

SurgePays Announces Master Services Agreement with TerraCom, Inc.

Existing ACP Customers Can Now Opt-in to Lifeline Program

BARTLETT, Tenn., Oct. 10, 2024 /PRNewswire/ -- SurgePays, Inc. (Nasdaq: SURG) ("SurgePays" or the "Company"), a technology and telecom company announced today that it has signed a Master Services Agreement (MSA) with TerraCom, Inc. ("TerraCom"), a wireless service provider and licensed Lifeline provider, effective October 3, 2024. SurgePays and TerraCom have agreed to finalize a stock purchase agreement to acquire the majority of TerraCom stock, subject to regulatory approval.

SurgePays can now execute its stated strategy of offering Lifeline to its existing ACP subscriber base. Chairman and CEO Brian Cox commented, "This agreement allows us to offer a government-subsidized program to our 280,000 ACP wireless subscribers. Equally important, we can now reignite our sales channels to acquire new Lifeline subscribers who lost their ACP service when their carrier chose to shut them off."

The government reimbursement under the Lifeline program ranges from \$9.25 to \$34.25 per month, depending on the state. ACP customers can qualify almost identically under the Lifeline program.

Mr. Cox added, "We will aggressively move from self-funding our wireless customers to now having them funded by Lifeline, solidifying my confidence that we will return to being free cash flow positive. I am happy with our choice to spend millions of dollars to keep our customers connected. We believe the decision to retain our ACP customers, by putting our strong balance sheet to work after the government chose to stop funding the program, looks to have been the right business decision. ACP may come back after the election. Either way, we believe we have set a path to profitability again with Lifeline as a safety net for our customers who qualify."

Along with now being able to offer a Lifeline option to its wireless customer base, the Company is ramping sales efforts on Linkup Mobile, Wireless Top-Up and Clearline, pursuing multiple growth channels and putting the Company in a strong operating position heading into 2025.

About SurgePays, Inc.

SurgePays, Inc. is a technology and telecom company focused on the underbanked and underserved communities. SurgePays' technology-layered platform empowers clerks at over 8,000 convenience stores to provide a suite of prepaid wireless and financial products to underbanked customers. SurgePays prepaid wireless companies provide services to over 280,000 low-income subscribers nationwide. The company ranks as the 345th fastest-growing tech company in North America according to the 2023 Deloitte Technology Fast 500. Please visit [SurgePays.com](https://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. 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," "attempting," 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 including but not limited to, our ability to acquire new Lifeline subscribers who lost their ACP service, ability of ACP customers to qualify under the Lifeline program, our ability to ramp sales efforts on Linkup Mobile, Wireless Top-UP and Clearline, and our ability to execute our business plan. 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, whether the ACP is funded again, our ability complete the transaction with TerraCom, 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. 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 our quarterly reports on Form 10-Q for the periods ending March 31, 2024, and June 30, 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.

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