AUSTRALIAN SHAREHOLDERS' ASSOCIATION

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The complex world of facilitating AI

Company/ASX Code	Megaport Limited/MP1
AGM time and date	11.00am (AEST) Friday 20 November 2026
Location	Megaport offices, Level 3, 825 Ann Street, Fortitude Valley, Queensland, and online via Computershare Meetnow
Registry	Computershare
Type of meeting	Hybrid: shareholders attending online can ask questions and vote
Monitor	Mike Sackett assisted by Alison Prentice
Pre-AGM Meeting	Yes, by video on 27 October 2026 with Chair Melinda Snowden; Jon Gidney, non-executive director and Chair of the Audit & Risk Committee; and Jake Edwards, Finance & Investor Relations Analyst

Monitor Shareholding: One of the individuals (or their associates) involved in the preparation of this voting intention has a shareholding in this company.

1. How we intend to vote

No.	Resolution description	
1	Remuneration Report	Against
2	Election of Mr Jon Gidney as a Director	For
3	Approval of Employee Share Plan	For
4	Increase to non-executive Director fee pool	For
5	Approval of non-executive Directors' equity program	For
6	Grant of PRSUs to Mr Michael Reid	Against
7	Approval of issue of Contingent Consideration Shares to the Latitude.sh Vendors (Revenue Contingent Consideration Units)	For
8	Approval of issue of Contingent Consideration Shares to the Latitude.sh Vendors (Integration Contingent Consideration Units)	For

2. Summary of Issues and Voting Intentions for AGM

- **A transformed and more complex business.** The acquisition of Latitude.sh in November 2025 added compute and storage services to Megaport's original network business. The company is now larger, more global and more complex, with greater demands on executives and directors. Revenue rose 37% to $312.2m and shareholders received a 49% return in FY26, although the statutory result was a $39.0m loss.
- **Board stability.** Three non-executive directors have left early in the past two years, each of them a committee chair. ASA is looking for greater continuity, a permanent chair of the remuneration committee and progress towards the Board's own gender diversity objective.
- **Remuneration.** ASA will vote **against** the remuneration report. Megaport has made a profit only once in ten years and has more than doubled its share count to fund losses, yet the CEO's FY26 maximum package more than tripled to $13.0m. ASA considers this quantum too high for a company that is not yet consistently profitable. ASA will also vote **against** the CEO's FY27 equity grant, which lifts his maximum package to $18.0m on a newly redrawn peer group, raises fixed pay by 20% and pays half the bonus in cash, contrary to the approach the Board set out in August.

ASA will vote undirected proxies For Resolutions 2, 3, 4, 5, 7 and 8 and Against Resolutions 1 and 6.

See ASA Voting guidelines and Investment Glossary for definitions.

3. Matters Considered

Accounts and reports

Megaport's core business remains connecting enterprises and service providers around the world to data centres, cloud platforms and each other. At 30 June 2026 it served more than 3,200 network customers through 1,138 data centres in 26 countries; including Latitude.sh and Extreme IX, it now operates in 31 countries. The Americas provided 63% of revenue in FY26 and Australia only 12.7%, and 46% of employees are in the Americas compared with 38% in Australia.

In FY26 revenue rose 37% to $312.2m and EBITDA, the company's main earnings measure, rose 24% to $77.1m. The statutory net loss was $39.0m (FY25: $0.3m loss) after acquisition costs, higher share-based payments and increased investment. Megaport raised more than $1bn during the year and finished with net cash of $406.9m. In late September 2026 it announced three AI infrastructure contracts worth a combined $979m, lifting annual recurring revenue (ARR) to around $1.1bn, more than 85% of it from North America. This underlines the global nature of this Brisbane-based business.

Megaport is one of the more extreme growth companies on the ASX. It listed in November 2015 after raising $25m. Between FY22 and FY26 its market value grew more than five times, from $861m to $4.6bn, while revenue almost tripled from $109.7m to $312.2m. Growth has taken priority over profit: Megaport has made a statutory profit only once in the past ten years, in FY24, with combined losses of more than $250m over that period, and has never paid a dividend. Shares on issue have risen from 91m in 2017 to 214m in 2026 as the company raised capital to fund its growth.

Financial performance

(As at FYE)	2026	2025	2024	2023	2022
NPAT ($m)	(39.0)	(0.3)	9.6	(9.8)	(48.5)
UPAT ($m)	n/r	n/r	n/r	n/r	n/r
Share price ($)	21.58	14.44	11.22	7.22	5.45
Dividend (cents)	nil	nil	nil	nil	nil
Simple TSR (%)	49.4	28.7	55.4	32.5	(70.4)
EPS (cents)	(18.18)	(0.14)	4.48	(4.56)	(22.61)
CEO total remuneration, statutory ($m)	7.03	3.83	4.02	0.77*	2.59

Simple TSR is calculated by dividing the change in share price plus dividends paid during the year, excluding franking, by the share price at the start of the year.

Year end 30 June. Megaport does not report an underlying profit after tax (n/r); its main earnings measure is EBITDA ($77.1m, $62.3m, $57.1m, $25.2m and ($12.3m) for FY26 to FY22). No dividends have been paid, so simple TSR equals the share price change. CEO remuneration is the statutory (accounting) figure because the FY26 report does not disclose realised pay; FY25 realised pay was $2.72m. *FY23 covers Mr Reid from 15 May 2023 only; FY22 is former CEO Vincent English.

Governance and culture

This is the first year ASA has fully monitored Megaport. The Board has seven directors: an independent Chair, Melinda Snowden, the CEO Michael Reid and five other non-executive directors, all independent. Four of the six non-executive directors are based in the US, reflecting the company's main market. Women hold two of the seven Board seats (29%), down from 50% in 2024, and below both the Board's own objective of at least 50% and ASA's guideline of at least 40%.

Our pre-AGM meeting was held by video with the Chair, who is also interim chair of the Remuneration & Nomination Committee, and Jon Gidney, a newly appointed director who chairs the Audit & Risk Committee. Both are Sydney-based. We sent our questions in advance, and both were frank, forthcoming and helpful.

We asked first about the unusual turnover of non-executive directors over the past two years. Lauren Williams, chair of the remuneration committee, left in September 2024 after about 15 weeks; Grant Dempsey, chair of the Audit & Risk Committee, left in May 2026 after 16 months; and Lisa Hennessy, chair of the remuneration committee, resigned in July 2026 after eight months. That each held a committee chair underlines the significance of the turnover. Ms Snowden explained the circumstances of each departure, including a potential conflict of interest for Mr Dempsey arising from his role as Chair of Firmus after the Latitude.sh acquisition. She has been interim chair of the remuneration committee since July 2026; the search for a new director to take on that role is under way but is not being rushed.

We were told that in the US the role of a non-executive director is generally seen as more advisory than it is in Australia. ASA expects all directors of an ASX-listed company to be fully engaged in its oversight, and will watch how the Board balances US and Australian practice.

The Corporate Governance Statement released in August 2026 contains only an aggregated skills matrix, with nothing to show the skills of individual directors. We asked that this be fixed in next year's Corporate Governance Statement or Annual Report and were told it would be considered.

Non-executive directors are expected to hold shares worth one year's base fee (currently $153,150) within five years. Of the four directors with five or more years' service, two meet this; the other two, both US-based, held about $130,000 each at 30 June 2026. We were told the policy was introduced two years ago, is not mandatory, and that director shareholding is less common in the US. Both directors we met said they personally favour greater shareholding by directors to align their interests with those of shareholders.

Megaport has no internal audit function and does not disclose when its auditor, Deloitte, was appointed or last tendered.

Key events

- Acquired compute platform Latitude.sh in November 2025 for US$150m upfront plus up to US$150m more in three payments of up to US$50m each, two linked to revenue in 2026 and 2027 and one to integration by the end of 2028. This was transformative, adding compute and storage services to Megaport's network business.
- Acquired Indian internet exchange Extreme IX for $35m in December 2025, giving an entry into a large and fast-growing market.
- Raised $200m by placement and $18.2m through a share purchase plan in November–December 2025, mainly to fund the acquisitions, then $827.3m through a 1-for-3.08 non-renounceable entitlement offer at $14.30 in June–July 2026, and arranged a $150m debt facility.

- Headcount almost doubled, from 351 to 663 people in 18 countries.

Key board or senior management changes

Lisa Hennessy joined the Board on 5 December 2025 as remuneration committee chair and resigned on 31 July 2026. Grant Dempsey stepped down on 29 May 2026 and Jon Gidney joined on the same day as Audit & Risk Committee chair. CFO Leticia Dorman's fixed pay rose 46% to $600,000, reflecting the larger role.

Sustainability/ESG

ASIC granted Megaport relief from Group 1 sustainability reporting for FY26, but mandatory climate reporting begins in FY27. With the move into energy-intensive GPU compute services, shareholders will expect meaningful climate and energy disclosure from now on. Women are 26.6% of the enlarged workforce, below the company's 32% objective, and the Australian gender pay gap is 23.3%.

ASA focus issues

- **Hybrid AGM:** the meeting is hybrid, and shareholders attending online can ask questions and vote.
- **AI and cyber oversight:** we asked which directors have specific cyber security expertise. We were told the company is less exposed to cyber attack than others in the sector because it provides the connections for data rather than holding it, that the four US-based directors all have cyber experience, and that because the threat changes so quickly it is mainly an executive responsibility. The network holds ISO 27001 and SOC 2 Type II certification. With AI infrastructure now central to the strategy, ASA would like the skills matrix to show which directors bring AI and cyber expertise.
- **Long-term pay alignment:** pay outcomes have tracked strong returns, but incentives are tested on figures that exclude acquisitions and use fixed exchange rates, and long-term targets are disclosed only after the event.

4. Rationale for Voting Intentions

Resolution 1 Remuneration Report (Against)

Megaport has rewarded shareholders well over several years. Its remuneration report is one of the more transparent among ASX companies: it names its benchmark peers, sets out investor feedback and the Board's responses, and paid all FY26 incentives in performance shares. The CEO and CFO hold shares well above their minimum requirements of 400% and 150% of fixed pay.

The CEO's maximum package rose from $3.75m in FY25 to $13.0m in FY26 (fixed pay $1.0m, bonus up to $4.5m and long-term incentive up to $7.5m). An independent review in April 2026 placed the FY26 package at the 45th percentile of 24 benchmark peers at target and at the median at maximum. Twenty of those peers are US-listed, which the Board justifies by Megaport's global market: 87% of revenue is earned outside Australia, 63% in the Americas, and the CEO is US-based. ASA accepts that a company with this international footprint will look partly to overseas pay, and notes that 88% of the package at target and 92% at maximum depends on performance.

However, pay must also reflect the company's own financial position. Megaport has made a statutory profit only once in the past ten years, has lost more than $250m in total over that period, and has more than doubled its share count by raising capital to fund those losses. The CEO's FY26 statutory remuneration of $7.0m is equivalent to about 18% of the year's $39.0m statutory loss. ASA considers a maximum package of $13.0m too high for a company that is not yet consistently profitable, regardless of where its benchmark peers sit. ASA would like future reports to include a comparison with ASX-listed companies of similar size and profitability.

FY26 bonuses vested at 91%, tested on results that exclude the acquisitions and use fixed exchange rates, in a year with a $39.0m statutory loss. There is no profit gateway that must be met before an above-target bonus is paid, and the revenue range from threshold to full payment was only 4.6%. ASA will look for a wider range and a profit gateway in future years.

ASA voted for the remuneration report in 2023 and 2024 while recording reservations about the size of the CEO's package. Those reservations have grown with the FY26 increase, and the further rise proposed for FY27 (Resolution 6) suggests the trend will continue. ASA will vote against.

Resolution 2 Election of Mr Jon Gidney as a Director (For)

Mr Gidney joined the Board on 29 May 2026 and chairs the Audit & Risk Committee. He brings more than 30 years in corporate finance, M&A and capital markets, including senior roles at Citi, Greenhill and JPMorgan, which suits a company that raised over $1bn in FY26 and has contingent acquisition payments ahead. He is independent and is a non-

executive director of Dexus Funds Management and Cettire, chair of FNZ (APAC) and a member of the Takeovers Panel, a workload within ASA's guidelines. As a new director he is not yet expected to hold shares. We met Mr Gidney at the pre-AGM meeting and formed a favourable impression. ASA will vote for his election.

Resolution 3 Approval of Employee Share Plan (For)

Approval means shares issued under the plan over the next three years, up to 10,936,800 securities (4.6% of issued capital), do not count against the 15% placement limit. ASA supports employee share plans that align staff with shareholders, and Megaport's equity use has been benchmarked below the 10th percentile of peers. The plan approved in 2025 was used up within a year as headcount almost doubled; ASA will ask how the new allowance will be shared between executives and other staff. ASA will vote for.

Resolution 4 Increase to non-executive Director fee pool (For)

The fee pool has been $1.5m since 2021. Since then revenue has almost tripled and the business has become larger, more global and more complex. FY26 fees totalled $1.36m. An independent review found Megaport's fees below the 25th percentile of ASX companies of similar market value, and the Board plans to add a director. ASA notes that FY27 fees for seven directors would still fit within the current pool and would like the Board to disclose the fee levels it intends to set. On balance ASA will vote for.

Resolution 5 Approval of non-executive Directors' equity program (For)

Directors may choose to take up to all of their base fees as restricted share units instead of cash. The units have no performance conditions and no price, and the resulting shares cannot be sold for up to 15 years, although half are released when a tax liability arises. ASA's guidelines say directors should not receive options or performance rights but may be paid fees in shares, preferably bought on market. These units are fees taken in shares, although they are newly issued rather than bought on market, and they should help directors meet the Board's shareholding policy. ASA will vote for.

Resolution 6 Grant of PRSUs to Mr Michael Reid (Against)

This grant sets the CEO's package for FY27. Fixed pay rises 20% to $1.2m, the bonus stays at $3.0m target and $4.5m maximum but half will now be paid in cash, and the long-term incentive rises 64% to a maximum of $12.3m. The maximum package is $18.0m. The units are allocated at face value using a $17.33 average share price, giving a grant worth $14.55m.

The Board says the CEO's role has grown as Megaport moves into AI infrastructure, and that a new benchmark of 19 US and 4 ASX companies placed his target pay at the 20th percentile. Four months earlier, the April benchmark that supported the FY26 package had placed it at the 45th percentile. In its August 2026 remuneration report the Board said that any increase should be delivered entirely through performance shares rather than fixed

pay, and that paying bonuses in shares preserves cash; two months later this proposal does the opposite.

ASA considers the FY27 package excessive. A further 38% increase in the maximum package within a year, supported by a peer group redrawn after the April review, is not justified. The long-term incentive is also measured over three years with no holding lock afterwards, has no return-on-capital measure despite the move to a capital-intensive business, and relies 65% on ARR targets that are not disclosed in advance and whose independent reviewer has not been named. ASA will vote against.

Resolution 7 Approval of issue of Contingent Consideration Shares to the Latitude.sh Vendors (Revenue Contingent Consideration Units) (For)

When Megaport bought Latitude.sh it agreed to pay up to US$150m more if revenue and integration milestones are met. This resolution lets it pay the revenue milestone in shares, at a price based on the 30-day average share price, without using its placement capacity. If shareholders vote against, any amount due is paid in cash. Shares are issued only if the business performs, and paying in shares preserves cash for investment. ASA will vote for, and will ask the company to explain the milestones.

Resolution 8 Approval of issue of Contingent Consideration Shares to the Latitude.sh Vendors (Integration Contingent Consideration Units) (For)

This is the second part of the Latitude.sh contingent payment, linked to integration milestones. Together with Resolution 7 the maximum dilution is about 5.9%. For the same reasons ASA will vote for.

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Appendix 1
Remuneration framework detail

CEO rem. Framework for FY27	Target* $m	% of Total	Max. Opportunity $m	% of Total
Fixed Remuneration	1.20	10.5%	1.20	6.7%
STI - Cash	1.50	13.2%	2.25	12.5%
STI - Equity	1.50	13.2%	2.25	12.5%
LTI	7.20	63.2%	12.30	68.3%
Total	**11.40**	**100.0%**	**18.00**	**100%**

FY27 framework proposed in the Notice of Meeting (Resolution 6).

CEO rem. Framework for FY26	Target* $m	% of Total	Max. Opportunity $m	% of Total
Fixed Remuneration	1.00	11.8%	1.00	7.7%
STI - Cash	0.00	0.0%	0.00	0.0%
STI - Equity	3.00	35.3%	4.50	34.6%
LTI	4.50	52.9%	7.50	57.7%
Total	**8.50**	**100.0%**	**13.00**	**100%**

FY26 framework covered by the remuneration report (Resolution 1). All FY26 STI was delivered in performance shares.

The amounts in the tables above are the amounts that are envisaged in the design of the remuneration plan. *Target remuneration is sometimes called budgeted remuneration and is what the company expects to award the CEO in an ordinary year, with deferred amounts subject to hurdles in subsequent years before vesting. Some remuneration framework set a maximum opportunity amount, but not all.