

## SURGE HOLDINGS, INC.

### A Series of Catalysts Ahead to Drive SURG Shares

Rob Goldman  
[rob@goldmanresearch.com](mailto:rob@goldmanresearch.com)

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<b>SURGE HOLDINGS, INC. (OTC – SURG - \$0.368)</b>	
Price Target: \$3.25	Rating: Speculative Buy

#### COMPANY SNAPSHOT

Surge Holdings, Inc., is a publicly traded company that wholly owns subsidiaries utilizing emerging technology to improve the quality of life for the unbanked, under-banked, and the overlooked. Current holdings include business verticals and offerings in Telecommunications, Blockchain/ Fintech Software as a Service (SaaS), Cryptocurrency Asset Mining, and Social Media Digital Marketing.

#### KEY STATISTICS

Price as of 12/18/18	\$0.368
52 Week High – Low	\$1.45 - \$0.18
Est. Shares Outstanding	85.3M
Market Capitalization	\$31.8M
Est. Average Volume (30D)	61,284
Exchange	OTCQB

#### COMPANY INFORMATION

**Surge Holdings, Inc.**  
4340 S. Valley View, Suite 230  
Las Vegas NV 89103

Web: [www.SurgeHoldings.com](http://www.SurgeHoldings.com)  
Email: [invest@surgeholdings.com](mailto:invest@surgeholdings.com)  
Phone : 800.760.9689

#### INVESTMENT HIGHLIGHTS

**Conclusion:** The *SurgePays* portal has emerged as SURG's revenue engine and its implementation is correlated with future catalysts. We believe that SURG is primed to move sharply higher in concert with a series of expected catalysts ahead

**New stores are coming online, generating compounding and recurring revenue streams for Surge.** Key metric: An estimated \$1.5M in monthly revenue per 1000 stores, which should be continually replicated with greater sales penetration.

**SurgePays, the Company's innovative and industry-shifting merchant portal, is proving to be a valuable differentiator and business driver.** As a primary component of the recent MOU signed with Pastime Foods, up to 40,000 new locations will use this SaaS portal (and become part of the *SurgePays* network) once the deal is closed and fully implemented.

**Surge may be better positioned than any firm in the country to provide true, broad-based retail distribution of CBD-based partner-company products through its network.** The producing firms are only now focused on distribution and SURG's network represents the prime market for CBD-infused product companies. With access to a large network of C-stores and other outlets, we believe the Company will soon add popular, profitable, high-profile 3<sup>rd</sup> party offerings to its network in the near term. And...

**...the pending signing of the Farm Bill, which legalizes hemp, has provided a major boost to the companies in the \$22B industry, which should translate to SURG. Driven by revenue gains and milestone events, our target price remains \$3.25.**

## **SURGEPAYS PORTAL: IN THE DRIVER'S SEAT**

Surge Holdings intends to become the country's leading provider of technology products to the unbanked, the under-banked and the overlooked by selling through its *SurgePays 2.0* network of convenient stores and through online digital marketing. Moreover, by using this industry-changing, feature-rich portal, C-stores and other merchants (for what we believe could be the first time) can update and upgrade their operations inexpensively and generate greater business through new offerings and products. This new terminal is over 35% less expensive per unit, while delivering faster transactions, market leading security, PCI compliance and the ability for SurgePays to additionally offer credit card processing to merchants on the same unit.

*SurgePays* Portal is a multi-purpose software interface for C-stores stores, bodegas and other corner merchants that provide goods and services to the underbanked community. Merchants can easily use the portal to add wireless minutes for any carrier, pay bills and also load debit cards etc. Its deployment success is based on ease-of-use and next-level operational and broad, profitable, customer-offering capabilities.

In addition to all of the traditional wireless and FinTech products, convenience store owners will now have the ability to utilize seamless and simple one-click ordering from several wholesale categories including smartphones, electronics, snacks, CBD products, auto parts, t-shirts and more. Stores can also choose monthly auto-ship while taking advantage of flash specials.

Clearly, the traditional distribution model has changed, No longer are sales people pulling doors to promote individual products—this process is soon to go the way of the milkman. *SurgePays* serves as an e-commerce storefront that allows manufacturers and distributors to gain access to merchants while cutting out the middleman while passing along discounts as an incentive. The *SurgePays* portal can provide any Fintech and Telecom product available to convenient stores, corner markets, bodegas, and supermarkets while procuring other consumable products commonly sold in these same stores.

In our view, this SaaS tool could emerge as the engine for Surge's growth. Interestingly, while on one hand SURG is building a feature-rich, and profitable operational infrastructure for the businesses, it simultaneously fosters one-stop shopping for the underbanked (the customers) to utilize SURG's one-stop banking, payment, wireless, and other services as well. Thus, we believe that 2019 will be a landmark year for both its implementation and revenue growth.

**RECENT TRADING HISTORY FOR SURGE HOLDINGS, INC.**

(Source: [www.StockCharts.com](http://www.StockCharts.com))





## SENIOR ANALYST: ROBERT GOLDMAN

Rob Goldman founded Goldman Small Cap Research in 2009 and has over 20 years of investment and company research experience as a senior research analyst and as a portfolio and mutual fund manager. In addition to his work leading GSCR, Rob serves as the Director of Research for Marble Arch Research, Inc. During his tenure as a sell side analyst, Rob was a senior member of Piper Jaffray's Technology and Communications teams. Prior to joining Piper, Rob led Josephthal & Co.'s Washington-based Emerging Growth Research Group. In addition to his sell-side experience Rob served as Chief Investment Officer of a boutique investment management firm and Blue and White Investment Management, where he managed Small Cap Growth portfolios and *The Blue and White Fund*.

## ANALYST CERTIFICATION

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