



Digerati Technologies to Acquire Stake in Itellum for Expansion to Latin America

Licensed Telecom Operator and ISP Positions Company to Serve Emerging Markets

SAN ANTONIO, TX (GlobeNewswire) – January 22, 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 small to medium-sized business (SMB) market, announced today that it has entered into an agreement to acquire a minority ownership stake in Itellum Comunicaciones Costa Rica S.R.L. ("Itellum"). Based in Costa Rica, Itellum is a fully licensed telecom operator and Internet Service Provider (ISP) serving a high-growth business market in Central America that includes Amazon, Intel, FedEx, and HP among the approximately 1,100 U.S. Companies operating in the region.

Under the agreement, Digerati will expand on its long-standing relationship with Itellum as a regional Partner and Value-Added Reseller ("VAR") for its cloud communication services. Digerati's purchase secures 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. In addition, Digerati will enhance its management team with Timothy Foss, Founder and CEO of Itellum, who is taking the role of Vice President of International Business Development for Digerati. The transaction is expected to close in the Company's third fiscal quarter of FY2019 (February - April 2019).

Mr. Foss relocated to Costa Rica eleven years ago to capitalize on the opportunities that occurred upon deregulation of the country's telecom market. He has since secured key telecom licenses and established Itellum as a leading provider in the region with Internet, fiber optic, and cloud communication solutions tailored for the mid-size business or regional operations for the larger enterprise. Prior to founding Itellum, Mr. Foss held positions in the U.S. with Bell South, AT&T, and IDT Corporation as the Director of New Business Development - North America.

Arthur L. Smith, CEO of Digerati, stated, "We currently serve the second and fourth largest state economies in the U.S. (Texas and Florida) with extensive trade and business ties to Latin America. This transaction is very strategic as it positions us to become a leading service provider with cross-border solutions that are typically not offered under one-roof by our U.S. competitors. With the addition of Mr. Foss, we will add strong global telecom expertise to our current internationally savvy telecom management team."

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 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 US and Central American markets. Itellum emphasizes providing the highest quality of services, ranging from 1:1 international Fiber Optic networks, Cloud

& 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 visit: <https://itellum.com>.

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.

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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