



**FOR IMMEDIATE RELEASE**

## **NorthState Enters into Definitive Agreement to be Acquired by Segra**

*Segra to pay \$80.00 per share in all-cash transaction  
Merger will enhance Segra's growing fiber footprint in the Mid-Atlantic U.S.*

**High Point, NC and Charlotte, NC – December 9, 2019** – North State Telecommunications Corporation ("NorthState" or the "Company"), a fiber optic network, cloud and IT services and cybersecurity provider, today announced a definitive agreement to merge with a subsidiary of MTN Infrastructure TopCo, Inc., which, together with its other subsidiaries, does business as "Segra". Segra will pay \$80.00 in cash per share for both Class A and Class B of NorthState's common stock, which, inclusive of indebtedness, represents an enterprise value of approximately \$240 million. The Merger Consideration represents a premium of 31.1% and 34.5% to the December 6, 2019 closing prices of \$61.00 and \$59.50, respectively, for the Company's Class A and B common shares.

Royster Tucker III, president and chief executive officer of NorthState, said, "We are excited to announce this transaction with Segra. We believe the combination of our businesses will deliver immediate and compelling value for NorthState's shareholders and customers. Segra is an outstanding company that will continue to grow our network footprint in the Piedmont Triad Region of North Carolina and provides a great fit for our growing IT services business.

"I would like to extend my sincere appreciation to all of the NorthState employees whose dedication, support and hard work have made our success possible. I would also like to thank our customers and shareholders for their support and loyalty over our long history."

Segra Chief Executive Officer Tim Biltz said, "Both NorthState and Segra have great histories of infrastructure, innovation and service. Customers and businesses throughout our service area will benefit from an expanded network, enhanced products and a superior customer experience as a result of this transaction."

The merger agreement was unanimously approved by NorthState's Board of Directors. It restricts NorthState's ability to pay dividends on its common shares beyond those declared for the fiscal quarter ending December 31, 2019 payable in March of 2020. Separately, acting in their capacity as shareholders, each of the members of the Board entered into a separate voting agreement with respect to all shares of NorthState Class A common stock beneficially or directly owned by such Board member, representing approximately 37% of NorthState's voting shares outstanding. A proxy statement will be distributed to shareholders during the first quarter of 2020. The transaction is anticipated to close in the second or third quarter of 2020 and is subject to customary regulatory approvals and other closing conditions.

Wells Fargo Securities, LLC served as exclusive financial advisor, and GC Solutions and Nelson Mullins Riley & Scarborough LLP served as legal advisors to NorthState in connection with this transaction. TD Securities acted as exclusive financial advisor and Simpson Thacher & Bartlett LLP, Morgan, Lewis & Bockius LLP and Womble Bond Dickinson (US) LLP served as legal advisors to Segra.

### **Additional Information about the Proposed Transaction**

In connection with the proposed merger, NorthState will hold a special meeting to obtain shareholder approval and will mail a definitive proxy statement/information statement to its shareholders. The definitive proxy statement/information statement will contain important information about the proposed merger and related matters. In addition, investors and security holders may obtain free copies of the documents mailed to NorthState's

shareholders by contacting NorthState investor relations at [investor.relations@nscom.com](mailto:investor.relations@nscom.com) and by viewing the documents on or through NorthState's website at [www.northstate.net/investor-relations/](http://www.northstate.net/investor-relations/). INVESTORS AND SECURITY HOLDERS OF NORTHSTATE ARE URGED TO READ THE PROXY STATEMENT/INFORMATION STATEMENT WHEN THEY BECOME AVAILABLE BEFORE MAKING ANY VOTING OR INVESTMENT DECISION WITH RESPECT TO THE PROPOSED TRANSACTION BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION.

#### **About NorthState**

NorthState is a technology company focused on inspiring the Internet-driven lifestyle through high-touch experiences. Its fiber-delivered, ultrafast Internet and Internet-driven applications enable residential customers and businesses to efficiently and securely take advantage of the Internet. Through its Technology Solutions business unit, NorthState provides data center colocation, customized cloud and IT solutions, managed disaster recovery services, cybersecurity, managed security and unified communications. For more information, visit [northstate.net](http://northstate.net).

#### **About Segra**

Segra is one of the largest independent fiber bandwidth companies in the eastern U.S. It owns and operates an advanced fiber infrastructure network of more than 23,000 miles that connects more than 9,000 on-net locations and six data centers throughout nine Mid-Atlantic and Southeastern states. Segra provides Ethernet, MPLS, dark fiber, advanced data center services, IP and managed services, voice and cloud solutions, all backed by its industry-leading service and reliability. Customers include carriers, enterprises, governments, and healthcare organizations. In addition, Segra delivers high-speed, fiber-based integrated telecommunications services to residential and business customers in rural Virginia under the Lumos Networks brand name. For more information about Segra's technology and commitment to customer care, visit [segra.com](http://segra.com).

#### **Special Note from NorthState Regarding Forward-Looking Statements**

Any statements contained in this press release that are not statements of historical fact, including statements about our beliefs and expectations, are forward-looking statements and should be evaluated as such. Such forward-looking statements reflect, among other things, our current expectations about the transaction and its timing, all of which are subject to known and unknown risks, uncertainties and factors that may cause actual results to differ materially from those expressed or implied by these forward-looking statements. Many of these risks are beyond our ability to control or predict. Because of these risks, uncertainties and assumptions, you should not place undue reliance on these forward-looking statements. Furthermore, forward-looking statements speak only as of the date they are made. We do not undertake any obligation to update or review any forward-looking information, whether as a result of new information, future events or otherwise. Important factors with respect to any such forward-looking statements, including certain risks and uncertainties that could cause actual results to differ from those contained in the forward-looking statements, include: the successful closing of the announced transaction with Segra, including obtaining the requisite regulatory, governmental and shareholder approvals and satisfying other closing conditions; the risk that required governmental and regulatory approvals may delay the transaction or result in the imposition of conditions that could cause the parties to abandon the transaction; the timing to consummate the proposed transaction; any disruption from the proposed transaction making it more difficult to maintain relationships with our customers, employees or suppliers; the diversion of management time on transaction-related issues; the transaction may involve unexpected costs, liabilities or delays; the outcome of any legal proceedings related to the transaction; the failure by Segra to obtain the necessary financing arrangement set forth in the debt commitment letters received in connection with the transaction; and other unforeseen difficulties that may occur. These risks and uncertainties are not intended to represent a complete list of all risks and uncertainties inherent in our business.

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