



Providing mobile broadband, financial services and prepaid products to the underbanked at a grassroots level

**NASDAQ: SURG**

**Investor Presentation**

April 2022





# Safe Harbor

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# Corporate Overview

*SurgePays is a technology and telecom company* focused on underbanked and underserved communities.

SurgePhone and Torch wireless provide mobile broadband to over 100,000 low-income households nationwide producing *high margin and* recurring revenue – **Target > 200,000 subscribers in 2022**

SurgePays fintech platform utilizes a suite of financial and prepaid products to convert corner stores and bodegas into tech-hubs for underbanked neighborhoods.



**NASDAQ: SURG**

Share Price<sup>1</sup> \$3.88

Market Cap<sup>1</sup> \$47.0M

2021 Revenue \$51.1M

Shares Outstanding<sup>3</sup> 12.1M

Float 6.8M

Insider Holdings 50%

Headquarters Bartlett, TN

1. Price as of 04/14/22; Reflects fully diluted market capitalization

2. At December 30, 2021

3. Does not include 5.7 million warrants

# Market Opportunity

## 100 Million Adults in the U.S. are Underbanked<sup>1</sup>

- Residents of low-income neighborhoods visit c-stores five or more times per week due to proximity, convenience, and a lack of other stores in the neighborhood<sup>2</sup>
- Underbanked generally rely on local retailers to fill the financial services gap that leaves many families operating on a cash basis
- Prepaid wireless subscribers in the U.S. pay for service (top-up) in person
- The Hispanic population has increased to more than 63.6 million representing over \$2 trillion in consumer spending<sup>3</sup>
- 30% of Florida (6.4M households) qualify for subsidized mobile broadband<sup>4</sup>

1. Source: <https://thefintechtimes.com/menta-and-agera-target-100-million-underbanked-americans-as-menta-credit-builder-is-launched/>

2. Source: <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4620064/>

3. Source: Claritas, LLC, "The 2021 Hispanic Market Report" September 2021

4. Source: Miami Herald, February 2022



# B2C: SurgePhone & Torch Wireless

## Mobile Broadband Providers

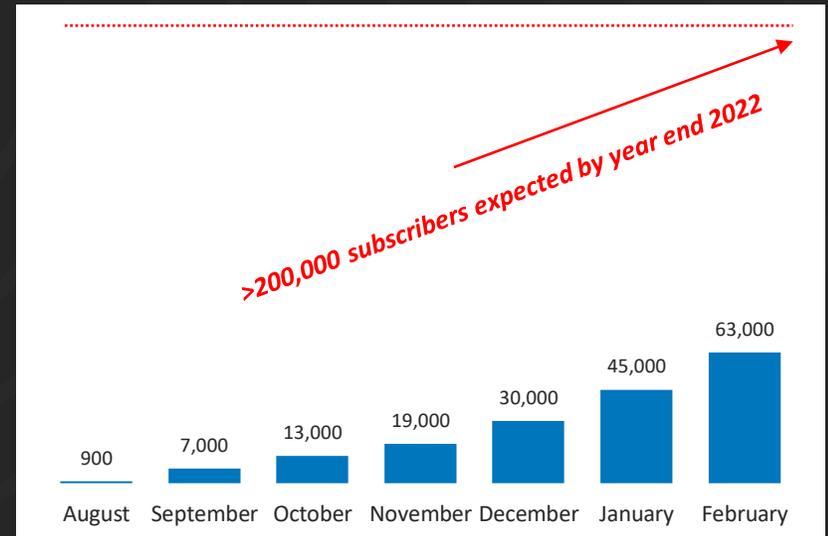
- Launched SurgePhone Mobile Broadband in August 2021
- Affordable Connectivity Program (“ACP”) is a Federal program to help qualifying families and households to afford internet service
- Over 65,000 subscribers in **14 states** = \$5 mil/month revenue
- Acquisition of Torch Wireless in April 2022 expanded availability to **all 50 states**



- Program consists of reimbursing up to \$100 of the cost of LTE tablet and \$30 per month with a lucrative 60% margin



## Wireless Subscribers



# B2B: Technology at the Counter

SurgePays empowers convenience stores and bodegas to be “Tech Hubs” for the underbanked and underserved, by providing a suite of products and services

**PREPAID PROFIT CENTER**

**GIFT CARDS**

amazon \$25   GameStop \$25   Domino's \$25   ebay \$25

Gift Card \$25   XBOX \$15   PlayStation Store \$20   THE HOME DEPOT Gift Card

**LOAD APPS DIRECT**

amazon cash   OMNY

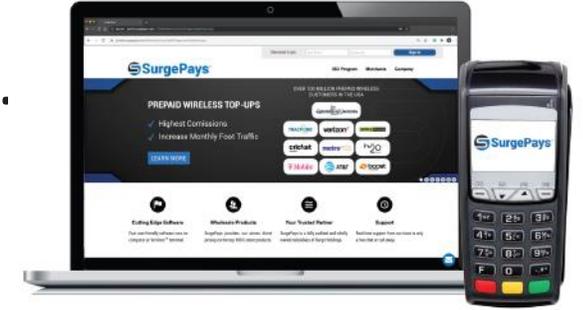
Instantly load amazon app with only a telephone number

Apple iTunes

# FinTech Suite

SurgePays fintech platform utilizes a suite of financial and prepaid products to convert corner stores and bodegas into tech-hubs for underbanked neighborhoods.

Dynamic Processing Solution Enables:



Web based Portal or Verifone Terminal

Wireless Plan Payments

Wholesale e-Commerce Platform

Sell Bitcoin

Gift Cards

Debit Card Reload



Check Cashing Software

Load Amazon Cash

Load iGaming Apps

Activate Prepaid Wireless SIMs

Utility Bill Payment

Load Toll & Transit

# Blockchain Technology Platform

Cloud connected software enables reliable and secure transactions for convenience stores, bodegas, tiendas and gas stations



Clerk performs the transaction at the register over a web interface or terminal



Hybrid Cloud - Data Center



Customer Transactions



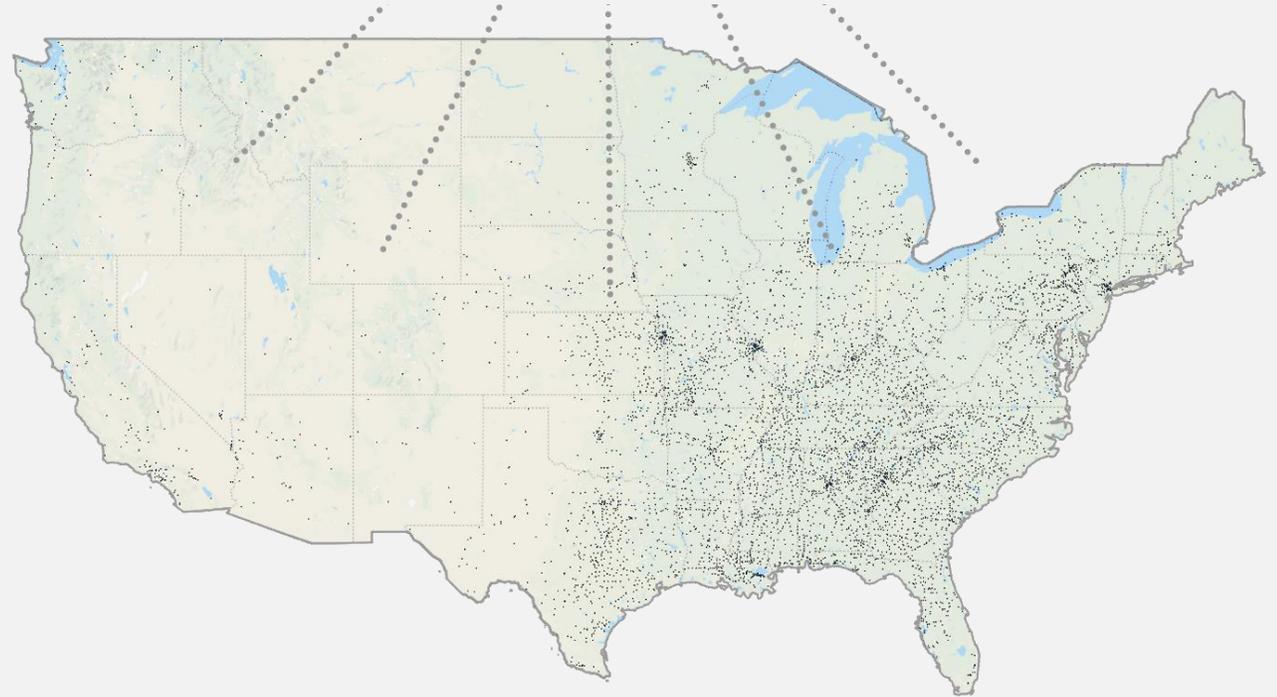
# Growth Strategies

## Organic

- Enable stores to provide a full suite of financial services to the underbanked and underserved
- Build national sales team to grow number of stores
- Increase mobile broadband subscriber base
- Upsell ACP customers to prepaid wireless family plan
- Add services such as Telehealth & Streaming

## Acquisitions

- Acquire companies with complimentary products, strategic cost savings or increase efficiencies
- Acquire distributor networks with an existing footprint of independently owned stores to add to our national network of community stores



**Over 8,000 Stores on the SurgePays Network**

# Investment Highlights & Guidance

- Revenue over \$130,000,000 annualized revenue for 2022 by Q4
- Mobile Broadband 2022: Over 200,000 subscribers with revenue of over \$75 million
  - Currently 100,000 subscribers @ \$30 reoccurring with 60% margin
- Fintech: 8,000 stores currently transacting on the SurgePays platform
  - Building a national in-house sales team for adding stores
- "De-risked" investment: SurgePays is providing essential services to a segment not directly affected by inflation or recession
- CEO is largest shareholder
- Significant growth expected in 2022 and beyond without a need for big dilution capital raises – not burning cash



# Select Financials

## Pro Forma Balance Sheet as of December 31st

<i>\$ in Millions</i>	<b>2021</b>	<b>2020</b>
<b>Total Cash</b>	<b>\$6.3</b>	<b>\$0.7</b>
Working Capital (deficit)	\$3.9	(\$14.4)
Total Assets	\$19.5	\$7.3

## Recent Financial Initiatives

- November 2021 capital raise solidified cash position and balance sheet
- 2021 focus on profitable customers and business lines
  - Flat revenue, higher margins
- Positioned for hyper growth in 2022
  - Cash available for investment
  - Higher margin, recurring revenue

## Cap Table

Basic Common Shares Outstanding	12,048,775
Series A Convertible Preferred stock	26,000
Warrants	5,717,617
Stock Options	3,401
<b>Fully diluted shares outstanding</b>	<b>17,795,793</b>

## Valuation

Share Price	\$3.88
Market Cap	\$46,850,127
Cash	\$13,174,824
<b>Enterprise Value</b>	<b>33,675,303</b>

# Management



**Brian Cox** - Chairman and CEO

Mr. Cox is an accomplished entrepreneur growing best-in-class companies for over 19 years, including building a company of over 1,300 employees. He began his career in telecom in 2004 when he founded his first prepaid telephone company (CLEC), which, through organic growth and acquisition, became the largest prepaid home phone company in the country before being sold in 2009. Since then, Mr. Cox has owned and directed over \$500M in sales from his fintech/software and telecom companies by utilizing his expertise in underserved consumer markets.



**Anthony Evers, CPA, CIA** - Chief Financial Officer

Mr. Evers is a talented and seasoned financial executive with over 30 years of proven financial and consulting experience. Mr. Evers has served as CFO and CIO for a variety of organizations, including non-profit, private-equity-backed, and publicly traded companies ranging from \$100 million to over \$1.3 billion in annual revenue. Most recently, he served as Chief Financial Officer for Vista Health System. Mr. Evers also successfully obtained his Certified Public Accountant and Certified Internal Auditor credentials.





## Investor Relations

Brian M. Prenoveau, CFA

MZ North America

561-489-5315

[SURG@mzgroup.us](mailto:SURG@mzgroup.us)

[surgepays.com](http://surgepays.com)

3124 Brother Boulevard, Suite 104, Bartlett, TN 38133