



Global Update

Megaport continues growth trajectory with solid 3Q FY19 performance, including new and expanded Ecosystem partnerships, while growing total services by 19% and increasing Monthly Recurring Revenue by 15% in the quarter.

Brisbane, AUSTRALIA 17 April, 2019 Megaport Limited (**ASX:MP1**) today reports quarterly Key Performance Indicators to 31 March 2019 and provides a global market update.

Executive Summary

In 3Q 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 including access to Oracle's newly launched Cloud Region in Toronto. New network partnerships include HGC Global Communications and NTT Malaysia. Megaport also bolstered its Ecosystem of cloud providers with a new partnership with Nutanix. Megaport continues to invest in the development and implementation of Megaport Cloud Router (MCR).

In March 2019, Megaport achieved 1,367 customers, generated \$3.1M of Monthly Recurring Revenue (MRR), and reached a total of 465 Enabled Data Centres¹. MRR in March 2019 increased by 15% since December 2018, and Q3 revenue for the quarter increased 8% to \$8.96M.

On 14 March 2019, Megaport announced the successful completion of a \$50 million fully underwritten share placement to institutional, experienced, sophisticated, and professional investors. Coupled with up to a further \$10 million raised via a Share Purchase Plan (expected to close on 26 April 2019), these proceeds will be used to accelerate expansion to new locations and new markets, undertake capacity upgrades, fund innovation and development of new technology, and fund operating costs and general working capital requirements.

Megaport's Chief Executive Officer, Vincent English, commented, "Throughout the third quarter of Fiscal Year 2019, Megaport drove increased services adoption across the platform to 19% from the previous quarter and generated \$3.1M in March 2019, up 15% compared to December 2018. We continued to maintain our focus on deepening our Ecosystem and expanding our footprint to address the growing need for direct cloud connectivity. Our approach of rapidly expanding to new data centres and partnering with key regional networks

¹ 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 its regularly reported metrics. 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. Installed Data Centres are data centres in which Megaport has a Point of Presence with physical infrastructure. This definition is consistent with the data centre count reported previously.

enables us to reach more customers and accelerate our first-mover advantage. With our industry-leading integration with Nutanix, our customers are empowered with greater choice through direct, scalable and on-demand connections to hyperconverged services like Xi Cloud.”

Performance Highlights

3Q FY19 highlights:

- Revenue for the period was \$8.96M, an increase of 8% from the last quarter.
- Total Monthly Recurring Revenue for March 2019 was \$3.11M, an increase of \$395K, 15% QoQ.
- Total Installed Data Centres was 264 at the end of the quarter, an increase of 19 across three regions, or 8% QoQ.
- Total Enabled Data Centres was 465 at the end of the quarter, an increase of 79 across three regions, or 20% QoQ.
- Customers increased by 7% QoQ to a total of 1,367.
- Total Ports increased in the quarter to 3,668, or 10% QoQ.
- Total Services² increased in the quarter to 10,374, or 19% QoQ, of which VXC's increased in the quarter to 5,312, or 18% QoQ.
- Average Revenue per Port in December 2018 increased to \$848, or 4% QoQ.
- At the end of March 2019, the Company's cash position was \$73.8M (including bank term deposits but excluding the up to \$10M in proceeds from the Share Purchase Plan announced to ASX on 13 March 2019, which is expected to close on 26 April 2019).

² Total Services comprises of Ports, Virtual Cross Connections (VXC's), 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 3Q FY19.

Key metrics³:

	Quarterly Performance						YoY % Change [^]
	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	QoQ % Change	
Enabled Data Centres	*	*	*	386	465	20%	*
Installed Data Centres	206	221	234	245	264	8%	28%
Cloud On-Ramps	106	108	109	115	122	6%	15%
Customers	951	1,038	1,161	1,277	1,367	7%	44%
Ports	2,520	2,755	3,026	3,344	3,668	10%	46%
Services ²	5,731	6,567	7,648	8,735	10,374	19%	81%
MRR	\$1.8M	\$2.0M	\$2.4M	\$2.7M	\$3.1M	15%	72%
Revenue	\$5.14M	\$5.78M	\$6.86M	\$8.32M	\$8.96M	8%	74%

Ecosystem Expansion Update

- **Asia Pacific:** 69 Installed Data Centres with the addition of one new site in Hong Kong and 77 Enabled Data Centres.
- **North America:** 128 Installed Data Centres with the addition of seventeen new sites in Ashburn (1), Atlanta (1), Chicago (1), Houston (1), Kansa City (1), Montreal (3), Nashville (1), Pittsburg (1), Portland (1), Toronto (1), Omaha (1), Salt Lake City (2), Raleigh (1) and Vancouver (1) and 274 Enabled Data Centres.
- **Europe:** 67 Installed Data Centres with the addition of one new site in London, and 114 Enabled Data Centres.
- **Cloud On-Ramps:** 122 total connected cloud on-ramps globally with the addition of seven in the quarter.

Conclusions and Outlook

Vincent English said, "Megaport has been very focused on accelerating sales velocity while maintaining an aggressive expansion strategy. Our focus on expanding to additional sites in Montreal, Vancouver, and Toronto - combined with the launch of Oracle onramp services in

³ As at 31 March 2019

* Megaport did not historically count Enabled Data Centres before December 2018

[^] Year on Year percentage is March 2018 compared to March 2019

Toronto, positions the company to capture the phenomenal demand for cloud connectivity in Canada.

In the coming quarters, Megaport will maintain focus on increasing the adoption of services on our platform. To achieve this, we will continue to add more cloud on-ramps and service provider options. We will also develop more features and capabilities while deepening the integration of our platform with cloud providers. With the launch of new features for Megaport Cloud Router (MCR 2.0) scheduled for release later this quarter, our customers and partners will be able to unlock powerful new cloud connectivity use cases. Megaport is committed to exceeding the expectations of our customers and partners and supporting their success as they transform their business within the cloud. By focusing on innovation, service, and unparalleled features, Megaport is well placed to accelerate its industry leading position.”

Supporting Resources

- Visit Megaport: <https://megaport.com/>
- Follow Megaport on Twitter: [@megaportnetwork](https://twitter.com/megaportnetwork)
- Like Megaport on [Facebook](https://www.facebook.com/megaport)
- Follow Megaport on [LinkedIn](https://www.linkedin.com/company/megaport)

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 1,367 customers in 465 enabled data centres globally. Megaport is an Alibaba Cloud Technology Partner, AWS Technology Partner, AWS Networking Competency Partner, Google Cloud Interconnect Partner, IBM Direct Link Cloud Exchange provider, Microsoft Azure Express Route Partner, Nutanix Direct Connect Partner, Oracle Cloud Partner, and Salesforce Express Connect Partner.

About Megaport Cloud Router

Launched in January 2018, 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 as well as deploying 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. More information about MCR can be found at: <https://www.megaport.com/services/megaport-cloud-router/>

Investor enquiries

Email: investorcentre@megaport.com

Media enquiries

media@megaport.com