



# Pareteum

## **NYSE American: TEUM Company Overview August 2017**

### **Global Mobility Cloud Enablement:**

**Mobility**



**Messaging**



**Security**





# Forward Looking Statements



Certain statements contained herein constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements may include, without limitation, statements with respect to Pareteum's plans and objectives, projections, expectations and intentions. These forward-looking statements are based on current expectations, estimates and projections about Pareteum's industry, management's beliefs and certain assumptions made by management. Readers are cautioned that any such forward-looking statements are not guarantees of future performance and are subject to certain risks, uncertainties and assumptions that are difficult to predict. Because such statements involve risks and uncertainties, the actual results and performance of Pareteum may differ materially from the results expressed or implied by such forward-looking statements. Given these uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements.

Unless otherwise required by law, Pareteum also disclaims any obligation to update its view of any such risks or uncertainties or to announce publicly the result of any revisions to the forward-looking statements made here. Additional information concerning certain risks and uncertainties that could cause actual results to differ materially from those projected or suggested in Pareteum's filings with the Securities and Exchange Commission, copies of which are available from the SEC or may be obtained upon request from Pareteum.



- **New and disruptive** business model in mobile telecommunications
- Utilizing our global reach via the cloud to provide our customers:
  - Connectivity
  - Metering
  - Billing
  - New revenue generating products and services

***with greater speed, at a fraction of the price***
- Our customers include:
  - Communications Service Providers: **network telecom carriers .... wired and wireless**
  - Enterprises: **businesses of all sizes**
  - IoT and M2M: Internet of Things + Machine-to-Machine = **all connected things and devices**



Ticker: TEUM

Exchange: NYSE American

Stock Price (08/03/17): ~ \$1.00

Analyst Target Price: \$1.50\* (Joseph Gunnar)

3 Month Avg. Trading Volume (08/03/17): ~ 770K

Market Cap (08/03/17): ~ \$14 M

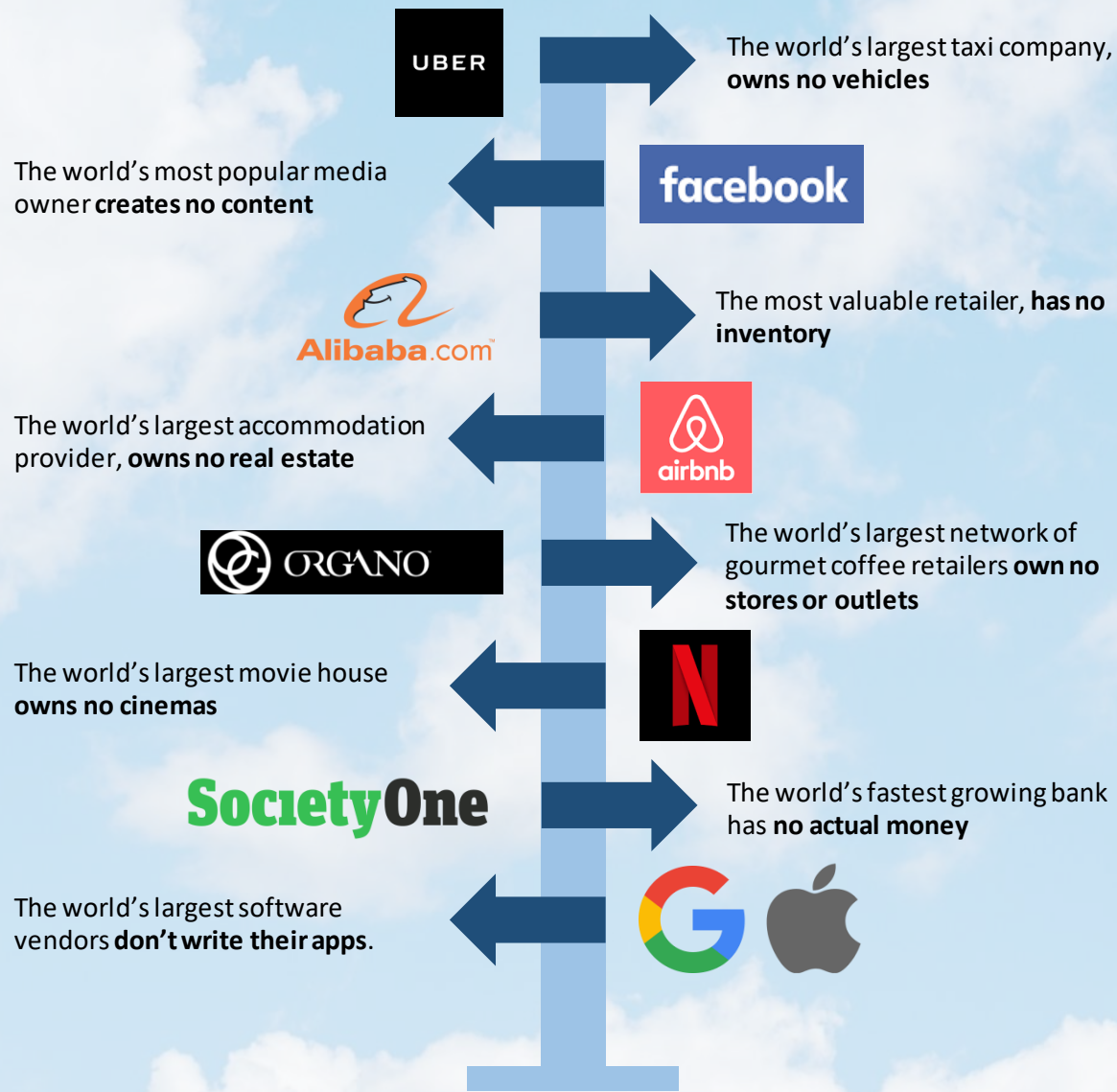
Revenues (ttm) (06/30/17): ~ \$12 M

Revenue Backlog (06/30/17): \$60 M

\*12-month price target as of May 23, 2017



# Moving Monetization of Digital Economy to the Cloud



Pareteum

One of the world's largest mobile networking and services companies, **has no proprietary telco infrastructure**



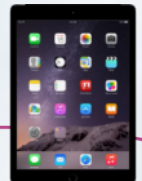
# The Age of the Connected Customer



Globally **500 million** potential Subscribers and **30 Billion** Connected Devices by 2020  
**TEUM's business model = subscriber access = monthly recurring revenues**



## 30 Billion Connected Devices







# TEUM's Customer Success Platform: Complex Needs In Real-Time

Any device ... anywhere ... anytime ... pay as you go @ The Speed of Need

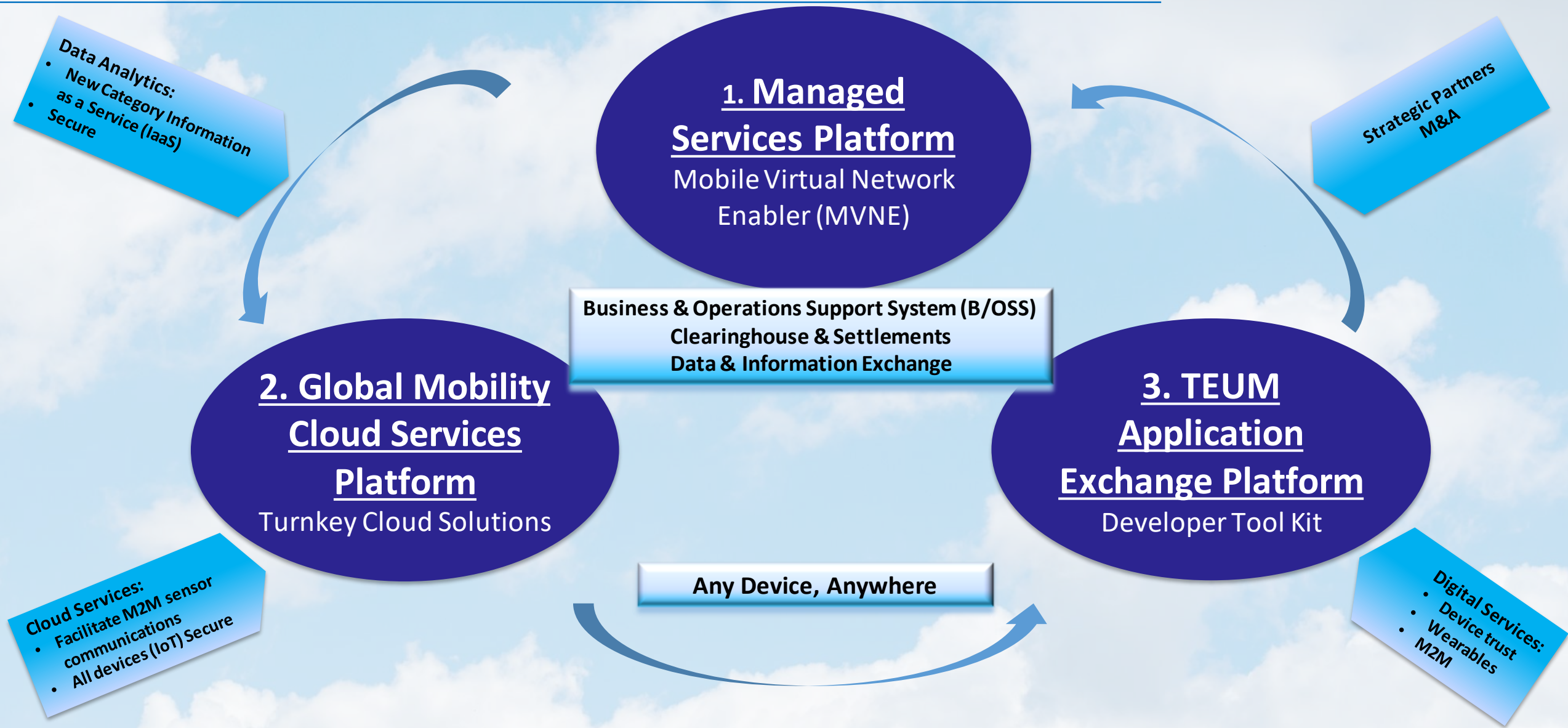


\* Business & Operations Support System (B/OSS)  
 \*\* Enterprise Resource Planning / Applications (ERP/APPS)





# Pareteum Strategy - Overview





# Pareteum's Markets and Opportunities



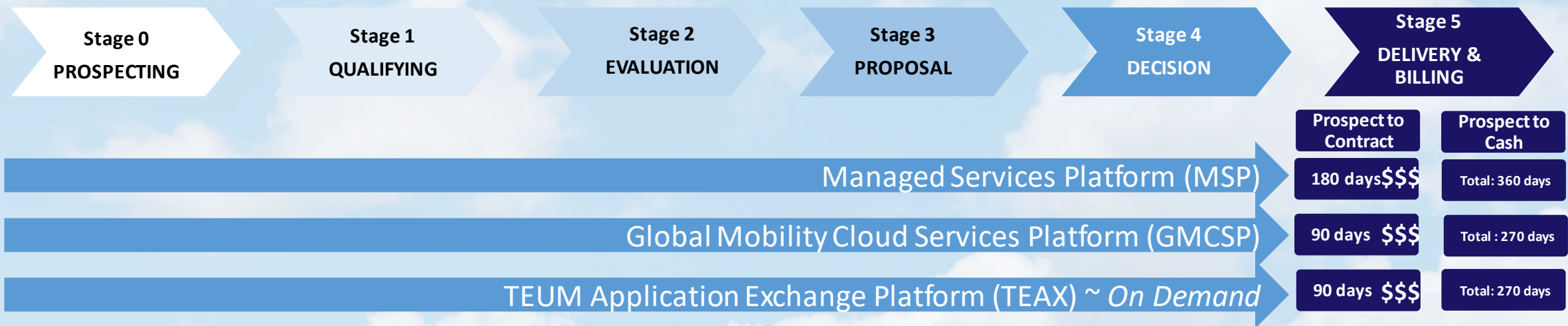
- Pareteum's total available market 2020 (annual customer spend):
  - \$200 Billion Application Exchange Platform
  - \$50 Billion Global Mobility Cloud Platform
  - \$20 Billion Managed Services Platform

# Business Model: Cloud Delivered Services



- Subscription Monthly Recurring Revenues (3 disruptive service suites)
  - Connects service/applications developers with mobile and broadband service providers

As of July 2017	MRRx6 (Q1 + Q2) 2017	MRRx6 (Q3 + Q4) 2017	MRRx12 2018	MRRx12 2019	MRRx12 2020		Total
Revenue Backlog (Deployed Customer)	5.656.816	6.050.469	11.414.218	10.767.342	10.767.345		44.656.191
Revenue Backlog (Undeployed Customer)	396.395	638.661	2.261.541	4.696.175	7.297.672		15.290.444
<b>TOTAL REVENUE BACKLOG</b>	<b>6.053.210</b>	<b>6.689.130</b>	<b>13.675.760</b>	<b>15.463.517</b>	<b>18.065.017</b>		<b>59.946.635</b>





# Reaping Benefits of Recent Corporate Turnaround



- **Restructuring Highlights - Creates Fundamental Financial Stability**
  - New senior leadership team
  - FTE Reduction from 265 to 62 (Q3/15-Q4/16); rationalized operations to current business
  - Ongoing organizational rationalization & optimization: **“everything on the table”**
- **Capital Markets and Developments**
  - Raised \$6 million in convertible debt and equity in 2016;
    - Converted \$3.5 million to equity in end-2016/early-2017
  - Divested ValidSoft subsidiary
- **Reestablished Sales and Commercial Activities: Vic Bozzo named CEO**
  - Re-established and **expanded relationship with key strategic customer Vodafone**
  - New Channel Partnerships & Ongoing expansion of sales organization
  - Resulted in **record revenue backlog** growth
- **Financial Reorganization: Ted O’Donnell named CFO**
  - Actual reported expense savings during 2015 and 2016 thus far have totaled \$7.453mm
  - Operating (adjusted) EBITDA **breakeven point achieved** at the end of Q3 2016 (Sept. 30<sup>th</sup>)
  - Q2 2017 Operating (adjusted) EBITDA = \$463K, 168% improvement over Q2 2016
  - ~70% gross margins
  - Balance sheet cleaned up
- **New Senior Leadership Team: Rob Mumby appointed SVP Worldwide Sales**
  - improving underlying costs structure and creating opportunity for exponential sales growth



# Executive Team Biographies



- **Robert H. (Hal) Turner, Founder, Executive Chairman**, Hal sets the vision and business tone that has chartered the successful course of numerous international and U.S. domestic communication, software, and technology startup, growth, and Fortune 500 companies (**all sizes ... all stages**); selected engagements:



- **Vic Bozzo, Co-Founder, Chief Executive Officer**, Vic brings prior experience in sales and marketing leadership in the Telecom and Internet industry that has led to significant revenue and customer growth and investor returns at his previous companies.



- **Edward (Ted) O'Donnell, Chief Financial Officer**, Ted brings over 25 years of experience in investment banking, private equity investment, venture capital, internet technology, Software as a Service (SaaS) and other new media businesses.



Carlyle Capital Group





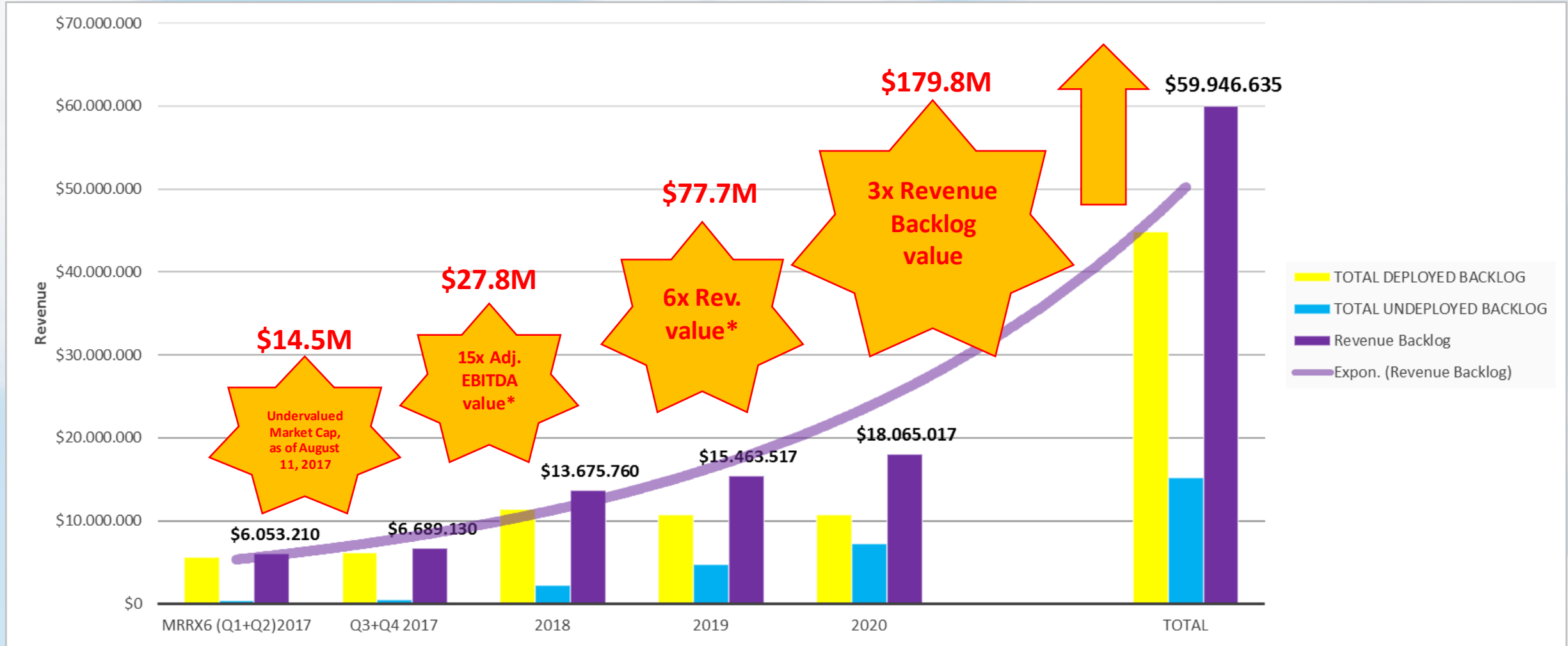
# Investment Highlights



- **Disruptive business model**, quickly becoming one of the world's largest mobile networking and services companies by utilizing the cloud, not investing telco infrastructure
- Growth driven by new way to deliver services that **slashes costs and increase revenue generation for customers**
- **70% gross margins** in existing large and growing **multi-billion dollar market**
- \$60 million **revenue backlog**
- **Led by successful entrepreneurs**, completed successful turnaround and have track record managing rapid growth in telecommunications industry
- Patented **software is not easily replicated**, creating a financial, time based, **competitive barrier to entry**
- **Path to profitability** is accelerated via **high margins** on subscribers and the **magic of monthly recurring revenue** will drive **sustainable returns**
- **Attractive enterprise valuation** based upon our current PPS, facilitating **excellent risk adjusted returns**



# Market Capitalization as a Multiple to Rolling 36 Month Revenue Backlog: June 30, 2017



\*Adjusted EBITDA-based valuation based on Q2 Adjusted EBITDA of \$463K annualized; Revenue-based valuation based on Q2 revenues of \$3.239 M annualized



# Contact us



**Hal Turner:** Founder, Executive Chairman &  
Principal Executive Officer

**Vic Bozzo:** Co-Founder, Chief Executive Officer

**Ted O'Donnell:** Chief Financial Officer

**Alexander Korff:** General Counsel

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## Appendix



# Company Capitalization as of June 12, 2017



TEUM (000's)	Common Share Equivalents	Warrants	Options	Fully Diluted
<b>Issued &amp; Outstanding</b>	13,608 (a)	3,513 (b), (g)	1,129 (c)	18,249
<b>Convertible Debt</b>	110 (d)	732 (e)	-	842
<b>Preferred Shares (Series A and A-1)</b>	317 (f)			317
<b>Post-Offering Fully Diluted</b>	<u>14,035</u>	<u>4,244</u>	<u>1,129</u>	<u>19,408</u>

**Footnotes:**

- (a) Includes certain shares in process of being issued, including re Saffelberg \$723,900 9% Note (increased by 10% and converted (March 30, 2017) into common shares at \$1.50).
- (b) Exercise prices between \$1.87 and \$23.25, with expiration dates of 2017 - 2020.
- (c) Includes 2017 option issuances and expirations to date.
- (d) Based on \$375k remaining convertible debt (PIPE) and the 10% (\$37.5k) ValidSoft-sale-related uplift.
- (e) 105k Agent warrants; 106k Saffelberg warrants related to the \$723,900 convertible Note; and 520k PIPE investor warrants. (PIPE & Saffelberg warrants include 10% bonus/uplift warrants).
- (f) Subject to changes in Issued and Outstanding ("I&O"). Original Preferred A and A-1 raises totalled \$2.49mm, and were convertible into a total of 10% of I&O. Following March 2017 conversions of \$1.15mm + \$0.72mm + \$0.04mm = \$1.91mm, the remaining \$580k Pref. Shares are convertible into approximately 2.3% of I&O. The Preferred shares can be converted into common shares at the Company's election from September 2, 2017.
- (g) Atalaya Warrants Fixed at 1.466k common stock equivalents.