



ASX RELEASE

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2018 Annual General Meeting Address from the Chief Executive Officer

Megaport Limited (**ASX:MP1**) provides the attached address from the Chief Executive Officer, which will be presented at the Annual General Meeting to be held today.

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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 Megaport's 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 1000 customers throughout over 225 data centres in 46 cities. Megaport is an Alibaba Cloud Technology Partner, Oracle Cloud Partner, AWS Technology Partner, Microsoft Azure ExpressRoute Partner, Google Cloud Interconnect Partner, and an IBM Direct Link Cloud Exchange provider.

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Annual General Meeting

2018 Annual General Meeting

Address from the Chief Executive Officer

Thank you for attending our AGM and thank you for your continued support as Megaport revolutionises global connectivity. Megaport has accelerated its growth across multiple vectors: as a company, as a team, as an innovator, and as a market leader. In June 2018, we achieved \$2M in Monthly Recurring Revenue (a 63% increase Year on Year), reached a customer base of 1038 (enabling 300 new customers in the fiscal year), grown our employee count to just over 150, and expanded into 56 new data centre locations across key regions. We're not stopping there. You can expect even more from 2019. Your investment in Megaport enables us to accelerate global cloud adoption and scale services for next-generation IT architectures. It empowers us to push interconnection capabilities, further to the edge, where the future of data scaling will take place.

Megaport is a global leading Network as a Service provider which delivers next-generation connectivity services to companies across North America, Asia Pacific, and Europe. We've aligned the network buying experience to that of the cloud experience. Services are on-demand, flexible, and pay-as-you-go. Based on Software Defined Networking technology, our global network enables customers to access the services, particularly cloud services, that they need to drive their business into the future. Digital transformation (and the need for rapidly scalable solutions) is driving ever greater cloud adoption. IDG's *2018 Cloud Computing Survey* shows that 73% of organisations have at least one application, or a portion of their computing infrastructure, already in the cloud – and another 17% plan to do so within the next 12 months. Megaport is driving the uptake of cloud resources by handing back control to the consumer through on-demand, scalable, and flexible interconnection capabilities. At the end of Fiscal Year 2018, 58% of all connections on our network direct connected enterprises with cloud services, and this has risen to 62% at the end of our first quarter, this year. In Fiscal Year 2018, the number of customers accessing more than one cloud service on our network grew 208%. Demand for secure, direct connectivity for hybrid cloud and multicloud architectures is fueling significant growth for Megaport's business.

For Megaport, 2018 was the year of the cloud edge. We expanded our footprint to extend the cloud further to the edge and deliver it to underserved locations, creating options for greater cloud interconnection. Megaport enabled 46 new cloud on-ramps in Fiscal Year 2018 – bringing us to a total of 108 globally. Megaport is connected to more cloud on-ramps than any other SDN or interconnection fabric. We're meeting the demands of our customers by giving them the ability to connect and build hybrid and multicloud network architectures across more locations. Bringing the cloud edge closer to the enterprise means companies can experience dedicated, reliable, and powerful performance of their applications – whether they're deploying mission-critical workloads, migrating data out of



their on-premise infrastructure, or undertaking digital transformation initiatives. According to Gartner, 87% of business leaders say digitalisation is a top priority; this is a key trend that we've been fuelling throughout 2018 by enabling our customers with greater proximity to the next-generation technologies they need to thrive. Along with the rapid expansion of Megaport-enabled data centre locations, where we have deployed 237 physical Points of Presence today, we have the ability to further connect campuses via cross connects, reaching many more data centres and customers in these locations. So, global enterprises are getting better connected than ever before.

During the year, we enriched our cloud ecosystem by partnering with IBM Cloud and Salesforce, to bring our total cloud partners to seven of the world's leading providers including Google, Microsoft, AWS, Oracle, and Alibaba. Building new partnerships, along with driving education opportunities around our existing cloud partners, has brought another level of choice and diversification to our customers. This year, we completed Alpha and Beta testing of new direct connectivity services such as Google Cloud Partner Interconnect and delivered educational programs to empower our customers and partners to leverage this new offering. The top cloud providers have come to rely on Megaport to extend the reach of their services. At the same time, Megaport has more than 75 data centre operators interconnected globally across 237 locations in which our ecosystem of service providers is available for customers. In 2018, we joined forces with data centre operators such as QTS, RagingWire, Netrality, and Cxtera to strengthen our ecosystem, reinforce the value of service neutrality, and extend the availability of services to underserved regions. In fact, this year, in North America alone, we unlocked a myriad of new markets including Atlanta, Phoenix, Philadelphia, Denver, Columbus, Minneapolis, and Kansas City. Many of these markets represent locations where enterprises have deployed their own private infrastructure and are demanding better connectivity options, particularly to the cloud. In Fiscal Year 2018, we partnered with a number of networks including Cinia, Vodafone, and NTT. Megaport's neutral model empowers networks to service customers in their core markets with on-demand, elastic interconnection services to our ecosystem of over 300 service providers. In October of this year, we partnered with Orixcom and became the first Network as a Service provider to enable Dubai with direct cloud connectivity. A key focus for 2019 will be to continue to fortify our partner relationships and extend our footprint globally with data centres and network partners.

In January, we launched Megaport Cloud Router, our virtual routing service that unlocks a number of powerful use cases on our network. Customers can establish cloud-to-cloud connections at Layer 3 without the need for physical infrastructure. This can all be done in the point-and-click environment of our portal. What this means is that customers who are building multicloud network architectures can seamlessly connect their cloud environments, and move data between them, without having to build out expensive infrastructure or maintain hardware. MCR serves those enterprises who want to expand their services globally without physical barriers. MCR enables companies that are born in the cloud, and don't own or operate any infrastructure, to access multicloud capabilities aligned to the nature of their organisation. Simply put, virtual routing takes the complexity



out of designing, owning, and provisioning a private network between service providers. With 42% of organisations using multicloud (according to IDC) there will be an increasing demand for optimised solutions to manage data between cloud environments. Virtual routing will become a critical element of the network for many companies – as the need to move data around the globe easily and quickly becomes more of a necessity, rather than a benefit. We have a roadmap of additional features to add even more capabilities to MCR in Fiscal Year 2019.

Megaport's had a year of great accomplishment and we're looking forward to further building our network, ecosystem, and scope of services for our customers in 2019.

It's inspiring to see what a small, highly-focused, ambitious team can accomplish. Megaport consists of just over 150 team members who have passion and have been working hard to quite literally change the model for interconnection and network services around the globe. Each one of our team members embodies a customer-first attitude which shines through in everything we do. They continue to drive our business to success. On behalf of the entire team, I sincerely thank you for your investment in Megaport.