

April 6, 2021



SurgePays 2020 Revenue Increases 111% Year-Over-Year to \$54.4 Million

Company continues to progress towards a Nasdaq up-list

BARTLETT, Tenn., April 06, 2021 (GLOBE NEWSWIRE) -- SurgePays, Inc. (OTCQB: SURG) ("SurgePays" or the "Company"), a fintech company meeting the needs of the underserved and underbanked, announced financial results for the fiscal year ended December 31, 2020 and provided a corporate update.

Recent corporate highlights and developments include:

- Expanded product and service offerings for convenience stores on the SurgePays Blockchain network to enable a "deep and wide" revenue growth strategy
- Enhanced the scalability and security of the core transaction platform by integrating with Amazon Web Services, Microsoft Azure and Kaleido Blockchain
- Continued progression towards an expected Nasdaq up-list through a customary regulatory and preparatory process and filings
- Closed a \$2.3 million bridge financing in March 2021
- Retired \$2.65 million in debt in March 2021 to strengthen the balance sheet, which also eliminated an 87 million shares reserve that was previously held for this debt due to its convertible features
- Announced the additions of Jay Jones and David May as independent members of the Board of Directors

"We now have all hands-on deck, including our banker, to complete our up-list to Nasdaq. This will help provide greater exposure to investors as we expect continued growth from the execution of our corporate strategy in what we think is the extremely hot blockchain FinTech sector while disrupting traditional wholesale product distribution models. In parallel, we are pushing forward with our plan to IPO Surge Logics, under its new name LogicsIQ, with the goal of significantly enhancing shareholder equity for SurgePays through controlled ownership," said SurgePays Chief Executive Officer Brian Cox.

"As recently outlined in a letter to shareholders, one of our goals for 2021 is to execute on our 'deep and wide' strategy of adding new retail stores to our network while focusing on these relationships to ultimately increase the revenue generated from each store by multiplying the volume of products and services sold at each store. Even with the COVID-19 pandemic's impact, we were still able to progress relationships with store owners and partners, add new consumer products to our SurgePays e-commerce wholesale platform, and improve our technology, all with the goal of helping us accelerate our growth in 2021 and beyond. We have stuck to our principle of building the infrastructure to enable us to significantly scale once we list on a major national exchange through organic growth and M&A. Lastly, we continue to identify ways to create shareholder value, and the recent

retirement of \$2.65 million of debt strengthens our balance sheet by removing relatively expensive debt and eliminating nearly 87 million shares of stock held in reserve that were related to this debt. These are exciting and electric times at SurgePays and we look forward to updating shareholders in 2021.”

Financial Results for Fiscal Year 2020

Revenue for the year ended December 31, 2020 was \$54.4 million, an increase of 111% compared to \$25.7 million for the year ended December 31, 2019. Revenue increased primarily as a result of increased contributions from ECS (+\$24.1 million) and Surge Logics (+\$9.2 million), offset by decreases in revenue from True Wireless (-\$3.0 million) and Surge Blockchain LLC (-\$3.7 million).

Cost and expenses for fiscal year 2020 were \$12.6 million, an increase of 16% over the \$10.9 million in cost and expenses in 2019. The increased expenses are due to additional depreciation and amortization expense in 2020 primarily as a result of the addition of ECS assets, as well as higher selling, general, and administration expenses in 2020.

Net loss for the year ended December 31, 2020 was \$10.7 million, or (\$0.10) per common share, as compared to a net loss of \$8.4 million, or (\$0.09) per common share in 2019. The increased net loss was due to lower gross profit and higher total costs and expenses in 2020 as compared to 2019.

Cash and cash equivalents as of December 31, 2020 totaled \$673,995, as compared to \$346,040 as of December 31, 2019.

About SurgePays, Inc.

SurgePays, Inc. utilizes its blockchain software platform to offer a comprehensive suite of prepaid, financial services for the underbanked, and top selling wholesale products to independently owned convenience stores, markets, tiendas, and bodegas more cost efficiently than existing wholesale distribution models. Please visit www.SurgePays.com for more information.

Forward-Looking Statements

This press release includes express or implied statements that are not historical facts and are considered forward-looking within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act. Forward-looking statements involve substantial risks and uncertainties. Forward-looking statements generally relate to future events or our future financial or operating performance and may contain projections of our future results of operations or of our financial information or state other forward-looking information. In some cases, you can identify forward-looking statements by the following words: “may,” “will,” “could,” “would,” “should,” “expect,” “intend,” “plan,” “anticipate,” “believe,” “estimate,” “predict,” “project,” “potential,” “continue,” “ongoing,” or the negative of these terms or other comparable terminology, although not all forward-looking statements contain these words. Although we believe that the expectations reflected in these forward-looking statements are reasonable, these statements relate to future events or our future operational or financial performance and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking

statements. Furthermore, actual results may differ materially from those described in the forward-looking statements and will be affected by a variety of risks and factors that are beyond our control, including, without limitation, statements about our future financial performance, including our revenue, cash flows, costs of revenue and operating expenses; our anticipated growth; our predictions about our industry; the impact of the COVID-19 pandemic on our business and our ability to attract, retain and cross-sell to clients. The forward-looking statements contained in this release are also subject to other risks and uncertainties, including those more fully described in our filings with the Securities and Exchange Commission ("SEC"), including in our Annual Report on Form 10-K for the fiscal year ended December 31, 2020. The forward-looking statements in this press release speak only as of the date on which the statements are made. We undertake no obligation to update, and expressly disclaim the obligation to update, any forward-looking statements made in this press release to reflect events or circumstances after the date of this press release or to reflect new information or the occurrence of unanticipated events, except as required by law.

Company Contact:

Tony Evers CPA, CIA
Chief Financial Officer
Chief Operating Officer
Phone: (847) 648-7542 ext. 104
tevers@surgeholdings.com

Media Relations:

Jules Abraham
Director of Public Relations
CORE IR
917-885-7378
julesa@coreir.com

Investor Relations:

Joseph Delahoussaye III
V.P. of Investor Relations
CORE IR
516-222-2560
invest@surgeholdings.com



Source: SURGEPAYS, INC.