



NASDAQ
CCOI

INVESTOR PRESENTATION

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Cautionary Note Regarding Forward-Looking Statements

This presentation includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, which relate to future, not past, events and are subject to risks and uncertainties. The forward-looking statements, which address the Company's expected business and financial performance, among other matters, contain words such as: "will", "expect", "believe", "continue", "optimistic", "should", "ongoing" and other words and terms of similar meaning.

Forward-looking statements by their nature address matters that are, to different degrees, uncertain, such as revenue, subscriber and traffic growth, margins, capital expenditures, sales force headcount and productivity, pricing, financings and return of capital shareholders. Although the Company believes the expectations reflected in such forward-looking statements are based upon reasonable assumptions, it can give no assurance that the expectations will be attained or that any deviation will not be material. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date on which they are made.

Factors that could cause actual results to differ materially from these forward-looking statements, include, but are not limited to, the following: future economic instability in the global economy, which could affect spending on Internet services; the impact of changing foreign exchange rates (in particular the Euro to US dollar and Canadian dollar to US dollar exchange rates) on the translation of the Company's non-US dollar denominated revenues, expenses, assets and liabilities; legal and operational difficulties in new markets; the imposition of a requirement that the Company contribute to the US Universal Service Fund on the basis of the Company's Internet revenue; changes in government policy and/or regulation, including rules regarding data protection, cyber security and net neutrality; increasing competition leading to lower prices for the Company's services; the Company's ability to attract new customers and to increase and maintain the volume of traffic on its network; the ability to maintain the Company's Internet peering arrangements on favorable terms; the Company's reliance on an equipment vendor, Cisco Systems Inc., and the potential for hardware or software problems associated with such equipment; the dependence of the Company's network on the quality and dependability of third-party fiber providers; the Company's ability to retain certain customers that comprise a significant portion of its revenue base; the management of network failures and/or disruptions; and outcomes in litigation.

A further description of these uncertainties and other risks can be found in the Company's Annual Report on Form 10-K for the year ending December 31, 2020, Quarterly Reports on Form 10-Q for the quarters ending September 30, 2020, June 30, 2020 and March 31, 2020 and the Company's other reports filed with the Securities and Exchange Commission. Copies of these filings may be obtained by contacting the Company or by visiting EDGAR on the SEC's website. These or other uncertainties may cause the Company's actual future results to be materially different than those expressed in any forward-looking statements. The Company undertakes no obligation to update or revise any forward-looking statements.

Non-GAAP Measures

This presentation includes and discusses EBITDA and EBITDA as adjusted, Gross Margin, and EBITDA Margin and EBITDA, as Adjusted Margin which are non-GAAP measures. Management uses these non-GAAP measures to evaluate its business because they believes these measures assist investors and analysts in comparing the Company's performance across reporting periods on a consistent basis by excluding items that management believes are not indicative of the Company's core operating performance. Management believes these metrics are used in the financial community, and these metrics are presented here to enhance understanding of the Company's operating performance. You should not consider these non-GAAP measures as alternatives to Net income, determined in accordance with GAAP, as an indicator of operating performance. Furthermore, these non-GAAP measures are not measurements of financial performance under GAAP, and thus may not be comparable to similarly titled measures of other companies.

EBITDA represents Net income before Income taxes, net interest expense, depreciation and amortization, and equity based compensation expenses. EBITDA, as adjusted, represents EBITDA plus net gains (losses) on asset related transactions. EBITDA margin represents Net income before Income taxes, net interest expense, depreciation and amortization, and equity based compensation expenses, divided by total service revenue. EBITDA, as adjusted, margin represents EBITDA plus net gains (losses) on asset related transactions divided by total service revenue. See the Appendix to this presentation for a reconciliation of these non-GAAP measures to the most directly comparable financial measures calculated and presented in accordance with GAAP.

company overview

Cogent is a leading, global provider of **Internet Access.**

- We operate a global network carrying over 20% of all internet traffic
- We offer high speed internet access to two customer bases:
 - Corporate: 65% of revenues
 - Netcentric: 35% of revenues
- We differentiate and gain share in a commodity business by focusing on price and value
- We have very high operating leverage with substantial network capacity
- We operate in 47 countries in 202 markets

the corporate opportunity

Market Players

Competitors

- AT&T
- Verizon
- Lumen Technologies
- Bell Canada
- Cable Operators

Location

- ~1,800 Class A MTOBs in city core
- 80+ cities in North America

Customers

- Located in City Core
- Strong Credits
- Professional/Financial Services

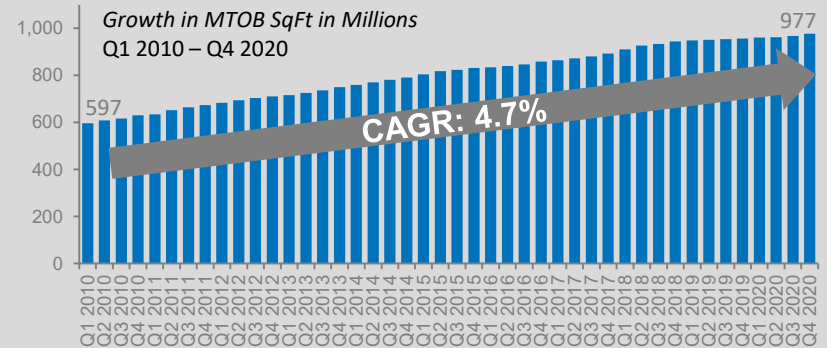
Cogent Advantages

- Price per connection is relatively equivalent
- Superior reliability: ring architecture; fiber; electronics
- Significant speed advantage: 2.5x to 65.0x
- Faster installation: Avg. installs 13 - 15 days vs 90 days
- Real time monitoring
- Industry leading SLAs

Growth Opportunity

- Potential market: over 91,000 MTOB tenants
- Favorable trends: Cloud, SaaS, WFH, Virtual Business (Zoom), IoT
- Superior speed, service, uptime, install SLAs
- Cogent wins approximately 40% of all proposals

Growing Addressable Market



the netcentric opportunity

Market Players

Competitors: Primarily global & regional

Global

- Lumen Technologies
- NTT
- Telia (recently sold)

Regional

- AT&T
- DT
- Tata
- Verizon

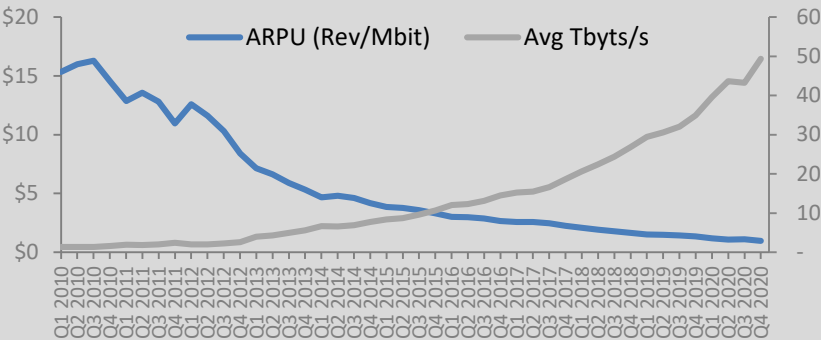
Customers Connect in Data Centers

- CDNs
- Access Networks
- Streaming / OTT
- ASPs

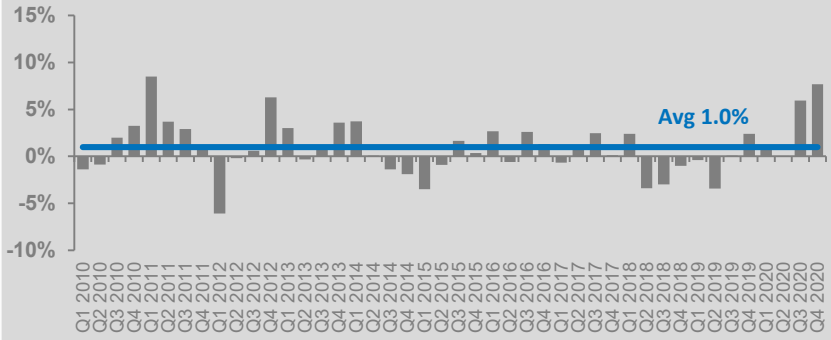
Market Dynamics

- New applications drive bandwidth
 - File Sharing/Gaming/Video/Streaming
- Product sold on a per Mbps basis from 10 Mbps to 100 Gbps
- Internet connectivity is a pure commodity
 - Speed, connection equivalent
- Cogent prices new services at 50% of market
 - We win on price

Rapid Growth/Declining \$/bit



Sequential Revenue Growth



customer segmentation

corporate

Connections:	47,175
Revenue Share:	65%
Traffic Share:	7%
Geography:	North America
Clients:	Professional Services (Law Firms, Accounting, Insurance) Financial Services Universities, Schools
Service Locations:	MTOBs
Longevity:	4+ Years: 65% 1+ Years: 94%
Monthly Churn:	1.3%

netcentric

Connections:	42,425
Revenue Share:	35%
Traffic Share:	93%
Geography:	Global
Clients:	Access Networks - ILECs, Cable, ISPs CDNs Streaming / OTT Online Gamers
Service Locations:	Data Centers
Longevity:	4+ Years: 74% 1+ Years: 96%
Monthly Churn:	1.0%

large & growing addressable market

Our broad network reach results in a *plentiful addressable market.*

- Corporate services are sold On-Net in MTOBs

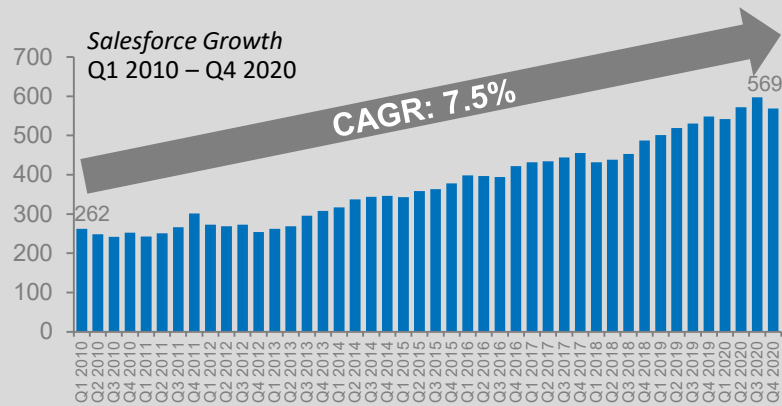
	Existing Buildings	Potential Customers in MTOBs*	Existing Customers in MTOBs	Market %
On-Net	1,792	91,392	13,796	15.1%

* Assumes 51 tenants per building

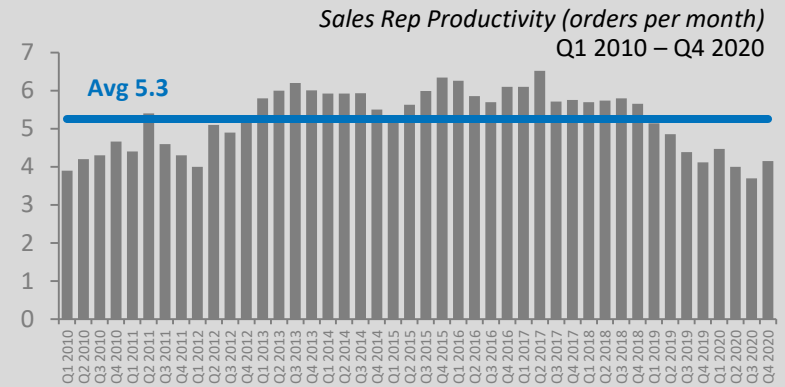
- Cogent sells Off-Net connections in 4MM buildings through carrier relationships
- Connectivity is sold to Netcentric customers in 47 countries
 - ‘Content’: CDNs, OTTs/Streamers, Gaming
 - ‘Eyeballs’: 7,330+ Access Networks: ISPs, PTTs, Cable, Mobile

highly focused sales organization

Growing Team



Consistent Productivity



Systematic Process



Salesforce Performance

Strengths

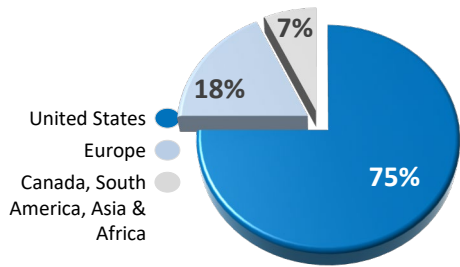
- Simple product: modest training investment
- Success at building the team
- Highly leveraged compensation

Challenges

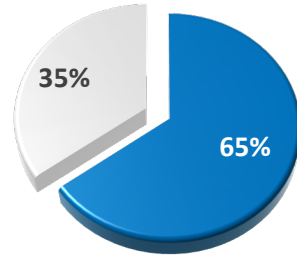
- Salesforce turnover
- Limited ability to anticipate opportunities

business breakout

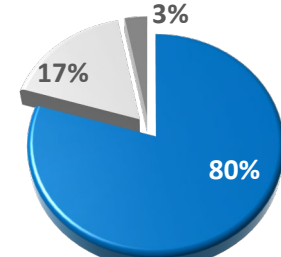
GEOGRAPHY



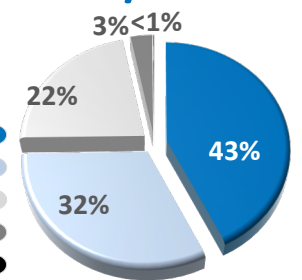
MARKET SEGMENT



PRODUCT TYPE



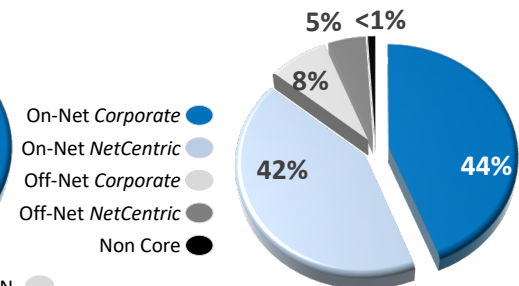
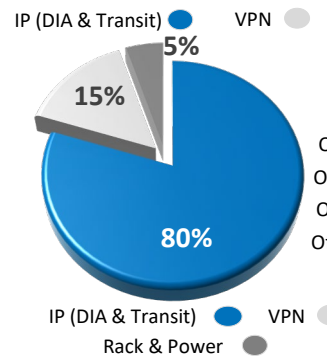
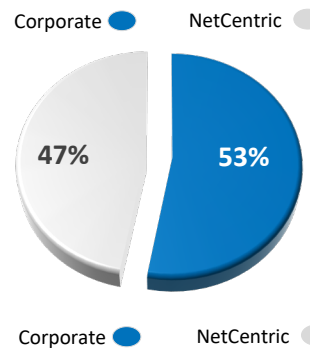
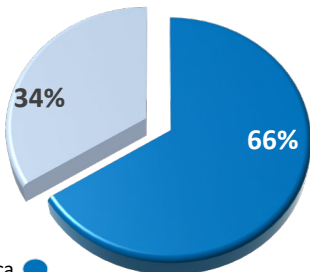
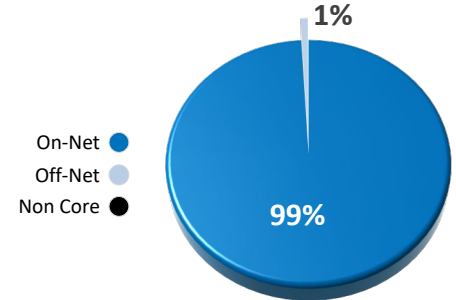
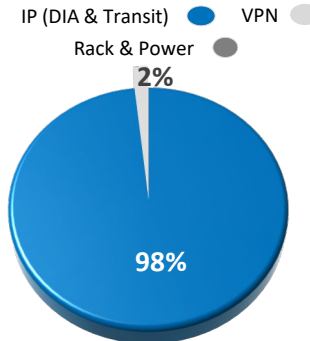
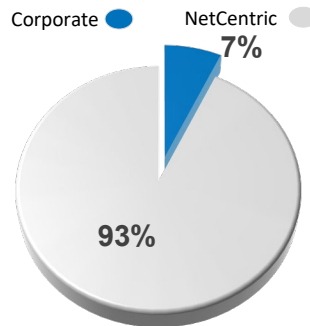
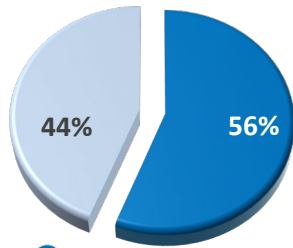
ON-NET / OFF-NET



REVENUE Q4 2020

TRAFFIC Q4 2020

CUSTOMER CONNECTIONS Q4 2020



broad, deep, scaleable network



- Interconnected with 7,330+ access networks
- 2,914 On-Net buildings
 - 62% multi-tenant office buildings (1,792)
 - 38% carrier neutral and Cogent data center buildings (1,122)
 - Agreements with 250+ building owners (REITs)
- 54 Cogent data centers with over 606,000 square feet
- Low cost network which is approximately 33% utilized
- 950+ metro networks; 37,500+ metro fiber miles
- Over 58,200+ intercity fiber route miles
 - North America Up to 2,800 Gbps
 - Europe Up to 3,000 Gbps
 - Transatlantic (Leased) 2,850 Gbps (6 Providers, 8 Cables)
 - Transpacific (Leased) 540 Gbps (4 Providers, 5 Cables)
 - Transindian (Leased) 400 Gbps (4 Providers, 3 Cables)
 - Transcaribbean (Leased) 840 Gbps (2 Provider, 3 Cable)

network architecture

Our network is *facilities based*— IRUs on fiber & ownership of all optronics and routing equipment.

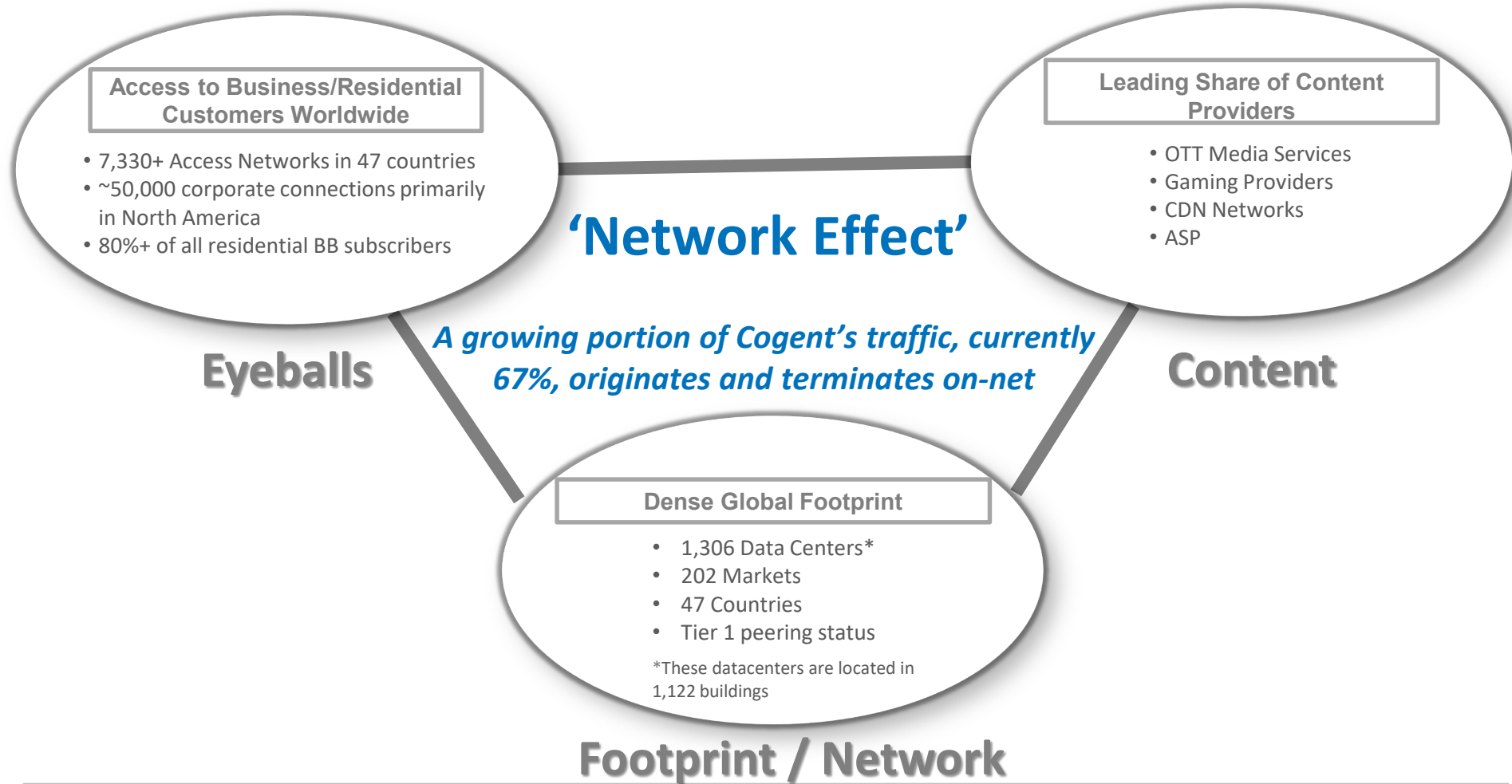
- Longhaul metro backbone is built from a diverse set of 269 IRU suppliers
- IRUs from 10 to 40 years; most are pre-paid and have diverse end dates
- O+M expenses are calculated by share of fiber pairs thereby reducing the cost to Cogent of maintaining a network
- Cogent's network is ring protected at Layer 3 (IP convergence)
- All transport is IP directly over DWDM and CWDM
- Cogent generally owns lateral connections from the metro rings to the building
- Cogent owns riser facilities in multi-tenant buildings
- Cogent owns 54 data centers and 193 hubs that house core network equipment

cogent's network advantage

Cogent's network offers **substantial cost and operating advantages**

Choice	Implication
IP over DWDM	<ul style="list-style-type: none">• Simple, predictable performance• Lowest cost network
Single Vendor / Configuration	<ul style="list-style-type: none">• 'Southwest Airlines' cost and operating advantages
LT Lease of Fiber Pairs	<ul style="list-style-type: none">• Reduced capital intensity and operating costs
Ownership of lateral and riser facilities	<ul style="list-style-type: none">• Sole fiber access to most corp. customers
Ring architecture to all on-net customers	<ul style="list-style-type: none">• Industry leading SLAs for installation and performance
Narrow, simple product line	<ul style="list-style-type: none">• Low cost support• Reduced sales training and costs

big, diverse & balanced global network



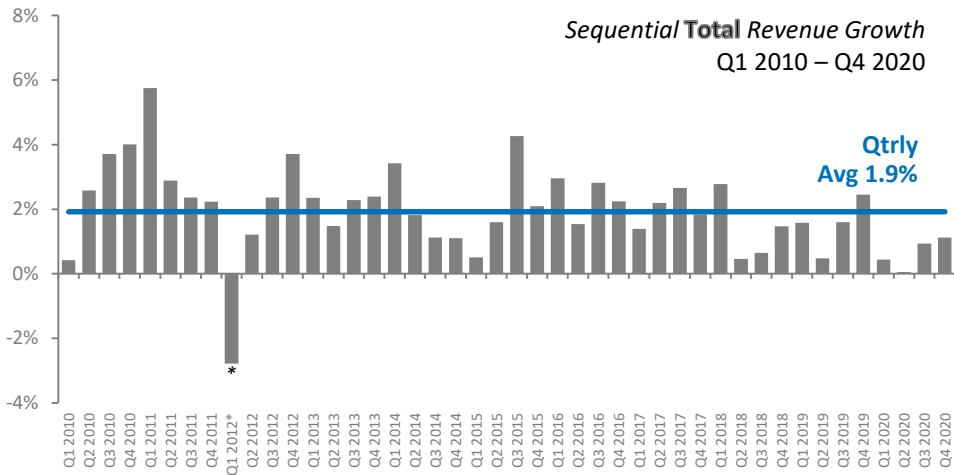
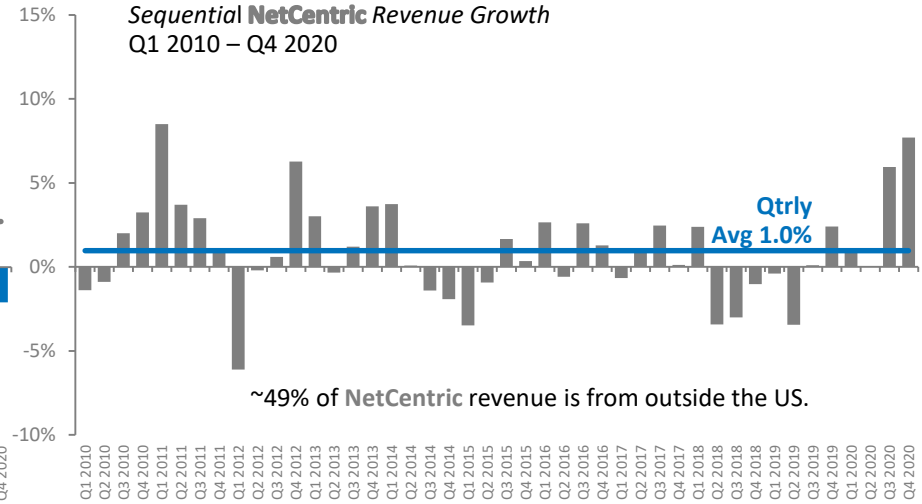
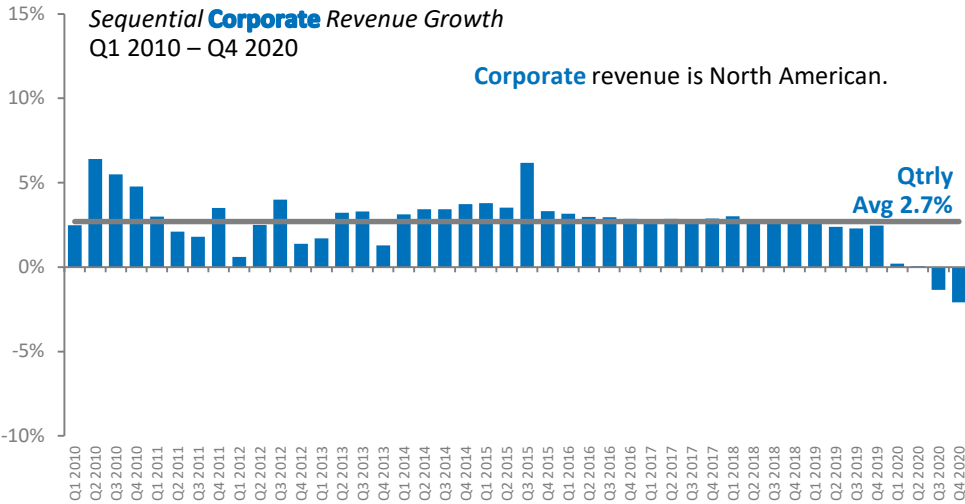
proven integration execution

Cogent purchased
\$14 BILLION of
 original
 investment for
\$60 MILLION.

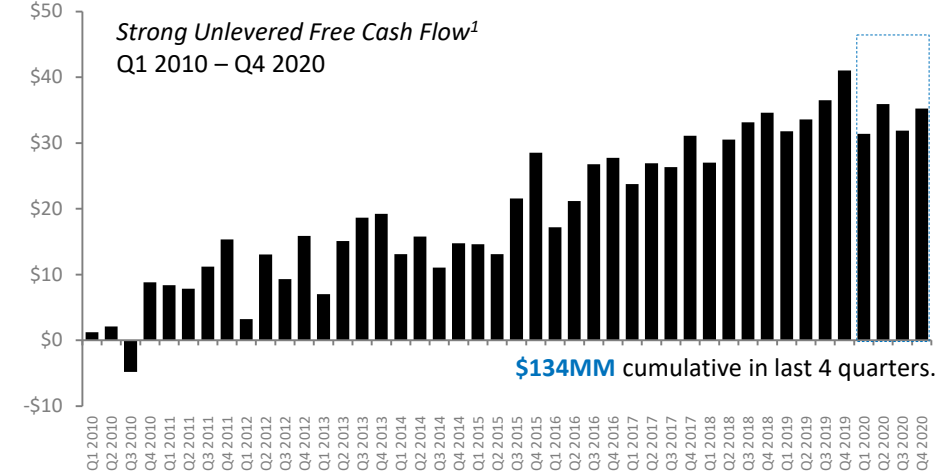
	Date	Original Investment	PP&E	Network	Peering	Customers	Building Access
NetRail	Sep 2001	\$180	\$35	✓	✓	✓	
Allied Riser	Feb 2002	\$590	\$335	✓		✓	✓
PSINet*	Apr 2002	\$5,180	\$2,175	✓	✓	✓	
(Fiber Network Solutions, Inc) FNSI	Feb. 2003	\$30	\$5			✓	
Firstmark	Jan 2004	\$1,100	\$560	✓		✓	✓
Carrier 1*	Mar 2004	\$1,035	\$535	✓			
UFO Group	Aug 2004	\$25	\$5			✓	
Global Access	Sep 2004	\$10	\$5			✓	
Aleron Broadband	Oct. 2004	\$200	\$5			✓	
Verio*	Dec 2004	\$5,700	\$390			✓	
TOTAL (\$ in millions)		\$14,050	\$4,050				

**Purchased the majority of assets of these companies.
 This list does not include Applied Theory, FiberCity Networks, OnSite Access, Last Mile Connections, PacWest, and ANet.*

revenue growth

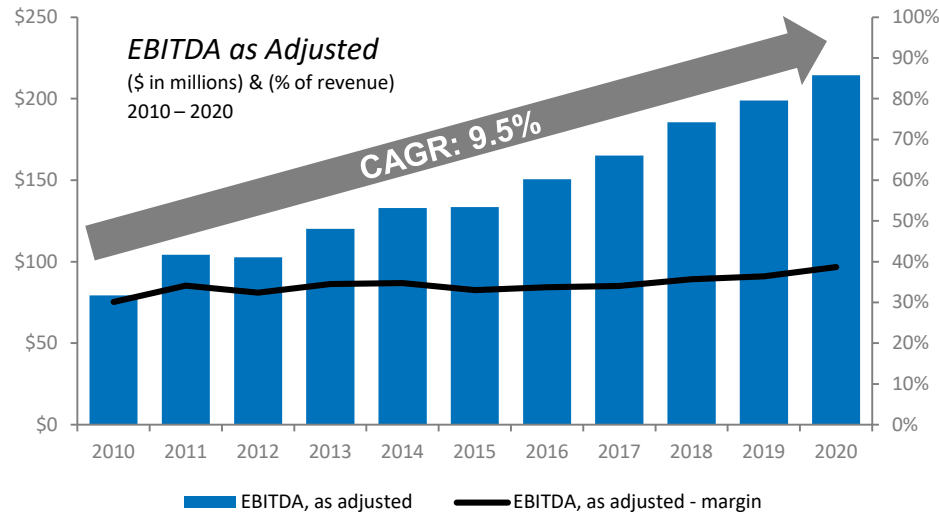
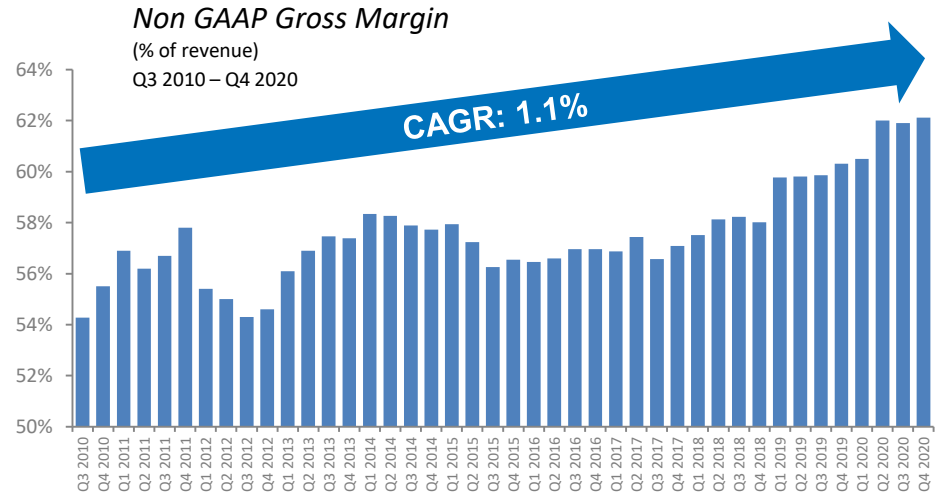
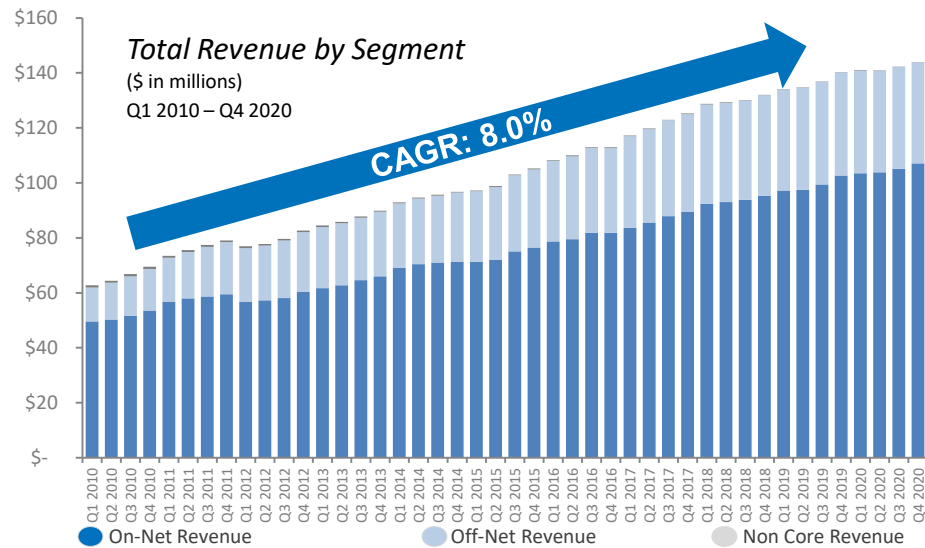


*Loss of Megaupload



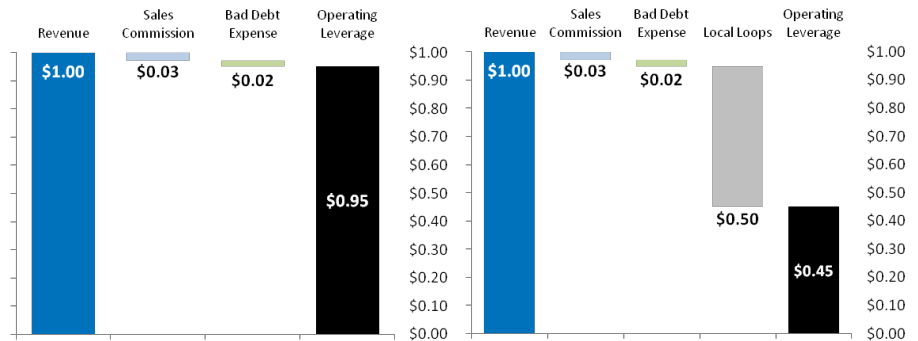
¹Calculated as EBITDA (as adjusted) less CAPEX, which includes principal payments on IRU capital (finance) leases.

historical & continuing margin expansion



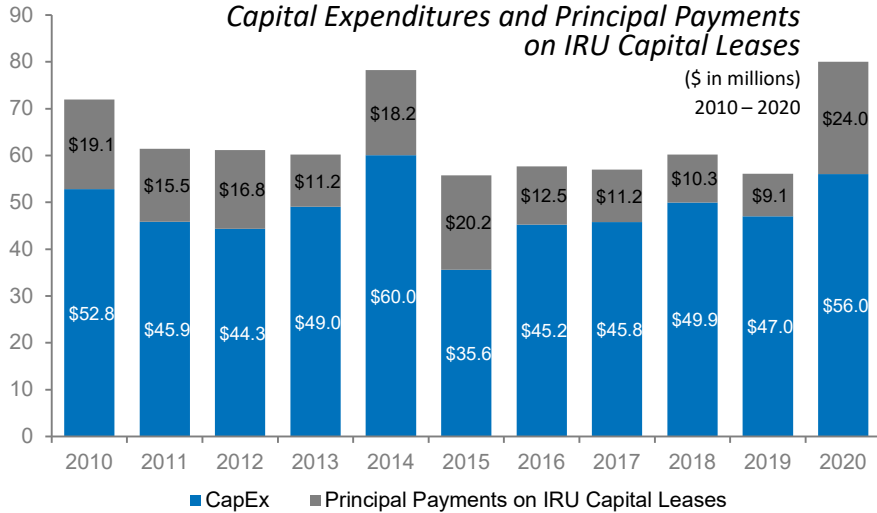
On-Net ARPU = \$465
Q4 2020

Off-Net ARPU = \$1,026
Q4 2020

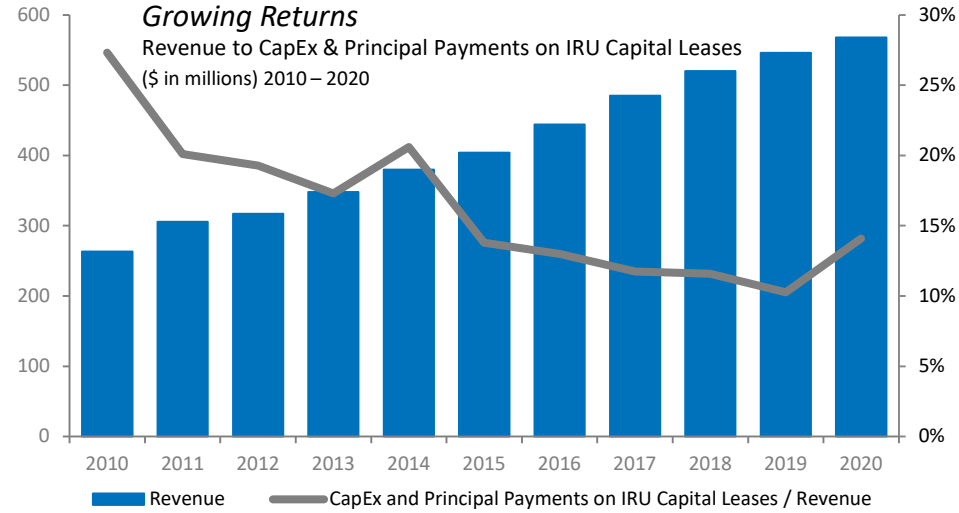


investing: increasing returns, demand driven all funded internally

Capital Expenditures and Principal Payments on IRU Capital Leases



Growing Returns



2020 CapEx & Principal Payments on IRU Capital Leases (\$M)		
		%
New MTOBs and CNDs	\$18.0	22%
New Markets, Market Extensions	\$27.0	34%
Network Capacity Upgrades & Maintenance	\$35.0	44%
Total	\$80.0	100%

highlights

Q4 2020 RESULTS (\$ in millions)

	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q/Q % Change	Y/Y % Change
On-Net Revenue	\$97.2	\$97.5	\$99.4	\$102.7	\$103.5	\$103.8	\$105.1	\$107.1	1.9%	4.3%
Off-Net Revenue	\$36.8	\$37.2	\$37.4	\$37.5	\$37.3	\$37.0	\$37.1	\$36.7	(1.1)%	(2.2)%
Non-Core Revenue	\$ 0.1	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1	0.8%	(7.7)%
Total Revenue	\$134.1	\$134.8	\$136.9	\$140.3	\$140.9	\$141.0	\$142.3	\$143.9	1.1%	2.6%
Gross Profit (Non-GAAP)	\$80.2	\$80.6	\$82.0	\$84.6	\$85.2	\$87.4	\$88.1	\$89.4	1.4%	5.6%
<i>Gross Margin (Non-GAAP)</i>	59.8%	59.8%	59.9%	60.3%	60.5%	62.0%	61.9%	62.1%	0.2%	1.8%
EBITDA	\$47.6	\$47.1	\$50.5	\$52.7	\$50.4	\$53.3	\$54.6	\$55.7	2.0%	5.6%
<i>EBITDA Margin</i>	35.5%	34.9%	36.9%	37.6%	35.8%	37.8%	38.4%	38.7%	0.3%	1.1%
EBITDA, as adjusted	\$48.1	\$47.3	\$50.6	\$53.0	\$50.4	\$53.6	\$54.7	\$55.7	1.8%	5.1%
<i>EBITDA, as adjusted Margin</i>	35.9%	35.1%	37.0%	37.8%	35.8%	38.0%	38.4%	38.7%	0.3%	0.9%

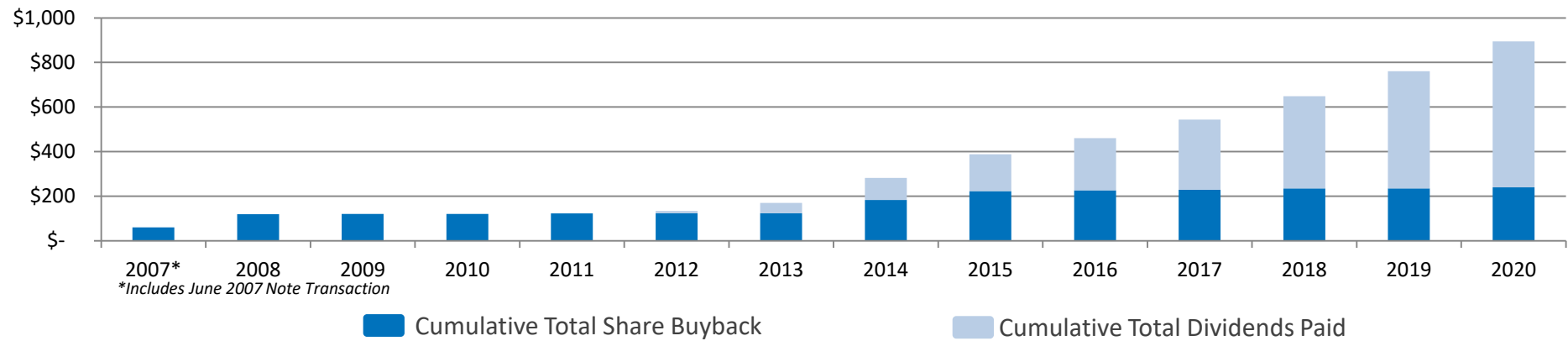
highly disciplined allocator of capital

Cogent is
focused on
driving
profitability
and efficiently
allocating
capital.

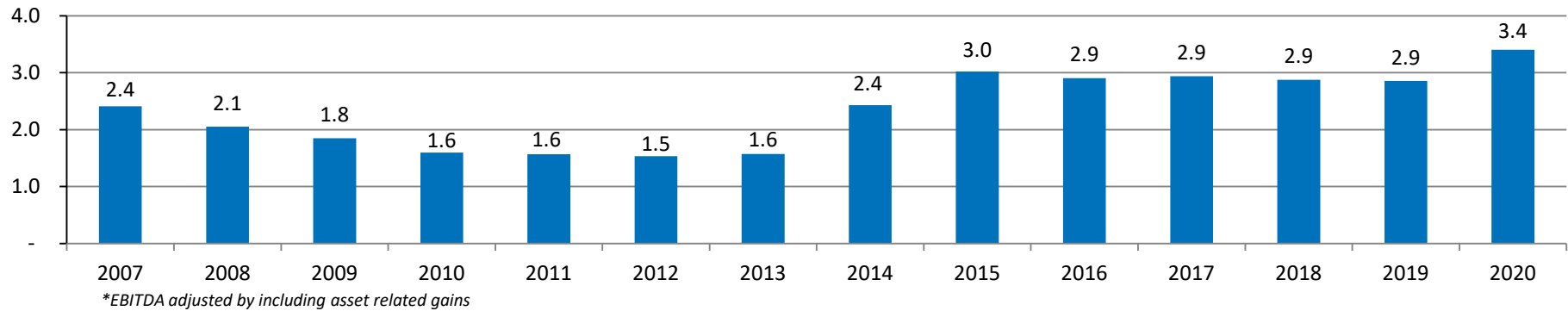
- *M&A Discipline:* Cogent has evaluated and passed on over 700 acquisitions since 2005
- *Cost Discipline:* Cogent has improved its EBITDA and Adjusted Gross Margin consistently over the past decade
- *Returning Capital:* Cogent has returned over \$895M to shareholders since its IPO
- *Dividend Record:* Cogent has increased its dividend for 34 straight quarters
- *Management Ownership:* Senior Management owns approximately 11% of Cogent and gets compensated primarily in stock

consistent return of capital; modest leverage

Cumulative Total Return of Capital by type (\$M)



Net Debt/LTM EBITDA*



investment highlights

Cogent is a
leading global
Internet
Service
Provider.

- Fundamentals provide for continued, consistent growth and profitability
- Independent, low-cost international network
- Network footprint targeted at high traffic locations
- Substantial network capacity; very high operating leverage
- Proven ability to grow top line and drive margin exposure and cash flow growth
- Very strong balance sheet with high levels of liquidity
- Experienced management team

cogent
Smart People Buy Dumb Pipes

Appendix

Reconciliation of non-GAAP measures to the most directly comparable financial measures calculated and presented in accordance with GAAP

Non-GAAP EBITDA and non-GAAP EBITDA, as adjusted, reconciled to GAAP cash flows provided by operating activities

	<u>Q1 2019</u>	<u>Q2 2019</u>	<u>Q3 2019</u>	<u>Q4 2019</u>	<u>Q1 2020</u>	<u>Q2 2020</u>	<u>Q3 2020</u>	<u>Q4 2020</u>
(\$ in 000's) – unaudited								
Net cash flows provided by operating activities	\$28,637	\$40,632	\$33,443	\$46,097	\$28,458	\$41,311	\$32,980	\$37,571
Changes in operating assets and liabilities	6,727	(5,729)	3,785	(6,557)	5,325	\$(3,232)	\$6,255	\$1,920
Cash interest expense and income tax expense	<u>12,197</u>	<u>12,202</u>	<u>13,287</u>	<u>13,184</u>	<u>16,611</u>	<u>\$15,269</u>	<u>\$15,348</u>	<u>\$16,184</u>
EBITDA	\$47,561	\$47,105	\$50,515	\$52,724	\$50,394	\$53,348	\$54,583	\$55,675
PLUS: Gains on asset related transactions	<u>536</u>	<u>185</u>	<u>87</u>	<u>251</u>	<u>39</u>	<u>205</u>	<u>99</u>	<u>10</u>
EBITDA, as adjusted	\$48,097	\$47,290	\$50,602	\$52,975	\$50,433	\$53,553	\$54,682	\$55,685
EBITDA margin	35.5%	34.9%	36.9%	37.6%	35.8%	37.8%	38.4%	38.7%
EBITDA, as adjusted, margin	35.9%	35.1%	37.0%	37.8%	35.8%	38.0%	38.4%	38.7%

Non-GAAP gross profit and non-GAAP gross margin reconciled to GAAP gross profit and GAAP gross margin

	<u>Q1 2019</u>	<u>Q2 2019</u>	<u>Q3 2019</u>	<u>Q4 2019</u>	<u>Q1 2020</u>	<u>Q2 2020</u>	<u>Q3 2020</u>	<u>Q4 2020</u>
(\$ in 000's) – unaudited								
Service revenue total	\$134,137	\$134,789	\$136,942	\$140,292	\$140,915	\$140,990	\$142,302	\$143,901
Minus - Network operations expense including equity-based compensation and including depreciation and amortization expense	<u>\$74,413</u>	<u>\$74,386</u>	<u>\$75,259</u>	<u>\$75,992</u>	<u>\$75,429</u>	<u>\$73,782</u>	<u>\$76,138</u>	<u>\$77,284</u>
GAAP Gross Profit (1)	\$59,724	\$60,403	\$61,683	\$64,300	\$65,486	\$67,208	\$66,164	\$66,617
Plus - Equity-based compensation – network operations expense	180	226	282	306	252	305	\$346	\$316
Plus – Depreciation and amortization expense	<u>20,263</u>	<u>19,979</u>	<u>20,006</u>	<u>20,002</u>	<u>19,508</u>	<u>\$19,896</u>	<u>\$21,619</u>	<u>\$22,455</u>
Non-GAAP Gross Profit (2)	\$80,167	\$80,608	\$81,971	\$84,608	\$85,246	\$87,409	\$88,129	\$89,388
GAAP Gross Margin (1)	44.5%	44.8%	45.0%	45.8%	46.5%	47.7%	46.5%	46.3%
Non-GAAP Gross Margin (2)	59.8%	59.8%	59.9%	60.3%	60.5%	62.0%	61.9%	62.1%

- (1) GAAP gross profit is defined as total service revenue less network operations expense, depreciation and amortization and equity based compensation included in network operations expense. GAAP gross margin is defined as GAAP gross profit divided by total service revenue.
- (2) Non-GAAP gross profit represents service revenue less network operations expense, excluding equity-based compensation and amounts shown separately (depreciation and amortization expense). Non-GAAP gross margin is defined as non-GAAP gross profit divided by total service revenue. Management believes that non-GAAP gross profit and non-GAAP gross margin are relevant metrics to provide to investors, as they are metrics that management uses to measure the margin and amount available to the Company after network service costs, in essence these are measures of the efficiency of the Company's network.