SurgePays, Inc.

Q2 revenue growth. Sells ClearLine platform. We expect rebound in growth in 2026/27 with new products to drive shares. Raising P/T to $3.75.

United States
Technology

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COMPANY UPDATE

Rating: BUY

Ticker: SURG

Price: $0.17

Target: $3.75
(from $3.50)

Reports Q2: SurgePays recently (on August 14) reported its fiscal Q2 2026 (ending June) results. Revenue was $16 million (+41% y-o-y), compared to our estimates of $14 million. EPS was $0.05, compared to our estimates of $(0.11). There was no Q2 guidance or consensus.

Q2 growth: The company had strong revenue growth (+41% y-o-y) to $16 million, but was relatively flat from Q1's 16 million.

No guidance: The company did not provide any forward guidance.

Adjusting estimates: We are maintaining our 2026 estimates for revenue of $65 million, but adjusting it for EPS to $(0.44) from $(0.70). We note our estimates do not reflect the recent sale of ClearLine so our model will adjust when we get more information.

Sells ClearLine for $27 million: In September 2026, the company completed the sale of its ClearLine point of sale (POS) engagement platform, its Managed Marketing Services platform, and a turnkey wireless company (MVNO), together with related operating assets, to GPO Plus, Inc. for a total consideration of $27.5 million.

Better focus and capital: For SurgePays, the transaction sharpens the company's focus on its core prepaid wireless and fintech businesses, monetizes the significant investment in the ClearLine development over the last three years at a meaningful valuation, and materially strengthens the company's balance sheet.

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.

Lifeline opportunities: 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. In April 2025, the company formally launched its LinkUp Mobile AT&T services nationwide.

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.

Valuation attractive: We are maintaining our BUY rating, but raising our 12-month price target to $3.75 from $3.50, which is based on a NPV analysis. 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.

Stock Data

Exchange:	NasdaqCM
52-week Range:	0.15 – 3.14
Shares Outstanding (million):	53
Market cap ($million):	$9
EV ($million):	$25
Debt ($million):	$18
Cash ($million):	$2
Avg. Daily Trading Vol. ($million):	$3
Float (million shares):	44
Short Interest (million shares):	1
Dividend, annual (yield):	$0 (NA%)

Revenues (US$ million)

	2026E (Cur.)	2026E (Old)	2027E (Cur.)	2027E (Old)
Q1 Mar	16A		17E	19E
Q2 Jun	16A	14E	17E	
Q3 Sep	17E	19E	18E	23E
Q4 Dec	16E	17E	18E	21E
Total	**65E**		**70E**	**80E**
EV/Revs	0.4x		0.4x	

Earnings per Share (pro forma)

	2026E (Cur.)	2026E (Old)	2027E (Cur.)	2027E (Old)
Q1 Mar	(0.51)A		(0.01)E	(0.01)E
Q2 Jun	0.05A	(0.11)E	(0.01)E	(0.03)E
Q3 Sep	(0.07)E	(0.08)E	0.02E	0.06E
Q4 Dec	(0.05)E	(0.02)E	0.01E	0.03E
Total	**(0.44)E**	**(0.70)E**	**0.01E**	**0.05E**
P/E	N/A		17x	

For analyst certification and other important disclosures, refer to the Disclosure Section, located at the end of this report, beginning on page 15.

OVERVIEW

- SurgePays recently (on August 14) reported its fiscal Q2 2026 (ending June) results.
- Revenue was $16 million (+41% y-o-y), compared to our estimates of $14 million.
- EPS was $0.05, compared to our estimates of $(0.11).
- There was no Q2 guidance or consensus.
- The company did not provide any forward guidance.
- We are maintaining our 2026 estimates for revenue of $65 million, but adjusting it for EPS to $(0.44) from $(0.70).
- We are lowering our 2027 estimates for revenue to $70 million, from $80 million, and for EPS to $0.01 from $0.05.

ADDITIONAL DETAILS

- Gross profit for the quarter was $(0.4) million, compared with our estimate of $0.7 million.
- Gross margin for the quarter was -3 %, versus our expectation of +5% and -23% last year.
- Operating expenses were $(4) million, versus our expectation of $3 million.
- Operating income was $3.5 million, versus our expectation of a loss of $(2.3) million.
- Net Income was $1.3 million, versus our expectation of a loss of $(2.7) 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.
- In April 2025, the company formally launched its AT&T services, both direct-to-consumer wireless services and its infrastructure platform as a mobile virtual network enabler (MVNE).
- In September 2026, the company completed the sale of its ClearLine point of sale (POS) engagement platform, its Managed Marketing Services platform, and a turnkey wireless company (MVNO), together with related operating assets, to GPO Plus, Inc. for a total consideration of $27.5 million.

The company's balance sheet had $2 million in cash and $18 million in debt, compared with $2 million in cash and $15 million in debt at the end of March. In September 2026, the company completed the sale of its ClearLine business for total consideration of $27.5 million.

Exhibit 1: SurgePays Overview (as of April 2026)

Investment Highlights

Wireless and FinTech Company

Over 200k Wireless Subscribers

Q4 2025 revenue **Up 69% YoY**

138 Million Sub-prime Target Market Opportunity[3]

High **Insider Ownership** Aligned with Shareholders; 33%

9K+ Retail Distribution Network

Empower Retail Clerks with Suite of Prepaid Products and Services

SurgePays

NASDAQ: SURG

Share Price[1]	$0.8285
Market Cap	$19.4M
Shares Outstanding[2]	23.43M
Insider Ownership[2]	~14%
Headquarters	Bartlett, TN

Source: Company reports.

Exhibit 2: SurgePays's Wireless and FinTech Products (as of April 2026)

Source: Company reports.

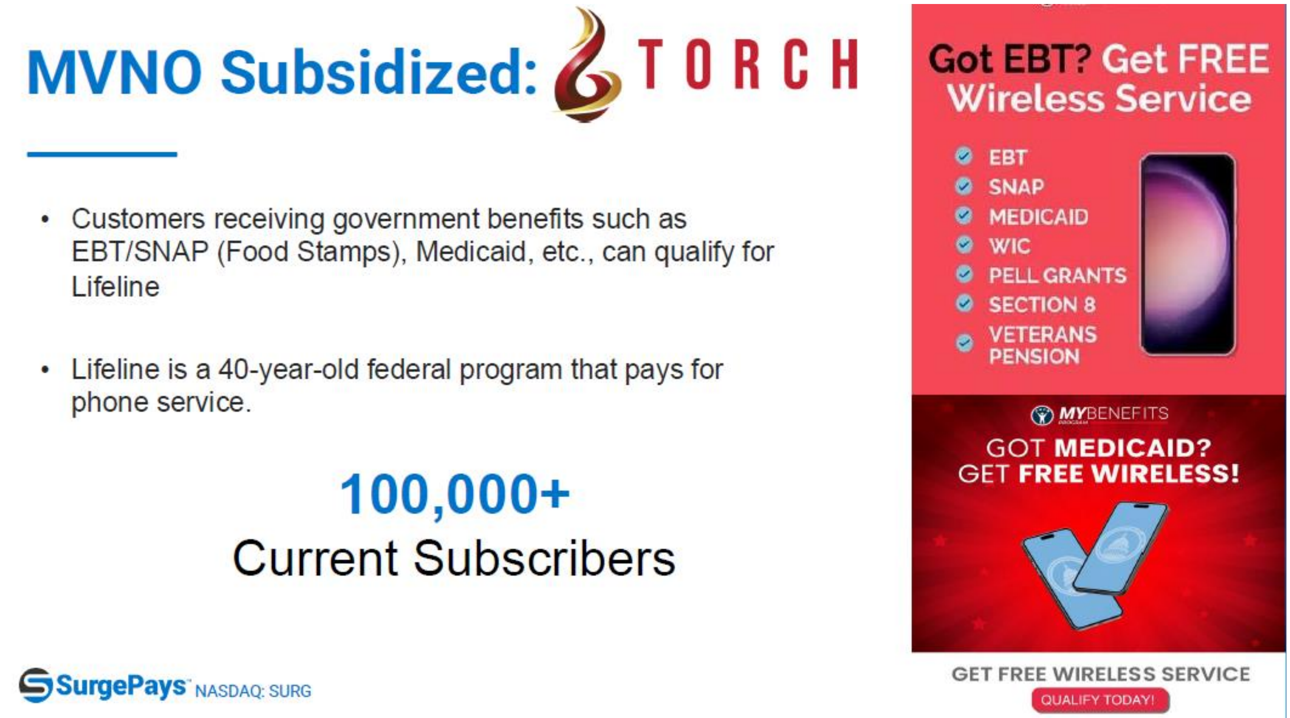
Exhibit 3: SurgePays Competitive Advantages

Source: Company reports.

Exhibit 4: SurgePays Market Opportunity

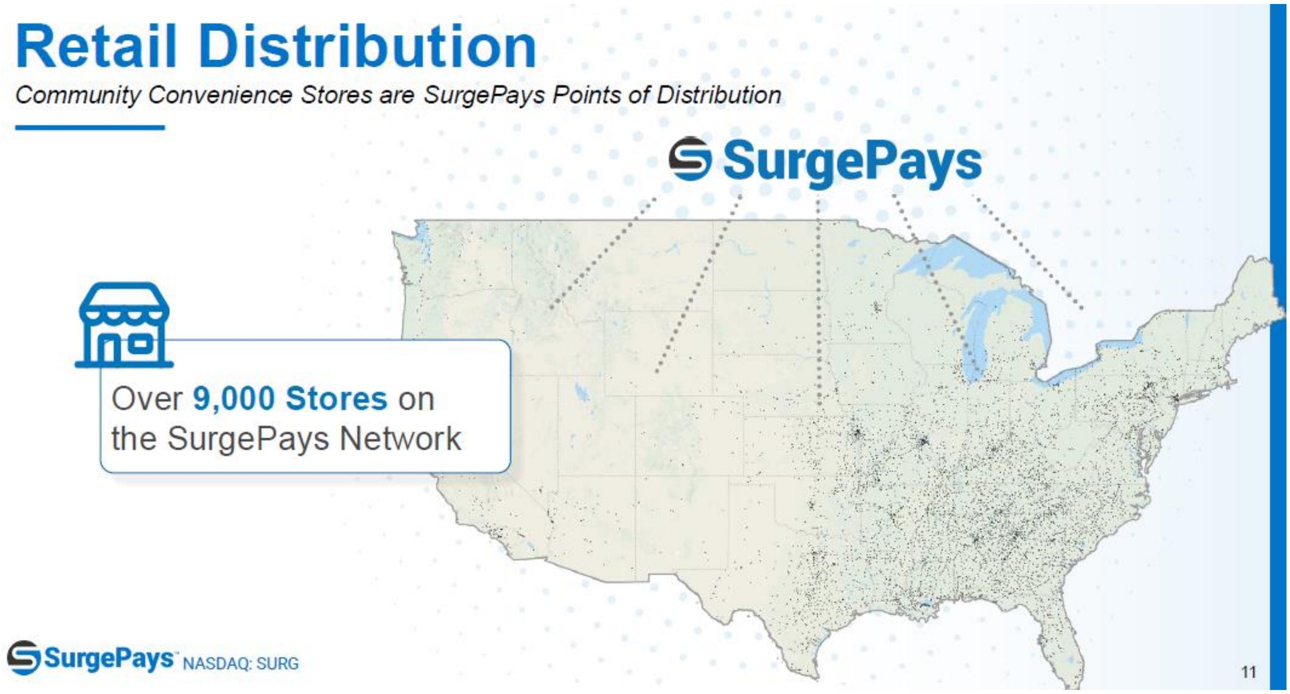
Source: Company reports.

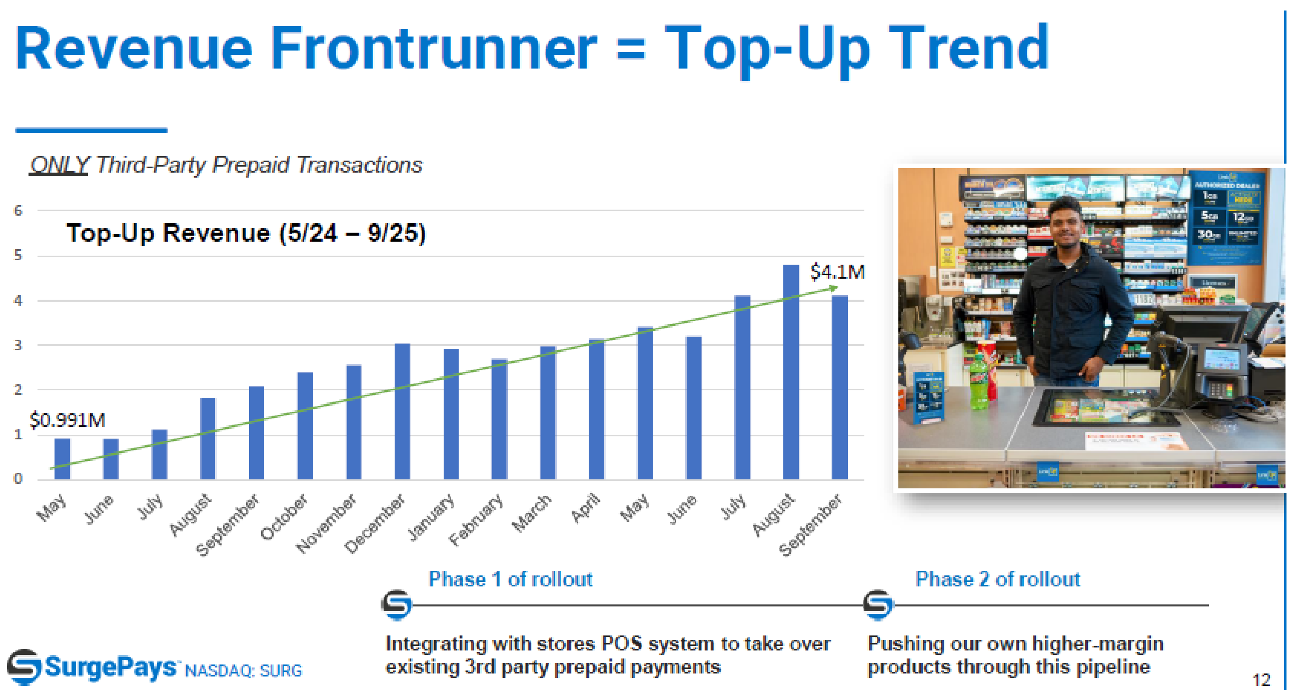
Exhibit 5: SurgePays MVNO Subsidized (Torch Wireless Lifeline program) and Prepaid (LinkUp Mobile)



Source: Company reports.

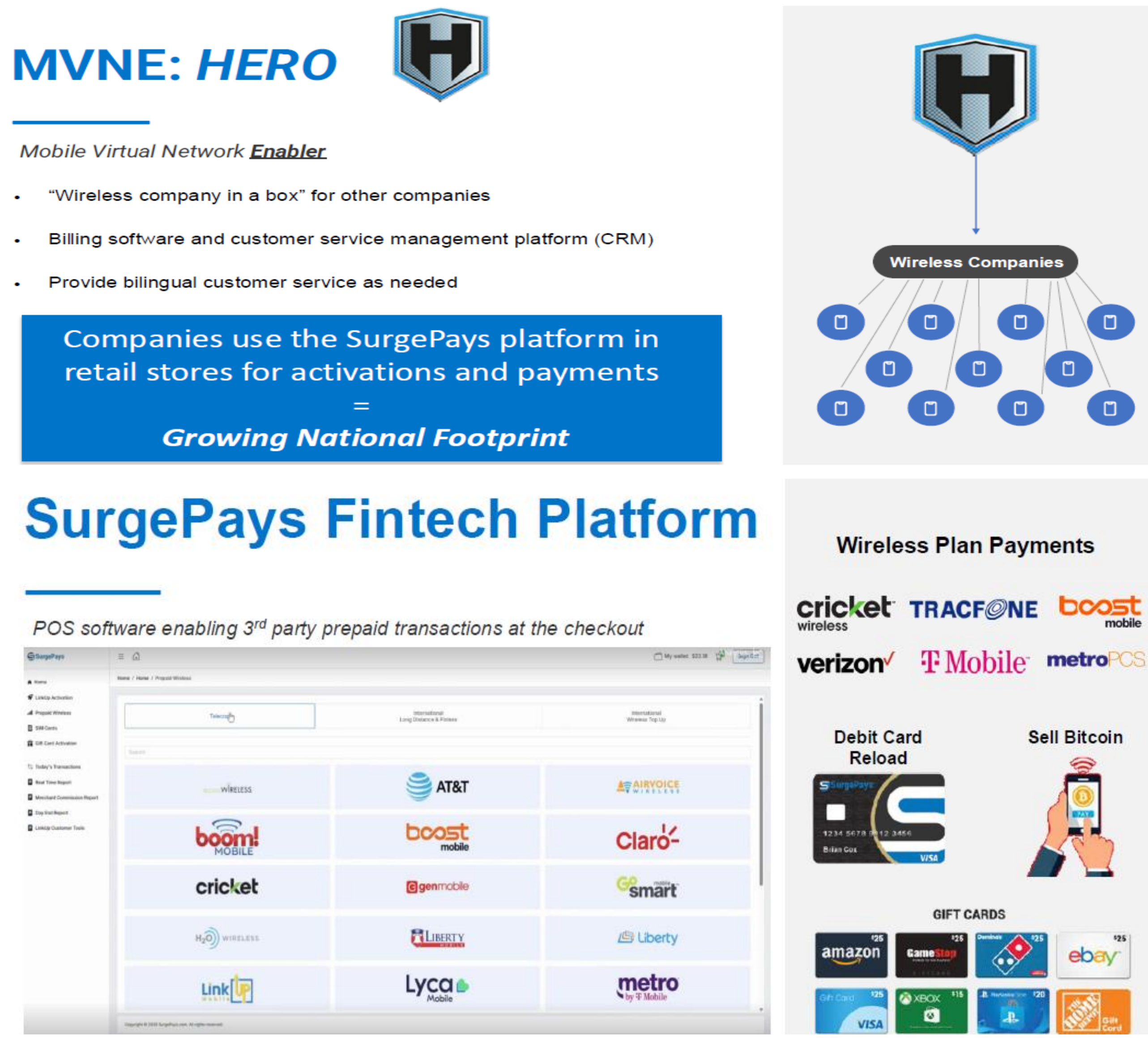
Exhibit 6: SurgePays Growth Strategy





Source: Company reports.

Exhibit 7: SurgePays FinTech Products



Source: Company reports.

Exhibit 8: Q2 2026 Results and Recent Highlights (as of August 14, 2026)

SurgePays Reports Q2 2026 Revenue Growth of 40.7% Year-Over-Year to $16.2 Million, Reports Positive Net Income of $1.29 Million

First Half Revenue Grew 45.7% to $32.19 Million While G&A Declined 9.3%

Sixth Consecutive Quarter of Sequential Revenue Growth; Company Expects Continued Momentum in Q3

BARTLETT, Tenn., Aug. 14, 2026 (GLOBE NEWSWIRE) -- SurgePays, Inc. (NASDAQ: SURG), a fintech and wireless company, today announced its financial results for the second quarter ended June 30, 2026.

"Q2 2026 marks our return to GAAP profitability, with net income available to common stockholders of $1.29 million and strong revenue growth under our new multi-channel revenue structure. Revenue of $16.20 million was 40.7% above the same quarter a year ago, and first half 2026 revenue reached $32.19 million, a 45.7% increase over the first half of 2025," said Brian Cox, Chief Executive Officer of SurgePays.

Q2 2026 Financial Highlights

- Net income available to common stockholders was $1.29 million, or positive earnings per common share EPS of $0.05 per share.
- Operating income improved by $10.3 million year over year, moving from a $6.8 million operating loss in Q2 2025 to $3.5 million of operating income in Q2 2026.
- Revenue of $16.20 million, up 40.7 percent year over year. First half revenue of $32.19 million, up 45.7 percent year over year.
- First half revenue grew 45.7 percent while first half G&A declined 9.3 percent.

"Over the past 2 years we have actively built a diversified, multi-channel revenue architecture for our business to be supported by multiple independent revenue streams. Our internal models show we are still in the early growth stages of each channel," continued Mr. Cox. "Q2 reflects the initial results of the platforms, integrations, and systems we have been building. As we look to Q3 and the balance of 2026, we expect to benefit from our first full quarter under the renegotiated AT&T agreement, continued growth across each of our sales channels, and what we anticipate being our seventh consecutive quarter of sequential revenue growth."

Subsequent Events

On August 5, 2026, the Company announced the formation of Redline Wireless Group, LLC, a joint venture with one of the largest wireless master distribution organizations in the United States, encompassing an executed dealer agreement footprint of more than 20,000 active independent prepaid wireless dealers. The new venture is expected to be cash flow positive in its first months of operations.

On August 11, 2026, the Company announced continued growth in its smartphone rent-to-own program with All Prepaid, LLC, dba LowWeeklyPayments ("LWP"). Retailer sales through the program reached approximately $176,000 in July, a 23% increase over June sales of $142,725. Based on this performance, the Company has initiated discussions with LWP regarding a potential joint venture to support the program's continued expansion.

Source: Company reports.

Exhibit 9: Sells ClearLine Apps Engagement Platform (as of September 10, 2026)

SurgePays Sells ClearLine Apps Engagement Platform for $27.5 Million in Consideration

Transaction Includes a Turnkey Prepaid Wireless Company and the Managed Marketing Services Platform

BARTLETT, Tenn., Sept. 10, 2026 (GLOBE NEWSWIRE) -- SurgePays, Inc. (NASDAQ: SURG), a fintech and wireless company, today announced that it has completed the sale of its ClearLine point of sale (POS) engagement platform, its Managed Marketing Services platform, and a turnkey wireless company (MVNO), together with related operating assets, to GPO Plus, Inc. ("GPO Plus") for a total consideration of $27.5 million.

ClearLine is an innovative point of sale digital marketing platform that turns credit card payment terminals and customer facing screens into a dynamic, interactive marketing channel for retailers. The software delivers a seamless approach to marketing campaigns designed to increase customer spending, capture reviews and feedback, gather customer data, and digitize loyalty program enrollment through hyperlocal marketing on payment terminals and POS screens.

ClearLine's platform includes reviews, deals, surveys, VIP club, gift cards, coupons, birthday club, loyalty, referral program, Wi Fi marketing, geofencing, push messages, POS system integration, and NFC tags, giving merchants a single dashboard to run engagement and marketing across the storefront and the point of sale. The platform is backed by U.S. Patent No. 12,632,881 B2, which covers its merchant engagement technology.

The transaction also includes the proprietary Managed Marketing Services (MMS) platform. The ClearLine managed digital marketing network turns smart TVs installed in retail locations into a dynamic, remotely controlled media channel in place of traditional printed signage. Video commercials, static ads, QR code or coupon offers, and more can be controlled not only at the store level, but down to the TV if multiple TVs are placed in different areas of the store. The MMS platform can generate advertising revenue and promote products and services to the captive in-store audience.

The turnkey prepaid wireless company was built using SurgePays' existing platforms, carrier contracts, and integrated software infrastructure.

For SurgePays, the transaction sharpens the Company's focus on its core prepaid wireless and fintech businesses, monetizes the significant investment in the ClearLine development over the last three years at a meaningful valuation, and materially strengthens the Company's balance sheet.

As consideration for the transaction, GPO Plus issued to SurgePays 25,000,000 shares of a newly designated Series D Preferred Stock. As part of the transaction, SurgePays also entered into a put option agreement with Emerald Shoals Targeted Opportunities Fund LP ("Emerald Shoals"), giving SurgePays the right to sell the Series D Preferred Stock, or the common stock it converts into, to Emerald Shoals for $27.5 million in cash.

"This is a win-win for both companies and their shareholders," said Brian Cox, Chief Executive Officer of SurgePays. "On the heels of some remarkable recent MVNO valuations, we are delivering the ClearLine POS engagement platform, the MMS platform, and a turnkey prepaid wireless company to GPO Plus. I am a big fan of GPO's DSD model, and we believe adding these platforms can drive meaningful new revenue streams across their network. For SurgePays, monetizing ClearLine and the turnkey MVNO strengthens our balance sheet and lets us put our full focus on our core prepaid wireless and fintech businesses."

Source: Company reports.

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

Source: https://www.nasdaq.com/, Chart IQ, EDGAR ONLINE.

FINANCIAL MODEL

SurgePays Inc.

Income Statement ($ mils)	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	Mar-27	Jun-27	Sep-27	Dec-27	2027
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
Total Revenue	**31.4**	**15.1**	**4.8**	**9.6**	**60.9**	**10.6**	**11.5**	**18.7**	**16.2**	**57.0**	**16.0**	**16.2**	**16.5**	**16.2**	**64.9**	**16.9**	**17.3**	**17.7**	**18.1**	**70.1**
Cost of Revenues	23.2	18.5	12.6	20.8	75.2	13.5	14.2	21.3	18.6	67.6	23.7	16.6	15.7	14.6	70.6	13.6	13.9	13.6	13.8	54.8
Gross Profit	8.2	(3.4)	(7.8)	(11.2)	(14.3)	(2.9)	(2.7)	(2.6)	(2.4)	(10.6)	(7.7)	(0.4)	0.8	1.6	(5.7)	3.4	3.5	4.1	4.4	15.3
Depreciation and amortization					0.0					0.0					0.0					0.0
Selling, general and administr	6.4	7.4	6.4	7.1	27.5	4.6	4.2	4.4	6.9	20.1	3.5	4.6	4.0	3.9	16.0	3.4	3.8	2.7	3.3	13.1
Restructuring and other					0.0				3.5	3.5		(8.5)			(8.5)					0.0
Total operating expenses	6.4	7.4	6.4	7.1	27.5	4.6	4.2	4.4	10.4	23.5	3.5	(3.9)	4.0	3.9	7.5	3.4	3.8	2.7	3.3	13.1
Operating income (loss)	**1.8**	**(10.9)**	**(14.3)**	**(18.4)**	**(41.8)**	**(7.6)**	**(6.8)**	**(7.0)**	**(12.8)**	**(34.1)**	**(11.2)**	**3.5**	**(3.1)**	**(2.3)**	**(13.2)**	**0.0**	**(0.3)**	**1.4**	**1.1**	**2.2**
Interest income (expense)	(0.1)	(0.1)	0.1	(0.3)	(0.4)	(0.1)	(0.3)	(0.5)	(1.1)	(1.9)	(0.9)	(1.0)	(0.4)	(0.4)	(2.8)	(0.4)	(0.4)	(0.4)	(0.4)	(1.8)
Other income (expense)	0.0	0.7	(0.1)	(1.3)	(0.6)	0.0	0.0	0.0	0.0	0.0	0.0	(1.1)	0.0	0.0	(1.1)	0.0	0.0	0.0	0.0	0.0
Income before income taxes	1.6	(10.3)	(14.3)	(19.9)	(42.9)	(7.6)	(7.1)	(7.5)	(13.9)	(36.1)	(12.1)	1.3	(3.6)	(2.7)	(17.1)	(0.4)	(0.8)	1.0	0.6	0.4
Income taxes	0.4	2.5		(0.1)	2.9					0.0			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income (loss)	1.2	(12.9)	(14.3)	(19.8)	(45.7)	(7.6)	(7.1)	(7.5)	(13.9)	(36.1)	(12.1)	1.3	(3.6)	(2.7)	(17.1)	(0.4)	(0.8)	1.0	0.6	0.4
Nonrecurring/noncash adjustments					0.0					0.0					0.0					0.0
Net income (pro forma)	**1.2**	**(12.9)**	**(14.3)**	**(19.8)**	**(45.7)**	**(7.6)**	**(7.1)**	**(7.5)**	**(13.9)**	**(36.1)**	**(12.1)**	**1.3**	**(3.6)**	**(2.7)**	**(17.1)**	**(0.4)**	**(0.8)**	**1.0**	**0.6**	**0.4**
EBITDA	4.0	(7.6)	(12.2)	(15.9)	(31.7)	(7.1)	(6.4)	(6.5)	(9.8)	(29.7)	(10.6)	4.9	(1.8)	(0.9)	(8.4)	1.3	1.0	2.8	2.4	7.5
Shares, Basic	17.7	19.4	19.7	19.8	19.1	20.1	19.9	19.8	20.5	20.1	23.7	25.9	53.0	53.2	39.0	53.3	53.4	53.6	53.8	53.5
Shares, Diluted	18.7	19.4	19.7	19.8	19.1	20.1	19.9	19.8	20.5	20.1	23.7	25.9	53.0	53.2	39.0	53.3	53.4	53.6	53.8	53.5
EPS Basic (pro forma)	$0.07	($0.66)	($0.73)	($1.00)	($2.39)	($0.38)	($0.36)	($0.38)	($0.68)	($1.80)	($0.51)	$0.05	($0.07)	($0.05)	($0.44)	($0.01)	($0.01)	$0.02	$0.01	$0.01
EPS Diluted (pro forma)	**$0.07**	($0.66)	($0.73)	($1.00)	($2.39)	($0.38)	($0.36)	($0.38)	($0.68)	($1.80)	($0.51)	**$0.05**	($0.07)	($0.05)	($0.44)	($0.01)	($0.01)	**$0.02**	**$0.01**	**$0.01**
Margins																				
Gross margin	26%	-23%	-164%	-117%	-24%	-28%	-23%	-14%	-15%	-19%	-48%	-3%	5%	10%	-9%	20%	20%	23%	24%	22%
Selling, general and administr	20%	49%	135%	74%	45%	44%	36%	23%	43%	35%	22%	29%	24%	24%	25%	20%	22%	15%	18%	19%
Operating margin	6%	-72%	-299%	-191%	-69%	-72%	-59%	-37%	-79%	-60%	-70%	21%	-19%	-14%	-20%	0%	-2%	8%	6%	3%
Tax rate, GAAP	26%	-25%	0%	1%	-7%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Net margin	4%	-85%	-299%	-206%	-75%	-72%	-61%	-40%	-86%	-63%	-75%	8%	-22%	-17%	-26%	-3%	-5%	5%	4%	1%
Y/Y % change																				
Total Revenue	-10%	-58%	-86%	-70%	-56%	-66%	-24%	292%	69%	-6%	51%	41%	-12%	0%	14%	6%	7%	7%	12%	8%
Gross margin	6%	-134%	-175%	-251%	-140%	-136%	-23%	-67%	-79%	-26%	162%	-84%	-132%	-168%	-46%	-144%	-916%	392%	169%	-369%
Selling, general and administr	115%	94%	90%	9%	64%	-28%	-44%	-32%	-3%	-27%	-24%	12%	-9%	-44%	-20%	-3%	-18%	-33%	-16%	-18%
Operating income (loss)	-63%	-275%	-301%	-2221%	-321%	-533%	-37%	-51%	-30%	-18%	48%	-151%	-55%	-82%	-61%	-100%	-110%	-145%	-148%	-116%
Net income (loss)	-73%	-316%	-302%	-756%	-322%	-723%	-45%	-48%	-30%	-21%	58%	-118%	-52%	-80%	-53%	-96%	-161%	-127%	-124%	-102%
EPS Diluted (pro forma)	-79%	-267%	-254%	-598%	-273%	-680%	-46%	-48%	-33%	-25%	34%	-114%	-82%	-92%	-76%	-98%	-130%	-127%	-124%	-102%

Source: Company reports and Ascendiant Capital Markets estimates.

SurgePays Inc.

Balance Sheet ($ mils) Fiscal Year End: December 31	Mar-24 Q1A	Jun-24 Q2A	Sep-24 Q3A	Dec-24 Q4A	Mar-25 Q1A	Jun-25 Q2A	Sep-25 Q3A	Dec-25 Q4A	Mar-26 Q1A	Jun-26 Q2A	Sep-26 Q3E	Dec-26 Q4E	Mar-27 Q1E	Jun-27 Q2E	Sep-27 Q3E	Dec-27 Q4E
Assets																
Cash and cash equivalents	42.9	38.4	13.7	11.8	5.4	4.4	2.5	1.7	2.0	2.0	30.2	28.7	27.7	28.3	27.3	29.3
Short term investments			10.1								0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable, net	8.3	1.4	1.5	3.0	2.5	2.7	4.3	4.0	5.0	1.8	5.0	4.9	1.9	1.9	5.3	5.4
Lifeline revenue due from USAC																
Inventory	7.3	8.4	8.4	1.8	1.8	2.4	1.9	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Deferred income taxes											0.0	0.0	0.0	0.0	0.0	0.0
Prepaid expenses and other	0.5	0.5	0.3	1.3	0.2	0.2	0.5	0.9	0.8	0.8	0.8	0.8	0.2	0.2	0.2	0.2
Total current assets	59.1	48.7	33.9	17.9	9.9	9.7	9.2	7.0	8.2	4.9	36.2	34.6	30.0	30.6	33.0	35.1
Property and equipment, net	0.3	0.2	0.2	0.6	0.5	0.5	0.4	0.4	0.4	0.3	0.3	0.2	0.1	(0.0)	(0.1)	(0.2)
Note receivable	0.2	0.2	0.2	0.2	0.2	0.2	0.2				0.0	0.0	0.0	0.0	0.0	0.0
Intangibles, net	2.4	2.2	2.0	1.5	1.3	1.1	1.0	0.8	0.7	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Goodwill	4.2	4.2	4.2	3.3	3.3	3.3	3.3				0.0	0.0	0.0	0.0	0.0	0.0
Investment in Centercom	0.5	0.5	0.5								0.0	0.0	0.0	0.0	0.0	0.0
Deferred income tax	2.5										0.0	0.0	0.0	0.0	0.0	0.0
Other	0.4	0.4	0.6	0.6	0.5	0.4	0.4	0.3	0.3	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Total assets	**69.6**	**56.4**	**41.5**	**24.0**	**15.7**	**15.2**	**14.5**	**8.5**	**9.5**	**9.2**	**40.5**	**38.8**	**34.1**	**34.7**	**37.0**	**39.0**
Liabilities and stockholders' equity																
Accounts payable and accrued exper	6.5	4.3	3.2	3.9	3.8	5.1	8.3	10.2	17.5	10.1	10.3	10.1	4.9	5.0	5.1	5.3
Accounts payable and accrued exper	0.6	0.5	0.5	0.2			0.2	0.1	0.2	0.8	0.9	0.8	0.5	0.5	0.5	0.5
Credit card liability											0.0	0.0	0.0	0.0	0.0	0.0
Deferred revenue											0.0	0.0	0.0	0.0	0.0	0.0
Deferred income tax	0.7	0.1	0.1								0.0	0.0	0.0	0.0	0.0	0.0
Warrant liabilities									0.2	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Other	0.1	0.1	0.1	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
Short term debt	1.6	1.6	1.6	1.7	1.7	3.3	8.9	7.6	12.0	13.9	13.9	13.9	13.9	13.9	13.9	13.9
Total current liabilities	**9.4**	**6.6**	**5.4**	**6.1**	**5.7**	**8.7**	**17.7**	**18.2**	**30.0**	**26.2**	**26.4**	**26.1**	**20.6**	**20.7**	**20.8**	**21.0**
Deferred income taxes											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
Other long term liabilities	0.3	0.3	0.0	0.3	0.3	0.2	0.2	0.1	0.0		0.0	0.0	0.0	0.0	0.0	0.0
Deferred revenue											0.0	0.0	0.0	0.0	0.0	0.0
Long term debt	3.6	3.2	2.8	2.3	1.9	6.3	3.1	5.6	3.3	3.8	3.8	3.8	3.8	3.8	3.8	3.8
Total other liabilities	**4.0**	**3.5**	**2.8**	**2.7**	**2.1**	**6.5**	**3.2**	**5.7**	**3.3**	**3.8**	**3.8**	**3.8**	**3.8**	**3.8**	**3.8**	**3.8**
Preferred stock											27.0	27.0	27.0	27.0	27.0	27.0
Common stock	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.3	2.5	3.7	5.0	6.2	7.4
Additional paid-in capital	70.0	73.0	74.2	76.2	76.4	75.7	76.7	81.6	85.2	87.0	87.0	87.0	87.0	87.0	87.0	87.0
Retained earnings	(14.0)	(26.8)	(41.1)	(60.9)	(68.6)	(75.6)	(83.1)	(97.0)	(109.0)	(107.7)	(111.3)	(114.0)	(114.5)	(115.3)	(114.3)	(113.7)
Minority Interest	0.1	0.1	0.1	(0.1)	(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											6.4	6.4	6.4	6.4	6.4	6.4
Total stockholders' equity	**56.2**	**46.3**	**33.3**	**15.3**	**7.8**	**0.1**	**(6.4)**	**(15.4)**	**(23.9)**	**(20.7)**	**10.3**	**8.9**	**9.6**	**10.1**	**12.3**	**14.2**
Total stockholders' equity and liabili	**69.6**	**56.4**	**41.5**	**24.0**	**15.7**	**15.2**	**14.5**	**8.5**	**9.5**	**9.2**	**40.5**	**38.8**	**34.1**	**34.7**	**37.0**	**39.0**

Balance Sheet Drivers

	Mar-24 Q1A	Jun-24 Q2A	Sep-24 Q3A	Dec-24 Q4A	Mar-25 Q1A	Jun-25 Q2A	Sep-25 Q3A	Dec-25 Q4A	Mar-26 Q1A	Jun-26 Q2A	Sep-26 Q3E	Dec-26 Q4E	Mar-27 Q1E	Jun-27 Q2E	Sep-27 Q3E	Dec-27 Q4E
Prepaid as % of total rev	2%	3%	7%	14%	2%	2%	3%	5%	5%	5%	5%	5%	1%	1%	1%	1%
A/P and accrued exp as % of total rev	21%	28%	67%	41%	36%	44%	45%	63%	110%	63%	63%	63%	29%	29%	29%	29%
A/P and accrued exp related as % of tota	2%	3%	10%	2%	0%	0%	1%	1%	1%	5%	5%	5%	3%	3%	3%	3%
Activity Ratios																
A/R Days Sales Outstanding	24	8	29	28	21	21	21	22	28	10	27	27	10	10	27	27
Book & Cash Value (per share)																
Book Value per Share (diluted)	$3.01	$2.38	$1.69	$0.77	$0.39	$0.00	-$0.32	-$0.75	-$1.01	-$0.80	$0.19	$0.17	$0.18	$0.19	$0.23	$0.26
Cash per Share (diluted)	$2.30	$1.98	$1.20	$0.60	$0.27	$0.22	$0.13	$0.08	$0.08	$0.08	$0.57	$0.54	$0.52	$0.53	$0.51	$0.54
Net cash per Share (diluted)	$2.02	$1.73	$0.98	$0.39	$0.09	-$0.26	-$0.48	-$0.56	-$0.56	-$0.61	$0.24	$0.21	$0.19	$0.20	$0.18	$0.22

Source: Company reports and Ascendiant Capital Markets estimates

SurgePays Inc.

Cash Flow Statement ($ mils)	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	Mar-27	Jun-27	Sep-27	Dec-27	2027
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
Cash flow from operating activities																				
Net income	1.2	(12.9)	(14.3)	(20.0)	(45.9)	(7.6)	(7.1)	(7.5)	(13.9)	(36.1)	(12.1)	1.3	(3.6)	(2.7)	(17.1)	(0.4)	(0.8)	1.0	0.6	0.4
Depreciation	0.2	0.2	0.2	0.2	0.9	0.2	0.2	0.2	0.2	0.9	0.2	0.2	0.1	0.1	0.6	0.1	0.1	0.1	0.1	0.4
Amortization	0.1	0.1	0.1	0.1	0.3	0.1	0.1	0.1	0.1	0.3	0.1	0.1			0.1					0.0
Debt related amortization expen	0.0				0.0		0.1	0.1	0.6	0.8	0.4	0.5			0.9					0.0
Dividend					0.0					0.0					0.0					0.0
Stock comp	1.9	3.0	1.8	2.1	8.8	0.2	0.2	0.2	2.7	3.3	0.4	1.2	1.2	1.2	4.1	1.2	1.2	1.2	1.2	4.9
Deferred rent					0.0					0.0					0.0					0.0
A/R and inventory reserves					0.0					0.0					0.0					0.0
Deferred income taxes	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
Change in fair value of warrant liability					0.0					0.0	(0.0)	0.9			0.8					0.0
Writedowns and impairments				1.7	1.7				3.3	3.3		(8.5)			(8.5)					0.0
Other gains/losses	(0.1)	(0.1)	(0.1)	0.3	0.1				0.2	0.2		(0.1)			(0.1)					0.0
Other				(0.5)	(0.5)					0.0		0.4			0.4					0.0
Changes in operating assets and liabilities:																				
Accounts receivable	1.3	6.9	(0.1)	(1.5)	6.5	0.5	(0.2)	(1.6)	0.2	(1.0)	(1.0)	(0.4)	(3.1)	0.1	(4.4)	3.0	(0.0)	(3.4)	(0.1)	(0.6)
Lifeline revenue due from USAC					0.0					0.0					0.0					0.0
Inventory	1.7	(1.0)	0.0	6.6	7.3		(0.6)	0.5	1.6	1.4		0.1			0.1					0.0
Prepaid expenses & other curre	(0.3)	(0.0)	0.2	0.0	(0.1)	0.1	(0.0)	(0.1)	(0.3)	(0.3)	0.2	0.0	(0.0)	0.0	0.2	0.7	(0.0)	(0.0)	(0.0)	0.6
Income tax		2.8			2.8					0.0					0.0					0.0
Other assets					0.0					0.0			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts payable	(2.4)	(2.3)	(1.1)	3.3	(2.5)	(0.2)	1.3	3.3	1.9	6.4	7.3	1.8	0.2	(0.2)	9.1	(5.2)	0.1	0.1	0.1	(4.9)
Accrued expenses			(0.6)	(0.4)	(0.9)	(0.2)	0.0	0.2	(0.1)	(0.1)			0.0	(0.0)	(0.0)	(0.3)	0.0	0.0	0.0	(0.3)
Deferred revenue	(0.0)				(0.0)					0.0					0.0					0.0
Other liabilities	0.2	(0.6)	0.5	0.1	0.1	(0.1)	(0.1)	(0.1)	(0.1)	(0.2)	(0.1)	(0.1)	0.0	0.0	(0.1)	0.0	0.0	0.0	0.0	0.0
Net cash (used in) provided by	**4.0**	**(4.1)**	**(13.3)**	**(7.9)**	**(21.3)**	**(6.963)**	**(6.119)**	**(4.646)**	**(3.564)**	**(21.3)**	**(4.551)**	**(2.630)**	**(5.2)**	**(1.5)**	**(13.8)**	**(1.0)**	**0.6**	**(1.0)**	**2.0**	**0.6**
Cash flow from investing activities																				
Purchases of property and equipment			(0.5)		(0.5)	(0.0)				(0.0)			(0.0)	0.0	(0.0)	(0.0)	0.0	(0.0)	(0.0)	(0.1)
Purchases of short-term investments			(10.1)	10.1	0.0					0.0					0.0					0.0
Acquisitions				(2.5)	(2.5)					0.0					0.0					0.0
Other					0.0					0.0					0.0					0.0
Net cash used in investing activ	**0.0**	**0.0**	**(10.6)**	**7.6**	**(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**	**(0.0)**	**(0.0)**	**(0.1)**
Cash flow from financing activities																				
Issuance of debt					0.0		5.4	3.6	5.5	14.5	3.2	2.8	0.0	0.0	6.0	0.0	0.0	0.0	0.0	0.0
Repayment of debt	(0.4)	(0.4)	(0.4)	(0.4)	(1.5)	(0.4)	(0.3)	(1.4)	(3.5)	(5.6)	(0.4)	(0.2)			(0.6)					0.0
Issuance of stock	15.9	0.0	0.0	0.0	15.9			0.6	1.1	1.7	2.1	0.0	0.0	0.0	2.1	0.0	0.0	0.0	0.0	0.0
Proceeds from stock option exe	8.8				8.8					0.0					0.0					0.0
Other			(0.5)	(0.1)	(0.6)					0.0			6.0		6.0					0.0
Dividends and distributions					0.0					0.0			27.0		27.0					0.0
Cash provided by (used in) fina	**24.3**	**(0.4)**	**(0.9)**	**(0.5)**	**22.5**	**(0.411)**	**5.126**	**2.757**	**3.1**	**10.5**	**4.954**	**2.6**	**33.0**	**0.0**	**40.5**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Effect of exchange rate on cash					0.0					0.0					0.0					0.0
Net increase (decrease) in cash	**28.3**	**(4.5)**	**(24.8)**	**(0.9)**	**(1.8)**	**(7.393)**	**(0.993)**	**(1.890)**	**(0.502)**	**(10.777)**	**0.403**	**(0.0)**	**27.8**	**(1.5)**	**26.7**	**(1.0)**	**0.6**	**(1.0)**	**2.0**	**0.6**
Beginning cash and equivalents	**14.6**	**42.9**	**38.4**	**13.7**	**14.6**	**12.8**	**5.4**	**4.4**	**2.515**	**12.790**	**2.0**	**2.4**	**2.4**	**30.2**	**2.0**	**28.7**	**27.7**	**28.3**	**27.3**	**28.7**
Ending cash and equivalents	**42.9**	**38.4**	**13.7**	**12.8**	**12.8**	**5.4**	**4.4**	**2.5**	**2.013**	**2.013**	**2.4**	**2.4**	**30.2**	**28.7**	**28.7**	**27.7**	**28.3**	**27.3**	**29.3**	**29.3**

Source: Company reports and Ascendiant Capital Markets estimates

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SurgePays, Inc.

Source: https://www.nasdaq.com/, Chart IQ, EDGAR ONLINE.

	Report Date		Price
Report	Date	Rating	Target
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
14	4/21/2025	Buy	8.75
15	6/14/2025	Buy	9.00
16	10/2/2025	Buy	9.50
17	12/21/2025	Buy	9.75
18	4/16/2026	Buy	5.00
19	6/9/2026	Buy	3.50

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Total return is defined as price appreciation plus dividend yield.

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			Investment Banking Services Past 12 months	
Rating	**Count**	**Percent**	**Count**	**Percent**
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Hold	0	0%	0	0%
Sell	1	2%	0	0%
Total	50	100%	19	38%

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