# SurgePays Reports 2024 Financial Results and Issues Revenue Guidance of Over \$200 Million in Next 12 Months

Completed AT&T integration positions company for its most aggressive growth phase to date with projected positive cash flow from operations in 2025

BARTLETT, Tenn., March 25, 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 year ended December 31, 2024, and is issuing guidance of over \$200 million in revenue over the next 12 months and positive cash flow from operations before the end of 2025, following the successful integration and official launch with AT&T.

Brian Cox, Chairman and CEO, commented, "We built the infrastructure. Now we are scaling. With AT&T integration complete and LinkUp Mobile launching nationally, SurgePays is positioned for the most aggressive revenue growth phase in our history."

#### 2024 Operational Highlights:

- Nationwide Launch of LinkUp Mobile: SurgePays has begun its national rollout of its retail prepaid wireless brand, LinkUp Mobile. The Company expects monthly SIM card shipments of 250,000–300,000, driven by robust demand from its retail distribution network of nearly 9,000 convenience and community stores.
- AT&T Integration Complete: In November 2024, SurgePays signed a multi-year strategic agreement with AT&T to deliver full
  access to 4G LTE and 5G wireless services across North America. As of April 1, 2025, the integration is complete and live.
- MVNE Wholesale Business Launch: SurgePays now offers wireless infrastructure services, including SIM provisioning and billing, to other wireless companies as a Mobile Virtual Network Enabler (MVNE). This high-margin revenue channel is expected to scale rapidly.
- Lifeline Subscriber Retention: Following the end of ACP funding, SurgePays retained a portion of its wireless subscriber base and is transitioning eligible customers to the federally supported Lifeline program. Daily Lifeline enrollments are ongoing through the Company's Torch Wireless brand.
- POS Platform Growth: SurgePays' point-of-sale software platform, used in thousands of retail locations, grew prepaid wireless top-up revenue over 400% from Q1 to Q2 2024. The POS platform is a critical distribution and activation tool for both LinkUp Mobile and third-party services.
- Leadership Expansion: The Company strengthened its leadership team with the promotion ofMark Garner to Executive Vice President, and Allison Seyler to VP of Sales.

#### 2024 Financial Results:

2024 marked the end of the federally funded ACP era. As expected, revenue and gross profit were impacted. However, strategic investments made during this transition — including AT&T integration, POS growth, and the development of our MVNE platform — have built the foundation for 2025's goal to return to growth and profitability.

#### 2025 Financial Guidance:

SurgePays expects first quarter 2025 revenue to remain consistent with Q4 2024. With the national launch of LinkUp Mobile and expanding MVNE partnerships, revenue is projected to exceed \$200 million over the next 12 months and the Company anticipates achieving positive cash flow from operations before the end of 2025.

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 — we anticipate expanding both revenue and margins.

"We've earned the right to scale," added Mr. Cox. "The heavy lifting is behind us. Now we are focused on execution, revenue acceleration, and delivering long-term value to shareholders."

#### Fourth Quarter 2024 Results Conference Call:

SurgePays management will host a webcast today at5 p.m. ET/2 p.m. PT to discuss these results.

The live webcast of the call can be accessed on the Company's investor relations website afr.surgepays.com, or by registering at the following link: Fourth Quarter Results Call.

Telephone access:

- U.S.: 888-506-0062

- International: 973-528-0011

- Participant Access Code: 937037

A telephone replay will be available approximately one hour following completion of the call until April 8, 2025.

Replay: 877-481-4010 (U.S.) or 919-882-2331 (Intl.)

Replay Passcode: 52151

#### About SurgePays, Inc.

SurgePays, Inc. is a wireless and point-of-sale (POS) technology company. SurgePays operates a unique ecosystem that blends prepaid wireless, government-subsidized mobile plans, and a point-of-sale software platform used in thousands of community retail stores. SurgePays is a platform — built for stores in underserved communities, built to scale, and built for growth. Please visit <a href="https://www.SurgePays.com">www.SurgePays.com</a> for more information.

#### **Cautionary Note Regarding 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 and generally relate to future events or our future financial or operating performance. These statements may include projections, guidance, or other estimates regarding revenue, cash flow, business growth, market expansion, or customer acquisition. 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," "attempting," or the negative of these terms or other comparable terminology, although not all forward-looking statements contain these words.

Although we believe the expectations reflected in these forward-looking statements, such as regarding our revenue and profitability potential along with the statements under the heading 2025 Financial Guidance 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 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, the assumption that revenue is projected to exceed \$200 million over the next 12 months and the Company anticipates achieving positive cash flow from operations before the end of 2025, statements about our future financial performance, including our revenue, cash flows, costs of revenue and operating expenses; our anticipated growth; and our predictions about our industry. These include, but are not limited to, our ability to scale our prepaid wireless business, transition ACP subscribers to Lifeline, maintain our MVNE partnerships, and achieve financial targets. 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, 2023 and the to-be-filed Annual Report on Form 10-K for the fiscal year ended December 31, 2024. 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.

#### SurgePays, Inc. and Subsidiaries Consolidated Balance Sheets

Current Assets           Cash and cash equivalents         \$ 11,790,389         \$ 14,622,060           Restricted cash - held in escrow         1,000,000         -           Accounts receivable - net Inventory         3,000,209         9,536,074           Inventory         1,781,365         9,046,594           Prepaids and other         298,360         161,933           Total Current Assets         17,870,323         33,366,661           Property and equipment - net         591,088         361,841           Other Assets           Note receivable         176,851         176,851           Intangibles - net         1,472,962         2,126,470           Internal use software development costs - net         -         539,424           Goodwill         3,300,000         1,666,782           Investment in CenterCom         -         464,409           Operating lease - right of use asset - net         564,781         387,800           Deferred income taxes - net         -         2,835,000           Total Other Assets         5,514,594         8,196,805		D	ecember 31, 2024	De	ecember 31, 2023
Cash and cash equivalents         \$ 11,790,389         \$ 14,622,060           Restricted cash - held in escrow         1,000,000         -           Accounts receivable - net         3,000,209         9,536,074           Inventory         1,781,365         9,046,594           Prepaids and other         298,360         161,933           Total Current Assets         17,870,323         33,366,661           Property and equipment - net         591,088         361,841           Other Assets         State of the control o	Assets				
Restricted cash - held in escrow         1,000,000         -           Accounts receivable - net         3,000,209         9,536,074           Inventory         1,781,365         9,046,594           Prepaids and other         298,360         161,933           Total Current Assets         17,870,323         33,366,661           Property and equipment - net         591,088         361,841           Other Assets           Note receivable         176,851         176,851           Intangibles - net         1,472,962         2,126,470           Internal use software development costs - net         -         539,424           Goodwill         3,300,000         1,666,782           Investment in CenterCom         -         464,409           Operating lease - right of use asset - net         564,781         387,869           Deferred income taxes - net         -         2,835,000	Current Assets				
Accounts receivable - net Inventory         3,000,209         9,536,074 lnventory         1,781,365         9,046,594 lnventory         9,046,594 lntentory         9,046,594 lntentory         9,046,594 lntentory         161,933 lntentory         33,366,661 lntentory         33,366,661 lntentory         33,366,661 lntentory         33,366,661 lntentory         361,841 lntentory         361,	Cash and cash equivalents	\$	11,790,389	\$	14,622,060
Inventory         1,781,365         9,046,594           Prepaids and other         298,360         161,933           Total Current Assets         17,870,323         33,366,661           Property and equipment - net         591,088         361,841           Other Assets         V         V           Note receivable         176,851         176,851           Intangibles - net         1,472,962         2,126,470           Internal use software development costs - net         -         539,424           Goodwill         3,300,000         1,666,782           Investment in CenterCom         -         464,409           Operating lease - right of use asset - net         564,781         387,869           Deferred income taxes - net         -         2,835,000	Restricted cash - held in escrow		1,000,000		-
Prepaids and other         298,360         161,933           Total Current Assets         17,870,323         33,366,661           Property and equipment - net         591,088         361,841           Other Assets         Value of the certain of t	Accounts receivable - net		3,000,209		9,536,074
Total Current Assets         17,870,323         33,366,661           Property and equipment - net         591,088         361,841           Other Assets         Note receivable         176,851         176,851           Intangibles - net         1,472,962         2,126,470           Internal use software development costs - net         -         539,424           Goodwill         3,300,000         1,666,782           Investment in CenterCom         -         464,409           Operating lease - right of use asset - net         564,781         387,869           Deferred income taxes - net         -         2,835,000	Inventory		1,781,365		9,046,594
Property and equipment - net         591,088         361,841           Other Assets         Note receivable           Intangibles - net         176,851         176,851           Internal use software development costs - net         -         539,424           Goodwill         3,300,000         1,666,782           Investment in CenterCom         -         464,409           Operating lease - right of use asset - net         564,781         387,869           Deferred income taxes - net         -         2,835,000	Prepaids and other		298,360		161,933
Other Assets         Note receivable       176,851       176,851         Intangibles - net       1,472,962       2,126,470         Internal use software development costs - net       -       539,424         Goodwill       3,300,000       1,666,782         Investment in CenterCom       -       464,409         Operating lease - right of use asset - net       564,781       387,869         Deferred income taxes - net       -       2,835,000	Total Current Assets		17,870,323		33,366,661
Note receivable       176,851       176,851         Intangibles - net       1,472,962       2,126,470         Internal use software development costs - net       -       539,424         Goodwill       3,300,000       1,666,782         Investment in CenterCom       -       464,409         Operating lease - right of use asset - net       564,781       387,869         Deferred income taxes - net       -       2,835,000	Property and equipment - net		591,088		361,841
Intangibles - net       1,472,962       2,126,470         Internal use software development costs - net       -       539,424         Goodwill       3,300,000       1,666,782         Investment in CenterCom       -       464,409         Operating lease - right of use asset - net       564,781       387,869         Deferred income taxes - net       -       2,835,000	Other Assets				
Internal use software development costs - net         -         539,424           Goodwill         3,300,000         1,666,782           Investment in CenterCom         -         464,409           Operating lease - right of use asset - net         564,781         387,869           Deferred income taxes - net         -         2,835,000	Note receivable		176,851		176,851
Goodwill         3,300,000         1,666,782           Investment in CenterCom         -         464,409           Operating lease - right of use asset - net         564,781         387,869           Deferred income taxes - net         -         2,835,000	Intangibles - net		1,472,962		2,126,470
Investment in CenterCom         -         464,409           Operating lease - right of use asset - net         564,781         387,869           Deferred income taxes - net         -         2,835,000	Internal use software development costs - net		-		539,424
Operating lease - right of use asset - net         564,781         387,869           Deferred income taxes - net         -         2,835,000	Goodwill		3,300,000		1,666,782
Deferred income taxes - net         -         2,835,000	Investment in CenterCom		-		464,409
	Operating lease - right of use asset - net		564,781		387,869
Total Other Assets         5,514,594         8,196,805	Deferred income taxes - net		-		2,835,000
	Total Other Assets		5,514,594		8,196,805

Total Assets	\$ 23,976,005	\$ 41,925,307
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable and accrued expenses  Accounts payable and accrued expenses - related party	\$ 3,929,195 192,845	\$ 6,439,120 1,048,224
Accounts payable and accided expenses - related party	132,043	1,040,224
Accrued income taxes payable	-	570,000
Deferred revenue	-	20,000
Operating lease liability	248,069	43,137
Note payable - related party	 1,689,367	 4,584,563
Total Current Liabilities	6,059,476	12,705,044
Long Toym Lightities		
Long Term Liabilities Note payable - related party	1,866,288	
Notes payable - SBA government	469,396	460,523
Notes payable - OBA government	+05,550	400,525
Operating lease liability	319,232	356,276
Total Long Term Liabilities	 2,654,916	816,799
Total Liabilities	8,714,392	13,521,843
Total Liabilities	 0,714,392	 13,321,643
Stockholders' Equity		
Common stock, \$0.001 par value, 500,000,000 shares authorized 20,431,549 shares issued		
and 20,068,929 shares outstanding, respectively, at December 31, 2024 14,403,261 shares	00.45-	
issued and outstanding at December 31, 2023	20,435	14,404
Additional paid-in capital	76,842,878	43,421,019
Treasury stock - at cost (362,620 and 0 shares, respectively)	(631,967)	(45,400,000)
Accumulated deficit	 (60,915,427)	 (15,186,203)
Stockholders' equity Non-controlling interest	15,315,919 (54,306)	28,249,220 154,244
Total Stockholders' Equity	 15,261,613	 28,403,464
rotal Stockholders Equity	 13,201,013	 20,403,404
Total Liabilities and Stockholders' Equity	\$ 23,976,005	\$ 41,925,307

# SurgePays, Inc. and Subsidiaries Consolidated Statements of Operations

	For the Years Ended December 31,			
	2024		2023	
Revenues	\$	60,881,173	\$	137,141,832
Costs and expenses				
Cost of revenues		75,205,372		101,499,341
General and administrative expenses		27,458,152		16,777,107
Total costs and expenses		102,663,524		118,276,448
Income (loss) from operations		(41,782,351)		18,865,384
Other income (expense)				
Interest expense		(554,200)		(595,975)
Loss on lease termination - net		(194,863)		-
Other income		636,868		-
Interest income		105,395		-
Realized gains - investments		13,613		-

Dividends, interest, and other income - investments	355,549	-
Gain on investment in CenterCom	33,864	110,203
Impairment loss - CenterCom	(498,273)	-
Impairment loss - internal use software development costs	(316,594)	-
Impairment loss - goodwill	(866,782)	-
Total other income (expense) - net	(1,285,423)	(485,772)
Net income (loss) before provision for income taxes	(43,067,774)	18,379,612
Provision for income tax benefit (expense)	(2,870,000)	 2,265,000
Net income (loss) including non-controlling interest	(45,937,774)	20,644,612
Non-controlling interest	(208,550)	 26,709
Net income (loss) available to common stockholders	\$ (45,729,224)	\$ 20,617,903
Earnings per share - attributable to common stockholders		
Basic	\$ (2.39)	\$ 1.45
Diluted	\$ (2.39)	\$ 1.38
Weighted average number of shares outstanding - attributable to common stockholders		
Basic	19,119,181	14,258,172
Diluted	19,119,181	14,922,881

### SurgePays, Inc. and Subsidiaries Consolidated Statements of Cash Flows

	For the Years Ended December 3			December 31,
	2024			
Operating activities				
Net income (loss) - including non-controlling interest	\$	(45,937,774)	\$	20,644,612
Adjustments to reconcile net income (loss) to net cash provided by (used in) operations		(10,007,771)	Ψ	20,011,012
Bad debt expense		_		90,009
Depreciation and amortization		942,450		935,039
Amortization of right-of-use assets		126,970		43,483
Amortization of internal use software development costs		222,830		129,060
Impairment loss - CenterCom		498,273		-
Impairment loss - internal use software development costs		316,594		-
Impairment loss - goodwill		866,782		-
Stock issued for services		411,740		1,290,024
Recognition of stock based compensation - unvested shares - related parties		6,752,706		529,534
Recognition of stock-based compensation		1,602,997		-
Recognition of share based compensation - options		-		576,625
Recognition of share based compensation - options - related party		6,196		37,176
Realized gain in sale of investments		(13,613)		-
Interest expense adjustment - SBA loans		19,750		-
Right-of-use asset lease payment adjustment true up		(267,347)		-
Gain on equity method investment - CenterCom		(33,864)		(110,203)
Cash paid for lease termination		(212,175)		-
Loss on lease termination - net		194,863		-
Changes in operating assets and liabilities				
(Increase) decrease in				
Accounts receivable		6,535,865		(395,718)
Inventory		7,265,229		2,139,648
Prepaids and other		(136,427)		(50,409)

Deferred income taxes - net		2,835,000		(2,835,000)
Increase (decrease) in		_,,,,,		(=,==,==)
Accounts payable and accrued expenses		(2,509,925)		654,746
Accounts payable and accrued expenses - related party		(356,388)		(680,497)
Accrued income taxes payable		(570,000)		570,000
Installment sale liability - net		-		(13,018,184)
Deferred revenue		(20,000)		(223,110)
Operating lease liability		148,665		(39,490)
Net cash provided by (used in) operating activities		(21,310,603)		10,287,345
Investing activities				
Purchase of property and equipment		(518,189)		_
Purchase of investments - net		(10,159,444)		_
Proceeds from sale of investments		10,173,057		_
Cash paid for acquisition of Clearline Mobile, Inc. assets		(2,500,000)		_
Capitalized internal use software development costs		(2,300,000)		(281,304)
Net cash used in investing activities		(3,004,576)		(281,304)
Net cash used in investing activities		(3,004,370)		(201,304)
Financing activities				
Proceeds from stock issued for cash		17,249,994		-
Proceeds from exercise of common stock warrants		8,799,257		207,240
Cash paid as direct offering costs		(1,395,000)		, -
Repayments of loans - related party		(1,527,899)		(1,017,385)
Repayments on notes payable		-		(1,595,167)
Repayments on notes payable - SBA government		(10,877)		(14,323)
Treasury shares repurchased (share buy-backs)		(631,967)		-
Net cash provided (used in) by financing activities		22,483,508		(2,419,635)
			-	
Net increase (decrease) in cash, cash equivalents and restricted cash		(1,831,671)		7,586,406
Cash, cash equivalents and restricted cash - beginning of year		14,622,060		7,035,654
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Cash, cash equivalents and restricted cash - end of year	\$	12,790,389	\$	14,622,060
Cumulamental displacana of seek flourinformation				
Supplemental disclosure of cash flow information	Ф	470 208	Ф	222 226
Cash paid for interest	<b>\$</b>	470,208	\$	222,326
Cash paid for income tax	\$		\$	<u>-</u>
Supplemental disclosure of non-cash investing and financing activities				
Reclassification of accrued interest - related party to note payable - related party	\$	498,991	\$	-
Exercise of warrants - cashless	\$	41	\$	
			Ψ	
Termination of ROU operating lease assets and liabilities	\$	327,139		
Right-of-use asset obtained in exchange for new operating lease liability	\$	664,288	\$	_
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## SOURCE SurgePays

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