

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (date of earliest event reported): May 4, 2026

DigitalOcean Holdings, Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)
105 Edgeview Drive, Suite 425
(Address of Principal Executive Offices)

001-40252
(Commission File Number)
Broomfield Colorado
(646) 827-4366
Registrant's telephone number, including area code

45-5207470
(I.R.S. Employer Identification No.)
80021
(Zip Code)

Not Applicable
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value \$0.000025 per share	DOCN	The New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01 Entry into a Definitive Material Agreement.

On May 4, 2026, the Company, DigitalOcean, LLC, Paperspace Co., the lenders and L/C issuers party thereto and Morgan Stanley Senior Funding, Inc., as administrative agent and collateral agent, entered into an Amendment No. 1 to Credit Agreement (the "First Amendment"), which amends the Company's existing credit agreement, dated as of May 5, 2025 ((filed as Exhibit 10.1 to the Company's Form 8-K filed on May 5, 2025), the "Existing Credit Agreement").

The First Amendment amends the Existing Credit Agreement to, among other modifications, (i) provide for a \$112.5 million increase in the revolving credit facility thereunder, (ii) provide for a \$50 million increase in the letter of credit sublimit thereunder and (iii) amend the definition of "Indebtedness" therein to provide that capitalized leases shall be deemed to be an amount equal to 25% of the capitalized amount thereof. The proceeds of the revolving credit facility may be used for working capital, capital expenditures, permitted acquisitions, refinancing of indebtedness and other general corporate purposes.

In the ordinary course of their respective businesses, the lenders and their affiliates have engaged, and may in the future engage, in commercial banking and financing transactions with the Company and its affiliates.

The foregoing summary of certain terms of the First Amendment in this Current Report on Form 8-K does not purport to be complete and is qualified in its entirety by reference to the complete text of the First Amendment, a copy of which is filed as Exhibit 10.1 hereto and is incorporated herein by reference.

Item 2.02 Results of Operations and Financial Condition.

On May 5, 2026, the Company issued a press release announcing its financial results for the fiscal quarter ended March 31, 2026. The full text of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

This information is intended to be furnished under Item 2.02 and Item 9.01 of Form 8-K, "Results of Operations and Financial Condition" and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information set forth under Item 1.01 of this Current Report on Form 8-K is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
10.1	<u>Amendment No. 1 to Credit Agreement, dated as of May 4, 2026, by and among DigitalOcean, LLC, DigitalOcean Holdings, Inc., Paperspace Co., Morgan Stanley Senior Funding, Inc., as Administrative Agent and Collateral Agent, the Additional Lender, the Amendment No. 1 Increasing Lenders, the Amendment No. 1 L/C Issuers and each other Lender and L/C Issuer party thereto.</u>
99.1	<u>Press release issued by DigitalOcean Holdings, Inc. dated May 5, 2026.</u>
104	Cover Page Interactive File (formatted as Inline XBRL and contained in Exhibit 101)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: May 5, 2026

DigitalOcean Holdings, Inc.

By: /s/ W. Matthew Steinfort

W. Matthew Steinfort, Chief Financial Officer

AMENDMENT NO. 1 TO CREDIT AGREEMENT

This AMENDMENT NO. 1 TO CREDIT AGREEMENT (this “Amendment”) is entered into as of May 4, 2026 by and among DIGITALOCEAN, LLC, a Delaware limited liability company (the “Parent Borrower”), DIGITALOCEAN HOLDINGS, INC., a Delaware corporation (“Holdings”), PAPERSPACE CO., a Delaware corporation (the “Subsidiary Guarantor”), MORGAN STANLEY SENIOR FUNDING, INC., as Administrative Agent and Collateral Agent, the L/C Issuers party hereto, the Additional Lender (as defined below), the Amendment No. 1 Increasing Lenders (as defined below), the Amendment No. 1 L/C Issuers (as defined below) and each other Lender (as defined below) party hereto, which amends that certain Credit Agreement, dated as of May 5, 2025 (as amended, restated, amended and restated, supplemented or otherwise modified prior to the date hereof, the “Credit Agreement”, and the Credit Agreement as amended by this Amendment, the “Amended Credit Agreement”), among the Parent Borrower, Holdings, the Administrative Agent, the Collateral Agent, each L/C Issuer from time to time party thereto and each lender from time to time party thereto (collectively, the “Lenders” and individually, a “Lender”).

RECITALS:

The Parent Borrower has requested that (i) pursuant to Section 2.14 of the Credit Agreement, Goldman Sachs Bank USA (in such capacity, the “Additional Lender”) commit to provide a Revolving Credit Commitment Increase on the Amendment No. 1 Effective Date (as defined below) in an aggregate principal amount of \$40,000,000 (the “Additional Lender Increase”), (ii) pursuant to Section 2.14 of the Credit Agreement, the existing Revolving Credit Lenders identified on the signature pages hereto as “Amendment No. 1 Increasing Lenders” (the “Amendment No. 1 Increasing Lenders”) commit to provide a Revolving Credit Commitment Increase in an aggregate principal amount of \$72,500,000.00, which, together with the Additional Lender Increase, shall constitute an increase to the existing Revolving Credit Commitments under the Credit Agreement in an aggregate principal amount of \$112,500,000.00 (the “Revolving Credit Increase”), (iii) the L/C Issuers identified on the signature pages hereto as “Amendment No. 1 L/C Issuers” (the “Amendment No. 1 L/C Issuers”) commit to increase the Letter of Credit Sublimit in an aggregate amount of \$50,000,000 and to provide their proportionate share of such increase (the “L/C Increase” and together with the Revolving Credit Increase, the “Increase”) and (iv) the Credit Agreement be amended as described herein.

Therefore, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

SECTION 1. *Defined Terms.* Capitalized terms used but not otherwise defined herein have the meanings assigned to such terms in the Credit Agreement or the Amended Credit Agreement, as the context may require.

SECTION 2. *Amendment.* Effective as of the Amendment No. 1 Effective Date, subject to the satisfaction of the conditions precedent set forth in Section 4 hereof:

(a) The following definitions in Section 1.01 of the Credit Agreement shall be amended in each case to read in their entirety as set forth immediately below:

- (i) “Letter of Credit Sublimit” means an amount equal to the lesser of (a) \$80,000,000 and (b) the aggregate amount of the Revolving Credit Commitments. The Letter of Credit Sublimit is part of, and not in addition to, the aggregate Revolving Credit Commitments (and is independent of, and shall not be reduced by, the Alternative Currency Sublimit).

(ii) “Revolving Credit Commitment” means, as to each Revolving Credit Lender, its obligation to (a) make Revolving Credit Loans to the Borrowers pursuant to Section 2.01 or Section 2.03, as applicable and (b) purchase participations in L/C Obligations in respect of Letters of Credit, in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Lender’s name on Schedule 2.01 under the caption “Revolving Credit Commitment” or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement. The aggregate Revolving Credit Commitments of all Revolving Credit Lenders shall be \$412,500,00.00 on the Amendment No. 1 Effective Date, as such amount may be adjusted from time to time in accordance with the terms of this Agreement.

(b) The definition of “Indebtedness” in Section 1.01 of the Credit Agreement shall be amended to insert the following sentence at the end thereof:

“Notwithstanding the foregoing, the amount of Indebtedness of any Person for purposes of clause (f) above shall be deemed to be an amount equal to 25% of the capitalized amount thereof that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP.”

(c) Section 1.01 of the Credit Agreement shall be amended to add the following definitions in the appropriate alphabetic order:

(i) “Amendment No. 1” means Amendment No. 1 to Credit Agreement, dated as of May 4, 2026, among the Parent Borrower, Holdings, the Subsidiary Guarantor (as defined therein), the Lenders and L/C Issuers party thereto, the Administrative Agent and the Collateral Agent.

(ii) “Amendment No. 1 Effective Date” has the meaning ascribed to such term in Amendment No. 1.

(d) Schedule 2.01 to the Credit Agreement (Commitments) shall be amended by amending and restating the portions thereof titled “Revolving Credit Commitments” and “L/C Commitments”, respectively, as set forth on Schedule 2.01 attached hereto (Schedule 2.01, as so amended, the “Commitment Schedule”).

(e) Section 5.18 of the Credit Agreement shall be amended and restated, in its entirety, as follows:

Section 5.18. Sanctions Laws and Regulations and Anti-Corruption Laws.

(a) Each of Holdings and its Subsidiaries, each director, manager or officer of Holdings or any of its Subsidiaries, and to the knowledge of Holdings or the Parent Borrower, each employee of Holdings or any of its Subsidiaries or Affiliate acting on behalf of Holdings and its Subsidiaries (and authorized to do so), is in compliance with the Sanctions Laws and Regulations, the FCPA and other applicable anti-corruption laws. No Borrowing or use of proceeds of any Borrowing or drawing under any Letter of Credit will violate or result in the violation of any Sanctions Laws and Regulations applicable to any party hereto.

(b) None of (I) the Borrowers or any other Loan Party or (II) a Subsidiary that is not a Loan Party or, to the knowledge of Holdings or the Parent Borrower, any director, manager, officer or employee of Holdings or any of its Restricted Subsidiaries, in each case, is (i) a Person (or owned 50% or more by one or more Persons or under Control of a Person) on the list of “Specially Designated Nationals and Blocked Persons” or the target of the limitations or prohibitions under any Sanctions Laws and Regulations, or (ii) a Person located, organized, or resident in a country or

territory that is the subject of comprehensive sanctions under Sanctions Laws and Regulations (currently, Crimea, Cuba, Iran, North Korea, Syria, the so-called Donetsk People's Republic, the so-called Luhansk People's Republic and non-government controlled areas of Zaporizhzhia and Kherson regions of Ukraine).

(c) No part of the proceeds of any Loan or Letter of Credit will be used for any improper payments, directly or, to the knowledge of Holdings or the Parent Borrower, indirectly, to any governmental official or employee, political party, official of a political party, candidate for political office, or any other party (if applicable) in order to obtain, retain or direct business or obtain any improper advantage, in violation of the FCPA or any applicable similar laws, rules or regulations issued, administered or enforced by any Governmental Authority having jurisdiction over the Borrowers.

(d) This Section 5.18 shall not be interpreted or applied in relation to Holdings, the Parent Borrower, any other Loan Party, any director, manager, officer, employee or Affiliate acting on behalf of Holdings and its Subsidiaries, any directors or officers, or any Secured Party to the extent that the representations made pursuant to this Section 5.18 violate or expose such entity or any director, officer or employee thereof to any liability under any anti-boycott or blocking law, regulation or statute that is in force from time to time in the United Kingdom, European Union (and/or any of its member states) that are applicable to such entity (including EU Regulation (EC) 2271/96) and Section 7 of the German Foreign Trade Regulation (*Aussenwirtschaftsverordnung, AWW*) in connection with the German Foreign Trade Law (*Aussenwirtschaftsgesetz*).

SECTION 3. Commitments. On the terms and subject to the conditions set forth herein and in reliance upon the representations and warranties set forth herein, (i) the Additional Lender agrees to provide, on the Amendment No. 1 Effective Date, a Revolving Credit Commitment Increase in an aggregate principal amount not to exceed \$40,000,000, (ii) each Amendment No. 1 Increasing Lender agrees to provide, on the Amendment No. 1 Effective Date, a Revolving Credit Commitment Increase in an aggregate principal amount as set forth opposite the name of such Amendment No. 1 Increasing Lender on the Commitment Schedule, and (iii) each Amendment No. 1 L/C Issuer agrees to increase, on the Amendment No. 1 Effective Date, its L/C Commitment to the aggregate amount set forth opposite the name of such Amendment No. 1 L/C Issuer on the Commitment Schedule. Such Revolving Credit Commitment Increases shall (i) constitute an increase to the Revolving Credit Commitments under the Credit Agreement, and (ii) have the terms specified in the Amended Credit Agreement.

SECTION 4 Effective Date. This Amendment and the amendments to the Credit Agreement set forth in Sections 2 and 3 above shall become effective as of the date hereof (such date, the "Amendment No. 1 Effective Date"), provided that:

(a) The Administrative Agent shall have received:

(i) duly executed counterparts hereof that, when taken together, bear the signatures of the Administrative Agent, each Loan Party, each L/C Issuer (for the avoidance of doubt, immediately prior to the effectiveness of this Amendment), the Additional Lender, the Amendment No. 1 Increasing Lenders, the Amendment No. 1 L/C Issuers and Lenders constituting the Required Lenders, in each case as of the Amendment No. 1 Effective Date;

(ii) copies of the constitutional documents of each Loan Party certified to be true and complete as of a recent date by the appropriate Governmental Authority of the state or other jurisdiction of its organization, where applicable, and certified by a secretary or assistant secretary of such Loan Party to be true and correct as of the Amendment No. 1 Effective Date and such documents and certifications as the Administrative Agent may require to evidence that each Loan

Party is duly organized or formed, and is validly existing, in good standing and qualified to engage in business in its state of organization;

(iii) with respect to each Loan Party, to the extent legally required, a copy of a resolution of the board of directors, the shareholders or equivalent body of each Loan Party approving this Amendment and the transactions contemplated hereby and thereby;

(iv) specimen signatures for the person(s) authorized in the resolutions referred to in clause (a)(iii) above (to the extent such person(s) will execute this Amendment);

(v) a certificate from each Loan Party (signed by an officer or authorized signatory) certifying that each copy document relating to it specified in clauses (ii) through (iv) above is correct, complete and (to the extent executed) in full force and effect and has not been amended or superseded prior to the date of this Amendment;

(vi) a legal opinion from Skadden, Arps, Slate, Meagher & Flom LLP, as counsel to the Loan Parties, in form and substance reasonably satisfactory to the Administrative Agent;

(b) The Parent Borrower shall have delivered to the Administrative Agent a certificate dated as of the Amendment No. 1 Effective Date signed by a Responsible Officer of Holdings certifying that (i) the representations and warranties of the Borrowers and each other Loan Party contained in Article V of the Amended Credit Agreement or any other Loan Document are true and correct in all material respects (and in all respects with respect to such representation or warranty that is already qualified by materiality or reference to Material Adverse Effect) on and as of the Amendment No. 1 Effective Date, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they were true and correct in all material respects (and in all respects with respect to such representation or warranty that is already qualified by materiality or reference to Material Adverse Effect) as of such earlier date, (ii) no Default or Event of Default exists as of the Amendment No. 1 Effective Date or would result from the Increase or this Amendment and (iii) after giving effect to the Increase and the use of proceeds thereof, the Borrowers are in compliance with the Financial Covenants as in effect on the last day of the most recently ended Test Period on a Pro Forma Basis;

(c) On the Amendment No. 1 Effective Date, the Administrative Agent shall have received all costs and expenses required to be paid by the Borrowers (including pursuant to Section 7 hereof to the extent invoiced at least two Business Days prior to the Amendment No. 1 Effective Date) and all other amounts as separately agreed by the Borrowers and the Administrative Agent for the account of the Lenders (or shall receive such amounts substantially simultaneously with the effectiveness hereunder); and

(d) Upon the reasonable request of the Additional Lender made at least ten Business Days prior to the Amendment No. 1 Effective Date, the Borrowers shall have provided to the Additional Lender the documentation and other information so requested in connection with applicable "know your customer" and anti-money-laundering rules and regulations, including, without limitation, the PATRIOT Act, in each case at least three Business Days prior to the Amendment No. 1 Effective Date.

SECTION 5. *Effect of Amendment.* (a) Except as expressly set forth herein or in the Amended Credit Agreement, this Amendment shall not by implication or otherwise limit, impair, constitute a waiver of or otherwise affect the rights and remedies of the Lenders or the Administrative Agent under the Credit Agreement, the Amended Credit Agreement or any other Loan Document, and shall not alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants, guarantees or agreements contained in the Credit Agreement or any other provision of the Credit Agreement or of any other Loan Document, all of which are ratified and affirmed in all respects and shall continue in full force and effect. Nothing herein shall be deemed to entitle the Parent Borrower to a consent to, or a waiver, amendment,

modification or other change of, any of the terms, conditions, obligations, covenants or agreements contained in the Credit Agreement, the Amended Credit Agreement or any other Loan Document in similar or different circumstances. By its execution of this Amendment, each of the parties hereto acknowledges and agrees that the terms of this Amendment do not constitute a novation, but, rather, a supplement of a pre-existing indebtedness and related agreement, as evidenced by the Amended Credit Agreement.

(b) On and after the Amendment No. 1 Effective Date, each reference in the Credit Agreement to “this Agreement”, “hereunder”, “hereof”, “herein”, or words of like import, and each reference to the “Credit Agreement” in any other Loan Document shall be deemed a reference to the Amended Credit Agreement. This Amendment shall constitute a “Loan Document” and an “Incremental Facility Amendment” for all purposes of the Credit Agreement, the Amended Credit Agreement and the other Loan Documents.

(c) On the Amendment No. 1 Effective Date, each Revolving Credit Lender existing immediately prior to the Amendment No. 1 Effective Date (each, an “Existing Lender”) will automatically and without further act be deemed to have assigned to each Lender providing a portion of the Revolving Credit Commitment Increase (each, an “Amendment No. 1 Lender”), and each such Amendment No. 1 Lender will automatically and without further act be deemed to have assumed, a portion of such Existing Lender’s participations in outstanding Letters of Credit such that, after giving effect to each such deemed assignment and assumption of participations, the percentage of the aggregate outstanding participations in Letters of Credit held by each Revolving Credit Lender under the Amended Credit Agreement (including the Amendment No. 1 Lenders) will equal the percentage of the aggregate Revolving Credit Commitments of all Revolving Credit Lenders represented by such Revolving Credit Lender’s Revolving Credit Commitment. Additionally, the Revolving Credit Lenders in effect immediately after the Amendment No. 1 Effective Date shall purchase and assign at par such amounts of the Revolving Credit Loans outstanding at such time (if any) as the Administrative Agent may require such that each Revolving Credit Lender holds its Applicable Percentage of all Revolving Credit Loans immediately after giving effect to all such assignments. The Administrative Agent and the Lenders hereby agree that the minimum borrowing, pro rata borrowing and pro rata payment requirements contained in the Amended Credit Agreement shall not apply to the transactions effected pursuant to the immediately preceding sentence.

(d) The Additional Lender (i) acknowledges and agrees that, upon its execution of this Amendment and the effectiveness of the Additional Lender Increase, the Additional Lender shall become an “Additional Lender,” a “Revolving Credit Lender” and a “Lender” under, and for all purposes of, the Amended Credit Agreement and the other Loan Documents, and shall be subject to and bound by the terms thereof, and shall perform all the obligations of and shall have all rights of a Lender thereunder, (ii) confirms that a copy of the Credit Agreement, the Amended Credit Agreement and the other applicable Loan Documents, together with copies of the financial statements referred to therein and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Amendment and to provide the Additional Lender Increase, have been made available to such Additional Lender; (iii) agrees that it will (together with any affiliates that it acts through as it deems appropriate), independently and without reliance upon the Administrative Agent, the Collateral Agent or any other Lender or agent and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Amended Credit Agreement or the other applicable Loan Documents, including this Amendment; and (iv) appoints and authorizes the Administrative Agent and the Collateral Agent, as applicable, to take such action as agent on its behalf and to exercise such powers under the Amended Credit Agreement and the other Loan Documents as are delegated to the Administrative Agent or the Collateral Agent by the terms thereof, together with such powers as are reasonably incidental thereto.

SECTION 6. *Governing Law, Jurisdiction, Service of Process; Waiver of Right to Trial by Jury.*
THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH,

THE LAW OF THE STATE OF NEW YORK. Sections 10.14 and 10.15 of the Amended Credit Agreement are incorporated herein by reference *mutatis mutandis*.

SECTION 7. *Costs and Expenses.* The Borrowers agree to reimburse the Administrative Agent for its reasonable and documented out-of-pocket expenses in connection with this Amendment (including all fees, charges and disbursements of counsel to the Administrative Agent that are required to have been reimbursed or paid (directly to such counsel if requested by the Administrative Agent)) to the extent required pursuant to Section 10.04 of the Amended Credit Agreement.

SECTION 8. *Counterparts.* This Amendment may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Delivery by facsimile, Electronic Signature or other electronic imaging means of an executed counterpart of a signature page to this Amendment shall be effective as delivery of an original executed counterpart of this Amendment. The Agents may require that any such documents and signatures delivered by facsimile or other electronic transmission be confirmed by a manually signed original thereof; provided that the failure to request or deliver the same shall not limit the effectiveness of any document or signature delivered by facsimile or other electronic transmission.

SECTION 9. *Severability.* If any provision of this Amendment or any other Loan Document is held to be illegal, invalid or unenforceable, the legality, validity and enforceability of the remaining provisions of this Amendment and the other Loan Documents shall not be affected or impaired thereby. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 10. *Reaffirmation.* Each Loan Party (a) acknowledges and consents to all of the terms and conditions of this Amendment, (b) affirms all of its obligations under the Loan Documents, including, without limitation, its Guaranty of the Obligations (including in respect of the Increase) and (c) agrees that this Amendment and all documents executed in connection herewith do not operate to reduce or discharge such Loan Party's obligations under the Loan Documents. Each Loan Party (a) affirms that each of the Liens granted in or pursuant to the Loan Documents are valid and subsisting and shall continue to secure the secured Obligations (including Obligations in respect of the Increase) and (b) agrees that this Amendment shall in no manner impair or otherwise adversely affect any of the Liens granted in or pursuant to the Loan Documents.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

BORROWER:

DIGITALOCEAN, LLC,
a Delaware limited liability company

By: /s/ W. Matthew Steinfort
Name: W. Matthew Steinfort
Title: Treasurer and Chief Financial Officer

HOLDINGS:

DIGITALOCEAN HOLDINGS, INC.,
a Delaware corporation

By: /s/ W. Matthew Steinfort
Name: W. Matthew Steinfort
Title: Chief Financial Officer

SUBSIDIARY GUARANTOR:

PAPERSPACE CO.,
a Delaware corporation

By: /s/ W. Matthew Steinfort
Name: W. Matthew Steinfort
Title: President and Treasurer

**MORGAN STANLEY SENIOR
FUNDING, INC.,** as Administrative Agent
and Collateral Agent

By: /s/ Jennifer DeFazio
Name: Jennifer DeFazio
Title: Authorized Signatory

**MORGAN STANLEY SENIOR
FUNDING, INC.**, as Lender, L/C Issuer,
Amendment No. 1 Increasing Lender and
Amendment No. 1 L/C Issuer

By: /s/ Michael King
Name: Michael King
Title: Vice President

GOLDMAN SACHS BANK USA,
as Additional Lender

By: /s/ Dan Starr
Name: Dan Starr
Title: Authorized Signatory

J.P. MORGAN CHASE BANK, NA.,
as a Lender, an L/C Issuer, an Amendment
No. 1 L/C Issuer and Amendment No. 1
Increasing Lender

By: /s/ Lucas Menendez
Name: Lucas Menendez
Title: Executive Director

BANK OF AMERICA, NA.,
as a Lender, an L/C Issuer, an Amendment
No. 1 L/C Issuer and Amendment No. 1
Increasing Lender

By: /s/ Christine Yang
Name: Christine Yang
Title: Director

Citizens Bank, NA.,
as a Lender and an Amendment No. 1
Increasing Lender

By: /s/ Lucas Menendez
Name: Chancellor Peterson
Title: Senior Vice President

MUFG BANK, LTD.,
as a Lender

By: /s/ Ryan Aberdale
Name: Ryan Aberdale
Title: Director

KEYBANK NATIONAL ASSOCIATION
as a Lender

By: /s/ Geoff Smith
Name: Geoff Smith
Title: Senior Vice President

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DigitalOcean Announces First Quarter 2026 Financial Results

Raising 2026 and 2027 revenue outlook

on strong customer demand and incremental committed capacity; 2027 revenue growth now expected to exceed 50%

Q1 2026 Revenue of \$258 million grew 22% year-over-year

Million+ Dollar Customer ARR grew 179% year-over-year to \$183 million

AI Customer ARR grew 221% year-over-year to \$170 million

Delivered record \$62 million in incremental organic ARR

Launched DigitalOcean AI-Native Cloud

BROOMFIELD, Colo., May 5, 2026 – DigitalOcean Holdings, Inc. (NYSE: DOCN), the AI-Native Cloud purpose-built for inference and agentic workloads, today announced results for its first quarter ended March 31, 2026.

"The Inference and agentic era needs its own cloud. DigitalOcean built it, and our record Q1 results demonstrate the strength of our platform," said Paddy Srinivasan, CEO of DigitalOcean. "We drove 22% top-line growth with our Million+ Dollar Customer ARR growing 179% and our AI Customer ARR growing 221%, and we exceeded our revenue and profitability guidance. We launched the DigitalOcean AI-Native Cloud - the first cloud built end-to-end for the inference and agentic era - with more than 15 new product releases across five fully integrated layers, further differentiating us from bare-metal focused neo-clouds and inference wrappers that lack cloud platforms. We continue to invest in what we believe is a generational market opportunity, adding approximately 60 MW of incremental committed data center capacity that will come online throughout 2027 to support growing customer demand. With this strong momentum, we are raising our 2026 revenue growth outlook to 26% and our 2027 revenue growth outlook to over 50%."

First Quarter 2026 Financial Highlights:

- Revenue was \$258 million, an increase of 22% year-over-year.
- Annual Run-Rate Revenue ("ARR") ended the quarter at \$1,032 million, an increase of 22% year-over-year. AI Customer ARR was \$170 million, an increase of 221% year-over-year.
- Net income attributable to common stockholders was \$16 million, a decrease of 59% year-over-year, and net income margin was 6%.
- Operating income was \$37 million, a decrease of 3% year-over-year, and operating income margin was 14%.
- Adjusted operating income, a new non-GAAP financial measure, was \$64 million, an increase of 3% year-over-year, and adjusted operating income margin was 25%.
- Adjusted EBITDA was \$105 million, an increase of 21% year-over-year, and adjusted EBITDA margin was 41%.
- Diluted net income per share was \$0.15 and non-GAAP diluted net income per share was \$0.44.
- Net cash from operating activities was \$47 million at 18% margin, compared to \$64 million at 30% margin in the first quarter of 2025.
- Adjusted free cash flow was \$2 million at 1% margin, compared to negative \$821 thousand in the first quarter of 2025.
- Cash and cash equivalents was \$741 million as of March 31, 2026.
- Remaining Performance Obligation ("RPO")⁽¹⁾ was \$243 million, of which, \$167 million is expected to be recognized over the next 12 months. RPO was \$14 million in the first quarter of 2025.
- Completed a follow-on offering of 11.9 million shares with net proceeds of \$888 million, a portion of which was used to repay \$500 million principal outstanding of our Term Loan Facility.

First Quarter 2026 Operational Highlights:

- **Unveiled the DigitalOcean AI-Native Cloud at Deploy 2026 in April**, the most significant product launch in our history, with 15+ new product launches across five fully integrated layers - infrastructure, core cloud, inference, data, and managed agents.
- Acquired Katanemo Labs, a leader in agentic AI infrastructure, in April, bringing Agentic AI Primitives into DigitalOcean AI Native Cloud.
- Launched Inference Engine in April with New Capabilities for Production AI, Including Inference Router for Efficient Scaling of Agentic Workloads.
- The number of \$100K+ Customers⁽²⁾ grew 12%, while the revenue from these customers, which now represents 30% of total revenue, grew 73% year-over-year.
- The number of \$500K+ and \$1M+ Customers grew 54% and 78%, respectively. Revenue from these customers, which now represents 21% and 18% of total revenue, grew 132% and 179% year-over-year, respectively.

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- (1) Beginning in the fourth quarter of 2025, the RPO amount represents all contracts regardless of the duration of their original expected term. Prior periods have been recast to conform to the current period presentation. Refer to our Annual Report on Form 10-K for the year ended December 31, 2025 for further details.
 - (2) Beginning in the fourth quarter of 2025, we redefined our total customer count and our customer category naming and disaggregation. Prior periods have been recast to conform to the current period presentation. Refer to our Annual Report on Form 10-K for the year ended December 31, 2025 for further details.

Financial Outlook:

DigitalOcean is initiating guidance for the second quarter ending June 30, 2026 as follows:

- Total revenue of \$272 to \$274 million, up 24% to 25% year-over-year.
- Adjusted EBITDA margin of 37% to 38%.
- Non-GAAP diluted net income per share of \$0.20 to \$0.23.
- Fully diluted weighted average shares outstanding of approximately 121 to 122 million shares.

For the full year 2026, we expect:

- Total revenue of \$1.130 to \$1.145 billion, up 25% to 27% year-over-year.
- Adjusted EBITDA margin of 37% to 39%.
- Adjusted free cash flow margin in the range of 9% to 12% of revenue.
- Non-GAAP diluted net income per share of \$1.10 to \$1.20.
- Fully diluted weighted average shares outstanding of approximately 118 to 119 million shares.

A reconciliation of non-GAAP outlook measures to corresponding GAAP measures is not available on a forward-looking basis without unreasonable effort due to the uncertainty regarding, and the potential variability of, expenses that may be incurred in the future. For example, stock-based compensation expense-related charges are impacted by the timing of employee stock transactions, the future fair market value of our common stock, and our future hiring and retention needs, all of which are difficult to predict and subject to constant change. Accordingly, a reconciliation is not available without unreasonable effort and we are unable to assess the probable significance of the unavailable information, although it is important to note that these factors could be material to our results computed in accordance with GAAP.

The financial guidance presented in this release are estimates based on information available to management as of the date of this release. There can be no assurance that our actual results will not differ from the financial guidance presented in this release.

Conference Call Information:

DigitalOcean will host a conference call today, May 5, 2026, at 8:00 a.m. ET to review its results. The conference call and presentation can be accessed by registering for the webcast at <https://events.q4inc.com/attendee/898633525>. A live webcast and replay of the conference call in addition to the presentation can be accessed from the DigitalOcean investor relations website at investors.digitalocean.com.

About DigitalOcean

DigitalOcean (NYSE: DOCN) is the AI-Native Cloud, purpose-built for inference and agentic workloads. DigitalOcean brings infrastructure, core cloud services, inference, data, and agents together in one integrated stack that is open throughout, giving builders the best of the AI ecosystem in one place. More than 650,000 users across 20 data centers in 5 global regions trust DigitalOcean to build, ship, and scale AI and agentic applications faster. Learn more at digitalocean.com.

Forward-Looking Statements

This release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, regarding our expected future performance, including but not limited to statements in the section titled “Financial Outlook” and the quotations of our CEO. The forward-looking statements contained in this release and the accompanying earnings call referenced in this release are subject to known and unknown risks, uncertainties, assumptions, and other factors that may cause actual results or outcomes to be materially different from any future results or outcomes expressed or implied by the forward-looking statements. These risks, uncertainties, assumptions, and other factors include, but are not limited to: (1) fluctuations in our financial results make it difficult to project future results; (2) our ability to sustain profitability in the future; (3) our ability to expand usage of our platform by existing customers and/or attract new customers and/or retain existing customers; (4) the speed at which the market for our platform and solutions develops; (5) the success of the development and use of our

artificial intelligence and machine learning (“AI/ML”) product offerings or use of third-party AI/ML-based tools; (6) our ability to release updates and new features to our platform and adapt and respond effectively to rapidly changing technology or customer needs; (7) our ability to control costs, including our operating expenses, and the timing of payment for expenses; (8) the amount and timing of non-cash expenses, including stock-based compensation, goodwill impairments and other non-cash charges; (9) breaches in our security measures allowing unauthorized access to our platform, our data, or our customers’ data; (10) the competitive markets in which we participate; (11) our ability to effectively integrate and retain new members of our executive leadership team and senior management; (12) the effects of acquisitions and their integration; (13) general market, political, economic, and business conditions, including changes in trade policies, such as trade wars, tariffs and other restrictions or the threat of such actions; (14) the impact of new accounting pronouncements; (15) our ability to control fraudulent registrations and usage of our platform, reduce bad debt and lessen capacity constraints on our data centers, servers and equipment; (16) our customers’ ability to have continued and unimpeded access to our platform, including as a result of evolving laws and industry standards; and (17) our plans with respect to accelerating investments in data centers and GPU capacity.

Further information on these and additional risks, uncertainties, assumptions and other factors that could cause actual results or outcomes to differ materially from those included in or contemplated by the forward-looking statements contained in this release are included under the caption “Risk Factors” and elsewhere in our Annual Report on Form 10-K for the year ended December 31, 2025 and subsequent filings and reports we make with the SEC.

We operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this release. The results, events and circumstances reflected in the forward-looking statements may not be achieved or occur. The forward-looking statements made in this release relate only to events as of the date on which the statements are made. We assume no obligation to, and do not currently intend to, update any such forward-looking statements after the date of this release, except as required by law.

About Non-GAAP Financial Measures

To supplement our consolidated financial statements, which are prepared and presented in accordance with generally accepted accounting principles in the United States, or GAAP, we provide investors with non-GAAP financial measures including: (i) adjusted operating income and adjusted operating income margin, (ii) adjusted EBITDA and adjusted EBITDA margin and (iii) non-GAAP net income and non-GAAP diluted net income per share. These measures are presented for supplemental informational purposes only, have limitations as analytical tools and should not be considered in isolation or as a substitute for financial information presented in accordance with GAAP.

Adjusted operating income is a new non-GAAP financial measure used for the first time in this release. We are introducing this new non-GAAP financial measure because we believe that adjusted operating income margin and adjusted EBITDA, when taken together with our GAAP financial results, provide meaningful supplemental information regarding our operating performance (including our long-term performance in the case of adjusted operating income) and facilitate internal comparisons of our historical operating performance on a more consistent basis by excluding certain items that may not be indicative of our business, results of operations or outlook. In particular, we believe that the use of adjusted operating income and adjusted EBITDA is helpful to our investors as they are measures used by management in assessing the health of our business, evaluating our operating performance, and for internal planning and forecasting purposes.

We believe non-GAAP net income and non-GAAP diluted net income per share provides our management and investors consistency and comparability with our past financial performance and facilitates period-to-period comparisons of operations, as this metric generally eliminates the effects of unusual or non-recurring items from period to period for reasons unrelated to overall operating performance.

Our calculations of each of these measures may differ from the calculations of measures with the same or similar titles by other companies and therefore comparability may be limited. Because of these limitations, when evaluating our performance, you should consider each of these non-GAAP financial measures alongside other financial performance measures, including the most directly comparable financial measure calculated in accordance with GAAP and our other GAAP results. A reconciliation of each of our non-GAAP financial measures to the most directly comparable financial measure calculated in accordance with GAAP is set forth in the tables in the section “Reconciliation of GAAP to Non-GAAP Data.”

Adjusted Operating Income and Adjusted Operating Income Margin

Adjusted operating income is a new non-GAAP financial measure used for the first time in this release that we define as operating income, adjusted to exclude stock-based compensation, amortization of acquired intangible assets, acquisition related compensation, acquisition and integration related costs, restructuring and other charges, restructuring related charges, impairment of certain long-lived assets and other charges. We define adjusted operating income margin as adjusted operating income as a percentage of revenue.

Adjusted EBITDA and Adjusted EBITDA Margin

We define adjusted EBITDA as net income attributable to common stockholders, adjusted to exclude depreciation and amortization, stock-based compensation, interest expense, acquisition related compensation, acquisition and integration related costs, income tax expense (benefit), restructuring and other charges, restructuring related charges, impairment of certain long-lived assets, interest income and other income, net, (gain) loss on extinguishment of debt, net, and other charges. We define adjusted EBITDA margin as adjusted EBITDA as a percentage of revenue.

Non-GAAP Net Income and Non-GAAP Diluted Net Income Per Share

We define non-GAAP net income as net income attributable to common stockholders, excluding stock-based compensation, acquisition related compensation, amortization of acquired intangibles, acquisition and integration related costs, restructuring and other charges, restructuring related charges, impairment of certain long-lived assets, (gain) loss on extinguishment of debt, net, and other charges. In addition to these exclusions, we subtract an assumed non-GAAP provision for income taxes to calculate non-GAAP net income that excludes the current period income tax benefit (expense). We utilize a fixed long-term projected tax rate in our computation of the non-GAAP income tax provision in order to provide better consistency across reporting periods. We define non-GAAP diluted net income per share as non-GAAP net income divided by the weighted-average diluted shares outstanding, which includes the potentially dilutive effect of our stock options, RSUs, PRSUs, and Convertible Notes and, beginning in the first quarter of 2026, excludes the in-the-money portion of our 2030 Convertible Notes as they are covered by our capped call transactions, which are expected to mitigate the dilutive effect of our 2030 Convertible Notes.

Adjusted Free Cash Flow and Adjusted Free Cash Flow Margin

Adjusted free cash flow is a non-GAAP financial measure that we define as net cash provided by operating activities less purchases of property and equipment, capitalized internal-use software costs, purchase of intangible assets, and excluding cash paid for restructuring and other charges, acquisition related compensation, restructuring related charges, and acquisition and integration related costs. Adjusted free cash flow margin is calculated as adjusted free cash flow divided by total revenue.

We believe that adjusted free cash flow and adjusted free cash flow margin are useful indicators of liquidity that provide information to management and investors about the amount of cash generated from our core operations that can be used for strategic initiatives, including investing in our business and selectively pursuing acquisitions and strategic investments. We further believe that historical and future trends in adjusted free cash flow and adjusted free cash flow margin, even if negative, provide useful information about the amount of net cash provided by operating activities that is available (or not available) to be used for strategic initiatives. Adjusted free cash flow and adjusted free cash flow margin exclude acquisitions of equipment under financing arrangements, finance leases, and our future contractual commitments. Additionally, adjusted free cash flow does not represent the residual cash flow available for discretionary expenses given our debt obligations and the total increase or decrease in our cash balance for a given period.

Unlevered Adjusted Free Cash Flow and Unlevered Adjusted Free Cash Flow Margin

Unlevered adjusted free cash flow is a non-GAAP financial measure that we define as adjusted free cash flow excluding cash paid for interest and interest income. Unlevered adjusted free cash flow margin is calculated as unlevered adjusted free cash flow divided by total revenue.

We believe that unlevered adjusted free cash flow and unlevered adjusted free cash flow margin provide additional information to adjusted free cash flow about our liquidity and, measured over time, enable management and investors to monitor the underlying business' growth pattern and ability to generate cash. We further believe that unlevered adjusted free cash flow is an important metric, as it provides a clear view of our cash generation before the impact of financing decisions and many investors and analysts use unlevered adjusted free cash flow as the basis of their enterprise value calculations as they assess the value of our business. Unlevered adjusted free cash flow and unlevered adjusted free cash flow margin exclude certain charges that will be settled in cash, such as interest paid to service our debt and equipment

financing obligations. Additionally, unlevered adjusted free cash flow does not represent the residual cash flow available for discretionary expenses given our debt obligations and the total increase or decrease in our cash balance for a given period.

Key Business Metrics:

We utilize the key metrics set forth below to help us evaluate our business and growth, identify trends, formulate financial projections and make strategic decisions.

Customers

We calculate customer count as the average number of customers as of the last day of the month for each month in the most recent quarter. Customers are classified in the following categories based on the amount of their spend in a given month and individual customers may fall within different categories within a reporting period (customer spend in a month in whole dollars):

- Digital Native Enterprise Customers: users that spend more than \$500 in a month.
- \$100K+ Customers: users that spend more than \$8,333 in a month.
- \$500K+ Customers: users that spend more than \$41,667 in a month.
- \$1M+ Customers: users that spend more than \$83,333 in a month.

ARR

We calculate ARR by multiplying total revenue for the most recent quarter by four.

AI Customer ARR

We calculate AI Customer ARR by multiplying total AI Customer Revenue for the most recent quarter by four. AI Customer Revenue is defined as the total revenue generated from customers who utilize one or more of our AI/ML offerings, inclusive of their revenue from our IaaS and PaaS/SaaS offerings during the period.

Net Dollar Retention Rate

We calculate net dollar retention rate monthly by starting with total revenue for our IaaS and PaaS/SaaS offerings during the corresponding month 12 months prior, or the Prior Period Revenue. We then calculate the revenue from these same customers as of the current month, or the Current Period Revenue, including any expansion and net of any contraction or attrition from these customers over the last 12 months. The calculation also includes revenue from customers that generated revenue before, but not in, the corresponding month 12 months prior, but subsequently generated revenue in the current month and are therefore reflected in the Current Period Revenue. We include this group of re-engaged customers in this calculation because some of our customers use our platform for projects that stop and start over time. We then divide the total Current Period Revenue by the total Prior Period Revenue to arrive at the net dollar retention rate for the relevant month. For a quarterly or annual period, the net dollar retention rate is determined as the average monthly net dollar retention rates over such three or 12-month period.

Other Metrics:

Remaining Performance Obligation

Remaining performance obligation (“RPO”) represents commitments in customer contracts for future services that have not yet been recognized in the condensed consolidated financial statements. RPO is not necessarily indicative of future revenue growth because it does not account for the timing of customers’ consumption or their usage beyond their contracted capacity. Additionally, RPO may increase when customers transition from usage-based to commitment-based agreements, which does not always reflect incremental revenue growth. RPO is influenced by a number of factors, including the timing and size of renewals, the timing and size of purchases of additional capacity and average contract term. Due to these factors, it is important to review RPO in conjunction with revenue and other financial metrics contained in this release and elsewhere in our Annual Report on Form 10-K for the year ended December 31, 2025 and subsequent filings and reports we make with the SEC.

Organic ARR

We define Organic Annual Run-Rate revenue (“Organic ARR”) as ARR excluding the impacts of (i) revenue from acquisitions that closed in the prior 12 months, and (ii) incremental revenue from broad-based pricing increases that occurred on July 1, 2022 for our IaaS and PaaS/ SaaS offerings and April 1, 2023 for our Managed Hosting offerings, in each case until the beginning of the first full quarter following the one-year anniversary of the closing date of such acquisition or date pricing changes were effective.

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DIGITALOCEAN HOLDINGS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except share amounts)
(unaudited)

	March 31, 2026	December 31, 2025
Current assets:		
Cash and cash equivalents	\$ 741,363	\$ 254,475
Accounts receivable, less allowance for credit losses of \$6,043 and \$6,374, respectively	105,456	90,908
Prepaid expenses and other current assets	97,471	81,598
Total current assets	944,290	426,981
Property and equipment, net	753,857	589,094
Restricted cash	157	158
Goodwill	350,651	348,674
Intangible assets, net	97,690	99,504
Operating lease right-of-use assets, net	328,504	270,854
Deferred tax assets	83,829	90,310
Other assets	11,409	12,130
Total assets	\$ 2,570,387	\$ 1,837,705
Current liabilities:		
Accounts payable	\$ 31,893	\$ 38,836
Accrued other expenses	56,527	42,679
Deferred revenue	6,283	5,882
Debt, current	311,256	325,109
Operating lease liabilities, current	109,779	108,037
Finance lease liabilities and equipment financing obligations, current	59,107	31,411
Other current liabilities	72,126	67,510
Total current liabilities	646,971	619,464
Deferred tax liabilities	3,998	4,092
Debt, long-term	608,466	970,653
Operating lease liabilities, long-term	211,287	166,895
Finance lease liabilities and equipment financing obligations, long-term	208,165	99,103
Other non-current liabilities	4,124	6,188
Total liabilities	1,683,011	1,866,395
Preferred stock (\$0.000025 par value per share; 10,000,000 shares authorized; 0 shares issued and outstanding as of March 31, 2026 and December 31, 2025)	—	—
Common stock (\$0.000025 par value per share; 750,000,000 shares authorized; 104,322,694 and 91,947,614 issued and outstanding as of March 31, 2026 and December 31, 2025, respectively)	2	2
Additional paid-in capital	916,917	16,005
Accumulated other comprehensive loss	(1,577)	(960)
Accumulated deficit	(27,966)	(43,737)
Total stockholders' equity (deficit)	887,376	(28,690)
Total liabilities and stockholders' equity (deficit)	\$ 2,570,387	\$ 1,837,705

DIGITALOCEAN HOLDINGS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share amounts)
(unaudited)

	Three Months Ended			
	2026		2025	
	March 31,			
Revenue	\$	257,905	\$	210,703
Cost of revenue		113,195		81,259
Gross profit		144,710		129,444
Operating expenses:				
Research and development		48,830		39,594
Sales and marketing		21,669		19,401
General and administrative		37,640		32,807
Total operating expenses		108,139		91,802
Operating income		36,571		37,642
Other (expense) income:				
Interest expense		(10,553)		(2,208)
Loss on extinguishment of debt, net		(2,700)		—
Interest income and other income, net		1,178		5,946
Other (expense) income, net		(12,075)		3,738
Income before income taxes		24,496		41,380
Income tax expense		(8,725)		(3,176)
Net income attributable to common stockholders	\$	15,771	\$	38,204
Net income per share attributable to common stockholders				
Basic	\$	0.17	\$	0.42
Diluted	\$	0.15	\$	0.39
Weighted-average shares used to compute net income per share attributable to common stockholders				
Basic		93,038		91,988
Diluted		111,915		102,322

DIGITALOCEAN HOLDINGS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)
(unaudited)

	Three Months Ended March 31,	
	2026	2025
Operating activities		
Net income attributable to common stockholders	\$ 15,771	\$ 38,204
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	45,475	29,210
Stock-based compensation	22,507	19,432
Provision for expected credit losses	3,492	4,197
Gain on extinguishment of debt, net	2,700	—
Operating lease right-of-use assets and liabilities, net	(11,465)	(7,192)
Non-cash interest expense	1,527	2,003
Other	1,829	(2,091)
Changes in operating assets and liabilities:		
Accounts receivable	(18,028)	(8,319)
Prepaid expenses and other current assets	(15,886)	(1,255)
Accounts payable and accrued expenses	(11,188)	(11,492)
Deferred revenue	400	245
Other assets and liabilities	9,787	1,148
Net cash provided by operating activities	46,921	64,090
Investing activities		
Capital expenditures - property and equipment	(39,992)	(61,963)
Capital expenditures - internal-use software	(4,740)	(2,029)
Acquisition of equipment under financing arrangements	(11,807)	—
Purchase of intangible assets	—	(983)
Cash paid for acquisition of businesses, net of cash acquired	(4,042)	—
Net cash used in investing activities	(60,581)	(64,975)
Financing activities		
Proceeds from follow-on public offering, net of underwriting discounts and issuance costs	888,778	—
Principal repayment of Term Loan Facility	(500,000)	—
Proceeds from drawdown of Term Loan Facility	120,000	—
Proceeds related to issuance of common stock under equity incentive plan	993	1,941
Employee payroll taxes paid related to net settlement of equity awards	(11,081)	(8,718)
Proceeds from financing arrangements	11,807	—
Principal repayments of finance leases and financing arrangements	(9,880)	(1,350)
Repurchase and retirement of common stock including related costs	—	(59,052)
Net cash provided by (used in) financing activities	500,617	(67,179)
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	(70)	39
Increase (decrease) in cash, cash equivalents and restricted cash	486,887	(68,025)
Cash, cash equivalents and restricted cash - beginning of period	254,633	430,193
Cash, cash equivalents and restricted cash - end of period	\$ 741,520	\$ 362,168

DIGITALOCEAN HOLDINGS, INC.
RECONCILIATION OF GAAP TO NON-GAAP DATA
(unaudited)

Adjusted Operating Income and Operating Income Margin

<i>(In thousands)</i>	Three Months Ended March 31,			
	2026		2025	
Operating income	\$	36,571	\$	37,642
Adjustments:				
Stock-based compensation		22,507		19,432
Amortization of acquired intangible assets		4,938		5,197
Adjusted operating income	\$	64,016	\$	62,271
As a percentage of revenue:				
Operating income margin		14 %		18 %
Adjusted operating income margin		25 %		30 %

Adjusted EBITDA and Adjusted EBITDA Margin

<i>(In thousands)</i>	Three Months Ended March 31,			
	2026		2025	
GAAP Net income attributable to common stockholders	\$	15,771	\$	38,204
Adjustments:				
Depreciation and amortization		45,475		29,210
Stock-based compensation		22,507		19,432
Interest expense		10,553		2,208
Income tax expense		8,725		3,176
Loss on extinguishment of debt		2,700		—
Interest income and other income, net ⁽¹⁾		(1,178)		(5,946)
Adjusted EBITDA	\$	104,553	\$	86,284
As a percentage of revenue:				
Net income margin		6%		18%
Adjusted EBITDA margin		41%		41%

(1) For the three months ended March 31, 2026 and 2025 , primarily consists of interest income from our cash and cash equivalents.

Non-GAAP Net Income and Non-GAAP Diluted Net Income Per Share

	Three Months Ended			
	March 31,			
<i>(In thousands, except per share amounts)</i>	2026		2025	
GAAP Net income attributable to common stockholders	\$	15,771	\$	38,204
Stock-based compensation		22,507		19,432
Amortization of acquired intangible assets		4,938		5,197
Loss on extinguishment of debt ⁽¹⁾		2,700		—
Non-GAAP income tax adjustment ⁽²⁾		(17)		(7,384)
Non-GAAP Net income	\$	45,899	\$	55,449
Non-cash charges related to convertible notes ⁽³⁾	\$	1,072	\$	1,594
Non-GAAP Net income used to compute net income per share, diluted	\$	46,971	\$	57,043
GAAP Net income per share attributable to common stockholders, diluted ⁽⁶⁾	\$	0.15	\$	0.39
Stock-based compensation		0.21		0.19
Amortization of acquired intangible assets		0.05		0.05
Loss on extinguishment of debt ⁽¹⁾		0.03		—
Non-cash charges related to convertible notes ⁽³⁾		0.01		0.02
Non-GAAP income tax adjustment ⁽²⁾		(0.01)		(0.08)
Non-GAAP Net income per share, diluted ⁽⁴⁾	\$	0.44	\$	0.56
GAAP Weighted-average shares used to compute net income per share, diluted		111,915		102,322
Add: Weighted-average dilutive effect of potentially dilutive securities		1,750		—
Less: Anti-dilutive impact of capped call transaction ⁽⁵⁾		(6,044)		—
Non-GAAP Weighted-average shares used to compute net income per share, diluted ⁽⁶⁾		107,621		102,322

(1) For the three months ended March 31, 2026, excludes tax impact which is presented in Non-GAAP income tax adjustment.

(2) For the periods in fiscal year 2026 and 2025, we used a tax rate of 16%, which we believe is a reasonable estimate of our long-term effective tax rate applicable to non-GAAP pre-tax income for each respective year.

(3) Consists of non-cash interest expense for amortization of debt issuance costs related to our Convertible Notes.

(4) May not foot due to rounding.

(5) Excludes the in-the-money portion of our 2030 Convertible Notes for non-GAAP weighted-average diluted shares as they are covered by our capped call transactions. Our outstanding capped call transactions are antidilutive under GAAP, but are expected to mitigate the dilutive effect of our 2030 Convertible Notes, and therefore are included in the calculation of non-GAAP diluted shares outstanding. The capped calls have an antidilutive impact when the average stock price of our common stock in a given period is higher than their exercise price.

(6) Includes 15,957 of potentially dilutive securities related to our 2030 Convertible Notes as if the entire principal amount outstanding were converted into shares for the three months ended March 31, 2026. Includes 8,403 of potentially dilutive securities related to our 2026 Convertible Notes as if the entire principal amount outstanding were converted into shares for the three months ended March 31, 2025. The Company has the election of settling any conversion in cash, shares of our common stock, or a combination of both.

Adjusted Free Cash Flow, Unlevered Adjusted Free Cash Flow, Adjusted Free Cash Flow Margin and Unlevered Adjusted Free Cash Flow Margin

	Three Months Ended March 31,			
	2026		2025	
<i>(In thousands)</i>				
GAAP Net cash provided by operating activities	\$	46,921	\$	64,090
Adjustments:				
Capital expenditures - property and equipment		(39,992)		(61,963)
Capital expenditures - internal-use software development		(4,740)		(2,029)
Purchase of intangible assets		—		(983)
Restructuring and other charges		—		64
Adjusted free cash flow	\$	2,189	\$	(821)
Plus: Cash paid for interest		9,529		195
Less: Interest income		(2,878)		(3,657)
Unlevered adjusted free cash flow	\$	8,840	\$	(4,283)
As a percentage of revenue:				
GAAP Net cash provided by operating activities		18%		30%
Adjusted free cash flow margin		1%		—%
Unlevered adjusted free cash flow margin		3%		(2%)