

SurgePays Accelerates Growth Across All Business Verticals; Reports Q2 2025 Results and Issues Revenue Guidance of \$75M to \$90M in 2025 and \$225M to \$240M in 2026

BARTLETT, Tenn., Aug. 13, 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 second quarter ended June 30, 2025, and provided updated revenue guidance for 2025 and 2026.

While second quarter revenue increased approximately 8.9% sequentially to \$11.5 million, the Company's focus is on the significant momentum achieved since the quarter closed. SurgePays is on pace for record-breaking results in 2026, fueled by surging subscriber activations across its Lifeline-subsidized Torch brand, MVNO prepaid platform LinkUp Mobile, expanding prepaid POS fintech network, and rapidly scaling MVNE wholesale business.

The Company now expects 2025 revenue to be \$75 million - \$90 million, and 2026 revenue to be \$225 million - \$240 million, driven by accelerating subscriber growth, new distribution partnerships, expansion of its high-margin wholesale platform, and continued growth of its prepaid POS fintech network.

Brian Cox, Chairman and CEO, commented:

"The second quarter set the stage, but the momentum in recent weeks has been extraordinary, with subscriber activations, retail expansion, and wholesale platform growth all hitting record levels — positioning SurgePays for the strongest growth period in its history.

Since July, we have seen unprecedented acceleration across every vertical — led by Torch Wireless, our Lifeline-subsidized brand, which activated 20,000 subscribers in June, 57,000 in July, and is on track for an expected 80,000 to 90,000 ongoing activations per month by September, surpassing our ACP-era peak growth rate in a fraction of the time.

This momentum is the result of retooling our ACP infrastructure for Lifeline, adding a seasoned leadership team, deploying new technology, expanding distribution, and fully integrating with AT&T's nationwide network. In parallel, LinkUp Mobile is gaining strong traction, our MVNE wholesale platform is onboarding multiple new partners, and our prepaid POS fintech network is driving recurring transaction revenue from thousands of retail locations nationwide.

With visibility into our growth trajectory and scalable infrastructure in place, we are confident in achieving our \$75 million to \$90 million revenue guidance for 2025 and \$225 million to \$240 million for 2026."

2025 Operational Highlights to Date

- Completed nationwide launch on the AT&T network and full integration April 1.
- Torch Wireless (Lifeline program) scaling rapidly: 20,000 activations in June; 57,000 in July; expecting 80,000–90,000 monthly run rate by September.
- LinkUp Mobile prepaid platform shipped over 250,000 SIMs to customers and retail partners; activations more than doubled between April and July to over 30,000 subscribers.
- Prepaid POS fintech network continues to expand, driving recurring top-up and activation revenue from over 9,000 locations.
- MVNE (HERO) platform now supports 3 fully integrated MVNOs
- "Phone in a Box" ready-to-retail smartphone kit sold out of 2,600 units in under 30 days; additional production underway.
- Secured \$6 million in financing from a large shareholder to accelerate growth initiatives.
- Over 9,000 retail locations in network, with national distributor partnerships expanding reach.

Q2 2025 Financial Results

Second quarter 2025 revenue totaled \$11.5 million, compared to \$10.6 million in Q1 2025. As expected, year-over-year comparisons reflect the conclusion of the federally funded Affordable Connectivity Program (ACP) in 2024.

The Company has made targeted investments in AT&T integration, MVNE platform development, POS fintech expansion, and leadership additions to support scalable growth.

2025 & 2026 Guidance

SurgePays expects revenue of \$75 million to \$90 million in 2025 and \$225 million to \$240 million in 2026, with positive operating cash flow anticipated before year-end 2025.

Second Quarter 2025 Financial Results Conference Call

SurgePays management will host a webcast today at 5 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 at ir.surgepays.com, or by registering at the following link: [SurgePays Second Quarter Earnings Conference Call](#).

Telephone access to the call will be available at 877-545-0523 (in the U.S.) or by dialing 973-528-0016 (outside the U.S.). Participant access code is 572711.

Replay of the webcast will be available for a one-year period and will be accessible at this [link](#).

About SurgePays, Inc.

SurgePays, Inc. is a wireless and fintech company focused on delivering mobile connectivity and financial services to underserved communities. As both a mobile virtual network operator (MVNO) and mobile virtual network enabler (MVNE), SurgePays operates its own wireless brand while also providing back-end infrastructure, including provisioning and billing, to other wireless providers. The Company's proprietary point-of-sale platform is used nationwide in thousands of retail locations, enabling SIM activations, top-ups, and digital financial services. SurgePays is built to scale and uniquely positioned to grow across both retail and wholesale wireless channels. Visit www.SurgePays.com 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, margins, expectations for customer demand, and profitability potential 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 the Company will be able to obtain high-margin recurring revenues, 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 and customer demand. 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, 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

	June 30, 2025 (Unaudited)	December 31, 2024
Assets		
Current Assets		
Cash and cash equivalents	\$ 4,404,449	\$ 11,790,389
Restricted cash - held in escrow	-	1,000,000
Accounts receivable - net	2,680,713	3,000,209
Inventory	2,410,817	1,781,365
Prepays and other	198,403	298,360
Total Current Assets	9,694,382	17,870,323
Property and equipment - net	457,195	591,088
Other Assets		
Note receivable	176,851	176,851
Intangibles - net	1,145,756	1,472,962
Goodwill	3,300,000	3,300,000
Operating lease - right of use asset - net	441,225	564,781
Total Other Assets	5,063,832	5,514,594
Total Assets	\$ 15,215,409	\$ 23,976,005
Liabilities and Stockholders' Equity		

Current Liabilities

Accounts payable and accrued expenses	\$ 5,108,402	\$ 3,929,195
Accounts payable and accrued expenses - related party	-	192,845
Operating lease liability	248,069	248,069
Note payable - related party	1,915,331	1,689,367
Convertible note payable - net	1,430,267	-
Total Current Liabilities	8,702,069	6,059,476

Long Term Liabilities

Note payable - related party	955,905	1,866,288
Notes payable - SBA government	463,884	469,396
Operating lease liability	198,180	319,232
Convertible note payable - net	4,833,979	-
Total Long Term Liabilities	6,451,948	2,654,916

Total Liabilities

15,154,017	8,714,392
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Stockholders' Equity

Common stock, \$0.001 par value, 500,000,000 shares authorized 20,431,549 and 20,431,549 shares issued and 19,735,596 and 20,068,929 shares outstanding, at June 30, 2025 and December 31, 2024, respectively

	20,435	20,435
Additional paid-in capital	77,360,756	76,842,878
Treasury stock - at cost (695,953 and 362,620 shares, respectively)	(1,631,966)	(631,967)
Accumulated deficit	(75,633,109)	(60,915,427)
Stockholders' equity	116,116	15,315,919
Non-controlling interest	(54,724)	(54,306)
Total Stockholders' Equity	61,392	15,261,613

Total Liabilities and Stockholders' Equity

\$ 15,215,409	\$ 23,976,005
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SurgePays, Inc. and Subsidiaries
Consolidated Statements of Operations
(Unaudited)

	2025	2024	2025	2024
	For the Three Months Ended	For the Three Months Ended	For the Six Months Ended June	For the Six Months Ended June
	June 30,	June 30,	30,	30,
	2025	2024	2025	2024
Revenues	\$ 11,518,166	\$ 15,085,699	\$ 22,095,596	\$ 46,514,834
Costs and expenses				
Cost of revenues	14,172,832	18,528,774	27,692,607	41,775,243
General and administrative expenses	4,155,843	7,432,978	8,793,401	13,863,783
Total costs and expenses	18,328,675	25,961,752	36,486,008	55,639,026
Loss from operations	(6,810,509)	(10,876,053)	(14,390,412)	(9,124,192)
Other income (expense)				
Interest expense	(212,419)	(116,722)	(331,853)	(249,305)
Interest income	7,008	-	64,267	-
Other income	-	636,868	6,785	636,868
Gain on investment in CenterCom	-	17,711	-	33,864
Amortization of debt discount	(66,887)	-	(66,887)	-
Total other income (expense) - net	(272,298)	537,857	(327,688)	421,427
Net loss before provision for income taxes	(7,082,807)	(10,338,196)	(14,718,100)	(8,702,765)

Provision for income tax benefit (expense)	-	(2,547,000)	-	(2,970,000)
Net loss including non-controlling interest	(7,082,807)	(12,885,196)	(14,718,100)	(11,672,765)
Non-controlling interest	(209)	(19,431)	(418)	(31,595)
Net loss available to common stockholders	<u>\$ (7,082,598)</u>	<u>\$ (12,865,765)</u>	<u>\$ (14,717,682)</u>	<u>\$ (11,641,170)</u>
Earnings per share - attributable to common stockholders				
Basic	<u>\$ (0.36)</u>	<u>\$ (0.66)</u>	<u>\$ (0.74)</u>	<u>\$ (0.63)</u>
Diluted	<u>\$ (0.36)</u>	<u>\$ (0.66)</u>	<u>\$ (0.74)</u>	<u>\$ (0.63)</u>
Weighted average number of shares outstanding - attributable to common stockholders				
Basic	<u>19,889,442</u>	<u>19,431,549</u>	<u>19,978,690</u>	<u>18,562,416</u>
Diluted	<u>19,889,442</u>	<u>19,431,549</u>	<u>19,978,690</u>	<u>18,562,416</u>

SurgePays, Inc. and Subsidiaries
Consolidated Statements of Cash Flows
(Unaudited)

	2025	2024
	For the Six Months Ended June 30,	
	2025	2024
Operating activities		
Net loss - including non-controlling interest	\$ (14,718,100)	\$ (11,672,765)
Adjustments to reconcile net loss to net cash used in operations		
Depreciation and amortization	479,689	467,520
Amortization of right-of-use assets	123,556	46,995
Amortization of debt discount/debt issue costs	66,887	-
Amortization of internal use software development costs	-	111,414
Stock issued for services	-	411,740
Recognition of stock based compensation - unvested shares - related parties	310,238	4,478,994
Recognition of share based compensation - options - related party	-	6,196
Interest expense adjustment - SBA loans	-	19,750
Right-of-use asset lease payment adjustment true up	-	(97,346)
Gain on equity method investment - CenterCom	-	(33,864)
Changes in operating assets and liabilities		
(Increase) decrease in		
Accounts receivable	319,496	8,123,897
Inventory	(629,452)	683,160
Prepays and other	99,957	(345,994)
Deferred income taxes - net	-	2,835,000
Increase (decrease) in		
Accounts payable and accrued expenses	1,179,207	(4,641,563)
Accounts payable and accrued expenses - related party	(192,845)	(49,380)
Accrued income taxes payable	-	(470,000)
Deferred revenue	-	(20,000)
Operating lease liability	(121,052)	56,134
Net cash used in operating activities	<u>(13,082,419)</u>	<u>(90,112)</u>
Investing activities		
Purchase of leasehold improvements	(18,590)	-
Net cash used in investing activities	<u>(18,590)</u>	<u>-</u>
Financing activities		
Proceeds from stock issued for cash	-	17,249,994
Proceeds from exercise of common stock warrants	-	8,799,257

Cash paid as direct offering costs - common stock	-	(1,395,000)
Proceeds from issuance of convertible note payable	6,000,000	-
Cash paid as direct offering costs - convertible note payable	(595,000)	-
Repayments of loans - related party	(684,419)	(746,104)
Repayments on notes payable - SBA government	(5,512)	(5,515)
Net cash provided by financing activities	<u>4,715,069</u>	<u>23,902,632</u>
Net increase (decrease) in cash, cash equivalents and restricted cash	(8,385,940)	23,812,520
Cash, cash equivalents and restricted cash - beginning of period	<u>12,790,389</u>	<u>14,622,060</u>
Cash, cash equivalents and restricted cash - end of period	<u>\$ 4,404,449</u>	<u>\$ 38,434,580</u>
Supplemental disclosure of cash flow information		
Cash paid for interest	<u>\$ 188,244</u>	<u>\$ 259,765</u>
Cash paid for income tax	<u>\$ -</u>	<u>\$ -</u>
Supplemental disclosure of non-cash investing and financing activities		
Reclassification of accrued interest - related party to note payable - related party	<u>\$ -</u>	<u>\$ 498,991</u>
Exercise of warrants - cashless	<u>\$ -</u>	<u>\$ 41</u>
Goodwill (ClearLine Mobile, Inc.)	<u>\$ -</u>	<u>\$ 2,500,000</u>
Right-of-use asset obtained in exchange for new operating lease liability	<u>\$ -</u>	<u>\$ 98,638</u>

SOURCE SurgePays

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