



# Investor Presentation

As of December 31, 2025

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In addition to our results determined in accordance with generally accepted accounting principles in the United States ("GAAP"), this presentation includes certain non-GAAP financial measures. These non-GAAP financial measures are in addition to, and not as a substitute for or superior to measures of financial performance prepared in accordance with GAAP. There are a number of limitations related to the use of these non-GAAP financial measures versus their nearest GAAP equivalents. For example, other companies may calculate non-GAAP financial measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of our non-GAAP financial measures as tools for comparison. See the appendix for a reconciliation of those measures to the most directly comparable GAAP measures.

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**2010**  
Launched

**332K+**  
Paying  
Customers

**330+**  
Cities in  
Network

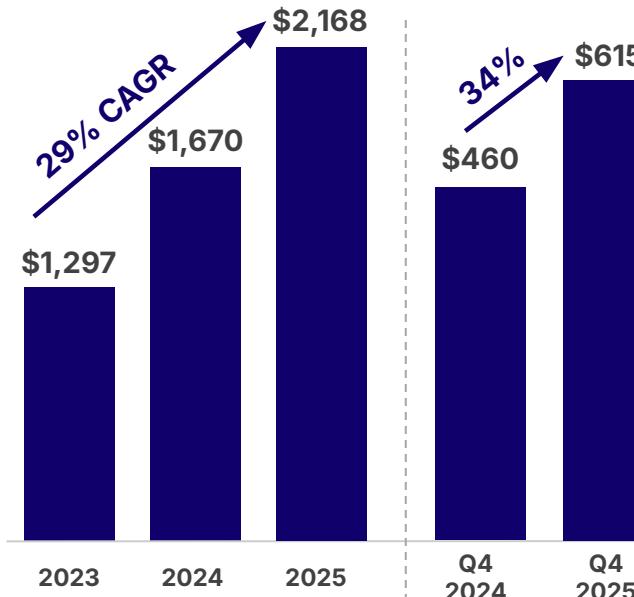
**73%**  
Of Revenue from  
Large Customers

**5,156**  
Employees

**75%**  
Non-GAAP Gross  
Margin

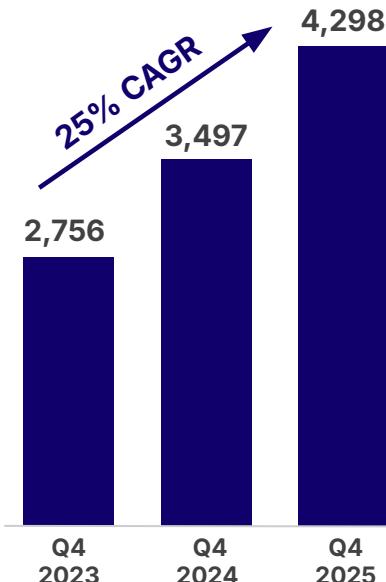
## Cloudflare at a Glance

### Total Revenue (\$M)



### Large Customers

> \$100,000 Annualized Revenue



# Helping protect the open Internet

As the Internet evolves, Cloudflare remains committed to open Internet principles.

Open standards



Permissionless innovation



Democratized AI access



Unique and independent voices



Security and privacy



Multistakeholder governance



Human rights



# Helping Build a Better Internet



## Helping protect important voices online

3000+ journalists and human rights defenders in 120+ countries

440+ state and local government election websites in 33 US States

270,000+ public school students and staff in 30 US States



## Access to innovation, everywhere

4,000+ startups in 124 countries, including 500+ AI startups, building on Cloudflare

175 startups in Cloudflare accelerator (Workers Launchpad)

\$2 billion in potential financing from partners



## Impact Report

Engineering privacy into the Internet

Free services

Privacy and data protection

Post-quantum cryptography

Open source projects

Open, interoperable Internet standards

**"Cloudflare's support was essential for Moldova's parliamentary elections, ensuring uninterrupted access to real-time results for citizens at home and abroad."**

Anatolie Golovco,  
Cybersecurity and Digital Transformation Expert in the Office of the Prime Minister of Moldova

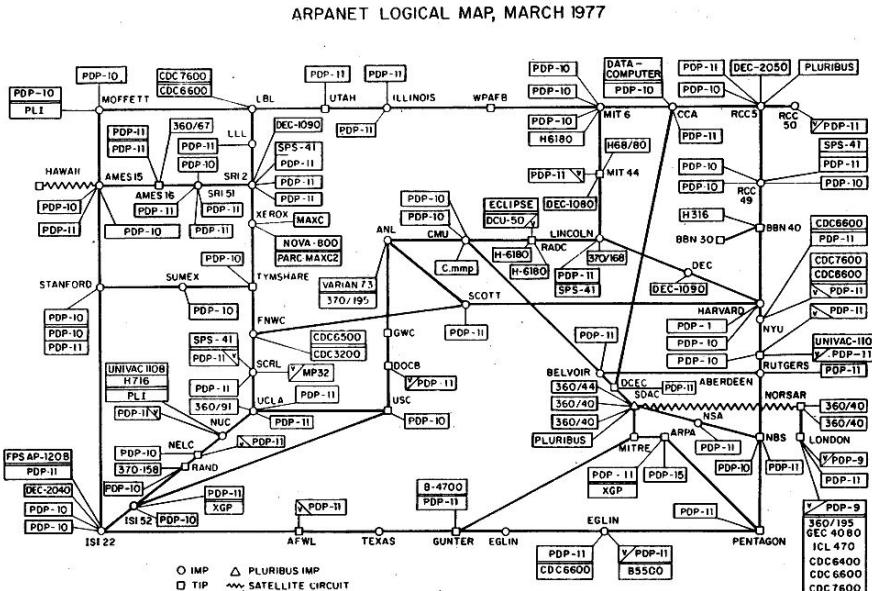
**TIME100 Most Influential Company of 2025**

**TIME100 AI 2025**

<https://www.cloudflare.com/impact/> 5

Cloudflare's mission is to  
**Help build a better Internet**

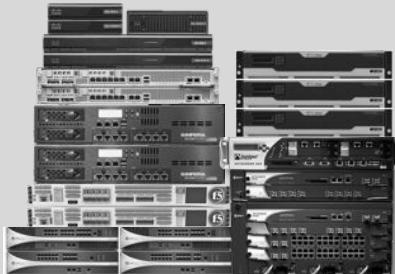
# The Internet was not built for what it has become.



# From Endless Hardware to a Global Cloud Platform

## BAND-AID BOXES

- Costly and complex
- Web of dependencies
- Specialized hardware
- On-premise only
- Point solutions

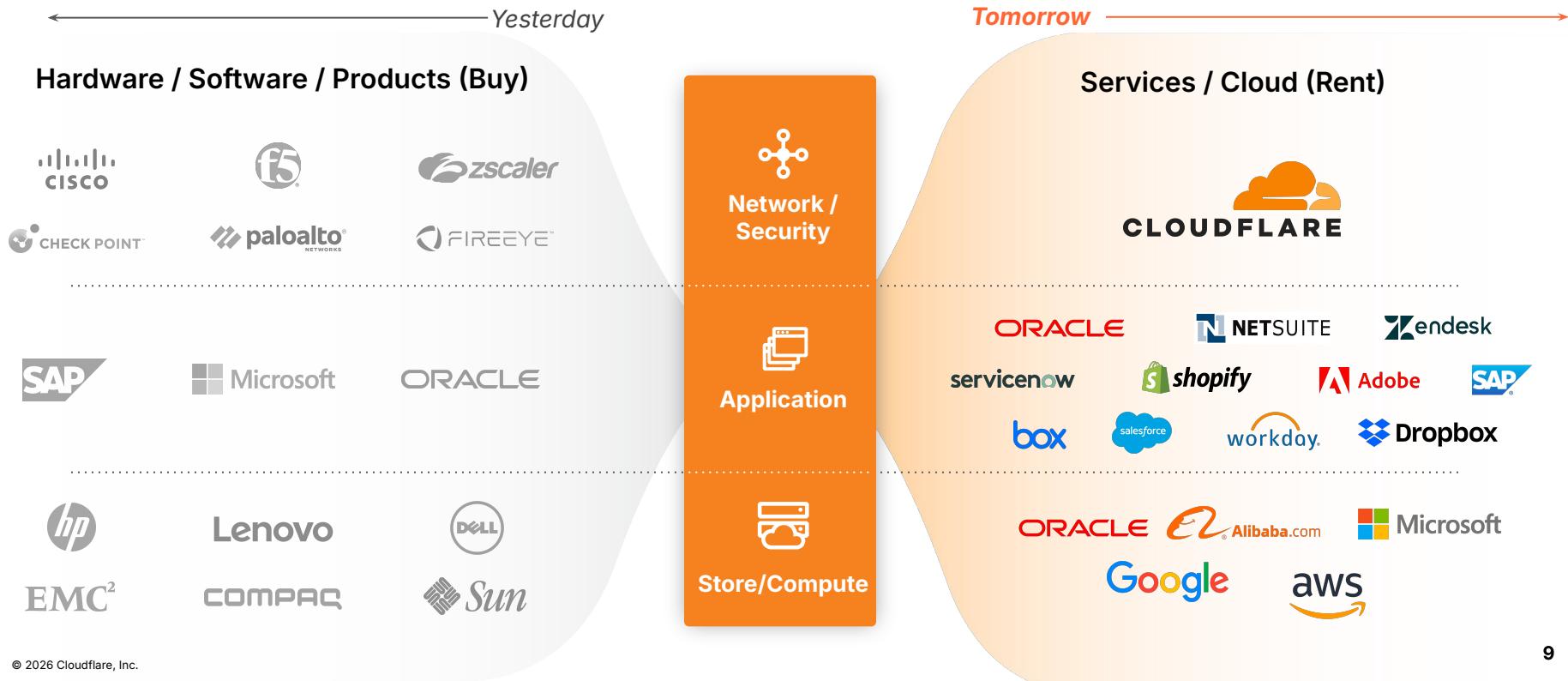


## BETTER INTERNET

- Easy-to-use, flexible, and scalable
- Unified control plane
- Serverless cloud architecture
- Cloud, hybrid, on-premise, and SaaS
- Broad, integrated product platform



# Evolution of the Enterprise Stack



# An Integrated Global Cloud Platform



Cloudflare Platform



Cloudflare  
Zero Trust Services



Cloudflare  
Network Services



Cloudflare  
Application Services



Cloudflare One

-  Zero Trust Network Access
-  Secure Web Gateway
-  Cloud Access Security Broker
-  Cloud Email Security
-  Remote Browser Isolation
-  Data Loss Prevention

-  WAN-as-a-Service
-  Firewall-as-a-Service
-  L3 & L4 DDoS Protection
-  Network Interconnect
-  Smart Routing
-  IDS/IPS

-  WAF with API Protection
-  Rate Limiting
-  Load Balancing
-  Bot Management
-  L7 DDoS Protection
-  CDN and DNS



Cloudflare Developer  
Platform

-  Workers
-  Pages
-  R2
-  Workers KV
-  Durable Objects
-  Images
-  Stream



Cloudflare  
Global Network

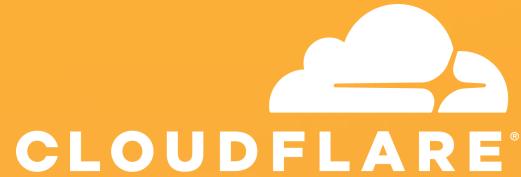
-  Compliance/Privacy: FedRAMP, ISO, SOC, PCI, GDPR compliant, Logs & Analytics, Data Localization Suite

# We Operate at Massive Scale



Cyber threats blocked per day is approximate average over the three months ended December 31, 2025. All other figures are as of the three months ended December 31, 2025. See Appendix for "Paying Customers" and "Large Customers" definitions.

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# Our Flexible, Scalable, & Efficient Serverless Architecture

- Abstracts underlying infrastructure
- Dynamically optimizes and leverages capacity across network
- Single unified code base
- Deployment on commodity hardware

# A Global Network Powering our Platform



**330+ cities**

in 125+ countries, including mainland China



**~13,000 networks**

directly connect to Cloudflare, including ISPs, cloud providers, and large enterprises

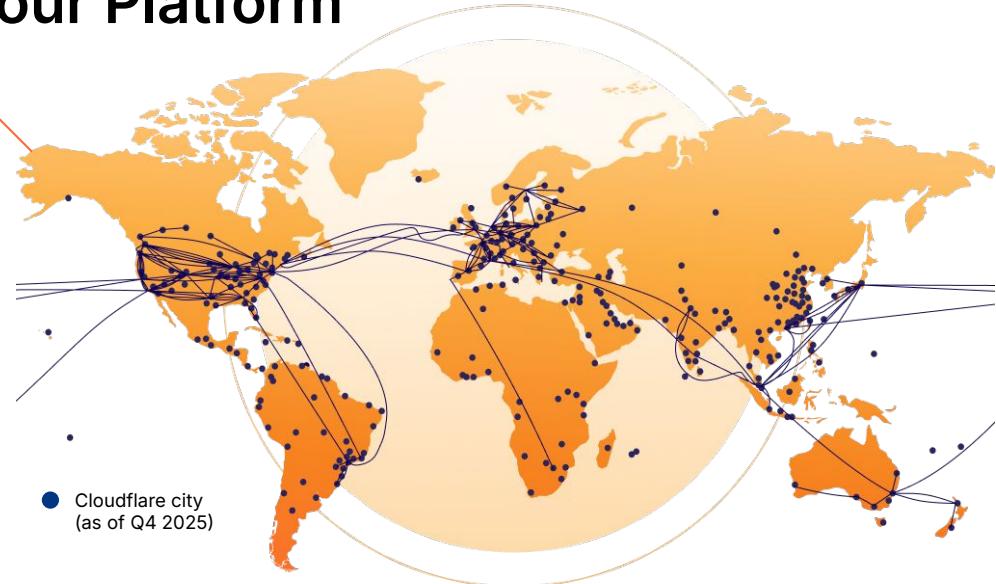


**477 Tbps**

of network capacity and growing



**332,000+ Paying Customers**



**38%**

of the Fortune 500 are Paying Customers  
as of December 31, 2025

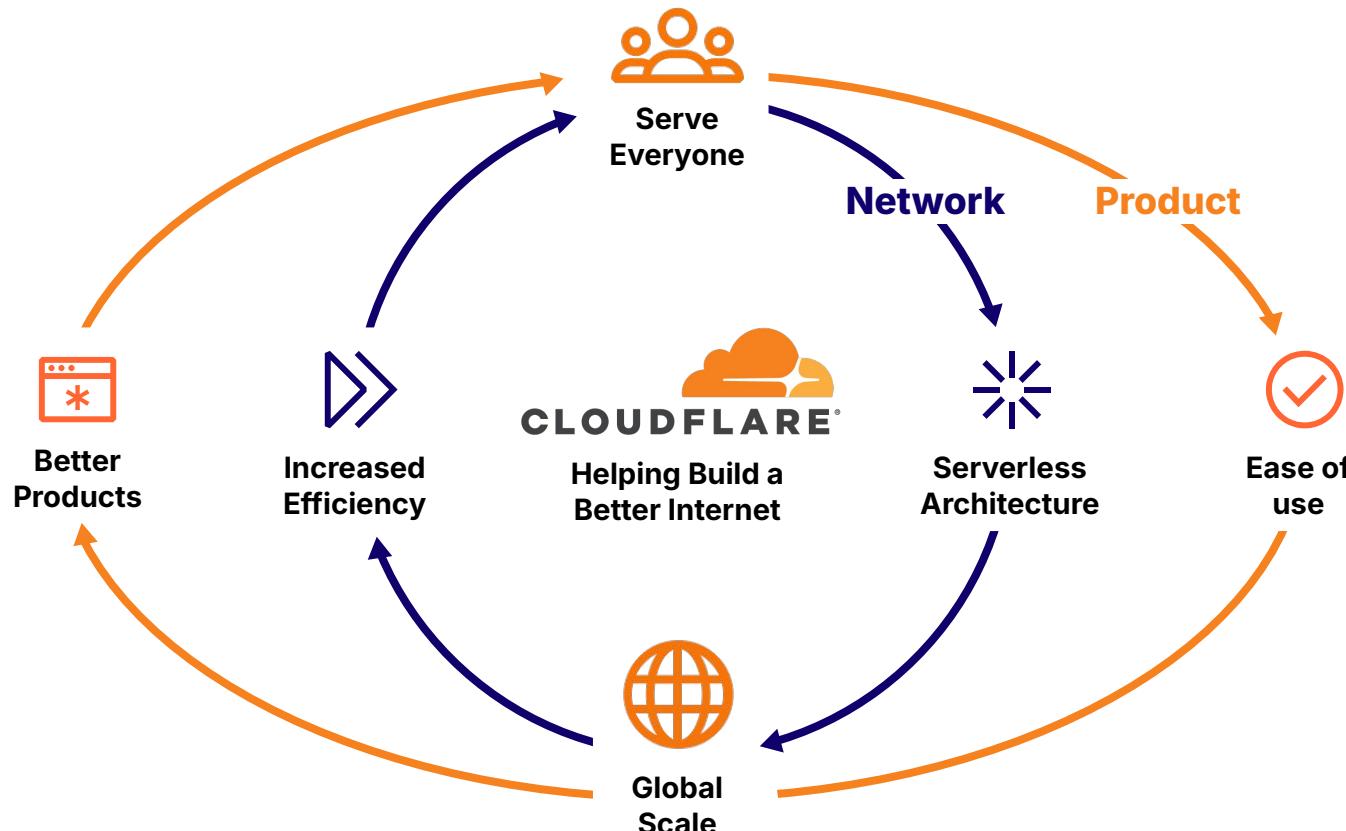
**23%**

year-over-year Large Customer growth in Q4'25

**~95%**

of the world's Internet-connected population is  
within ~50 ms of a Cloudflare data center

# Our Product & Network Flywheels Drive Our Business



# Data Intelligence & Quality Assurance at Scale

**Global sensor network**  
with paying customers in 190+ countries.

Machine learning systems  
**improve products** with  
every customer's request.

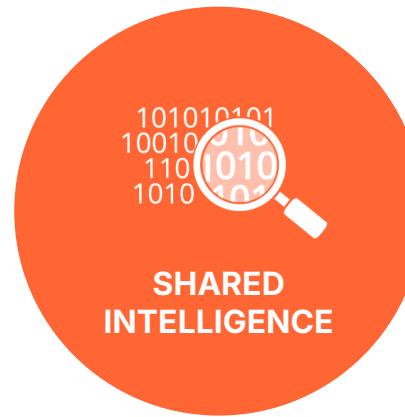
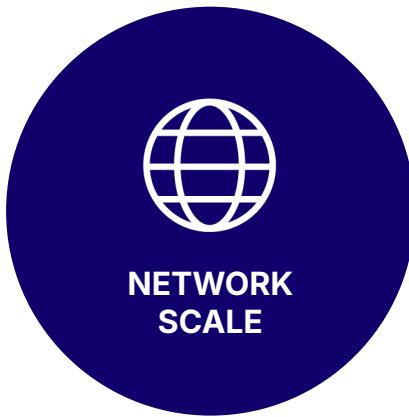
**Immune system** for the  
Internet blocking an average of  
~215 billion cyber threats each day.

**Rapid development cycles**  
and QA through free users  
volunteering to test new products.

Note: Cyber threats blocked per day is approximate average over the three months ended December 31, 2025. Other figures as of December 31, 2025.

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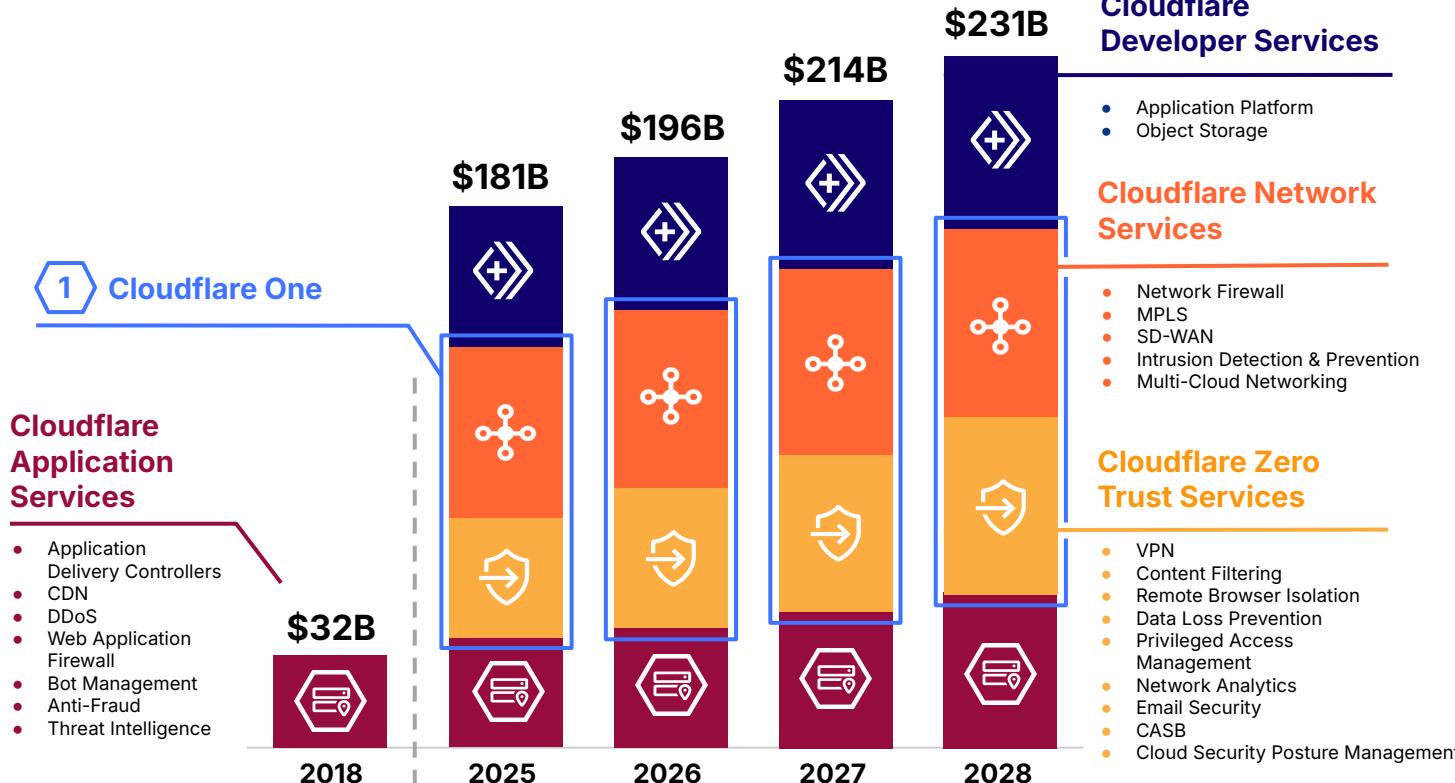
# Our Competitive Advantages



# Our Favorable Competitive Position

Limitations		
 <b>On-Premises</b>	 	<ul style="list-style-type: none"> <li>• Complex and expensive</li> <li>• Not suited to address cloud-based and hybrid deployments</li> </ul>
 <b>Point Solutions</b>	 	<ul style="list-style-type: none"> <li>• Architected to deliver single point / more narrow product portfolio</li> <li>• Customers are increasingly looking for an integrated platform offering security, performance, and reliability through a single vendor</li> </ul>
 <b>Public Cloud</b>	 	<ul style="list-style-type: none"> <li>• Inability to serve as a unified control plane across on-premise, cloud, hybrid, and SaaS infrastructure</li> <li>• Customer lock-in and competition concerns</li> </ul>

# Consistent & Deliberate TAM Expansion



## Areas for Potential Incremental Growth

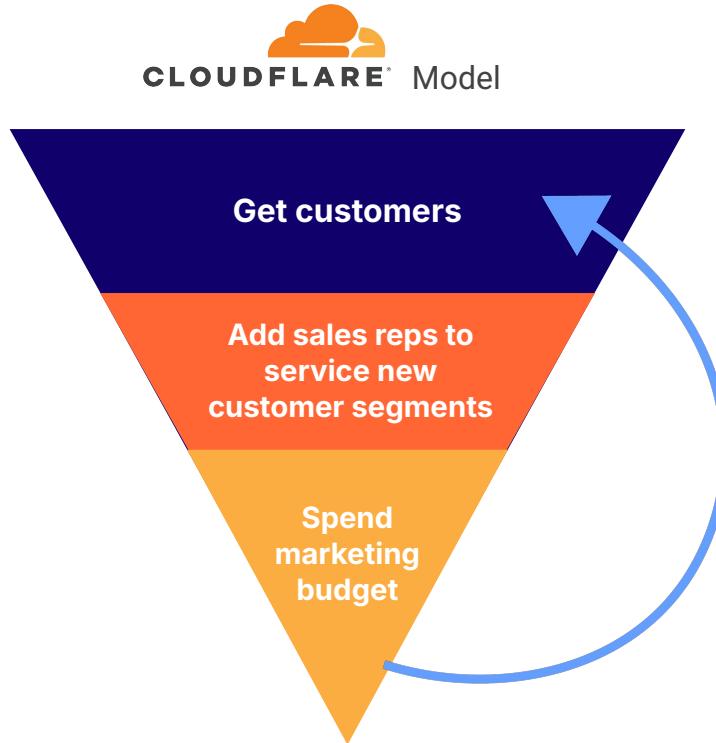
-  AI
-  Database
-  Internet of Things
-  5G Cellular
-  Network Services

# Traditional Go-To-Market Model Inverted

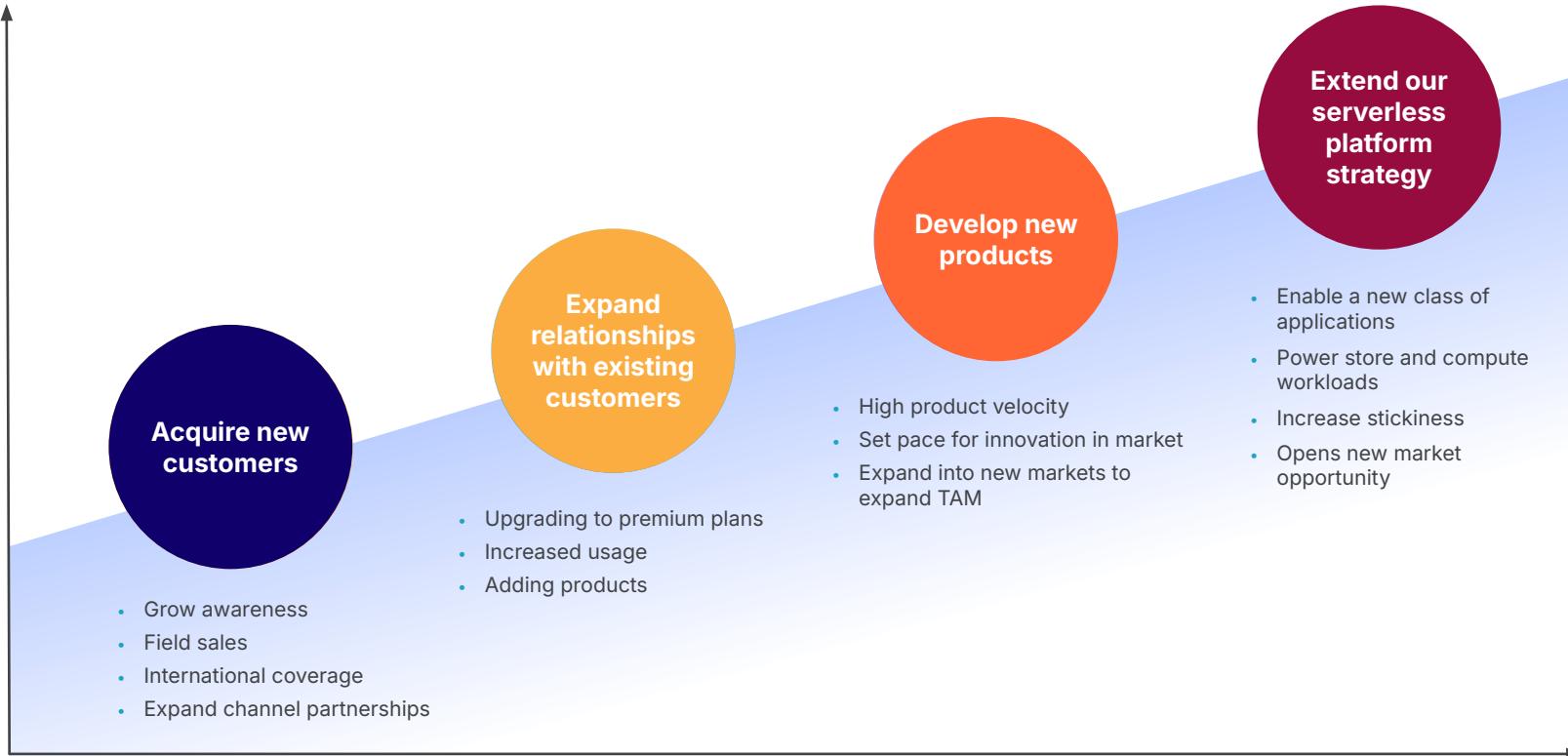
We don't build ahead of the curve.

## Sources of Leverage

- Self service adoption for customers of all sizes
- Natural expansion
- Pulled into new geographies
- Pulled up market



# Our Strategy for Growth



# Financial Overview

# Key Financial Highlights

**\$196B**

Large  
Addressable  
Market in 2026

**34%**

Q4'25 Y/Y  
Revenue Growth

**75%**

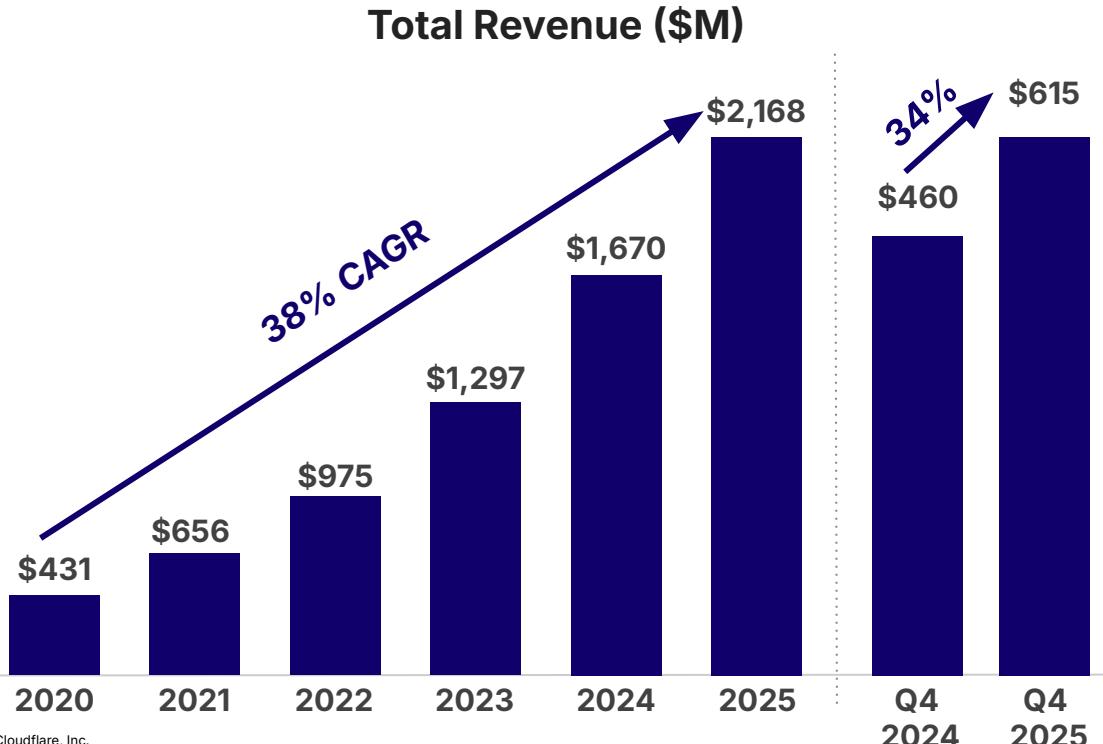
Q4'25 Non-GAAP  
Gross Margin

**4,298**

Large  
Customers

Note: Total Addressable Market represents 2026 expected spend from our analysis based on Gartner and IDC market data. Year-over-year revenue growth and Non-GAAP gross margin are as of the three months ended December 31, 2025. Large Customers are as of December 31, 2025. See Appendix for GAAP financial measures and GAAP to Non-GAAP reconciliation, and how we define "Large Customers."

# Track Record of Delivering Revenue Growth



Investment in enterprise sales



Large customer momentum



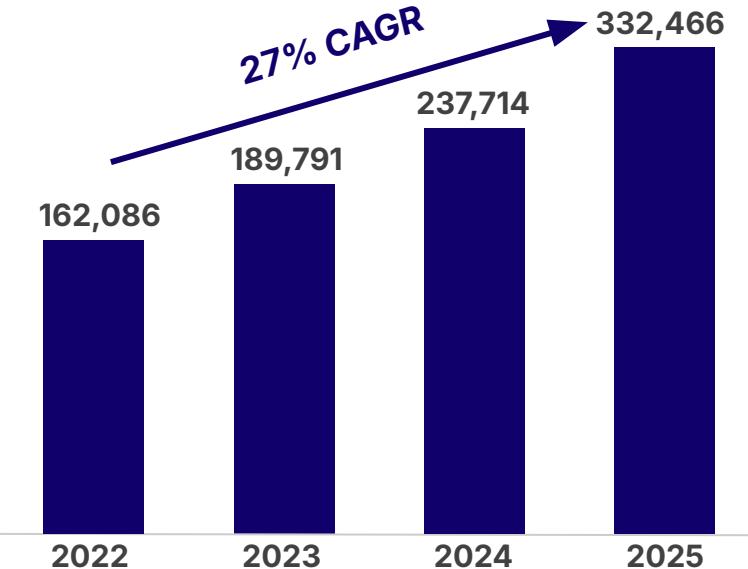
Land and expand strategy drives growth across cohorts



Strong penetration across the entire product portfolio

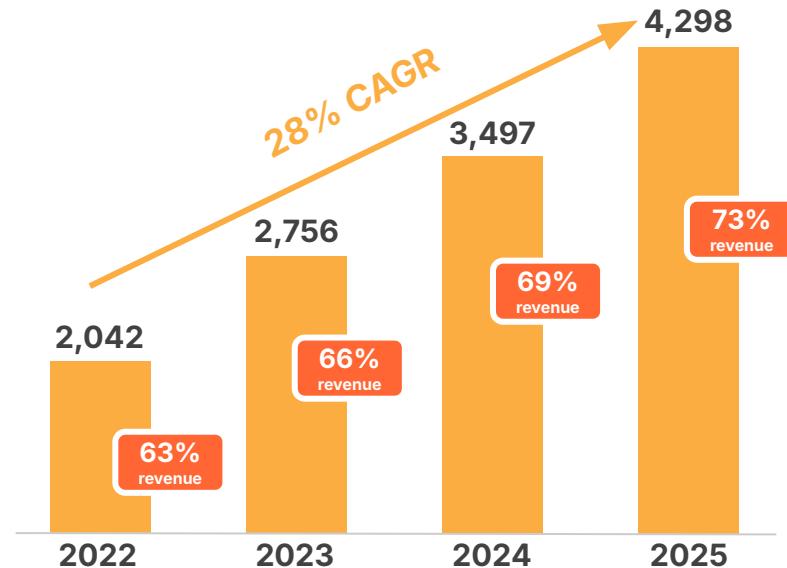
# Rapid Customer Growth

## Paying Customers



## Large Customers

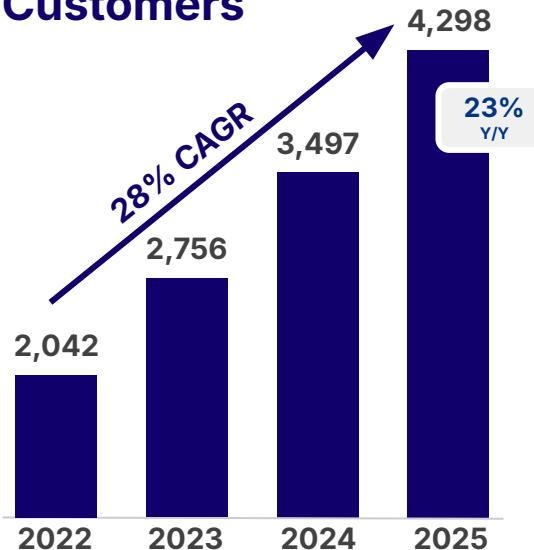
>\$100,000 Annualized Revenue



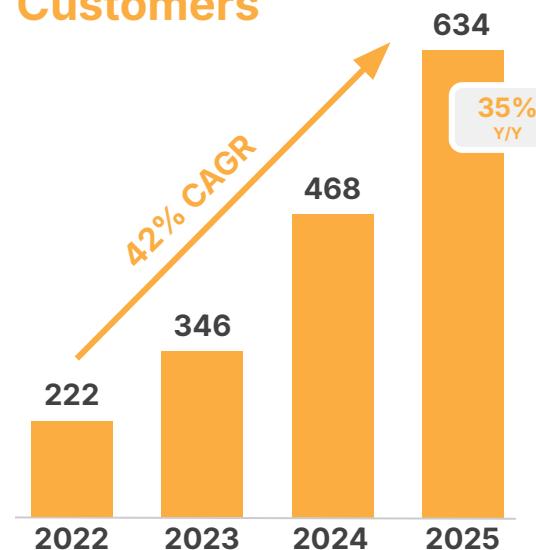
Note: Paying and Large Customer data are as of three months ended December 31 of their respective years. See the Appendix for how we define "Paying Customers" and "Large Customers."

# Significant Growth in Large Customer Cohorts

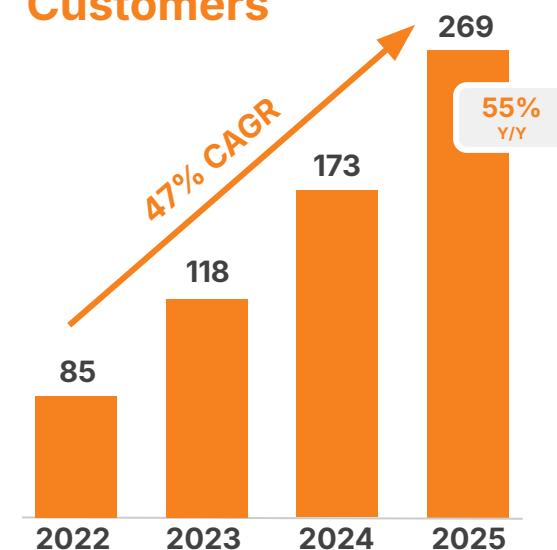
## \$100K+ Customers



## \$500K+ Customers



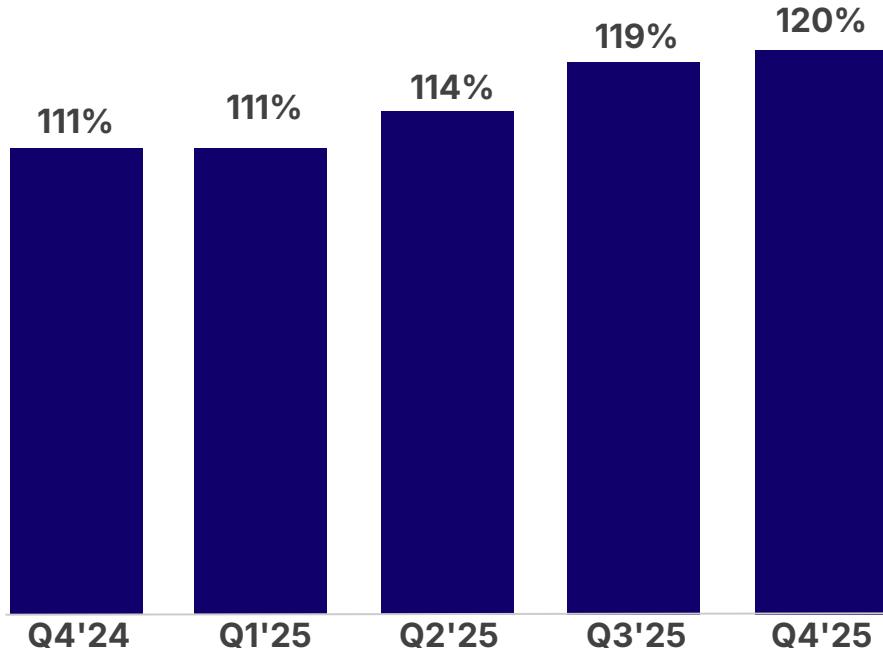
## \$1M+ Customers



Note: Large Customers data are as of three months ended December 31 of their respective years. See the Appendix for how we define "Large Customers," which are the same as \$100K+ customers. \$500K+ and \$1M+ customers are defined in the same manner, except we use \$500K+ and \$1M+, respectively, of Annualized Revenue instead of \$100K+.

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# Strong Dollar-Based Net Retention



Note: See the Appendix for how we define "Dollar-Based Net Retention."

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**DNR includes all paying customers**

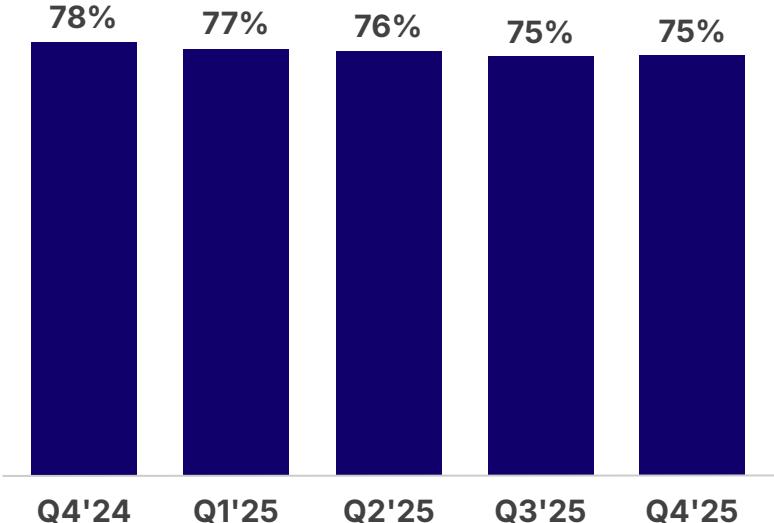


**Large customers are a long-term tailwind to DNR**



**Continuous innovation offers expansion opportunities**

## Non-GAAP Gross Margin



Note: See Appendix for GAAP to Non-GAAP reconciliation.  
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## Attractive & Consistent Gross Margin

Serverless architecture deployed on commodity hardware

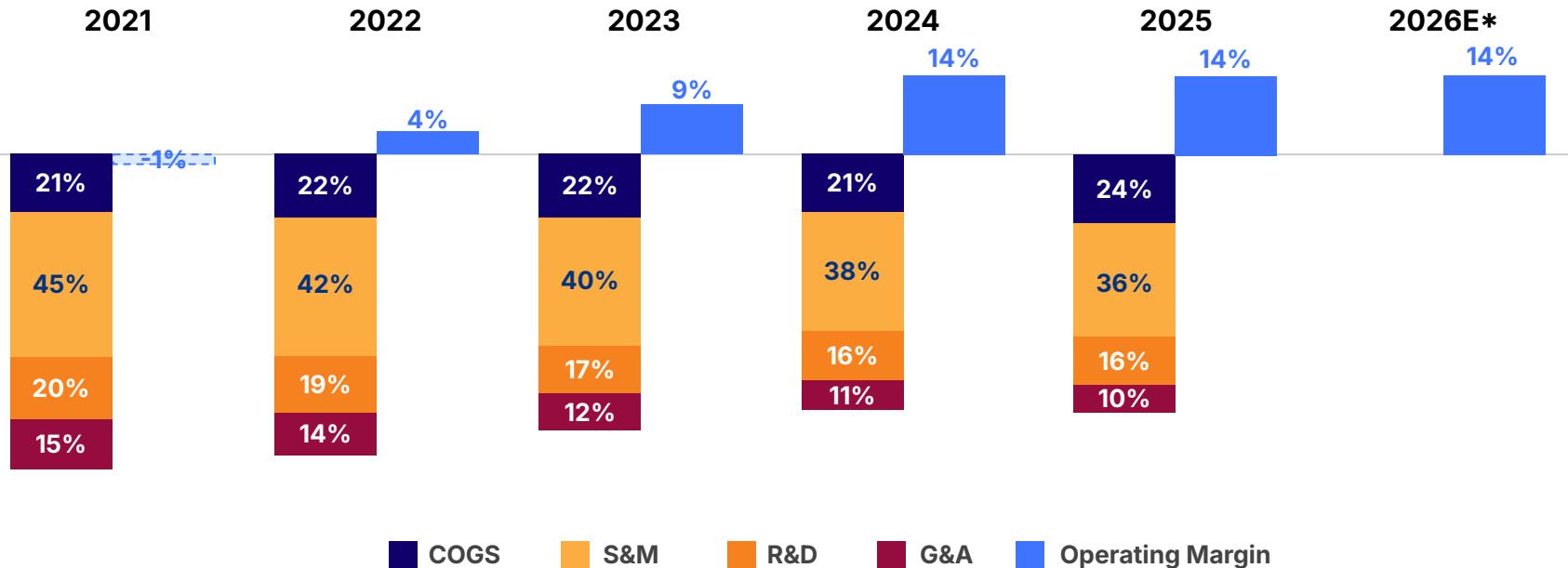
Single software stack across the network

Symbiotic relationship with ISPs

Leverage idle capacity across network

# Elasticity of & Leverage in Our Operating Model

## Non-GAAP Operating Expenses & Operating Margin (% of Revenue)

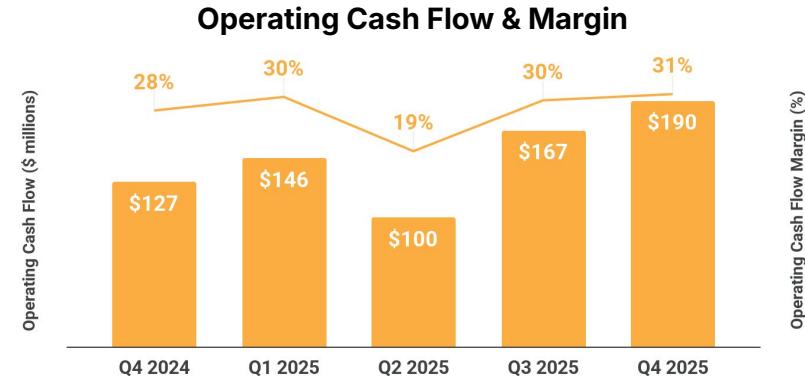
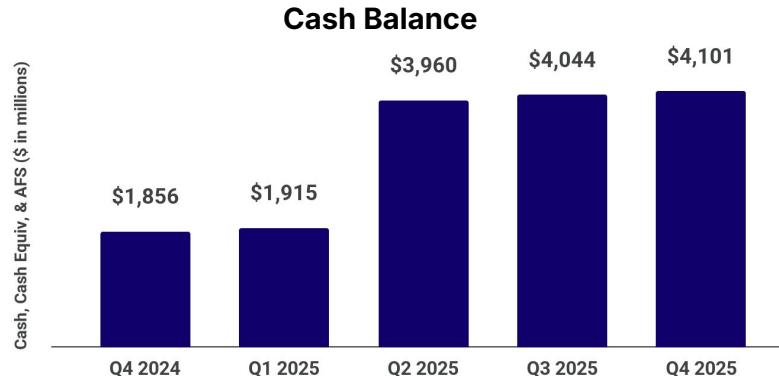


Note: See the Appendix for GAAP to non-GAAP reconciliation.

\*2026E is based on full-year mid-point guidance provided by Cloudflare on February 10, 2026. This forward looking guidance speaks only as of such date and the inclusion of such guidance in this presentation should not be interpreted as a confirmation or affirmation of such guidance as of any other date. Except as required by law, we assume no obligation and do not intend to update these forward-looking statements or to conform these statements to actual results or to changes in our expectations.

# Strong Cash Position

- **Issued 2026 Notes:** Raised \$790 million in our Convertible Note Offering due 2026 that priced on August 10, 2021, net of the repurchase of 2025 notes, issuance costs, and a capped call with respect to the 2026 convertible notes.
- **Revolving Credit Facility:** Executed \$400 million senior secured revolving credit facility on May 21, 2024. The proceeds may be used for working capital and general corporate purposes.
- **Settled 2025 Capped Calls:** Received \$309.6M in cash in May 2025 upon the settlement of the 2025 Capped Calls.
- **Issued 2030 Notes:** Raised \$1.97B in our Convertible Notes Offering due 2030 that priced on June 12, 2025, net of issuance costs, and a capped call with respect to the 2030 convertible notes.



# Guidance

## Q1 2026

**Revenue** **\$620 - \$621**  
 Y/Y Growth 29% - 30%

**Operating Income** **\$70 - \$71**  
 Operating Margin 11%

**EPS** **\$0.23**

## FY 2026

**Revenue** **\$2,785 - \$2,795**  
 Y/Y Growth 28% - 29%

**Operating Income** **\$378 - \$382**  
 Operating Margin 14%

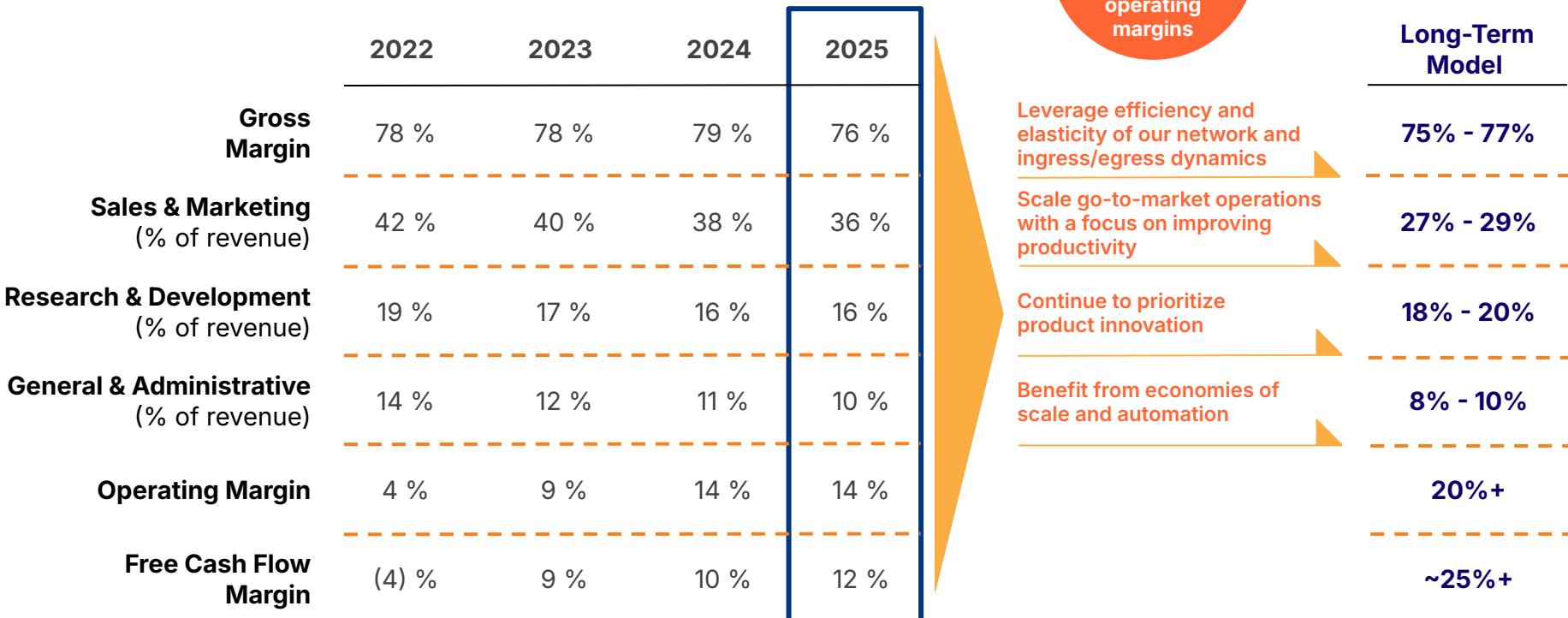
**EPS** **\$1.11 - \$1.12**

**FY 2026  
Network Capex  
as % of Revenue**

**12%-15%**

Note: These forward looking statements were provided by us on February 10, 2026. This forward looking guidance speaks only as of such date and the inclusion of such guidance in this presentation should not be interpreted as a confirmation or affirmation of such guidance as of any other date. Except as required by law, we assume no obligation and do not intend to update these forward-looking statements or to conform these statements to actual results or to changes in our expectations.

# Long-Term Operating Model



Note: Metrics shown are non-GAAP. See Appendix for GAAP financial measures and GAAP to non-GAAP reconciliation. Figures are calculated based upon the respective underlying non-rounded data.

# Our Business Model



Disrupting a large and growing total addressable market



Widely distributed global cloud platform



Expansive product portfolio; open to developer innovation



Highly efficient business model and low fundamental cost structure



High growth, predominantly subscription revenue model with attractive gross margin

# Appendix

# GAAP to Non-GAAP Reconciliation (Annual)

	2021	2022	2023	2024	2025
<b>GAAP cost of revenue</b>	<b>\$147,134</b>	<b>\$232,610</b>	<b>\$307,005</b>	<b>\$378,702</b>	<b>\$552,525</b>
Less: Stock-based compensation expense & related payroll taxes	-\$3,703	-\$6,770	-\$8,360	-\$11,597	-\$14,605
Less: Amortization of acquired intangible assets	\$2,946	-\$13,444	-\$17,702	-\$11,084	-\$13,172
<b>Non-GAAP cost of revenue</b>	<b>\$140,485</b>	<b>\$212,396</b>	<b>\$280,943</b>	<b>\$356,021</b>	<b>\$524,748</b>
<b>GAAP gross profit</b>	<b>\$509,292</b>	<b>\$742,631</b>	<b>\$989,740</b>	<b>\$1,290,924</b>	<b>\$1,615,412</b>
Add: Stock-based compensation expense & related payroll taxes	\$3,703	\$6,770	\$8,360	\$11,597	\$14,605
Add: Amortization of acquired intangible assets	\$2,946	\$13,444	\$17,702	\$11,084	\$13,172
<b>Non-GAAP gross profit</b>	<b>\$515,941</b>	<b>\$762,845</b>	<b>\$1,015,802</b>	<b>\$1,313,605</b>	<b>\$1,643,189</b>
GAAP gross margin	78%	76%	76%	77%	75%
Non-GAAP gross margin	79%	78%	78%	79%	76%
<b>GAAP sales and marketing expense</b>	<b>\$328,065</b>	<b>\$465,762</b>	<b>\$599,117</b>	<b>\$745,791</b>	<b>\$920,817</b>
Less: Stock-based compensation expense & related payroll taxes	-\$32,869	-\$53,692	-\$76,711	-\$95,763	-\$137,848
Less: Amortization of acquired intangible assets	-	-\$1,725	-\$2,300	-\$1,663	-\$1,826
Less: Acquisition-related and other expenses	-	-\$265	-	-	-
Less: One-time compensation charge	-	-	-	-\$15,000	-
<b>Non-GAAP sales and marketing expense</b>	<b>\$295,196</b>	<b>\$410,080</b>	<b>\$520,106</b>	<b>\$633,365</b>	<b>\$781,143</b>
GAAP S&M expense as a % of revenue	50%	48%	46%	45%	42%
Non-GAAP S&M expense as a % of revenue	45%	42%	40%	38%	36%
<b>GAAP research and development expense</b>	<b>\$189,408</b>	<b>\$298,303</b>	<b>\$358,143</b>	<b>\$421,374</b>	<b>\$512,489</b>
Less: Stock-based compensation expense & related payroll taxes	-\$61,056	-\$112,277	-\$140,074	-\$151,936	-\$174,622
Less: Acquisition-related and other expenses	-	-\$3,682	-	-	-
<b>Non-GAAP research and development expense</b>	<b>\$128,352</b>	<b>\$182,344</b>	<b>\$218,069</b>	<b>\$269,438</b>	<b>\$337,867</b>
GAAP R&D expense as a % of revenue	29%	31%	28%	25%	24%
Non-GAAP R&D expense as a % of revenue	20%	19%	17%	16%	16%
<b>GAAP general and administrative expense</b>	<b>\$119,503</b>	<b>\$179,789</b>	<b>\$217,965</b>	<b>\$278,520</b>	<b>\$389,311</b>
Less: Stock-based compensation expense & related payroll taxes	-\$19,706	-\$45,027	-\$62,355	-\$97,127	-\$162,863
Less: Acquisition-related and other expenses	-\$380	-	-	-\$702	-\$3,909
Less: Lease impairment charges	-	-	-	-	-\$5,097
Less: Legal reserve and settlements	-	-	-	-	\$2,886
<b>Non-GAAP general and administrative expense</b>	<b>\$99,417</b>	<b>\$134,742</b>	<b>\$155,610</b>	<b>\$180,691</b>	<b>\$220,328</b>
GAAP G&A expense as a % of revenue	18%	18%	17%	17%	18%
Non-GAAP G&A expense as a % of revenue	15%	14%	12%	11%	10%
<b>GAAP loss from operations</b>	<b>-\$127,684</b>	<b>-\$201,203</b>	<b>-\$185,485</b>	<b>-\$154,761</b>	<b>-\$207,205</b>
Add: Stock-based compensation expense & related payroll taxes	\$117,334	\$217,766	\$287,500	\$356,423	\$489,938
Add: Amortization of acquired intangible assets	\$2,946	\$15,169	\$20,002	\$12,747	\$14,998
Add: Acquisition-related and other expenses	\$380	\$3,947	-	\$702	\$3,909
Add: One-time compensation charge	-	-	-	\$15,000	-
Add: Lease asset impairment expense	-	-	-	-	\$5,097
Add: Legal reserve and settlements	-	-	-	-	-\$2,886
<b>Non-GAAP loss from operations</b>	<b>-\$7,024</b>	<b>\$35,679</b>	<b>\$122,017</b>	<b>\$230,111</b>	<b>\$303,851</b>
GAAP operating margin	-19%	-21%	-14%	-9%	-10%
<b>Non-GAAP operating margin</b>	<b>-1%</b>	<b>4%</b>	<b>9%</b>	<b>14%</b>	<b>14%</b>

# GAAP to Non-GAAP Reconciliation (Quarterly)

	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025
<b>GAAP cost of revenue</b>	<b>\$108,686</b>	<b>\$115,576</b>	<b>\$128,677</b>	<b>\$146,316</b>	<b>\$161,956</b>
Less: Stock-based compensation expense & related payroll taxes	(2,821)	(2,906)	(3,693)	(4,031)	(3,975)
Less: Amortization of acquired intangible assets	(2,720)	(2,853)	(3,329)	(3,337)	(3,653)
<b>Non-GAAP cost of revenue</b>	<b>\$103,145</b>	<b>\$109,817</b>	<b>\$121,655</b>	<b>\$138,948</b>	<b>\$154,328</b>
<b>GAAP gross profit</b>	<b>\$351,260</b>	<b>\$363,511</b>	<b>\$383,639</b>	<b>\$415,711</b>	<b>\$452,551</b>
Add: Stock-based compensation expense & related payroll taxes	2,821	2,906	3,693	4,031	3,975
Add: Amortization of acquired intangible assets	2,720	2,853	3,329	3,337	3,653
<b>Non-GAAP gross profit</b>	<b>\$356,801</b>	<b>\$369,270</b>	<b>\$390,661</b>	<b>\$423,079</b>	<b>\$460,179</b>
GAAP gross margin	76%	76%	75%	74%	74%
Non-GAAP gross margin	78%	77%	76%	75%	75%
<b>GAAP sales and marketing expense</b>	<b>\$191,967</b>	<b>\$214,011</b>	<b>\$219,359</b>	<b>\$236,309</b>	<b>\$251,138</b>
Less: Stock-based compensation expense & related payroll taxes	(24,682)	(30,205)	(36,818)	(34,787)	(36,038)
Less: Amortization of acquired intangible assets	(362)	(388)	(417)	(362)	(659)
<b>Non-GAAP sales and marketing expense</b>	<b>\$166,923</b>	<b>\$183,418</b>	<b>\$182,124</b>	<b>\$201,160</b>	<b>\$214,441</b>
GAAP S&M expense as a % of revenue	42%	45%	43%	42%	41%
Non-GAAP S&M expense as a % of revenue	36%	38%	36%	36%	35%
<b>GAAP research and development expense</b>	<b>\$120,213</b>	<b>\$115,089</b>	<b>\$134,557</b>	<b>\$120,956</b>	<b>\$141,887</b>
Less: Stock-based compensation expense & related payroll taxes	(45,391)	(38,269)	(50,956)	(38,450)	(46,947)
<b>Non-GAAP research and development expense</b>	<b>\$74,822</b>	<b>\$76,820</b>	<b>\$83,601</b>	<b>\$82,506</b>	<b>\$94,940</b>
GAAP R&D expense as a % of revenue	26%	24%	26%	22%	23%
Non-GAAP R&D expense as a % of revenue	16%	16%	16%	15%	15%
<b>GAAP general and administrative expense</b>	<b>\$73,799</b>	<b>\$87,658</b>	<b>\$96,987</b>	<b>\$95,906</b>	<b>\$108,760</b>
Less: Stock-based compensation expense & related payroll taxes	(25,528)	(34,515)	(40,526)	(42,431)	(45,391)
Less: Acquisition-related and other expenses	(462)	(112)	-	-	(3,797)
Less: Lease impairment charges	-	-	(3,840)	-	(1,257)
Less: Legal reserve and settlements	-	-	-	-	2,886
<b>Non-GAAP general and administrative expense</b>	<b>\$47,809</b>	<b>\$53,031</b>	<b>\$52,621</b>	<b>\$53,475</b>	<b>\$61,201</b>
GAAP G&A expense as a % of revenue	16%	18%	19%	17%	18%
Non-GAAP G&A expense as a % of revenue	10%	11%	10%	10%	10%
<b>GAAP loss from operations</b>	<b>(\$34,719)</b>	<b>(\$53,247)</b>	<b>(\$67,264)</b>	<b>(\$37,460)</b>	<b>(\$49,234)</b>
Add: Stock-based compensation expense & related payroll taxes	98,422	105,895	131,993	119,699	132,351
Add: Amortization of acquired intangible assets	3,082	3,241	3,746	3,699	4,312
Add: Acquisition-related and other expenses	462	112	-	-	3,797
Add: Lease impairment charges	-	-	3,840	-	1,257
Add: Legal reserve and settlements	-	-	-	-	(2,886)
<b>Non-GAAP income from operations</b>	<b>\$67,247</b>	<b>\$56,001</b>	<b>\$72,315</b>	<b>\$85,938</b>	<b>\$89,597</b>
GAAP operating margin	(8%)	(11%)	(13%)	(7%)	(8%)
<b>Non-GAAP operating margin</b>	<b>15%</b>	<b>12%</b>	<b>14%</b>	<b>15%</b>	<b>15%</b>

# Key Business Metrics

## Paying Customers

	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025
	197,138	210,166	221,540	237,714	250,819	265,929	295,552	332,466
y-y growth	17%	21%	22%	25%	27%	27%	33%	40%

## Paying Customers (> \$100,000 Annualized Revenue)

	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025
	2,878	3,046	3,265	3,497	3,527	3,712	4,009	4,298
y-y growth	33%	30%	28%	27%	23%	22%	23%	23%
% of revenue	67%	67%	67%	69%	69%	71%	73%	73%

## Dollar-Based Net Retention Rate

Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025
115%	112%	110%	111%	111%	114%	119%	120%

Note: See next slide for definitions of Paying Customers, Paying Customers (> \$100,000 Annualized Revenue), and Dollar-Based Net Retention Rate.

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# Definitions

**Paying Customers.** We believe our ability to grow the number of paying customers on our network provides a key indicator of growth of our business and our future business opportunities. We define a paying customer at the end of the quarter as a person or entity who has generated revenue and has an active contract with us or one of our partners during such quarter, excluding (i) customers that were not acquired through ordinary sales channels, (ii) customers using only our registrar product, and (iii) customers using our consumer applications, such as 1.1.1.1 and WARP, which agreements and customers together represent an insignificant amount of our revenue. An entity is defined as a company, a government institution, a non-profit organization, or a distinct business unit of a large company. An active contract is defined as a customer relationship for which we have provided services during the quarter.

**Paying Customers (> \$100,000 Annualized Revenue).** While we continue to grow customers across all sizes, over time, our large customers have contributed an increasing share of our revenue. We view the number of customers with Annualized Revenue greater than \$100,000 as indicative of our penetration within large enterprise accounts. To measure Annualized Revenue at the end of a quarter, we take the sum of revenue for each customer in the quarter and multiply that amount by four. For example, if we signed a new customer that generated \$1,800 of revenue in a quarter, that customer would account for \$7,200 of Annualized Revenue for that year. Our Annualized Revenue calculation excludes (i) agreements that were not entered into through ordinary sales channels, (ii) revenue generated from customers using only our registrar product, and (iii) customers using our consumer applications, such as 1.1.1.1 and WARP, which agreements and customers together represent an insignificant amount of our revenue. Our Annualized Revenue metric also includes any usage charges by a customer during a period. As a result, Annualized Revenue may be higher than actual revenue over the course of the year.

**Dollar-Based Net Retention Rate.** Our ability to maintain long-term revenue growth and achieve profitability is dependent on our ability to retain and grow revenue generated from our existing paying customers. We believe that we will achieve these objectives by continuing to focus on customer loyalty and adding additional products and functionality to our network. Our dollar-based net retention rate is a key way we measure our performance in these areas. Dollar-based net retention rate measures our ability to retain and expand recurring revenue from existing customers. To calculate dollar-based net retention rate for a quarter, we compare the Annualized Revenue from paying customers four quarters prior to the Annualized Revenue from the same set of customers in the most recent quarter. Our dollar-based net retention rate includes expansion and is net of contraction and attrition, but excludes Annualized Revenue from new customers in the current period. Our dollar-based net retention rate excludes professional services and the benefit of free customers that upgrade to a paid subscription between the prior and current periods, even though this is an important source of incremental growth. We believe this provides a more meaningful representation of our ability to add incremental business from existing paying customers as they renew and expand their contracts.

**Total Addressable Market.** Total Addressable Market figures are Cloudflare estimates based on Gartner market forecasts and include the following Gartner sources: (1) Forecast Enterprise Network Equipment by Market Segment, Worldwide, 2022-2028, 4Q24 Update, Gartner, Christian Canales, Naresh Singh, Gurjyot Uppal, 12/24/2024 (2) Forecast Analysis: Edge Distribution Platforms, Worldwide, Gartner, Brandon Medford, Jimmy Chuang, 08/22/2024 (3) Forecast: Information Security, Worldwide, 2022-2028, 4Q24 Update, Gartner, Shailendra Upadhyay, Akshita Joshi, Elizabeth Kim, Ruggero Contu, Charanpal Bhogal, Rahul Yadav, Matt Milone, Sean O'Neill, Mark Wah, Christian Canales, 12/19/2024 (4) Forecast: IT Operations Management Software, Worldwide, 2022-2028, 2Q24 Update, Gartner, Shailendra Upadhyay, Kanchi Bindal, Colin Fletcher, 10/16/2024 (5) Forecast Analysis: Communications Services, Worldwide, Gartner, Grigory Betskov, Shashank Nigam, Gaspar Valdivia, Rashi Priyam, Shivansh Gupta, Vartika Dixit, 02/23/2024 (6) Forecast Analysis: CPaaS, Worldwide, Gartner, Lisa Unden-Farboud, Daniel O'Connell, Ajit Patankar, 03/08/2024 (7) Forecast: Enterprise Infrastructure Software, Worldwide, 2022-2028, 4Q24 Update, Gartner, Arunasree Cheparthi, Colin Fletcher, Robin Schumacher, Lisa Unden-Farboud, Nicholas Carter, Saikat Ray, Sharat Menon, Kelli Smith, Irina Guseva, Christian Canales, Brandon Medford, Amarendra ., Shailendra Upadhyay, Varsha Mehta, 12/17/2024. GARTNER is a registered trademark and service mark of Gartner, Inc. and/or its affiliates in the U.S. and internationally and is used herein with permission. All rights reserved.