



## ASX Announcement

1 November 2023

### 2023 Annual General Meeting Addresses from the Chairman and Chief Executive Officer

Megaport Limited (ASX:MP1) (**Company** or **Megaport**) provides the attached addresses from the Chairman and the Chief Executive Officer to be presented at the Annual General Meeting to be held today.

Authorised by the Board.

#### Supporting Resources

- Visit Megaport: <https://megaport.com>
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- For definitions refer to the [Glossary for Investors](#) in our [Business Overview](#)

#### About Megaport

Megaport is a leading provider of Network as a Service (NaaS) solutions. The company's global Software Defined Network (SDN) helps businesses rapidly connect their network to services via an easy-to-use portal or our open API. Megaport offers agile networking capabilities that reduce operating costs and increase speed to market compared to traditional networking solutions. Megaport partners with the world's top cloud service providers, including AWS, Microsoft Azure, and Google Cloud, as well as the largest data centre operators, systems integrators, and managed service providers in the world. Megaport is an ISO/IEC 27001-certified company.

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## **2023 Annual General Meeting**

### **Chairman's Address**

I would like to refer all shareholders to the Company's 2023 Annual Report, which was released on the 22nd of August this year. This included a letter to shareholders from me, as well as extensive information about the Company and its operations.

As set out in my letter, ten years ago a handful of talented and passionate people set about building a business that we believed could transform the way enterprise customers connect to the cloud. We saw there was an opportunity to build a platform that was so unique, that no one had ever considered it possible. Our vision? To do for networking what Amazon has done for compute. Totally automated, virtualised, and on-demand. From these humble beginnings in a small office in Fortitude Valley, we started executing on that vision.

Fast forward ten years and that startup is today an ASX200 company, exiting FY23 with an annual recurring revenue run rate of \$178.6M, and connecting to all the major cloud providers around the world. This little Australian company pioneered Network as a Service and is today the leading independent provider of NaaS services worldwide.

The past ten years have been extraordinary, filled with so many amazing stories, supported by so many remarkable people. As they say, "It's often more about the journey than the destination." In our case, there was no path to follow; we were leading the way in almost every respect. So the journey has been difficult at times, but also incredibly rewarding as we delivered on our vision. It almost seems fitting and ironic that for me, our tenth year as a company has been the most challenging, yet simultaneously, possibly the most inspiring.

But above all, FY23 for Megaport has been a year of transformation.

Today we find ourselves with a business that is EBITDA positive, generating cash, and with a new streamlined, focused, and invigorated Executive team. We delivered a significant upgrade in earnings outlook and trajectory, an annual \$30M cash flow improvement in less than six months, and our first net cash positive quarter in history.

In March, the Company appointed a proven technology and SaaS leader, Michael Reid, as Chief Executive Officer. Since commencing his role as CEO in May, Michael has already had a significant impact on Megaport. His experience and energy are greatly welcomed by the team along with his openness and inclusive leadership style.

A big thanks to the Megaport team who worked tirelessly to implement the transformation over the past year. On behalf of the Board and shareholders, thank you. I'd also like to thank you, our shareholders, for your ongoing support and belief in our business as we continue to revolutionise the way the world connects to and through the cloud.

Finally, I would like to personally thank our Board. I genuinely am humbled by the extraordinary people around our Board table. Thank you for your trust and support.

## Chief Executive Officer's Address

Over a decade ago, Megaport disrupted the market, inventing the Cloud Interconnect and Network as a Service space. We have since built out an unrivalled global platform in 800+ data centres, across more than 150 cities, spanning 25 countries, with 284 cloud on-ramps, servicing 2,856 diverse customers.

In FY23, the world faced a challenging macro environment. Yet Megaport proved to be a 'must-have technology', with low customer churn and strong expansion as an essential component of our customers' digital infrastructure. This saw us celebrate record revenue of \$153.1M, up 40% YoY, an exit Annual Recurring Revenue<sup>1</sup> of \$178.6M, up 39% YoY, and an incredible \$20.2M of Normalised EBITDA<sup>2</sup>, our first ever positive year. Strong revenue growth coupled with improved operating efficiencies resulted in a tremendous turnaround for the company's financial position.

In Q4, we announced our first ever quarter of positive net cash flow<sup>3</sup> and, more importantly, guided that FY24 will be cash flow positive, excluding any strategic investments. As we progress further into FY24, we remain focused on achieving sustainable and profitable growth, with the Company continuing to return record EBITDA and positive net cash flow performance in line with our guidance.

Since signing on in March 2023, I was welcomed by a passionate, world-class team with a firm belief in the transformative value Megaport brings to our customers. Today, our product and engineering teams remain committed to innovation, relentlessly improving and enhancing our platform even further, continuing to push the boundaries of what is possible.

With the recent announcement of Megaport Reach, we're preparing to expand into new data centres, sustainably unlocking new markets. We're also driving an Internet Exchange expansion throughout the US, having already launched in Charlotte, and will roll out eight additional locations by the end of 3Q FY24.

We recently shared the details of Project Centurion, which provides our customers the ability to upgrade to 100G ports, enhancing their cloud connection capacity tenfold and catering to the world's increasing AI connectivity needs. Starting this month, we will be offering Virtual Cross Connects up to 25G across most major locations globally and up to 100G across select markets early in the new year.

Global WAN as a Service also launched recently, adding to our ever-expanding suite of innovative products and solutions, allowing our customers to utilise the power of the Megaport platform to enable their hybrid cloud, cross-cloud, and global WAN requirements. And with our new Internet Product launching soon, customers will also be able to add enterprise internet to their networks in less than 60 seconds.

I'm honoured and grateful for the privilege to lead the Megaport team through this pivotal next chapter by solving complex problems for our customers, profitably scaling our business including expanding to untapped new markets, and ultimately driving enduring value for our shareholders.

Thank you to all our staff for your dedication to executing through the transformation, which saw us enjoy a strong finish to FY23. On behalf of all of us, I want to extend a sincere thank you to you, our shareholders, for your support.

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<sup>1</sup> Annual Recurring Revenue (ARR) is the recurring revenue expected over a 12 month period, calculated as Monthly Recurring Revenue for the last month of the period x 12, and excludes any non-recurring or one-off revenue.

<sup>2</sup> Normalised Earnings Before Interest Tax Depreciation and Amortisation (Normalised EBITDA) 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 losses on disposal of property, plant and equipment, and certain non-recurring non-operational expenses including the costs of one-time redundancy charges of approximately \$4.9M in FY23.

<sup>3</sup> Net Cash Flow is defined as the movement in Net Cash. Net Cash is cash at bank less debt including the vendor financing facility.