Global Update

Megaport continues growth trajectory with solid 2Q FY19 performance, including new and expanded data centre and network partnerships, while increasing reported revenue by 21% and Monthly Recurring Revenue 14% QoQ.

Brisbane, AUSTRALIA 17 January, 2018 Megaport Limited (**ASX:MP1**) today reports quarterly Key Performance Indicators to 31 December 2018 and provides a global market update.

Executive Summary

In 2Q FY19, Megaport continued to expand its Network footprint to new markets while deepening its reach within existing metros. The Company furthered its leadership position in cloud networking by enabling several new cloud on-ramps globally. New partnerships with data centre operators include DataMSP, eStruxture, Linxdatacenter, OneAsia, and Root. Megaport's partnership with Orixcom has extended the reach of Megaport services into Dubai where leading cloud service providers are investing in infrastructure to support regional demand.

In December 2018, Megaport achieved 1,277 customers, generated $2.7M of monthly recurring revenue, and operated in a total of 245 Installed Data Centres. Revenue for the period was $8.32M, an increase of 21% from the last quarter.

Megaport's North America region increased its Monthly Recurring Revenue (MRR) from $0.55M, in June 2018, to $1.0M at the end of December 2018 representing an 80% growth during the half year period. This achievement represents a major growth milestone for the Company with MRR in North America doubling in the last eight months.

Megaport's Chief Executive Officer, Vincent English, commented, "During the second quarter of Fiscal Year 2019, Megaport realised significant revenue gains, generating $8.32M of revenue during the quarter, while also deepening strategic partnerships with key data centre operators and cloud providers. Cloud interconnection represents a significant opportunity for Megaport as cloud adoption continues to accelerate.

To support further adoption, and as part of our commitment to both our customers and our cloud partners, we have enabled several new cloud on-ramps in the quarter – providing greater options to our customers and extending the reach of cloud services. Today, Megaport connects to more cloud on-ramps than any other interconnection fabric."

Performance Highlights

2Q FY19 highlights:
- Revenue for the period was $8.32M, an increase of 21% from the last quarter.
- Total Monthly Recurring Revenue (MRR) for December 2018 was $2.72M, an increase of $331K, 14% QoQ.
- Total Installed Data Centres was 245 at the end of the quarter, an increase of 11 across three regions, or 5% QoQ (see updated definitions for data centre counts in Reported Data Centre Metrics section below).
- Customers increased by 10% QoQ to a total of 1,277.
- Total Ports increased in the quarter to 3,344, 11% QoQ.
- Total Services[1] increased in the quarter to 8,735, or 14% QoQ, of which VXCs increased in the quarter to 4,488, or 19% QoQ.
- Average Revenue per Port in December 2018 increased to $812 or 3% QoQ.
- At the end of December 2018, the Company's cash position was $38.1M (including bank term deposits).

Reported Data Centre Metrics

In a move to align with other industry operators and more accurately reflect the company's extensive coverage and service availability, Megaport is now including "Enabled Data Centres" in the regular reported metrics.. Going forward, Megaport will report the following data centre metrics:
- *Installed Data Centres* indicates the number of data centres in which Megaport has a Point of Presence with physical infrastructure. This definition is consistent with the data centre count reported previously.
- *Enabled Data Centres* represents Installed Data Centres plus data centres that can be connected directly to Megaport equipment within Installed Data Centres by means of a dark fibre campus cross connect, provided by the data centre campus/facility operator for a price that is the same or similar to a standard Installed Data Centre cross connect.

Megaport remains on track to reach 300 Installed Data Centres by 30 June 2019 and be enabled in over 450 data centres worldwide.

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

Key Performance Metrics

While continuing to grow the Company's overall Ecosystem and footprint, Megaport drove consistent increases in all metrics and regions in 2Q FY19.

Key metrics[2]:

	Quarterly Performance					Half-Yearly Performance		
	Mar-18	Jun-18	Sep-18	**Dec-18**	**QoQ % Change**	Half-Year Dec-17	**Half-Year Dec-18**	**% Change**
Enabled Data Centres Installed Data Centres	206	221	234	**386** **245**	**~** **5%**	* 185	**386** **245**	**~** **32%**
Cloud On-Ramps	106	108	109	**115**	**6%**	102	**115**	**13%**
Customers	951	1,038	1,161	**1,277**	**10%**	860	**1,277**	**48%**
Ports	2,520	2,755	3,026	**3,344**	**11%**	2,259	**3,344**	**48%**
Services[1]	5,731	6,567	7,648	**8,735**	**14%**	5,041	**8,735**	**73%**
MRR	$1.8M	$2.0M	$2.4M	**$2.7M**	**14%**	$1.6M	**$2.7M**	**70%**
Revenue	$5.14M	$5.78M	$6.86M	**$8.32M**	**21%**	$8.83M	**$15.18M**	**72%**

Ecosystem Expansion Update

- **Asia Pacific:** 68 Installed Data Centres with the addition of five new sites in Sydney, Auckland (3), and Singapore, and 78 Enabled Data Centres.
- **North America:** 111 Installed Data Centres with the addition of two new sites in Englewood and Minneapolis, and 209 Enabled Data Centres.
- **Europe:** 66 Installed Data Centres with the addition of four new sites in London (3) and Dubai, and 99 Enabled Data Centres.
- **Cloud On-Ramps:** 115 total connected cloud on-ramps globally with the addition of six in the quarter.

Conclusions and Outlook

Vincent English said, "With a solid performance in the first half of Fiscal Year 2019, the Megaport team is geared up for the second half of the year. We will continue to invest in North America to drive growth in the region.

Megaport has aligned its go to market model with the leading cloud providers to ensure we are addressing the growing enterprise demand for direct cloud interconnection. As such, we will continue to connect with more cloud on-ramps and drive deeper integration with cloud and

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[2] As at 31 December 2018

~Megaport will begin tracking Reporting Period percentile changes in March 31 2019

* Megaport did not historically count Enabled Data Centres

managed service provider partners to maintain our leadership position in the cloud interconnection space. Our Network will continue to expand to data centres where customers need elastic interconnection and cloud access. These priorities will ensure Megaport is positioned to capture the opportunity of cloud data growth in 2019 and onwards."

Supporting Resources

- Visit Megaport: https://megaport.com/
- Follow Megaport on Twitter: @megaportnetwork
- Like Megaport on Facebook
- Follow Megaport on LinkedIn

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 1,275 customers in 386 enabled 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.

Investor enquiries	**Media enquiries**
Email: investorcentre@megaport.com	media@megaport.com