

**PARETEUM CORPORATION AND SUBSIDIARIES**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS**  
(In thousands except for per share amounts)

	<b>Three Month Period Ended</b>		<b>Six Month Period Ended</b>	
	<b>June 30, 2017</b>	<b>June 30, 2016</b>	<b>June 30, 2017</b>	<b>June 30, 2016</b>
REVENUES	\$ 3,239	\$ 3,267	\$ 6,034	\$ 6,541
EXPENSES				
Cost of service	946	979	1,788	2,104
Product development	274	809	558	2,099
Sales and marketing	371	346	690	888
General and administrative	1,491	2,187	3,856	5,681
Restructuring and settlement costs	459	-	588	-
Depreciation and amortization of intangibles assets	873	1,114	1,716	2,212
Total cost and operating expenses	<u>4,412</u>	<u>5,434</u>	<u>9,197</u>	<u>12,983</u>
LOSS FROM OPERATIONS	<u>(1,173)</u>	<u>(2,167)</u>	<u>(3,163)</u>	<u>(6,443)</u>
Total other income (expense)	(237)	(647)	460	(675)
LOSS BEFORE PROVISION FOR INCOME TAXES	<u>(1,411)</u>	<u>(2,814)</u>	<u>(2,702)</u>	<u>(7,118)</u>
Provision for income taxes	<u>(68)</u>	<u>9</u>	<u>(66)</u>	<u>19</u>
NET LOSS	<u>(1,343)</u>	<u>(2,823)</u>	<u>(2,636)</u>	<u>(7,137)</u>
OTHER COMPREHENSIVE LOSS				
Gain	16	(345)	(11)	(4)
COMPREHENSIVE LOSS	<u>\$ (1,327)</u>	<u>\$ (3,169)</u>	<u>\$ (2,647)</u>	<u>\$ (7,141)</u>
Net loss per common share	\$ (0.10)	\$ (0.43)	\$ (0.24)	\$ (1.09)
Weighted average shares - basic	12,910,929	6,545,307	11,132,580	6,530,513
<b>Non-GAAP Reconciliation</b>				
	<b>Three Month Period Ended</b>	<b>Six Month Period Ended</b>		
	<b>June 30, 2017</b>	<b>June 30, 2016</b>	<b>June 30, 2017</b>	<b>June 30, 2016</b>
NET LOSS	\$ (1,343)	\$ (2,823)	\$ (2,636)	\$ (7,137)
(expense)	237	647	(460)	675
Depreciation and amortization	873	1,114	1,716	2,212
Provision for income taxes	(68)	9	(66)	19
EBITDA	<u>(301)</u>	<u>(1,053)</u>	<u>(1,446)</u>	<u>(4,231)</u>
Restructuring and settlement costs	459	-	588	-
Stock based compensation	305	362	1,123	1,306
Adjustments	-	-	-	-
Adjusted EBITDA	<u>\$ 463</u>	<u>\$ (691)</u>	<u>\$ 265</u>	<u>\$ (2,925)</u>

**PARETEUM CORPORATION AND SUBSIDIARIES**  
**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET INFORMATION**  
(In thousands)

	<b>June 30, 2017</b>	<b>December 31, 2016</b>
Cash and cash equivalents	\$ 742	\$ 931
Restricted cash	700	564
Accounts receivable	249	615
Prepaid expenses and other current assets	681	1,085
Total current assets	2,372	3,195
Total assets	11,563	13,045
Total current liabilities	10,161	13,293
Total liabilities	15,452	22,410
Total stockholders' equity	(3,889)	(9,365)

**PARETEUM CORPORATION AND SUBSIDIARIES**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS INFORMATION**  
(In thousands)

	<b>Six Months Ended</b>	
	<b>June 30, 2017</b>	<b>June 30, 2016</b>
CASH FLOWS FROM OPERATING ACTIVITIES:	\$ (811)	\$ (1,371)
CASH FLOWS FROM INVESTING ACTIVITIES:	(333)	(1,330)
CASH FLOWS FROM FINANCING ACTIVITIES:	1,385	2,568
EFFECT OF EXCHANGE RATES ON CASH AND CASH EQUIVALENTS	(295)	2
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(54)	(131)