

PEERLESS NETWORK SECURES \$15M IN FINANCING TO ACCELERATE GROWTH AND EXPAND DATA CENTER OPERATIONS

Strong 2012 Positions Peerless Network for Additional Market Share Growth

CHICAGO, IL – January 10, 2013 – Peerless Network, Inc. (www.peerlessnetwork.com), a leading provider of carrier and enterprise interconnection services, today announced that it has secured \$15M in debt financing from Square 1 Bank (www.square1bank.com). Peerless will use the financing to fund network growth, provide additional data center capacity and enter new markets.

“The debt facilities with Square 1 Bank represent a significant achievement for Peerless providing the company greater financial flexibility as we expand,” noted Doug Lee, Peerless Network’s Chief Financial Officer. “Square 1 Bank has been a phenomenal partner in helping us meet our growth objectives.”

Peerless closes the year with a tremendous record of profitable growth including:

- Average annual revenue growth of 236% and EBITDA positive since 2010.
- Expanded network points of presence (POPs) to cover 49 U.S. markets.
- Entered long term customer contracts with several national wireless carriers.
- Completed construction of our first data center and colocation facility with customer leases or options to lease nearly 8,000 square feet of space.
- Expanded our international presence to support a leading UK-based mobile carrier’s entry into the United States.
- Remained fully operational in all markets affected by Hurricane Sandy.
- Introduced innovative new products such as Hosted Least Cost Routing and PSTN Control services.
- Named the 97th fastest-growing private company in the United States by Inc. magazine.

“This has been an amazing year for Peerless and our new financing is a direct result of profitably growing our business by executing our strategic plan,” said John Barnicle, President and CEO of Peerless Network. “We remain focused on taking advantage of the competitive environment and expanding our portfolio of services with a common-sense approach that plays to our strengths. Our new state-of-the-art data center is a perfect example and is nearly 100% leased within weeks of its launch.”

About Peerless Network

Peerless Network, Inc. is a leading provider of interconnection and data center services focused on simplifying how networks, devices and people connect. Headquartered in Chicago, Peerless Network is among the nation’s fastest-growing privately held companies and ranked 97th overall on the 2012 Inc. 500 list. Please visit our website at www.peerlessnetwork.com.

About Square 1 Bank

[Square 1 Bank](http://www.square1bank.com) is a full service commercial bank dedicated exclusively to serving the financial needs of the venture capital community and entrepreneurs in all stages of growth and expansion. Square 1’s expertise, focus and strong capital base provide flexible resources and unmatched support to meet our clients’ needs. The bank offers tailored products and solutions aided by the latest in technological innovations. Square 1 has offices coast to coast in Austin, Boston, Denver, Durham, Los Angeles, New York, San Diego, Seattle, Silicon Valley and Washington, DC. For more information, visit www.square1bank.com.

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