Digerati Technologies Outlines Strategic Initiatives for FY2019

- Plans Additional Acquisitions While Targeting 25% Organic Revenue Growth -

SAN ANTONIO, TX (GlobeNewswire) – October 29, 2018 – 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 small to medium-sized business ("SMB") market, announced today its strategic initiatives for FY2019 to continue driving long-term sales and revenue growth, profitability, and corresponding shareholder value. Digerati's FY2019 began August 1, 2018 and ends July 31, 2019.

The Company's plan to successfully meet its corporate goals and objectives includes:

- A continued emphasis on its UCaaS/cloud communication business which operates in a segment of the telecommunication industry that continues to experience significant growth as businesses migrate from legacy phone systems to cloud-based telephony systems.

- Enhancements to its broadband product portfolio with an emphasis on marketing leading-edge network and business continuity solutions like cloud WAN, also known as SD-WAN (Software Defined Wide-Area Network), to its customers which the Company anticipates will increase average revenue per customer.

- Targeting 25% YoY organic revenue growth and building on its solid operational and financial foundation of $6.4 million in annualized revenue to improve cash-flow profitability during FY2019.

- A disciplined approach to evaluating additional acquisitions as it continues to target local and/or regional UCaaS/cloud telephony providers which have excelled in their market with that "local" touch when serving their business customers.

- Executing on its capital markets strategy to position the Company for an up-listing to a primary stock exchange (NASDAQ or NYSE American).

- A continued focus on the U.S. market of SMBs, of which approximately 75% or 21 million have not migrated to a UCaaS or cloud communication solution.

- A continued emphasis on the Company's channel strategy of enabling Value Added Resellers ("VAR") to offer cloud and session-based communication services to the enterprise market, primarily the SMB.

- Continued enhancement of its infrastructure and back office systems to streamline operations and automate processes for efficiency, all which support both its organic and acquisition growth model.

- Implementing a total support model (pre and post sales) for building a world-class service delivery and help desk organization.

During its fiscal year ending July 31, 2018, Digerati completed two acquisitions that created a solid foundation for continued growth and for achieving its corporate objectives. Synergy Telecom (“Synergy”), a leading provider of cloud communication services in Texas, was acquired on December 1, 2017, and T3 Communications, Inc. (“T3”), a leading provider of cloud communications and broadband solutions in Southwest Florida, was acquired on May 2, 2018. On October 11, 2018, the Company entered into a Letter of Intent with an established UCaaS/cloud telephony provider serving over 1,500 SMB accounts and 14,000 users across various industries including Education, Health Care, Financial Services, and Real Estate. The Company anticipates completing a Definitive Agreement of the transaction in January 2019 and will pursue the acquisition of other UCaaS/cloud telephony operators during FY2019 that meet certain market, revenue and profitability criteria.

Digerati is participating in two high-growth areas driven by demand from the enterprise market. The global market for UCaaS solutions is forecasted to reach $96 billion in value by 2023, while revenue from SD-WAN (cloud WAN) service providers is growing at 70% annually and is estimated to reach $8.05 billion worldwide by 2021. Through its subsidiaries, Digerati has secured over 640 business customers serving over 10,000 business users in Texas and Florida with average monthly revenue per customer (ARPU) of $824. Approximately 95% of Digerati’s revenue is contracted monthly recurring revenue. During FY2019, the Company anticipates its network solutions, like cloud WAN, and business continuity product(s) will have a positive impact on ARPU, an important operating metric.

Arthur L. Smith, CEO of Digerati, stated, “We are pleased to report that we successfully delivered on execution of our plan during FY2018 and now have a solid foundation to build upon for FY2019. Although our plan for FY2019 remains very similar to FY2018, we have raised the bar for growth and profitability. As we continue down this path, we will execute on our capital markets strategy and work towards realizing the favorable multiples our public company peers have achieved in the market. Ultimately, our plan comes down to a very simple concept of taking care of our customers on Main Street to create value on Wall Street.”

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 business market. Through its subsidiaries Synergy Telecom and T3 Communications, the Company is meeting the needs of businesses seeking simple, flexible, reliable, and cost-effective communication and network solutions, including cloud PBX, cloud mobile, Internet broadband, cloud WAN, SIP trunking, and customized VoIP services, all delivered on its global carrier-grade network and ***Only in the Cloud*™**. For more information about Digerati Technologies, please visit www.digerati-inc.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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