AKAMAI REPORTS SECOND QUARTER 2021 FINANCIAL RESULTS

Second quarter revenue of $853 million, up 7% year-over-year and up 5% when adjusted for foreign exchange*

Security Technology Group revenue of $325 million, up 25% year-over-year and up 22% when adjusted for foreign exchange*

Edge Technology Group revenue of $528 million, down 1% year-over-year and down 4% when adjusted for foreign exchange*

GAAP EPS of $0.94, down 4% year-over-year, and non-GAAP EPS* of $1.42, up 3% year-over-year

CAMBRIDGE, Mass. – August 3, 2021 – Akamai Technologies, Inc. (NASDAQ: AKAM), the world's most trusted solution for protecting and delivering digital experiences, today reported financial results for the second quarter ended June 30, 2021.

“Akamai’s excellent second quarter financial performance was highlighted by continued strong growth across our security solutions globally,” said Dr. Tom Leighton, Akamai's Chief Executive Officer. “As the internet has become increasingly critical to consumers and businesses, our customers have turned to us more than ever to power and protect exceptional online experiences.”

Akamai delivered the following financial results for the second quarter ended June 30, 2021:

Revenue: Revenue was $853 million, a 7% increase over second quarter 2020 revenue of $795 million and a 5% increase when adjusted for foreign exchange.*

Revenue by Product Group:

- Security Technology Group revenue was $325 million, up 25% year-over-year and up 22% when adjusted for foreign exchange*
- Edge Technology Group revenue was $528 million, down 1% year-over-year and down 4% when adjusted for foreign exchange*

Revenue by Geography:

- U.S. revenue was $450 million, up 1% year-over-year
- International revenue was $403 million, up 15% year-over-year and up 9% when adjusted for foreign exchange*

Income from operations: GAAP income from operations was $199 million, a 5% increase from second quarter 2020. GAAP operating margin for the second quarter was 23%, down 1 percentage point from the same period last year.

Non-GAAP income from operations* was $270 million, a 5% increase from second quarter 2020. Non-GAAP operating margin* for the second quarter was 32%, flat compared to the same period last year.

Net income: GAAP net income was $156 million, a 3% decrease from second quarter 2020. Non-GAAP net income* was $233 million, a 3% increase from second quarter 2020.
EPS: GAAP EPS was $0.94 per diluted share, a 4% decrease from second quarter 2020 and a 9% decrease when adjusted for foreign exchange.* Non-GAAP EPS was $1.42 per diluted share, a 3% increase from second quarter 2020 and a 1% decrease when adjusted for foreign exchange.*

Adjusted EBITDA*: Adjusted EBITDA* was $386 million, a 9% increase from second quarter 2020. Adjusted EBITDA margin* for the second quarter was 45%, flat compared to the same period last year.

Supplemental cash information: Cash from operations for the second quarter of 2021 was $378 million, or 44% of revenue. Cash, cash equivalents and marketable securities was $2.6 billion as of June 30, 2021.

Share repurchases: Akamai spent $96 million in the second quarter of 2021 to repurchase 0.9 million shares of its common stock at an average price of $110.51 per share. The Company had 163 million shares of common stock outstanding as of June 30, 2021.

* See Use of Non-GAAP Financial Measures below for definitions
Quarterly Conference Call
Akamai will host a conference call today at 4:30 p.m. ET that can be accessed through 1-844-578-9671 (or 1-508-637-5655 for international calls) and using passcode 3968976. A live webcast of the call may be accessed at www.akamai.com in the Investor section. In addition, a replay of the call will be available for two weeks following the conference by calling 1-855-859-2056 (or 1-404-537-3406 for international calls) and using passcode 3968976. The archived webcast of this event may be accessed through the Akamai website.

About Akamai
Akamai secures and delivers digital experiences for the world’s largest companies. Akamai’s intelligent edge platform surrounds everything, from the enterprise to the cloud, so customers and their businesses can be fast, smart and secure. Top brands globally rely on Akamai to help them realize competitive advantage through agile solutions that extend the power of their multi-cloud architectures. Akamai keeps decisions, apps and experiences closer to users than anyone – and attacks and threats far away. Akamai’s portfolio of edge security, web and mobile performance, enterprise access and video delivery solutions is supported by unmatched customer service, analytics and 24/7/365 monitoring. To learn why the world’s top brands trust Akamai, visit www.akamai.com, blogs.akamai.com, or @Akamai on Twitter.
<table>
<thead>
<tr>
<th></th>
<th>June 30, 2021</th>
<th>December 31, 2020</th>
</tr>
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<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
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<tr>
<td>Current assets:</td>
<td></td>
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<tr>
<td>Cash and cash equivalents</td>
<td>$ 581,068</td>
<td>$ 352,917</td>
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<tr>
<td>Marketable securities</td>
<td>835,420</td>
<td>745,156</td>
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<tr>
<td>Accounts receivable, net</td>
<td>656,609</td>
<td>660,052</td>
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<tr>
<td>Prepaid expenses and other current assets</td>
<td>180,155</td>
<td>171,406</td>
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<tr>
<td><strong>Total current assets</strong></td>
<td>2,253,252</td>
<td>1,929,531</td>
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<tr>
<td>Marketable securities</td>
<td>1,164,620</td>
<td>1,398,802</td>
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<td>Property and equipment, net</td>
<td>1,538,422</td>
<td>1,478,272</td>
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<td>Operating lease right-of-use assets</td>
<td>830,022</td>
<td>793,945</td>
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<td>Acquired intangible assets, net</td>
<td>217,519</td>
<td>234,724</td>
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<td>Goodwill</td>
<td>1,685,859</td>
<td>1,674,371</td>
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<td>Deferred income tax assets</td>
<td>99,634</td>
<td>106,918</td>
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<td>Other assets</td>
<td>131,610</td>
<td>147,567</td>
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<td><strong>Total assets</strong></td>
<td>$ 7,920,938</td>
<td>$ 7,764,130</td>
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<tr>
<td><strong>LIABILITIES AND STOCKHOLDERS' EQUITY</strong></td>
<td></td>
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<tr>
<td>Current liabilities:</td>
<td></td>
<td></td>
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<tr>
<td>Accounts payable</td>
<td>$ 93,465</td>
<td>$ 118,546</td>
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<td>Accrued expenses</td>
<td>289,189</td>
<td>380,468</td>
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<td>Deferred revenue</td>
<td>95,216</td>
<td>76,600</td>
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<tr>
<td>Operating lease liabilities</td>
<td>158,390</td>
<td>154,801</td>
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<tr>
<td>Other current liabilities</td>
<td>11,189</td>
<td>27,755</td>
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<td><strong>Total current liabilities</strong></td>
<td>647,449</td>
<td>758,170</td>
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<tr>
<td>Deferred revenue</td>
<td>4,623</td>
<td>5,262</td>
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<tr>
<td>Deferred income tax liabilities</td>
<td>36,124</td>
<td>37,458</td>
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<td>Convertible senior notes</td>
<td>1,941,113</td>
<td>1,906,707</td>
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<td>Operating lease liabilities</td>
<td>733,523</td>
<td>715,404</td>
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<td>Other liabilities</td>
<td>81,449</td>
<td>89,833</td>
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<td><strong>Total liabilities</strong></td>
<td>3,444,281</td>
<td>3,512,834</td>
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<td>Total stockholders' equity</td>
<td>4,476,657</td>
<td>4,251,296</td>
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<td><strong>Total liabilities and stockholders' equity</strong></td>
<td>$ 7,920,938</td>
<td>$ 7,764,130</td>
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### AKAMAI TECHNOLOGIES, INC.

**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**

<table>
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<tr>
<th>(in thousands, except per share data)</th>
<th>Three Months Ended</th>
<th>Six Months Ended</th>
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<tbody>
<tr>
<td></td>
<td>June 30, 2021</td>
<td>March 31, 2021</td>
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<tr>
<td>Revenue</td>
<td>$852,824</td>
<td>$842,708</td>
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<tr>
<td>Costs and operating expenses:</td>
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<td></td>
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<td>Cost of revenue&lt;sup&gt;(1)(2)&lt;/sup&gt;</td>
<td>320,000</td>
<td>306,687</td>
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<tr>
<td>Research and development&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>77,255</td>
<td>82,045</td>
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<tr>
<td>Sales and marketing&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>111,894</td>
<td>116,354</td>
</tr>
<tr>
<td>General and administrative&lt;sup&gt;(1)(2)&lt;/sup&gt;</td>
<td>134,295</td>
<td>136,715</td>
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<td>Amortization of acquired intangible assets</td>
<td>12,060</td>
<td>11,427</td>
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<td>Restructuring (benefit) charge</td>
<td>(2,114)</td>
<td>7,116</td>
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<td>Total costs and operating expenses</td>
<td>653,390</td>
<td>660,344</td>
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<td>Income from operations</td>
<td>199,434</td>
<td>182,364</td>
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<td>Interest income</td>
<td>4,736</td>
<td>4,578</td>
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<td>Interest expense</td>
<td>(18,037)</td>
<td>(17,834)</td>
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<td>Other expense, net</td>
<td>(811)</td>
<td>(817)</td>
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<tr>
<td>Income before provision for income taxes</td>
<td>185,322</td>
<td>168,291</td>
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<td>Provision for income taxes</td>
<td>(18,009)</td>
<td>(11,898)</td>
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<td>Loss from equity method investment</td>
<td>(10,816)</td>
<td>(698)</td>
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<td>Net income</td>
<td>$156,497</td>
<td>$155,695</td>
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**Net income per share:**

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<tr>
<th></th>
<th>Basic</th>
<th>Diluted</th>
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<tbody>
<tr>
<td></td>
<td>$0.96</td>
<td>$0.94</td>
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<tr>
<td>Basic</td>
<td></td>
<td></td>
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<tr>
<td>Diluted</td>
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</table>

**Shares used in per share calculations:**

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<tr>
<th></th>
<th>Basic</th>
<th>Diluted</th>
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<tbody>
<tr>
<td></td>
<td>163,074</td>
<td>163,061</td>
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<tr>
<td>Basic</td>
<td>162,413</td>
<td>163,067</td>
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<tr>
<td>Diluted</td>
<td>164,768</td>
<td>165,976</td>
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</table>

<sup>(1)</sup> Includes stock-based compensation (see supplemental table for figures)

<sup>(2)</sup> Includes depreciation and amortization (see supplemental table for figures)
<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended</th>
<th></th>
<th></th>
<th>Six Months Ended</th>
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<tbody>
<tr>
<td></td>
<td>June 30,</td>
<td>March 31,</td>
<td>June 30,</td>
<td>June 30,</td>
<td>June 30,</td>
<td>June 30,</td>
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<tr>
<td></td>
<td>2021</td>
<td>2021</td>
<td>2020</td>
<td>2021</td>
<td>2020</td>
<td></td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td></td>
<td></td>
<td></td>
<td>$ 156,497</td>
<td>$ 155,695</td>
<td>$ 161,915</td>
</tr>
<tr>
<td><strong>Adjustments to reconcile net income to net cash</strong></td>
<td></td>
<td></td>
<td></td>
<td>$ 312,192</td>
<td>$ 285,061</td>
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<tr>
<td><strong>Depreciation and amortization</strong></td>
<td>137,715</td>
<td>131,471</td>
<td>115,580</td>
<td>269,186</td>
<td>231,788</td>
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<tr>
<td><strong>Stock-based compensation</strong></td>
<td>50,481</td>
<td>54,305</td>
<td>49,191</td>
<td>104,786</td>
<td>96,684</td>
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<tr>
<td><strong>Provision for deferred income taxes</strong></td>
<td>5,461</td>
<td>1,764</td>
<td>14,282</td>
<td>7,225</td>
<td>11,394</td>
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<tr>
<td><strong>Amortization of debt discount and issuance costs</strong></td>
<td>16,460</td>
<td>16,257</td>
<td>15,677</td>
<td>32,717</td>
<td>31,310</td>
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<tr>
<td><strong>Other non-cash reconciling items, net</strong></td>
<td>12,428</td>
<td>1,226</td>
<td>2,752</td>
<td>13,654</td>
<td>14,804</td>
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<tr>
<td><strong>Changes in operating assets and liabilities, net of effects of acquisitions</strong></td>
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<tr>
<td><strong>Accounts receivable</strong></td>
<td>11,176</td>
<td>(15,580)</td>
<td>(31,633)</td>
<td>(4,404)</td>
<td>(105,546)</td>
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<tr>
<td><strong>Prepaid expenses and other current assets</strong></td>
<td>24,539</td>
<td>(35,388)</td>
<td>455</td>
<td>(10,849)</td>
<td>(9,979)</td>
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<tr>
<td><strong>Accounts payable and accrued expenses</strong></td>
<td>(10,073)</td>
<td>(72,986)</td>
<td>(19,944)</td>
<td>(83,059)</td>
<td>(47,402)</td>
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<tr>
<td><strong>Deferred revenue</strong></td>
<td>(7,345)</td>
<td>25,439</td>
<td>(5,647)</td>
<td>18,094</td>
<td>21,342</td>
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<tr>
<td><strong>Other current liabilities</strong></td>
<td>(15,514)</td>
<td>(716)</td>
<td>(2,043)</td>
<td>(16,230)</td>
<td>(1,115)</td>
<td></td>
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<tr>
<td><strong>Other non-current assets and liabilities</strong></td>
<td>(3,692)</td>
<td>(11,694)</td>
<td>(1,894)</td>
<td>(15,386)</td>
<td>(6,407)</td>
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<tr>
<td><strong>Net cash provided by operating activities</strong></td>
<td>378,133</td>
<td>249,793</td>
<td>298,691</td>
<td>627,926</td>
<td>521,934</td>
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<tr>
<td><strong>Cash flows from investing activities</strong></td>
<td></td>
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</tr>
<tr>
<td><strong>Cash (paid) received for business acquisitions, net of cash acquired</strong></td>
<td>—</td>
<td>(15,638)</td>
<td>—</td>
<td>(15,638)</td>
<td>106</td>
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<tr>
<td><strong>Cash paid for asset acquisition</strong></td>
<td>—</td>
<td>—</td>
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<td>(36,376)</td>
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<tr>
<td><strong>Purchases of property and equipment and capitalization of internal-use software development costs</strong></td>
<td>(154,569)</td>
<td>(164,719)</td>
<td>(120,239)</td>
<td>(319,288)</td>
<td>(335,668)</td>
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<td><strong>Purchases of short- and long-term marketable securities</strong></td>
<td>(291,957)</td>
<td>(90,279)</td>
<td>(452,737)</td>
<td>(382,236)</td>
<td>(842,516)</td>
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<td><strong>Proceeds from sales and maturities of short- and long-term marketable securities</strong></td>
<td>287,297</td>
<td>234,149</td>
<td>483,184</td>
<td>521,446</td>
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<td><strong>Other non-current assets and liabilities</strong></td>
<td>(391)</td>
<td>179</td>
<td>155</td>
<td>(212)</td>
<td>79</td>
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<td><strong>Net cash used in investing activities</strong></td>
<td>(159,620)</td>
<td>(36,308)</td>
<td>(89,637)</td>
<td>(195,928)</td>
<td>(200,375)</td>
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<td>(in thousands)</td>
<td>Three Months Ended</td>
<td>Six Months Ended</td>
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<td>June 30, 2021</td>
<td>June 30, 2020</td>
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<td>March 31,</td>
<td>June 30, 2021</td>
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<td>June 30, 2020</td>
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<tr>
<td>Cash flows from financing activities:</td>
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<td>Proceeds from the issuance of common stock</td>
<td>9,712</td>
<td>10,259</td>
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<td>under stock plans</td>
<td>21,410</td>
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<td>Employee taxes paid related to net share</td>
<td>(12,314)</td>
<td>(13,095)</td>
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<td>settlement of stock-based awards</td>
<td>(63,946)</td>
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<td>Repurchases of common stock</td>
<td>(96,175)</td>
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<td>Other non-current assets and liabilities</td>
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<td>Net cash used in financing activities</td>
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<td>(199,621)</td>
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<td>Effects of exchange rate changes on cash, cash</td>
<td>3,003</td>
<td>(4,148)</td>
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<td>equivalents and restricted cash</td>
<td>(7,151)</td>
<td>(828)</td>
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<td>Net increase in cash, cash equivalents and</td>
<td>122,672</td>
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<td>restricted cash</td>
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<td>Cash, cash equivalents and restricted cash at</td>
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<td>353,466</td>
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<td>beginning of period</td>
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<td>Cash, cash equivalents and restricted cash at</td>
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<td></td>
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<td>$ 572,872</td>
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<tr>
<td>beginning of period</td>
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<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### AKAMAI TECHNOLOGIES, INC.
#### SUPPLEMENTAL REVENUE DATA – REVENUE BY PRODUCT GROUP

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended</th>
<th></th>
<th>Six Months Ended</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Security Technology Group</td>
<td>$ 325,128</td>
<td>$ 310,219</td>
<td>$ 259,316</td>
<td>$ 635,347</td>
</tr>
<tr>
<td>Edge Technology Group</td>
<td>527,696</td>
<td>532,489</td>
<td>535,399</td>
<td>1,060,185</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>$ 852,824</td>
<td>$ 842,708</td>
<td>$ 794,715</td>
<td>$ 1,695,532</td>
</tr>
</tbody>
</table>

**Revenue growth rates year-over-year:**

<table>
<thead>
<tr>
<th></th>
<th>Security Technology Group</th>
<th>Edge Technology Group</th>
<th><strong>Total revenue</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>25 %</td>
<td>29 %</td>
<td>7 %</td>
</tr>
<tr>
<td></td>
<td>27 %</td>
<td>27 %</td>
<td>10 %</td>
</tr>
<tr>
<td></td>
<td>27 %</td>
<td>27 %</td>
<td>13 %</td>
</tr>
<tr>
<td></td>
<td>27 %</td>
<td>27 %</td>
<td>9 %</td>
</tr>
</tbody>
</table>

**Revenue growth rates year-over-year, adjusted for the impact of foreign exchange rates:**

<table>
<thead>
<tr>
<th></th>
<th>Security Technology Group</th>
<th>Edge Technology Group</th>
<th><strong>Total revenue</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>22 %</td>
<td>(1)</td>
<td>5 %</td>
</tr>
<tr>
<td></td>
<td>27 %</td>
<td>(4)</td>
<td>8 %</td>
</tr>
<tr>
<td></td>
<td>28 %</td>
<td>(4)</td>
<td>14 %</td>
</tr>
<tr>
<td></td>
<td>24 %</td>
<td>(2)</td>
<td>7 %</td>
</tr>
</tbody>
</table>

### AKAMAI TECHNOLOGIES, INC.
#### SUPPLEMENTAL REVENUE DATA – REVENUE BY GEOGRAPHY

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended</th>
<th></th>
<th>Six Months Ended</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S.</td>
<td>$ 449,553</td>
<td>$ 463,180</td>
<td>$ 443,668</td>
<td>$ 912,733</td>
</tr>
<tr>
<td>International</td>
<td>403,271</td>
<td>379,528</td>
<td>351,047</td>
<td>782,799</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>$ 852,824</td>
<td>$ 842,708</td>
<td>$ 794,715</td>
<td>$ 1,695,532</td>
</tr>
</tbody>
</table>

**Revenue growth rates year-over-year:**

<table>
<thead>
<tr>
<th></th>
<th>U.S.</th>
<th>International</th>
<th><strong>Total revenue</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1 %</td>
<td>15</td>
<td>7 %</td>
</tr>
<tr>
<td></td>
<td>8 %</td>
<td>13</td>
<td>10 %</td>
</tr>
<tr>
<td></td>
<td>6 %</td>
<td>22</td>
<td>13 %</td>
</tr>
<tr>
<td></td>
<td>5 %</td>
<td>14</td>
<td>9 %</td>
</tr>
<tr>
<td></td>
<td>4 %</td>
<td>19</td>
<td>10 %</td>
</tr>
</tbody>
</table>

**Revenue growth rates year-over-year, adjusted for the impact of foreign exchange rates:**

<table>
<thead>
<tr>
<th></th>
<th>U.S.</th>
<th>International</th>
<th><strong>Total revenue</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1 %</td>
<td>9</td>
<td>5 %</td>
</tr>
<tr>
<td></td>
<td>8 %</td>
<td>8</td>
<td>8 %</td>
</tr>
<tr>
<td></td>
<td>6 %</td>
<td>24</td>
<td>14 %</td>
</tr>
<tr>
<td></td>
<td>5 %</td>
<td>9</td>
<td>7 %</td>
</tr>
<tr>
<td></td>
<td>4 %</td>
<td>22</td>
<td>11 %</td>
</tr>
</tbody>
</table>

(1) Effective March 1, 2021, Akamai reorganized into two groups: the Security Technology Group and the Edge Technology Group, which both utilize the Akamai Intelligent Edge Platform and its global sales organization. These groups are aligned with their product offerings. Revenue from the Security Technology Group was previously reported as revenue from Cloud Security Solutions, and revenue from the Edge Technology Group was previously reported as revenue from content delivery network (CDN) services and all other solutions.

(2) See Use of Non-GAAP Financial Measures below for a definition.
### AKAMAI TECHNOLOGIES, INC.
**SUPPLEMENTAL REVENUE DATA – REVENUE FROM INTERNET PLATFORM CUSTOMERS** (1)

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended</th>
<th></th>
<th>Six Months Ended</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue from Internet Platform Customers</td>
<td>$ 63,634</td>
<td>$ 59,191</td>
<td>$ 50,752</td>
<td>$ 122,825</td>
</tr>
<tr>
<td>Revenue excluding Internet Platform Customers</td>
<td>789,190</td>
<td>783,517</td>
<td>743,963</td>
<td>1,572,707</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>$ 852,824</td>
<td>$ 842,708</td>
<td>$ 794,715</td>
<td>$ 1,695,532</td>
</tr>
</tbody>
</table>

**Revenue growth rates year-over-year:**
- Revenue from Internet Platform Customers: 25% (June 30, 2021), 32% (March 31, 2021), 10% (June 30, 2020), 29% (June 30, 2021), 2% (June 30, 2020)
- Revenue excluding Internet Platform Customers: 6% (June 30, 2021), 9% (March 31, 2021), 13% (June 30, 2020), 7% (June 30, 2021), 11% (June 30, 2020)
- Total revenue: 7% (June 30, 2021), 10% (March 31, 2021), 13% (June 30, 2020), 9% (June 30, 2021), 10% (June 30, 2020)

**Revenue growth rates year-over-year, adjusted for the impact of foreign exchange rates** (2):
- Revenue from Internet Platform Customers: 25% (June 30, 2021), 32% (March 31, 2021), 10% (June 30, 2020), 29% (June 30, 2021), 2% (June 30, 2020)
- Revenue excluding Internet Platform Customers: 3% (June 30, 2021), 7% (March 31, 2021), 14% (June 30, 2020), 5% (June 30, 2021), 12% (June 30, 2020)
- Total revenue: 5% (June 30, 2021), 8% (March 31, 2021), 14% (June 30, 2020), 7% (June 30, 2021), 11% (June 30, 2020)

### AKAMAI TECHNOLOGIES, INC.
**SUPPLEMENTAL REVENUE DATA – REVENUE BY DIVISION** (3)

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended</th>
<th>Six Months Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>June 30, 2021</td>
<td>June 30, 2021</td>
</tr>
<tr>
<td>Web Division</td>
<td>$ 431,521</td>
<td>$ 427,046</td>
</tr>
<tr>
<td>Media and Carrier Division</td>
<td>421,303</td>
<td>415,662</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>$ 852,824</td>
<td>$ 842,708</td>
</tr>
</tbody>
</table>

**Revenue growth rates year-over-year:**
- Web Division: 8% (June 30, 2021), 6% (March 31, 2021), 7% (June 30, 2020), 7% (June 30, 2021), 8% (June 30, 2020)
- Media and Carrier Division: 7% (June 30, 2021), 15% (March 31, 2021), 19% (June 30, 2020), 11% (June 30, 2021), 13% (June 30, 2020)
- Total revenue: 7% (June 30, 2021), 10% (March 31, 2021), 13% (June 30, 2020), 9% (June 30, 2021), 10% (June 30, 2020)

**Revenue growth rates year-over-year, adjusted for the impact of foreign exchange rates** (2):
- Web Division: 5% (June 30, 2021), 4% (March 31, 2021), 8% (June 30, 2020), 4% (June 30, 2021), 9% (June 30, 2020)
- Media and Carrier Division: 5% (June 30, 2021), 13% (March 31, 2021), 20% (June 30, 2020), 9% (June 30, 2021), 14% (June 30, 2020)
- Total revenue: 5% (June 30, 2021), 8% (March 31, 2021), 14% (June 30, 2020), 7% (June 30, 2021), 11% (June 30, 2020)

---

(1) Revenue from large Internet platform companies: Amazon, Apple, Facebook, Google, Microsoft and Netflix
(2) See Use of Non-GAAP Financial Measures below for a definition
(3) Prior to March 1, 2021, Akamai managed its business by division, which was a customer-focused reporting view that reflected revenue from customers that were managed by the division. Although Akamai no longer manages its business by division, the prior divisional view of revenue is provided for informational purposes.
(4) As of January 1, 2021, Akamai reassigned some of its customers between the Media and Carrier Division and the Web Division and revised historical results in order to reflect the most recent categorization and to provide a comparable view for all periods presented. As the purchasing patterns and required account expertise of customers change over time, Akamai may reassign a customer's division from one to another.
### General and administrative expenses:

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended</th>
<th>Six Months Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>June 30, 2021</td>
<td>March 31, 2021</td>
</tr>
<tr>
<td></td>
<td>$54,974</td>
<td>$56,450</td>
</tr>
<tr>
<td></td>
<td>$49,475</td>
<td>$111,424</td>
</tr>
<tr>
<td></td>
<td>$111,424</td>
<td>$257,070</td>
</tr>
<tr>
<td></td>
<td>$134,295</td>
<td>$136,715</td>
</tr>
<tr>
<td>Payroll and related costs</td>
<td>$54,974</td>
<td>$56,450</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>16,123</td>
<td>16,362</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>20,489</td>
<td>20,909</td>
</tr>
<tr>
<td>Facilities-related costs</td>
<td>24,845</td>
<td>24,347</td>
</tr>
<tr>
<td>Provision (benefit) for doubtful accounts</td>
<td>971</td>
<td>(260)</td>
</tr>
<tr>
<td>Acquisition-related costs</td>
<td>140</td>
<td>64</td>
</tr>
<tr>
<td>Legal settlements</td>
<td>275</td>
<td>275</td>
</tr>
<tr>
<td>Professional fees and other expenses</td>
<td>16,753</td>
<td>18,843</td>
</tr>
<tr>
<td>Total general and administrative expenses</td>
<td>$134,295</td>
<td>$136,715</td>
</tr>
</tbody>
</table>

### General and administrative expenses–functional:

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended</th>
<th>Six Months Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>June 30, 2021</td>
<td>March 31, 2021</td>
</tr>
<tr>
<td>Global functions</td>
<td>$53,314</td>
<td>$55,799</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>79,878</td>
<td>81,109</td>
</tr>
<tr>
<td>Other</td>
<td>1,103</td>
<td>(193)</td>
</tr>
<tr>
<td>Total general and administrative expenses</td>
<td>$134,295</td>
<td>$136,715</td>
</tr>
</tbody>
</table>

### Stock-based compensation:

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended</th>
<th>Six Months Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$6,874</td>
<td>$7,096</td>
</tr>
<tr>
<td>Research and development</td>
<td>15,937</td>
<td>18,369</td>
</tr>
<tr>
<td>Sales and marketing</td>
<td>11,547</td>
<td>12,478</td>
</tr>
<tr>
<td>General and administrative</td>
<td>16,123</td>
<td>16,362</td>
</tr>
<tr>
<td>Total stock-based compensation</td>
<td>$50,481</td>
<td>$54,305</td>
</tr>
</tbody>
</table>

(1) Global functions expense includes payroll, stock-based compensation and other employee-related costs for administrative functions, including finance, purchasing, order entry, human resources, legal, information technology and executive personnel, as well as third-party professional service fees. Infrastructure expense includes payroll, stock-based compensation and other employee-related costs for our network infrastructure functions, as well as facility rent expense, depreciation and amortization of facility and IT-related assets, software and software-related costs, business insurance and taxes. Our network infrastructure function is responsible for network planning, sourcing, architecture evaluation and platform security. Other expense includes acquisition-related costs, provision for doubtful accounts and legal settlements.
## Depreciation and amortization:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Network-related depreciation</td>
<td>$55,601</td>
<td>$51,896</td>
<td>$38,806</td>
<td>$107,497</td>
<td>$75,203</td>
</tr>
<tr>
<td>Capitalized internal-use software development amortization</td>
<td>40,426</td>
<td>39,223</td>
<td>38,164</td>
<td>79,649</td>
<td>78,933</td>
</tr>
<tr>
<td>Other depreciation and amortization</td>
<td>19,833</td>
<td>20,365</td>
<td>20,193</td>
<td>40,198</td>
<td>40,212</td>
</tr>
<tr>
<td>Depreciation of property and equipment</td>
<td>115,860</td>
<td>111,484</td>
<td>97,163</td>
<td>227,344</td>
<td>194,348</td>
</tr>
<tr>
<td>Capitalized stock-based compensation amortization&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>8,916</td>
<td>7,693</td>
<td>7,185</td>
<td>16,609</td>
<td>14,816</td>
</tr>
<tr>
<td>Capitalized interest expense amortization&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>879</td>
<td>867</td>
<td>851</td>
<td>1,746</td>
<td>1,809</td>
</tr>
<tr>
<td>Amortization of acquired intangible assets</td>
<td>12,060</td>
<td>11,427</td>
<td>10,381</td>
<td>23,487</td>
<td>20,815</td>
</tr>
<tr>
<td><strong>Total depreciation and amortization</strong></td>
<td><strong>$137,715</strong></td>
<td><strong>$131,471</strong></td>
<td><strong>$115,580</strong></td>
<td><strong>$269,186</strong></td>
<td><strong>$231,788</strong></td>
</tr>
</tbody>
</table>

## Capital expenditures, excluding stock-based compensation and interest expense<sup>(2)(3)</sup>:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchases of property and equipment</td>
<td>$81,655</td>
<td>$94,998</td>
<td>$142,310</td>
<td>$176,653</td>
<td>$227,109</td>
</tr>
<tr>
<td>Capitalized internal-use software development costs</td>
<td>56,574</td>
<td>55,065</td>
<td>53,692</td>
<td>111,639</td>
<td>104,601</td>
</tr>
<tr>
<td><strong>Total capital expenditures, excluding stock-based compensation and interest expense</strong></td>
<td><strong>$138,229</strong></td>
<td><strong>$150,063</strong></td>
<td><strong>$196,002</strong></td>
<td><strong>$288,292</strong></td>
<td><strong>$331,710</strong></td>
</tr>
</tbody>
</table>

## End of period statistics:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of employees</td>
<td>8,275</td>
<td>8,300</td>
<td>7,951</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<sup>(1)</sup> Amortization of capitalized stock-based compensation and interest expense in this table excludes amortization of capitalized stock-based compensation and interest expense capitalized as part of the implementation of cloud-computing arrangements. However, the amounts are included in our total amortization of capitalized stock-based compensation and interest expense that is excluded from our non-GAAP measures (see reconciliations of GAAP to non-GAAP measures).

<sup>(2)</sup> Capital expenditures presented in this table are reported on an accrual basis, which differs from the cash-basis presentation in the statements of cash flows. The primary difference between the two is the change in purchases of property and equipment and capitalization of internal-use software development costs accrued for, but not paid, at period end.

<sup>(3)</sup> See Use of Non-GAAP Financial Measures below for a definition.
## AKAMAI TECHNOLOGIES, INC.
### RECONCILIATION OF GAAP TO NON-GAAP INCOME FROM OPERATIONS AND NET INCOME

<table>
<thead>
<tr>
<th>(in thousands)</th>
<th>Three Months Ended</th>
<th></th>
<th>Six Months Ended</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Income from operations</td>
<td>$199,434</td>
<td>$182,364</td>
<td>$190,429</td>
<td>$381,798</td>
</tr>
<tr>
<td>GAAP operating margin</td>
<td>23 %</td>
<td>22 %</td>
<td>24 %</td>
<td>23 %</td>
</tr>
<tr>
<td>Amortization of acquired intangible assets</td>
<td>12,060</td>
<td>11,427</td>
<td>10,381</td>
<td>23,487</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>50,481</td>
<td>54,305</td>
<td>49,191</td>
<td>104,786</td>
</tr>
<tr>
<td>Amortization of capitalized stock-based compensation and capitalized interest expense</td>
<td>9,840</td>
<td>8,598</td>
<td>8,038</td>
<td>18,438</td>
</tr>
<tr>
<td>Restructuring (benefit) charge</td>
<td>(2,114)</td>
<td>7,116</td>
<td>(167)</td>
<td>5,002</td>
</tr>
<tr>
<td>Acquisition-related costs</td>
<td>140</td>
<td>64</td>
<td>62</td>
<td>204</td>
</tr>
<tr>
<td>Legal settlements</td>
<td>—</td>
<td>—</td>
<td>275</td>
<td>—</td>
</tr>
<tr>
<td>Operating adjustments</td>
<td>70,407</td>
<td>81,510</td>
<td>67,780</td>
<td>151,917</td>
</tr>
<tr>
<td>Non-GAAP income from operations</td>
<td>$269,841</td>
<td>$263,874</td>
<td>$258,209</td>
<td>$533,715</td>
</tr>
<tr>
<td>Non-GAAP operating margin</td>
<td>32 %</td>
<td>31 %</td>
<td>32 %</td>
<td>31 %</td>
</tr>
<tr>
<td>Net income</td>
<td>$156,497</td>
<td>$155,695</td>
<td>$161,915</td>
<td>$312,192</td>
</tr>
<tr>
<td>Operating adjustments (from above)</td>
<td>70,407</td>
<td>81,510</td>
<td>67,780</td>
<td>151,917</td>
</tr>
<tr>
<td>Amortization of debt discount and issuance costs</td>
<td>16,460</td>
<td>16,257</td>
<td>15,677</td>
<td>32,717</td>
</tr>
<tr>
<td>Loss from equity method investment</td>
<td>10,816</td>
<td>698</td>
<td>493</td>
<td>11,514</td>
</tr>
<tr>
<td>Income tax-effect of above non-GAAP adjustments and certain discrete tax items</td>
<td>(21,428)</td>
<td>(26,346)</td>
<td>(19,347)</td>
<td>(47,774)</td>
</tr>
<tr>
<td>Non-GAAP net income</td>
<td>$232,752</td>
<td>$227,814</td>
<td>$226,518</td>
<td>$460,566</td>
</tr>
</tbody>
</table>
## AKAMAI TECHNOLOGIES, INC.
### RECONCILIATION OF GAAP TO NON-GAAP NET INCOME PER DILUTED SHARE

<table>
<thead>
<tr>
<th>(in thousands, except per share data)</th>
<th>Three Months Ended</th>
<th>Six Months Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAAP net income per diluted share</td>
<td>$ 0.94</td>
<td>$ 0.94</td>
</tr>
<tr>
<td>Adjustments to net income:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortization of acquired intangible assets</td>
<td>0.07</td>
<td>0.07</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>0.30</td>
<td>0.33</td>
</tr>
<tr>
<td>Amortization of capitalized stock-based compensation and capitalized interest expense</td>
<td>0.06</td>
<td>0.05</td>
</tr>
<tr>
<td>Restructuring (benefit) charge</td>
<td>(0.01)</td>
<td>0.04</td>
</tr>
<tr>
<td>Acquisition-related costs</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Legal settlements</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Amortization of debt discount and issuance costs</td>
<td>0.10</td>
<td>0.10</td>
</tr>
<tr>
<td>Loss from equity method investment</td>
<td>0.07</td>
<td>—</td>
</tr>
<tr>
<td>Income tax effect of above non-GAAP adjustments and certain discrete tax items</td>
<td>(0.13)</td>
<td>(0.16)</td>
</tr>
<tr>
<td>Adjustment for shares(^{(1)})</td>
<td>0.02</td>
<td>0.01</td>
</tr>
<tr>
<td>Non-GAAP net income per diluted share</td>
<td>$ 1.42</td>
<td>$ 1.38</td>
</tr>
<tr>
<td>Shares used in GAAP per diluted share calculations</td>
<td>166,263</td>
<td>165,688</td>
</tr>
<tr>
<td>Impact of benefit from note hedge transactions(^{(1)})</td>
<td>(1,782)</td>
<td>(954)</td>
</tr>
<tr>
<td>Shares used in non-GAAP per diluted share calculations(^{(1)})</td>
<td>164,481</td>
<td>164,734</td>
</tr>
</tbody>
</table>

\(^{(1)}\) Shares used in non-GAAP per diluted share calculations have been adjusted for the periods presented for the benefit of Akamai's note hedge transactions. During the periods presented Akamai's average stock price was in excess of $95.10, which is the initial conversion price of Akamai's convertible senior notes due in 2025. See Use of Non-GAAP Financial Measures below for further definition.
## AKAMAI TECHNOLOGIES, INC.  
**RECONCILIATION OF GAAP NET INCOME TO ADJUSTED EBITDA**

<table>
<thead>
<tr>
<th>(in thousands)</th>
<th>Three Months Ended</th>
<th>Six Months Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income</td>
<td>$156,497</td>
<td>$155,695</td>
</tr>
<tr>
<td>Interest income</td>
<td>(4,736)</td>
<td>(4,578)</td>
</tr>
<tr>
<td>Provision for income taxes</td>
<td>18,009</td>
<td>11,898</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>115,860</td>
<td>111,484</td>
</tr>
<tr>
<td>Amortization of capitalized stock-based compensation and capitalized interest expense</td>
<td>9,840</td>
<td>8,598</td>
</tr>
<tr>
<td>Amortization of acquired intangible assets</td>
<td>12,060</td>
<td>11,427</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>50,481</td>
<td>54,305</td>
</tr>
<tr>
<td>Restructuring (benefit) charge</td>
<td>(2,114)</td>
<td>7,116</td>
</tr>
<tr>
<td>Acquisition-related costs</td>
<td>140</td>
<td>64</td>
</tr>
<tr>
<td>Legal settlements</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Interest expense</td>
<td>18,037</td>
<td>17,834</td>
</tr>
<tr>
<td>Loss from equity method investment</td>
<td>10,816</td>
<td>698</td>
</tr>
<tr>
<td>Other expense, net</td>
<td>811</td>
<td>817</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>$385,701</td>
<td>$375,358</td>
</tr>
</tbody>
</table>

**Adjusted EBITDA margin**  
45 %  
45 %  
45 %  
45 %  
44 %
Use of Non-GAAP Financial Measures

In addition to providing financial measurements based on generally accepted accounting principles in the United States of America (GAAP), Akamai provides additional financial metrics that are not prepared in accordance with GAAP (non-GAAP). Management uses non-GAAP financial measures, in addition to GAAP financial measures, to understand and compare operating results across accounting periods, for financial and operational decision making, for planning and forecasting purposes, to measure executive compensation and to evaluate Akamai's financial performance. These non-GAAP financial measures are non-GAAP income from operations, non-GAAP operating margin, non-GAAP net income, non-GAAP net income per diluted share, Adjusted EBITDA, Adjusted EBITDA margin, capital expenditures and impact of foreign currency exchange rates, as discussed below.

Management believes that these non-GAAP financial measures reflect Akamai's ongoing business in a manner that allows for meaningful comparisons and analysis of trends in the business, as they facilitate comparison of financial results across accounting periods and to those of our peer companies. Management also believes that these non-GAAP financial measures enable investors to evaluate Akamai's operating results and future prospects in the same manner as management. These non-GAAP financial measures may exclude expenses and gains that may be unusual in nature, infrequent or not reflective of Akamai's ongoing operating results.

The non-GAAP financial measures do not replace the presentation of Akamai's GAAP financial results and should only be used as a supplement to, not as a substitute for, Akamai's financial results presented in accordance with GAAP. Akamai has provided a reconciliation of each non-GAAP financial measure used in its financial reporting and investor presentations to the most directly comparable GAAP financial measure. This reconciliation captioned “Reconciliation of GAAP to Non-GAAP Financial Measures” can be found on the Investor Relations section of Akamai's website.

The non-GAAP adjustments, and Akamai's basis for excluding them from non-GAAP financial measures, are outlined below:

- **Amortization of acquired intangible assets** – Akamai has incurred amortization of intangible assets, included in its GAAP financial statements, related to various acquisitions Akamai has made. The amount of an acquisition's purchase price allocated to intangible assets and term of its related amortization can vary significantly and is unique to each acquisition; therefore, Akamai excludes amortization of acquired intangible assets from its non-GAAP financial measures to provide investors with a consistent basis for comparing pre- and post-acquisition operating results.

- **Stock-based compensation and amortization of capitalized stock-based compensation** – Although stock-based compensation is an important aspect of the compensation paid to Akamai's employees, the grant date fair value varies based on the stock price at the time of grant, varying valuation methodologies, subjective assumptions and the variety of award types. This makes the comparison of Akamai's current financial results to previous and future periods difficult to interpret; therefore, Akamai believes it is useful to exclude stock-based compensation and amortization of capitalized stock-based compensation from its non-GAAP financial measures in order to highlight the performance of Akamai's core business and to be consistent with the way many investors evaluate its performance and compare its operating results to peer companies.

- **Acquisition-related costs** – Acquisition-related costs include transaction fees, advisory fees, due diligence costs and other direct costs associated with strategic activities. In addition, subsequent adjustments to Akamai's initial estimated amounts of contingent consideration and indemnification associated with specific acquisitions are included within acquisition-related costs. These amounts are impacted by the timing and size of the acquisitions. Akamai excludes acquisition-related costs from its non-GAAP financial measures to provide a useful comparison of Akamai's operating results to prior periods and to its peer companies because such amounts vary significantly based on the magnitude of the acquisition transactions and do not reflect Akamai's core operations.

- **Restructuring charges** – Akamai has incurred restructuring charges that are included in its GAAP financial statements, primarily related to workforce reductions and charges associated with exiting facility lease commitments. Akamai excludes these items from its non-GAAP financial measures when evaluating its continuing business performance as such items vary significantly based on the magnitude of the restructuring action and do not reflect expected future operating expenses. In addition, these charges do not necessarily provide meaningful insight into the fundamentals of current or past operations of its business.

- **Amortization of debt discount and issuance costs and amortization of capitalized interest expense** – In August 2019, Akamai issued $1,150 million of convertible senior notes due 2027 with a coupon interest rate of 0.375%. In May 2018, Akamai issued $1,150 million of convertible senior notes due 2025 with a coupon interest rate of 0.125%. The imputed
interest rates of these convertible senior notes were 3.10% and 4.26%, respectively. This is a result of the debt discounts recorded for the conversion features that are required to be separately accounted for as equity under GAAP, thereby reducing the carrying value of the convertible debt instruments. The debt discounts are amortized as interest expense together with the issuance costs of the debt. The interest expense excluded from Akamai's non-GAAP results is comprised of these non-cash components and is excluded from management's assessment of the company's operating performance because management believes the non-cash expense is not representative of ongoing operating performance.

- **Gains and losses on investments** – Akamai has recorded gains and losses from the disposition, changes to fair value and impairment of certain investments. Akamai believes excluding these amounts from its non-GAAP financial measures is useful to investors as the types of events giving rise to these gains and losses are not representative of Akamai's core business operations and ongoing operating performance.

- **Legal settlements** – Akamai has incurred losses related to the settlement of legal matters. Akamai believes excluding these amounts from its non-GAAP financial measures is useful to investors as the types of events giving rise to these gains and losses are not representative of Akamai's core business operations.

- **Endowment of Akamai Foundation** – Akamai has incurred expenses to endow the Akamai Foundation, a private corporate foundation dedicated to encouraging the next generation of technology innovators by supporting math and science education. Akamai's first endowment was in 2018 to enable a permanent endowment for the Akamai Foundation to allow it to expand its reach. In the fourth quarter of 2020 Akamai supplemented the endowment to enable specific initiatives to increase diversity in the technology industry. Akamai believes excluding these amounts from non-GAAP financial measures is useful to investors as these infrequent and nearly one-time expenses are not representative of its core business operations.

- **Income and losses from equity method investment** – Akamai records income or losses on its share of earnings and losses from its equity method investment. Akamai excludes such income and losses because it does not direct control over the operations of the investment and the related income and losses are not representative of its core business operations.

- **Income tax effect of non-GAAP adjustments and certain discrete tax items** – The non-GAAP adjustments described above are reported on a pre-tax basis. The income tax effect of non-GAAP adjustments is the difference between GAAP and non-GAAP income tax expense. Non-GAAP income tax expense is computed on non-GAAP pre-tax income (GAAP pre-tax income adjusted for non-GAAP adjustments) and excludes certain discrete tax items (such as recording or releasing of valuation allowances), if any. Akamai believes that applying the non-GAAP adjustments and their related income tax effect allows Akamai to highlight income attributable to its core operations.

Akamai's definitions of its non-GAAP financial measures are outlined below:

**Non-GAAP income from operations** – GAAP income from operations adjusted for the following items: amortization of acquired intangible assets; stock-based compensation; amortization of capitalized stock-based compensation; amortization of capitalized interest expense; acquisition-related costs; restructuring charges; gains and losses on legal settlements; costs incurred related to endowments to the Akamai Foundation; and other non-recurring or unusual items that may arise from time to time.

**Non-GAAP operating margin** – Non-GAAP income from operations stated as a percentage of revenue.

**Non-GAAP net income** – GAAP net income adjusted for the following tax-affected items: amortization of acquired intangible assets; stock-based compensation; amortization of capitalized stock-based compensation; acquisition-related costs; restructuring charges; gains and losses on legal settlements; costs incurred related to endowments to the Akamai Foundation; amortization of debt discount and issuance costs; amortization of capitalized interest expense; certain gains and losses on investments; income and losses from equity method investment; and other non-recurring or unusual items that may arise from time to time.

**Non-GAAP net income per diluted share** – Non-GAAP net income divided by weighted average diluted common shares outstanding. Diluted weighted average shares outstanding are adjusted in non-GAAP per share calculations for the shares that would be delivered to Akamai pursuant to the note hedge transactions entered into in connection with the issuances of $1,150 million of convertible senior notes due 2027 and 2025, respectively. Under GAAP, shares delivered under hedge transactions are not considered offsetting shares in the fully-diluted share calculation until they are delivered. However, the company would receive a benefit from the note hedge transactions and would not allow the dilution to occur, so management believes that adjusting for this benefit provides a meaningful view of operating performance. With respect to the convertible senior notes due in each of 2027 and 2025, unless Akamai's weighted average stock price is greater than $116.18 and $95.10, respectively, the
initial conversion price, there will be no difference between GAAP and non-GAAP diluted weighted average common shares outstanding.

**Adjusted EBITDA** – GAAP net income excluding the following items: interest income; income taxes; depreciation and amortization of tangible and intangible assets; stock-based compensation; amortization of capitalized stock-based compensation; acquisition-related costs; restructuring charges; gains and losses on legal settlements; costs incurred related to endowments to the Akamai Foundation; foreign exchange gains and losses; interest expense; amortization of capitalized interest expense; certain gains and losses on investments; income and losses on equity method investment; and other non-recurring or unusual items that may arise from time to time.

**Adjusted EBITDA margin** – Adjusted EBITDA stated as a percentage of revenue.

**Capital expenditures, or capex, excluding stock-based compensation and interest expense** – Purchases of property and equipment and capitalization of internal-use software development costs presented on an accrual basis, which differs from the cash-basis presentation included in the statements of cash flows. The primary difference between the two is the change in purchases of property and equipment and capitalization of internal-use software development costs accrued for, but not paid, at period end versus prior periods.

**Impact of foreign currency exchange rate** – Revenue and earnings from international operations have historically been an important contributor to Akamai's financial results. Consequently, Akamai's financial results have been impacted, and management expects they will continue to be impacted, by fluctuations in foreign currency exchange rates. For example, when the local currencies of our foreign subsidiaries weaken, our consolidated results stated in U.S. dollars are negatively impacted.

Because exchange rates are a meaningful factor in understanding period-to-period comparisons, management believes the presentation of the impact of foreign currency exchange rates on revenue and earnings enhances the understanding of our financial results and evaluation of performance in comparison to prior periods. The dollar impact of changes in foreign currency exchange rates presented is calculated by translating current period results using monthly average foreign currency exchange rates from the comparative period and comparing them to the reported amount. The percentage change at constant currency presented is calculated by comparing the prior period amounts as reported and the current period amounts translated using the same monthly average foreign currency exchange rates from the comparative period.

**Akamai Statement Under the Private Securities Litigation Reform Act**

This release and/or our quarterly earnings conference call scheduled for later today contain information about future expectations, plans and prospects of Akamai's management that constitute forward-looking statements for purposes of the safe harbor provisions under The Private Securities Litigation Reform Act of 1995, including statements about expected future financial performance. Actual results may differ materially from those indicated by these forward-looking statements as a result of various important factors including, but not limited to, inability to continue to generate cash at the same level as prior years; failure to realize the expected benefits from our announced reorganization; failure of our investments in innovation to generate solutions that are accepted in the market; inability to increase our revenue at the same rate as in the past and keep our expenses from increasing at a greater rate than our revenues; impact of the COVID-19 pandemic; delay in developing or failure to develop new service offerings or functionalities, and if developed, lack of market acceptance of such service offerings and functionalities or failure of such solutions to operate as expected, and other factors that are discussed in the Company's Annual Report on Form 10-K, quarterly reports on Form 10-Q, and other documents periodically filed with the SEC.

In addition, the statements in this press release and on such call represent Akamai's expectations and beliefs as of the date of this press release. Akamai anticipates that subsequent events and developments may cause these expectations and beliefs to change. However, while Akamai may elect to update these forward-looking statements at some point in the future, it specifically disclaims any obligation to do so. These forward-looking statements should not be relied upon as representing Akamai's expectations or beliefs as of any date subsequent to the date of this press release.