

April 29, 2020



Surge Revenue Increases 263% to \$13.4 Million for the Fourth Quarter of 2019 Versus Same Period Last Year

Memphis, TN, April 29, 2020 (GLOBE NEWSWIRE) -- Surge Holdings, Inc. ("Surge") (OTCQB: SURG), developer of the SurgePays™ Marketplace Network for convenience stores, bodegas and community markets that provide products to the underbanked, today reported preliminary unaudited results for the fourth quarter and twelve months ended December 31, 2019. The Company also reported that it is on track to report its full year audited financial results for 2019 within the prescribed reporting period, on or before May 14, 2020, pursuant to the Company's extended filing deadline.

For the three months ended December 31, 2019, preliminary unaudited revenues increased 263% to approximately \$13.4 million, compared to approximately \$3.7 million for the same period last year. For the twelve months ended December 31, 2019, preliminary unaudited revenues increased approximately 69% to approximately \$25.7 million, compared to approximately \$15.2 million for the same period last year.

Brian Cox, Chairman and CEO of Surge Holdings, commented, "2019 was a transformative year for the company, as evidenced by a 69% increase in sales for the full year and a 263% increase in sales for the fourth quarter alone. I am especially pleased to report sales of approximately \$13.4 million for the fourth quarter of 2019, which puts us at a revenue run rate of more than \$50 million at year end. During 2019, we invested heavily in the future, which we believe sets the stage for long-term growth and profitability. Specifically, we laid the foundation for our SurgePays™ Marketplace, which serves as an efficient web-based platform to directly connect our nationwide network of independent retailers with regional manufacturers. In 2019, we also completed the acquisition of ECS, which adds approximately 9,800 retail locations to our network. Importantly, we have now begun to up-sell and cross-sell a wide array of high margin, value-added products and services to these and other locations through the SurgePays™ Marketplace. In addition, we continue to gain traction with our Surge Logics subsidiary, due in part to our investments into developing the Intake Logistics CRM software as well as expansion of CenterCom Global BPO. Overall, factoring in the nationwide release of our branded LocoRabbit wireless products, I believe we are extremely well positioned and 2020 has the potential to become a breakout year for the Company."

About Surge Holdings, Inc:

Surge Holdings, Inc. operates the SurgePays™ Marketplace, a product sales channel that disrupts the traditional c-store supply chain model by providing independent and local retailers direct access to regional manufacturers from around the country. Surge leverages its wholly owned subsidiaries (value driven prepaid wireless and fintech products) to build relationships with convenience stores, bodegas, tiendas and community markets that serve the underbanked and unbanked - approximately 25% of the US population. Once a store is

onboarded to the SurgePays™ Marketplace, and the trusted profit partnership is established, Surge upsells other consumable goods by connecting manufacturers directly to these retail stores. The SurgePays™ Marketplace provides manufacturers measurable cost savings by cutting out distributors and offers an efficient platform to access independent retailers to sell products nationwide with improved payment terms. For more information on Surge Holdings and its subsidiaries, please visit: <https://surgeholdings.com>.

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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