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Fusion Acquires IQMax's Cloud-Based Secure Messaging Solutions and Advanced Data Integration Engine

Acquisition of Intellectual Property to Enhance Fusion's Industry-Leading Cloud Solutions Platform

NEW YORK, Jan. 25, 2018 (GLOBE NEWSWIRE) -- Fusion (NASDAQ:FSNN), a leading provider of cloud services, announced today that it has acquired the software, intellectual property and customers of privately held IQMax, Inc. ("IQMax"), a pioneer in developing secure messaging, enterprise data integration and advanced cloud communications solutions.

Headquartered in Charlotte, N.C., IQMax has developed a cloud-based data integration engine that seamlessly integrates and transmits information across diverse applications and platforms. IQMax's mobile-centric, secure messaging platform has been designed to meet the rigorous requirements of enterprises across multiple industry verticals demanding high levels of security, compliance and interoperability. Notably, IQMax's integration engine has been deployed at major healthcare systems in the U.S. to support physician workflow by facilitating real-time communications, group messaging, and image and file sharing with full HIPAA compliance among healthcare professionals. Additionally, IQMax's mobile software solutions improve workforce coordination and collaboration, from secure messaging to event notification management and integrated cloud voice services.

IQMax's powerful data integration platform advances the expansion of Fusion's cloud ecosystem, facilitating integration with a wide range of applications and business productivity software platforms. In combination with Fusion's award-winning cloud services platform, IQMax's advanced data integration engine will accelerate Fusion's leadership in the large and rapidly expanding global voice and messaging Communications Platform as a Service (CPaaS) market, which IDC expects to grow from \$867 million in 2016 to \$8.2 billion in 2021.

As reported in Ponemon's "2017 Cost of Data Breach Study," organizations face a nearly 28% average probability that they will suffer a material data breach in the next 24 months. IQMax's secure messaging and data integration solutions meet the needs of those highly vulnerable organizations that must secure sensitive information transmitted through their internal and external communications. So great is the demand for secure messaging solutions such as IQMax, that the messaging security market is expected to grow from \$2.64 billion in 2017 to \$5.5 billion by 2022, with a CAGR of nearly 16% (Cision, "Messaging Security Markets by Solution").

"The IQMax platform enables organizations to integrate enterprise data with secure communications across iOS, Android and Microsoft mobile operating systems," said Paul Adkison, IQMax's Founder. "Leveraging Fusion's comprehensive single source cloud solutions and robust infrastructure, we are well positioned to be a leader in the industry with the next generation of highly differentiated, future-proof UCaaS solutions. Today's winning corporate communications strategy demands secure communications, connectivity and collaboration, and we look forward to selling IQMax solutions into Fusion's large and growing customer base, which will expand significantly with Fusion's pending acquisition of Birch."

"IQMax represents a unique opportunity for Fusion to acquire a leading secure messaging and enterprise data integration platform that integrates very tightly with our existing unified communications platform," said Matthew Rosen, Fusion's Chief Executive Officer.

"Over \$20 million has been invested in IQMax's cloud-based solutions software and services platform since 2001, and while the current revenue and EBITDA contribution is not material to Fusion, we believe that we have concluded a compelling transaction that will advance the company's leadership position in the rapidly growing secure messaging space and accelerate our planned applications integration expansion," Mr. Rosen continued. "The all-stock transaction includes additional time-limited royalties based on future sales of the software, providing a strong incentive to continue driving sales of the IQMax software solutions."

"IQMax's leading edge technology platform, feature-rich solution set and expert team of development professionals will enhance our advanced cloud solutions platform and accelerate the expansion of Fusion's cloud ecosystem, facilitating integration with a wide range of CRM platforms, external messaging, and other business productivity software platforms," Mr. Rosen concluded.

About Fusion

Fusion, 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 service 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.

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 the capital necessary to fund its acquisition of Birch Communications Holdings, Inc., its ability to obtain the required approvals necessary to close that transaction, and its ability to integrate that business following the closing; 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.

In the event that there is any inconsistency between the information contained in this press release and the information set forth in Fusion's Annual Report on Form 10-K or Quarterly Reports on Form 10-Q filed with the Securities and Exchange Commission, the information contained in the Annual Report on Form 10-K or Quarterly Reports on Form 10-Q governs.

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