

ASX Release

20 March 2018

Megaport to Raise up to \$60 Million to Accelerate Network Expansion, New Service Development and Ecosystem Growth

Megaport Limited (ACN 607 301 959) (**ASX:MP1**), a leading global Network as a Service provider, announced today that it will raise \$50 million in new equity via a placement to institutions, sophisticated and professional investors (**Placement**) and up to \$10 million via a Share Purchase Plan (**Capital Raising**).

Megaport is undertaking the Capital Raising to expand its capability to deliver connectivity to a broader customer base outside of the current footprint, including via its new Megaport Cloud Router service, and to consolidate its first-mover advantage. The funds will be used to upgrade network capacity, accelerate expansion to new locations and new markets, and fund staffing, marketing and operating costs and general working capital requirements.

Megaport will issue 13,333,334 fully paid ordinary shares under the Placement at an issue price of \$3.75 per share, raising approximately \$50 million. The issue price represents a 7.4% discount to the closing price on 19 March 2018 of \$4.05 per share, being the last trading day before Megaport announced the Placement.

Megaport has received very strong interest in the Placement from US institutional investors, culminating in commitments from three cornerstone investors who have agreed to subscribe for over \$50 million of shares at \$3.75 per share.

Megaport's Chief Executive Officer, Vincent English, said: "We have been very pleased with the level of commitment from some of the most respected sector-focused international institutions.

"Given their deep experience, they explicitly understand that our ability to invest in our competitive advantage - developing new innovative services while we continue to grow our ecosystem of service providers - will make connectivity even easier for a broader set of the digital supply chain.

"Enabling our Software Defined Network in more markets that are currently underserved by cloud connectivity is critical to maximizing our first-mover advantage.

"This Capital Raising will enable Megaport to support these strategic initiatives and fuel the connectivity services driving tomorrow's IT architectures.

"To help facilitate the broadening of our international institutional base and to assist with liquidity, concurrent with the Placement, our Chairman, founder and major shareholder Mr Bevan Slattery, has agreed to offer 6,666,667 shares to institutions, sophisticated and professional investors via a secondary offering (**Secondary Offering**). At the conclusion of Placement and Secondary Offering, Bevan will hold a relevant interest in 23.0% of Megaport

shares. The Secondary Offering shares will be sold at the same price as the Placement shares.

The Placement is within Megaport's existing placement capacity under ASX Listing Rule 7.1 and accordingly shareholder approval is not required. Settlement of the Placement and Secondary Offering is expected to occur on 23 March 2018, with allotment of the Placement shares on 26 March 2018.

Megaport will also offer eligible shareholders in Australia and New Zealand the ability to apply and subscribe for up to \$15,000 of new shares at the same price at which they were issued under the Placement, via a non-underwritten Share Purchase Plan (**SPP**). The SPP offer documentation will be made available to eligible shareholders on or about 28 March 2018. The SPP Offer closes on 13 April 2018, with the SPP shares expected to be allotted on 20 April 2018. Megaport reserves the right to vary the SPP offer details without notice.

Further information in relation to the Capital Raising can be found in the investor presentation titled "Share Placement & Share Purchase Plan" that has been released to the ASX today.

RBC Capital Markets and Morgans Corporate Limited will act as Joint Lead Managers, Bookrunners, and Underwriters to the Placement and Secondary Offering.

About Megaport

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

Established in 2013 and founded by Bevan Slattery, Megaport built the world's first SDN-based Elastic Interconnection platform designed to provide the most secure, seamless, and on-demand way for enterprises, networks, and services to interconnect. Led by Vincent English, Megaport has been built by a highly experienced team with extensive knowledge in building large scale global carrier networks and connects over 900 customers throughout over 190 data centres globally. Megaport is an Alibaba Cloud Technology Partner, Oracle Cloud Partner, AWS Technology Partner, AWS Networking Competency Partner, Microsoft Azure ExpressRoute Partner, Google Cloud Interconnect Partner, and IBM Direct Link Cloud Exchange provider, and Salesforce Express Connect Partner.

Megaport, Virtual Cross Connect, VXC, and MegaIX are registered trademarks of Megaport (Services) Pty Ltd ACN 607 432 646.

To learn more about Megaport, please visit: www.megaport.com.

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