# Megaport Limited
ASX:MP1

1HFY16 Market Update
February 29 2016

What is Megaport?

Megaport is the leading, global, independent and neutral provider of Elastic Interconnection services. Using Software Defined Networking, the Company's global platform enables customers to rapidly connect their network to other services across the Megaport Fabric. Services can be directly controlled by customers via mobile devices, their computer or our open API. The Company's extensive footprint in Australia, Asia Pacific, and North America provides a neutral platform that spans many key data centre providers across various markets.

Megaport has over 250 active customers today and partners with major cloud service providers, network operators, and content providers.

At Megaport we have created a better way for networks and cloud to interconnect.
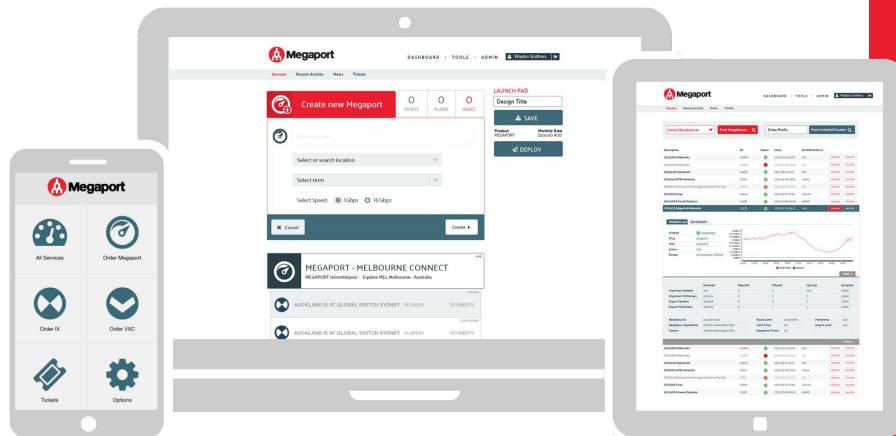
Megaport now operates in 54 locations across 13 markets in 5 countries.

Megaport is an Amazon AWS Technology Partner, Microsoft Azure ExpressRoute Partner and Asia's first Google Cloud Interconnection partner.

What is Elastic Interconnection?

Elastic Interconnection is defined as a connection which provides customers with the flexibility to vary their connectivity service requirements based upon their actual demand.

Customers can provision Elastic Interconnection between other participants for as short as a day or for as long as a year, for as small as 1Mbps to as much as 100Gbps.

Megaport is the only network and data centre neutral provider of Elastic Interconnection services in Asia Pacific.

Megaport aligns networking economics to cloud computing models.

Megaport

Customer Proposition

The Megaport Fabric is a neutral interconnection platform that connects key data centre locations.
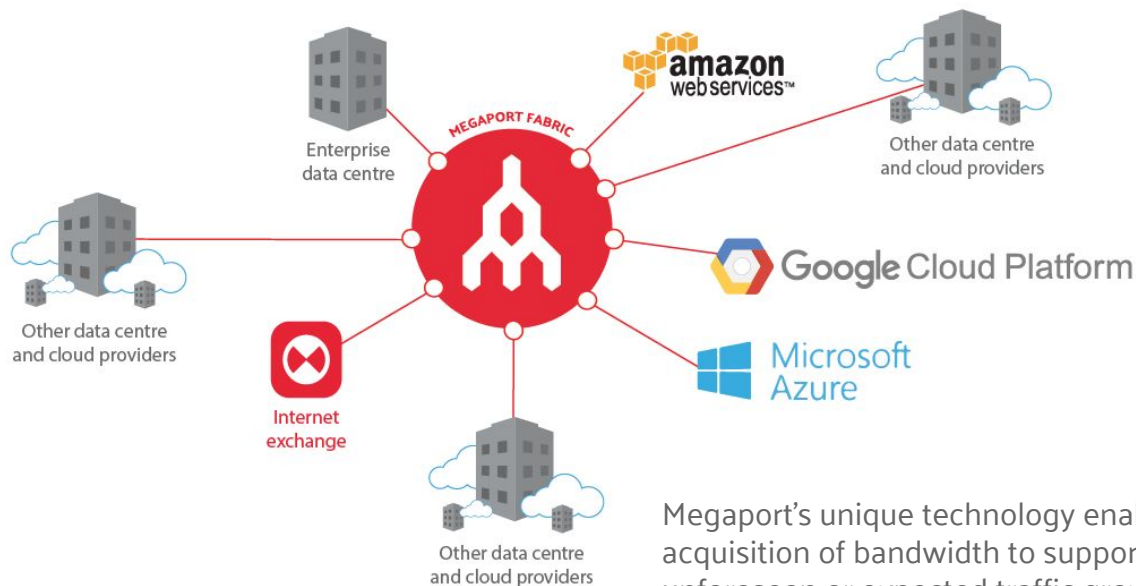
Megaport's unique technology enables fast acquisition of bandwidth to support a customer's unforeseen or expected traffic growth.

Customers connected to the Megaport Fabric have access to global cloud, carrier, and content services from any Megaport connected data centre.

Megaport's fabric allows Customers to reduce their network footprint requirements and instead leverage Megaport's global platform for access to critical services.

Market Opportunity

There are over 4,000 third-party data centre providers in more than 100 countries.

Less than half of these facilities have a peering service.

An even smaller percentage have a cloud networking exchange.

There is a significant opportunity to interconnect these facilities and improve their level of access to the various cloud service providers and carrier networks.
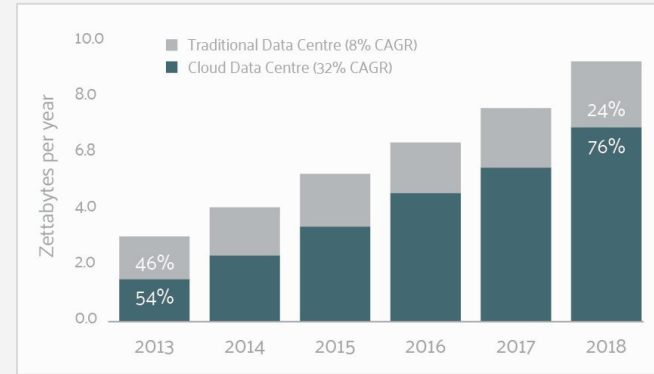
Many cloud and network providers are trying to rapidly expand services to as many markets as possible to service enterprise customers and grow their market share.

Services are growing to new regions every year but not every data centre can connect their clients to those services directly.

Megaport Board of Directors & Leaders

Bevan Slattery
Founder & Executive Chairman
Bevan is one of the most successful IT and telecommunications entrepreneurs in Australia with an earlier career in administration in local and state government.

Denver Maddux
CEO & Executive Director
Denver has been working in the Internet industry since 1994 with key companies designing infrastructure and large-scale, global networks and services.

Drew Kelton
Director
Drew is the Managing Director for Docusign Inc. in Asia Pacific. His career has spanned over 30 years as a leader and professional board director in the ICT and telecommunications arena.

Simon Moore
Director
Simon is Managing Director and a Global Partner of The Carlyle Group. Prior to joining The Carlyle Group, Simon was a Managing Director and Investment Committee Member of Investcorp International, Inc.

Vincent English
Chief Financial Officer
Vincent has a background in telecommunications and manufacturing industries with over 15 years combined international expertise in Finance and Operations.

Eric Troyer
Chief Marketing Officer
Eric has spent the last 17 years in the Internet networking business. He has worked at MSOs (Cable Companies), Data Centers, Internet Exchange Providers, and Cloud Service companies.

Since the IPO

Total number of Megaport active sites as of Feb 29 2016 is 54

18 new sites have been built since the MP1 IPO

Key partnerships signed with Amsterdam Internet Exchange (AMS-IX) and CyrusOne (NASDAQ:CONE)

Megaport.ORG launched for greater community engagement and development

2013 - 2014 builds

2015 builds

2016 expansion builds

Megaport

Key Metrics as at 31 December

Number of Locations: 46

Number of Ports: 504

Number of Customers: 253

December Revenue: $220,543 (up 29% from July 2015)

Megaport

Financials as at 31 December

The Company's Revenue for the half-year ended 31 December 2015, which saw continued substantial growth in Port and Virtual Cross Connect revenues, was $1,001,079.

All of the revenue was generated in the Asia-Pacific business units, of which Australia accounts for 90%.

There is a loss after Direct Network costs* of $149,455 for all business units.

The Asia Pacific business units are generating a profit after Direct Network costs, with Australia generating a profit after Direct Network costs of 44%.

Net Loss for the half-year ended 31 December 2015 was $9,939,517, which includes one-off costs relating to the establishment of the business and IPO costs of $3,108,840.

Cash closing balance of $25,441,258 at 31 December 2015.

* **Direct Network costs** 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

Megaport

Australia, New Zealand, and Asia Pacific

Megaport has the largest Elastic Interconnection network in Asia Pacific, with the greatest reach into the most key data centres.

The Asia Pacific business units are generating a profit after Direct Network costs, with Australia generating a profit after Direct Network costs of 44%. Australia accounts for 90% the revenue currently generated for the company.

Perth build is underway and due to complete in March 2016, as well as two new sites in Auckland.
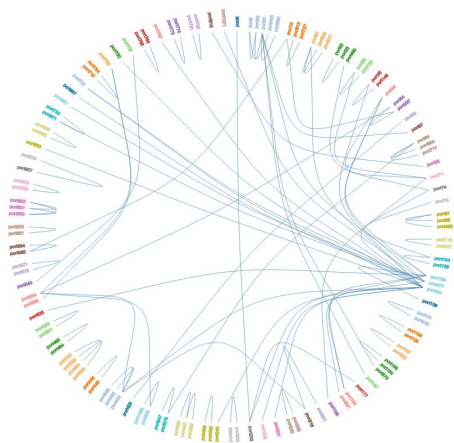
May 2015
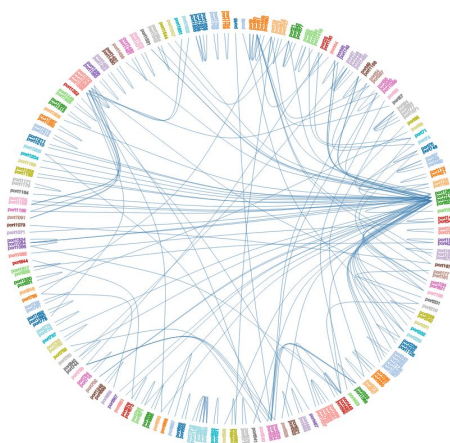
November 2015
Port-to-port connections

February 2016

APAC Rollout Status (29 Feb 2016)
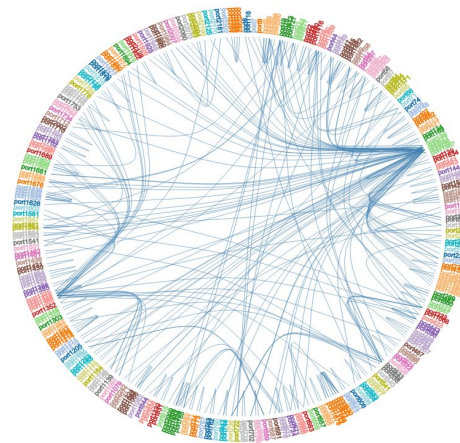
HONG KONG
- 🟢 HKG001
- 🟢 HKG002
- 🟢 HKG003
- 🟢 HKG004

BRISBANE
- 🟢 BNE001
- 🟢 BNE002
- 🟠 BNE003
- 🟠 BNE004
- 🟢 BNE005
- 🟢 BNE006
- 🟢 BNE007
- 🟢 BNE008
- 🟢 BNE009
- 🟢 BNE010

SINGAPORE
- 🟢 SIN001
- 🟢 SIN002
- 🟢 SIN003
- 🟢 SIN004

AUCKLAND
- 🟢 AUK001
- 🟢 AUK002
- 🟠 AUK003
- 🔴 AUK004
- 🔴 AUK005

PERTH
- 🟠 PER001
- 🔴 PER002

MELBOURNE
- 🟢 MEL001
- 🟢 MEL002
- 🟢 MEL003
- 🟢 MEL004
- 🟢 MEL005
- 🟢 MEL006
- 🟢 MEL007
- 🟢 MEL008
- 🟢 MEL009

SYDNEY
- 🟢 SYD001
- 🟢 SYD002
- 🟢 SYD003
- 🟢 SYD004
- 🟢 SYD005
- 🟢 SYD006
- 🟢 SYD007

Planning 🔴

In Construction 🟠

In Service 🟢

Megaport

North America

Greater than half of the planned North American footprint is deployed.

By 31 December, 12 of the 31 planned locations were completed and in production.

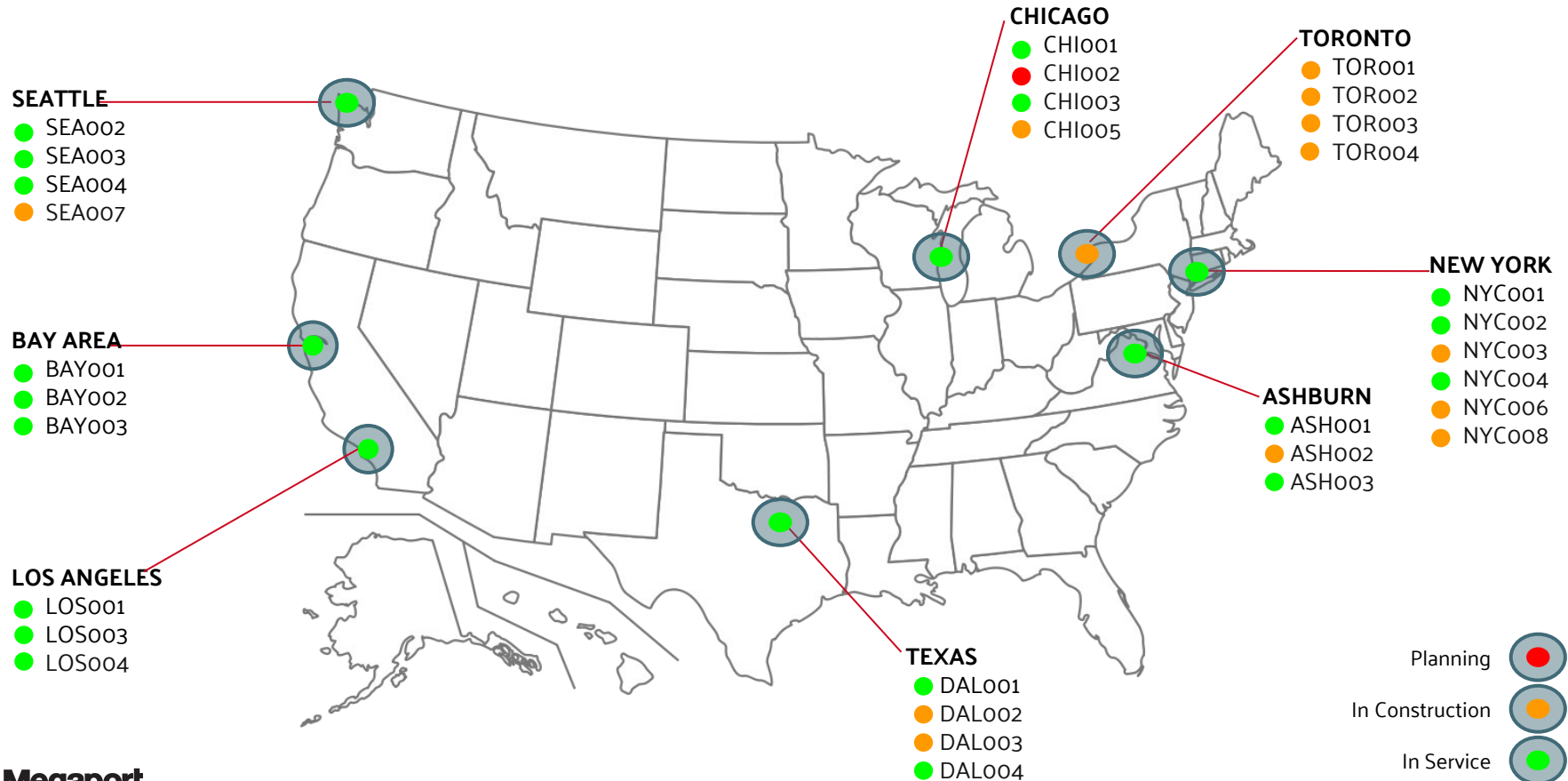A further 6 completed at 29 February bringing total to 18.

The remaining 13 locations are on track for completion by 30 April 2016.

Services are now available in 7 of the 8 planned metropolitan areas.

Team has expanded to 12 people in country.

Megaport

North America Rollout Status (29 Feb 2016)

SEATTLE
- 🟢 SEA002
- 🟢 SEA003
- 🟢 SEA004
- 🟠 SEA007

CHICAGO
- 🟢 CHI001
- 🔴 CHI002
- 🟢 CHI003
- 🟠 CHI005

TORONTO
- 🟠 TOR001
- 🟠 TOR002
- 🟠 TOR003
- 🟠 TOR004

BAY AREA
- 🟢 BAY001
- 🟢 BAY002
- 🟢 BAY003

NEW YORK
- 🟢 NYC001
- 🟢 NYC002
- 🟠 NYC003
- 🟢 NYC004
- 🟠 NYC006
- 🟠 NYC008

ASHBURN
- 🟢 ASH001
- 🟠 ASH002
- 🟢 ASH003

LOS ANGELES
- 🟢 LOS001
- 🟢 LOS003
- 🟢 LOS004

TEXAS
- 🟢 DAL001
- 🟠 DAL002
- 🟠 DAL003
- 🟢 DAL004

Planning 🔴

In Construction 🟠

In Service 🟢

Megaport

13

Europe

Rollout has commenced with 7 of the 13 planned locations in progress.

Contracts have been signed for data centre space and power.

Equipment for deployment has been ordered.

Field Services contracts are in final stage of negotiation.

Search for regional EVP is progressing.

Regional finance controller has been hired.

European headquarters location hunt underway.

Megaport

Amsterdam Internet Exchange

Alliance where Megaport is the exclusive global Elastic Interconnection partner for Amsterdam Internet Exchange (AMS-IX) and AMS-IX provides Internet Exchange (IX) services in Megaport markets.

AMS-IX is one of the leading Internet Exchange operators in Europe, and the rest of the world.

Community-focused and respected operator providing member-owned Internet peering platform services starting in Amsterdam in 1994.

Over 700 unique networks connect to AMS-IX pushing more than 4.4 Tbps of traffic to the Internet.

Strong customer demand for Cloud Exchange services to be integrated into AMS-IX in Amsterdam and other markets.

Benefits:

Access in Amsterdam to customers plugged into AMS-IX fabric on nearly 1500 ports to sell Cloud Networking services to

Exclusive Cloud Exchange provider of the AMS-IX platform

Trusted partner and leader to operate exchange services on Megaport Platform globally

Megaport

CyrusOne (NASDAQ:CONE)

Alliance to deliver SDN-enabled, elastic cloud interconnection services in CyrusOne data centers in the United States.

Carrier neutral data centre operator headquartered in Carrollton, Texas.

Third largest data centre operator in North America behind Equinix and Digital Realty.

68 percent ownership stake by Cincinnati Bell (NYSE: CBB).

Nearly 20% of Fortune 1000 customers are in CyrusOne data centres, including energy, oil and gas, medical, technology, finance and consumer goods and services.

Benefits:

Expanded footprint of North America services platform with low capital outlay

Immediate access to hardware deployed in 13 CyrusOne locations

Joint operational, marketing, and sales effort

Direct sales access to Fortune 500 customers in all locations with high demand for Cloud Networking services

CyrusOne®

Upcoming Milestones

Complete builds in 31 North American locations by 30 April 2016

Complete builds in 13 European locations

Continue to grow monthly revenue

Identification and expansion into 20+ additional sites pushing number of locations to over 100 globally by end of calendar year 2016

Denver Maddux
Chief Executive Officer
denver@megaport.com

Vincent English
Chief Financial Officer
vincent.english@megaport.com