



Digerati Technologies Updates Acquisition Status for Minority Stake in Costa Rica-based Itellum

*- Services Expansion into Latin America -
- Positions Company for Serving Emerging and Cross-Border Markets -*

SAN ANTONIO, TX (GlobeNewswire) – May 7, 2019 – Digerati Technologies, Inc. (OTCQB: [DTGI](#)) ("Digerati" or the "Company"), a provider of cloud services specializing in UCaaS (Unified Communications as a Service) solutions for the business market, is pleased to provide an update for the acquisition announced on January 22, 2019, of a minority ownership stake in Itellum Comunicaciones Costa Rica S.R.L. ("Itellum"). Costa Rica-based Itellum is a fully-licensed telecom operator and Internet Service Provider (ISP) serving a high-growth business market in Central America that includes entities like Amazon, Intel, FedEx, and HP among the approximately 1,100 U.S. companies operating in the region.

Through the acquisition, Digerati will expand its long-standing relationship with Itellum as a regional Partner and Value-Added Reseller ("VAR") for its cloud communication services. Digerati's ownership will secure Itellum as an exclusive provider of Digerati's services and positions the Company to better serve a growing region with business and cultural ties to the U.S. The transaction is currently in the final stage of due diligence and documentation and is anticipated to close during the Company's fiscal fourth quarter for FY2019 (May-July 2019).

Arthur L. Smith, CEO of Digerati, stated, "Although we are primarily focused on the large U.S. marketplace of 27 million SMBs, currently valued at \$26 Billion for cloud-based telephony services alone, our senior management team members have invested in, acquired, managed, and led telecommunications businesses throughout the emerging markets of Mexico, Central and South America for over 30 years. The executive team sees the potential value of cross-border market opportunities with the U.S., specifically in the Company's primary markets of Texas and Florida, and especially with a well-known quantity in Itellum and its Founder and CEO, Tim Foss."

To date, Digerati has acquired two cloud communication providers and is currently serving over 10,000 business users in high-growth corridors of Texas and Florida, generating approximately \$6.4 million in annual revenue. The transaction with Itellum delivers on two previously stated strategic initiatives including a) a continued emphasis on the Company's channel strategy of enabling Value Added Resellers to offer cloud and session-based communication services to the enterprise market, and b) a disciplined approach to evaluating additional acquisitions as it continues to target local and/or regional UCaaS/cloud telephony providers who have excelled in their markets with that "local" touch when serving their business customers.

About Digerati Technologies, Inc.

Digerati Technologies, Inc. (OTCQB: [DTGI](#)) is a provider of cloud services specializing in UCaaS (Unified Communications as a Service) solutions for the SMB market. Through its subsidiaries Synergy Telecom and T3 Communications, the Company is meeting the global needs of businesses seeking simple, flexible, reliable, and cost-effective communication and network solutions, including cloud PBX, cloud mobile, Internet broadband, SD-WAN, SIP trunking, and customized VoIP services, all delivered on its carrier-grade network and **Only in the Cloud™**. For more information about Digerati Technologies, please visit www.digerati-inc.com.

About Itellum

Itellum Comunicaciones Costa Rica is headquartered in San Jose, Costa Rica, and is a privately owned and operated Internet and telecommunications company with a focus on U.S. and Central American markets. Itellum emphasizes providing the highest quality of services, ranging from 1:1 international Fiber Optic networks, Cloud and Unified Voice Services and other data centric solutions. Itellum is a customer-focused Internet Concierge that provides superior services in the countries it serves. To learn more about Itellum please visit: <https://itellum.com>.

Forward-Looking Statements

The information in this news release includes certain forward-looking statements that are based upon assumptions that in the future may prove not to have been accurate and are subject to significant risks and uncertainties, including statements related to the future financial performance of the Company. Although the Company believes that the expectations reflected in the forward-looking statements are reasonable, it can give no assurance that such expectations or any of its forward-looking statements will prove to be correct. Factors that could cause results to differ include, but are not limited to, successful execution of growth strategies, product development and acceptance, the impact of competitive services and pricing, general economic conditions, and other risks and uncertainties described in the Company's periodic filings with the Securities and Exchange Commission.

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