## PARETEUM CORPORATION AND SUBSIDIARIES

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS (In thousands except for per share amounts)

REVENUES         \$ 3,499         \$ 3,171         \$ 9,533         \$ 9,711           COST AND OPERATING EXPENSES         791         892         2,579         2,996           Cost of service         791         892         2,579         2,996           Product development         497         668         1,055         2,767           Sales and marketing         413         207         1,103         1,094           General and administrative         1,579         3,304         5,435         9,895           Restructuring charges         253         -         841         -           Depreciation and amortization         1,433         1,109         3,149         3,320           Impairment for assets held and used impairment of goodwill         -         3,229         -         851           Loss on sale of assets         -         1,747         -         1,747           Total cost and operating expenses         4,966         12,006         14,163         24,989           LOSS FROM OPERATIONS         (1,467)         (8,835)         (4,630)         (15,278)           Total other income (expense)         (694)         (4,195)         (234)         (4,870)           INC OME TAXES         (2,162) <th></th> <th colspan="3">Three Month Period Ended</th> <th colspan="4">Nine Month Period Ended</th>		Three Month Period Ended			Nine Month Period Ended				
COST AND OPERATING EXPENSES         Cost of service         791         892         2,579         2,996           Product development         497         668         1,055         2,767           Sales and marketing         413         207         1,103         1,094           General and administrative         1,579         3,304         5,435         8,985           Restructuring charges         253         -         841         -           Depreciation and amortization         1,433         1,109         3,149         3,320           Impairment for assets held and used         -         851         -         851           Impairment of goodwill         -         3,229         -         3,229           Loss on sale of assets         -         1,747         -         1,747           Total cost and operating expenses         4,966         12,006         14,163         24,988           LOSS FROM OPERATIONS         (1,467)         (8,835)         (4,630)         (15,278)           Total other income (expense)         (694)         (4,195)         (234)         (4,870)           INCOME TAXES         (2,162)         (13,030)         (4,964)         (20,148)           Provision for income taxe		-	•	Sep		=		=	
Cost of service         791         892         2,579         2,996           Product development         497         668         1,055         2,767           Sales and marketing         413         207         1,103         1,094           General and administrative         1,579         3,304         5,435         8,885           Restructuring charges         253         -         841         -           Depreciation and amortization         1,433         1,109         3,149         3,320           Impairment for assets held and used         -         851         -         851           Loss on sale of assets         -         1,747         -         1,747           Total cost and operating expenses         4,966         12,006         14,163         24,989           Loss on sale of assets         -         1,467         (8,835)         (4,630)         (15,278)           Loss of the income (expense)         (694)         (4,195)         (234)         (4,870)           INCOME TAXES         (2,162)         (13,030)         (4,864)         (20,148)           Provision for income taxes         14,8         8         8         1         28           NET LOSS         (2,309	REVENUES	\$	3,499	\$	3,171	\$	9,533	\$	9,711
Product development         497         668         1,055         2,767           Sales and marketing         413         207         1,103         1,094           General and administrative         1,579         3,304         5,435         8,985           Restructuring charges         253         -         841         -           Depreciation and amortization         1,433         1,109         3,149         3,229           Loss on sale of assets held and used         -         851         -         851           Impairment of goodwill         -         3,229         -         3,229           Loss on sale of assets         -         1,747         -         1,747           Total cost and operating expenses         4,966         12,006         14,163         24,989           LOSS FROM OPERATIONS         (1,467)         (8,835)         (4,630)         (15,278)           Total other income (expense)         (694)         (4,195)         (234)         (4,870)           INCOME TAXES         (2,162)         (13,030)         (4,864)         (20,148)           Provision for income taxes         14,8         8         8         81         28           NET LOSS         (2,309)	COST AND OPERATING EXPENSES								
Sales and marketing         413         207         1,103         1,094           General and administrative         1,579         3,304         5,435         8,985           Restructuring charges         253         -         841         -           Depreciation and amortization         1,433         1,109         3,149         3,220           Impairment for assets held and used         -         851         -         851           Impairment of goodwill         -         3,229         -         3,229           Loss on sale of assets         -         1,747         -         1,747           Total cost and operating expenses         4,966         12,006         14,163         24,989           LOSS FROM OPERATIONS         (1,467)         (8,835)         (4,630)         (15,278           Total other income (expense)         (694)         (4,195)         (234)         (4,870           INCOME TAXES         (2,162)         (13,030)         (4,864)         (20,148)           Provision for income taxes         14,8         8         81         28           NET LOSS         (2,309)         (13,038)         (4,945)         (20,175)           Net loss per common share         (0,16) <td< td=""><td>Cost of service</td><td></td><td>791</td><td></td><td>892</td><td></td><td>2,579</td><td></td><td>2,996</td></td<>	Cost of service		791		892		2,579		2,996
General and administrative         1,579         3,304         5,435         8,985           Restructuring charges         253         -         841         -           Depreciation and amortization         1,433         1,109         3,149         3,320           Impairment for assets held and used Impairment of goodwill         -         851         -         3,229           Loss on sale of assets         -         1,747         -         1,747           Total cost and operating expenses         4,966         12,006         14,163         24,989           LOSS FROM OPERATIONS         (1,467)         (8,835)         (4,630)         (15,278)           Total other income (expense)         (694)         (4,195)         (234)         (4,870)           INCOME TAXES         (2,162)         (13,030)         (4,864)         (20,148)           Provision for income taxes         148         8         81         28           NET LOSS         (2,309)         (13,038)         (4,945)         (20,175)           OTHER COMPREHENSIVE LOSS         (2,309)         (12,613)         (4,954)         (19,754)           Net loss per common share         (0.16)         (1,90)         (0.41)         (3,01)           Weigh	Product development		497		668		1,055		2,767
Restructuring charges         253         -         841         -           Depreciation and amortization         1,433         1,109         3,149         3,320           Impairment for assets held and used Impairment of goodwill         -         851         -         851           Loss on sale of assets         -         1,747         -         1,747           Total cost and operating expenses         4,966         12,006         14,163         24,989           LOSS FROM OPERATIONS         (1,467)         (8,835)         (4,630)         (15,278)           Total other income (expense)         (694)         (4,195)         (234)         (4,870)           INCOME TAXES         (2,162)         (13,030)         (4,864)         (20,148)           Provision for income taxes         148         8         8         1         2           NET LOSS         (2,309)         (13,038)         (4,945)         (20,175)           OTHER COMPREHENSIVE LOSS         (2,307)         \$ (12,613)         \$ (4,945)         \$ (19,754)           Net loss per common share         \$ (0,16)         \$ (1,90)         \$ (0,41)         \$ (3,01)           Weighted average shares - basic         14,304,340         6,627,708         12,201,452 <td< td=""><td>Sales and marketing</td><td></td><td>413</td><td></td><td>207</td><td></td><td>1,103</td><td></td><td>1,094</td></td<>	Sales and marketing		413		207		1,103		1,094
Depreciation and amortization Impairment for assets held and used Impairment for assets held and used Impairment of goodwill - 3,229         1,109         3,149         3,320           Loss on sale of assets Total cost and operating expenses Impairment of goodwill Impairment of goodwill - 3,229         - 1,747         - 1,748         - 1,200         - 1,204         - 1,204         - 1,204         - 1,204         - 1,204         - 1,204         - 1,204         - 1,204         - 1,20	General and administrative		1,579		3,304		5,435		8,985
Impairment for assets held and used   -   851   -   3,229   -   3,229     -   3,229     -   1,747       -   1,747     -   1,747     -   1,747     -   1,747     -   1,747     -   1,747     -   1,747     -   1,747     -   1,747       -   1,747     -   1,747     -   1,747     -   1,747     -   1,747     -   1,747     -   1,747     -   1,747     -   1,747       -   1,747     -   1,747     -   1,747     -   1,747     -   1,747     -   1,747     -   1,747     -   1,747     -   1,747       -   1,747     -   1,747     -   1,747     -   1,747     -   1,747     -   1,747     -   1,747     -   1,747     -   1,747       -   1,747     -   1,747       -   1,747	Restructuring charges		253		-		841		-
Impairment of goodwill	Depreciation and amortization		1,433		1,109		3,149		3,320
Loss on sale of assets         -         1,747         -         1,747           Total cost and operating expenses         4,966         12,006         14,163         24,989           LOSS FROM OPERATIONS         (1,467)         (8,835)         (4,630)         (15,278)           Total other income (expense)         (694)         (4,195)         (234)         (4,870)           INCOME TAXES         (2,162)         (13,030)         (4,864)         (20,148)           Provision for income taxes         148         8         81         28           NET LOSS         (2,309)         (13,038)         (4,945)         (20,175)           OTHER COMPREHENSIVE LOSS         (2,309)         (13,038)         (4,945)         (20,175)           OTHER COMPREHENSIVE LOSS         (2,307)         (12,613)         (4,954)         (19,754)           Net Loss per common share         (0,16)         (1,90)         (0,41)         (3,01)           Weighted average shares - basic         14,304,340         6,627,708         12,201,452         6,563,148           Non-GAAP Reconciliation         Three Month Period Ended         September 30, 2017         2016         2017         2016           NET LOSS         (2,309)         (13,038)         (4,945) <td>Impairment for assets held and used</td> <td></td> <td>-</td> <td></td> <td>851</td> <td></td> <td>-</td> <td></td> <td>851</td>	Impairment for assets held and used		-		851		-		851
Total cost and operating expenses         4,966         12,006         14,163         24,989           LOSS FROM OPERATIONS         (1,467)         (8,835)         (4,630)         (15,278)           Total other income (expense)         (694)         (4,195)         (234)         (4,870)           INCOME TAXES         (2,162)         (13,030)         (4,864)         (20,148)           Provision for income taxes         148         8         81         28           NET LOSS         (2,309)         (13,038)         (4,945)         (20,175)           OTHER COMPREHENSIVE LOSS         (2,309)         (13,038)         (4,945)         (20,175)           OTHER COMPREHENSIVE LOSS         (2,307)         (12,613)         (4,954)         (19,754)           Net loss per common share         (0.16)         (1,90)         (0.41)         (3.01)           Weighted average shares - basic         14,304,340         6,627,708         12,201,452         6,563,148           Non-GAAP Reconciliation         Three Month Period Ended         September 30, 2017         2016         September 30, 2017         2016           NET LOSS         (2,309)         (13,038)         (4,945)         \$(20,175)           Total interest & other income (expense)         694	Impairment of goodwill		-		3,229		-		3,229
LOSS FROM OPERATIONS         (1,467)         (8,835)         (4,630)         (15,278)           Total other income (expense)         (694)         (4,195)         (234)         (4,870)           INCOME TAXES         (2,162)         (13,030)         (4,864)         (20,148)           Provision for income taxes         148         8         81         28           NET LOSS         (2,309)         (13,038)         (4,945)         (20,175)           OTHER COMPREHENSIVE LOSS         2         425         (9)         421           COMPREHENSIVE LOSS         \$ (2,307)         \$ (12,613)         \$ (4,954)         \$ (19,754)           Net loss per common share         \$ (0.16)         \$ (1,90)         \$ (0.41)         \$ (3.01)           Weighted average shares - basic         14,304,340         6,627,708         12,201,452         6,563,148           Non-GAAP Reconciliation         Three Month Period Ended         Nine Month Period Ended         September 30, 2017         2016           NET LOSS         \$ (2,309)         \$ (13,038)         \$ (4,945)         \$ (20,175)           Total interest & other income (expense)         694         4,195         234         4,870           Depreciation and amortization         1,433         1,109 <t< td=""><td>Loss on sale of assets</td><td></td><td>-</td><td></td><td>1,747</td><td></td><td>-</td><td></td><td>1,747</td></t<>	Loss on sale of assets		-		1,747		-		1,747
Total other income (expense)   (694)   (4,195)   (234)   (4,870)     INCOME TAXES   (2,162)   (13,030)   (4,864)   (20,148)     Provision for income taxes   148   8   8   1   28     NET LOSS   (2,309)   (13,038)   (4,945)   (20,175)     OTHER COMPREHENSIVE LOSS   (2,309)   (13,038)   (4,945)   (20,175)     OTHER COMPREHENSIVE LOSS   (2,307)   (1,4613)   (4,954)   (19,754)     Net loss per common share   (0,16)   (1,90)   (0,41)   (3,01)     Weighted average shares - basic   14,304,340   6,627,708   12,201,452   6,563,148     Non-GAAP Reconciliation   Three Month Period Ended   September 30, 2017   2016     NET LOSS   (2,309)   (13,038)   (4,945)   (20,175)     Total interest & other income (expense)   694   4,195   234   4,870     Depreciation and amortization   1,433   1,109   3,149   3,320     Provision for income taxes   148   8   8   1   28     EBITDA   (35)   (7,727)   (1,481)   (11,958)     Restructuring costs   253   -	Total cost and operating expenses		4,966		12,006		14,163		24,989
NCOME TAXES   (2,162)   (13,030)   (4,864)   (20,148)	LOSS FROM OPERATIONS		(1,467)		(8,835)		(4,630)		(15,278)
Provision for income taxes         148         8         81         28           NET LOSS         (2,309)         (13,038)         (4,945)         (20,175)           OTHER COMPREHENSIVE LOSS         2         425         (9)         421           COMPREHENSIVE LOSS         \$ (2,307)         \$ (12,613)         \$ (4,954)         \$ (19,754)           Net loss per common share         \$ (0.16)         \$ (1.90)         \$ (0.41)         \$ (3.01)           Weighted average shares - basic         14,304,340         6,627,708         12,201,452         6,563,148           Non-GAAP Reconciliation         Three Month Period Ended         Nine Month Period Ended         September 30, 2017         2016           NET LOSS         \$ (2,309)         \$ (13,038)         \$ (4,945)         \$ (20,175)           Total interest & other income (expense)         694         4,195         234         4,870           Depreciation and amortization         1,433         1,109         3,149         3,320           Provision for income taxes         148         8         8         8         28           EBITDA         (35)         (7,727)         (1,481)         (11,958)           Restructuring costs         253         -         841         -<	Total other income (expense)		(694)		(4,195)		(234)		(4,870)
NET LOSS         (2,309)         (13,038)         (4,945)         (20,175)           OTHER COMPREHENSIVE LOSS         Foreign currency translation (loss) gain COMPREHENSIVE LOSS         2         425         (9)         421           COMPREHENSIVE LOSS         \$ (2,307)         \$ (12,613)         \$ (4,954)         \$ (19,754)           Net loss per common share         \$ (0.16)         \$ (1.90)         \$ (0.41)         \$ (3.01)           Weighted average shares - basic         14,304,340         6,627,708         12,201,452         6,563,148           Non-GAAP Reconciliation         Three Month Period Ended         September 30, 2017         September 30, 2017 </td <td>INCOME TAXES</td> <td></td> <td>(2,162)</td> <td></td> <td>(13,030)</td> <td></td> <td>(4,864)</td> <td></td> <td>(20,148)</td>	INCOME TAXES		(2,162)		(13,030)		(4,864)		(20,148)
OTHER COMPREHENSIVE LOSS           Foreign currency translation (loss) gain COMPREHENSIVE LOSS         2         425         (9)         421           COMPREHENSIVE LOSS         \$ (2,307)         \$ (12,613)         \$ (4,954)         \$ (19,754)           Net loss per common share         \$ (0.16)         \$ (1.90)         \$ (0.41)         \$ (3.01)           Weighted average shares - basic         14,304,340         6,627,708         12,201,452         6,563,148           Non-GAAP Reconciliation         Three Month Period Ended         Nine Month Period Ended         September 30, 2016         September 30, 2017         September 30, 2017         September 30, 2017         2016         September 30, 2017         September 30, 2016         September 30, 2017         September 30, 2016         September 30, 2017         S	Provision for income taxes		148		8		81		28
Foreign currency translation (loss) gain COMPREHENSIVE LOSS         2 (2,307)         425 (12,613)         (9) (4,954)         421 (19,754)           Net loss per common share         \$ (0.16)         \$ (1.90)         \$ (0.41)         \$ (3.01)           Weighted average shares - basic         14,304,340         6,627,708         12,201,452         6,563,148           Non-GAAP Reconciliation         Three Month Period Ended September 30, 2017         Nine Month Period Ended September 30, 2017         September 30, 2017         September 30, 2017         2016           NET LOSS         \$ (2,309)         \$ (13,038)         \$ (4,945)         \$ (20,175)           Total interest & other income (expense)         694         4,195         234         4,870           Depreciation and amortization         1,433         1,109         3,149         3,320           Provision for income taxes         148         8         8         8         28           EBITDA         (35)         (7,727)         (1,481)         (11,958)           Restructuring costs         253         -         841         -           Stock based compensation         385         796         1,509         2,102	NET LOSS		(2,309)		(13,038)		(4,945)		(20,175)
COMPREHENSIVE LOSS         \$ (2,307)         \$ (12,613)         \$ (4,954)         \$ (19,754)           Net loss per common share         \$ (0.16)         \$ (1.90)         \$ (0.41)         \$ (3.01)           Weighted average shares - basic         14,304,340         6,627,708         12,201,452         6,563,148           Non-GAAP Reconciliation         Three Month Period Ended         Nine Month Period Ended         September 30, 2017         September 30 2017         September 30 2017         2016           NET LOSS         \$ (2,309)         \$ (13,038)         \$ (4,945)         \$ (20,175)           Total interest & other income (expense)         694         4,195         234         4,870           Depreciation and amortization         1,433         1,109         3,149         3,320           Provision for income taxes         148         8         81         28           EBITDA         (35)         (7,727)         (1,481)         (11,958)           Restructuring costs         253         -         841         -           Stock based compensation         385         796         1,509         2,102           adjustments         -         -         -         -	OTHER COMPREHENSIVE LOSS								
Net loss per common share         \$ (0.16)         \$ (1.90)         \$ (0.41)         \$ (3.01)           Weighted average shares - basic         14,304,340         6,627,708         12,201,452         6,563,148           Non-GAAP Reconciliation         Three Month Period Ended         Nine Month Period Ended         September 30, 2017         September 30, 2016         September 30, 2017         September 30, 2016         September 30, 2016         September 30, 2016         September 30, 2017         September 30, 2017         September 30, 2016         September 30, 2017         September 30, 2016         September 30, 2017         September 30, 2016         September 30, 2017         Septemb	Foreign currency translation (loss) gain		2		425		(9)		421
Weighted average shares - basic         14,304,340         6,627,708         12,201,452         6,563,148           Non-GAAP Reconciliation         Three Month Period Ended September 30, 2017         September 30, 2016         September 30, 2017         September 30, 2	COMPREHENSIVE LOSS	\$	(2,307)	\$	(12,613)	\$	(4,954)	\$	(19,754)
Non-GAAP Reconciliation         Three Month Period Ended         Nine Month Period Ended           September 30, 2017           NET LOSS         \$ (2,309)         \$ (13,038)         \$ (4,945)         \$ (20,175)           Total interest & other income (expense)         694         4,195         234         4,870           Depreciation and amortization         1,433         1,109         3,149         3,320           Provision for income taxes         148         8         81         28           EBITDA         (35)         (7,727)         (1,481)         (11,958)           Restructuring costs         253         -         841         -           Stock based compensation         385         796         1,509         2,102           adjustments         -         -         -         -	Net loss per common share	\$	(0.16)	\$	(1.90)	\$	(0.41)	\$	(3.01)
September 30, 2017         September 30, 2016         September 30, 2016         September 30, 2016         September 30, 2016           NET LOSS         \$ (2,309)         \$ (13,038)         \$ (4,945)         \$ (20,175)           Total interest & other income (expense)         694         4,195         234         4,870           Depreciation and amortization         1,433         1,109         3,149         3,320           Provision for income taxes         148         8         81         28           EBITDA         (35)         (7,727)         (1,481)         (11,958)           Restructuring costs         253         -         841         -           Stock based compensation         385         796         1,509         2,102           adjustments         -         -         -         -         -	Weighted average shares - basic	14	,304,340	6	6,627,708	12	,201,452	6	6,563,148
NET LOSS         \$ (2,309)         \$ (13,038)         \$ (4,945)         \$ (20,175)           Total interest & other income (expense)         694         4,195         234         4,870           Depreciation and amortization         1,433         1,109         3,149         3,320           Provision for income taxes         148         8         81         28           EBITDA         (35)         (7,727)         (1,481)         (11,958)           Restructuring costs         253         -         841         -           Stock based compensation         385         796         1,509         2,102           adjustments         -         -         -         -	Non-GAAP Reconciliation		Three Month Period Ended		Nine Month Period Ended				
NET LOSS       \$ (2,309)       \$ (13,038)       \$ (4,945)       \$ (20,175)         Total interest & other income (expense)       694       4,195       234       4,870         Depreciation and amortization       1,433       1,109       3,149       3,320         Provision for income taxes       148       8       81       28         EBITDA       (35)       (7,727)       (1,481)       (11,958)         Restructuring costs       253       -       841       -         Stock based compensation       385       796       1,509       2,102         adjustments       -       -       -       -			September 30,		September 30,		September 30,		September 30
Total interest & other income (expense)         694         4,195         234         4,870           Depreciation and amortization         1,433         1,109         3,149         3,320           Provision for income taxes         148         8         81         28           EBITDA         (35)         (7,727)         (1,481)         (11,958)           Restructuring costs         253         -         841         -           Stock based compensation         385         796         1,509         2,102           adjustments         -         -         -         -			2017		2016	2017		2016	
Depreciation and amortization         1,433         1,109         3,149         3,320           Provision for income taxes         148         8         81         28           EBITDA         (35)         (7,727)         (1,481)         (11,958)           Restructuring costs         253         -         841         -           Stock based compensation         385         796         1,509         2,102           adjustments         -         -         -         -	NET LOSS	\$	(2,309)	\$	(13,038)	\$	(4,945)	\$	(20,175)
Provision for income taxes         148         8         81         28           EBITDA         (35)         (7,727)         (1,481)         (11,958)           Restructuring costs         253         -         841         -           Stock based compensation adjustments         385         796         1,509         2,102	Total interest & other income (expense)		694		4,195		234		4,870
Provision for income taxes         148         8         81         28           EBITDA         (35)         (7,727)         (1,481)         (11,958)           Restructuring costs         253         -         841         -           Stock based compensation adjustments         385         796         1,509         2,102	Depreciation and amortization		1,433		1,109		3,149		3,320
Restructuring costs         253         -         841         -           Stock based compensation         385         796         1,509         2,102           adjustments         -         -         -	•								
Stock based compensation         385         796         1,509         2,102           adjustments         -	EBITDA		(35)		(7,727)		(1,481)		(11,958)
Stock based compensation         385         796         1,509         2,102           adjustments         -	Restructuring costs		253				841		
adjustments	•				796				2.102
Adjusted EDITOA	•		333		-		.,000		_,
Adjusted EDITUA \$ 003 \$ (0.931) \$ 809 \$ (9.856)	Adjusted EBITDA	\$	603	\$	(6,931)	\$	869	\$	(9,856)

## PARETEUM CORPORATION AND SUBSIDIARIES

UNAUDITED CONDENSED COSOLIDATED BALANCE SHEET INFORMATION (In thousands)

	(				
	•	tember 30, 2017	December 3'		
Cash and cash equivalents	\$	700	\$	931	
Restricted cash		699		564	
Accounts receivable		335		615	
Prepaid expenses and other current assets		797		1,085	
Total current assets		2,531		3,195	
Total assets		10,283		13,045	
Total current liabilities		10,283		13,293	
Total liabilities		15,161		22,410	
Total stockholders' equity		(4,878)		(9,365)	

## PARETEUM CORPORATION AND SUBSIDIARIES

UNAUDITED CONDENSED COSOLIDATED STATEMENT OF CASH FLOWS INFORMATION (In thousands)

	For the Nine Months Ended			
	September 30, 2017		September 30 2016	
CASH FLOWS FROM OPERATING ACTIVITIES:	\$	(1,410)	\$	(1,707)
CASH FLOWS FROM INVESTING ACTIVITIES:		(538)		1,068
CASH FLOWS FROM FINANCING ACTIVITIES:		2,068		2,158
EFFECT OF EXCHANGE RATES ON CASH AND CASH EQUIVALENTS		(217)		(160)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(97)		1,359