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INVESTOR PRESENTATION

QUARTERLY UPDATE - 3QFY23

MEGAPORT LIMITED | ACN 607 301 959 | ASX: MP1 | APRIL 2023

3QFY23 OVERVIEW

3QFY23 HIGHLIGHTS

- New CEO Announced
- Strong March Monthly Recurring Revenue
- Cost-out Program on Target
- Operational Review Commenced
- Improvement in Cash Flow
- Normalised EBITDA[1] for 3QFY23 of AU$5.0M

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1. Normalised Earnings Before Interest Tax Depreciation and Amortisation, which represents Reported EBITDA adjusted (reduced) for certain one-off accrual reversals. Reported EBITDA represents operating results excluding equity-settled employee and related costs, foreign exchange gains and losses, gains and and losses on disposal of property, plant and equipment, and certain non-recurring non-operational expenses.

KEY PERFORMANCE INDICATORS (AUD)

Incremental KPIs	3QFY23	2QFY23		YTD23	YTD22	
Customers	72	39		168	256	
Customer Ports[1]	188	368		740	1,323	
MCR	34	(4)		71	168	
MVE	25	(1)		46	38	
Total Services	607	762		2,312	4,224	

Summary Financials	3QFY23 $'M AUD	2QFY23 $'M AUD	QoQ %	YTD23 $'M AUD	YTD22 $'M AUD	YoY %
MRR[2]	14.1	12.4	14%	14.1	9.5	48%
Revenue	38.1	37.0	3%	108.8	79.1	38%
Reported EBITDA[3]	7.2	2.4	200%	10.6	(12.1)	n.m.
Normalised EBITDA[4]	5.0	2.4	108%	8.4	(12.1)	n.m.

1. Customer Ports exclude consolidation of legacy strategic ports as part of our transition to 100Gb cloud on-ramp interconnections. Net ports additions were 22 in 3QFY23 and 203 in 2QFY23.
2. Monthly Recurring Revenue for the last month of the relevant quarter
3. Reported Earnings Before Interest Tax Depreciation and Amortisation ("Reported EBITDA") represents operating results excluding equity-settled employee and related costs, foreign exchange gains and losses, gains and losses on disposal of property, plant and equipment, and certain non-recurring non-operational expenses.
4. Normalised Earnings Before Interest Tax Depreciation and Amortisation ("Normalised EBITDA") represents Reported EBITDA that has been adjusted (reduced) for certain one-off accrual reversals.

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UNAUDITED KEY PERFORMANCE INDICATORS FOR THE QUARTER ENDED 31 MARCH 2023

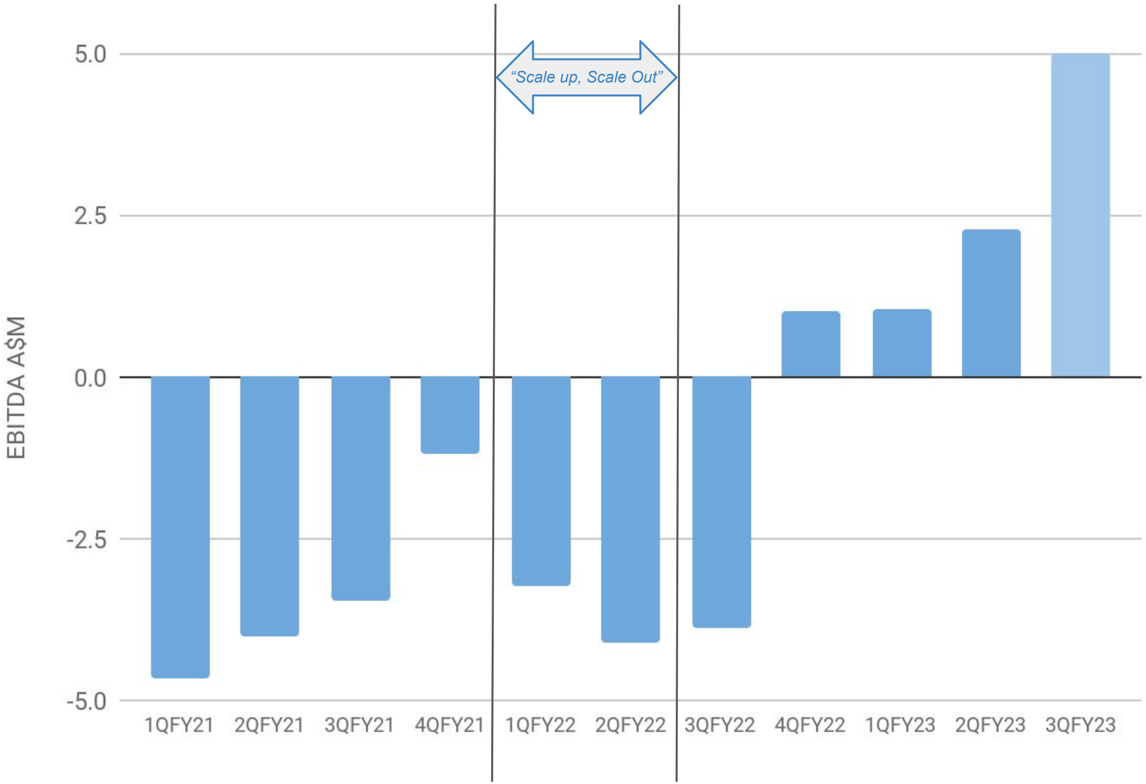
MRR grew 14% QoQ, up $1.7M to $14.1M in March 2023, mostly driven by Cloud VXC repricing

Revenue of $38.1M up $1.1M, 3% from 2QFY23 and 38% from 3QFY22.

EBITDA[3] of $7.2M, 19% of revenue (2QFY23: $2.4M, 6% of revenue)

These results add to the continued strengthening of EBITDA[3] positive growth, resulting in $10.6M YTD for 3QFY23

EBITDA[1] JOURNEY



QoQ increase 3QFY23 vs 2QFY23

The main drivers in the improvement in quarterly EBITDA include a $1.2M net benefit from the Cloud VXC price increase on existing services, a $1.0M reduction in operational expenditure on events, conferences and travel and a $0.4M reduction in the doubtful debts provision, which was driven by higher collections and a stronger debtor profile

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1. EBITDA shown is Normalised Earnings Before Interest Tax Depreciation and Amortisation, which represents Reported EBITDA adjusted (reduced) for certain one-off accrual reversals. Reported EBITDA represents operating results excluding equity-settled employee and related costs, foreign exchange gains and losses, gains and and losses on disposal of property, plant and equipment, and certain non-recurring non-operational expenses.

OPERATIONAL REVIEW

OPERATIONAL REVIEW FINDINGS

- *'Scale Up,Scale Out'* initiative did not yield expected returns from investment in headcount, and increased operational cost
- Opportunity to improve team cohesiveness and efficiency by centralising more of the Company's core back-office functions to Brisbane HQ
- Globally geographically dispersed Leadership Team led to reduced interactions and coordination on strategy
- WFH for main back-office functions has led to less interactions with team members outside immediate circle and more "siloed" approach to thinking
- Opportunity to significantly improve back-office automation and implement scalable business systems with modest investment, and enforce simple rules around non-standard requests, streamlining business processes

BUILDING SALES MOMENTUM

- Market demand is still strong, we just need to better focus our resources with the right go-to-market motion and hire more Salespeople in the right areas with the right incentive plan
- Channel Program has not delivered the targeted return on investment
- Slowing of Sales momentum is directly correlated with reduction of quota bearing Direct Sales team (down ~50% from a year ago)
- Accelerating restoration of Direct Sales machine using a combination of recruiting new team members and reallocating channel Sales resources over the next quarter
- Provide new leading Sales tools and commission plans so the team is better equipped and aligned to company objectives
- Benefits of the rebuild of Sales pipeline expect to be realised in 2QFY24 and beyond
- Incoming CEO has impeccable track record of building high performance Sales teams in the networking and SaaS space

ORGANISATIONAL REVIEW IMPACTS

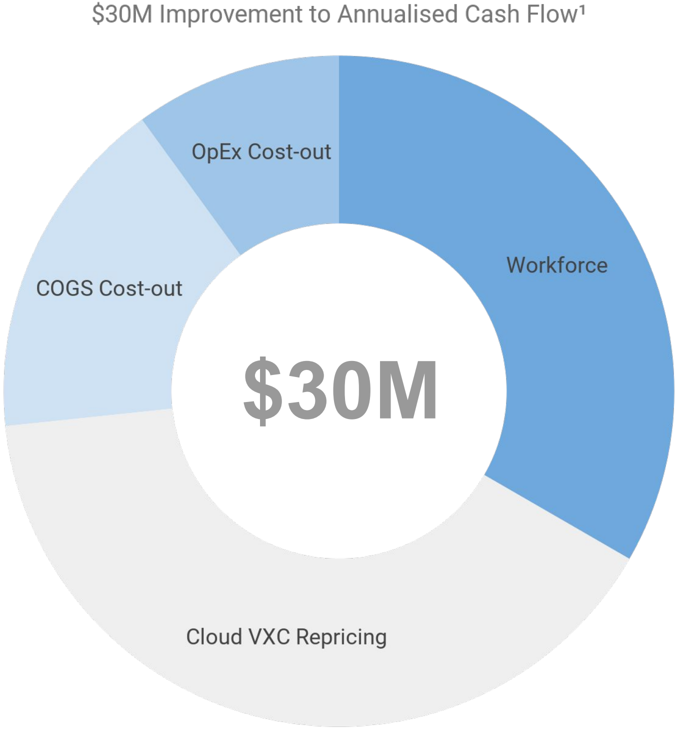
- Organisational review is now largely completed

- Regrettable reduction of 16% of the organisation's team members (50 roles) in April that could not be re-assigned within the organisation

- Right-sized organisational headcount of 250 people which is more than 10% above pre-COVID levels

- One-time redundancy charges of approximately $3M to be recognised in 4QFY23 with an estimated reduction in annualised staff costs of $10M commencing in May 2023.

CASH FLOW IMPROVEMENT[1]



Workforce: **$10M**

Cloud VXC Repricing: **$12M**

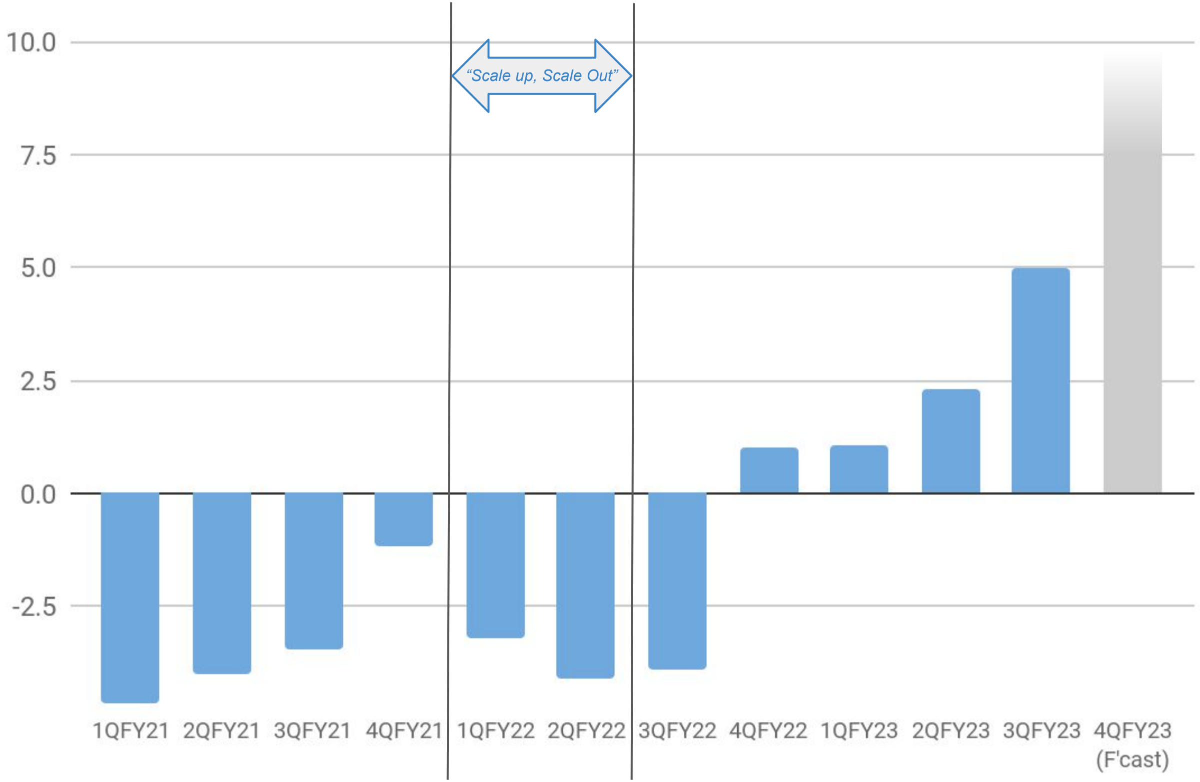
COGS Cost-out: **$5M**

Opex Cost-out: **$3M**

1. Represents improvement in cash flow from these initiatives only, and does not include cash outflows from the investment in quota bearing direct Sales team and other initiatives.

OUTLOOK AND GUIDANCE

4QFY23 NORMALISED EBITDA[1] OUTLOOK



4QFY23 Normalised EBITDA[1] is forecast to increase compared to 3QFY23 due to a full quarter impact of the Cloud VXC pricing increase, the impact of the COGS and Opex cost-out programs, and workforce cost savings resulting from the organisational review.

4QFY23 Normalised EBITDA[1] excludes one-time restructuring costs of approximately $3M associated with the organisational review, consistent with the treatment of similar costs in previous quarters.

1. EBITDA shown is Normalised Earnings Before Interest Tax Depreciation and Amortisation, which represents Reported EBITDA adjusted (reduced) for certain one-off accrual reversals and does not include the costs of one-time redundancy charges of approximately $3M to be recognised in Q4 FY23. Reported EBITDA represents operating results excluding equity-settled employee and related costs, foreign exchange gains and losses, gains and and losses on disposal of property, plant and equipment, and certain non-recurring non-operational expenses.

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EBITDA GUIDANCE

As a result of various initiatives designed to improve the Company's operating and financial performance and cash generation, the Company is providing the following guidance on EBITDA[1]:

Year	Market Consensus[2]	EBITDA Guidance (Normalised EBITDA[3] / Reported EBITDA[4])	% Increase (Normalised EBITDA[3] vs Market Consensus[2])
FY23	$9M	$16M-18M / $18M-20M	78%-100%
FY24	$30M	$41M-46M / $41M-46M	37%-53%

With this improvement in financial performance and cash flow, and $48M cash at bank at the end of Q3FY23, the Company does not foresee any need to raise additional capital for the normal operation of its business (other than for strategic or opportunistic reasons)

1. Guidance assumes a foreign exchange rate of AUD 1 to USD 0.67.
2. Market consensus based on Megaport's analysis of the average of broker research analyst estimates as at 24 April 2023.
3. Normalised Earnings Before Interest Tax Depreciation and Amortisation ("Normalised EBITDA") represents Reported EBITDA that has been adjusted (reduced) for certain one-off accrual reversals and does not include the costs of one-time redundancy charges of approximately $3M to be recognised in Q4 FY23.
4. Reported Earnings Before Interest Tax Depreciation and Amortisation ("Reported EBITDA") represents operating results excluding equity-settled employee and related costs, foreign exchange gains and losses, gains and losses on disposal of property, plant and equipment, and certain non-recurring non-operational expenses.

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Megaport Limited ACN 607 301 959

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All references to "$" are to Australian currency (AUD) unless otherwise noted.

For definitions refer to the Glossary for Investors on the Megaport website at https://www.megaport.com/investor/business-overview/.

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