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# Fusion and XComIP to Form Joint Venture to Launch Fusion Global Services, LLC

## Enhances Fusion's Focus on Business Services Segment, Improves Carrier Services' Margin Profile and Reduces Operating Expenses

NEW YORK, NY -- (Marketwired) -- 06/12/17 -- [Fusion](#) (NASDAQ: FSNN), a leading provider of cloud services, has reached an agreement with XComIP, LLC ("XComIP") to create Fusion Global Services, LLC, a newly formed company organized to provide voice services to carriers worldwide. The transaction is expected to close before the end of the third quarter of 2017 subject to customary approvals and consents.

Fusion and XComIP will both contribute their carrier services revenue, customers, vendor agreements and certain system and infrastructure assets to the newly formed entity. Upon the close of the transaction, Fusion's Carrier Services division will be organized and managed separately from Fusion, with Fusion holding a 60% ownership position in the new entity. XComIP, an established service provider of similar size in carrier services revenue and customer base, will hold a 40% ownership position in the new entity.

The new company, which will be led by Jay Adams, XComIP's CEO, will leverage the considerable strengths of both companies in serving the global carrier community while relieving Fusion of much of the day-to-day management of the business that currently resides in its Carrier Services division. This will likewise enable Fusion's management team to devote greater time and resources toward expanding the company's rapidly growing and higher margin Business Services division.

Other anticipated benefits to Fusion of the newly formed joint venture include:

- An increase in consolidated revenue and gross profit;
- A reduction in operating expenses achieved by leveraging XComIP's capital equipment and network across the combined entity;
- Continued access to lower termination costs as well as potential distribution opportunities for Fusion's Business Services division from our larger base of carrier customers and vendors; and
- An expanded EBITDA margin profile on a consolidated basis

"We are excited to join forces with Jay Adams and his outstanding carrier team," said Matthew Rosen, Fusion's CEO. "We have known Jay for over a decade and have come to admire him for his integrity, keen insight and clear understanding of the changing dynamics in the carrier business. Recognized as a real force in the industry, he has earned a reputation for excellence and has achieved tremendous success in creating innovative solutions to build businesses. Over the course of his long and distinguished career in communications, Jay has successfully led sales and operations teams to dramatically increase revenue and profits, holding executive positions at IDT Corporation, Vivaro, and Sakon, where he grew annual revenue to more than \$140 million. We are confident that Jay will bring the same level of experience, expertise and energy to Fusion Global Services.

"The benefits to our newly combined entity and to Fusion on a consolidated basis are a 'win-win' from a financial and operating perspective. We also believe the proposed transaction will enhance shareholder value as we reduce costs and increase profitability, while drawing a more distinct separation between our Business Services division and what is today our Carrier Services division," Mr. Rosen concluded.

"Fusion and XComIP have earned reputations for exceptional service quality, flexibility and ease of doing business with over many years of experience," said Jay Adams, CEO of XComIP. "We share the same vision for the future, and are leveraging our individual strengths to build an even more powerful and successful combined entity that will take us to the next level in the carrier business. We recognize the tremendous synergies between the customers and vendors of our organizations, and we see immediate opportunities for strong and profitable growth as our companies come together."

### **About Fusion**

Fusion (NASDAQ: FSNN), a leading provider of integrated cloud solutions to small, medium and large businesses, is



the industry's single source for the cloud. Fusion's advanced, proprietary cloud services platform enables the integration of leading edge solutions in the cloud, including cloud communications, contact center, cloud connectivity, and cloud computing. Fusion's innovative, yet proven cloud solutions lower our customers' cost of ownership, and deliver new levels of security, flexibility, scalability, and speed of deployment. For more information, please visit [www.fusionconnect.com](http://www.fusionconnect.com).

#### **About XComIP**

XComIP, LLC develops and provides innovative communications products and services, with an emphasis on the convergence of Voice over Internet Protocol (VOIP) and other emerging technologies. The company focuses on the wholesale carrier-to-carrier transport market, providing international and domestic long distance communications services. XComIP's strong experience and deep industry relationships enable it to provide exceptional service quality, flexibility and ease of doing business. XComIP's primary markets include Mexico, Central America and Africa, and the company maintains routes throughout other regions to serve carriers around the world.

#### **Forward Looking Statements**

Statements in this press release that are not purely historical facts, including statements regarding Fusion's beliefs, expectations, intentions or strategies for the future, may be "forward-looking statements" under the Private Securities Litigation Reform Act of 1996. Such statements consist of any statement other than a recitation of historical fact and may sometimes be identified by the use of forward-looking terminology such as "may", "expect", "anticipate", "intend", "estimate" or "continue" or the negative thereof or other variations thereof or comparable terminology. The reader is cautioned that all forward-looking statements are speculative, and there are certain risks and uncertainties that could cause actual events or results to differ from those referred to in such forward-looking statements. Important risks regarding the Company's business include the Company's ability to raise additional capital to execute its comprehensive business strategy; the integration of businesses and assets following an acquisition; the Company's ability to comply with covenants included in its senior debt agreements; competitors with broader product lines and greater resources; emergence into new markets; natural disasters, acts of war, terrorism or other events beyond the Company's control; and other factors identified by Fusion from time to time in its filings with the Securities and Exchange Commission, which are available through <http://www.sec.gov>. However, the reader is cautioned that Fusion's future performance could also be affected by risks and uncertainties not enumerated above.

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