2018 Q1 Earnings Conference Call

Forward Looking Statements

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 relating to TeraGo’s growth strategy, revenue growth, managing costs in Connectivity to fund growth initiatives in Cloud and Colocation, cross-selling and ups-selling to large existing customer base, investing to accelerate growth, expectations on data centre capacity utilization improvement through 2018, backlog MRR remains robust, connectivity showing signs of stabilization, 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 there will be delays in new product launches impacting sales, retention and churn reduction efforts decreasing profit margins, churn rates increasing, the Company not being able to realize the anticipated benefits from execution of its growth strategy, TeraGo’s “go-to-market” strategy may not materialize, trends in the global cloud and data centre sectors may not be accurately projected, the outcome of the ISED 5G Consultation may not be favourable to the Company, the partnership with AWS not resulting in a favourable outcome, those risks set forth in the “Risk Factors” section in our annual MD&A for the year ended December 31, 2017 available on www.sedar.com and other uncertainties and potential events. In particular, if any of the risks materialize, the expectations, and the predictions based on them, of the Company may need to be re-evaluated. Consequently, all of the forward-looking statements in this presentation are expressly qualified by these cautionary statements and other cautionary statements or factors, contained herein, 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.

Non-GAAP Measures

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 months ended March 31, 2018 and 2017 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.

TONY CICIRETTO

PRESIDENT & CHIEF EXECUTIVE OFFICER

TeraGo: Strategy Update

REVENUE GROWTH

- Q1'18 revenue of $13.7M million declined 3.8% YoY
- Stabilize the Connectivity business
  - ARPU increasing with a shift to higher value customers
  - Churn is stable
- Growth in Cloud and Colocation
  - Large customer partially provisioned in Q1'18
  - Launched managed services for AWS Cloud

ADJUSTING FOR IMPACT OF IFRS 15, CLOUD AND COLOCATION REVENUE GREW 4.7% FROM Q1'17

PROFITABILITY

- Q1'18 net loss of $1.3M or ($0.09) per share, and Adjusted EBITDA of $3.1M
- Focus on managing costs in Connectivity to provide margin and predictable cash flow to fund growth initiatives in Cloud and Colocation
- Improved data utilization to drive Adjusted EBITDA margin growth
- New value-added products and services

ADJUSTED EBITDA MARGIN OF 23% IN Q1'18

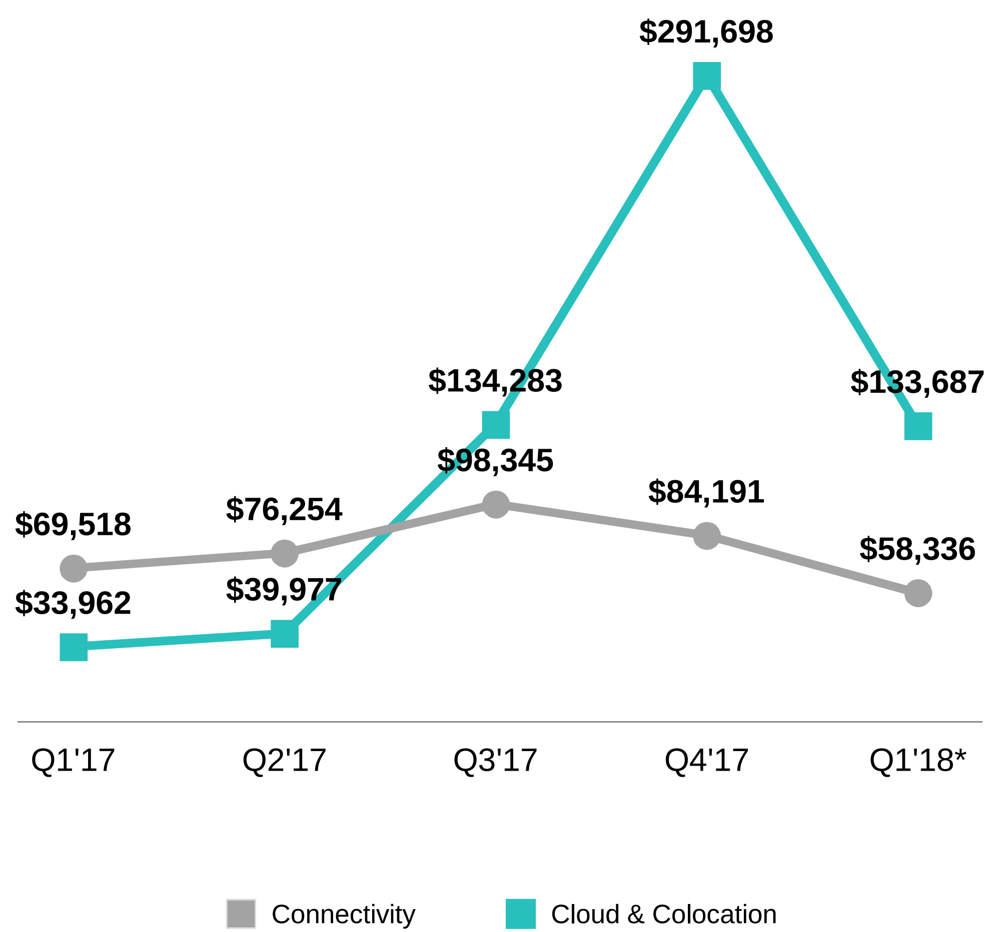
LEVERAGE PLATFORM

- National communications network and data centres
- Cross-sell and up-sell to large existing customer base
- Leverage wireless network and spectrum
- Submitted comment letter to ISED on their overall approach and planned activities for spectrum over the next 5 years

AWAITING ISED DECISION ON 38 GHZ SPECTRUM FOR 5G

Backlog MRR

Backlog Monthly Recurring Revenue ($)

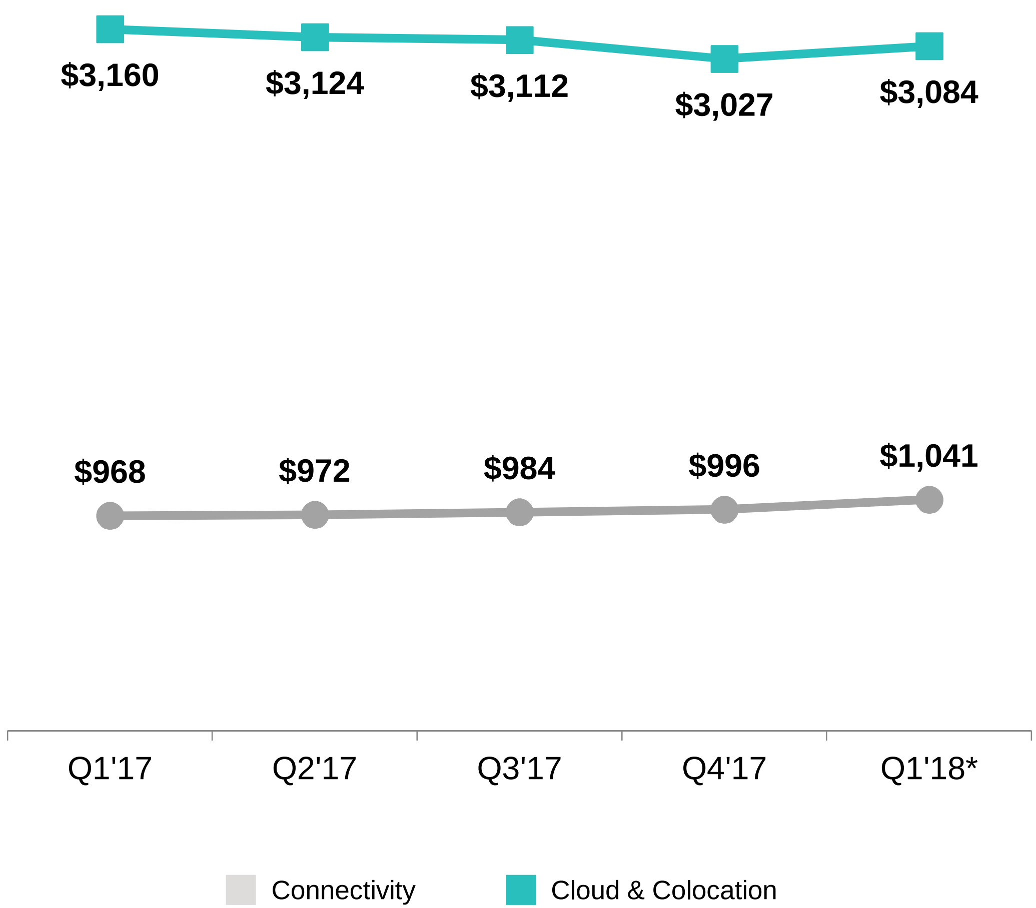


- Cloud and Colocation backlog MRR of $133,687 at the end of Q1’18 compared to $33,962 at the end of Q1’17, driven by growth in customer sales bookings
- Connectivity backlog MRR was $58,336 at the end of Q1’18 compared to $69,518 at the end of Q1’17
- Connectivity backlog MRR decline is driven primarily by bookings and the timing of customer provisioning

*Reclassification of certain revenue from cloud and colocation to connectivity under IFRS 15

ARPU

Average Revenue Per User ($)

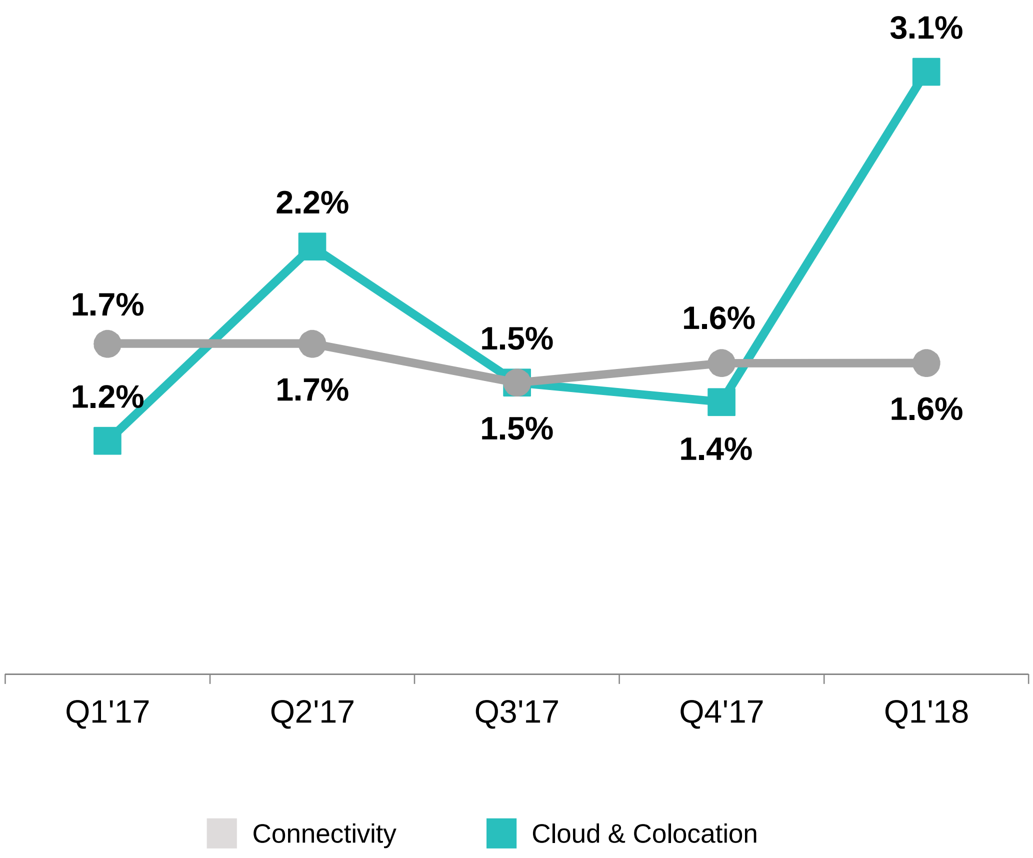


- Adjusting for the impact of IFRS 15, cloud and colocation ARPU would have been $3,282 in Q1’18, or growth of 3.9%, reflecting the partial provisioning of large new customers and planned churn of lower value cloud customers
- Adjusting for the impact of IFRS 15, connectivity ARPU would have been $1,005 in Q1’18, representing growth of 3.8% from the prior year period
- Connectivity ARPU has increased driven by the continued churn of low value ARPU customers, as well as the impact of the adoption of IFRS 15

*Reclassification of certain revenue from cloud and colocation to connectivity under IFRS 15

Churn

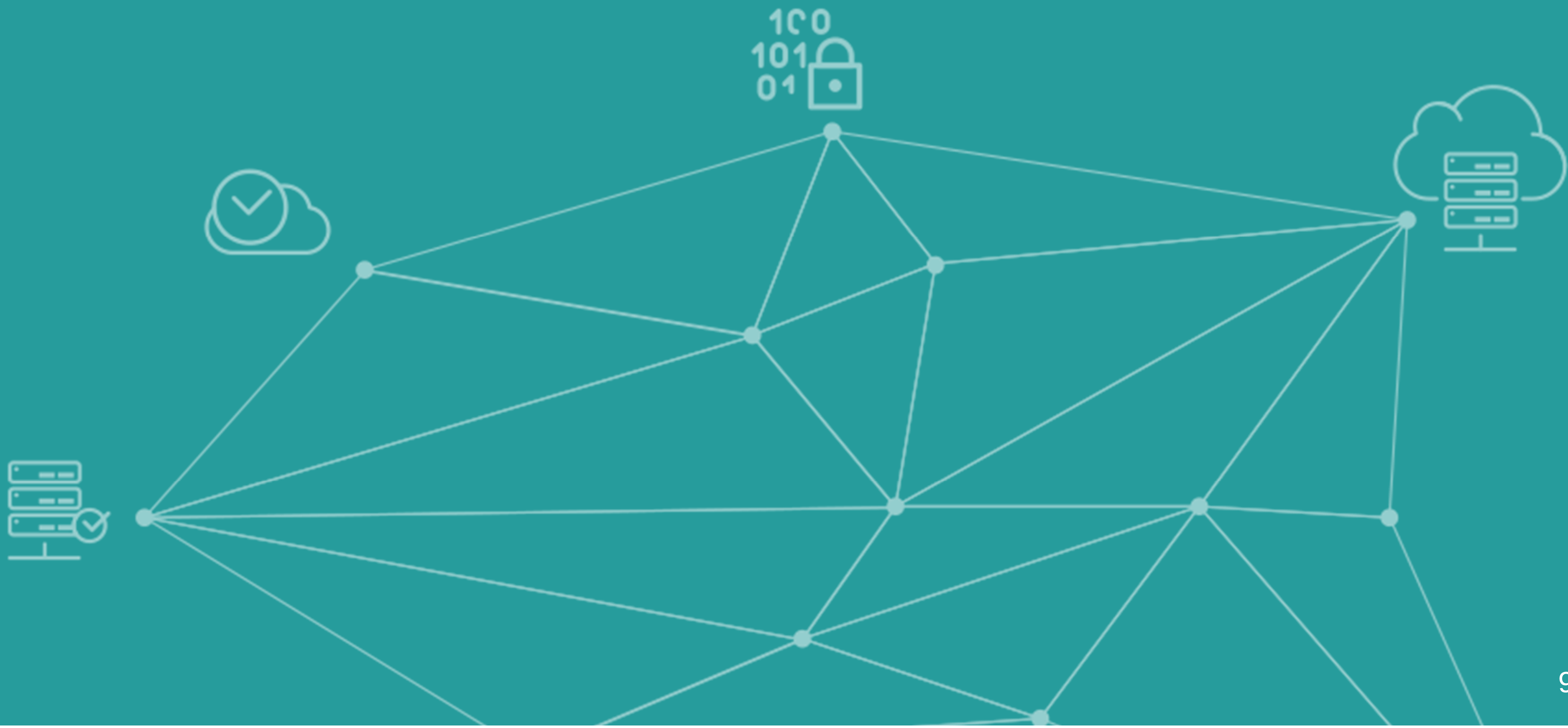
Churn Rate (%)



- Cloud and Colocation churn of 3.1% in Q1’18 compared to 1.2% in Q1’17
- The increase in cloud and colocation churn is largely as result of low value customer churn on legacy and end of life services that the Company has decided to cease in Q1’18
- Excluding the planned churn, cloud and colocation churn was 1.7%
- Connectivity churn has been stable at 1.6% in Q1’18 compared to 1.7% in Q1’17

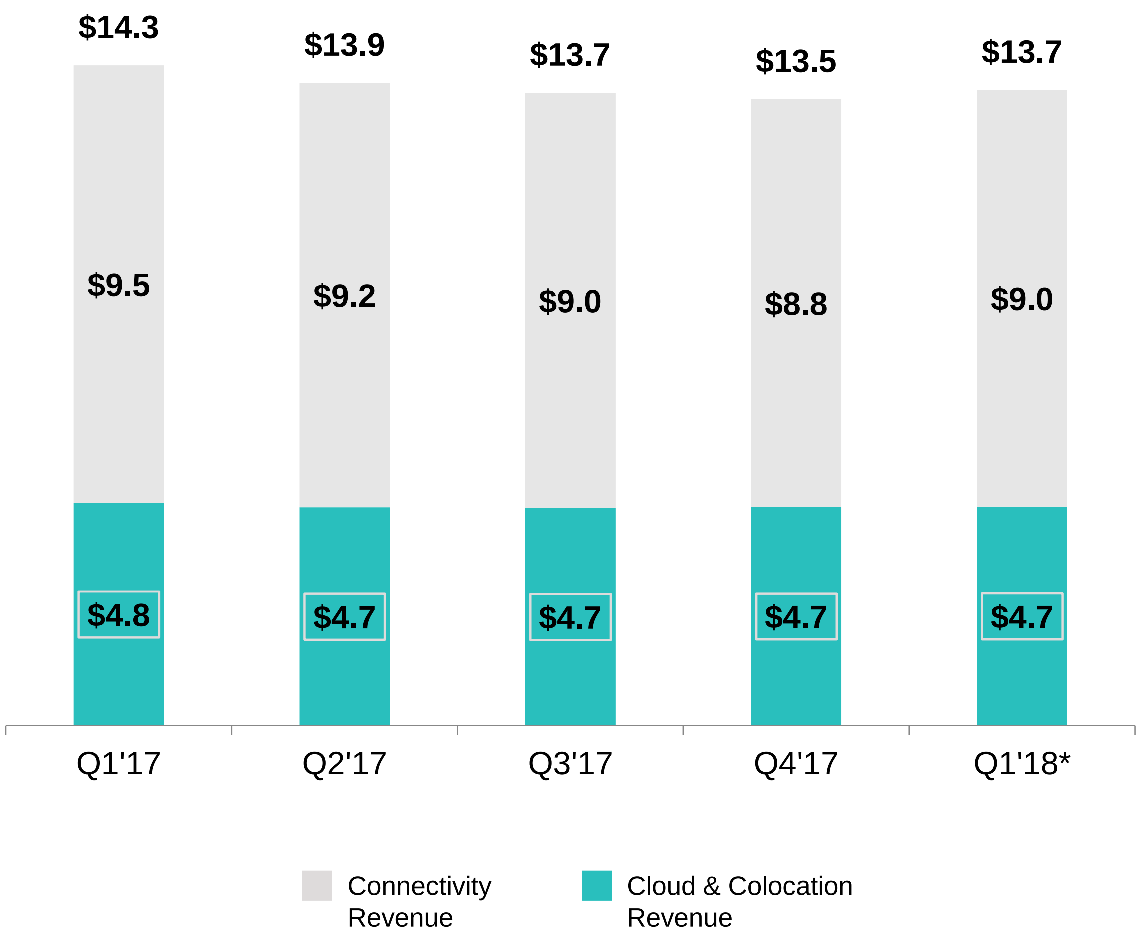
DAVID CHARRON

CHIEF FINANCIAL OFFICER



Revenue

Revenue ($ millions)

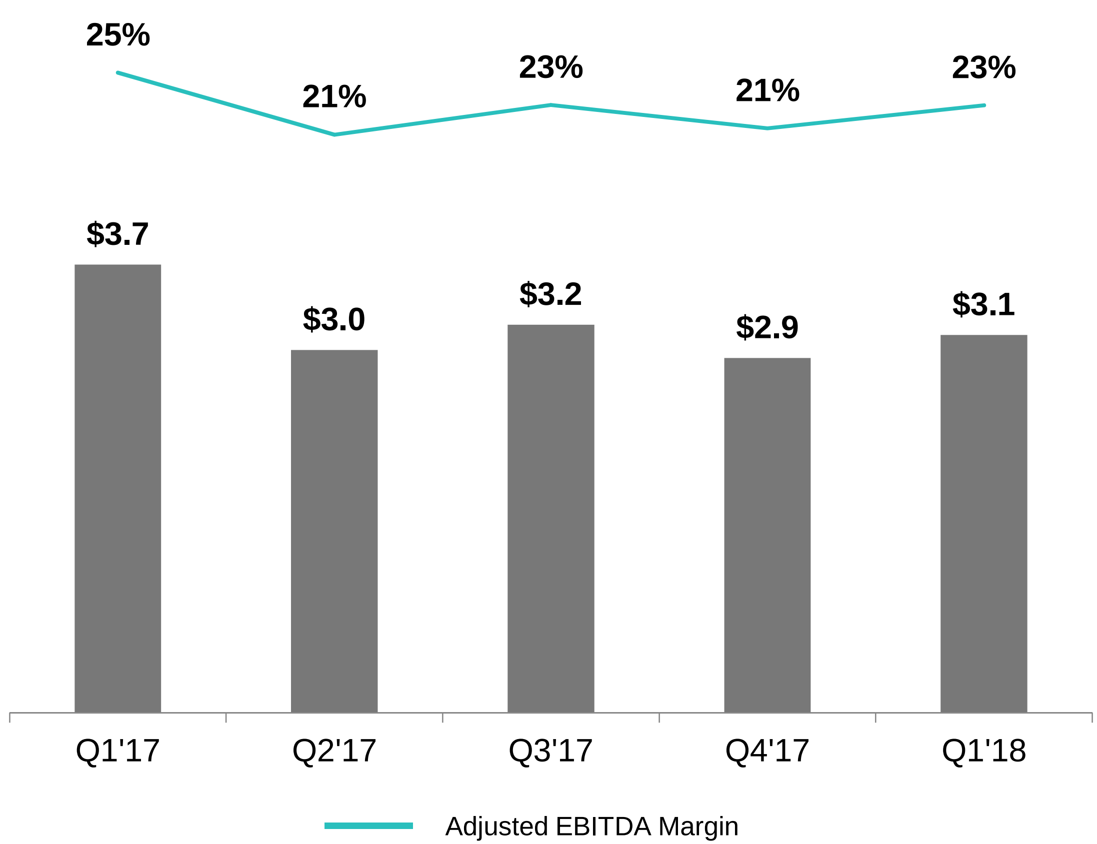


- Cloud and Colocation revenue declined by 1.7% in Q1'18 compared to Q1'17
- Adjusting for the reclassification of revenue under IFRS 15, cloud and colocation revenue would have been $5.0M, an increase of 4.7% compared to Q1'17
- Connectivity revenue decreased 4.8% in Q1'18 compared to Q1'17
- Adjusting for reclassification under IFRS 15, connectivity revenue would have been $8.7M, a decrease of 8.0% from Q1'17
- Total revenue decreased 3.8% to $13.7M in Q1'18, compared to $14.3M in Q1'17

*Reclassification of certain revenue from cloud and colocation to connectivity under IFRS 15

Adjusted EBITDA

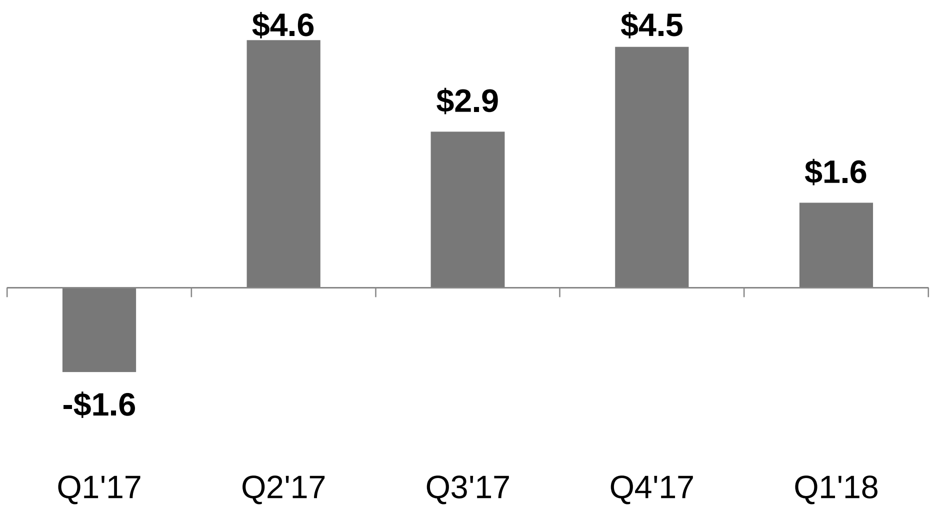
Adjusted EBITDA ($ millions)



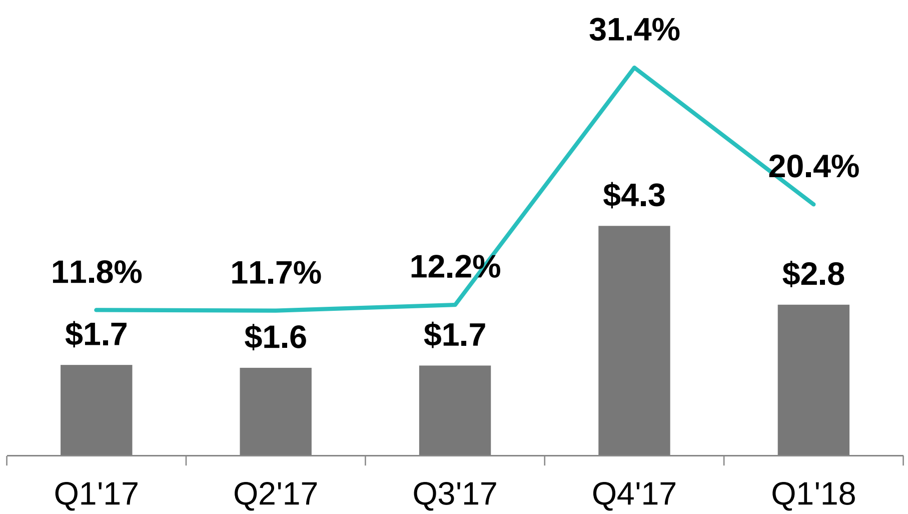
- Adjusted EBITDA decreased to $3.1M in Q1’18 compared to $3.7M in Q1’17 driven by lower revenue and increases in other operating expenses partially offset by lower overall salary and related costs
- Adjusted EBITDA margin was 23% in Q1’18 compared to 25% in Q1’17
- SG&A was $7.7M in Q1’18 compared to $7.7M in Q1’17

Capital Expenditures & Liquidity

Operating Cash Flow ($ millions)



Capital Expenditures ($ millions)



- Cash generated from operating activities of $1.6M in Q1’18 compared to cash outflows of $1.6M in Q1’17
- Capital expenditures of $2.8 million, or 20% of revenue
- Increased capital expenditures to support higher backlog and investments to accommodate the roll-out of AWS infrastructure and managed services
- Cash flows tend to be seasonally lower in the first quarter due to a number of contractual commitments that are paid out
- Balance sheet highlights:
  - Cash balance of $4M
  - Unutilized $10M operating line
  - Acquisition facility of $25M
- Leverage at 2.93x adjusted EBITDA, below our covenant of 3.5x

TeraGo Summary

Building for Growth

- Backlog MRR in Cloud and Colocation remains robust
- Connectivity showing signs of stabilization
- Launch of AWS Managed and Professional Services

Operating Leverage

- Data centre capacity utilization to continue to improve through 2018
- Significant headroom for further growth without requiring a large capital investment

Value Creation

- Positive cash flow over the past year while we’re reinvesting in the business
- Options available to leverage spectrum to create greater value for shareholders

TeraGo is a leading Canadian Managed Cloud and Connectivity Solutions company