Press Releases

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 of Mark 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 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: 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 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 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

	December 31, 2024	December 31, 2023
Assets		
Current Assets		
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		
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 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	$ 3,929,195	$ 6,439,120
Accounts payable and accrued expenses - related party	192,845	1,048,224
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 Term Liabilities		
Note payable - related party	1,866,288	-
Notes payable - SBA government	469,396	460,523
Operating lease liability	319,232	356,276
Total Long Term Liabilities	2,654,916	816,799
Total Liabilities	8,714,392	13,521,843
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 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)	-
Accumulated deficit	(60,915,427)	(15,186,203)
Stockholders' equity	15,315,919	28,249,220
Non-controlling interest	(54,306)	154,244
Total Stockholders' Equity	15,261,613	28,403,464
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 31,	
	2024	**2023**
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		
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	-	(281,304)
Net cash used in investing activities	(3,004,576)	(281,304)
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
Cash, cash equivalents and restricted cash - end of year	$ 12,790,389	$ 14,622,060
Supplemental disclosure of cash flow information		
Cash paid for interest	$ 470,208	$ 222,326
Cash paid for income tax	$ -	$ -
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	$ -
Termination of ROU operating lease assets and liabilities	$ 327,139	
Right-of-use asset obtained in exchange for new operating lease liability	$ 664,288	$ -

SOURCE SurgePays

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