

# NYSE American: TEUM Company Overview

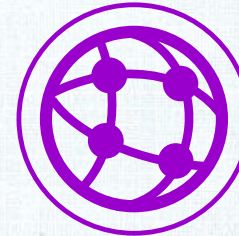
- April 10, 2018

## Global Cloud Platform Services:

Cloud

Connectivity

Content





# 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.





# Investment Highlights



- **Disruptive business model**, rapidly becoming one of the world's largest mobile networking and IoT services companies, utilizing the cloud, without telco infrastructure investing
- Growth driven by new way to deliver services that **slashes costs and increases revenue generation for customers**
- **72% + gross margins** in existing large and growing **multi-Billion dollar market**
- \$200 Million contractual **revenue backlog (as of March 31, 2018)**
- **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**



# Equity Snapshot



Ticker: TEUM                      Exchange: NYSE American

Stock Price (4/9/18): \$2.39

Analysts Price Targets: \$3.50 - \$4.00\*

Avg. Daily Trading Volume for 3 Months (ending 4/9/18): ~ 5 M

Shares Outstanding (3/31/2018): 51 M

Market Cap (4/9/18): ~ \$120 M

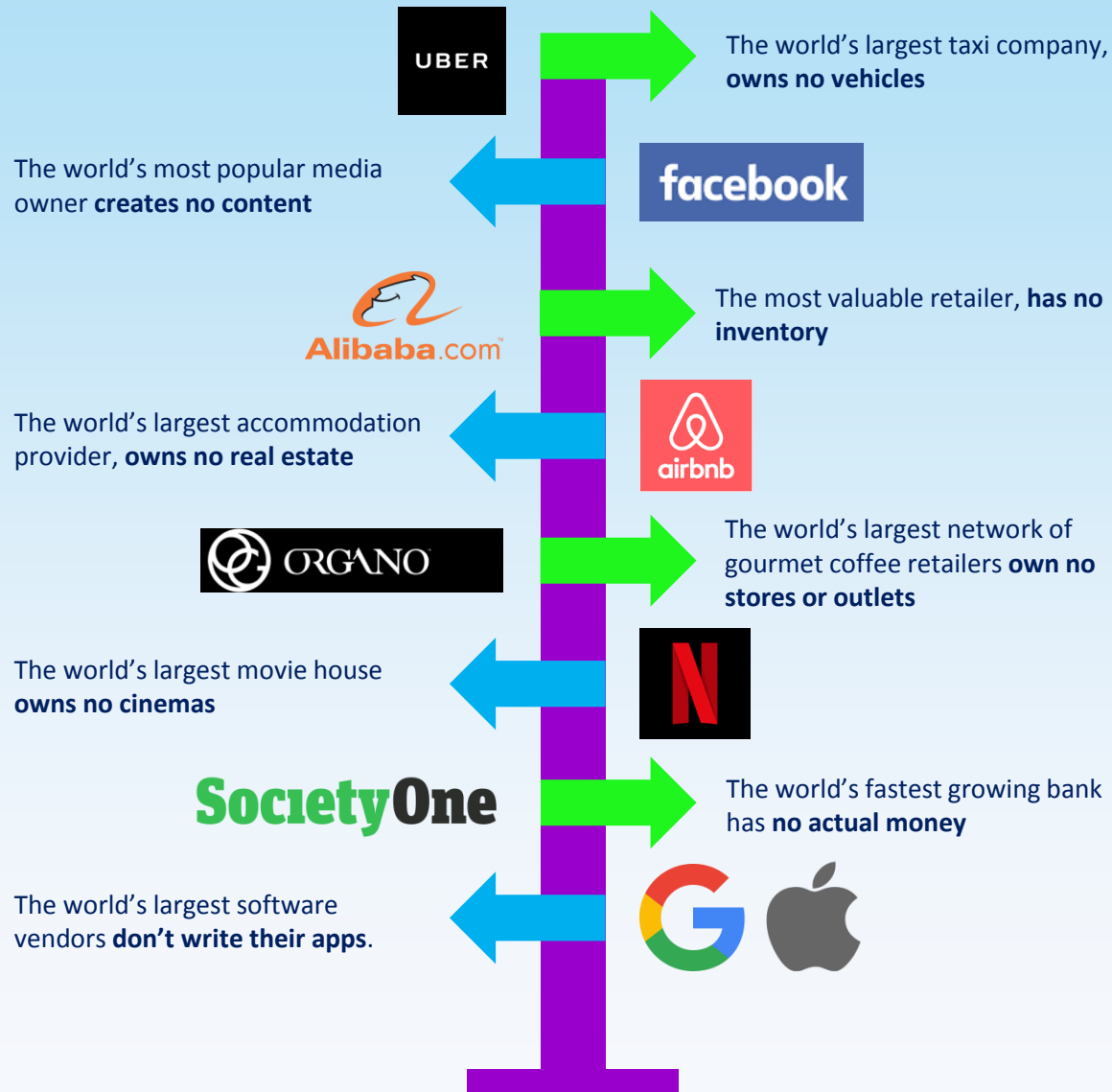
Revenues (ttm) (12/31/17): ~ \$13.5 M

36 Month Contractual Revenue Backlog (3/27/18): ~ \$200 M

\*12-month price targets: Joseph Gunnar \$3.50 as of 04/05/2018; Dawson James \$3.10 as of 04/04/2018; Ascendant Capital \$4.00 as of 04/02/2018



# Digital Economy: Monetization to the Cloud



## Pareteum

Industry awarded as one of the world's ***most Innovative and Excellent*** Cloud Communications Solutions, IoT and Internet Telephony services companies that **has no proprietary telco infrastructure**



# Digital Economy Evolution



## Product and Services Evolution

Products  
1970s



Product + Services  
1990s



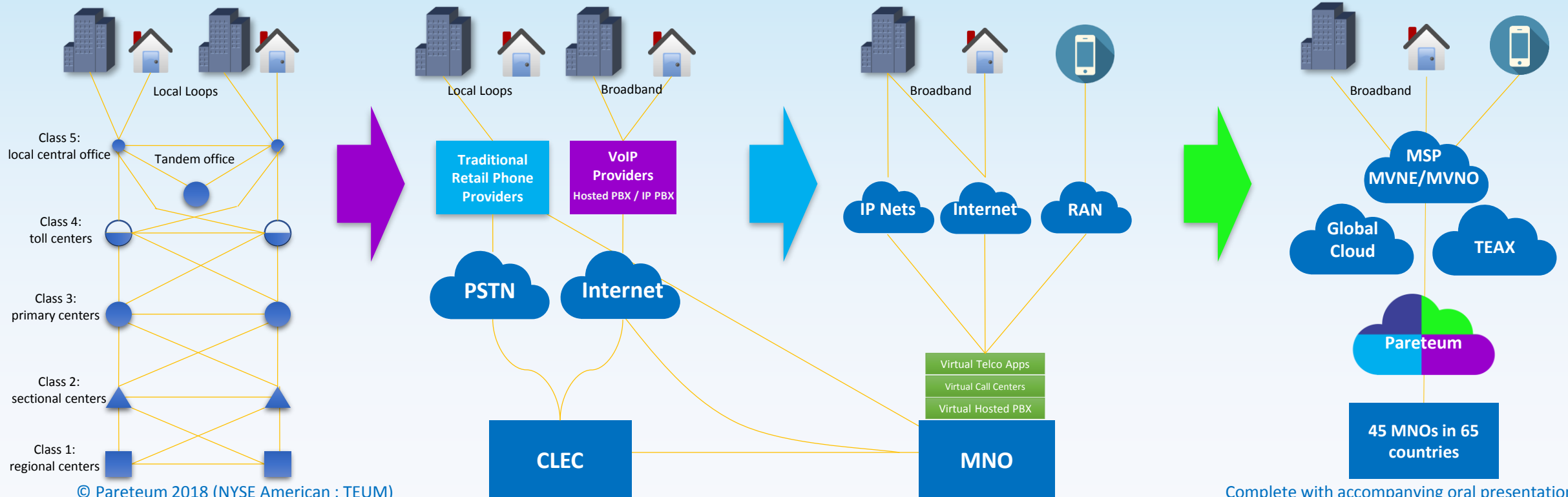
Customer Centric  
2000s



Relationship Centric  
Today



## Network Evolution





# Welcome to The Age of the Ubiquitously Connected Customer



\* 30 Billion IoT Connected Devices by 2020 from Hewlett Packard

**30 Billion \***  
Connected Devices



Consumer & App Products

Platforms



Customers

Payment Systems



Ecosystems



Media & Content

Payments

Insights & Analytics



Intelligence

Blockchain

Networks



IT Systems

Services



Connected Things



IoT



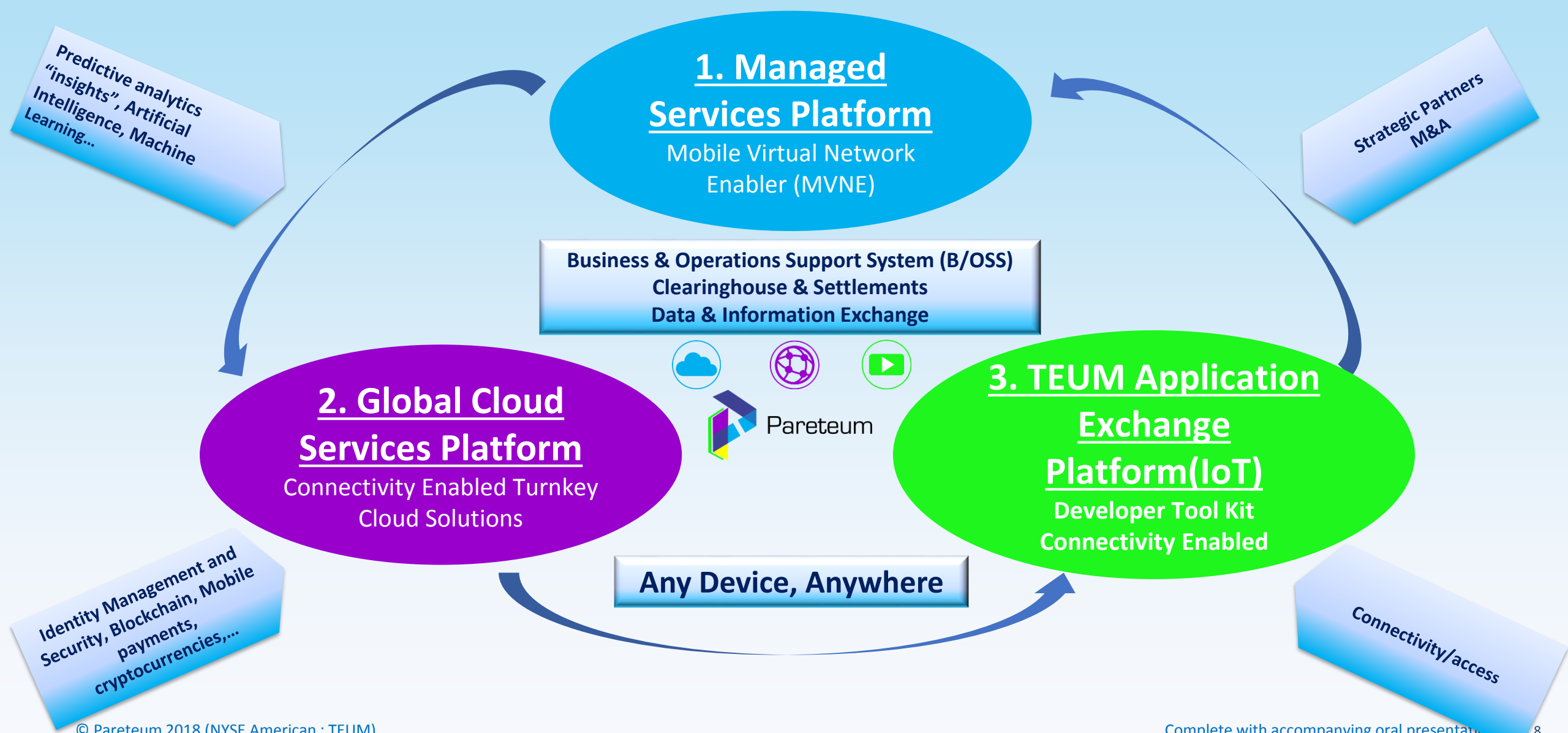
'Smart' Verticals

Telcos  
CSP





# Pareteum Strategy







# Enabling Seamless Connectivity Worldwide



As **Connected “Things”** (Cars, Goods, People, etc.) move among networks (4G, Wi-Fi, Narrow-Band IoT), needed are:

- **Seamless & Ubiquitous Access**
- **Payments Systems**
  - **Cryptocurrencies & Blockchain**
- **Security & Identification Services**
- **City & Citizen Services**
  - **Purchasing/payments/settlements/commerce**
- **Scalable Platform Services**
- **Artificial Intelligence**
- **Machine Learning**
- **Predictive analytics “insights”**
- **Cloud Connectivity**
- **Monetized Transaction Exchange**

*Pareteum’s Platform Services: make all of this possible ... this is the Internet of Things*

© Pareteum 2018 (NYSE American : TEUM)



**Citizens can make payments, report incidents, send photo and localization information, check the status of the incident**



# TEUM's Customer Success Platform: Real-time Complex Solutions

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



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



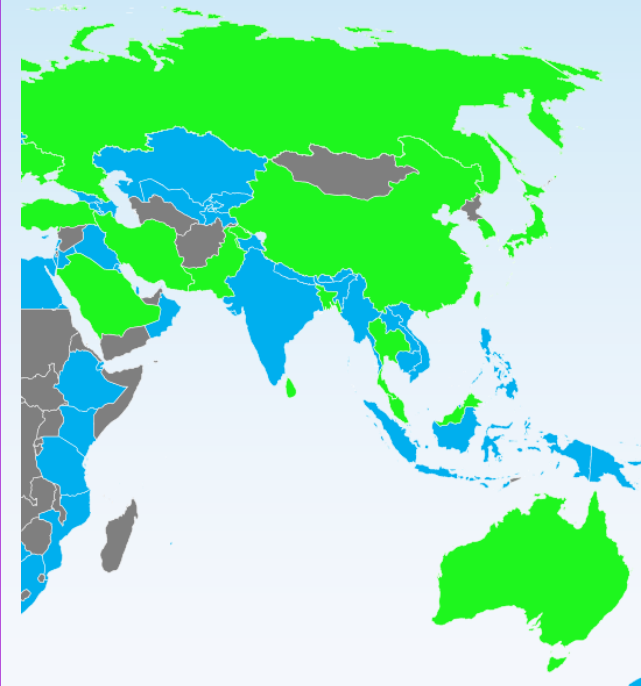
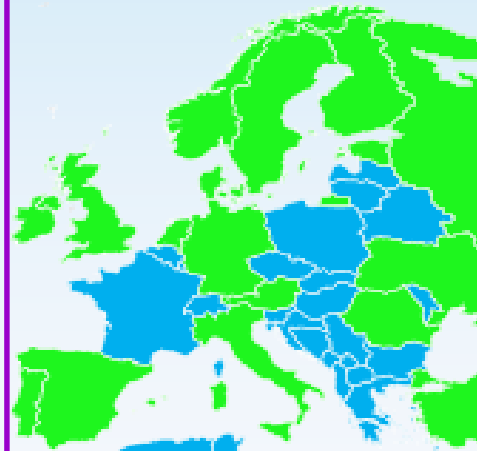
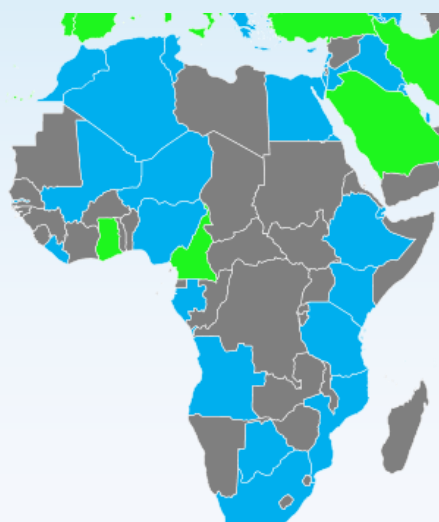
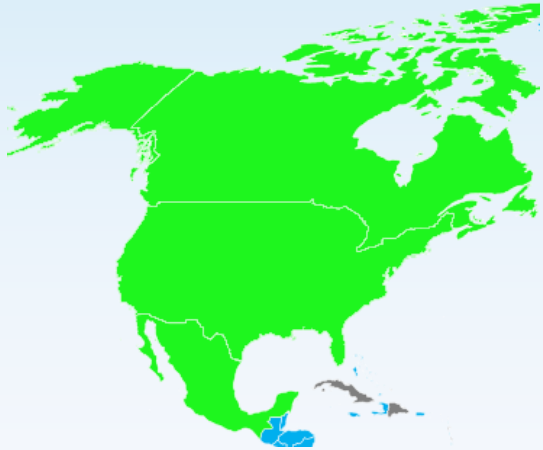
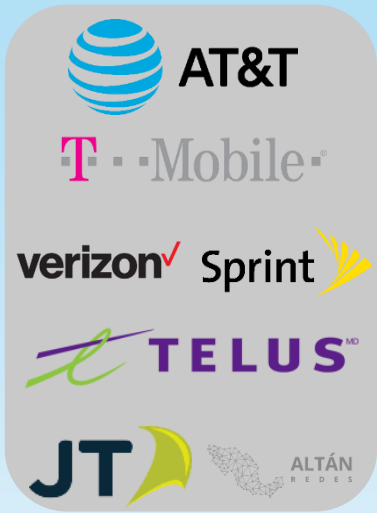
# Proven Ecosystem and Market Partners:

## Interoperability With 45+ MNOs & 65 Countries ... Growing





# Where We Are Going In 2018

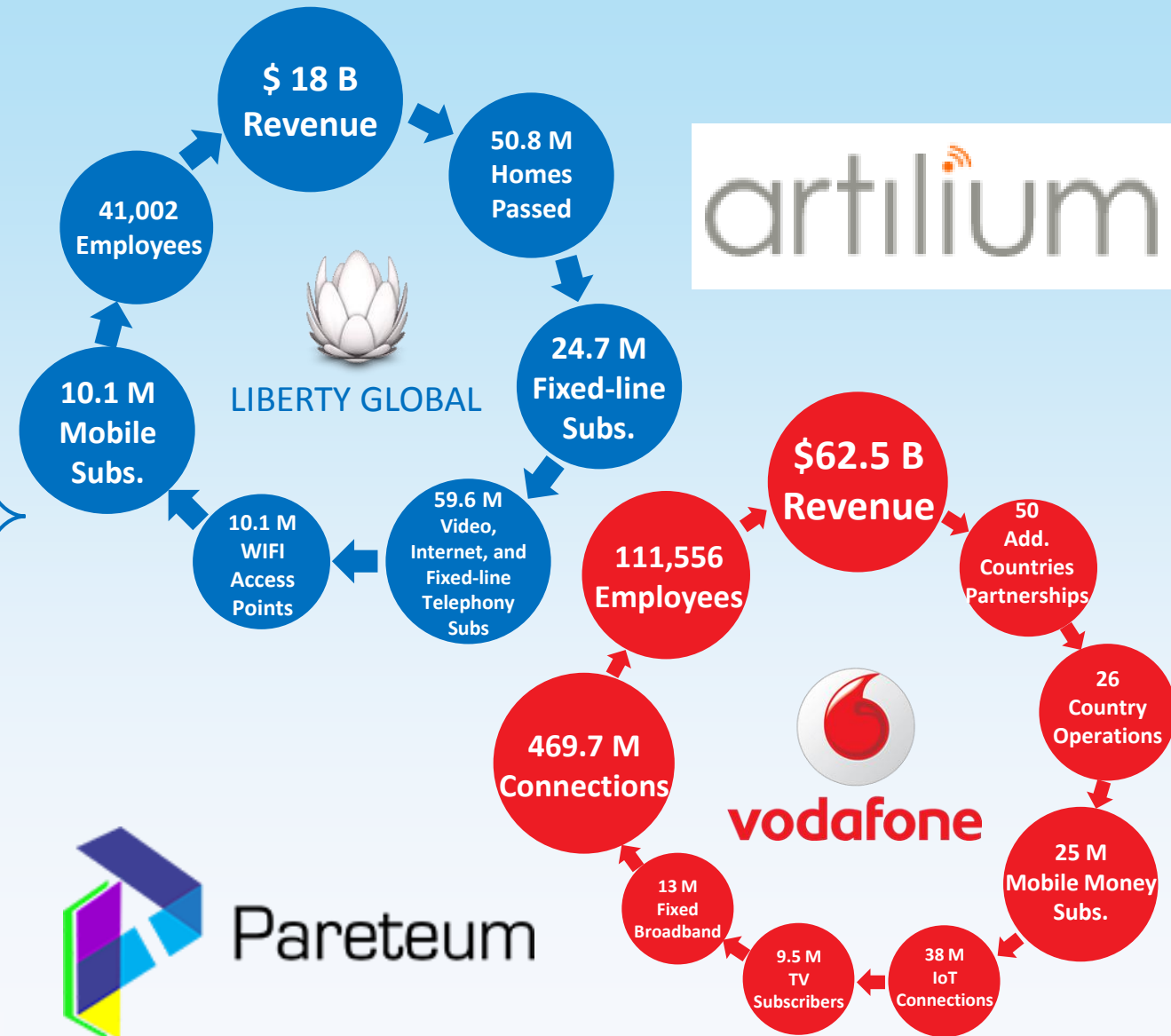




# Artilium + Pareteum = Global IoT Solutions

9 B Worldwide Mobile Subscriptions by 2022\*

29 B Worldwide IoT Connections by 2022\*



\*June 2017 Ericsson Mobility Report  
<https://www.ericsson.com/assets/local/mobility-report/documents/2017/ericsson-mobility-report-june-2017.pdf>



# Business Model: Cloud Delivered Services

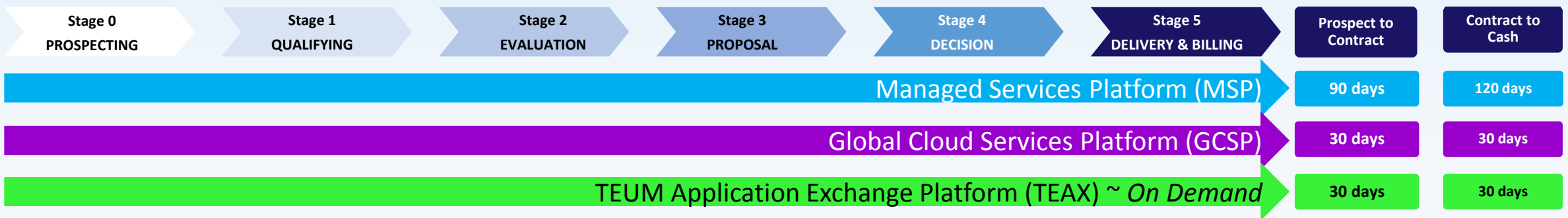


x 1,000

December 31, 2017	36-month			Total
	2018	2019	2020	
<b>EMBEDDED BASE CUSTOMERS</b>				
36 Month Contracted Revenue Backlog Live and in Service	11,057	11,778	20,962	43,797
36 Month Contracted Revenue Backlog: In Deployment and Service Establishment	14,955	30,702	58,333	103,991
<b>TOTAL REVENUE BACKLOG</b>	<b>26,012</b>	<b>42,480</b>	<b>79,295</b>	<b>147,788</b>

x 1,000

March 31, 2018	36-month				Total
	(Q2-Q4) 2018	2019	2020	(Q1) 2021	
<b>EMBEDDED BASE CUSTOMERS</b>					
36 Month Contracted Revenue Backlog Live and in Service	\$11,671	\$19,348	\$20,293	\$ 4,767	\$ 56,079
36 Month Contracted Revenue Backlog: In Deployment and Service Establishment	\$11,197	\$34,777	\$75,683	\$22,841	\$ 144,498
<b>TOTAL REVENUE BACKLOG</b>	<b>\$22,868</b>	<b>\$54,125</b>	<b>\$95,976</b>	<b>\$27,608</b>	<b>\$ 200,577</b>



There can be no assurances that we reach the total contract revenue backlog (a Non-GAAP measure), and which assumes timing of revenue recognition that may vary from actual results.

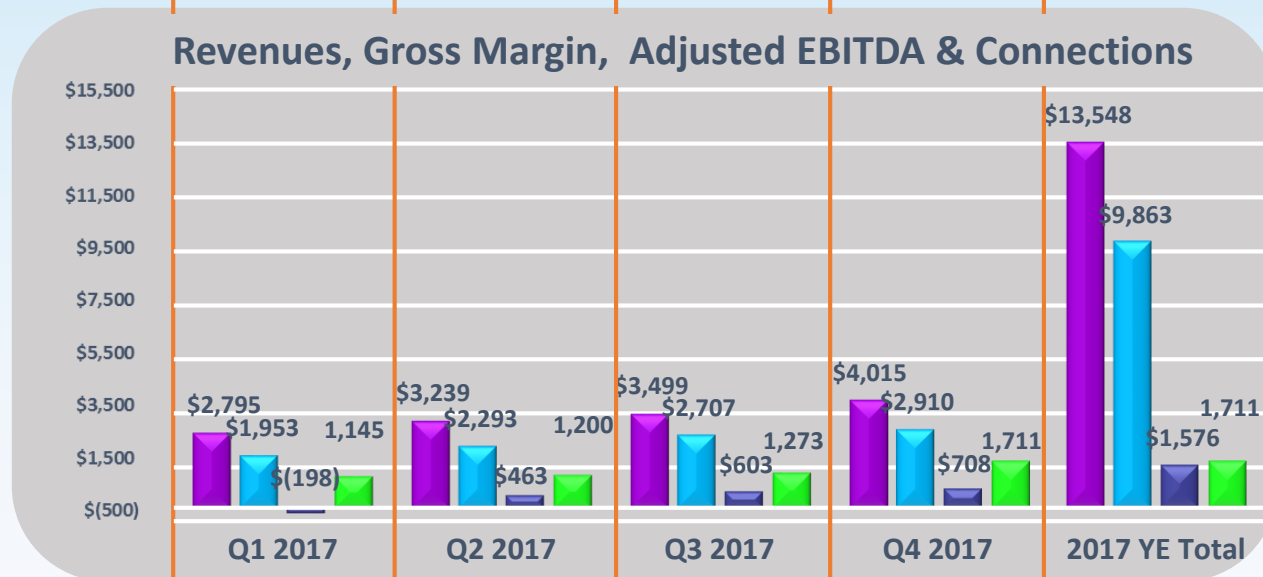


# Pareteum Quarterly Historical Financials



	Q1 2017	Q2 2017	Q3 2017	Q4 2017	2017 YE Total
<b>REVENUE</b>	\$ 2,795	\$ 3,239	\$ 3,499	\$ 4,015	\$ 13,544
<b>COST OF SALES</b>	\$ 842	\$ 946	\$ 792	\$ 1,105	\$ 3,685
<b>GROSS MARGIN</b>	\$ 1,953	\$ 2,293	\$ 2,707	\$ 2,911	\$ 9,864
<b>ADJUSTED EBITDA</b>	\$ (198)	\$ 463	\$ 603	\$ 708	\$ 1,576
<b>CONNECTIONS</b>	1,145	1,200	1,273	1,711	1,711

- Beat Analyst Revenue Estimates for YE 2017 increasing revenue by 5% to \$13.5 Million
- Adjusted EBITDA positive for the trailing 12 months ended December 31, 2017
- 2017 Quarter over Quarter continued Revenue Growth
  - Q4 Revenue of \$4.0 Million, up 28% Year-Over-Year
- Gross Margins at ~ 72%
- Year over Year efficiencies and cost cutting result in lower direct and operating costs



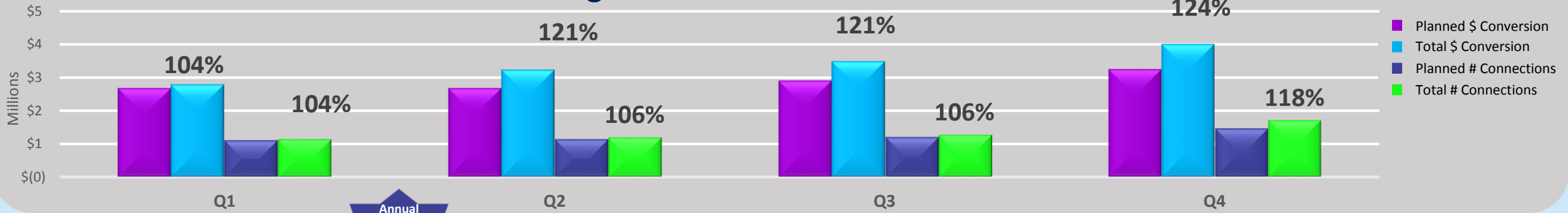


# Company Overview

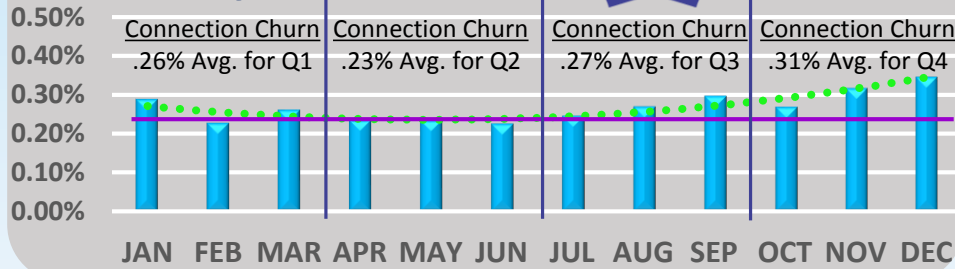
## KPI's – Company Snapshot



### 36-month Contractual Revenue Backlog Conversion



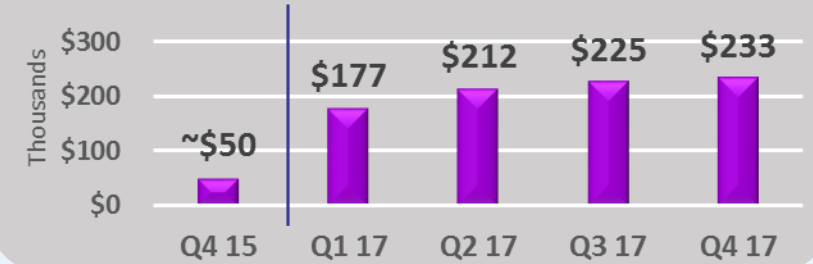
### Churn By Month



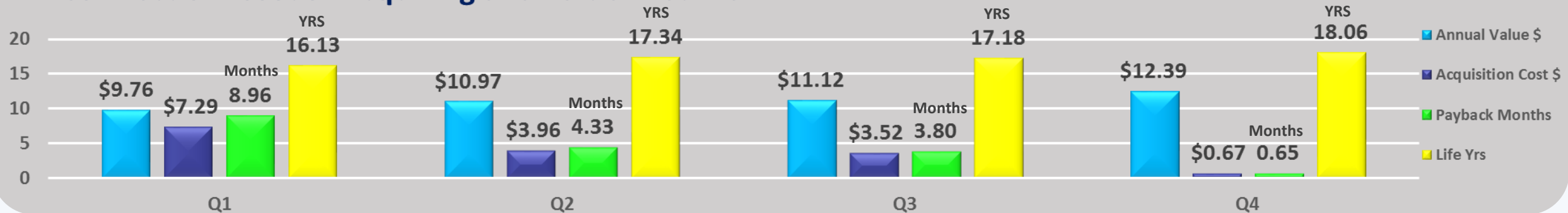
### Connection: LTV Value



### Average Annualized Rev/Employee



### Connection: Cost of Acquiring and Value Lifetime







# Valuation Multiple Analysis – Revenue & 36-Month Contractual Revenue Backlog



### Revenue Multiple (2017 \$13.5M)

\$ Millions

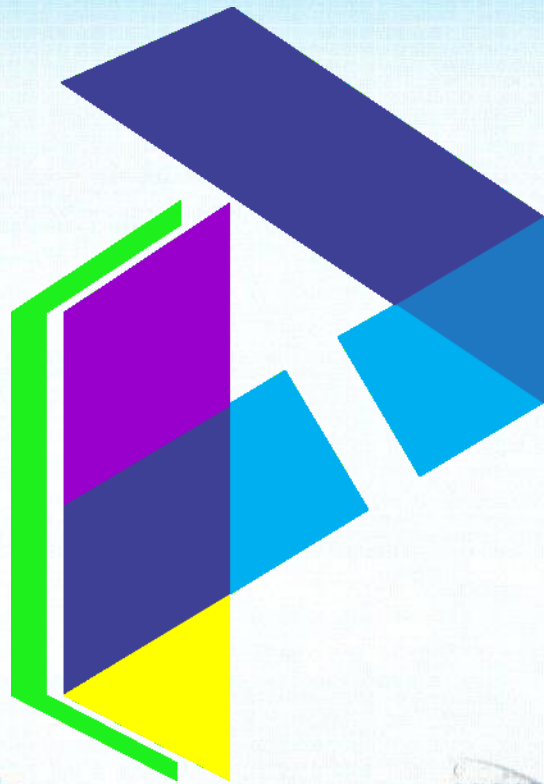


### Backlog Multiple (Currently \$200M)

\$ Millions



- Current Market Cap: \$120M
- Revenue Multiple of current estimated revenues
  - 2017 Estimated Revenues \$13.5M:
    - Multiple only 8.8x
    - SaaS Industry Range of 10-12x
- 36-Month Contractual Revenue Backlog Multiple
  - Current Contractual Revenue Backlog of \$200M as of 3/27/18
    - Current valuation multiple only 0.74x
    - SaaS Industry Range of 4-6x



# Recent Developments

## Q2 2018

- ✓ Pareteum's Q1 2018 Revenue Expected At \$4.1 Million and 2,220,000 Connections, a 47% and 94% Increase over Q1 2017 respectively
- ✓ Pareteum Announces Customer Go-Live Deployments in Europe, South America, North America, and Asia Pacific
- ✓ Pareteum's Audit Opinion Removes Going Concern Explanation

## Q1 2018

- ✓ Increased up to \$200 Million the 36 month contractual revenue backlog
- ✓ Pareteum Appoints Dr. Francisco Ros and Mr. Manjot Mann to its Newly Established Strategic Advisory Board
- ✓ Pareteum Names Mark McLauchlan VP of Strategic Accounts
- ✓ Partners with NetNumber to Enhance its Global Cloud Platform
- ✓ Pareteum and AirFox Expand Technology Partnership

## Q4 2017

- ✓ Raised \$20 Million
- ✓ Paid Off Senior Debt



# Executive Team Biographies



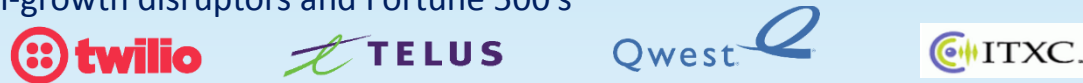
- **Robert H. (Hal) Turner: Founder, Executive Chairman, Principal Executive Officer:** chartered the successful course of numerous international and U.S. domestic communication, software, and technology startup, growth, and Fortune 500 companies (**all sizes ... all stages**); selected engagements:



- **Vic Bozzo, Co-Founder, Chief Executive Officer:** extensive sales and marketing leadership in the Telecom and Internet industry that has led to significant revenue and customer growth and investor returns



- **Rob Mumby, Chief Revenue Officer:** 20 years of communications industry experience building profitable businesses and leading new market entries for high-growth disruptors and Fortune 500's



- **Ali Davachi, Chief Operating Officer and Chief Technical Officer:** 30 years experience: complex technology architecture & delivery: application, infrastructure virtualization, public/private cloud, network & application security, big data analytics, workflow orchestration, blockchain & large scale mobile applications for large global companies



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



- **Denis McCarthy, Senior Vice President Corporate Development:** 20 years experience: financial management and mergers and acquisitions as well as operational experience in network management, agile software development, engineering and customer service in telecom and software sectors





# Contact Us



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

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

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

**Denis McCarthy:** SVP Corporate Development

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## Investor Relations Contact

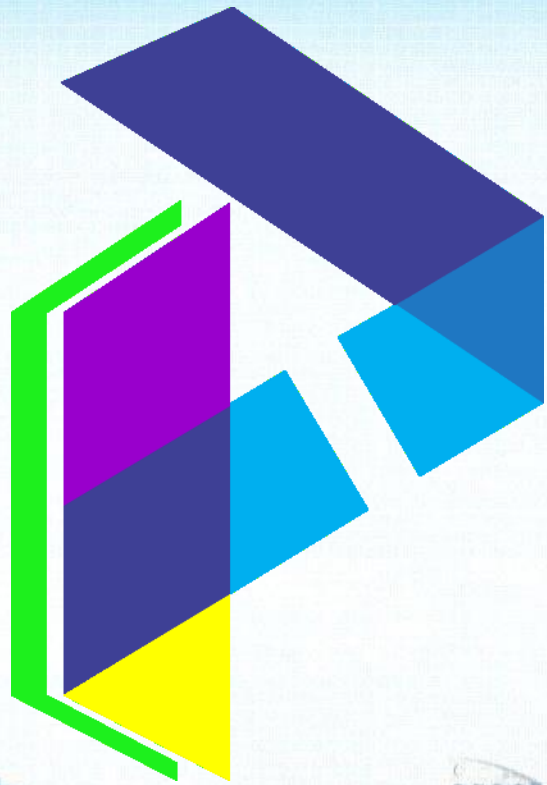
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**Hayden IR**

**(917) 658-7878**



# Appendix





# Capitalization Table as of March 31, 2017



<b>TEUM (000's)</b>	<b>Common Share Equivalents</b>	<b>Warrants</b>	<b>Options</b>	<b>Fully Diluted</b>
<b>Issued &amp; Outstanding</b>	<b>51,006</b>	<b>13,312</b>	<b>6,763</b>	<b>71,081</b>
<b>Convertible Debt</b>	<b>48</b>	<b>732</b>		<b>780</b>
<b>Preferred Shares</b>	<b>-</b>			
<b>Total Equity</b>	<b>51,055</b>	<b>14,044</b>	<b>6,763</b>	<b>71,861</b>