Megaport

Share Placement & Share Purchase Plan

13 March 2019

Not for release to US wire services or distribution in the United States except to Approved US Investors

Megaport

Megaport Limited
ACN 607 301 959

Important Information

This presentation has been prepared by Megaport Limited (ACN 607 301 959) (Megaport or Company) in connection with an institutional placement of new fully paid ordinary shares in Megaport (Placement), a secondary offering of existing fully paid ordinary shares by Mr Bevan Slattery, Chairman of Megaport, (Secondary Offering) and a share purchase plan of new fully paid ordinary shares in Megaport (SPP). The Placement and Secondary Offering are fully underwritten by Royal Bank of Canada (trading as RBC Capital Markets) (ABN 86 076 940 880) (RBC) and Morgans Corporate Limited (ABN 32 010 539 607) (Morgans) (RBC and Morgans together being the "Lead Managers"). The SPP is not underwritten.

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Australia

The Placement and Secondary Offering will be conducted under section 708A of the Corporations Act and will be made available to certain persons who are "professional", "sophisticated" or "experienced" investors (within the meaning of subsections 708(8), 708(10) and 708(11) of the Corporations Act, who are also "wholesale" clients (within the meaning of section 761G of the Corporations Act), such that disclosure to them is not required under Chapter 6D or Part 7.9 of the Corporations Act. The SPP will only be made available to eligible shareholders and will be conducted in accordance with ASIC Class Order [CO 09/425]. Determination of eligibility of investors for the purposes of the Offer is determined by reference to a number of matters, including legal requirements and the discretion of the Company and the Lead Managers. To the maximum extent permitted by law, the Company and the Lead Managers each disclaim any liability in respect of the exercise of that discretion or otherwise.

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Investment Opportunity

The Opportunity

Megaport is the industry-changing, **leading global Software Defined Network** (SDN) that:

- Enables Network as a Service: on-demand, elastic, self-serve capacity aligned to cloud consumption models
- Simplifies real-world networking problems and unlocks next generation IT use cases like Cloud to Cloud and Hyperconverged
- Directly, rapidly connects digital supply chains from Digital Media and Finance to Government and Energy
- Drives interconnection capabilities further to the network edge and to new markets
- Extends the reach of cloud services to underserved locations with over 115 cloud onramps globally including AWS, Microsoft Azure, IBM Cloud, Oracle Cloud, Google Cloud, Alibaba Cloud, Nutanix, and Salesforce
- Empowers over 400 enabled data centres with an ecosystem of over 300 service providers

Capital raising to:

- Innovate new services and capabilities that continue to make data flow automatically and seamlessly between locations, services, supply chains, and customers
- Strengthen first mover advantage through expansion into key regions, markets, and locations
- Achieve greater ecosystem density and choice through software integration and interconnection with leading service providers globally
- Ensure services-neutral platform is positioned for future growth as data consumption increases
- Drive “Interconnection everywhere” through continued market expansion

Capital Raising

Offer Details

Placement	Fully underwritten placement to exempt investors[1] to raise $50 million via the issue of 12.5 million fully paid ordinary shares (**Placement**). Issue price of $4.00 per share, represents a 4.8% discount to the closing price on 12 March 2019 of $4.20 per share, being the last trading day before Megaport announced the Placement. The Placement is within Megaport's existing placement capacity under ASX Listing Rule 7.1.
Share Purchase Plan	Megaport will offer eligible shareholders in Australia and New Zealand the ability to apply and subscribe for up to $15,000 of fully paid ordinary shares at a price no greater than the price at which shares are issued under the Placement[2], via a Share Purchase Plan (**SPP**) to raise up to $10 million.
Secondary Offering	Concurrent with the Placement, Mr Bevan Slattery will offer 5 million existing fully paid ordinary shares to exempt investors via a secondary offering (**Secondary Offering**).[3] The shares offered under the Secondary Offering will be sold at the same price as the Placement.

1. *Persons to whom an offer of new securities in the Company is lawful, in accordance with the international offer restrictions set out on pages 2 and 3.*
2. *Shares under the SPP will be issued at the lower of (a) $4.00 per share, being the same price at which shares are issued under the Placement; and (b) the price equal to the volume weighted average price of Megaport shares traded on the ASX for the 5 trading days ending on (and including) the closing date of the SPP offer. Megaport reserves the right to vary the SPP offer details without notice.*
3. *Following the Placement and Secondary Offering, Mr Bevan Slattery will continue to hold a relevant interest in ~16.3% of Megaport shares.*

Indicative Timetable

Trading Halt and Announcement of Capital Raising	13 March 2019
Trading Halt Lifted	14 March 2019
Settlement of Placement & Secondary Offering Shares	19 March 2019
Allotment, quotation and trading of Placement Shares	20 March 2019
Dispatch SPP Offer Booklet and SPP Offer Opens	21 March 2019
SPP Offer Closes	26 April 2019
Allotment, quotation and trading of SPP Shares	3 May 2019

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$ ($'000,000)	US$[1] ($'000,000)
Source of funds		
Cash on hand	$26	$19
Gross placement proceeds[3]	$50	$36
TOTAL	**$76**	**$54**
Use of Funds		
Capital Expenditure		
New locations, new markets & capacity upgrades	$24	$17
Innovation & internal development of new technology	$16	$11
Total Capital Expenditure	**$40**	**$28**
Funding Operating Costs & Working Capital[2]	**$34**	**$24**
Total Cash Requirements	**$74**	**$53**
Capital Raising Costs	$2	$1
TOTAL	**$76**	**$54**

Cash position at 28 February 2019

$26.4M

~US$19M

Placement[3]

$50M

~US$36M

1. Assumes A$1.00 = US$0.71. Numbers converted into USD may not add due to rounding
2. Surplus cash will be applied to Working Capital
3. Proceeds of A$50 million does not include the proposed Share Purchase Plan of up to $10 million

Outlook

- Megaport’s investments in its sales and go-to-market engine, growing data centre footprint and integration with more cloud onramps position the business for strong growth.

- Further investment into technology, like Megaport Cloud Router, provide an opportunity to build on the strong momentum to further leverage the Megaport platform in key markets and drive increased adoption of cloud connectivity services.

- Continued investment and focus on various channels to support increased sales activities.

- Accelerated expansion with data centre and network partners to extend reach and expand Megaport’s target addressable market while increasing its first mover advantage.

- Drive customer growth by supporting acceleration of digital transformation of supply chains and value chains through interconnection of key services and locations.

- Expansion of neutral interconnection capabilities to existing, new, and underserved markets to support the current and next generation of data consumption models.

Risks

Breach of Information Security

Megaport is exposed to the risk of a material breach of information security that could result in reputational damage, lost customers & revenue, fines, other sanctions that could materially adversely affect Megaport's future financial performance and position and require the business to incur additional compliance costs.

An example would include unauthorised access to Megaport's systems, processes and/or infrastructure that compromises the accuracy and availability of production and/or customer data and systems or disclosure of confidential information. This could result in loss of control (integrity) or availability of Megaport's network service (product) or supporting infrastructure/systems, or inadvertent disclosure of sensitive or personally identifiable information.

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 continued 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 funding. There is no assurance that additional funding 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.

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.

Megaport currently enjoys early mover advantage in many of its deployed markets. However, Megaport may face increased competition from new entrants to the network-as-a-service and elastic interconnection 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, an ability to bundle with existing products and services, and greater financial, marketing and other resources. This could include increased competition from the SDN solutions for enterprise customers being rolled out by data centre operators (e.g. Equinix's Cloud Exchange, NextDC's AXON and CoreSite's Open Cloud), from telecommunications service providers (e.g. Zayo CloudLink) or the development of a direct connect solution by the Cloud Service Providers that reduces demand for Megaport's services.

If competitor product and service offerings are perceived to be superior to Megaport's, or competitors are able to offer better value or more flexible or efficient connection than Megaport, Megaport may lose existing or potential new customers, incur additional costs to improve its services or be forced to reduce prices.

Megaport may also find that it is unable to gain access to or continue accessing key data centres (or to do so on commercial terms), or secure capacity from infrastructure providers to connect its network (or to do so on commercial terms).

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.

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, a significant privacy or information security breach, disputes or litigation with third parties such as customers, employees, or suppliers or adverse media coverage. Such a significant reputational event would likely have an adverse effect on Megaport (e.g. on the existing customer base and revenues, ability to sign up new customers, ability to secure reasonable credit terms, etc) and its future financial performance and position.

Risks (Cont'd)

Ability to attract and retain employees

Megaport depends on the skills and experience of its staff and employees. With a relatively small number of employees for a global company, 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 specialties in which there are limited practitioners available for recruitment. While the Company has initiatives to mitigate this risk, the loss of staff in key positions may have a negative impact on Megaport. The loss of key staff to a competitor may amplify this impact.

Megaport's business is dependent on attracting and retaining quality employees. Megaport's ability to meet its labour needs while controlling costs associated with hiring and training new employees is subject to external factors such as unemployment rates, prevailing wage legislation and changing demographics in its operating markets as well as other factors such as Megaport's brand and reputation as an employer. Changes that adversely impact Megaport's ability to attract and retain quality employees could materially adversely affect Megaport's future financial performance and position.

Short operating record

Megaport was established in 2013 and has a relatively short operational track record. As a result, the execution of Megaport's business plan may take longer to achieve than planned, and the costs of doing so may be higher than budgeted.

Megaport's business plan requires upfront capital investment, and there can be no assurance that future operational objectives (e.g. global network roll-out, accelerated revenue growth, and continued technological innovation) will be achieved. Failure to achieve operational objectives may also have a material adverse impact on the financial performance and/or position of the Company. Accordingly, the Company may need to raise additional capital, or raise capital sooner than expected, and with fewer operational objectives achieved, which may have an adverse effect on the Company's share price.

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

Exchange rate movements

Megaport's global operations, sales in an expanding list of countries and markets, purchases of network equipment from overseas suppliers, and provision of services in international jurisdictions means that it is exposed to potentially adverse movements in exchange rates. This means that exchange rate movements, particularly the A$/US$ and A$/EUR, may have an adverse impact on Megaport's financial performance and position.

Risks (Cont’d)

Doing business outside of Australia

Megaport currently has operations in Australia, New Zealand, Singapore, Hong Kong, USA, Canada, UK, Ireland, Germany, Netherlands, Sweden, Bulgaria and Dubai, and has plans to expand to several more countries over the next 12-18 months. Accordingly, Megaport is exposed to a range of multi-jurisdictional risks such as risks relating to licensing requirements, labour practices, environmental matters, difficulty in enforcing contracts, changes to or uncertainty in the relevant legal and regulatory regime (including in relation to taxation and foreign investment and practices of government and regulatory authorities) and other issues in foreign jurisdictions in which Megaport operates. Businesses that operate across multiple jurisdictions, such as Megaport, face additional complexities from the unique business requirements in each jurisdiction.

Counterparty obligations

Megaport currently has operations in 13 countries, and has plans to expand to several more countries over the next 12-18 months. 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.

Where contracts are 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.

Regulatory compliance

Megaport is required to comply with the laws governing telecommunications and related sectors in each jurisdiction in which it operates, which may require Megaport to hold certain licences or submit a notification to the relevant regulator.

Megaport must comply with a complex range of laws and regulations across each jurisdiction in which it operates. Regulatory areas which are of particular significance to Megaport include laws governing telecommunications and related sectors, information security, data protection, privacy, employment, occupational health and safety, property and environmental, customs and international trade, competition and taxation. These regulations also give rise to significant compliance requirements and costs for Megaport.

Non-compliance with laws, licensing requirements and regulations, changes in the interpretation of laws and current regulations, loss or failure to secure renewal of a licence or accreditation, or the introduction of new laws or regulations may lead to fines imposed on Megaport by the relevant regulatory authority or Governmental body, revocation of permits or licences, 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.

Reliance on renewal of key contracts

There is a risk that Megaport is unable to negotiate / re-negotiate / extend key contracts due to expire in the next 12-24 months. Megaport has some Data Centre Operators (DCO) co-location leases which are due for renewal in the next 12 months. This is normal practice as some contracts are less than 3 years and others are greater than 3 years. Each DCO has different terms and conditions in each jurisdiction, and almost all data centres operate a “carrier neutral” policy.

Loss of revenue due to churn

Megaport’s business model is to offer flexible connectivity arrangements without a requirement for customers to sign up to long (or medium) term contracts, which could see customers decommission services in large numbers at short notice or disconnect altogether without penalty. This is a particular risk should Megaport suffer a material increase in network outages or impact to its reputation raising doubt about its reliability as a service provider.

Appendix

Market Update.

1HFY19 Half Year

12 February 2019

Megaport

Megaport Limited
ACN 607 301 959

Company Highlights

City Presence

8 NEW* | 82 TOTAL^

Data Centre Operators

82 TOTAL^

Cloud Regions

3 NEW* | 65 TOTAL^

Cloud Onramps

7 NEW* | 115 TOTAL^

Installed Data Centres

24 NEW* | 245 TOTAL^

Enabled Data Centres

386 TOTAL^

North America

Monthly Recurring Revenue[3]

+80%

$0.55M 30 JUNE 2018 | **$0.98M** 31 DEC 2018

Profit after direct network costs[1]

1HFY19

$4.8M

$2.7M | 131%

1HFY18: **$2.1M**

Profit % after direct network costs[2]

1HFY19

32%

1HFY18: **24%**

*New between 1 July 2018 and 31 December 2018. ^Total as at 31 December.

[1] Profit after direct network costs - "Revenue less direct network costs, comprising of data centre power and space, physical cross connect fees, bandwidth and dark fibre, network operation and maintenance, and channel commissions which are directly related to generating the service revenue of Megaport Group."

[2] For the Half-Year ended 31 December 2018 and 31 December 2017

[3] Monthly Recurring Revenue (MRR) is revenue for the last month of the relevant period

KPIs

Total Installed Data Centres	
221	**245**
30 JUNE 2018	31 DEC 2018

Total Number of Ports	
2,755	**3,344**
30 JUNE 2018	31 DEC 2018

Total Number of Services[3]	
6,567	**8,735**
30 JUNE 2018	31 DEC 2018

Total Number of Customers	
1,038	**1,277**
30 JUNE 2018	31 DEC 2018

Monthly Recurring Revenue[1]	
$2.0M	**$2.7M**
30 JUNE 2018	31 DEC 2018

Annualised Revenue[2]	
$23.8M	**$32.6M**
30 JUNE 2018	31 DEC 2018

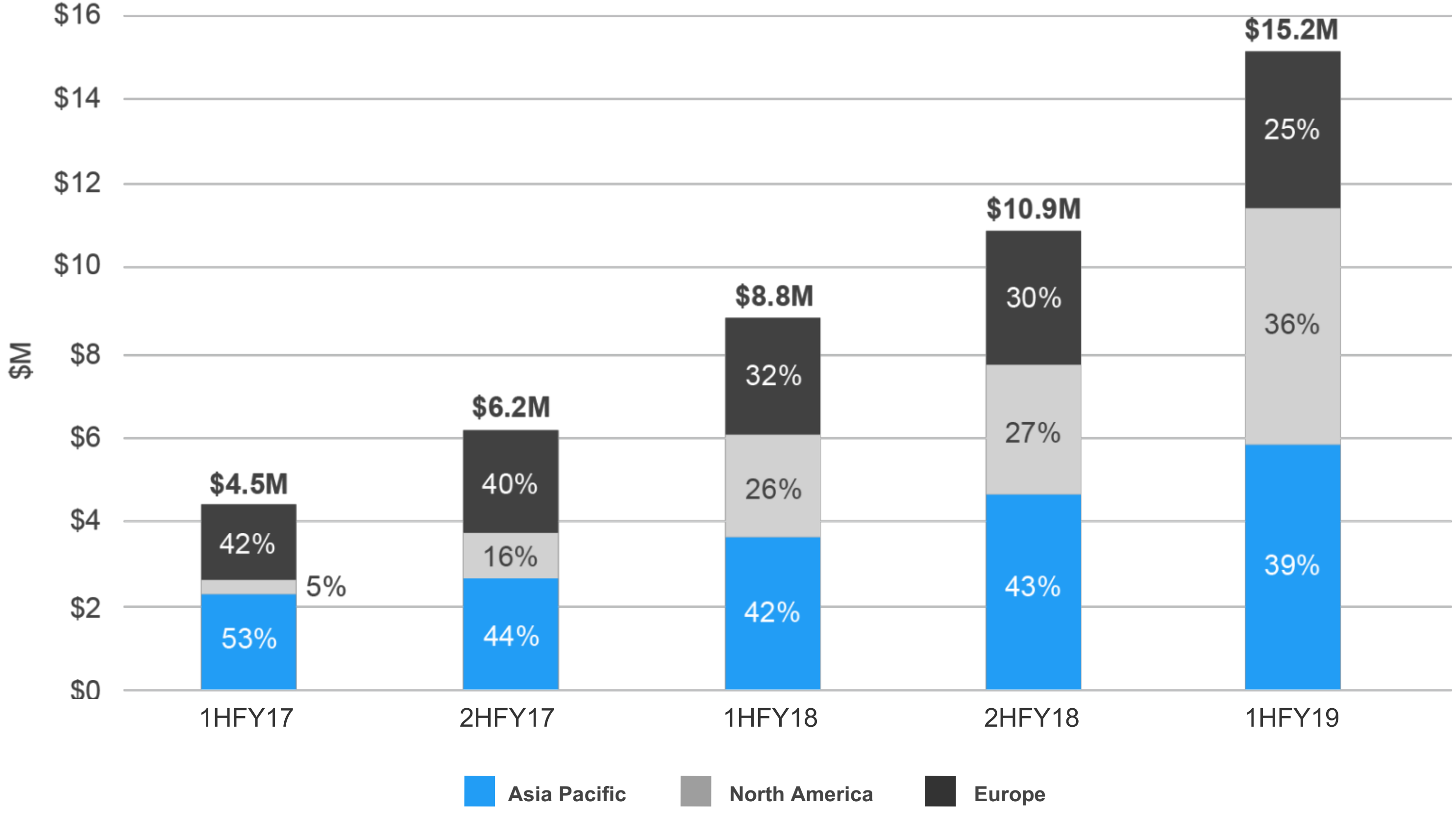
[1] Monthly Recurring Revenue (MRR) is revenue for the last month of the relevant period
[2] Annualised Revenue is MRR for the last month of the reporting period multiplied by 12
[3] Total services comprise of Ports, Virtual Cross Connections (VXCs), Megaport Cloud Router (MCR), and Internet Exchange (IX)

Revenue Performance

Asia Pacific	North America	Europe	GLOBAL
			
1HFY19	1HFY19	1HFY19	1HFY19
$5.9M	**$5.5M**	**$3.8M**	**$15.2M**
$2.2M | +61%	$3.2M | +134%	$1.0M | +34%	$6.4M | +72%
1HFY18: **$3.7M**	1HFY18: **$2.3M**	1HFY18: **$2.8M**	1HFY18: **$8.8M**

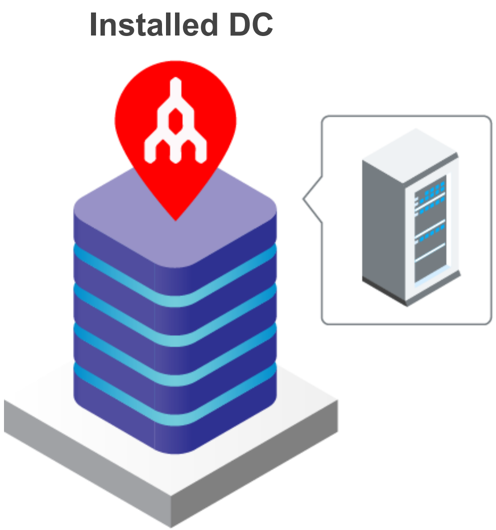
Growth rate is calculated using the actual $ values

Regional Revenue Distribution

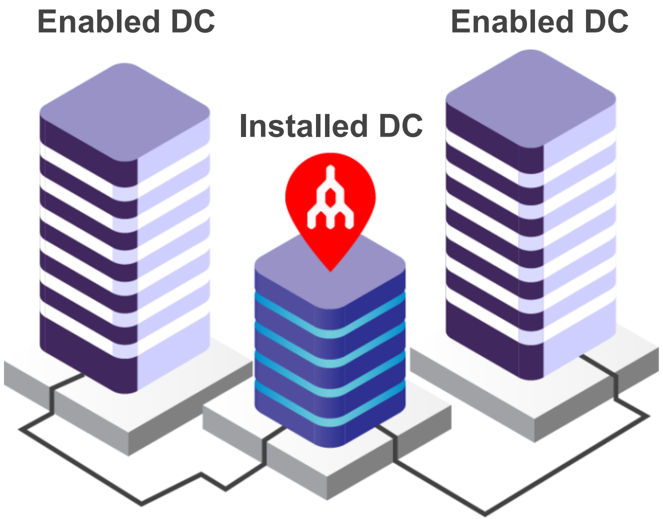


Revenue figures indicate - *Total Revenue*

Data Centre Definitions



Installed DCs: Data centres where Megaport has a physical point of presence with network infrastructure



Enabled DCs: Installed Data Centres plus data centres that can be connected directly to Megaport equipment by means of a dark fibre campus cross connect

Megaport Enabled Data Centres

Asia Pacific	78
North America	209
Europe	99
Global	386

Financial Performance

1HFY19

Financial Results

Consolidated Profit & Loss	1HFY19 $'000	1HFY18 $'000
Revenue	**15,184**	**8,833**
Direct network costs[1]	(10,356)	(6,744)
Profit after direct network costs[1]	**4,828**	**2,089**
Operating Expenses (OPEX)	(17,243)	(12,547)
Normalised EBITDA[2]	**(12,415)**	**(10,458)**
Depreciation and amortisation expense	(4,313)	(2,154)
Non-operating income/(expenses)[3]	23	(673)
Tax benefits/(expenses)	138	(37)
Net loss for the year	**(16,567)**	**(13,322)**

[1] Revenue less direct network costs, which comprise of data centre power and space, physical cross connect fees, bandwidth and dark fibre, network operation and maintenance, and channel commissions which are directly related to generating the service revenue of Megaport Group

[2] Normalised Earnings Before Interest Tax Depreciation and Amortisation (Normalised EBITDA) represents operating results excluding equity-settled employee benefit, foreign exchange gains / (losses) and non-operating expenses. Including these amounts, EBITDA would be ($12,867) in 1HFY19 and ($11,198) in 1HFY18

[3] Includes interest income & expense, foreign currency exchange differences, business acquisition costs, loss on non-current assets and equity-settled employee benefit costs

Financial Results

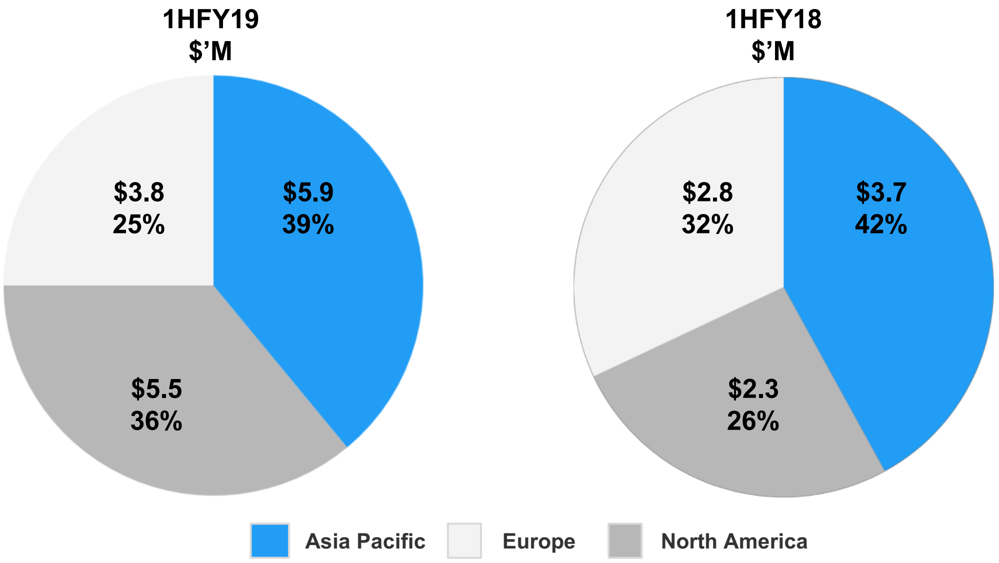
For six months ended 31 December 2018

Revenue $15.2M, up 72%

Profit after direct network costs of $4.8M improved by $2.7M

Normalised EBITDA loss of $12.4M, 82% of revenue

Revenue



REVENUE: $15.2M	**+72%**	from 1HFY18
MRR[1]: $2.7M	**+70%**	from 1HFY18

[1] Monthly Recurring Revenue (MRR) is revenue for the last month of the relevant period

Financial Results

For six months ending 31 December 2018

Revenue of $15.2M, up 72%, driven by increased usage of services across all regions

39% from Asia Pacific

36% from North America

25% from Europe

MRR[1] was **$2.7M** for December 2018, **up 70%**, driven by increased utilisation of Megaport services globally

North America MRR[1] has grown to $1.0M, up $0.6M or 144% from December 2017

Operating Costs

	1HFY19 $'000	2HFY18 $'000	1HFY18 $'000
Direct network costs	10,356	8,520	6,744
Profit after direct network costs June 18 (month) - 19%	**4,828**	**2,400**	**2,089**
Employee costs[1]	12,245	10,303	9,292
Professional fees[2]	1,433	1,119	1,042
Marketing costs	588	412	447
Travel costs	1,311	762	699
General and administrative costs	1,666	1,489	1,067
Total OPEX	**17,243**	**14,085**	**12,547**

[1] Excludes equity-settled employee benefit costs
[2] Excludes business acquisition costs

Financial Results

For six months ended 31 December 2018

Average direct network cost per data centre per month is $7.4K in 1HFY19 (up 4% compared to 1HFY18 after excluding 100G network costs)

Employee costs [1] increased due to investment in headcount to support business growth

Travel costs increased with the business development opportunities in NAM

Other OPEX increased in line with business growth

Financial Position

Consolidated Financial Position	31 Dec 2018 $'000	30 June 2018 $'000
Current assets	45,275	61,355
Non-current assets	33,915	30,802
Total assets	**79,190**	**92,157**
Current liabilities	(12,602)	(11,703)
Non-current liabilities	(306)	(250)
Total liabilities	**(12,908)**	**(11,953)**
Equity	**66,282**	**80,204**

Cash position	31 Dec 2018 $'000	30 June 2018 $'000
Cash at end of the year[1]	**38,107**	**56,270**

[1] Includes bank term deposits

Financial Position

At 31 December 2018

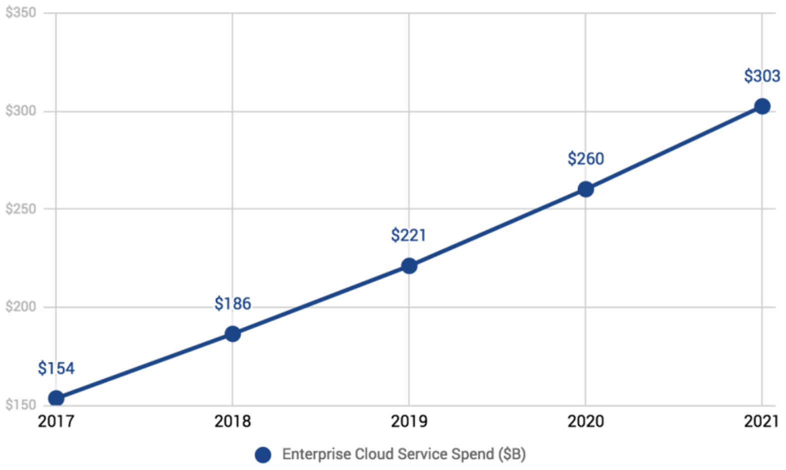
Capital invested in **rolling out** additional data centres globally, network expansion, and software and product development

Cash at 31 December 2018 was $38.1M

About Megaport

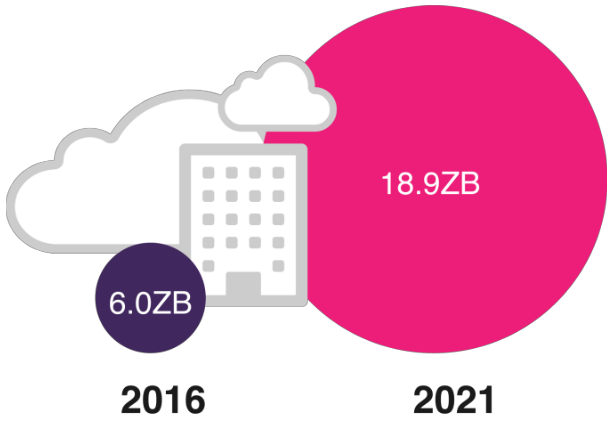
Industry Growth Trends

Enterprise Cloud Service Spend ($B)



Gartner Forecasts Worldwide Public Cloud Revenue to Grow 21.4 Percent in 2018
Total of: BPaaS, PaaS, SaaS, Cloud Management & Security Services, **Source:** Gartner, 2018

Cloud Data Centre Traffic



1 ZB = 1000^7bytes
Source: Cisco Global Cloud Index 2018

“69% of organizations plan to run a multi-cloud environment by 2019”

451 Research: Voice of the Enterprise: Cloud Transformation

Network as a Service

	Megaport's Connectivity Model	Traditional Connectivity
Pricing	Pay for what you use, no setup fees	Expensive locked-in pricing model Expensive setup costs
Speed	Real-time provisioning (59 seconds)	Long setup times (one week – several months)
Capacity	Elastic, right-sized capacity	Fixed capacity
Terms	Flexible terms, month-to-month contract	Locked-in long term contracts
Providers	Neutral, one-stop shop featuring all service providers	Limited service providers
Ease of Use	Intuitive portal to manage network	Multiple emails, calls to vendors, and paper contracts

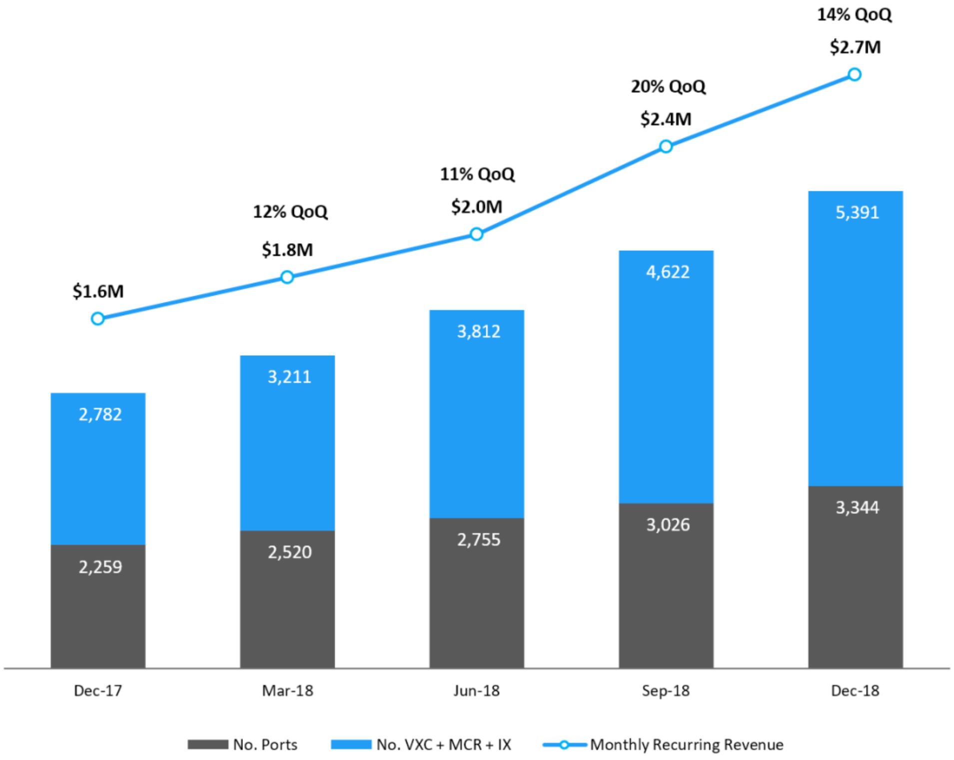
Connecting Everyone to Everything

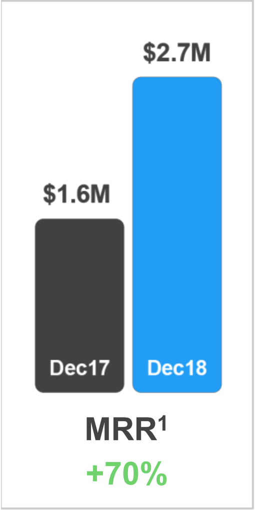
1,250 + customers	82 unique data centre operators	Megaport's unique value proposition	300+ service providers
Uber	DIGITAL REALTY	✓ Scalable and on demand	Google
aviatrix	CyrusOne	✓ Multicloud connectivity	aws
BEST BUY	Cyxtera	✓ Private and secure	Microsoft
splunk>	interxion	✓ Flexible terms	IBM Cloud
DOLLAR SHAVE CLUB	FLEXENTIAL		ORACLE Cloud
Rakuten			salesforce
			Alibaba Cloud

Business Update

1HFY19

MRR Growth Trends





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

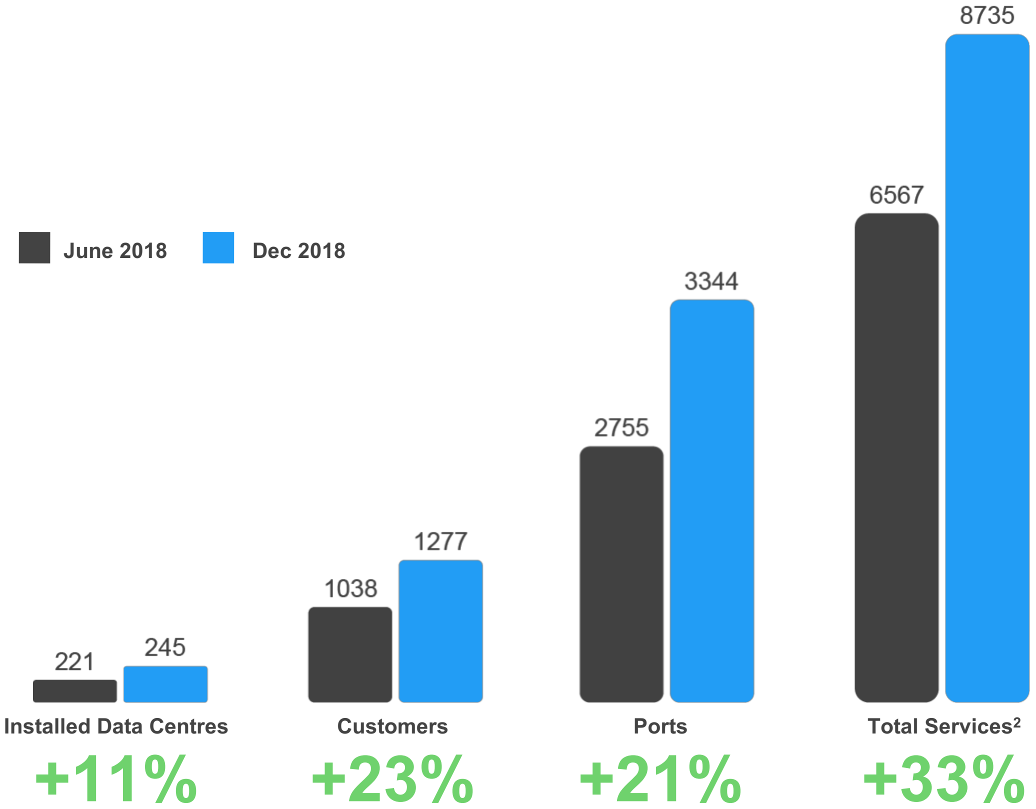
Increased services per Port drives greater MRR[1] growth and increased revenue per Port

MRR[1] has grown to $2.7M, up 37% from June 2018

North America MRR[1] has grown to $1.0M, up 80% from June 2018

[1] Monthly Recurring Revenue (MRR) is revenue for the last month of the relevant period

Growth 1HFY19



What's driving revenue growth?

Average Revenue per Port[1]	
June 2018	Dec 2018
$720	$812

$92 / +13%

GROWTH

The increase in services per Port directly increases Port value

[1] MRR divided by number of Ports at reporting period end date

[2] Total services comprise of Ports, Virtual Cross Connections (VXCs), Megaport Cloud Router (MCR), and Internet Exchange (IX)

Megaport Cloud Enablement

115

Total Onramps

Increase: 7 **+6%**

	Total Onramps
Amazon Web Services	34
Microsoft Azure	28
Google Cloud	21
IBM Cloud	12
Oracle Cloud	9
Alibaba Cloud	8
Salesforce	3

65

Cloud regions

Increase: 3 **+5%**

Alibaba Cloud

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

IBM Cloud

- Asia Pacific South
- EU (UK)
- EU (Germany)
- UK South
- US East
- US South

salesforce

- US East US
- Central EU
- US West

aws

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

Azure

- Australia South East
- Australia East
- East Asia
- Southeast Asia
- UK South
- North Europe
- West Europe
- Germany Central
- US Gov Arizona
- US DoD East
- US DoD Central
- US Gov Texas
- US Gov Iowa
- US East
- US West
- West US2
- West Central US
- South Central US
- North Central US
- Canada East
- Canada Central

ORACLE Cloud

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

Google Cloud

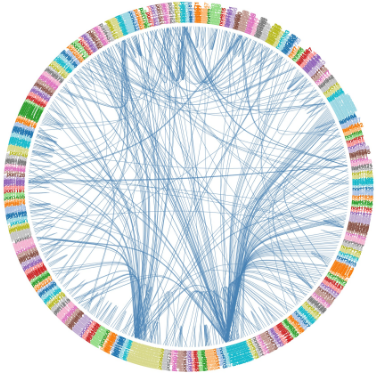
- Asia Southeast1 (Singapore)
- Australia South East1 (Sydney)
- Asia East1 (Taiwan)
- Europe West2 (UK)
- Europe West3 (Germany)
- Europe West4 (Netherlands)
- North America-Northeast1 (Montréal)
- US Central1 (Iowa)
- US East1 (South Carolina)
- US East4 (Virginia)
- US West1 (Oregon)
- US West2 (Los Angeles)

Building the Network Effect

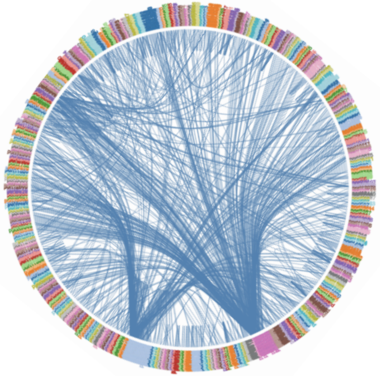
Megaport Service Connections

Ports

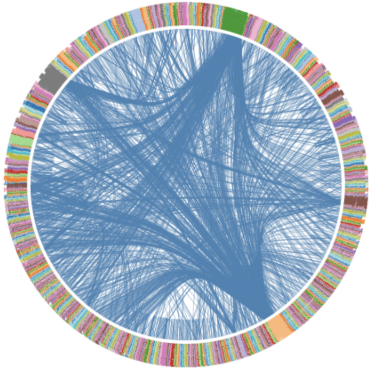
Services



31 December 2016



31 December 2017



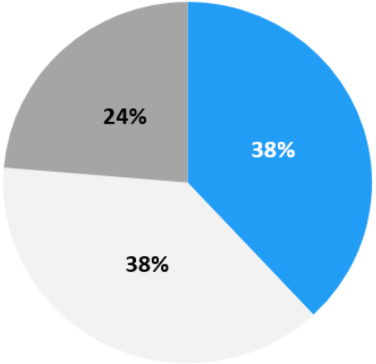
31 December 2018

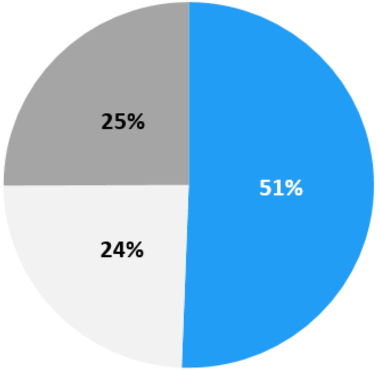
Service Connection Types

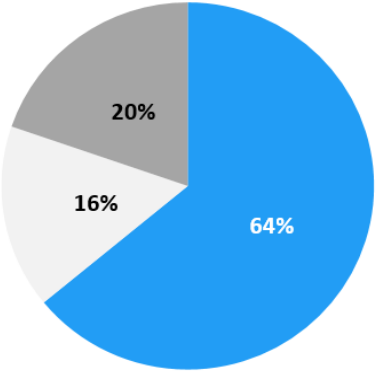
Direct Public Cloud

Internet Exchange

Private Connection





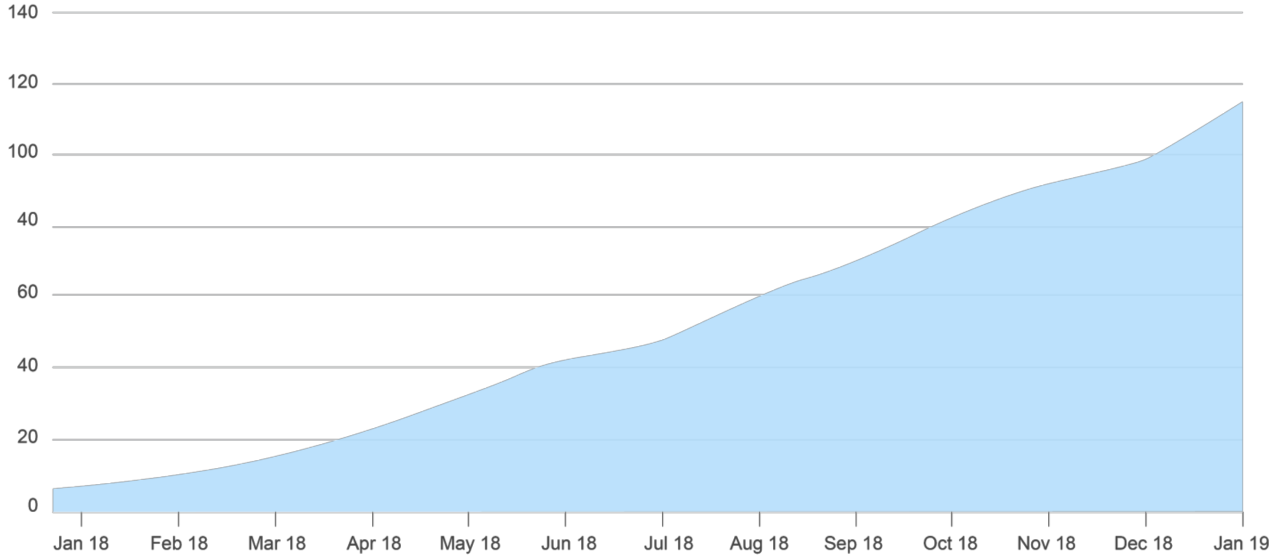


Megaport Cloud Router Performance

Total MCRs
At 31 Jan 2019
116

Avg Services

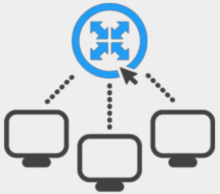
6.7	10.9
Non MCR Customer	MCR Customer



Product Launch, January 2018 to January 2019

Cloud to Cloud Networking

Hybrid Cloud at Layer 3



Virtual Networking

Regional Highlights

ASIA PACIFIC | NORTH AMERICA | EUROPE

Asia Pacific

APAC EBITDA Positive

Metric	30 June 2018	31 Dec 2018
Total Installed Data Centres	59	68
Total Number of Customers	529	607
Total Number of Ports	1,355	1,568
Total Number of Services[3]	3,676	4,528
Monthly Recurring Revenue[1]	$0.9M (JUNE 2018)	$1.1M (DEC 2018)
Profit After Direct Network Costs	55% (JUNE 2018)	58% (DEC 2018)

Average Revenue per Port

$688 | +6%

No. of Ports per Data Centre

23 | +0%

Port Utilisation[2]

55%

Services per Port

2.9 | +6%

Services per Customer

7.5 | +7%

Stats as at 31 Dec 2018

[1] Monthly Recurring Revenue (MRR) is revenue for the last month of the relevant period
[2] Ports sold/used divided by total Ports available
[3] Total services comprise of Ports, Virtual Cross Connections (VXCs), Megaport Cloud Router (MCR), and Internet Exchange (IX)

Percentage changes compare 31 December 2018 to 30 June 2018

North America

Total Installed Data Centres

100	111
30 JUN 2018	31 DEC 2018

Total Number of Customers

340	482
30 JUN 2018	31 DEC 2018

Total Number of Ports

812	1,109
30 JUN 2018	31 DEC 2018

Total Number of Services[3]

2,057	3,058
30 JUN 2018	31 DEC 2018

Monthly Recurring Revenue[1]

$0.5M	$1.0M
JUN 2018	DEC 2018

Profit After Direct Network Costs

-39%	8%
JUNE 2018	DEC 2018

Average Revenue per Port

$885 | 31%

No. of Ports per Data Centre

10 | +23%

Port Utilisation[2]

33%

Services per Port

2.8 | +9%

Services per Customer

6.3 | +5%

Stats as at 31 Dec 2018

Percentage changes compare 31 December 2018 to 30 June 2018

[1] Monthly Recurring Revenue (MRR) is revenue for the last month of the relevant period
[2] Ports sold/used divided by total Ports available
[3] Total services comprise of Ports, Virtual Cross Connections (VXCs), Megaport Cloud Router (MCR), and Internet Exchange (IX)

Europe

Total Installed Data Centres

62
30 JUN 2018

66
31 DEC 2018

Total Number of Customers

251
30 JUN 2018

288
31 DEC 2018

Total Number of Ports

588
30 JUN 2018

667
31 DEC 2018

Total Number of Services[3]

834
30 JUN 2018

1,149
31 DEC 2018

Monthly Recurring Revenue[1]

$0.6M
JUN 2018

$0.7M
DEC 2018

Profit After Direct Network Costs

48%
JUNE 2018

47%
DEC 2018

Average Revenue per Port

$983 | +3%

No. of Ports per Data Centre

10 | +7%

Port Utilisation[2]

50%

Services per Port

1.7 | +21%

Services per Customer

4.0 | +20%

Stats as at 31 Dec 2018

Percentage changes compare 31 December 2018 to 30 June 2018

[1] Monthly Recurring Revenue (MRR) is revenue for the last month of the relevant period
[2] Ports sold/used divided by total Ports available
[3] Total services comprise of Ports, Virtual Cross Connections (VXCs), Megaport Cloud Router (MCR), and Internet Exchange (IX)

Board and Executive Update

Board and Executive Update

Peter Hase

London, UK

- Appointed Chief Commercial Officer 12 February 2019
- Joined Megaport Board 22 September 2016
- Executive Board Member as of 12 February 2019

https://en.wikipedia.org/wiki/Jay_Adelson

Jay Adelson

San Francisco, USA

- Appointed Non-Executive Board Member
- Commencing 1 March 2019
- Chair of Megaport Innovation Committee
- Built/Operated Palo Alto Internet Exchange (PAIX)
- Co-Founder of Equinix (NASDAQ:EQIX)

Important Information

Megaport Limited ACN 607 301 959

Nothing in this presentation should be construed as either an offer to sell or a solicitation of an offer to buy or sell Megaport securities in any jurisdiction. No representation or warranty, expressed or implied, is made as to the accuracy, completeness or thoroughness of the information, whether as to the past or future. Recipients of the document must make their own independent investigations, consideration and evaluation. The information contained in this presentation is subject to change without notification.

This presentation includes certain forward looking statements that are based on information and assumptions known to date and are subject to various risks and uncertainties. Actual results, performance or achievements could be significantly different from those expressed in, or implied by, these forward looking statements. Such forward looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Megaport. These factors may cause actual results to differ materially from those expressed in the statements contained in this presentation. For specific risks and disclaimers, please refer to the Megaport Share Placement & Share Purchase Plan presentation lodged with the ASX on 20 March 2018.

All references to "$" are to Australian currency (AUD) unless otherwise noted.

Direct network costs: Revenue less direct network costs, which comprise of data centre power and space, physical cross connect fees, bandwidth and dark fibre, network operation and maintenance, and channel commissions which are directly related to generating the service revenue of Megaport Group.

Normalised Earnings Before Interest Tax Depreciation and Amortisation (Normalised EBITDA) represents operating results excluding equity-settled employee benefit, foreign exchange gains / (losses) and non-operating expenses.

Thank you

ASX: MP1

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