

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. YOU SHOULD NOT INVEST ANY FUNDS IN THIS OFFERING UNLESS YOU CAN AFFORD TO LOSE YOUR ENTIRE INVESTMENT. IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED OR APPROVED BY MERJ, HORIZON FINTECH ADVISORS, THE REPUBLIC OF SEYCHELLES OR ANY FEDERAL SECURITIES COMMISSION OR REGULATORY AUTHORITY OF ANY OTHER JURISDICTION. FURTHERMORE, THESE AUTHORITIES HAVE NOT PASSED UPON THE ACCURACY OR ADEQUACY OF THESE LISTING PARTICULARS OR COMPLETENESS OF ANY OFFERING DOCUMENT OR LITERATURE. THESE LISTING PARTICULARS AND ALL ANNEXURES THERETO SHALL BE GOVERNED AND CONSTRUED UNDER AND IN ACCORDANCE WITH THE LAWS OF THE REPUBLIC OF SEYCHELLES AND THE LISTING REQUIREMENTS OF MERJ EXCHANGE. YOUR ATTENTION IS DRAWN TO THE SPECIAL NOTE ON FORWARD-LOOKING STATEMENTS IN THESE LISTING PARTICULARS.

THE SHARE TOKENS ARE ONLY SUITABLE FOR INVESTORS: (I) WHO UNDERSTAND THE POTENTIAL RISK OF CAPITAL LOSS AND THAT THERE MAY BE LIMITED LIQUIDITY IN THE UNDERLYING INVESTMENTS OF THE COMPANY; (II) FOR WHOM AN INVESTMENT IN THE SHARE TOKENS IS PART OF A DIVERSIFIED INVESTMENT PROGRAM; AND (III) WHO FULLY UNDERSTAND AND ARE WILLING TO ASSUME THE RISKS INVOLVED IN SUCH AN INVESTMENT PROGRAM. IT SHOULD BE REMEMBERED THAT THE PRICE OF THE SHARES AND THE INCOME FROM THEM CAN GO DOWN AS WELL AS UP.



(a Nevada Company)

LISTING OF UP TO 14,121,773 DIGITAL SHARES, IN AGGREGATE THROUGH AN INITIAL LISTING OF COMMON STOCK

MARKET PARTICIPANTS ARE ADVISED THAT TRADING IN SURGEPAYS, INC. SHARES WILL BE ISSUED AS SHARE TOKENS ("SHARE TOKENS"). AND THE LISTING WILL BE IN UNITED STATES DOLLARS ("USD").

The date of These Listing Particulars is April 5, 2023

**Sponsor Advisor
Horizon Fintech Advisors Ltd.**

Definitions

“**Horizon**” means Horizon Globex GmbH, an organization designated by the Company to carry out the duties of registrar for the Share Tokens and is responsible for keeping the real time records of Holders of the Share Tokens in accordance with the Securities Facility Rules of MERJ Dep.

“**MERJ Dep**” means MERJ Depository and Registry, a licensed Securities Facility pursuant to the Seychelles Securities Act 2007 and the appointed registry and depository of MERJ Exchange.

“**MERJ Exchange**” means MERJ Exchange Limited, a licensed Securities Exchange pursuant to the Seychelles Securities Act 2007.

“**MERJ Clear**” means MERJ Clearing and Settlement Limited, a licensed Clearing Agency pursuant to the Seychelles Securities Act 2007 and operator of a Real Time Gross Settlement securities settlement system pursuant to the Seychelles National Payment Systems Act 2013.

“**MERJ Depository Interests**” or “**MDI**” means a 1:1 unit of beneficial ownership in a Principal Eligible Asset (e.g., Common Stock), registered in the name of an appointed Depository Nominee of MERJ Dep.

“**Share Token**” means an MDI that is issued in the form of a Digital Token and recorded via book-entry method on the register maintained by the Registrar.

“**Transmutation**” means to cause Common Stock to be converted into Share Tokens or vice versa in accordance with the Securities Facility Rules of MERJ Dep.

Listing General Information

Prepared by Horizon Fintex Advisors Limited and issued in terms of the Listings Rules of MERJ Exchange.

These Listing Particulars are issued in compliance with the Listings Requirements of MERJ Exchange to provide information to the public about the Company. In addition, an application has been made to the MERJ Exchange of the securities to be admitted to the Official List and that these shares also currently trade on NASDAQ with ticker symbol SURG.

The share capital of **SurgePays, Inc.** (the “Company”) consists of 500,000,000 shares of common stock, with a par value of \$0.001 per share, and 100,000,000 shares of preferred stock, with a par value of \$0.001 per share.

As of March 30, 2023, there were 14,121,773 shares of common stock outstanding and no shares of preferred stock outstanding.

Common Stock

- 500,000,000 shares authorized
- 14,121,773 shares outstanding
- Par value - \$0.001
- Voting at 1 vote per share

Annual Meetings

All annual meetings of shareholders and all other meetings of shareholders shall be held either at the principal office of the Corporation or at any other place within or without the State of Nevada as may be designated either by the Board of Directors pursuant to authority hereinafter granted to said Board or by the written consent of the shareholder entitled to vote at such meeting holding at least a majority of such shares. Such vote may be given either before or after the meeting and filed with the Secretary of the Corporation.

Shareholder Meetings shall occur at a frequency as required by the Corporation's listing exchange or annually if the Board of Directors requires an annual meeting. The annual meetings of shareholders shall be held on:

The First Friday in July

provided, however, that should said day fall on a legal holiday, then any such annual meeting of shareholders shall be held at the same time and place on the next day thereafter ensuing which is a full business day. Any such annual meeting may be held at any other time which may be designated in a resolution by the Board of Directors or by the written consent of the shareholders entitled to vote at such meeting holding at least a majority of such shares. At such annual meeting, directors shall be elected, reports of the affairs of the Corporation shall be considered, and any other business may be transacted which is within the powers of the shareholders to transact and which may be properly brought before the meeting. Written notice of each annual meeting shall be given to each shareholder entitled to vote (unless such call and notice is waived by the unanimous consent of the shareholders), either personally or by mail or other means of written communication, charges prepaid, addressed to such shareholder at his address appearing on the books of the Corporation or given by him to the Corporation for the purpose of notice.

If a shareholder gives no address, notice shall be deemed to have been given if sent by mail or other means of written communication addressed to the place where the principal office of the Corporation is situated, or if published at least once in some newspaper of general circulation in the county in which said office is located. All such notices shall be sent to each shareholder entitled thereto not less than ten (10) nor more than sixty (60) days before each annual meeting. Such notices shall specify the place, the day and the hour of such meeting and shall state such other matters, if any, as may be expressly required by statute.

On April 5, 2023 MERJ Exchange approved an application from the Company to list up to 14,121,773 shares of Common Stock, with a par value of USD \$0.001 each, being the entire issued share capital of the Company at the time of listing, on Upstream, a MERJ Exchange Market, under the abbreviated name and share code "SURG" and ISIN US86882L2043. The date of listing and commencement of trading is expected to be on or about May 8, 2023.

The Company has not paid either a cash dividend or a stock dividend; entered into a merger; or effected a spin-off from the date of our formation. No such acts or activities are being contemplated for the future.

Participants of Upstream will hold and trade beneficial interests in the Common Stock in the form of Share Tokens using the Upstream Platform, <https://upstream.exchange/>. The register of Holders of the Share Tokens will be maintained by Horizon as the Registrar. The underlying Common Stock represented by the Share Tokens shall be held in "street name" on the Principal Register maintained by the Transfer Agent in the name of MERJ Nominees Ltd., a bankruptcy remote, wholly owned subsidiary of MERJ Dep ("Depository Nominee").

The Directors of the Company, whose names are given in this Notice, collectively and individually accept full responsibility for the accuracy of the information given in these Listing Particulars and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading and that all reasonable enquiries to ascertain the accuracy of such facts have been made up to and including the last practicable date and that the document contains all information required by law and by the Listing Requirements of MERJ Exchange.

Copies of these Listing Particulars and all updates and amendments to these Listing Particulars up to the date of listing are available in English from the registered offices of SurgePays, Inc., 3124 Brother Blvd, Suite 104, Bartlett, TN 38133 USA and the offices of the Sponsor Advisors at F20, 1st Floor, Eden Plaza Court, Eden Island, Seychelles as well as on the Upstream App, the Upstream website <https://upstream.exchange/> and the MERJ Exchange website, <https://merj.exchange/>.

Sponsor Advisor: Horizon Fintex Advisors Ltd.

Date of issue: May 8, 2023

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

These Listing Particulars contains forward-looking statements based on assumptions and reflects the Directors expectations, estimates and projections of future events as of the date of this Pre-Listing Statement. Forward-looking statements include, without limitation, statements regarding the performance, prospects, opportunities, priorities, targets, goals, objectives, strategies, growth and outlook of the Company. Often, but not always, forward-looking statements can be identified by the use of words such as "expects", "anticipates", "plans", "believes", "estimates", "seeks", "intends", "targets", "projects", "forecasts", or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

Forward-looking statements are based upon certain material factors and assumptions that were applied in drawing a conclusion or making a forecast or projection, including assumptions and analyses made by the Directors in the light of their experience and perception of historical trends, current conditions and expected future developments, as well as other factors that are believed to be appropriate in the circumstances. Also, forward- looking statements involve known and unknown risks, uncertainties and other factors that are beyond the Directors control, and which may cause the actual results, performance or achievement to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such material factors and assumptions and risks and uncertainties include, among others, those which are incorporated into these Listing Particulars and qualify any and all forward-looking statements made in these Listing Particulars.

Market data and industry information contained in these Listing Particulars are derived from various trade publications, industry sources and company estimates. Such sources and estimates are inherently imprecise. However, the Directors believe that such data and information are generally indicative of market position. The Directors of the Company are under no obligation to update this information nor any forward-looking statements whether as a result of new information, future events or otherwise beyond its issue date, except as required by law.

Although the Directors have attempted to identify factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events and results to differ from those anticipated, estimated or intended. There can be no assurance that actual results will be consistent with these forward-looking statements.

Accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking statements herein relate only to events or information as at the date on which the statements are made and, except as specifically required by law, the Directors undertake no obligation to update or revise any forward-looking statements, whether because of new information, estimates or opinions, future events or results or otherwise.

NOTICE TO INVESTORS

Prospective investors should inform themselves as to the legal requirements and tax consequences within the countries of their citizenship, residence, domicile and place of business with respect to their acquisition, holding or disposal of the Share Tokens, and any foreign exchange restrictions that may be relevant thereto. These Listing Particulars do not constitute an offer to sell or the solicitation of an offer to buy in any state or other jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such state or jurisdiction. In particular, the information contained in these Listing Particulars does not constitute an offer of securities for sale in the United States. None of the securities described or directly or indirectly referred to in these Listing Particulars have been nor will they be registered under the Securities Act of 1933, as amended (“U.S. Securities Act”). The Share Tokens may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act or pursuant to an exemption from, or in a transaction not subject to, such registration. Accordingly, the Share Tokens are being offered and sold only in offers and sales that occur outside the United States to purchasers who are not U.S. persons (as defined in Regulation S) in offshore transactions in reliance on Regulation S under the U.S. Securities Act. By purchasing the Share Tokens, investors are deemed to have acknowledged, represented and warrant this to the Company.

The information in these Listing Particulars is for general guidance only and it is the responsibility of any person or persons in possession of these Listing Particulars and wishing to make an application to subscribe for the Share Tokens to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction.

The securities offered involve a high degree of risk and may result in the loss of your entire investment. Any person considering the purchase of these securities should consult with his, her or its legal, tax and financial advisors prior to making an investment in securities. The securities should only be purchased by persons who can afford to lose all of their investment. In making an investment decision, investors must rely on their own examination of the Company and the terms of the offering, including the merits and risks involved.

No person is authorized to give any information or make any representations (whether oral or written) in connection with the contents of these Listing Particulars except such information as is contained in these Listing Particulars and in any annexures, hereto. Only information or representations contained herein may be relied upon as having been authorized.

Neither the issue nor the delivery of these Listing Particulars at any time shall imply that

information contained herein is correct as of any time subsequent to the issue date. Readers of these Listing Particulars should not construe its contents, or any prior or subsequent communications from the Company or any of its agents, officers, or representatives, as legal or tax advice. Readers should consult their own advisers as to legal, tax and related matters concerning an investment in the Company.

Neither the Directors nor their agents make any representation to any potential purchaser of securities regarding the legality of an investment therein by such investor under applicable legal investment regulation or similar laws.

These Listing Particulars do not constitute an offer to sell or issue, or the solicitation of an offer to purchase, subscribe for or otherwise acquire, Share Tokens in any jurisdiction where such an offer or solicitation would be unlawful or would impose any unfulfilled registration, qualification, publication or approval requirements on the Company. The distribution of these Listing Particulars and the offer of the Share Tokens in certain jurisdictions may be restricted by law.

Other than in the Seychelles, no action has been or will be taken to permit the possession, issue or distribution of these Listing Particulars (or any other offering materials or publicity relating to the Share Tokens) in any jurisdiction where action for that purpose may be required or doing so is restricted by law. Accordingly, neither these Listing Particulars, nor any other offering materials or publicity relating to the Share Tokens may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession these Listing Particulars (or any other offering materials or publicity relating to the Share Tokens) comes should inform themselves about and observe any such restrictions.

NOTICE TO U.S. PERSONS

No offer or sales of the Share Tokens shall be made to U.S.-based investors, either U.S. citizens or permanent residents of the United States. There has not been and will be no public offering of the Share Tokens in the United States. The Share Tokens have not been and will not be registered under the U.S. Securities Act, or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered, sold, resold, pledged, delivered, distributed or otherwise transferred, directly or indirectly, into or within the United States.

NOTICE TO CANADIAN PERSONS

No offer or sales of the Issuer shares shall be made to Canadian-based investors, either Canadian citizens or permanent residents of Canada. There has not been and will be no public offering of the Share Tokens in Canada, and may not be offered, sold, resold, pledged, delivered, distributed or otherwise transferred, directly or indirectly, into or within Canada.

SUMMARY

1. INTRODUCTION

SurgePays, Inc., was incorporated under the laws of the State of Nevada on August 18, 2006. The Company's head office is situated at 3124 Brother Blvd, Suite 104, Bartlett, TN 38133 USA. The Company's web site is <https://SurgePays.com/>.

2. OVERVIEW

SurgePays, Inc. (NASDAQ: SURG, www.SurgePays.com) is a financial technology and telecom company focused on providing these essential services to the underbanked community. The Company's wireless subsidiaries provide mobile broadband, voice and SMS text messaging to both subsidized and direct retail prepaid customers. The Company's blockchain fintech platform utilizes a suite of financial and prepaid products to convert corner stores into tech-hubs for underbanked neighborhoods.

SurgePhone Wireless and Torch Wireless

SurgePhone and Torch, wholly owned subsidiaries of SurgePays, are mobile virtual network operators (MVNO) licensed by the Federal Communications Commission (the "FCC") to provide subsidized access to quality internet through mobile broadband services to consumers qualifying under the federal guidelines of the Affordable Connectivity Program (the "ACP"). The ACP (the successor program, as of March 1, 2022 to the Emergency Broadband Benefit program) provides SurgePhone and Torch up to a \$100 reimbursement for the cost of each tablet device distributed and a \$30 per customer, per month subsidy for mobile broadband (internet connectivity) services. SurgePhone and Torch combined are licensed to offer subsidized mobile broadband to all fifty states.

SurgePays Fintech (ECS Business)

The Company refers to the collective operations of ECS Prepaid, LLC, a Missouri limited liability company, Electronic Check Services, Inc., a Missouri corporation, and Central States Legal Services, Inc., a Missouri corporation, as "Surge Fintech." This was previously referred to as the "ECS Business."

Surge Fintech has been a financial technology tech and wireless top-up platform for over 15 years. Through a series of transactions between October 2019 and January 2020, the Company acquired the ECS Business primarily for the favorable ACH banking relationship and a fintech transactions platform processing over 20,000 transactions a day at approximately 8,000 independently owned convenience stores. The platform serves as the proven backbone for wireless top-up transactions and wireless product aggregation for the SurgePays nationwide network.

ShockWave CRM™

SurgePays acquired the Software as a Service (SaaS) Customer Relationship Management (CRM) and Billing System software platform "MVNO Cloud Services" on June 7, 2022. SurgePays is rebranding the software as ShockWave CRM. Payment for the software consisted of \$300,000 in cash, of which \$100,000 was paid in June 2022, and the remaining \$200,000 in July 2022. Additionally, the Company issued 85,000 shares of common stock having a fair value of \$411,400 (\$4.84/share), based upon the quoted closing trading price.

ShockWave is an end-to-end cloud-based SaaS offering an Omnichannel CRM, Billing system and carrier integrations specific to the telecommunication and broadband industry.

Some of these services include sales agent management, device and SIM inventory management, order processing and provisioning, retail POS activations and payments, customer service management, retention tools, billing, and payments.

Surge Blockchain

Surge Blockchain Software is a back-office marketplace (accessed through the SurgePays fintech portal for convenience stores) offering wholesale consumable goods direct to convenience stores who are transacting on the SurgePays Fintech platform. The wholesale e-commerce platform is easily accessed through the secure app interface – similar to a website. We believe what makes this sales platform unique is that it also offers the merchant the ability to order wholesale consumable goods at a significant discount from traditional distributors with one touch ease. We are able to sell products at a significant discount by using on demand Direct Store Delivery (DSD). Our platform is connected directly to manufactures, who ship products direct to the store while cutting out the middleman. The goal of the SurgePays Portal is to leverage the competitive advantage and efficiencies of e-commerce to provide as many commonly sold consumable products as possible to convenience stores, corner markets, bodegas, and supermarkets while increasing profit margins for these stores.

LogicsIQ, Inc.

LogicsIQ, Inc. is a lead generation and case management solutions company primarily serving law firms in the mass tort industry. The company’s CRM “Intake Logics” facilitates the entire life cycle of converting a lead into a signed retainer client integrated into the law firms case management software. Our proven strategy of delivering cost-effective retained cases to our attorney and law firm clients means those clients are better able to manage their media and advertising budgets and reach targeted audiences more quickly and effectively when utilizing our proprietary data driven analytics dashboards. Our ability to deliver transparent results through our integrated Business Intelligence (B.I.) dashboards has bolstered our reputation as an industry leader in the mass tort client acquisition field.

Centercom

Since 2019, the Company has owned a 40% equity interest in Centercom Global, S.A. de C.V. (“Centercom”). Centercom is a bilingual operations center providing the Company with sales support, customer service, IT infrastructure design, graphic media, database programming, software development, revenue assurance, lead generation, and other various operational back-office services. Centercom is based in El Salvador.

The SurgePhone and Torch Wireless business segment made up approximately 73% of total consolidated revenue in 2022. Revenues related to this business segment are 100% derived from programs administered by the Federal Communications Commission (FCC), and all funds related to these programs are received directly from organizations under the direction of the FCC. Accounts receivable related to these programs was made up 96% of accounts receivable at December 31, 2022.

The SurgePhone and Torch Wireless business segment made up approximately 17% of total consolidated revenue in 2021. Revenues related to this business segment are 100% derived from programs administered by the Federal Communications Commission (FCC), and all funds related to these programs are received directly from organizations under the direction of the FCC. Accounts receivable related to these programs was made up 89% of accounts receivable at December 31, 2021.

Customers in the United States accounted for 100% of revenues. The Company does not have any property or equipment outside of the United States.

3. Management & Directors

<u>Name</u>	<u>Position</u>
Kevin Brian Cox	Chief Executive Officer and Chairman Chief Financial Officer and acting Chief Operating Officer
Anthony Evers	Operating Officer
David C. Ansani	Chief Administrative Officer
David May	Director
David N. Keys	Independent Director
Laurie Weisberg	Independent Director
Richard Schurfeld	Independent Director

Kevin Brian Cox – Chief Executive Officer and a Director – Mr. Cox has been Chief Executive Officer and a Director since July 2017. He also served as Chief Financial Officer of the Company from July 2017 to March 2018 and as President of the Company from July 2017 to February 2019. He was the majority owner of True Wireless from January 2011 through April 2018, when True Wireless became a wholly owned subsidiary of the Company. Mr. Cox is an accomplished technology entrepreneur growing best-in-class and profitable companies for nearly 20 years. Through most of his career, he has focused on delivering telecom, broadband and financial services to the unbanked and underserved segments of society. 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. Mr. Cox attended Murray State University majoring in Economics.

David C. Ansani – Chief Administrative Officer – Mr. Ansani has been Chief Administrative Officer since August 2017, and was a Director until February 2021. He was also appointed Secretary of the Company in February 2019. From 2010 to the present date, he has served as Chief Compliance Officer/Human Resources Officer/In-House Counsel for Glass Mountain Capital, LLC, a start-up financial services company specializing in the recovery of distressed assets. In this capacity, he reviews and evaluates compliance issues and concerns within the organization. The position ensures that management and employees are in compliance with applicable laws, rules and regulations of regulatory agencies (FDCA, TCPA, GLB, CFPB, etc.); that company policies and procedures are being followed; and that behavior in the organization meets the company’s standards of conduct. Ms. Ansani received his B.A. and MBA from the University of Chicago, and J.D. from the Chicago-Kent College of Law.

Anthony Evers – Chief Financial Officer – Mr. Evers has been the Chief Financial Officer of the Company since May 1, 2020. Mr. Evers has also served as Chief Financial Officer of LogicsIQ since August 2021. Prior to joining the Company, Mr. Evers served as Chief Financial Officer for Vista Health System from October 2019 to March 2020. Between June 2019 and October 2019, Mr. Evers served as CFO of Santa Cruz Valley Regional Hospital. Between 2015 and 2019, Mr. Evers served as CFO and CIO of KSB Hospital. Prior to that, he served as CFO of various organizations, including Norwegian American Hospital and Horizon Homecare and Hospice. During his career, Mr. Evers has been the financial lead in over 20 merger and divestiture transactions ranging from a single physician practice to multi-entity nursing homes. Throughout his career, Mr. Evers has served on numerous boards of directors, including Wheaton Franciscan Healthcare, Covenant Healthcare, All Saints Health System, Rogers Hospital, and the Animal Shelter in Beaver Dam WI. He has also served as a member of the Dixon Illinois Chamber of Commerce. Mr. Evers has also served as the audit and finance committee chair at several of these organizations. Mr. Evers obtained his Bachelor of Business

Administration in Finance and Master of Science in Accounting from University of Wisconsin-Whitewater. Mr. Evers also successfully obtained his Certified Public Accountant and Certified Internal Auditor credentials.

David N. Keys – Director – Mr. Keys has been a director of the Company since July 2019. Mr. Keys began his career with Deloitte serving in the audit group in the Las Vegas and New York City executive offices. David was the Executive Vice President, CFO and member of the executive committee of the Board of Directors of American Pacific, a chemical company that was publicly traded on the NASDAQ for the entirety of the time he was a director and executive officer. Since 2004, Mr. Keys has been an independent financial and operations consultant. Mr. Keys currently serves as Chairman of the Board and Audit Committee of RSI International Systems Inc. (NEX: RSY.H), and on the Board of private companies, including Prosetta Biosciences Inc., Akonni Biosystems Inc. and Walker Digital Table Systems, LLC. He previously served on the Boards of Directors of AmFed Financial Inc., Norwest Bank of Nevada and Wells Fargo Bank of Nevada. Mr. Keys also served on the Advisory Board of Directors of FM Global, a leading provider of property and casualty insurance. Mr. Keys is a Certified Public Accountant (CPA), Certified Valuation Analyst (CVA), Certified Management Accountant (CMA), Chartered Global Management Accountant (CGMA), Certified Information Technology Professional (CITP), Certified in Financial Forensics (CFF), and Certified in Financial Management (CFM). David is a member of the National Roster of Neutrals of the American Arbitration Association. He received a Bachelor of Science in accounting from Oklahoma State University.

David May – Director – Mr. May has been a director of the Company since February 2021. Mr. May has been a banking professional since 1994. Throughout his career, he has established himself as one of the leading convenience store and convenience store wholesaler financiers in the Mid-South through his cultivation of personal relationships and service to members of this close-knit community. David has been Senior Vice President of Commercial Banking since 2007 with Landmark Community Bank, a Memphis based commercial bank with over a billion dollars in assets with offices in the Memphis and Nashville, Tennessee markets. He has been a bank officer for both community banks and large regional banks over his 27-year banking career. David is a graduate of the Southeastern School of Commercial Banking at Vanderbilt University and, in the past, served as Chairman of the Board for seven years for The Agency for Youth and Family Development, a residential treatment facility for adolescent males. He is also a founding owner of Global Defense Specialists, a military aircraft fleet sustainment company specializing in Lockheed F-16's and C-130's and Northrop F-5 jet fighters.

Laurie Weisberg – Director – Ms. Weisberg was appointed to the Board in December 2022. Ms. Weisberg served as a member of the Board of Directors of Creatd, Inc. from July 2020 to September 2022 and served in a number of executive officer positions while Creatd was traded on the Nasdaq Capital Market. Ms. Weisberg began her executive tenure at Creatd as Chief Operating Officer from October 2020 until August 2021. Ms. Weisberg then held the position of Co-Chief Executive Officer from August 2021 to February 2022. Ms. Weisberg was sole Chief Executive Officer from February 2022 to September 2022. Ms. Weisberg, who has served as the Chief Sales Officer at Intent since February 2019, has spent over 25 years at the forefront of sales and marketing innovation in the technology space, having held leadership positions at various technology companies including Thrive Global, Curalate, and Oracle Data Cloud. From October 2010 to April 2015, Ms. Weisberg was a member of the executive leadership team at Datalogix, leading up to its acquisition by Oracle in 2015, at which point she assumed the role of VP of Oracle Data Cloud. Additionally, Ms. Weisberg has served on the Advisory Board at Crowdsmart, an intelligent data-driven investment prediction platform since April 2019.

Rich Schurfeld – Director – Mr. Schurfeld was appointed to the Board in December 2022. Since 2001, Mr. Schurfeld has served as Chief Executive Officer of Redsson, Ltd., a B2B software and services company that develops custom solutions to help utility companies, healthcare providers and payer organizations accelerate and streamline complicated manual processes and improve efficiencies. Mr. Schurfeld is a graduate of the United States Air Force Academy.

Executive Compensation

The following table shows the compensation for the years ended December 31, 2022 and 2021 for our Chief Executive Officer and our two other executive officers whose total compensation exceeded \$100,000 in each year (the “Named Executive Officers”). In 2021, our Named Executive Officers were Kevin Brian Cox, Anthony Nuzzo, and David Ansani. In 2022, our Named Executive Officers were Kevin Brian Cox, Anthony Evers, and David Ansani.

Name and Principal Position	Year	Annual Compensation			Other Annual Compensation -3	Long-Term Compensation			
		Salary -1	Bonus -2	Restricted Stock Awards		Securities Underlying Options	Total Compensation		
Kevin Brian Cox CEO and Chairman	2022	\$548,139	\$375,250	\$	160,491	\$	—	\$	1,083,880
	2021	\$733,862	\$	\$	38,231	\$	—	\$	772,093
Anthony P. Nuzzo, Jr President and Director (through March 2022)	2022	\$	—	\$	—	\$	—	\$	—
	2021	\$579,157	\$	—	65,629	\$	—	\$	644,786
David C. Ansani Chief Administrative Officer	2022	\$231,626	\$116,250	\$	18,374	\$	—	\$	366,250
	2021	\$251,422	\$	—	16,125	\$	—	\$	267,547
Anthony Evers CFO	2022	\$400,839	\$351,250	\$	40,630	\$	—	\$	792,719
	2021	\$386,573	\$	—	24,635	\$	—	\$	411,208

- (1) Management base salaries can be increased by our Board of Directors based on the attainment of financial and other performance guidelines set by our management.
- (2) Salaries listed do not include annual bonuses to be paid based on profitability and performance. These bonuses will be set, from time to time, by a disinterested majority of our Board of Directors. No bonuses will be set until such time as the aforementioned occurs.
- (3) Other annual compensation consists of paid medical insurance, auto allowances, and housing allowances.

On March 23, 2022, the Compensation Committee and Board approved the following one-time cash bonus payments to the following executives and members of the Board: (i) \$375,000 to Mr. Cox (our CEO and Chairman); (ii) \$126,000 to Mr. Evers (our CFO); (iii) \$116,000 to David C. Ansani (our Chief Administrative Officer); (iv) \$20,000 to David N. Keys (a member of the Board); (v) \$10,000 to David May (a member of the Board); and (vi) \$10,000 to Jay Jones (formerly a member of the Board). These one-time cash bonus payments were paid prior to April 21, 2022.

In addition, on March 23, 2022, the Compensation Committee and Board approved the Company issuing the independent members of the Board on the first day of April each year that an independent director is then serving on the Board the number of options to purchase shares of Common Stock (the “Director Options”) equivalent to \$60,000 with the number of Director Options to be determined in accordance with the provisions of the 2022 Plan. As of March 30 2023, no Director Options have been issued.

Employment Agreements

On May 13, 2022, the Company entered into a new employment agreement with Mr. Cox (the “CEO Employment Agreement”).

Below is a summary of the key provisions of the CEO Employment Agreement.

Term of Employment: The CEO Employment Agreement had an effective date of May 13, 2022 and continues for a period of five years. The CEO Employment Agreement will automatically renew and continue for successive one-year terms unless terminated pursuant to qualifying termination events. In addition, either party may terminate the CEO Employment Agreement by sending written notice to the other party, not more than 270 days and not less than 90 days before the end of the then-existing term of employment, of such party’s desire to terminate the CEO Employment Agreement at the end of the then-existing term.

Base Compensation: During the term of the CEO Employment Agreement, Mr. Cox will receive a base salary of \$475,000 per year and, provided that the Company’s EBITDA was positive in the prior calendar year, the base will be increased on January 1 of each year by six percent (6%) per annum. Mr. Cox’s base salary did not increase on January 1, 2023 due to ongoing discussions between the Compensation Committee and Mr. Cox regarding the definition of EBITDA.

Cash Bonus: Mr. Cox will receive a cash bonus each year of the greater of (i) between 2.5% and 10% of the Company’s calendar year EBITDA (with the marginal percentage decreasing as EBITDA increases from \$1 million to \$3 million). By way of example only, if EBITDA is \$1.5 million, Mr. Cox will receive \$137,500 ((10% of \$1 million = \$100,000) plus (7.5% of \$500,000 = \$37,500)) and (ii) between 30% and 150% of base salary determined by the relationship between the Company’s annual performance and an annual target performance set each year by mutual agreement between the Board and Mr. Cox (with the percentage of base salary increasing as the percentage of target increases from 79% to over 150%).

As of March 30, 2023, no cash bonus has been paid to Mr. Cox as there are ongoing discussions between the Compensation Committee and Mr. Cox regarding the definition of EBITDA.

Stock Bonus: The Company will issue, out of the 2022 Plan and future equity incentive plans to be approved by the Company’s shareholders, three different categories of stock bonuses and one category of options. As of March 30, 2023, no stock bonuses or options have been issued to Mr. Cox as there are ongoing discussions between the Compensation Committee and Mr. Cox regarding the definition of EBITDA and the measurement period and payment dates for the non-EBITDA milestone-based payments.

- (i) EBITDA based issuances - 500,000 shares of common stock upon the Company first reaching positive cash flow EBITDA for a quarter of any amount and then reaching positive cash flow EBITDA for a quarter of milestones of \$1 million, \$3 million, and \$5 million.
- (ii) Market Capitalization based issuances - 500,000 shares of common stock upon the Company reaching the following market capitalization milestones: \$250 million, \$500 million, \$1 billion, \$2 billion, \$3 billion, \$4 billion, and \$5 billion.
- (iii) Business Metrics Growth based issuances - award incentives for achieving 25,000, 50,000, 100,000 active stores on the SurgePays network and 250,000, 500,000, 1,000,000 Wireless MVNO/Mobile broadband or digital content customers - up to a total of 2.75 million shares of common stock. In addition, Mr. Cox will be issued 500,000 shares of common stock per increment of 500,000 total subscribers (Wireless MVNO, Mobile Broadband or digital content customers) of the Company beyond 1 million total subscribers.
- (iv) Options to purchase 250,000 shares of common stock on January 1st of each year from 2023 through 2026. In addition, the Company will issue 250,000 options to Mr. Cox in 2022 following shareholder approval of the 2022 Plan.

Benefits: Mr. Cox will be eligible to participate in all health, medical, dental, and life insurance employee benefits as are available from time to time to other key executive employees and their families. Mr. Cox will be entitled to receive an annual car allowance of up to \$15,000 per year, home office expense reimbursement of up to \$5,000 per month, and a remote housing allowance of up to \$10,000 per month. Mr. Cox is also entitled to be reimbursed for up to \$10,000 per year in costs associated with income tax preparation and estate planning.

Termination and Severance: The Company or Mr. Cox may terminate the CEO Employment Agreement and Mr. Cox's employment in various circumstances and, depending on the circumstances, the benefits that may be due following such termination are described below.

For a termination by the Company with Cause (as defined in the CEO Employment Agreement), no severance benefits are payable.

For a termination due to death, disability, by Mr. Cox following a Change in Control, or by Mr. Cox due to Constructive Termination (both as defined in the CEO Employment Agreement), Mr. Cox will be entitled to (a) a payment equal to the greater of (i) two (2) years' worth of the then-existing Base and the last year's bonus and (ii) the Base payable through the remaining Initial Term (if applicable). Mr. Cox will also be entitled to retain his benefits for the remainder of the Initial Term or Renewal Term, as then applicable.

Executive Covenants: In consideration of Mr. Cox's continued employment with the Company and the benefits and payments described in the CEO Employment Agreement, Mr. Cox agrees to (i) nondisclosure of Company confidential information during his term of employment with the Company and for five years thereafter; (ii) not to compete with the Company during the term of his employment (owning up to 10% of a publicly traded company that competes with the Company is permitted); (iii) for 12 months following termination of his Employment, not to solicit customers and not to recruit or hire the Company's employees. The non-solicit and non-compete provisions are not applicable if termination of Employment was by Mr. Cox following a Change in Control or by Mr. Cox due to Constructive Termination; and (iv) not to disparage the Company or its officers, executives or Board members.

On August 8, 2022, the Company entered into a new employment agreement with Mr. Evers (the "CFO Employment Agreement").

Below is a summary of the key provisions of the CFO Employment Agreement.

Term of Employment: The CFO Employment Agreement had an effective date of August 8, 2022 and continues for a period of five years. The CFO Employment Agreement will automatically renew and continue for successive one-year terms unless terminated pursuant to qualifying termination events. In addition, either party may terminate the CFO Employment Agreement by sending written notice to the other party, not more than 270 days and not less than 90 days before the end of the then-existing term of employment, of such party's desire to terminate the CFO Employment Agreement at the end of the then-existing term.

Base Compensation: During the term of the CFO Employment Agreement, Mr. Evers will receive a base salary of \$450,000 per year and, provided that the Company's EBITDA was positive in the prior calendar year, the base will be increased on January 1 of each year by six percent (6%) per annum. Mr. Evers' base salary did not increase on January 1, 2023 due to ongoing discussions between the Compensation Committee and Mr. Evers regarding the definition of EBITDA.

Signing Bonus: The Company paid Mr. Evers a one-time signing bonus of Fifty percent (50%) of the base salary equivalent to \$225,000 (the "Signing Bonus") within thirty (30) days following August 8, 2022 less payroll deductions and all required withholdings. If Mr. Evers resigns from employment with the Company without Good Reason (as defined in the CFO Employment Agreement) or the Company terminates Mr. Evers' employment for Cause (as defined in the CFO Employment Agreement), in each case prior to August 8, 2023, Mr. Evers must repay to the Company a pro rata portion of the Signing Bonus representing the remainder of the period between the date of termination and August 8, 2023.

Restricted Vesting Shares: The Company shall grant to Mr. Evers under the 2022 Plan a restricted stock award for 500,000 shares (the "Restricted Shares") of common stock of the Company. Vesting of the Restricted Shares shall occur in bi-annual installments over five years commencing on December 31, 2022 on which date 50,000 shares of the Restricted Shares shall vest and continuing to vest thereafter on each of July 1 and December 31, for the years of 2023-2027. As of March 30, 2023, no securities have been issued to Mr. Evers as there are ongoing discussions between the Compensation Committee and Mr. Evers regarding the definition of EBITDA and the measurement period and payment dates for the non-EBITDA milestone-based payments.

Restricted Signing Shares: The Company shall grant to the Executive 100,000 shares of the Company's common stock within five (5) business days of stockholder approval of the 2022 Plan.

Cash Bonus: Mr. Evers will receive a cash bonus each year of the greater of (i) between 2.5% and 10% of the Company's calendar year EBITDA (with the marginal percentage decreasing as EBITDA increases from \$1 million to \$3 million). By way of example only, if EBITDA is \$1.5 million, Mr. Evers will receive \$137,500 ((10% of \$1 million = \$100,000) plus (7.5% of \$500,000 = \$37,500)) and (ii) between 9% and 45% of base salary determined by the relationship between the Company's annual performance and an annual target performance set each year by mutual agreement between the Board and Mr. Evers (with the percentage of base salary increasing as the percentage of target increases from 79% to over 150%). As of March 30, 2023, no cash bonus has been paid to Mr. Evers as there are ongoing discussions between the Compensation Committee and Mr. Evers regarding the definition of EBITDA.

Stock Bonus: The Company will issue, out of the 2022 Plan and future equity incentive plans to be approved by the Company's shareholders, three different categories of stock bonuses and one category of options:

- (i) EBITDA based issuances – 150,000 shares of common stock upon the Company first reaching positive cash flow EBITDA for a quarter of any amount and then reaching positive cash flow EBITDA for a quarter of milestones of \$1 million, \$3 million, and \$5 million.
- (ii) Market Capitalization based issuances – 150,000 shares of common stock upon the Company reaching the following market capitalization milestones: \$250 million, \$500 million, \$1 billion, \$2 billion, \$3 billion, \$4 billion, and \$5 billion.
- (iii) Business Metrics Growth based issuances – award incentives for achieving 25,000, 50,000, 100,000 active stores on the SurgePays network and 250,000, 500,000, 1,000,000 Wireless MVNO/Mobile broadband or digital content customers – up to a total of 825,000 shares of common stock. In addition, Executive will be issued 150,000 shares of common stock per increment of 500,000 total subscribers (Wireless MVNO, Mobile Broadband or digital content customers) of the Company beyond 1 million total subscribers.
- (iv) Options to purchase 75,000 shares of common stock on January 1 of each year from 2023 through 2026. In addition, the Company will issue 75,000 options to Executive in 2022 following shareholder approval of the 2022 Plan.

Benefits: The Executive will be eligible to participate in all health, medical, dental, and life insurance employee benefits as are available from time to time to other key executive employees and their families. The Executive will be entitled to receive an annual car allowance of up to \$3,750 per year and home office expense reimbursement of up to \$500 per month. The Executive is also entitled to be reimbursed for up to \$10,000 per year in costs associated with income tax preparation and estate planning.

Termination and Severance: The Company or the Executive may terminate the CFO Employment Agreement and the Executive's employment in various circumstances and, depending on the circumstances, the benefits that may be due following such termination are described below.

For a termination by the Company with Cause (as defined in the CFO Employment Agreement), no severance benefits are payable.

For a termination due to death, disability, by Executive following a Change in Control, or by Executive due to Constructive Termination (both as defined in the CFO Employment Agreement), the Executive will be entitled to (a) a payment equal to the greater of (i) two (2) years' worth of the then-existing Base and the last year's bonus and (ii) the Base payable through the remaining Initial Term (if applicable). The Executive will also be entitled to retain his benefits for the remainder of the Initial Term or Renewal Term, as then applicable.

Executive Covenants: In consideration of the Executive's continued employment with the Company and the benefits and payments described in the CFO Employment Agreement, the Executive agrees to (i) nondisclosure of Company confidential information during his term of employment with the Company and for five years thereafter; (ii) not to compete with the Company during the term of his employment (owning up to 10% of a publicly traded company that competes with the Company is permitted); (iii) for 12 months following termination of his Employment, not to solicit customers and not to recruit or hire the Company's employees. The non-solicit and non-compete provisions are not applicable if termination of Employment was by Executive following a Change in Control or by Executive due to Constructive Termination; and (iv) not to disparage the Company or its officers, executives or Board members.

Director Compensation

The Company did not issue any equity to the members of the Board in 2022 but did make one-time cash bonus payments in April 2022 to the members of the Board as follows: \$20,000 to David N. Keys (a member of the Board); \$10,000 to David May (a member of the Board); and

\$10,000 to Jay Jones (formerly a member of the Board).

On July 17, 2019, we entered into a Director Agreement with David N. Keys (the “Keys Director Agreement”) whereby Mr. Keys is to be reimbursed for (i) all reasonable out-of-pocket expenses incurred in attending any in-person meetings; and (ii) any costs associated with filings required to be made by Mr. Keys in regards to any beneficial ownership of securities.

In conjunction with the Keys Director Agreement, we entered into an Indemnification Agreement (the “Keys Indemnification Agreement”) with Mr. Keys. The Keys Indemnification Agreement indemnifies to the fullest extent permitted under Nevada law for any claims arising out of or resulting from, amongst other things, (i) any actual, alleged or suspected act or failure to act by Mr. Keys in his capacity as a director or agent of the Company and (ii) any actual, alleged or suspected act or failure to act by Mr. Keys in respect of any business, transaction, communication, filing, disclosure or other activity of the Company. Under the Keys Indemnification Agreement, Mr. Keys is indemnified for any losses pertaining to such claims, provided, however, that the losses shall not include expenses incurred by Mr. Keys in respect of any claim as which he shall have been adjudged liable to us, unless the court having jurisdiction rules otherwise. The Keys Indemnification Agreement provides for indemnification of Mr. Keys during his directorship and for a period of six (6) years thereafter.

On February 13, 2021, we entered into Director Agreements and Indemnification Agreements with each of David May and Jay Jones that are substantially similar to the Keys Director Agreement and the Keys Indemnification Agreement.

Mr. Jones resigned from the Board on December 19, 2022. Such resignation was not the result of any disagreement with the Company on any matter relating to the Company’s operations, policies or practices. In connection with Mr. Jones’ resignation, the Board entered into a Consulting Agreement with Mr. Jones dated December 19, 2022 (the “Consulting Agreement”).

Pursuant to such Consulting Agreement, the Company agrees to engage Mr. Jones as a consultant (“the Consultant”) to provide advice to the Board and senior management of the Company regarding general business matters. The Consultant has industry and Company knowledge that is valuable to the Company and its ongoing business ventures. The term of the Consultant Agreement is for a period of twelve (12) months, in which the Consultant’s duties include reporting to the Board and senior management of the Company and advising them in respect to business matters. Following an annual or special meeting of the Company’s stockholders at which stockholders approve the 2022 Plan, the Consultant’s compensation will consist of stock options with a value of \$5,000 on the first trading day of each calendar month during the term. Each month’s options will have an exercise price equal to the fair market value of the Company’s common stock on the last trading day of the previous calendar month. All options granted on the first trading day of each calendar month shall vest immediately, and the options will be issued quarterly in accordance with the 2022 Plan. The Consultant is considered an independent contractor and will be reimbursed for (i) all reasonable out-of-pocket expenses and (ii) any costs associated with filing required to be made by him or any of the entities managed or controlled by the Consultant to report beneficial ownership or the acquisition or disposition of securities by the Company.

On December 19, 2022, David May notified the Company of his resignation, effectively immediately, as a member of the Board’s Audit Committee, Compensation Committee, and the Nominating and Corporate Governance Committee. Such resignation from the Board committees is not the result of any disagreement with the Company on any matter relating to the Company’s operations, policies or practices. Mr. May remains a member of the Board.

The Company and Ms. Weisberg entered into a Director Agreement, dated December 19, 2022 (the “Weisberg Director Agreement”). Pursuant to the Weisberg Director Agreement,

Ms. Weisberg shall make reasonable business efforts to attend all Board meetings and fulfill her other responsibilities as well as use her best efforts to promote the interests of the Company. Following an annual or special meeting of the Company's stockholders at which stockholders approve the 2022 Plan, Ms. Weisberg will receive options with a value of \$5,000 on the first trading day of each calendar month. Each month's options will have an exercise price equal to the fair market value of the common stock on the last trading day of the previous calendar month. All options granted on the first trading day of each calendar month shall vest immediately and the options will be issued quarterly in accordance with the terms of the 2022 Plan.

Pursuant to the Weisberg Director Agreement, Ms. Weisberg shall be considered an independent contractor and shall be reimbursed for (i) all reasonable out-of-pocket expenses incurred by her in attending in-person meetings and (ii) any costs associated with filing required to be made by her or any of the entities managed or controlled by her to report beneficial ownership or the acquisition or disposition of securities of the Company. Ms. Weisberg's term, subject to nomination and election at each of the Company's annual stockholders meeting, will terminate at the earliest of her resignation, death, termination by mutual agreement of the Company and herself, or the removal of Ms. Weisberg by the majority of the stockholders of the Company.

The Company and Mr. Schurfeld entered into a Director Agreement, dated December 19, 2022 (the "Schurfeld Director Agreement"). The terms of the Schurfeld Director Agreement are substantially the same as the terms of the Weisberg Director Agreement.

On December 19, 2022, the Company entered into an Indemnification Agreement with each of Ms. Weisberg and Mr. Schurfeld (the "December 2022 Indemnification Agreements").

The December 2022 Indemnification Agreements indemnifies to the fullest extent permitted under Nevada law for any claims arising out of or resulting from, amongst other things, (i) any actual, alleged or suspected act or failure to act by Ms. Weisberg and Mr. Schurfeld (together, the "Indemnitees") in their capacity as a director or agent of the Company and (ii) any actual, alleged or suspected act or failure to act by the Indemnitees in respect of any business, transaction, communication, filing, disclosure or other activity of the Company. Under the December 2022 Indemnification Agreements, the Indemnitees are indemnified for any losses pertaining to such claims, provided, however, that the losses shall not include expenses incurred by the Indemnitees in respect of any claim as which they shall have been adjudged liable to the Company, unless the court having jurisdiction rules otherwise.

Proposed Compensation Post-Listing

Compensation Post-Listing is not expected to change from Pre-Listing compensation.

Director Powers

Subject to limitations of the Articles of Incorporation, of the Bylaws and of the laws of the State of Nevada as to action to be authorized or approved by the shareholders, and subject to the duties of directors as prescribed by the Bylaws, all corporate powers shall be exercised by or under the authority of, and the business and affairs of the Corporation shall be controlled by, the Board of Directors. Without prejudice to such general power, but subject to the same limitations, it is hereby expressly declared that the directors shall have the following powers, to-wit:

First: To select and remove all officers, agents and employees of the Corporation, prescribe such powers and duties for them as may not be inconsistent with law, with the Articles of Incorporation or the Bylaws, fix their compensation and require from them security for faithful service.

Second: To conduct, manage and control the affairs and business of the Corporation, and to make such rules and regulations therefore not inconsistent with law, or with the Articles of Incorporation or the Bylaws, as they may deem best.

Third: To change the principal office for the transaction of the business of the Corporation from one location to another within the same county as provided in Article I, Section 1, hereof; to designate any place within or without the State of Louisiana for the holding of any shareholders' meeting or meetings; and to adopt, make and use a corporate seal, and to prescribe the forms of certificates of stock, and to alter the form of such seal and of such certificates from time to time, as in their judgment they may deem best, provided such seal and such certificates shall at all times comply with the provisions of law.

Fourth: To authorize the issue of shares of stock of the Corporation from time to time, upon such terms as may be lawful, in consideration of money paid, labor done or services actually rendered, debts or securities cancelled, or tangible or intangible property actually received, or in the case of shares issued as a dividend against amounts transferred from surplus to stated capital.

Fifth: To borrow money and incur indebtedness for the purpose of the Corporation, and to cause to be executed and delivered therefor, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecation or other evidence of debt and securities therefor.

2022 Plan

On August 3, 2022, the Board approved, authorized and adopted, subject to stockholder approval, the 2022 Plan. The 2022 Plan provides for the issuance of up to 3,500,000 shares of Common Stock plus (ii) an annual increase on the first day of each calendar year beginning January 1, 2023 and ending on and including January 1, 2031 equal to the lesser of (A) ten percent (10%) of the Common Stock outstanding on the final day of the immediately preceding calendar year, and (B) such smaller number of Common Stock shares as determined by the Board. The issuance of the shares of Common Stock shall be through the grant of Distribution Equivalent Rights, may Share Options, Non-Qualified Share Options, Performance Unit Awards, Restricted Share Awards, Restricted Share Unit Awards, Share Appreciation Rights, Tandem Share Appreciation Rights, Unrestricted Share Awards and other equity-based awards to directors, officers, employees, and consultants.

The objective of the 2022 Plan is to encourage and enable directors, officers, employees, and consultants of the Company and its subsidiaries, upon whose judgment, initiative and efforts the Company largely depends for the successful conduct of its business, to acquire a proprietary interest in the Company.

Our ability to provide long-term incentives in the form of equity compensation aligns management's interests with the interests of our stockholders and fosters an ownership mentality that drives optimal decision-making for the long-term health and profitability of our Company. Equally important, equity compensation is critical to our continuing ability to attract, retain and motivate qualified corporate executives and retain management. We expect our ability to grant equity compensation to be important in achieving our long-term growth.

In addition to our five directors (which includes our Chief Executive Officer), approximately 17 employees and approximately four consultants are eligible to participate in the 2022 Plan. The Board believes that adopting the 2022 Plan is consistent with the Company's compensation philosophy (and with responsible compensation policies generally) and will preserve the Company's ability to attract and retain capable directors, officers, employees, and consultants. The Board believes it is imperative, in view of our compensation structure and strategy that the 2022 Plan be approved.

Further highlights of this plan can be found in the latest 10-K filing linked at the end of this document.

4. LISTING TIMETABLE

The Listing is expected to commence on or about May 8, 2023.

5. LISTING INFORMATION

The share capital of **SurgePays, Inc.** (the “Company”) consists of 500,000,000 shares of common stock, with a par value of \$0.001 per share, and 100,000,000 shares of preferred stock, with a par value of \$0.001 per share.

As of March 30, 2023, there were 14,121,773 shares of common stock outstanding and no shares of preferred stock outstanding.

MERJ Exchange has granted a listing of up to 14,121,773 Tokenized Common Stock with a par value of USD \$0.001 each, being the entire issued share capital of the Company at the time of listing on Upstream.

6. DEALING CODES

- Incorporated in Nevada on August 18, 2006
- Share Token code “SURG”
- ISIN US86882L2043

7. US TRADING INFORMATION

- NASDAQ: SURG
- US SEC FILINGS: [All SEC Filings :: SURGEPAYS, Inc. \(SURG\)](#)

8. MAJOR SHAREHOLDERS

The following sets forth information as of March 30, 2023, regarding the number of shares of our Common Stock beneficially owned by (i) each person that we know beneficially owns more than 5% of our outstanding Common Stock, (ii) each of our directors and executive officers and (iii) all of our directors and executive officers as a group.

The amounts and percentages of our Common Stock beneficially owned are reported on the basis of SEC rules governing the determination of beneficial ownership of securities. Under the SEC rules, a person is deemed to be a “beneficial owner” of a security if that person has or shares “voting power,” which includes the power to vote or to direct the voting of such security, or “investment power,” which includes the power to dispose of or to direct the disposition of such security. A person is also deemed to be a beneficial owner of any securities of which that person has the right to acquire beneficial ownership within 60 days through the exercise of any stock option, warrant or other right, and the conversion of preferred stock. Under these rules, more than one person may be deemed a beneficial owner of the same securities and a person may be deemed to be a beneficial owner of securities as to which such person has no economic interest. Unless otherwise indicated, each of the shareholders named in the table below, or his or her family members, has sole voting and investment power with respect to such shares of our Common Stock. Except as otherwise indicated, the address of each of the shareholders listed below is: 3124 Brother Blvd, Suite 410, Bartlett, TN 38133.

Name of Beneficial Owner ⁽¹⁾	Total Common Stock Shares Beneficially Owned		% of Common Stock ⁽²⁾	
Directors and Executive Officers:				
Kevin Brian Cox	5,453,760	(3)	38.6	%
Anthony Evers	10,672	(4)	*	
David C. Ansani	140	(5)	*	
David N. Keys	17,043	(6)	*	
David May	140,944		1.0	
Richard Schurfeld	42,201		*	
All Directors and Executive Officers as a Group (6 persons)				
	5,661,359		40.1	%
5% Shareholders:				

* Less than one (1) percent

(1) The person named in this table has sole voting and investment power with respect to all shares of Common Stock reflected as beneficially owned.

(2) Based on 14,121,773 shares of Common Stock outstanding as of March 30, 2023.

(3) Includes (i) 4,569,384 shares owned by BLC Family Investments, (ii) 561,758 shares owned by SMDMM, LLC, a Tennessee liability company and (iii) 270,745 shares owned by BC Family Holdings. Mr. Cox is a beneficial owner of all three entities.

(4) Includes 7,271 shares of Common Stock (held in Mr. Evers' IRA) and 6,801 options that are currently exercisable.

(5) Shares are held in Mr. Ansani's IRA.

(6) Includes (i) 1,666 shares held in an IRA owned by Mr. Keys' wife, however, Mr. Keys shares investing and dispositive power over these holdings, (ii) 5,377 shares in total held by two different IRAs owned by Mr. Keys; and (iii) 10,000 shares are held by PCC Holdings LLC. Mr. Keys shares investing and dispositive power over these holdings.

There are no arrangements known to the Company, including any pledge by any person of the Company's securities, the operation of which may at a subsequent date result in a change in control.

9. ACTION REQUIRED

Purchases of Share Tokens can be made using the Upstream App.

If you are in any doubt as to what action to take, you should please consult your broker, attorney, or other professional advisor immediately.

The Share Tokens issued in connection with the Listing will only be tradable using the Upstream App, which is available for download from app stores using the links published on <https://upstream.exchange/>.

10. DIVIDEND POLICY

The board of directors may from time to time declare, and the corporation may pay, dividends on its outstanding stock in the manner and on the terms and conditions provided by the articles of incorporation and bylaws. The Company has never paid dividends on its common stock, and currently do not intend to pay any cash dividends on its common stock in the foreseeable future. In addition, the Company may incur debt financing in the future, the terms of which will likely prohibit them from paying cash dividends or distributions on our common stock. Even if they are permitted to pay cash dividends in the future, they currently anticipate that they will retain all future earnings, if any, to fund the operation and expansion of our business and for general corporate purposes.

Taxation of Distributions. In general, any distributions we make to a Non-U.S. holder of shares of our common stock, to the extent paid out of our current or accumulated earnings and profits (as determined under U.S. federal income tax principles), will constitute dividends for U.S. federal income tax purposes and, provided such dividends are not effectively connected with the Non-U.S. holder's conduct of a trade or business within the United States, we will be required to withhold tax from the gross amount of the dividend at a rate of 30%, unless such Non-U.S. holder is eligible for a reduced rate of withholding tax under an applicable income tax treaty and provides proper certification of its eligibility for such reduced rate (usually on an IRS Form W-8BEN or W-8BEN-E). Any distribution not constituting a dividend will be treated first as reducing (but not below zero) the Non-U.S. holder's adjusted tax basis in its shares of our common stock and, to the extent such distribution exceeds the Non-U.S. holder's adjusted tax basis, as gain realized from the sale or other disposition of the common stock, which will be treated as described under "Non-U.S. holders — Gain on Sale, Taxable Exchange or Other Taxable Disposition of Our Securities" below. In addition, if we determine that we are classified as a "United States real property holding corporation" (see "Non-U.S. holders — Gain on Sale, Taxable Exchange or Other Taxable Disposition of Our Securities" below), we will withhold 15% of any distribution that exceeds our current and accumulated earnings and profits.

The withholding tax does not apply to dividends paid to a Non-U.S. holder who provides a Form W-8ECI, certifying that the dividends are effectively connected with the Non-U.S. holder's conduct of a trade or business within the United States. Instead, the effectively connected dividends will be subject to regular U.S. federal income tax as if the Non-U.S. holder were a U.S. resident, subject to an applicable income tax treaty providing otherwise. A Non-U.S. corporation receiving effectively connected dividends may also be subject to an additional "branch profits tax" imposed at a rate of 30% (or a lower treaty rate).

11. DIRECTORS, ADVISERS AND OTHER SERVICE PROVIDERS

Directors	Kevin Brian Cox David N. Keys David May Laurie Weisberg Richard Schurfeld
Registered Office	3124 Brother Blvd. Suite 104 Bartlett, TN 38133 USA
Sponsor Advisor	Horizon Fintex Advisors Ltd. F20, 1st Floor, Eden Plaza Court, Eden Island, Seychelles

Transfer Agent	VStock Transfer, LLC 18 Lafayette Place Woodmere, NY 11598 USA
Registrar	Horizon Globex GmbH Baarerstr. 57, 6302 Zug Switzerland
Reporting Accountants and Auditors	Rodefer Moss & Co, PLLC 104 Continental Place, Suite 150 Brentwood, TN 37027
Legal advisers to the Company	Lucosky Brookman 101 Wood Ave South Woodbridge, NJ 08830

12. LEGAL FOUNDATION

The Board of Directors of the Company approved the listing of the Company's Common Stock on Upstream at its meeting held on October 21, 2022, and in its application agreed, once listed, to comply with the Listing Rules of MERJ Exchange. MERJ Dep has also approved the Share Tokens as "Approved Eligible Assets" which is a pre-requisite to being traded on a MERJ Exchange market, including Upstream. The Share Tokens are recognized as securities pursuant to Schedule 1 of the Seychelles Securities Act.

13. GENERAL APPOINTMENT OF HORIZON AS REGISTRAR

Horizon Globex GmbH ("Horizon") is designated by the Company, pursuant to the Agreement dated October 21, 2022, to carry out the duties of registrar for the Share Tokens and is responsible for keeping records of Holders of the Share Tokens, defined herein as the Registrar. The Registrar (i) records the Holders of Share Tokens in book-entry form, (ii) acts as paying agent to pay out dividends to Holders of Share Tokens, (iii) handles lost, destroyed, or stolen Share Tokens, and (iv) facilitates the transfer of Common Stock to Share Tokens and vice versa ("Transmutation").

14. PROCEDURES FOR ISSUANCE OF NEW SECURITIES

Horizon is authorized and directed to facilitate the issuance and allocation of the Share Tokens, including Digital Tokens, from time to time upon receiving from the Company all of the following:

- Written instructions as to the issuance of the Share Tokens from an authorized officer of Company;
- An opinion of Company's counsel that -
 - the Share Tokens are duly authorized, validly issued, fully paid and nonassessable, and
 - no order or consent of any governmental or regulatory authority other than that provided to Horizon is required in connection with the issuance of the Share Tokens or, if no such order or consent is required, a statement to that effect. The opinion should also indicate whether it is necessary that the Share Tokens be subject to transfer restrictions or a statement to the effect that all Share Tokens to be issued are freely transferable upon presentation to Horizon for that purpose.
- Confirmation that the underlying Principal Eligible Assets have been issued and credited to the name of the Depository Nominee on the Principal Register maintained by the Transfer Agent;
- Such further documents as Horizon may reasonably request.

Securities Depository

MERJ Dep will act as securities depository for the Share Tokens. MERJ Dep is licensed and regulated in Seychelles pursuant to the Seychelles Securities Act 2007 as a Securities Facility. MERJ Dep provides registry and depository services for global issuers of Eligible Assets including shares, debt instruments and depository interests thereof that are listed and traded on any market of MERJ Exchange, including Upstream.

The underlying securities will be issued and registered in the name of MERJ Nominees Ltd., MERJ Dep.'s limited purpose, bankruptcy remote Depository Nominee, or another approved depository nominee if requested by MERJ Dep. A record of the Holders of the Share Tokens will be maintained in a register in accordance with the MERJ Dep Securities Facility Rules.

MERJ Dep. along with MERJ Clear, a licensed clearing agency, together facilitate the book-entry, delivery vs. payment (DvP) settlement of securities listed and quoted on Upstream in accordance with their respective rules as amended from time to time. This eliminates the need for physical movement of securities certificates.

MERJ Clear and MERJ Dep. are wholly owned subsidiaries of MERJ Exchange Limited ("MERJ Exchange"). MERJ Exchange is a publicly traded company and is self-listed on the Main Board of MERJ Exchange.

Purchases of Share Tokens will result in a credit to the account of the purchaser in their Upstream member account. The purchasers will then have an ownership interest which is recorded directly in the Upstream App.

Purchasers of Share Tokens will not receive written confirmation from any MERJ company of their purchase. Such purchasers, however, shall receive digital confirmations providing details of the transaction from the Upstream App.

Holders and beneficial owners will not receive certificates representing their ownership interests in the Share Tokens, except in the event that use of the MERJ System for the Share Tokens is discontinued.

MERJ Dep. may discontinue providing its services as depository with respect to the Share Tokens at any time by giving reasonable notice to the Company or its agent. Under such circumstances, MERJ Nominees will work with the Company, its Transfer Agent and the Registrar to ensure that Holders of Share Tokens will be converted and reflected as Holders of the underlying Common Stock of the Company.

Share Tokens

Our Share Tokens exist solely as book-entry shares within the records of the Registrar. Share Tokens will not have traditional share certificates. Since the Share Tokens are units of beneficial ownership of the Company's shares of common stock, holders of Share Tokens have all of the same rights as a holder of the Common Stock including rights to dividends and to receive notices and vote at general meetings. Common Stock deposited with Upstream (i.e. via MERJ Depository) are reflected as MERJ Depository Interests pursuant to the MERJ Depository Securities Facility Rules Directive on Depository Interests. The Share Tokens are a form of MERJ Depository Interests. Voting related matters are covered in detail in Rule 10 of the MERJ Securities Facility Rules Directive on Depository Interests. Pursuant to Rule 10.2 the issuer is obligated to send a Notice of any meetings to be convened to each Holder of MDIs at the same time as all other Holders of the same class of securities (e.g. the Common Stock). This is performed electronically by email and through the Upstream app. MDI holders have the option to appoint the Depository Nominee or another person as their proxy or to attend the meeting and vote directly.

Trading and settlement of the Share Tokens is governed by the rules and procedures under which Upstream operates.

Although records of secondary transfers of Share Tokens between stockholders, which we refer to as “peer-to-peer” transactions, would be viewable on a blockchain network, record and beneficial ownership of our Share Tokens is reflected on the book-entry records of the Registrar. The Registrar’s records constitute the official shareholder records for our Share Tokens and govern the record ownership of our Share Tokens in all circumstances.

Share Tokens are “Ethereum ERC20” digital tokens that are transferrable between approved accounts, exclusively using the Upstream App, in peer-to-peer transactions on a blockchain network, as described below under “Trading Share Tokens” following the closing of this listing. Share Tokens are created, held, distributed, maintained and deleted by the Registrar, and not by the Upstream App and cannot be created or deleted by any entity other than the Registrar.

The Registrar uses the Ethereum ERC20 Standard (which can interface with various blockchain networks' programming standards) to program any relevant compliance-related transfer restrictions that would traditionally have been printed on a paper stock certificate onto “smart contracts” (computer programs written to the relevant blockchain), which allows the smart contract to impose the relevant conditions on the transfer of the Share Tokens. One example of such coding is a restriction on to whom Share Tokens may be transferred. The restrictions are coded as a smart contract that overlays the Share Tokens, and the restrictions act in the same way as transfer restrictions printed on a stock certificate do, in that they prevent the unauthorized transfer of Share Tokens. Relevant transfer restrictions will be provided to the Registrar by the Company.

15. TRADING SHARE TOKENS

Creation of an account

In order to purchase our Share Tokens, a new potential purchaser must first create an account on the Upstream App. There is no charge for setting up this account and any person or entity that establishes an account is under no obligation to purchase Share Tokens. Setting up an account can be done directly on the Upstream App available on the website or through the App stores. In order to set up an account, a potential purchaser must navigate to <https://upstream.exchange/>, download the smartphone or desktop version of the Upstream App and follow the installation instructions to set up the Upstream App on their device.

All information provided by a potential purchaser to the Upstream App is provided by the potential purchaser directly to the Upstream App, not to the Company, and held solely by the Upstream App and not by the Company. The Registrar will maintain the identity of each record holder of our Share Tokens.

KYC/AML

On the Upstream App, a potential Share Token purchaser must complete required anti-money laundering and know-your-customer processes (the “Processes”). As part of the Processes, the Upstream App will request that potential purchasers provide their address of residence. We will not offer or sell our Share Tokens to U.S. or Canadian persons or to any persons from a Financial Action Task Force “Non-Cooperative Countries or Territories”. Once a potential purchaser has completed the Processes and been approved to be eligible to purchase Share Tokens, the potential purchaser's account will be established on the Upstream App. The Upstream App maintains the list of approved persons or entities who have successfully completed the required Processes, including providing the Registrar with various required personal information and documentation. Share Tokens may only be sold or transferred to people or entities on the Upstream App. It is possible that in the future the Company may either choose to hire a separate, third-party provider of the Processes. In either case, such external providers would perform the Processes and provide the results to the Registrar, who would then add the approved persons and entities. Once a potential purchaser has completed the Processes and been added to the Upstream App, the potential purchaser will be shown a link that

returns the potential purchaser to the Upstream App. On the Upstream App, the potential purchaser will be provided with all necessary documentation that must be supplied to a potential purchaser in order for the potential purchaser to purchase Share Tokens. The potential purchaser will provide information for funding their purchase through the Upstream App, and the information will be sent directly to the Registrar through a user interface that has been consented to by the Registrar. This user interface between the Registrar and the Upstream App will also allow a potential purchaser to view the amount of Share Tokens the potential purchaser has deposited funds for on both the Upstream App.

Secondary Trading/Transfers on MERJ/Upstream

The procedure for trading Share Tokens on the Upstream App shall have the following general structure:

1. A holder of Share Tokens opens the Upstream App and clicks on the “Market” screen, a specific tab within the Upstream App. The Upstream App will connect the holder, through an API, to the MERJ Exchange on which the Share Tokens are available to trade.
2. The Upstream App will require holders of Share Tokens to open and maintain accounts on the Upstream App and confirm that the holder has completed the Processes, as defined above, or the Upstream App will maintain a connection to the Registrar and will be able to import the Registrar’s information about the holder to identify the holder.
3. The holder will be able to trade Share Tokens on the Upstream App once the Upstream App has received the required information about the holder.
4. The Upstream App supports the secondary trading of Share Tokens for U.S. Dollars. The Upstream App maintains a technological connection to the Registrar, and the Registrar is informed by the Upstream App of every transfer of Share Tokens between holders. The Registrar will also maintain the same system of reconciliation between the blockchain record of the movements of the Share Tokens and the Company’s book-entry records of its Share Token ownership.

Our Share Tokens are available for trading on the Upstream App. Potential purchasers who do not yet hold Share Tokens will be required to complete the Processes, as defined above, on the Upstream App, or the Company may either choose to hire a separate, third-party provider of the Processes. Any such external provider that performs the Processes would provide the results of the Processes and other relevant information about the potential purchaser to the Registrar, who would then add any approved persons and entities to the Upstream App, as described above.

Transfers of Share Tokens

It is always possible for holders of our Share Tokens to transfer their shares out of the Upstream/MERJ secondary marketplace should the holder wish. To undertake such an external transfer, the holder would contact the Registrar and provide the Registrar with all requested information regarding the transfer. The Registrar would review the transfer restrictions applicable to the holder’s Share Tokens and, if the proposed transfer was permitted, liaise with the Transfer Agent to effect the transfer.

Transfers of ownership interests in Share Tokens deposited with or held by MERJ Dep. or any of its depository nominees are accomplished by entries made in accordance with the rules of MERJ Clear and MERJ Dep.

Upstream Ethereum Layer-2 Blockchain

In order to trade Share Tokens on the Upstream Ethereum layer-2 blockchain, Ráneum <https://raneum.com/>, requires the use of the Upstream App.

The Ráneum Ethereum layer-2 blockchain does not require the Shareholder to pay validator/miner network/gas fees in order to transfer Share Tokens or NFTs when using the Upstream App.

The Registrar utilizes the Ráneum Ethereum layer-2 blockchain for the issuance and secondary trading of the ERC-20-based Share Tokens inside the Upstream App and may provide holders of its Share Tokens with certain notifications should it choose to make available Share Tokens on an alternative Ethereum layer-2 blockchain, or if the Upstream App should choose to change the Ethereum layer-1 or layer-2 blockchain on which Share Tokens were available. In the event the Registrar chooses to use an alternative Ethereum layer-1 or layer-2 blockchain, no Shareholders holdings will be affected, and no action will be required to be undertaken by the Shareholder using the Upstream App.

If the Registrar chooses to make available records of transfers of Share Tokens, they would be viewable on the Share Token's Ethereum blockchain explorer <https://explorer.upstream.exchange/>. However, book-entry records and beneficial ownership of our Share Tokens is only reflected on the off-chain records of the Registrar. The Registrar's records constitute the official shareholder records for our Share Tokens and govern the record ownership of our Share Tokens in all circumstances. No Personally Identifiable Information (PII) of Shareholders shall be recorded on any blockchain utilized by Upstream or the Registrar. The association of a natural person or entity with an Ethereum wallets public key may only be performed by the Registrar using records stored on off-chain digital media by the Registrar.

16. LITIGATION

Global Reconnect, LLC and Terracom, Inc. v. Jonathan Coffman, Jerry Carroll, True Wireless, & Surge Holdings: In the Chancery Court of Hamilton County, TN, Docket # 20-00058, Filed Jan 21, 2020. On January 21, 2020, a complaint was filed related to a noncompetition dispute. Terracom believed Mr. Coffman and Mr. Carroll were in violation of their non-compete agreements by working for us and True Wireless, Inc. Oklahoma and Tennessee state law does not recognize non-compete agreements and are not usually enforced in the state courts of these states, as such, we believed True Wireless had a strong case against Terracom. The matter is entering the discovery process. Both Mr. Carroll and Mr. Coffman are no longer working for True Wireless in sales. Mr. Carroll is off the payroll and Mr. Coffman works for SurgePays, Inc., but not in wireless sales. The case was dismissed without prejudice by the court on December 15, 2022.

Juno Financial v. AATAC and Surge Holdings Inc. AND Surge Holdings Inc. v. AATAC; Circuit Court of Hillsborough County, Florida, Case # 20-CA-2712 DIV A: Breach of Contract, Account Stated and Open Account claims against Surge by a factoring company. Surge has filed a cross-complaint against defendant AATAC for Breach of Contract, Account Stated, Open Account and Common Law Indemnity. Case is in discovery. Following analysis by our litigation counsel stating that there is a good defense, management has decided that a reserve is not necessary.

On December 17, 2021, Ambess Enterprises, Inc. v SurgePays, Inc., Blair County Pa. case number 2021 GN 3222. Plaintiff alleged breach of contract and prayed for damages of approximately \$73,000.00, plus fees, costs and interest. Litigation counsel is managing the motion practice and discovery process. The case was settled and a settlement agreement entered into on January 30, 2023. The following payments were made pursuant to the settlement agreement: February 3, 2023 for \$5,000, February 15, 2023 for \$25,000 and March 15, 2023 for \$30,000. The payments under the settlement agreement have been completed. Entry of a dismissal order is pending on the Court's docket.

Blue Skies Connections, LLC, and True Wireless, Inc. v. SurgePays, Inc., et. Al.: In the District Court of Oklahoma County, OK, CJ-2021-5327, filed on December 13, 2021. Plaintiffs' petition alleges

breach of a Stock Purchase Agreement by SurgePays, SurgePhone Wireless, LLC, and Kevin Brian Cox, and makes other allegations related to SurgePays' consulting work with Jonathan Coffman, a True Wireless employee. Blue Skies believes the Defendants are in violation of their non-competition and non-solicitation agreements related to the sale of True Wireless from SurgePays to Blue Skies. Oklahoma state law does not recognize non-compete agreements and non-solicitation agreements in the manner alleged by Plaintiffs, as such we believe SurgePays, SurgePhone, and Cox have a strong defense against the claims asserted by Blue Skies and True Wireless. The matter continues in the discovery process. Mr. Coffman is no longer working for True Wireless. An attempt at mediation in July, 2022 did not achieve a settlement. The petition requests injunctive relief, general damages, punitive damages, attorney fees and costs for alleged breach of contract, tortious interference with a business relationship, and fraud. Plaintiffs have made a written demand for damages and the parties continue to discuss a potential resolution. This matter is an anti-competitive attempt by Blue Skies and True Wireless to damage SurgePays, SurgePhone, and Cox. Written discovery is winding down and depositions are anticipated in the second and third quarters of 2023.

Robert Aliotta and Steve Vasquez, on behalf of themselves and others similarly situated v. SurgePays, Inc. d/b/a Surge Logics, filed January 4, 2023, in the U.S. District Court for the Northern District of Illinois, Case No. 1:23-cv-00042. Plaintiffs' allege violations of the Telephone Consumer Protection Act (TCPA) and the Florida Telephone Solicitations Act (FTSA) based on telephone solicitations allegedly made by or on behalf of SurgePays, Inc. Plaintiffs' seek damages for themselves and seek certification of a class action on behalf of others similarly situated. Defendants intend to vigorously defend the action however most similar cases are eventually resolved by an out-of-court settlement. At this time, it is impossible to estimate the amount or range of potential loss, but similar matters are usually settled for \$100,000.00 or less. SurgePays, Inc has been removed from the case following a Motion to Dismiss and LogicsIQ, Inc. has been named as the defendant. The case remains in the pleadings stage.

Meral Demiray v Surge Holdings, Inc. a/k/a SurgePays, Inc.: In the United States District Court for the Northern District of Illinois, Case # 22-cv-6591, filed November 23, 2022. Plaintiff filed a claim against SurgePays following her dismissal from her position as an employee of the company. Following negotiations among and between SurgePays, SurgePays' insurance carrier and the Plaintiff, a settlement has been reached and has been completed and the case was dismissed by Stipulation of the Parties.

SurgePays, Inc. et al. v. Fina et al., Case No. CJ-2022-2782, District Court of Oklahoma County, Oklahoma. Plaintiffs SurgePays, Inc. and Kevin Brian Cox initiated this case against its former officer Mike Fina, his companies Blue Skies Connections, LLC, True Wireless, Inc., Government Consulting Solutions, Inc., Mussell Communications LLC and others. This case also arises from the June 2021 transaction by which SurgePays sold True Wireless to Blue Skies. During the litigation of CJ-2021-5327 described above, SurgePays learned information that showed Mike Fina breached his duties owed to True Wireless during his employment and consulting work for True Wireless prior to SurgePays' sale of True Wireless to Blue Skies. SurgePays alleges that Mike Fina conspired with the other defendants to damage True Wireless thereby harming the value of the company and causing its eventual sale at a greatly reduced price. SurgePays asserts claims for (i) breach of contract; (ii) breach of fiduciary duty; (iii) fraud; (iv) tortious interference; and (v) unjust enrichment. At this stage no defendant has asserted a counter-claim against SurgePays.

The case is still at the early pleadings stage. SurgePays filed a Second Amended Petition on January 27, 2023. Defendants Fina, Blue Skies, True Wireless, and Government Consulting Solutions filed a Motion to Dismiss on March 10, 2023. It is SurgePays' present intent to vigorously prosecute this case. At this early stage, no attempts at settlement have been made.

17. RELATED PARTY TRANSACTIONS

At December 31, 2022 and 2021, the Company had trade payables to Axia of \$163,583, respectively. Axia is owned by our Chief Executive Officer, Mr. Cox.

For the years ended December 31, 2022 and 2021, the Company rented space from Carddawg Investments, LLC in the amount of \$166,356 and \$64,488, respectively. These costs are included in the General and Administrative expenses in the consolidated statements of operations. Mr. Cox is sole owner of Carddawg Investments, LLC.

For the years ended December 31, 2022 and 2021, the Company purchased telecom services and access to wireless networks from 321 Communications in the amount of \$16,035,093 and \$690,398, respectively. These costs are included in Cost of Revenue in the consolidated statements of operations. Mr. Jones (formerly a Board member) is the majority owner of 321 Communications and Mr. Cox is a minority owner of 321 Communications.

For the years ended December 31, 2022 and 2021, the Company purchased telecom services and access to wireless networks from National Relief Telephone in the amount of \$1,163,941 and \$0, respectively. These costs are included in Cost of Revenue in the consolidated statements of operations. Mr. Jones (formerly a Board member) is the majority owner of National Relief Telephone.

At December 31, 2022 and 2021, the Company had trade payables to 321 Communications of \$279,380 and \$88,898, respectively.

At December 31, 2022 and 2021, the Company had trade payables to National Relief Telephone of \$0 and \$0, respectively.

For the year ended December 31, 2021, the Company paid \$1,217,790 in commissions on tablet sales to Galaxy Distribution, Inc., an entity that Mr. May (a Board member) was a controlling shareholder of in 2021.

The Company contracted with Centercom to provide customer service call center services, manage the sales process to include handling incoming orders, the collection and verification of all documents to comply with FCC regulations, monthly audit of all subscribers to file the USAC 497 form, yearly audit of all subscribers that have been active over one year to file the USAC 555 form (Recertification), information technology professionals to maintain company websites, sales portals and server maintenance. Billings for these services in the year ended December 31, 2022 and 2021 were \$3,115,651 and \$1,395,674, respectively, and are included in Cost of Revenue in the consolidated statements of operations. Mr. Nuzzo had a 50% interest in Centercom prior to his death in March 2022.

At December 31, 2022 and 2021, the Company had trade payables to Centercom of \$972,029 and \$555,069, respectively.

During 2021, CenterCom forgave \$429,010 of accounts payable owed by SurgePays to Centercom.

During the years ended December 31, 2022 and 2021, the Company incurred expenses with related parties in the normal course of business totaling \$20,125,153 and \$4,157,192, respectively.

**For the Years Ended
December 31,**

	2022	2021
Related party expenses		
321 Communications, Inc	\$ 16,035,093	\$ 690,398
Axia Management, LLC	-	95,415
Carddawg Investments, Inc.	166,356	64,488
CenterCom USA, Inc	2,759,763	2,089,101
Galaxy	-	1,217,790
National Relief Telecom	1,163,941	-
Total	<u>\$ 20,125,153</u>	<u>\$ 4,157,192</u>

Notes Payable – Related Parties

<u>Terms</u>	<u>1 Loan Payable Related Party</u>	<u>2 Loan Payable Related Party</u>	<u>3 Loan Payable Related Party</u>	<u>Total</u>
Issuance dates of notes	Various	May 2020/January 2021	August 2021	
Maturity date	January 1, 2023/January 1, 2024	March 2021	August 2031	
Interest rate	10%	15%	10%	
Collateral	Unsecured	Unsecured	Unsecured	
Conversion price	N/A	N/A	N/A	
Balance - December 31, 2020	\$ 3,341,940	\$ 147,500	\$ -	\$ 3,489,440
Gross proceeds	3,825,000	63,000	467,385	4,355,385
Accrued interest included in note balance	692,458	-	-	692,458
Conversion of debt into common stock	(2,265,967)	-	-	(2,265,967)
Repayments	-	(210,500)	-	(210,500)
Balance - December 31, 2021	5,593,431	-	467,385	6,060,816
Less: short term	1,553,799	-	-	1,553,799
Long term	<u>\$ 4,039,632</u>	<u>\$ -</u>	<u>\$ 467,385</u>	<u>\$ 4,507,017</u>
Balance - December 31, 2021	\$ 5,593,431	\$ -	\$ 467,385	6,060,816
Conversion of debt into common stock	(1,086,413)	-	-	(1,086,413)
Reclass of accrued interest to note payable	627,545	-	-	627,545
Balance - December 31, 2022	5,134,563	-	467,385	5,601,948
Less: short term	1,108,150	-	-	1,108,150
Long term	<u>\$ 4,026,413</u>	<u>\$ -</u>	<u>\$ 467,385</u>	<u>\$ 4,493,798</u>

- 1 Activity is with the Company's Chief Executive Officer and Board Member (Kevin Brian Cox). Prior to September 30, 2021, these notes were either due on demand or had a specific due date. Additionally, these advances had interest rates from 6% - 15%. On September 30, 2021, all notes and related accrued interest were combined into two (2) new notes. The new notes had due dates of June 30, 2022 or January 1, 2023. In April 2022, the notes were extended to January 1, 2023 and January 1, 2024, respectively. All notes bear interest at 10%.

In 2021, the Company included \$692,458 of accrued interest in the new note balance. In 2021, the Company issued 561,758 shares of common stock at \$4.30/share to settle \$2,415,560 of debt including principal of \$2,265,967 and accrued interest of \$149,593. As a result of the debt conversion with a related party, accordingly gains/losses are not recognized, however, the Company increased stockholders' equity for \$2,415,560.

In 2022, the Company included \$627,545 of accrued interest in the new note balance. In 2022, the Company issued 270,745 shares of common stock at \$4.01/share to settle \$1,086,413 of debt principal. As a result of the debt conversion with a related party, accordingly gains/losses are not recognized, however, the Company increased stockholders' equity for \$1,086,413.

- 2 Activity is with the Company's former President, Chief Operating Officer and Board Member (Anthony Nuzzo). Mr. Nuzzo passed away in March 2022.
- 3 Activity is with David May, who is a Board Member. In January 2023, the Company repaid principal of \$467,385 and related accrued interest of \$63,258 for a total payment of \$530,643.

18. GENERAL

The Company is not regulated by the Financial Services Authority of the Seychelles or any other regulator.

No application is being made for the Share Tokens to be dealt with in or on any stock exchanges or investment exchanges other than the MERJ Exchange.

The Company does not own any premises and does not lease any premises.

Lock-in Period: all shareholders are locked-in and cannot trade their shares in SURG until such time as the new Share Tokens are issued and listed following the dual listing. The Company's Directors and key members of management are subject to a Lock-in Period that matches their primary listing venue. The Company's lockup period lasted for 180 days and expired on May 2, 2022.

Acquisitions

During June 2022, it was determined that the Company had acquired 100% of Torch, effective January 1, 2022, resulting in Torch becoming a wholly owned subsidiary, in a transaction accounted for as a business combination. Pursuant to ASC 805-10-25-7, the Company determined that the acquisition date preceded the closing date as it was managing Torch and in full control of all operational decision making. At this time, the Company had obtained control of Torch through its management contract.

On January 30, 2020, the Company entered into a Membership Interest Purchase Agreement and Stock Purchase Agreement with ECS Prepaid, ECS, CSLS and the Winfrey's. Pursuant to the agreements, the Company acquired all of the membership interests of ECS Prepaid and all of the issued and outstanding stock of each ECS and CSLS.

Family Relationships

There are no family relationships between or among the directors, executive officers or persons nominated or chosen to become directors or executive officers.

19. INFORMATION POLICY

Information relating to the Company as required by the MERJ Exchange Listing Requirements will be available on its website at <https://merj.exchange>.

The Company will also publish copies of the annual reports and annual financial statements and any interim financial statements since the latest annual report and a calendar of future significant events that details all the information and meetings that may affect the rights of its shareholders on the Upstream app.

20. THIRD-PARTY SOURCES

Where third-party information has been referenced in these Listing Particulars, the source of that third-party information has been disclosed. Where information contained in these Listing Particulars has been sourced from a third party, the Company confirms that such information has been accurately reproduced and, as far as the Company is aware and able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

21. RISK FACTORS

An investment in our securities is speculative and involves a high degree of risk. In addition to all the documents that are part of these Listing Particulars, you should carefully consider the following risk factors regarding the Company before making an investment decision. If any of the following risks actually occur, as well as other risks not currently known to us or that we currently consider immaterial, our business, operating results and financial condition could be materially adversely affected. As a result, you may lose all or part of your investment. The risks discussed below also include forward-looking statements, and our actual results may differ substantially from those discussed in these forward-looking statements. See “Note Regarding Forward-looking Statements” in these Listing Particulars.

An investment in the Share Tokens carries a number of risks, including the risk that the entire investment may be lost. In addition to all other information set out in these Listing Particulars, the following factors should be considered when deciding whether to make an investment in the Share Tokens. The risks set out below are those which are considered to be the material risks relating to the Company and an investment in the Share Tokens but are not the only risks relating to the Share Tokens or the Company. No guarantee can be given that Shareholders will realize a profit on, or recover the value of, their investment in the Share Tokens. It should be remembered that the price of Share Tokens and the income from them can go down as well as up.

Prospective investors should note that the risks relating to the Company, its strategy and the Share Tokens summarized in the section of these Listing Particulars headed “Risk Factors” are the risks that the Sponsor Advisor and the Directors believe to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Share Tokens. However, as the risks which the Company faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks uncertainties described in this “Risk Factors” section of these Listing Particulars. Additional risks and uncertainties not currently known to the Company or the Directors or that the Company or the Directors consider to be immaterial as at the date of these Listing Particulars may also have a material adverse effect on the Company’s financial condition, business, prospects and results of operations and, consequently, the Company’s Returns and/or the market price of the Share Tokens. Given the forward-looking nature of the risks, there can be no guarantee that such risk is, in fact, the most material or the most likely to occur. Prospective investors should, therefore, review and consider each risk.

The Share Tokens are only suitable for investors who understand the potential risk of capital loss and that there may be very limited liquidity in the underlying investments of the Company, for whom an investment in Share Tokens is part of a diversified investment program and who fully understand and are willing to assume the risks involved in such an investment.

An investment in the Company is highly speculative and involves a high degree of risk of loss of part or all of an investor's investment. There may be very limited liquidity in the securities being offered. A prospective investor should only purchase the securities of the company if the investor anticipates not having any needs for the funds to be used thereafter and for any purposes at any time in the future and if they can afford to lose their entire investment.

You should not invest any funds in this Company unless you can afford to lose your entire investment. Potential investors in the Share Tokens should review these Listing Particulars carefully and, in its entirety, consult with their professional advisers prior to purchasing the Share Tokens.

In making an investment decision, investors must rely on their own examination of the issuer, including the merits and risks involved. These securities have not been recommended or approved by any federal or state securities commission or regulatory authority of the Seychelles or any other jurisdiction. Furthermore, these authorities have not passed upon the accuracy or adequacy of these Listing Particulars.

RISKS RELATING TO THE SHARES

The existence of a liquid market in the Share Tokens cannot be guaranteed, limitations on resale.

The Company will list on Upstream, a MERJ Exchange market. However, there can be no guarantee that an active secondary market in the Share Tokens will be sustained. The Share Tokens are being offered and sold only in offers and sales that occur outside the United States to purchasers who are not U.S. persons in offshore transactions. By purchasing the Share Tokens, investors are deemed to have acknowledged, represented and warrant this to the Company.

MARKET RISK

Market risk is the possibility for an investor to experience losses due to factors that affect the overall performance of the markets in which he is involved. Market risk, also called "systematic risk," cannot be eliminated through diversification.

VOLATILITY

Sudden rises and falls in the price of a share, some companies have a higher risk of this than others. Changes in a company's profitability or in the economy as a whole can cause share prices to rise and fall. Shareholders will, however, only be impacted if they sell their shares at a time when the market price has fallen.

The market price of our Share Tokens may be volatile or may decline, and you may not be able to resell your shares at or above the initial listing price or public offering price.

Our CEO and Chairman, Kevin Brian Cox, has significant control over shareholder matters and the minority shareholders will have little or no control over our affairs.

Mr. Cox currently owns approximately 39% of our outstanding voting equity. Subject to any fiduciary duties owed to our other stockholders under Nevada law, Mr. Cox is able to exercise significant influence over matters requiring stockholder approval, including the election of directors and approval of significant corporate transactions, and will have some control over our management and policies. Mr. Cox may have interests that are different from yours. For example, Mr. Cox may support proposals and actions with which you may disagree. The concentration of ownership could delay or prevent a change in control of our Company or otherwise discourage a potential acquirer

from attempting to obtain control of our Company, which in turn could reduce the price of our stock. In addition, Mr. Cox could use his voting influence to maintain our existing management and directors in office, delay or prevent changes in control of our Company, or support or reject other management and proposals of the Board of Directors (the “Board”) that are subject to stockholder approval, such as amendments to our employee stock plans and approvals of significant financing transactions.

Sales of a significant number of shares of our Common Stock in the public market or the perception of such possible sales, could depress the market price of our Common Stock.

Sales of a substantial number of shares of our Common Stock in the public markets, which include an offering of our preferred stock or Common Stock could depress the market price of our Common Stock and impair our ability to raise capital through the sale of additional equity or equity-related securities. We cannot predict the effect that future sales of our Common Stock or other equity-related securities would have on the market price of our Common Stock.

Our share price could be volatile and our trading volume may fluctuate substantially.

The price of our Common Stock has been and may in the future continue to be extremely volatile. Many factors could have a significant impact on the future price of our shares of Common Stock, including:

- our inability to raise additional capital to fund our operations, whether through the issuance of equity securities or debt;
- our failure to successfully implement our business objectives;
- compliance with ongoing regulatory requirements;
- market acceptance of our products;
- changes in government regulations;
- general economic conditions and other external factors including, as of March 22, 2022, the ongoing military conflict between Russia and Ukraine (which has resulted in various countries, including the U.S., Canada and the United Kingdom, as well as the European Union, issuing broad-ranging economic sanctions against Russia) may have adverse effects on regional and global economic markets and lead to instability and lack of liquidity in capital markets, potentially making it more difficult for us to obtain additional funds and increasing the volatility of our share price;
- actual or anticipated fluctuations in our quarterly financial and operating results; and
- the degree of trading liquidity in our shares of Common Stock.

A decline in the price of our shares of Common Stock could affect our ability to raise further working capital and adversely impact our ability to continue operations.

The relatively low price of our shares of Common Stock, and a decline in the price of our shares of Common Stock, could result in a reduction in the liquidity of our Common Stock and a reduction in our ability to raise capital. Because a significant portion of our operations has been and will continue to be financed through the sale of equity securities, a decline in the price of our shares of Common Stock could be especially detrimental to our liquidity and our operations. Such reductions and declines may force us to reallocate funds from other planned uses and may have a significant negative effect on our business plans and operations, including our ability to continue our current operations. If the price for our shares of Common Stock declines, it may be more difficult to raise additional capital. If we are unable to raise sufficient capital, and we are unable to generate funds from operations sufficient to meet our obligations, we will not have the resources to continue our operations.

The market price for our shares of Common Stock may also be affected by our ability to meet or exceed expectations of analysts or investors. Any failure to meet these expectations, even if minor, may have a material adverse effect on the market price of our shares of Common Stock.

We currently do not intend to pay dividends on our Common Stock. As result, your only opportunity to achieve a return on your investment is if the price of our Common Stock appreciates.

We currently do not expect to declare or pay dividends on our Common Stock. In addition, in the future we may enter into agreements that prohibit or restrict our ability to declare or pay dividends on our Common Stock. As a result, your only opportunity to achieve a return on your investment will be if the market price of our Common Stock appreciates and you sell your shares at a profit.

We could issue additional Common Stock, which might dilute the book value of our Common Stock.

The Board has authority, without action or vote of our shareholders, to issue all or a part of our authorized but unissued shares. Such stock issuances could be made at a price that reflects a discount or a premium from the then-current trading price of our Common Stock. In addition, in order to raise capital, we may need to issue securities that are convertible into or exchangeable for our Common Stock. These issuances would dilute the percentage ownership interest, which would have the effect of reducing your influence on matters requiring shareholders vote and might dilute the book value of our Common Stock. You may incur additional dilution if holders of stock warrants or options, whether currently outstanding or subsequently granted, exercise their options, or if warrant holders exercise their warrants to purchase shares of our Common Stock.

Future Issuance of Our Common Stock, Preferred Stock, Options and Warrants Could Dilute the Interests of Existing Stockholders.

We may issue additional shares of our Common Stock, preferred stock, options and warrants in the future. The issuance of a substantial amount of Common Stock, options and warrants could have the effect of substantially diluting the interests of our current stockholders. In addition, the sale of a substantial amount of Common Stock or preferred stock in the public market, or the exercise of a substantial number of warrants and options either in the initial issuance or in a subsequent resale by the target company in an acquisition which received such Common Stock as consideration or by investors who acquired such Common Stock in a private placement could have an adverse effect on the market price of our Common Stock.

RISKS RELATED TO GOVERNMENT REGULATION AND LEGAL PROCEEDINGS

Changes in the regulatory framework under which we operate could adversely affect our business prospects or results of operations.

Our operations are subject to regulation by the FCC and other federal, state and local agencies. These regulatory regimes frequently restrict or impose conditions on our ability to operate in designated areas and provide specified products or services. We are frequently required to maintain licenses for our operations and conduct our operations in accordance with prescribed standards. We are often involved in regulatory and other governmental proceedings or inquiries related to the application of these requirements. It is impossible to predict with any certainty the outcome of pending federal and state regulatory proceedings relating to our operations, or the reviews by federal or state courts of regulatory rulings. Without relief, existing laws and regulations may inhibit our ability to expand our business and introduce new products and services. Similarly, we cannot guarantee that we will be successful in obtaining the licenses needed to carry out our business plan or in maintaining our existing licenses. For example, the FCC grants wireless licenses for terms generally lasting ten (10) years, subject to renewal. The loss of, or a material limitation on, certain of our licenses could have a material adverse effect on our business, results of operations and financial condition.

New laws or regulations or changes to the existing regulatory framework at the federal, state and local level, such as those described below, could restrict the ways in which we manage our wireline and wireless networks and operate our business, impose additional costs, impair revenue opportunities and potentially impede our ability to provide services in a manner that would be attractive to us and our customers.

- **Privacy and data protection** - we are subject to federal, state and international laws related to privacy and data protection.
- **Regulation of broadband Internet access services** - On June 11, 2018, the repeal of the FCC's "net neutrality" rules took effect and returned to a "light-touch" regulatory framework. The prior rules were designed to ensure that all online content is treated the same by internet service providers and other companies that provide broadband services. Additionally, California and a number of other states are considering or have enacted legislation or executive actions that would regulate the conduct of broadband providers. We cannot predict whether the FCC order or state initiatives will be modified, overturned, or vacated by legal action of the court, federal legislation, or the FCC. With the repeal of net neutrality rules in effect, we could incur greater operating expenses, which could harm our results of operations.
- **"Open Access"** - we hold certain wireless licenses that require us to comply with so-called "open access" FCC regulations, which generally require licensees of particular spectrum to allow customers to use devices and applications of their choice. Moreover, certain services could be subject to conflicting regulation by the FCC and/or various state and local authorities, which could significantly increase the cost of implementing and introducing new services.

The further regulation of broadband, wireless and our other activities and any related court decisions could restrict our ability to compete in the marketplace and limit the return we can expect to achieve on past and future investments in our networks.

We could be impacted by unfavorable results of legal proceedings, and may, from time to time, be involved in future litigation in which substantial monetary damages are sought.

We are currently subject to a number of litigations as described under the heading "Legal Proceedings." In connection with certain of these litigations, we may be required to pay significant monetary damages. Defending against the current litigations is or can be time-consuming, expensive and cause diversion of our management's attention.

In addition, we may from time to time be involved in future litigation in which substantial monetary damages are sought. Litigation claims may relate to intellectual property, contracts, employment, securities and other matters arising out of the conduct of our current and past business activities. Any claims, whether with or without merit, could be time consuming, expensive to defend and could divert management's attention and resources. We may maintain insurance against some, but not all, of these potential claims, and the levels of insurance we do maintain may not be adequate to fully cover any and all losses.

With respect to any litigation, our insurance may not reimburse us, or may not be sufficient to reimburse us, for the expenses or losses we may suffer in contesting and concluding such lawsuit. The results of any future litigation or claims are inherently unpredictable and substantial litigation costs, including the substantial self-insured retention that we are required to satisfy before any insurance applies to a claim, unreimbursed legal fees or an adverse result in any litigation may have a material adverse effect on our results of operations, cash from operating activities or financial condition.

RISK FACTORS RELATED TO OUR BUSINESS, INDUSTRY AND OPERATIONS

If we are not able to adapt to changes and disruptions in technology and address changing consumer demand on a timely basis, we may experience a decline in the demand for our services, be unable to implement our business strategy and experience reduced profits.

Our industries are rapidly changing as new technologies are developed that offer consumers an array of choices for their communications needs and allow new entrants into the markets we serve. In order to grow and remain competitive, we will need to adapt to future changes in technology, enhance our existing offerings and introduce new offerings to address our customers' changing demands. If we are unable to meet future challenges from competing technologies on a timely basis or at an acceptable cost, we could lose customers to our competitors. We may not be able to accurately predict technological trends or the success of new services in the market. In addition, there could be legal or regulatory restraints on our introduction of new services. If our services fail to gain acceptance in the marketplace, or if costs associated with the implementation and introduction of these services materially increase, our ability to retain and attract customers could be adversely affected. Additionally, we must phase out outdated and unprofitable technologies and services. If we are unable to do so on a cost-effective basis, we could experience reduced profits. In addition, there could be legal or regulatory restraints on our ability to phase out current services.

Effects of the COVID-19 Pandemic on Our Business

Since March 2020 there has been, and there continues to be, a significant and growing volatility and uncertainty in the global economy due to the worldwide COVID-19 pandemic affecting all business sectors and industries. Broadly, negative global and national economic trends, such as decreased consumer and business spending, high unemployment levels and declining consumer and business confidence, pose challenges to our business and could result in declining revenues, profitability and cash flow.

The main specific impact of the COVID-19 pandemic on our business was on SurgePays Fintech. Its revenues went down by \$8,309,490 in 2022 as compared to 2021. This was partly related to the continued impact of COVID-19 on SurgePays Fintech. During the economic lock-down of 2020 and 2021, the inability of our independent representatives to visit existing stores and seek out new stores, limited our revenue growth, both existing and new revenue. Combined with a shift of prepaid wireless payments at stores to subsidized wireless expansion at the federal level, resulted in the lower revenue in 2022.

At this time, we cannot accurately predict whether there will be further effects of the COVID-19 pandemic on our business.

We may expand through investments in, acquisitions of, or the development of new products with assistance from, other companies, any of which may not be successful and may divert our management's attention.

In the past, we completed several strategic acquisitions. We also may evaluate and enter into discussions regarding an array of potential strategic transactions, including acquiring complementary products, technologies or businesses. An acquisition, investment or business relationship may result in unforeseen operating difficulties and expenditures. In particular, we may encounter difficulties integrating the businesses, technologies, products, personnel or operations of the acquired companies, particularly if the key personnel of the acquired company choose not to be employed by us, and we may have difficulty retaining the customers of any acquired business due to changes in management and ownership. Acquisitions may also disrupt our ongoing business, divert our resources and require significant management attention that would otherwise be available for ongoing development of our business. Moreover, we cannot assure you that the anticipated benefits of any acquisition, investment or business relationship would be realized timely, if at all, or that we would not be exposed to unknown liabilities. In connection with any such transaction,

we may:

- encounter difficulties retaining key employees of the acquired company or integrating diverse business cultures;
- incur large charges or substantial liabilities, including without limitation, liabilities associated with products or technologies accused or found to infringe on third-party intellectual property rights or violate existing or future privacy regulations;
- issue shares of our capital stock as part of the consideration, which may be dilutive to existing stockholders;
- become subject to adverse tax consequences, legal disputes, substantial depreciation or deferred compensation charges;
- use cash that we may otherwise need for ongoing or future operation of our business;
- enter new geographic markets that subject us to different laws and regulations that may have an adverse impact on our business;
- experience difficulties effectively utilizing acquired assets;
- encounter difficulties integrating the information and financial reporting systems of acquired businesses, particularly those that operated under accounting principles other than those generally accepted in the U.S. prior to the acquisition by us; and
- incur debt, which may be on terms unfavorable to us or that we are unable to repay.

Our business could be adversely affected if we fail to implement and maintain effective disclosure controls and procedures and internal control over financial reporting.

If we are unable to maintain effective disclosure controls and procedures, or if there are identified significant deficiencies or material weaknesses in the future, our ability to produce accurate and timely financial statements and public reports could be impaired, which could adversely affect our business and financial condition. In addition, investors may lose confidence in our reported information and the market price of our Common Stock may decline.

Our success is substantially dependent on the continued service of our senior management.

Our success is substantially dependent on the continued service of our Chief Executive Officer (“CEO”), Kevin Brian Cox and our Chief Financial Officer (“CFO”), Anthony Evers. We do not carry key person life insurance on any of its management, which would leave us uncompensated for the loss of any of its management. The loss of the services of any of our senior management could make it more difficult to successfully operate our business and achieve our business goals. In addition, competition in our industry for senior management and other key personnel is intense. If we are unable to retain our existing personnel, or attract and train additional qualified personnel, either because of competition in our industry for such personnel or because of insufficient financial resources, our product development capabilities and customer and employee relationships growth may be harmed and overall growth may be limited.

We may not have sufficient resources to effectively introduce and market our services and products, which could materially harm our operating results.

Continuation of market acceptance for our existing services and products require substantial marketing efforts and will require our sales account executives and contract partners to make significant expenditures of time and money. In some instances, we will be significantly or totally reliant on the marketing efforts and expenditures of our contract partners, outside sales agents and distributors.

Because we currently have very limited marketing resources and sales capabilities, commercialization of our products, some of which require regulatory clearance prior to market entrance, we must either expand our own marketing and sales capabilities or consider collaborating with additional third parties to perform these functions. We may, in some instances, rely significantly on sales, marketing and distribution arrangements with collaborative partners and other

third parties. In these instances, our future revenue will be materially dependent upon the success of the efforts of these third parties.

Should we determine that expanding our own marketing and sales capabilities is required, we may not be able to attract and retain qualified personnel to serve in our sales and marketing organization, to develop an effective distribution network or to otherwise effectively support our commercialization activities. The cost of establishing and maintaining a more comprehensive sales and marketing organization may exceed its cost effectiveness. If we fail to further develop our sales and marketing capabilities, if sales efforts are not effective or if costs of increasing sales and marketing capabilities exceed their cost effectiveness, our business, results of operations and financial condition would be materially adversely affected.

Risks and uncertainties related to the Company's foreign operations could negatively impact the Company's operating results.

Centercom, an entity that we own 40% of, operates in El Salvador. Doing business in El Salvador, and in Latin America generally, involves increased risks related to geo-political events, political instability, corruption, economic volatility, property crime, drug cartel and gang-related violence, social and ethnic unrest including riots and looting, enforcement of property rights, governmental regulations, tax policies, banking policies or restrictions, foreign investment policies, public safety, health and security, anti-money laundering regulations, interest rate regulation and import/export regulations among others. As in many developing markets, there are also uncertainties as to how both local law and U.S. federal law is applied, including areas involving commercial transactions and foreign investment. As a result, actions or events could occur in El Salvador that are beyond the Company's control, which could restrict or eliminate the Company's ability to operate in El Salvador or significantly reduce customer traffic, product demand and the expected profitability of such operations.

We operate in a highly competitive industry.

We may encounter competition from local, regional or national entities, some of which have superior resources or other competitive advantages in the larger wireless services space. Intense competition may adversely affect our business, financial condition or results of operations. These competitors may be larger and more highly capitalized, with greater name recognition. We will compete with such companies on brand name, quality of services, level of expertise, advertising, product and service innovation and differentiation of product and services. As a result, our ability to secure significant market share may be impeded.

22. WORKING CAPITAL

The Company is of the opinion that the working capital available to the Company is sufficient for its present requirements, that is for at least 12 months from the date of these Listing Particulars.

Going Concern

The Company has incurred significant losses since its inception and has not demonstrated an ability to generate sufficient revenues from the sales of its products and services to achieve profitable operations. There can be no assurance that profitable operations will ever be achieved, or if achieved, could be sustained on a continuing basis. In making this assessment we performed a comprehensive analysis of our current circumstances including: our financial position, our cash flows and cash usage forecasts for the twelve months that will end on September 30, 2023, and our current capital structure including equity-based instruments and our obligations and debts.

These factors create substantial doubt about the Company's ability to continue as a going concern within the twelve-month period subsequent to the date that these consolidated financial statements are issued. The consolidated financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern. Accordingly, the consolidated

financial statements have been prepared on a basis that assumes the Company will continue as a going concern and which contemplates the realization of assets and satisfaction of liabilities and commitments in the ordinary course of business.

The Company manages liquidity risk by reviewing, on an ongoing basis, their sources of liquidity and capital requirements. The Company has cash on hand of \$7,892,050 at September 30, 2022.

Management's Plan

Management intends to overcome the Company's liquidity risk in the following ways:

- Continue the hyper growth of the Affordable Connectivity Program revenue stream;
- Execution of business plan and significant revenue growth from prior period;
- Pursuing a line of credit to achieve the hyper growth of the Affordable Connectivity Program,
- Expand product and services offerings to a larger surrounding geographic area;
- Continuing to explore and execute prospective partnering or distribution opportunities; and
- Identifying unique market opportunities that represent potential positive short-term cash flow.

23. SELECTED FINANCIAL AND OTHER INFORMATION

<https://www.sec.gov/edgar/browse/?CIK=1392694&owner=exclude>

24. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection and can be viewed at the Company's registered office or at the offices of the Company's Sponsor Advisor from the date of these Listing Particulars until the Listing Date:

1. these Listing Particulars;
2. the Bylaws; and
3. Articles of Incorporation; and

The directors of the Company whose names are given in these Listing Particulars collectively and individually accept full responsibility for the accuracy of the information given and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made and that the document contains all information required by law and the Listings Requirements.

At the date of these Listing Particulars:

1. none of the Directors has had any convictions in relation to fraudulent offences for at least the previous five years;
2. save as disclosed above, none of the Directors was a director of a company, a member of an administrative, management or supervisory body or a senior manager of a company within the previous five years which has entered into any bankruptcy, receivership or liquidation proceedings;
3. none of the Directors has been subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) or has been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years material to an evaluation of the ability or integrity of the Directors; and
4. none of the Directors is aware of any contract or arrangement subsisting in which they

are materially interested and which is significant to the business of the Company which is not otherwise disclosed in these Listing Particulars.

The Company intends to maintain directors' and officers' liability insurance on behalf of the Directors at the expense of the Company.

Signed by Kevin Brian Cox on behalf of all the directors of the Company, being duly authorized to do so.

Director

/s/ 

Name: Kevin Brian Cox

PART VIII: SELECTED FINANCIAL AND OTHER INFORMATION

The consolidated financial statements of SURGEPAYS, Inc. at December 31, 2022 and 2021 appearing in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022, have been audited by Rodefer Moss & Co, PLLC independent registered public accountants, as set forth in its report thereon included therein, and incorporated herein by reference. Such financial statements are incorporated herein by reference in reliance upon such report given on the authority of such firm as experts in accounting and auditing.