V-Tell «Citizen of the World» Strategy 2017-2021

Confidentiality Agreement

By accepting this document, the receiver agrees to not disclose the content of this document or any parts of it, or the possibility of a potential agreement or related information to any other person, organization or entity except its own employees who make decisions that would influence further project analysis.

The receiver shall not use this document or the information contained herein for any purposes other than analyzing the potential for project collaboration. The receiver of this document agrees that in the event of his/her disassociation with the project, he/she shall destroy all the printed and electronic copies of this document, including excerpts and/or the sum of all of its parts.

Glossary

ARPU	Average Revenue Per User
B2B	Business-to-Business
B2C	Business-to-Consumer
B2G	Business-to-Government
B2O	Business-to-Operators
IMSI	International Mobile Subscriber Identity
GGSN	GPRS Gateway Service Node
GMSC	Gateway Mobile Switching Center
HLR	Home Location Register
M2M	Machine-to-Machine
MGW	Media Gateway
MNO	Mobile Network Operator
MSISDN	Mobile Subscriber Integrated Services Digital Number
MVNE	Virtual Mobile Networks Provider
MVNO	Mobile Virtual Network Operator
OTT	Over the Top
SIM	Subscriber Identification Module
VOIP	Voice Over IP

V·Tell
GROUP OF COMPANIES

Global Forecast 2017

Current Cellular Issues

Problem:

No single carrier has a truly global cellular network

Huge roaming costs & bill shocks

Multiple sims or multiple phones

Not reachable when changing simcards

Solution:

Convenience of **unlimited numbers on 1 SIM card**

Always available – never miss a call

Selfcare app for excellent customer experience

V-TELL is part of a rapidly growing telecommunications company with an international mobile operator engaged in providing services and innovative technology to customers across the globe.

Through one **V-TELL SIM card,** subscribers can have an unlimited number of personal phone numbers from any country that is permanently active on a single device.

YOU BECOME A CITIZEN OF THE WORLD WITH V-TELL

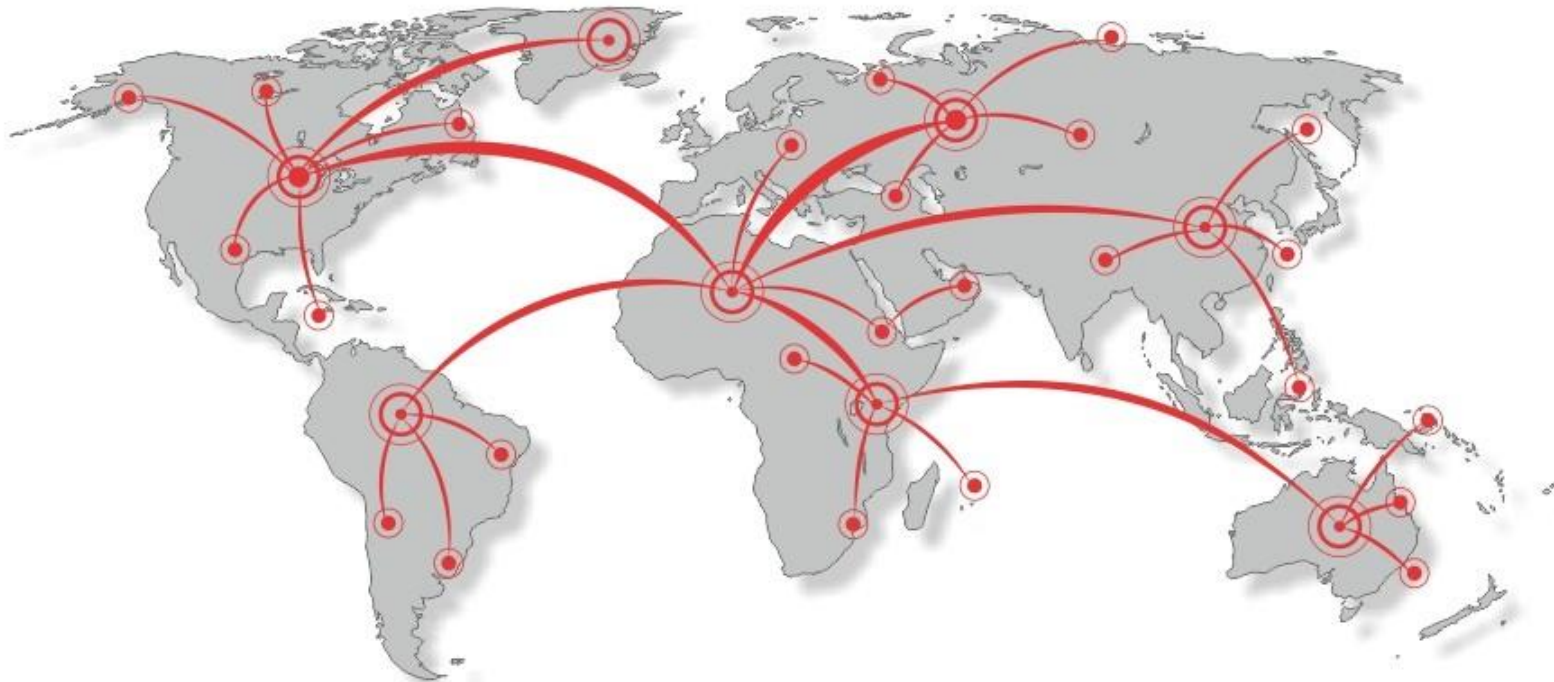**V·Tell**

Tell

GROUP OF COMPANIES

V-TELL is part of a rapidly growing telecommunications company with an international mobile operator engaged in providing services and innovative technology to customers across the globe.

Through one **V-TELL SIM card,** subscribers can have an unlimited number of personal phone numbers from any country that is permanently active on a single device.

YOU BECOME A CITIZEN OF THE WORLD WITH V-TELL

V-TELL technology has created the ultimate in unlimited communication, eliminating borders between countries through a roam-free network, allowing customers to access voice, SMS and Worldwide Internet service.

About V-Tell

V-TELL Subscribers can forget about multiple devices and multiple SIM cards. A single **V-TELL SIM card** provides **V-TELL** customers with the ability to have an almost unlimited number of permanently active personal phone numbers from any country on one device.

Companies' services make communication limitless by dissolving borders between countries and continents: the roaming-free network allows **V-TELL** customers to forget about huge roaming rates, limited communication and unpredictable bills. **V-TELL** provides customers with mobile services and fixed rates **around the world.**
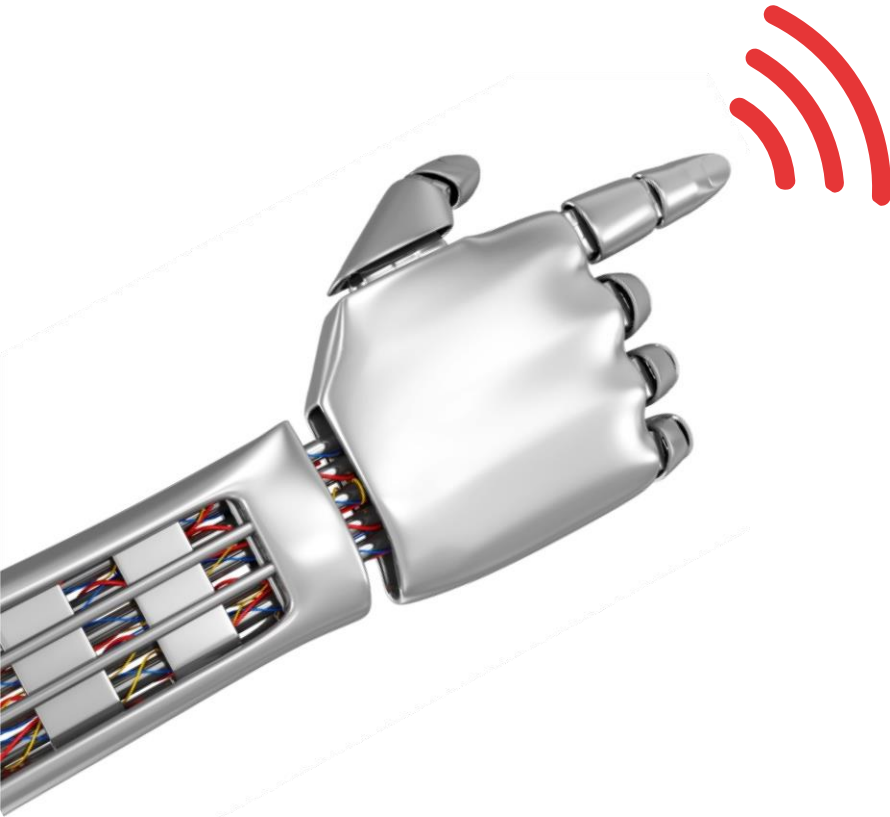
V-TELL Networks combine high-speed communication channels and switching systems in one high-tech solution based on a unique multi-IMSI platform controlled by a state-of-the-art global billing system.

This innovative technology provides **V-TELL** customers with a global "home" network, allowing them to access voice, Internet and SMS services **in any part of the world.**

V-Tell management are professionals with many years of experience in mobile communications and in successful MVNO launches worldwide.

V-TELL has its own technological infrastructure including HLR, GGSN, GMSC.

V-TELL has signed contracts with the world's biggest MNO.

V-TELL has a license agreement with the GSM Association (GSMA).

V-TELL has a membership with ITU (International Telecommunication Union)
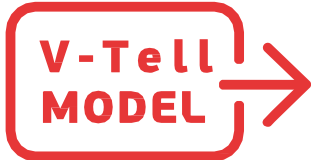
M V N O

MOBILE VIRTUAL NETWORK OPERATOR

PROVIDING MOBILE COMMUNICATION
SERVICES WITHOUT HAVING ITS OWN
FREQUENCIES AND BASE STATIONS

V-Tell MVNO Ahead Of The Competition:

Base stations	Commutation	Infrastructure	MVNO licence	Billing	Ad. services	Subscriber maintenance	marketing	Distribution
MNO			MNO				MVNO — MVNO/SP (1 level)	
MNO			MVNO — MVNO/ESP (2 level)					
MNO	MVNO — Full MVNO (3 level)							

V-Tell MODEL

M V N O   W o r l d w i d e   E x p a n s i o n

V·Tell
GROUP OF COMPANIES

| 2015 | 1K | MVNO Worldwide 20% are sub-brands of **MNO** (**M**OBILE **N**ETWORK **O**PERATORS) |
| 2016\|17 | 2-300m | MVNO Subscribers Worldwide |

MVNO World by Region

MVNO

- Europe
- USA/Canada
- Near East
- Asia-Pacific region
- Latin America
- Africa

13
4
106
75
10
19
10
73
17
Sub-brand
166
526

MVNO Worldwide Expansion

Roaming 7%

Retail 9%

Telecom 22%

B2B 10%

Media 9%

Discounter 27%

Migrants and diasporas 2%

M2M 4%
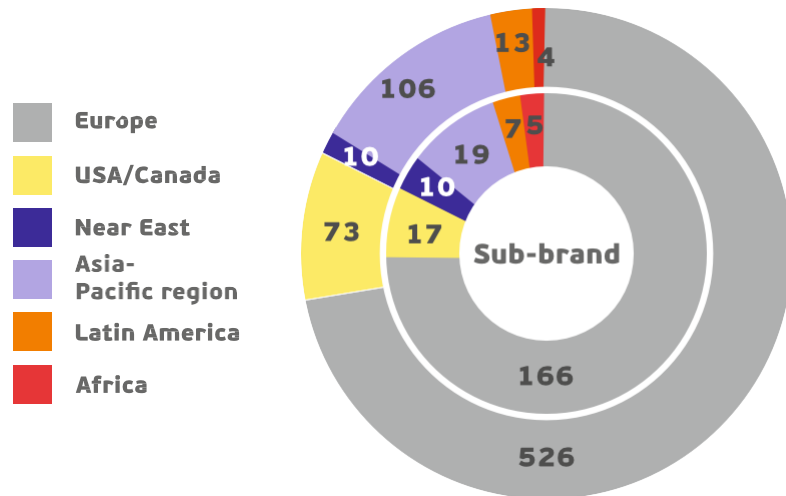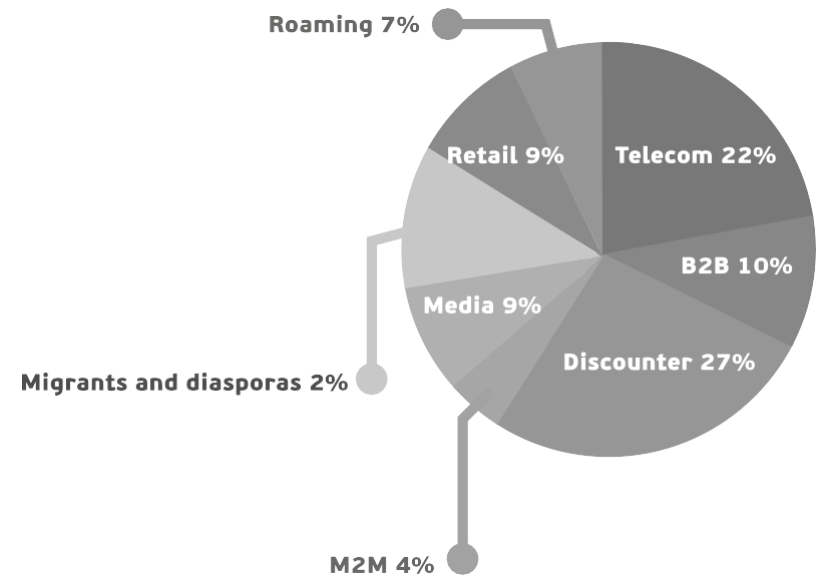
V-Tell MVNO Target Market

MVNO Busines Models

Roaming 9%
Retail 9%
Telecom 22%
B2B 10%
Media 9%
Discounter 27%
Migrants and diasporas 2%
M2M 4%
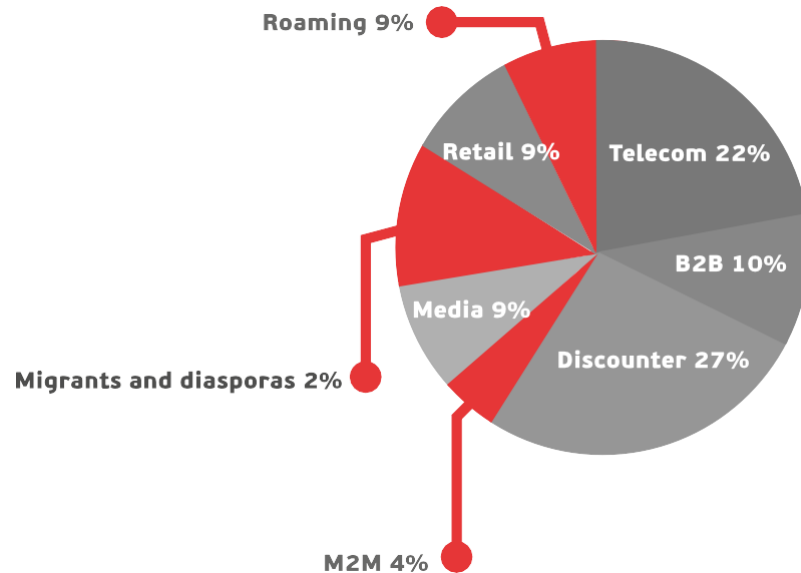
Attractive Markets:

International Roaming (key segment):
Frequent and business travelers

Migrants and Diasporas:
Dependable communication with home

M2M:
Logistic companies conducting international transfers

Target Audience: «International Roaming»

TA	Sub-group	Concerns
B2B	**Business owners and top management**	High roaming rates, limited Internet access, Wi-Fi coverage, several SIM cards/devices necessary
	Company employees	
	Business owners and top management relatives	
	Expatriates	High roaming rates, several SIMcards/devices necessary using VoIP (Skype, Viber, WhatsApp)
B2C	Tourists	High roaming rates, several SIMcards/devices necessary using VoIP (Skype, Viber, WhatsApp)
	Part/full time living abroad	
	Healthcare programs	
	Education	
B2G	Government sector	Over-budget
B2O	Mobile operators	High rates

Target Audience Migrants , Diasporas and M2M

TA	Sub-group	Concerns
Migrants and diasporas		
B2C	Migrants to be in touch with families and friends while away home	High roaming rates, several SIM-cards/devices necessary using VoIP (Skype, Viber, WhatsApp)
M2M		
B2B	Logistics companies engaged in international cargo transportation	High rates for vehicle location tracking and telemetry data collection settings

Target Audience Migrants , Diasporas and M2M

Product	Customer		Description
Foreign Customer	**B2O**		Roaming for Subscribers that use foreign operators with IMSI - pool and telephone numbers for the countries under V -Tell coverage
New Call	**B2B** **B2G**	**B2C**	Rates for frequent travelers. Several V-Tell phone numbers of different mobile operators/countries on one SIM-card
Resources rent	**B2O**		Providing of infrastructure and network resources (for example, HLR, GGSN, GMSC, multi-IMSI platform, CAMEL Gateway, SMSC, billing)
Traffic termination	**B2O**		Call delivery from a foreign operator to an end -user in Russia
Wi-Fi Calling	**B2B** **B2G**	**B2C** **B2O**	Automatic switching between 2G, 3G, 4G, Wi-Fi networks without call/session interruption
M2M	**B2B**		Information exchange between devices
Mobile commerce	**B2C**		Micro -payment conduction from the Subscriber 's personal account
Mobile application	**B2G** **B2C**	**B2B**	Subscriber service management via mobile application

MVNO Competitors

truphone

A British MVNO combined 8 MVNOs into a No-Roaming Network: Australia, Germany, Hong Kong, Poland, Spain, the Netherlands, England, the USA.
Until 2014 MVNOs provided only high-cost bundle offers for businesses. From June 2014 it offered a single price per minute, SMS, MB throughout the coverage territory.

POND
MOBILE

An American MVNO provides three bundled programs that are applicable worldwide.

Competitor Analyses

Criteria	V-TELL	MNO	MVNO Competitors	Skype*	Travel SIM
Mobility	+	+	+	-	±
Messaging	+	+	+	+	+
Data	+	+	+	+	+
Long distance and International Calls	+	+	+	+	±
International Roaming	+	+	+	-	+
International-No-Roaming	+	-	+	-	-
Foreign Numbers (as own resource)	+	-	±	+	+
Rates	+	-	-	+	-

*- For stable Wi-Fi connection only. While using 3G / 4G, high expenses arise for mobile internet

Exclusive Technology With No Competition

Price Factors:

- No Additional Expense for long distance, international, and roaming calls;
- Costs will continue to spiral downward as call volume increases
- Implementation of multiple innovative technologies

Unique Selling Proposition :

- V-TELL can keep domestic usage volume the same Worldwide
- Several foreign country numbers are available on one SIM-card with your own local number
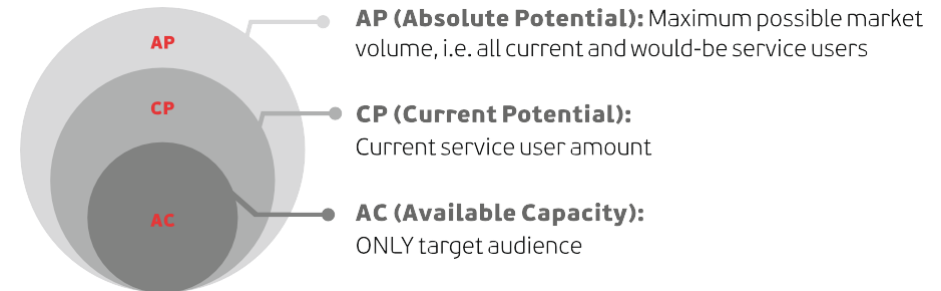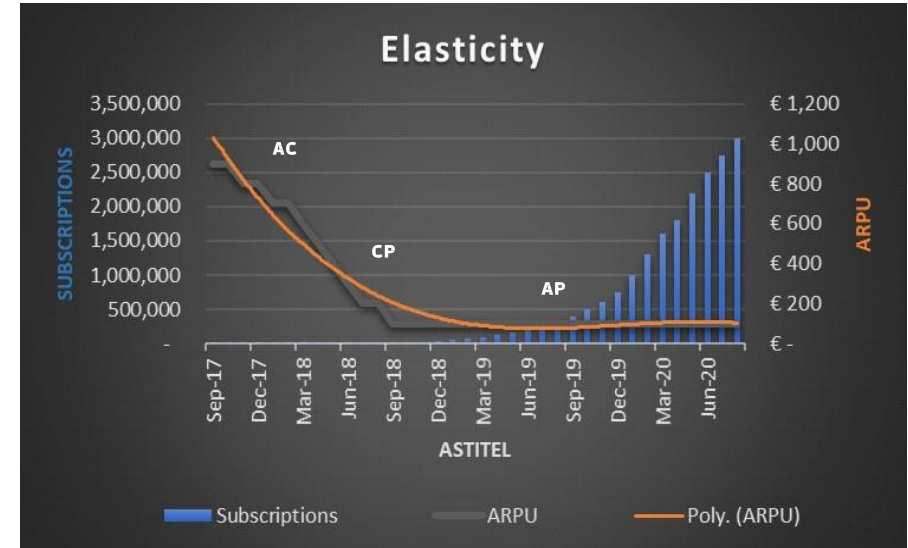- NO ONE ELSE MAKES YOU A CITIZEN OF THE WORLD!

Market Potential 2020

- **MVNO market size: USD 53 Billion in 2016* CAGR 9.6% to 2022**

- **Roaming market size: USD 13 Billion in 2016** CAGR 1.3% to 2020**

- **Increase in data usage: CAGR 28% and smartphones increase growth**

- **Traffic: Consumer 53% and business 47% in 2020**
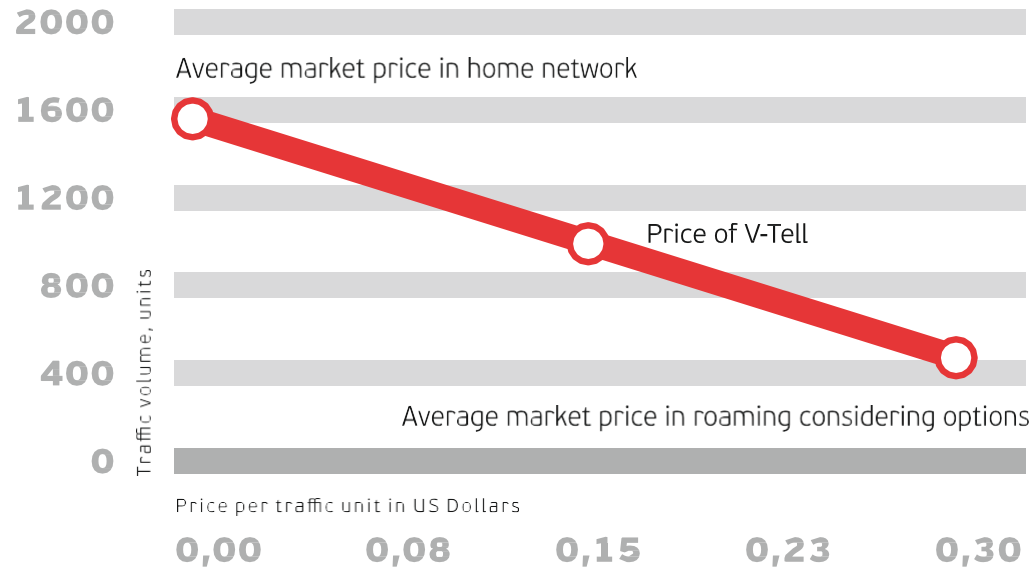
- **Very few competitors (high barrier to enter)**

* Source GM Insights ID GMI160
** Ovum Mobile Roaming forecast 2017 - 2020

V·Tell
GROUP OF COMPANIES

V-TELL growth 2017-2020

Elasticity

SUBSCRIPTIONS / ARPU / ASTITEL

AC, CP, AP

Subscriptions — ARPU — Poly. (ARPU)

AP (Absolute Potential): Maximum possible market volume, i.e. all current and would-be service users

CP (Current Potential): Current service user amount

AC (Available Capacity): ONLY target audience

Supply Will Reduce Market Prices for V-TELL Retaining EBIDTA

Computing Techniques:

Calculation is based on Roaming Subscriber average tariff* and average traffic usage level.*

V-TELL APPM** and competitor APPM are compared.

Average market price in home network is based on Operators' offers (provided for reference*).

Chart:
- Traffic volume, units (y-axis): 0, 400, 800, 1200, 1600, 2000
- Price per traffic unit in US Dollars (x-axis): 0,00 0,08 0,15 0,23 0,30
- Average market price in home network
- Price of V-Tell
- Average market price in roaming considering options

* Calculation of average market cost of traffic is made based on offers from Travel-SIM, MVNO, BIG4 (with attached discounts)
Data are given: **www.pondmobile.com, www.truphone.com, www.goodline.ru, www.sim-travel.ru, www.travelsim.com**

**APPM-Average Price Per Minute

V·Tell
GROUP OF COMPANIES

Elasticity Coefficient

Formula Used:

$$E_p^d = \left(\frac{Q_2 - Q_1}{Q_2 - Q_1}\right)\left(\frac{P_2 - P_1}{P_2 - P_1/2}\right) = \frac{\Delta Q}{\Delta Q}$$

P1 – initial price
P2 – new price
Q1 – initial volume
Q2 – new volume

Parameter	Value	Comment
Old price, $	0,278	Average market price in roaming
New price, $	0,158	V-Tell Price
Old volume, unit	520	Amount of traffic units in apacket for roaming
New volume unit	950	Traffic in V-Tell packet

E = ((950-520)/((950+520)/2)) / ((0,158-0,278)/((0,158+0,278)/2)) = - 1,06 = |-1,06| = 1,06 (E>1)

S u m m a r y

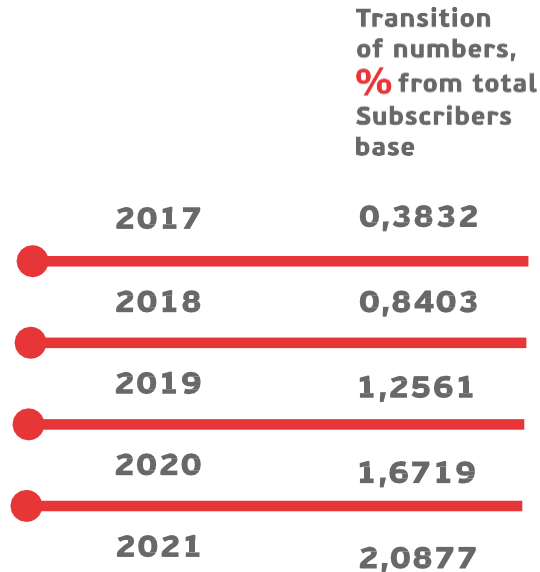## Company:

- Mobile Operator
- Ownership by One Investor
- Live in Q3 2017
- Own core network (HLR, MSC)
- Contracts with worlds largest MNO's
- License agreement GMSA

Team:

- Only the best MVNO specialists in the world
- Operational Office in Moscow with full Mobile Operators Licenses in Russsia
- Operational Office in Amsterdam (Netherand) with full Mobile Operators License in European Union
- Redundant networks
- Rapidly growing
- Customer first mentality

Mobile Operators Subscribers' Migration and Growth

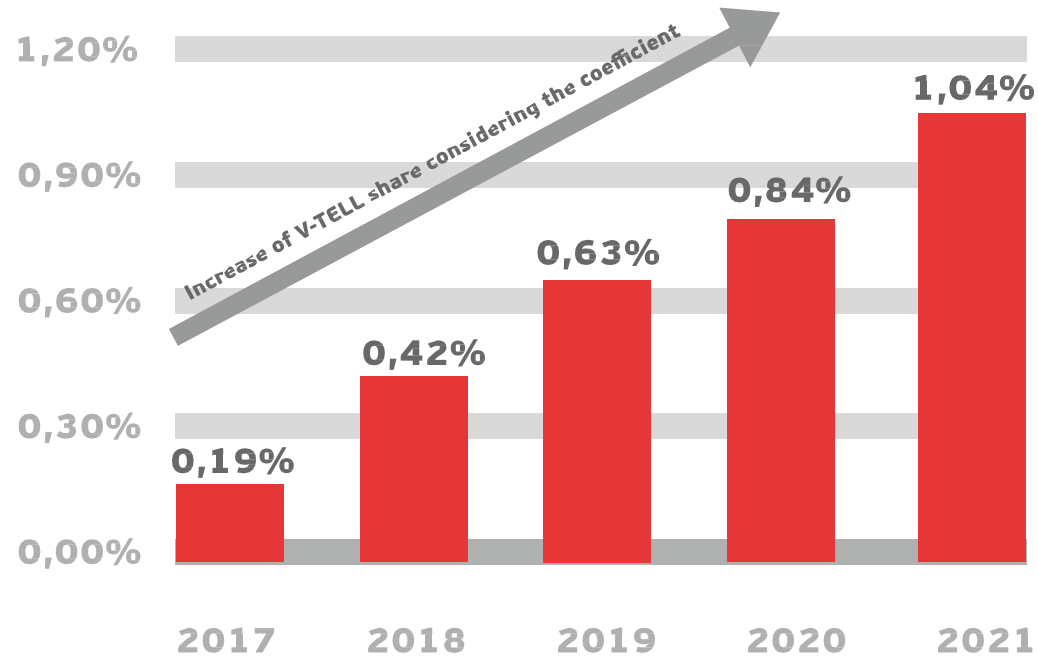|	Transition of numbers, **%** from total Subscribers base
2017	0,3832
2018	0,8403
2019	1,2561
2020	1,6719
2021	2,0877

Churn rate* of 2014 - 2016 extrapolated to 2021

Used to obtain data per 5 years which is considered as an expected **V-TELL** potential market share growth period.
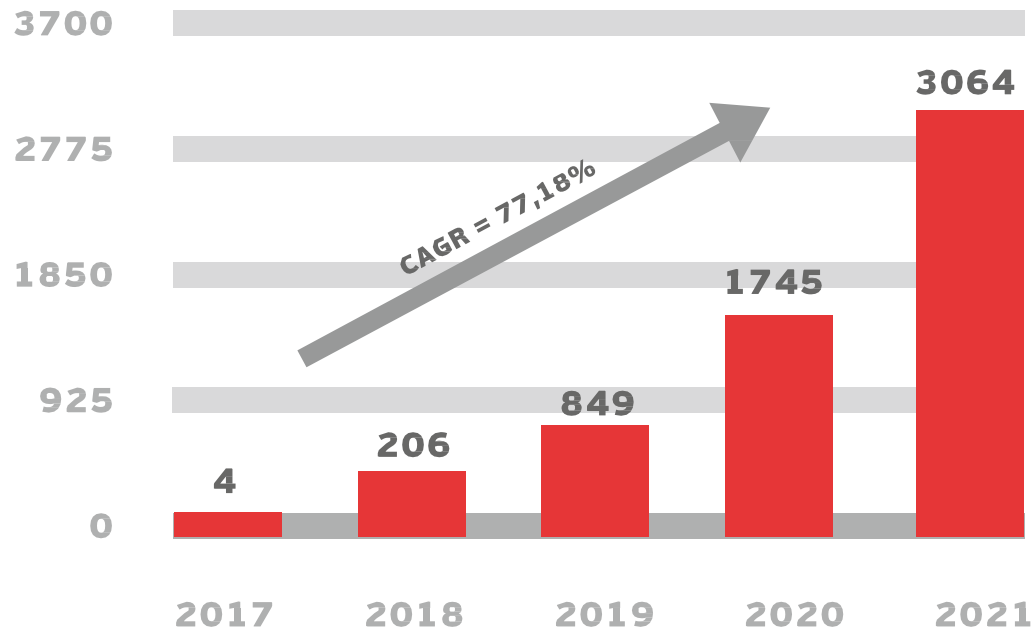
* Data on Subscribers base migration are provided : **http://www.zniis.ru/bdpn/statistics**

V-TELL Market Share

Computing Techniques

- Calculation based on Churn Rate (2017 – 2021)

- **V-TELL** commercial launch data 3Q - 2017

- As Churn rate statistics for the considered period is limited, we should regard possible inaccuracies using the decreasing coefficient (0.5).

Increase of V-TELL share considering the coefficient

1,20%
0,90%
0,60%
0,30%
0,00%

0,19%   0,42%   0,63%   0,84%   1,04%

2017   2018   2019   2020   2021

■ Market share of V-TELL, % of target audience

Forecast of Subscriber Base Growth*

CAGR = 77,18%

Year	Subscriber base (thousands)
2017	4
2018	206
2019	849
2020	1745
2021	3064

Chart y-axis values: 0, 925, 1850, 2775, 3700

■ Subscriber base, thousands of users

Computing Techniques

■ Calculation based on telecommunication and tourism market development, number of diasporas

■ Three target segments of **V-TELL** are considered in this forecast: international roaming, diasporas, M2M.

■ The calculation is performed with the formula :

*CTM (thousands of Subscribers) * PS (%), where CTM = capacity of target market and PS = potential share of V-TELL*

Distribution 2017

V·Tell
GROUP OF COMPANIES

- Training
- CRM activation
- Direct sales
- Presentation & demo
- Contract confirmation

Numbers:

- <X> leads
- <X> proposal
- <X> contracts

- Training proposition
- Remuneration
- Contract
- Support
- Administration

Numbers:

- <X> leads
- <X> poroposal
- <X> contracts

wholesale

- Proposition
- Team training
- Interconnect/ White label
- Delivery
- Administration

Numbers:

- <X> leads
- <X> proposal
- <X> contracts

Results: [x] leads [x] conversion [x] contracts

Calculation of Market Capacity «International Roaming» (2021Y)

V·Tell
GROUP OF COMPANIES

4.76 billion Subscribers Worldwide. Expected income is 1.4 trillion $ (by GSMA)*

$303 = $1,384,753,000,000/4,574,671,000 Customers (*Average annual income per customer*)

1.4 billion - Outbound Tourists Worldwide (by UNWTO)**

702 million (50%) - Subscribers use roaming cellular communication***

107 billion $ - Estimated roaming market volume (including LTE)****

$152 = $106,995,323,000 / 701,748,290 Subscribers
(Average income from a roaming Subscriber per year)

Assume: To define an available market capacity, providing the absence of relevant statistical data, Pareto principle is used – 20% of Subscribers base yields 80% of income, thus, 140 million Subscribers yields $85.6 billion average income from a single

$85,596,259,000 / 140,350,000 Subscribers = $610

(Average income from a roaming Subscriber per year)

* Data on market volume are provided by GSMA: http://www.gsmamobileeconomy.com/GSMA_Global_Mobile_Economy_Report_2015.pdf
** Data on the amount of people who move to live abroad are provided by UNWTO : http://media.unwto.org/press-release/2015-01-27/over-11-billion-tourists-travelled-abroad-2014
*** Data on active roamers are provided by GSMA: http://www.gsma.com/membership/member-press-release/starhome-mach-operators-losing-out-on-major-revenue-68-of-global-roamers-still-silent/
**** Data on roaming market are provided by Juniper Research : http://www.juniperresearch.com/press-release/mobile-roaming-pr1

Calculation of Market Capacity "International Roaming" (2021Y)

V-TELL's market share target is **0.78%** of 140 million Subscribers

140,350,000 Subscribers

0.78% = **1,101,723** Subscribers

$853 = **$1,189,860,683** Per Year

Calculation of Market Capacity for Migrants and Diaspora Only

Estimated **172 million people** will live abroad by 2021*. They are considered to be typical cellular subscribers, and they are related to an Absolute Market Potential. An average income from one subscriber equals **$147 per year** **

Thus, Absolute Market Potential in monetary equivalent is

172,489,788 Subscribers * $147 = $25,355,998,776 per year

* Data on diasporas : **https://ru.wikipedia.org/wiki/%C4%E8%E0%F1%EF%EE%F0%E0** ** Data on average annual income : **http://www.statista.com/statistics/203642/forecast-for-the-global-average-revenue-per-mobile-user-in-2015-by-region/**

*** The level of discount depends on demand flexibility

Calculation of Market Capacity for Migrants and Diaspora Only

To specify an acceptable market capacity, providing the absence of relevant statistical data, Pareto Principle is used –

20% of a subscriber base equals 80% of income, thus,

34.5 million subscribers yield **$20.1 billion** with an average income per subscriber per year :
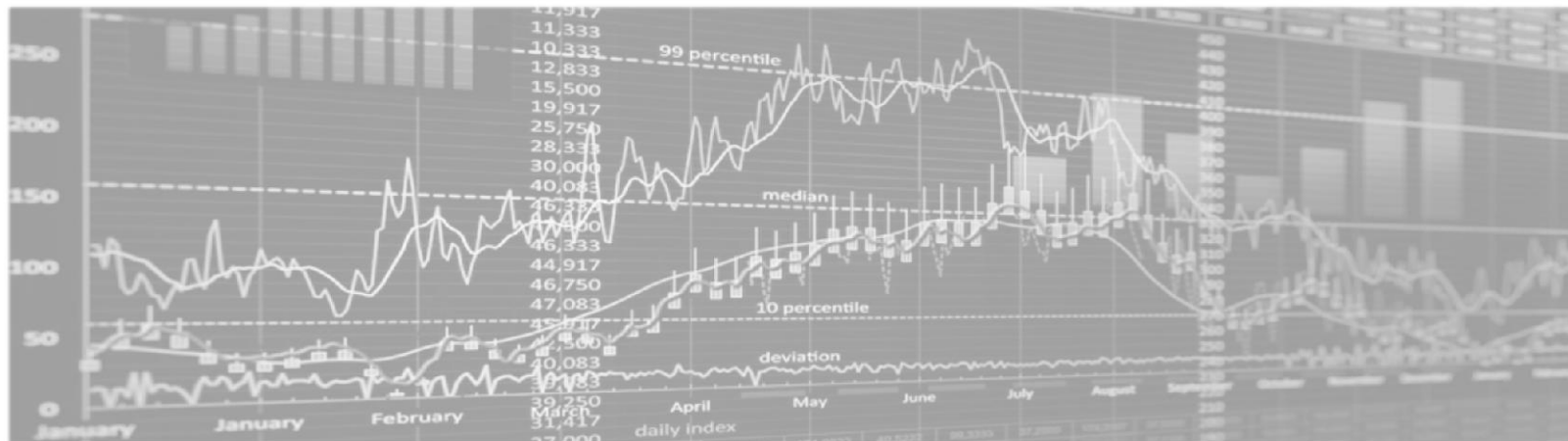
20,100,190,000 / 34,497,958 Subscribers = $583

(a v e r a g e i n c o m e f r o m a s u b s c r i b e r p e r y e a r)

Calculation of "M2M" Absolute Market Capacity

Consider **890 million devices as an Absolute Market Capacity** assumed to be connected to mobile Internet by the end of the year of 2021*

The percent of devices installed in auto transport equals 15%, which is **130 million** devices. Average income from one device equals **$197** per year*.

Thus, Absolute Market Capacity in monetary equivalent is: **129,995,503 Devices* $197 = $25,609,114,091 per year**

V-TELL target is to have its market share in the amount of 0.89% from 130 million devices.

In order to increase the loyalty of these Subscribers in local markets, V-Tell will launch its product with a **43%** discount** promotion: **129,995,503 Devices * 0.89% = 1,163,275 Customers* $12 = $13,959,299 Per Year**

* Data on M2M are provided by J&P Consulting ("M2M communications market in Russia and worldwide" report from November 2012)
** The level of discount depends on demand flexibility

V-Tell target is to own its market share 2.32% of 34.5 million subscribers

34,497,958 subscribers

2.32% = **799,821** subscribers

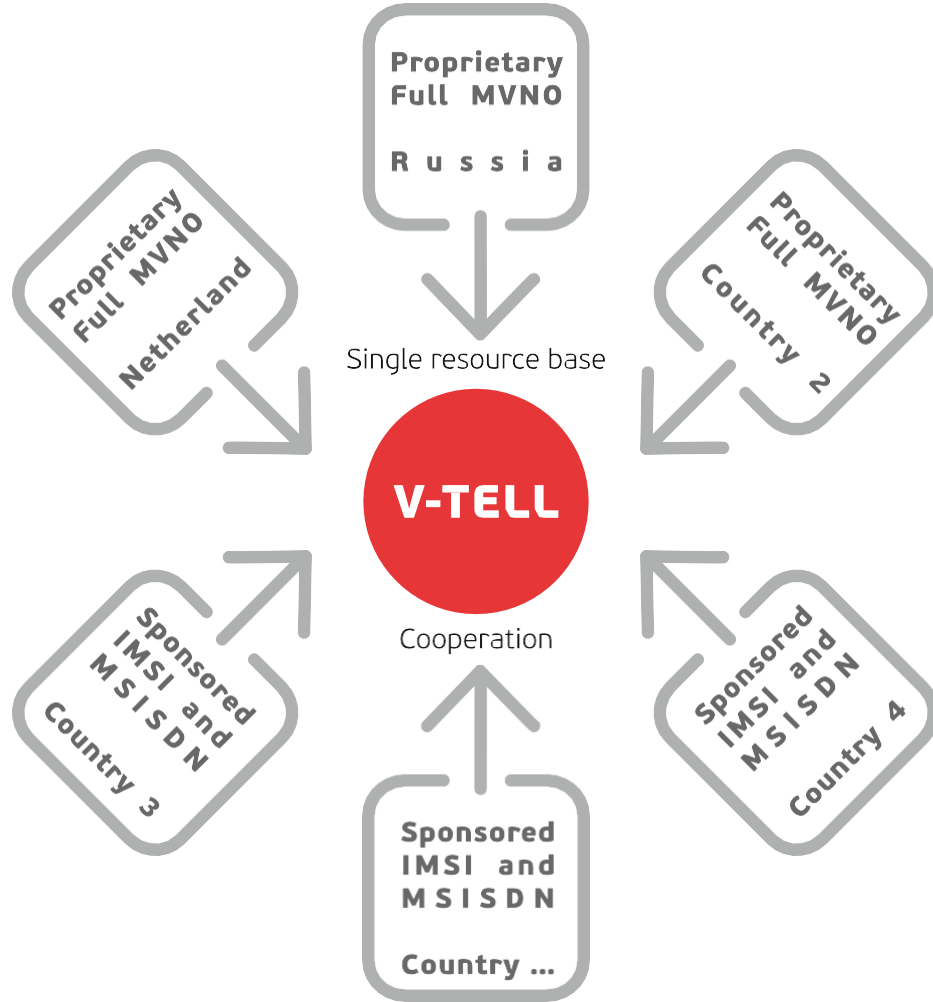$480 = **$383,913,917** per year

Year 2020 Target Results

3.06 Million Subscribers

$1,587.7 Million Per Year

$518 Average Weighted Yearly ARPU

Business Model

In each target country the project is implemented in three steps:

1. Pilot launch based on partner IMSI

2. Further development due to building of proprietary Full MVNO in the country

3. Joining of full MVNO to the V-Tell network

For countries where MVNO launch is regulatorily complicated or economically unreasonable, the service is provided based on partner IMSI.

V-TELL Business Model Began With The Russian Market

The original license was given in Russia as the first and only private cell phone carrier for ALL of Russia. The licenses in Russia are given for specific areas or cities like Moscow or St. Petersburg, and everything outside of these areas are roaming, except for V-Tell. The V-Tell license is for all of Russia, therein they can charge better rates and cover a wider area of the country as non roaming. V-Tell has little competition in Russia.
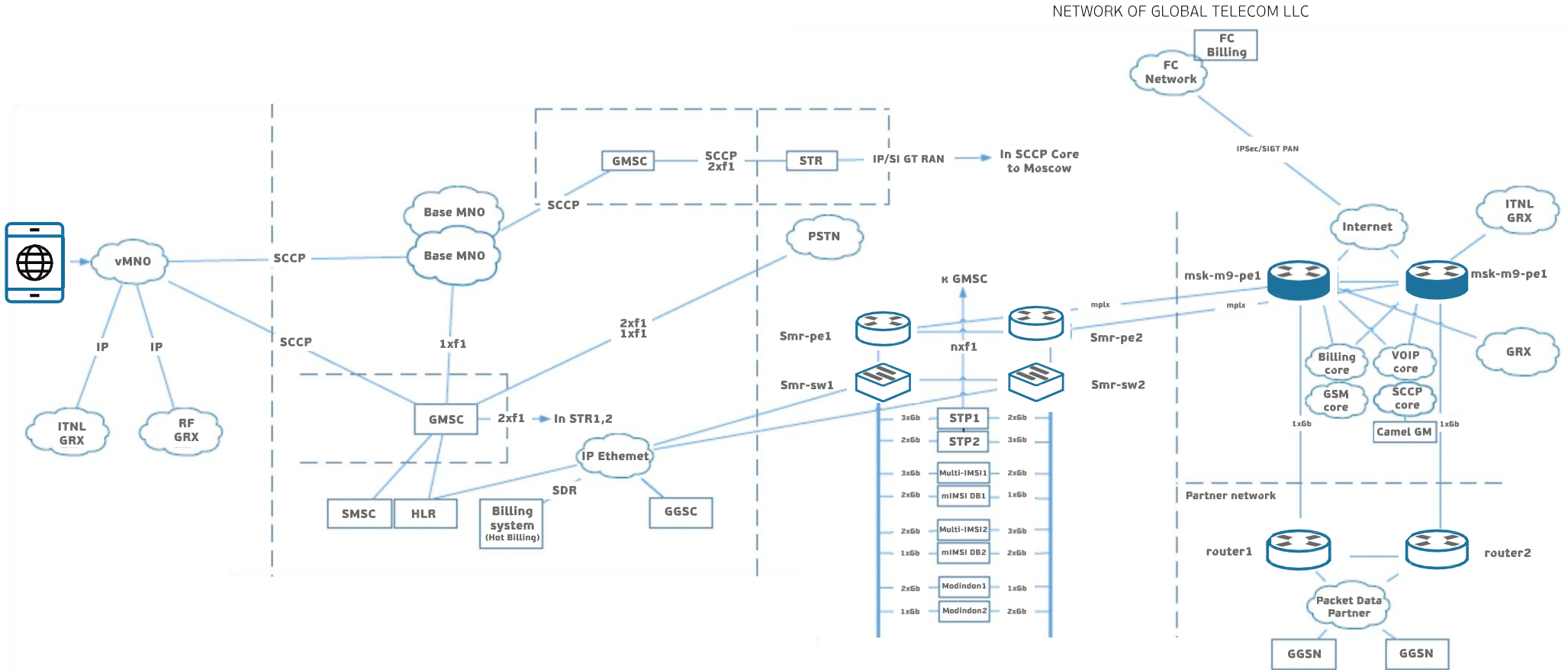
- Moscow Office Complete

- **V-TELL** conquered a new SIM Card technology to service its members wherein they could travel from country to country with their own local phone number in that country.

- This technology revolutionized the industry and set new standards for the cell phone industry.

- **V-TELL** began expanding its market share, contracting with other operators

- Having proprietary networks in several countries or even continents, large-scale operators as a rule do not integrate their networks into a single No-Roaming Zone. This situation is caused by existence of income targets for each business unit of an operator, and there are no considerations for changes in the near future. V-Tell was able to break down these barriers and partner with global operators.

- **V-TELL** launches offices in Amsterdam, Hong Kong and Miami opening their global network

V-Tell Has Business Stability With Duo Operator Contracts

V-TELL

Operator №1

Contract for core network

Operator №2

Contract for core network
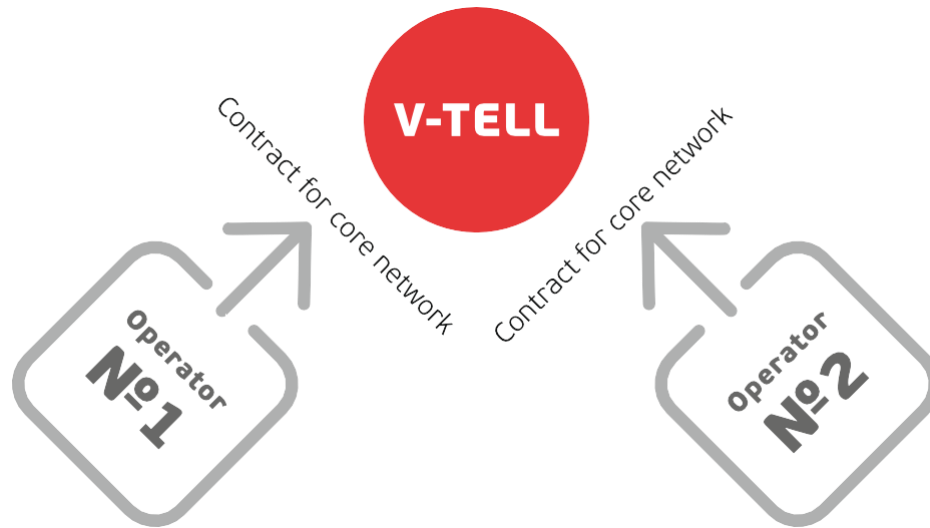
The existence of two contracts for core networking significantly reduces dependence on base operator actions.

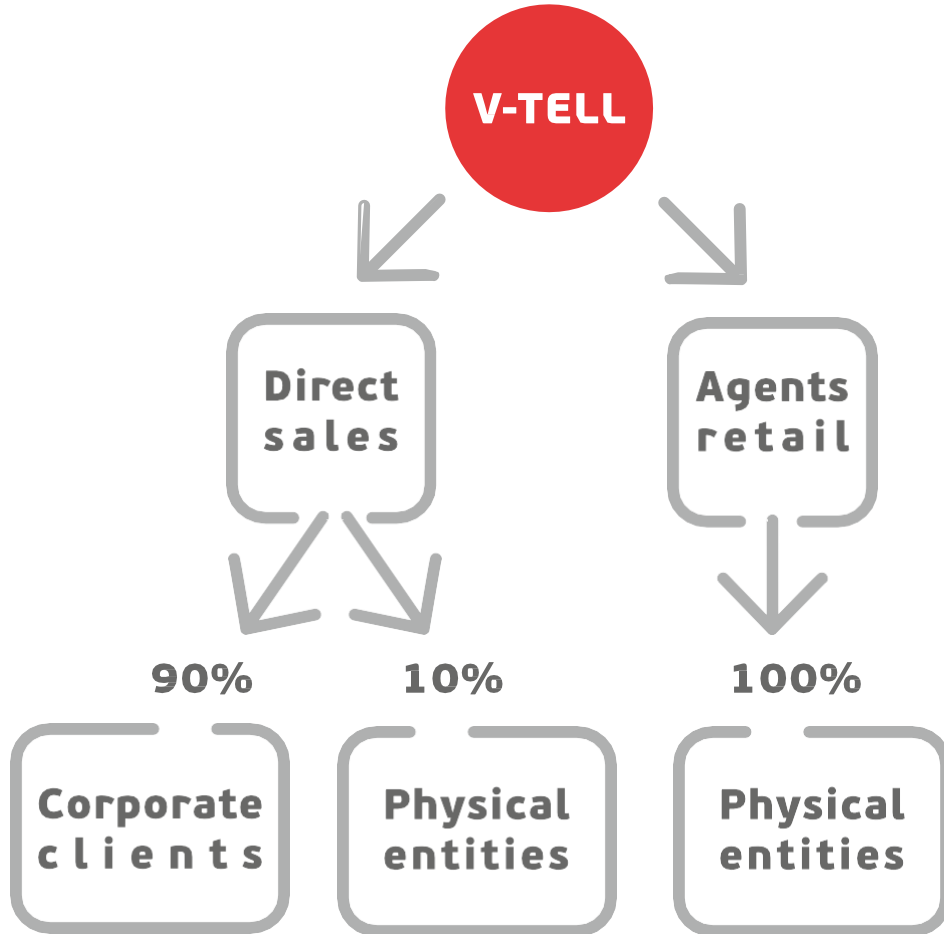# Organizational Chart – Call Flow

V·Tell
GROUP OF COMPANIES

NETWORK OF GLOBAL TELECOM LLC

Sales Organization

V-TELL

Direct sales → Corporate clients (90%) / Physical entities (10%)

Agents retail → Physical entities (100%)

Channels of direct sales:

- Proprietary sales service
- Internet

Channels of agents' retail:

- Dealers and agents
- Tourist agents
- Airline / rail carriers / aggregators' Internet-resources for ticket sale and hotel booking
- Agencies for special trips organization (medical treatment, study)

Niche MVNO specificity does not imply full-fledged development of proprietary retail.

Realizations

1. All the necessary permits and documentations are obtained such as licenses, network codes, numbering, etc.

2. Reference and roaming contracts with network operators are signed

3. Technical core infrastructure for cellular communications servicing is launched

4. First commercial agreements are signed and beta tests completed

Thank you for your attention!