APPENDIX 4E

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

The following information sets out the requirements of the Appendix 4E of Megaport Limited ('the Company') and its controlled entities ('the Group') with the stipulated information either provided here or cross referenced to the Annual Report for the financial year ended 30 June 2025.

The information provided in the Appendix 4E is based on the 30 June 2025 Annual Report, which has been prepared in accordance with the *Corporations Act 2001*, and Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board.

This Appendix 4E covers the reporting period from 1 July 2024 to 30 June 2025. The previous corresponding period is 1 July 2023 to 30 June 2024.

Results for Announcement to the Market

Summary of Financial Information

	1 July 2024 to 30 June 2025 $'000	1 July 2023 to 30 June 2024 $'000	Change $'000	Change %
Revenue from ordinary activities	227,060	195,271	31,789	16%
(Loss)/profit from ordinary activities after tax attributable to members	(292)	9,606	(9,898)	n.m.
Net (loss)/profit for the year attributable to members	(292)	9,606	(9,898)	n.m.

n.m. = not meaningful

Dividends

No dividend has been proposed or declared for the year ended 30 June 2025.

Commentary on the Results for the Year

Refer to the ASX Announcements titled 'FY25 Full Year Investor Presentation' and 'FY25 Full Year Results Announcement' lodged with the ASX on 21 August 2025 and the Director's Report 'Review of Operations' section in the 30 June 2025 Annual Report for commentary on the results for the year and explanations to understand the Group's revenue and profit/(loss) from ordinary activities.

Consolidated Financial Statements

Refer to the Consolidated Financial Statements in the 30 June 2025 Annual Report for the following statements and the accompanying notes, including the specific disclosures:

- Consolidated Statement of Profit or Loss and Other Comprehensive Income;
- Consolidated Statement of Financial Position;
- Consolidated Statement of Changes in Equity; and
- Consolidated Statement of Cash Flows.

Each statement includes references to notes disclosures that have been prepared in accordance with Megaport's Statement of Compliance (refer to Note 2 under Section 1 in the consolidated financial statements in the 30 June 2025 Annual Report).

APPENDIX 4E continued

Net Tangible Asset Backing

	30 June 2025 cents	30 June 2024 cents
Net tangible asset backing per share on issue^	82.11	66.09

^ Calculated as net assets less intangible assets divided by the number of shares on issue at year end.

The number of Megaport shares on issue at 30 June 2025 is 160,941,332 (2024: 159,500,813).

Details of entities where control has been gained or lost during the year

There are no material entities where control has been gained or lost during the year (2024: the Group liquidated 100% control of Eastern Voice Link EOOD).

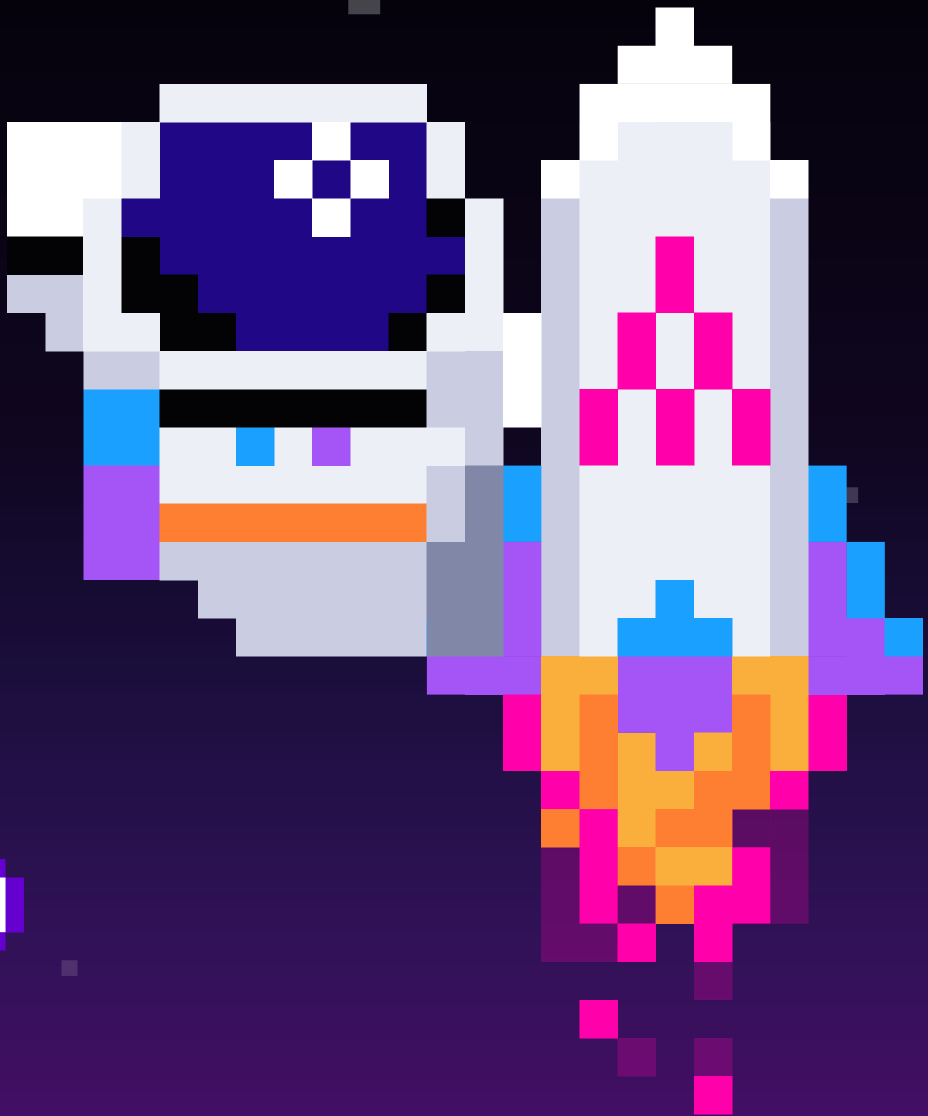
Details of Associates and Joint Ventures

There are no associates or joint ventures of the Group.

Information about the audit

This final report is based on the attached Financial Report which has been audited by the Group's auditor, Deloitte Touche Tohmatsu. A copy of Deloitte's unqualified audit report is included as part of the consolidated financial statements.

MEGAPORT



FY25 ANNUAL REPORT

START

Annual Report FY25

OUR PURPOSE

Innovate and evolve technology to solve the world's most significant networking and connectivity challenges.

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ABOUT THIS REPORT

This past year has seen us deliver on our commitments, execute on our strategy, and cemented our leadership as a global provider of Network-as-a-Service (NaaS) solutions. In this report, you'll see how we have expanded our vast global footprint, strengthened our team, and introduced new capabilities and technologies that enable greater flexibility, performance, and scalability for businesses worldwide. Our ability to simplify and automate connectivity at scale continues to set us apart in a market that demands agility, speed, and reliability.

Looking ahead, we recognise the market remains dynamic, shaped by ongoing digital transformation, the rise-and-rise of AI, and evolving customer expectations. That is why we are focused on **building**, **innovating**, and **investing** in the areas that matter most. With a deep understanding of what drives success, we are leveraging our strong financial foundations to accelerate our growth trajectory.

We remain committed to delivering long-term value for our customers, partners, and shareholders by staying ahead of the curve, empowering customers with next-generation solutions and positioning Megaport to thrive in the ever-evolving digital infrastructure landscape.

OUR MISSION

Empower businesses to connect their IT infrastructure to the world. Efficiently, securely, and at scale.

OUR VISION

Make connectivity smart, simple, and scalable, automating network infrastructure so that businesses can reach their full potential.

About Megaport

Automating infrastructure at scale

Today, Megaport operates one of the world's largest vendor-neutral elastic connectivity platforms, transforming how businesses connect to services, applications, and each other, without the need for traditional infrastructure.

We connect to more than 983 data centres in over 185 cities across 26 countries, enabling more than 30,000 services for over 2,800 customers. Two-thirds of these connections are with major cloud providers like AWS, Microsoft Azure, Google Cloud, Oracle and Salesforce. Our platform gives customers instant, secure, scalable access to cloud, data centre, and enterprise environments via a simple self-serve portal. With flexible, pay-as-you-go pricing and no setup fees, Megaport removes complexity and delays, delivering real-time provisioning and right-sized bandwidth to support evolving digital needs.

Megaport's network Ecosystem and global Marketplace further enhance our offering, giving enterprise customers and service providers a dynamic, neutral space to interconnect, expand reach, and grow at pace.

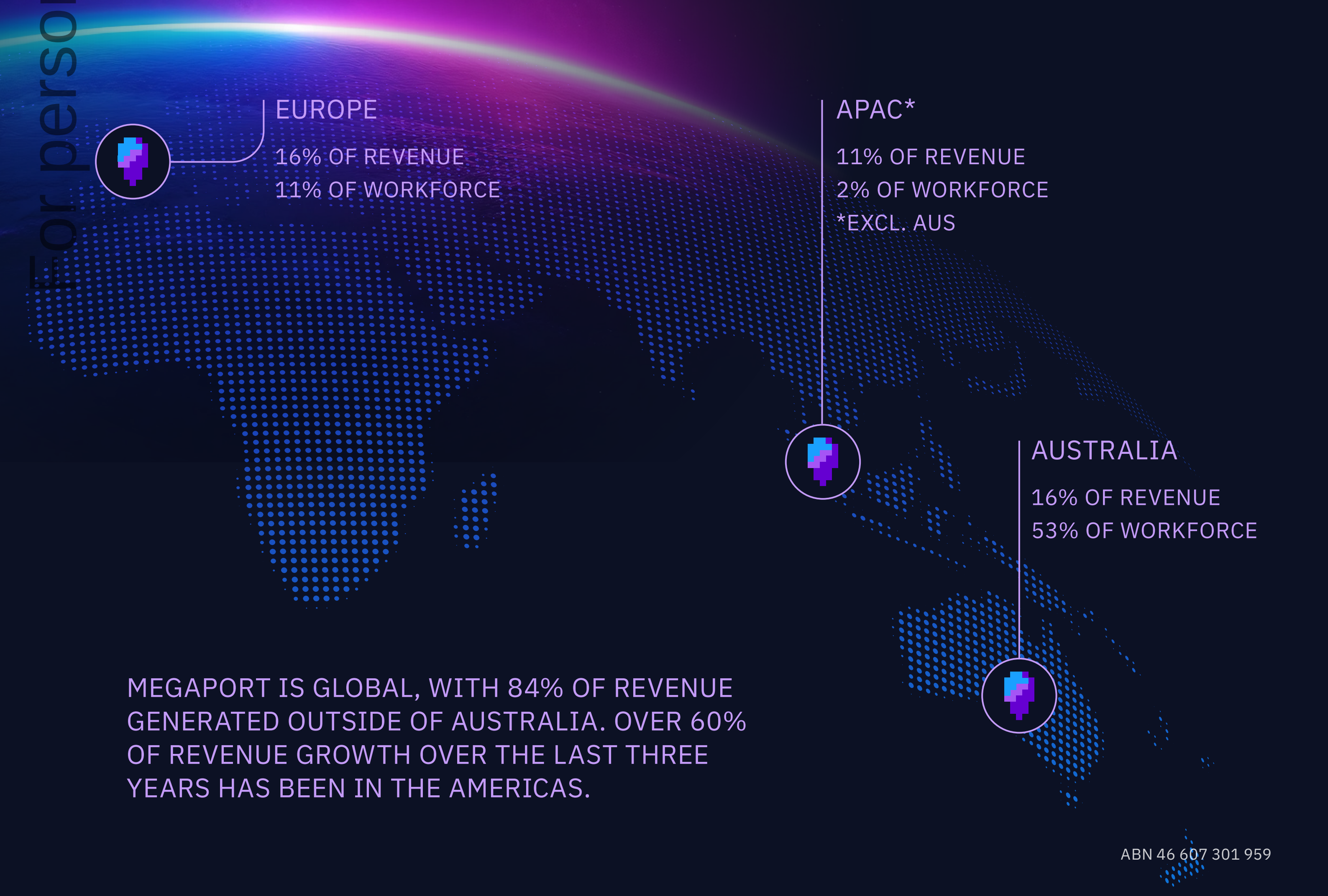
With a global presence spanning the Americas, Asia Pacific, and EMEA, Megaport continues to scale with resilience, helping businesses stay ahead of what's next.

983
DATA CENTRES

185
CITIES

26
COUNTRIES

2,873
CUSTOMERS



MEGAPORT IS GLOBAL, WITH 84% OF REVENUE GENERATED OUTSIDE OF AUSTRALIA. OVER 60% OF REVENUE GROWTH OVER THE LAST THREE YEARS HAS BEEN IN THE AMERICAS.

Strategic Pillars + FY25 Highlights

Execution against strategy

BUILD

- 400G BACKBONE
- 100G VXCs FROM 746 DCS
- DC EXPANSION, +115
- AI EXCHANGE 30+ PROVIDERS
- FS EXCHANGE 600+ COMPANIES
- 7 NEW IX LOCATIONS, TO 30
- 30 CLOUD ON-RAMPS, REACHING 333
- BRAZIL, ITALY: NOW IN 26 COUNTRIES
- +9 NEW COUNTRIES FOR INTERNET SERVICES, REACHING 15

INNOVATE

- NEW COMPUTE PLATFORM
- MCR: 100G & SECURITY ENHANCEMENTS
- INTERNET: BGP & 100G VXCs
- 400G CUSTOMER PORTS
- MVE: 16 & 32 CORE
- NAT GATEWAY
- AUTOMATED CROSS CONNECTS IN PORTAL

INVEST

- EXPANDED SALES AND MARKETING
- INCREASED GTM SUPPORT ROLES
- EXPANSION OF THE CUSTOMER SUCCESS FUNCTION
- AI-ENHANCED CUSTOMER SUPPORT
- EXPANDED PRODUCT TEAM TO DRIVE INNOVATION
- GREW THE ENGINEERING TEAM BY 37%
- SOFTWARE ENG PRODUCTIVITY ENHANCEMENTS FROM AI-ASSISTED CODING

GROSS PROFIT[1]

$162.0M

+25.2M ↑18%

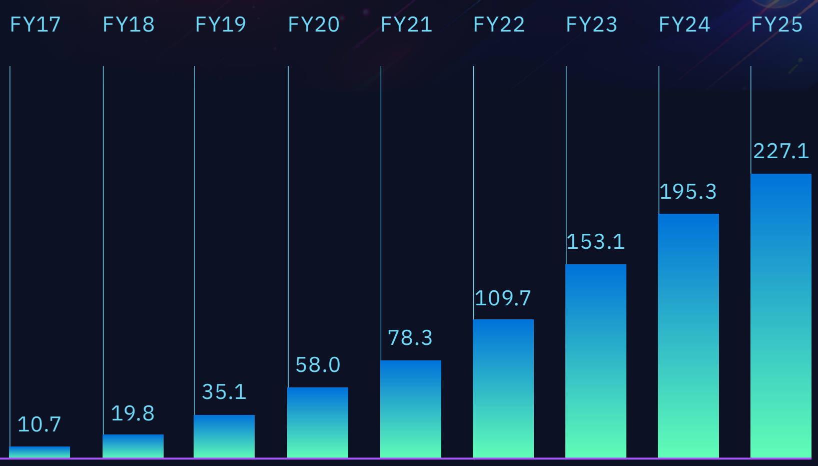
EBITDA[2]

$62.3M

+5.1M ↑9%

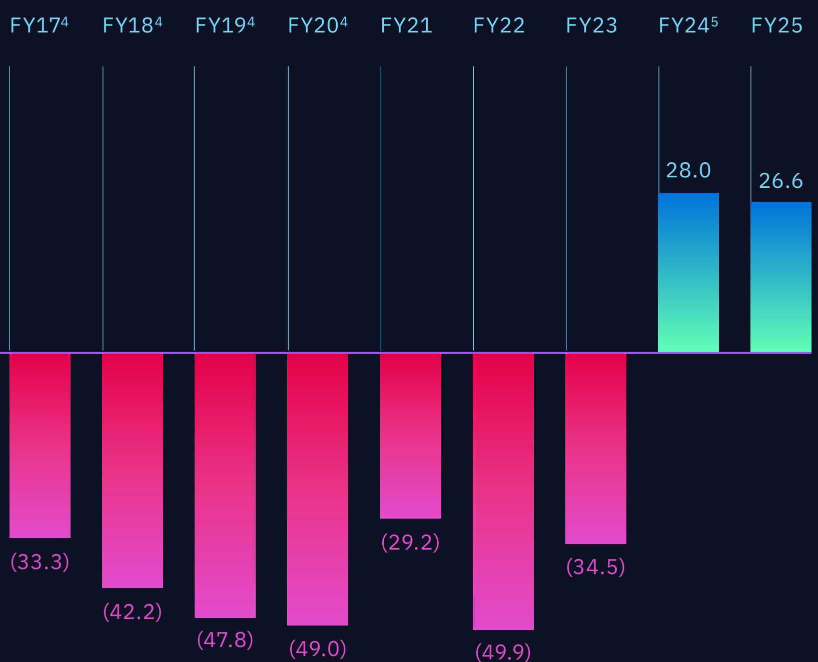
REVENUE
A$227.1M

+31.8M ↑16%



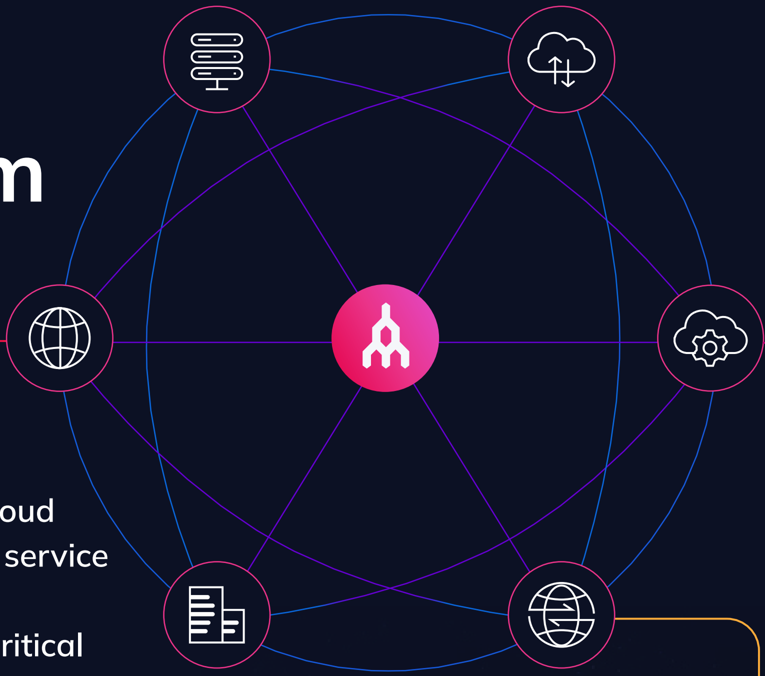
NET CASH FLOW [3]
A$26.6M

-1.4M ↓5%



1. Gross Profit is revenue less direct network costs (comprising data centre power and space, physical cross connect fees, bandwidth and dark fibre, network operation and maintenance) which are directly related to generating revenue, and partner commissions which are indirectly related to generating revenue.?
2. Earnings Before Interest Tax Depreciation and Amortisation 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. EBITDA excludes restructuring costs of $1.1M in FY24 (FY23: $4.9M), and prior to F Y24 EBITDA was normalised (adjusted or reduced) for certain one-off accrual reversals and reclassifications within profit and loss.
3. Net Cash Flow represents movement in Net Cash, which is cash at bank less debt including the vendor financing liability.
4. Net Cash Flow excludes proceeds from capital raisings of $42.4m in FY17, $77.0m in FY18, $64.1M in FY19 and $134.3M in FY20, and $10.4M (US$7.5M) cash purchase price for InnovoEdge in FY22.
5. FY24 Net Cash Flow of $28.0M includes a one-off net receipt of $5.5m relating to prior quarters, and follows a review of revenue share arrangements with a partner. Excluding the one-off receipt of $5.5M, Net Cash Flow for FY24 was $22.5M.

The ecosystem



A vast, interconnected network of cloud providers, data centers, enterprises, service operators, and more. The Megaport ecosystem brings the world's most critical digital infrastructure into one powerful platform – allowing customers to scale, innovate, and connect instantly.

DATA CENTRES

A global network of 1000+ data centers with access to Megaport's private interconnected ecosystem.

INFRASTRUCTURE PROVIDERS AND AI COMPUTE

Interconnections with specialised platform and infrastructure providers for services like private cloud, bare metal, AI compute, and GPUaaS.

NETWORK OPERATORS AND SERVICE PROVIDERS

An ecosystem of network operators offering reliable, scalable, high-speed connectivity solutions.

INTERNET EXCHANGES

Effortless data transfers and reduced reliance on upstream providers with direct peering on MegaIX.

ENTERPRISE INTERNET

Dedicated internet solutions with all the benefits of Megaport's scalable network fabric, provisioned in just 60 seconds.

EDGE

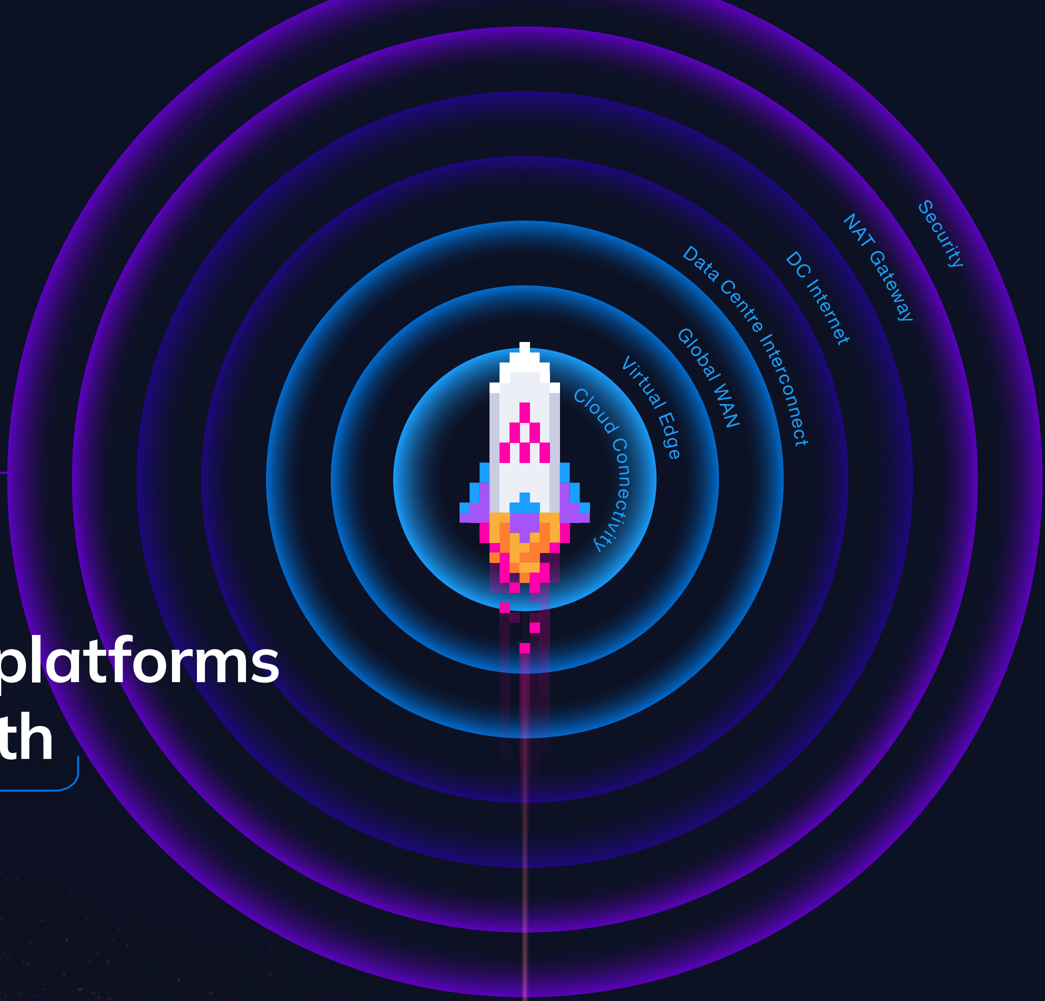
Automating edge infrastructure at scale, enabling advanced networking solutions such as cloud routing, FWaaS and SASE, SD-WAN, and more.

CLOUD SERVICE PROVIDERS

Direct access to the world's leading cloud service providers, including AWS, Azure, Google Cloud, and Oracle Cloud.

ENTERPRISES

A diverse range of enterprise customers across all industries using Megaport to interconnect their business infrastructure.



Multiple platforms for growth

Build

- New DCs
- New Markets
- More Capacity
- IX Locations

Innovate

- DCI
- Security
- Internet
- NAT Gateway

Invest

- Expand GTM Team
- Expand Product & Engineering
- Strategic Acquisitions

Note: A spreadsheet with historical KPIs and metrics can be found on our website at https://www.megaport.com/investor/business-overview/#kpis.

CHAIR'S LETTER

Dear Shareholder,

FY25 strengthened Megaport's position as the global leader in Network as a Service ('NaaS') and the Company proved its ability to thrive, not just survive, within a rapidly changing macroeconomic and technological landscape. Over the past year, shifting trade dynamics, evolving tariffs, and rapid digital change reshaped global supply chains, capital allocation, and technology adoption at an unparalleled pace. At the same time, artificial intelligence ('AI') is fuelling exponential demand for secure, high-speed connectivity, positioning Megaport as a core enabler of this next wave of innovation.

Company Performance

Against this backdrop of progress and disruption, Megaport delivered a historic financial result:

- 20% growth in Annual Recurring Revenue ('ARR')[1] to $243.8 million;
- 16% growth in Revenue to $227.1 million; and
- Growth in Net Cash[2] by $26.6 million to $87.8 million.

Our global growth reaccelerated in FY25, fuelled by strong incremental ARR[1]. Total customer lifetime value[3] rose 50% to $2.1 billion as we expanded into new markets, deepened ecosystem partnerships with data centres, cloud providers, and enhanced our platform to meet the complex needs of customers operating across regions and clouds. These results underscore the strength of our strategic investments in key areas of the business, particularly go-to-market and product innovation.

Across the year, we reinforced our financial turnaround, delivering top-line revenue growth in every region. Revenue momentum was bolstered by an 18% increase in large customers[4] and a 10% per cent uplift in ARR[1] per customer, supported by our go-to-market transformation.

OUR INTENTION IS CLEAR:
TO BUILD, INNOVATE, AND INVEST.

1 Annual Recurring Revenue 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.
2 Net Cash is cash at bank less debt (including the network financing liability). As at 30 June 2025 comprised cash at bank of $102.1M less the amount outstanding under the network finance facility of $14.3M.
3 Lifetime Value (LTV) calculated as ARR per customer multiplied by Gross Margin % multiplied by the Average Customer Lifetime, multiplied by number of customers.
4 Large customers are customers whose ARR contribution is equal to or greater than $100,000.

FY25 SAW THE MOST AMBITIOUS NETWORK EXPANSION IN MEGAPORT'S HISTORY.

115

NEW DCS

105%

UP YOY

A focused push from the customer success team and strong product adoption stabilised Net Revenue Retention[5] at 107%, up 1 percentage point since June 2024.

Our continued investment in our global team, now exceeding 350 employees across 16 countries predominantly in the US and Australia, has been pivotal to our success. The outstanding FY25 results reflect the dedication of our talented people, and the strength of our Executive leadership.

Board Renewal

In FY25, we welcomed Grant Dempsey and Mohit Lad to the Megaport Board. Grant and Mohit's senior executive experience in networking, telecommunications, and digital modernisation in global markets deepen and enhance the Board's skill sets. Their fresh perspectives have already begun to enrich our governance and strategic decision making as well as our ability to execute on our long-term vision to remain the global technology leader at the forefront of networking innovation. In FY26, the board will continue its renewal, with an external consultant assisting in recruiting a new ASX-experienced Chair for the Remuneration & Nomination Committee.

In the first half of this year, in my capacity as Megaport's new Chair, I met with a number of current and former investors to listen and receive feedback on the Company generally, Board, and related matters. I would like to thank all stakeholders who generously gave their time for those discussions. I was encouraged by the strong support for the reinvigorated management team led by Michael Reid and recognition of the turnaround in the performance of the business. A number of other themes included positive reaction to recent changes to composition of the Board, the challenging environment for governance of global businesses based and listed in Australia but also openness to further informal engagement, including on Key Management Personnel ('KMP') remuneration matters.

Outlook

As the first mover in NaaS, the flexibility and scalability of our network and our technical expertise provide strong competitive advantages and will continue to position us to benefit from strong macro tailwinds, including from AI and multicloud adoption.

Looking forward, FY26 will see us accelerate the investment in the programs that have driven our recent successes, building on proven initiatives in sales, marketing, and industry-leading platform innovation. Our intention is clear: to build, innovate, and invest, delivering rapid revenue acceleration that drives shareholder returns and secures our position as the global standard in NaaS.

I would like to acknowledge the contribution of our leadership team, led by Chief Executive Officer Michael Reid, who continues to energise our people and sharpen our commercial focus. I also thank the entire Megaport team for their passion, creativity and dedication to our customers, often in challenging market conditions. In addition, I would like to thank my Board colleagues for their commitment and support throughout the year.

Finally, thank you to our shareholders for their support and belief in our mission. As we enter this next phase of growth, we remain committed to delivering innovative connectivity solutions that empower businesses worldwide to thrive in an AI-enabled, globally connected economy.

MELINDA SNOWDEN
NON-EXECUTIVE CHAIR – MEGAPORT LIMITED

21 AUGUST 2025

5 Net Revenue Retention ('NRR') is the percentage of revenue retained from existing customers after accounting for expansion and churn. NRR is measured in constant currency over a 12 month period.

CEO REVIEW

Dear Shareholder,

The world is moving faster than ever. AI workloads are exploding, global cloud adoption continues to accelerate, and enterprises everywhere are looking for more speed, more flexibility, and more intelligence in how they connect. This is the environment Megaport was built for.

In FY25, we strengthened our foundations, expanded our reach, and delivered record results, placing Megaport in the strongest position in its history. We grew faster, reached further, and innovated harder, and we are just getting started. As we head into FY26, we are ready to accelerate and seize the opportunity in front of us.

We delivered an outstanding result, closing the year with Annual Recurring Revenue ('ARR')[1] of $243.8 million, up $39.9 million, or 20% year on year. This reacceleration was driven by significant advancements in our product offering, a step change in our go-to-market ('GTM') capabilities, and the relentless execution of our team. The number of customers spending over $100,000 per year grew 18%, and ARR[1] per customer increased by 10%. At year-end, we are serving 2,873 customers across 983 enabled data centres in 185 cities worldwide, and just after closing out FY25, we reached a historic milestone with our 1,000th enabled data centre at DataBank's San Diego SAN1 facility.

Expanding our Global Reach

FY25 saw the most ambitious network expansion in Megaport's history. We added 115 new data centres, extended our 400G backbone to 29 metros across the USA and Europe, and made 100G Virtual Cross Connects available in 746 locations, globally. Our Internet Exchange footprint grew to 30 sites, and we added 30 new cloud on-ramps, bringing the total to 333.

We expanded into Brazil and Italy, with our global presence now covering 26 countries.

This infrastructure growth was matched by a wave of product innovation. We launched the AI Exchange with more than 30 providers, the Financial Services Exchange connecting over 600 companies, and a new compute platform to power next-generation workloads. We deployed 400G customer ports, introduced new 16 and 32-core MVE instances, enhanced MCR with advanced security, and delivered automation capabilities such as infrastructure-as-code, automated cross connects, and NAT Gateway. AI-enhanced customer support is now live, making it faster and easier for our customers to get results.

A Strong Year Financially

Revenue for FY25 reached $227.1 million, up 16% on the prior year. EBITDA[2] was $62.3 million, and net cash flow[3] was $26.6 million. We ended the year with $102.1 million of cash at bank and net cash[4] up 43% year on year to $87.8 million. Net Revenue Retention[5] held steady at 107%, reflecting the loyalty and growth of our customer base, while total customer lifetime increased from 10 years to 12 years resulting in a 50% jump in lifetime value[6] to $2.1 billion.

These results were achieved while making significant investments in our sales, marketing, product, engineering, and customer success functions. The returns are already evident, with new data centres and new product offerings driving meaningful incremental ARR[1].

1 Annual Recurring Revenue 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. Annual Recurring Revenue 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.
2 Earnings Before Interest Tax Depreciation and Amortisation ('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. EBITDA excludes restructuring costs of $1.1M in FY24.
3 Net Cash Flow is the change in Net Cash over the period.
4 Net Cash is cash at bank less debt (including the network financing liability). As at 30 June 2025 comprised cash at bank of $102.1M less the amount outstanding under the network finance facility of $14.3M.
5 Net Revenue Retention ('NRR') is the percentage of revenue retained from existing customers after accounting for expansion and churn. NRR is measured in constant currency over a 12 month period.
6 Lifetime Value (LTV) calculated as ARR per customer multiplied by Gross Margin % multiplied by the Average Customer Lifetime, multiplied by number of customers.

$243.8M

ANNUAL RECURRING REVENUE

20%

UP YOY

IN FY25 MEGAPORT GREW TOTAL CUSTOMER LIFETIME VALUE 50% TO $2.1 BILLION, AN INCREASE OF $693 MILLION

What Next?

FY26 will be a year of acceleration. We will double down on proven successes, increasing our investment in our people, our platform, our product offerings, and our network to capture a larger share of the already massive, and growing, markets we serve. The LTV:CAC[7] sweet spot is between three to four times. Megaport is currently over six times LTV:CAC[7] which highlights the tremendous opportunity to sustainably invest in the GTM to pursue accelerated growth.

We expect FY26 revenue to be between $260 million and $270 million, while maintaining free cash flow breakeven. The Company will continue to expand globally, innovate at speed, and deepen our engagement with the enterprises, cloud and AI service providers that are shaping the future of the digital economy.

FY24 was a significant year of turnaround, and then FY25 proved what Megaport can achieve, giving us the confidence on where to double down in FY26 to continue to accelerate this incredible business. We are building the network for the world's most ambitious enterprises, and the opportunities in front of us have never been greater.

Game on.

MICHAEL REID
EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER
– MEGAPORT LIMITED

21 AUGUST 2025

7 LTV:CAC represents the ratio of Lifetime Value per Customer divided by the average Customer Acquisition Cost (CAC).

Financial Report

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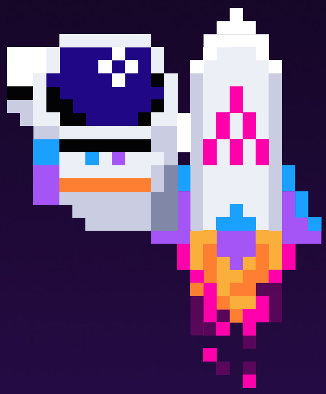
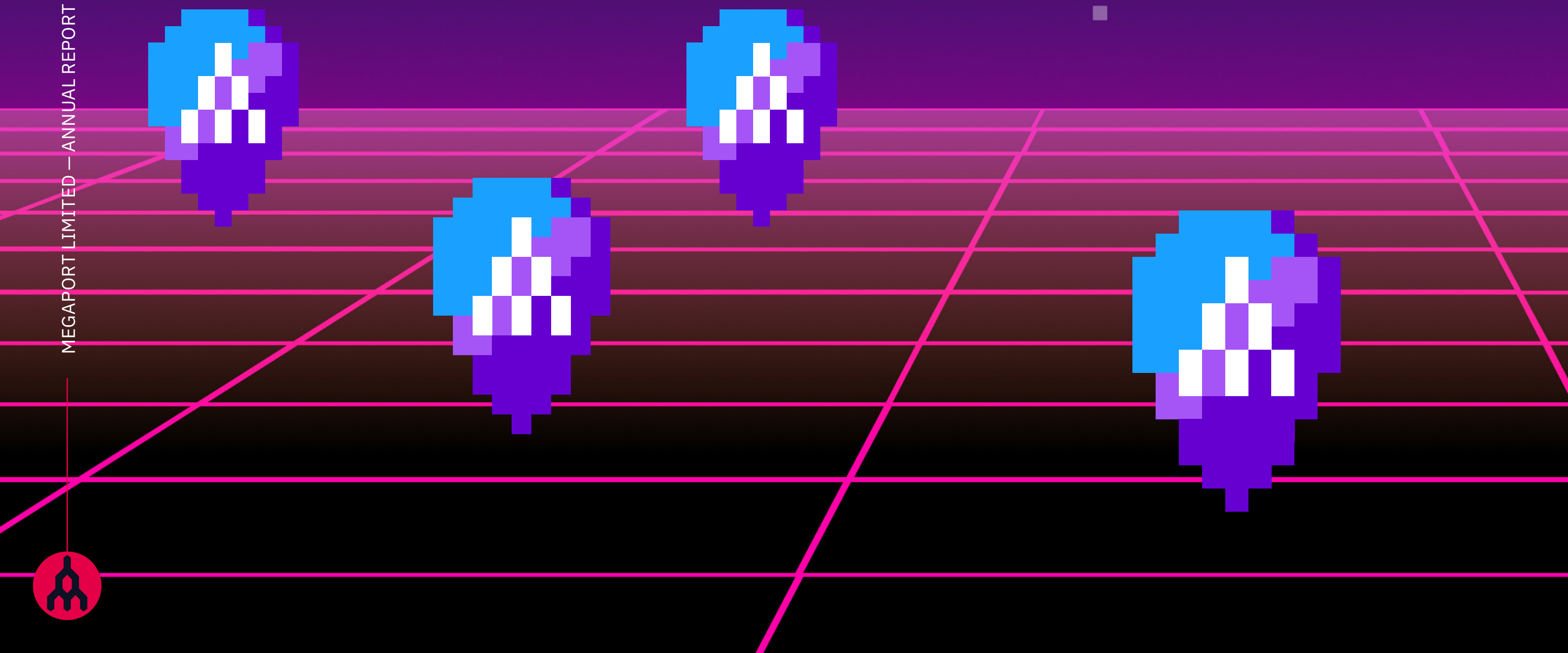




DIRECTORS' REPORT

The Directors present their report on the consolidated entity consisting of Megaport Limited (referred to as 'the Company') and the entities it controlled (referred to as 'the Group' or 'the consolidated entity' or 'Megaport') at the end of, or during the year ended, 30 June 2025.

Directors and Company Secretary

The following persons were directors of Megaport during the whole or part of the financial year and up to the date of this report:

- Melinda Snowden
- Michael Reid
- Glo Gordon
- Michael Klayko
- Jay Adelson
- Mohit Lad (Appointed: 20 December 2024)
- Grant Dempsey (Appointed: 28 January 2025)
- Lauren Williams (Resigned: 20 September 2024)

Celia Pheasant was Company Secretary during the financial year.

Principal activities

The Group's principal activity is the provisioning of on-demand interconnection services. Megaport's global Software Defined Network ('SDN') helps businesses rapidly connect their digital assets and infrastructure to network services via an easy-to-use portal or our open Application Programming Interface ('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.

Dividends

Dividends were neither paid nor declared during the year (2024: nil).

Review of operations

Group overview

Megaport's vision is to revolutionise global connectivity. The Group's mission is to be the global leading Network as a Service ('NaaS') provider, changing how businesses connect their infrastructure, with one smart and simple platform to manage every connection. Customers use Megaport to build secure, scalable, and agile networks in just a few clicks, accessing global endpoints and creating private paths in minutes. Trusted by the world's leading companies, Megaport partners with global service providers, data centre operators, systems integrators, and managed services companies, and operates in 983 enabled locations worldwide.

DIRECTORS' REPORT continued

Megaport’s platform uses Software Defined Networking to enable customers to rapidly connect to hundreds of leading service providers in a flexible, on-demand, and cost-effective way. The first of its kind and the leader in the market, the Group’s platform has changed the way businesses consume connectivity services by creating a model that mirrors cloud-buying capabilities and is therefore more intuitive and customer-centric than the offerings from traditional telecommunications companies.

In order to align its services closely with cloud compute and storage consumption models, the Group provides a self-serve environment for interconnection. Megaport enables customers to rapidly and flexibly connect to its partner data centres, cloud service providers, network service providers, and managed service providers, collectively known as the Ecosystem.

Customers connect to the Ecosystem by acquiring ‘Megaports’ (‘Ports’) and building Virtual Cross Connects (‘VXCs’) to their chosen destinations or services across the Megaport Network. Connectivity services can be directly controlled by customers via mobile devices and desktop environments through Megaport’s portal, and its open Application Programming Interface (‘API’).

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 and deploy 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. Leading cloud service providers advocate MCR as a reference service for enabling connectivity between their cloud solutions and third-party cloud platforms.

Megaport Virtual Edge (‘MVE’) takes our platform beyond data centres and helps enterprises accelerate their journey into Software Defined approaches to Wide Area Networking (‘SD-WAN’) and Secure Access Service Edge (‘SASE’). MVE enables customers to connect branch locations like office buildings, corporate campuses, and store fronts to the Megaport Ecosystem of service providers. Since its launch in March 2021 Megaport has continued to accelerate the integration of MVE with many of the leading SD-WAN providers to deliver maximum flexibility for our customers.

Megaport utilises its Ecosystem of services and service providers to offer a wide range of solutions to its customers. Megaport's Hybrid Cloud solution allows customers to provision their desired hybrid network architecture utilising secure, resilient, and scalable connectivity in just a few clicks. Megaport's Cross Cloud solution allows customers to efficiently connect between multiple cloud service providers which can be managed in the one portal. Megaport's Virtual PoP solution provides customers the ability to create a secure personalised network which can be extended closer to the edge in real time, without the need to deploy hardware. Megaport Internet allows customers to utilise existing ports, MCRs, or MVEs to connect to the public internet, with scalable, flexible, internet connections activated on-demand and in less than a minute.

Megaport's Internet Exchange ('MegaIX') provides direct interconnection across a shared Layer 2 fabric for streamlined peering to both local and distant networks, while Data Center Interconnection allows customers to connect their organisation between key metro locations with simple, fast, and direct campus connections in real time. Megaport's Global WAN as a Service solution offers customers a holistic approach to networking, combining three solutions: Hybrid Cloud Connectivity, Cross Cloud Connectivity, and Virtual PoPs across the globe, providing customers an agile, secure network that is ready to meet the high-speed demands of the digital and AI age.

Megaport generates its revenue from end-user customers and through or from external partner resellers. 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. Megaport is an ISO/IEC 27001-certified company.

DIRECTORS' REPORT continued

Operating and financial review

Revenue-Generating Key Performance Indicators[1]

	Yearly Performance		
	Jun-24	Jun-25	YoY % Change
Annual Recurring Revenue ('ARR') in millions[1]	$203.9	$243.8	20%
Net Revenue Retention[2]	106%	107%	1pp
Customer Logos[3]	2,637	2,873	9%
Large customers[4]	532	629	18%
Total Services[5]	29,816	33,894	14%

pp = percentage point. YoY = year on year.

1. Annual Recurring Revenue 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.
2. Net Revenue Retention ('NRR') is the percentage of revenue retained from existing customers after accounting for expansion and churn. NRR is measured in constant currency over a 12 month period.
3. Customer Logos reflect a consolidation of revenue generating customer accounts, where those accounts are owned by the parent company.
4. Large customers are customers whose ARR contribution is equal to or greater than $100,000.
5. Total Services comprises revenue-generating Ports, Virtual Cross Connections (VXCs), Internet Exchange (IX), Megaport Cloud Router (MCR), and Megaport Virtual Edge (MVE).

Financial Performance

The Group's revenue for the period was $227.1 million (2024: $195.3 million), an increase of $31.8 million or 16% compared to the year ended 30 June 2024 ('FY24'). Revenue for The Americas grew by 17%, Asia Pacific by 14%, and Europe by 17% compared to FY24. Reported revenue by operating segment for FY25 and FY24 is set out below:

	FY25		FY24	
Operating segment	$M	%	$M	%
The Americas	129.7	57.1	110.8	56.7
Asia Pacific	60.0	26.4	52.6	26.9
Europe	37.4	16.5	31.9	16.3
Total	**227.1**	**100.0**	**195.3**	**100.0**

Gross profit[2] was $162.0 million, up 18% compared to the prior corresponding period ('PCP') of $136.8 million, reflecting strong revenue growth. Gross margin for the year was 71% (2024: 70%).

EBITDA[3] for the year was $62.3 million (2024: $57.1 million).

The Group's net loss for the year amounted to $0.3 million (2024: profit of $9.6 million).

1. Revenue-generating Key Performance Indicators (KPIs) and metrics are those with billed revenue in the period, and active at the end of period. Megaport's Revenue-generating KPIs can be found on our website at https://www.megaport.com/investor/business-overview/#kpis.
2. Gross profit is revenue less direct network costs (comprising data centre power and space, physical cross connect fees, bandwidth and dark fibre, network operation and maintenance) which are directly related to generating revenue, and partner commissions which are indirectly related to generating revenue.
3. Earnings Before Interest Tax Depreciation and Amortisation ('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. EBITDA excludes restructuring costs of $1.1M in FY24. Refer Note 7 to the Consolidated Financial Statements for the reconciliation from EBITDA to the net profit/(loss) for the year.

DIRECTORS' REPORT continued

Financial Position

Megaport continues to maintain a strong financial position with net current assets of $77.9 million (2024: $59.4 million), cash and cash equivalents of $102.1 million (2024: $72.4 million), net cash[4] of $87.8 million (2024: $61.2 million) and total equity of $178.7 million (2024: $154.1 million).

Business Highlights

In June 2025, Megaport reached 2,873 customer logos across 983 Enabled Data Centres in 185 cities and generated ARR[5] of $243.8 million. Of these data centres, 545 were located in The Americas, 267 in Europe, and 171 located in Asia Pacific.

Total Services[6] at 30 June 2025 was 33,894, up 14% versus PCP.

During FY25 Megaport continued to invest in its go-to-market capability, product innovation, global network, data centre footprint, and compute platform to further drive top-line growth:

- The improved growth in core metrics including growth in incremental ARR[5] year on year of $14.6 million or 58%, saw us accelerate our investment in key go-to-market ('GTM') roles across Sales Executives, Channel Managers, and Customer Success teams, including roles that added $4 million in costs in FY25.
- Megaport launched in two new countries, Brazil and Italy, taking the total number of countries in which it operates to 26.
- Megaport expanded its global reach to 983 Enabled Data Centres worldwide, 115 more than this time last year.
- The ongoing high-speed backbone upgrade now extends to 29 metros across all regions. This enables an offering of high-speed 100G Virtual Cross Connects ('VXCs') to 746 data centres worldwide, giving customers unmatched geographical freedom to manage data-heavy applications and large-scale cloud migrations.
- Megaport extended its IX network to 30 total locations, 7 more than June last year.
- Product innovation achievements included the launch of NAT Gateway, BGP on Internet, managed cross connect, security, packet filtering on MCR, 400G customer ports, new MCR sizes up to 100G, and expanded on-demand Internet up to 25G.
- Megaport launched AI Exchange ('AIx'), and with 30+ providers now on the platform it is revolutionising the way our customers access AI Infrastructure in the same way the Company revolutionised global cloud connectivity, allowing GPUaaS providers and client workloads to interconnect rapidly and easily.
- Megaport launched Financial Services Exchange ('FSx'), providing an innovative connectivity platform tailored specifically for the financial services industry.
- Megaport enabled Microsoft Azure ExpressRoute Metro, improving network resiliency and reliability by offering increased path diversity between on-premises networks and Azure, bypassing the internet to ensure consistent performance.

Strategy and future performance

The Group will focus on strengthening its position as the leading innovator in global Network as a Service and infrastructure automation by focusing on its key strategic pillars:

- Build: Build the network by connecting to new data centre locations, partners, and new markets across the globe.
- Innovate: Innovate and expand the product set to include more low-touch, incremental, high revenue products.
- Invest: Invest for future growth in new technologies, new platforms, further expansion of the customer support and go-to-market functions, and consideration of strategic acquisition opportunities.

4. Net Cash is cash at bank less debt (including the network financing liability). As at 30 June 2025 comprised cash at bank of $102.1M less the amount outstanding under the network finance facility of $14.3M.
5. Annual Recurring Revenue 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.
6. Total Services comprises revenue-generating Ports, Virtual Cross Connections (VXCs), Internet Exchange (IX), Megaport Cloud Router (MCR), and Megaport Virtual Edge (MVE)

DIRECTORS' REPORT continued

Business Risks

The material business risks faced by the Group that could have an adverse impact on the operating and financial performance and prospects of Megaport include (not exhaustive or in order of materiality):

- *Information security incident:* Megaport is exposed to the risk of information security incident that could result in disruption of customer/network services, financial loss, breach of regulatory compliance or damage to brand and reputation. e.g. unauthorised access to Megaport's IT Assets, change affecting the accuracy and integrity of critical information, or disclosure of sensitive information. This could manifest in loss of control over the integrity or availability of Megaport's network service (product) or supporting infrastructure/systems, or inadvertent disclosure of sensitive or personally identifiable information.
- *Major network, hardware or software failure:* As a Network as a Service provider Megaport is reliant on infrastructure and technology, some of which is supplied by third parties, to provide its services. Megaport may be unable to deliver services as a result of numerous factors, including human error, power loss, improper maintenance by entities not related to Megaport, physical or electronic security breaches, fire, earthquake, hurricane, flood, pandemic and other natural disasters, water damage, intentional damage to the networks from vandalism, accidental damage to the networks from civil works, war, terrorism and related conflicts or similar events worldwide.
- *Competitive landscape and action of others:* Megaport operates in a competitive landscape alongside a range of other service providers with competing technologies, network reach and capabilities, product and service offerings, and geographic presence. Megaport has an early mover advantage as a disruptor of traditional connectivity in many of its deployed markets. However, Megaport may face increased competition from existing telcos and data centre operators ('DCOs'), and new entrants to the network-as-a-service and elastic interconnection markets who may have significant advantages including greater name recognition, longer operating history, existing market presence in similar or adjacent markets, lower operating costs, pre-existing relationships with current or potential customers, an ability to bundle with existing products and services, and greater financial, marketing and other resources. In an industry that is continually evolving, there is also a risk that Megaport's first mover advantage is eroded by the development of new technology, innovation or a connectivity solution that supersedes or disrupts Megaport's SDN solution, e.g. the development of a direct connectivity solution by the Cloud Service Providers that reduces demand for Megaport's services.
- *Regulatory compliance:* Megaport currently has legal entities registered in Australia, Brazil, Bulgaria, Canada, Finland, France, Germany, Hong Kong, Ireland, Japan, Luxembourg, Netherlands, New Zealand, Mexico, Singapore, Sweden, Switzerland, United Kingdom, and USA and is required to comply with the laws governing telecommunications and related sectors in each jurisdiction in which it operates. This may require Megaport to hold certain licences or submit a notification to the relevant regulator, report annually and pay associated fees. Regulatory areas which are of particular significance to Megaport include laws governing telecommunications, information security, critical infrastructure, AI and machine learning, data protection and privacy, employment and labour, occupational health and safety, property and environmental, customs and international trade, competition and taxation. Failure to comply with global regulatory requirements could result in loss of license to operate, financial loss, personal liability for executives, reputational damage, loss of customers, and other sanctions that could materially adversely affect Megaport's future financial performance and position and require the business to incur additional compliance costs.
- *Tax investigation and/or adverse tax finding/assessment:* Megaport's growing global presence and the complex nature of the tax environments in which it operates could result in a tax investigation and/or adverse tax finding/assessment that could materially adversely affect Megaport's future financial performance and position.
- *Adverse foreign exchange rate movements:* Megaport's global operations, sales in an expanding list of countries and markets, purchases of network equipment from overseas suppliers, and provision of services in international jurisdictions means that it is exposed to potentially adverse movements in exchange rates. This means that movements in exchange rates, particularly the AUD/USD and AUD/EUR, may have an adverse impact on Megaport's financial performance and position.

DIRECTORS' REPORT continued

- *Dependence on key personnel:* Megaport depends on the skills and experience of its staff and employees, particularly in certain key positions. With a relatively small number of geographically dispersed employees for a global company, it is essential that appropriately skilled staff be available in sufficient numbers to support the Group's business. Megaport requires staff to have a variety of skills and expertise, some of which may be considered niche specialities in which there are limited practitioners available for recruitment. While the Group has initiatives to mitigate this risk, particularly focusing roles in the most efficient geographical location possible, the loss of staff in key positions could have a negative impact on Megaport. The loss of key staff to a competitor may amplify this impact.
- *Counterparty obligations:* Megaport currently has operations in 26 countries. Megaport relies on third parties, such as customers, suppliers, landlords, contractors, financial institutions, intellectual property licensors, technology alliance partners, resellers (strategic partners), and other counterparties to operate its business. Whilst the Group seeks to deal with reputable and creditworthy counterparties where possible, this may fail to mitigate the risk of damage to Megaport's business, financial performance and position or reputation from its relationship with one or more of these counterparties.
- *Ability to attract and retain employees:* Megaport's business is dependent on attracting and retaining quality employees. Megaport's ability to meet its labour needs while controlling costs associated with hiring and training new employees is subject to external factors such as unemployment rates, market rates for talent, prevailing wage legislation and changing demographics in its operating markets as well as other factors such Megaport's brand and reputation as an 'employer of choice'. Changes that adversely impact Megaport's ability to attract and retain quality employees could materially adversely affect Megaport's future financial performance and position.
- *Continued access to funding and capital for strategic purposes:* Whilst Megaport's business is not capital intensive in nature, the continued growth of the Group relies on the development of new products, new locations, customer acquisition, retention investment, and ongoing maintenance of existing infrastructure and software platforms. Revenue and margins are now sufficient to fund this expenditure, however Megaport may need to consider access to capital to fund any future strategic initiatives.
- *Privacy breach:* Megaport operates across multiple jurisdictions, each with their own privacy and data protection requirements. Failure to comply with global privacy regulatory requirements could result in reputational damage, loss of customers and revenue, fines and legal costs, personal liability for executives, increased regulatory scrutiny, operational disruptions, and other sanctions that could materially adversely affect Megaport's future financial performance and position and require the business to incur additional compliance costs.
- *Protection of intellectual property:* Megaport's ability to leverage the value of Network as a Service and SDN technology depends on its ability to secure ownership of and protect its intellectual property ('IP') including any improvements to existing IP. The IP may not be capable of being legally protected or Megaport may incur substantial costs in asserting or defending its IP rights. Megaport's IP may also be lost, stolen or compromised as a result of an unauthorised electronic security breach.
- *Risk of Major Global Economic Downturn:* Megaport operates in 26 countries and is therefore exposed to the flow on effects of macroeconomic trends globally. As a result, there is a risk that a major global economic downturn could lead to slower sales of ports and services, pressure on pricing and/or potential increased customer churn resulting in a slowdown in revenue growth, failure to deliver on core metrics and downgrades to our earnings outlook. It could also heighten the risk of potential interruption to Data Centre access for service support and the risk that the equipment we need installed may be delayed.
- *Loss of revenue due to churn related to lack of customer contracts:* Megaport offers flexible connectivity arrangements to a number of customers without a requirement for customers to sign up to long-term (or medium-term) contracts, which could see customers decommission services in large numbers at short notice or disconnect altogether without penalty. This is a particular risk should Megaport suffer a material increase in network outages or impact to its reputation, raising doubt about its reliability as a service provider.
- *Reliance on renewal of key contracts:* There is a risk that Megaport is unable to negotiate, re-negotiate, or extend key contracts due to expire in the next 12 to 24 months. Megaport has some data centre operator co-location leases which are due for renewal in the next 12 months. This is normal industry practice as some contracts are less than 3 years and others are greater than 3 years. Each data centre operator has different terms and conditions in each jurisdiction, and almost all data centres operate a 'carrier neutral' policy.

DIRECTORS' REPORT continued

- *Climate change and Sustainability Disclosures:* Megaport considers the strategic and financial impacts of climate change. Whilst not considered an immediate material risk for Megaport with its current operations, our operations rely on third party suppliers such as DCOs, a high energy-dependant industry. Environment, social and governance policies are becoming increasingly important for investors, customers, regulators and other business stakeholders and may impact future business prospects. Megaport is also at the risk of increased operating costs as third parties in its supply chain pass on their costs for addressing environmental risks.
- *Reputational damage:* The reputation of Megaport could be adversely impacted by a number of factors including failure to provide customers with the quality of service they expect, significant network issues, a significant privacy breach or information security incident, disputes or litigation with third parties such as customers, employees or suppliers, or adverse media coverage. A significant decline in our reputation could have an adverse effect on Megaport (e.g. on the existing customer base and revenues, ability to sign up new customers, ability to secure reasonable credit terms, etc.) and its future financial performance and position.

Information Security, Privacy, Regulatory and AI Compliance

Megaport and its Board of Directors is committed to safeguarding its information technology assets and data through substantial investments addressing security, privacy, regulatory and AI obligations and requirements.

Megaport's Cyber Security Committee operates at an executive level, being accountable for key strategic decisions and driving continuous improvements in these areas. Megaport maintains compliance with industry standard ISO/IEC 27001 (2022) and undergoes regular internal and external audits.

Megaport has a qualified and experienced Legal and Compliance department, dedicated to developing processes and procedures to ensure that Megaport's information and technology assets are kept private and secure.

The team is responsible for the following policies; Information Security, Privacy (including Personal Data Protection) and associated processes, procedures and standards, and regularly reports to the Cyber Security Committee.

Megaport employees are trained in their responsibilities regarding Cyber Security, Privacy and Legal Compliance upon hire as well as undertaking compulsory annual refresher training.

Significant changes in the state of affairs

During the financial year, the Company issued 1,440,519 shares which is broken down as follows:

	No. of issued shares
Shares issued – Deferred shares settlement	8,036
Shares issued – Restricted stock units settlement	1,357,483
Innovoedge – Contingent consideration settled	75,000
Total issued during the year	**1,440,519**

DIRECTORS' REPORT continued

Events since the end of the financial year

The Group is not aware of any other matters or circumstances that have arisen since the end of the year which have significantly affected or may significantly affect the Group's operations and results or state of affairs of the Group.

Likely developments and expected results of operations

Other than the developments described in this report, the directors are of the opinion that no other matters or circumstances will significantly affect the operations or the Group's state of affairs in future financial years.

Environment, Social, and Governance ('ESG') Statement

The Group's key area of environmental risk relates to its reliance on third-party data centres to provide its services. As suppliers globally invest in mitigating environmental risks, Megaport may experience increased operating costs as suppliers increase their prices to cover their costs of addressing these risks.

The International Sustainability Standards Board ('ISSB') has issued its first two IFRS Sustainability Disclosure Standards, IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 *Climate-related Disclosures*. In Australia during September 2024, the AASB released its first two standards, AASB S1 *General Requirements for Disclosure of Climate-related Financial Information [voluntary]* and AASB S2 *Climate-related Disclosures*. For further information and the expected impact on the Group, refer to Note 5 within the consolidated financial statements.

Megaport recognises the importance of an effective ESG strategy to the generation of sustainable, long-term value for shareholders. Megaport is committed to reducing its environmental impact. In FY25, steps have been taken to implement certain programs which are aimed at furthering the Group's goals relating to environmental priorities such as effective waste management. This includes programs in place with a key supplier, enables Megaport to recycle used equipment and obtain a Green Certificate which is counted towards the B Corp Certification. Megaport will continue to focus on advancing its ESG initiatives in FY26.

Megaport also values the diversity of its people. Management have and will continue to foster an environment that attracts, retains and supports employees from diverse backgrounds and cultures. To do this effectively it is necessary to consult with Megaport employees to improve and develop new ways of doing things on an ongoing basis. To support this, Megaport has a diversity, equity and inclusion working group which is made up of employees from its offices across the globe. The aim of this working group is to develop policy, strategy and ideas around furthering a more inclusive workplace for all. This includes within the areas of recruitment, the benefits and support that we are providing our people and how we manage our employees and the workplace so that everyone has the tools needed to perform to their full potential.

Megaport is working hard to increase female representation in its workforce as outlined in our Diversity Measurable Objectives and recognises that there is still room for improvement. Megaport is proud of the fact that the Senior Executive team remains 40% female.

The Workplace Gender Equality Agency reports on gender pay gaps for Australian business annually (reporting period April to March). Megaport welcomes this step towards improving gender equality in Australian workplaces. The average gender pay gap across Megaport for the reporting period to 31 March 2024 was 15.5%, which indicates that men earn more than women in our organisation on average.

Megaport does not pay staff differently based on their gender. The gender gap is caused by the Group having a lower proportion of females in the general workforce. As at 30 June 2025, Megaport has a workforce that is presently 67% male, 29% female and 3% not declared, an increase of 2% in female representation from FY24. The technology industry is still heavily male-dominated in some occupations, with female representation on average around 28% globally. Despite the percentage of women in our general workforce, the gender pay gap is below the industry comparison.

Megaport's recruitment practices focus on worker attributes, skills, and experience, and recent experience is that more men than women are applying for work in the areas we're recruiting in. Megaport is committed to having an employee base that delivers high-quality services, not a workforce that is built on gender balance objectives. Megaport is actively working to attract and retain a more diverse workforce, including a greater percentage of women. Further details on the work in this space is outlined in our Gender Pay Gap Statement.

Rounding off of amounts

The Company is a company of the kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, dated 24 March 2016 (Corporate Instrument). In accordance with the Corporations Instrument, amounts in the Directors' Report and the consolidated financial statements are rounded off to the nearest thousand dollars ($'000), unless otherwise indicated.

INFORMATION ON DIRECTORS + COMPANY SECRETARY

Melinda Snowden

Chair & Non-Executive Director

Melinda has over 30 years of experience in finance and has been a professional non executive director since 2010 in a broad range of industries. Melinda is currently a Non-Executive Director of ASX 200 company Temple & Webster, where she is the Chair of the Audit & Risk Committee, and WAM Leaders Limited.

Melinda has held previous non-executive director roles at Best & Less Group Holdings Ltd, Newmark Property REIT, MLC, Vita Group, Mercer Investments (Australia), Sandon Capital Investments, Our Ark Mutual and Kennards Self Storage. Prior to her non-executive career, Melinda held investment banking roles with Grant Samuel, Merrill Lynch, and Goldman Sachs and was a solicitor in the corporate division of Herbert Smith Freehills.

Melinda holds a Bachelor of Economics and Laws from the University of Sydney and is a graduate member of the Australian Institute of Company Directors.

Other current ASX directorships:

- Temple & Webster Limited (ASX: TPW)
- WAM Leaders Limited (ASX: WLE)

Former ASX directorships in last 3 years:

- Newmark REIT Management Limited, the responsible entity of Newmark Property REIT (ASX: NPR) (resigned 27 March 2024)
- Best & Less Group Holdings (ASX: BST) (resigned 11 July 2023)
- WAM Leaders Limited (ASX: WLE) (resigned 1 June 2023, reappointed 31 December 2024)

Special responsibilities:

- Chair of the Board
- Member of the Audit & Risk Committee
- Member of the Remuneration & Nomination Committee

Interests in shares and options:

- 18,018 fully paid ordinary shares (held directly)
- 2,009 contractual rights to receive shares (‘deferred shares’)

Michael Reid

Chief Executive Officer & Executive Director

Since joining Megaport, Michael has completely transformed the Company's suite of products and innovations, and entirely rebuilt its sales and go-to-market functions. He has guided the company through a remarkable turn around in performance, re-accelerating growth, delivered the first profit after tax in the Company's history in FY24, and in FY25 increased Customer Lifetime Value by 50% year-on-year to $2.1 billion.

Michael joined Megaport from Cisco, where he led the pure SaaS Network Visibility Business, ThousandEyes, as Chief Revenue Officer. In that time, he scaled the team from 150 to nearly 400, expanding into many new countries, and grew annual recurring revenue by 2.4 times, making it the largest Cloud, SaaS, and internet visibility platform in the world.

Previously, Michael spearheaded multiple Cisco acquisitions as World-Wide Head of Sales residing in California, USA.

Michael is known for his passionate and transformative sales and global go-to-market leadership, focusing on culture, people and execution. He previously led the Northern Region of Australia for Cisco, and prior to that, led Cisco Sales for Australia's largest Financial Services customers. He brings over 20 years of industry experience and expertise to Megaport.

Michael holds a degree in Aerospace Engineering from Queensland University of Technology and was CEO Magazine Sales Executive of the Year 2019.

Other current ASX directorships:

None

Former ASX directorships in last 3 years:

None

Special responsibilities:

None

Interests in shares and options:

- 222,602 fully paid ordinary shares (held indirectly)
- 230,080 performance restricted stock units issued as short-term incentives (held indirectly)
- 785,563 performance restricted stock units issued as long-term incentives (held indirectly)

Glo Gordon

Non-Executive Director

Glo Gordon has more than 20 years of experience as a senior global executive in business operations strategy and sales at large technology companies including Cisco, Oracle, SAP, and Xerox. She is currently CEO and board member of MATRIXX, a leading 5G digital commerce company in Silicon Valley.

In 2014, Glo became the Chief Revenue Officer, responsible for Sales, Marketing and Customer Success for Jasper, a Silicon Valley IOT startup which was acquired in 2016 by Cisco for US$1.4 billion. At Cisco, as Vice President and General Manager, IoT, Sales and Marketing, Glo held P&L responsibility for growth and margin for Cisco's Strategic IoT business unit. Prior to Jasper, Glo was with Oracle for 10 years and her last role was Group Vice President, Worldwide BSS/OSS applications sales, contributing double digit growth in recurring revenue for Oracle's Communications Business Unit for Telcos and Enterprise.

More recently, Glo was Chief Revenue Officer at Uptake, an emerging leader in artificial intelligence, machine learning, and predictive analytics.

Other current ASX directorships:

None

Former ASX directorships in last 3 years:

None

Special responsibilities:

- Chair of the Audit & Risk Committee (resigned 21 February 2025)
- Member of the Audit & Risk Committee (appointed 21 February 2025)
- Member of the Remuneration & Nomination Committee

Interests in shares and options:

- 4,018 fully paid ordinary shares (held directly)
- 2,009 contractual rights to receive shares ('deferred shares')

Michael Klayko

Non-Executive Director

Michael Klayko has over 40 years of experience in the data storage, computer, technology and telecommunications industries. During his tenure as CEO of Brocade, he grew company revenue to over US$2.2 billion. Additionally, he has held leadership and Executive positions at leading technology companies including Rhapsody Networks, McDATA Corporation, EMC Corporation, Hewlett Packard, and IBM.

Michael brings a comprehensive understanding of the technology and network solutions industry coupled with extensive experience as a director of other publicly listed technology companies. He is an Operating Executive at Marlin Equity Partners, a global investment firm. Currently Michael serves as the Chairman of Star Compliance and Baxter Planning and is a board member of Process Unity and CE Broker.

Other current ASX directorships:

None

Former ASX directorships in last 3 years:

None

Special responsibilities:

- Member of the Audit & Risk Committee

Interests in shares and options:

- 4,018 fully paid ordinary shares (held directly)
- 2,009 contractual rights to receive shares ('deferred shares')

DIRECTORS' REPORT continued

Jay Adelson

Non-Executive Director

Jay Adelson has over 30 years of experience in technology and internet businesses globally. Jay co-founded Equinix (NASDAQ: EQIX) in 1998, and was responsible for the original and sustaining business model that grew it into one of the largest data centre companies in the world.

Jay also was instrumental in the establishment and operation of the original Palo Alto Internet Exchange for Digital Equipment Corporation in 1996.

In 2005, he founded the first internet television network, Revision3, which was acquired by Discovery Communications in 2012.

As CEO of Digg, Jay launched and grew the internet media company to tens of millions of users, and billions of impressions, a month. Jay has also founded and served as CEO for other successful companies across the technology and internet infrastructure spaces.

Special responsibilities:

- Chair of the Remuneration & Nomination Committee (appointed 20 September 2024)
- Member of the Remuneration & Nomination Committee (resigned 20 September 2024)

Interests in shares and options:

- 22,018 fully paid ordinary shares (held directly)
- 2,009 contractual rights to receive shares ('deferred shares')

Grant Dempsey

Non-Executive Director
(appointed 28 January 2025)

Grant has more than 35 years' experience in senior executive and finance roles advising global businesses across various sectors, including TMT, financial services, property, industrials, consumer, mining and infrastructure assets. Grant is currently a Non-Executive Director and Chair of the Board Investment Committee at IFM Investors, and a Non-Executive Director and Chair of the Audit & Risk Committee at Sims Ltd (ASX: SGM).

In his executive career, Grant served as Chief Financial Officer at TPG Telecom Limited (ASX: TPG). Prior to this, he served as Chief Financial Officer at Alumina Ltd, Senior Adviser, Finance at ANZ Banking Group, and Head of Investment Banking (Australia and New Zealand) at JP Morgan.

Other current ASX directorships:

- Sims Limited (ASX: SGM)

Former ASX directorships in last 3 years:

None

Special responsibilities:

- Chair of the Audit & Risk Committee (appointed 21 February 2025)

Interests in shares and options:

None

DIRECTORS' REPORT continued

Mohit Lad

Non-Executive Director
(appointed 20 December 2024)

Mohit joined Megaport in December 2024 as a Non-Executive Director, bringing extensive experience in networking, systems and digital innovation. As co-founder and CEO of ThousandEyes, the world's leading cloud, SaaS and internet visibility platform, Mohit guided the company through rapid growth before its acquisition by Cisco in 2020.

At Cisco, Mohit served as Senior Vice President of Network Assurance, scaling ThousandEye's capabilities, integrating multiple acquisitions, and growing the business fivefold. Known for his technical expertise and entrepreneurial leadership, Mohit has also contributed to the broader tech community, serving on the Program Committee for NANOG, the world's largest network operators' platform.

Mohit holds a Ph.D. in Computer Science from the University of California, Los Angeles (UCLA) and has served on the Board of Directors of Groove, Inc., furthering his passion for innovation and solving complex business challenges.

Other current ASX directorships:

None

Former ASX directorships in last 3 years:

None

Special responsibilities:

None

Interests in shares and options:

None

Lauren Williams

Non-Executive Director
(resigned 20 September 2024)

Lauren has over 20 years of experience as a growth technology leader with a proven track record in building high growth businesses and technology transformation across various industries.

Lauren has been a professional Non-Executive Director since 2020 and has served on growth technology businesses including Altium, an ASX100 a global software business based in USA where she was Chair of the People & Remuneration Committee.

Prior to her board career, Lauren was the CEO of Carsguide/Autotrader, Australia's second-largest digital automotive marketplace and media company, where she led significant growth and transformational change, culminating in the company's acquisition by a US-based global software firm. Her prior roles include senior positions at BBC Studios (London/Sydney), Nine Entertainment, and Fairfax Digital. Lauren began her career as an investment banking analyst at Citi's global technology group in Silicon Valley followed by several years in management consulting.

Lauren holds a Bachelor of Arts in Economics (Honours) from Harvard University and is a graduate member of the Australian Institute of Company Directors. She won the prestigious AFR BOSS award for Young Executive of the Year in 2014.

Other current ASX directorships:

None

Former ASX directorships in last 3 years:

- Altium Limited (ASX: ALU) (resigned 1 August 2024)
- Atomos Limited (ASX: AMS) (resigned 30 September 2022)

Special responsibilities:

- Chair of the Remuneration & Nomination Committee (resigned 20 September 2024)

Interests in shares and options:

- 7,546* fully paid ordinary shares (held indirectly)

* As at 20 September 2024, being the date of Ms Williams' resignation.

DIRECTORS' REPORT continued

Celia Pheasant

Company Secretary

Celia Pheasant is an experienced company secretary and technology lawyer, and has extensive experience in corporate governance across 19 countries for Megaport's subsidiaries.

Celia began her career in telecommunications law at Freehill Hollingdale & Page before transitioning to in-house legal roles. She currently serves as Special Counsel & Company Secretary at Megaport and General Counsel at SUBCO, a leading Australian digital infrastructure company.

Celia holds a Bachelor of Laws and Bachelor of Arts (Jurisprudence) from the University of Adelaide, and a Master of Law and Management from the University of New South Wales.

DIRECTORS' REPORT continued

Meetings of Directors

The number of meetings of the Company's board of directors and each board committee held during the year ended 30 June 2025, and the numbers of meetings attended by each director were:

			Meetings of Committees			
	Directors' meeting		Audit & Risk		Remuneration & Nomination	
	A	B	A	B	A	B
Melinda Snowden	7	7	5	5	9	9
Michael Reid	7	7	*	*	*	*
Glo Gordon	7	7	4	5	6	9
Michael Klayko	4	7	4	5	*	*
Jay Adelson	7	7	*	*	8	9
Mohit Lad	3	4	*	*	*	*
Grant Dempsey	4	4	2	2	*	*
Lauren Williams	1	1	*	*	4	4

A = Number of meetings attended
B = Number of meetings held during the time the director held office or was a member of the committee during the period
* = Not a member of the relevant committee

DIRECTORS' REPORT continued

Indemnification and Insurance of Directors and Officers

The Company has entered into standard deeds of indemnity and insurance with each of the Directors. Pursuant to those deeds, the Company has undertaken, consistent with the Corporations Act, to indemnify each Director in certain circumstances and to maintain Directors and Officers insurance cover in favour of the Director for seven years after the Director has ceased to be a Director. During the financial year, the Company paid a premium for such insurance coverage. The contract of insurance prohibits disclosure of the nature of the liability or of the amount of the premium.

The Company has further undertaken with each Director to maintain a complete set of the Company's board papers and to make them available to the Director for seven years after the Director has ceased to be a Director.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Group against a liability incurred as such an officer or auditor.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

Non-audit services

The Group may decide to employ the auditor on assignments in addition to its statutory audit duties, where the auditor's expertise and experience with the Company and/or the Group are important.

There were no non-audit services provided by the Group's auditor, Deloitte Touche Tohmatsu during the current financial year.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out after the Directors' Report.

Corporate Governance Statement

Megaport Limited and the Board are committed to achieving and demonstrating the highest standards of corporate governance. Megaport Limited has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (Fourth Edition) published by the ASX Corporate Governance Council.

A description of the Group's current corporate governance practices is set out in the Group's Corporate Governance Statement, which can be viewed at https://www.megaport.com/investor/.

REMUNERATION REPORT

Letter from the Chair of the Remuneration & Nomination Committee

Dear Shareholders,

On behalf of the Remuneration & Nomination Committee (the 'Committee'), I am pleased to present Megaport's Remuneration Report for 2025.

This year, the business continued its strong financial turnaround, achieving top-line revenue growth across all regions while strategically investing in sustainable long-term growth. The Company's go-to-market transformation has seen a reacceleration of revenue growth, driven by an 18% lift in large customers[1], and a 10% increase in Annual Recurring Revenue (ARR)[2] per customer in FY25. A focused effort from the customer success team and the sale of new products to existing customers has led to the stabilisation of Net Revenue Retention (NRR)[3] at 107%.

The returns from our investment are evident, with a strong increase in the incremental ARR[2] from the 115 new data centres added and the breadth of new products launched during the year. Total lifetime customer value increased by 50% in FY25 to $2.1 billion. This turnaround is the result of two years of focused product innovation and go-to-market execution, proving the strength of our strategy and underscoring the need for continued investment to drive future growth.

Resourcing and developing our global team, which now exceeds 350 employees across 16 countries predominantly in the USA and Australia, has been pivotal to our success. The outstanding FY25 results reflect the dedication of our talented people, and the strength of our Executive leadership. Alongside a comprehensive rebuild of our global go-to-market engine, we have strategically leveraged Megaport's core expertise and strong product-market fit, proving our ability to scale globally and profitably.

Company Performance

The Company produced strong results in FY25, summarised as follows:

- 20% growth in ARR[2] to $243.8 million;
- 16% growth in revenue to $227.1 million;
- Growth in Net Cash[4] by $26.6 million to $87.8 million; and
- Stabilisation of Net Revenue Retention[3] with an improvement of 1 percentage point since June 2024.

Our investment in go-to-market capabilities, product innovation, the ecosystem, and network presence also delivered a rebound in new customer additions – particularly amongst enterprise customers – and the largest increase in net new customer logos in three years. New customer logos are a lead indicator of future ARR[2] growth, and set the stage for expansion opportunities and the need for further investment.

1. Large customers are customers whose ARR contribution is equal to or greater than $100,000.
2. Annual Recurring Revenue 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.
3. Net Revenue Retention ('NRR') is the percentage of revenue retained from existing customers after accounting for expansion and churn. NRR is measured in constant currency over a 12 month period.
4. Net Cash is cash at bank less debt (including the network financing liability). As at 30 June 2025 comprised cash at bank of $102.1M less the amount outstanding under the network finance facility of $14.3M.

REMUNERATION REPORT continued

FY25 Performance and KMP STI Remuneration Outcomes

Megaport delivered robust revenue ($227.1 million) and revenue growth ($31.8 million), and delivered Adjusted EBITDA[5] of $59.2 million, resulting in 100% achievement against these metrics. The business achieved EBITDA per Share[6] of $0.24, reflecting strength in generating earnings after taking into account equity settled employee costs, and resulting in a 100% achievement of this performance measure. Net cash[7] grew by $26.6 million, attributable to exacting cost controls. Megaport also added 463 gross customers. These outcomes achieved 100% of the requirements for these measures. The business achieved an rTSR ranking at the 71st percentile for the FY25 performance period, for 92% achievement against this performance metric.

A total STI outcome of 98% was achieved for the CEO and CFO FY25 STI and 100% for the CFO supplementary FY25 STI.

No LTI awards were due for testing and no legacy awards vested.

FY25 KMP Remuneration Changes

There was no change to the remuneration package for the CEO in FY25.

CFO Leticia Dorman's fixed remuneration increased by 5.5% in FY25, resulting in an increase to her STI grants for FY25 and FY26. In addition, Leticia received a one-off supplementary equity-based STI grant for FY25 to align her overall remuneration with market benchmarks, to reflect the growth in the size and accountability of her role and to reward her continued strong performance. For this new grant, the Company has taken into account shareholder feedback and removed rTSR as a metric. The new STI grant is contingent on performance targets allocated to revenue (50%), EBITDA per Share[6] (25%) and Net Cash[7] growth (25%).

Board Renewal

As part of our Board renewal process, Mohit Lad joined the Board in December 2024. As the co-founder of ThousandEyes, the world's leading cloud, SaaS, and internet visibility platform, Mohit brings invaluable and extensive experience in networking, systems, and digital innovation to Megaport. In January 2025, we welcomed Grant Dempsey to the Board. Grant is a highly experienced ASX-listed company director with over 35 years of expertise in senior executive and financial roles. He serves as the new Chair of our Audit & Risk Committee.

During the year, Lauren Williams stepped down from the Board. The Board would like to thank Lauren for her contribution to Megaport and its Board during her tenure, particularly in her role as Chair of the Remuneration & Nomination Committee. Megaport has appointed an external consultant to assist with recruiting a new ASX-experienced Chair to the Remuneration & Nomination Committee, ensuring the Board remains well positioned to support the Company's growth and achievement of its strategic objectives.

5. Adjusted EBITDA is calculated as $62.3M less a one off adjustment of $3M relating to amounts previously recognised as direct network costs now accounted for as leases under AASB 16 *Leases*. EBITDA is Earnings Before Interest Tax Depreciation and Amortisation which 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.
6. EBITDA per Share is calculated as EBITDA including equity settled employee costs divided by the average of the total number of shares (issued and unissued) as at 30 June 2025 and 30 June 2024. For the year ended 30 June 2025, Adjusted EBITDA has been used for the calculation of EBITDA per share.
7. Net Cash is cash at bank less debt (including the network financing liability). As at 30 June 2025 comprised cash at bank of $102.1M less the amount outstanding under the network finance facility of $14.3M.

REMUNERATION REPORT continued

Company Culture

The Company has undergone another year of substantial transformation, and the positive outcomes are a clear reflection of the outstanding talent, strong team culture and effective leadership found throughout Megaport under the leadership of our CEO, Michael Reid.

While our head office remains based in Brisbane with 130 people, the Company's culture continues to evolve with its global focus and growth. We have exceeded our diversity targets for female representation on our Executive team, appointed a female Chair and achieved female representation of 33% across our Non-Executive Directors. We significantly improved our gender diversity at leadership levels across the organisation, and the gender diversity of our general workforce exceeds the global average for the technology industry. We continue to achieve incremental growth in our gender diversity targets year on year which is pleasing.

FY26 Priorities

As a Network-as-a-Service provider, Megaport has been transformative for the interconnection market. We are a high growth technology company and have made great progress in product development and building out our channel partners and ecosystem. The Company has a large global opportunity and Megaport plans to scale and pursue growth.

Megaport has significant first-mover advantage in terms of software development and integration work with key product partners. However, as one of the few early players, we must continue to pursue rapid growth in our global footprint to provide seamless and responsive services to our global and regional customers. Megaport, through its leadership, has done well. Since Michael Reid was appointed as CEO in May 2023, Megaport has delivered a total shareholder return (TSR) of 166%, more than double the XTX-index return over this period and the Company's market capitalisation has grown from $0.86 billion[8] to $2.32 billion[9].

As is the case with most companies in the technology sector, the Company is focused on ensuring it can attract and retain a global workforce. Proven leadership is in short supply and is being sought by both public and private companies with highly supportive investors throughout the world, and especially in the market where we are experiencing the most growth and have the most potential – the USA. The Board is acutely conscious of human capital risk arising from this specific war for talent, so will seek to implement an executive remuneration framework to minimise the risk of loss, while providing for alignment with shareholder outcomes. Changes to the framework for FY26 will require your support. Details will be provided ahead of the 2025 Annual General Meeting.

Jay Adelson
Interim Chair of the Remuneration & Nomination Committee

8. Calculated as 158,420,266 shares on issue multiplied by the closing share price of $5.42 as at 15 May 2023, the date Michael Reid commenced his role as CEO.
9. Calculated as 160,941,332 shares on issue multiplied by the closing share price of $14.44 as at 30 June 2025.

REMUNERATION REPORT continued

The Remuneration Report forms part of the Directors' Report and outlines information about the remuneration framework and outcomes of Megaport's Key Management Personnel ('KMP') during the year ended 30 June 2025 ('FY25').

This Report has been prepared in accordance with Section 300A of the *Corporations Act 2001* ('Corporations Act').

1. Introduction to Key Management Personnel

In this report, KMP are those personnel who had authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly.

Our KMP for FY25 are outlined below.

Name	Position	Term as KMP
Non-Executive Directors		
Melinda Snowden	Chair	Full year
Glo Gordon	Non-Executive Director	Full year
Michael Klayko	Non-Executive Director	Full year
Jay Adelson	Non-Executive Director	Full year
Grant Dempsey	Non-Executive Director	Part year (from 28 January 2025)
Mohit Lad	Non-Executive Director	Part year (from 20 December 2024)
Lauren Williams	Non-Executive Director	Part year (until 20 September 2024)
Executive KMP		
Michael Reid	Chief Executive Officer ('CEO')	Full year
Leticia Dorman	Chief Financial Officer ('CFO')	Full year

2. Executive KMP Remuneration Framework

2.1 Remuneration strategy and structure

The Company's remuneration framework is based on the following principles:

ALIGNMENT TO PERFORMANCE

Providing competitive remuneration which rewards executives for delivering on our financial targets

MARKET COMPETITIVE

Being competitive in the locations we hire for talent, primarily Australia and North America.

SIMPLE AND TRANSPARENT

Consideration of Australian stakeholder expectations and market practice.

SHAREHOLDER ALIGNMENT

Creating shareholder alignment by providing a significant portion of remuneration via equity.

The following table sets out a summary of our executive remuneration framework and links to the Company's strategic objectives:

	Fixed Remuneration	STI	LTI
Purpose	To attract, retain and motivate high calibre talent	To reward executives for the achievement of annual performance measures	To ensure executives are focused on long term shareholder wealth creation
Award vehicle	Base salary and superannuation	Performance Restricted Stock Units ('PRSUs')	PRSUs
Performance period	Reviewed annually in line with market, role and responsibilities	One year	Three years
Performance metrics	None	Vesting based on achievement of financial and non-financial measures	Vesting in respect of the FY25 LTI based on achievement of a combination of ARR CAGR[1], EBITDA per Share[2] and rTSR targets.
Link to strategic objective	Provides market competitive salary to attract and retain a high calibre of executive talent Provides recognition for day to day, operational activities in the role	Rewards executives for achieving goals which contribute to the achievement of growing profitably As the STI is delivered in equity, it builds executives' shareholdings to ensure alignment with shareholders and to preserve cash for the Company's future growth.	Rewards executives for the achievement of long-term financial goals and delivery of shareholder returns. Delivery in equity creates alignment between executives and shareholder interests.

1. ARR CAGR is the compound annual growth rate of ARR over the performance period. It reflects the year-over-year growth in recurring revenue on a consistent, compounded basis. 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.
2. EBITDA per Share is calculated as EBITDA including equity settled employee costs divided by average of the total number of shares (issued and unissued) as at end of the performance period and the beginning of the performance period.

Details on the above components are set out in section 3 below.

REMUNERATION REPORT continued

2.2 Approach to setting remuneration

Megaport operates as a truly global technology business, with 84% of our revenue generated outside of Australia, and 55% originating from the US. While established in Australia and listed on the ASX, our business engine is in the US, with 59% of our revenue growth in the last three years driven by North America. 40% of our Executive leadership team and 34% of our general workforce is based in North America. As Megaport grows in scale and market reach, it is critical our remuneration structure and benchmarking supports us to secure and retain the global talent we need to deliver our strategic goals.

	Revenue %	Revenue growth contribution YoY %	Workforce %
The Americas	57.0%	59.4%	34.0%
Asia Pacific (excluding Australia)	11.0%	9.1%	2.0%
Australia	16.0%	14.2%	53.0%
Europe	16.0%	17.3%	11.0%
Total	100.0%	100.0%	100.0%

The remuneration of Executive KMP is set on appointment and reviewed annually. The fixed and 'at-risk' components for each role are determined by considering factors such as experience, competence and performance in the role, as well as competitive market pressures. Major framework reviews are infrequent, and undertaken to align with changes in strategic direction, and/or to enhance our value driver focus and/or to minimise risk of loss. Changes are contemplated for FY26, providing shareholder support is forthcoming, with disclosures for such support to be provided prior to our AGM.

REMUNERATION REPORT continued

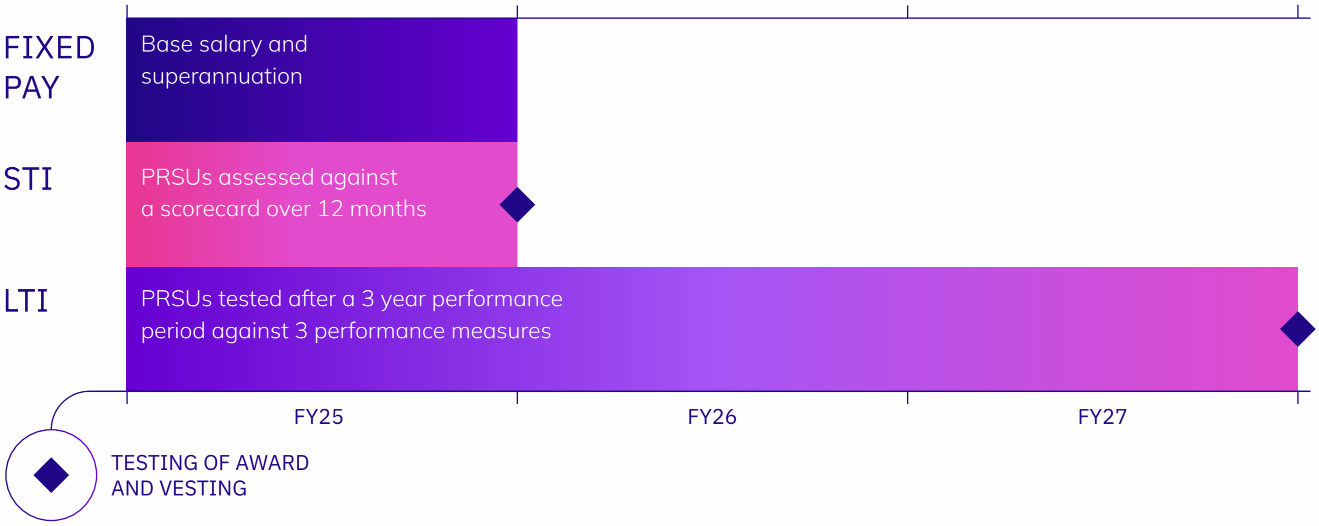
2.3 Remuneration Mix

The maximum remuneration mix between variable and fixed remuneration for each KMP is set out below. 73% of the CEO's remuneration is ‘at-risk’ and delivered in equity, and 60% of the CFO's remuneration is 'at risk' and delivered in equity.

CEO Maximum Pay Mix

CFO Maximum Pay Mix

2.4 Timeline of delivery of FY25 Remuneration



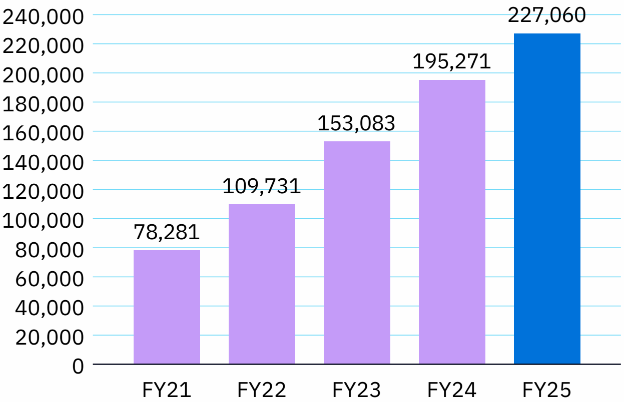
REMUNERATION REPORT continued

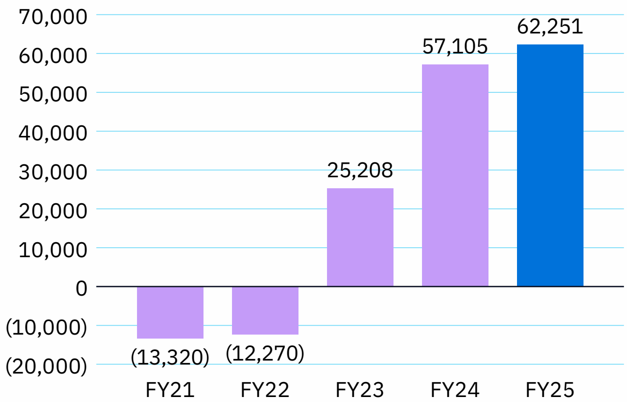
3. Company Performance and FY25 Remuneration Outcomes

One of the key principles of Megaport's remuneration frameworks is rewarding KMP for performance. This section sets out a summary of the Company's 5-year financial performance and how this links to KMP remuneration over this period.

3.1 5-year Financial Performance

The table below summarises Megaport's financial performance over the previous five financial years.





1. Earnings Before Interest Tax Depreciation and Amortisation ('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. EBITDA excludes restructuring costs of $1.1M in FY24.

Measure	FY25	FY24	FY23	FY22	FY21
Net profit (loss) after tax ($'000)	(292)	9,606	(9,774)	(48,495)	(55,000)
Share price at start of year	$11.22	$7.22	$5.45	$18.43	$12.08
Share price at end of year	$14.44	$11.22	$7.22	$5.45	$18.43
Basic/diluted earnings/(loss) per share ($)	(0.00)	0.06	(0.06)	(0.31)	(0.35)
Net cash flow ($'000)	26,605	27,950	(34,613)	(60,314)	(29,236)

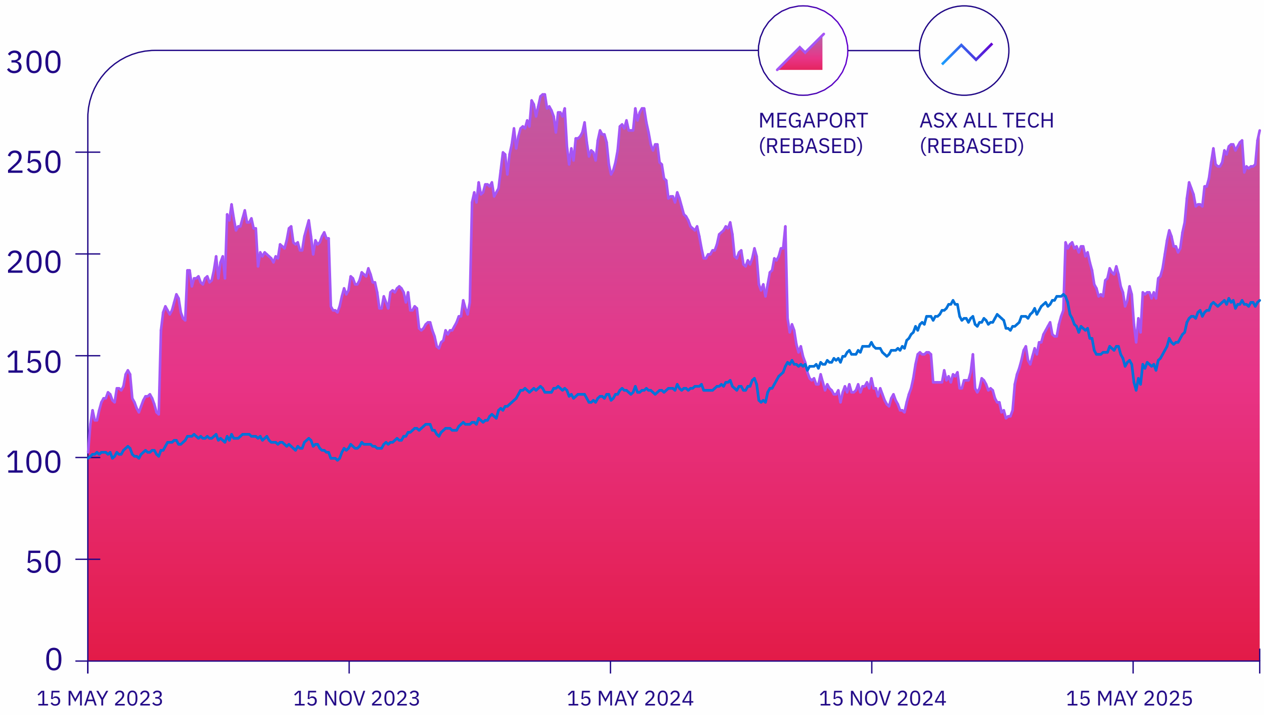
No dividends have been paid by the Company over the previous five financial years.

REMUNERATION REPORT continued

Megaport TSR Performance

The successful implementation of transformation improvements following Michael Reid's commencement as CEO in May 2023 has enabled us to deliver profitable, efficient growth, evidenced with Megaport's TSR of over 166%, outperforming the XTX's return of 81%.

All figures below have been rebased to 100.



Source: Iress (MP1 TSR), and S&P/ASX All Technology Index (XTX Index TSR).

REMUNERATION REPORT continued

3.2 Executive KMP Realised Remuneration – FY25

The following table provides a snapshot of realised remuneration for Executive KMP in FY25[10].

	Fixed Remuneration[1]	Other[2]	Equity STI[3]	LTI[4]	Total
Executive Director					
M Reid	1,087,100	44	1,627,951	–	2,715,095
Other current KMP					
L Dorman	404,983	88,744	587,795	–	1,081,522
Total remuneration	**1,492,083**	**88,788**	**2,215,746**	**–**	**3,796,617**

1. Fixed remuneration earned in the financial year (salary and fees and superannuation benefits). Salary and fees includes annual leave which is an additional expense to the contractual fixed remuneration.
2. Other includes non-monetary benefits and other remuneration paid as equity.
3. STI value is calculated as the number of shares to be issued on 1 September 2025, multiplied by the closing share price as at 30 June 2025.
4. No LTI is scheduled to vest until following the end of FY26.

3.3 Fixed Remuneration – FY25

Fixed remuneration comprises of base salary, superannuation (as applicable) and other benefits.

The base salary for Executive KMP is reviewed annually to ensure the Executive's remuneration is competitive with the market and appropriate based on the executive's position and responsibilities within the organisation. During FY25, there were no changes to the CEO's base pay.

CFO Leticia Dorman's fixed remuneration increased by 5.5% in FY25, with a consequential increase to her STI grants for FY25 and FY26. In addition, Leticia received a one-off supplementary equity based STI grant for FY25 to align her overall remuneration with market benchmarks, to reflect the growth in the size and accountability of her role and to reward her strong continued performance. The new STI grants include the following performance targets: 50% allocated to revenue, 25% allocated to EBITDA per Share[11] and 25% allocated to net cash[12] growth.

10. This table is an additional disclosure to those required under the Australian Accounting Standards and the *Corporations Act 2001*. It is unaudited, and has been provided to assist shareholders in understanding realised outcomes.
11. EBITDA per Share is calculated as EBITDA including equity settled employee costs divided by average of the total number of shares (issued and unissued) as at end of the performance period and the beginning of the performance period.
12. Net Cash is cash at bank less debt (including the network financing facility).

REMUNERATION REPORT continued

3.4 STI Plan – Key Features and Outcomes

STI Plan for CEO and CFO

The key features of the STI plan for the CEO and CFO are provided below.

<table>
<tr><th>Feature</th><th>Approach</th></tr>
<tr><td>Description</td><td>Executive KMPs participate in the annual STI plan with an earning opportunity that is ‘at risk’ subject to specific performance measures being met.</td></tr>
<tr><td>Performance Periods</td><td>1 July 2024 to 30 June 2025 ('FY25 STI')

1 July 2025 to 30 June 2026 ('FY26 STI')</td></tr>
<tr><td>STI Opportunity</td><td>The STI opportunity as a percentage of fixed remuneration
<table>
<tr><th>Role</th><th>FY25 STI</th><th>FY26 STI</th></tr>
<tr><td>CEO</td><td>50%</td><td>50%</td></tr>
<tr><td>CFO</td><td>37%</td><td>37%</td></tr>
</table></td></tr>
<tr><td>Delivery of award</td><td>100% of the STI award is delivered in equity as performance restricted stock units (PRSUs). PRSUs convert to fully paid ordinary shares in Megaport at the end of the performance period where performance conditions are met.</td></tr>
<tr><td>Allocation methodology</td><td>The number of PRSUs granted was calculated as follows:

($ Fixed Remuneration (FR) x Award Face Value (% FR)) / $ Share Price = Number of PRSUs</td></tr>
<tr><td>Performance measures and weightings</td><td>
<table>
<tr><th>Measure</th><th>Basis for selection</th><th>CEO</th><th>CFO</th></tr>
<tr><td>Revenue growth</td><td>Revenue targets have been set for the CEO and CFO to assess short term growth in revenue of our business.</td><td>25%</td><td>25%</td></tr>
<tr><td>EBITDA[13]</td><td>EBITDA targets have been set for the CEO and CFO to ensure growth is achieved on a profitable basis annually.</td><td>25%</td><td>25%</td></tr>
<tr><td>rTSR</td><td>rTSR has been selected for the CEO and CFO to assess management’s ability to deliver shareholder returns, relative to Megaport’s peers in the S&P/ASX All Technology Index (XTX).[14]</td><td>25%</td><td>25%</td></tr>
<tr><td>Customer growth</td><td>Customer growth has been selected for the CEO to ensure we grow and diversify our customer base in the short term.</td><td>25%</td><td>N/A</td></tr>
<tr><td>Net cash growth[15]</td><td>Net cash growth has been selected for the CFO to ensure sustainable financial growth of the business annually.</td><td>N/A</td><td>25%</td></tr>
</table></td></tr>
</table>

13. Earnings Before Interest Tax Depreciation and Amortisation (‘EBITDA’) represents operating results excluding equity-settled employee benefits, foreign exchange gains/(losses) and non-operating income/(expenses).
14. Following shareholder feedback at the 2023 AGM, Megaport approached the ASX with a proposal to amend the FY25 and FY26 STI to remove rTSR as a metric. However, the ASX advised that the amendment would be prohibited by ASX Listing Rule 6.23.3, and the proposal was not pursued.
15. Net Cash is cash at bank less debt (including the network financing facility).

REMUNERATION REPORT continued

Feature	Approach
Performance threshold and vesting outcome	The performance thresholds for FY25 and FY26 are set out below.

Performance threshold	Vesting outcome
Less than threshold performance	0%
Threshold performance	50%
Between threshold and stretch performance	Straight line pro-rata vesting between 50% and 100%
Stretch performance	100%

Feature	Approach
FY25 STI and FY26 STI Performance Targets	A minimum threshold must be achieved in the performance period prior to any award vesting. The minimum rTSR performance threshold for the FY25 STI and FY26 STI is set out below.

Measure	Threshold Target	Stretch Target
rTSR	≥50th percentile	≥75th percentile

Due to the commercial sensitivity of the remaining performance measures, Megaport will disclose the performance targets and outcomes at the end of the relevant performance period.

In FY24, three years of upfront STI grants were made to the CEO and CFO to attract and retain their services for Megaport. In FY25, the CFO received a one-off 'supplementary' STI grant to align her overall remuneration with market benchmarks, to reflect growth in the size and accountability of her role and to reward her strong continued performance. Ms Dorman's existing FY25 and FY26 STI grants were also adjusted to align with her fixed remuneration increase. For these new grants, Megaport has taken into account shareholder feedback and removed rTSR as a metric. The key features of the new FY25 STI grants are listed below, with all other features consistent with the pre-existing STI plan.

Feature	Approach
STI Opportunity	The STI opportunity as a percentage of fixed remuneration

Role	FY25 STI	FY26 STI
CFO	39%	2%

Performance measures and weightings

Measure	Basis for selection	CFO
Revenue	Revenue targets have been set for the CEO and CFO to assess short term growth in revenue of our business.	50%
EBITDA per Share[16]	EBITDA per Share has been selected to assess the ability of the business to generate earning and cash from its operations on an annual basis, while taking into account shareholder dilution. EBITDA per share takes into account equity settled employee costs, and any material changes to accounting policy.	25%
Net cash growth[17]	Net cash growth has been selected for the CFO to ensure sustainable financial growth of the business annually.	25%

16. EBITDA per Share is calculated as EBITDA including equity settled employee costs divided by average of the total number of shares (issued and unissued) as at end of the performance period and the beginning of the performance period.
17. Net Cash is cash at bank less debt (including the network financing facility).

REMUNERATION REPORT continued

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Performance outcomes against STI Measures for FY25

The CEO and CFO were eligible to receive an STI award in FY25. The performance outcomes relative to targets are disclosed below, with pro-rata straight line vesting between threshold and stretch targets.

CEO FY25 STI

Performance measure	Weighting	Threshold Target	Stretch Target	FY25 result	Achievement	Weighted achievement
Revenue growth	25%	$18.7M	$23.1M	$31.8M	100%	25%
EBITDA target(i)	25%	$57.0M	$59.0M	$59.2M	100%	25%
Relative TSR	25%	≥50th percentile	≥75th percentile	71st percentile	92%	23%
Customer growth (gross adds)	25%	350	400	463	100%	25%
Total CEO Achievement						98%

CFO FY25 STI

Performance measure	Weighting	Threshold Target	Stretch Target	Actual performance	Actual Performance (%)	Weighted achievement
Revenue growth	25%	$18.7M	$23.1M	$31.8M	100%	25%
EBITDA target(i)	25%	$57.0M	$59.0M	$59.2M	100%	25%
Relative TSR	25%	≥50th percentile	≥75th percentile	71st percentile	92%	23%
Net Cash Growth(ii)	25%	$10.0M	$15.0M	$26.6M	100%	25%
Total CFO Achievement						98%

CFO supplementary FY25 STI

Performance measure	Weighting	Threshold Target	Stretch Target	Actual performance	Actual Performance (%)	Weighted achievement
Revenue	50%	$214.0M	$218.0M	$227.1M	100%	50%
EBITDA per Share(iii)	25%	$0.23	$0.24	$0.24	100%	25%
Net Cash Growth(ii)	25%	$10.0M	$15.0M	$26.6M	100%	25%
Total CFO Achievement						100%

Notes:

(i) Adjusted EBITDA has been used to assess performance against STI measures. Adjusted EBITDA is calculated as $62.3M less a one off adjustment of $3M relating to amounts previously recognised as direct network costs now accounted for as leases under AASB 16 Leases. EBITDA is Earnings Before Interest Tax Depreciation and Amortisation which 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.

(ii) Net Cash is cash at bank less debt (including the network financing liability). As at 30 June 2025 comprised cash at bank of $102.1M less the amount outstanding under the network finance facility of $14.3M.

(iii) EBITDA per Share is calculated as EBITDA including equity settled employee costs divided by the average of the total number of shares (issued and unissued) as at 30 June 2025 and 30 June 2024. For the year ended 30 June 2025, Adjusted EBITDA has been used for the calculation of EBITDA per share.

REMUNERATION REPORT continued

3.5 FY24 LTI – Key Features and Outcomes

The key features of the FY24 LTI Plan are provided below.

The CEO and CFO were eligible to participate in the LTI program which commenced in FY24.

Feature	Approach
Description	Executive KMPs participate in the FY24 LTI plan with an earning opportunity that is 'at risk' subject to specific performance measures being met over the period FY24 to FY26.
Performance Period	1 July 2023 to 30 June 2026 ('FY24 LTI')
LTI Opportunity	The LTI opportunity as a percentage of fixed remuneration varies based upon role.
Delivery of award	100% of the LTI award is delivered in equity as PRSUs. PRSUs convert to fully paid ordinary shares in Megaport at the end of the performance period where performance conditions are met.
Allocation methodology	The number of PRSUs granted was calculated as follows: ($ Fixed Remuneration (FR) x Award Face Value (% FR)) / $ Share Price = Number of PRSUs
Performance measures and weightings	See table below

LTI Opportunity:

Role	FY24 LTI
CEO	225%
CFO	73%

Performance measures and weightings:

Measure	Basis for selection	CEO	CFO
Revenue growth	Revenue targets have been set for the CEO and CFO to assess long term financial growth in market share of our business	25%	25%
EBITDA[18]	EBITDA targets have been set for the CEO and CFO to ensure growth is achieved on a profitable basis over the long term	25%	25%
rTSR	rTSR has been selected for the CEO and CFO to assess management's ability to deliver long term shareholder returns, relative to Megaport's peers in the XTX Index	25%	25%
Customer growth	Customer growth has been selected for the CEO to ensure we grow and diversify our customer base in the long term.	25%	N/A
Net cash growth[19]	Net cash growth has been selected for the CFO to ensure sustainable financial growth of the business over the long term.	N/A	25%

18. Earnings Before Interest Tax Depreciation and Amortisation ('EBITDA') represents operating results excluding equity-settled employee benefits, foreign exchange gains/(losses) and non-operating income/(expenses).
19. Net Cash is cash at bank less debt (including the network financing facility).

REMUNERATION REPORT continued

<table>
<tr><th>Feature</th><th>Approach</th></tr>
<tr><td>Performance threshold and vesting outcome</td><td>The performance thresholds for FY24 to FY26 are set out below.
<table>
<tr><th>Performance threshold</th><th>Vesting outcome</th></tr>
<tr><td>Less than threshold performance</td><td>0%</td></tr>
<tr><td>Threshold performance</td><td>50%</td></tr>
<tr><td>Between threshold and stretch performance</td><td>Straight line pro-rata vesting between 50% and 100%</td></tr>
<tr><td>Stretch performance</td><td>100%</td></tr>
</table></td></tr>
<tr><td>FY24 LTI Performance Targets</td><td>A minimum threshold must be achieved in the performance period prior to any award vesting. The minimum rTSR performance threshold for the FY24 LTI is set out below.
<table>
<tr><th>Measure</th><th>Threshold Target</th><th>Stretch Target</th></tr>
<tr><td>rTSR</td><td>≥50th percentile</td><td>≥75th percentile</td></tr>
</table>
Due to the commercial sensitivity of the remaining performance measures, Megaport will disclose the performance targets and outcomes at the end of the performance period.</td></tr>
</table>

3.6 FY25 LTI – Key Features and Outcomes

The key features of the FY25 LTI plan are provided below.

The CEO and CFO were eligible to participate in the LTI program which commenced in FY25.

<table>
<tr><th>Feature</th><th>Approach</th></tr>
<tr><td>Description</td><td>Executive KMPs participate in the FY25 LTI plan with an earning opportunity that is ‘at risk’ subject to specific performance measures being met over the period FY25 to FY27.</td></tr>
<tr><td>Performance Period</td><td>1 July 2024 to 30 June 2027 ('FY25 LTI')</td></tr>
<tr><td>LTI Opportunity</td><td>The LTI opportunity as a percentage of fixed remuneration varies based upon role.
<table>
<tr><th>Role</th><th>FY25 LTI</th></tr>
<tr><td>CEO</td><td>225%</td></tr>
<tr><td>CFO</td><td>77%</td></tr>
</table></td></tr>
<tr><td>Delivery of award</td><td>100% of the LTI award is delivered in equity as PRSUs. PRSUs convert to fully paid ordinary shares in Megaport at the end of the performance period where performance conditions are met.</td></tr>
<tr><td>Allocation methodology</td><td>The number of PRSUs granted was calculated as follows:

($ Fixed Remuneration (FR) x Award Face Value (% FR)) / $ Share Price = Number of PRSUs</td></tr>
</table>

REMUNERATION REPORT continued

Feature	Approach

Performance measures and weightings

Measure	Basis for selection	CEO	CFO
ARR CAGR[20]	As a NaaS business with strong operating leverage, driving growth in recurring revenue is management's primary objective and, consequently, this measure carries the highest weighting	50%	50%
EBITDA per Share[21]	EBITDA targets have been set for the CEO and CFO to ensure growth is achieved on a profitable basis over the long term, while taking into account the impact of future equity issues	25%	25%
rTSR	rTSR has been selected for the CEO and CFO to assess management's ability to deliver long term shareholder returns, relative to Megaport's peers in the XTX Index	25%	25%

Performance threshold and vesting outcome

The performance thresholds for FY25 to FY27 are set out below.

Performance threshold	Vesting outcome
Less than threshold performance	0%
Threshold performance	50%
Between threshold and stretch performance	Straight line pro-rata vesting between 50% and 100%
Stretch performance	100%

FY25 LTI Performance Targets

A minimum threshold must be achieved in the performance period prior to any award vesting. The minimum rTSR performance threshold for the FY25 LTI is set out below.

Measure	Threshold Target	Stretch Target
rTSR	≥50th percentile	≥75th percentile

Due to the commercial sensitivity of the remaining performance measures, Megaport will disclose the performance targets and outcomes at the end of the performance period.

3.7 Performance outcomes of LTI awards due to vest in FY25

There were no LTI awards due for testing and no legacy awards vested for KMP.

20. ARR CAGR is the compound annual growth rate of ARR over the performance period. It reflects the year-over-year growth in recurring revenue on a consistent, compounded basis. 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.
21. EBITDA per Share is calculated as EBITDA including equity settled employee costs divided by average of the total number of shares (issued and unissued) as at end of the performance period and the beginning of the performance period.

REMUNERATION REPORT continued

4. Remuneration Governance

4.1 Roles and Responsibilities

The following diagram illustrates the roles and responsibilities for governing Executive and Director remuneration at Megaport.

BOARD

The Board holds ultimate responsibility for the approval of the Director and Executive KMP remuneration strategy, framework and policies, and remuneration outcomes, based on the recommendations of the Remuneration & Nomination Committee.

↑

REMUNERATION & NOMINATION COMMITTEE

The Committee is responsible for developing the remuneration strategy, reviewing frameworks and policies, and reviewing remuneration outcomes. It makes recommendations to the Board for approval on remuneration matters.

Its responsibilities include:

- Reviewing the Group's remuneration policies and procedures;
- Succession planning and appointment of roles at the Board, CEO and senior executive level;
- Reviewing the performance and remuneration of the CEO and senior executives annually;
- Reviewing and reporting on diversity metrics annually on the Group's employees;
- Reviewing employee benefits, workplace policies, practices and making recommendations to the Board on policy and benefits changes, in-line with market trends;
- Overseeing the performance of Directors;
- Reviewing the remuneration of Directors annually; and
- Formally assessing the balance of skills, experience and diversity required on the Board.

A copy of the Committee's charter, which forms part of the Corporate Governance Charter, is available on Megaport's website at megaport.com/investor/leadership-governance.

↕ ↑

MANAGEMENT

On a day-to-day basis, management are responsible for preparing relevant information and analysis to the Remuneration & Nomination Committee and the Board to support their decision-making.

The Committee may request materials from management to inform the decision-making of Directors. Management may seek external advice on market trends and benchmarking data from time-to-time as required.

←

EXTERNAL ADVISORS

The Committee may request advice from external advisors to support its decision-making. In FY25, the Committee sought advice from KPMG on its remuneration framework.

Where a remuneration recommendation is provided, as defined by the *Corporations Act 2001*, all advice is provided directly to the Chair of the Committee to ensure it is free from the influence of management.

No remuneration recommendations were made in FY25.

REMUNERATION REPORT continued

4.2 Unvested equity

The Board has adopted the following leaver, dividend and clawback provisions for unvested equity awards:

Leaver provisions	The Board will maintain overarching discretion to determine an alternate treatment however the intention is that an employee that has received or provided notice of termination will forfeit their unvested awards. In addition, where the individual is a bad leaver, Megaport may recoup vested or paid awards to the extent permitted under applicable law.
Dividends	No dividend entitlement for unvested equity awards until the equity vests and converts to shares.
Malus & clawback	In the event of serious misconduct, the Board has the discretion to reduce, cancel, or clawback remuneration, including unvested equity and amounts deemed to be overpayments.

4.3 Minimum Shareholding Policy

To align the Non-Executive Director's interests with the interests of shareholders, the Board introduced a minimum shareholding policy in FY25 to encourage Non-Executive Directors to progressively acquire and hold shares within five years of their appointment, with a value equal to 100% of base fees. Direct and indirect holdings count towards the minimum shareholding target.

Similar to Non-Executive Directors, Executive KMPs are encouraged to acquire and hold shares within five years of their appointment, with a value equal to 100% of fixed remuneration (including superannuation).

As at 30 June 2025, all Non-Executive Directors and Executive KMP with more than five years' tenure were compliant with the minimum shareholding policy. 33% of all Non-Executive Directors (disregarding tenure) held shares with a value equal to 100% of base fees and 100% of Executive KMPs held shares with a value equal to 100% of fixed remuneration (including superannuation).[22]

The Board will consider the introduction of a Non-Executive Director equity plan in FY26, enabling Non-Executive Directors to elect to sacrifice up to 100% of their base fees in return for Restricted Stock Units (NED Plan). The NED Plan will operate to assist in the motivation, retention and reward of Non-Executive Directors and provide an opportunity for Non-Executive Directors to acquire shares in the Company through the sacrifice of Director fees in exchange for equity. Further details of the NED Plan will be disclosed prior to the 2025 AGM.

4.4 Hedging Policy and Securities Trading Policy

A securities trading policy has been adopted by the Board to provide guidance to Directors, employees of Megaport, and other parties who may have access to price sensitive information, where they are contemplating dealing in Megaport's securities or the securities of entities with whom Megaport may have dealings. The Trading Policy is designed to ensure that any trading in Megaport's securities is in accordance with the law. Any non-compliance with the Trading Policy will be regarded as an act of serious misconduct. The Securities Trading Policy is available on Megaport's website at megaport.com/investor/leadership-governance.

Participants in Megaport's equity plans are prohibited from entering into hedging arrangements or using financial products to mitigate their exposure to risks associated with their unvested awards, unless the participant has received written clearance in accordance with the Securities Trading Policy.

22. Based on Megaport's closing share price on 30 June 2025 (being $14.44).

5. Executive KMP Service Agreements

5.1 Executive KMP Service Agreements

Details of the service agreements for Megaport's current KMP are outlined below.

	CEO	CFO
Employment agreement	An ongoing service agreement with no fixed term. Mr Reid is subject to certain post-employment restrictive covenants, including: • 9-months non-compete restriction, and • 12-months non-solicitation restriction	An ongoing service agreement with no fixed term. Ms Dorman is subject to certain post-employment restrictive covenants, including: • 12-months non-compete restriction, and • 12-months non-solicitation restriction
Termination by the Executive	The Executive is required to provide Megaport 3-months' written notice. No severance benefits are payable if the Executive resigns.	
Termination by the Company without cause	Megaport is required to provide the Executive 3-months' written notice. If Megaport terminates the Executive without cause, this entitles the Executive to a severance payment equal to nine months' fixed remuneration.	
Termination by the Company with cause	Megaport may terminate employment without notice or payment in lieu of notice for serious misconduct or other specific circumstances warranting summary dismissal.	

REMUNERATION REPORT continued

6. Non-Executive Director (NED) Remuneration

6.1 NED Fees

Megaport seeks to provide fair remuneration that is competitive to attract and retain NEDs with the required level of experience, knowledge and skills.

Our NEDs are paid a fee for sitting on the Board and additional fees for their participation in any committees. Directors may be paid additional remuneration where they perform additional work or services outside the scope of their role and are entitled to be reimbursed for travel, training and other expenses incurred while carrying out their duties as a Megaport Director.

The NED fees did not change during FY25. Our fee levels are set to recognise that we seek to attract Director talent internationally, with more than half our Non-Executive Directors based in the US.

At the 2022 AGM, shareholders approved the grant of $50,000 worth of shares in Megaport to each Director serving at that time ('Deferred Share Plan'). Each eligible Director received a grant of 6,027 Deferred Shares, vesting in equal tranches over three years. The second tranche of shares (i.e. 2,009 shares) was issued to eligible Directors on 23 November 2024 ('FY25 Issue'). As Ms Williams was not eligible to participate in the Deferred Share Plan, the Board approved a one-off payment to Ms Williams of $23,686 in lieu of the FY25 Issue.

The total fee pool for NED fees in FY25 is $1,500,000. The table below sets out the NED cash fees payable in FY25, inclusive of superannuation, noting that NEDs did not receive any performance-based remuneration or equity grants in FY25.

	FY25	
Fees	Chair	Member
Board	250,000	150,000
Audit & Risk Committee	25,000	15,000
Remuneration & Nomination Committee	25,000	15,000

REMUNERATION REPORT continued

7. Statutory Disclosures

The following tables outline the statutory accounting disclosures required under the *Corporations Act 2001* (Cth) for KMP.

7.1 NED Statutory Remuneration

The total remuneration paid to NEDs in FY24 and FY25 is disclosed below. No new Deferred Shares were granted in FY25.

		Short-term benefits		Post-employment benefits	Equity-settled benefits and rights	
Directors	**Year**	**Salary and fees**	**Non-monetary benefits**	**Superannuation benefits**	**Deferred Shares**	**Total**
M Snowden	FY25	**250,068**	**–**	**29,932**	**9,792**	**289,792**
	FY24	159,817	–	17,580	19,769	197,166
G Gordon	FY25	**186,465**	**38**	**–**	**9,792**	**196,295**
	FY24	180,000	39	–	19,769	199,808
M Klayko	FY25	**165,000**	**38**	**–**	**9,792**	**174,830**
	FY24	165,000	39	–	19,769	184,808
J Adelson	FY25	**172,754**	**2,422**	**–**	**9,792**	**184,968**
	FY24	165,000	26,693	–	19,769	211,462
M Lad[2]	FY25	**78,904**	**21,033**	**–**	**–**	**99,937**
	FY24	–	–	–	–	–
G Dempsey[3]	FY25	**64,108**	**–**	**7,605**	**–**	**71,713**
	FY24	–	–	–	–	–
B Slattery	FY25	**–**	**–**	**–**	**–**	**–**
	FY24	228,311	–	25,114	(22)[1]	253,403
N Seddon	FY25	**–**	**–**	**–**	**–**	**–**
	FY24	174,288	3,250	–	(22)[1]	177,516
L Williams[4]	FY25	**56,503[5]**	**–**	**6,498**	**–**	**63,001**
	FY24	11,230	–	1,235	–	12,465
Total remuneration	FY25	**973,802**	**23,531**	**44,035**	**39,168**	**1,080,536**
	FY24	1,083,646	30,021	43,929	79,032	1,236,628

1. A negative accounting value for deferred shares represents the reversal of expenses relating to forfeited deferred shares.
2. Mr Lad commenced his role as Non-Executive Director on 20 December 2024. His remuneration has been pro-rated to reflect the period served.
3. Mr Dempsey commenced his role as Non-Executive Director on 28 January 2025. His remuneration has been pro-rated to reflect the period served.
4. Ms Williams commenced her role as Non-Executive Director on 5 June 2024 and ceased her role on 20 September 2024. Her remuneration has been pro-rated to reflect the period served.
5. Includes one off payment of $23,686 in lieu of issue of deferred shares.

REMUNERATION REPORT continued

7.2 Executive KMP Statutory Remuneration

The total remuneration paid to Executive KMP for FY24 and FY25 is disclosed below.

		Short-term benefits			Post-employment benefits	
	Year	Salary and fees	Cash STI award	Non-monetary benefits	Superannuation benefits	Termination benefits
Executive Director						
M Reid	FY25	**1,057,168**	**–**	**44**	**29,932**	**–**
	FY24	1,059,251	–	100,000	27,399	–
Other current KMP						
L Dorman[2]	FY25	**375,051**	**–**	**660**	**29,932**	**–**
	FY24	277,719	–	495	20,549	–
Former KMP						
J Tworek[4]	FY25	–	–	–	–	–
	FY24	157,210	131,000	30,784	7,509	174,508
Total remuneration	FY25	**1,432,219**	**–**	**704**	**59,864**	**–**
	FY24	**1,494,180**	**131,000**	**131,279**	**55,457**	**174,508**

1. For accounting purposes, PRSUs subject to non market performance measures are valued using the Binomial Tree Model by an independent valuer based on the share price at the grant date. PRSUs that contain a market performance measure are valued at the grant date using the Monte-Carlo simulation pricing model which is performed by an independent valuer and models the future security price of the Company's shares.
2. Ms Dorman commenced in her role as CFO on 3 October 2023. Her remuneration as been pro-rated to reflect the period served.
3. These awards relate to the CFO's grant of service-based RSUs prior to her appointment as CFO, which vested in FY25.
4. Mr Tworek ceased his role on 24 October 2023. His remuneration has been pro-rated to reflect the period served.
5. The negative accounting value represents a reversal of previously recognised expenses due to the forfeit of unvested RSUs.

n.m. not meaningful

REMUNERATION REPORT continued

Long-term benefits	Equity-settled benefits and rights			
Long-service leave	RSUs	PRSUs[1]	Total	Remuneration based on performance (%)
2,594	**–**	**2,744,059**	**3,833,797**	**72%**
841	–	2,829,596	4,017,087	70%
6,783	**23,158[3]**	**461,019**	**896,603**	**51%**
3,185	47,081[3]	332,251	681,280	49%
–	**–**	**–**	**–**	**n.m.**
–	(68,045)[5]	–	432,966	30%
9,377	**23,158**	**3,205,078**	**4,730,400**	
4,026	**(20,964)**	**3,161,847**	**5,131,333**	

REMUNERATION REPORT continued

7.3 Valuation of Outstanding Equity Awards

The value of outstanding awards under equity plans are outlined below.

Performance Restricted Stock Units Plan ('PRSU Plan')

RSU series	Grant date	Settlement date	No. of outstanding units	Fair value at grant date $
PRSU Dec 2023 – 2	16-Oct-23 to 1-Nov-23	1-Sept-25	134,987	7.49 to 10.58
PRSU Dec 2023 – 3	16-Oct-23 to 1-Nov-23	1-Sept-26	134,987	7.17 to 10.13
PRSU Dec 2023 – 4	16-Oct-23 to 1-Nov-23	1-Sept-26	557,573	4.43 to 11.05
PRSU Dec 2024 – 1	1-Dec-24	1-Sept-25	21,158	7.89
PRSU Dec 2024 – 2	1-Dec-24	1-Sept-26	1,310	7.89
PRSU Dec 2024 – 3	22-Nov-24 to 1-Dec-24	1-Sept-27	309,658	1.54 to 7.89
Total			**1,159,673**	

Deferred Shares Plan – Non-Executive Directors ('Deferred Shares Plan')

Tranche	Number of shares	Grant date	Settlement date	Fair value at grant date^ $	Total fair value at grant date $
Tranche-3	8,036	23-Nov-22	23-Nov-25	8.297	66,667
Total	**8,036**				**66,667**

^Based on 10 trading days VWAP following the release of the Company's full year results in August 2022.

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REMUNERATION REPORT continued

Movement in Equity Awards

The following table details the movements in RSUs, PRSUs, Deferred Shares and Options during the financial year. No awards were vested and exercisable at 30 June 2025.

Name	Opening balance at 1 Jul 2024	Awards Granted during FY25	Grant date	Settled during FY25	Forfeited in FY25	Closing balance at 30 Jun 2025	Total fair value of Awards at Grant Date
Directors							
M Snowden	4,018	-		(2,009)	-	2,009	-
G Gordon	4,018	-		(2,009)	-	2,009	-
M Klayko	4,018	-		(2,009)	-	2,009	-
J Adelson	4,018	-		(2,009)	-	2,009	-
G Dempsey	-	-		-	-	-	-
M Lad	-	-		-	-	-	-
L Williams	-	-		-	-	-	-
Executive KMP							
M Reid	977,840	267,883	22-Nov-24	(222,602)	(7,478)	1,015,643	7,920,903
L Dorman	104,733	65,292	26-Aug-24 to 1-Dec-24[1]	(25,346)	(649)	144,030	1,234,329

1. The 26 August 2024 grant consists of $9,275 of RSUs issued at a fixed monetary value which vested to 1,049 ordinary shares on 1 September 2024. This grant relates to the settlement of Ms Dorman's FY24 bonus for the period prior to her appointment as CFO. The 1 December 2024 grant consists of the CFO supplementary FY25 STI grant of 22,468 PRSUs and the FY25 LTI grant of 41,775 PRSUs.

7.4 KMP Shareholdings

KMP	Balance at 01 July 2024	Settlement of equity settled employee benefits	Shares Purchased	Shares Disposed	Balance at 30 June 2025
Directors					
M Snowden	13,009	2,009	3,000	-	18,018
G Gordon	2,009	2,009	-	-	4,018
M Klayko	2,009	2,009	-	-	4,018
J Adelson	20,009	2,009	-	-	22,018
G Dempsey	-	-	-	-	-
M Lad	-	-	-	-	-
L Williams	2,546	-	5,000	-	7,546[1]
Executive KMP					
M Reid	-	222,602	-	-	222,602
L Dorman	16,780	26,446	-	(5,538)	37,688

1. Ms Williams ceased her role as Non-Executive Director on 20 September 2024. Her balance at this date is shown.

REMUNERATION REPORT continued

8. Loans and Other Transactions

8.1 Loans to KMP

No loans were made to Directors of Megaport Limited or other KMP of the Group, including their close family members and entities related to them, for the financial year ended 30 June 2025 (2024: nil).

8.2 Transactions with entities related to KMP

	Notes	2025 $	2024 $
Sales and purchases of goods and services			
Purchase of shared services from entities controlled by key management personnel	(i)	–	202,454
Sale of network related services to entities related to key management personnel		–	10,400
Income from equipment rental to entities related to key management personnel		–	30,958

(i) Shared services agreement

The Company entered into a shared services agreement with Capital B Pty Ltd ACN 162 622 282 ('Soda'), a company controlled by Bevan Slattery (Chairman of the Company until 30 June 2024). Under the agreement, Soda provides certain services to the Group. The services are charged on the basis of the actual cost to Soda plus a margin of 20%, allocated on the time Soda employees spend providing services to the Group. The obligations on Soda under the agreement are typical for a service agreement, and require that Soda provide the services with due care, skill and judgement, comply with the law in providing the services and effect appropriate insurance. Soda may seek reimbursement for certain expenses incurred in connection with the provision of services under the agreement. Either party may terminate the agreement for convenience on 60 days' written notice. For the year ended 30 June 2025, Soda was not a related party of the Group.

8.3 Outstanding balances from KMP

The following balances were outstanding at the end of the year:

	Notes	2025 $	2024 $
Amounts owed by related parties			
Key management personnel	(i)	6,132	–
		6,132	**–**

Notes:

(i) Amounts owed by key management personnel relate to costs paid by the Group which the KMP has agreed to reimburse. The amount owing at 30 June 2025 will be repaid in October 2025.

There were no amounts owing to related parties at 30 June 2025 (30 June 2024: nil).

Terms and Conditions

Directors for the Group hold other directorships as detailed in the Directors' Report. Where any of these related entities are customers or suppliers of the Group, the arrangements are on similar terms to third party customers or suppliers respectively.

REMUNERATION REPORT continued

The Directors' Report is signed in accordance with a resolution of Directors made pursuant to s298(2) of the *Corporations Act 2001*.

On behalf of the Board of Directors

Melinda Snowden
Chair & Non-Executive Director

Sydney

21 August 2025

AUDITOR'S INDEPENDENCE DECLARATION

TO MEGAPORT LIMITED

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

Riverside Centre
Level 23
123 Eagle Street
Brisbane QLD 4000
GPO Box 1463
Brisbane QLD 4001 Australia

Tel: +61 (0) 7 3308 7000
Fax: +61 (0) 7 3308 7001
www.deloitte.com.au

21 August 2025

The Board of Directors
Megaport Limited
Level 3
825 Ann Street
Fortitude Valley QLD 4006

Dear Board Members

Auditor's Independence Declaration to Megaport Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Megaport Limited.

As lead audit partner for the audit of the financial report of Megaport Limited for the year ended 30 June 2025, I declare that to the best of my knowledge and belief, there have been no contraventions of:

i. The auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

ii. Any applicable code of professional conduct in relation to the audit.

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Stephen Tarling
Partner
Chartered Accountants

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2025

	Notes	2025 $'000	2024 $'000
Continuing operations			
Revenue	7, 8	227,060	195,271
Direct network costs	9	(38,498)	(36,412)
Partner commissions	9	(26,515)	(22,042)
Gross profit		**162,047**	**136,817**
Interest income		1,623	954
Employee expenses		(74,814)	(59,063)
Professional fees		(5,707)	(4,716)
Marketing, events and conference expenses		(5,575)	(4,763)
Travel expenses		(4,003)	(2,853)
IT costs		(3,962)	(3,446)
Equity-settled employee costs	11, 29	(19,543)	(13,740)
Depreciation and amortisation expense	11	(43,320)	(37,337)
Finance costs		(1,725)	(1,750)
Foreign exchange losses		(525)	(2,516)
Other expenses		(5,624)	(6,281)
(Loss)/ profit before income tax		**(1,128)**	**1,306**
Income tax benefit	10(a)	836	8,300
Net (loss)/profit for the year		**(292)**	**9,606**
Other comprehensive income/(loss), net of tax			
Items that may be reclassified subsequent to profit or loss:			
Exchange differences arising on the translation of foreign operations	24	5,412	1,470
Release of foreign currency translation reserve to profit or loss	24	387	–
Total other comprehensive income, net of income tax		**5,799**	**1,470**
Total comprehensive income for the year		**5,507**	**11,076**
(Loss)/earnings per share		$	$
Basic and diluted (loss)/earnings per share	12	(0.00)	0.06

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2025

	Notes	2025 $'000	2024 $'000
Assets			
Current assets			
Cash and cash equivalents	13	102,067	72,434
Trade and other receivables	14	16,019	16,404
Contract assets	15	11,091	9,927
Income tax receivable	10(b)	108	313
Other assets	16	5,769	6,063
Total current assets		**135,054**	**105,141**
Non-current assets			
Property, plant and equipment	17	41,893	36,360
Intangible assets	18	46,542	48,668
Right-of-use assets	20(a)	14,549	6,896
Deferred tax assets	10(c)	22,166	17,638
Total non-current assets		**125,150**	**109,562**
Total assets		**260,204**	**214,703**
Liabilities			
Current liabilities			
Trade and other payables	21	36,118	31,027
Borrowings	25	6,536	5,230
Lease liabilities	20(b)	8,400	4,467
Provisions	22	4,986	3,915
Income tax payable	10(b)	212	290
Other liabilities		921	794
Total current liabilities		**57,173**	**45,723**
Non-current liabilities			
Trade and other payables	21	-	526
Borrowings	25	6,713	3,124
Lease liabilities	20(b)	6,648	2,966
Provisions	22	635	444
Deferred tax liabilities	10(c)	10,350	7,840
Total non-current liabilities		**24,346**	**14,900**
Total liabilities		**81,519**	**60,623**
Net assets		**178,685**	**154,080**
Equity			
Issued capital	23	440,882	422,674
Reserves	24	8,941	2,357
Other equity		(11,914)	(11,914)
Accumulated losses		(259,224)	(259,037)
Total equity		**178,685**	**154,080**

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2025

	Notes	Issued capital $'000	Reserves $'000	Other equity^ $'000	Accumulated losses $'000	Total equity $'000
Balance at 1 July 2023		412,844	(4,281)	(11,914)	(268,722)	127,927
Profit for the year		-	-	-	9,606	9,606
Other comprehensive income	24	-	1,470	-	-	1,470
Total comprehensive income for the year		**-**	**1,470**	**-**	**9,606**	**11,076**
Transactions with owners in their capacity as owners:						
Issue of ordinary share capital	23	1,327	-	-	-	1,327
Transfer from equity-settled employee benefits reserves	23, 24	8,503	(8,582)	-	79	-
Vesting of equity settled share based payments	24, 29	-	13,750	-	-	13,750
Balance at 30 June 2024		**422,674**	**2,357**	**(11,914)**	**(259,037)**	**154,080**
Balance at 1 July 2024		422,674	2,357	(11,914)	(259,037)	154,080
Loss for the year		-	-	-	(292)	(292)
Other comprehensive income	24	-	5,799	-	-	5,799
Total comprehensive income for the year		**-**	**5,799**	**-**	**(292)**	**5,507**
Transactions with owners in their capacity as owners:						
Transfer from equity-settled employee benefits reserves	23, 24	18,208	(18,327)	-	105	(14)
Vesting of equity-settled share based payments	24, 29	-	19,112	-	-	19,112
Balance at 30 June 2025		**440,882**	**8,941**	**(11,914)**	**(259,224)**	**178,685**

^ Represents adjustment arising from common-control transactions, refer to Note 6 in the consolidated financial statements.

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2025

	Notes	2025 $'000	2024 $'000
Cash flows from operating activities			
Receipts from customers		246,232	213,138
Payments to suppliers and employees		(176,942)	(159,472)
Interest received		1,644	761
Income taxes paid		(779)	(778)
Payment of network financing instalments		(1,909)	(1,909)
Net cash flows from operating activities	13	**68,246**	**51,740**
Cash flows from investing activities			
Payments for property, plant and equipment		(21,493)	(10,586)
Payments for intangible assets		(12,805)	(9,273)
Proceeds from disposal of property, plant and equipment		12	5
Net cash flows used in investing activities		**(34,286)**	**(19,854)**
Cash flows from financing activities			
Proceeds from issue of new shares		–	1,327
Cash settlement of restricted stock units		14	–
Proceeds from borrowings		11,829	6,798
Repayment of borrowings		(6,756)	(8,144)
Payment of principal portion of lease liabilities		(9,123)	(5,694)
Interest and other costs of finance paid		(1,632)	(1,565)
Transaction costs related to loans and borrowings		(361)	(156)
Net cash flows used in financing activities		**(6,029)**	**(7,434)**
Net increase in cash and cash equivalents held		27,931	24,452
Effects of exchange rate changes on cash and cash equivalents		1,702	(473)
Cash and cash equivalents at beginning of the year		72,434	48,455
Cash and cash equivalents at end of the year	13	**102,067**	**72,434**

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Overview

The notes to the consolidated financial statements have been grouped into sections. Each section includes an introduction to outline the focus and content of the section. The related notes are grouped under that section. The accounting policies as well as key accounting estimates and judgements applied in the preparation of the consolidated financial statements which are relevant to the note are also included. The notes grouping has been done under the following sections:

- Section 1: General information and basis of preparation
- Section 2: Business performance
- Section 3: Core assets, liabilities and working capital
- Section 4: Capital and financial risk management
- Section 5: Equity-settled employee benefits
- Section 6: Group structure and related party transactions
- Section 7: Other Information

Section 1: General information and basis of preparation

This section explains the basis of preparation of the consolidated financial statements and provides a summary of the key accounting estimates and judgements applied in the preparation of the consolidated financial statements.

1. General information

Megaport Limited ('parent entity' or 'the Company') is a listed public company, incorporated and domiciled in Australia. Megaport Limited shares are listed on the Australian Securities Exchange ('ASX').

Megaport's registered office and principal place of business is:

Level 3
825 Ann Street
Fortitude Valley, QLD 4006

The principal activities of the Company and its subsidiaries (together referred to as 'the Group', 'Megaport' or 'consolidated entity') are described in the Directors' Report.

All press releases, financial reports and other information are available at Megaport's Investor Centre at the following website address: www.megaport.com/investor.

Material accounting policies adopted in the preparation of these consolidated financial statements are included in the relevant notes to the consolidated financial statements. These policies have been consistently applied to all the periods presented, unless otherwise stated. The consolidated financial statements are for the Group for the financial year ended 30 June 2025.

The consolidated financial statements were authorised for issue by the Directors on the date of the Directors' Declaration. The Directors have the power to amend and reissue the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

2. Basis of preparation

These are general purpose consolidated financial statements which have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB'), and comply with other requirements of the law.

The consolidated financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

The Company is a company of the kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the consolidated financial statements are rounded off to the nearest thousand dollars ($'000), unless otherwise indicated.

Compliance with IFRS

The consolidated financial statements and the accompanying notes of the Group also comply with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board ('IASB').

Going concern

Determining whether the Group is a going concern has been evaluated through detailed budgets and cash flow forecasts which include key assumptions around future cash flows including forecast results and margins from operations. The Group has sufficient cash reserves and monitors the reserves through these detailed budgets and cash flow forecasts to ensure there are sufficient available funds for its operations and any planned expansion. As a result, the Directors are satisfied that the Group is able to maintain sufficient resources to continue in operation for the foreseeable future. Accordingly, they have adopted the going concern basis in preparing the consolidated financial statements.

Historical cost and fair value conventions

The consolidated financial statements have been prepared on the basis of historical cost, except for certain financial instruments that are measured at fair value at the end of each reporting date, as explained in accounting policies in the relevant notes. Historical cost is generally based on the fair values of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the Group takes into account the characteristics of the asset or liability at the measurement date.

3. Critical accounting estimates and judgements

The preparation of the consolidated financial statements requires the use of certain accounting estimates. It also requires management to exercise judgement in the process of applying the Group's accounting policies, make estimates and assumptions in determining carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

Other specific significant management judgements and estimates used are set out in the relevant notes. These are summarised below.

Key accounting estimate and judgement	Note
Estimating provision for income taxes	10
Recognition of deferred tax relating to unused tax losses	10
Determining the useful lives of property, plant and equipment and intangible assets	17 & 18
Capitalisation of internally generated intangible assets	18
Impairment of assets	19
Determining the incremental borrowing rates for leases	20
Fair value measurements of equity-settled employee benefits	29

4. New and amended standards and interpretations adopted by the Group

(a) New and amended Australian Accounting Standards that are effective for the current year

In the current year, the Group has applied the below amendments to Australian Accounting Standards issued by the Australian Accounting Standards Board that are effective for the Group's annual reporting period that began on 1 July 2024.

Pronouncement	Impact
AASB 2022-5 *Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback*	Requires a seller-lessee to subsequently measure lease liabilities arising from a sale and leaseback transaction in a way that does not result in recognition of a gain or loss that relates to the right of use it retains. The Group does not currently have sale and leaseback arrangements. The Group will apply the amendments if sale and leaseback arrangements are entered into in the future.
AASB 2022-6 *Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants*	Clarifies when liabilities should be presented as current or non-current in the statement of financial position, including the impact of covenants on that classification. Requires additional disclosures about the risk that non-current liabilities could become payable within twelve months after the reporting period because of the difficulties with complying with the covenants. The amendments did not impact the classification of the Group's financial liabilities.
AASB 2023-1 *Amendments to Australian Accounting Standards – Supplier Finance Arrangements*	Requires the disclosure of information about an entity's supplier finance arrangements and their effects on the entity's liabilities and cash flows. Where relevant the Group has implemented the requirements of this pronouncement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

(b) New and revised Australian Accounting Standards and Interpretations on issue but not yet effective

At the date of authorisation of the consolidated financial statements, the Group has not applied the following new and revised Australian Accounting Standards, Interpretations and amendments that have been issued but are not yet effective which may have an impact on the Group's consolidated financial statements for future reporting periods:

Effective for annual reporting periods beginning on or after	Standard/Amendment	Nature of the change and expected impact
1 January 2025	AASB 2023-5 *Amendments to Australian Accounting Standards – Lack of Exchangeability*	Specifies how to assess whether a currency is exchangeable and how to determine the exchange rate when it is not. The Group does not currently have operations in any country where the currency is not exchangeable. The Group will apply the amendments if it commences operations in a country where the currency is not exchangeable.
1 January 2027	AASB 18 *Presentation and Disclosure in Financial Statements*	The Group is currently assessing the impact of this Standard on its consolidated financial statements. This Standard will not change the recognition and measurement of items in the consolidated financial statements, but will affect presentation and disclosure in the consolidated financial statements, including introducing new categories and subtotals in the Consolidated Statement of Profit or Loss, requiring the disclosure of management defined performance measures, and changing the grouping of information in the consolidated financial statements.

(c) IFRS Accounting Standards and Interpretations on issue but not yet effective

The IASB issued IFRS 19 *Subsidiaries without Public Accountability: Disclosures* on 9 May 2024. The director's do not expect the adoption of this standard to have a material impact on the Group's consolidated financial statements in future reporting periods.

5. Sustainability developments

The International Sustainability Standards Board ('ISSB') issued its first two IFRS Sustainability Disclosure Standards, IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures*.

IFRS S1 sets out the core content requirements for a complete set of sustainability-related financial disclosures and requires an entity to disclose information about all sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects. The effect on the entity's prospects refers to the effect on the entity's cash flows, its access to finance or cost of capital over the short, medium or long term.

IFRS S2 requires an entity to provide information about its exposure to climate-related risks and opportunities. The standard sets out the requirements for the identification, measurement and disclosure of climate-related financial information.

Furthermore, it requires an entity to disclose relevant information along the four content pillars derived from the Recommendations of the Taskforce for Climate-Related Financial Disclosures, Governance, Strategy, Risk Management, and Metrics and Targets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

In Australia, the AASB issued its first two sustainability reporting standards in September 2024:

- AASB S1 *General Requirements for Disclosure of Climate-related Financial Information [voluntary]*, which is a voluntary standard based on IFRS S1. The essential general requirements from AASB S1 necessary for mandatory climate-related financial disclosures are incorporated directly into AASB S2 Consistent with previous AASB decisions and Government policy, this standard has been 'climatised' to only apply to climate-related financial disclosures only.
- AASB S2 *Climate-related Disclosures* is an Australian mandatory standard which is based on IFRS S2. The scope of this standard is limited to climate-related risks and opportunities related to climate change and does not include other climate related emissions that are not greenhouse gas ('GHG') emissions. In addition, AASB S2 does not require an entity to consider industry based guidance or disclose industry based metrics.

The standards will become effective for the Group for the financial year ended 30 June 2027. The Group's key area of environmental risk relates to its reliance on third-party data centres to provide its services. As suppliers globally invest in mitigating environmental risks, Megaport may experience increased operating costs as suppliers increase their prices to cover their costs of addressing these risks. Management will continue to monitor the development of these standards and will adopt the requirements of the standards as and when they become effective.

6. Other accounting policies not included anywhere else in the report

(i) Foreign currencies

The individual financial statements of each entity within the Group are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each individual entity within the Group are expressed in Australian dollars ('$'), which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the consolidated financial statements of each individual entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at their respective functional currency spot rates at the dates the transactions first qualifies for recognition. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates at the reporting date.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the functional currency spot rate at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- Exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purpose of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Australian dollars using exchange rates prevailing at the end of the reporting period.

Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a foreign exchange translation reserve.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

(ii) Derecognition of financial assets and liabilities

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(iii) Other taxes

Revenues, expenses and assets are recognised net of the amount of associated other taxes, including goods & services tax (GST), value-added tax (VAT), and sales and use tax, except:

- Where the amount of other taxes incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- For receivables and payables which are recognised inclusive of other taxes.

The net amount of other taxes recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the Consolidated Statement of Cash Flows on a gross basis. The other taxes component of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority are classified within operating cash flows.

Commitments and contingencies are disclosed net of the amount of other taxes recoverable from, or payable to, the taxation authority.

(iv) Common-control transactions

A business combination involving entities or businesses under common-control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that the control is not transitory. Where an entity within the Group acquires an entity under common-control, the acquirer consolidates the book value of the acquired entity's assets and liabilities from the date of acquisition. The consolidated financial statements of the Group include the acquired entity's income and expenses from the date of acquisition onwards. Any difference between the fair value of the consideration paid/transferred by the acquirer and the net assets/(liabilities) of the acquired entity are taken to the common control reserve within other equity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

Section 2: Business performance

This section provides information about our results, performance of our segments, information on revenue, direct network costs, partner commissions, details of income tax expenses, details of significant expense lines and our earnings per share for the period.

7. Segment information

(a) Description of segments

AASB 8 *Operating Segments* requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. Operating segments are reported in a manner that is consistent with the internal reporting provided to the Chief Operating Decision Maker ('CODM'). The CODM has been identified as the Board of Directors, who make strategic decisions on behalf of the Group.

The Group's Board of Directors examines the performance of the Group from a geographic perspective and has identified three operating segments. Head office and Group services costs whose function is to support the operating segments are presented under 'other' in this note. All operating segments are currently reportable. All operating segments generate revenue from the Group's principal activities. These segments are:

- The Americas, established in April 2016. There are now 545 enabled data centres across the United States of America, Canada, Mexico, and Brazil (2024: 491).
- Asia Pacific, including Australia, New Zealand, Hong Kong, Singapore and Japan. As of 30 June 2025, 171 enabled data centres operate across Asia-Pacific (2024: 148).
- Europe, established in 2016 and subsequently acquired Megaport (Bulgaria) EAD and Megaport (Deutschland) GmbH respectively. There are now 267 enabled data centres across Europe (2024: 229).

Other, includes head office and group services, whose function is to support the operating segments and growth of the global business.

(b) Segment information provided to the Chief Operating Decision Maker

The CODM monitors the operating results of operating segments separately for the purpose of making decisions about resources to be allocated and assessing performance. Segment performance is evaluated based on Revenue, Gross profit, and EBITDA, each of which are measured the same way as these items in the consolidated financial statements.

The accounting policies of the reportable segments are the same as the Group's policies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

(c) Segment performance

The following tables present information on revenue and results for the Group's operating segments as presented to the CODM. The amounts reconciling EBITDA to net profit/(loss) for the period are presented on a consistent basis with the financial information presented to the CODM in the year ended 30 June 2025. Comparative information has been re-presented accordingly.

2025	The Americas $'000	Asia Pacific $'000	Europe $'000	Total operating segments $'000	Other[1] $'000	Total $'000
Revenue[2]	**129,673**	**60,014**	**37,373**	**227,060**	**-**	**227,060**
Gross profit[3]	**86,909**	**47,544**	**27,594**	**162,047**	**-**	**162,047**
EBITDA[4]	**55,517**	**38,339**	**14,385**	**108,241**	**(45,990)**	**62,251**
Interest income						1,623
Depreciation and amortisation expense						(43,320)
Equity-settled employee costs						(19,543)
Finance costs						(1,725)
Foreign exchange losses						(525)
Non-operating income[5]						111
Income tax benefit						836
Net loss for the year						**(292)**

1. Other represents head office and group services costs, whose function is to support the operating segments and growth of the global business.
2. Segment revenue reported above represents revenue generated from external customers. There were no intersegment sales during the year ended 30 June 2025 and 30 June 2024.
3. Gross profit is revenue less direct network costs (comprising data centre power and space, physical cross connect fees, bandwidth and dark fibre, network operation and maintenance) which are directly related to generating revenue, and partner commissions which are indirectly related to generating revenue.
4. Earnings Before Interest Tax Depreciation and Amortisation ('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. EBITDA excludes restructuring costs of $1.1M in FY24.
5. Non-operating income/expenses represent restructuring costs, gain/loss on disposal/write off of intangible assets, property, plant ('PPE') and equipment and right-of-use assets, losses on discontinuation of businesses, entity liquidation costs and release of foreign currency translation reserve to profit or loss on liquidation of foreign entities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

2024	The Americas $'000	Asia Pacific $'000	Europe $'000	Total operating segments $'000	Other[1] $'000	Total $'000
Revenue[2]	**110,808**	**52,583**	**31,880**	**195,271**	**-**	**195,271**
Gross profit[3]	**71,235**	**41,912**	**23,670**	**136,817**	**-**	**136,817**
EBITDA[4]	**51,050**	**35,420**	**14,293**	**100,763**	**(43,658)**	**57,105**
Interest income						954
Depreciation and amortisation expense						(37,337)
Equity-settled employee costs						(13,740)
Finance costs						(1,750)
Foreign exchange losses						(2,516)
Non-operating expenses[5]						(1,410)
Income tax benefit						8,300
Net profit for the year						**9,606**

1. 'Other' represents head office and group services costs, whose function is to support the operating segments and growth of the global business.
2. Segment revenue reported above represents revenue generated from external customers. There were no intersegment sales during the year ended 30 June 2025 and 30 June 2024.
3. Gross profit is revenue less direct network costs (comprising data centre power and space, physical cross connect fees, bandwidth and dark fibre, network operation and maintenance) which are directly related to generating revenue, and partner commissions which are indirectly related to generating revenue.
4. Earnings Before Interest Tax Depreciation and Amortisation ('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. EBITDA excludes restructuring costs of $1.1M in FY24.
5. Non-operating income / expenses represent restructuring costs, gain/loss on disposal/write off of intangible assets, property, plant ('PPE') and equipment and right-of-use assets, losses on discontinuation of businesses, entity liquidation costs and release of foreign currency translation reserve to profit or loss on liquidation of foreign entities.

The amount of the Group's revenue from external customers broken down by major countries is as follows:

	2025		2024	
Location	$'000	%	$'000	%
United States of America	125,383	55.2	106,526	54.6
Australia	35,380	15.6	30,931	15.8
United Kingdom	14,238	6.3	11,616	5.9
Germany	11,178	4.9	10,536	5.4
Other countries	40,881	18.0	35,662	18.3
Total	**227,060**	**100.0**	**195,271**	**100.0**

No single customer contributed 10% or more to the Group's revenue for both the financial years ending 30 June 2025 and 30 June 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

8. Revenue

Megaport derives income from the sale and provisioning of integrated on-demand high-speed data and network interconnectivity services ("Network as a Service"; "NaaS" or "data services"). The Group derived the following revenue for the year from contracts with customers (disaggregated by Geographic region).

	2025 $'000	2024 $'000
The Americas	129,673	110,808
Asia Pacific	60,014	52,583
Europe	37,373	31,880
Total	**227,060**	**195,271**

Taking into account the nature of Megaport's integrated 'NaaS' services, and the way in which those services are billed to customers, disaggregation of revenue on the basis of the one category, geographic region, is considered to be the basis which best depicts how the nature, amount, timing and uncertainty of the Group's revenue and cash flows are affected by economic factors.

(a) Revenue recognition and measurement

AASB 15 *Revenue from Contracts with Customers* establishes principles for reporting the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with customers and requires application of a five-step process to identify the contract with the customer, identify performance obligations in the contract, determine transaction price, allocate the transaction price to the performance obligations and recognise revenue when performance obligations are satisfied.

Rendering of services

Megaport derives income primarily through short and medium term contracts for the sale and provisioning of on-demand high-speed data services including network interconnectivity, facilitated through the Group's service delivery and connectivity platform. The Group has concluded that it is the principal in its NaaS arrangements as it provides and controls the services to which the revenue relates. Revenue for data services is recognised when the performance obligation of 'the completion of provision of service' is satisfied. The performance obligation is satisfied over time, usually on a monthly basis. Revenue from services provided but unbilled is accrued at the end of each period and unearned revenue for services to be provided in future periods is deferred and recognised in the period that the performance obligation is satisfied. Revenue from rendering of services is billed monthly on a usage basis with standard payment terms of 30 days. The NaaS provided to each customer comprises a combination of elements which are billed at the beginning of the month together in one invoice. Some elements of the overall service have a fixed monthly charge billed during the month in which the service is provided, and the remaining elements are billed in the following month once actual network usage by the customer for the month is known.

9. Direct network costs and partner commissions

Direct network costs comprise of data centre power and space, physical cross connect fees, bandwidth and dark fibre, and network operation and maintenance, which are directly related to generating the service revenue of the Group. Partner commissions comprise of commissions paid/payable to agents and resellers which are indirectly related to generating the service revenue of the Group. Agents and resellers earn a set percentage as per their Reseller Agreement on all services consumed by the customer.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

10. Income tax

(a) Income tax benefit/(expense) recognised in profit or loss

(i) Major components of income tax benefit/(expense)

	2025 $'000	2024 $'000
Current income tax expense	(827)	(936)
Deferred income tax benefit	1,663	9,236
Total income tax benefit	**836**	**8,300**

(ii) Numerical reconciliation of income tax benefit/(expense) to prima facie tax payable or receivable.

	2025 $'000	2024 $'000
Accounting profit/(loss) before income tax	(1,128)	1,306
Tax at the Australian tax rate of 30% (2024: 30%)	339	(392)
Non-deductible or non-taxable amounts	127	(469)
Recognition of temporary differences previously not brought to account	175	1,403
Difference in overseas tax rates	(106)	6
Unused tax losses recognised/(not recognised)	200	8,447
Minimum taxes/withholding taxes	(606)	(197)
Adjustment in respect of prior years	707	(498)
Total income tax benefit	**836**	**8,300**

Income tax benefit represents the sum of the tax currently receivable and deferred tax. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Tax consolidation – Relevance of tax consolidation to the Group

The parent entity and its wholly-owned Australian resident entities have formed a tax-consolidated group with effect from 2 August 2015 and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated group is Megaport Limited. There are also tax-consolidated groups in the USA and the UK, comprising Megaport's USA and UK legal entities respectively. The members of each tax-consolidated group are identified in Note 30.

Tax benefit/expense, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of each tax-consolidated group are recognised in the separate financial statements, where applicable, of the members of the tax-consolidated groups using the 'stand-alone separate taxpayer' approach by reference to the carrying amounts in the separate financial statements of each entity, and the tax values applied under tax consolidation. Current tax liabilities and assets, and deferred tax assets arising from unused tax losses, and relevant tax credits of the members of the tax-consolidated groups are generally recognised by the head company of each tax consolidated group.

Tax funding arrangements and tax sharing agreements

The entities within the Australian tax-consolidated group have entered into a tax funding arrangement and a tax sharing agreement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

(b) Current tax assets and liabilities

	2025 $'000	2024 $'000
Income tax receivable	108	313
Income tax payable	(212)	(290)
Net current tax receivable/(payable)	**(104)**	**23**

(c) Deferred tax assets and liabilities

	2025 $'000	2024 $'000
Deferred tax assets	22,166	17,638
Deferred tax liabilities	(10,350)	(7,840)
Net deferred tax assets	**11,816**	**9,798**

While the deferred tax assets and liabilities above are disclosed gross for completeness, there are opportunities to net positive and negative timing differences within tax jurisdictions and tax groups. The value of such potential offsets is $10.3 million (2024: $7.0 million), meaning the net deferred tax assets and liabilities for the Group are $11.8 million (2024: $10.7 million) and $12.0 thousand (2024: $0.9 million) respectively.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax is determined using tax rates and laws that have been enacted, or substantively enacted, by the reporting date, and are expected to apply when the related deferred tax asset is realised, or the deferred tax liability is settled.

Deferred tax assets are only recognised for deductible temporary differences, unused tax losses and any unused tax credits to the extent that it is probable that taxable profits will be available against which those temporary differences can be utilised. Deferred tax assets arising from deductible temporary differences associated with investments in subsidiaries and associates are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences, and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent it is no longer probable sufficient taxable profits will be available to allow recovery of all or part of the asset.

Deferred tax liabilities are generally recognised for all taxable temporary differences except to the extent that the deferred tax liability arises from:

- the initial recognition of assets and liabilities in a transaction (other than in a business combination) that affects neither the taxable profit nor the accounting profit;
- the initial recognition of goodwill or;
- taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, where the Group is able to control the reversal of the temporary difference and it is not probable that the temporary difference will reverse in the foreseeable future.

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

(i) The following is the analysis of deferred tax assets and deferred tax liabilities presented in the Consolidated Statement of Financial Position:

30 June 2025

Deferred tax assets	Opening balance $'000	Recognised in profit or loss $'000	Exchange differences $'000	Closing balance $'000
Intangible assets	57	494	(7)	544
Property Plant & Equipment	450	469	(6)	913
Lease Liabilities	1,557	1,230	33	2,820
Share based remuneration and related issue costs	2,797	2,128	(1)	4,924
Accruals and other payables	2,892	845	21	3,758
Unrealised foreign exchange and others	6,496	(6,283)	152	365
Tax losses (non-capital)	3,389	5,225	228	8,842
Deferred tax assets	**17,638**	**4,108**	**420**	**22,166**

Deferred tax liabilities	Opening balance $'000	Recognised in profit or loss $'000	Exchange differences $'000	Closing balance $'000
Intangible assets	(2,677)	1,773	(4)	(908)
Property Plant & Equipment	(1,139)	(2,389)	20	(3,508)
Right-of-use assets	(1,433)	(1,201)	(63)	(2,697)
Accruals and other payables	–	(3)	–	(3)
Unrealised foreign exchange and others	(2,591)	(625)	(18)	(3,234)
Deferred tax liabilities	**(7,840)**	**(2,445)**	**(65)**	**(10,350)**

30 June 2024

Deferred tax assets	Opening balance $'000	Recognised in profit or loss $'000	Exchange differences $'000	Closing balance $'000
Intangible assets	45	12	–	57
Property Plant & Equipment	381	74	(5)	450
Lease liabilities	2,275	(726)	8	1,557
Share based remuneration and related issue costs	1,618	1,180	(1)	2,797
Accruals and other payables	3,525	(633)	–	2,892
Unrealised foreign exchange and others	4,496	2,014	(14)	6,496
Tax losses (non-capital)	1,682	1,725	(18)	3,389
Deferred tax assets	**14,022**	**3,646**	**(30)**	**17,638**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

Deferred tax liabilities	Opening balance $'000	Recognised in profit or loss $'000	Exchange differences $'000	Closing balance $'000
Intangible assets	(5,268)	2,595	(4)	(2,677)
Property Plant & Equipment	(1,813)	690	(16)	(1,139)
Right-of-use assets	(2,141)	716	(8)	(1,433)
Accruals and other payables	(479)	479	–	–
Unrealised foreign exchange and others	(3,713)	1,110	12	(2,591)
Deferred tax liabilities	**(13,414)**	**5,590**	**(16)**	**(7,840)**

The Group has unutilised tax losses of $321.8 million at 30 June 2025 which are available for carry-forward to future years. The deferred tax asset recognised in relation to unused tax losses is $8.8 million (2024: $3.4 million),

Projections of taxable profits from various sources and tax planning were used to support the recognition of these losses, and they have been recognised on the basis that it is considered probable that the Group will generate future taxable profits against which these losses can be utilised. The future projected taxable profit is underpinned by the Group's forecasts of customer and revenue growth and the anticipated timing of the increase in demand for the Group's services. The deferred tax asset relating to the unused tax losses will be reassessed in future periods based on the level of taxable income generated by the Group.

(ii) Unrecognised deductible temporary differences, unused tax losses and unused tax credits

	2025 $'000	2024 $'000
Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:		
Tax losses carried forward	78,901	61,133
Total deferred tax assets not recognised	**78,901**	**61,133**

The deferred tax asset not recognised above is the result of unused tax losses in Australia of $126.7 million (2024: $77.8 million), in the United States of America of $119.3 million (2024: $124.6 million), in Ireland $12.9 million (2024: $6.5 million), in France $9.9 million (2024: $7.6 million), in Canada $6.5 million (2024: $7.4 million) and in other countries totalling $12.6 million (2024: $30.8 million).

The increase in Australian unrecognised tax losses compared to 30 June 2024 substantially relates to tax return amendments for prior years which were submitted during the year ended 30 June 2025 to correct intra-group interest charges in line with the Group's transfer pricing policy. There is not an equal reduction in the unrecognised tax losses of other jurisdictions due to diverging tax rules across international markets.

These losses should be available to offset against future taxable profits of the companies in which the losses arose, subject to satisfying the relevant income tax loss carry forward rules and recognition criteria.

(d) Significant areas of judgement

(i) Estimating provision for income taxes

The Group is subject to income taxes in each jurisdiction that it operates. Estimation is required in determining the provision for income taxes. There are certain transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group estimates its tax liabilities based on the Group's understanding of the tax law. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax assets and liabilities in the period in which such determination is made.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

(ii) Recognition of deferred tax relating to unused tax losses

In assessing the probability of realising income tax assets recognised, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operating activities and the application of existing tax laws in each jurisdiction. The Group considers relevant tax planning opportunities that are within the Group's control, are feasible, and within management's ability to implement. Examination by applicable tax authorities is supported based on individual facts and circumstances of the relevant tax position examined in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognised. Also, future changes in tax laws could limit the Group from realising the tax benefits from the deferred tax assets. The Group reassesses unrecognised income tax assets at each reporting period.

11 Significant profit or loss items

The Group has identified a number of specific expenses and gains included in profit or loss before income tax which are significant due to their nature and/or amount. These are listed separately here to provide a better understanding of the financial performance of the Group.

	Notes	2025 $'000	2024 $'000
Income and expenses			
Depreciation and amortisation:			
Depreciation of property, plant and equipment	17	20,510	18,042
Depreciation of right-of-use-assets	20(a)	9,603	5,692
Amortisation of intangible assets	18	13,207	13,603
		43,320	**37,337**
Equity-settled employee costs and related tax costs:			
Restricted stock units	29	19,493	13,633
Deferred shares plan – Non-executive directors	29	39	79
Employee share option plans	29	11	28
		19,543	**13,740**
Other items:			
Employees' superannuation expense		4,225	3,334
Foreign exchange losses	(i)	525	2,516
Interest expense on lease liabilities		878	565
Interest expense on other borrowings		525	714
Expense relating to short-term leases		2,705	250

Notes:

(i) The Group provides funding support to subsidiaries to invest in network equipment and fund operating losses until they become established and self-funding. As a result, the Group may be subject to foreign currency gains or losses on intercompany receivables and payables, and cash balances held in foreign currencies. Refer to Note 28 for further details.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

12. (Loss)/earnings per share

The (loss)/profit and weighted average number of ordinary shares used in the calculation of basic and diluted (loss)/earnings per share are as follows:

	2025 $'000	2024 $'000
(Loss)/profit for the year attributable to owners of the Company	(292)	9,606
(Loss)/profit used in the calculation of basic and diluted (loss)/earnings per share	**(292)**	**9,606**

	2025 No. of Shares	2024 No. of Shares
Weighted average number of ordinary shares for the purpose of basic (loss)/earnings per share	**160,294,983**	**159,145,610**
Effects of dilution from:		
Restricted stock units	-	1,854,265
Deferred shares	-	28,897
Weighted average number of ordinary shares for the purpose of diluted (loss)/earnings per share	**160,294,983**	**161,028,772**

	2025 $	2024 $
Basic and diluted (loss)/earnings per share	(0.00)	0.06

Basic earnings per share ('EPS') is calculated by dividing the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

Diluted EPS adjusts the figures used in the determination of basic EPS taking into account:

- The after-tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- The weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

The current year diluted earnings per share excludes the effect of 8,334 outstanding employee share options, 4,367,774 restricted stock units and 8,036 deferred shares as these are antidilutive given the Group made a loss for the year.

The 30 June 2024 diluted earnings per share excludes the effect of 16,667 outstanding employee share options and 282,160 potential ordinary shares as these were determined as unlikely to convert to ordinary shares.

Section 3: Core assets, liabilities and working capital

This section provides information about our long-term tangible and intangible assets as well as our impairment assessment. This section also includes information about our short-term assets and liabilities, and cash balances in support of our working capital and liquidity position.

Assets and liabilities are presented in the Consolidated Statement of Financial Position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

13. Cash and cash equivalents

	Notes	2025 $'000	2024 $'000
Cash at bank	(i)	102,067	72,434
Total cash and cash equivalents		**102,067**	**72,434**

Notes:

(i) Cash at bank includes no amounts (2024: $6,548,982) that are held under lien by the bank as security for the Group's borrowings, rental security and credit cards that would therefore not be available for use by the Group.

Cash at bank earns interest at floating rates based on daily bank deposit rates ranging 3.610% – 5.100%% (2024: 3.850% – 5.100%). The weighted average interest rate for the year was 4.419% (2024: 5.437%).

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash and cash equivalents at the end of the reporting period as shown in the Consolidated Statement of Cash Flows can be reconciled to the related items in the Consolidated Statement of Financial Position as follows:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

Reconciliation of loss for the year to net cash flows from/(used in) operating activities

Net cash flows from operating activities	Notes	2025 $'000	2024 $'000
(Loss)/ profit for the year		(292)	9,606
Adjustments for:			
Depreciation and amortisation	11	43,320	37,337
(Gain)/loss on disposal or write-off of non-current assets		(142)	131
Net foreign exchange differences	11	525	2,516
Equity-settled employee costs	29	19,543	13,740
Deferred income tax (benefit)/expense	10	(1,663)	(9,236)
Other non cash adjustment to operating profit		22	108
Finance costs		1,725	1,750
Operating cash flows before movements in working capital		**63,038**	**55,952**
Movements in working capital:			
Decrease in trade and other receivables		1,219	629
Increase in contract assets		(860)	(1,109)
Decrease in other assets		755	1,472
Increase/(decrease) in operating trade and other payables		2,121	(6,285)
Decrease in tax assets and liabilities		654	158
Increase in other liabilities and provisions		1,319	923
Net cash from operating activities		**68,246**	**51,740**

14. Trade and other receivables

(a) Trade and other receivables

	Notes	2025 $'000	2024 $'000
Trade receivables	(i)	17,219	17,221
Less: Allowance for expected credit losses	(ii)	(1,472)	(1,097)
		15,747	**16,124**
Interest receivable		234	244
Other receivables		38	36
Total trade and other receivables		**16,019**	**16,404**

Notes:

(i) Trade receivables are non-interest bearing and are generally payable within 30 days.

(ii) Allowances for expected credit losses ('ECL') on trade receivables are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

(b) Allowance for ECL

Trade receivables disclosed above include amounts (see below for aged analysis) that are past due but no expected credit loss has been recognised at the end of the reporting period.

2025	Not past due $'000	1-30 days past due $'000	31-60 days past due $'000	61+ days past due $'000	Total $'000
Gross	12,065	2,349	522	2,284	17,220
Past due but no ECL has been recognised	–	2,242	463	1,177	3,882
Allocation of ECL	200	107	59	1,106	1,472

2024	Not past due $'000	1-30 days past due $'000	31-60 days past due $'000	61+ days past due $'000	Total $'000
Gross	12,824	1,736	948	1,713	17,221
Past due but no ECL has been recognised	–	1,660	893	875	3,428
Allocation of ECL	128	76	55	838	1,097

Movements in the allowance for ECL are as follows:

	2025 $'000	2024 $'000
Balance at beginning of the year	1,097	1,129
Additional allowances recognised	983	353
Amounts written off during the year as uncollectable	(558)	(410)
Exchange differences	(50)	25
Balance at end of the year	**1,472**	**1,097**

(c) Recognition and measurement

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for ECL. Trade receivables are generally due for settlement within 30 days.

The effective interest rate is the rate that exactly discounts the estimated future cash receipts and payments over the expected life of the financial instrument or a shorter period where appropriate, to the net carrying amount of the financial asset/liability.

The Group recognises a loss allowance for ECL on financial assets (trade receivables and contract assets) which are measured at amortised cost. The loss allowance is recognised in profit or loss.

The Group has applied the simplified approach to measuring ECL, which uses a lifetime expected loss allowance. To measure the ECL, trade receivables and contract assets have been grouped based on days overdue. The ECL on trade receivables and contract assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Due to the short-term nature of the current receivables, their carrying amount is assumed to be the same as their fair value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

15. Contract assets

	2025 $'000	2024 $'000
Accrued revenue	11,091	9,927
Total contract assets	**11,091**	**9,927**

(a) Recognition and measurement

Contract assets relate to the Group's right to consideration for services provided to customers but for which the Group has no unconditional rights to payment at the reporting date. The contract assets are transferred to receivables when the Group issues an invoice to the customer upon bill run on the first working day of the following month which is when the rights become unconditional.

16. Other assets

	2025 $'000	2024 $'000
Prepayments	5,498	5,829
Deposits and bonds	271	234
Total other assets	**5,769**	**6,063**

Prepayments consist of expenditure paid for in advance, and in relation to which the economic benefits will be realised in the future. Prepayments are initially recorded as assets in the Consolidated Statement of Financial Position and subsequently expensed to the Consolidated Statement of Profit or Loss and Other Comprehensive Income or reclassed in the Consolidated Statement of Financial Position, at the time when the benefits are realised. The future economic benefit is the receipt of goods or services, rather than the right to receive cash or another financial asset.

Deposits are monies paid to various service providers as initial payments for future service or goods delivery. Deposits are usually offset against future payments.

Bonds consist of monies paid to various service providers as security for contractual obligations of the Group. Bonds are refundable in certain circumstances, upon the discharge of contractual obligations to which they relate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

17. Property, plant and equipment

	Network equipment $'000	Furniture & office equipment $'000	Computer equipment $'000	Leasehold Improvements $'000	Undeployed equipment $'000	Assets under construction $'000	Total $'000
Year ended 30 June 2025							
Opening net book amount	**26,618**	**262**	**492**	**-**	**1,033**	**7,955**	**36,360**
Additions	-	103	455	231	-	23,980	24,769
Transfers within property, plant and equipment	24,528	-	-	-	(955)	(23,573)	-
Disposals	-	-	(56)	-	-	(43)	(99)
Depreciation charge	(19,795)	(216)	(382)	(64)	(53)	-	(20,510)
Exchange differences	565	-	120	-	20	668	1,373
Net book value as at 30 June 2025	**31,916**	**149**	**629**	**167**	**45**	**8,987**	**41,893**
At 30 June 2025							
Cost	137,496	755	3,114	683	210	8,987	151,245
Accumulated depreciation	(105,580)	(606)	(2,485)	(516)	(165)	-	(109,352)
Net book value as at 30 June 2025	**31,916**	**149**	**629**	**167**	**45**	**8,987**	**41,893**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

	Network equipment $'000	Furniture & office equipment $'000	Computer equipment $'000	Leasehold Improvements $'000	Undeployed equipment $'000	Assets under construction $'000	Total $'000
Year ended 30 June 2024							
Opening net book amount	**32,394**	**442**	**538**	**-**	**3,940**	**7,496**	**44,810**
Additions	176	16	331	-	1,075	9,113	10,711
Transfers within property, plant and equipment	11,521	-	-	-	(3,212)	(8,309)	-
Disposals	(320)	-	(17)	-	-	(274)	(611)
Depreciation charge	(16,705)	(196)	(358)	-	(783)	-	(18,042)
Exchange differences	(448)	-	(2)	-	13	(71)	(508)
Net book value as at 30 June 2024	**26,618**	**262**	**492**	**-**	**1,033**	**7,955**	**36,360**
At 30 June 2024							
Cost	108,022	653	2,593	452	1,939	7,955	121,614
Accumulated depreciation	(81,404)	(391)	(2,101)	(452)	(906)	-	(85,254)
Net book value as at 30 June 2024	**26,618**	**262**	**492**	**-**	**1,033**	**7,955**	**36,360**

(a) Recognition and measurement

Each class of property, plant and equipment ('PPE') is carried at cost less, where applicable, any accumulated depreciation or impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and assets under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

Depreciation is calculated over PPE using the following estimated useful lives and methods:

PPE Category	Expected Useful Life	Method
Network equipment	3 – 4 years	Straight line
Furniture & office equipment	3 – 5 years	Straight line
Computer equipment	2 – 3 years	Straight line
Leasehold assets and improvements	Over the life of the lease	Straight line
Undeployed equipment	4 years	Straight line

An item of PPE is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Assets under construction

Assets under construction are shown at historical cost. Historical cost includes directly attributable expenditures on network infrastructure and data centres which at reporting date, have not yet been finalised and/or are ready for use. Assets under construction are not depreciated. Assets under construction are transferred to the relevant class of PPE upon successful testing and commissioning.

(b) Critical accounting estimates and judgement

Useful lives of PPE

The economic life of PPE which includes network infrastructure is a critical accounting estimate. The useful economic life is the Board's and Management's best estimate based on historical experiences and industry knowledge. The Group reviews the estimated useful lives of PPE at the end of each annual reporting period. Should the actual lives of these component parts be significantly different this would impact the depreciation and expense in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

(c) Capital expenditure commitments

The Group had $13.6 million of commitments to purchase property, plant and equipment at 30 June 2025 (2024: nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

18. Intangible assets

	Software $'000	Customer contracts & relationships $'000	Network rights $'000	IRU assets $'000	Brand names, patents & other intangibles $'000	Goodwill $'000	Software under development $'000	Total $'000
Year ended 30 June 2025								
Opening net book amount	**20,259**	**67**	**-**	**1,263**	**413**	**21,839**	**4,827**	**48,668**
Additions	-	-	-	-	-	-	10,389	10,389
Transfers	4,772	-	-	-	-	-	(4,772)	-
Disposals	-	-	-	-	-	-	(16)	(16)
Amortisation charge	(12,656)	(34)	-	(447)	(70)	-	-	(13,207)
Exchange differences	138	5	-	43	-	536	(14)	708
Net book value as at 30 June 2025	**12,513**	**38**	**-**	**859**	**343**	**22,375**	**10,414**	**46,542**
At 30 June 2025								
Cost	59,965	773	970	4,482	785	22,375	10,414	99,764
Accumulated amortisation	(47,452)	(735)	(970)	(3,623)	(442)	-	-	(53,222)
Net book value as at 30 June 2025	**12,513**	**38**	**-**	**859**	**343**	**22,375**	**10,414**	**46,542**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

	Software $'000	Customer contracts & relationships $'000	Network rights $'000	IRU assets $'000	Brand names, patents & other intangibles $'000	Goodwill $'000	Software under development $'000	Total $'000
Year ended 30 June 2024								
Opening net book amount	**19,259**	**100**	**-**	**1,700**	**415**	**21,943**	**10,753**	**54,170**
Additions	-	-	-	-	-	-	8,738	8,738
Transfers	14,148	-	-	-	65	-	(14,213)	-
Disposals	-	-	-	-	-	-	(494)	(494)
Amortisation charge	(13,063)	(32)	-	(440)	(68)	-	-	(13,603)
Exchange differences	(85)	(1)	-	3	1	(104)	43	(143)
Net book value as at 30 June 2024	**20,259**	**67**	**-**	**1,263**	**413**	**21,839**	**4,827**	**48,668**
At 30 June 2024								
Cost	54,783	699	878	4,330	781	21,839	4,827	88,137
Accumulated amortisation	(34,524)	(632)	(878)	(3,067)	(368)	-	-	(39,469)
Net book value as at 30 June 2024	**20,259**	**67**	**-**	**1,263**	**413**	**21,839**	**4,827**	**48,668**

Additional information relating to software intangible assets

Qualifying costs relating to the software development team's time spent developing software and products is capitalised. Costs incurred in relation to the development of new and existing products, and software code that enhances, modifies or creates additional capability to existing on-premise systems and meets the definition criteria of an intangible are capitalised. The portion of their time spent on researching new development opportunities and maintaining existing software is expensed. The total cost incurred for this time for the year ended 30 June 2025 was $1.0 million (2024: $1.2 million), which is included in the employee expenses in the Consolidated Statement of Profit or Loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

(a) Recognition and measurement

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Software-as-a-Service (SaaS) arrangements

SaaS arrangements are service contracts providing the Group with the right to access the cloud provider's application software over the contract period. Costs incurred to configure or customise, and the ongoing fees to obtain access to the cloud provider's application software, are recognised as operating expenses when the services are received.

Some of these costs incurred are for the development of software code that enhances or modifies, or creates additional capability to, existing on-premise systems and meets the definition of and recognition criteria for an intangible asset. These costs are recognised as intangible software assets and amortised over the useful life of the software on a straight-line basis. The useful lives of these assets are reviewed at least at the end of each financial year, and any change accounted for prospectively as a change in accounting estimate.

Indefeasible rights to use assets

Indefeasible rights to use ('IRUs') and long-term agreements of capacity are recognised at cost, being the present value of future cash flows payable for the right. Costs are deferred and amortised on a straight line basis over the life of the contract.

In 2017 Megaport entered into long term IRUs agreements for dark fibre services with a lump-sum payment arrangement. Management has classified the IRUs as intangible assets in the form of IRU capacity assets under AASB 138 *Intangible Assets* as the provider has the right to substitute, modify or replace the fibre cores and pathways used by Megaport.

Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

A summary of the amortisation policies applied to the Group's intangible assets is as follows:

Category	Method	Internally generated/acquired
Patents and trademarks	Straight line – the length of the approved application	Acquired
Software	Straight line – 3 years	Acquired/internally generated
Brand names	Straight line – 2 – 10 years	Acquired
Customer contracts & relationships	Straight line – 5 – 10 years	Acquired
Network rights	Straight line – 3 years	Acquired
IRU assets	Straight line – 10 years (the life of the contract)	Acquired

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit or loss when the asset is derecognised.

(b) Critical accounting estimates and judgements

(i) Useful lives of intangible assets

The economic life of intangible assets, which includes internally generated software, is a critical accounting estimate. The useful economic life is the Board's and Management's best estimate based on historical experiences and industry knowledge. The Group reviews the estimated useful lives of intangible assets at the end of each annual reporting period. Should the actual lives of these component parts be significantly different this would impact the amortisation expense in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

(ii) Capitalisation of internally generated intangible assets

The Group develops network software internally. The Group estimates the reasonable time spent by key employees on the development of the software, then capitalises the labour cost of the estimated time spent developing the asset. These costs are included in software under development..

(c) Capital expenditure commitments

The Group had no commitments to purchase intangible assets at 30 June 2025 (2024: nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

19. Impairment assessment

(a) Impairment of Goodwill

(i) Recognition and measurement

Goodwill acquired on a business combination is initially measured at cost, being the excess of the consideration transferred for the business combination over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination. This allocation is consistent with the lowest level within the Group at which the goodwill is monitored for internal management purposes.

A cash-generating unit ('CGU') to which goodwill has been allocated is reviewed for impairment, annually, or more frequently, if events or changes in circumstances indicate that the carrying value may be impaired. Impairment is determined by assessing the recoverable amount of the CGU to which the goodwill relates. The recoverable amount is the higher of its value in use or its fair value less cost of disposal. If the recoverable amount of the CGU is less than the carrying amount, an impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU pro rata based on the carrying amount of each asset in the CGU. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill forms part of a CGU and part of the operation within that unit is disposed, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Disposed goodwill in this circumstance is measured on the basis of the relative values of the disposed operation and the portion of the CGU retained.

(ii) Impairment testing

An impairment test is required to be performed for CGUs with indefinite life intangible assets, goodwill or where there is an indication of impairment. Europe and The Americas CGUs were tested for impairment as the Europe CGU contains goodwill on acquisition of Megaport (Deutschland) GmbH and The Americas contains goodwill recognised on acquisition of InnovoEdge, Inc.

The carrying amount of goodwill is as follows:

CGU	Note	2025 $'000	2024 $'000
Europe		1,779	1,611
The Americas		20,596	20,228
Total goodwill	18	**22,375**	**21,839**

The movement in goodwill between 30 June 2024 and 30 June 2025 is the result of movement in the foreign currency exchange rates of the functional currency which the goodwill is measured in.

Goodwill is tested for impairment annually. The Group performed its annual impairment test using the carrying value as at 30 June 2025 (2024: carrying value as at 30 June 2024).The recoverable amount of the CGUs have been determined using the value-in-use calculation, which includes the financial budgets set for the next financial year and management's earnings and cash flow projections for subsequent years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

Key assumptions used for value-in-use calculation

The following key assumptions were applied to the cash flow projections when determining the value-in-use calculation for Europe:

	2025	2024
Pre-tax discount rate	10.69%	11.58%
Terminal growth rate	1.50%	1.64%
Cash flows beyond the next financial year are extrapolated using a growth rate of:		
Revenue growth (years 2 – 5)	10%	10%
Direct network costs (years 2 – 5)	7%	7%
Partner commissions (years 2 – 5)	8%	8%
Operational expenses growth (years 2 – 5)	7%	7%
Labour expenses growth (years 2 – 5)	10%	10%
Travel & Marketing expenses growth (years 2 – 5)	7%	7%

The following key assumptions were applied to the cash flow projections when determining the value-in-use calculation for The Americas:

	2025	2024
Pre-tax discount rate	11.72%	12.31%
Terminal growth rate	1.80%	2.0%
Cash flows beyond the next financial year are extrapolated using a growth rate of:		
Revenue growth (years 2 – 5)	15%	15%
Direct network costs (years 2 – 5)	7%	7%
Partner commissions (years 2 – 5)	15%	15%
Operational expenses growth (years 2 – 5)	7%	7%
Labour expenses growth (years 2 – 5)	10%	10%
Travel & Marketing expenses growth (years 2 – 5)	7%	7%

- Revenue, using the budgeted revenue for the year ending 30 June 2026 and projections for a further four years. For the purpose of impairment testing, a conservative growth rate has been used relative to actual revenue growth over the last 5 years.
- Expenses, using the budgeted expenses for the year ending 30 June 2026 and projections for a further four years. Cash outflow projections relating to expenses have been disaggregated into direct network costs, partner commissions, operational labour, travel and marketing expenses as the projected spend is not uniform.
- Terminal value, calculated based on inflation trends and target GDP growth rate.

The Group has conducted an analysis of the sensitivity of the impairment test to changes in the key assumptions used to determine the recoverable amount for each CGU. The directors have determined that any reasonable change in the key assumptions on which the recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of any CGU. As a result of the impairment testing performed, no impairment expense was recognised for the year ended 30 June 2025 (30 June 2024: nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

(b) Impairment of tangible and intangible assets other than goodwill

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGUs, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified. For the year ended 30 June 2025, no indicators of impairment were noted.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or CGU) in prior years.

A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(c) Critical accounting estimates and judgements – impairment assessment on goodwill

The impairment assessment and value-in-use model requires management to make a number of assumptions, judgements and estimates throughout the process. Details of these key areas include the following:

- Management judgement is applied to establish the CGUs. The CGUs are the smallest identifiable group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets.
- The value-in-use model utilises a discounted cash flow analysis of five-year cashflows plus a terminal value. The five-year cash flows are based on the budget for the 12 months ending 30 June 2026 and a further four-year projection based on management estimates of revenue, expenses, capital expenditure and cash flows for each CGU. The budget is management's best estimate of the future business performance and outlook. It is based on projected key performance indicators that include new customer logos, net revenue retention, annual recurring revenue ('ARR'), total revenue, gross margin, EBITDA, as well as foreign currency exposure.
- Corporate expenses and corporate assets whose function is to support the operations of the CGUs (including other CGUs to which goodwill has not been allocated) are allocated to the CGUs on the basis of their carrying value. The relative carrying amounts of the CGUs are a reasonable indication of the proportion of the corporate support provided to each CGU.
- Other key assumptions include the variables used to estimate the weighted average cost of capital and assumptions around factors such as credit margins, equity risk-premiums and terminal growth rates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

20. Leases

The Group has lease contracts for various items of network equipment and properties used in its operations. All leases have terms between 1 and 10 years.

The Group also has certain leases of network equipment with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemptions for these leases.

The Consolidated Statement of Financial Position includes the following amounts relating to leases:

(a) Right-of-use assets

	2025 $'000	2024 $'000
Network equipment	13,630	4,803
Properties	919	2,093
Total right-of-use assets	**14,549**	**6,896**

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Network equipment $'000	Properties $'000	Total $'000
As at 1 July 2023	6,741	2,352	9,093
Additions	2,630	967	3,597
Depreciation expense	(4,450)	(1,242)	(5,692)
Terminations	(115)	-	(115)
Exchange differences	(3)	16	13
As at 30 June 2024	**4,803**	**2,093**	**6,896**
Additions (i)	17,523	-	17,523
Depreciation expense	(8,447)	(1,156)	(9,603)
Terminations	(381)	-	(381)
Exchange differences	132	(18)	114
As at 30 June 2025	**13,630**	**919**	**14,549**

Notes:

(i) Following a detailed review of all direct network costs conducted in the financial year the Group has revised accounting for contracts where the Group obtains the right to transmit data along a specific wavelength of light within a supplier's fibre-optic cable ('wavelength') as these arrangements have been judged to meet the definition of a lease under AASB 16. Consequently, in the year ended 30 June 2025, the Group has adjusted the relevant carrying amounts to reflect this change. The impact of this reassessment was an increase in right of use asset of $3.2 million increase in lease liabilities of $3.6 million.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

(b) Lease liabilities

	2025 $'000	2024 $'000
Current	8,400	4,467
Non-current	6,648	2,966
Total lease liabilities	**15,048**	**7,433**

The Group had total cash outflows for leases of $13.1 million in 2025 (2024: $6.5 million).

Refer to Note 28 for undiscounted potential future rental payments that are included in the lease term.

The options to extend or terminate leases are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether the extension option is reasonably certain to be exercised.

The Group has various lease contracts that have not yet commenced as at 30 June 2025. The future lease payments for these non-cancellable lease contracts are $163 thousand within one year and $793 thousand within five years (2024: The Group had no lease contracts that had not yet commenced.

(c) Recognition and measurement

The Group evaluates whether a contract includes a lease at the start of the agreement. For all leases where The Group is the lessee, it records a right-of-use asset and a lease liability, unless the lease is short-term or for a low-value asset. In those cases, lease payments are treated as operating expenses and spread evenly over the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

Depreciation is calculated over right-of-use assets using the following estimated useful lives and methods:

Right-of-use Asset Category	Expected Useful Life	Method
Network equipment	1 – 10 years	Straight line
Properties	1 – 5 years	Straight line

(d) Critical accounting estimates and judgements

(i) Determining the incremental borrowing rate for leases

Judgement is exercised in determining the incremental borrowing rate when the interest rate implicit in a lease cannot be readily determined. Such a rate is based on what the Group estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

21. Trade and other payables

	Notes	2025 $'000	2024 $'000
Current			
Trade payables	(i)	1,750	786
Accrued expenses		15,973	13,961
Employee entitlements	(ii), (iv)	12,995	9,516
Goods and services tax payable		4,405	4,177
Other payables		461	678
Network maintenance financing	(iii)	534	1,909
		36,118	**31,027**
Non-current			
Network maintenance financing	(iii)	-	526
		-	526
Total trade and other payables		**36,118**	**31,553**

Notes:

(i) Trade payables are non-interest bearing and are normally settled on terms ranging from 14 to 30 days.

(ii) Employee entitlements includes employee benefits payable. The entire balance is presented as a current liability as the Group does not have an unconditional right to defer settlement for any of these obligations.

(iii) The outstanding balance comprises amounts payable in connection with the acquisition of support and maintenance costs . The balance is repayable via equal instalments over 36 months from drawdown date. The Group has classified these costs under trade and other payables to reflect the substance of the arrangement. The associated cash inflows and outflows of the arrangement have been included in operating cash flows on a gross basis as the Group acts as a principal and has the right to the cash inflows and the obligation to settle the underlying liability.

(iv) Includes an amount of $3.2 million (2024: $3.1 million) for employee bonuses and $0.3 million (2024: $0.2 million) of commissions to be paid in the form of Restricted Stock Units, refer to Note 29 for further information.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

(a) Recognition and measurement

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Employee entitlements include the following:

(i) Retirement employment obligations

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions. Prepaid contributions are recognised as an asset to the extent that a cash refund or reduction in the future payments is applicable.

(ii) Bonus plans

The Group recognises a provision for future bonus payments where it is contractually obliged or where there is a past practice that has created a constructive obligation. The bonus in relation to the year ended 30 June 2025 will be paid out in restricted stock units that will settle during FY26.

Due to the short-term nature of trade and other payables, their carrying value is assumed to approximate the fair value.

(b) Interest rate risk and liquidity risk

The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms. Information regarding interest rate risk and liquidity risk exposure is set out in Note 28.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

22. Provisions

	2025 $'000	2024 $'000
Current		
Annual leave provision	4,847	3,774
Long service leave provision	139	141
	4,986	**3,915**
Non-current		
Long service leave provision	635	444
	635	**444**
Total provisions	**5,621**	**4,359**

(a) Recognition and measurement

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(b) Short-term employee obligations

Liabilities for annual leave and any accumulating sick leave accrued up until the reporting date that are expected to be settled within 12 months are measured at the amounts expected to be paid when the liabilities are settled. The obligation for non-accumulated sick leave is recognised when the leave is taken and is measured at the rates paid or payable. Liabilities for unpaid wages and salaries including non-monetary benefits are recognised as employee entitlements under trade and other payables.

(c) Long-term employee obligations

Liabilities in respect of long-term employee benefits are recognised in the provision for employee benefits and measured at the present value of expected future payments to be made in respect of services provided by the employees up to the reporting date, using the projected unit credit method. Consideration is given to the expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using high quality corporate bond rates at the reporting date with terms to maturity and currencies that match, as closely as possible, the estimated future cash flows.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

Section 4: Capital and financial risk management

This section outlines our capital structure that includes equity and debt, policies and procedures that management applies in capital management as well as financial risks that we are exposed to and how we manage those risks.

23. Issued capital

	Number of shares		$'000	
	2025	2024	2025	2024
Ordinary shares	160,790,123	159,500,813	439,223	422,674
Own shares	151,209	-	1,659	-
Total issued capital	**160,941,332**	**159,500,813**	**440,882**	**422,674**

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Group, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle the holder to one vote, either in person or by proxy, at a meeting of the Company.

The movement in fully paid ordinary shares is summarised below:

	Number of shares	Total $'000
Balance at 1 July 2023	158,593,166	412,844
Shares issued – Deferred shares settlement	12,054	100
Shares issued – Employee share options exercised	166,668	1,327
Shares issued – Restricted stock units settlement	728,925	7,701
Transfer from employee share option reserve	–	702
Balance at 30 June 2024	**159,500,813**	**422,674**
Shares issued – Deferred shares settlement	8,036	66
Shares issued – Restricted stock units settlement	1,124,634	10,876
Own shares exercised and transferred to ordinary shares	81,640	849
Innovoedge – Contingent consideration settled	75,000	4,758
Balance at 30 June 2025	**160,790,123**	**439,223**

Own shares represent the value of shares issued by the Company upon vesting of Restricted Stock Units ('RSU') with rights to deferred exercise ('vested RSUs'), and are held by the Megaport Employee Share Plan Trust ('the Trust'). Own shares are transferred to ordinary shares when the eligible participant exercises their vested RSUs. Vested RSUs will expire (and no Own shares will transfer to the participant) if they are not exercised by the earlier date of 15 years from the date the original RSUs were issued or the one year anniversary of the cessation of the participant's employment with Megaport.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

The movement in Own shares is summarised below:

	Number of shares	Total $'000
Balance at 1 July 2023	-	-
Balance at 30 June 2024	-	-
Shares issued – Restricted stock units settlement	232,849	2,508
Own shares exercised and transferred to ordinary shares	(81,640)	(849)
Balance at 30 June 2025	**151,209**	**1,659**

24. Reserves

The components of the Group's reserves balance is as below.

	Notes	2025 $'000	2024 $'000
Foreign currency translation reserve	(i)	(5,392)	(11,191)
Employee share option reserve	(ii)	49	78
Employee restricted stock units reserve	(iii)	14,232	8,633
Contingent consideration shares reserve	(iv)	-	4,758
Directors' shares reserve	(v)	52	79
Total reserves		**8,941**	**2,357**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

The following table shows a breakdown of the movements in the reserves balance during the year. A description of the nature and purpose of each reserve is provided below.

	Foreign currency translation reserve $'000	Employee share option reserve $'000	Employee restricted stock units reserve $'000	Contingent consideration shares reserve $'000	Directors shares reserve $'000	Total $'000
Balance at 1 July 2023	**(12,661)**	**831**	**2,691**	**4,758**	**100**	**(4,281)**
Exchange differences arising on translation of foreign operations	1,470	-	-	-	-	1,470
Vesting of equity settled share based payments	-	28	13,643	-	79	13,750
Transfer to ordinary shares	-	(702)	(7,701)	-	(100)	(8,503)
Amounts released to retained earnings	-	(79)	-	-	-	(79)
Balance at 30 June 2024	**(11,191)**	**78**	**8,633**	**4,758**	**79**	**2,357**
Exchange differences arising on translation of foreign operations	5,412	-	-	-	-	5,412
Amounts released to profit or loss on liquidation of foreign operations	387	-	-	-	-	387
Vesting of equity settled share based payments	-	11	19,062	-	39	19,112
Transfer to ordinary shares	-	-	(10,876)	(4,758)	(66)	(15,700)
Transfer to own shares	-	-	(2,508)	-	-	(2,508)
Amounts released to retained earnings	-	(40)	(65)	-	-	(105)
Amounts settled via cash payment	-	-	(14)	-	-	(14)
Balance at 30 June 2025	**(5,392)**	**49**	**14,232**	**-**	**52**	**8,941**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

(i) Foreign currency translation reserve

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Australian Dollars) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve (in respect of translating the net assets of foreign operations) are reclassified to profit or loss on the disposal or discontinuation of foreign operations. Amounts released to profit or loss on liquidation of foreign operations during the current period relate to the closure of branches of one of the Company's subsidiaries, Megaport (Ireland) Limited. The operations previously occurring in these branches now occur in Megaport (Ireland) Limited.

(ii) Employee share option reserve

The employee share option reserve relates to share options granted by the Company to its employees and employees of its subsidiaries under the employee share option plan ('ESOP General'). Amounts are transferred out of the reserve into issued capital when the options are exercised. The current year transfer out of the employee share options reserve represents the fair value of the exercised options from the inception of the plans to date. Further information about employee share option plans is set out in Note 29.

(iii) Employee restricted stock units reserve ('RSU')

The employee restricted stock units reserve relates to restricted stock units granted by the Company to its employees and employees of its subsidiaries under its RSU plans. Amounts are transferred out of the reserve into issued capital when the RSUs are settled. Further information about RSUs is set out in Note 29.

(iv) Contingent consideration shares

The contingent consideration shares reserve relates to equity consideration for the acquisition of InnovoEdge, Inc on 16 August 2022. During the current year, 75,000 ordinary shares in Megaport Limited were issued as final consideration for the acquisition.

(v) Director shares reserve

The Director shares reserve relates to shares issued under the employee share plan ('ESP') to the Company's Directors. Amounts are transferred out of the reserve into issued capital when the shares are issued. Further information about the employee share plan is set out in Note 29.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

25. Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as when the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

	Notes	2025 $'000	2024 $'000
Current			
Network financing	(i)	6,536	5,230
		6,536	**5,230**
Non-current			
Network financing	(i)	6,713	3,124
		6,713	**3,124**
Total borrowings		**13,249**	**8,354**

Notes:

(i) Network financing: represents the outstanding balance for the purchase of network equipment and payment of software licenses. This is governed by a number of Instalment Purchase Agreements. The stated interest rate is between 0% and 2.75% (2024: 0%) and the Group has applied an imputed rate between 2.75% and 6% (2024: 6%). These agreements are separately repayable via equal instalments over 36 months from each drawdown date. No bank guarantees are currently in place over the agreements (2024: the agreements were collectively secured by a bank guarantee charged over $5.7 million in cash and cash equivalents). At inception, the fair value of the loan is recognised using an estimate of a market borrowing rate. The associated cash inflows and outflows of the arrangement have been included in financing and investing cash flows on a gross basis as the Group acts as a principal and has the right to the cash inflows and the obligation to settle the underlying liability.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

26. Change in liabilities arising from financing activities

The following table presents the changes in liabilities arising from financing activities:

	Lease liabilities $'000	Borrowings $'000	Total $'000
Balance at 1 July 2023	9,668	10,291	19,959
Additions (cash)	-	6,798	6,798
Additions (non-cash)	3,597	-	3,597
Fair value adjustment on initial recognition (non-cash)	-	(591)	(591)
Interest accretion	565	714	1,279
Repayment (cash)	(6,259)	(8,858)	(15,117)
Terminations (non-cash)	(121)	-	(121)
Exchange differences	(17)	-	(17)
Balance at 30 June 2024	**7,433**	**8,354**	**15,787**
Additions (cash)	-	11,829	11,829
Additions (non-cash)	17,523	-	17,523
Interest accretion	878	458	1,336
Repayment (cash)	(10,434)	(7,213)	(17,647)
Terminations (non-cash)	(400)	-	(400)
Exchange differences	48	(179)	(131)
Balance at 30 June 2025	**15,048**	**13,249**	**28,297**

27. Capital management

The Group maintains a conservative funding structure that allows it to meet its operational and regulatory requirements, while providing the capital to fund the future strategic growth plan.

When determining dividend returns to shareholders the Board considers a number of factors, including the Group's anticipated cash requirements to fund its growth, operational plan, and current and future economic conditions. The Group is not bound by externally imposed capital requirements. Based on the current strategic plan being executed and anticipated cash focus, the Board's current policy is to not issue dividends.

	2025 $'000	2024 $'000
Total borrowings*	28,297	15,787
Total equity	178,685	154,080
Gearing ratio	**15.8%**	**10.2%**

* Total borrowings include lease liabilities accounted for under AASB 16 Leases. At 30 June 2025, other external borrowings comprised the $13.2 million network financing agreements in relation to capital expenditure items (2024: $8.4 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

28. Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Board reviews and agrees policies for managing any risks that are considered significant to the Group, which are summarised in this note.

The Group holds the following financial instruments:

	Notes	2025 $'000	2024 $'000
Financial assets – at amortised cost			
Cash and cash equivalents	13	102,067	72,434
Trade and other receivables	14	16,019	16,404
Contract assets	15	11,091	9,927
Deposits and bonds	16	271	234
Total financial assets		**129,448**	**98,999**
Financial liabilities – at amortised cost			
Trade and other payables	21	36,118	31,553
Lease liabilities	20	15,048	7,433
Borrowings	25	13,249	8,354
Total financial liabilities		**64,415**	**47,340**

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk – foreign exchange risk, price risk and interest rate risk.

(i) Foreign exchange risk

The Group operates internationally and is subject to foreign exchange risk arising from exposure to foreign currencies. The Group's earnings and cash flows are influenced by a wide variety of currencies due to the geographic diversity of the Group's sales and the countries in which it operates. The Australian Dollar (AUD), US Dollar (USD), European Union Euro (EUR) and British Pound Sterling (GBP) are the currencies in which the majority of the Group's sales are denominated. Operating costs and capital expenditure are influenced by the currencies of those countries where the Group's data centres and fibre and connectivity links are located.

In the current year, the USD, the EUR and the GBP were the most important currencies (apart from the AUD) influencing costs. In any particular year, currency fluctuations may have a significant impact on the Group's financial results. A strengthening of the AUD against the currencies in which the Group's revenue, costs and capital expenditure are partly determined has a positive effect on the Group's net profit or loss and a weakening of the AUD has a negative effect on the Group's net profit or loss. However, a strengthening of the AUD does reduce the value of non-AUD denominated net assets, and therefore total equity.

The AUD is the currency in which financial results are presented both internally and externally. It is also the most appropriate currency for financing the Group's operations.

Certain AUD cash reserves and other financial assets and liabilities, including intercompany balances, are held in currencies

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

other than the functional currency of the relevant subsidiary. This results in an accounting exposure to exchange gains and losses as the financial assets and liabilities are translated into the functional currency of the subsidiary that holds those assets and liabilities. These exchange gains or losses are recorded in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

The majority of Group's cash and cash equivalents are denominated in AUD and USD. The table below summarises the Group's cash and cash equivalents by currency:

Currency funds held in	2025 $'000	2024 $'000
Australian Dollar (AUD)	37,378	16,690
United States Dollar (USD)	46,495	36,828
European Union Euro (EUR)	6,186	10,198
New Zealand Dollar (NZD)	1,111	1,126
British Pound Sterling (GBP)	5,555	2,802
Swiss Franc (CHF)	549	321
Hong Kong Dollar (HKD)	449	751
Canadian Dollar (CAD)	945	945
Singapore Dollar (SGD)	1,038	853
Others	2,361	1,920
Total cash and cash equivalents	**102,067**	**72,434**

The Group manages foreign currency risk by:

- Forecasting of future cash flows; and
- Monitoring natural hedges arising from trading operations.

The forecasting process ensures that the appropriate amount of operating costs and specified capital expenditure amounts are held in currencies significant to the Group.

Sensitivity

The table below estimates the impact of a 10% change in the closing exchange rate of the AUD against significant currencies, on financial assets and financial liabilities. The impact is expressed in terms of the effect on net profit or loss. The sensitivities are based on cash and cash equivalents held at 30 June 2025, where balances are not denominated in the functional currency of the subsidiary.

	Effect on net profit/(loss)	
10% strengthening/weakening of AUD	2025 $'000	2024 $'000
USD	2,334/(2,334)	786/(786)
EUR	164/(164)	282/(282)

The Group's exposure to movement in other foreign currencies is not material.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

(ii) Price risk

The Group is not exposed to any equity securities price risk or commodity price risk.

(iii) Cash flow and fair value interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates.

The Group's main interest rate risk arises from the interest earned on various short-term deposits and cash at bank accounts (refer to Note 13).

Sensitivity

At 30 June 2025, if interest rates had increased/decreased by 100 basis points from the year end and rates with all other variables held constant, post-tax income for the year would have been $257,169 higher/$257,169 lower (2024: income would have been $175,550 higher/$175,550 lower), mainly as a result of higher/lower interest income from cash and cash equivalents.

(b) Credit risk

Credit risk mainly arises from cash and cash equivalents and trade receivables.

(i) Cash and cash equivalents

With respect to cash and cash equivalents, the Group's exposure to credit risk arises from a potential default of the deposit counter party, with a maximum exposure equal to the carrying amount of these instruments.

The Group's cash (refer to Note 13), is held at financial institutions with the following credit ratings:

	2025		2024	
	$'000	Credit Rating*	$'000	Credit Rating*
Australia	33,113	A+	12,863	A+
Australia	28,655	AA-	8,074	AA-
The Americas	14,212	A+	27,897	A+
The Americas	740	A	–	A
The Americas	1,440	AA-	–	A-
Asia	420	A	559	A
Asia	7,527	AA-	6,482	AA-
Europe	15,068	A+	15,021	A+
Europe	–	AA-	850	AA-
Europe	892	BBB+	–	BBB+
Europe	–	BBB	687	BBB
Total cash and cash equivalents	**102,067**		**72,433**	

* In determining the credit quality of these financial assets, Megaport Limited has used the long-term rating from Standard & Poor's as of June 2025 (2024: Standard & Poor's as of June 2024).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

(ii) Trade receivables

Customer credit risk is managed subject to the Group's established policy, procedures and control relating to customer credit risk management. The Group does not require collateral in respect of financial assets. Outstanding customer receivables are monitored regularly.

The Group's credit risk is low due to the large volume of customers with individual transactions typically being small in value. To illustrate this, at 30 June 2025, 80% of the trade receivable balance was due from 483 customers (2024: 80% from 511 customers). Also, no single customer accounts for more than 10% of total revenue. Receivable balances are monitored on an ongoing basis with the intention that the Group's exposure to allowances for credit loss is minimised.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due.

At the end of the year, the Group held cash and cash equivalents of $102.1 million (2024: $72.4 million).

The Group manages liquidity risk by monitoring cash flows and estimating future operational draws on cash reserves. At 30 June 2025, the Group had network financing in relation to working capital items (Note 21) and capital expenditure (Note 25) with an undiscounted total of $14.3 million (2024: $11.2 million) to manage liquidity risk. The Group also had access to an undrawn bank facility of $30 million (2024: nil) under a three year agreement, available to fund future operating and capital expenditure. There were no other significant financing facilities (excluding lease liabilities) at 30 June 2025.

(i) Maturities of financial liabilities

The Group's financial liabilities comprise trade and other payables, borrowings and lease liabilities, and no derivative financial instruments are held. The undiscounted cash flows for the respective future periods are included in the following table. Cash flows for financial liabilities without fixed amounts or timing are based on the conditions existing at 30 June 2025.

The table below details the Group's remaining contractual maturity for its non-derivative financial liabilities within agreed repayment periods. The table sets out undiscounted cash flows of financial liabilities based on the earliest estimated date on which the Group can be required to pay. The table includes both interest and principal cash flows for interest bearing liabilities.

	Weighted average effective interest rate %	Less than 1 month $'000	1-3 months $'000	3 months to 1 year $'000	1-5 years $'000	Total $'000	Carrying amount $'000
Trade and other payables	-	12,521	23,548	49	-	36,118	36,118
Lease liabilities	6.0	890	2,475	5,695	6,927	15,987	15,048
Borrowings	3.6	643	1,832	4,392	6,870	13,737	13,249
Total at 30 June 2025		**14,054**	**27,855**	**10,136**	**13,797**	**65,842**	**64,415**
Trade and other payables	-	11,714	17,682	1,431	526	31,353	31,553
Lease liabilities	6.0	469	1,368	2,952	3,681	8,470	7,433
Borrowings	6.0	706	1,194	3,550	3,234	8,684	8,354
Total at 30 June 2024		**12,889**	**20,244**	**7,933**	**7,441**	**48,507**	**47,340**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

Section 5: Equity-settled employee benefits

This section provides information about our equity-settled benefits.

29. Equity-settled employee benefits expense

(a) Recognition and measurement

Equity-settled employee benefit transactions and other costs for providing similar services are measured at the fair value of the equity instruments on the grant date. This fair value is expensed evenly over the vesting period, based on the Group's estimate of how many awards are expected to vest. A matching increase is recognised in equity.

At each reporting date, the Group updates its estimate of the number of awards expected to vest. Any change in estimate is recognised in profit or loss, so that the cumulative expense reflects the latest estimate. Adjustments are recorded in the equity-settled employee benefits reserve.

Fair value is determined using market data where available. Estimates take into account factors like non-transferability, exercise restrictions, and the likelihood of meeting vesting conditions. Volatility assumptions are based on historical share price data from comparable companies.

Equity-settled employee benefit transactions with non-employees are measured at the fair value of the goods or services received, unless this cannot be reliably estimated. In that case, it is measured using the fair value of the equity instruments granted, at the date the goods or services are received.

For cash-settled equity instruments, a liability is recognised at initial fair value. This is remeasured at each reporting date and on settlement. Changes in fair value are recognised in profit or loss.

If an award is forfeited during the vesting period, the previously recognised expense is reversed, unless the forfeiture is due to not meeting a market performance condition — in which case the full expense remains, and the unvested portion is transferred to retained earnings.

If an award is cancelled, any remaining unrecognised cost is immediately expensed. Upon expiry of unexercised options, their value is transferred to retained earnings.

(b) Restricted stock units

The Company has restricted stock units ('RSU') plans for executives and employees of the Company and its subsidiaries. The number of RSUs granted is specific to that employee's RSU plan agreement and is granted at the Board's discretion. The RSUs reward executives and employees subject to meeting agreed service conditions or performance conditions specific to the individual's agreement.

The RSUs are equity settled and are settled in full on the vesting date and carry neither rights to dividends nor voting rights.

(i) Restricted Stock Units General-Units Plan ('RSU General-Units Plan')

During the year ended 30 June 2024, the Company introduced the RSU General-Units Plan for executives and employees of the Company and its subsidiaries. The number of RSUs granted is specific to that employee's RSU plan agreement and is granted at the Board's discretion. The RSUs reward executives and employees subject to meeting agreed service conditions specific to the individual's agreement. The number of shares granted in the future will equal a fixed number of RSUs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

The following arrangements under the RSU General-Units Plan were in existence as of 30 June 2025.

RSU series	Grant date	Settlement date	No. of outstanding units	Fair value at grant date $
Sep 2023 – 2	16-Aug-23 to 22-Aug-23	1-Sept-25	52,379	10.38 to 12.15
Sep 2023 – 3	15-Aug-23 to 22-Aug-23	1-Jun-26 to 1-Sep-26	78,093	10.38 to 12.15
Nov 2023 – 3	25-Sept-23	1-Sept-25	11,122	11.32
Dec 2023 – 2	28-Aug-23 to 17-Nov-23	1-Sep-25 to 1-Dec-25	165,401	9.96 to 11.72
Dec 2023 – 3	28-Aug-23 to 17-Nov-23	1-Mar-26 to 1-Dec-26	189,535	9.96 to 11.72
Mar 2024 – 2	22-Nov-23 to 16-Feb-24	1-Dec-25 to 1-Mar-26	80,395	8.9 to 13.31
Mar 2024 – 3	22-Nov-23 to 16-Feb-24	1-Dec-26 to 1-Mar-27	80,404	8.9 to 13.31
Jun 2024 – 2	12-Mar-24 to 20-May-24	1-June-26	34,363	13.5 to 15.06
Jun 2024 – 3	12-Mar-24 to 20-May-24	1-June-27	34,368	13.5 to 15.06
Sep 2024 – 1	17-July-24	1-Sept-25	4,145	11.93
Sep 2024 – 2	21-May-24 to 23-Jul-24	1-Jun-26 to 1-Sep-26	17,233	11.11 to 14.99
Sep 2024 – 3	21-May-24 to 23-Jul-24	1-Jun-27 to 1-Sep-27	17,237	11.11 to 14.99
Dec 2024 – 1	10-Aug-24 to 27-Nov-24	1-Sep-25 to 1-Dec-25	402,123	6.81 to 10.24
Dec 2024 – 2	10-Aug-24 to 27-Nov-24	1-Mar-26 to 1-Dec-26	497,508	6.81 to 10.24
Dec 2024 – 3	10-Aug-24 to 27-Nov-24	1-Mar-27 to 1-Dec-27	683,137	6.81 to 10.24
Dec 2024 – 4	19-Nov-24 to 27-Nov-24	1-Mar-28 to 1-Dec-28	385,021	7.57 to 8.4
Mar 2025 – 1	11-Nov-24 to 18-Feb-25	1-Sep-25 to 1-Mar-26	39,854	7.13 to 9.39
Mar 2025 – 2	11-Nov-24 to 18-Feb-25	1-Sep-26 to 1-Mar-27	39,857	7.13 to 9.39
Mar 2025 – 3	11-Nov-24 to 18-Feb-25	1-Sep-27 to 1-Mar-28	39,861	7.13 to 9.39
Jun 2025 – 1	3-Mar-25 to 2-May-25	1-Sep-25 to 1-Jun-26	69,836	9.31 to 11.57
Jun 2025 – 2	3-Mar-25 to 2-May-25	1-Sep-26 to 1-Jun-27	74,454	9.31 to 11.57
Jun 2025 – 3	3-Mar-25 to 2-May-25	1-Sep-27 to 1-Jun-28	74,465	9.31 to 11.57
Jun 2025 – 4	03-Mar-25	1-Sep-28 to 1-Jun-29	59,532	11.29
Total			**3,130,323**	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

The following reconciles outstanding units under the RSU General-Units Plan at the beginning and end of the year:

	Units	
	2025	2024
Balance at beginning of the year	1,247,277	-
Granted during the year	2,694,119	1,475,190
Forfeited during the year	(130,531)	(68,987)
Settled during the year	(680,542)	(158,926)
Balance at end of the year	**3,130,323**	**1,247,277**

Included in the above reconciliation is 105,753 RSUs (30 June 2024: 42,308 RSUs) granted employees as settlement for commissions earned on a quarterly basis. These RSUs immediately converted to ordinary shares. The RSUs were valued between $6.78 and $12.68 (30 June 2024: $8.99 and $14.56).

Fair value of RSUs granted in the year

The Group recognises the fair value at the grant date of equity settled securities above as an employee benefit expense proportionally over the vesting period with a corresponding increase in equity. The fair value of RSUs granted under the RSU General-Units Plan are based on the share price at the grant date.

(ii) Performance Restricted Stock Units Plan ('PRSU Plan')

During the year ended 30 June 2024, the Company introduced the PRSU Plan for executive key management personnel of the Company and its subsidiaries. The number of RSUs granted is specific to that employee's RSU plan agreement and is granted at the Board's discretion. The RSUs reward executives and employees subject to meeting agreed service and performance conditions specific to the individual's agreement. The number of shares granted in the future will equal a fixed number of RSUs. The following arrangements under the PRSU Plan were in existence as of 30 June 2025.

RSU series	Grant date	Settlement date	No. of outstanding units	Fair value at grant date $
PRSU Dec 2023 – 2	16-Oct-23 to 1-Nov-23	1-Sept-25	134,987	7.49 to 10.58
PRSU Dec 2023 – 3	16-Oct-23 to 1-Nov-23	1-Sept-26	134,987	7.17 to 10.13
PRSU Dec 2023 – 4	16-Oct-23 to 1-Nov-23	1-Sept-26	557,573	4.43 to 11.05
PRSU Dec 2024 – 1	1-Dec-24	1-Sept-25	21,158	7.89
PRSU Dec 2024 – 2	1-Dec-24	1-Sept-26	1,310	7.89
PRSU Dec 2024 – 3	22-Nov-24 to 1-Dec-24	1-Sept-27	309,658	1.54 to 7.89
Total			**1,159,673**	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

The following reconciles outstanding units under the PRSU Plan at the beginning and end of the year:

	Units	
	2025	2024
Balance at beginning of the year	1,077,573	-
Granted during the year	332,126	1,077,573
Forfeited during the year	(8,127)	-
Settled during the year	(241,899)	-
Balance at end of the year	**1,159,673**	**1,077,573**

Fair value of RSUs granted in the year

The Group recognises the fair value at the grant date of equity settled securities above as an employee benefit expense proportionally over the vesting period with a corresponding increase in equity.

Under the PRSU Plan, prior to FY25, the fair value of RSUs not subject to market performance conditions are measured at the grant date using the Binomial Tree Model by an independent valuer. From FY25 onwards, RSUs not subject to market performance conditions under the Company's Short Term Inventive ('STI') plan are based on the share price at grant date. The fair value of RSUs that contain a market performance condition are measured at grant date using the Monte-Carlo simulation pricing model which is performed by an independent valuer and models the future security price of the Company's shares.

Non-market vesting conditions are determined with reference to the underlying financial or non-financial performance measures to which they relate.

Key inputs to the pricing models are shown in the table below:

RSU series	Volatility	Risk-free interest rate	Dividend yield
PRSU Dec 2023 – 2	60.00%	4.42% – 4.45%	0%
PRSU Dec 2023 – 3	60.00%	4.42% – 4.45%	0%
PRSU Dec 2023 – 4	60.00%	3.91% – 4.37%	0%
PRSU Dec 2024 – 1	55.00%	3.87% – 4.00%	0%
PRSU Dec 2024 – 2	55.00%	3.87% – 4.00%	0%
PRSU Dec 2024 – 3	55.00%	3.87% – 4.00%	0%

(iii) Employee Bonuses settled as RSUs

During the year, the Company granted RSUs to its employees and executives as payment of employee bonuses in relation to the financial year ended 30 June 2024. $2.3 million worth of RSUs representing a fixed monetary value were granted between 26 August 2024 and 28 August 2024, which settled in full via issue of 262,388 shares on 1 September 2024. The number of shares granted on settlement was computed based on the total fair value at grant date divided by $8.84, being the VWAP in the five day trading period prior to 1 September 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

Fair value of RSUs granted in the year

The fair value is determined based on the fixed monetary amount to be received discounted for the time value of money.

(iv) FY23 Employee Bonus Restricted Stock Units Plan ('FY23 RSU Bonus')

During the prior year, the Company granted RSUs to its employees and executives as payment of employee bonuses in relation to the financial year ended 30 June 2023. The RSUs were granted between 7 August 2023 and 18 August 2023, and settled in two tranches, on 1 September 2023 and 1 March 2024. The settlement of the RSUs was contingent on the employee's continued service during the vesting period. The number of shares granted on settlement equalled the number of RSUs granted to the employee.

The following reconciles outstanding RSUs granted under the FY23 RSU Bonus plan at the beginning and end of the year:

	Units	
	2025	2024
Balance at beginning of the year	–	-
Granted during the year	–	386,379
Forfeited during the year	–	(8,631)
Settled during the year	–	(377,748)
Balance at end of the year	**–**	**-**

Fair value of RSUs granted in the year

The fair value of RSUs granted under the RSU Bonus Plan are based on the share price at the grant date.

(v) Restricted Stock Units General Plan ('RSU General Plan')

Under the RSU General Plan, the number of shares granted in the future will equal a fixed monetary amount.

The following arrangements under the RSU General were in existence as of 30 June 2025.

RSU series	Number of employees	Settlement date	Total fair value at grant date $	Equivalent units^
Sept 2022 – 3	1	1-Sept-25	19,997	3,137
Dec 2022 – 3	5	1-Dec-25	135,028	22,284
Total			**155,025**	**25,421**

^ Computed based on total fair value at grant date divided by equivalent VWAP at grant date.

The following reconciles the total fair value of the RSU General Plan outstanding at the beginning and end of the year:

	Fair value ($)	
	2025	2024
Restricted Stock Units		
Balance at beginning of the year	1,927,142	4,196,475
Forfeited during the year	(26,815)	(551,887)
Settled during the year	(1,745,301)	(1,717,446)
Balance at end of the year	**155,025**	**1,927,142**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

Fair value of RSUs granted in the year

The fair value is determined based on the fixed monetary amount to be received discounted for the time value of money.

(vi) Restricted Stock Units Executive Plan ('RSU Executive Plan')

Under the RSU Executive Plan, the number of shares granted in the future will equal a fixed number of RSUs.

The following arrangements under the RSU Executive Plan were in existence as of 30 June 2025.

RSU series	Grant date	Settlement date	No. of outstanding units	Fair value at grant date $
RSU-Dec 2022 – 3	1-Dec-22	1-Sept-25	5,470	6.89
PRSU-Dec 2022 – 2	1-Dec-22	1-Sept-25	23,443	4.1
PRSU-Dec 2022 – 1	1-Dec-22	1-Sept-25	23,444	6.89
Total			**52,357**	

The following reconciles outstanding units under the RSU Executive Plan at the beginning and end of the year:

	Units	
	2025	2024
Balance at beginning of the year	57,839	341,648
Forfeited during the year	-	(263,909)
Settled during the year	(5,482)	(19,900)
Balance at end of the year	**52,357**	**57,839**

Fair value of RSUs granted in the year

The Group recognises the fair value at the grant date of equity settled securities above as an employee benefit expense proportionally over the vesting period with a corresponding increase in equity.

The fair value of RSUs with a service condition are based on the share price at the date of issue. The fair value of RSUs that contain a market vesting condition are measured at grant date using the Monte-Carlo simulation pricing model which is performed by an independent valuer and models the future security price of the Company's shares.

Non-market vesting conditions are determined with reference to the underlying financial or non-financial performance measures to which they relate.

Key inputs to the pricing models are shown in the table below:

RSU series	Volatility	Risk-free interest rate	Dividend yield
PA-PRSU-DEC-2022-EXEC	60.00%	3.07%	0%

(c) Deferred Shares Plan – Non-Executive Directors ('Deferred Shares Plan')

On 23 November 2022, resolutions were passed by the shareholders in the FY22 Annual General Meeting to issue, transfer or allocate 6,027 Megaport shares worth $50,000 to each non-executive director in three tranches under the ESP for no consideration. The final tranche of shares will be issued on 23 November 2025. This grant of shares forms part of their remuneration for services provided as members of the Board.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

The following arrangements under the Deferred Shares Plan to Non-Executive Directors were in existence as of 30 June 2025:

Tranche	Number of shares	Grant date	Settlement date	Fair value at grant date^ $	Total fair value at grant date $
Tranche-3	8,036	23-Nov-22	23-Nov-25	8.297	66,667
	8,036				**66,667**

^Based on 10 trading days VWAP following the release of the Company's full year results in August 2022.

The following reconciles outstanding units under the Deferred Shares Plan at the beginning and end of the year:

	Deferred shares	
	2025	2024
Balance at beginning of the year	16,072	36,162
Forfeited during the year	-	(8,036)
Settled during the year	(8,036)	(12,054)
Balance at end of the year	**8,036**	**16,072**

(d) Share options granted under Megaport's employee share option plan ('ESOP General')

(i) Details of the ESOP General of the Company

The parent entity has a share option scheme for executives and employees of the Company and its subsidiaries. In accordance with the terms of the plan, as approved by the Directors on 2 November 2015, executives and employees of the Group may be granted options to purchase ordinary shares at the Board's discretion.

Each employee share option converts into one ordinary share of the Company on exercise. Amounts are paid or payable by the recipient on exercising the options, and are individual to that employee's option plan agreement. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry. The number of options granted is specific to that employee's option plan agreement and is granted at the Board's discretion. The options reward executives and employees subject to meeting agreed service conditions or performance conditions specific to the individual's agreement.

The following arrangements under the ESOP General were in existence as of 30 June 2025:

Option series	Number of outstanding options	Grant date	Vesting date	Expiry date	Exercise price $	Fair value at grant date $
Series 2021-1	8,334	8-Nov-21	8-Nov-24	8-Nov-25	19.70	5.83
	8,334					

All options are exercisable from their vesting date to their expiry date, or 60 days after the resignation of the executive or employee, or 30 days on termination for a serious breach, whichever is the earlier.

(ii) Fair value of share options granted in the year

There were no share options issued during the year. Options were priced using a Black-Scholes pricing model. Where relevant, the expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions (including the probability of meeting service and/or performance conditions attached to the option), and behavioural considerations. Expected volatility is based on either the historical share price volatility of the life of the Company or comparative company volatility.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

(iii) Movements in share options during the year

The following reconciles the share options outstanding at the beginning and end of the year:

	2025		2024	
	Number of options	Weighted average exercise price $	Number of options	Weighted average exercise price $
Balance at beginning of the year	16,667	19.70	204,168	9.73
Expired during the year	(8,333)	19.70	(20,833)	15.87
Exercised during the year^	–	–	(166,668)	7.96
Balance at end of the year	**8,334**	**19.70**	**16,667**	**19.70**

^ The weighted average share price at the date of grant of these options was $19.70 (2024: $10.30).

The number of options that have vested and become exercisable in the current reporting year was 8,334 (2024: 8,333).

(iv) Share options outstanding at the end of the year

The share options outstanding at the end of the year had a weighted average exercise price of $19.70 (2024: $19.70), and a weighted average remaining contractual life of 131 days (2024: 313 days).

(e) Expenses arising from equity-settled employee benefit transactions

Total expenses arising from equity-settled employee benefit transactions recognised during the year as part of employee expenses were as follows:

	Note	2025 $'000	2024 $'000
Restricted stock units	(i)	19,493	13,633
Deferred shares		39	79
Share options		11	28
Total expenses		**19,543**	**13,740**

(i) Included in this amount is $3.2 million relating to accrued employee bonuses to be paid in the form of RSUs in relation to the year ending 30 June 2025 (2024: $3.1 million) and $0.3 million relating to accrued employee commissions to be paid in the form of RSUs for the final quarter of the year ending 30 June 2025 (2024: $0.2 million). These have been included under employee benefits payable in Note 21.

(f) Critical accounting estimates and judgements – Fair value measurements of equity settled employee benefits

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option or appreciation right, volatility and dividend yield and making assumptions about them. For the measurement of the fair value the Group uses a Black-Scholes model for options under ESOP General, the Binomial Tree Model for RSUs not subject to market performance conditions, and the Monte-Carlo model for RSUs subject to market performance conditions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

Section 6: Group structure and related party transactions

This section provides information on our Group structure, controlled entities, ownership interest of the Group subsidiaries and the parent entity information. It outlines the accounting policies applied in accounting for the Group transactions including the basis of consolidation. Other information detailed here include disclosures on related party transactions in the year and balances outstanding at the reporting date.

30. Interest in other entities

(a) Group subsidiaries

The Group's subsidiaries at 30 June 2025 are set out in the following table. Unless otherwise stated, the subsidiaries are controlled by the Group, either through direct ownership of issued shares or through capital contributions. The proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

			Ownership interest held by the Group	
Name of entity	Notes	Place of business/country of incorporation	2025 %	2024 %
Megaport (Australia) Pty Ltd	(i)	Australia	100	100
Megaport (Services) Pty Ltd	(i)	Australia	100	100
Megaport (New Zealand) Limited		New Zealand	100	100
Megaport (Singapore) Pte Ltd		Singapore	100	100
Megaport (Hong Kong) Limited		Hong Kong	100	100
Megaport Japan K.K		Japan	100	100
Megaport (USA) Inc.	(ii)	United States of America	100	100
Megaport (Canada) Inc.		Canada	100	100
InnovoEdge, Inc.	(ii)	United States of America	100	100
Megaport Networks Mexico S.A. de C.V.		Mexico	100	100
Megaport Telecomunicacoes Brasil Ltda.		Brazil	100	100
Megaport (UK) Limited	(iii)	United Kingdom	100	100
Megaport (Europe) Limited	(iii)	United Kingdom	100	100
European Voice Link Limited	(iii)	United Kingdom	100	100
Megaport (Deutschland) Gmbh		Germany	100	100
Megaport (Netherlands) B.V.		Netherlands	100	100
Megaport (Ireland) Limited		Republic of Ireland	100	100
Megaport (Schweiz) AG		Switzerland	100	100
Megaport (Sweden) AB		Sweden	100	100
Megaport Bulgaria EAD		Republic of Bulgaria	100	100
Megaport (France) SaS		France	100	100

(i) This entity is part of the Australia tax-consolidated group, for which Megaport Limited is the head entity.

(ii) This entity is part of the US tax-consolidated group, for which Megaport (USA) Inc. is the head entity.

(iii) This entity is part of the UK tax-consolidated group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

The Company, Megaport (Australia) Pty Ltd and Megaport (Services) Pty Ltd are parties to a deed of cross guarantee ('the Deed') under which each company guarantees the debts of the others. By entering into the Deed, the wholly owned entities have been relieved from the requirement to prepare a financial report and Directors' Report under ASIC Corporations (Wholly-owned Companies) Instrument 2016/785. The Deed was entered into on 9 March 2022.

The above companies represent a 'Closed Group' for the purposes of the Class Order, and as there are no other parties to the Deed that are controlled by Megaport Limited, they also represent the 'Extended Closed Group'.

Set out below and on the following page is a Consolidated Statement of Profit or Loss and Other Comprehensive Income, a Consolidated Statement of Financial Position and a Summary of Movements in Consolidated Accumulated Losses for the year ended 30 June 2025 of the Closed Group:

Consolidated Statement of Profit or Loss and Other Comprehensive Income	2025 $'000	2024 $'000
Continuing operations		
Revenue	35,380	30,931
Direct network costs	(4,700)	(4,529)
Partner commissions	(1,051)	(433)
Gross profit	**29,629**	**25,969**
Other income	3,938	16,880
Management fee income	32,232	30,301
Employee expenses	(22,581)	(20,037)
Professional fees	(3,786)	(2,988)
Marketing expenses	(941)	(679)
Travel expenses	(1,304)	(922)
IT costs	(2,783)	(2,321)
Equity settled employee costs and related tax costs	(10,725)	(7,795)
Depreciation and amortisation expense	(14,280)	(14,139)
Finance costs	(985)	(4,165)
Foreign exchange gains/(losses)	5,213	(135)
Other expenses	(3,259)	(4,355)
Management fee expense	(15,097)	(12,152)
Loss/(profit) before income tax	**(4,729)**	**3,462**
Income tax benefit	1,912	4,316
Net (loss)/profit for the year	**(2,817)**	**7,778**
Other comprehensive income, net of tax		
Total other comprehensive income, net of income tax	–	–
Total comprehensive loss/(income) for the year	**(2,817)**	**7,778**

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

Consolidated Statement of Financial Position	Notes	2025 $'000	2024 $'000
Assets			
Current assets			
Cash and cash equivalents		61,768	20,937
Trade and other receivables		1,967	2,122
Contract assets		1,754	1,456
Other assets		2,936	4,038
Total current assets		**68,425**	**28,553**
Non-current assets			
Investment in subsidiaries	(i)	172,434	25,673
Property, plant and equipment		7,409	8,793
Intangible assets		18,421	19,635
Right-of-use assets		2,023	2,404
Deferred tax assets		5,296	4,609
Amounts due from related parties		89,589	339,623
Total non-current assets		**295,172**	**400,737**
Total assets		**363,597**	**429,290**
Liabilities			
Current liabilities			
Trade and other payables		6,737	8,280
Provisions		2,536	2,075
Borrowings		4,697	5,230
Lease liabilities		1,407	1,158
Amounts due to related parties	(ii)	–	47,195
Other liabilities		174	–
Total current liabilities		**15,551**	**63,938**
Non-current liabilities			
Trade and other payables		–	526
Provisions		635	444
Borrowings		3,138	3,124
Lease liabilities		839	1,518
Deferred tax liabilities		3,530	5,152
Amounts due to related parties		1,845	583
Total non-current liabilities		**9,987**	**11,347**
Total liabilities		**25,538**	**75,285**
Net assets		**338,059**	**354,005**
Equity			
Issued capital		440,882	422,674
Reserves		14,333	13,547
Accumulated losses		(117,156)	(82,216)
Total equity		**338,059**	**354,005**

Notes:

(i) Included in the current year movement in investment in subsidiaries is a net capital contribution of $146.9 million to Megaport (USA) Inc., the Company's subsidiary. The capital contribution did not result in a change of ownership interest.

(ii) During the current year, the Group implemented a quarterly settlement process for managing intercompany balances. Under this process, intercompany balances less than three months are settled. Settlement may be financed through a loan from the parent entity or another entity in the Group. As at 30 June 2025, there are no current amounts due to or due from related parties, as all balances have been fully settled.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

Movement in accumulated losses	2025 $'000	2024 $'000
Accumulated losses as at beginning of the financial year	**(82,216)**	**(90,073)**
Transfers from equity-settled employee benefits reserves	105	79
Net (loss)/profit	(2,817)	7,778
Intercompany interest reversals recognised directly in accumulated losses	(32,228)	-
Accumulated losses as at end of the financial year	**(117,156)**	**(82,216)**

During the year, the Group reversed historical interest on intra-group loans in line with Megaport's transfer pricing policy. These balances were reversed via a current year adjustment to accumulated losses. The correction did not impact the profit or loss of the Closed Group for the current period or prior periods.

Basis of consolidation

The consolidated financial statements incorporate the consolidated financial statements of Megaport Limited ('the Company') and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Statement of Profit or Loss and Other Comprehensive Income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the consolidated financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

31. Related party transactions

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

(a) Parent entity

The ultimate parent entity of the Group is Megaport Limited.

(b) Subsidiaries

Interest in subsidiaries are set out in Note 30.

(c) Compensation of key management personnel ('KMP')

The remuneration of directors and other members of key management personnel during the year was as follows:

	2025 $	2024 $
Short-term benefits	2,430,256	2,870,126
Post-employment benefits	103,899	99,386
Long-term benefits	9,377	4,026
Termination benefits	–	174,508
Equity-settled employee costs	3,267,404	3,219,915
Total	**5,810,936**	**6,367,961**

The remuneration of directors and key executives is determined by the Remuneration & Nomination Committee.

Detailed remuneration disclosures are provided in the Remuneration Report in the Directors' Report.

(d) Transactions with other related parties

During the year, Group entities entered into the following transactions with related parties that are not members of the Group:

	Notes	2025 $	2024 $
Sales and purchases of goods and services			
Purchase of shared services from entities controlled by key management personnel	(i)	–	202,454
Sale of network related services to entities related to key management personnel		–	10,400
Income from equipment rental to entities related to key management personnel		–	30,958

Notes:

(i) Shared services agreement

The Company entered into a shared services agreement with Capital B Pty Ltd ACN 162 622 282 ('Soda'), a company controlled by Bevan Slattery (Chairman of the Company until 30 June 2024). Under the agreement, Soda provides certain services to the Group. The services are charged on the basis of the actual cost to Soda plus a margin of 20%, allocated on the time Soda employees spend providing services to the Group. The obligations on Soda under the agreement are typical for a service agreement, and require that Soda provide the services with due care, skill and judgement, comply with the law in providing the services and effect appropriate insurance. Soda may seek reimbursement for certain expenses incurred in connection with the provision of services under the agreement. Either party may terminate the agreement for convenience on 60 days' written notice. For the year ended 30 June 2025, Soda was not a related party of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

(e) Outstanding balances arising from other related parties

The following balances were outstanding from related parties at the end of the year:

	Notes	2025 $	2024 $
Amounts owed by related parties			
Key management personnel	(i)	6132	–
		6,132	**–**

Notes:

(i) Amounts owed by key management personnel relate to costs paid by the Group which the KMP has agreed to reimburse. The amount owing at 30 June 2025 will be repaid in October 2025.

There were no amounts owing to related parties at 30 June 2025 (30 June 2024: nil).

(f) Terms and conditions

Directors for the Group hold other directorships as detailed in the Directors' Report. Where any of these related entities are customers or suppliers of the Group, the arrangements are on similar terms to third party customers or suppliers respectively.

All transactions were made on normal commercial terms and conditions and at market rates.

Outstanding balances are unsecured and are repayable in cash.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

32. Parent entity financial information

(a) Summary financial information

The individual financial statements of the parent entity show the following aggregate amounts:

	Notes	2025 $'000	2024 $'000
Statement of Financial Position			
Current assets		58,720	12,012
Non-current assets		414,166	468,788
Total assets		**472,886**	**480,800**
Current liabilities	(i)	198	12,423
Non-current liabilities		4,569	1,650
Total liabilities		**4,767**	**14,073**
Net assets		**468,119**	**466,727**
Shareholders' equity			
Issued capital		440,882	422,674
Reserves		14,333	13,547
Retained earnings		12,904	30,506
Shareholders' equity		**468,119**	**466,727**
Net profit for the year		**12,061**	**19,441**
Total comprehensive income for the year		**12,061**	**19,441**

Notes:

(i) Included in current liabilities as at 30 June 2024 was amounts due to related parties of $12.3 million. During the current year, the Group implemented a quarterly settlement process for managing intercompany balances. Under this process, intercompany balances less than three months are settled. Settlement may be financed through a loan from the parent entity or another entity in the Group. As at 30 June 2025, there are no current amounts due to or due from related parties, as all balances have been fully settled.

(b) Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 30 June 2025 (2024: nil).

(c) Contractual commitments

The parent did not have any contractual commitments at 30 June 2025 (2024: nil).

The financial information for the parent entity, Megaport Limited, has been prepared on the same basis as the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

Section 7: Other Information

This section provides information on other required or voluntary disclosures not included in other sections.

33. Auditors' remuneration

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	2025 $	2024 $
Deloitte Touche Tohmatsu Australia		
Audits and review of the financial reports – Group	372,750	372,750
Audits and review of the financial reports – Subsidiary entities	83,000	61,819
Total remuneration of Deloitte Touche Tohmatsu Australia	**455,750**	**434,569**
Other Deloitte network firms:		
Audits of the subsidiary entities' financial reports	96,656	34,313
Total remuneration of Deloitte network firms	**96,656**	**34,313**
Other auditors and their related network firms:		
Audits of the subsidiary entities' financial reports	18,857	75,681
Other services	-	15,168
Total remuneration of other firms	**18,857**	**90,849**

34. Contingencies

The Group had no contingent assets or liabilities as at 30 June 2025 (2024: nil).

35. Events occurring after the financial year

The Group is not aware of any other matters or circumstances that have arisen since the end of the year which have significantly affected or may significantly affect the Group's operations and results or state of affairs of the Group.

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

AS AT 30 JUNE 2025

			Body Corporates		Tax residency	
Name of entity	Notes	Entity type	Place formed or incorporated	Percentage (%) of share capital held	Australian tax resident	Foreign jurisdiction
Megaport Limited	(i)	Body Corporate	Australia	100	Yes	N/A
Megaport (Australia) Pty Ltd	(i)	Body Corporate	Australia	100	Yes	N/A
Megaport (Services) Pty Ltd	(i)	Body Corporate	Australia	100	Yes	N/A
Megaport (New Zealand) Limited		Body Corporate	New Zealand	100	No	New Zealand
Megaport (Singapore) Pte Ltd		Body Corporate	Singapore	100	No	Singapore
Megaport (Hong Kong) Limited		Body Corporate	Hong Kong	100	No	Hong Kong
Megaport Japan K.K		Body Corporate	Japan	100	No	Japan
Megaport (USA) Inc.	(ii)	Body Corporate	United States of America	100	No	United States of America
Megaport (Canada) Inc.		Body Corporate	Canada	100	No	Canada
InnovoEdge, Inc.	(ii)	Body Corporate	United States of America	100	No	United States of America
Megaport Networks Mexico S.A. de C.V.		Body Corporate	Mexico	100	No	Mexico
Megaport Telecomunicacoes Brasil Ltda.		Body Corporate	Brazil	100	No	Brazil
Megaport (UK) Limited	(iii)	Body Corporate	United Kingdom	100	No	United Kingdom
Megaport (Europe) Limited	(iii)	Body Corporate	United Kingdom	100	No	United Kingdom
European Voice Link Limited	(iii)	Body Corporate	United Kingdom	100	No	United Kingdom
Megaport (Deutschland) Gmbh		Body Corporate	Germany	100	No	Germany
Megaport (Netherlands) B.V.		Body Corporate	Netherlands	100	No	Netherlands
Megaport (Ireland) Limited		Body Corporate	Republic of Ireland	100	No	Republic of Ireland
Megaport (Schweiz) AG		Body Corporate	Switzerland	100	No	Switzerland
Megaport (Sweden) AB		Body Corporate	Sweden	100	No	Sweden
Megaport Bulgaria EAD		Body Corporate	Republic of Bulgaria	100	No	Republic of Bulgaria
Megaport (France) SaS		Body Corporate	France	100	No	France

Notes:

(i) This entity is part of the Australia tax-consolidated group, for which Megaport Limited is the head entity.

(ii) This entity is part of the US tax-consolidated group, for which Megaport (USA) Inc. is the head entity.

(iii) This entity is part of the UK tax-consolidated group.

DIRECTORS' DECLARATION

In the Directors' opinion:

a. The consolidated financial statements and notes of Megaport Limited ('the Company' or 'the Group') are in accordance with the Corporations Act 2001, including:

   i. Complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and

   ii. Giving a true and fair view of the Group's financial position as at 30 June 2025 and its performance for the year ended on that date,

b. At the date of this declaration, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

c. At the date of this declaration, the Company is within the class of companies affected by ASIC Corporations (Wholly owned Companies) Instrument 2016/785. The nature of the deed of cross guarantee is such that each company which is party to the deed guarantees to each credit payment in full of any debt in accordance with the deed of cross guarantee. In the directors' opinion, there are reasonable grounds to believe that the Company and the companies to which ASIC Corporations (Wholly owned Companies) Instrument 2016/785 applies, as detailed in Note 30 to the consolidated financial statements will, as a group, be able to meet any liabilities to which they are, or may become, subject because of the deed of cross guarantee.

d. In the directors' opinion, the attached consolidated entity disclosure statement is true and correct.

Note 2 of Section 1 confirms that the consolidated financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001.*

This declaration is made in accordance with a resolution of the Directors made pursuant to s295(5(a)) of the *Corporations Act 2001.*

On behalf of the Board of Directors

Melinda Snowden
Chair & Non-Executive Director

Sydney

21 August 2025

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MEGAPORT LIMITED

Deloitte.

Deloitte Touche Tohmatsu
A.B.N. 74 490 121 060

Level 23, Riverside Centre
123 Eagle Street
Brisbane QLD 4000
Australia

Tel: +61 7 3308 7000
www.deloitte.com.au

Independent Auditor's Report to the Members of Megaport Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Megaport Limited (the "Company") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Company's and Group's financial position as at 30 June 2025 and of their financial performance for the year then ended; and
- Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITOR'S REPORT continued

Deloitte.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
Capitalisation of costs to Intangible assets Refer to Note 18 – Intangible Assets During the year $10.4 million has been capitalised to Software Under Development in relation to the ongoing development of the Group's proprietary service delivery software platform. These capitalised costs are amortised over the estimated useful lives of software. The capitalised costs comprise a combination of payments to external suppliers and internal employee costs. The Group capitalises those costs which meet the criteria for capitalisation under AASB 138 *Intangible Assets*. Judgement is required to: • Distinguish software development activities from research and ongoing maintenance activities; and • Identify and allocate the internal employee costs relating to software development activities.	Our procedures included, but were not limited to: • Developing an understanding of, and evaluating the Group's cost capitalisation policy; • Evaluating the design and testing the implementation of relevant controls; • Assessing the process implemented by the Group for the identification and measurement of capitalised costs; • Holding discussions with relevant project managers to understand and challenge the nature of the activities conducted, and the basis for management's assessment of the criteria for capitalisation of costs under Australian Accounting Standards; • For internal employee costs capitalised, on a sample basis we agreed employee cost data back to payroll and employee contract records, obtained evidence that the time recorded against capital projects had been reviewed and approved by an appropriate supervisor and recognised in accordance with the Group's accounting policy, and tested the accuracy of the calculations and accounting journals used to allocate the employee costs between amounts capitalised and amounts included in operating expenses; • Performing a substantive analytic procedure derived from historic patterns of capitalisation and comparing the expectation against actual costs capitalised; and • Agreeing a sample of other capitalised costs to third party evidence. We also assessed the adequacy of the disclosures in Note 18 of the financial statements.

INDEPENDENT AUDITOR'S REPORT continued

Deloitte.

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
Revenue recognition Refer to Note 8 – Revenue. The Group recognised revenue of $227.1 million for the year ended 30 June 2025. The recognition of revenue is considered to be a key audit matter due to: • The significance of revenue to the financial statements; and • Measurement and recognition of Network as a Service ("NaaS") revenue involves significant volumes of customer configuration, network usage, and pricing data.	Our procedures included, but were not limited to: • Assessing whether the Group's accounting policies were in accordance with the requirements of AASB 15 *Revenue from Contracts with Customers* ; • Evaluating the design and implementation of relevant controls relating to the measurement and recognition of NaaS revenue; • Performing statistical substantive analytical procedures using revenue-generating key performance indicators as a predicting factor and testing the reliability of the underlying data; • Performing substantive testing on a sample of sales transactions to verify accuracy and occurrence of the sales transactions. We also traced these sales transactions through to subsequent cash receipts from customers. We also assessed the adequacy of the disclosures in Note 8 to the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2025, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors are responsible:

- For the preparation of the financial report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group in accordance with Australian Accounting Standards; and
- For such internal control as the directors determine is necessary to enable the preparation of the financial report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT continued

Deloitte.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the Group financial report. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

INDEPENDENT AUDITOR'S REPORT continued

Deloitte.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 29 to 55 of the Directors' Report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of Megaport Limited, for the year ended 30 June 2025, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Stephen Tarling
Partner
Chartered Accountants

Brisbane, 21 August 2025

SHAREHOLDER INFORMATION

The shareholder information set out below was applicable at 31 July 2025.

(a) Issued capital

160,941,332 issued shares, which includes 160,793,645 fully paid ordinary shares held by 18,675 individual shareholders, and 147,687 own shares held by Megaport Employee Share Plan Trust ('the Trust'), which contains vested restricted stock units with rights to deferred exercise granted to 43 individual holders.

All issued shares carry one vote per share. Own shares held by the Trust do not carry voting rights while unexercised.

(b) Restricted stock units issued as units

4,342,353 restricted stock units are held by 183 individual holders.

Restricted stock units issued as units do not carry a right to vote

(c) Restricted stock units issued as a fixed monetary value

$155,025 worth of restricted stock units, which equates to 25,421 equivalent units are held by 6 individual holders.

Restricted stock units issued as a fixed monetary value do not carry a right to vote.

(d) Deferred shares

8,036 deferred shares are held by 4 individual holders.

Deferred shares do not carry a right to vote.

(e) Options

8,334 options are held by 1 individual holder.

Options do not carry a right to vote.

(f) Distribution of holders of equity securities

Analysis of numbers of equity security holders by size of holding:

	Issued Capital					
	Ordinary shares			Own shares		
Holding	Number of holders	Number of issued shares	% of ordinary shares	Number of holders	Number of issued shares	% of own shares
1 – 1,000	11,822	3,963,082	2.46	14	9,227	6.25
1,001 – 5,000	5,170	12,316,255	7.66	23	52,459	35.52
5,001 – 10,000	1,045	7,577,369	4.71	3	23,014	15.58
10,001 – 100,000	605	13,298,228	8.27	3	62,987	42.65
100,001 and over	33	123,638,711	76.89	–	–	–
Total	**18,675**	**160,793,645**	**100.00**	**43**	**147,687**	**100.00**

SHAREHOLDER INFORMATION continued

	RSUs					
	Units			Fixed monetary value		
Holding	Number of holders	Number of units	% of RSU units	Number of holders	Number of equivalent units	% of RSU equivalent units
1 – 1,000	3	2,383	0.05	1	815	3.21
1,001 – 5,000	58	171,955	3.96	3	8,897	35.00
5,001 – 10,000	47	345,724	7.96	2	15,709	61.80
10,001 – 100,000	64	1,249,161	28.77	–	–	–
100,001 and over	11	2,573,130	59.26	–	–	–
Total	**183**	**4,342,353**	**100.00**	**6**	**25,421**	**100.00**

	Deferred shares			Options		
Holding	Number of holders	Number of units	% of Deferred shares	Number of holders	Number of units	% of Options
1 – 1,000	–	–	–	–	–	–
1,001 – 5,000	4	8,036	100.00	–	–	–
5,001 – 10,000	–	–	–	1	8,334	100.00
10,001 – 100,000	–	–	–	–	–	–
100,001 and over	–	–	–	–	–	–
Total	**4**	**8,036**	**100.00**	**1**	**8,334**	**100.00**

The number of shareholders holding less than the marketable parcel of fully paid ordinary shares is 501.

(g) Substantial shareholders

Substantial shareholders of 5% or more of the fully paid ordinary shares in the Company are set out as follows:

Name	Number held	Percentage of issued shares
Ordinary shares		
AustralianSuper Pty Ltd	14,898,988	9.27
The Capital Group Companies	12,640,254	7.92
State Street Group	10,206,667	6.35
Blackrock Group	8,887,483	5.54
Vanguard Group	7,979,668	5.02

SHAREHOLDER INFORMATION continued

(h) Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest holders of equity securities are listed as follows:

	Fully paid issued shares	
Name	Number held	Percentage of issued shares
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	43,927,328	27.29
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	33,441,588	20.78
CITICORP NOMINEES PTY LIMITED	19,045,144	11.83
BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING A/C>	4,911,031	3.05
BNP PARIBAS NOMS (NZ) LTD	3,959,572	2.46
WASHINGTON H SOUL PATTINSON AND COMPANY LIMITED	2,916,475	1.81
BNP PARIBAS NOMS PTY LTD	2,750,748	1.71
ARGO INVESTMENTS LIMITED	2,650,895	1.65
NATIONAL NOMINEES LIMITED	2,192,808	1.36
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	1,335,455	0.83
BNP PARIBAS NOMINEES PTY LTD <HUB24 CUSTODIAL SERV LTD>	1,116,584	0.69
NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	503,575	0.31
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	496,831	0.31
BNP PARIBAS NOMINEES PTY LTD <PITCHER PARTNERS>	485,939	0.30
CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	408,174	0.25
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	392,967	0.24
NEWECONOMY COM AU NOMINEES PTY LIMITED <900 ACCOUNT>	374,356	0.23
BEEBEE HOLDINGS PTY LTD	300,000	0.19
IOOF INVESTMENT SERVICES LIMITED <IPS SUPERFUND A/C>	267,011	0.17
M E J C PTY LTD <MEJ CLARKE FAMILY A/C>	220,000	0.14
	121,696,481	**75.62**

Unquoted equity securities

	Number on issue	Number of holders
Restricted stock units under Restricted Stock Units Executive Plan to take up issued shares	52,357	1
Restricted stock units under Restricted Stock Units General-Units Plan to take up issued shares	3,130,323	180
Restricted stock units under Performance Restricted Stock Units Plan to take up issued shares	1,159,673	2
Restricted stock units under Restricted Stock Units General Plan to take up issued shares	25,421	6
Deferred shares issued under the Deferred Shares Plan – Non-Executive Directors to take up issued shares	8,036	4
Options issued under Employee Share Option Plan to take up issued shares	8,334	1

CORPORATE DIRECTORY

Current Directors

Melinda Snowden
Michael Reid
Glo Gordon
Michael Klayko
Jay Adelson
Mohit Lad
Grant Dempsey

Company Secretary

Celia Pheasant

Principal Registered Office in Australia

Level 3, 825 Ann Street
Fortitude Valley QLD 4006

Share Register

Computershare Investor Services Pty Limited

Level 1, 200 Mary Street
Brisbane QLD 4000

Phone: 1300 850 505

Auditor

Deloitte Touche Tohmatsu

Level 23, 123 Eagle Street
Brisbane QLD 4000

Stock Exchange Listing

Megaport Limited shares are listed on the Australian Securities Exchange (ASX).

Website Address

www.megaport.com

ABN

46 607 301 959

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Megaport

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