\$0.00)	\$0.56	\$0.52
EPS Diluted (pro forma)	\$0.31	\$0.40	\$0.47	\$0.20	\$1.38	\$0.07	(\$0.66)	(\$0.73)	(\$1.00)	(\$2.39)	(\$0.44)	(\$0.30)	(\$0.35)	\$0.82	(\$0.24)	(\$0.04)	(\$0.00)	(\$0.00)	\$0.56	\$0.52
<b>Margins</b>																				
Gross margin	22%	28%	31%	23%	26%	26%	-23%	-164%	-117%	-24%	-50%	0%	5%	25%	14%	25%	25%	30%	30%	28%
Selling, general and administrative	9%	11%	10%	20%	12%	20%	49%	135%	74%	45%	75%	40%	32%	10%	21%	27%	25%	30%	15%	22%
Operating margin	14%	17%	21%	3%	14%	6%	-72%	-299%	-191%	-69%	-125%	-40%	-27%	15%	-7%	-2%	0%	0%	15%	6%
Tax rate, GAAP	0%	0%	0%	-299%	-12%	26%	-25%	0%	1%	-7%	25%	25%	25%	0%	60%	0%	0%	0%	0%	0%
Net margin	13%	17%	21%	9%	15%	4%	-85%	-299%	-206%	-75%	-94%	-30%	-20%	15%	-3%	-2%	0%	0%	15%	6%
<b>Y/Y % change</b>																				
Total Revenue	64%	28%	-6%	-11%	13%	-10%	-58%	-86%	-70%	-56%	-70%	33%	637%	1100%	196%	300%	100%	17%	-30%	11%
Gross margin	192%	358%	446%	11%	165%	6%	-134%	-175%	-251%	-140%	-159%	-100%	-122%	-356%	-280%	-300%	#####	602%	-16%	118%
Selling, general and administrative	-19%	26%	17%	104%	31%	115%	94%	90%	9%	64%	12%	8%	74%	61%	38%	44%	25%	10%	5%	18%
Operating income (loss)	-548%	-832%	-835%	-75%	2877%	-63%	-275%	-301%	-2221%	-321%	-784%	-26%	-34%	-194%	-71%	-94%	-100%	-100%	-30%	-193%
Net income (loss)	-475%	-713%	-575%	1%	-3129%	-73%	-316%	-302%	-756%	-322%	-837%	-53%	-50%	-187%	-89%	-91%	-99%	-99%	-30%	-322%
EPS Diluted (pro forma)	-411%	-632%	-492%	-14%	-2859%	-79%	-267%	-254%	-598%	-273%	-775%	-55%	-52%	-182%	-90%	-91%	-99%	-99%	-32%	-316%

Source: Company reports and Ascendant Capital Markets estimates.

### SurgePays Inc.

Balance Sheet (\$ mils)	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1E	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
<b>Assets</b>																
Cash and cash equivalents	8.9	5.2	12.7	14.6	42.9	38.4	13.7	11.8	5.7	2.0	(2.8)	16.9	17.6	19.2	20.4	35.0
Short term investments							10.1		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable, net	9.7	10.3	9.8	9.5	8.3	1.4	1.5	3.0	2.9	6.0	10.5	34.5	11.5	12.0	12.3	24.2
Lifeline revenue due from USAC																
Inventory	15.5	18.1	14.5	9.0	7.3	8.4	8.4	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8
Deferred income taxes									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Prepaid expenses and other	0.2	0.2	0.2	0.2	0.5	0.5	0.3	1.3	0.1	0.2	0.4	1.2	0.4	0.4	0.4	0.8
<b>Total current assets</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>17.9</b>	<b>10.5</b>	<b>10.0</b>	<b>9.9</b>	<b>54.4</b>	<b>31.2</b>	<b>33.5</b>	<b>34.9</b>	<b>61.8</b>
Property and equipment, net	0.6	0.5	0.4	0.4	0.3	0.2	0.2	0.6	1.0	0.9	0.8	1.2	1.1	1.5	2.5	2.4
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	3.1	3.1	2.9	2.7	2.4	2.2	2.0	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Goodwill	1.7	1.7	1.7	1.7	4.2	4.2	4.2	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3
Investment in Centercom	0.4	0.4	0.4	0.5	0.5	0.5	0.5		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred income tax				2.8	2.5				0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.4	0.4	0.4	0.4	0.4	0.4	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
<b>Total assets</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>24.0</b>	<b>17.0</b>	<b>16.4</b>	<b>16.2</b>	<b>61.2</b>	<b>37.9</b>	<b>40.5</b>	<b>42.9</b>	<b>69.7</b>
<b>Liabilities and stockholders' equity</b>																
Accounts payable and accrued expenses	20.7	16.8	12.8	6.4	6.5	4.3	3.2	3.9	2.8	5.8	10.2	33.4	11.1	11.6	11.9	23.4
Accounts payable and accrued expenses	2.0	0.5	1.0	1.0	0.6	0.5	0.5	0.2	0.3	0.6	1.1	3.5	1.2	1.2	1.2	2.4
Credit card liability									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred revenue	0.7	0.0	0.1	0.0					0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred income tax				0.6	0.7	0.1	0.1		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Warrant liabilities									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Short term debt	2.3	1.2	0.6	4.6	1.6	1.6	1.6	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7
<b>Total current liabilities</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>6.1</b>	<b>5.0</b>	<b>8.4</b>	<b>13.2</b>	<b>38.8</b>	<b>14.2</b>	<b>14.8</b>	<b>15.1</b>	<b>27.7</b>
Deferred income taxes									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Warrant liabilities									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.4	0.4	0.4	0.4	0.3	0.3	0.0	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Deferred revenue									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long term debt	4.5	4.5	4.5	0.5	3.6	3.2	2.8	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3
<b>Total other liabilities</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>2.7</b>	<b>2.7</b>	<b>2.7</b>	<b>2.7</b>	<b>2.7</b>	<b>2.7</b>	<b>2.7</b>	<b>2.7</b>	<b>2.7</b>
Preferred stock	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	2.1	4.3	6.4	8.5	10.6	12.7	14.8	17.0
Additional paid-in capital	41.1	41.6	41.9	43.4	70.0	73.0	74.2	76.2	76.2	76.2	76.2	76.2	76.2	76.2	76.2	76.2
Retained earnings	(31.3)	(25.3)	(18.2)	(15.2)	(14.0)	(26.8)	(41.1)	(60.9)	(69.9)	(76.0)	(83.2)	(65.9)	(66.7)	(66.8)	(66.8)	(54.8)
Minority Interest	0.1	0.2	0.1	0.2	0.1	0.1	0.1	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Accumulated other comprehensive income									1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
<b>Total stockholders' equity</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>15.3</b>	<b>9.4</b>	<b>5.4</b>	<b>0.4</b>	<b>19.7</b>	<b>21.0</b>	<b>23.1</b>	<b>25.2</b>	<b>39.3</b>
<b>Total stockholders' equity and liabilities</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>24.0</b>	<b>17.0</b>	<b>16.4</b>	<b>16.2</b>	<b>61.2</b>	<b>37.9</b>	<b>40.5</b>	<b>42.9</b>	<b>69.7</b>

### Balance Sheet Drivers

	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26
	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1E	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Prepaid as % of total rev	0%	0%	1%	1%	2%	3%	7%	14%	1%	1%	1%	1%	1%	1%	1%	1%
A/P and accrued exp as % of total rev	59%	47%	37%	20%	21%	28%	67%	41%	29%	29%	29%	29%	29%	29%	29%	29%
A/P and accrued exp related as % of total rev	6%	1%	3%	3%	2%	3%	10%	2%	3%	3%	3%	3%	3%	3%	3%	3%
<b>Activity Ratios</b>																
A/R Days Sales Outstanding	25	26	26	27	24	8	29	28	27	27	27	27	27	27	27	27
<b>Book &amp; Cash Value (per share)</b>																
Book Value per Share (diluted)	\$0.69	\$1.10	\$1.58	\$1.89	\$3.01	\$2.38	\$1.69	\$0.77	\$0.46	\$0.26	\$0.02	\$0.94	\$1.00	\$1.09	\$1.18	\$1.83
Cash per Share (diluted)	\$0.61	\$0.34	\$0.84	\$0.97	\$2.30	\$1.98	\$1.20	\$0.60	\$0.28	\$0.10	-\$0.13	\$0.81	\$0.84	\$0.91	\$0.96	\$1.63
Net cash per Share (diluted)	\$0.14	-\$0.03	\$0.51	\$0.64	\$2.02	\$1.73	\$0.98	\$0.39	\$0.08	-\$0.10	-\$0.33	\$0.62	\$0.65	\$0.72	\$0.77	\$1.44

Source: Company reports and Ascendant Capital Markets estimates



**SurgePays Inc.**

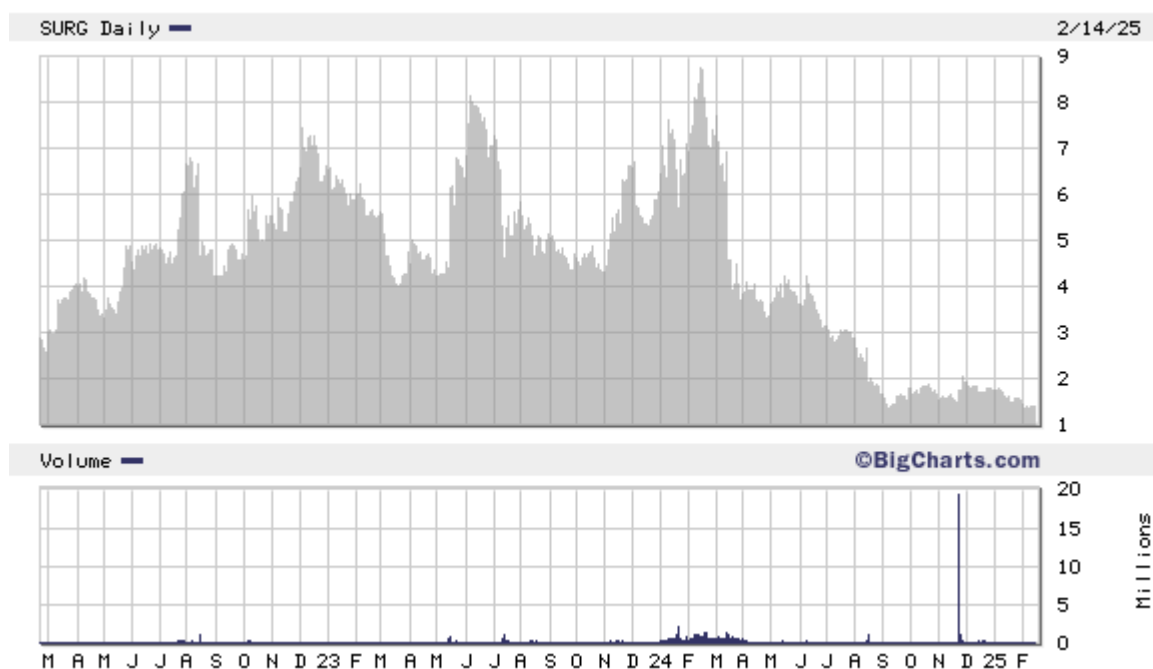
Cash Flow Statement (\$ mils)	Mar-23	Jun-23	Sep-23	Dec-23	2023	Mar-24	Jun-24	Sep-24	Dec-24	2024	Mar-25	Jun-25	Sep-25	Dec-25	2025	Mar-26	Jun-26	Sep-26	Dec-26	2026
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1E	Q2E	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
<b>Cash flow from operating activities</b>																				
Net income	4.5	6.1	7.0	3.0	20.6	1.2	(12.9)	(14.3)	(20.0)	(45.9)	(9.0)	(6.1)	(7.2)	17.2	(5.0)	(0.8)	(0.1)	(0.1)	12.0	11.1
Depreciation	0.2	0.2	0.2	0.2	0.9	0.2	0.2	0.2	0.2	0.9	0.1	0.1	0.1	0.1	0.4	0.1	0.1	0.1	0.1	0.4
Amortization	0.0	0.0	0.0	0.0	0.2	0.1	0.1	0.1	0.1	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Debt related amortization expense					0.0	0.0				0.0					0.0					0.0
Dividend					0.0					0.0					0.0					0.0
Stock comp	0.3	0.3	0.3	1.5	2.4	1.9	3.0	1.8	2.1	8.8	2.1	2.1	2.1	2.1	8.5	2.1	2.1	2.1	2.1	8.5
Deferred rent					0.0					0.0					0.0					0.0
A/R and inventory reserves				0.1	0.1					0.0					0.0					0.0
Deferred income taxes					0.0	0.3	(0.3)	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
Change in fair value of warrant liability					0.0					0.0					0.0					0.0
Writedowns and impairments					0.0				1.7	1.7					0.0					0.0
Other gains/losses	(0.0)	(0.0)	(0.1)	(0.0)	(0.1)	(0.1)	(0.1)	(0.1)	0.3	0.1					0.0					0.0
Other					0.0				(0.5)	(0.5)					0.0					0.0
<b>Changes in operating assets and liabilities:</b>																				
Accounts receivable	(0.4)	(0.6)	0.5	0.1	(0.4)	1.3	6.9	(0.1)	(1.5)	6.5	0.1	(3.1)	(4.5)	(24.0)	####	23.0	(0.5)	(0.3)	(11.8)	10.4
Lifeline revenue due from USAC					0.0					0.0					0.0					0.0
Inventory	(4.3)	(2.6)	3.5	5.5	2.1	1.7	(1.0)	0.0	6.6	7.3					0.0					0.0
Prepaid expenses & other curre	(0.1)	0.0	(0.0)	0.0	(0.1)	(0.3)	(0.0)	0.2	0.0	(0.1)	1.2	(0.1)	(0.2)	(0.8)	0.1	0.8	(0.0)	(0.0)	(0.4)	0.3
Income tax					0.0		2.8			2.8					0.0					0.0
Other assets				(2.8)	(2.8)					0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts payable	1.4	(3.0)	1.9	(0.3)	(0.0)	(2.4)	(2.3)	(1.1)	3.3	(2.5)	(1.1)	3.0	4.4	23.2	29.5	(22.3)	0.5	0.3	11.5	####
Accrued expenses	(1.3)	(0.3)	(5.4)	(5.4)	(12.4)			(0.6)	(0.4)	(0.9)	0.1	0.3	0.5	2.4	3.3	(2.3)	0.1	0.0	1.2	(1.0)
Deferred revenue	0.5	(0.7)	0.1	(0.1)	(0.2)	(0.0)				(0.0)					0.0					0.0
Other liabilities	2.0	(2.0)	(0.0)	(0.0)	(0.0)	0.2	(0.6)	0.5	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net cash (used in) provided by</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>(7.9)</b>	<b>(21.3)</b>	<b>(6.5)</b>	<b>(3.7)</b>	<b>(4.8)</b>	<b>20.2</b>	<b>5.2</b>	<b>0.6</b>	<b>2.2</b>	<b>2.2</b>	<b>14.7</b>	<b>19.6</b>
<b>Cash flow from investing activities</b>																				
Purchases of property and equipment					0.0			(0.5)		(0.5)	(0.5)	0.0	0.0	(0.5)	(1.0)	0.0	(0.5)	(1.0)	0.0	(1.6)
Purchases of short-term investments					0.0			(10.1)	10.1	0.0					0.0					0.0
Acquisitions					0.0				(2.5)	(2.5)					0.0					0.0
Other	(0.2)	(0.1)			(0.3)					0.0					0.0					0.0
<b>Net cash used in investing activ</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>7.6</b>	<b>(3.0)</b>	<b>(0.5)</b>	<b>0.0</b>	<b>0.0</b>	<b>(0.5)</b>	<b>(1.0)</b>	<b>0.0</b>	<b>(0.5)</b>	<b>(1.0)</b>	<b>0.0</b>	<b>(1.6)</b>
<b>Cash flow from financing activities</b>																				
Issuance of debt					0.0					0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Repayment of debt	(0.9)	(1.1)	(0.6)	(0.1)	(2.6)	(0.4)	(0.4)	(0.4)	(0.4)	(1.5)					0.0					0.0
Issuance of stock					0.0	15.9	0.0	0.0	0.0	15.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Proceeds from stock option exercises		0.2			0.2	8.8				8.8					0.0					0.0
Other					0.0			(0.5)	(0.1)	(0.6)					0.0					0.0
Dividends and distributions					0.0					0.0					0.0					0.0
<b>Cash provided by (used in) fina</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>(0.5)</b>	<b>22.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</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>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>(0.9)</b>	<b>(1.8)</b>	<b>(7.1)</b>	<b>(3.7)</b>	<b>(4.8)</b>	<b>19.7</b>	<b>4.1</b>	<b>0.6</b>	<b>1.7</b>	<b>1.1</b>	<b>14.7</b>	<b>18.1</b>
<b>Beginning cash and equivalents</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>12.8</b>	<b>5.7</b>	<b>2.0</b>	<b>(2.8)</b>	<b>12.8</b>	<b>16.9</b>	<b>17.6</b>	<b>19.2</b>	<b>20.4</b>	<b>16.9</b>
<b>Ending cash and equivalents</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>12.8</b>	<b>12.8</b>	<b>5.7</b>	<b>2.0</b>	<b>(2.8)</b>	<b>16.9</b>	<b>16.9</b>	<b>17.6</b>	<b>19.2</b>	<b>20.4</b>	<b>35.0</b>	<b>35.0</b>

Source: Company reports and Ascendant Capital Markets estimates

## ANALYST CERTIFICATION

Each analyst hereby certifies that the views expressed in this report reflect the analyst's personal views about the subject securities or issuers. Each analyst also certifies that no part of the analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this report. The analyst who prepared this report is compensated based upon the overall profitability of Ascendant Capital Markets, LLC, which may, from time to time, include the provision of investment banking, financial advisory and consulting services. Compensation for research is based on effectiveness in generating new ideas for clients, performance of recommendations, accuracy of earnings estimates, and service to clients.

## 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	
13	12/14/2024	Buy	8.50	

- Ascendant Capital Markets, LLC has not received compensation for advisory or investment banking services from the company in the past 12 months.

## IMPORTANT DISCLOSURES

This report has been distributed by Ascendant Capital Markets, LLC and is for the sole use of our clients. This report is based on current public information that we consider reliable, but we do not represent it is accurate or complete, and it should not be relied

on as such. This report contains information from various sources, including United States government publications, The Wall Street Journal and other periodicals, Yahoo! Finance and other sources, and is for informational purposes only and is not a recommendation to trade in the securities of the companies mentioned within the report. We seek to update our research and recommendations as appropriate, but the large majority of reports are published at irregular intervals as we consider appropriate and, in some cases, as constrained by industry regulations.

We may have a business relationship with companies covered in this report. Ascendant Capital Markets, LLC may make a market in the securities of the subject company. We and our affiliates, officers, directors, and employees will from time to time have long or short positions in, act as principal in, and buy or sell, the securities or derivatives (including options and warrants) thereof of covered companies referred to in this report. This report is not an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Clients should consider whether any information in this report is suitable for their particular circumstances and, if appropriate, seek professional advice, including tax advice. The price and value of the investments referred to in this report may fluctuate.

Following are some general risks that can adversely impact future operational and financial performance and share price valuation: (1) industry fundamentals with respect to legislation, mandates, incentives, customer demand, or product pricing; (2) issues relating to competing companies or products; (3) unforeseen developments with respect to management, financial condition or accounting policies or practices; or (4) external factors that affect the interest rates, currency, the economy or major segments of the economy. Past performance is not a guide to future performance, future returns are not guaranteed, and loss of original capital may occur. Certain transactions, including those involving futures, options, and other derivatives, give rise to substantial risk and are not suitable for all investors. Our report is disseminated primarily electronically, and, in some cases, in printed form. The information contained in this report is not incorporated into the contents of our website and should be read independently thereof. Copyright Ascendant Capital Markets, LLC. No part of this material may be copied, photocopied or duplicated by any means or redistributed without the prior written consent of Ascendant Capital Markets, LLC.

## Risks & Considerations

Risks to attainment of our share price target include balance sheet/liquidity risks, technological and retail changes, customer demand for fintech and retail technologies, investor sentiment for investing in technology stocks, consumer sentiment and industry growth for retail and technology companies, competition, changing macroeconomic factors, and changes in government regulations.

## 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 April 11, 2025)

Rating	Count	Percent	Investment Banking Services Past 12 months	
			Count	Percent
Buy	52	98%	21	40%
Hold	0	0%	0	0%
Sell	1	2%	0	0%
Total	53	100%	21	40%

### Other Important Disclosures

Our analysts use various valuation methodologies including discounted cash flow, price/earnings (P/E), enterprise value/EBITDAS, and P/E to growth rate, among others. Risks to our price targets include failure to achieve financial results, product risk, regulatory risk, general market conditions, and the risk of a change in economic conditions.

### Dissemination of Research

Ascendant Capital Markets, LLC research is distributed electronically via the Thomson Reuters platforms, Bloomberg, Capital IQ and FactSet. Please contact your investment advisor or institutional salesperson for more information.

### General Disclaimer

The information and opinions in this report were prepared by Ascendant Capital Markets, LLC. This information is not intended to be used as the primary basis of investment decisions and because of individual client objectives it should not be construed as advice designed to meet the particular investment needs of any investor. This material is for information purposes only and is not an offer or solicitation with respect to the purchase or sale of any security. The reader should assume that Ascendant Capital Markets, LLC may have a conflict of interest and should not rely solely on this report in evaluating whether or not to buy or sell securities of issuers discussed herein. The opinions, estimates, and projections contained in this report are those of Ascendant Capital Markets, LLC as of the date of this report and are subject to change without notice. Ascendant Capital Markets, LLC endeavors to ensure that the contents have been compiled or derived from sources that we believe are reliable and contain information and opinions that are accurate and complete. However, Ascendant Capital Markets, LLC makes no representation or warranty, express or implied, in respect thereof, takes no responsibility for any errors and omissions contained herein, and accepts no liability whatsoever for any loss arising from any use of, or reliance on, this report or its contents. Information may be available to Ascendant Capital Markets, LLC, or its affiliates that is not reflected in this report. This report is not to be construed as an offer or solicitation to buy or sell any security.

### Additional Disclosures

Ascendant Capital Markets, LLC is a broker-dealer registered with the United States Securities and Exchange Commission (SEC) and a member of the FINRA and SIPC. Ascendant Capital Markets, LLC is not a Registered Investment Advisor nor is it an investment advisor registered with the Securities and Exchange Commission or with the securities regulators of any state, and at the present time is not eligible to file for federal registration.