

EDGIO, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except per share data)

	September 30, 2022	June 30, 2022	December 31, 2021
	(Unaudited)	(Unaudited)	
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 59,306	\$ 55,175	\$ 41,918
Marketable securities	11,444	22,158	37,367
Accounts receivable, net	122,397	108,445	42,217
Income taxes receivable	59	58	61
Prepaid expenses and other current assets	28,775	32,107	13,036
Total current assets	221,981	217,943	134,599
Property and equipment, net	91,670	106,059	33,622
Operating lease right of use assets	6,680	7,124	6,338
Marketable securities, less current portion	40	40	40
Deferred income taxes	2,745	2,866	1,893
Goodwill	171,065	163,489	114,511
Intangible assets, net	67,738	72,655	14,613
Other assets	7,780	7,334	5,485
Total assets	\$ 569,699	\$ 577,510	\$ 311,101
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Accounts payable	\$ 39,755	\$ 19,800	\$ 11,631
Deferred revenue	6,357	4,790	3,266
Operating lease liability obligations	4,396	4,755	1,861
Income taxes payable	433	262	873
Other current liabilities	86,754	75,391	19,292
Total current liabilities	137,695	104,998	36,923
Convertible senior notes, net	122,416	122,202	121,782
Operating lease liability obligations, less current portions	10,511	11,352	9,616
Deferred income taxes	95	100	308
Deferred revenue, less current portion	2,938	1,530	116
Other long-term liabilities	710	716	777
Total liabilities	274,365	240,898	169,522
Commitments and contingencies			
Stockholders' equity:			
Convertible preferred stock, \$0.001 par value; 7,500 shares authorized; no shares issued and outstanding	-	-	-
Common stock, \$0.001 par value; 300,000 shares authorized; 221,583, 219,706 and 134,337 shares issued and outstanding at September 30, 2022, June 30, 2022 and December 31, 2021, respectively	222	220	134
Additional paid-in capital	797,508	793,522	576,807
Common Stock Contingent consideration	16,300	16,900	-
Accumulated other comprehensive loss	(13,462)	(11,413)	(8,345)
Accumulated deficit	(505,234)	(462,617)	(427,017)
Total stockholders' equity	295,334	336,612	141,579
Total liabilities and stockholders' equity	\$ 569,699	\$ 577,510	\$ 311,101

EDGIO, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)
(Unaudited)

	Three Months Ended					Nine Months Ended		
	September 30, 2022	June 30, 2022	Percent Change	September 30, 2021	Percent Change	September 30, 2022	September 30, 2021	Percent Change
Revenue	\$ 121,156	\$ 74,312	63%	\$ 55,202	119%	\$ 253,426	\$ 154,745	64%
Cost of revenue:								
Cost of services (1)	74,421	46,088	61%	33,687	121%	155,578	99,708	56%
Depreciation - network	9,841	5,903	67%	5,685	73%	20,833	17,293	20%
Total cost of revenue	<u>84,262</u>	<u>51,991</u>	62%	<u>39,372</u>	114%	<u>176,411</u>	<u>117,001</u>	51%
Gross profit	36,894	22,321	65%	15,830	133%	77,015	37,744	104%
Gross profit percentage	30.5%	30.0%		28.7%		30.4%	24.4%	
Operating expenses:								
General and administrative (1)	22,198	26,927	-18%	10,532	111%	64,958	30,944	110%
Sales and marketing (1)	14,428	10,946	32%	5,987	141%	33,001	21,619	53%
Research & development (1)	30,173	12,161	148%	5,205	480%	51,911	16,520	214%
Depreciation and amortization	5,943	1,508	294%	730	714%	8,483	1,818	367%
Restructuring charges (1)	4,070	4,368	-7%	1,770	130%	9,136	10,798	-15%
Total operating expenses	<u>76,812</u>	<u>55,910</u>	37%	<u>24,224</u>	217%	<u>167,489</u>	<u>81,699</u>	105%
Operating loss	(39,918)	(33,589)	NM	(8,394)	NM	(90,474)	(43,955)	NM
Other income (expense):								
Interest expense	(1,317)	(1,315)	NM	(1,308)	NM	(3,945)	(3,899)	NM
Interest income	140	33	NM	17	NM	200	104	NM
Other, net	(1,082)	(1,146)	NM	(209)	NM	(2,941)	(864)	NM
Total other expense	<u>(2,259)</u>	<u>(2,428)</u>	NM	<u>(1,500)</u>	NM	<u>(6,686)</u>	<u>(4,659)</u>	NM
Loss before income taxes	(42,177)	(36,017)	NM	(9,894)	NM	(97,160)	(48,614)	NM
Income tax expense (benefit)	440	(19,589)	NM	211	NM	(18,943)	718	NM
Net loss	<u>\$ (42,617)</u>	<u>\$ (16,428)</u>	NM	<u>\$ (10,105)</u>	NM	<u>\$ (78,217)</u>	<u>\$ (49,332)</u>	NM
Net loss per share:								
Basic	<u>\$ (0.19)</u>	<u>\$ (0.11)</u>		<u>\$ (0.08)</u>		<u>\$ (0.46)</u>	<u>\$ (0.39)</u>	
Diluted	<u>\$ (0.19)</u>	<u>\$ (0.11)</u>		<u>\$ (0.08)</u>		<u>\$ (0.46)</u>	<u>\$ (0.39)</u>	
Weighted-average shares used in per share calculation:								
Basic	220,194	151,776		126,791		169,166	125,710	
Diluted	220,194	151,776		126,791		169,166	125,710	

(1) Includes share-based compensation (see supplemental table for figures)

EDGIO, INC.
SUPPLEMENTAL FINANCIAL DATA
(In thousands)
(Unaudited)

	<u>Three Months Ended</u>			<u>Nine Months Ended</u>	
	<u>September 30, 2022</u>	<u>June 30, 2022</u>	<u>September 30, 2021</u>	<u>September 30, 2022</u>	<u>September 30, 2021</u>
Share-based compensation:					
Cost of services	\$ 855	\$ 326	\$ 438	\$ 1,589	\$ 1,142
General and administrative	2,200	2,166	2,301	6,469	10,203
Sales and marketing	727	1,376	640	3,284	1,598
Research and development	4,571	3,423	662	11,314	1,647
Restructuring charges	-	-	(384)	-	1,887
Total share-based compensation	<u>\$ 8,353</u>	<u>\$ 7,291</u>	<u>\$ 3,657</u>	<u>\$ 22,656</u>	<u>\$ 16,477</u>
Depreciation and amortization:					
Network-related depreciation	\$ 9,841	\$ 5,903	\$ 5,685	\$ 20,833	\$ 17,293
Other depreciation and amortization	1,026	336	409	1,608	1,497
Amortization of intangible assets	4,917	1,172	321	6,875	321
Total depreciation and amortization	<u>\$ 15,784</u>	<u>\$ 7,411</u>	<u>\$ 6,415</u>	<u>\$ 29,316</u>	<u>\$ 19,111</u>
Net (decrease) increase in cash, cash equivalents and marketable securities:	<u>\$ (6,583)</u>	<u>\$ 15,407</u>	<u>\$ (43,750)</u>	<u>\$ (8,535)</u>	<u>\$ (47,937)</u>
End of period statistics:					
Approximate number of active clients	996	1,000	581	996	581
Number of employees and employee equivalents	1,256	1,317	529	1,256	529

EDGIO, INC.
Reconciliation of U.S. GAAP Net Loss to Non-GAAP Net Income (Loss)
(In thousands)
(Unaudited)

	Three Months Ended						Nine Months Ended			
	September 30, 2022		June 30, 2022		September 30, 2021		September 30, 2022		September 30, 2021	
	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share
U.S. GAAP net loss	\$ (42,617)	\$ (0.19)	\$ (16,428)	\$ (0.11)	\$ (10,105)	\$ (0.08)	\$ (78,217)	\$ (0.46)	\$ (49,332)	\$ (0.39)
Share-based compensation	8,353	0.04	7,291	0.05	4,041	0.03	22,656	0.13	10,026	0.08
Non-cash interest expense	214	0.00	211	0.00	204	0.00	634	0.00	604	0.00
Restructuring charges	4,070	0.02	4,368	0.03	1,770	0.01	9,136	0.05	15,625	0.12
Acquisition and legal related expenses	8,529	0.04	14,167	0.09	2,263	0.02	27,803	0.16	2,441	0.02
Amortization of intangible assets	4,917	0.02	1,172	0.01	321	0.00	6,875	0.04	321	0.00
Non-GAAP net (loss) income	<u>\$ (16,534)</u>	<u>\$ (0.08)</u>	<u>\$ 10,781</u>	<u>\$ 0.07</u>	<u>\$ (1,506)</u>	<u>\$ (0.01)</u>	<u>\$ (11,113)</u>	<u>\$ (0.07)</u>	<u>\$ (20,315)</u>	<u>\$ (0.16)</u>
Weighted-average basic shares used in per share calculation		220,194		151,776		126,791		169,166		125,710

EDGIO, INC.
Reconciliation of U.S. GAAP Net Loss to EBITDA to Adjusted EBITDA
(In thousands)
(Unaudited)

	Three Months Ended			Nine Months Ended	
	September 30, 2022	June 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
U.S. GAAP net loss	\$ (42,617)	\$ (16,428)	\$ (10,105)	\$ (78,217)	\$ (49,332)
Depreciation and amortization	15,784	7,411	6,415	29,316	19,111
Interest expense	1,317	1,315	1,308	3,945	3,899
Interest and other expense	942	1,113	192	2,741	760
Income tax expense (benefit)	440	(19,589)	211	(18,943)	718
EBITDA	\$ (24,134)	\$ (26,178)	\$ (1,979)	\$ (61,158)	\$ (24,844)
Share-based compensation	8,353	7,291	4,041	22,656	10,026
Restructuring charges	4,070	4,368	1,770	9,136	15,625
Acquisition and legal related expenses	8,529	14,167	2,263	27,803	2,441
Adjusted EBITDA	<u>\$ (3,182)</u>	<u>\$ (352)</u>	<u>\$ 6,095</u>	<u>\$ (1,563)</u>	<u>\$ 3,248</u>