Glossary for Investors

Megaport Terms	Explanation
Ecosystem	Megaport's Ecosystem (or Marketplace) is our online hub where global service providers and enterprise customers interconnect. Enterprises can efficiently multi-source IT services by connecting to a broad range of private and public (transit) services, cloud providers, managed services, and many others, right down to hosted voice services – all from the same platform, and bypassing the public Internet. Service providers on Marketplace can showcase their brand, reach global enterprises, scale to new markets, and provide solutions for businesses worldwide.
Elastic interconnection services	A secure Layer 2 connection that provides businesses the flexibility to vary bandwidth requirements based on demand, on a minute-to-minute basis. Megaport customers can provision an elastic interconnection for as short as a few minutes or as long as they need, from as small as 1 Mbps to multiples of 10 Gbps and anything in between, without long term commitments being necessary.
Enabled Data Centres	The total of Installed Data Centres plus Extended Data Centres. An explanation of Megaport's locations can be found here. A list of Megaport's Enabled Locations can be found here.
Extended Data Centres	Data centres that can be connected directly to Megaport networking hardware within Installed Data Centres by means of interconnection services offered directly by the data centre campus / facility operator of an Installed Data Centre. An explanation of Megaport's locations can be found here.
Global Network	Megaport's Global Network is the physical network that comprises the equipment in installed data centres and dark fibre, leased connectivity and sub-sea capacity connecting these data centres together on a redundant basis. An explanation of Megaport's locations can be found here. The extensive reach of our Global Network can be found here
Installed Data Centres	Data centres in which Megaport has a Point of Presence with physical networking hardware. This definition is consistent with the data centre count reported previously. An explanation of Megaport's locations can be found here. See also Extended and Enabled Data Centres.
Internet Exchange or IX	A physical infrastructure through which Internet service providers (ISPs), enterprises and Content Delivery Networks (CDNs) exchange Internet traffic between their networks (autonomous systems). Traffic is generally exchanged on a 'settlement free' basis, that is there is not an inbound/outbound cost per Mega/Gigabyte transferred between the two networks. An IX enables customers to connect to content and services across multiple regions, exchanging traffic directly and reducing bandwidth usage on client Internet connections.
Marketplace	Megaport's Marketplace is our online hub where global service providers and enterprise customers interconnect. Enterprises can efficiently multi-source IT services by connecting to a broad range of private and public (transit) services, cloud providers, managed services, and many others, right down to hosted voice services – all from the same platform, and bypassing the public Internet. Service providers on Marketplace can showcase their brand, reach global enterprises, scale to new markets, and provide solutions for businesses worldwide.

Megaport Cloud Router or MCR	A service that enables customers to instantly provision and control a managed virtual router service that establishes Layer 3 connectivity on Megaport's global software defined network. MCR instances are preconfigured in data centres in key global routing zones. An MCR enables data transfer between multi-cloud or hybrid cloud networks, network service providers, and cloud service providers. An explanation of how it works can be found here. Enterprises and Service Providers can unlock powerful use cases such as cloud-to-cloud networking without the need to purchase or maintain physical routing equipment or dedicated network capacity. MCR enables customers to rapidly deploy services, granularly control traffic, and reduce total cost of ownership versus a physical ownership basis.
MCR 2.0	Megaport's 2nd version of MCR, with these additional features: ● Four speed tiers capable of 1Gbps, 2.5Gbps, 5Gbps, or 10Gbps routing throughput (up from 5Gbps max on MCR revision 1); ● Bidirectional Forwarding Detection (BFD) for BGP that allows for fast link failure detection supporting fast failover of routed traffic; ● Border Gateway Protocol (BGP) Multi Exit Discriminator (MED) to support Virtual Cross Connect (VXC) prioritization that tells autonomous systems (AS) the preferred route to take for performance tuning; ● BGP shutdown toggle, so users can quickly turn BGP on or off; and ● Google API optimization to make it faster and easier to add MCR connections to the Google Cloud Platform and thus remove the need to click between Google and Megaport screens to establish a service. More information can be found here
Megaport Virtual Edge or MVE	MVE enables businesses to achieve global network connectivity by securely connecting users, branch locations, data centres, and XaaS - in a matter of minutes. As a neutral platform, MVE supports integration with partner SD-WAN services which can be hosted on Megaport's global Software Defined Network. More information can be found here. An infopaper on MVE can be found here.
Port or Megaport	The high speed Ethernet interface that connects to the Megaport SDN - typically a physical connection from a customer's rack to a Megaport rack in a data centre. Ports come in 1Gbps, 10Gbps, and 100Gbps options
Port Utilisation	Ports used divided by total Ports available
Portal	Megaport Portal accessible at https://portal.megaport.com/
Software Defined Network or SDN	Megaport's neutral, global Software Defined Network is comprised of cloud service providers, network service providers, data centre operators and enterprises accessed via the Megaport Portal or API.
Total Services	Total of Ports, Virtual Cross Connections (VXCs), Megaport Cloud Router (MCR), and Internet Exchange (IX). An explanation of these services can be found here.
Virtual cross connect or VXC	A direct Ethernet connection (with 1Mbps to 10Gbps of capacity) between two points on the Megaport network allowing high speed, private connectivity. Megaport VXCs are provisioned within minutes allowing rapid deployment of services.

Network, IT &	**Explanation**

Cloud Terms	
Anything as a Service or XaaS	XaaS refers to the delivery of Anything as a Service, typically a general category of services related to cloud computing and remote access. It recognizes the vast number of products, tools and technologies that vendors now deliver to users as a service over a network - typically the internet - rather than provide locally or on-site within an enterprise. The most common encompass the three general cloud computing models: Software as a Service (SaaS), Platform as a Service (PaaS) and Infrastructure as a Service (IaaS)
API	An Application Programming Interface (API) is a set of routines, protocols, and tools for building software applications. An API specifies how software components should interact programmatically and APIs are used when building system interface components. The Megaport API allows customers and partners to integrate directly into our platform for automation and expedited service creation, allowing for our one minute provisioning time windows.
Availability Zone	Each Cloud Region is typically split into three or more Availability Zones. Each Availability Zone is isolated, in order to provide redundancy from each other to facilitate stringent uptime guarantees under cloud computing service-level-agreements, but the Availability Zones in a Region are connected through low-latency links.
Border Gateway Protocol or BGP	BGP is a standardized routing protocol designed to exchange route and reachability information among autonomous systems on the Internet.
Cloud computing	Cloud computing is when you access computing services – such as servers, storage, networking, software – over the Internet (“the cloud”). For example, instead of storing personal documents and photos on your personal computer’s hard drive, most people now store them online: that’s cloud computing. A model for enabling ubiquitous, convenient, on-demand network access to a shared pool of configurable computing resources (e.g. networks, servers, storage, applications and services) that can be rapidly provisioned and released with minimal management effort or service provider interaction. A simple explanation of the Cloud can be found here.
Cloud On-ramp	A connection service inside a data centre that provides direct connectivity to a Cloud Service Provider. These connections are over a private network connection, avoiding the Internet and potentially improving the security, latency and jitter associated with the service, as well as reducing internet-related costs. Cloud Onramps are not available in every data centre; each Cloud Service Provider typically has two or three Cloud Onramps per Cloud Region, and they are generally housed in discrete colocation DCs to enable connectivity for a large number of potential customers.
Cloud Region	Hyper-scale cloud providers deploy their large server infrastructure footprints to service different regions. A Cloud Region is a specific geographical location, and typically comprises one or more major cities and the surrounding areas, depending on the size of the demand pool in a city or set of cities. Most regions have three or more Availability Zones.

Cloud Service Provider or CSP	An organisation that offers one or more components of cloud computing to businesses or individuals. Typical cloud services are Infrastructure as a Service (IaaS), Software as a Service (SaaS) or Platform as a Service (PaaS) e.g. Amazon Web Services, Microsoft Azure or Google Cloud
Colocation or Colo (abbreviated)	The renting of space and power to house computer equipment, usually in buildings specially designed to support a high density of computers and network connections, often called data centres, but also known as tele-houses or carrier hotel facilities.
Colocation Data Centre	A DC that sells space, power and cooling to multiple enterprise and hyperscale customers in a specific location. Colocation DCs offer interconnection to Software as a Service (SaaS) such as Salesforce, or Platform as a service (PaaS) like Azure. This enables businesses to scale and grow their network operations with minimum complexity, often at a lower cost than hosting IT servers on-premises.
Cross connect or XC	A connection scheme between cabling runs, subsystems, and equipment using patch cords or jumpers (either copper or fibre-optic) that attach to networking equipment (either active or passive, though generally active such as router/switch unless at an interconnect or Meet-Me Room). Cross-connects facilitate private communication between two parties that avoids the Internet.
Dark fibre	Optical fibre infrastructure that is not in use. It is considered capacity that has been laid in addition to that required at the initial time of service provisioning for expansion, growth or resale. It is no longer considered ‘Dark’ once signals are traversing it (lit)
Data centre or DC	A facility that provides space, power and cooling for computing and network infrastructure such as servers, routers, switches and firewalls, as well as supporting components like security, backup equipment, fire suppression facilities and air conditioning. DCs typically centralize an enterprise’s IT operations or equipment, as well as store, share and manage data.
Data Centre Operator or DCO	DCOs are responsible for the installation, maintenance, and provision of hardware and software support of data centres. Their job description entails a range of IT and administrative tasks to ensure efficient and organized data centre systems e.g. Equinix, Digital Realty, CyrusOne or NextDC.
Desktop virtualization	A software technology that separates the desktop environment and associated application software from the physical client device that is used to access it. See also Remote Desktop Virtualisation.
Edge computing	A distributed computing paradigm that brings computation and data storage closer to the location where it is needed, to improve response times and save bandwidth. Modern edge computing significantly extends this approach through virtualization technology that makes it easier to deploy and run a wider range of applications on the edge servers.
Edge device	A device that provides an entry point into enterprise or service provider core networks e.g. routers, routing switches, integrated access devices (IADs), multiplexers, and a variety of metropolitan area network (MAN) and wide area

	network access devices. Edge devices also provide connections into carrier and service provider networks.
Fog computing	Fog computing or fog networking, also known as fogging, is an architecture that uses edge devices to carry out a substantial amount of computation, storage, and communication locally and routed over the internet backbone. Both cloud computing and fog computing provide storage, applications, and data to end-users. However, fog computing is closer to end-users and has wider geographical distribution. Fog networking supports the Internet of Things concept, in which most of the devices used by humans on a daily basis will be connected to each other e.g. phones, wearable health monitoring devices, connected vehicles and augmented reality.
Hybrid Cloud	An IT architecture / cloud computing environment which uses a mix of on-premises, private cloud and third-party, public cloud services with orchestration between the two platforms.
Hyperscale cloud providers	Typically refers to the cloud computing companies such as Amazon, Microsoft, Google, IBM, Oracle, Alibaba, Facebook, Apple. This is not a strict definition, and the term can include a greater or lesser number of service providers. The term is a reference to the size of the infrastructure used by these service providers to offer their global services.
Hyperscale DC	A facility owned and operated by the company it supports, typically a major cloud service provider e.g. AWS, Microsoft, Google. They usually have a minimum of 5,000 servers linked with an ultra-high speed, high fiber count network. They offer robust, scalable applications and storage portfolios of services to individuals or businesses.
Infrastructure as a Service or Iaas	The provision of servers, virtual machines, storage, operating systems, data partitioning, scaling, security, backup and other IT Infrastructure on a flexible pay-as- you-go basis (on demand). According to the Internet Engineering Task Force, IaaS is the most basic cloud-service model for providers offering cloud computing infrastructure.
Internet of Things or IoT	A system of interrelated computing devices, mechanical and digital machines provided with unique identifiers (UIDs) and the ability to transfer data over a network without requiring human-to-human or human-to-computer interaction. The definition of IoT has evolved due to the convergence of multiple technologies, real-time analytics, machine learning, commodity sensors, and embedded systems. Traditional fields of embedded systems, wireless sensor networks, control systems, automation (including home and building automation), and others all contribute to enabling the Internet of things. The extensive set of applications for IoT devices is often divided into consumer, commercial, industrial, and infrastructure spaces.
Jitter	A variation in packet transit delay (RTT/RTD/PTD, latency) caused by queuing, contention and serialisation effects on a path through the network.

Latency	The amount of time a message takes to traverse a system. In a computer network, it is an expression of how much time it takes for a packet of data to get from one designated point to another. It is sometimes measured as the time required for a packet to be returned to its sender.
Local Area Network or LAN	A computer network that spans a relatively small area. Most often, a LAN is confined to a single room, building or group of buildings, however, one LAN can be connected to other LANs over any distance via telephone lines and radio waves.
Managed Service Provider or MSP	A company that provides delivery and management of network-based services, applications, infrastructure, security, and equipment to enterprises, residences, or other service providers. Managed services are offered by hosting companies or access providers that offer services that can include fully outsourced network management arrangements, including advanced features like IP telephony, messaging and call centre, virtual private network (VPNs), managed firewalls, and monitoring/reporting of network servers. Most of these services can be performed from outside a company's internal network with a special emphasis placed on integration and certification of Internet security for applications and content. MSPs serve as outsourcing agents for companies, especially other service providers like ISPs, that don't have the resources to constantly upgrade or maintain faster and faster computer networks.
Meet-Me Room or MMR	A place within a data centre, colocation centre or carrier hotel, where telecommunications companies can physically connect to one another and exchange data without incurring local loop fees
Multicloud	The use of multiple cloud computing services or applications in a single heterogeneous architecture. For example, an enterprise may use multiple cloud providers for infrastructure (IaaS) and software (SaaS) services
Network as a Service or NaaS	Networking-as-a-service (NaaS) is the sale of network services from third parties to customers that don't want to build their own networking infrastructure. NaaS packages networking resources, services, and applications as a product that can be purchased for a number of users. It can include services such as Wide Area Networking (WAN) connectivity, data centre connectivity, bandwidth on demand (Bandwidth On Demand), security services, and other applications.
Network Service Provider	A company that owns, operates and sells access to internet backbone infrastructure and services. The primary customers of NSPs are other service providers, including internet service providers, which, in turn, sell internet access to businesses and consumers.
Network Function Virtualization or NFV	A network architecture concept that uses the technologies of IT virtualization to virtualize entire classes of network node functions into building blocks that may connect, or chain together, to create communication services. NFV disunites software from hardware to enable flexible network deployment and dynamic operation. NFV deployments typically use commodity servers to run network services software versions that previously were hardware-based. These software-based services that run in an NFV environment are called Virtual Network Functions.

Open Systems Interconnection or OSI model	A conceptual model that characterises and standardises the communication functions of a telecommunication or computing system without regard to its underlying internal structure and technology. Its goal is the interoperability of diverse communication systems with standard communication protocols. The model partitions a communication system into abstraction layers. ● Layer 1 is the *physical layer* responsible for the transmission and reception of unstructured raw data between a device and a physical transmission medium. ● Layer 2 is the *data link layer*, and provides node-to-node data transfer - a link between two directly connected nodes. ● Layer 3 is the *network layer*, and provides the functional and procedural means of transferring variable length data sequences (called packets) from one node to another connected in "different networks". A network is a medium to which many nodes can be connected, on which every node has an *address* and which permits nodes connected to it to transfer messages to other nodes connected to it by merely providing the content of a message and the address of the destination node and letting the network find the way to deliver the message to the destination node, possibly routing it through intermediate nodes.
Peering	A process by which two Internet networks connect and exchange traffic. This allows these 2 Internet networks to directly exchange traffic between each other's customers, without having to pay a third party to carry that traffic across the Internet
Platform as a Service or PaaS	A service offered by cloud service providers that typically includes the provision of a development environment on demand for developing, testing, delivering and managing software applications. PaaS is a higher-tiered service than IaaS, delivering everything IaaS does, but also an operating system and other items such as middleware, development tools, database management and business analytics tools.
Public Cloud	Computing services offered by third-party providers (such as Amazon Web Services, Microsoft Azure, Google Cloud) over the public Internet, making them available to anyone who wants to use or purchase them. All hardware and associated software is managed by the service provider, and a user typically accesses the service via a web browser. They may be free or sold on-demand, allowing customers to pay only per usage for the CPU cycles, storage, or bandwidth they consume.
Private Cloud	A model of cloud computing where IT services are provisioned over private IT infrastructure for the dedicated use of a single organization. The associated services are run on, and delivered to the end user(s) over a private network instead of the internet. A private cloud is usually managed via internal resources.
Remote desktop virtualization	Remote desktop virtualization implementations operate in a client / server computing environment. Application execution takes place on a remote operating system which communicates with the local client device over a network using a remote display protocol through which the user interacts with applications. All applications and data used remain on the remote system with only display,

	keyboard, and mouse information communicated with the local client device, which may be a conventional PC / laptop, a thin client device, a tablet, or even a smartphone. A common implementation of this approach involves hosting multiple desktop operating system instances on a server hardware platform running a hypervisor. Its latest iteration is generally referred to as Virtual Desktop Infrastructure or VDI.
SD-WAN	Software defined networking in a wide area network (WAN). SD-WAN simplifies the management and operation of a WAN by decoupling (separating) the networking hardware from its control mechanism. SD-WAN enables simple and affordable management of WAN routers from a controller, increasingly packaged as software technologies and services that come with security and provisioning capabilities to run over any network medium and service provider connection. SD-WAN allows for global rollout of network services to users anywhere, allowing them to access the Internet as well as critical functions like dedicated Cloud applications for enterprise use.
Software as a Service or SaaS	The provision of software on demand (typically on a subscription basis). SaaS is hosted on remote servers and generally delivered over a network or the Internet, and all data that sits in the software will be stored remotely by the software vendor. Remote hosting allows for mobile access to the software and all data stored in the software by the user. An additional advantage of SaaS is that software updates are delivered seamlessly to the end user when they are uploaded to the hosting environment.
Software Defined Networking	An approach to network management that enables dynamic, programmatically efficient network configuration in order to improve network performance and monitoring, making it more like cloud computing than traditional network management. SDN is meant to address the fact that the static architecture of traditional networks is decentralized and complex while current networks require more flexibility and easy troubleshooting. SDN separates and abstracts elements of networking equipment and software, and it does this by decoupling the control plane and data plane from each other, such that the routing process (control plane) resides centrally and the forwarding process of network packets (data plane) remains distributed.
System Integrator or SI	An individual or business that builds computing systems for clients by combining hardware, software, networking and storage products from multiple vendors. The system integrator integrates discrete systems utilizing a variety of techniques such as computer networking, enterprise application integration, business process management or manual programming. Using a systems integrator, a company can align cheaper, preconfigured components and commercial off-the-shelf software to meet key business goals, as opposed to more expensive, customized implementations that may require original programming or manufacturing unique components. Examples include IBM, Cognizant, CSC, Tata Consultancy Services, Fujitsu, Capgemini, Wipro and Accenture.
Virtual Desktop Infrastructure (VDI)	The latest iteration of remote desktop virtualization, where application execution takes place on a remote operating system which communicates with the local client device over a network using a remote display protocol through which the user interacts with applications. All applications and data used remain on the

	remote system with only display, keyboard, and mouse information communicated with the local client device, which may be a conventional PC / laptop, a thin client device, a tablet, or even a smartphone.
Virtual Private Network or VPN	A VPN extends a private network across a public network or Internet. It enables users to send and receive data across shared or public networks as if their computing devices were directly connected to the private network. VPNs can provide functionality, security and/or network management benefits to the user.
Wide area network or WAN	A traditional WAN connects multiple local area networks (LANs) to each other through routers and VPNs, and is used for connecting organizations that have more than one location.

Financial Terms	**Explanation**
Annualised Revenue	MRR for the last month of the relevant period multiplied by 12.
APAC	Asia Pacific, including Australia, New Zealand, Singapore, Hong Kong and Japan.
Average Revenue per Port	MRR divided by number of Ports at relevant period end date, usually expressed as a month figure.
Average Revenue per Service	MRR divided by number of Services at relevant period end date, usually expressed as a month figure.
Capex	Capital expenditure
Churn	A measurement of lost customers or services e.g. customer churn is the rate at which customers stop doing business with an entity. Churn is most commonly expressed as the percentage of service subscribers who discontinue their subscriptions within a given time period.
Corporate costs	Costs that relate to the Group, and cannot reasonably be allocated to a particular region. These typically include the costs of Corporate functions such as Finance, Legal and HR.
Direct Network Costs	The total of data centre power and space, physical cross connect fees, bandwidth and dark fibre, network operation and maintenance, and channel commissions which are directly related to generating the service revenue of Megaport Group. Used interchangeably with Cost of Goods Sold or COGS.
EBITDA	Earnings Before Interest Tax Depreciation and Amortisation. EBITDA is often used as a measurement of a company's operating profitability and cash flow. Because it excludes interest, depreciation, amortisation, and taxes, EBITDA can be used to analyse and compare profitability among companies and industries, as it eliminates the effects of financing and capital expenditures.
EBITDA margin	Equal to EBITDA divided by total revenue. EBITDA margin is often used as a measurement of a company's operating profitability as a percentage of its total revenue. Because EBITDA excludes interest, depreciation, amortisation, and

	taxes, EBITDA margin can provide an investor, business owner, or financial professional with a clear view of a company's operating profitability and cash flow.
EMEA	Europe, Middle East and Africa, including the UK, Ireland, Netherlands, Sweden, Germany, Bulgaria, UAE, Switzerland, Finland, Norway, Belgium, Austria, France, Poland, Denmark and Spain.
FYXX	Fiscal Year or Financial Year, which for Megaport is the 12 months ending 30 June e.g. FY20 is the fiscal year ending 30 June 2020, FY21 is the fiscal year ending 30 June 2021, etc
HoH or H-on-H	Half on Half (a comparison of sequential half years)
HY	Fiscal or Financial half year, usually expressed as 1HFYXX e.g. 1HFY20 is the fiscal half year ending 31 December 2020, 2HFY21 is the fiscal half year ending 30 June 2021, etc.
Monthly Recurring Revenue or MRR	Revenue (excluding one-off and non-recurring revenue) for the last month of the relevant period.
NAM	North America, including the US and Canada.
Normalised EBITDA	EBITDA excluding equity-settled employee costs, foreign exchange gains and gain/loss on disposal of property, plant and equipment
Opex	Operating expenditure
Profit after Direct Network Costs	Revenue less Direct Network Costs. Sometimes referred to internally as Gross Margin or Gross Profit
Regional EBITDA	The EBITDA for a region, comprising Profit after Direct Network Costs less the Opex directly attributable to that region. Regional EBITDA excludes Corporate Opex costs.
QoQ or Q-on-Q	Quarter on Quarter (a comparison of sequential quarters)
Total Addressable Market or TAM	A term typically used to reference the revenue opportunity available for a product or service. TAM helps to prioritize business opportunities by serving as a quick metric of the underlying potential of a given opportunity.
YoY or Y-on-Y	Year on Year (a comparison of sequential years)

Megaport's Technical Glossary can be found here