

# Megaport

## Appendix 4D

Half-year Financial Report

For the half-year ended  
31 December 2024

## Appendix 4D

The following information sets out the requirements of the Appendix 4D of Megaport Limited ('the Company') and its controlled entities ('the Group') with the stipulated information either provided here or cross referenced to the report for the half-year ended 31 December 2024 ('half-year financial report').

This Appendix 4D covers the reporting period from 1 July 2024 to 31 December 2024. The previous corresponding period is 1 July 2023 to 31 December 2023.

## Results for Announcement to the Market

### Summary of Financial Information

	1 July 2024 to 31 December 2024 \$'000	1 July 2023 to 31 December 2023 \$'000	Change \$'000	Change %
Revenue from ordinary activities	106,757	95,116	11,641	12 %
Gross Profit	74,650	66,632	8,018	12 %
EBITDA	27,581	30,152	(2,571)	(9)%
Net profit after tax	886	4,449	(3,563)	(80)%

### Dividends

No dividend has been proposed or declared in respect of the period ended 31 December 2024.

### Explanation of revenue and profit from ordinary activities

Refer to the Director's Report 'Review of Operations' section in the half-year financial report for commentary on the results for the period and explanations to understand the Group's revenue and profit from ordinary activities.

### Net Tangible Asset Backing

	31 December 2024 cents	31 December 2023 cents
Net tangible asset backing per share on issue^	78.91	58.93

^Calculates as net assets less intangible assets divided by the number of shares on issue

The number of Megaport shares on issue at 31 December 2024 was 160,375,680 shares (31 December 2023: 159,124,810 shares).

### Entities over which control has been gained or lost during the period

There are no material entities where control has been gained or lost during the period (31 December 2023: the Group liquidated 100% control of Eastern Voice Link EOOD).

The information provided in the Appendix 4D is based on the half-year financial report, which has been prepared in accordance with Australian Accounting Standards and has been reviewed by the Group's auditor, Deloitte Touche Tohmatsu. A copy of the auditor's unqualified review report is included as part of the half-year financial statements.

# HALF-YEAR FINANCIAL REPORT

For the half-year ended 31 December 2024

**Registered Office:**

Level 3

825 Ann Street

Fortitude Valley, QLD 4006

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## Directors' Report

The Directors present their report on the consolidated entity consisting of Megaport Limited (referred to as 'the Company') and the entities it controlled (referred to as 'the Group' or 'the consolidated entity' or 'Megaport') at the end of, or during the half-year ended, 31 December 2024.

### Directors and Company Secretary

The following persons were directors of Megaport Limited during the whole or part of the period and up to the date of this report:

- Melinda Snowden
- Michael Reid
- Jay Adelson
- Michael Klayko
- Glo Gordon
- Mohit Lad (Appointed: 20 December 2024)
- Grant Dempsey (Appointed: 28 January 2025)
- Lauren Williams (Resigned: 20 September 2024)

Celia Pheasant was Company Secretary during the period.

### Principal activities

The Group's principal activity is the provisioning of on-demand interconnection services. Megaport's global Software Defined Network ('SDN') helps businesses rapidly connect their digital assets and infrastructure to network services via an easy-to-use portal or our open Application Programming Interface ('API'). Megaport offers agile networking capabilities that reduce operating costs and increase speed to market compared to traditional networking solutions. Megaport partners with the world's top cloud service providers, including AWS, Microsoft Azure, and Google Cloud, as well as the largest data centre operators, systems integrators, and managed service providers in the world.

### Review of operations

#### Group overview

Megaport's vision is to revolutionise global connectivity. The Group's mission is to be the global leading Network as a Service ('NaaS') provider, changing how businesses connect their infrastructure, with one smart and simple platform to manage every connection. Customers use Megaport to build secure, scalable, and agile networks in just a few clicks, accessing global endpoints and creating private paths in minutes. Trusted by the world's leading companies, Megaport partners with global service providers, data centre operators, systems integrators, and managed services companies, and operates in 936 enabled locations worldwide.

Megaport's platform uses Software Defined Networking to enable customers to rapidly connect to hundreds of leading service providers in a flexible, on-demand, and cost-effective way. The first of its kind and the leader in the market, the Group's platform has changed the way businesses consume connectivity services by creating a model that mirrors cloud-buying capabilities and is therefore more intuitive and customer-centric than the offerings from traditional telecommunications companies.

In order to align its services closely with cloud compute and storage consumption models, the Group provides a self-serve environment for interconnection. Megaport enables customers to rapidly and flexibly connect to its partner data centres, cloud service providers, network service providers, and managed service providers, collectively known as the Ecosystem.

Customers connect to the Ecosystem by acquiring 'Megaport's' ('Ports') and building Virtual Cross Connects ('VXCs') to their chosen destinations or services across the Megaport Network. Connectivity services can be directly controlled by customers via mobile devices and desktop environments through Megaport's portal, and its open Application Programming Interface ('API').

## Review of operations (continued)

### Group overview (continued)

Megaport Cloud Router ('MCR') enables customers to instantly provision and control virtual routers through Megaport's web-based portal. Enterprises and service providers can unlock powerful use cases such as cloud-to-cloud networking and deploy Virtual Points of Presence ('VPoPs') without the need to purchase or maintain physical routing equipment. MCR enables customers to rapidly deploy services, granularly control traffic, and reduce total cost of ownership. Leading cloud service providers advocate MCR as a reference service for enabling connectivity between their cloud solutions and third-party cloud platforms.

Megaport Virtual Edge ('MVE') takes our platform beyond data centres and helps enterprises accelerate their journey into SD-WAN and Secure Access Service Edge ('SASE'). MVE enables customers to connect branch locations like office buildings, corporate campuses, and storefronts to the Megaport ecosystem of service providers. Since its launch in March 2021 Megaport has continued to accelerate the integration of MVE with many of the global leading SD-WAN providers to deliver maximum flexibility for our customers.

Megaport utilises its ecosystem of services and service providers to offer a wide range of solutions to its customers. Megaport's Hybrid Cloud solution allows customers to provision their desired hybrid network architecture utilising secure, resilient, and scalable connectivity in just a few clicks. Megaport's Cross Cloud solution allows customers to efficiently connect between multiple cloud service providers which can be managed in the one portal. Megaport's Virtual PoP solution provides customers the ability to create a secure personalised network which can be extended closer to the edge in real time, without the need to deploy hardware. Megaport Internet allows customers to utilise existing ports, MCRs, or MVEs to connect to the public internet, with scalable, flexible, internet connections activated on-demand and in less than a minute.

MegaX provides direct interconnection across a shared Layer 2 fabric for streamlined peering to both local and distant networks, while Data Centre Interconnection allows customers to connect their organisation between key metro locations with simple, fast, and direct campus connections in real time. Megaport's Global WAN as a Service solution offers customers a holistic approach to networking, combining three solutions: Hybrid Cloud Connectivity, Cross Cloud Connectivity, and Virtual PoPs across the globe, providing customers an agile, secure network that is ready to meet the high-speed demands of the digital and AI age.

Megaport generates its revenue from end-user customers and through or from external partner resellers. Megaport partners with the world's top cloud service providers, including AWS, Microsoft Azure, and Google Cloud, as well as the largest data centre operators, systems integrators and managed service providers. Megaport is an ISO/IEC 27001-certified company.

## Review of operations (continued)

### Revenue-Generating Key Performance Indicators<sup>1</sup>

	Half-Yearly Performance			Trailing 12 Month Performance		
	Jan-24 to Jun-24	Jul-24 to Dec-24	Change <sup>2</sup>	Jan-23 to Dec-23	Jan-24 to Dec-24	Change <sup>3</sup>
Annual Recurring Revenue ('ARR') in millions <sup>4</sup>	\$ 203.9	\$ 226.6	11 %	\$ 191.7	\$ 226.6	18 %
Customer Logos <sup>5</sup>	2,637	2,720	3 %	2,615	2,720	4 %
Ports	8,777	9,294	6 %	8,602	9,294	8 %
VXCs and IX	19,874	21,099	6 %	18,858	21,099	12 %
MCR	914	961	5 %	865	961	11 %
Megaport Virtual Edge ('MVE')	251	323	29 %	170	323	90 %
Total Services <sup>6</sup>	29,816	31,677	6 %	28,495	31,677	11 %

### Financial Performance

During the half-year ended 31 December 2024, Megaport drove consistent growth across key metrics including ARR<sup>4</sup> and the number of Customers, Ports, MCRs, MVE and Total Services<sup>6</sup>. The Group's revenue for the period was \$106.8 million (31 December 2023: \$95.1 million), an increase of \$11.7 million or 12%. The Americas grew by 13%, Asia Pacific by 11%, and Europe by 13%. Reported revenue by operating segment for the half-year ended 31 December is set out below:

Operating segment	31 December 2024		31 December 2023	
	\$M	%	\$M	%
The Americas	60.8	57 %	53.8	57 %
Asia Pacific	28.5	27 %	25.8	27 %
Europe	17.5	16 %	15.5	16 %
<b>Total</b>	<b>106.8</b>	<b>100 %</b>	<b>95.1</b>	<b>100 %</b>

Gross profit for the half-year ended 31 December 2024 was \$74.7 million (31 December 2023: \$66.6 million), an increase of 12%. The Group has reported a gross margin of 70% for the period ended 31 December 2024 (31 December 2023: 70%).

EBITDA<sup>7</sup> for the period was \$27.6 million (31 December 2023: \$30.2 million). The Group's net profit for the period amounted to \$0.9 million (31 December 2023: \$4.4 million).

<sup>1</sup> Revenue-generating key performance metrics are those with billed revenue in the period, and active at the end of the period. Megaport's historical Revenue-generating KPIs can be found on our website at <https://www.megaport.com/investor/business-overview/#kpis>.

<sup>2</sup> Change in the 6-month performance at 31 December 2024 to the prior corresponding period ended 30 June 2024.

<sup>3</sup> Change in the 12-month performance at 31 December 2024 to the prior corresponding period ended 31 December 2023.

<sup>4</sup> Annual Recurring Revenue ('ARR') is the recurring revenue expected over a 12 month period, calculated as Monthly Recurring Revenue for the last month of the period x 12, and excludes any non-recurring or one-off revenue.

<sup>5</sup> Customer Logos reflect a consolidation of revenue generating customer accounts, where those accounts are owned by the parent company.

<sup>6</sup> Total Services comprise revenue-generating Ports, Virtual Cross Connections (VXCs), Internet Exchange (IX), Megaport Cloud Router (MCR), and Megaport Virtual Edge (MVE).

<sup>7</sup> Earnings Before Interest Tax Depreciation and Amortisation ('EBITDA') represents operating results excluding equity-settled employee benefits, foreign exchange gains/(losses) and non-operating income/(expenses). Refer Note 2 'Segment information' in the half-year financial statements for the reconciliation from EBITDA to the net profit/(loss) for the half year.

## Review of operations (continued)

### Financial Position

Megaport holds a strong financial position with net current assets of \$73.1 million (30 June 2024: \$59.4 million), cash and cash equivalents balance of \$89.8 million (30 June 2024: \$72.4 million), net cash<sup>8</sup> of \$76.9 million (30 June 2024: \$61.2 million) and total equity of \$175.6 million (30 June 2024: \$154.1 million).

### Business Highlights

In December 2024, Megaport generated ARR<sup>9</sup> of \$226.6 million, and reached 2,720 customer logos<sup>10</sup> across 936 Enabled Data Centres in 175 cities (30 June 2024: 162 cities). Of these Data Centres, 521 were located in The Americas, 252 in Europe, and 163 in Asia Pacific.

Total Services<sup>11</sup> at 31 December 2024 was 31,677, up 6% compared to 30 June 2024.

Megaport continued to invest in its go-to-market ('GTM') capability, global network, and product innovations during the half-year, to drive future top-line growth:

- The improved growth in core metrics and ARR<sup>9</sup> during the half year, particularly in The Americas, saw us accelerate our investment in key go-to-market roles across Sales Executives, Channel Managers, and Customer Success teams.
- Megaport launched in two new countries, Brazil and Italy, taking the total number of countries to 26.
- Megaport expanded its global reach to 936 Enabled Data Centres worldwide, 82 more than this time last year.
- Megaport launched AI Exchange ('AIx'), which is set to revolutionise the way our customers access AI Infrastructure in the same way the Company revolutionised global cloud connectivity.
- Megaport launched Financial Services Exchange ('FSx'), providing an innovative connectivity platform tailored specifically for the financial services industry.
- Megaport expanded our high-speed 100G Virtual Cross Connects ('VXCs') to 597 data centres worldwide, giving customers unmatched geographical freedom to manage data-heavy applications and large-scale cloud migrations.
- Megaport enabled Microsoft Azure ExpressRoute Metro, improving network resiliency and reliability by offering increased path diversity between on-premises networks and Azure, bypassing the internet to ensure consistent performance.

## Rounding off of amounts

The Company is a company of the kind referred to in ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191, dated 24 March 2016 (Corporate Instrument). In accordance with the Corporations Instrument, amounts in the Directors' Report and the half-year financial statements are rounded off to the nearest thousand dollars (\$'000), unless otherwise indicated.

## Auditor's independence declaration

A copy of the auditor's independence declaration is required under section 307C of the *Corporations Act 2001* and is set out on page 6.

Signed in accordance with a resolution of the Directors made pursuant to s306(3) of the *Corporations Act 2001*.

On behalf of the Directors



**Melinda Snowden**

Chair & Non-Executive Director

20 February 2025

<sup>8</sup> Net cash is cash at bank less debt (including vendor finance facility). Net cash at 31 December 2024 comprises cash at bank of \$89.8 million less the amount outstanding under vendor finance facility of \$12.9 million.

<sup>9</sup> Annual Recurring Revenue ('ARR') is the recurring revenue expected over a 12 month period, calculated as Monthly Recurring Revenue for the last month of the period x 12, and excludes any non-recurring or one-off revenue.

<sup>10</sup> Customer Logos reflect a consolidation of revenue generating customer accounts, where those accounts are owned by the parent company.

<sup>11</sup> Total Services comprise revenue-generating Ports, Virtual Cross Connections (VXCs), Internet Exchange (IX), Megaport Cloud Router (MCR), and Megaport Virtual Edge (MVE).

The Board of Directors  
Megaport Limited  
Level 3, 825 Ann Street  
Fortitude Valley, QLD 4006

20 February 2025

Dear Board Members

## **Auditor's Independence Declaration to Megaport Limited**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Megaport Limited.

As lead audit partner for the review of the half year financial report of Megaport Limited for the half-year ended 31 December 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review;  
and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

*Deloitte Touche Tohmatsu*

DELOITTE TOUCHE TOHMATSU



**Stephen Tarling**  
Partner  
Chartered Accountants

## Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Notes	31 December 2024 \$'000	31 December 2023 \$'000
<b>Continuing operations</b>			
Revenue	2, 3	106,757	95,116
Direct network costs		(19,471)	(18,184)
Partner commissions		(12,636)	(10,300)
<b>Gross profit</b>		<b>74,650</b>	<b>66,632</b>
Interest income		774	342
Employee expenses		(35,570)	(27,691)
Professional fees		(2,446)	(2,147)
Marketing expenses		(2,030)	(1,134)
Travel expenses		(2,019)	(1,225)
IT costs		(1,883)	(1,427)
Equity-settled employee costs and related tax costs		(8,497)	(5,609)
Depreciation and amortisation expense		(18,099)	(18,727)
Finance costs		(644)	(975)
Foreign exchange losses		(1,547)	(5,614)
Other expenses		(3,668)	(3,238)
<b>Loss before income tax</b>		<b>(979)</b>	<b>(813)</b>
Income tax benefit		1,865	5,262
<b>Net profit for the period</b>		<b>886</b>	<b>4,449</b>
<b>Other comprehensive income/(loss), net of tax</b>			
<b>Items that may be reclassified subsequent to profit or loss:</b>			
Exchange differences arising on the translation of foreign operations	10	10,760	3,362
<b>Total other comprehensive profit, net of income tax</b>		<b>10,760</b>	<b>3,362</b>
<b>Total comprehensive income for the period</b>		<b>11,646</b>	<b>7,811</b>

<b>Earnings per share</b>	<b>\$</b>	<b>\$</b>
Basic and diluted earnings per share	0.01	0.03

The above Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

## Condensed Consolidated Statement of Financial Position

		31 December 2024 \$'000	30 June 2024 \$'000
	Notes		
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		89,804	72,434
Trade and other receivables		16,269	16,404
Contract assets		11,059	9,927
Income tax receivable		26	313
Other assets		7,288	6,063
<b>Total current assets</b>		<b>124,446</b>	<b>105,141</b>
<b>Non-current assets</b>			
Property, plant and equipment	4	43,192	36,360
Intangible assets	5	49,049	48,668
Right-of-use assets	6	6,727	6,896
Deferred tax assets		19,464	17,638
<b>Total non-current assets</b>		<b>118,432</b>	<b>109,562</b>
<b>Total assets</b>		<b>242,878</b>	<b>214,703</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	7	36,451	31,027
Borrowings	9	5,614	5,230
Lease liabilities	6	4,009	4,467
Provisions		4,252	3,915
Income tax payable		50	290
Other liabilities		931	794
<b>Total current liabilities</b>		<b>51,307</b>	<b>45,723</b>
<b>Non-current liabilities</b>			
Trade and other payables	7	-	526
Borrowings	9	5,305	3,124
Lease liabilities	6	3,195	2,966
Provisions		548	444
Deferred tax liabilities		6,926	7,840
<b>Total non-current liabilities</b>		<b>15,974</b>	<b>14,900</b>
<b>Total liabilities</b>		<b>67,281</b>	<b>60,623</b>
<b>Net assets</b>		<b>175,597</b>	<b>154,080</b>
<b>Equity</b>			
Issued capital	8	430,809	422,674
Reserves		14,748	2,357
Other equity		(11,914)	(11,914)
Accumulated losses		(258,046)	(259,037)
<b>Total equity</b>		<b>175,597</b>	<b>154,080</b>

The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

## Condensed Consolidated Statement of Changes in Equity

	Notes	Issued capital \$'000	Reserves \$'000	Other equity^ \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 July 2023		412,844	(4,281)	(11,914)	(268,722)	127,927
Profit for the period		-	-	-	4,449	4,449
Other comprehensive income		-	3,362	-	-	3,362
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>3,362</b>	<b>-</b>	<b>4,449</b>	<b>7,811</b>
Transactions with owners in their capacity as owners:						
Issue of ordinary share capital	8	1,327	-	-	-	1,327
Transfer from equity-settled employee benefits reserves		4,113	(4,189)	-	76	-
Vesting of equity-settled share based payments		-	7,589	-	-	7,589
<b>Balance at 31 December 2023</b>		<b>418,284</b>	<b>2,481</b>	<b>(11,914)</b>	<b>(264,197)</b>	<b>144,654</b>
Balance at 1 July 2024		422,674	2,357	(11,914)	(259,037)	154,080
Profit for the period		-	-	-	886	886
Other comprehensive income		-	10,760	-	-	10,760
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>10,760</b>	<b>-</b>	<b>886</b>	<b>11,646</b>
Transactions with owners in their capacity as owners:						
Transfer from equity-settled employee benefits reserves	8	8,135	(8,240)	-	105	-
Vesting of equity-settled share based payments		-	9,871	-	-	9,871
<b>Balance at 31 December 2024</b>		<b>430,809</b>	<b>14,748</b>	<b>(11,914)</b>	<b>(258,046)</b>	<b>175,597</b>

^Represents adjustment arising from common-control transactions

The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

## Condensed Consolidated Statement of Cash Flows

	Notes	31 December 2024 \$'000	31 December 2023 \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers		116,147	99,612
Payments to suppliers and employees		(85,462)	(73,769)
Interest received		806	265
Income taxes paid		(87)	(538)
Vendor financing proceeds		2,407	2,146
Payment of vendor financing instalments		(2,135)	(1,853)
<b>Net cash flows from operating activities</b>		<b>31,676</b>	<b>25,863</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(11,479)	(6,995)
Payments for intangible assets		(5,554)	(4,643)
Proceeds from disposal of property, plant and equipment		7	3
<b>Net cash flows used in investing activities</b>		<b>(17,026)</b>	<b>(11,635)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of new shares		-	1,327
Proceeds from borrowings		6,000	6,798
Repayment of borrowings		(3,435)	(4,008)
Payment of principal portion of lease liabilities		(2,761)	(2,701)
Interest and other costs of finance paid		(610)	(820)
Transaction costs related to loans and borrowings		-	(156)
<b>Net cash flows (used in)/from financing activities</b>		<b>(806)</b>	<b>440</b>
Net increase in cash and cash equivalents held		13,844	14,668
Effects of exchange rate changes on cash and cash equivalents		3,526	(665)
Cash and cash equivalents at beginning of the period		72,434	48,455
<b>Cash and cash equivalents at end of the period</b>		<b>89,804</b>	<b>62,458</b>

The above Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

## Notes to the Condensed Consolidated Financial Statements

### 1. Significant accounting policies

#### (a) Statement of compliance

The half-year Condensed Consolidated Financial Statements ('half-year financial statements') are general purpose financial statements prepared in accordance with the Corporations Act 2001 and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

#### (b) Basis of preparation

The half-year financial statements do not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report.

The accounting policies and methods of computation adopted in the preparation of the half-year financial statements are consistent with those adopted and disclosed in the Group's annual financial report for the year ended 30 June 2024, unless otherwise indicated. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

In the current half-year, the Group has applied the below amendments to Australian Accounting Standards issued by the Australian Accounting Standards Board that are effective for the Group's annual reporting period that began on 1 July 2024.

Pronouncement	Impact
AASB 2022-5 <i>Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback</i>	<p>Requires a seller-lessee to subsequently measure lease liabilities arising from a sale and leaseback transaction in a way that does not result in recognition of a gain or loss that relates to the right of use it retains.</p> <p>The Group does not currently have sale and leaseback arrangements. The Group will apply the amendments if sale and leaseback arrangements are entered into in the future.</p>
AASB 2022-6 <i>Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants</i>	<p>Clarifies when liabilities should be presented as current or non-current in the statement of financial position, including the impact of covenants on that classification. Requires additional disclosures about the risk that non-current liabilities could become payable within twelve months after the reporting period because of the difficulties with complying with the covenants.</p> <p>The amendments did not impact the classification of the Group's financial liabilities.</p>

## 1. Significant accounting policies (continued)

### (b) Basis of preparation (continued)

Pronouncement	Impact
AASB 2023-1 <i>Amendments to Australian Accounting Standards – Supplier Finance Arrangements</i>	<p>Requires the disclosure of information about an entity's supplier finance arrangements and their effects on the entity's liabilities and cash flows.</p> <p>The Group currently has supplier finance arrangements (see Notes 7 and 9). The amendments, however, contain transition relief from presenting the information in any interim period presented within the annual reporting period in which the entity first applies the amendments. Therefore, the information is not disclosed in these half-year financial statements. The disclosures will be included in the Group's financial statements for the year ending 30 June 2025.</p>

The Group is not within the scope of the Pillar Two top up tax legislation that has been substantively enacted in certain jurisdictions, including Australia, for income years beginning on or after 1 January 2024. This is on the basis that the Group does not meet the consolidated revenue threshold to be required to comply with these requirements.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The Company is a company of the kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the financial report are rounded off to the nearest thousand dollars (\$'000), unless otherwise indicated.

### (c) Going concern

Determining whether the Group is a going concern has been evaluated through detailed budgets and cash flow forecasts which include key assumptions around future cash flows including consideration of forecast results and margins from operations. The Group has sufficient cash reserves and monitors reserves through these budgets and cash flow forecasts to ensure there are sufficient available funds for its operations and any planned expansion. As a result, the Directors are satisfied that the Group is able to maintain sufficient resources to continue in operation for the foreseeable future. Accordingly, they have adopted the going concern basis in preparing the half-year financial statements.

## 2. Segment information

The following tables present information on revenue and results for the Group's operating segments as presented to the Chief Operating Decision Maker ('CODM'). The amounts reconciling EBITDA to net profit/(loss) for the period are presented on a consistent basis with the financial information presented to the CODM in the period to 31 December 2024. Comparative information has been re-presented accordingly.

Half-year ended 31 December 2024	The Americas \$'000	Asia Pacific \$'000	Europe \$'000	Total operating segments \$'000	Other <sup>1</sup> \$'000	Total \$'000
<b>Revenue<sup>2</sup></b>	<b>60,752</b>	<b>28,490</b>	<b>17,515</b>	<b>106,757</b>	<b>-</b>	<b>106,757</b>
<b>Gross profit</b>	<b>38,642</b>	<b>22,639</b>	<b>13,369</b>	<b>74,650</b>	<b>-</b>	<b>74,650</b>
<b>EBITDA<sup>3</sup></b>	<b>24,179</b>	<b>17,925</b>	<b>7,093</b>	<b>49,197</b>	<b>(21,616)</b>	<b>27,581</b>
Interest income						774
Depreciation and amortisation expense						(18,099)
Equity-settled employee costs and related tax costs						(8,497)
Finance costs						(644)
Foreign exchange losses						(1,547)
Non-operating expenses <sup>4</sup>						(547)
Income tax benefit						1,865
<b>Net profit for the period</b>						<b>886</b>

- 'Other' represents head office and group services costs, whose function is to support the operating segments and growth of the global business.
- Segment revenue reported above represents revenue generated from external customers. There were no intersegment sales during the half-year ended 31 December 2024 and 31 December 2023.
- Earnings Before Interest Tax Depreciation and Amortisation ('EBITDA') represents operating results excluding equity-settled employee benefits, foreign exchange gains/(losses) and non-operating income/(expenses).
- Non-operating expenses represent restructuring costs, gain/loss on disposal/write off of intangible assets, property, plant and equipment and right of use assets, and losses on discontinuation of businesses.

## 2. Segment information (continued)

Half-year ended 31 December 2023	The Americas \$'000	Asia Pacific \$'000	Europe \$'000	Total operating segments \$'000	Other <sup>1</sup> \$'000	Total \$'000
<b>Revenue<sup>2</sup></b>	<b>53,793</b>	<b>25,779</b>	<b>15,544</b>	<b>95,116</b>	<b>-</b>	<b>95,116</b>
<b>Gross profit</b>	<b>34,554</b>	<b>20,621</b>	<b>11,457</b>	<b>66,632</b>	<b>-</b>	<b>66,632</b>
<b>EBITDA<sup>3</sup></b>	<b>25,507</b>	<b>17,327</b>	<b>7,248</b>	<b>50,082</b>	<b>(19,930)</b>	<b>30,152</b>
Interest income						342
Depreciation and amortisation expense						(18,727)
Equity-settled employee costs and related tax costs						(5,609)
Finance costs						(975)
Foreign exchange losses						(5,614)
Non-operating expenses <sup>4</sup>						(382)
Income tax benefit						5,262
<b>Net profit for the period</b>						<b>4,449</b>

1. 'Other' represents head office and group services costs, whose function is to support the operating segments and growth of the global business.
2. Segment revenue reported above represents revenue generated from external customers. There were no intersegment sales during the half-year ended 31 December 2024 and 31 December 2023.
3. Earnings Before Interest Tax Depreciation and Amortisation ('EBITDA') represents operating results excluding equity-settled employee benefits, foreign exchange gains/(losses) and non-operating income/(expenses).
4. Non-operating expenses represent restructuring costs, gain/loss on disposal/write off of intangible assets, property, plant and equipment and right of use assets, and losses on discontinuation of businesses.

## 3. Revenue

Megaport derives income from the sale and provisioning of integrated on-demand high-speed data and network interconnectivity services ("Network as a Service"; "NaaS" or "data services"). The Group derived the following revenue for the period from contracts with customers (disaggregated by geographic region).

	<b>31 December 2024</b>	<b>31 December 2023</b>
	<b>\$'000</b>	<b>\$'000</b>
The Americas	60,752	53,793
Asia Pacific	28,490	25,779
Europe	17,515	15,544
<b>Total</b>	<b>106,757</b>	<b>95,116</b>

Taking into account the nature of Megaport's integrated 'NaaS' services, and the way in which those services are billed to customers, disaggregation of revenue on the basis of one category, geographic region, is considered to be the basis which best depicts how the nature, amount, timing and uncertainty of the Group's revenue and cash flows are affected by economic factors.

## 4. Property, plant and equipment

	<b>\$'000</b>
<b><i>Year ended 30 June 2024</i></b>	
Net book value at 1 July 2023	44,810
Additions	11,525
Transfers to intangible assets	(814)
Disposals/write-down	(611)
Depreciation charge	(18,042)
Exchange differences	(508)
<b>Net book value at 30 June 2024</b>	<b>36,360</b>
<b><i>Period ended 31 December 2024</i></b>	
Net book value at 1 July 2024	36,360
Additions	14,669
Transfers to intangible assets	(414)
Disposals/write-down	(6)
Depreciation charge	(9,236)
Exchange differences	1,819
<b>Net book value as at 31 December 2024</b>	<b>43,192</b>

## 5. Intangible assets

	\$'000
<b>Year ended 30 June 2024</b>	
Net book value at 1 July 2023	54,170
Additions	7,924
Transfers from property plant and equipment	814
Disposals	(494)
Amortisation charge	(13,603)
Exchange differences	(143)
<b>Net book value at 30 June 2024</b>	<b>48,668</b>
<b>Period ended 31 December 2024</b>	
Net book value at 1 July 2024	48,668
Additions	4,016
Transfers from property plant and equipment	414
Amortisation charge	(6,158)
Exchange differences	2,109
<b>Net book value as at 31 December 2024</b>	<b>49,049</b>

## 6. Leases

### (a) Right-of-use assets

	\$'000
<b>Year ended 30 June 2024</b>	
Net book value at 1 July 2023	9,093
Additions	3,597
Depreciation charge	(5,692)
Terminations	(115)
Exchange differences	13
<b>Net book value as at 30 June 2024</b>	<b>6,896</b>
<b>Period ended 31 December 2024</b>	
Net book value at 1 July 2024	6,896
Additions	2,530
Depreciation charge	(2,705)
Terminations	(127)
Exchange differences	133
<b>Net book value as at 31 December 2024</b>	<b>6,727</b>

## 6. Leases (continued)

### (b) Lease liabilities

	31 December 2024 \$'000	30 June 2024 \$'000
Current	4,009	4,467
Non-current	3,195	2,966
<b>Total lease liabilities</b>	<b>7,204</b>	<b>7,433</b>

## 7. Trade and other payables

	Notes	31 December 2024 \$'000	30 June 2024 \$'000
<i>Current</i>			
Trade payables		800	786
Accrued expenses		17,951	13,961
Employee entitlements		10,054	9,516
Goods and services tax payable		4,152	4,177
Other payables		321	261
Vendor financing – working capital	(i)	3,173	2,326
		<b>36,451</b>	<b>31,027</b>
<i>Non-current</i>			
Vendor financing – working capital	(i)	-	526
		<b>-</b>	<b>526</b>
<b>Total trade and other payables</b>		<b>36,451</b>	<b>31,553</b>

### Notes:

- (i) Vendor financing – working capital: represents the outstanding balance for support and maintenance costs and insurance premiums that have been prepaid on behalf of the Group via vendor financing agreements. For agreements relating to support and maintenance costs, no interest is charged, and the balance is repayable via equal instalments over 36 months from each prepayment date. For agreements relating to insurance premiums, interest is charged at rate of 2.35% (30 June 2024: 2.22%) and the balance is repayable via equal instalments over 12 months. Due to the nature and timing of the services being received as well as the repayment life cycle of these agreements, these arrangements are considered part of the working capital used in the Group's normal operating cycle. The Group has therefore classified these costs under trade and other payables to reflect the substance of the arrangement. The associated cash inflows and outflows of the arrangement have been included in operating cash flows.

## 8. Issued capital

	Number of shares		\$'000	
	31 December 2024	30 June 2024	31 December 2024	30 June 2024
Ordinary shares	160,350,412	159,500,813	430,551	422,674
Own shares	25,268	-	258	-
<b>Total issued capital</b>	<b>160,375,680</b>	<b>159,500,813</b>	<b>430,809</b>	<b>422,674</b>

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Group, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle the holder to one vote, either in person or by proxy, at a meeting of the Company.

The movement in fully paid ordinary shares is summarised below:

	Number of shares	Total \$'000
Balance at 1 July 2023	158,593,166	412,844
Shares issued – Deferred shares settlement	12,054	100
Shares issued – Employee share options exercised	166,668	1,327
Shares issued – Restricted stock units settlement	728,925	7,701
Transfer from employee share option reserve	-	702
<b>Balance at 30 June 2024</b>	<b>159,500,813</b>	<b>422,674</b>
Shares issued – Deferred shares settlement	8,036	66
Shares issued – Restricted stock units settlement	801,495	7,393
Own shares exercised and transferred to ordinary shares	40,068	418
<b>Balance at 31 December 2024</b>	<b>160,350,412</b>	<b>430,551</b>

Own shares represent the value of shares issued by the Company upon vesting of Restricted Stock Units ('RSU') with rights to deferred exercise ('vested RSUs'), and are held by the Megaport Employee Share Plan Trust ('the Trust'). Own shares are transferred to ordinary shares when the eligible participant exercises their vested RSUs. Vested RSUs will expire (and no own shares will transfer to the participant) if they are not exercised by the earlier date of 15 years from the date the original RSUs were issued or the one year anniversary of the cessation of the participant's employment with Megaport.

The movement in own shares is summarised below:

	Number of shares	Total \$'000
Balance at 1 July 2023	-	-
<b>Balance at 30 June 2024</b>	<b>-</b>	<b>-</b>
Shares issued – Restricted stock units settlement	65,336	676
Own shares exercised and transferred to ordinary shares	(40,068)	(418)
<b>Balance at 31 December 2024</b>	<b>25,268</b>	<b>258</b>

## 9. Borrowings

		31 December 2024 \$'000	30 June 2024 \$'000
	Notes		
<i>Current</i>			
Vendor financing – capital expenditure	(i)	5,614	5,230
		<b>5,614</b>	<b>5,230</b>
<i>Non-current</i>			
Vendor financing – capital expenditure	(i)	5,305	3,124
		<b>5,305</b>	<b>3,124</b>
<b>Total borrowings</b>		<b>10,919</b>	<b>8,354</b>

### Notes:

- (i) Vendor financing – capital expenditure: represents the outstanding balance of the drawn vendor financing to fund the purchase of network equipment and payment of software licenses. This is governed by a number of Instalment Purchase Agreements. Interest is charged at a rate between 0% and 2.75% (30 June 2024: 0%). These agreements are separately repayable via equal instalments over 36 months from each drawdown date. No bank guarantees are currently in place over the agreements (30 June 2024: the agreements were collectively secured by a bank guarantee charged over \$5.7M in cash and cash equivalents). Where the agreement does not contain interest, at inception, the fair value of the loan is recognised using an estimate of a market borrowing rate. The associated cash inflows and outflows of the arrangement have been included in financing cash flows. Arrangements relating to maintenance and support contracts are not included in this balance and are classified as trade and other payables, refer to Note 7 for further information.

## 10. Foreign exchange differences

### (a) Exchange differences on monetary items recognised in profit or loss

The Group operates internationally and is subject to foreign exchange risk arising from exposure to foreign currencies. The Group's earnings and cash flows are influenced by a wide variety of currencies due to the geographic diversity of the countries in which the Group operates. The US Dollar ('USD'), Australian Dollar ('AUD'), Euro ('EUR') and Pound Sterling ('GBP') are the main currencies in which the majority of the Group's sales and costs are denominated. In any particular year, currency fluctuations may have a significant impact on the Group's financial results.

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency).

Certain cash reserves, other financial assets and liabilities, including intercompany balances, are held in currencies other than the functional currency of the relevant subsidiary. This results in an accounting exposure to exchange gains and losses as the financial assets and liabilities are translated into the functional currency of the subsidiary that holds those assets and liabilities. These exchange gains or losses are recorded on the Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income.

## 10. Foreign exchange differences (continued)

### (b) Foreign currency translation reserve movement

For the purpose of presenting these half-year financial statements, the assets and liabilities of the Group's operations are translated into Australian Dollars using exchange rates prevailing at the end of the reporting period.

Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity.

The table below summarises the movement of the foreign currency translation reserve during the period.

	<b>Foreign currency translation reserve \$'000</b>
<b>Balance at 30 June 2023</b>	<b>(12,661)</b>
Exchange differences arising on translation of foreign operations	1,470
<b>Balance at 30 June 2024</b>	<b>(11,191)</b>
Exchange differences arising on translation of foreign operations	10,760
<b>Balance at 31 December 2024</b>	<b>(431)</b>

## 11. Equity-settled employee benefits and related expenses

### (a) Restricted stock units

The Company has a restricted stock units ('RSU') plans for executives and employees of the Company and its subsidiaries. The number of RSUs granted is specific to that employee's RSU plan agreement and is granted at the Board's discretion. The RSUs reward executives and employees subject to meeting agreed service conditions or performance conditions specific to the individual's agreement.

The RSUs are equity settled and are settled in full on the vesting date and carry neither rights to dividends nor voting rights.

#### (i) Restricted stock units issued as a number of units

The Company has four RSU plans where employees and executives are issued a fixed number of units. These plans are the Restricted Stock Units General Units Plan ('RSU General Units Plan'), Performance Restricted Stock Units Plan ('PRSU Plan'), the FY23 Employee Bonus Restricted Stock Units Plan ('FY23 RSU Bonus') and the Restricted Stock Units Executive Plan ('RSU Executive').

## 11. Equity-settled employee benefits and related expenses (continued)

### (a) Restricted stock units (continued)

The following reconciles outstanding RSU units at the beginning and end of the half year:

	Units	
	31 December 2024	31 December 2023
Balance at beginning of the year	2,382,689	341,648
Granted during the year	2,547,406	2,411,267
Forfeited during the year	(106,333)	(218,501)
Settled during the year	(593,290)	(251,163)
<b>Balance at end of the year</b>	<b>4,230,472</b>	<b>2,283,251</b>

The number of shares granted in the future will equal a fixed number of RSUs.

### (ii) Restricted stock units issued at a monetary value

The Company has two RSU plans where employees are issued a fair value of RSUs that will convert to shares upon vesting, the FY24 Employee Bonus Restricted Stock Units Plan ('FY24 RSU Bonus') and RSU General Plan ('RSU General').

The following reconciles the total fair value of these plans at the beginning and end of the half year:

	Fair value (\$)	
	31 December 2024	31 December 2023
Balance at beginning of the year	1,927,142	4,196,475
Granted during the year	2,320,488	-
Forfeited during the year	(26,815)	(229,590)
Settled during the year	(2,401,837)	(768,049)
<b>Balance at end of the year</b>	<b>1,818,978</b>	<b>3,198,836</b>

The number of shares granted in the future will equal a fixed monetary amount. The fair value is determined based on a fixed monetary amount to be received discounted for the time value of money. The equivalent units at 31 December 2024 was 172,456 (31 December 2023: 301,522).

### (b) Deferred Shares Plan - Non-Executive Directors ('Deferred Shares Plan')

On 23 November 2022, resolutions were passed by the shareholders in the FY22 Annual General Meeting to issue, transfer or allocate 6,027 Megaport shares worth \$50,000 to each non-executive director in three tranches under the ESP for no consideration. This grant of shares forms part of their remuneration for services provided as members of the Board.

During the half-year, the Company issued 8,036 ordinary shares under its deferred shares plan (31 December 2023: 12,054). \$66,000 was transferred from the equity-settled employee benefits reserve to issued capital (31 December 2023: \$100,000).

### (c) Employee share option plan ('ESOP General')

The Company has a share option scheme for executives and employees of the Company and its subsidiaries. In accordance with the terms of the plan, as approved by the Directors on 2 November 2015, executives and employees of the Group may be granted options to purchase ordinary shares at the Board's discretion. Once vested, the options remain exercisable for 12 months. When exercisable, each option is convertible into one ordinary share. The exercise price is set at the share option grant date.

## 11. Equity-settled employee benefits and related expenses (continued)

### (c) Employee share option plan ('ESOP General') (continued)

No ordinary shares were issued on exercise of share options during the half-year (31 December 2023: 166,668 ordinary shares for \$1.3 million resulting in \$701,635 being transferred from the equity-settled employee benefits reserve to issued capital). 8,333 options expired during the half-year (31 December 2023: 20,833).

The Company has not issued any share options over ordinary shares under its employee share option plan throughout the half-year (31 December 2023: None).

## 12. Related party transactions

### (a) Key management personnel

Remuneration arrangements of key management personnel are disclosed in the Group's annual financial report.

### (b) Transactions with other related parties

During the half-year, group entities entered into the following transactions with related parties that are not members of the Group:

	31 December 2024 \$	31 December 2023 \$
<i>Sales and purchases of goods and services</i>		
Purchase of shared services from entities controlled by key management personnel	-	202,906
Legal services from entities controlled by key management personnel	-	26,916
Sale of network services to entities related to key management personnel	-	6,960

Arrangements with related parties are on similar arm's length terms as other customers and suppliers.

## 13. Events occurring after the half-year

The Group is not aware of any other matters or circumstances that have arisen since the end of the half-year which have significantly affected or may significantly affect the Group's operations and results or state of affairs of the Group.

# Directors' Declaration

In the Directors' opinion:

- a. The condensed consolidated financial statements and notes set out on pages 7 to 22 of Megaport Limited ('the Company') and its controlled entities ('the Group') are in accordance with the Corporations Act 2001, including:
  - (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and
  - (ii) giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date and
- b. At the date of this declaration, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Note 1(a) confirms that the condensed consolidated financial statements also comply with the relevant International Financial Reporting Standards applicable for interim reporting as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the directors made pursuant to s303(5) of the Corporations Act 2001.

On behalf of the Directors



**Melinda Snowden**

Chair & Non-Executive Director

Sydney

20 February 2025

# Independent Auditor's Review Report to the Members of Megaport Limited

## Report on the Half-Year Financial Report

### *Conclusion*

We have reviewed the half-year financial report of Megaport Limited (the "Company") and its subsidiaries ("the Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2024, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration as set out on pages 7 to 23.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Megaport Limited is not in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
- Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

### *Basis for Conclusion*

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Half-year Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) ("the Code") that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

### *Directors' Responsibilities for the Half-year Financial Report*

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such

internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error


## *Auditor's Responsibilities for the Review of the Half-year Financial Report*

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*Deloitte Touche Tohmatsu*

DELOITTE TOUCHE TOHMATSU



**Stephen Tarling**

Partner

Chartered Accountants

**Brisbane, 20 February 2025**