

# InterCloud Systems

## Corporate Overview



# Disclaimers

---

This presentation contains forward-looking statements. All statements other than statements of historical facts contained in this presentation, including statements regarding InterCloud's future results of operations and financial position, financial targets, business strategy, plans and objectives for future operations, are forward-looking statements. The Company has based these forward-looking statements largely on its current estimates of its financial results and its current expectations and projections about future events and financial trends that it believes may affect its financial condition, results of operations, business strategy, short-term and long-term business operations and objectives, and financial needs as of the date of this presentation. These forward-looking statements are subject to a number of risks, uncertainties and assumptions. Moreover, the Company operates in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for Company management to predict all risks, nor can the Company assess the impact of all factors on its business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements the Company may make. In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this presentation may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements.

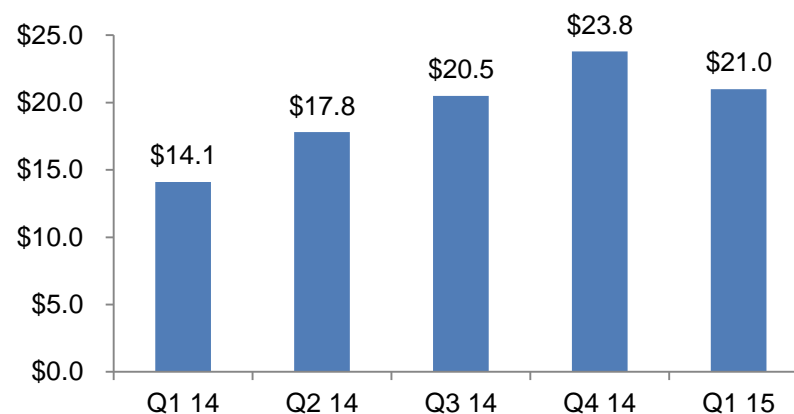
More detailed information about the risk factors affecting the Company's performance is available under the heading "Risk Factors" in the Company's filings with the Securities and Exchange Commission (the "SEC"), which are available on the SEC's website, [www.sec.gov](http://www.sec.gov). Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect management's analyses only as of the date hereof. The Company neither intends to, nor assumes any obligation to, update or revise these forward-looking statements in light of developments that differ from those anticipated.

# InterCloud Systems Overview

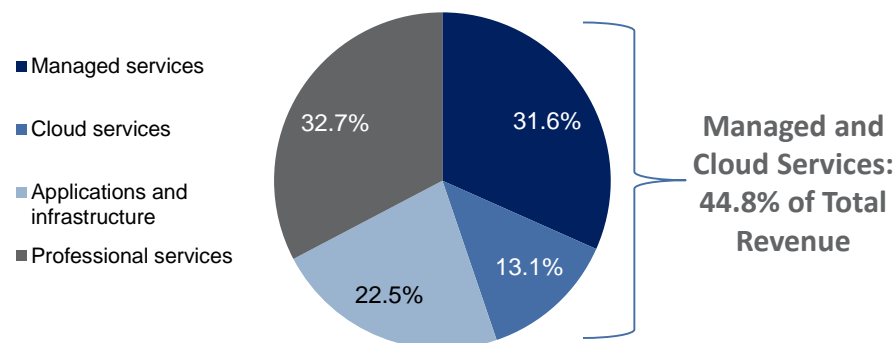
*The leading provider of Network as a Service (NaaS) enterprise solutions*

- **Ticker: ICLD (NASDAQ)**
- **Q1 2015 Revenue: \$21.0 Million, up 49% year-over-year**
- **Q1 2015 Adjusted EBITDA: \$598,000**
- **Employees: 479**
- **CEO: Mark Munro**
- **CFO: Timothy Larkin**
- **HQ: Shrewsbury, NJ**
- **Customers: Enterprise and service providers**

**Last 5 Quarters Revenue**



**Q1 2015 Revenue Mix**



# InterCloud Systems Investment Highlights

---



Serving large high growth next generation cloud networking markets



Industry leading solutions that enable customers' cloud platforms



Mix of industry-standard and proprietary open source solutions and services



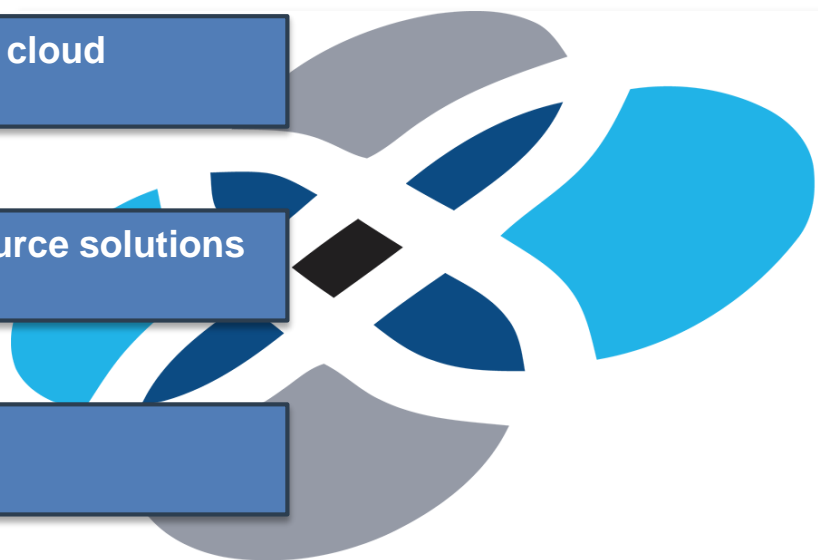
Large installed base of top tier customers



Significant revenue growth, gross margin improvement and operating leverage opportunity



Experienced management team executing on cloud vision

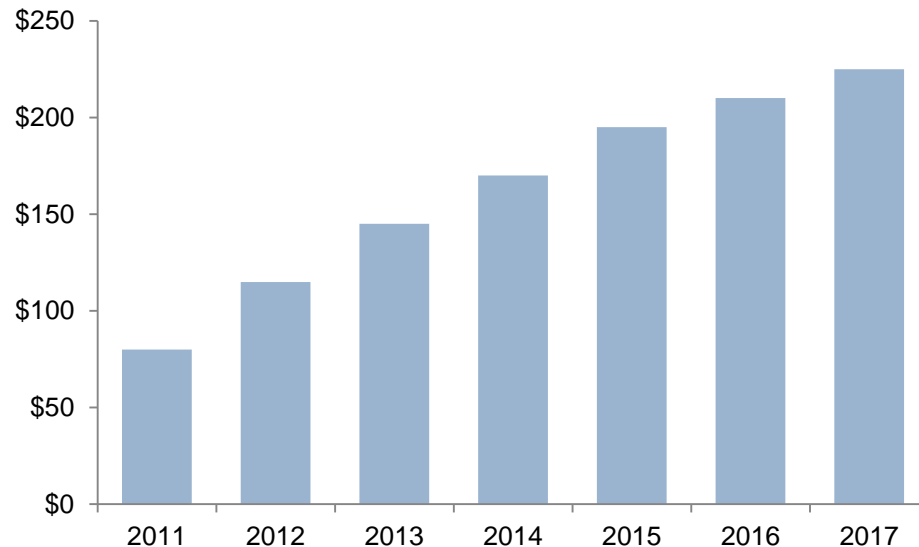


# InterCloud Is Addressing Large High Growth Markets

*Cloud architecture spending continues to grow with multiple channel opportunities*

## Global Spending Forecast by Enterprises on Cloud Architectures

*In Billions of USD*



## Selected Segment Revenue (2015)

\$3B

Cloud Systems Management Revenue

\$4B

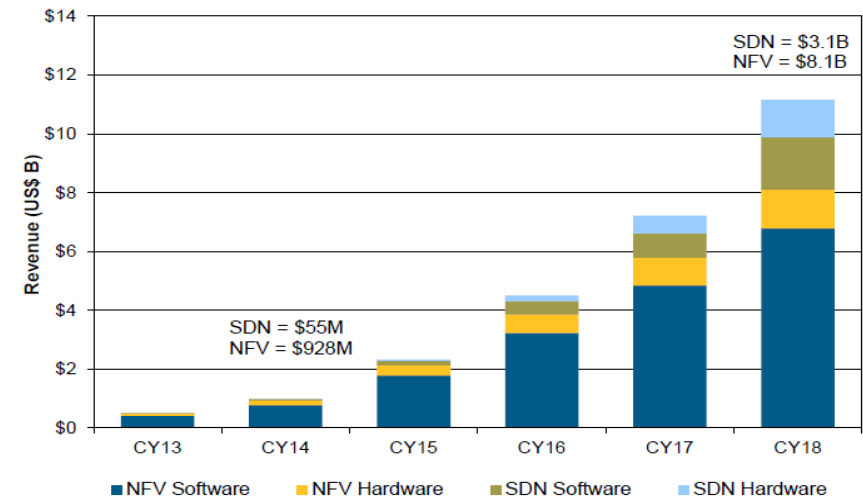
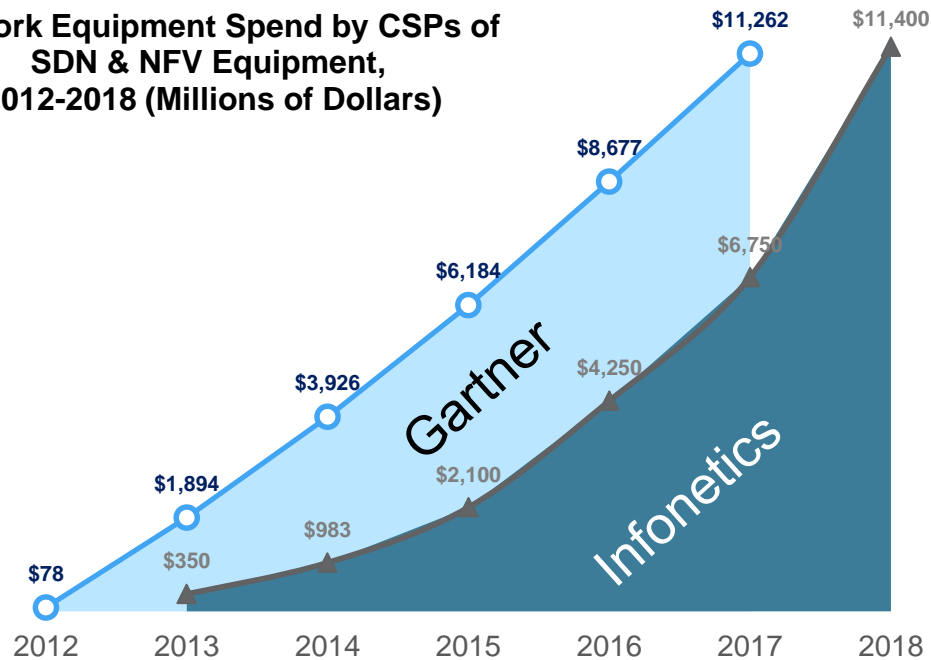
Cloud Security Revenue

\$3B

Cloud Application Platforms Revenue

# SDN and NFV Are Significant Drivers

Network Equipment Spend by CSPs of  
SDN & NFV Equipment,  
2012-2018 (Millions of Dollars)

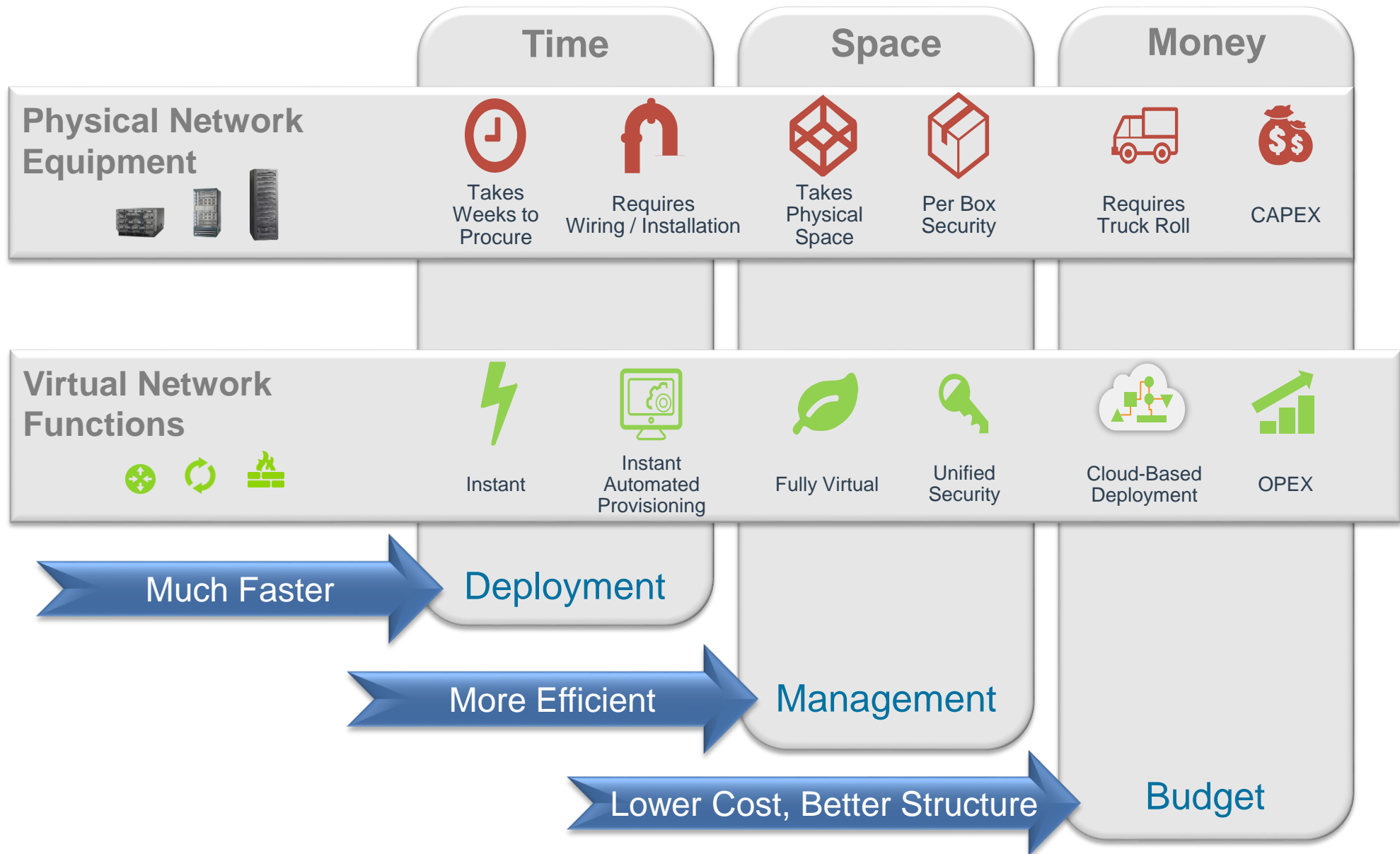


SDN and NFV Forecast by category

\* Gartner, *Forecast Overview: SDN and NFV in Carrier Infrastructure, Worldwide, 2013*, October 7, 2013

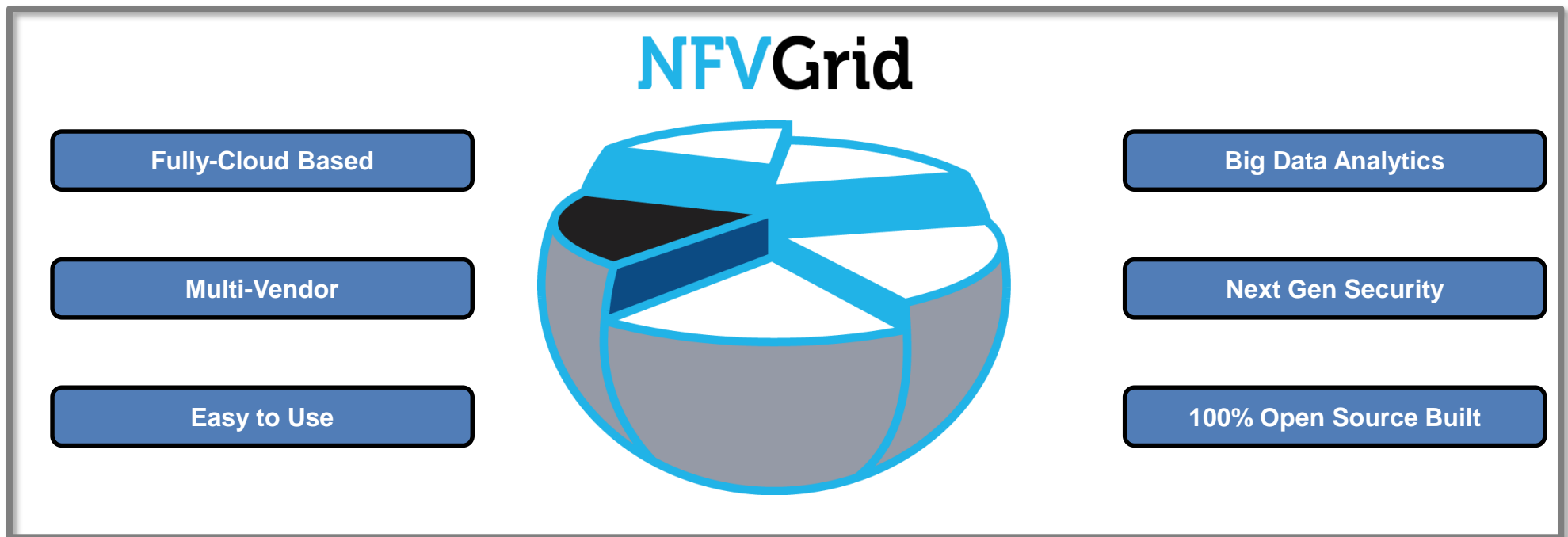
\*\*Infonetics, *Carrier SDN and NFV Hardware and Software*, November 5, 2014

# Advantages of Virtualized Network Equipment



# InterCloud's NaaS Platform

*Our fully integrated products and infrastructure help migrate on-premise compute, storage and networking equipment to the cloud*



*Rapid Deployment*

*Instant automated  
provisioning*

*Fully Virtual*

*More Efficient  
Management*

*Unified Security*

*Cloud-based  
deployment*

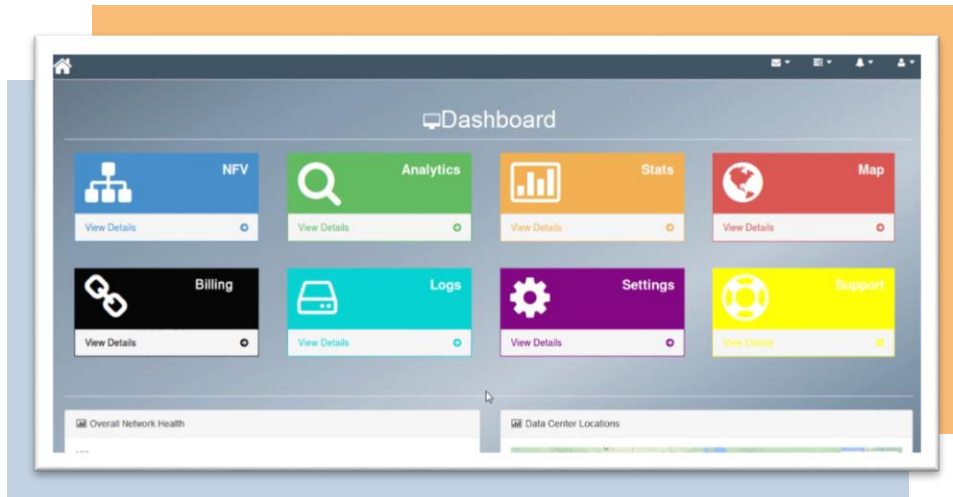
*Lower Cost,  
Better Structure*

***NFVGrid is proprietary IP yet fully embraces Open Source***



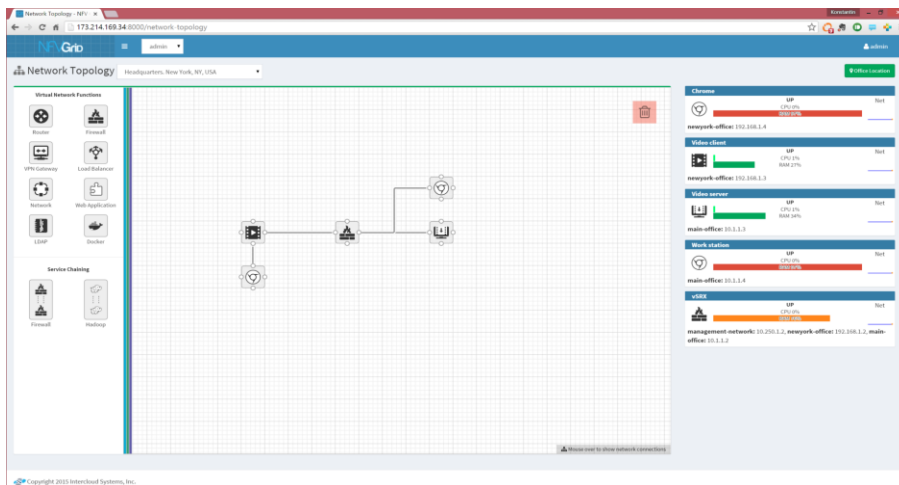
# NVFGGrid NFVO

*A virtual appliance management system that centralizes and simplifies network function orchestration, management, analytics and billing*



## MAIN FUNCTIONALITY:

- 1 Automates virtual network appliance spawning, configuration, monitoring, recycling
- 2 Allows firewall, VPN, Internet, VoIP and other VNFs to be provisioned within minutes
- 3 Big Data-based analytical system for stats and troubleshooting
- 4 API access to all major functions to minimize integration time
- 5 System Engineering view for making templates and service chaining



# InterCloud's Suite of Proprietary Cloud Solutions

*Mix of industry-standard open source solutions and services complemented by proprietary products built on open source*

## Proprietary Technology And Solutions

## 3rd Party Software Utilized

### Platform

- **Analytics / Big Data**
  - Map Reduce, Flume / HDFS, Hive / Mahout
  - Professional and Managed Services
- **Security**
  - AI Based Analytics
  - NFVGrid NFVO
- **Containers**
  - Automated Deployment
  - Distributed Apps



### SDN / NFV

- **InterCloud Orchestration Layer**
  - Unified dashboard
  - Resource management
  - Backup and Recovery
- **Professional and Managed Services**




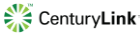
















































### Physical Infrastructure

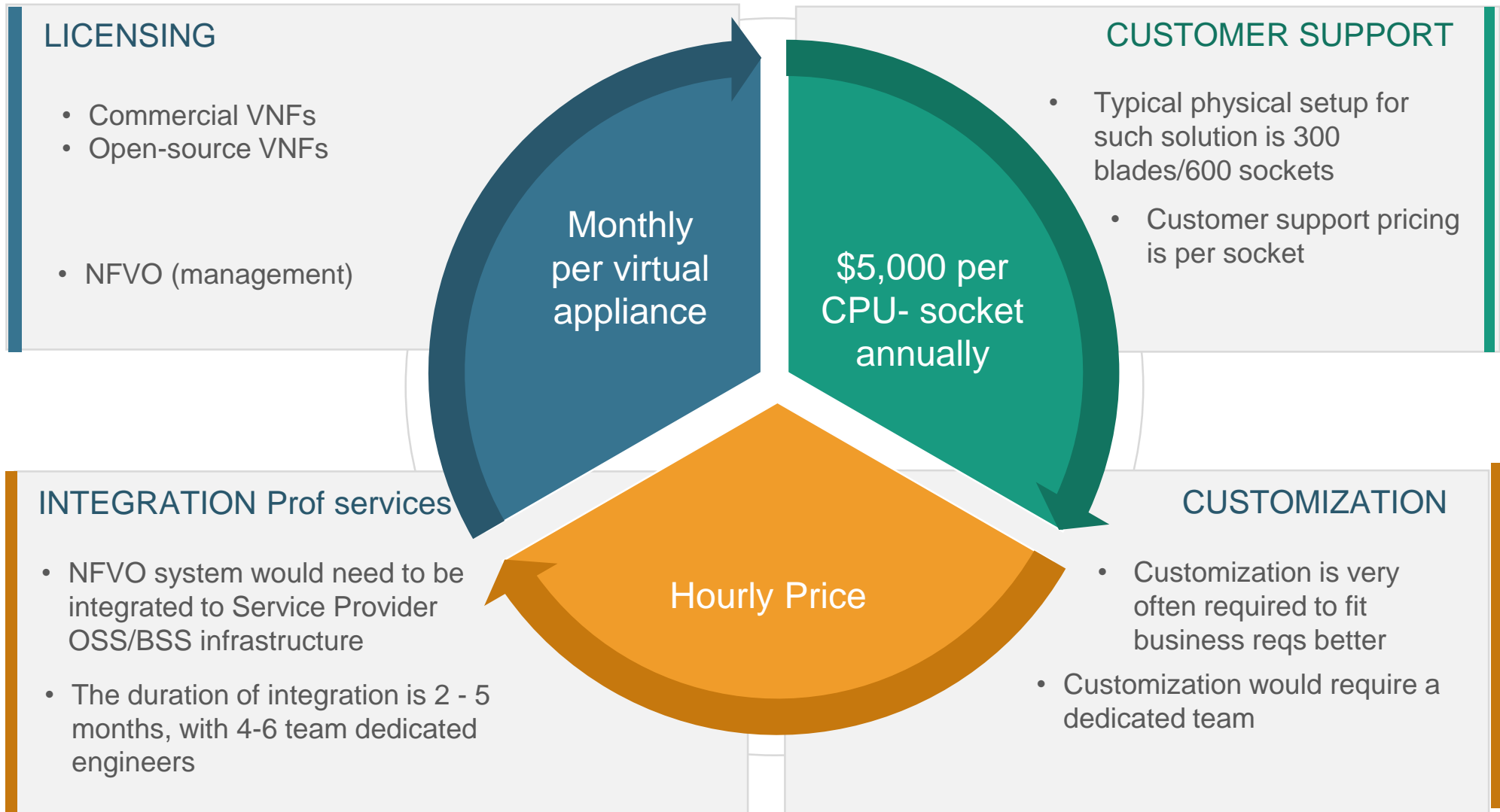
- **9 InterCloud Data Centers**
- **10,000 On-Net Buildings**



# Representative Verticals / Customers

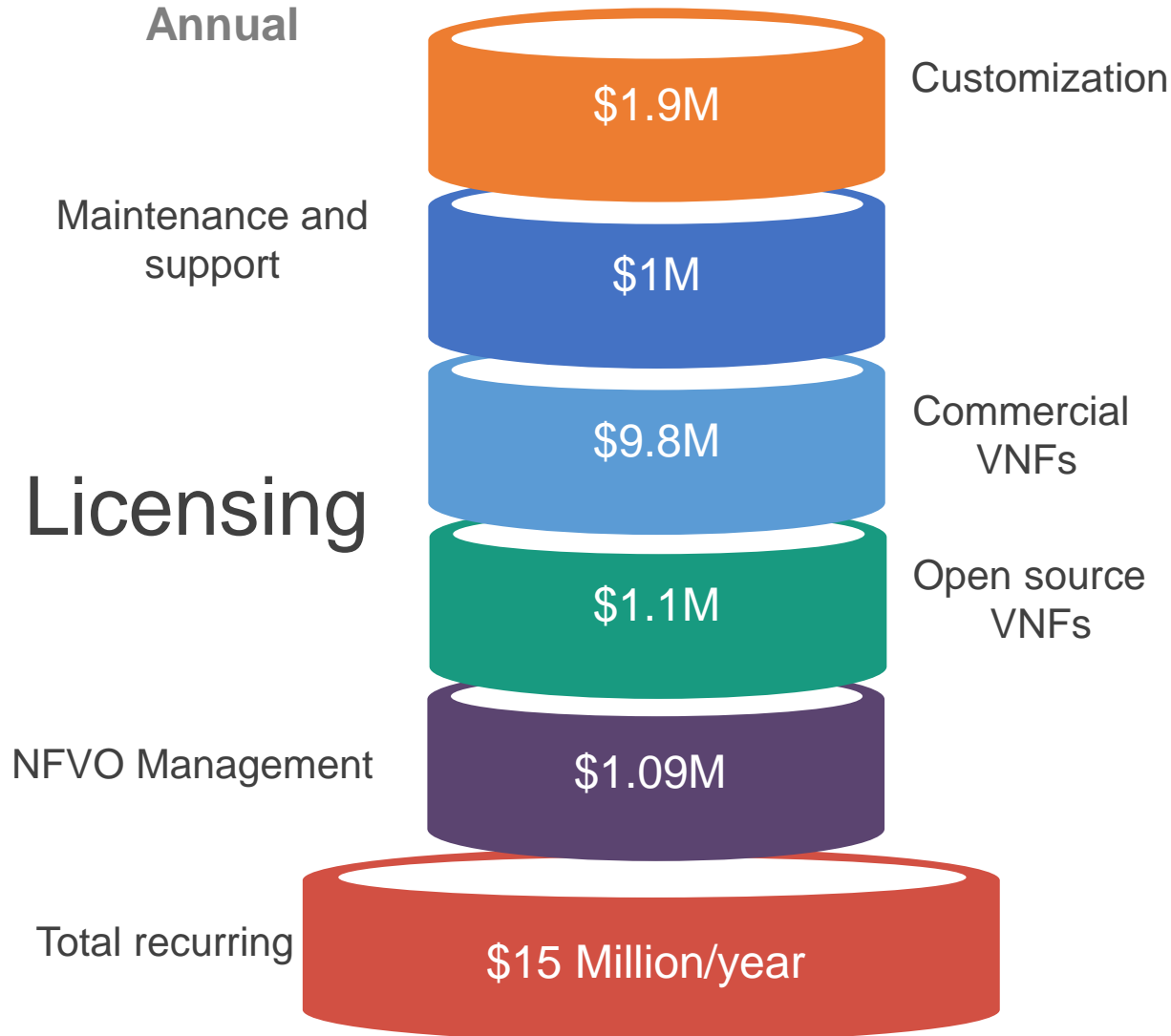
Vertical	% of 2014 Revenue	Representative Customers
 <b>TIER 1, 2, 3 SERVICE PROVIDERS</b>	50%	             
 <b>ENTERPRISE CUSTOMERS AND GEM</b>  <b>FINANCIAL AND INSURANCE</b>  <b>MEDICAL AND PUBLIC SECTOR</b> 	40%	                     
 <b>SMB 10K CUSTOMERS</b>	10%	       

# Use Case: Service Provider Customer



# Use Case: Service Provider Customer (Continued)

## Recurring Revenue Annual



Calculation is based on  
15,000 VNF deployment,  
requires 200 blades

## One time Revenue

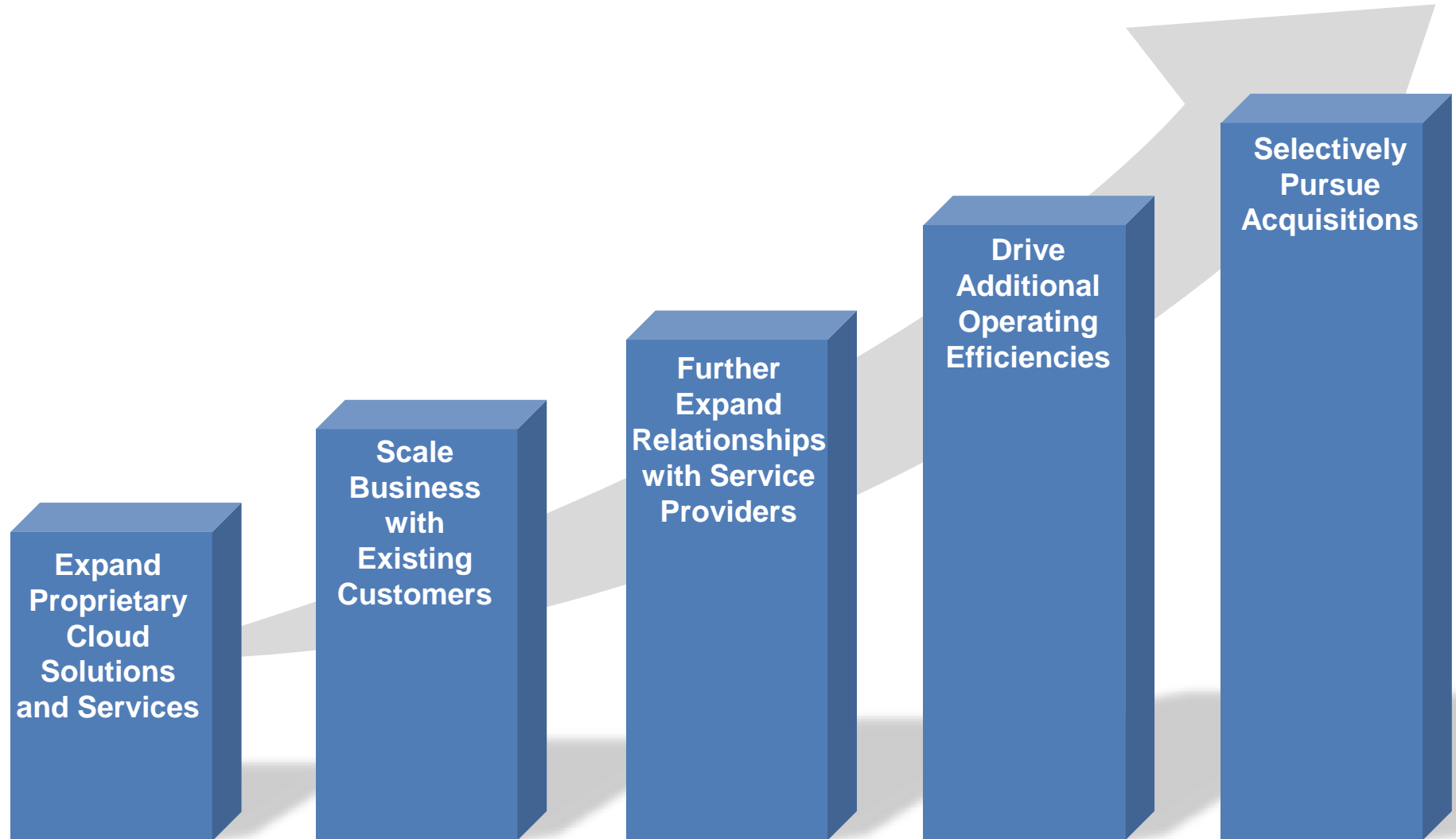


Integration and Deployment

# Growth Strategy & Roadmap

---

*InterCloud Systems Has Multiple Levers For Long-Term Growth and Market Expansion*



# InterCloud's Executive Team

---

Mark  
**Munro**  
Chief Executive Officer  
Chairman of the Board

- Partner Munro Capital Inc., a private equity fund and investor in ICLD. Former Chairman VaultLogix, a cloud based online data and backup company. Founder of Eastern Telecom Inc., a telecom outsourcing business in the 1990s

Tim  
**Larkin**  
Chief Financial Officer

- Executive Vice President and Chief Financial Officer of Warren Resources, Inc. (Nasdaq:WRES) for 19 years. During his tenure, Warren raised over \$700 million in financing from both the public and private sectors and reached a \$1 billion market capitalization.

Frank  
**Jadevaia**  
President

- CEO and Founder of Integration Partners – NY, leading solutions provider to enterprise and service provide markets. VP Sales Nortel Networks, sales and leadership roles at Bay Networks and Wellfleet Communications, multiple venture-backed start-up company experience

Aqeel  
**Asim**  
VP of Cloud Services

- Extensive experience related to networking and cloud technologies in both Enterprise and Service Provider. Prior to ICLD he has worked in senior management positions at Telx and RCN/Sidera, and also worked as network architect at Morgan Stanley, IBM, Cisco and AT&T.

Konstantin  
**Babenko**  
VP of Software  
Development

- Solution Architect to Telcordia Technologies dealing with both OSS/BSS software development and networking/cloud. Focuses on applying cutting edge technologies (Big Data, ML) to TOMs. Holds Ph.D. in computer science for A.I. analysis of telecom traffic patterns/data

# Financial Highlights

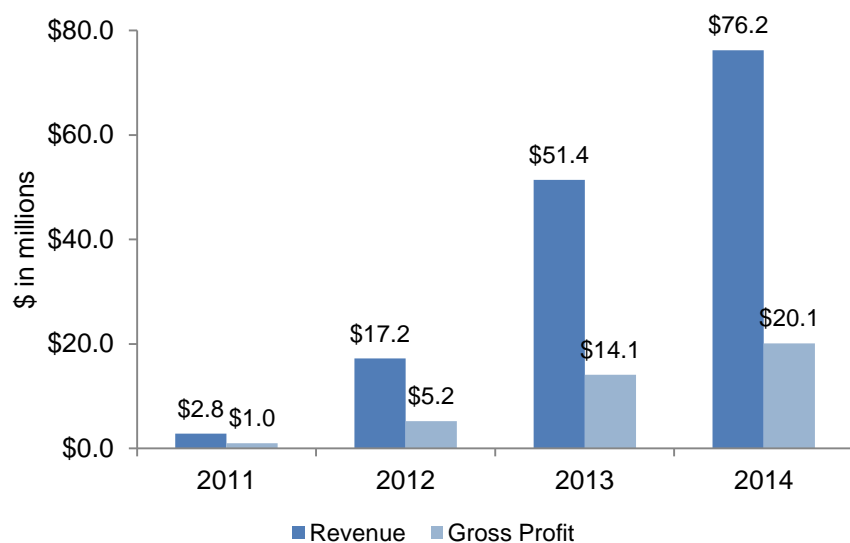
---

- **Strong revenue growth in recent years driven by growth of cloud services and acquisitions**
  - Cloud and Managed Services account for 45% of revenue in Q1 2015, up from 37% in Q1 2014
- **Increasing revenue visibility from recurring revenue**
  - 26% in Q1 2015, up from 7% in Q1 2014
- **Increasing gross margins driven by growth of cloud solutions and services**
  - 35% in Q1 2015, up from 28% in Q1 2014
- **Significant operating leverage**
  - Adjusted EBITDA of \$598,000 in Q1 2015
- **De-leveraging balance sheet**
  - Potential for conversion of related party debt and other debt
  - Higher coupon debt to be repaid with cash flow or refinanced in due course

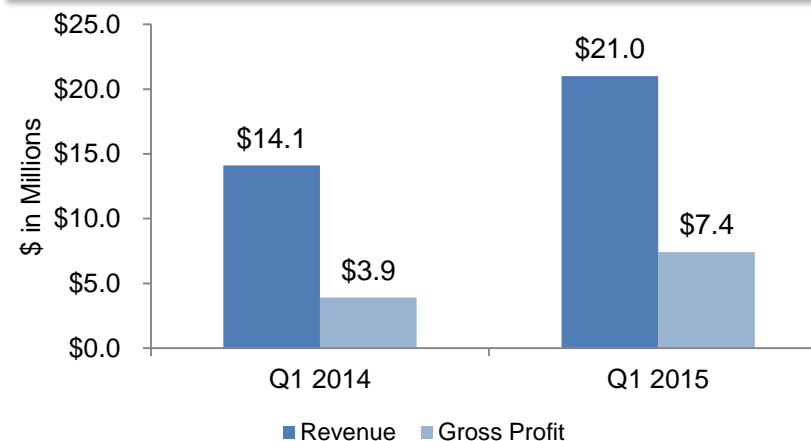


# Financial Highlights

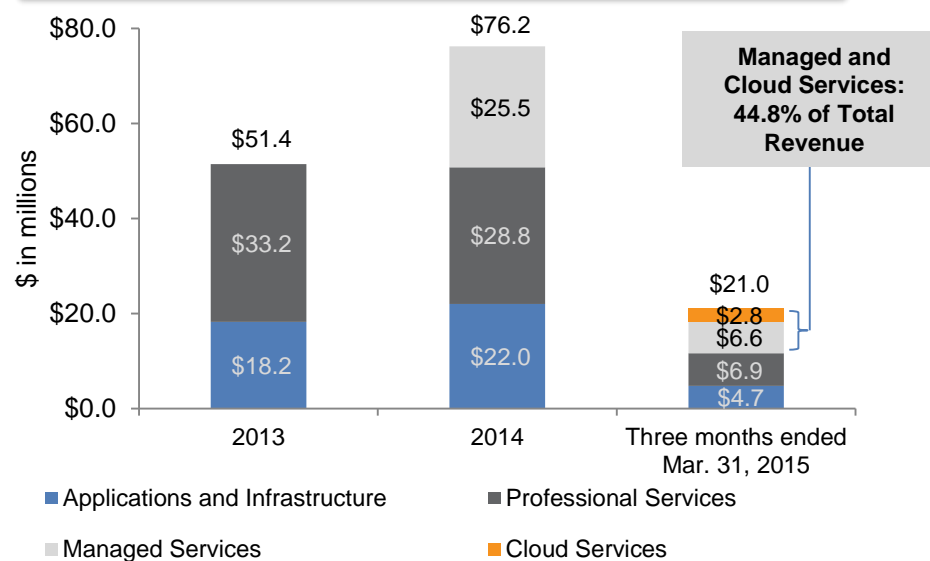
## Historical Performance



## YoY Quarterly Growth – Q1 2015



## Revenue by Segment



# Summary Capitalization Table

## Key Points:

- **Substantial portion of debt is with related parties, unsecured and not a cash burden**
- **Limited short-term debt**

*Millions of USD*

As of March 31, 2015	
Cash	\$4.8
Unsecured	
Related Parties <sup>(1)</sup>	17.9
Private Equity Firms – Former Owners of VaultLogix <sup>(2)</sup>	15.6
Other Unsecured	2.1
Secured:	
White Oak Term Loan <sup>(3)</sup>	12.1
Senior Secured <sup>(4)</sup>	3.8
Total Term Loans and Related Party Payables <sup>(5)</sup>	\$51.5

- (1) Blended rate of 5.2%, no cash interest, due 1/1/2018; Company contemplated converting to equity
- (2) No cash interest, interest rate of 8%, maturing 10/31/2017, convertible at \$6.37 per share
- (3) Secured by assets of VaultLogix, quarterly principal payment of \$500K + cash interest at 12.0%; VaultLogix is servicing the debt with free cash flow
- (4) Secured by assets (excluding VaultLogix), cash interest rate of 12.0%
- (5) The balance is net of debt discount of \$6.5MM

# Fully Diluted Shares Outstanding

*Significant Insider Ownership: Related Parties own 30% on a Fully Diluted Basis*

Security	As of March 31 <sup>st</sup> , 2015	% Fully Diluted
Common Stock Outstanding	19,995,642	73.8%
Outstanding Warrants	1,491,795	5.5%
Convertible Debt - Related Parties	2,795,151	10.3%
Convertible Debt - Non-Related Parties	2,646,282	9.8%
Stock Options	175,000	0.6%
Fully Diluted Shares Outstanding	27,103,870	100.0%

# Target Financial Model

---

Target Model	Q1 2015	Medium Term (1 Year)	Longer Term (> 1 year)
Organic Revenue Growth	49%	20%	20%
Gross Margins %	35%	40%	50%
Operating Expenses %	50%	25%	20%
Operating Income %	(15%)	5%	25%
Adjusted EBITDA %	5%	20%	35%
Adjusted Net Income	N/A	N/A	Positive

# InterCloud Systems Investment Highlights

---



Serving large high growth next generation cloud networking markets



Industry leading solutions that enable customers' cloud platforms



Mix of industry-standard and proprietary open source solutions and services



Large installed base of top tier customers



Significant revenue growth, gross margin improvement and operating leverage opportunity



Experienced management team executing on cloud vision

