



Pareteum Corporation (NYSE MKT: TEUM)

February 14, 2017
Recent Price: \$0.10

Market Data

Fiscal Year	December
Industry	Technology
Market Cap	\$18.0M
Insider Ownership	19%
Price/Sales	1.3x
EV/Sales	1.9x
Shares Outstanding	180.0M
Equity Float	145.7M
Avg. Volume (3 mo.)	189,357

As of February 14, 2016

Income Statement Snapshot

	(TTM)
Revenue	13.0M
Net Loss	28.4M

Balance Sheet Snapshot

	MRO
Cash	0.9M
Debt	7.3M

Company Website

www.pareteum.com

For More Information

investorrelations@pareteum.com

Company Overview

Pareteum Corporation (NYSE MKT: TEUM) is a global software and services company serving the needs of communications services providers (CSP's) of all sizes, businesses (large and small) and the emerging needs of the internet of things (IoT), where all "things" are connected. The Company's software services enable communication service providers and businesses to expand their service offerings without the limitations imposed by their traditionally inflexible and complex legacy hardware infrastructure systems and operating software. With Pareteum, telecom carriers and other providers can quickly and cost effectively add evolving new services such as IoT and all kinds of connected devices while efficiently managing all required back-office and billing operations. Furthermore, because the Pareteum platform is software-based and fully cloud enabled, new services can be created and rapidly deployed globally with very little upfront cost.

Pareteum's large Mobile Network Operator (MNO) customers include Vodafone (NASDAQ: VOD), the world's second largest mobile operator by customer count, Zain (KW: ZAIN), the 4th largest mobile operator in the world in terms of geographical presence and other Tier 1 operators, MVNO customers such as Lebara and Lowi, and partners including Cleartech and Expeto. With 2 patents granted and 1 pending, Pareteum's offerings include cloud-based mobile communications infrastructure, operating software, managed services, messaging services and transaction and access verification solutions.

Value Proposition

Under the leadership of Hal Turner, a mobile communication business veteran, the Company is emerging from a successful restructuring and turnaround with a highly-experienced management team including new CEO, Vic Bozzo. Revenue per employee has increased from \$56,000 to \$190,000 and employee headcount reduced from approximately 300 to 68. On a pro-forma basis, the company is expected to be EBITDA positive in 4Q16.

TEUM's strategic accomplishments in 2016 provides the company a basis for significant growth and expansion in FY17 and FY18. Currently, the company is trading at EV/sales 1.5x, which is a discount of 45% to its peer group. Top-line growth forecasts are also robust. TEUM is expected to generate \$12 million in revenue in FY16 and has given guidance that it expects 25% top-line revenue growth in 2017 off its \$3 million Q4 2016 run rate. As the Company gains traction in the quarters ahead, we expect this growth to accelerate. As the technology landscape continues to move toward cloud based systems, TEUM is well positioned to capitalize on the estimated \$200 billion opportunity, providing investors an early entry into the fast-growing mobile cloud services market.

Investment Highlights

- **TEUM's 2016 accomplishments**
 - New Senior leadership; Re-established and expanded relationship with key strategic customer Vodafone including three new development and services contracts
 - Raised \$6 million in convertible debt & equity
 - Annualized expense saving of \$10 million
 - Guidance of EBITDA positive (pro forma) in 4Q16
 - NYSE accepted compliance plan, grants extension and moves company from monthly to quarterly reporting
- **TEUM's mobile cloud based platform offer solutions across Mobile operator, Mobile Virtual Network Operator(MVNO), Enterprise and Internet of Things(IoT) markets**
 - Cloud based mobile platforms provide customers an interface to integrate software and hardware technologies
 - Application interface provides managed services including billing, rating and CRM
 - Messaging cloud services will enable the creation of new applications for TEUM's customers and rapid deployment of services in additional geographies
- **Company's clients include leading telecom operators such as Vodafone: world's second largest mobile operator by customer count and Zain: the 4th largest mobile operator in the world in terms of geographical presence**