



TeraGo

Investor Presentation

August 2020

Networking and Core Infrastructure Solutions for Canadian Businesses

This presentation includes certain forward-looking statements that are made as of the date hereof and are based upon current expectations, which involve risks and uncertainties associated with our business and the economic environment in which the business operates. All such statements are made pursuant to the “safe harbour” provisions of, and are intended to be forward-looking statements under applicable Canadian securities laws. This presentation includes, but is not limited to, forward looking statements regarding the pending new CEO search process undertaken by the Company, TeraGo’s growth strategy, enhancing sales effectiveness, building sales pipeline, broadening sales reach through channel partnerships, higher growth opportunities in 5G, investments redirected to potential 5G services, the Company’s 5G technical and customer trials in advance of launching a fixed wireless 5G business, and options available to leverage spectrum to create greater value for shareholders. By their nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties. When relying on forward-looking statements, whether written or oral, to make decisions with respect to the Company, investors and others should carefully consider the risks, uncertainties and assumptions, including the risk that the Company will be unable to identify and appoint a qualified and suitable new CEO within a reasonable period, TeraGo’s growth strategy and strategic plan will not generate the result intended by management, cross-selling of TeraGo’s cloud services may not succeed, future ISED decisions in upcoming Consultations being unfavourable to the Company, the technical 5G trial the Company is currently conducting may not generate the results intended, the lack of availability of suitable 5G radio equipment, the inability of the Company to successfully launch a 5G fixed wireless business, new market opportunities for 5G may not exist or require additional capital that may not be available to the Company, TeraGo’s Pandemic Response Plan may not mitigate all impacts of COVID-19, current COVID-19 pandemic becoming prolonged and having a material adverse impact on the Company and its operations and 5G trials, and those risks set forth in the “Risk Factors” sections in each of the annual MD&A of the Company for the year ended December 31, 2019 and the MD&A for the three and six months ended June 30, 2020, both available on www.sedar.com. All the forward-looking statements in this presentation are expressly qualified by these cautionary statements and there can be no assurance that the actual results or developments anticipated by the Company will be realized or, even if substantially realized, that they will have the expected consequences for the Company.

Except as may be required by applicable Canadian securities laws the Company does not intend, and disclaims any obligation to update or revise any forward-looking statements, whether oral or written as a result of new information, future events or otherwise.

Adjusted EBITDA

The term "EBITDA" refers to earnings before deducting interest, taxes, depreciation and amortization. The Company believes that Adjusted EBITDA is useful additional information to management, the Board and investors as it provides an indication of the operational results generated by its business activities prior to taking into consideration how those activities are financed and taxed and also prior to taking into consideration asset depreciation and amortization and it excludes items that could affect the comparability of our operational results and could potentially alter the trends analysis in business performance. Excluding these items does not necessarily imply they are non-recurring, infrequent or unusual. Adjusted EBITDA is also used by some investors and analysts for the purpose of valuing a company. The Company calculates Adjusted EBITDA as earnings before deducting interest, taxes, depreciation and amortization, foreign exchange gain or loss, finance costs, finance income, gain or loss on disposal of network assets, property and equipment, impairment of property, plant, & equipment and intangible assets, stock-based compensation and restructuring, acquisition-related and integration costs. Investors are cautioned that Adjusted EBITDA should not be construed as an alternative to operating earnings or net earnings determined in accordance with IFRS as an indicator of our financial performance or as a measure of our liquidity and cash flows. Adjusted EBITDA does not take into account the impact of working capital changes, capital expenditures, debt principal reductions and other sources and uses of cash, which are disclosed in the consolidated statements of cash flows.

Adjusted EBITDA does not have any standardized meaning under GAAP. TeraGo's method of calculating Adjusted EBITDA may differ from other issuers and, accordingly, Adjusted EBITDA may not be comparable to similar measures presented by other issuers. Please refer to the Company's MD&A for the three and nine months ended September 30, 2019 for a reconciliation of net loss to Adjusted EBITDA. Adjusted EBITDA Margin is calculated by dividing Adjusted EBITDA by Revenue in the applicable period.

Backlog MRR

The term "Backlog MRR" is a measure of contracted monthly recurring revenue (MRR) from customers that have not yet been provisioned. The Company believes backlog MRR is useful additional information as it provides an indication of future revenue. Backlog MRR is not a recognized measure under IFRS and may not translate into future revenue, and accordingly, investors are cautioned in using it. The Company calculates backlog MRR by summing the MRR of new customer contracts and upgrades that are signed but not yet provisioned, as at the end of the period. TeraGo's method of calculating backlog MRR may differ from other issuers and, accordingly, backlog MRR may not be comparable to similar measures presented by other issuers.

ARPU

The term "ARPU" refers to the Company's average revenue per customer per month in the period. The Company believes that ARPU is useful supplemental information as it provides an indication of our revenue from an individual customer on a per month basis. ARPU is not a recognized measure under IFRS and, accordingly, investors are cautioned that ARPU should not be construed as an alternative to revenue determined in accordance with IFRS as an indicator of our financial performance. The Company calculates ARPU by dividing our total revenue before revenue from early terminations by the number of customers in service during the period and we express ARPU as a rate per month. TeraGo's method of calculating ARPU has changed from the Company's past disclosures to exclude revenue from early termination fees, where ARPU was calculated as revenue divided by the number of customers in service during the period. TeraGo's method may differ from other issuers, and accordingly, ARPU may not be comparable to similar measures presented by other issuers.

Churn

The term "churn" or "churn rate" is a measure, expressed as a percentage, of customer cancellations in a particular month. The Company calculates churn by dividing the number of customer cancellations during a month by the total number of customers at the end of the month before cancellations. The information is presented as the average monthly churn rate during the period. The Company believes that the churn rate is useful supplemental information as it provides an indication of future revenue decline and is a measure of how well the business is able to renew and keep existing customers on their existing service offerings. Churn and churn rate are not recognized measures under IFRS and, accordingly, investors are cautioned in using it. TeraGo's method of calculating churn and churn rate may differ from other issuers and, accordingly, churn may not be comparable to similar measures presented by other issuers.



24/38 GHz
Spectrum covering ~9.1 billion MHz-Pops

\$47M
Revenue

~3,000
Customers

92%
of Licensed mmWave Spectrum held

\$17M TTM Adj. EBITDA

5 Data Centres

600+
Deployed Towers

\$>3B Enterprise TAM

Leading managed cloud and connectivity solutions provider to mid-sized enterprises and the largest holder of millimeter wave wireless spectrum in Canada

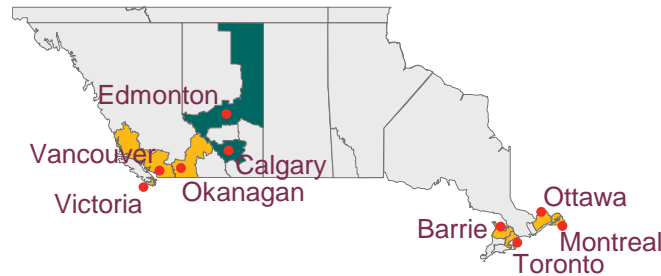
Coverage includes 2,210 MHz of Canada's 6 largest cities and 10M households or ~24M Canadians

~9.1 B
MHz-Pops

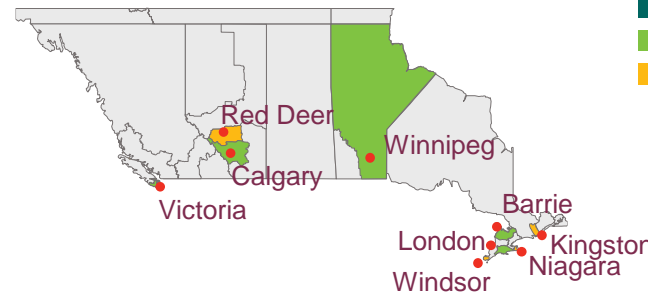
15
Metropolitan Markets

>2/3
Canada's Population

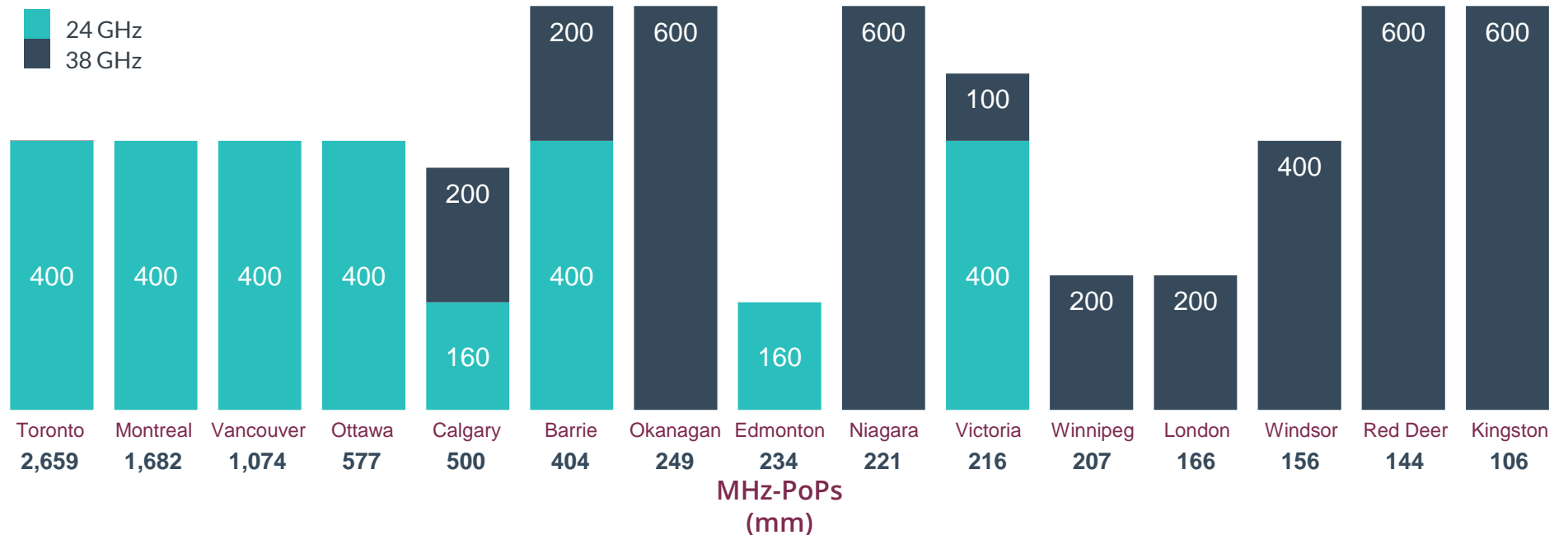
Spectrum Coverage Map
24 GHz (14 of 20 licenses issued)



Spectrum Coverage Map
38 GHz (25 of 27 licenses issued)



- Licenses from 100-199 MHz
- Licenses from 200-299 MHz
- Licenses over 300 MHz

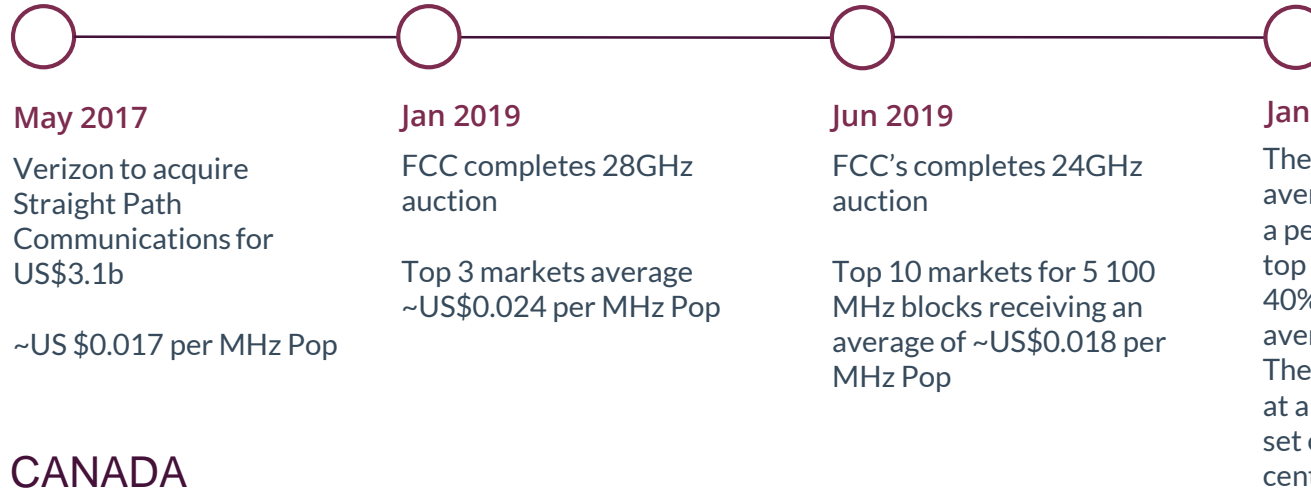


5G Fixed Wireless Access already permitted with a clear path to mobile services

“5G is expected to be a mix of fixed and mobile services in the mmWave bands and there are a variety of different use cases expected to develop once 5G is deployed. ISED has decided to adopt a flexible use licensing model for fixed and mobile services in the 38 GHz band as it will allow licensees to decide whether to deploy fixed systems, mobile systems or a combination of fixed and mobile systems to meet the demands of 5G services.”

– ISED Decision on Releasing Millimetre Wave Spectrum to Support 5G (June 2019)

UNITED STATES



CANADA



Why mmWave for 5G?



Higher Speeds



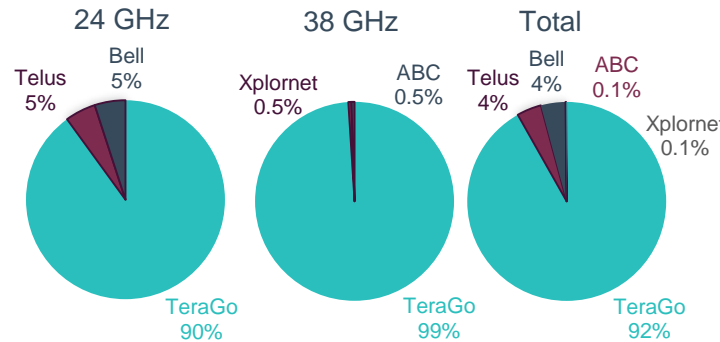
Greater Bandwidth/Capacity



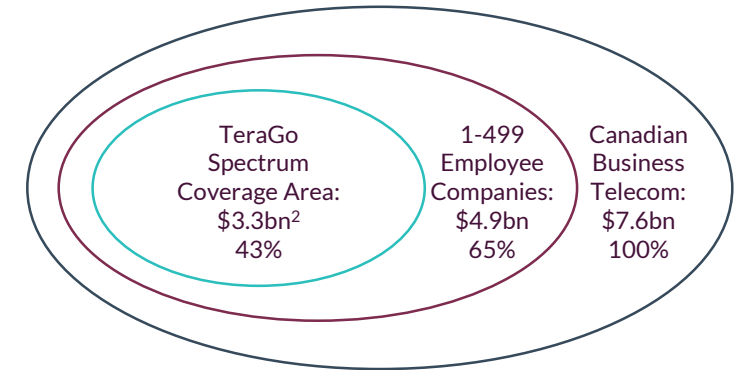
Lower Latency

TeraGo's mmWave assets have scarcity value and provide a time to market advantage

mmWave Spectrum Market Share in Canada (based on MHz-PoPs)



Business Connectivity Total Addressable Market¹

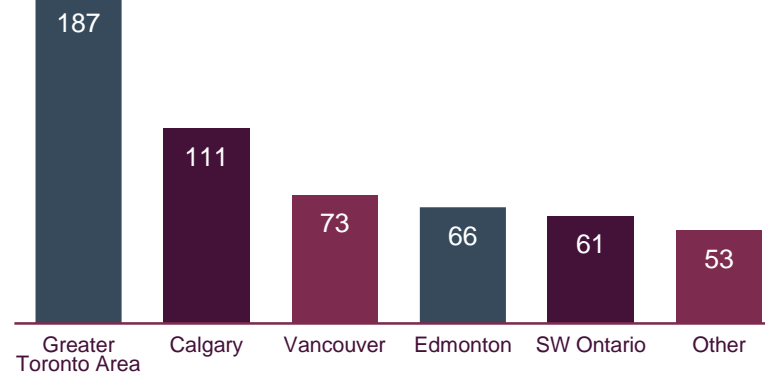


TeraGo Fixed Wireless Footprint



Total Sites: 600+

Fixed Wireless Sites by Key Market



Note: Data as of Q3 '18

1. Canadian Data and Internet Services

2. Includes businesses with 1-499 employees and only includes areas where TeraGo owns spectrum; total addressable market size as of 2018



TeraGo is uniquely positioned to be first carrier in Canada to launch 5G Fixed Wireless Services

5G FWA Trial Underway

- First phase technical trial complete:
 - Up to 700 Mbps per customer end point
 - Latency of 3-4ms
- Second phase technical trial in early 2020:
 - 5G NR equipment
 - Back office and provisioning processes
 - Up to 800 Mbps per customer end point
 - Latency of less than 1ms
- Customer trials in 2020:
 - Enterprise connectivity applications
 - Commence technical trials with partners Nokia and Askey for private 5G networks and dense urban deployments

Other 5G FWA Trials & Deployments





TeraGo

Financial Highlights



Profitable business and positive FCF generation



Building a premier channel and alliance program

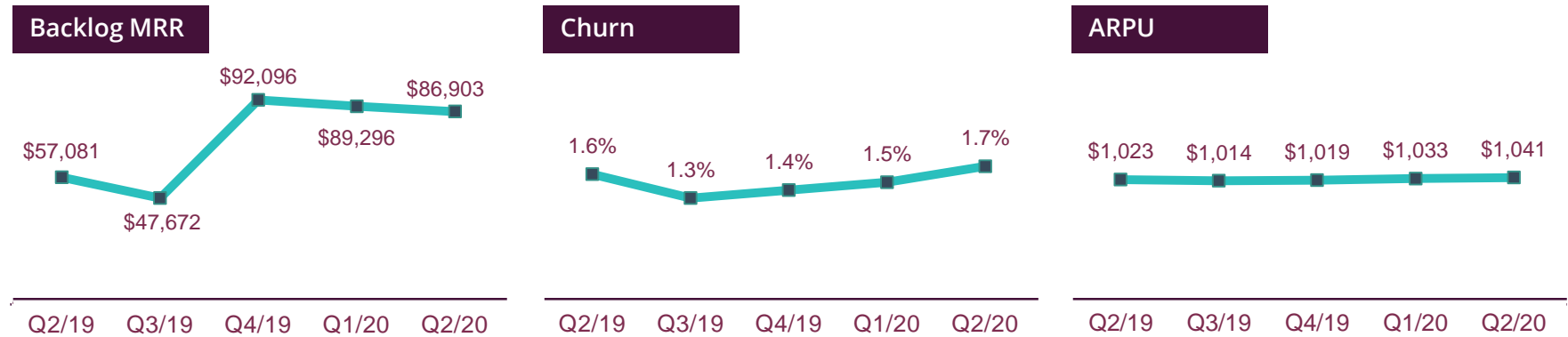


Positioned for 5G fixed wireless



Significant future opportunity leveraging existing fixed wireless footprint

Manage Churn and Create Up-sell Opportunities in Our Customer Base



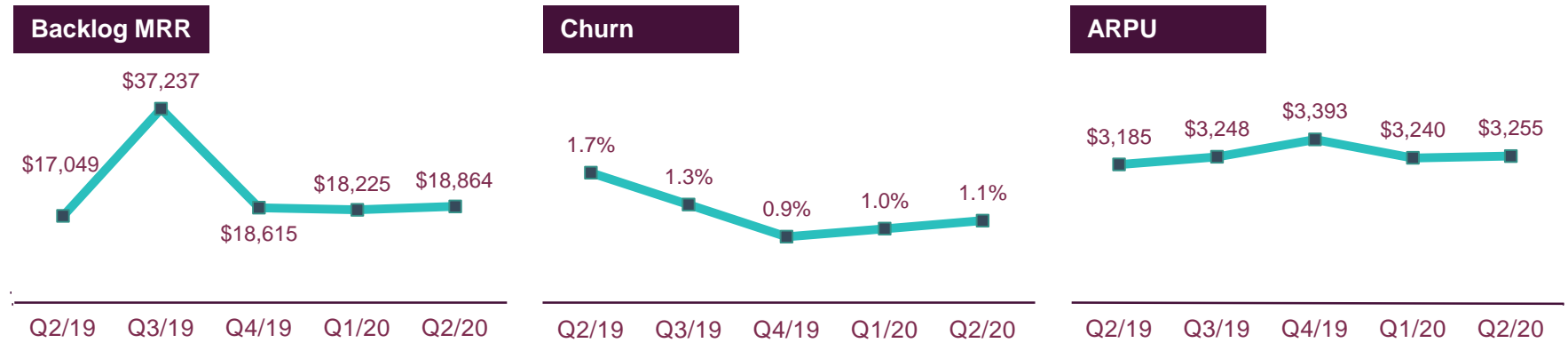
- Onboarding new CHANNELS and Wholesalers – i.e. U.S. customers with operations in Canada
- BUNDLED OFFERINGS to leverage multiproduct customers
- Stabilized Churn and ARPU with a focus on organizational EFFICIENCY and effectiveness



Continued market demand for managed services under the Hybrid IT model

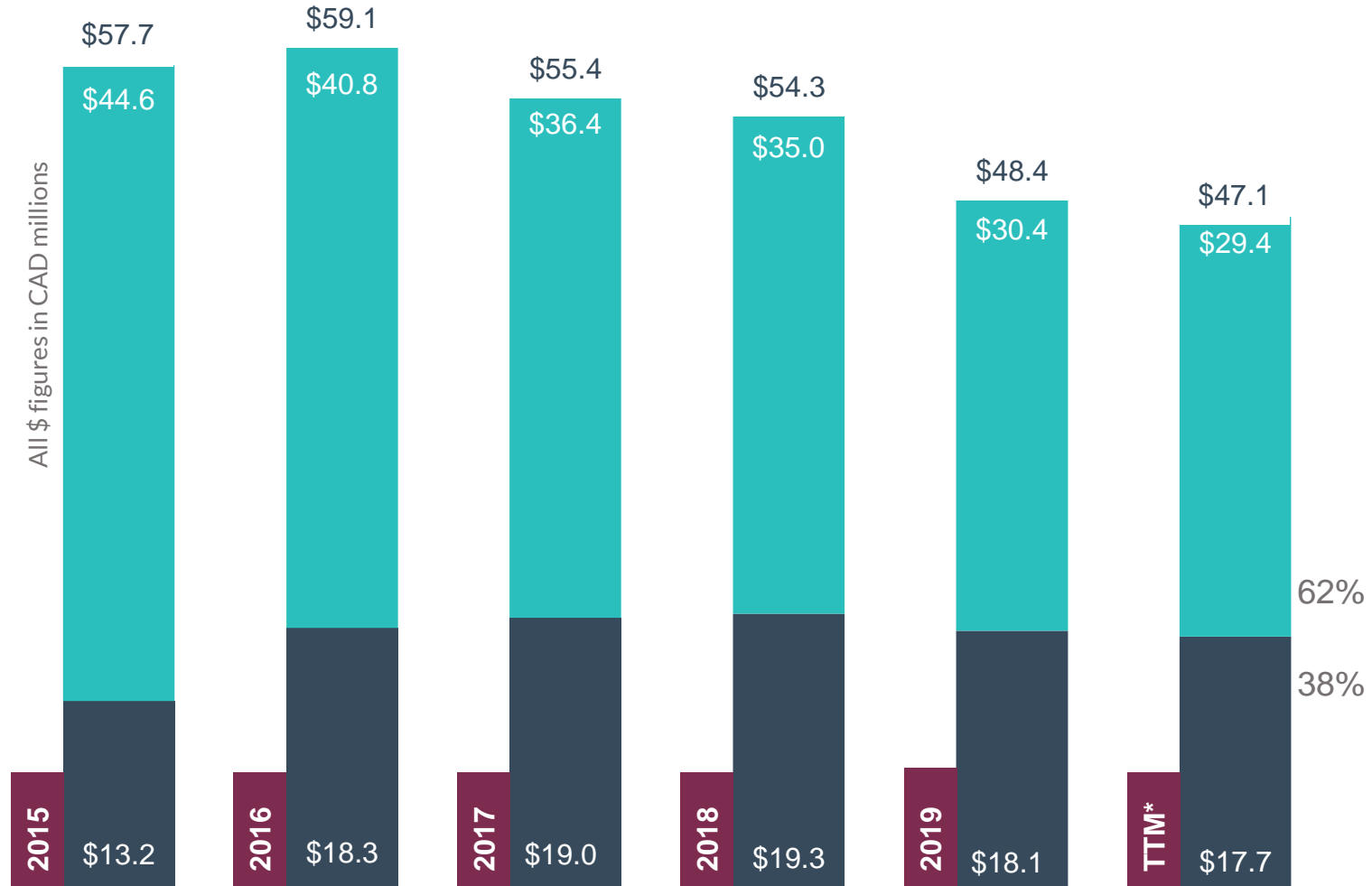


Investing in our Sales Organization to Accelerate Growth and Target the Right Customers



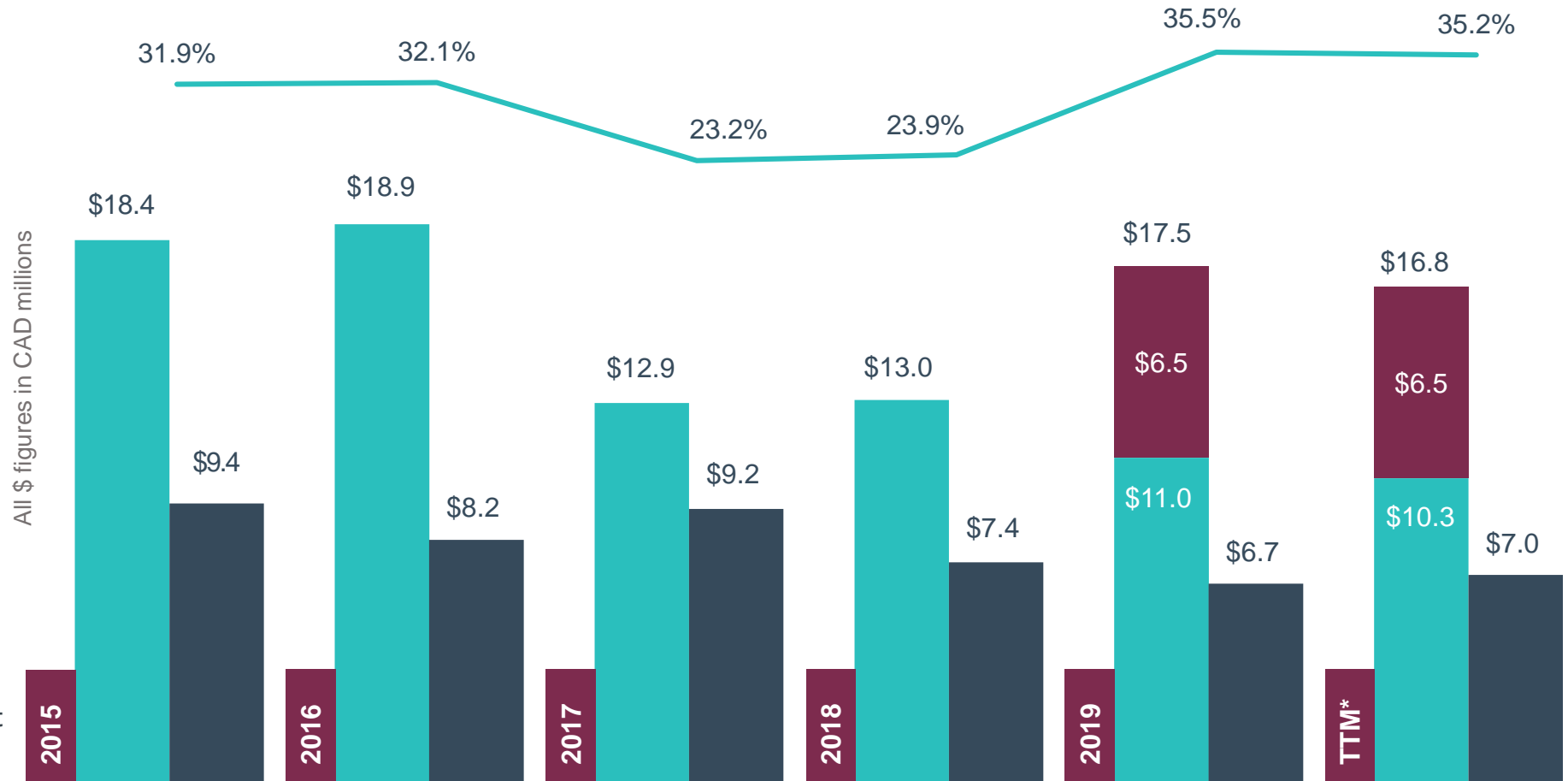
- Onboarding new CHANNELS and Wholesalers – i.e. U.S. customers with operations in Canada
- Recognized in the MAJOR PLAYERS category by IDC for Canadian Data Centre Operations¹
- Data centre CAPACITY allows business to scale without significant capex requirements

¹IDC MarketScope for Canadian Datacenter Operations and Management Service Providers 2019 Vendor Assessment Report



■ Connectivity
■ Cloud and Colocation

* Trailing Twelve Months ended June 30, 2020



All \$ figures in CAD millions

- Adjusted EBITDA Margin
- █ IFRS 16 Adjusted EBITDA Impact
- █ Adjusted EBITDA
- █ Capital Expenditures

* Trailing Twelve Months ended June 30, 2020

Balance Sheet at June 30, 2020 (\$ millions)

Cash and cash equivalents	\$9.3
Unused operating line of credit	\$5.0
Total cash and access to credit	\$14.3
Long-term debt	\$30.0
Operating Leverage	3.05



David Charron

Interim Chief Executive Officer & Chief Financial Officer

David has more than 20 years of financial leadership and experience in the IT services industry. Prior to joining TeraGo, David was CFO and Corporate Secretary at Redknee Solutions Inc. He has also held senior finance positions at Nortel Networks and Descartes Systems Group.



Blake Wetzel

Chief Revenue Officer

Blake has 20 years of strategic leadership experience at leading telecom, Cloud, Data Centre and IT companies. Prior to joining TeraGo, Blake was Principal at his own technology consulting company and has held senior positions at Rackspace and CenturyLink/Qwest Communications



Mark Lau

Vice President, Legal & General Counsel

Over the past 5 years, Mark has led TeraGo's acquisitions of Mobilexchange, RackForce, BoxFabric, AirVM and the Mississauga Data Centre. He is the Company's liaison to ISED and CRTC on spectrum and regulatory matters. Previously spent 5 years at Borden Ladner Gervais LLP.



Duncan McGregor

Vice President, Engineering & Operations

Duncan is a seasoned executive with 20 years of global experience in the technology sector. Prior to joining TeraGo, Duncan served as the Global Vice President of Engineering Operations for Cogeco Peer 1, and held various senior roles at OpenText Corporation.



Geoff Kereluik

Vice President, Sales

Geoff brings an extensive background in the information and communications technology industry, having held several Sales and Marketing Vice President positions at Hewlett Packard and Bell Canada.



Enterprise-Class Cloud, Colocation, and Connectivity



One of Canada's Largest Holders of Millimetre Wave Spectrum



A Clear Growth Opportunity in 5G Fixed Wireless Access



Financial Strength to Fund Growth Strategy



Experienced Management Team Committed to Value Creation

Key Stats as of June 30, 2020 (\$ millions)

Stock symbol	TSX: TGO
Shares outstanding	16.7 million
Price at August 7, 2020	\$7.24
52-week low / high	\$4.00 / \$10.99
Enterprise Value ("EV")	\$137.1 million

TeraGo

Investor Relations

Matt Glover, Gateway Investor Relations

Telephone: 949-574-3860

Email: TGO@gatewayir.com