



## **Digerati Technologies, Inc. Outlines Strategic Initiatives**

**San Antonio, Texas – February 14, 2017** – Digerati Technologies, Inc. (“Digerati” or the “Company”) (OTCQB: DTGI), an established and award-winning provider of cloud communication services through its subsidiary operations, today announced the re-direction of its corporate resources for driving long-term sales and revenue growth, profitability, and corresponding shareholder value.

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

- An emphasis on its cloud communication subsidiary's business (Shift8 Networks), which operates in a segment of the telecommunication industry that continues to experience significant growth.
- A focus on the large U.S. market of small-to-medium sized business (“SMB”), of which approximately 75% have not migrated to a cloud communication or Voice over Internet Protocol (“VoIP”) solution.
- Targeting local and/or regional VoIP/cloud telephony providers for acquisition, which have excelled in their marketplace with that “local” touch when serving their SMB customer base.
- Continued emphasis on the Company's organic sales strategy of enabling Value Added Resellers (“VAR”) to offer cloud and session-based communication services to the enterprise market, primarily the SMB.
- Continued development of the Company's product portfolio leveraging its Unified Communications platform to deliver voice, video, messaging, fax, mobile-enabled services, and web conferencing across multiple devices in an integrated user environment.
- Continued enhancement of its infrastructure and back office systems to streamline operations, automate processes for efficiency, all of which supports both its acquisition model, and the scalability of its VAR model.

In 2016, the Company gained marked penetration through its VAR channel by securing SMB accounts in various industries such as banking, healthcare, financial services, and staffing. Most recently, the Company initiated its

acquisition model by entering into a Letter of Intent with an established VoIP/cloud telephony provider serving over 5,000 business users in a different geographic market to that of Shift8 Networks. Due to the large marketplace opportunities for both organic and acquisition growth, the Company has chosen to direct all corporate resources toward its cloud communication business. Management is not pursuing additional ventures in the Oil and Gas industry, and the Company's Oil and Gas subsidiary, Flagship Energy Company, will be winding down operations in the months ahead.

Through its subsidiary, Shift8 Networks, Digerati has secured over 40 market partners which utilize the Company's VAR program as their go-to-market strategy for delivering cloud communication solutions. Under the program, Shift8 Networks targets PBX vendors, information technology service firms, managed service providers, and systems integrators that lack a cloud telephony infrastructure, but have an enterprise customer base in need of reliable and cost effective telecommunication services. The Shift8 Networks' all-in-one cloud telephony platform and global VoIP network transforms its VARs' business by allowing its partners to profitably sell and deploy end-to-end solutions, which includes every component required to roll out a robust and reliable cloud telephony system. The Company's mission is to provide its cloud communication solutions with unparalleled quality, reliability, and support.

On August 5, 2016, the Company entered into the aforementioned Letter of Intent to acquire an established provider of cloud communication services. As a result of the due-diligence conducted over several months, the LOI was amended in early February 2017 with final terms. The Company anticipates completing a Definitive Agreement of the transaction during February 2017, and closing upon regulatory approval in approximately 60 days. The Company will pursue the acquisition of other VoIP/cloud telephony operators that meet certain market, revenue and profitability criteria.

Arthur L. Smith, CEO of Digerati, stated, "The re-alignment of corporate resources to singularly focus on the Shift8 Networks market opportunity is a smart move that will undoubtedly benefit our shareholders. There is a tremendous growth opportunity in this space, both organically and through acquisition of profitable operators, which is a direct result of SMBs moving from the traditional phone network to the cloud for their communication needs. As we grow, we intend to capitalize on the favorable multiples our public company peers are realizing in the marketplace."

Digerati is a diversified holding Company with subsidiary operations in the Cloud Communications industry and a three-time recipient of Deloitte and Touche's Fast 500 Award for recognition as one of the 500 fastest growing technology companies in North America. Through its subsidiary, Shift8 Networks, Inc., the Company is meeting the global need of businesses seeking simple, flexible,

efficient, and cost effective communication solutions, including fully hosted IP/PBX, VoIP transport, SIP trunking, and customized VoIP services all delivered Only in the Cloud™. Former subsidiaries have included an Internet software company specializing in secure file transfer, GlobalSCAPE, Inc. (NYSE MKT: GSB) and businesses in the oilfield services sector of the Oil and Gas Industry. For more information, visit [www.digerati-inc.com](http://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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