



# SurgePays, Inc.

*Q1 weak, but maintained strong 2025/26 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 \$9.00.*

## COMPANY UPDATE

### Rating: BUY

Ticker: SURG

Price: \$2.58

Target: \$9.00  
(from \$8.75)

**Q1 weak:** Revenue was \$11 million (-66% y-o-y), compared to our estimates of \$10 million and consensus of \$13 million. EPS was \$(0.38), compared to our estimates of \$(0.44) and consensus of \$(0.17). There was no Q1 guidance.

**Lower revenue due to end of ACP:** The company was significantly negatively affected by the end of the ACP program in May 2024. 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 2025/26 guidance:** The company maintained strong 2025/26 (12-months ending March 31, 2026) revenue guidance of \$200 million.

**Adjusting 2025 estimates:** We are lowering our 2025 estimates for revenue to \$100 million, from \$180 million, and for EPS to \$(0.80) from \$(0.24).

**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. In November 2024, the company 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. In April 2025, the company formally launched its 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. 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 \$9.00 from \$8.75, 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

June 14, 2025

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### Stock Data

|                                      |             |
|--------------------------------------|-------------|
| Exchange:                            | NasdaqCM    |
| 52-week Range:                       | 1.05 – 3.80 |
| Shares Outstanding (million):        | 20          |
| Market cap (\$million):              | \$52        |
| EV (\$million):                      | \$51        |
| Debt (\$million):                    | \$4         |
| Cash (\$million):                    | \$5         |
| Avg. Daily Trading Vol. (\$million): | \$5         |
| Float (million shares):              | 14          |
| Short Interest (million shares):     | 0.5         |
| Dividend, annual (yield):            | \$0 (NA%)   |

### Revenues (US\$ million)

|         | <u>2025E</u><br>(Cur.) | <u>2025E</u><br>(Old) | <u>2026E</u><br>(Cur.) | <u>2026E</u><br>(Old) |
|---------|------------------------|-----------------------|------------------------|-----------------------|
| Q1 Mar  | 11A                    | 10E                   | 50E                    | 38E                   |
| Q2 Jun  | 15E                    | 20E                   | 50E                    | 40E                   |
| Q3 Sep  | 26E                    | 35E                   | 50E                    | 41E                   |
| Q4 Dec  | 48E                    | 115E                  | 50E                    | 81E                   |
| Total   | 100E                   | 180E                  | 200E                   |                       |
| EV/Revs | 0.5x                   |                       | 0.3x                   |                       |

### Earnings per Share (pro forma)

|        | <u>2025E</u><br>(Cur.) | <u>2025E</u><br>(Old) | <u>2026E</u><br>(Cur.) | <u>2026E</u><br>(Old) |
|--------|------------------------|-----------------------|------------------------|-----------------------|
| Q1 Mar | (0.38)A                | (0.44)E               | (0.05)E                | (0.04)E               |
| Q2 Jun | (0.33)E                | (0.30)E               | (0.00)E                |                       |
| Q3 Sep | (0.32)E                | (0.35)E               | (0.00)E                |                       |
| Q4 Dec | 0.23E                  | 0.82E                 | 0.35E                  | 0.56E                 |
| Total  | (0.80)E                | (0.24)E               | 0.30E                  | 0.52E                 |
| P/E    | N/A                    |                       | 9x                     |                       |

### 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 15.**

**OVERVIEW**

- SurgePays recently (on May 13) reported its fiscal Q1 2025 (ending March) results.
- Revenue was \$11 million (-66% y-o-y), compared to our estimates of \$10 million and consensus of \$13 million.
- EPS was \$(0.38), compared to our estimates of \$(0.44) and consensus of \$(0.17).
- There was no Q1 guidance.
- The company maintained strong 2025/26 (12-months ending March 31, 2026) revenue guidance of \$200 million.
- We are lowering our 2025 estimates for revenue to \$100 million, from \$180 million, and for EPS to \$(0.80) from \$(0.24).
- We are maintaining our 2026 revenue estimates of \$200 million, but adjusting it for EPS to \$0.30 from \$0.52.

**ADDITIONAL DETAILS**

- Gross profit for the quarter was \$(3) million, compared with our estimate of \$(5) million.
  - Gross margin for the quarter was -28%, versus our expectation of -50% and +26% last year.
  - Operating expenses were \$5 million, versus our expectation of \$7 million.
  - Operating loss was \$(7.6) million, versus our expectation of a loss of \$(12.0) million.
  - Net loss was \$(7.6) million, versus our expectation of a loss of \$(9.0) million.
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- 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).

The company's balance sheet had \$5 million in cash and \$4 million in debt, compared with \$12 million in cash and \$4 million in debt at the end of December. In May (current Q2), the company raised \$7 million in debt.

## 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



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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.



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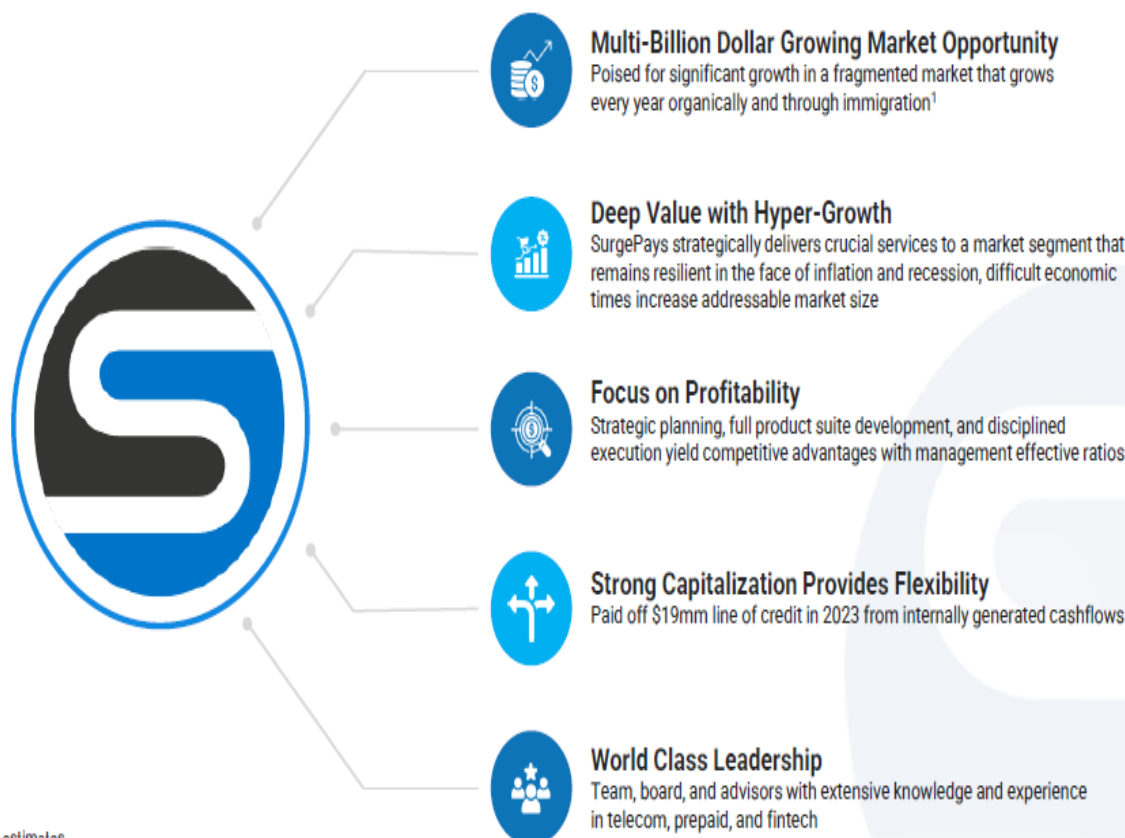


Source: Company reports.

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Exhibit 3: SurgePays Investment Highlights (as of 2024)

# Investment Highlights



Based on internal estimates

Source: Company reports.

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## Exhibit 4: SurgePays Market Opportunity

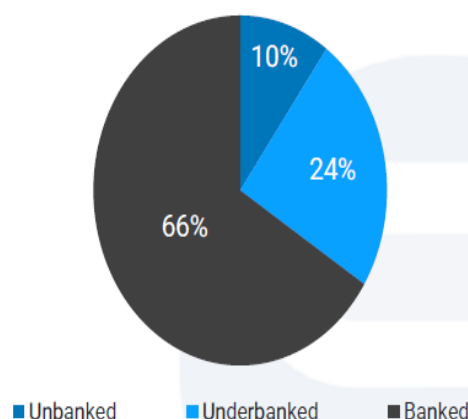
# Market Opportunity

## 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.

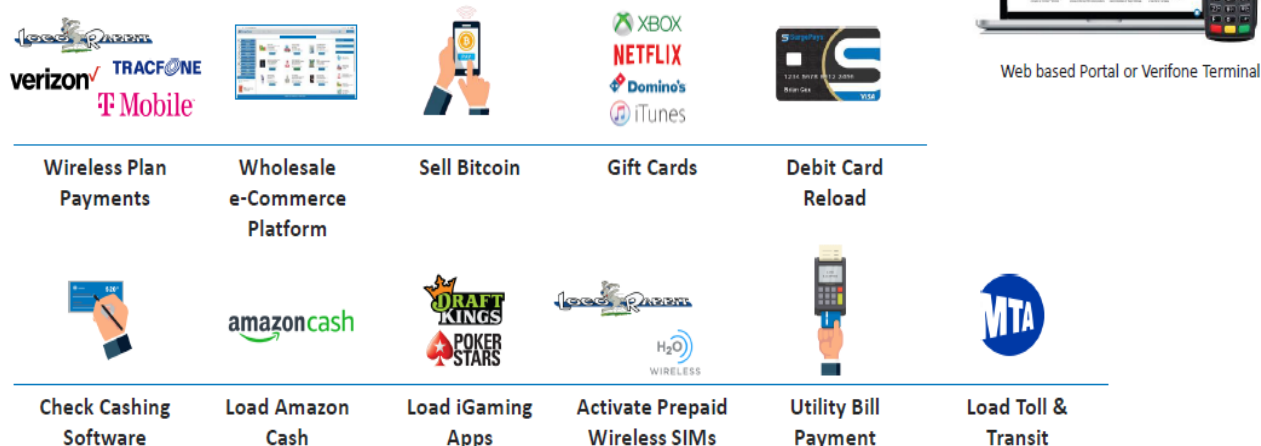


## Exhibit 5: SurgePays FinTech Suite

### FinTech Suite

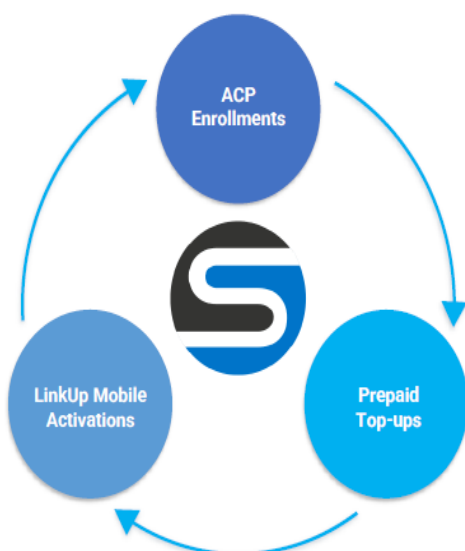
SurgePays fintech platform utilizes a suite of financial and prepaid products to convert corner stores and bodegas into tech-hubs for underbanked neighborhoods.

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

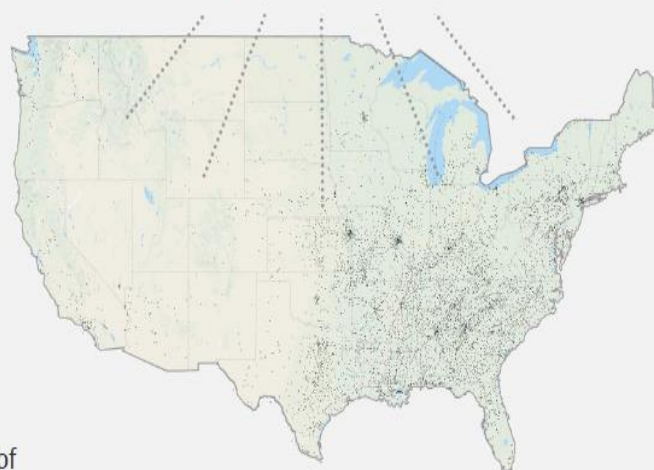
## Growth Strategies

### 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 (as of 2024)

### 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: Q1 2025 Results and Recent Highlights (as of May 13, 2025)**

## SurgePays Reports First Quarter 2025 Financial Results

*AT&T Integration Complete; Nationwide Launch Positions Company for Most Aggressive Growth Phase to Date*

*Company Ships Over 250,000 SIM Cards and Secures \$6 Million in Cash to Accelerate Expansion*

BARTLETT, Tenn., May 13, 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 first quarter ended March 31, 2025. Following the successful nationwide launch and full integration with AT&T, the Company is reaffirming its outlook of generating over \$200 million in revenue for the twelve months beginning April 1, 2025, with positive operating cash flow expected before year-end.

**Brian Cox, Chairman and CEO, commented:**

*"The investments we've made in our team, technology, distribution, and strategic partnerships have set the stage for the most significant growth phase in SurgePays' history. With our AT&T integration now complete, we've launched nationwide across our wireless ecosystem as both a Mobile Virtual Network Operator (MVNO) and Enabler (MVNE). To accelerate this expansion, we recently closed a \$7 million financing, including \$6 million in cash, with one of our largest shareholders. This transition from a reseller model to a direct carrier partner is a transformative milestone, positioning us to scale rapidly and profitably in both retail and wholesale."*

**Operational Highlights**

- Nationwide launch complete on the AT&T network, with over 250,000 SIM cards shipped to customers and retail partners. An additional 290,000 SIMs are in inventory, with another 250,000 expected by June to meet increasing demand.
- Finalized MVNO integration and full network cutover on April 1, including subscriber migrations and full validation of provisioning, billing, and API systems by AT&T.
- MVNE pipeline expanded, with 3 MVNOs fully integrated and 2 more in the onboarding process.
- "Phone in a Box" launch exceeded expectations, selling out of 2,600 ready-to-retail smartphones in under 30 days.
- Secured \$7 million in financing from a large institutional shareholder to accelerate growth initiatives.
- Derron Winfrey promoted to President, Sales, and Operations, overseeing growth of LinkUp Mobile, prepaid top-ups, Lifeline programs, and ClearLine.

**First Quarter 2025 Financial Results**

The first quarter results tracked closely with Q4 2024 and were in line with expectations. The Company continues to transition from the federally funded ACP era, which concluded in 2024. Investments made in the first quarter — including the AT&T integration, MVNE platform development, and expansion of the POS software network — have laid the foundation for our goal of a return to growth and profitability in 2025.

Source: Company reports.

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**Exhibit 10: Q2 and 2025 Financial Guidance (as of May 13, 2025)**

**2025 Financial Guidance:**

With the nationwide launch of LinkUp Mobile and a growing pipeline of MVNE partnerships, SurgePays expects to surpass \$200 million in revenue over the next 12 months beginning April 1, 2025. The Company also anticipates generating positive operating cash flow before the end of the year, marking a pivotal shift toward sustained profitability and scalable growth.

This guidance is based solely on the monetization of core MVNO and POS platforms already deployed. As these platforms scale, both through direct customer acquisition and wholesale MVNE relationships, the Company anticipates significant revenue growth as well as margin expansion.

Source: Company reports.

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### Exhibit 11: SurgePays, Inc. Stock Price (5-Years)



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

### Exhibit 12: Consensus Expectations (as of May 13, 2025)

| Revenue (mils) |              |              | EPS    |              |              |
|----------------|--------------|--------------|--------|--------------|--------------|
|                | <u>2025E</u> | <u>2026E</u> |        | <u>2025E</u> | <u>2026E</u> |
| Q1 Mar         | \$13E        |              | Q1 Mar | \$(0.17)E    |              |
| Q2 Jun         | \$19E        |              | Q2 Jun | \$(0.06)E    |              |
| Q3 Sep         |              |              | Q3 Sep |              |              |
| Q4 Dec         |              |              | Q4 Dec |              |              |
| Total          | \$95E        | \$167E       | Total  | \$(0.07)E    | \$0.51E      |

\*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     | Q1A      | 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     | 10.6     | 15.1     | 26.4     | 48.0   | 100.0    | 50.2     | 49.8     | 50.1     | 49.9   | 200.0  |
| Cost of Revenues                    | 27.1   | 25.9   | 23.7   | 24.9   | 101.5  | 23.2   | 18.5     | 12.6     | 20.8     | 75.2     | 13.5     | 15.1     | 25.1     | 36.0   | 89.7     | 37.7     | 37.3     | 35.1     | 34.9   | 145.0  |
| Gross Profit                        | 7.7    | 10.0   | 10.5   | 7.4    | 35.6   | 8.2    | (3.4)    | (7.8)    | (11.2)   | (14.3)   | (2.9)    | 0.0      | 1.3      | 12.0   | 10.4     | 12.6     | 12.4     | 15.0     | 15.0   | 55.0   |
| 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     | 4.6      | 6.8      | 7.9      | 7.2    | 26.5     | 13.6     | 12.4     | 15.0     | 7.5    | 48.5   |
| 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     | 4.6      | 6.8      | 7.9      | 7.2    | 26.5     | 13.6     | 12.4     | 15.0     | 7.5    | 48.5   |
| Operating income (loss)             | 4.7    | 6.2    | 7.1    | 0.9    | 18.9   | 1.8    | (10.9)   | (14.3)   | (18.4)   | (41.8)   | (7.6)    | (6.8)    | (6.6)    | 4.8    | (16.2)   | (1.0)    | 0.0      | 0.0      | 7.5    | 6.5    |
| 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)    | (0.0)    | (0.0)    | (0.0)  | (0.2)    | (0.0)    | (0.0)    | (0.0)    | (0.0)  | (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)   | (7.6)    | (6.8)    | (6.6)    | 4.8    | (16.4)   | (1.1)    | (0.0)    | (0.0)    | 7.4    | 6.3    |
| Income taxes                        |        |        | (2.3)  |        | (2.3)  | 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)                   | 4.5    | 6.0    | 7.1    | 3.0    | 20.6   | 1.2    | (12.9)   | (14.3)   | (19.8)   | (45.7)   | (7.6)    | (6.8)    | (6.6)    | 4.8    | (16.4)   | (1.1)    | (0.0)    | (0.0)    | 7.4    | 6.3    |
| 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)   | (7.6)    | (6.8)    | (6.6)    | 4.8    | (16.4)   | (1.1)    | (0.0)    | (0.0)    | 7.4    | 6.3    |
| EBITDA                              | 5.0    | 6.4    | 7.5    | 3.4    | 22.3   | 4.0    | (7.6)    | (12.2)   | (15.9)   | (31.7)   | (7.1)    | (6.5)    | (6.3)    | 5.1    | (14.9)   | (0.7)    | 0.3      | 0.3      | 7.7    | 7.5    |
| Shares, Basic                       | 14.1   | 14.2   | 14.3   | 14.4   | 14.3   | 17.7   | 19.4     | 19.7     | 19.8     | 19.1     | 20.1     | 20.4     | 20.6     | 20.8   | 20.5     | 20.9     | 21.0     | 21.2     | 21.4   | 21.1   |
| Shares, Diluted                     | 14.5   | 15.1   | 15.1   | 15.0   | 14.9   | 18.7   | 19.4     | 19.7     | 19.8     | 19.1     | 20.1     | 20.4     | 20.6     | 20.8   | 20.5     | 20.9     | 21.0     | 21.2     | 21.4   | 21.1   |
| EPS Basic (pro forma)               | \$0.32 | \$0.42 | \$0.50 | \$0.21 | \$1.45 | \$0.07 | (\$0.66) | (\$0.73) | (\$1.00) | (\$2.39) | (\$0.38) | (\$0.33) | (\$0.32) | \$0.23 | (\$0.80) | (\$0.05) | (\$0.00) | (\$0.00) | \$0.35 | \$0.30 |
| EPS Diluted (pro forma)             | \$0.31 | \$0.40 | \$0.47 | \$0.20 | \$1.38 | \$0.07 | (\$0.66) | (\$0.73) | (\$1.00) | (\$2.39) | (\$0.38) | (\$0.33) | (\$0.32) | \$0.23 | (\$0.80) | (\$0.05) | (\$0.00) | (\$0.00) | \$0.35 | \$0.30 |
| <b>Margins</b>                      |        |        |        |        |        |        |          |          |          |          |          |          |          |        |          |          |          |          |        |        |
| Gross margin                        | 22%    | 28%    | 31%    | 23%    | 26%    | 26%    | -23%     | -164%    | -117%    | -24%     | -28%     | 0%       | 5%       | 25%    | 10%      | 25%      | 25%      | 30%      | 30%    | 27%    |
| Selling, general and administrative | 9%     | 11%    | 10%    | 20%    | 12%    | 20%    | 49%      | 135%     | 74%      | 45%      | 44%      | 45%      | 30%      | 15%    | 27%      | 27%      | 25%      | 30%      | 15%    | 24%    |
| Operating margin                    | 14%    | 17%    | 21%    | 3%     | 14%    | 6%     | -72%     | -299%    | -191%    | -69%     | -72%     | -45%     | -25%     | 10%    | -16%     | -2%      | 0%       | 0%       | 15%    | 3%     |
| Tax rate, GAAP                      | 0%     | 0%     | 0%     | -299%  | -12%   | 26%    | -25%     | 0%       | 1%       | -7%      | 0%       | 0%       | 0%       | 0%     | 0%       | 0%       | 0%       | 0%       | 0%     | 0%     |
| Net margin                          | 13%    | 17%    | 21%    | 9%     | 15%    | 4%     | -85%     | -299%    | -206%    | -75%     | -72%     | -45%     | -25%     | 10%    | -16%     | -2%      | 0%       | 0%       | 15%    | 3%     |
| <b>Y/Y % change</b>                 |        |        |        |        |        |        |          |          |          |          |          |          |          |        |          |          |          |          |        |        |
| Total Revenue                       | 64%    | 28%    | -6%    | -11%   | 13%    | -10%   | -58%     | -86%     | -70%     | -56%     | -66%     | 0%       | 453%     | 400%   | 64%      | 375%     | 230%     | 90%      | 4%     | 100%   |
| Gross margin                        | 192%   | 358%   | 446%   | 11%    | 165%   | 6%     | -134%    | -175%    | -251%    | -140%    | -136%    | -100%    | -117%    | -207%  | -172%    | -527%    | #####    | 1040%    | 25%    | 430%   |
| Selling, general and administrative | -19%   | 26%    | 17%    | 104%   | 31%    | 115%   | 94%      | 90%      | 9%       | 64%      | -28%     | -9%      | 23%      | 1%     | -3%      | 193%     | 83%      | 90%      | 4%     | 83%    |
| Operating income (loss)             | -548%  | -832%  | -835%  | -75%   | 2877%  | -63%   | -275%    | -301%    | -2221%   | -321%    | -533%    | -38%     | -54%     | -126%  | -61%     | -87%     | -100%    | -100%    | 56%    | -140%  |
| Net income (loss)                   | -475%  | -713%  | -575%  | 1%     | -3129% | -73%   | -316%    | -302%    | -756%    | -322%    | -723%    | -47%     | -53%     | -124%  | -64%     | -86%     | -99%     | -99%     | 57%    | -139%  |
| EPS Diluted (pro forma)             | -411%  | -632%  | -492%  | -14%   | -2859% | -79%   | -267%    | -254%    | -598%    | -273%    | -680%    | -49%     | -56%     | -123%  | -67%     | -87%     | -99%     | -99%     | 52%    | -137%  |

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         | Q1A         | 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        | 5.4         | 4.3         | (0.5)       | (3.3)       | 2.0         | 2.2         | 2.4         | 10.1        |
| Short term investments                       |             |             |             |             |             |             | 10.1        |             |             | 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         | 2.5         | 4.5         | 7.9         | 14.4        | 15.1        | 14.9        | 15.0        | 15.0        |
| 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         |
| Prepaid expenses and other                   | 0.2         | 0.2         | 0.2         | 0.2         | 0.5         | 0.5         | 0.3         | 1.3         | 0.2         | 0.3         | 0.5         | 0.8         | 0.5         | 0.5         | 0.5         | 0.5         |
| <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>9.9</b>  | <b>10.9</b> | <b>9.7</b>  | <b>13.7</b> | <b>19.4</b> | <b>19.4</b> | <b>19.7</b> | <b>27.3</b> |
| Property and equipment, net                  | 0.6         | 0.5         | 0.4         | 0.4         | 0.3         | 0.2         | 0.2         | 0.6         | 0.5         | 0.4         | 0.3         | 0.2         | 0.1         | 0.1         | (0.0)       | (0.1)       |
| 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         | 1.3         | 1.3         | 1.3         | 1.3         | 1.3         | 1.3         | 1.3         | 1.3         |
| 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         |
| Deferred income tax                          |             |             |             | 2.8         | 2.5         |             |             |             |             | 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         | 0.5         | 0.5         | 0.5         | 0.5         | 0.5         | 0.5         | 0.5         | 0.5         |
| <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>15.7</b> | <b>16.6</b> | <b>15.3</b> | <b>19.2</b> | <b>24.8</b> | <b>24.8</b> | <b>25.0</b> | <b>32.5</b> |
| <b>Liabilities and stockholders' equity</b>  |             |             |             |             |             |             |             |             |             |             |             |             |             |             |             |             |
| Accounts payable and accrued exp             | 20.7        | 16.8        | 12.8        | 6.4         | 6.5         | 4.3         | 3.2         | 3.9         | 3.8         | 5.4         | 10.6        | 9.6         | 14.6        | 14.4        | 14.5        | 14.5        |
| Accounts payable and accrued exp             | 2.0         | 0.5         | 1.0         | 1.0         | 0.6         | 0.5         | 0.5         | 0.2         |             | 0.0         | 0.0         | 0.0         | 1.5         | 1.5         | 1.5         | 1.5         |
| Credit card liability                        |             |             |             |             |             |             |             |             |             | 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         |
| 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         |
| Warrant liabilities                          |             |             |             |             |             |             |             |             |             | 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>5.7</b>  | <b>7.3</b>  | <b>12.5</b> | <b>11.6</b> | <b>18.1</b> | <b>17.9</b> | <b>18.0</b> | <b>17.9</b> |
| Deferred income taxes                        |             |             |             |             |             |             |             |             |             | 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         |
| 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         |
| Long term debt                               | 4.5         | 4.5         | 4.5         | 0.5         | 3.6         | 3.2         | 2.8         | 2.3         | 1.9         | 1.9         | 1.9         | 1.9         | 1.9         | 1.9         | 1.9         | 1.9         |
| <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>2.1</b>  | <b>2.1</b>  | <b>2.1</b>  | <b>2.1</b>  | <b>2.1</b>  | <b>2.1</b>  | <b>2.1</b>  | <b>2.1</b>  |
| Preferred stock                              | 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         | 0.2         | 0.3         | 0.5         | 0.6         | 0.8         | 1.0         | 1.1         |
| Additional paid-in capital                   | 41.1        | 41.6        | 41.9        | 43.4        | 70.0        | 73.0        | 74.2        | 76.2        | 76.4        | 76.4        | 76.4        | 76.4        | 76.4        | 76.4        | 76.4        | 76.4        |
| Retained earnings                            | (31.3)      | (25.3)      | (18.2)      | (15.2)      | (14.0)      | (26.8)      | (41.1)      | (60.9)      | (68.6)      | (75.4)      | (82.0)      | (77.3)      | (78.3)      | (78.4)      | (78.4)      | (71.0)      |
| 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       |             |             |             |             |             |             |             |             |             | 6.0         | 6.0         | 6.0         | 6.0         | 6.0         | 6.0         | 6.0         |
| <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>7.8</b>  | <b>7.1</b>  | <b>0.6</b>  | <b>5.5</b>  | <b>4.6</b>  | <b>4.7</b>  | <b>4.9</b>  | <b>12.4</b> |
| <b>Total stockholders' equity and liabil</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>15.7</b> | <b>16.6</b> | <b>15.3</b> | <b>19.2</b> | <b>24.8</b> | <b>24.8</b> | <b>25.0</b> | <b>32.5</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    | Q1A    | Q2E    | Q3E     | Q4E     | Q1E     | Q2E     | Q3E     | Q4E    |
| Prepaid as % of total rev                     | 0%     | 0%      | 1%     | 1%     | 2%     | 3%     | 7%     | 14%    | 2%     | 2%     | 2%      | 2%      | 1%      | 1%      | 1%      | 1%     |
| A/P and accrued exp as % of total rev         | 59%    | 47%     | 37%    | 20%    | 21%    | 28%    | 67%    | 41%    | 36%    | 36%    | 40%     | 20%     | 29%     | 29%     | 29%     | 29%    |
| A/P and accrued exp related as % of total rev | 6%     | 1%      | 3%     | 3%     | 2%     | 3%     | 10%    | 2%     | 0%     | 0%     | 0%      | 0%      | 3%      | 3%      | 3%      | 3%     |
| <b>Activity Ratios</b>                        |        |         |        |        |        |        |        |        |        |        |         |         |         |         |         |        |
| A/R Days Sales Outstanding                    | 25     | 26      | 26     | 27     | 24     | 8      | 29     | 28     | 21     | 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 | \$0.39 | \$0.35 | \$0.03  | \$0.27  | \$0.22  | \$0.23  | \$0.23  | \$0.58 |
| Cash per Share (diluted)                      | \$0.61 | \$0.34  | \$0.84 | \$0.97 | \$2.30 | \$1.98 | \$1.20 | \$0.60 | \$0.27 | \$0.21 | -\$0.02 | -\$0.16 | \$0.10  | \$0.11  | \$0.11  | \$0.47 |
| Net cash per Share (diluted)                  | \$0.14 | -\$0.03 | \$0.51 | \$0.64 | \$2.02 | \$1.73 | \$0.98 | \$0.39 | \$0.09 | \$0.03 | -\$0.20 | -\$0.33 | -\$0.08 | -\$0.07 | -\$0.06 | \$0.30 |

Source: Company reports and Ascendant Capital Markets estimates

**SurgePays Inc.**

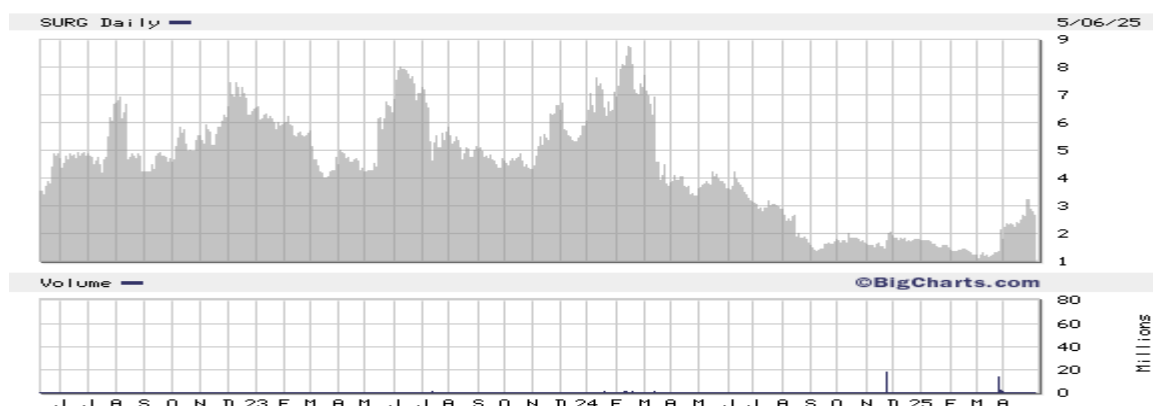
| Cash Flow Statement (\$ mils)                | Mar-23       | Jun-23       | Sep-23       | Dec-23       | 2023         | Mar-24      | Jun-24       | Sep-24        | Dec-24       | 2024          | Mar-25       | Jun-25       | Sep-25       | Dec-25       | 2025          | Mar-26       | Jun-26       | Sep-26       | Dec-26      | 2026         |
|--|--------------|--------------|--------------|--------------|--------------|-------------|--------------|---------------|--------------|---------------|--------------|--------------|--------------|--------------|---------------|--------------|--------------|--------------|-------------|--------------|
| Fiscal Year End: December 31                 | Q1A          | Q2A          | Q3A          | Q4A          | FY-A         | Q1A         | Q2A          | Q3A           | Q4A          | FY-A          | Q1A          | 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)        | (7.6)        | (6.8)        | (6.6)        | 4.8          | (16.4)        | (1.1)        | (0.0)        | (0.0)        | 7.4         | 6.3          |
| Depreciation                                 | 0.2          | 0.2          | 0.2          | 0.2          | 0.9          | 0.2         | 0.2          | 0.2           | 0.2          | 0.9           | 0.2          | 0.1          | 0.1          | 0.1          | 0.5           | 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           | 0.1          |              |              |              | 0.1           |              |              |              |             | 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           | 0.2          | 0.2          | 0.2          | 0.2          | 0.6           | 0.2          | 0.2          | 0.2          | 0.2         | 0.6          |
| 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          |
| 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          |
| Changes in operating assets and liabilities: |              |              |              |              |              |             |              |               |              |               |              |              |              |              |               |              |              |              |             |              |
| Accounts receivable                          | (0.4)        | (0.6)        | 0.5          | 0.1          | (0.4)        | 1.3         | 6.9          | (0.1)         | (1.5)        | 6.5           | 0.5          | (2.0)        | (3.4)        | (6.5)        | (11.4)        | (0.7)        | 0.1          | (0.1)        | 0.1         | (0.6)        |
| 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)         | 0.1          | (0.1)        | (0.2)        | (0.4)        | (0.5)         | 0.3          | 0.0          | (0.0)        | 0.0         | 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          |
| Accounts payable                             | 1.4          | (3.0)        | 1.9          | (0.3)        | (0.0)        | (2.4)       | (2.3)        | (1.1)         | 3.3          | (2.5)         | (0.2)        | 1.6          | 5.2          | (1.0)        | 5.7           | 5.0          | (0.1)        | 0.1          | (0.1)       | 4.9          |
| Accrued expenses                             | (1.3)        | (0.3)        | (5.4)        | (5.4)        | (12.4)       |             |              | (0.6)         | (0.4)        | (0.9)         | (0.2)        | 0.0          | 0.0          | 0.0          | (0.2)         | 1.5          | (0.0)        | 0.0          | (0.0)       | 1.5          |
| 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           | (0.1)        | 0.0          | 0.0          | 0.0          | (0.1)         | 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>(7.0)</b> | <b>(7.1)</b> | <b>(4.8)</b> | <b>(2.8)</b> | <b>(21.6)</b> | <b>5.3</b>   | <b>0.2</b>   | <b>0.2</b>   | <b>7.7</b>  | <b>13.5</b>  |
| <b>Cash flow from investing activities</b>   |              |              |              |              |              |             |              |               |              |               |              |              |              |              |               |              |              |              |             |              |
| Purchases of property and equipment          |              |              |              |              | 0.0          |             |              | (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          |              |              |              |              | 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>(0.0)</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>(0.1)</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          |
| Repayment of debt                            | (0.9)        | (1.1)        | (0.6)        | (0.1)        | (2.6)        | (0.4)       | (0.4)        | (0.4)         | (0.4)        | (1.5)         | (0.4)        |              |              |              | (0.4)         |              |              |              |             | 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          |
| 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)         |              | 6.0          |              |              | 6.0           |              |              |              |             | 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>(0.4)</b> | <b>6.0</b>   | <b>0.0</b>   | <b>0.0</b>   | <b>5.6</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>(7.4)</b> | <b>(1.1)</b> | <b>(4.8)</b> | <b>(2.8)</b> | <b>(16.1)</b> | <b>5.3</b>   | <b>0.2</b>   | <b>0.2</b>   | <b>7.7</b>  | <b>13.4</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>5.4</b>   | <b>4.3</b>   | <b>(0.5)</b> | <b>12.8</b>   | <b>(3.3)</b> | <b>2.0</b>   | <b>2.2</b>   | <b>2.4</b>  | <b>(3.3)</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>5.4</b>   | <b>4.3</b>   | <b>(0.5)</b> | <b>(3.3)</b> | <b>(3.3)</b>  | <b>2.0</b>   | <b>2.2</b>   | <b>2.4</b>   | <b>10.1</b> | <b>10.1</b>  |

Source: Company reports and Ascendant Capital Markets estimates

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## SurgePays, Inc.



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

|        | Report Date |        | Price  |
|--------|-------------|--------|--------|
| Report | 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   |
| 14     | 4/21/2025   | Buy    | 8.75   |

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**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<br>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%     |



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