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# Latin America Wireless Infrastructure

October 10<sup>th</sup>, 2018

A preliminary short prospectus containing important information relating to these securities has been filed with the securities regulatory authorities in each of the Provinces of Canada, other than Quebec. The preliminary short form prospectus is still subject to completion or amendment. Copies of the preliminary short form prospectus may be obtained from Raymond James. There will not be any sale or any acceptance of an offer to buy the securities until a receipt for the final prospectus has been issued.

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Forward-looking statements reflect Tower One’s current views with respect to expectations, beliefs, assumptions, estimates and forecasts about the Company’s business and the industry and markets in which the Company operates. Forward-looking statements are not guarantees of future performance and involve risks, uncertainties and assumptions which are difficult to predict. Assumptions underlying the Company’s expectations regarding forward-looking statements contained in this presentation include, among others, statements regarding the Offering, the Company’s ability to comply with applicable governmental regulations and standards, the Company’s success in implementing its strategies and achieving its business objectives, the Company’s ability to raise sufficient funds from equity financings and debt instruments in the future to support its operations and general business and economic conditions. The above list of assumptions is not exhaustive.

All forward-looking statements contained in this document are qualified by the foregoing cautionary statements, and there can be no guarantee that the results or developments that management of the Company anticipate will be realized or, even if substantially realized, that they will have the expected consequences or effects on the Company’s business, financial condition or results of operation. Unless otherwise noted or the context otherwise indicates, the forward-looking statements contained in this document are provided as of the date of this presentation, and the Company does not undertake to update or amend such forward-looking information whether as a result of new information, future events or otherwise, except as may be required by applicable law.

# Tower One Introduction

## Tower One Overview

**TOWER ONE** is an **owner / operator of wireless infrastructure** focused on the three largest Spanish speaking countries in Latin America: Argentina, Colombia and Mexico

The Company **focuses solely on a Build-to-Suit (“BTS”) strategy** for Mobile Network Operators (“MNOs”) in the regions it serves

BTS means a **long-term site lease is in hand before construction begins**, generating attractive contractual returns

Tower One is managed by seasoned tower industry experts who have a collective proven track record of **building over 2,000 towers in the Company’s focus markets**

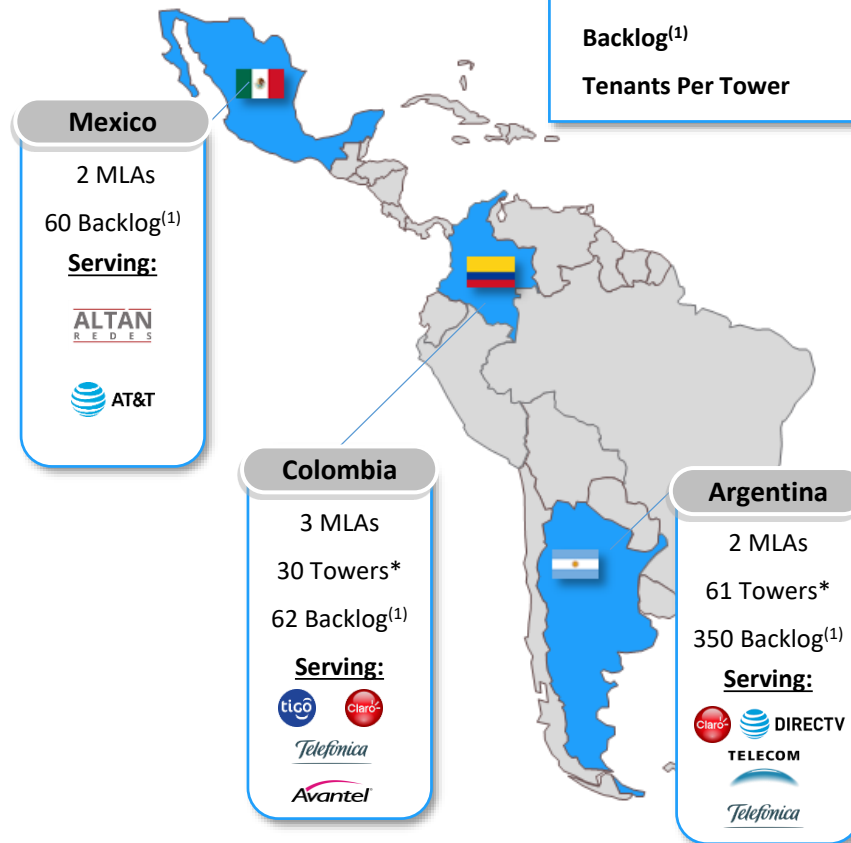
Pure-play Latin American BTS companies have been **historically funded by Private Equity (e.g., Blackstone, Providence Equity, MDP)**

Tower One offers public investors a chance to **invest directly in a pure-play BTS company**

## Portfolio Snapshot<sup>(2)</sup>

### Key Stats

Towers in Service	53
Under Construction	38
Backlog <sup>(1)</sup>	472
Tenants Per Tower	1.3



\*Includes towers under construction



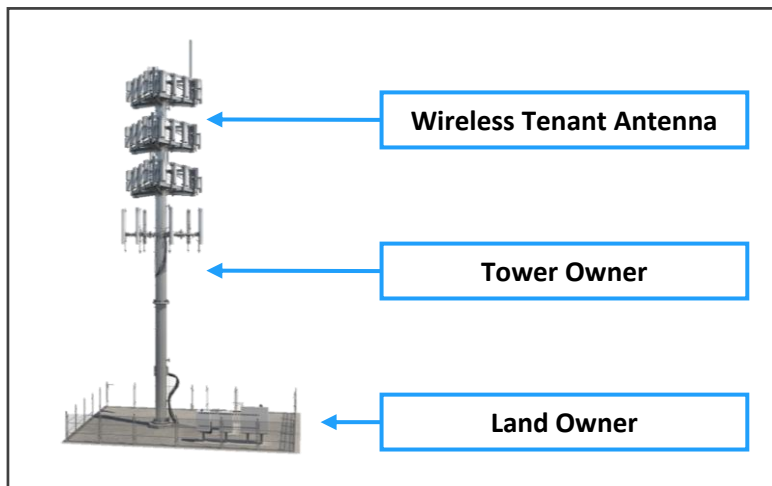
**SECTION 1:**

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**Latin America Tower Industry &  
Build-to-Suit Model Overview**

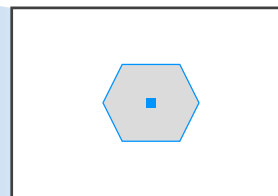
# Cellular Towers Sites & Cell Sites Overview

## Tower Site

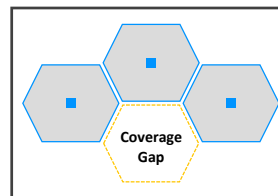


- A tower site is a vertical structure built on a parcel of land, designed to accommodate antenna equipment of multiple MNOs
- MNOs are also referred to as “tenants” as they lease vertical space on the tower and portions of land underneath for their equipment to create a cell site

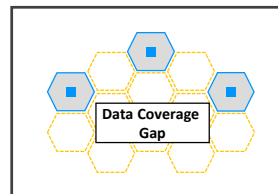
## Cell Site



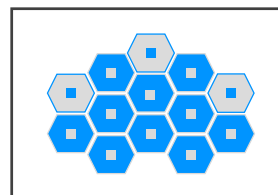
- A cell site is an area within a carrier’s wireless network which is serviced by an antenna array



- Cell sites provide coverage over a predetermined geographic region



- Rising data usage strains existing wireless networks, effectively shrinking the cell site

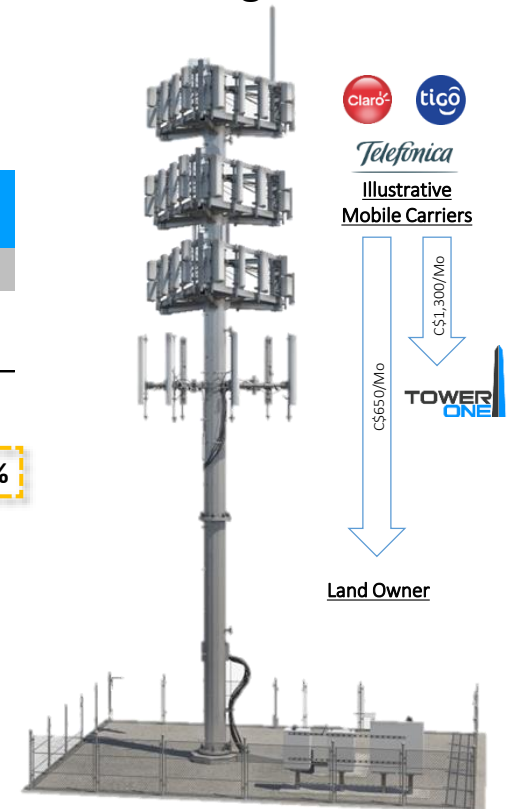


- **Additional cell sites are needed to meet coverage and capacity demands**

# Highly Attractive Tower Model

- MNOs lease space on the structure for their antenna equipment in order to provide coverage and capacity to their users
- Adding tenants results in significantly higher returns, as tenants are added with little to no incremental cost
- In the tower industry, tower level cash flow (“**TCF**”) is defined as leasing revenue from the tenants less the expenses at the tower site

(\$ in CAD)	One Tenant	Two Tenants*	Three Tenants*
<b>Illustrative BTS Economics</b>			
Cost to Build Tower	\$ 75,000		
Tenant Rent	\$ 11,500	\$ 21,275	\$ 31,050
Tower Site Expenses	1,725	1,725	1,725
Tower Cash Flow (TCF)	\$ 9,775	\$ 19,550	\$ 29,325
TCF Margin %	85%	92%	94%
<b>TCF Yield</b>	<b>13.0%</b>	<b>26.1%</b>	<b>39.1%</b>



Source: Management Estimates

Assumes a spot rate of 1.30 CAD:USD

\*For purposes of this analysis, additional tenant rent is at an approximately 15% discount to initial tenant

# Pure-Play, BTS Strategy Provides Superior Returns

- Many tower companies acquire existing sites at prices 2-3x the cost to build
- Tower One is focused on a BTS strategy that has higher returns

(\$ in CAD) Illustrative BTS Economics	Build-to-Suit Model	Acquisition @ 15x TCF
Cost to Build Tower	\$ 75,000	\$ 146,625
Tenant Rent	\$ 11,500	11,500
Tower Site Expenses	1,725	1,725
Tower Cash Flow (TCF)	\$ 9,775	\$ 9,775
TCF Margin %	85%	85%
<b>TCF Yield</b>	<b>13.0%</b>	<b>6.7%</b>

**~2x Initial Yield**

**Reasonable Latin American Acquisition Multiple**



# Latin American Tower Equity Value Creation Example at Asset Level

- The following is an illustration prepared by management of how equity value is created under the BTS model
- Note:** illustration does not include SG&A, interest expense or cumulative cash

Assumptions - (\$ in CAD)		Equity Value Creation Illustration						
		(\$ in CAD)	Initial	1	2	3	4	5
Cost to build tower	\$ 75,000	Tower Rent						
Initial tenant yield	13%	Initial Tenant	\$ 11,500	\$ 11,845	\$ 12,200	\$ 12,566	\$ 12,943	\$ 13,332
Tower Cash Flow ("TCF") margin	85%	New Tenant	n.a	1,510	3,111	4,807	6,601	8,499
Annual escalator (rent & expenses)	3%	Tower Rent	11,500	13,355	15,311	17,373	19,544	21,831
New tenant growth	0.15	Tenants	1.00	1.15	1.30	1.45	1.60	1.75
Additional tenant rent <sup>(1)</sup>	85%	Tower Level Expenses	1,725	1,777	1,830	1,885	1,942	2,000
Debt-to-TCF on initial build	3.0x	<b>Tower Cash Flow</b>	<b>\$ 9,775</b>	<b>\$ 11,578</b>	<b>\$ 13,481</b>	<b>\$ 15,488</b>	<b>\$ 17,603</b>	<b>\$ 19,831</b>
Exit TCF Multiple	15.0x	Value of Tower @ 15.0x TCF	\$ 146,625	\$ 173,677	\$ 202,221	\$ 232,321	\$ 264,044	\$ 297,462
		Less: Debt	(29,325)	(29,325)	(29,325)	(29,325)	(29,325)	(29,325)
		<b>Equity Value</b>	<b>117,300</b>	<b>144,352</b>	<b>172,896</b>	<b>202,996</b>	<b>234,719</b>	<b>268,137</b>
		<b>Multiple on Equity Invested in Tower</b>	<b>2.6x</b>	<b>3.2x</b>	<b>3.8x</b>	<b>4.4x</b>	<b>5.1x</b>	<b>5.9x</b>

Source: Management Estimates  
Assumes a spot rate of 1.30 CAD:USD

(1) As a percent of initial tenant rent

# Recurring, Long-term Rent with High Credit Quality Tenants

## Typical Asset Lease Structure

<b>Contract Type</b>	Non-cancellable
<b>Initial Term</b>	10 years
<b>Renewal Options</b>	Multiple, 5 year options
<b>Escalator</b>	3% or based on local inflation rate
<b>Pass Through Expenses</b>	Ground rent, utilities & taxes <sup>(3)</sup>
<b>Initial TCF Yields</b>	~13%

## Typical Tower Level Expenses

Tower Owner Expenses	Tenant Expenses
<ul style="list-style-type: none"> <li>Insurance</li> <li>Site maintenance and monitoring</li> <li>Minimal ongoing maintenance CapEx (~2%)</li> </ul>	<ul style="list-style-type: none"> <li>Utilities</li> <li>Ground rent</li> <li>Real estate taxes<sup>(3)</sup></li> </ul>

**Pass Through to Tenant**

## Illustrative Tenants\*

**Argentina**

*Telefónica*

**Colombia**

*Telefónica*

**Mexico**

\*MLA in place, current tower site or provided search ring (i.e., backlog)

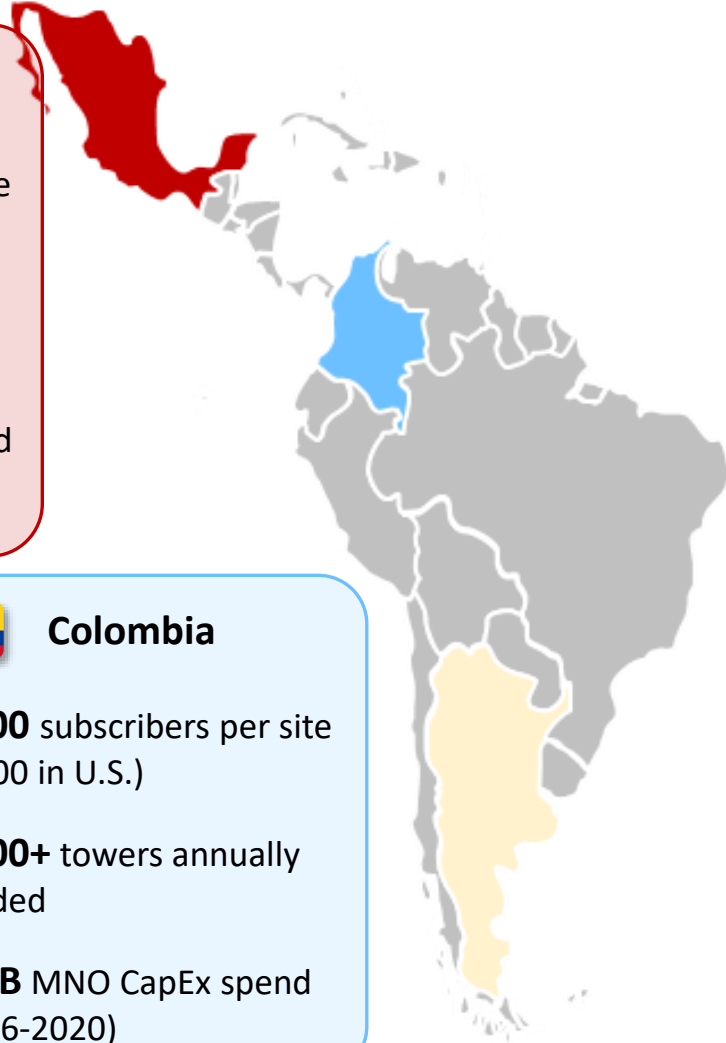
Source: Management Estimates

(1) Avantel investors include IFC (Development Bank), Discovery Capital, LatAm Development Bank and OPIC

(2) Mexico's wholesale national mobile network backed by Morgan Stanley Infrastructure, IFC (Development Bank), the China-Mexico Fund, Axtel, Isla Guadalupe investments, and others

(3) Typically a pass through expense; however, in certain circumstances tower owner bears the cost of real estate taxes

# Tower One is Focused on the Three Largest Spanish Speaking Markets in Latin America



## Mexico

- **3,500** subscribers per site (1,200 in U.S.)
- **4,900+** towers annually needed
- **C\$14B** MNO CapEx spend (2016-2020)



## Colombia

- **3,600** subscribers per site (1,200 in U.S.)
- **1,400+** towers annually needed
- **C\$8B** MNO CapEx spend (2016-2020)



## Argentina

- **3,800** subscribers per site (1,200 in U.S.)
- **1,400+** towers annually needed
- **C\$12B** MNO CapEx spend (2016-2020)

### Currency Exposure Mitigation for Argentina

- Dollar pegged MLA
- MLA in pesos is adjusted monthly for inflation and rent is paid upfront annually
- Portion of construction and a majority of local operating expenses are denominated in local currency
- Immediately reinvesting pesos into the business



## SECTION 2:

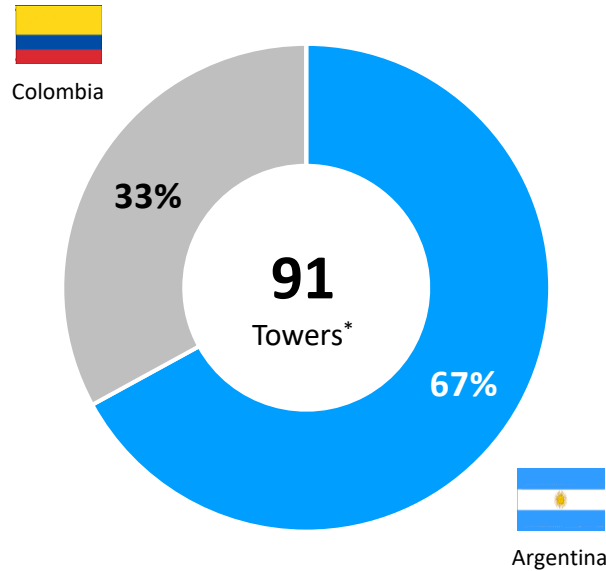
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# Tower One Overview

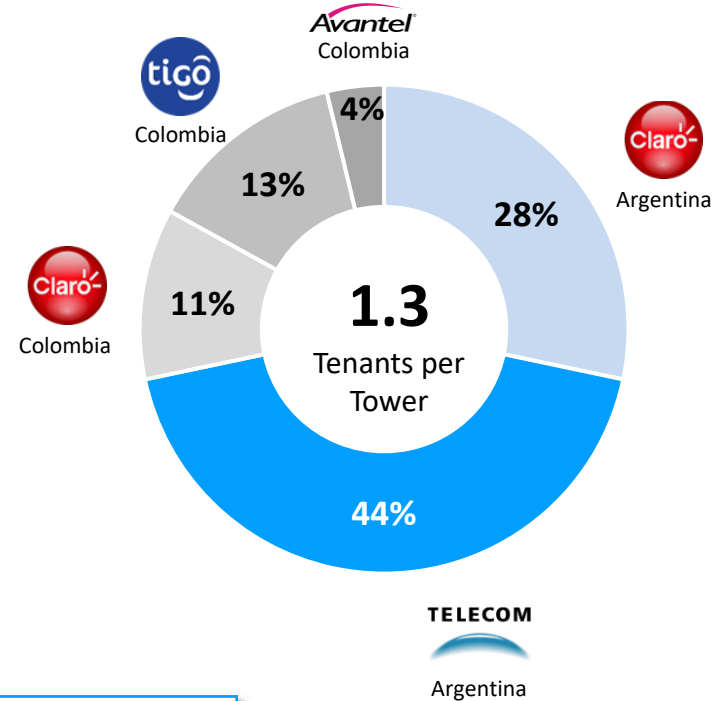
# Existing Portfolio Overview

- As of September 30, 2018, the Company currently has 91 towers, 38 of which are under construction
- With 16 collocations, Tower One has 1.3 tenants per in-service tower

**Tower Distribution (incl. CIP)**



**Tenant per Tower (In-Service)**



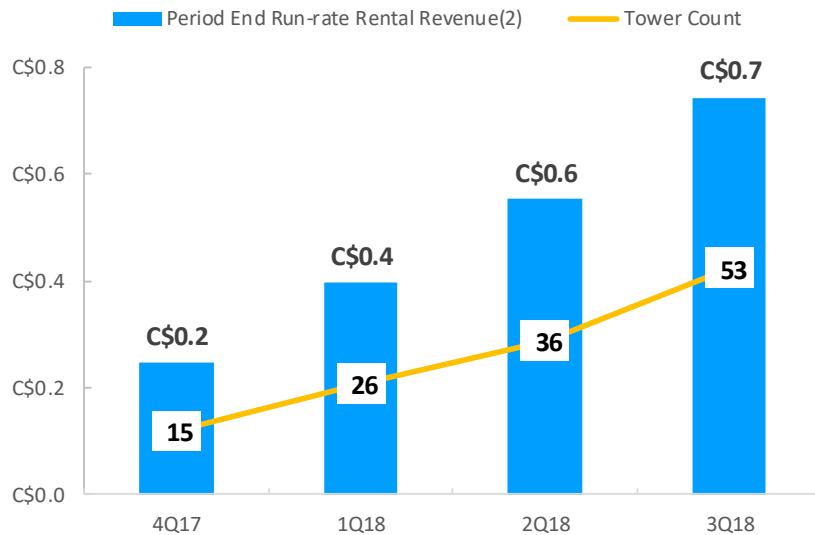
\*Includes towers under construction

# Growing Run-rate Rental Revenue & Tower Cash Flow

- Growing run-rate revenues fueled by an increase in tower count and collocation activity
- Steady tower cash flow coupled with healthy ~90% margins
- 38 towers under construction with an estimated remaining cost to complete of approximately \$C1.8M
- Towers are with existing tenants and at terms materially consistent with the current portfolio

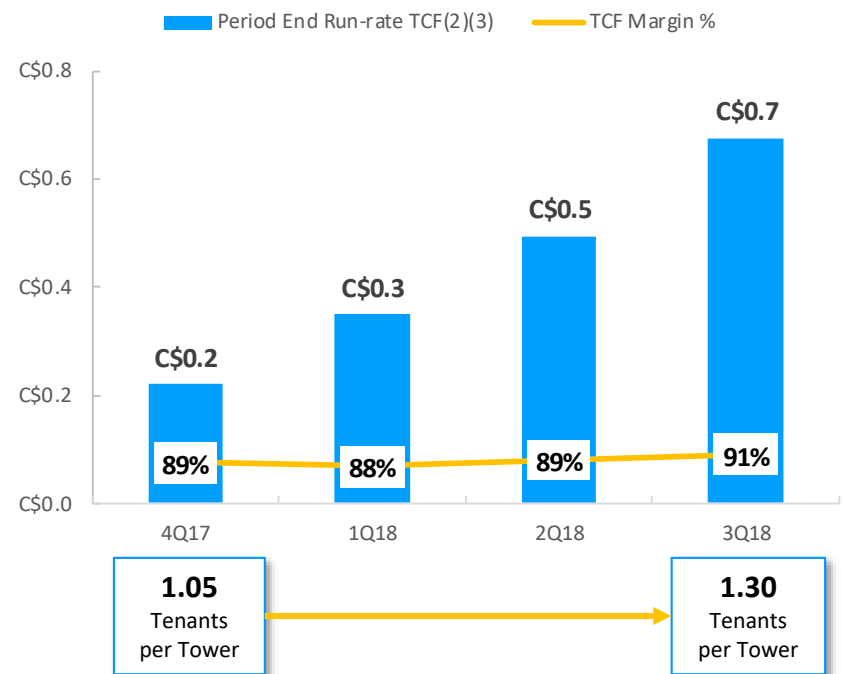
## Run-rate Rental Revenue & Tower Count<sup>(1)</sup>

(\$ in CAD millions)



## Run-rate TCF & TCF Margin<sup>(1)</sup>

(\$ in CAD millions)



Source: Management Estimates

(1) For purposes of this analysis, local currency rent and tower cash flow is converted based on the monthly exchange rate. For reporting purposes, Tower One may choose to convert foreign currencies at a different frequency (i.e., average exchange rate over a specific period)

(2) A certain client prepays rent 12 months in advance. For purposes of this analysis, this client's rent is adjusted monthly to reflect changes in FX, inflation and client approved adjustments to the economic arrangement of the MLA

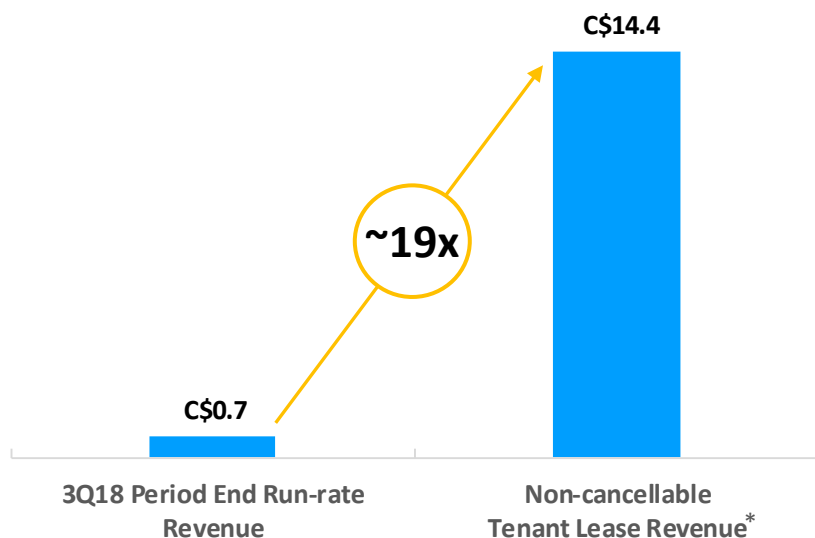
(3) Tower expenses include insurance, maintenance accrual, and in certain instances, real estate taxes

# Strong Contractual Rental Backlog

## Non-cancellable Tenant Rent

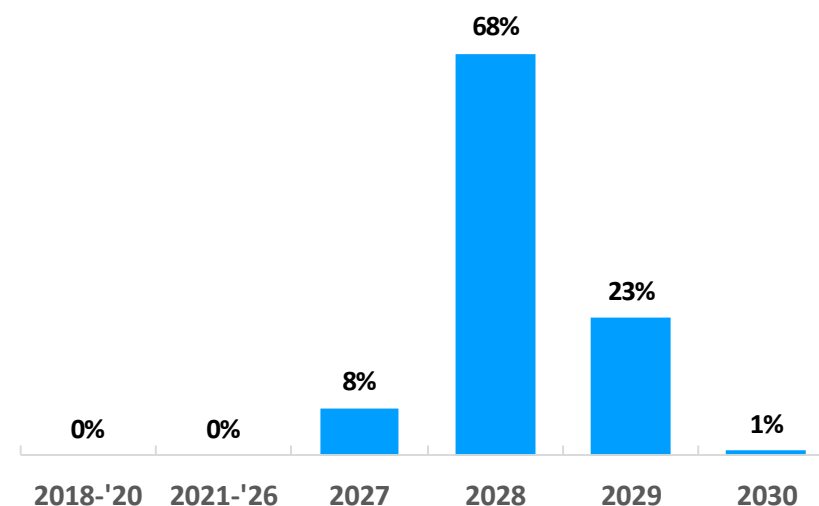
- Non-cancellable tenant revenue amounts to ~19x run-rate revenue

(\$ in CAD millions)



## Tenant Lease Renewal Schedules

- Tenant leases remain binding for 10 years
- Tenants have multiple 5 year renewal options



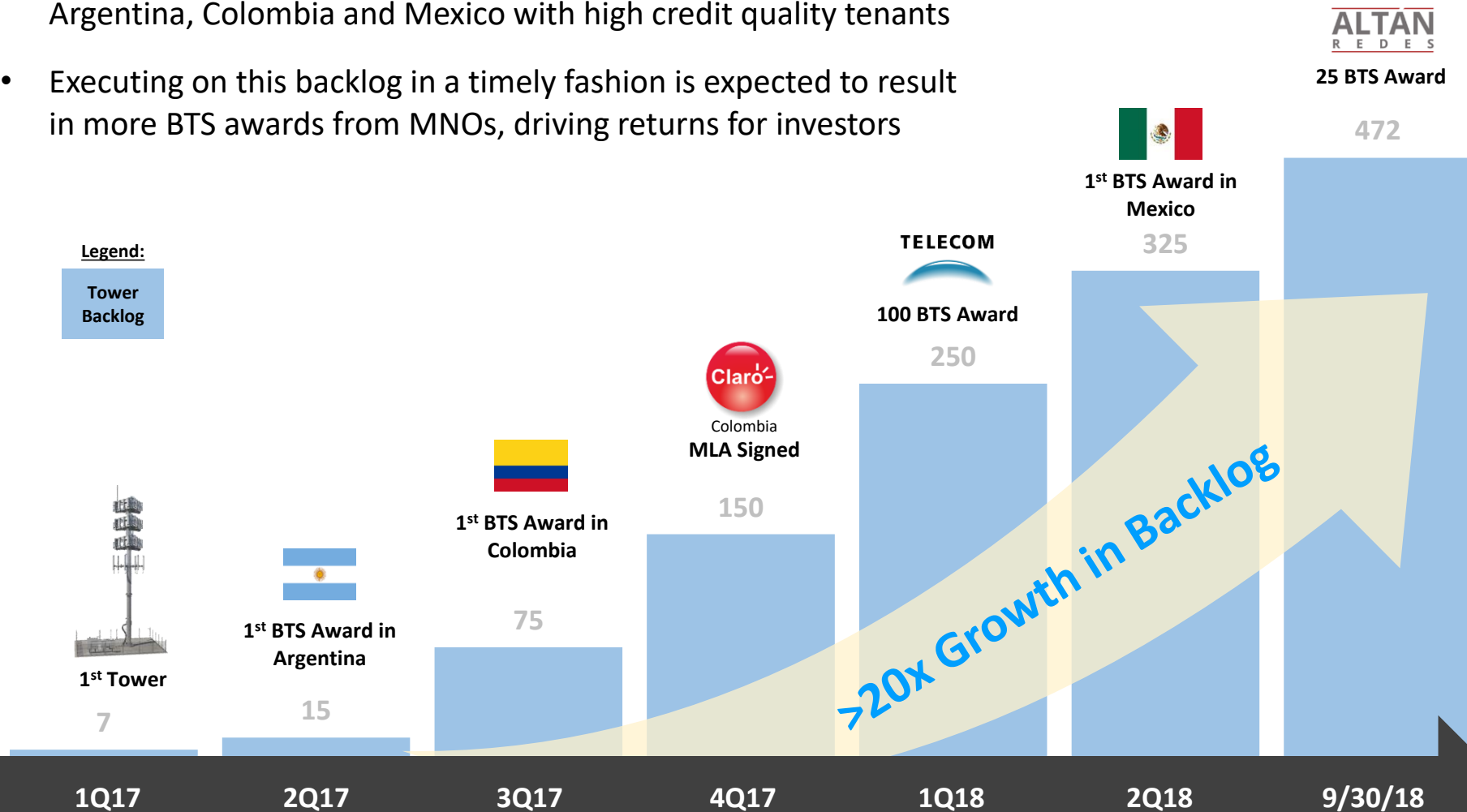
Assumes a spot rate of 1.30 CAD:USD

Source: Management Estimates

\*Includes towers under construction and assumes 2% escalator

# BTS Demand is Building for Tower One

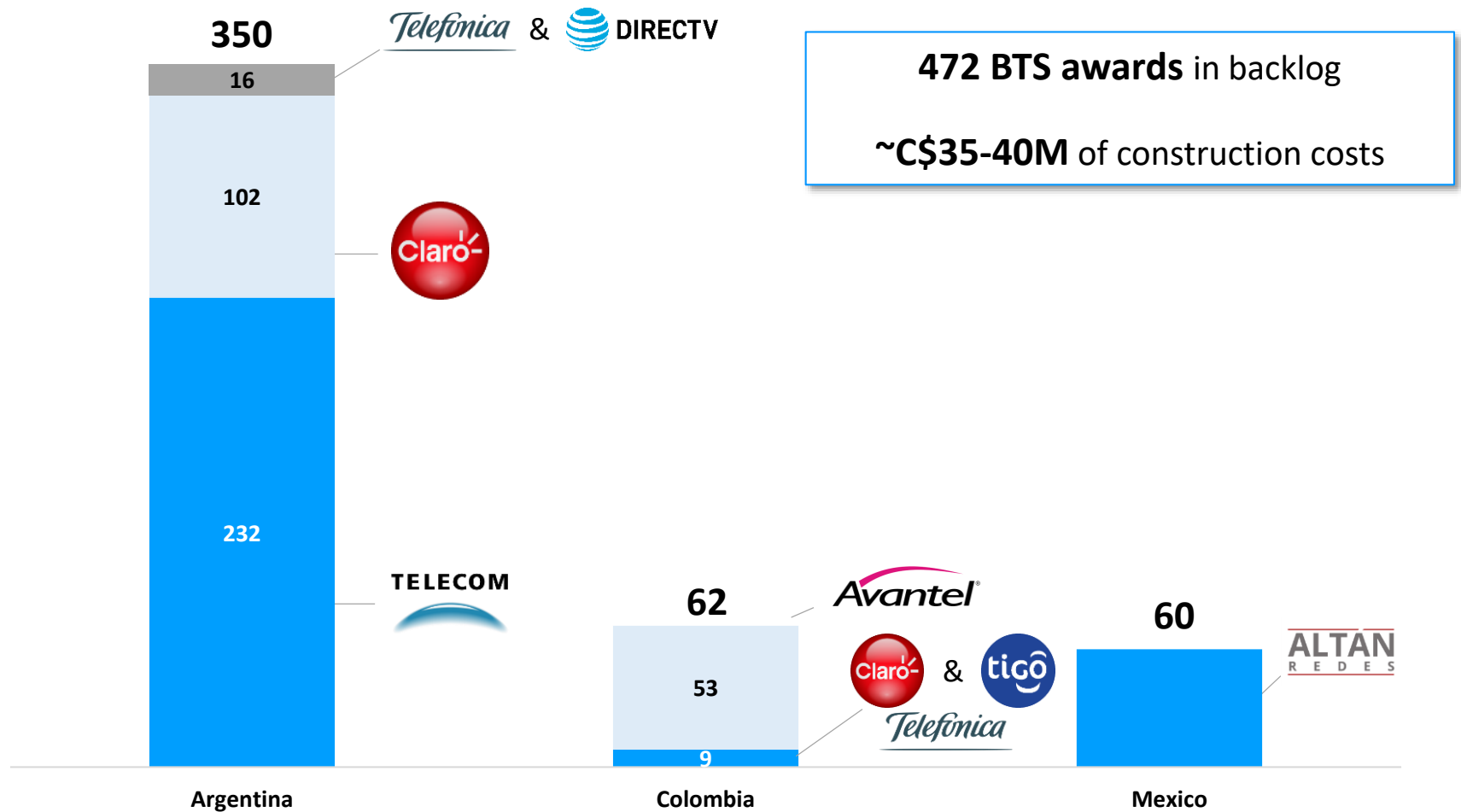
- Growth in mobile data traffic is driving demand for new tower builds in Tower One's focus markets
- Tower One has amassed an extensive backlog of BTS tower sites in Argentina, Colombia and Mexico with high credit quality tenants
- Executing on this backlog in a timely fashion is expected to result in more BTS awards from MNOs, driving returns for investors





# Mounting BTS Backlog

Backlog Towers by Country by Tenant<sup>(1)</sup>

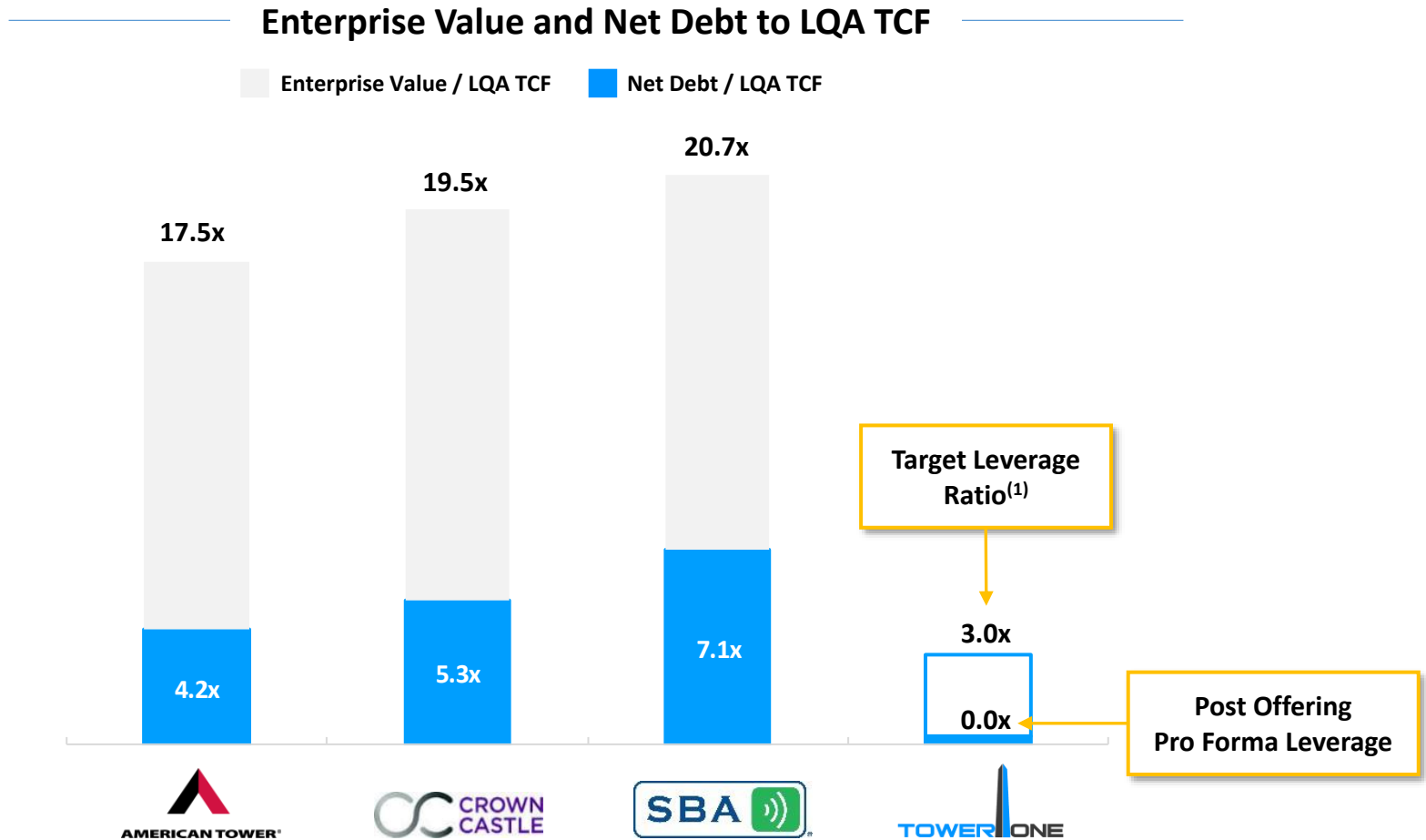


Assumes a spot rate of 1.30 CAD:USD

(1) As of September 30, 2018

# Conservative Capital Structure

- Tower One is targeting a conservative leverage level equal to 3.0x net debt to last quarter annualized (“LQA”) tower cash flow
- Tower One’s net debt to LQA TCF will be 0.0x pro forma for the contemplated offering



Source: S&P CapitalIQ, Wall Street Estimates  
Price as of September, 30 2018

(1) The Company estimates that the total amount of capital required to complete backlog is approximately C\$35 - \$40 million. In order to complete the backlog in full, the Company will be required to secure additional financing. The Company intends to secure debt financing for the additional funds required.

# Management has Built Thousands of Towers in Focus Markets



**Alejandro Ochoa**  
*Founder & CEO*



**Luis Parra**  
*COO*



**Carlos Reyes\***  
*Regional Director – Latin America*

- Deep relationship with major MNOs and local municipalities in focus markets
- Served Latin American markets for Mackie Research Investment Banking
- Mr. Ochoa has over 18 years of experience within financial services focusing on Latin America

- Vast BTS tower experience in Tower One's focus markets
- Co-founded and co-managed Ingeant S.A., where he has oversaw the construction of over 2,000 towers in Latin America
- Mr. Parra's previous work experience includes overseeing the operations of QMC-TELECOM in Colombia

- Extensive telecom-related operational experience, including building BTS towers throughout Colombia
- Former C-Level executive at LatAm-based wireless and satellite communications companies
- Mr. Reyes's previous work experience includes managing Torres Unidas infraestructura Colombia – a subsidiary of Torres Unidas Group (formerly owned by Berkshire)

\*Mr. Reyes is the regional director of Tower One's wholly owned Colombian subsidiary

# Tower One Investment Highlights

Pure-play, BTS growth strategy - anchor tenant commitments provide strong demonstrable economics

~13% initial yields with significant upside by adding additional tenants

Defined sources and uses: BTS backlog of 472 towers and ~C\$35-40M of CapEx

Focused on the largest Spanish speaking markets in Latin America

Deep relationships with local municipalities and high credit quality tenants

Experienced management team has built thousands of tower sites in focus markets

Highly attractive risk / return profile



# Tower One Use of Proceeds & Future Milestones

## Use of Proceeds

- The Company estimates that the total capital required to complete the backlog of 472 towers is approximately C\$35-40M
- Additional financing will be needed to complete the backlog
- Assuming the issuance and sale of C\$30M, management intends to use the net proceeds of the Offering as set out in the table below

Description	Assuming No Exercise of the Over-allotment Option	Assuming Exercise of the Over-allotment Option
Capital expenditures to complete towers under construction and build towers in backlog	C\$22,173,483	C\$26,358,483
Repayment of Indebtedness <sup>(1)</sup>	2,126,517	2,126,517
General Corporate Purposes and Investments in Working Capital	3,600,000	3,600,000
<b>Total Net Proceeds</b>	<b>C\$27,900,000</b>	<b>C\$32,085,000</b>

## Future Milestones

- Build over 50 towers within six months of offering (>100 in-service towers);
- Build over 150 in-service towers within 12 months (>200 in-service towers);
- Build platform in focus markets to support tower builds of 75 new towers per quarter; and
- Secure credit facility.

Assumes a spot rate of 1.30 CAD:USD

(1) The amount of indebtedness expected to be repaid from the net proceeds of the Offering is USD \$1,640,198. This amount assumes an October 9, 2018 FX rate of 1.2965 CAD:USD for illustrative purposes

# Offering Summary

*The Common Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”) or any state securities laws and may not be offered or sold within the United States unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.*

<b>Issuer:</b>	Tower One Wireless Corp.
<b>Listing:</b>	CSE: TO
<b>Offering Size:</b>	Up to C\$30 million
<b>% Primary:</b>	100%
<b>Over-allotment Option:</b>	15%
<b>Use of Proceeds:</b>	Fund construction of “ <b>Build-to-Suit</b> ” (BTS) <sup>(1)</sup> towers in Tower One’s existing backlog, repay indebtedness and general corporate purposes
<b>Expected Pricing:</b>	Week of ●
<b>Bookrunner:</b>	Raymond James
<b>Offering Procedure:</b>	<ul style="list-style-type: none"><li>• Marketed public offering by way of a short form prospectus filed in all provinces of Canada, other than Québec</li><li>• Private placement into the United States pursuant to available exemptions from the registration requirements under the U.S. Securities Act of 1933 and internationally as permitted</li></ul>

(1) A “Build to Suit” (BTS) agreement between a tower company and a wireless carrier obligates the tower company to construct and operate a wireless tower site at a specified location, and in return, the wireless carrier agrees to enter into a long-term lease at the tower site.