



GTT Sets New Path After Business Transformation and Financial Restructuring

- *Financial restructuring process completed*
- *Debt reduced by close to \$3 billion; balance sheet strengthened*
- *Culture transformed to focus on customer experience and continuous operational improvements*

MCLEAN, VA., January 3, 2023 — [GTT Communications, Inc.](#) (“GTT” or the “Company”), a leading global provider of managed network and security services to multinational organizations, announced today that the Company has successfully completed its financial restructuring process and emerged from its chapter 11 cases. The transformed company is repositioned to focus on providing customers with industry-leading managed network and cloud security services that leverage the company’s global Tier 1 IP network.

“Today marks the beginning of an important new chapter for GTT,” said Ernie Ortega, Chief Executive Officer of GTT. “Over the past two years, we have concentrated relentlessly on transforming our business into a customer-focused, managed services provider with a culture of continuous improvement. As we begin 2023 on a new path, I’m tremendously excited about the opportunities ahead.”

“We have more exciting developments to share in the coming weeks, but right now I want to thank our employees, customers, and partners, whose confidence in GTT has underpinned our commitment to realizing this Company’s incredible potential. Thanks to these stakeholders, GTT has succeeded in completing its financial restructuring with a renewed focus on customer experience, operational efficiency, and providing the best of what our industry can offer to customers and partners across the globe,” Mr. Ortega said.

GTT’s managed services portfolio includes market-leading Software-Defined Wide Area Network (SD-WAN) and Secure Access Service Edge (SASE) solutions, as well as global networking and connectivity solutions. The Company has introduced new automation to streamline processes and continuously improve the customer experience and launched new services, including GTT Secure Connect which extends and strengthens network protection for businesses adapting to hybrid working environments.

GTT also continues to operate one of the world’s largest Tier 1 IP networks and recently announced a phased [400G rollout](#) to address a continued, double-digit increase in customer IP traffic across its core IP network, which connects more than 260 cities on six continents.

Through GTT’s sale of its infrastructure division in 2021 (the “Infrastructure Sale”) and its financial restructuring process, GTT reduced its debt by \$2.8 billion, or approximately 80%. With an enhanced capital structure and new investor leadership as a privately held company, GTT stands well-positioned to continue its transformation as a customer-focused, managed services provider delivering world-class service to its global customer base and execute on continuous operational improvement opportunities.

GTT previously announced a new board of directors for the reorganized company, including a new Chairman of the Board, Tony Abate, on April 6, 2022. With GTT’s completion of its financial restructuring process, Beau Harbour, Managing Director at Lone Star, and Alex Grau, Managing Director at Hudson Advisors L.P., an investment advisor to Lone Star, have joined GTT’s Board of Directors.

“The Company’s Board and new owners are looking forward to working with Ernie and the entire GTT team to build on the Company’s momentum and our shared vision to serve businesses with network, security and communications needs across multiple locations globally.” Mr. Abate said. “GTT is well-positioned to capture the growing demand for bandwidth, cyber-security and managed services as enterprises optimize the performance of their own SaaS and cloud-based applications anywhere in the world.”

Affiliates managed by Lone Star Funds, Anchorage Capital Group, Fidelity Management & Research Co., and Cheyne Capital, collectively, comprise the new investor leadership and own a majority of GTT’s reorganized equity.

GTT’s legal advisor in connection with the restructuring was Akin Gump Strauss Hauer & Feld LLP. Alvarez & Marsal North America, LLC served as its restructuring advisor, and TRS Advisors, a group within the investment banking division of Piper Sandler & Co., served as its investment banker for the restructuring.

About GTT

GTT is a managed network and security services provider to global organizations. We design and deliver solutions that leverage advanced cloud, networking and security technologies. We complement our solutions with a suite of professional services and exceptional sales and support teams in local markets around the world. We serve thousands of national and multinational companies with a portfolio that includes SD-WAN, security, Internet, voice and other connectivity options. Our services are uniquely enabled by our top-ranked, global, Tier 1 IP backbone, which spans more than 260 cities on six continents. The company culture is built on a customer-first service experience reinforced by our commitment to operational excellence and continuous improvement in our business, environmental, social and governance practices. For more information, visit www.gtt.net.

Cautionary Note Regarding Forward-Looking Statements

This press release contains forward-looking statements concerning future events and financial performance. Such statements reflect the Company's plans, estimates and beliefs based on current expectations or views of the future of the Company's management, which are subject to significant risks and uncertainties, which could cause actual results or events to differ materially from those expressed or implied. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. These statements may include words such as "may," "will," "seek," "expects," "anticipates," "believes," "targets," "intends," "should," "estimates," "could," "continue," "assume," "projects," "plans" or other words and terms of similar meaning, but not all forward-looking statements contain these identifying words. The Company's actual results, performance or achievements could differ materially from those discussed in the forward-looking statements. Factors, many of which are outside of the Company's control, that could cause or contribute to these differences include, but are not limited to, the effects on the Company's business and clients of general economic and financial market conditions, as well as the following: the Company has announced that its previously issued financial statements for the years ended December 31, 2019, 2018 and 2017, each of the quarters during the years ended December 31, 2019 and 2018 and the quarter ended March 31, 2020 (the "Non-Reliance Periods") and related disclosures and communications should no longer be relied upon as a result of preliminary findings of the Company's previously disclosed review of certain accounting issues (the "Accounting Review"); the Company has not finalized its quantification of the impact of errors identified by the Accounting Review on financial results for the Non-Reliance Periods and the impact may be materially different than previously disclosed estimates; the Company has prioritized its efforts on accounting stabilization and preparation for the financial reporting that is required after the effective date ("Emergence") of the Company's plan of reorganization ("Plan"), over the completion and filing of restated financial statements relating to the Company's previously issued consolidated financial statements for the Non-Reliance Periods, its Quarterly Reports on Form 10-Q for the quarters ended June 30, 2020 and September 30, 2020, its Annual Report on Form 10-K for the fiscal year ended December 31, 2020 and its Quarterly Reports on Form 10-Q for the quarters ended March 31, 2021 and June 30, 2021; the Company's financial results following Emergence will not be comparable to the Company's available historical financial information for periods prior to Emergence as a result of the implementation of the Plan and the transactions contemplated thereby and its adoption of fresh start accounting; a liquid trading market for the Company's common stock or warrants may not develop; certain of the Company's stockholders nominated certain members of the Company's board of directors and the interests of these stockholders may conflict with the interests of the Company's other stockholders; provisions in the Company's organizational documents and shareholders agreement could delay or prevent a change in control, or cause the price of the Company's common stock to decline; the Company's common stock will be subject to dilution by the Company's management incentive plan and warrants; the Company does not intend to pay dividends on its common stock and its ability to pay dividends is restricted; existing cash balances and funds generated from operations may not be sufficient to finance the Company's operations and meet its cash requirements; the Company is subject to risks associated with the actions of network providers and a concentrated number of vendors and clients; the Company could be subject to cyber-attacks and other security breaches; the Company's network could suffer serious disruption if certain locations experience damage or as the Company adds features and updates its network; the Company is subject to risks associated with purchase commitments to vendors for longer terms or in excess of the volumes committed by the Company's underlying clients, or sales commitments to clients that extend beyond the Company's commitments from its underlying suppliers; the Company may be unable to establish and maintain peering relationships with other providers or agreements with carrier neutral data center operators; the Company's business, results of operation and financial condition are subject to the impacts of the COVID-19 pandemic and related market

and economic conditions; the Company may be affected by information systems that do not perform as expected or by consolidation, competition, regulation or a downturn in the Company's industry; the Company may be liable for the material that content providers distribute over its network; the Company has generated net losses historically and may continue to do so; the Company may fail to successfully integrate any future acquisitions or to efficiently manage its growth; the Company may be unable to retain or hire key employees; the Company recently announced management changes; the Company is subject to risks relating to the international operations of its business; the Company may be impacted by changes in foreign exchange rates; the Company may be affected by tax assessments, unfavorable tax audit outcomes, delayed tax filings and future increased levels of taxation; the Company has substantial indebtedness, which could prevent it from fulfilling its obligations under its debt agreements or subject the Company to interest rate risk; the potential failure of the Company to realize anticipated benefits of the Infrastructure Sale; risks from relying on the Infrastructure Sale buyer, Cube Telecom Europe Bidco Limited, for various critical transaction services and network services for an extended period under the transition services agreement and the master services agreement executed in connection with the sale and purchase agreement for the Infrastructure Sale; the potential impact of consummation of the Infrastructure Sale on relationships with third parties, including customers, employees and competitors; the ability to attract new customers and retain existing customers in the manner anticipated; the Company has announced that it expects to report material weaknesses in internal control over financial reporting and its internal control over financial reporting may have further weaknesses of which the Company is not currently aware or which have not been detected; and the Company continues to be subject to risks and uncertainties relating to Emergence, including but not limited to, potential adverse effects on the Company's business and relationships with customers, vendors, employees, service providers and suppliers. Additional factors or events that could cause the Company's actual performance to differ from these forward-looking statements may emerge from time to time, and it is not possible for the Company to predict all of them. Should one or more of these risks or uncertainties materialize, or should any of the Company's assumptions prove incorrect, the Company's actual financial condition, results of operations, future performance and business may vary in material respects from the performance projected in these forward-looking statements. Any forward-looking statement in this press release is based only on information available to the Company at the time such statement was made and speaks only as of the date on which it was made. The statements included in this press release are not guarantees of performance or results and this press release should not be regarded as an indication that the Company or any third party considers this press release to be a reliable prediction of future events, and it should not be relied upon as such. The Company does not undertake to update any forward-looking statements to reflect the impact of circumstances or events that may arise after the date of such forward-looking statements, even in the event that any or all of the assumptions underlying such forward-looking statements become or are shown to be incorrect. No representation or warranty is given as to the achievability or reasonableness of any projections, estimates or forward-looking statements. This press release is not intended to provide, and should not be relied upon for, accounting, legal or tax advice or any investment recommendation.

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