TeraGo

2018 Q3 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, connectivity pipeline for larger multi-site deployments, managing costs to fund growth initiatives, expectations on data centre capacity utilization improvement through 2018, the outcome of the 5G trial using Phazr equipment, options available to leverage spectrum to create greater value for shareholders, expectations on industry activity increasing including upcoming auctions for 5G wireless spectrum, and the planned acquisition (the “MSI Acquisition”) of Mobilexchange Spectrum Inc. and Mobilexchange Spectrum Holdings Inc. 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, 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 inability to satisfy closing conditions contained in the share purchase agreement for the MSI Acquisition, the technical 5G trial the Company is currently conducting may not generate the results intended, new market opportunities for 5G may not exist or require additional capital that may not be available to the Company, and 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. 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.

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 and nine months ended September 30, 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 Q3/18 Overview

Connectivity

- Positive trends in APRU and Churn continued
- Encouraging pipeline for larger multi-site deployments

Cloud and Colocation

- Double digit growth aided by a one-time customer termination fee
- Focus on selling additional services to existing customers

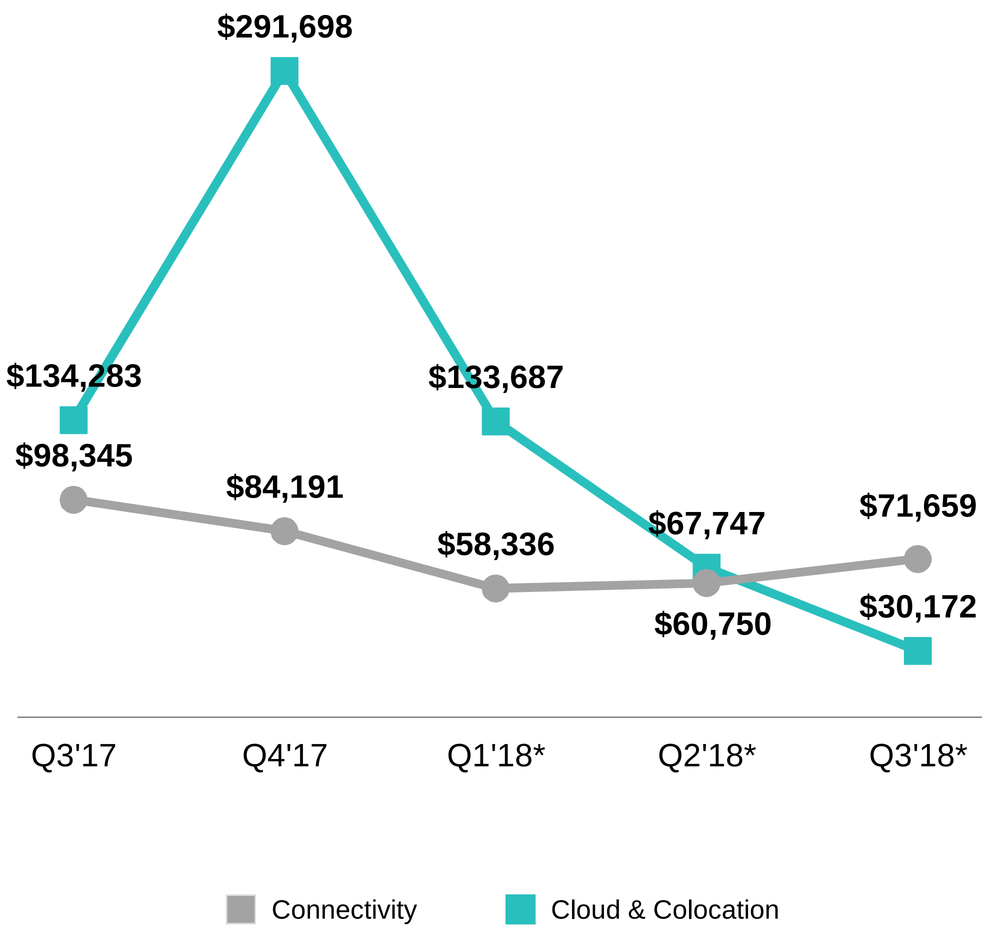
Profitability

- Adjusted EBITDA margin of 26% vs 23% in the prior year period demonstrates operating leverage

Focused on managing costs while strategically investing in growth initiatives

Backlog MRR

Backlog Monthly Recurring Revenue ($)

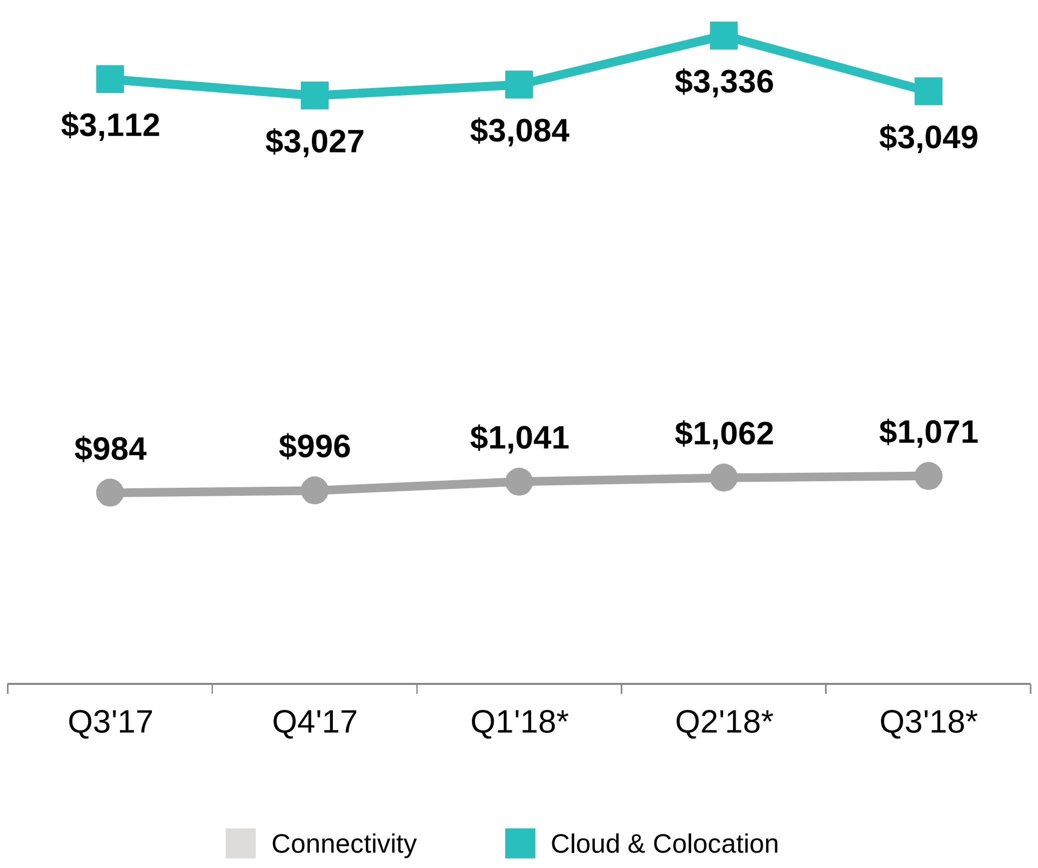


- Cloud and Colocation backlog MRR of $30,172 at the end of Q3’18 compared to $134,283 at the end of Q3’17, driven by the provision of large colocation customers acquired in prior quarters partially offset by new backlog
- Connectivity backlog MRR was $71,659 at the end of Q3’18 compared to $98,345 at the end of Q3’17
- 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 ($)

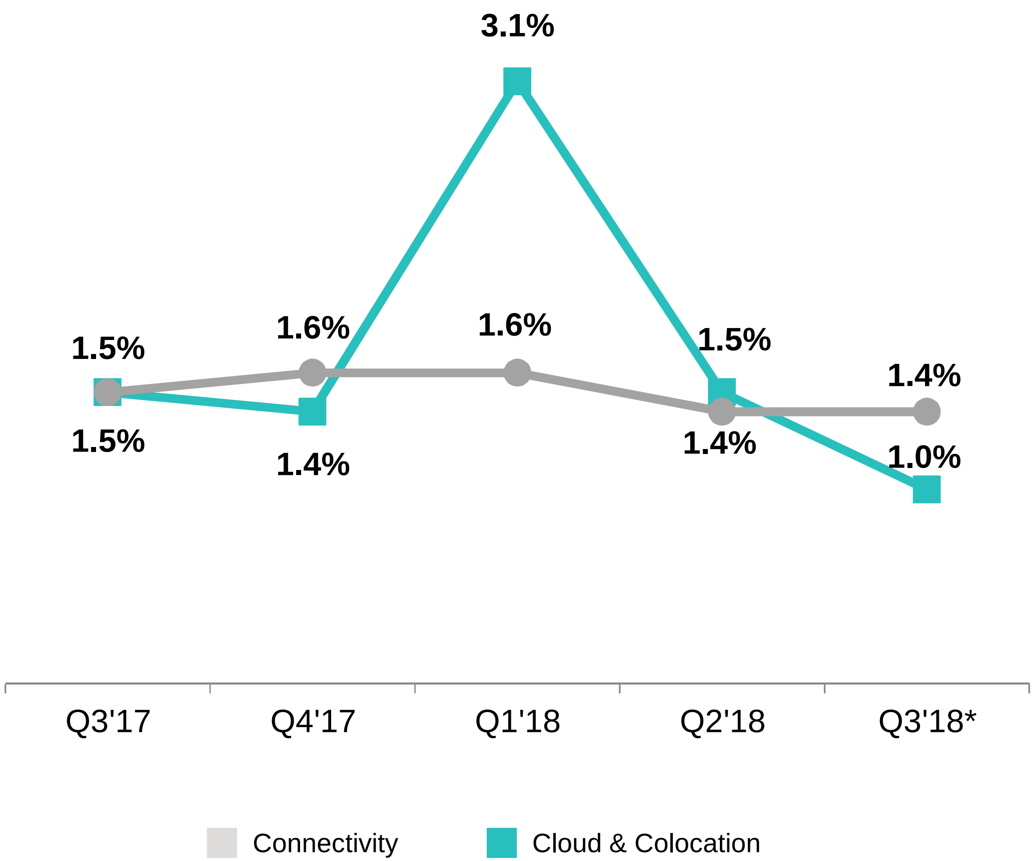


- Excluding the impact of IFRS 15, cloud and colocation ARPU would have been $3,358 in Q3’18, or growth of 7.9% compared to the prior period, reflecting the provisioning of large new customers and planned churn of lower value cloud customers
- Adjusting for the impact of IFRS 15, connectivity ARPU would have been $1,015 in Q3’18, representing growth of 3.1% from the prior year period
- Connectivity ARPU has increased driven by the continued churn of low value ARPU customers

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

Churn

Churn Rate (%)



- Cloud and Colocation churn of 1.0% in Q3’18 compared to 1.5% in Q3’17
- Connectivity churn has been stable at 1.4% in Q3’18 compared to 1.5% in Q3’17
- Development of a robust customer experience framework have helped to reduce the rate of churn in both business segments

Leverage Assets to Unlock Hidden Value

- Acquisition of Mobilexchange deepens 24 GHz license coverage in Canada’s 6 largest cities covering 3.1B MHz-Pop

- 5G Technical Trial in the GTA using Phazr equipment

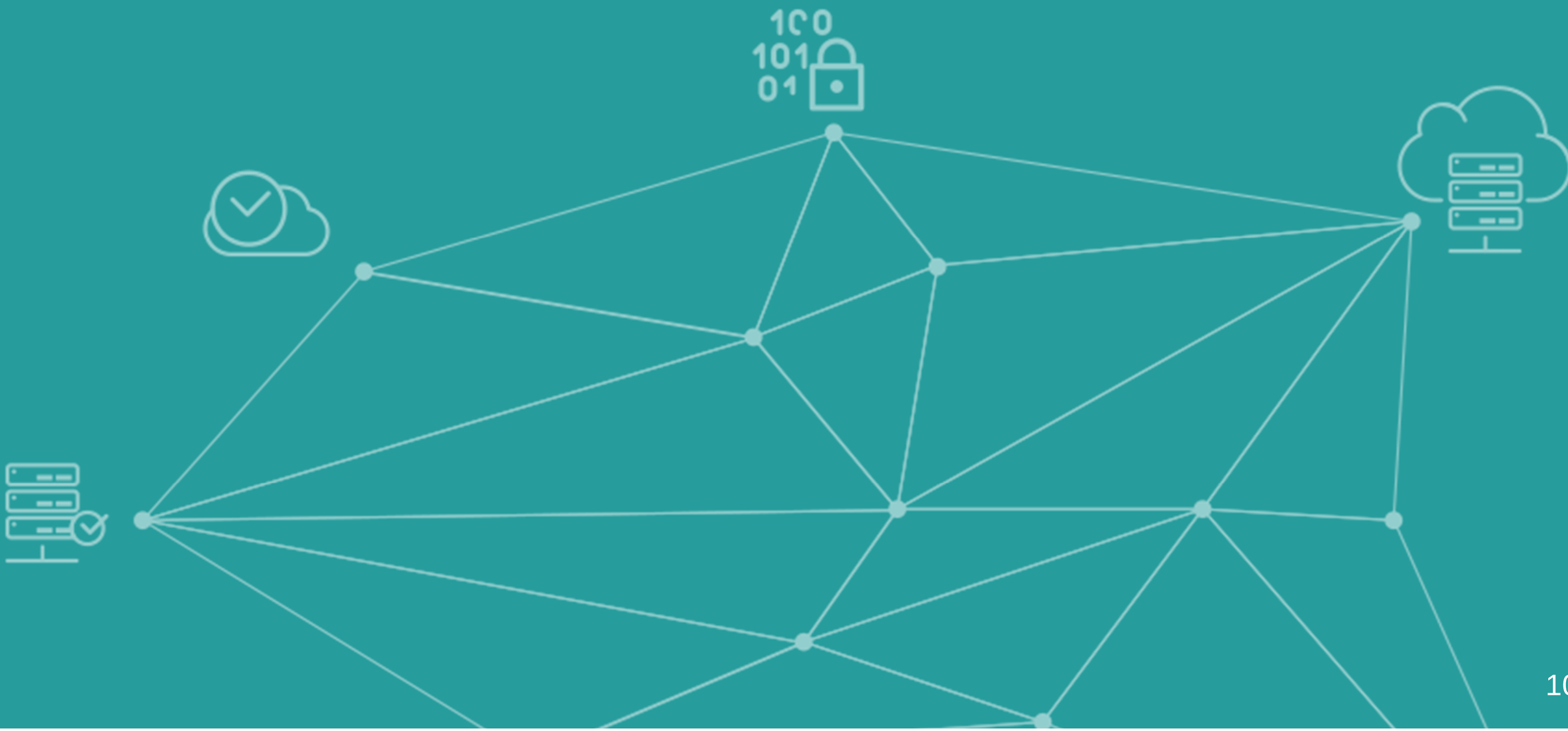
- FCC to begin 28 GHz 5G spectrum auctions in the United States on November 14 with 24 GHz auctions to follow

Strategically use our 38/24 GHz spectrum bandwidth to enhance competitiveness and increase shareholder value

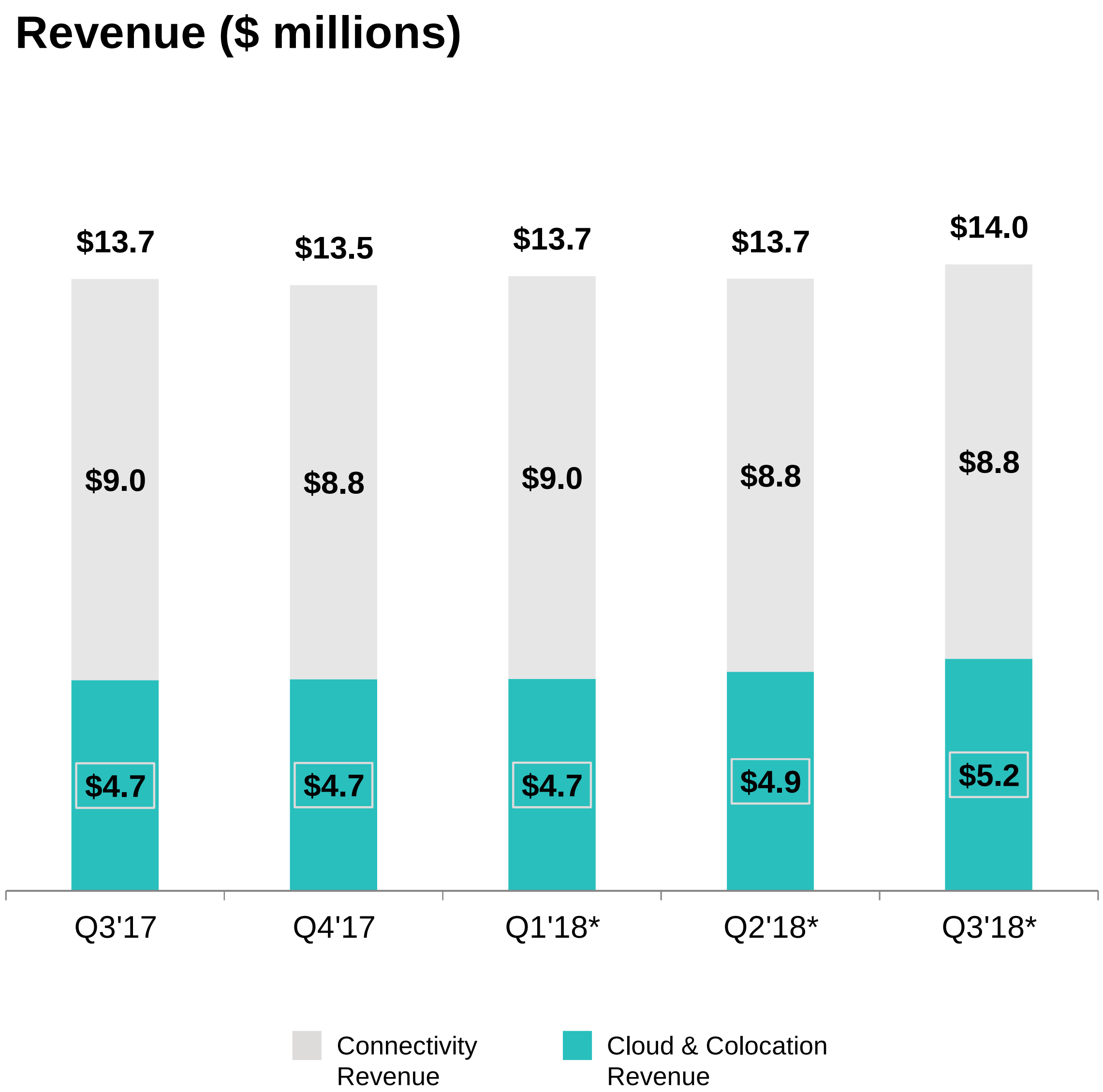
TeraGo’s 38/24 GHz Spectrum covers ~8.6 billion MHz Pops in Canada

DAVID CHARRON

CHIEF FINANCIAL OFFICER



Revenue

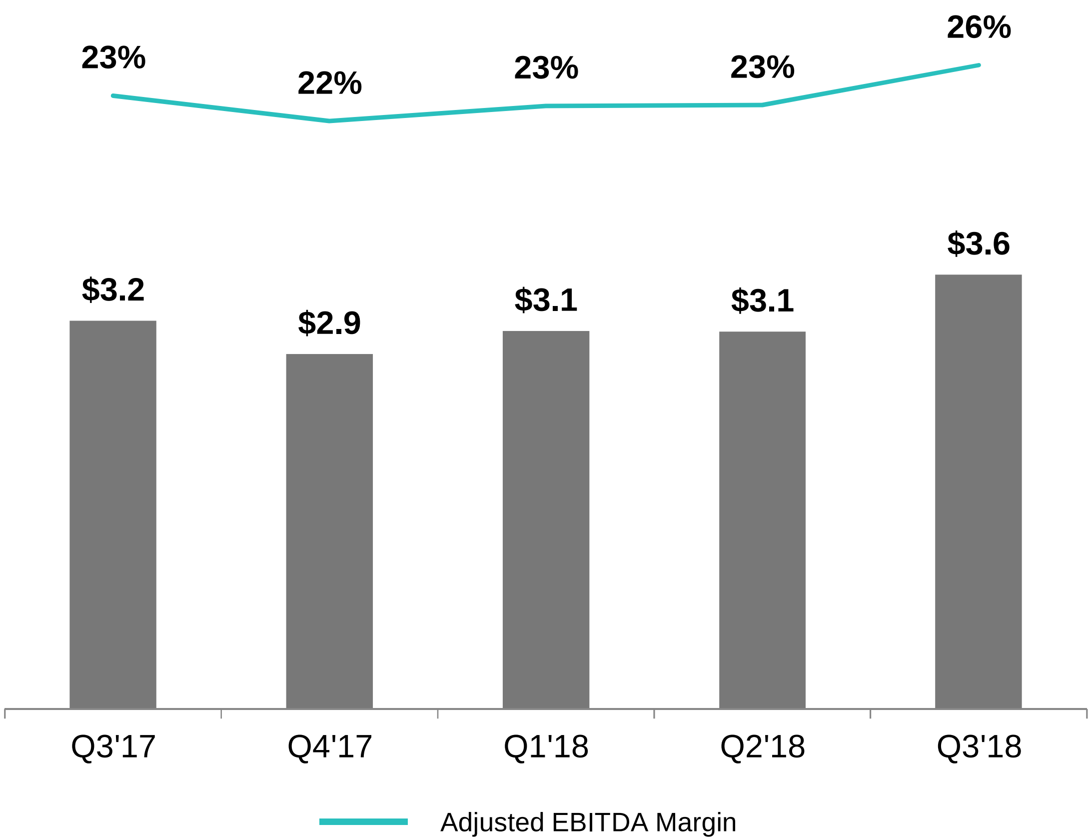


*Reclassification of certain revenue from cloud and colocation to connectivity under IFRS 15

- Cloud and Colocation revenue increased by 10.3% in Q3’18 compared to Q3’17
- Increase was attributable to the beneficial impact of non-recurring revenue
- Adjusting for the reclassification of revenue under IFRS 15, cloud and colocation revenue would have been $5.6M, an increase of 19.4% compared to Q3’17
- Connectivity revenue decreased 1.8% in Q3’18 compared to Q3’17
- Adjusting for reclassification under IFRS 15, connectivity revenue would have been $8.4M, a decrease of 6.8% from Q3’17
- Total revenue decreased 2.4% to $14.0M in Q3’18, compared to $13.7M in Q3’17

Adjusted EBITDA

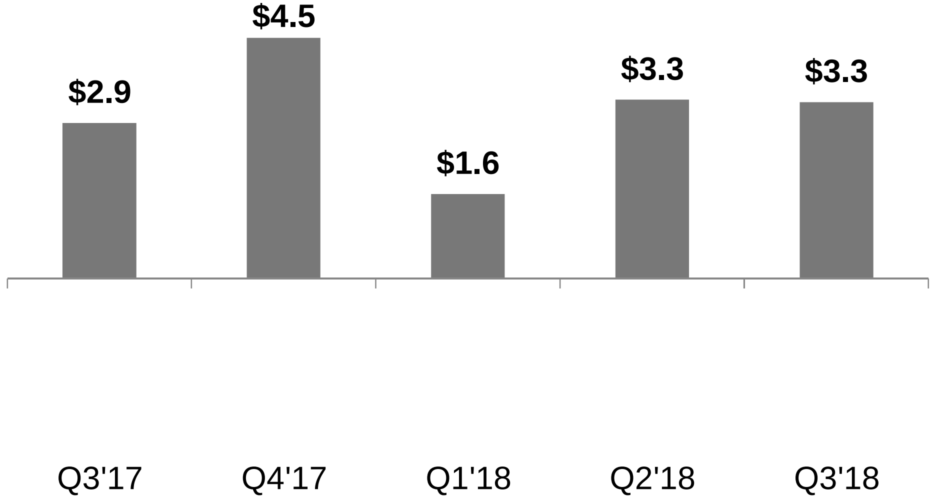
Adjusted EBITDA ($ millions)



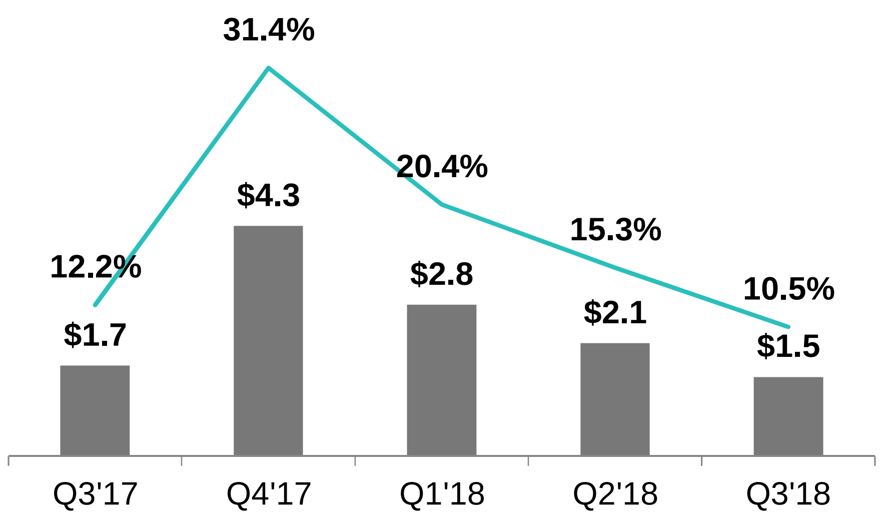
- Adjusted EBITDA increased to $3.6M in Q3’18 compared to $3.2M in Q3’17 primarily driven by higher revenue
- Adjusted EBITDA margin was 26% in Q3’18 compared to 23% in Q3’17
- SG&A was $7.4M in Q3’18, an increase from $7.3M in Q3’17

Capital Expenditures & Liquidity

Operating Cash Flow ($ millions)



Capital Expenditures ($ millions)



- Cash generated from operating activities of $3.3M in Q3’18 compared to cash outflows of $2.9M in Q3’17
- Capital expenditures of $1.5million, or 10.5% of revenue
- Capital expenditures returning back to normalized levels after new customer provisions and the launch of AWS infrastructure and managed services
- Completed a bought deal equity offering for net proceeds of $6.1M with
- Acquisition of Mobilexchange for $5.7 million expected to close in Q4’18
- Balance sheet highlights:
  - Cash balance of $9.5M
  - Unutilized $10M operating line
  - Acquisition facility of $25M
- Leverage at 2.65x adjusted EBITDA, below our covenant of 3.5x

TeraGo Summary

Building for Growth

- Stabilizing Connectivity
- 5G Technical Trial Underway

Operating Leverage

- Focus on managing cost
- Significant headroom for further growth without requiring a large capital investment

Value Creation

- Positive free cash flow in Q3
- Acquisition of Mobilexchange strengthens position as the largest 24 and 38 GHz fixed wireless spectrum holder in Canada

TeraGo is a leading Canadian Managed Cloud and Connectivity Solutions company