Global Update

Megaport continues growth trajectory with solid 1Q FY19 performance, including new and expanded data centre partnerships, while increasing monthly recurring revenue 20% QoQ.

Brisbane, AUSTRALIA 23 October, 2018 Megaport Limited (**ASX:MP1**) today reports quarterly Key Performance Indicators to 30 September 2018 and provides a global market update.

Executive Summary

In 1Q FY19, Megaport continued to expand its Network footprint and service reach as well as enrich its Ecosystem globally. The Company entered into new partnerships with data centre operators including DataBank, DataMSP, Cavern Technologies, and STT GDC, and expanded its partnership with EdgeConnex. Megaport also made significant investments in sales resources, particularly in North America, where the Company is focused on driving increased service adoption.

In September 2018, Megaport achieved 1,161 customers, generated $2.4M of MRR, and was operating in a total of 234 data centres.

Megaport's Chief Executive Officer, Vincent English, commented, "During the first quarter of Fiscal Year 2019, organic customer growth outpaced previous quarters as did new monthly recurring revenue. This is the outcome of investments we have made in our sales engine and the fruition of key partnerships which have opened channel opportunities. Meanwhile, we continue to grow our service footprint to cities where we can target a wider addressable market. We have deployed our SDN to 13 more locations via new and existing data centre partners as we continue to leverage our first-mover advantage".

Performance Highlights

1Q FY19 highlights:
- Revenue for the period was $6.86M, an increase of 19% from the last quarter.
- Total Monthly Recurring Revenue (MRR) for September 2018 was $2.4M, an increase of $400K, 20% QoQ.
- Total Data Centres enabled was 234 at the end of the quarter, an increase of 13 across three regions, 6% QoQ.
- Customers increased by 12% QoQ to a total of 1,161.
- Total Ports increased in the quarter to 3,026, 10% QoQ.
- Total Services[1] increased in the quarter to 7,648, or 16% QoQ, of which VXCs increased in the quarter to 3,784, or 24% QoQ.

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

- Average Revenue per Port in September 2018 increased to $788 or 9% QoQ.
- At the end of September 2018, the Company's cash position was $46.7M (including bank term deposits).

Key Performance Metrics

While continuing to grow the Company's overall Ecosystem and footprint, Megaport drove consistent increases in all metrics and regions in the first quarter of Fiscal Year 2019. The Company had a strong focus on North America adding nine of 13 new data centres in the quarter.

Key metrics[2]:

	Quarterly Performance					
	Sep-17	Dec-17	Mar-18	Jun-18	**Sep-18**	**QoQ % Change**
Data Centres	173	185	206	221	**234**	**6%**
Cloud On-Ramps	67	102	106	108	**109**	**1%**
Customers	783	860	951	1,038	**1,161**	**12%**
Ports	2,064	2,259	2,520	2,755	**3,026**	**10%**
Services[1]	4,422	5,041	5,731	6,567	**7,648**	**16%**
MRR	$1.3M	$1.6M	$1.8M	$2.0M	**$2.4M**	**20%**
Qtr Revenue	$4.15M	$4.68M	$5.14M	$5.78M	**$6.86M**	**19%**

Ecosystem Expansion Update

- **Asia Pacific:** 63 total data centres with the addition of four new sites across Adelaide, Canberra, and Hong Kong.
- **North America:** 109 total data centres with the addition of nine new sites across Nashville, Minneapolis, Tampa, Dallas, Houston, Pittsburgh, Orlando, Charlotte, and Kansas City.
- **Europe:** 62 total data centres.
- **Cloud On-Ramps:** 109 total connected cloud on-ramps globally with the addition of one in the quarter.

Conclusions and Outlook

Vincent English said, "We are driving the edge of our footprint further to enterprise-rich locations. Minneapolis, Tampa, and Pittsburgh are excellent examples of cities where interconnection capabilities, particularly for cloud, have been underserved. Megaport has built a rapid expansion capability which enables us to quickly deploy to partner data centres. With our Ecosystem of over 300 service providers, our partner data centres can respond to

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[2] As at 30 September 2018

immediate demand for direct connectivity to leading cloud and managed services. We work with 79 unique data operators globally. With 109 cloud onramps, Megaport is the most cloud-connected SDN-based interconnection fabric in the world. This positions Megaport to help scale the massive growth of cloud services as digital transformation in the enterprise space accelerates.

Supporting Resources

- Visit Megaport: https://megaport.com/
- Follow Megaport on Twitter: @megaportnetwork
- Like Megaport on Facebook
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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 our open API. Megaport connects over 1,100 customers in 234 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, IBM Direct Link Cloud Exchange provider, and Salesforce Express Connect Partner.

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