

Reconciliation of Net Loss to Adjusted EBITDA
DIGERATI TECHNOLOGIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share amounts, unaudited)

	Three months ended January 31,		Six months ended January 31,	
	2022	2021	2022	2021
OPERATING REVENUES:				
Cloud software and service revenue	\$ 4,019	\$ 3,326	\$ 7,796	\$ 4,878
Total operating revenues	<u>4,019</u>	<u>3,326</u>	<u>7,796</u>	<u>4,878</u>
OPERATING EXPENSES:				
Cost of services (exclusive of depreciation and amortization)	1,553	1,434	3,042	2,182
Selling, general and administrative expense	2,127	1,965	3,915	2,976
Legal and professional fees	1,175	255	1,749	513
Bad debt	2	4	15	4
Depreciation and amortization expense	481	432	974	593
Total operating expenses	<u>5,338</u>	<u>4,090</u>	<u>9,695</u>	<u>6,268</u>
OPERATING LOSS	<u>(1,319)</u>	<u>(764)</u>	<u>(1,899)</u>	<u>(1,390)</u>
OTHER INCOME (EXPENSE):				
Gain (loss) on derivative instruments	(3,425)	(160)	1,009	18
Loss on extinguishment of debt	(5,480)	-	(5,480)	-
Gain (loss) on settlement of debt	-	197	-	197
Income tax benefit (expense)	(41)	(51)	(119)	(59)
Other income (expense)	1	-	(2)	-
Interest expense	(1,380)	(1,202)	(2,887)	(1,502)
Total other income (expense)	<u>(10,325)</u>	<u>(1,216)</u>	<u>(7,479)</u>	<u>(1,346)</u>
NET LOSS INCLUDING NONCONTROLLING INTEREST	<u>(11,644)</u>	<u>(1,980)</u>	<u>(9,378)</u>	<u>(2,736)</u>
Less: Net loss attributable to the noncontrolling interests	602	30	760	65
NET LOSS ATTRIBUTABLE TO DIGERATI'S SHAREHOLDERS	<u>(11,042)</u>	<u>(1,950)</u>	<u>(8,618)</u>	<u>(2,671)</u>
Deemed dividend on Series A Convertible preferred stock	(5)	(5)	(10)	(10)
NET LOSS ATTRIBUTABLE TO DIGERATI'S COMMON SHAREHOLDERS	<u>\$ (11,047)</u>	<u>\$ (1,955)</u>	<u>\$ (8,628)</u>	<u>\$ (2,681)</u>
LOSS PER COMMON SHARE - BASIC	<u>\$ (0.08)</u>	<u>\$ (0.02)</u>	<u>\$ (0.06)</u>	<u>\$ (0.02)</u>
LOSS PER COMMON SHARE - DILUTED	<u>\$ (0.08)</u>	<u>\$ (0.02)</u>	<u>\$ (0.06)</u>	<u>\$ (0.02)</u>
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING - BASIC	<u>139,203,973</u>	<u>122,706,601</u>	<u>138,963,449</u>	<u>121,578,716</u>
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING - DILUTED	<u>139,203,973</u>	<u>122,706,601</u>	<u>138,963,449</u>	<u>121,578,716</u>

See notes to consolidated unaudited financial statements

Reconciliation of Net Income (Loss) to Adjusted EBITDA - OPCO, Net of Non-cash expenses & Transactional Costs.				
NET LOSS ATTRIBUTABLE TO DIGERATI'S SHAREHOLDERS, as reported	<u>\$ (11,042)</u>	<u>\$ (1,950)</u>	<u>\$ (8,618)</u>	<u>\$ (2,671)</u>
EXCLUDING NON-CASH ITEMS TRANSACTIONAL COSTS & CORP EXP ADJUSTMENTS:				
Stock compensation & warrant expense	23	381	47	724
Corp Expenses (Net of stock compensation & Transactional cost)	382	200	757	384
Legal and professional fees - transactional costs	1,022	198	1,389	378
Depreciation and amortization expense	481	432	974	593
Bad Debt	2	4	15	4
OTHER ADJUSTMENTS:				
Loss on derivative instruments	3,425	160	(1,009)	(18)
Loss on extinguishment of debt	5,480	-	5,480	-
Gain (loss) on settlement of debt	-	(197)	-	(197)
Other income (expense)	(1)	-	2	-
Interest expense	1,380	1,202	2,887	1,502
Income tax	41	51	119	59
Less: Net loss attributable to the noncontrolling interest	(602)	(30)	(760)	(65)
ADJUSTED EBITDA - OPCO	<u>\$ 591</u>	<u>\$ 451</u>	<u>\$ 1,283</u>	<u>\$ 693</u>
ADD-BACKS Expenses				
Corp Expenses net of stock compensation & Transactional cost	382	200	757	384
ADJUSTED EBITDA - INCOME	<u>\$ 209</u>	<u>\$ 251</u>	<u>\$ 526</u>	<u>\$ 309</u>