

# SurgePays Reports Second Quarter 2021 Financial Results and Provides Corporate Update

Bartlett, TN, August 26, 2021 (GLOBE NEWSWIRE) – SurgePays, Inc. (OTCQB: SURG) (“SurgePays” or the “Company”), a blockchain financial technology company building a next generation supply chain network in the U.S. for convenience stores, mini-marts, tiendas, bodegas, gas stations, and other merchants serving underbanked consumers, today announces financial results for the second quarter ended June 30, 2021 and provides a corporate update.

## Recent Corporate Highlights:

- Continued to progress towards an expected Nasdaq up-list of the Company through the customary regulatory process and filings
- Continued to progress towards an IPO of the Company’s SaaS subsidiary LogicsIQ, Inc. (formerly Surge Logics, Inc.)
- Announced approval from the Emergency Broadband Benefit (EBB) Program to provide discounted broadband services through the Company’s SurgePhone mobile virtual network operator (MVNO) subsidiary to qualified users
- Acquired Commander Communication, a provider of prepaid wireless payment products to approximately 500 convenience stores with intent to cross-sell other products and services into Commander’s customer base
- Signed national distribution agreement with 1606 Corp. to distribute smokable-hemp products into the 8,000 convenience stores on the Company’s platform
- Launched a proprietary, blockchain-supported, customer relationship management (CRM) and business intelligence (BI) platform called BLITZ to further penetrate the 34,000 retail stores in the Company’s U.S. database
- Launched new custom private label gift card program for the Company’s independent retail store clients to provide additional convenience and loyalty opportunities for these locations’ customers

“The revenue initiatives we have announced in the last few months speak to the numerous market opportunities we have to execute our ‘wide and deep’ strategy. We are poised to offer the thousands of convenience stores, mini-marts, and bodegas we serve additional higher margin products and services beyond the lower-margin prepaid wireless top-ups on which we founded the Company,” said SurgePays Chief Executive Officer Brian Cox. “We now have the ability to offer thousands of stores and, ultimately, the underbanked population that shop there, access to higher margin, innovative products and services, such as the smokable-hemp products from our partner 1606 Corp., more affordable wireless handsets and monthly wireless plans, retail gift cards, and even discounted broadband service through the EBB Program, that may otherwise be very difficult for them to purchase. Our expanded in-house sales team is dedicated to establishing and nurturing relationships with store owners to help us expand our network of customer stores, and acquisitions like Commander Communications will help us expand our geographical reach.

“Meanwhile, our LogicsIQ subsidiary has seen a reacceleration in its business following a COVID-related slow-down in the second half of 2020. LogicsIQ had the second-best quarter of its existence with revenue in the second quarter of 2021 up nearly 32% over the first quarter of 2021, and this momentum has continued thus far into the third quarter. Anthony Nuzzo and his team at LogicsIQ have executed well during the leaner months with continued development and innovation and managed to continue to strategize for future growth despite the pressures from the pandemic.

“Lastly, we believe we are making good progress in the legal and regulatory process involved in SurgePays’ up-list to the Nasdaq as well as the anticipated IPO of LogicsIQ. We believe both events will be transformational corporate moments for SurgePays that will create value for our shareholders over the longer term,” Mr. Cox concluded.

## Financial Results for Second Quarter 2021

Revenue in the second quarter of 2021 was \$11.38 million vs. \$14.51 million in the year-ago period. General and administrative expenses declined from \$4.17 million in the second quarter of 2020 to \$2.74 million in the second quarter of 2021. Net loss in the second quarter of 2021 improved to (\$214,000) from (\$2.43 million) in the year-ago period.

Cash and cash equivalents as of June 30, 2021 totaled \$574,824, as compared to \$673,995 as of December 31, 2020.

## **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, mini-marts, tiendas, and bodegas more cost efficiently than existing wholesale distribution models. Please visit [www.SurgePays.com](http://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.

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