



TeraGo

Investor Presentation

February 2021

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 TeraGo’s growth strategy, maintaining profitability by sustaining the growth of the core business, enhancing sales effectiveness, large multisite connectivity wins through channels, the Company’s 5G technical and customer trials in advance of launching a fixed wireless 5G business, and continuing to make significant progress with the 5G technical trials. 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 TeraGo’s growth strategy and strategic plan including its channel and alliance program will not generate the result intended by management, 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 the 5G trials, and those risks set forth in the “Risk Factors” sections in the annual MD&A of the Company for the year ended December 31, 2020, which is 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

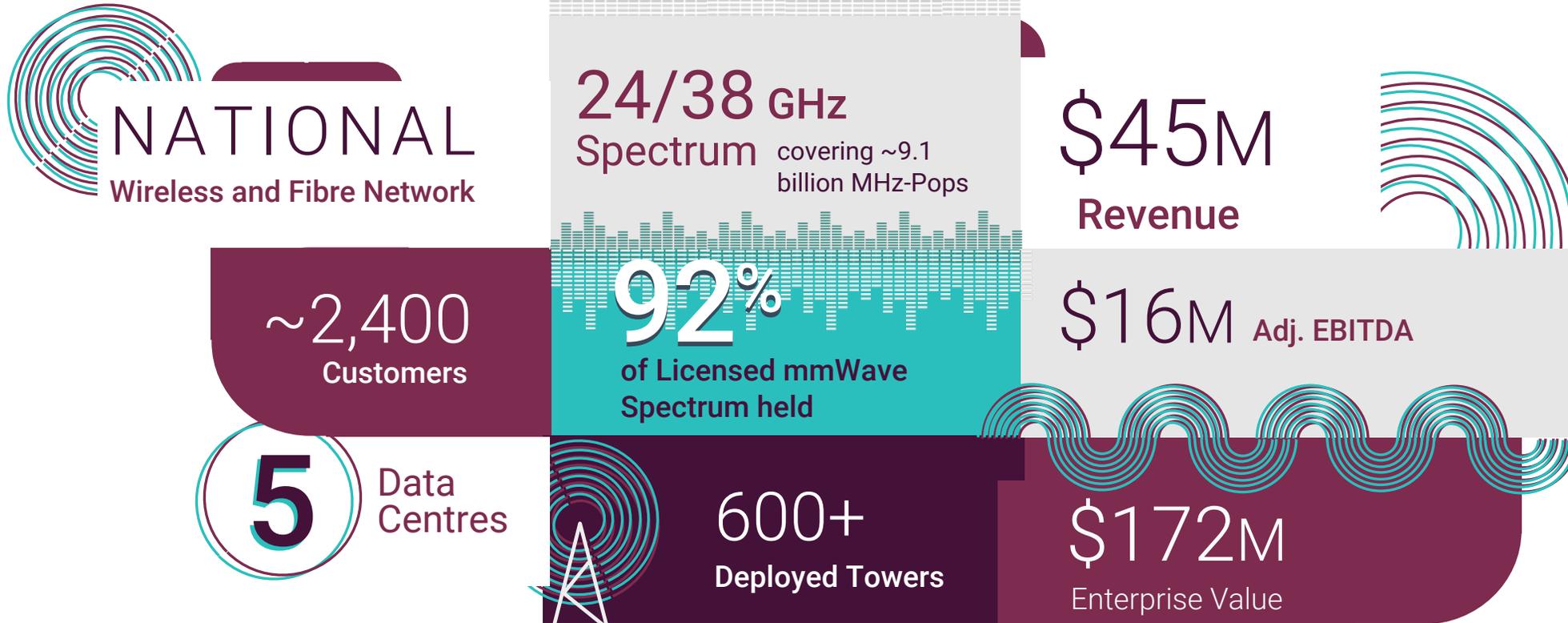
The term "Backlog MRR" is a measure of contracted monthly recurring revenue (MRR) from customers that have not yet been provisioned. The Company believes backlog MRR is useful additional information as it provides an indication of future revenue. Backlog MRR is not a recognized measure under IFRS and 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 previously 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.



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



Expand our existing customer base relationships with new products and services

- *Drive profitable growth in the core business*



Add new mid-sized enterprise customers through channel sales and strategic partnerships

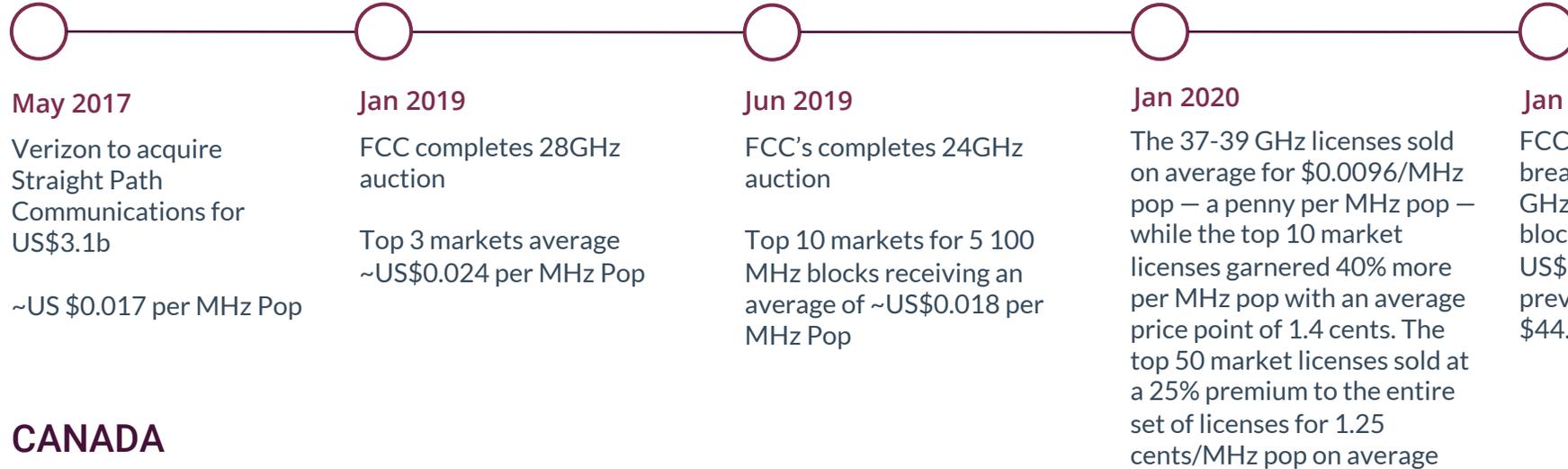
- *Focus on large multisite connectivity wins through channels*



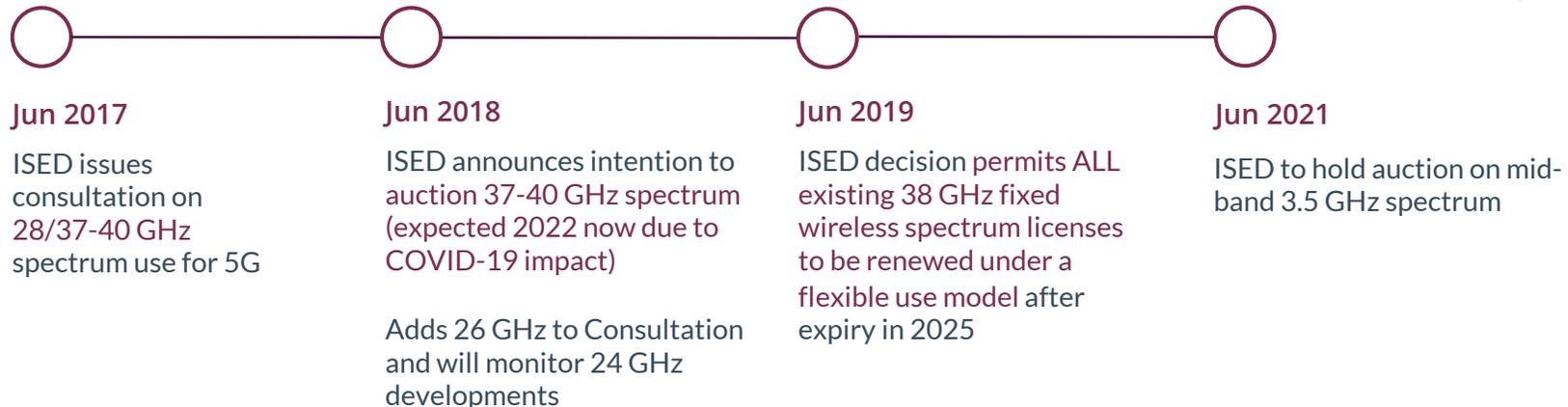
Leverage our 5G spectrum with new fixed wireless access offerings

- *Continue to make significant progress with the 5G technical trials*

UNITED STATES



CANADA



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

Why mmWave for 5G? Higher Speeds Greater Bandwidth/Capacity Lower Latency

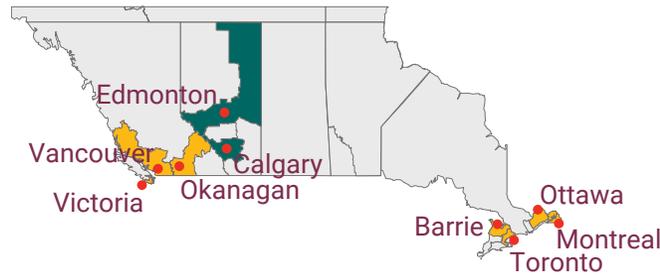
Coverage includes 2,210 MHz of Canada's 6 largest cities and 10M households or ~24M Canadians

~9.1 B
MHz-Pops

15
Metropolitan Markets

>2/3
Canada's Population

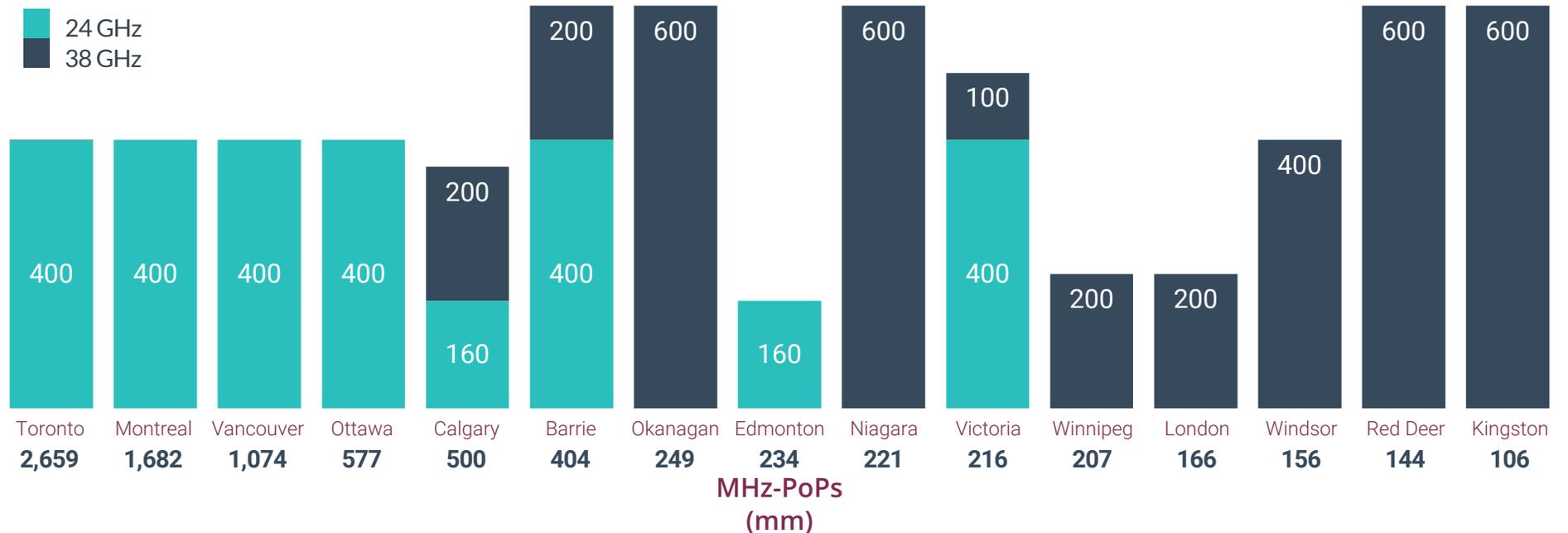
Spectrum Coverage Map
24 GHz (14 of 20 licenses issued)



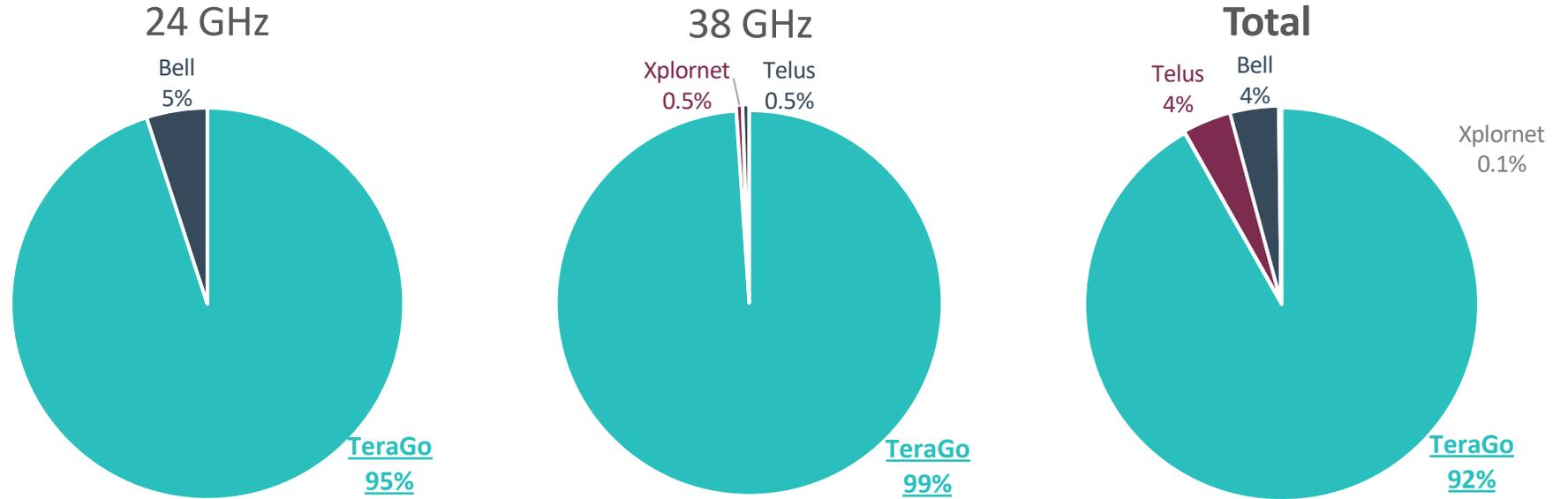
Spectrum Coverage Map
38 GHz (25 of 27 licenses issued)



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



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



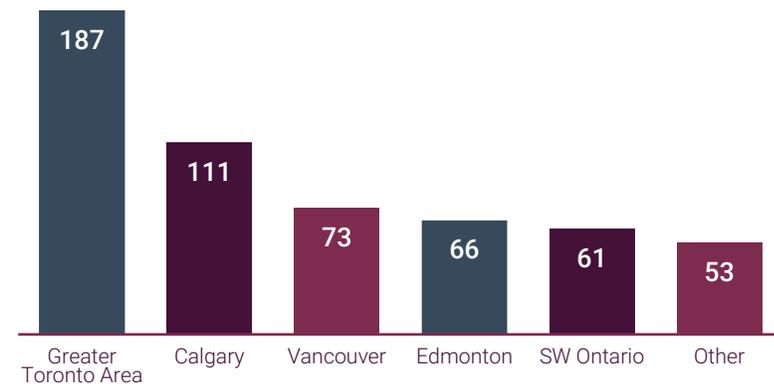
TeraGo's mmWave assets have scarcity value and provide a time to market advantage

TeraGo Fixed Wireless Footprint



Total Sites: 600+

Fixed Wireless Sites by Key Market





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

5G FWA Trial Underway

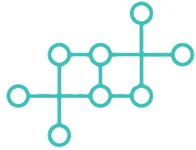
- First phase technical trial complete:
 - Up to 700 Mbps per customer end point
 - Latency of 3-4ms
- Second phase technical trial in early 2020:
 - 5G NR equipment
 - Back office and provisioning processes
 - Up to 800 Mbps per customer end point
 - Latency of less than 1ms
- Technical trials in 2020: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

Other 5G FWA Trials & Deployments





- Improved through-put speeds and increased previous results to **1.5 Gbps**
- Shifted trials to the Mississauga data centre to better leverage the network core and enable edge computing options
- Completed the following infrastructure updates and investments:
 - Modernized data centres to support micro-services and automation to reduce network operation complexity
 - Added dark fibre rings between hubs in different areas as backbone for 5G deployment
 - Upgraded to transit peering connections



Enabled wireline and fixed wireless, Internet Protocol communications network in Canada, providing businesses with high performance, scalable, and secure access and data connectivity services.

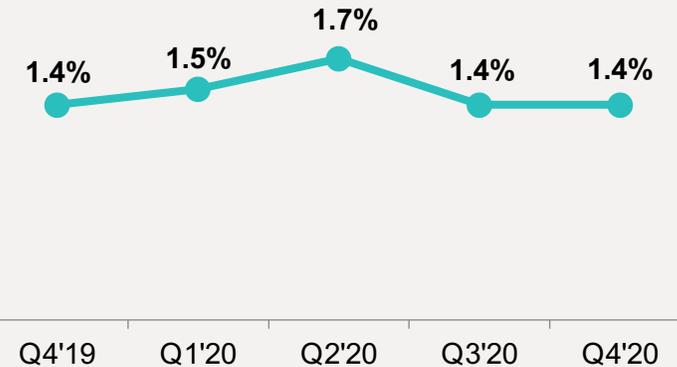
Backlog Monthly Recurring Revenue (\$)



Average Revenue Per User (\$)



Churn Rate (%)



Significant future opportunity leveraging existing fixed wireless footprint



The Cloud offers customized storage and a virtualized computing environment where customers can access on-demand computing without the need to acquire and maintain expensive server equipment



Colocation protects and connects customers information assets and gives them the ability to provision their computing equipment within shared partial cabinets or full, private cabinets, as well as customized caged space designed for their specific needs

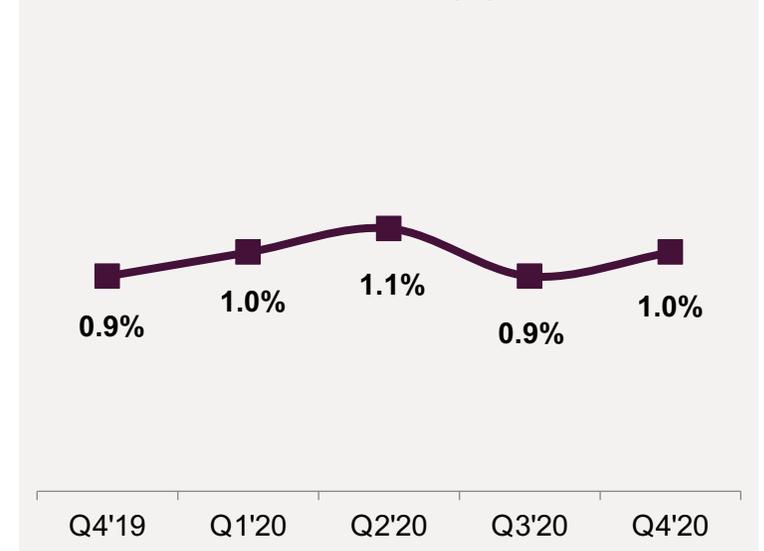
Backlog Monthly Recurring Revenue (\$)



Average Revenue Per User (\$)



Churn Rate (%)



Continued market demand for managed services under the Hybrid IT model



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

Capital Markets Snapshot

Stock symbol	TSX: TGO
Shares outstanding	16.8 million
Price at February 19, 2021	\$7.24
52-week low / high	\$4.00 / \$8.20
Enterprise Value (“EV”)	\$171.2 million

Financials

2020 Revenue	\$45.4 million
2020 EBITDA	\$15.9 million
Total cash and access to credit	\$10.3 million
Long-term debt	\$28.1 million
Operating Leverage	3.2



Matthew Gerber Chief Executive Officer

Matt will be joining TeraGo as CEO after serving on TeraGo's board since June 2016. He is currently CEO at Rohinni LLC, a developer of technology for the mobile device and automotive markets. Matt's wireless and cloud experience includes board member or operating roles at Norand, Itronix, IT-Lifeline, Blue Box Group, 2nd Watch and Vega Cloud.



Blake Wetzel Chief Revenue Officer & Chief Operating 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 7 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.



David Charron 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.



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.



Candice Levy Vice President, People & Culture

Throughout Candice's 15+ year career in Human Resources, Candice has a proven track record of successfully translating business needs into HR strategies driving improved results. Prior to joining TeraGo, Candice was the Organizational Development lead at Jamieson Vitamins, following over a decade as an HR Business Partner at Rogers Communications and Rogers Media.

TeraGo

Investor Relations

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