

August 17, 2020



Surge Holdings Reports 320% Increase in Sales to \$14.5 Million for the Second Quarter of 2020

Memphis, TN, Aug. 17, 2020 (GLOBE NEWSWIRE) -- Surge Holdings, Inc. (OTCQB: SURG), a holding company meeting the needs of underserved markets in FinTech, Telecommunications and Media, today provided a business update for the second quarter ended June 30, 2020. Revenue for the second quarter of 2020 increased 320% to \$14.5 million, versus \$3.5 million for the same period last year. The complete financial results are available in the Company's Form 10-Q, which has been filed with the Securities and Exchange Commission and is available on the Company's website.

Brian Cox, Chairman and CEO of Surge Holdings, commented, "Revenue for the second quarter of 2020 increased more than three-fold versus the same period last year, which illustrates the traction we are gaining in the market, despite the ongoing COVID-19 pandemic. The most significant impact of COVID to our operations were the state-by-state stay at home orders limiting our salespeople and expansion plans. Additionally, Surge Logics saw a reduction in media spending, while our clients paused spending to see what was going to happen with this virus. We began to see an uptick with revenues increasing across all operations in July and are pleased with the steady growth. As a result, we anticipate new record high revenues in the 3rd and 4th quarters of this year. At the same time, we continue to invest heavily in our operations and infrastructure to support our anticipated growth. We have built a highly scalable operation with significant growth and earnings expectations."

"Given the success and market penetration of our recently acquired ECS Prepaid business, we have rebranded the Surge Wholesale Marketplace as simply the "ECS Marketplace™." We believe the ECS Marketplace will rapidly become a go-to solution, enabling independent retailers to purchase wholesale products direct from the manufacturer. Similar to how Amazon used books to engage customers while building its consumer base of households, Surge is using prepaid wireless top-ups and our own Loco Rabbit prepaid wireless service to engage store owners while building a consumer base of ECS Marketplace retailers. As we rapidly build our network, we will be introducing a number of targeted products to the underbanked at the corner store level through the ECS Marketplace. Companies are now reaching out to us in order to sell their products to the underbanked market – which was a key goal of creating this FinTech platform."

About Surge Holdings, Inc.

Surge Holdings, Inc. is a holding company meeting the needs of underserved markets in FinTech, Telecommunications and Media. For more information on Surge Holdings, its brands or 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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Source: Surge Holdings, Inc.