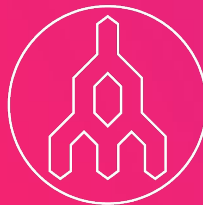


H1FY18 Half Year Market Update

21 February 2018



Megaport Limited
ACN 607 301 959



About Megaport

More information: megaport.com/investor

Who is Megaport?

Pay for what you use



Ease of use



Secure and On-demand



Leading service providers



Who we connect

Enterprises



Cloud service providers



Data centre operators

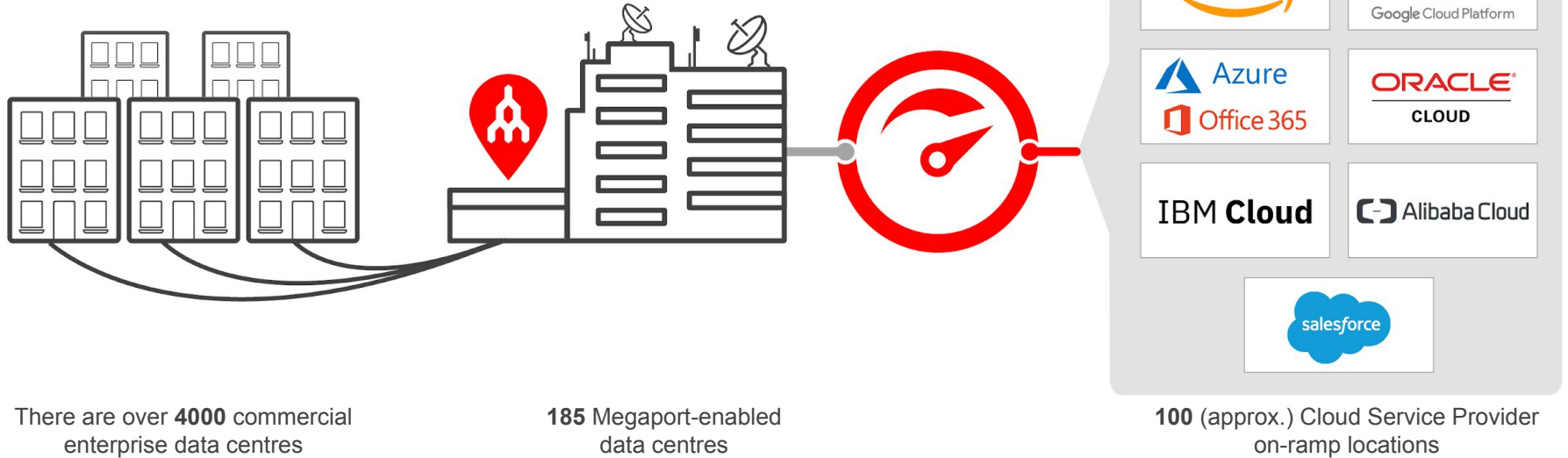


Network service providers



Connecting everyone to everything

The Megaport Software Defined Network (SDN) brings greater cloud connectivity to the enterprise.



Our Competitive Advantage

		Megaport's Network on Demand	Traditional Network
	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 (1 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

Highlights

H1FY18

KPIs

As of 31 December 2017

Total number of data centres



165

30 JUNE 2017

185

31 DEC 2017

Total number of ports



1829

30 JUNE 2017

2259

31 DEC 2017

Total number of services



3764

30 JUNE 2017

5041

31 DEC 2017

Total number of customers



738

30 JUNE 2017

860

31 DEC 2017

Monthly Recurring Revenue*



\$1.2M

30 JUNE 2017

\$1.6M

31 DEC 2017

Annualised Revenue



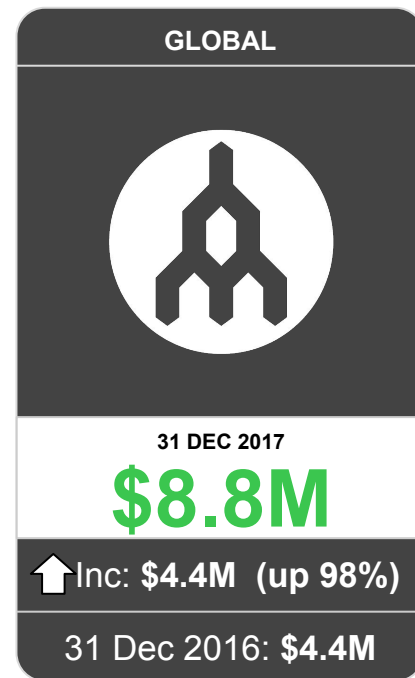
\$14.6M

30 JUNE 2017

\$19.2M

31 DEC 2017

Revenue Performance



Growth rate is calculated using the full \$ values

Regional Update

APAC Highlights

Total number of data centres



52

At 31 DEC 2017

Total number of Ports



1126

At 31 DEC 2017

Total number of Services



3016

At 31 DEC 2017

Total number of customers



468

At 31 DEC 2017

Monthly Recurring Revenue



710K

For the Month
DEC 2017

Profit after direct network costs



45%

For the Month
DEC 2017

1HFY18 Highlights

- Expansion into new markets Adelaide, Wellington & Hamilton
- Execution of HKT and NTT Strategic Partnerships
- Consistent adoption and growth across the region

2HFY18 Focus

- Further Expansion into ASEAN markets
- Net new Customer Acquisition via new product set and wider total addressable market
- Increase average revenue per port

\$630

Average Revenue / Port

22

No. of Ports / Data centre

57%

Port Utilisation*

2.7

Services per Port

6.4

Services per Customer

Stats as at 31 December 2017

North America Highlights

Total number of data centres



76

At 31 DEC 2017

Total number of Ports



569

At 31 DEC 2017

Total number of Services



1315

At 31 DEC 2017

Total number of customers



216

At 31 DEC 2017

Monthly Recurring Revenue



402K

For the Month
DEC 2017

Profit after direct network costs



-35%

For the Month
DEC 2017

1HFY18 Highlights

- Number of total services increased within the 6 month period
- Number of multi-cloud growth within region
- Deployed 15 new data centres

2HFY18 Focus

- Expansion of Ecosystem
- Deeper Data Centre penetration with Data Centre Partners and additional expansion in new markets
- Growth in key partnerships in Agent, Data Centre and Reseller verticals

\$707

Average Revenue / Port

8

No. of Ports / Data centre

35%

Port Utilisation*

2.3

Services per Port

6.1

Services per Customer

Stats as at 31 December 2017

*Ports sold/used divided by total ports available

Europe Highlights

Total number of data centres



57

At 31 DEC 2017

Total number of Ports



564

At 31 DEC 2017

Total number of Services



710

At 31 DEC 2017

Total number of customers



235

At 31 DEC 2017

Monthly Recurring Revenue



485K

For the Month
DEC 2017

Profit after direct network costs



53%

For the Month
DEC 2017

1HFY18 Highlights

- Consistent MRR growth in period
- Strategic Network Partner Agreements
- Demand-driven network upgrade

2HFY18 Focus

- Net new customer acquisition and Reseller partner growth in key markets
- Cloud Partner development and continued delivery of cloud connectivity to the enterprise
- Strategic IX growth in Europe

\$860

Average Revenue / Port

10

No. of Ports / Data centre

65%

Port Utilisation*

1.3

Services per Port

3

Services per Customer

Stats as at 31 December 2017



Half Year

Financial Results and Position

Financial Results

Consolidated Income Statement	1 July 2017 - 31 December 2017 (H1FY18) \$	1 July 2016 - 31 December 2016 (H1FY17) \$
Revenue	8,832,995	4,458,704
Direct network costs ¹	(6,743,900)	(5,289,857)
Profit/(loss) after direct network costs¹	2,089,095	(831,153)
Employee costs	(9,872,183)	(7,813,796)
Professional fees	(1,042,063)	(1,666,517)
Depreciation and amortisation expense	(2,153,751)	(1,835,632)
Other costs ²	(2,343,096)	(1,625,592)
Net profit/(loss)	(13,321,998)	(13,772,690)

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. Other costs includes travel and marketing expenses, finance expenses, tax and other income and costs to the business.

Financial Results

For the six months ended 31 December 2017

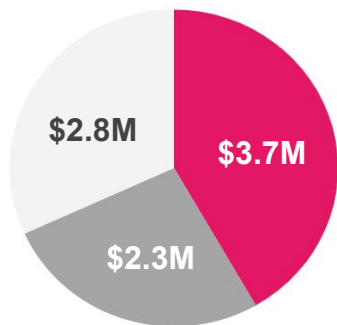
Revenue \$8.8M up 98% compared to same period last year

Profit after direct network costs for the Group of \$2.1M

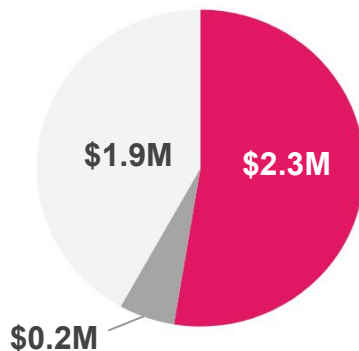
Global business in H1FY18 has generated a profit after direct network costs

Revenue

H1FY18



H1FY17



Asia Pacific

Europe

North America

REVENUE: \$8.8M

UP 98%

from
H1FY17

MRR: *\$1.6M

UP 78%

from
H1FY17

Financial Results

For the six months ended 31 December 2017

Revenue of \$8.8M, up 98%, compared to same period last year, driven by acquisitions in Europe and organic growth in Asia Pacific and North America

42% from Asia Pacific

32% from Europe

26% from North America

Monthly recurring revenue was **\$1.6M** for December 2017, up **78%**, driven by increased utilisation of Megaport Services globally

*Monthly Recurring Revenue is closing monthly revenue for the month of December

Operating Costs

	H1FY17 \$ (DEC 2016)	H2FY17 \$ (JUNE 2017)	HY1FY18 \$ (DEC 2017)
Direct network costs ¹	5,289,857	5,956,418	6,743,900
Profit/(loss) after direct network costs¹	(831,153)	253,491	2,089,095
Total operating expense (OPEX)	12,908,255	16,494,427	15,374,464
Employee costs	7,813,796	8,723,590	9,872,183
Professional fees	1,666,517	1,364,580	1,042,063
Depreciation and amortisation expense	1,835,632	2,320,322	2,153,751

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.

Financial Results

For the six months ended 31 December 2017

Global business in H2FY17 and H1FY18 is generating a profit after direct network costs

OPEX for H1FY18 is now consistent run rate for the business

OPEX per dollar of Revenue generated has continued to decrease compared to the corresponding periods:

- H1FY17 - \$2.90
- H2FY17 - \$2.66
- H1FY18 - \$1.74



Megaport Cloud Router

Financial Position

Consolidated Financial Position	31 December 2017 \$	30 June 2017 \$
Current Assets	24,148,883	23,958,983
Non-current Assets	19,034,721	16,885,215
Total Assets	43,183,604	40,844,198
Current Liabilities	(8,099,634)	(9,344,376)
Non-current Liabilities	(1,221,004)	(1,276,622)
Total Liabilities	(9,320,638)	(10,620,998)
Equity	33,862,966	30,223,200
Cash Position	31 December 2017 \$	30 June 2017 \$
Cash and bank balances at end of period*	21,099,425	21,527,943

*including bank term deposits

Financial Position

At 31 December 2017

Successful Capital Raise
\$27.8M completed in July
2017

Investment in assets to
facilitate network and
Ecosystem expansion (incl.
IRUs), and product
development (MCR) to grow
revenue

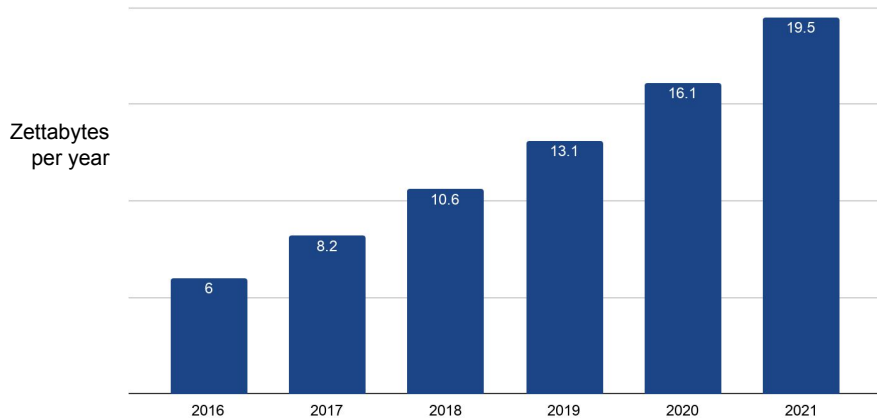
Closing cash at the end of
December 2017 was \$21.1M



Business Update

Industry Growth Trends

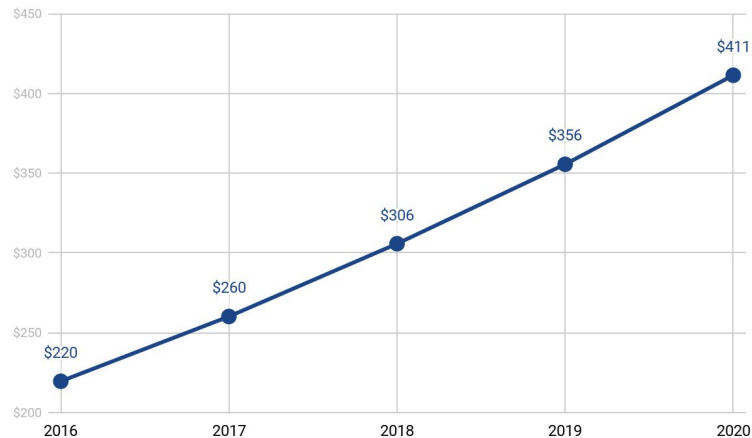
Cloud Data Centre Traffic Growth



27% Compound Annual Growth Rate 2016-2021

Source: Cisco Global Cloud Index, 2018.

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



Source: Gartner (October 2017)

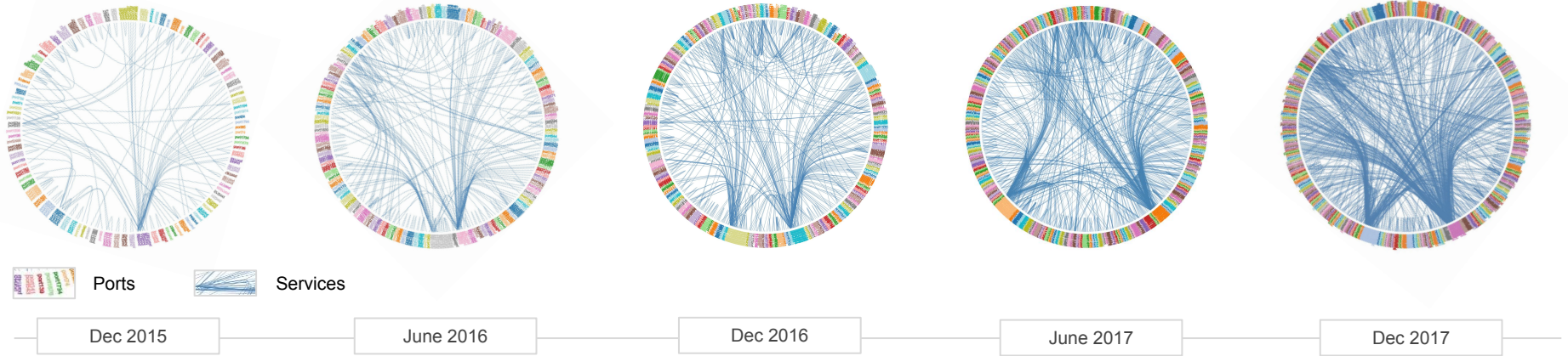


79% of companies surveyed use two or more cloud or hosting providers.

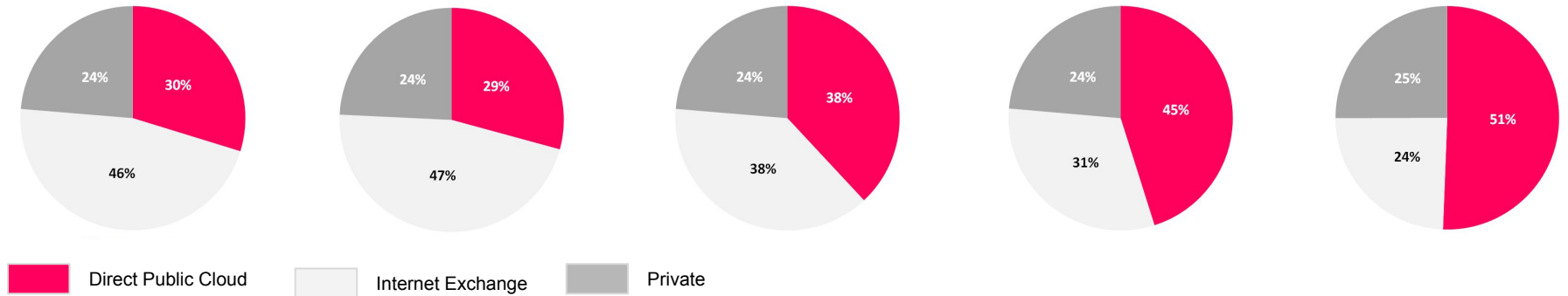
Source: 451 Research 2016

Building the Network Effect

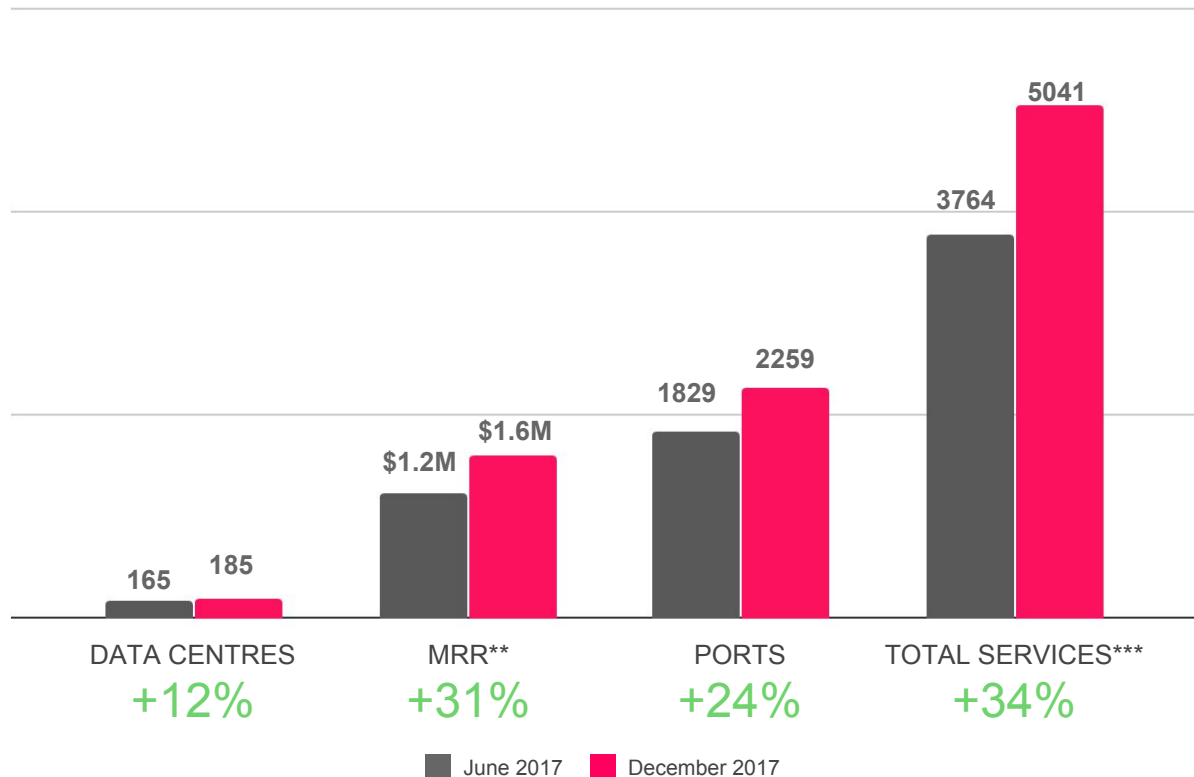
Megaport Service Connections:



Service Connection Types:



Growth Trends



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

**Monthly Recurring Revenue is closing monthly revenue for the reporting period end month.

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

What's driving revenue growth?

Average Revenue per Port*

June 2017

Dec 2017

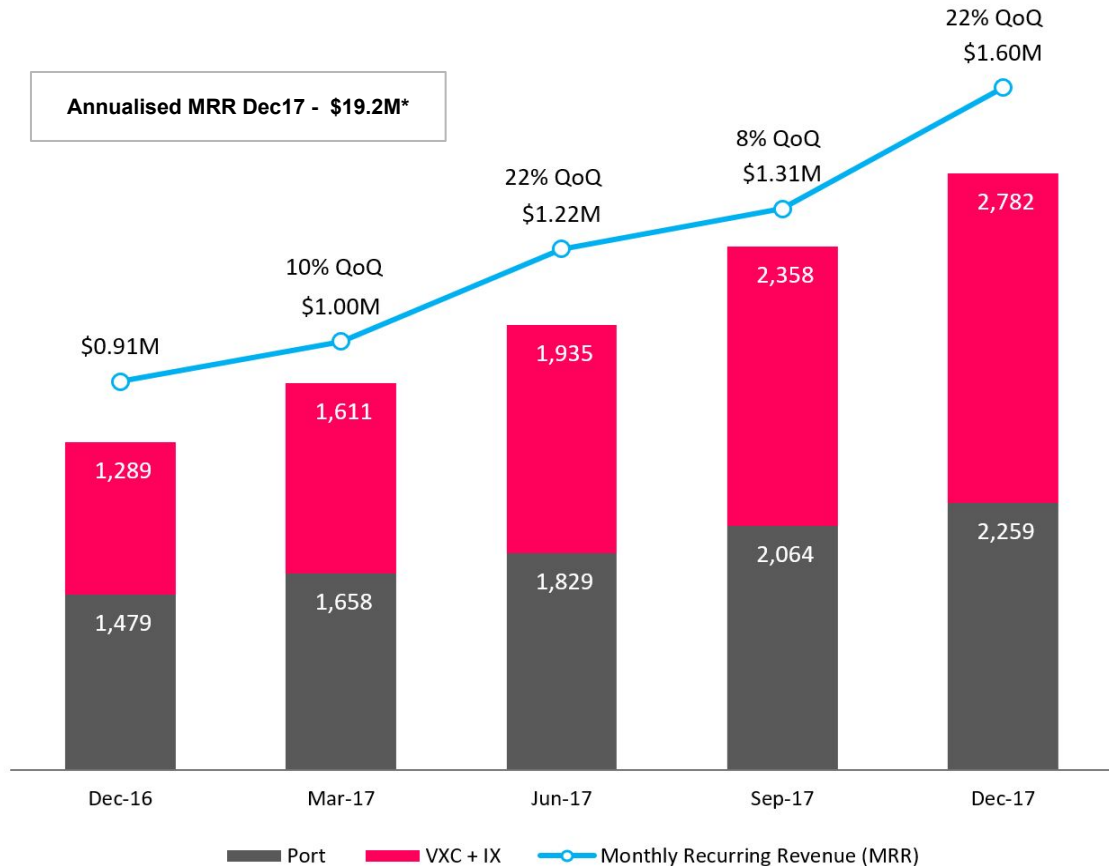
\$667

\$707

+\$40
GROWTH

The increase in services per Port directly increases Port value

Growth Trends



Ecosystem richness drives greater service connection opportunities

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

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

31% increase MRR in past 6 months to 31 December 2017.

Cloud Service Provider Update



MegaPort recognised within one of highest AWS partner program tiers

Possess deep AWS expertise and deliver solutions seamlessly on AWS

Proven customer success and deep technical proficiency



Global partner agreement enabling MegaPort as a Direct Link exchange provider

Direct integration at IBM Data centres across North America, Asia-Pacific, and Europe

Optimised for AI, analytics, blockchain, Internet of Things, serverless, and more



Global agreement supporting Salesforce Express Connect (SEC)

Enables ease of use and connectivity over private, predictable paths

Historically only available over best-effort internet

Megaport Cloud Enablement



102

Total onramps

40 new onramps since
30 June 2017. Up 65%

Total Onramps

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



57

Cloud regions

 Alibaba Cloud

 IBM Cloud



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

Asia Pacific South
EU central
UK South
US East
US South

US East US
Central EU
Central



ORACLE
CLOUD



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

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

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

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

Key Customer Wins

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WorkCover
QUEENSLAND



TAL



Qrious

utimaco®



SaleCycle



MOELIS & COMPANY

Data Centre Growth



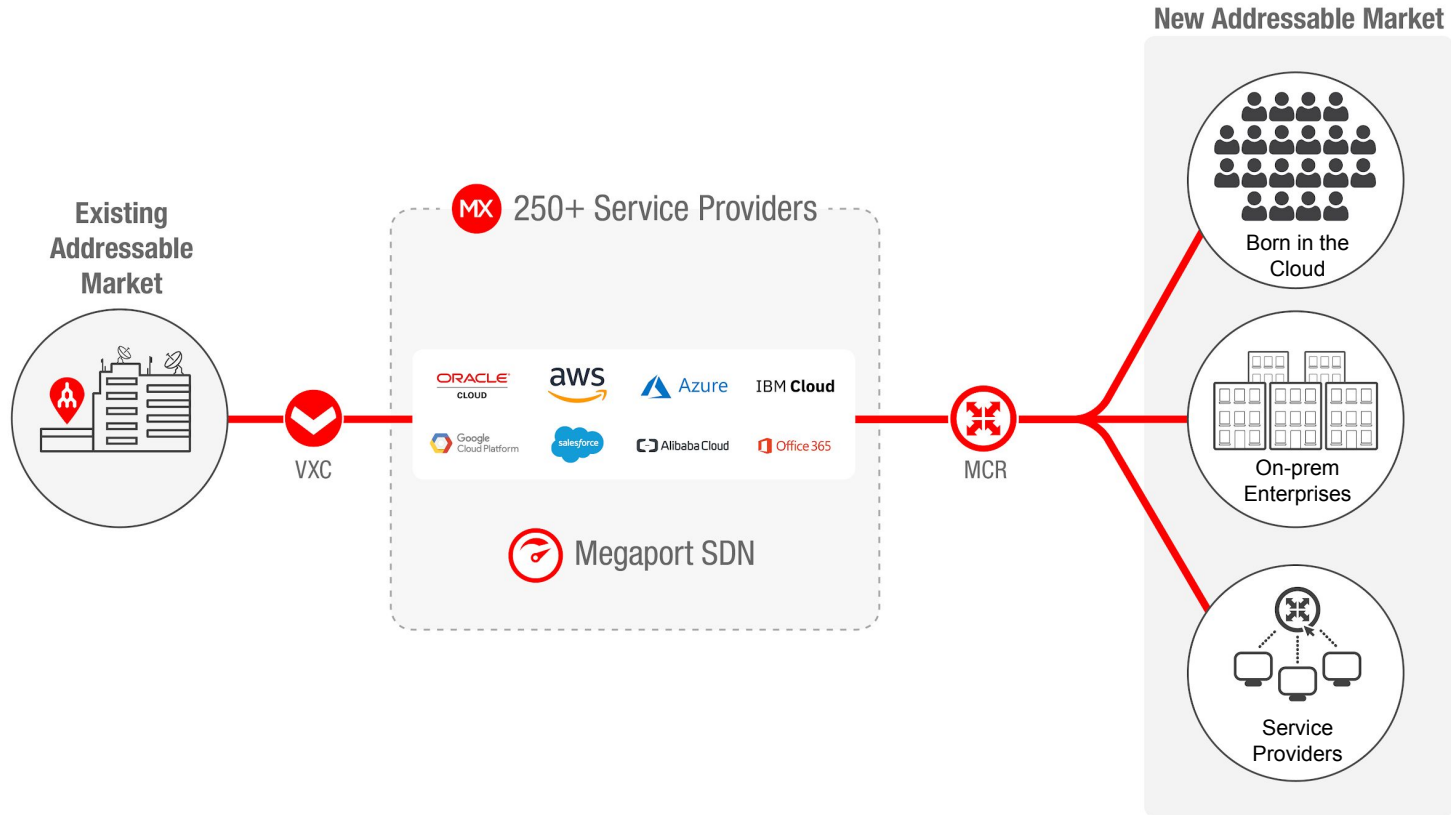
MEGAPORT
CONNECTED

Data centre partnerships
reflect continued focus on
Enterprise markets

Empowering underserved Tier
2 and Tier 3 markets with
cloud connectivity and the
Megaport Ecosystem

Extending the reach of cloud
service provider onramps and
accelerating revenue
recognition for cloud service
providers

Megaport Cloud Router (MCR)



Virtual router product expands Megaport's capability to service customers with greater connectivity options at layer 3

Continued enhancement and innovation of our SDN to address the needs of wider customer base outside of Megaported data centres

Megaport Cloud Router (MCR)

Solutions



Cloud to Cloud Networking



Hybrid Cloud at
Layer 3



Virtual Networking



Localised Traffic



Managed Layer 3
Connectivity

Key Features



Global Reach



Reduced Ownership Costs



Easy Design and Provisioning



Private, Scalable, and Secure

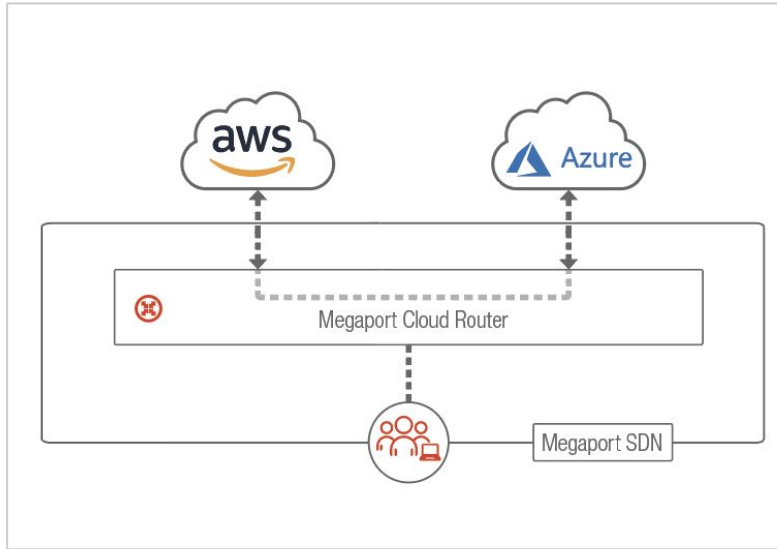


Unlocks powerful networking capabilities traditionally unavailable to enterprises

Seamless, easy to use, and integrated into Megaport's SDN and Ecosystem

Rapidly, privately, and securely connect to one or more Service Providers on the Megaport SDN without the need for physical networking

Key use cases



Megaport Cloud Router

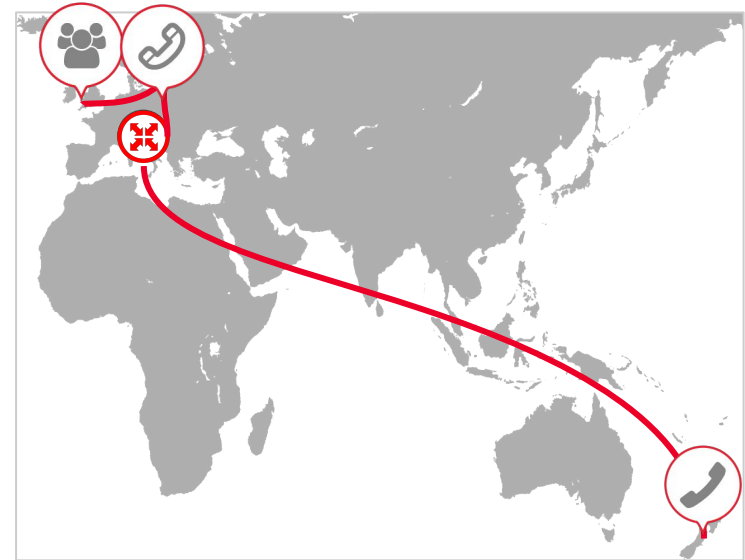


Enterprise User

Cloud to Cloud Connectivity

An MCR bridges the connectivity gap between CSPs

Connect cloud services together for interoperability without the need to own or manage physical network infrastructure.



Service Provider



Partner VOIP Provider



Customers

Extending Service Reach

An MCR expands the reach of service providers.

A company can virtually 'pop' a new region, opening up service reach beyond their current network infrastructure.

Executive Team Update



Vincent English
Chief Executive Officer



Belle Lajoie
Chief Commercial Officer



Eric Troyer
Chief Marketing Officer



Tim Hoffman
Chief Technical Officer



Anna Tichborne
General Counsel



Helen Storckmeijer
People & Culture Manager



Steve Loxton
Chief Financial Officer

Joined MP1
19 February 2018

**27 years in leadership roles
across finance and
investment, including:**

- Canada Pension Plan Investment Board
- Transfield Services Infrastructure Fund
- Goldman Sachs, ABN AMRO and Macquarie

Important Information

MegaPort Limited ACN 607 301 959

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All reference 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.

Thank you

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