

Megaport

Share Placement & Share Purchase Plan

20 March 2018



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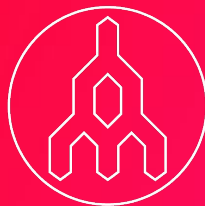
Australia

The Placement is only available in Australia to certain persons who are professional investors or wholesale clients or other persons specified in section 708 of the Corporations Act to whom a disclosure document is not required to be given under Chapter 6D of the Corporations Act.

Disclaimer

This presentation includes information about a placement of ordinary shares in Megaport (the Placement). The joint lead managers to the Placement, together with each of their respective related bodies corporate, shareholders or affiliates and each of their respective officers, directors, employees, affiliates, agents or advisers (each a Limited Party) have not authorised, permitted or caused the issue, lodgement, submission, dispatch or provision of this presentation and do not make or purport to make any statement in this presentation and there is no statement in this presentation which is based on any statement by a Limited Party. No Limited Party makes any recommendation as to whether any potential investor should participate in the Placement and gives no warranties concerning the Placement. Further, no Limited Party accepts any fiduciary obligations to or relationship with any investor or potential investor in connection with the Placement or otherwise, and by accepting this presentation each recipient expressly disclaims any fiduciary relationship and agrees that it is responsible for making its own independent judgements with respect to the Placement, and any other transaction or other matter arising in connection with this presentation.

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About Megaport

More information: megaport.com/investor

MegaPort is a leading Network as a Service Provider

Virtualised networking that aligns to cloud consumption



There are over **4000** commercial enterprise data centres

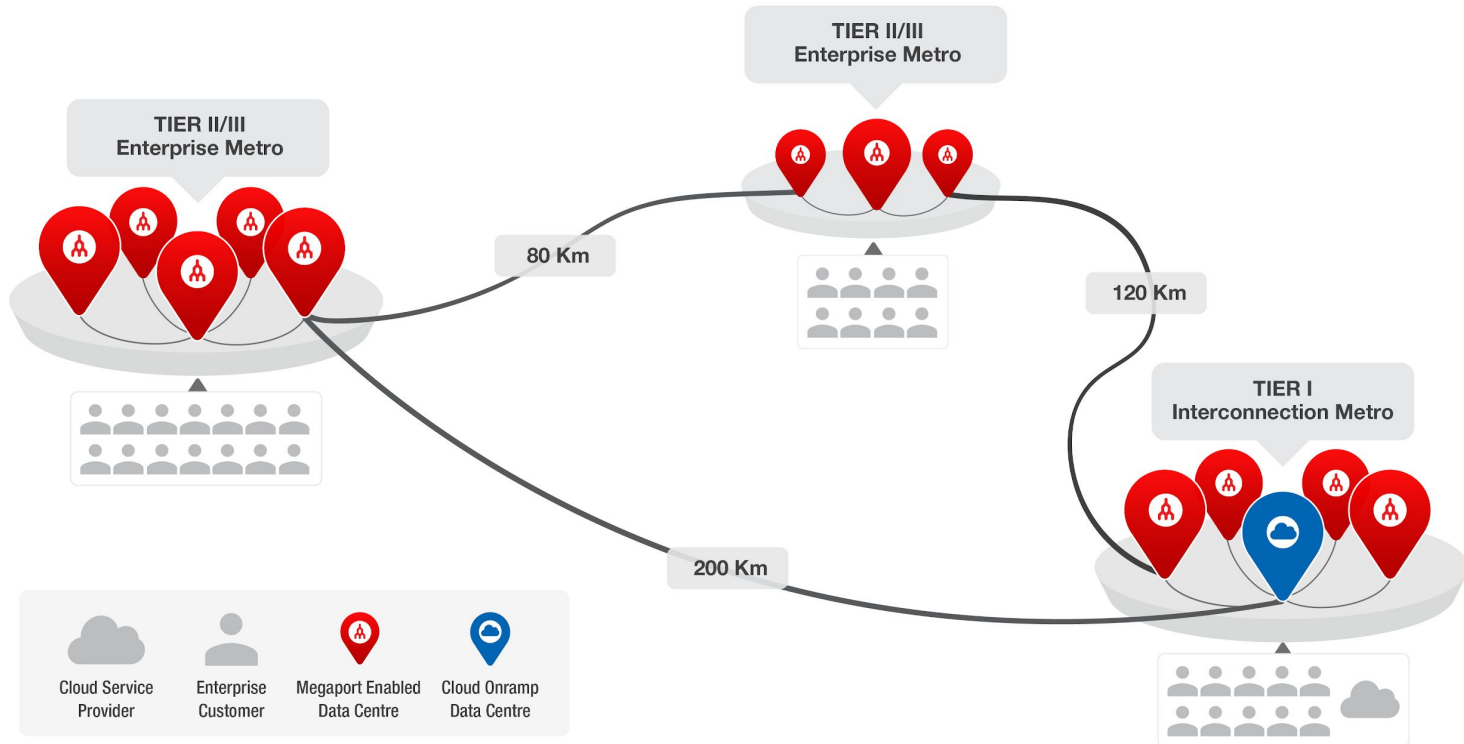
195 MegaPort-enabled data centres

MegaPort SDN
Private, secure, global

Highly distributed **Cloud Service Provider Ecosystem**, connected by SDN

Extending Cloud Services to the Enterprise

Tier 2 and 3 Metros are in non-interconnection focused markets with large populations of enterprises that enable private IT infrastructure.



Growing Global Ecosystem

907

*Active Customers

281

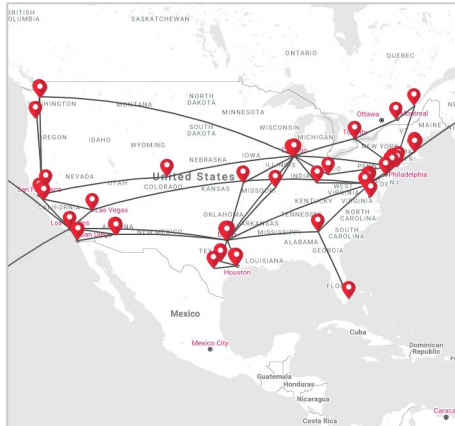
**Service Providers

195

Data Centres



IBM Cloud










Service Metros which consist of multiple Megaported data centres

*Customer = at least one ordered service as at February 28 2018.

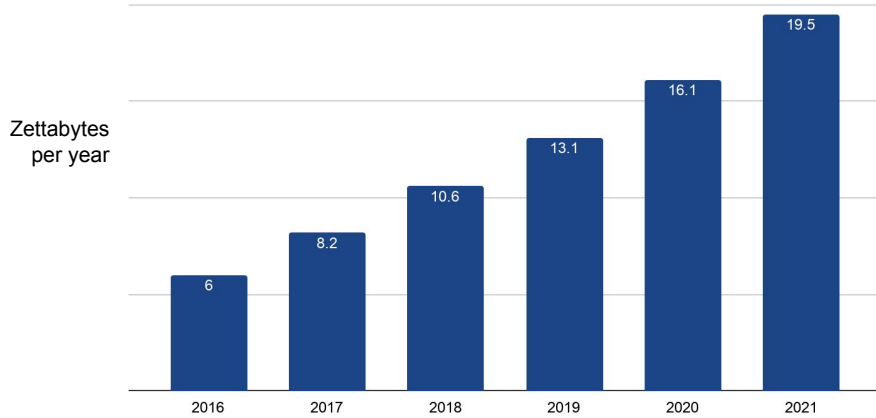
**Available on Megaport Exchange

Our Competitive Advantage

		Megaport SDN	Traditional Telco
	Pricing	Consumption-based, pay for what you use	Rigid non-competitive “locked-In” costs, no flexibility
	Speed	Real-time provisioning (59 seconds or less)	Long setup times (one week to several months)
	Elastic	Dynamic, on-demand capacity - like the Cloud	Fixed capacity, not workload aligned
	Contracts	Flexible terms, no long-term lock-in	Locked-in long term contracts with termination penalties
	Provider Ecosystem	Neutral, one-stop shop with leading service providers (Cloud and IP to Voice and PBX)	Limited and walled-garden service provider access
	Ease of Use	Self service, automated, integrated, point-and-click	Manual orchestration, paper contracts, rep-based quoting, project management overhead
	Security	Dedicated, direct, secure connections (not internet)	Best effort internet and or oversubscribed connections

Industry Growth Trends

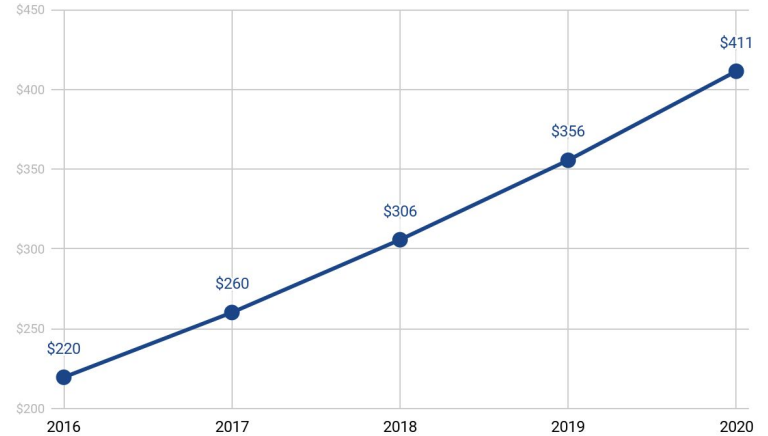
Cloud Data Centre Traffic Growth



27% Compound Annual Growth Rate 2016-2021

Source: Cisco Global Cloud Index, 2018.

Worldwide Public Cloud Service Provider Revenue Forecast (Billions of U.S. Dollars)



Source: Gartner (October 2017)

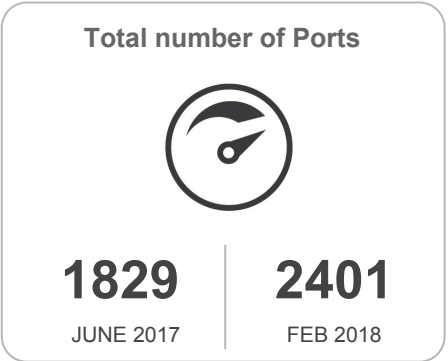
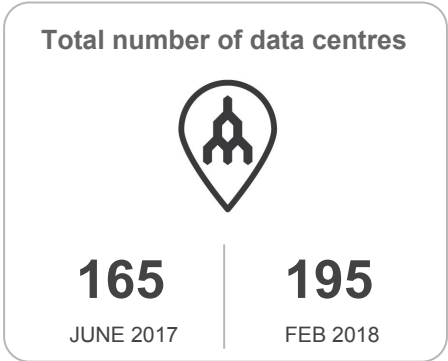


79% of companies surveyed use two or more cloud or hosting providers.

Source: 451 Research 2016

Performance Update

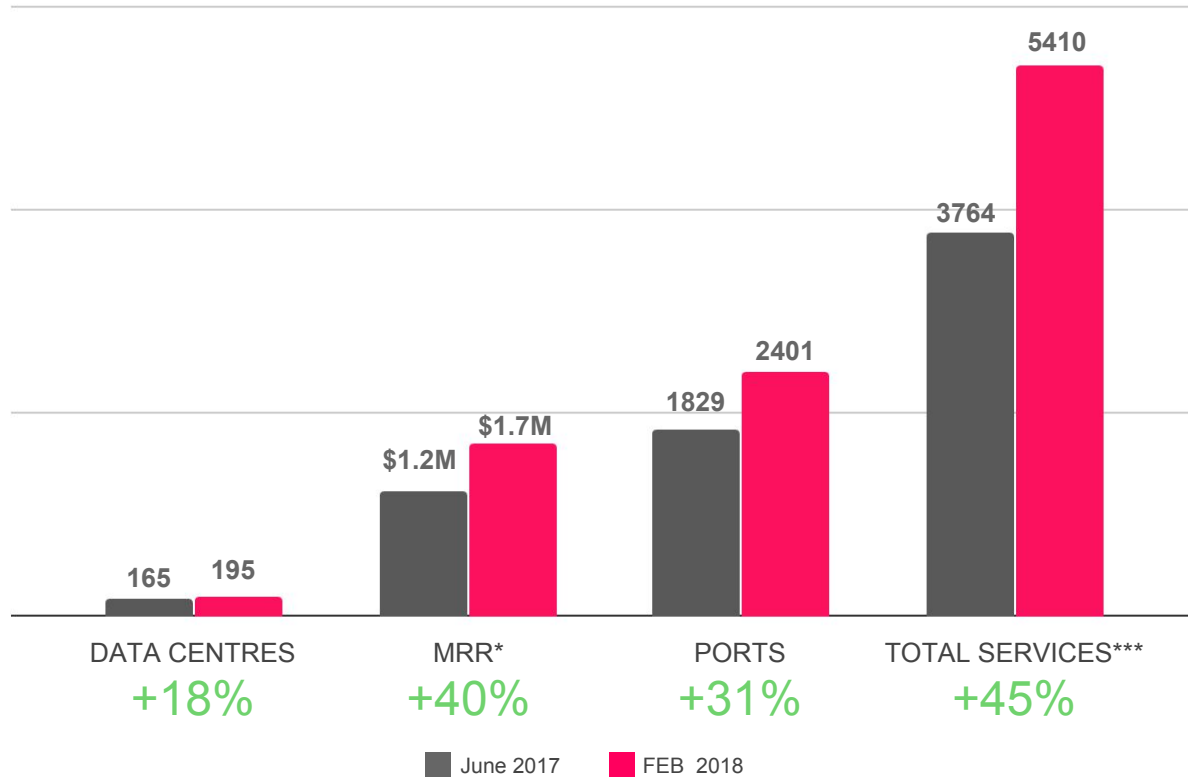
Group KPIs



*Monthly Recurring Revenue (MRR) is the recurrent revenue earned in the relevant month, calculated on the last day of the month.

**Annualised Revenue is Monthly Recurring Revenue for the relevant month multiplied by 12. 11

Growth Trends



*Monthly Recurring Revenue (MRR) is the recurrent revenue earned in the relevant month, calculated on the last day of the month.

** Average Revenue per Port is MRR divided by number of Ports at reporting period end date.

*** Total services comprise Ports, Virtual Cross Connections (VXCs), and Internet Exchange (IX).

What's driving revenue growth?

Average Revenue per Port**

June 2017

February 2018

\$667

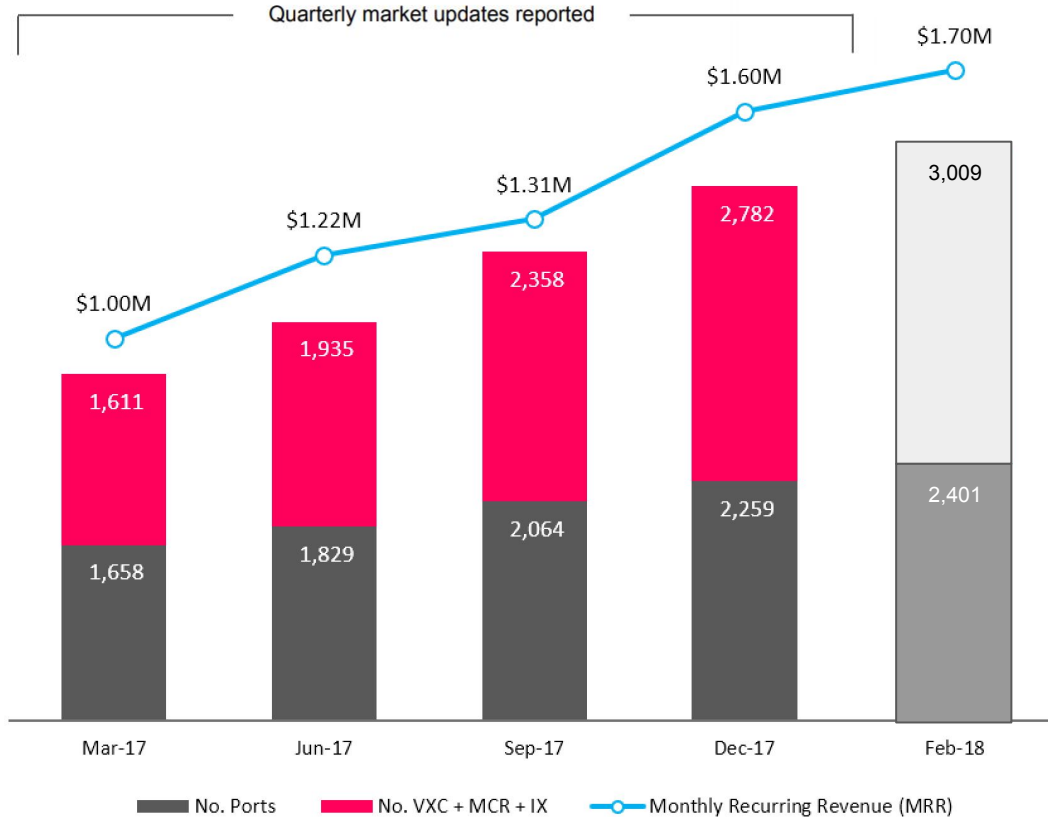
\$709

+\$42
GROWTH

The increase in services per Port directly increases Port value

Growth Trends

Annualised Revenue Feb-18 \$20.4M



Ecosystem richness drives greater service connection opportunities

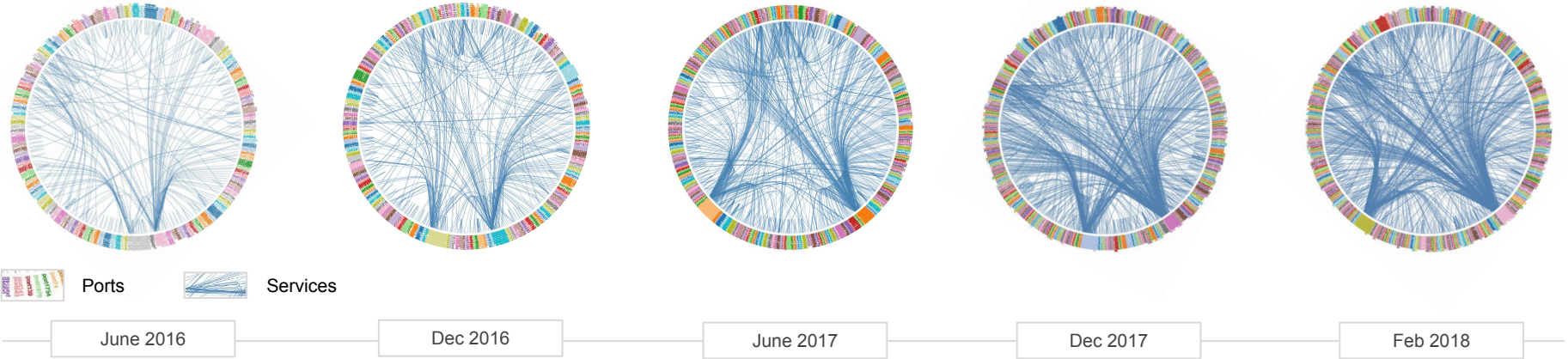
Growth in services is an indicator of overall customer usage on the network

Increased services per Port drives greater Monthly Recurring Revenue (MRR) growth and increased revenue per Port

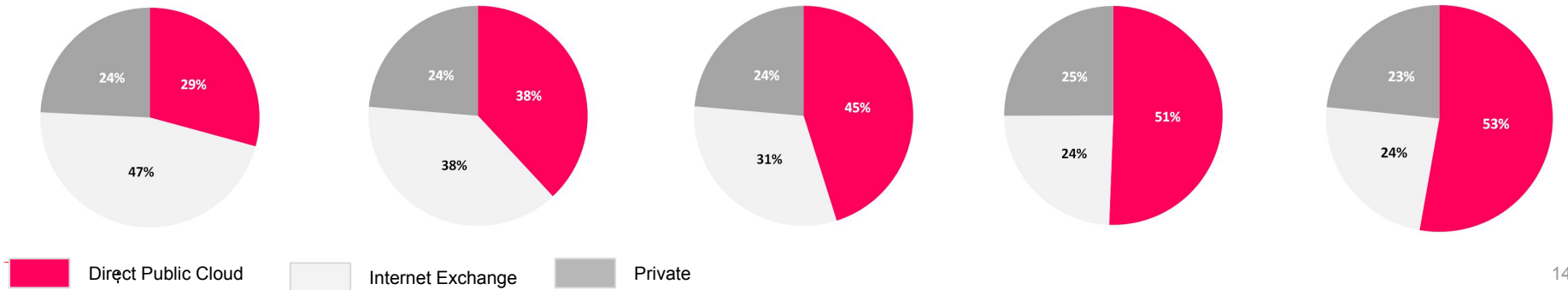
39% increase MRR in past eight months to 28th February 2018.

Building the Network Effect

Megaport Service Connections:



Service Connection Types:



Competitive Differentiation

Cloud Focus and Capability



102

Total onramps

40 new onramps since
30 June 2017. Up 65%

Total Onramps

Amazon Web Services	27
Microsoft Azure	25
Oracle Cloud	11
Google Cloud	17
Alibaba Cloud	8
IBM Cloud	11
Salesforce	3



57

Cloud regions

 Alibaba Cloud

 IBM Cloud



US West 1 (Silicon Valley)
US East 1 (Virginia)
Asia Pacific SE1 (Singapore)
Asia Pacific SE2 (Sydney)
CN-Hong Kong
EU Central 1 (Frankfurt)

Asia Pacific South
EU central
UK South
US East
US South

US East US
Central EU
Central



ORACLE
CLOUD



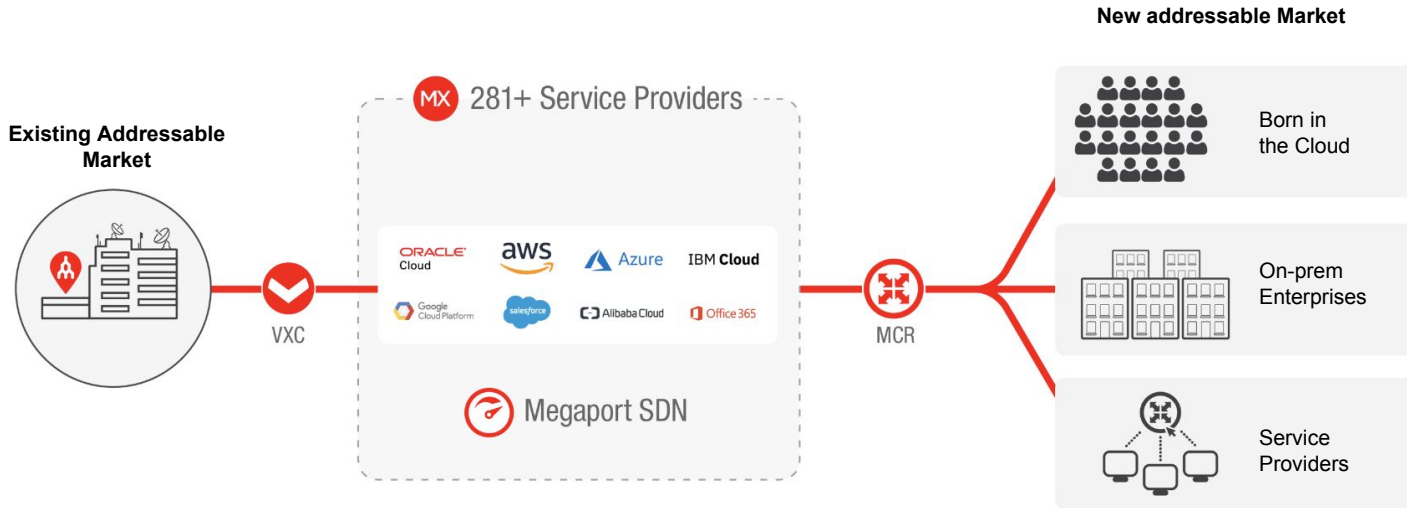
AWS GovCloud
EU Frankfurt
US Ohio
US East N. Virginia
US West (N. California)
US West (Oregon)
Canada (Central)
Asia Pacific (Sydney)
Asia Pacific (Singapore)
EU London
EU Ireland

US DoD East
US Gov Texas
US Gov Iowa
US West
West US 2
South Central US1
North Central US
UK South
North Europe
West Europe
Germany Central
Canada East
Canada Centra
Australia South East
Australia East
East Asia
Southeast Asia

EMEA - Frankfurt
EMEA - Slough
EMEA - Amsterdam
US - Ashburn
US Chicago
APAC Sydney

US West 1
US Central 1
US East 4
Europe West 2
Europe West 3
Europe West 4
Asia Southeast 1
Australia South East 1

Megaport Cloud Router (MCR)



Key Features



Cloud to Cloud Networking



Virtual Networking



Reduced Ownership Costs



Managed Layer 3 Connectivity

Virtual router

Greater connectivity options and traffic control

Rapid, private, secure connections to one or more service providers without the need for physical networking infrastructure

Evolution of NaaS business model

Enterprise Customers

gettyimages®

zoom



News Corp

AON



TAL



Qrious

utimaco®



SaleCycle



MOELIS & COMPANY



Investment Opportunity

The Opportunity

Megaport is the **first global Software Defined Network (SDN)** aligning network to cloud and virtualizes network services.

Megaport services **195 data centres** with 70 unique data centre operators.

Megaport's global network provides rapid, scalable, and secure **connectivity to 7 of the leading Cloud Service Providers** including AWS, Microsoft Azure, IBM Cloud, Oracle Cloud, and Google Cloud, Alibaba Cloud, and Salesforce and connects to 102 cloud onramps globally.

Megaport Cloud Router (MCR) is a unique new virtual routing service that cost effectively solves cloud-to-cloud connectivity for businesses and can extend service provider network reach without the need to deploy physical infrastructure.

The number of connections on the Megaport SDN to Cloud Service Providers has grown 85% since 30 June 2017.

Approximately 2 out of every 3 cloud connections on the Megaport SDN originate from a data centre that does not have an on-site Cloud Service Provider onramp.

Megaport intends to grow to **~300 data centres** by mid-2019, expanding network reach and cloud connectivity options for underserved enterprises.

Megaport is broadening its share register with **international investors** reflecting its global business.

Capital Raising

Offer Details

Placement	<p>Fully underwritten placement to institutions, sophisticated and professional investors to raise \$50 million via the issue of ~13.33 million shares (Placement).</p> <p>The Placement is within Megaport's existing placement capacity under ASX Listing Rule 7.1 and accordingly shareholder approval is not required.</p> <p>Issue price of \$3.75 per share, represents a 7.4% discount to the closing price on 19 March 2018 of \$4.05 per share, being the last trading day before Megaport announced the Placement.</p>
Share Purchase Plan	<p>Megaport will offer eligible shareholders in Australia and New Zealand the ability to apply and subscribe for up to \$15,000 of new shares at the same price at which they are issued under the Placement¹, via a non-underwritten Share Purchase Plan (SPP). The SPP documentation will be made available to eligible shareholders on or about 28 March 2018.</p>
Secondary Offering	<p>Concurrent with the Placement, Mr Bevan Slattery will offer 6.67 million shares to institutions, sophisticated and professional investors via a secondary offering (Secondary Offering).²</p> <p>The shares offered under the Secondary Offering will be sold at the same price as the Placement.</p>

1. Megaport reserves the right to vary the SPP offer details without notice.

2. Following the Secondary Offering, Mr Bevan Slattery will continue to hold a relevant interest in 23.0% of Megaport shares.

Indicative Timetable

Trading Halt and Announcement of Equity Raising	Tuesday 20 March 2018
Trading Halt Lifted	Wednesday 21 March 2018
Settlement of Placement & Secondary Offering Shares	Friday 23 March 2018
Allotment, quotation and trading of Placement Shares	Monday 26 March 2018
Despatch SPP Offer Booklet	Wednesday 28 Mar 2018
SPP Offer Closes	Friday 13 April 2018
Allotment, quotation and trading of SPP Shares	Friday 20 April 2018

Note the above dates are equivalent to Sydney, Australia time. The above timetable is indicative only and may change without notice.

Use of Proceeds

	A\$	US\$ ¹
Capital Expenditure		
Network capacity upgrade (to 100GB)	\$12.3	\$9.6
New Locations and Platform Upgrades	\$8.8	\$6.8
	\$21.1M	\$16.4
Ongoing Operating Costs of Network, Staff		
Entering new markets & Development investment	\$10.0	\$7.8
To bridge to Group EBITDA positive & Working Capital	\$26.9	\$21.0
	\$37.4M	\$28.8
Capital Raising Costs	\$2.0	\$1.6
TOTAL	\$60.0M	\$46.8M

Cash position at
28 Feb 2018

\$15.4M

Capital Raising

up to **\$60M**

~US\$46.8M

Risks

Dependence on key personnel

Megaport depends on the skills and experience of its staff and employees. With only a small number of employees, it is essential that appropriately skilled staff be available in sufficient numbers to support the Company's business. Megaport requires staff to have a variety of skills and expertise, some of which may be considered niche specialities in which there are limited practitioners available for recruitment. While the Company has initiatives to mitigate this risk, the loss of key staff may have a negative impact on Megaport. The loss of key staff to a competitor may amplify this impact.

Short operating record

Megaport is a recently established Company and has a limited operational track record with a number of the key personnel only recently appointed. As a result the execution of Megaport's business plan may take longer to achieve than planned and costs of doing so may be higher than budgeted.

Megaport's operational business plan requires upfront capital investment, and there can be no assurance that subsequent operational objectives will be achieved. Accordingly, the Company may need to raise capital sooner than expected, and with fewer operational objectives achieved, which may have an adverse effect on the Company's share price. Failure to achieve operational objectives may also have a material adverse impact on the financial performance and/or position of the Company.

Funding and capital

Whilst Megaport's business is not capital intensive in nature, the continued growth of the Company relies on the development of new markets, new locations, customer acquisition, retention investment, and ongoing maintenance of existing infrastructure and software platforms. Megaport requires sufficient access to capital to fund this expenditure. Failure to obtain capital on favourable terms may hinder Megaport's ability to expand and pursue growth opportunities, which may reduce its competitiveness and have an adverse effect on the

financial performance, position and growth prospects of the Company.

Megaport's continued ability to implement its business plans effectively over time may depend in part on its ability to raise future funds. There is no assurance that additional funds will be available in the future, and/or be secured on reasonable commercial terms. If adequate funds are not available or not available on reasonable commercial terms in the future, then Megaport may not be able to take advantage of opportunities, develop new ideas or otherwise respond to competitive pressures.

Interruptions to operations, including infrastructure, and technology failure

Megaport could be exposed to short, medium or long-term interruptions to its operations as it relies on infrastructure and technology to provide its services. Megaport may be unable deliver a service as a result of numerous factors, including:

- human error
- power loss
- improper maintenance by entities not related to Megaport
- physical or electronic security breaches
- fire, earthquake, hurricane, flood and other natural disasters
- water damage
- intentional damage to the networks from vandalism
- accidental damage to the networks from civil works
- war, terrorism and any related conflicts or similar events worldwide
- sabotage and vandalism

Competitive landscape and action of others

Megaport operates in a competitive landscape alongside a number of other service providers with competing technologies, network reach and capabilities, product and service offerings and geographic presence.

Risks (cont'd)

Megaport currently enjoys early mover advantage in its deployed markets. However, Megaport may face competition from new entrants to the network-as-a-service and elastic fabric markets who may have significant advantages including greater name recognition, longer operating history, existing market presence in similar or adjacent markets, lower operating costs, pre-existing relationships with current or potential customers and greater financial, marketing and other resources. If competitor product and service offerings are perceived to be superior to Megaport's, or competitors are able to offer products and services at below Megaport's prices, Megaport may lose existing or potential customers, incur costs to improve its network or be forced to reduce prices.

Exchange rate movement

Megaport is exposed to exchange rate movements, particularly including A\$/US\$ and A\$/EUR rates. Because a proportion of Megaport's payments for cost of network equipment and services are made or are expected to be made in foreign currencies, primarily US dollars, movements in exchange rates will impact the amount paid for assets, inventory and on-going services. Also, because a proportion of Megaport's revenues and profits is likely to be earned overseas, movements in exchange rates impact on the translation of account balances in Megaport's foreign operations. Therefore, movements in exchange rates, particularly the A\$/US\$ and A\$/EUR rate, may have an adverse impact on Megaport's financial position and performance.

Reputational damage

The reputation of Megaport could be adversely impacted by a number of factors including failure to provide customers with the quality of service they expect, significant network issues, disputes or litigation with third parties such as customers, employees, or suppliers, a breach of data security or cyber attack or

adverse media coverage. A significant impact to the reputation of Megaport could have an adverse effect on Megaport's future financial performance and position, including its ability to continue as a going concern.

Protection of intellectual property

Megaport's ability to leverage the value of network-as-a-service and SDN technology depends on its ability to secure ownership of and protect its intellectual property including any improvements to existing intellectual property. The intellectual property may not be capable of being legally protected or Megaport may incur substantial costs in asserting or defending its intellectual property rights. Megaport's intellectual property may also be lost, stolen or compromised as a result of an unauthorised electronic security breach. Megaport actively seeks to protect its intellectual property by contractual assignment and patent protection.

Risks of acquisitions and the failure to integrate acquired businesses

Megaport has made two acquisitions in Europe and may make further acquisitions in the future. However, there can be no assurance that the acquired companies and businesses will continue to perform as expected or that Megaport will succeed at effectively managing the integration of acquired companies and businesses. If the expected earnings and cash flows from such transactions (either present or future) do not materialise or Megaport fails to successfully integrate such new businesses into its existing business, Megaport's results, including from the newly acquired businesses and Megaport's existing operations, could be adversely affected.

Regulatory compliance

Megaport is required to comply with the laws governing telecommunications in each jurisdiction in which it operates. This may require Megaport to hold certain licences. Specifically, Megaport Singapore is required to hold, and does hold, a services-based operator (class licence) under the Telecommunications

Risks (cont'd)

Act (Chapter 323) and Megaport Hong Kong is required to and does hold a services-based operator licence under the Telecommunications Ordinance.

Megaport must comply with a complex range of laws and regulations. Regulatory areas which are of particular significance to Megaport include telecommunications, information security, data protection, privacy, international trade, competition and taxation, employment, occupational health and safety and property.

These regulations also give rise to significant requirements and compliance costs for Megaport. Non-compliance with such regulations, changes in the interpretation of current regulations, loss or failure to secure renewal of an accreditation, or the introduction of new laws or regulations may lead to revocation of permits or licences that could impact or curtail Megaport's ability to continue to operate in a certain markets, fines could be imposed on Megaport by the relevant regulatory authority or Governmental body, or damage to Megaport's reputation and may have a material adverse effect on Megaport's costs, business model and competitive environment and therefore could materially adversely affect Megaport's future financial performance and position, including its ability to continue as a going concern.

Doing business outside of Australia

Megaport currently has operations in Australia, Singapore, Hong Kong, New Zealand, Europe and the USA. Accordingly, Megaport is exposed to a range of multi-jurisdictional risks such as risks relating to labour practices, environmental matters, difficulty in enforcing contracts, changes to or uncertainty in the relevant legal and regulatory regime (including in relation to taxation, foreign investment and practices of government and regulatory authorities) and other issues. Businesses that operate across multiple jurisdictions, such as Megaport, face additional complexities from the unique business requirements in each jurisdiction.

The management team of Megaport has diverse and global operational experience building and operating networks outside of Australia, including the United States, Canada, Europe, and other markets in Asia such as Singapore and Japan. Management experience helps to mitigate, but does not remove, this risk.

Counterparty obligations

Megaport currently has operations in Australia, Singapore, Hong Kong, New Zealand, Europe and the USA. Megaport relies on third parties, such as customers, suppliers, landlords, contractors, financial institutions, intellectual property licensors, technology alliance partners, resellers (strategic partners), joint venture partners and other counterparties to operate its business. Megaport is exposed to counterparty risks in respect of its relationships with each of these parties. Whilst the Group seeks to deal with reputable and highly creditworthy counterparties where possible, this may fail to mitigate the risk of damage to Megaport's business, financial performance and position or reputation from its relationship with one or more of these counterparties.

Megaport does not currently have all third-party material contracts in place that will be needed for Megaport to operate its business, and may be unable to secure contracts for such arrangements on commercially reasonable terms. For example, in the US, Megaport is yet to finalise arrangements with data centre operators that are necessary for Megaport to provide connectivity for customers.

Where arrangements are already in place, some third parties may not be willing or able to perform their obligations to Megaport. Periods of economic uncertainty increase the risk of defaults by counterparties. If one or more key counterparties default on their obligations to Megaport or encounter financial difficulties, this would have an adverse effect on Megaport's future financial performance and position.

Even where counterparties perform their contractual obligations, the relevant agreements may have insufficient protections for Megaport.

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