

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

	June 30, 2022	March 31, 2022	December 31, 2021
	(Unaudited)	(Unaudited)	
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 55,175	\$ 27,175	\$ 41,918
Marketable securities	22,158	34,751	37,367
Accounts receivable, net	108,445	55,040	42,217
Income taxes receivable	58	63	61
Prepaid expenses and other current assets	32,107	16,044	13,036
Total current assets	217,943	133,073	134,599
Property and equipment, net	106,059	34,792	33,622
Operating lease right of use assets	7,124	6,064	6,338
Marketable securities, less current portion	40	40	40
Deferred income taxes	2,866	1,822	1,893
Goodwill	163,489	113,463	114,511
Intangible assets, net	72,655	13,827	14,613
Other assets	7,334	4,779	5,485
Total assets	\$ 577,510	\$ 307,860	\$ 311,101
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Accounts payable	\$ 19,800	\$ 15,599	\$ 11,631
Deferred revenue	4,790	2,189	3,266
Operating lease liability obligations	4,755	1,754	1,861
Income taxes payable	262	215	873
Other current liabilities	75,391	20,403	19,292
Total current liabilities	104,998	40,160	36,923
Convertible senior notes, net	122,202	121,991	121,782
Operating lease liability obligations, less current portions	11,352	9,209	9,616
Deferred income taxes	100	303	308
Deferred revenue, less current portion	1,530	282	116
Other long-term liabilities	716	721	777
Total liabilities	240,898	172,666	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; 219,706, 138,178 and 134,337 shares issued and outstanding at June 30, 2022, March 31, 2022 and December 31, 2021, respectively	220	138	134
Additional paid-in capital	793,522	590,249	576,807
Contingent consideration	16,900	-	-
Accumulated other comprehensive loss	(11,413)	(9,004)	(8,345)
Accumulated deficit	(462,617)	(446,189)	(427,017)
Total stockholders' equity	336,612	135,194	141,579
Total liabilities and stockholders' equity	\$ 577,510	\$ 307,860	\$ 311,101

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

	Three Months Ended			Six Months Ended				
	June 30, 2022	March 31, 2022	Percent Change	June 30, 2021	Percent Change	June 30, 2022	June 30, 2021	Percent Change
Revenue	\$ 74,312	\$ 57,959	28%	\$ 48,348	54%	\$ 132,270	\$ 99,543	33%
Cost of revenue:								
Cost of services (1)	46,088	35,070	31%	32,976	40%	81,157	66,021	23%
Depreciation - network	5,903	5,089	16%	5,929	0%	10,992	11,608	-5%
Total cost of revenue	51,991	40,159	29%	38,905	34%	92,149	77,629	19%
Gross profit	22,321	17,800	25%	9,443	136%	40,121	21,914	83%
Gross profit percentage	30.0%	30.7%		19.5%		30.3%	22.0%	
Operating expenses:								
General and administrative (1)	26,927	15,833	70%	7,515	258%	42,760	20,412	109%
Sales and marketing (1)	10,946	7,627	44%	5,784	89%	18,573	15,631	19%
Research & development (1)	12,161	9,577	27%	5,187	134%	21,738	11,315	92%
Depreciation and amortization	1,508	1,032	46%	549	175%	2,540	1,089	133%
Restructuring charges	4,368	698	526%	2,155	103%	5,066	9,028	-44%
Total operating expenses	55,910	34,767	61%	21,190	164%	90,677	57,475	58%
Operating loss	(33,589)	(16,967)	98%	(11,747)	186%	(50,556)	(35,561)	42%
Other income (expense):								
Interest expense	(1,315)	(1,313)	0%	(1,305)	1%	(2,628)	(2,591)	1%
Interest income	33	27	22%	42	-21%	60	87	-31%
Other, net	(1,146)	(713)	61%	(440)	160%	(1,859)	(655)	184%
Total other expense	(2,428)	(1,999)	21%	(1,703)	43%	(4,427)	(3,159)	40%
Loss before income taxes	(36,017)	(18,966)	90%	(13,450)	168%	(54,983)	(38,720)	42%
Income tax (benefit) expense	(19,589)	206	NM	248	NM	(19,383)	507	NM
Net loss	\$ (16,428)	\$ (19,172)	-14%	\$ (13,698)	20%	\$ (35,600)	\$ (39,227)	-9%
Net loss per share:								
Basic	\$ (0.11)	\$ (0.14)		\$ (0.11)		\$ (0.25)	\$ (0.31)	
Diluted	\$ (0.11)	\$ (0.14)		\$ (0.11)		\$ (0.25)	\$ (0.31)	
Weighted average shares used in per share calculation:								
Basic	151,776	135,528		126,050		143,652	125,170	
Diluted	151,776	135,528		126,050		143,652	125,170	

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

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

	Three Months Ended			Six Months Ended	
	June 30, 2022	March 31, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Share-based compensation:					
Cost of services	\$ 326	\$ 408	\$ 458	\$ 734	\$ 704
General and administrative	2,166	2,103	1,874	4,269	7,902
Sales and marketing	1,376	1,181	395	2,557	958
Research and development	3,423	3,320	614	6,743	985
Restructuring and transition related charges	-	-	917	-	2,271
Total share-based compensation	<u>\$ 7,291</u>	<u>\$ 7,012</u>	<u>\$ 4,258</u>	<u>\$ 14,303</u>	<u>\$ 12,820</u>
Depreciation and amortization:					
Network-related depreciation	\$ 5,903	\$ 5,089	\$ 5,929	\$ 10,992	\$ 11,608
Other depreciation and amortization	336	246	549	582	1,089
Amortization of intangible assets	1,172	786	-	1,958	-
Total depreciation and amortization	<u>\$ 7,411</u>	<u>\$ 6,121</u>	<u>\$ 6,478</u>	<u>\$ 13,532</u>	<u>\$ 12,697</u>
Net increase (decrease) in cash, cash equivalents and marketable securities:	<u>\$ 15,407</u>	<u>\$ (17,359)</u>	<u>\$ 2,608</u>	<u>\$ (1,952)</u>	<u>\$ (4,187)</u>
End of period statistics:					
Approximate number of active clients	1,000	577	533	1,000	533
Number of employees and employee equivalents	1,317	556	459	1,317	459

EDGIO, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Three Months Ended			Six Months Ended	
	June 30, 2022	March 31, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Operating activities					
Net loss	\$ (16,428)	\$ (19,172)	\$ (13,698)	\$ (35,600)	\$ (39,227)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	7,411	6,121	6,478	13,532	12,697
Share-based compensation	7,291	7,012	4,258	14,303	12,820
Foreign currency remeasurement loss (gain)	441	242	257	683	186
Deferred income taxes	(19,278)	(2)	(71)	(19,280)	(81)
Gain on sale of property and equipment	(10)	-	(107)	(10)	(107)
Accounts receivable charges	6	272	381	278	847
Amortization of premium on marketable securities	204	280	573	484	1,182
Non-cash interest expense	211	209	201	420	400
Changes in operating assets and liabilities:					
Accounts receivable	(4,861)	(13,095)	3,903	(17,956)	5,962
Prepaid expenses and other current assets	(1,451)	(3,174)	(7)	(4,625)	439
Income taxes receivable	(553)	(2)	46	(555)	10
Other assets	292	834	513	1,126	912
Accounts payable and other current liabilities	23,046	3,625	1,523	26,671	6,732
Deferred revenue	2,778	(911)	(273)	1,867	(357)
Income taxes payable	52	(655)	68	(603)	141
Other long term liabilities	(2)	(55)	(108)	(57)	(111)
Net cash provided by (used in) operating activities	<u>(851)</u>	<u>(18,471)</u>	<u>3,937</u>	<u>(19,322)</u>	<u>2,445</u>
Investing activities					
Purchases of marketable securities	(1,340)	(6,839)	(20,537)	(8,179)	(31,411)
Sale and maturities of marketable securities	13,784	9,087	25,818	22,871	31,715
Purchases of property and equipment	(12,975)	(5,350)	(2,986)	(18,325)	(9,614)
Proceeds from sale of property and equipment	10	-	107	10	107
Cash acquired in acquisition of business, net of transaction costs	30,374	492	-	30,866	-
Net cash provided by (used in) investing activities	<u>29,853</u>	<u>(2,610)</u>	<u>2,402</u>	<u>27,243</u>	<u>(9,203)</u>
Financing activities					
Payment of debt issuance costs		-	(30)	-	(30)
Payment of employee tax withholdings related to restricted stock vesting	(524)	(1,285)	(427)	(1,809)	(1,098)
Proceeds from employee stock plans	785	7,986	2,613	8,771	5,460
Net cash provided by financing activities	<u>261</u>	<u>6,701</u>	<u>2,156</u>	<u>6,962</u>	<u>4,332</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(1,263)</u>	<u>(363)</u>	<u>(50)</u>	<u>(1,626)</u>	<u>(304)</u>
Net increase (decrease) in cash and cash equivalents	<u>28,000</u>	<u>(14,743)</u>	<u>8,445</u>	<u>13,257</u>	<u>(2,730)</u>
Cash and cash equivalents, beginning of period	<u>27,175</u>	<u>41,918</u>	<u>35,620</u>	<u>41,918</u>	<u>46,795</u>
Cash and cash equivalents, end of period	<u>\$ 55,175</u>	<u>\$ 27,175</u>	<u>\$ 44,065</u>	<u>\$ 55,175</u>	<u>\$ 44,065</u>

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

	Three Months Ended						Six Months Ended			
	June 30, 2022		March 31, 2022		June 30, 2021		June 30, 2022		June 30, 2021	
	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share
U.S. GAAP net loss	\$ (16,428)	\$ (0.11)	\$ (19,172)	\$ (0.14)	\$ (13,698)	\$ (0.11)	\$ (35,600)	\$ (0.25)	\$ (39,227)	\$ (0.31)
Share-based compensation	7,291	0.05	7,012	0.05	3,341	0.03	14,303	0.10	5,985	0.05
Non-cash interest expense	211	0.00	209	0.00	201	0.00	420	0.00	400	0.00
Restructuring and transition related charges	4,368	0.03	698	0.01	2,155	0.02	5,066	0.04	13,855	0.11
Acquisition and legal related expenses	14,167	0.09	5,107	0.04	-	-	19,274	0.13	-	-
Amortization of intangible assets	1,172	0.01	786	0.01	-	-	1,958	0.01	-	-
Non-GAAP net (loss) income	<u>\$ 10,781</u>	<u>\$ 0.07</u>	<u>\$ (5,360)</u>	<u>\$ (0.04)</u>	<u>\$ (8,001)</u>	<u>\$ (0.06)</u>	<u>\$ 5,421</u>	<u>\$ 0.04</u>	<u>\$ (18,987)</u>	<u>\$ (0.15)</u>
Weighted average basic shares used in per share calculation		151,776		135,528		126,050		143,652		125,170

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

	Three Months Ended			Six Months Ended	
	June 30, 2022	March 31, 2022	June 30, 2021	June 30, 2022	June 30, 2021
U.S. GAAP net loss	\$ (16,428)	\$ (19,172)	\$ (13,698)	\$ (35,600)	\$ (39,227)
Depreciation and amortization	7,411	6,121	6,478	13,532	12,697
Interest expense	1,315	1,313	1,305	2,628	2,591
Interest and other (income) expense	1,113	686	398	1,799	568
Income tax (benefit) expense	(19,589)	206	248	(19,383)	507
EBITDA	\$ (26,178)	\$ (10,846)	\$ (5,269)	\$ (37,024)	\$ (22,864)
Share-based compensation	7,291	7,012	3,341	14,303	5,985
Restructuring and transition related charges	4,368	698	2,155	5,066	13,855
Acquisition and legal related expenses	14,167	5,107	-	19,274	-
Adjusted EBITDA	<u>\$ (352)</u>	<u>\$ 1,971</u>	<u>\$ 227</u>	<u>\$ 1,619</u>	<u>\$ (3,024)</u>

Edgio, Inc.
2022 Guidance

	<u>August 2022</u>	<u>April 2022</u>
Revenue	\$380 to \$390 million	\$240 to \$250 million
Adjusted EBITDA	\$13 to \$16 million	\$24 to \$28 million
Capital expenditures	Less than 10% of revenue	\$20 to \$25 million