

November 5, 2019



# **Surge Holdings Provides Update on Completing Asset Purchase of ECS Prepaid Wireless Business and Software Platform; Adds 9,800 Retail Locations to SurgePays™ Network and Projected \$48.7 Million of Additional Annualized Revenue\***

*ECS platform currently processes over 18,000 transactions per day and supports over 160 independent sales organizations and agents representing potential new Surge partners and customers*

*Immediate goal to launch high demand and trending retail products through the SurgePays Network to rapidly scale revenue*

*Transaction expected to be immediately accretive to earnings*

Memphis, TN, Nov. 05, 2019 (GLOBE NEWSWIRE) -- Surge Holdings, Inc. ("Surge") (OTCQB: SURG), developer of the SurgePays™ Network for convenience stores, bodegas and community markets that provide products to the underbanked, today provided an update on completing the asset purchase of the ECS Prepaid business, Electronic Check Services business and the Central States Legal Services business (collectively, "ECS").

Through its proprietary Fintech software platform, ECS is a leading provider of prepaid wireless load and top-ups, check cashing and wireless SIM activation to convenience stores and bodegas nationwide. Since 2008, ECS has grown to a network of over 9,800 retail locations and 160 independent sales organizations ("ISO") processing over 18,000 transactions per day. Surge will integrate the ECS software with its SurgePays™ Network in order to offer both wholesale products from third-party manufacturers, as well as Surge products, including the SurgePays™ Reloadable Debit Card, SurgePhone Wireless and SIM Starter Kits. The transaction is expected to be immediately accretive to earnings.

Brian Cox, Chairman and CEO of Surge Holdings, commented, "This transaction marks a major inflection point for Surge, by immediately adding over 9,800 new retail locations, \$48.7 million in additional projected annualized revenue, and 160 ISO salespeople. The developers are already working to integrate software platforms to include the ability to cross market the SurgePays™ Reloadable Debit Card, SurgePhone Wireless and SIM Starter Kits, as well as layer on additional high demand and trending products through the SurgePays™ Network. ECS and their management team of Derron Winfrey and Mark Garner have been a leader in our sector for a long time. We are excited about working with them to scale up the business - not only by adding stores, but also increasing same store revenue."

Derron Winfrey, President of ECS, commented, “We are extremely excited about the integration with Surge and the opportunity to bring Surge’s product offering to our network.

Our business models are closely aligned and highly complementary. The significant and immediate synergies will allow us to scale much more rapidly, growing both the network and product offerings. ECS was built as a preferred partner to our ISO’s and independent retailers, catering to mom and pop shop owners by bringing them a level of service typically only found in the big box space. Many people do not realize that independent store owners make up approximately 53% of the entire convenience store marketplace, so this is a significant, underserved addressable market. We believe the level of service and product offerings that come from combining the strengths of Surge and ECS are unmatched in the industry and we are aligning our organizations to bring this advanced technology and service offering to our retail and ISO partners.”

### **About Surge Holdings, Inc:**

Surge Holdings, Inc. is a retail supply chain company that provides a virtual distribution hub for retailers, as well as offers telecom services for low income customers and financial payment services for the unbanked and under-banked. Surge products are delivered through a nationwide network of convenience stores and corner markets connected to the recently launched SurgePays™ Network. (<https://surgepays.com>) This retail platform is designed to transform the traditional supply chain by providing local retailers seamless access to global products and to empower the corner store to select, order and fulfill delivery of wholesale goods from around the country. This platform also provides manufacturers a cost-effective and efficient platform to access local retailers. For more information on Surge Holdings and its subsidiaries, please visit: <https://surgeholdings.com>.

**\*Annualized revenue is assumed if the Company had completed the acquisition on January 1 of the current fiscal period. The \$48.7M is based on the gross revenue of the acquired businesses for the fiscal year ended December 31, 2018. The Company has not completed an audit on the value and annualized revenue is not a basis in accordance with accounting principles generally accepted in the United States. Such amounts have not been audited by the Company.**

### **Forward Looking Statements**

*This press release contains information that constitutes forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking terminology such as “believes”, “expects”, “may”, “will”, “should”, “anticipates”, “plans”, or similar expressions or the negative of these terms and similar expressions are intended to identify forward-looking statements. Any such forward-looking statements involve risk and uncertainties that could cause actual results to differ materially from any future results described by the forward-looking statements. Risk factors that could contribute to such differences include those matters more fully disclosed in the Company’s reports filed with the U.S. Securities and Exchange Commission. The forward-looking information provided herein represents the Company’s estimates as of the date of the press release, and subsequent events and developments may cause the Company’s estimates to change. The Company specifically disclaims any obligation to update the forward-looking information in the future. Therefore, this forward-looking information should not be relied upon as representing the Company’s estimates of its future financial performance as of any date subsequent to the date of this press release.*

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