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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

(Mark One)

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2022

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.**

For the transition period from to

Commission file number 001-33508

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

Delaware	**20-1677033**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

11811 North Tatum Blvd., Suite 3031,
Phoenix, AZ 85028
(Address of principal executive offices, including Zip Code)

(602) 850-5000
(Registrant's telephone number, including area code)

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 $0.001 per share	EGIO	Nasdaq

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☑
Non-accelerated filer	☐	Smaller Reporting Company	☐
		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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

The number of shares outstanding of the registrant's Common Stock, par value $0.001 per share, as of November 4, 2022: 221,584,775 shares.

EDGIO, INC.
FORM 10-Q
Quarterly Period Ended September 30, 2022
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Special Note Regarding Forward-Looking Statement

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). All statements contained in this Quarterly Report on Form 10-Q, other than statements of historical fact, are forward-looking statements. Forward-looking statements generally can be identified by the words “may,” “will,” “expect,” “believe,” “anticipate,” “intend,” “could,” “estimate,” or “continue,” and similar expressions. We have based these forward-looking statements largely on our current expectations and projections about future events, as well as trends that we believe may affect our financial condition, results of operations, business strategy, short-term and long-term business operations and objectives, and financial needs. These statements include, among other things:

- our beliefs regarding delivery traffic growth trends and demand for digital content and edge services;
- our expectations regarding revenue, costs, expenses, gross margin, non-generally accepted accounting principles (“Non-GAAP”) net income (loss), EBITDA, and Adjusted EBITDA and capital expenditures;
- our plans regarding investing in our content delivery network and Application Operations (“AppOps”), our coordinated complete solution to deliver instant, secure website applications, as well as other products and technologies;
- our beliefs regarding the competition within the digital edge platform industry;
- our beliefs regarding the growth of our business and how that impacts our liquidity and capital resources requirements;
- our expectations regarding headcount and our ability to recruit personnel;
- the impact of certain new accounting standards and guidance as well as the time and cost of continued compliance with existing rules and standards;
- our plans with respect to investments in marketable securities;
- our expectations and strategies regarding acquisitions;
- our expectations regarding litigation and other pending or potential disputes;
- our estimations regarding taxes and belief regarding our tax reserves;
- our beliefs regarding the use of Non-GAAP financial measures;
- our approach to identifying, attracting and keeping new and existing clients, our focus on core market growth segments where we have a right-to-win, as well as our expectations regarding client turnover;
- the sufficiency of our sources of funding;
- our beliefs regarding our interest rate risk;
- our beliefs regarding inflation risks;
- our beliefs regarding expense and productivity of and competition for our sales force;
- our beliefs regarding the significance of our large clients; and
- our beliefs regarding the impact of health epidemics and pandemics, including the outbreak of COVID-19, on our current and potential clients, our balance sheet, financial condition, and results of operations.

These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including those described under the caption “Risk Factors” in Part II, Item 1A in this Quarterly Report on Form 10-Q and those discussed in other documents we file with the Securities and Exchange Commission (the “SEC”).

In addition, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, the future events and trends discussed in this Quarterly Report on Form 10-Q may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements.

The forward-looking statements contained herein are based on our current expectations and assumptions and on information available as of the date of the filing of this Quarterly Report on Form 10-Q. We undertake no obligation to revise or publicly release the results of any revision to these forward-looking statements, except as required by law. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements.

Unless expressly indicated or the context requires otherwise, the terms “Edgio”, “we”, “us”, and “our” in this document refer to Edgio, Inc., a Delaware corporation, and, where appropriate, its wholly owned subsidiaries. All information is presented in thousands, except per share amounts, client count, headcount and where specifically noted.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Edgio, Inc.
Consolidated Balance Sheets
(In thousands, except per share data)

	September 30, 2022 (Unaudited)	December 31, 2021
ASSETS		
Current assets:		
Cash and cash equivalents	$ 59,306	$ 41,918
Marketable securities	11,444	37,367
Accounts receivable, net	122,397	42,217
Income taxes receivable	59	61
Prepaid expenses and other current assets	28,775	13,036
Total current assets	221,981	134,599
Property and equipment, net	91,670	33,622
Operating lease right of use assets	6,680	6,338
Marketable securities, less current portion	40	40
Deferred income taxes	2,745	1,893
Goodwill	171,065	114,511
Intangible assets, net	67,738	14,613
Other assets	7,780	5,485
Total assets	$ 569,699	$ 311,101
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 39,755	$ 11,631
Deferred revenue	6,357	3,266
Operating lease liability obligations	4,396	1,861
Income taxes payable	433	873
Other current liabilities	86,754	19,292
Total current liabilities	137,695	36,923
Convertible senior notes, net	122,416	121,782
Operating lease liability obligations, less current portion	10,511	9,616
Deferred income taxes	95	308
Deferred revenue, less current portion	2,938	116
Other long-term liabilities	710	777
Total liabilities	274,365	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 and 134,337 shares issued and outstanding at September 30, 2022 and December 31, 2021, respectively	222	134
Common stock contingent consideration	16,300	—
Additional paid-in capital	797,508	576,807
Accumulated other comprehensive loss	(13,462)	(8,345)
Accumulated deficit	(505,234)	(427,017)
Total stockholders' equity	295,334	141,579
Total liabilities and stockholders' equity	$ 569,699	$ 311,101

The accompanying notes are an integral part of the unaudited consolidated financial statements.

Edgio, Inc.
Unaudited Consolidated Statements of Operations
(In thousands, except per share data)

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Revenue	$ 121,156	$ 55,202	$ 253,426	$ 154,745
Cost of revenue:				
Cost of services (1)	74,421	33,687	155,578	99,708
Depreciation — network	9,841	5,685	20,833	17,293
Total cost of revenue	84,262	39,372	176,411	117,001
Gross profit	36,894	15,830	77,015	37,744
Operating expenses:				
General and administrative	22,198	10,532	64,958	30,944
Sales and marketing	14,428	5,987	33,001	21,619
Research and development	30,173	5,205	51,911	16,520
Depreciation and amortization	5,943	730	8,483	1,818
Restructuring charges	4,070	1,770	9,136	10,798
Total operating expenses	76,812	24,224	167,489	81,699
Operating loss	(39,918)	(8,394)	(90,474)	(43,955)
Other income (expense):				
Interest expense	(1,317)	(1,308)	(3,945)	(3,899)
Interest income	140	17	200	104
Other, net	(1,082)	(209)	(2,941)	(864)
Total other expense	(2,259)	(1,500)	(6,686)	(4,659)
Loss before income taxes	(42,177)	(9,894)	(97,160)	(48,614)
Income tax expense (benefit)	440	211	(18,943)	718
Net loss	$ (42,617)	$ (10,105)	$ (78,217)	$ (49,332)
Net loss per share:				
Basic	$ (0.19)	$ (0.08)	$ (0.46)	$ (0.39)
Diluted	$ (0.19)	$ (0.08)	$ (0.46)	$ (0.39)
Weighted-average shares used in per share calculation:				
Basic	220,194	126,791	169,166	125,710
Diluted	220,194	126,791	169,166	125,710

(1) Cost of services excludes amortization related to intangible assets, including technology, customer relationships, and trade names, which are included in depreciation and amortization in total operating expenses.

The accompanying notes are an integral part of the unaudited consolidated financial statements.

Edgio, Inc.
Unaudited Consolidated Statements of Comprehensive Loss
(In thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Net loss	$ (42,617)	$ (10,105)	$ (78,217)	$ (49,332)
Other comprehensive loss, net of tax:				
Unrealized gain on investments	46	3	13	32
Foreign currency translation loss	(2,095)	(529)	(5,130)	(1,012)
Other comprehensive loss	(2,049)	(526)	(5,117)	(980)
Comprehensive loss	$ (44,666)	$ (10,631)	$ (83,334)	$ (50,312)

The accompanying notes are an integral part of the unaudited consolidated financial statements.

Edgio, Inc.
Unaudited Consolidated Statements of Stockholders' Equity
(In thousands)

For the Three Months Ended September 30, 2022

	Common Stock						
	Shares	Amount	Common Stock Contingent Consideration	Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total
Balance June 30, 2022	219,706	$ 220	$ 16,900	$ 793,522	$ (11,413)	$ (462,617)	$ 336,612
Net loss	—	—	—	—	—	(42,617)	(42,617)
Change in unrealized gain on available-for-sale investments, net of taxes	—	—	—	—	46	—	46
Foreign currency translation adjustment, net of taxes	—	—	—	—	(2,095)	—	(2,095)
Exercise of common stock options	320	1	—	589	—	—	590
Vesting of restricted stock units	1,315	1	—	(1)	—	—	—
Restricted stock units surrendered in lieu of withholding taxes	(446)	—	—	(1,562)	—	—	(1,562)
Share-based compensation	688	—	—	4,960	—	—	4,960
Issuance of common stock for business acquisition	—	—	—	—	—	—	—
Adjustment to common stock contingent consideration related to business acquisition	—	—	(600)	—	—	—	(600)
Balance September 30, 2022	221,583	$ 222	$ 16,300	$ 797,508	$ (13,462)	$ (505,234)	$ 295,334

For the Three Months Ended September 30, 2021

	Common Stock					
	Shares	Amount	Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total
Balance June 30, 2021	126,705	$ 127	$ 550,205	$ (7,965)	$ (411,483)	$ 130,884
Net loss	—	—	—	—	(10,105)	(10,105)
Change in unrealized gain on available-for-sale investments, net of taxes	—	—	—	3	—	3
Foreign currency translation adjustment, net of taxes	—	—	—	(529)	—	(529)
Vesting of restricted stock units	306	—	—	—	—	—
Restricted stock units surrendered in lieu of withholding taxes	(77)	—	(217)	—	—	(217)
Share-based compensation	—	—	2,854	—	—	2,854
Issuance of common stock for business acquisition	6,878	7	18,426	—	—	18,433
Balance September 30, 2021	133,812	$ 134	$ 571,268	$ (8,491)	$ (421,588)	$ 141,323

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For the Nine Months Ended September 30, 2022

	Common Stock		Common Stock Contingent Consideration	Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total
	Shares	Amount					
Balance December 31, 2021	134,337	$ 134	$ —	$ 576,807	$ (8,345)	$ (427,017)	$ 141,579
Net loss	—	—	—	—	—	(78,217)	(78,217)
Change in unrealized gain on available-for-sale investments, net of taxes	—	—	—	—	13	—	13
Foreign currency translation adjustment, net of taxes	—	—	—	—	(5,130)	—	(5,130)
Exercise of common stock options	3,515	4	—	8,629	—	—	8,633
Vesting of restricted stock units	2,837	3	—	(3)	—	—	—
Restricted stock units surrendered in lieu of withholding taxes	(934)	—	—	(3,371)	—	—	(3,371)
Issuance of common stock under employee stock purchase plan	280	—	—	728	—	—	728
Share-based compensation	688	—	—	17,300	—	—	17,300
Capital contributions	—	—	—	1,884	—	—	1,884
Issuance of common stock for business acquisition	76,968	77	—	186,119	—	—	186,196
Common stock contingent consideration related to business acquisition, net adjustment	—	$ —	$ 16,300	$ —	$ —	$ —	$ 16,300
Issuance of common stock for employee compensation arrangements	3,892	4	—	9,415	—	—	9,419
Balance September 30, 2022	221,583	$ 222	$ 16,300	$ 797,508	$ (13,462)	$ (505,234)	$ 295,334

For the Nine Months Ended September 30, 2021

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total
	Shares	Amount				
Balance December 31, 2020	123,653	$ 124	$ 556,512	$ (7,511)	$ (373,933)	$ 175,192
Cumulative effect of adoption of new accounting pronouncement	—	—	(21,733)	—	1,677	(20,056)
Net loss	—	—	—	—	(49,332)	(49,332)
Change in unrealized gain on available-for-sale investments, net of taxes	—	—	—	32	—	32
Foreign currency translation adjustment, net of taxes	—	—	—	(1,012)	—	(1,012)
Exercise of common stock options	1,935	2	4,545	—	—	4,547
Vesting of restricted stock units	1,401	1	(1)	—	—	—
Restricted stock units surrendered in lieu of withholding taxes	(410)	—	(1,314)	—	—	(1,314)
Issuance of common stock under employee stock purchase plan	355	—	913	—	—	913
Share-based compensation	—	—	13,920	—	—	13,920
Issuance of common stock for business acquisition	6,878	$ 7	$ 18,426	$ —	$ —	$ 18,433
Balance September 30, 2021	133,812	$ 134	$ 571,268	$ (8,491)	$ (421,588)	$ 141,323

The accompanying notes are an integral part of the unaudited consolidated financial statements.

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Edgio, Inc.
Unaudited Consolidated Statements of Cash Flows
(In thousands)

	Nine Months Ended September 30,	
	2022	2021
Operating activities		
Net loss	$ (78,217)	$ (49,332)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	29,316	19,111
Share-based compensation	22,656	16,477
Foreign currency remeasurement loss (gain)	614	(66)
Deferred income taxes	(19,117)	(198)
Gain on sale of property and equipment	(47)	(219)
Accounts receivable charges	671	1,047
Amortization of premium on marketable securities	526	1,597
Noncash interest expense	634	604
Changes in operating assets and liabilities, net of amounts acquired in business combinations:		
Accounts receivable	(33,136)	(13,037)
Prepaid expenses and other current assets	(1,521)	1,678
Income taxes receivable	(721)	4
Other assets	(200)	2,017
Accounts payable and other current liabilities	52,437	8,163
Deferred revenue	4,831	4,640
Income taxes payable	(424)	210
Other long-term liabilities	(57)	(26)
Net cash used in operating activities	(21,755)	(7,330)
Investing activities		
Purchases of marketable securities	(19,781)	(44,838)
Sale and maturities of marketable securities	45,191	84,000
Purchases of property and equipment	(20,516)	(11,909)
Proceeds from sale of property and equipment	47	219
Cash acquired in (used for) acquisition of business	30,866	(30,968)
Net cash provided by (used in) investing activities	35,807	(3,496)
Financing activities		
Payment of debt issuance costs	—	(30)
Payments of employee tax withholdings related to restricted stock vesting	(3,371)	(1,315)
Proceeds from employee stock plans	9,361	5,460
Net cash provided by financing activities	5,990	4,115
Effect of exchange rate changes on cash and cash equivalents	(2,654)	(499)
Net increase (decrease) in cash and cash equivalents	17,388	(7,210)
Cash and cash equivalents, beginning of period	41,918	46,795
Cash and cash equivalents, end of period	$ 59,306	$ 39,585
Supplemental disclosure of cash flow information		
Cash paid during the period for interest	$ 4,405	$ 4,460
Cash paid during the period for income taxes, net of refunds	$ 1,202	$ 714
Common stock issued in connection with acquisition of business	$ 186,196	$ 18,433
Common stock contingent consideration related to business combination	$ 16,300	$ —
Common stock issued for employee compensation arrangements	$ 9,419	$ —
Property and equipment remaining in accounts payable and other current liabilities	$ 1,298	$ 1,166

The accompanying notes are an integral part of the unaudited consolidated financial statements.

Edgio, Inc.
Notes to Unaudited Consolidated Financial Statements
September 30, 2022

1. Nature of Business

Edgio, Inc. (“Edgio”), a provider of content delivery services, edge security, video services, AppOps and Jamstack application architecture, provides powerful tools to optimize and deliver digital experiences. Edgio offers one of the largest, best-optimized private networks coupled with a global team of industry experts to provide edge services that are fast, secure and reliable.

We were incorporated in Delaware in 2003, and have operated in the Phoenix metropolitan area since 2001 and elsewhere throughout the United States since 2003. We began international operations in 2004. On June 15, 2022, we changed our corporate name from Limelight Networks, Inc. to Edgio, Inc.

On June 15, 2022, Edgio completed the acquisition (the “Edgecast Acquisition”) of all of the outstanding shares of common stock of Edgecast Inc., a California corporation (“Edgecast”), and certain Edgecast-related businesses and assets from College Parent, L.P., a Delaware limited partnership (“College Parent”), for total purchase consideration of $202,446. The total purchase consideration included 76,920 shares of our common stock. Edgecast is a leading provider of edge security, content delivery and video services. Edgio accounted for the acquisition in accordance with ASC 805, *Business Combinations*, which requires the assets acquired and liabilities assumed to be recognized on the balance sheet at their fair values as of the acquisition date.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited interim consolidated financial statements have been prepared pursuant to the rules and regulations of the SEC. They do not include all of the information and footnotes required by U.S. generally accepted accounting principles (“U.S. GAAP”) for complete financial statements. Such interim financial information is unaudited but reflects all adjustments that are, in the opinion of management, necessary for the fair presentation of the interim periods presented and of a normal recurring nature. This quarterly report on Form 10-Q should be read in conjunction with our audited financial statements and footnotes included in our annual report on Form 10-K for the fiscal year ended December 31, 2021. All information is presented in thousands, except per share amounts and where specifically noted.

The consolidated financial statements include accounts of Edgio and our wholly owned subsidiaries. All significant intercompany balances and transactions have been eliminated. In addition, certain other reclassifications have been made to prior year amounts to conform to the current year presentation.

Use of Estimates

The preparation of the consolidated financial statements and related disclosures in conformity with U.S. GAAP requires management to make judgments, assumptions, and estimates that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results and outcomes may differ from those estimates. The results of operations presented in this quarterly report on Form 10-Q are not necessarily indicative of the results that may be expected for the year ending December 31, 2022, or for any future periods.

Recent Accounting Standards

Adopted Accounting Standards

None

Recently Issued Accounting Standards

None

Significant Accounting Policies

There have been no changes in the significant accounting policies from those that were disclosed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2021.

3. Business Acquisitions

Edgecast Acquisition

On June 15, 2022, we closed the acquisition of 100% of the equity interests of Edgecast for an estimated total purchase consideration of $202,446.

The following table presents the allocation of the estimated purchase price consideration for Edgecast:

Consideration:		
Common stock	$	195,565
Common stock - contingent consideration		16,300
Less: Consideration allocated to employee compensation arrangements		(9,419)
Total consideration allocated to Edgecast Acquisition	$	202,446

The purchase price was defined within the purchase agreement as $270,000 in Edgio common stock at a reference price of $4.1168 (determined using a 30-day volume-weighted average price (“VWAP”) of Edgio’s common stock price prior to the execution of the purchase agreement), and adjustments for customary working capital adjustments. The fair value of our common stock consideration of 80,812 shares, is based on the opening price of our common stock of $2.42 per share on the acquisition closing date. Inclusive within the common stock consideration, and pursuant to the purchase agreement, Edgio issued 7,287 shares of common stock in exchange for cash from College Parent of $30,000. As the economic substance of this issuance was to provide additional cash to Edgecast for liabilities that existed prior to the business combination and the transaction occurred on June 15, 2022, Edgio concluded that this was part of the business combination, and therefore, should be considered as part of the consideration transferred in exchange for the acquisition of Edgecast. The estimated purchase consideration was also adjusted for 3,892 shares issued for employee compensation arrangements accounted for as separate transactions as further discussed below.

The purchase agreement contains an “earn-out” or contingent consideration provision in the event that the price of our common stock exceeds certain thresholds during the period ending on the third anniversary of the acquisition date of the transaction (the “Earnout Period”), Edgio will be required to issue approximately up to an additional 12,685 shares of our common stock to College Parent (the “common stock contingent consideration”). If during the Earnout Period, the closing share price of our common stock exceeds the following share prices for 10 trading days in any 30 consecutive trading day period the following number of shares of our common stock will be issued: (a) approximately 5,398 shares of our common stock if the closing share price of our common stock exceeds $6.1752 per share, (b) approximately 4,048 shares of our common stock if the closing share price of our common stock exceeds $8.2336 per share, and (c) approximately 3,239 shares of our common stock if the closing share price of our common stock exceeds $10.2920 per share. Edgio estimated that the fair value of the common stock contingent consideration, with the assistance of a third-party valuation specialist using a Monte Carlo simulation, and initially concluded it was $16,900 as of the acquisition date. During the three months ended September 30, 2022, Edgio updated the preliminary fair value of the contingent consideration from $16,900 to $16,300 as a measurement period adjustment, which impacted stockholders' equity and goodwill.

As a result of the Edgecast Acquisition, certain cash awards that existed for Edgecast’s employees require the transferred employee to provide services to Edgio in the post-combination period in order for the cash award to be earned. When the awards are earned, Edgio will pay the employees the amount earned and subsequently be reimbursed by College Parent or College Parent will directly pay the employee the amount earned. Edgio considered whether the employee awards are part of the Edgecast Acquisition, and part of purchase consideration, or separate transactions, and not part of purchase accounting. Under ASC 805, a transaction entered into by or on behalf of the acquirer or primarily for the benefit of the acquirer or the combined entity, rather than primarily for the benefit of the acquiree (or its former owners) before the combination, is likely to be a separate transaction. The employee awards represent compensation for post-combination services rendered to Edgio and the reimbursement right was initiated by Edgio for the future economic benefit of the combined entity. Accordingly, Edgio concluded the employee awards represent transactions separate from the Edgecast Acquisition. Edgio allocated $9,419 of the total consideration transferred to College Parent to the employee compensation arrangements based on the post-combination fair value of the employee awards. As service is required to be rendered for the award to be earned, Edgio will recognize expense as the employee performs service. The employee compensation arrangements related to post-combination services and the related reimbursement right resulted in the recognition of $6,573 in prepaid expenses and other current assets and $2,846 in other assets on June 15, 2022.

During the three and nine months ended September 30, 2022, Edgio recorded $3,865 and $4,863, in compensation expense to the unaudited consolidated statements of operations as a result of the employee compensation arrangements,

respectively. Of the $3,865 of compensation expense, $674, $184, $292, and $2,715 was recorded to cost of services, general and administrative, sales and marketing, and research and development, respectively. Of the $4,863 of compensation expense, $880, $362, $333, and $3,288, was recorded to cost of services, general and administrative, sales and marketing, and research and development, respectively. The employee compensation arrangements are time-based vesting only and the unrecognized compensation expense was $4,556 as of September 30, 2022, of which $1,572 is expected to be recognized during the remainder of 2022, $2,559 in 2023, and the remainder thereafter.

The Edgecast Acquisition was accounted for under the acquisition method of accounting and the operating results of Edgecast have been included in our consolidated financial statements as of the acquisition date. Under the acquisition method of accounting, the aggregate amount of consideration paid by us was allocated to Edgecast's net tangible assets and intangible assets based on their estimated fair values as of the acquisition date. The excess of the purchase price over the value of the net tangible assets and intangible assets was recorded to goodwill. The factors contributing to the recognition of goodwill were based upon our conclusion that there are strategic and synergistic benefits that are expected to be realized from the acquisition. Goodwill, which is non-deductible for tax purposes, represents expected synergies and the assembled workforce at the time of the acquisition.

The following table summarizes the preliminary allocation of the purchase consideration to the acquisition date fair value of the assets, including intangible assets, liabilities assumed and related goodwill acquired:

Cash (inclusive of $30,000 as described above)	$	30,037
Accounts receivable (a)		47,765
Prepaid expenses and other current assets (a)		6,835
Property and equipment (a)		61,718
Operating lease right of use assets		1,365
Goodwill (a)		58,512
Intangible assets		
Customer relationships		11,000
Technology		49,000
Other assets		393
Total assets acquired		266,625
Accounts payable and accrued liabilities		6,917
Deferred revenue		1,060
Operating lease liability obligations		3,071
Other current liabilities (a)		32,159
Operating lease liability obligations, less current portion		2,531
Deferred income taxes		18,433
Deferred revenue, less current portion		8
Total liabilities		64,179
Total purchase consideration	$	202,446

(a) During the third quarter of 2022, we identified measurement period adjustments related to preliminary fair value estimates. The total adjustments included a decrease to property and equipment of $6,348, a decrease to other current liabilities of $1,204, a decrease to accounts receivable of $788, and an increase to prepaid expenses and other current assets of $166. Measurement period adjustments are recognized in the reporting period in which the adjustments are determined and calculated as if the accounting had been completed at the acquisition date.

The fair values assigned to tangible assets acquired and liabilities assumed are based on management's estimates and assumptions and certain amounts noted above are preliminary and subject to change during the remaining measurement period as we obtain additional information for the preliminary fair value estimates of the assets acquired and liabilities assumed. The primary preliminary estimates that are not yet finalized relate to certain assets and liabilities assumed, identifiable intangible assets, deferred income taxes and residual goodwill. Edgio expects to finalize the valuation as soon as practicable, but not later than one year from the acquisition date.

The fair value of acquired property and equipment was valued using the market approach and indirect cost approach and primarily consists of computer and networking equipment. The weighted-average depreciation period for the acquired property and equipment was 2.9 years at the acquisition date. The fair value of the acquired intangible assets was determined as follows, customer relationships, utilizing the excess earnings method, and technology, utilizing the relief from royalty method. The weighted-average amortization period of the acquired intangible assets was 8.5 years for customer relationships and 4.0 years for technology at the acquisition date. The deferred income tax liability was $18,433, primarily as a result of the fair value attributable to the identifiable intangible assets.

During the three months ended September 30, 2022, Edgecast represented $62,231 of our total revenue and $8,306 of loss included in our consolidated net loss. During the nine months ended September 30, 2022, Edgecast represented $75,005 of our total revenue and $8,293 of loss included in our consolidated net loss.

Transaction costs incurred by us in connection with the Edgecast Acquisition were $4,520 and $23,902 for the three and nine months ended September 30, 2022, respectively, and were recorded within general and administrative expenses in our unaudited consolidated statements of operations.

Unaudited Pro Forma Financial Information

The following unaudited pro forma combined financial information presents combined results of Edgio and Edgecast as if the acquisition of Edgecast has occurred on January 1, 2021:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Revenue	$ 121,156	$ 134,706	$ 399,958	$ 401,810
Net loss	$ (33,635)	$ (33,541)	$ (93,096)	$ (137,415)

These unaudited pro forma combined financial statements include adjustments to reflect fair value adjustments related to property and equipment depreciation, customer relationships and technology amortization, compensation expense related to the employee compensation arrangements, exclusion of interest income related to loan receivables settled at the acquisition date, and the effects of the adjustments on income taxes and net loss. Additionally, the pro forma adjustments include adjustments to reflect non-recurring transaction costs of $4,520 and $23,902, incurred in the three and nine months ended September 30, 2022, respectively, and non-recurring restructuring charges related to the Edgecast Acquisition of $1,090 and $4,804 incurred in the three and nine months ended September 30, 2022, respectively, as of the beginning of the comparable prior reporting period.

The pro forma financial information is not intended to represent or be indicative of the actual results of operations of the combined business that would have been reported had the acquisition of Edgecast been completed at the beginning of the fiscal year 2021, nor is it representative of future operating results of Edgio.

Moov Acquisition

In September 2021, we closed the acquisition of 100% of the equity interests of Moov Corporation ("Moov"), a California corporation doing business as Layer0, a sub-scale SaaS based application acceleration and developer support platform, for total purchase consideration of $52,487. The total purchase consideration included $34,054 in cash, and 6,878 shares of our common stock valued at $18,433 at the acquisition date.

The following table presents the allocation of the purchase price for Moov:

Consideration:	
Cash	$ 34,054
Common stock	18,433
Total consideration	$ 52,487

The fair value of our common stock consideration of 6,878 shares, is based on the closing price of our common stock of $2.68 per share on the acquisition closing date.

The following table summarizes the final allocation of the purchase consideration to the acquisition date fair value of the assets, including intangible assets, liabilities assumed and related goodwill acquired:

Cash	$	3,130
Accounts receivable		2,514
Prepaid expenses and other current assets (a)		1,052
Goodwill (a)		35,669
Intangible assets:		
Trade name		91
Customer relationships		7,090
Technology		8,480
Total assets acquired		58,026
Accounts payable and accrued liabilities		2,432
Deferred revenue		3,107
Total liabilities		5,539
Total purchase consideration	$	52,487

(a) The valuation process to determine the fair values is complete. During the respective measurement period (up to one year from the acquisition date), Edgio made certain measurement period adjustments to reflect facts and circumstances in existence at the acquisition date. During the first quarter of 2022, measurement period adjustments resulted in an increase to prepaid expenses and other current assets of $860 and a decrease to goodwill of $860. During the second quarter of 2022, measurement period adjustments resulted in an increase to prepaid expenses and other current assets of $38 and a decrease to goodwill of $38. During the third quarter of 2022, total remeasurement period adjustments of $119 resulted in a decrease to prepaid expenses and other current assets and an increase to goodwill of $119.

4. Investments in Marketable Securities

The following is a summary of marketable securities (designated as available-for-sale) at September 30, 2022:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Certificate of deposit	$ 40	$ —	$ —	$ 40
Commercial paper	3,242	—	—	3,242
Corporate notes and bonds	5,204	—	27	5,177
Municipal securities	3,026	—	1	3,025
Total marketable securities	$ 11,512	$ —	$ 28	$ 11,484

The amortized cost and estimated fair value of marketable securities at September 30, 2022, by maturity are shown below:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Available-for-sale securities:				
Due in one year or less	$ 11,472	$ —	$ 28	$ 11,444
Due after one year and through five years	40	—	—	40
Total marketable securities	$ 11,512	$ —	$ 28	$ 11,484

The following is a summary of marketable securities (designated as available-for-sale) at December 31, 2021:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Certificate of deposit	$ 40	$ —	$ —	$ 40
Corporate notes and bonds	18,297	—	38	18,259
Municipal securities	19,117	—	9	19,108
Total marketable securities	$ 37,454	$ —	$ 47	$ 37,407

The amortized cost and estimated fair value of marketable securities at December 31, 2021, by maturity are shown below:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Available-for-sale securities:				
Due in one year or less	$ 37,209	$ —	$ 47	$ 37,162
Due after one year and through five years	245	—	—	245
Total marketable securities	$ 37,454	$ —	$ 47	$ 37,407

5. Accounts Receivable, net

Accounts receivable, net include:

	September 30, 2022	December 31, 2021
Accounts receivable	$ 124,533	$ 43,887
Less: credit allowance	(210)	(170)
Less: allowance for doubtful accounts	(1,926)	(1,500)
Total accounts receivable, net	$ 122,397	$ 42,217

The following is a roll-forward of the allowances for doubtful accounts related to trade accounts receivable for the nine months ended September 30, 2022 and the twelve months ended December 31, 2021:

	Nine Months Ended September 30, 2022	Twelve Months Ended December 31, 2021
Beginning of period	$ 1,500	$ 1,012
Provision for credit losses	671	1,082
Write-offs	(245)	(594)
End of period	$ 1,926	$ 1,500

6. Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets include:

	September 30, 2022	December 31, 2021
Prepaid bandwidth and backbone	$ 1,893	$ 1,754
VAT receivable	6,902	4,781
Prepaid expenses and insurance	6,682	1,975
Related party receivable	7,853	—
Vendor deposits and other	5,445	4,526
Total prepaid expenses and other current assets	$ 28,775	$ 13,036

7. Property and Equipment, net

Property and equipment, net include:

	September 30, 2022	December 31, 2021
Network equipment	$ 164,925	$ 123,915
Computer equipment and software	8,968	7,107
Furniture and fixtures	5,961	1,406
Leasehold improvements	6,073	6,454
Other equipment	17	18
Total property and equipment	185,944	138,900
Less: accumulated depreciation	(94,274)	(105,278)
Total property and equipment, net	$ 91,670	$ 33,622

Cost of revenue depreciation expense related to property and equipment was $9,841 and $5,685, for the three months ended September 30, 2022 and 2021, respectively. For the nine months ended September 30, 2022 and 2021, cost of revenue depreciation expense related to property and equipment was $20,833 and $17,293, respectively.

Operating expense depreciation and amortization expense related to property and equipment was $1,026 and $409, for the three months ended September 30, 2022 and 2021, respectively. Operating expense depreciation and amortization expense related to property and equipment was $1,608 and $1,497, for the nine months ended September 30, 2022 and 2021, respectively.

8. Goodwill and Other Intangible Assets

We have recorded goodwill as a result of past business acquisitions. We review goodwill for impairment annually or whenever events or changes in circumstances indicate that the carrying amount may exceed their fair value. We concluded that we have one reporting unit and assigned the entire balance of goodwill to this reporting unit as of September 30, 2022.

The changes in the carrying amount of goodwill for the nine months ended September 30, 2022, were as follows:

Balance, December 31, 2021	$ 114,511
Foreign currency translation adjustment	(1,179)
Measurement period adjustments - Moov acquisition	(779)
Acquisition of Edgecast	58,512
Balance, September 30, 2022	$ 171,065

Intangible assets consist of the following as of September 30, 2022:

	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Trade name	$ 91	$ (33)	$ 58
Client relationships	18,090	(1,970)	16,120
Technology	57,480	(5,920)	51,560
Total other intangible assets	$ 75,661	$ (7,923)	$ 67,738

Aggregate expense related to amortization of other intangible assets for the three and nine months ended September 30, 2022 was $4,917 and $6,875, respectively. Aggregate expense related to amortization of other intangible assets for the three and nine months ended September 30, 2021 was $321. There were no impairment charges incurred in the periods presented.

As of September 30, 2022, the weighted-average remaining useful lives of our acquired intangible assets were 1.9 years for trade name, 6.7 years for client relationships, and 3.7 years for technology, and 4.4 years in total, for all acquired intangible assets.

As of September 30, 2022, future amortization expense related to our other intangible assets is expected to be recognized as follows:

Remainder of 2022	$ 4,174
2023	16,694
2024	16,684
2025	16,664
2026	8,480
Thereafter	5,042
Total	$ 67,738

9. Other Current Liabilities

Other current liabilities include:

	September 30, 2022	December 31, 2021
Accrued compensation and benefits	$ 16,534	$ 5,131
Accrued cost of revenue [(1)]	47,977	5,714
Accrued interest payable	729	1,823
Related party payable	10,241	—
Other accrued expenses	11,273	6,624
Total other current liabilities	$ 86,754	$ 19,292

(1) September 30, 2022 balance includes accrued cost of revenue acquired as a result of the Edgecast Acquisition, and accrued bandwidth costs and co-location fees related to Edgecast operations during the three and nine months ended September 30, 2022. Refer to Note 3 “Business Acquisitions” for more information.

10. Debt

Convertible Senior Notes - Due 2025

On July 27, 2020, we issued $125,000 aggregate principal amount of 3.50% Convertible Senior Notes due 2025 (the “Notes”), including the initial purchasers’ exercise in full of their option to purchase an additional $15,000 principal amount of the Notes, in a private placement to qualified institutional buyers in an offering exempt from registration under the Securities Act of 1933, as amended. The net proceeds from the issuance of the Notes was $120,741 after deducting transaction costs.

The Notes are governed by an indenture (the “Indenture”) between us, as the issuer, and U.S. Bank, National Association, as trustee. The Notes are senior, unsecured obligations of ours and will be equal in right of payment with our senior, unsecured indebtedness; senior in right of payment to our indebtedness that is expressly subordinated to the notes; effectively subordinated to our senior, secured indebtedness, including future borrowings, if any, under our $20,000 credit facility with Silicon Valley Bank (“SVB”), to the extent of the value of the collateral securing that indebtedness; and structurally subordinated to all indebtedness and other liabilities, including trade payables, and (to the extent we are not a holder thereof) preferred equity, if any, of our subsidiaries. The Indenture includes customary covenants and sets forth certain events of default after which the Notes may be declared immediately due and payable and sets forth certain types of bankruptcy or insolvency events of default involving us after which the Notes become automatically due and payable.

The Notes mature on August 1, 2025, unless earlier converted, redeemed or repurchased in accordance with their term prior to the maturity date. Interest is payable semiannually in arrears on February 1 and August 1 of each year, beginning on February 1, 2021. The holders of the Notes may convert all or any portion of their Notes at their option only in the following circumstances:

(1) during any calendar quarter commencing after the calendar quarter ending on December 31, 2020 (and only during such calendar quarter), if the last reported sale price per share of our common stock exceeds 130% of the conversion price of $8.53 for each of at least 20 trading days, whether or not consecutive, during the 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter;

(2) during the five consecutive business days immediately after any ten consecutive trading day period (such ten consecutive trading day period, the measurement period) in which the trading price per $1 principal amount of Notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price per share of our common stock on such trading day and the conversion rate on such trading day;

(3) upon the occurrence of certain corporate events or distributions of our common stock;

(4) if we call such Notes for redemption; and

(5) at any time from, and including, May 1, 2025, until the close of business on the second scheduled trading day immediately before the maturity date.

On or after May 1, 2025, until the close of business on the second scheduled trading day immediately preceding the maturity date, holders may convert all or any portion of their Notes, in minimum principal amount denominations of $1 or any integral multiple of $1 in excess thereof, at the option of the holder regardless of the foregoing circumstances. Upon conversion, we may satisfy our conversion obligation by paying or delivering, as applicable, cash, shares of common stock or a combination of cash and shares of common stock, at our election, in the manner and subject to the terms and conditions provided in the Indenture. The Notes have an initial conversion rate of 117.2367 shares of our common stock per $1 principal amount of Notes, which is equal to an initial conversion price of approximately $8.53 per share of our common stock. The initial conversion price of the Notes represents a premium of approximately 27.5% over the last reported sale price of our common stock on The Nasdaq Global Select Market of $6.69 per share on July 22, 2020. The conversion rate is subject to adjustment under certain circumstances in accordance with the terms of the Indenture. In addition, following certain corporate events that occur prior to the maturity date or if we deliver a notice of redemption, we will increase the conversion rate in certain circumstances for a holder who elects to convert its Notes in connection with such a corporate event or convert its Notes called (or deemed called) for redemption in connection with such notice of redemption, provided that the conversion rate will not exceed 149.4768 share of our common stock per $1 principal amount of Notes, subject to adjustment.

We may not redeem the Notes prior to August 4, 2023. We may redeem for cash all, or any portion in an authorized denomination, of the Notes, at our option, on or after August 4, 2023, and on or prior to the 41st scheduled trading day immediately preceding the maturity date, if the last reported sale price of our common stock has been at least 130% of the conversion price then in effect for at least 20 trading days, whether or not consecutive, including the trading day immediately preceding the date on which we provide notice of redemption, during any 30 consecutive trading day period ending on, and including, the trading day preceding the date on which we provide notice of redemption at a redemption price equal to 100% of the principal amount of the Notes to be redeemed, plus any accrued and unpaid interest to, but excluding, the redemption date. No sinking fund is provided for the Notes, which means that we are not required to redeem or retire the Notes periodically.

If we undergo a fundamental change (as defined in the Indenture), holders may require us to repurchase for cash all or any portion of their Notes at a fundamental change repurchase price equal to 100% of the principal amount of the Notes to be repurchased, plus accrued and unpaid interest to, but excluding, the fundamental change repurchase date.

As of September 30, 2022, the conditions allowing holders of the Notes to convert had not been met and therefore the Notes are not yet convertible. The Notes were classified as long-term debt on our consolidated balance sheet as of September 30, 2022, and December 31, 2021.

At the time of issuance in July 2020, we separately accounted for the liability and equity components of the Notes. We determined the initial carrying amount of the $102,500 liability component before consideration of debt discount and transaction fees by calculating the present value of the cash flows using an effective interest rate of 8.6%. The interest rate was determined based on non-convertible debt offerings of similar sizes and terms by companies with similar credit ratings (Level 2 inputs). The carrying amount of the equity component, representing the conversion option, was $22,500 and was calculated by deducting the initial carrying value of the liability component from the principal amount of the Notes as a whole. This difference represents a debt discount that is amortized to interest expense over the 5-year contractual term of the Notes using the effective interest rate method. The equity component is not remeasured as long as it continues to meet the conditions for equity classification. On January 1, 2021, we early adopted ASU 2020-06 on a modified retrospective basis. As a result of the adoption of ASU 2020-06, our total remaining interest expense over the contractual terms of our convertible debt will be approximately $20,823 less than under the previous accounting standards. The adoption resulted in a $21,733 decrease in additional paid in capital from the derecognition of the bifurcated equity component, a $20,255 increase in debt from the derecognition of the discount associated with the bifurcated equity component and a $1,677 decrease to the opening balance of accumulated deficit, representing the cumulative interest expense recognized related to the amortization of the bifurcated conversion option.

We initially allocated transaction costs related to the issuance of the Notes to the liability and equity components using the same proportions as the initial carrying value of the Notes. Transaction costs initially attributable to the liability component were $3,400 and are being amortized to interest expense using the effective interest method over the term of the Notes. Transaction costs attributable to the equity component were $859. Following the adoption of ASU 2020-06, the transaction costs attributable to the original equity component are now being amortized to interest expense over the remaining term of the Notes.

The net carrying amounts of the liability and equity components of the Notes consisted of the following:

	September 30, 2022	December 31, 2021
Liability component:		
Principal	$ 125,000	$ 125,000
Unamortized transaction costs	(2,584)	(3,218)
Net carrying amount	$ 122,416	$ 121,782

Interest expense recognized related to the Notes was as follows:

	Three Months Ended		Nine Months Ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Contractual interest expense	$ 1,093	$ 1,094	$ 3,281	$ 3,259
Amortization of transaction costs	214	204	634	604
Total	$ 1,307	$ 1,298	$ 3,915	$ 3,863

As of September 30, 2022, and December 31, 2021, the estimated fair value of the Notes was $112,659 and $119,363, respectively. We estimated the fair value based on the quoted market prices in an inactive market on the last trading day of the reporting period, which are considered Level 2 inputs.

Capped Call Transactions

In connection with the offering of the Notes, we entered into privately negotiated capped call transactions with certain counterparties (collectively, the “Capped Calls”). The Capped Calls have an initial strike price of approximately $8.53 per share, subject to certain adjustments, which corresponds to the initial conversion price of the Notes. The Capped Calls have an initial cap price of $13.38 per share, subject to certain adjustments. The Capped Calls are generally intended to reduce or offset the potential economic dilution of approximately 14.7 million shares to our common stock upon any conversion of the Notes with such reduction or offset, as the case may be, subject to a cap based on the cap price. As the Capped Calls are considered indexed to our own stock and are equity classified, they are recorded in stockholders’ equity and are not accounted for as derivatives. The cost of $16,400 incurred in connection with the Capped Calls was recorded as a reduction to additional paid-in capital.

Line of Credit

In November 2015 we entered into the original Loan and Security Agreement (the “Credit Agreement”) with SVB. At September 30, 2022, the maximum principal commitment amount was $20,000. All outstanding borrowings owed under the Credit Agreement become due and payable no later than the final maturity date. Our borrowing capacity is the lesser of the commitment amount or 80% of eligible accounts receivable.

As of September 30, 2022, and December 31, 2021, we had no outstanding borrowings, and we had availability under the Credit Agreement of $20,000 and $20,000, respectively.

As of September 30, 2022, borrowings under the Credit Agreement bear interest at the current prime rate minus 0.25%. In the event of default, obligations shall bear interest at a rate per annum that is 3% above the then applicable rate.

Amendment fees and other commitment fees are included in interest expense. During the three months ended September 30, 2022 and 2021, there was no interest expense and fees expense and amortization was $10 and $10, respectively. During the nine months ended September 30, 2022 and 2021, there was no interest expense and fees expense and amortization was $30 and $36, respectively.

Any borrowings are secured by essentially all of our domestic personal property, with a negative pledge on intellectual property. SVB's security interest in our foreign subsidiaries is limited to 65% of the voting stock of each such foreign subsidiary.

We are required to maintain an Adjusted Quick Ratio of at least 1.0 to 1.0. We are also subject to certain customary limitations on our ability to, among other things, incur debt, grant liens, make acquisitions and other investments, make certain restricted payments such as dividends, dispose of assets or undergo a change in control. As of September 30, 2022, we were in compliance with our covenant under the Credit Agreement. As long as our Adjusted Quick Ratio remains above 1.5 to 1, we no longer are required to submit quarterly borrowing base reports.

Since inception, there have been nine amendments to the Credit Agreement, with the most recent amendment effective November 2, 2022 when the previous amendment expired. The maximum principal commitment amount under the amended Credit Agreement is $50,000 with a maturity date of April 2, 2025.

11. Restructuring Charges

During the third quarter of 2021, management committed to restructure certain parts of the company to align our workforce and facility requirements with our continued investment in the business as we focus on cost efficiencies, improved growth and profitability. As a result, certain facilities, right of use assets, outside service contracts and professional fees were incurred. During the second quarter of 2022, management committed to a separate action to restructure certain parts of the company to focus on improved profitability. As a result, certain headcount reductions were implemented. During the three and nine months ended September 30, 2022, we incurred $4,070 and $9,136, respectively, of costs related to these restructuring plans. We expect approximately $2,000 of additional costs related primarily to consulting fees to restructure our datacenter architecture over the next 18 months.

The following table summarizes the activity of our restructuring accrual (recorded in other current liabilities on our consolidated balance sheet) during the nine months ended September 30, 2022 (in thousands):

2022 Restructuring Charges

	Employee Severance and Related Benefits	Share-Based Compensation	Facilities Related Charges	Professional Fees and Other	Total
Balance as of December 31, 2021	$ 235	$ —	$ 180	$ —	$ 415
Costs incurred (recorded in restructuring charge)	(95)	—	791	2	698
Cash disbursements	(140)	—	(687)	(2)	(829)
Non-cash charges, other adjustments	—	—	3	—	3
Balance as of March 31, 2022	$ —	$ —	$ 287	$ —	$ 287
Costs incurred (recorded in restructuring charge)	3,714	—	654	—	4,368
Cash disbursements	—	—	(807)	—	(807)
Non-cash charges, other adjustments	(1,884)	—	—	—	(1,884)
Balance as of June 30, 2022	$ 1,830	$ —	$ 134	$ —	$ 1,964
Costs incurred (recorded in restructuring charge)	1,511	397	2,162	—	4,070
Cash disbursements	(3,011)	—	(409)	—	(3,420)
Non-cash charges	(182)	(157)	(1,596)	—	(1,935)
Balance as of September 30, 2022	$ 148	$ 240	$ 291	$ —	$ 679

The following table summarizes the activity of our restructuring accrual (recorded in other current liabilities on our consolidated balance sheet) during the nine months ended September 30, 2021 (in thousands):

2021 Restructuring Charges

	Employee Severance and Related Benefits	Share-Based Compensation	Facilities Related Charges	Professional Fees and Other	Total
Balance as of January 1, 2021	$ —	$ —	$ —	$ —	$ —
Costs incurred (recorded in restructuring charge)	3,513	1,354	—	2,006	6,873
Cash disbursements	(1,143)	—	—	(237)	(1,380)
Non-cash charges	—	(1,354)	—	—	(1,354)
Balance as of March 31, 2021	$ 2,370	$ —	$ —	$ 1,769	$ 4,139
Costs incurred (recorded in restructuring charge)	(247)	917	—	1,485	2,155
Cash disbursements	(1,203)	—	—	(2,902)	(4,105)
Non-cash charges	—	(917)	—	—	(917)
Balance as of June 30, 2021	$ 920	$ —	$ —	$ 352	$ 1,272
Costs incurred (recorded in restructuring charge)	(1)	(236)	1,882	125	1,770
Cash disbursements	(357)	—	—	(465)	(822)
Non-cash charges	(9)	383	(1,882)	—	(1,508)
Balance as of September 30, 2021	$ 553	$ 147	$ —	$ 12	$ 712

12. Contingencies

Legal Matters

We are subject to various legal proceedings and claims, either asserted or unasserted, arising from time to time, in the ordinary course of business. While the outcome of these claims cannot be predicted with certainty, management does not believe the outcome of any of these matters will have a material adverse effect on our business, financial position, results of operations, or cash flows and accordingly, no material legal contingencies were accrued as of September 30, 2022 and December 31, 2021. No assurances can be given with respect to the extent or outcome of any such litigation in the future.

Taxes

We are subject to indirect taxation in various states and foreign jurisdictions. Laws and regulations that apply to communications and commerce conducted over the Internet are becoming more prevalent, both in the United States and internationally, and may impose additional burdens on us conducting business online or providing Internet-related services. Increased regulation could negatively affect our business directly, as well as the businesses of our clients, which could reduce their demand for our services. For example, tax authorities in various states and abroad may impose taxes on the Internet-related revenue we generate based on regulations currently being applied to similar but not directly comparable industries.

There are many transactions and calculations where the ultimate tax determination is uncertain. In addition, domestic and international taxation laws are subject to change. In the future, we may come under audit, which could result in changes to our tax estimates. We believe we have maintained adequate tax reserves, that are not material in amount, to offset potential liabilities that may arise upon audit. Although we believe our tax estimates and associated reserves are reasonable, the final determination of tax audits and any related litigation could be materially different than the amounts established for tax contingencies. To the extent these estimates ultimately prove to be inaccurate, the associated reserves would be adjusted, resulting in the recording of a benefit or expense in the period in which a change in estimate or a final determination is made.

13. Net Loss per Share

We calculate basic and diluted net loss per weighted average share. We use the weighted-average number of shares of common stock outstanding during the period for the computation of basic net loss per share. Diluted net loss per share includes the dilutive effect of all potentially dilutive common stock, including awards granted under our equity incentive compensation plans, in the weighted-average number of shares of common stock outstanding.

The following table sets forth the components used in the computation of basic and diluted net loss per share for the periods indicated (in thousands, except per share data):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Net loss	$ (42,617)	$ (10,105)	$ (78,217)	$ (49,332)
Basic weighted-average outstanding shares of common stock	220,194	126,791	169,166	125,710
Basic weighted-average outstanding shares of common stock	220,194	126,791	169,166	125,710
Dilutive effect of stock options, restricted stock units, and other equity incentive plans	—	—	—	—
Diluted weighted-average outstanding shares of common stock	220,194	126,791	169,166	125,710
Basic net loss per share	$ (0.19)	$ (0.08)	$ (0.46)	$ (0.39)
Diluted net loss per share:	$ (0.19)	$ (0.08)	$ (0.46)	$ (0.39)

For the three and nine months ended September 30, 2022 and 2021, respectively, the following potentially dilutive common stock, including awards granted under our equity incentive compensation plans were excluded from the computation of diluted net loss per share because including them would have been anti-dilutive.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Employee stock purchase plan	266	314	266	314
Stock options	1,081	1,243	2,044	2,574
Restricted stock units	4,170	11,521	5,250	11,979
Convertible senior notes	14,654	14,654	14,654	14,654
Contingently issuable shares [1]	12,685	—	12,685	—
	32,856	27,732	34,899	29,521

[1] Represents common stock contingent consideration related to the Edgecast Acquisition.

14. Stockholders' Equity

Common Stock

On March 14, 2017, our board of directors authorized a $25,000 share repurchase program. Any shares repurchased under this program will be canceled and returned to authorized but unissued status. We did not purchase any shares during the nine months ended September 30, 2022 and 2021, respectively. As of September 30, 2022, there remained $21,200 under this share repurchase program.

Amended and Restated Equity Incentive Plan

We established the 2007 Equity Incentive Plan (the, "2007 Plan"), which allows for the grant of equity, including stock options and restricted stock unit awards. In June 2016, our stockholders approved the Amended and Restated Equity Incentive Plan (the "Restated 2007 Plan"), which amended and restated the 2007 Plan. Approval of the Restated 2007 Plan replaced the terms and conditions of the 2007 Plan with the terms and conditions of the Restated 2007 Plan and extended the term of the Restated 2007 Plan to April 2026. There was no increase in the aggregate number of shares available for issuance. The total number of shares available to be issued under the Restated 2007 Plan as of September 30, 2022 was 15,524.

2021 Inducement Plan

In November 2021, we adopted the Inducement Plan pursuant to which we reserved 11,000 shares of common stock, to be used exclusively for grants of equity-based awards to highly qualified prospective officers and employees, as an inducement material to the individual's entry into employment with us within the meaning of Rule 5635(c)(4) of the Nasdaq Listing Rules. The Inducement Plan provides for the grant of equity-based awards in the form of non-statutory stock options,

stock appreciation rights, restricted stock awards, and restricted stock unit awards. The Inducement Plan was adopted by our board of directors without stockholder approval pursuant to Rule 5635(c)(4) of the Nasdaq Listing Rules. We have issued 10,477 shares under the Inducement Plan as of September 30, 2022.

Employee Stock Purchase Plan

In June 2013, our stockholders approved our 2013 Employee Stock Purchase Plan ("ESPP"), authorizing the issuance of 4,000 shares. In May 2019, our stockholders approved the adoption of Amendment 1 to the ESPP. Amendment 1 increased the number of shares authorized to 9,000 shares (an increase of 5,000 shares) and amended the maximum number of shares of common stock that an eligible employee may be permitted to purchase during each offering period to be 5 shares. The ESPP allows participants to purchase our common stock at a 15% discount of the lower of the beginning or end of the offering period using the closing price on that day. During the three months ended September 30, 2022, we did not issue any shares under the ESPP. During the nine months ended September 30, 2022, we issued 280 shares under the ESPP. Total cash proceeds from the purchase of shares under the ESPP was approximately $730. As of September 30, 2022, shares reserved for issuance to employees under this plan totaled 2,769, and we held employee contributions of $621 (included in other current liabilities) for future purchases under the ESPP.

Preferred Stock

Our board of directors has authorized the issuance of up to 7,500 shares of preferred stock at September 30, 2022. The preferred stock may be issued in one or more series pursuant to a resolution or resolutions providing for such issuance duly adopted by the board of directors. As of September 30, 2022, the board of directors had not adopted any resolutions for the issuance of preferred stock.

15. Accumulated Other Comprehensive Loss

Changes in the components of accumulated other comprehensive loss, net of tax, for the nine months ended September 30, 2022, were as follows:

	Foreign Currency	Available for Sale Securities	Total
Balance, December 31, 2021	$ (8,296)	$ (49)	$ (8,345)
Other comprehensive (loss) gain before reclassifications	(5,130)	13	(5,117)
Amounts reclassified from accumulated other comprehensive loss	—	—	—
Net current period other comprehensive (loss) gain	(5,130)	13	(5,117)
Balance, September 30, 2022	$ (13,426)	$ (36)	$ (13,462)

16. Share-Based Compensation

The following table summarizes the components of share-based compensation expense included in our consolidated statements of operations:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Share-based compensation expense by type:				
Stock options	$ 340	$ 144	$ 1,510	$ 7,395
Restricted stock units	7,850	3,300	20,618	8,579
ESPP	163	213	528	503
Total share-based compensation expense	$ 8,353	$ 3,657	$ 22,656	$ 16,477
Share-based compensation expense:				
Cost of services	$ 855	$ 438	$ 1,589	$ 1,142
General and administrative expense	2,200	2,301	6,469	10,203
Sales and marketing expense	727	640	3,284	1,598
Research and development expense	4,571	662	11,314	1,647
Restructuring charge	—	(384)	—	1,887
Total share-based compensation expense	$ 8,353	$ 3,657	$ 22,656	$ 16,477

Unrecognized share-based compensation expense totaled approximately $32,249 at September 30, 2022, of which $4,019 related to stock options and $28,230 related to restricted stock units. Unrecognized share-based compensation includes both time-based and performance-based equity. We currently expect to recognize share-based compensation expense of $5,122 during the remainder of 2022, $18,454 in 2023, and the remainder thereafter based on scheduled vesting of the stock options and restricted stock units outstanding at September 30, 2022.

17. Operating Leases - Right of Use Assets and Purchase Commitments

Right of Use Assets

We have various operating leases for office space that expire through 2030. Below is a summary of our right of use assets and liabilities as of September 30, 2022.

Right-of-use assets	$ 6,680
Lease liability obligations, current	$ 4,396
Lease liability obligations, less current portion	10,511
Total lease liability obligations	$ 14,907
Weighted-average remaining lease term	5.4 years
Weighted-average discount rate	5.05 %

During the three and nine months ended September 30, 2022, operating lease costs were immaterial.

During the three months ended September 30, 2021, we recognized approximately $398 in operating lease costs. Operating lease costs of $97 are included in cost of revenue, and $301 are included in operating expenses in our consolidated statements of operations. During the three months ended September 30, 2021, cash paid for operating leases was approximately $754. During the nine months ended September 30, 2021, we recognized approximately $1,827 in operating lease costs. Operating lease costs of $340 were included in cost of revenue, and $1,487 were included in operating expenses in our consolidated statements of operations. During the nine months ended September 30, 2021, cash paid for operating leases was approximately $2,317.

Approximate future minimum lease payments for our right of use assets over the remaining lease periods as of September 30, 2022, were as follows:

Remainder of 2022	$ 1,360
2023	5,154
2024	2,360
2025	1,440
2026	1,468
Thereafter	5,361
Total minimum payments	17,143
Less: amount representing interest	2,236
Total	$ 14,907

Purchase Commitments

We have long-term commitments for bandwidth usage and co-location with various networks and Internet service providers. The following summarizes our minimum non-cancellable commitments for future periods as of September 30, 2022:

Remainder of 2022	$ 24,242
2023	46,593
2024	24,592
2025	17,893
2026	13,557
Thereafter	5,234
Total minimum payments	$ 132,111

18. Concentrations

During the three months ended September 30, 2022 we had two clients, Amazon and Verizon, who each represented 10% or more of our total revenue. During the nine months ended September 30, 2022 we had one client, Amazon, who represented 10% or more of our total revenue. During the three and nine months ended September 30, 2021, respectively, we had two clients, Amazon and Sony, who each represented 10% or more of our total revenue.

Revenue from clients located within the United States, our country of domicile, was $87,478 for the three months ended September 30, 2022, compared to $33,405 for the three months ended September 30, 2021. For the nine months ended September 30, 2022, revenue from clients located within the United States was $170,347, compared to $90,576 for the nine months ended September 30, 2021.

During the three and nine months ended September 30, 2022 and 2021, respectively, based on client location, we had two countries, the United States and Japan, which individually accounted for 10% or more of our total revenue.

19. Income Taxes

Income taxes for the interim periods presented have been included in the accompanying consolidated financial statements on the basis of an estimated annual effective tax rate. Based on an estimated annual effective tax rate and discrete items, income tax expense for the three months ended September 30, 2022 and 2021 was $440 and $211, respectively. For the nine months ended September 30, 2022 and 2021, income tax (benefit) expense was $(18,943) and $718, respectively. Income tax expense (benefit) was different than the statutory income tax rate primarily due to the partial release of valuation allowances resulted from deferred tax liabilities created by the acquired intangibles related to the Edgecast Acquisition, which created source two income and resulted in certain deferred tax assets, previously subject to valuation allowances due to them not being more likely than not of being realized, now being realizable, and the recording of state and foreign tax expense for the three and nine month periods.

We file income tax returns in jurisdictions with varying statutes of limitations. Tax years 2018 through 2020 remain subject to examination by federal tax authorities. Tax years 2017 through 2020 generally remain subject to examination by state tax authorities. As of September 30, 2022, we are not under any federal or state examination for income taxes.

For the three and nine months ended September 30, 2022 and 2021, respectively, there was no impact to income tax expense related to the Global Intangible Low-Taxed Income inclusion ("GILTI") as a result of our net operating loss carryforwards (NOL) and valuation allowance position.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") was enacted in response to the COVID-19 pandemic. We have evaluated the impact of the CARES Act, and do not expect the provisions of the CARES Act to have an impact on us.

20. Related Party Transactions

College Parent and its related affiliates qualified as a related party following the close of the Edgecast Acquisition due to its ownership interest in Edgio. At September 30, 2022, Edgio had recorded receivables from College Parent and its affiliates related to reimbursement for certain compensation and severance plans. Additionally, at September 30, 2022, Edgio had recorded payables related to transition service agreements, which had been entered into between Edgio and College Parent and its related affiliates. For the three months ended September 30, 2022, expenses related to these agreements were $14,304 of which $7,216 was recorded in cost of sales, $2,406 was recorded in general and administrative, $222 was recorded in sales and marketing, and $4,460 was recorded in research and development within our consolidated statement of operations. For the nine months ended September 30, 2022, expenses related to these agreements were $16,821 of which $9,139 was recorded in cost of sales, $2,876 was recorded in general and administrative, $334 was recorded in sales and marketing, and $4,472 was recorded in research and development within our consolidated statement of operations. The following table summarizes the amounts due to and due from College Parent and its related affiliates:

	September 30, 2022
Prepaid assets and other current assets	$ 7,853
Other assets	2,557
Total amount due from related party	$ 10,410
Accounts payable	$ 6,580
Other current liabilities	10,241
Total amount due to related party	$ 16,821

Revenue from College Parent and its affiliates were immaterial for the three and nine months ended September 30, 2022. Trade accounts receivable were immaterial at September 30, 2022.

21. Segment Reporting and Geographic Areas

Our chief operating decision maker (who is our Chief Executive Officer) reviews our financial information presented on a consolidated basis for purposes of allocating resources and evaluating our financial performance. We operate in one industry segment—content delivery and related services and we operate in three geographic areas—Americas, Europe, Middle East, and Africa ("EMEA"), and Asia Pacific.

Revenue by geography is based on the location of the client from where the revenue is earned based on bill to locations. The following table sets forth our revenue by geographic area:

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2022		2021		2022		2021	
Americas	$ 96,135	79 %	$ 34,065	62 %	$ 181,781	72 %	$ 92,432	60 %
EMEA	6,954	6 %	6,427	12 %	18,924	7 %	20,986	14 %
Asia Pacific	18,067	15 %	14,710	26 %	52,721	21 %	41,327	26 %
Total revenue	$ 121,156	100 %	$ 55,202	100 %	$ 253,426	100 %	$ 154,745	100 %

The following table sets forth the individual countries and their respective revenue for those countries whose revenue exceeded 10% of our total revenue:

Country / Region	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021
United States / Americas	$ 87,478	$ 33,405	$ 170,347	$ 90,576
Japan / Asia Pacific	$ 10,519	$ 7,925	$ 32,571	$ 23,584

The following table sets forth property and equipment, net (long-lived assets) by geographic area where they are located:

	September 30, 2022	December 31, 2021
Americas	$ 71,413	$ 23,733
International	20,257	9,889
Total long-lived assets	$ 91,670	$ 33,622

22. Fair Value Measurements

As of September 30, 2022, and December 31, 2021, we held certain assets and liabilities that were required to be measured at fair value on a recurring basis.

The following is a summary of fair value measurements at September 30, 2022:

		Fair Value Measurements at Reporting Date Using		
Description	Total	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Money market funds (2)	$ 8,491	$ 8,491	$ —	$ —
Certificate of deposit (1)	40	—	40	—
Commercial paper (1)	3,242	—	3,242	—
Corporate notes and bonds (1)	5,177	—	5,177	—
Municipal securities (1)	3,025	—	3,025	—
Total assets measured at fair value	$ 19,975	$ 8,491	$ 11,484	$ —

(1) Classified in marketable securities

(2) Classified in cash and cash equivalents

The following is a summary of fair value measurements at December 31, 2021:

Description	Total	Fair Value Measurements at Reporting Date Using		
		Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Money market funds (2)	$ 7,310	$ 7,310	$ —	$ —
Certificate of deposit (1)	40	—	40	—
Corporate notes and bonds (1)	18,259	—	18,259	—
Municipal securities (1)	19,108	—	19,108	—
Total assets measured at fair value	$ 44,717	$ 7,310	$ 37,407	$ —

(1) Classified in marketable securities

(2) Classified in cash and cash equivalents

The carrying amount of cash equivalents approximates fair value because their maturity is less than three months from the date of purchase. The carrying amount of short-term and long-term marketable securities approximates fair value as the securities are marked to market as of each balance sheet date with any unrealized gains and losses reported in stockholders' equity. The carrying amount of accounts receivable, accounts payable, and accrued liabilities approximates fair value due to the short-term maturity of the amounts.

Item 2. ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

The following discussion and analysis of our financial condition and results of operations should be read together with our consolidated financial statements and related notes included in Part I, Item 1 of this Quarterly Report on Form 10-Q, as well as the audited consolidated financial statements and notes thereto and management's discussion and analysis of financial condition and results of operations for the year ended December 31, 2021, included in Part II of our annual report on Form 10-K, as filed with the SEC, on February 17, 2022.

On June 15, 2022, we changed our corporate name from Limelight Networks, Inc. to Edgio, Inc. We will not distinguish between our prior and current corporate name and will refer to our current corporate name throughout this Quarterly Report on Form 10-Q. Beginning on June 15, 2022, our common stock is traded on Nasdaq under the ticker symbol "EGIO".

Prior period information has been modified to conform to current year presentation. All information in this Item 2 is presented in thousands, except per share amounts, client count and where otherwise specifically noted.

Overview

We were founded in 2001 as a provider of content delivery network services to deliver digital content over the Internet. We began development of our infrastructure in 2001 and began generating meaningful revenue in 2002. Today, we are an edge-enabled software solutions provider powering secure digital experiences through a seamlessly integrated delivery, applications and streaming platform. Our coordinated complete solution delivers instant, secure website applications that provides powerful tools and a client-first approach to optimize and deliver digital experiences at the edge. We are a trusted partner to some of the world's notable brands and serve their global customers by building sub-second sites, protecting mission critical digital assets and delivering experiences such as livestream sporting events, global movie launches, video games, and file downloads for new phone applications. We offer one of the largest, best-optimized private networks coupled with a global team of industry experts to provide edge services that are fast, secure, and reliable. Our mission is to securely manage and globally deliver digital content, building client satisfaction through exceptional reliability and performance.

Our business mission is to design solutions for our clients that help them power extraordinary digital experiences for their customers. Because of this, we operate a globally distributed network with services that are available 24 hours a day, seven days a week, and 365 days a year. Our sophisticated and powerful network is fully redundant and includes extensive diversity through data center and telecommunication suppliers within and across regions.

In early 2020, the World Health Organization ("WHO") declared COVID-19 as a global pandemic. This pandemic has disrupted the normal operations of many businesses, including ours. Despite such disruption, our level of client service has remained uninterrupted. There also has been no material impact to our financial reporting systems, internal control over financial reporting, and disclosure controls and procedures. The future impacts of the COVID-19 pandemic remain uncertain and while it is difficult to predict what the world will look like when this pandemic has run its course, we currently do not expect the COVID-19 pandemic to have a material adverse impact on our balance sheet, financial condition, and results of operations, nor do we expect any impairment of goodwill, or long-lived assets.

We provide our services in a highly competitive industry in which differentiation is primarily measured by performance and cost and the difference between providers can be as small as a fraction of a percent. We have experienced the commoditization of our once innovative and highly valued content delivery service, which, when combined with the low switching costs in a multi-CDN environment, results in on-going price compression, despite the large, unmet market need for our services. Through the first nine months of 2022, we continued to see a decline in our average selling price, primarily due to the on-going price compression with our multi-CDN clients.

In February 2021, Bob Lyons joined Edgio as Chief Executive Officer and Director. Since that date and under Mr. Lyon's leadership, we have implemented a go-forward strategy designed to simultaneously address short-term headwinds and to position us to achieve near- and long-term success by building upon and more fully leveraging our ultra-low latency, global network, and operational expertise. We are focused on three key areas:

• **Improving our core**: Our ability to consistently grow revenue requires us to do a better job at managing the cost structure of our network while anticipating and providing our clients with the tools and reliable performance they need and to do it sooner and better than our competitors. Our operating expenses are largely driven by payroll and related employee costs. Our employee headcount increased from 552 on December 31, 2021, to 1,256 on September 30, 2022, primarily due to the Edgecast Acquisition. We implemented a broader and more detailed operating model in 2021, built on metrics, process discipline, and improvements to client satisfaction, performance, and cost. We are building an internal culture that embraces speed, transparency, and accountability. Since the close of the Edgecast Acquisition, we have put other cost savings measures

into place. We recorded restructuring charges of $4,070 and $9,136 during the three and nine months ended September 30, 2022, respectively. We are also continuously seeking opportunities to be more efficient and productive in order to achieve cost savings and improve our profitability.

• **Expanding our core**: We have redesigned our commercial and product approaches to strengthen and broaden our key client relationships, to support a land and expand strategy. We believe that this, coupled with new edge-based tools and solutions we anticipate bringing to market, will assist in our ability to re-accelerate growth. Key elements of our plan to Expand the Core include tightening the alignment between our Sales and Marketing organizations, moving to a "client success" model that pairs client relationship managers with client performance managers to ensure proactive client success and exploring ways to dynamically optimize how we price our services that gives us more flexibility – and a renewed ability to sell more broadly into our existing client base.

• **Extending our core:** Longer term, we believe we can drive meaningful improvements to profitability and growth by diversifying our capabilities, clients, and revenue mix. We need to enable digital builders to easily load content faster, personalize it more and protect it outside of a controlled environment. We believe we have an opportunity of extending the use of our network to new clients with new solutions that utilize non-peak traffic solutions. In September 2021, we acquired Moov, a California corporation doing business as Layer0, a sub-scale SaaS based application acceleration and developer platform. We believe this platform coupled with our global CDN network will be a catalyst in our pursuit of positioning us as an Edge Solutions platform. In June 2022, we completed the acquisition of Yahoo's Edgecast, a leading provider of edge security, content delivery and video services, in an all-stock transaction. Edgecast is a business unit of Yahoo, which is owned by funds managed by affiliates of Apollo and Verizon Communications. Edgio will deliver significantly increased scale and scope with diversified revenue across products, clients, geographies, and channels. The combination will create a globally scaled, edge enabled software solutions provider with pro forma 2021 revenue of more than $500 million across cloud security and web applications, content delivery and edge video platform in an expanded total addressable market of $40 billion.

We are committed to helping our clients deliver better digital experiences to their customers, create better returns for our shareholders, and provide our employees an environment in which they can grow, develop, and win.

The following table summarizes our revenue, costs, and expenses for the three and nine months ended September 30, 2022 and 2021 (in thousands of dollars and as a percentage of total revenue). Edgecast results were included in our results of operations for the three months ended September 30, 2022. For the nine months ended September 30, 2022, results of operations include Edgecast results for the period from June 15, 2022 to September 30, 2022.

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2022		2021		2022		2021	
Revenue	$ 121,156	100.0 %	$ 55,202	100.0 %	$ 253,426	100.0 %	$ 154,745	100.0 %
Cost of revenue	84,262	69.5 %	39,372	71.3 %	176,411	69.6 %	117,001	75.6 %
Gross profit	36,894	30.5 %	15,830	28.7 %	77,015	30.4 %	37,744	24.4 %
Operating expenses	72,742	60.0 %	22,454	40.7 %	158,353	62.5 %	70,901	45.8 %
Restructuring charges	4,070	3.4 %	1,770	3.2 %	9,136	3.6 %	10,798	7.0 %
Operating loss	(39,918)	(32.9)%	(8,394)	(15.2)%	(90,474)	(35.7)%	(43,955)	(28.4)%
Total other expense	(2,259)	(1.9)%	(1,500)	(2.7)%	(6,686)	(2.6)%	(4,659)	(3.0)%
Loss before income taxes	(42,177)	(34.8)%	(9,894)	(17.9)%	(97,160)	(38.3)%	(48,614)	(31.4)%
Income tax expense (benefit)	440	0.4 %	211	0.4 %	(18,943)	(7.5)%	718	0.5 %
Net loss	$ (42,617)	(35.2)%	$ (10,105)	(18.3)%	$ (78,217)	(30.9)%	$ (49,332)	(31.9)%

Use of Non-GAAP Financial Measures

To evaluate our business, we consider and use non-generally accepted accounting principles ("Non-GAAP") net income (loss), EBITDA, and Adjusted EBITDA as supplemental measures of operating performance. These measures include the same adjustments that our management takes into account when it reviews and assesses operating performance on a period-to-period basis. We consider Non-GAAP net income (loss) to be an important indicator of our overall business performance. We define Non-GAAP net income (loss) to be U.S. GAAP net income (loss), adjusted to exclude share-based compensation, non-cash interest expense, restructuring charges, acquisition and legal related expenses, and amortization of intangible assets. We believe that EBITDA provides a useful metric to investors to compare us with other companies within our industry and across industries. We define EBITDA as U.S. GAAP net income (loss), adjusted to exclude interest expense, interest and other (income) expense, income tax expense, and depreciation and amortization. We define Adjusted EBITDA as EBITDA adjusted

to exclude share-based compensation, restructuring charges, and acquisition and legal related expenses. We use Adjusted EBITDA as a supplemental measure to review and assess operating performance. Our management uses these Non-GAAP financial measures because, collectively, they provide valuable information on the performance of our on-going operations, and they also enable us to compare against our peer companies and against other companies in our industry and adjacent industries. We believe these measures also provide similar insights to investors, and enable investors to review our results of operations "through the eyes of management."

Furthermore, our management uses these Non-GAAP financial measures to assist them in making decisions regarding our strategic priorities and areas for future investment and focus.

In our November 9, 2022, earnings press release, as furnished on Form 8-K, we included Non-GAAP net income (loss), EBITDA, and Adjusted EBITDA. The terms Non-GAAP net income (loss), EBITDA, and Adjusted EBITDA are not defined under U.S. GAAP, and are not measures of operating income, operating performance or liquidity presented in accordance with U.S. GAAP. Our Non-GAAP net income (loss), EBITDA, and Adjusted EBITDA have limitations as analytical tools, and when assessing our operating performance, Non-GAAP net income (loss), EBITDA, and Adjusted EBITDA should not be considered in isolation, or as a substitute for net income (loss) or other consolidated income statement data prepared in accordance with U.S. GAAP. Some of these limitations include, but are not limited to:

- Non-GAAP net income (loss), EBITDA, and Adjusted EBITDA do not reflect our cash expenditures or future requirements for capital expenditures or contractual commitments;
- These measures do not reflect changes in, or cash requirements for, our working capital needs;
- Non-GAAP net income (loss), EBITDA, and Adjusted EBITDA do not reflect the cash requirements necessary for litigation costs, including provision for litigation and litigation expenses;
- These measures do not reflect the interest expense, or the cash requirements necessary to service interest or principal payments, on our debt;
- These measures do not reflect income taxes or the cash requirements for any tax payments;
- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will be replaced sometime in the future, and EBITDA, and Adjusted EBITDA do not reflect any cash requirements for such replacements;
- While share-based compensation is a component of operating expense, the impact on our financial statements compared to other companies can vary significantly due to such factors as the assumed life of the options and the assumed volatility of our common stock; and
- Other companies may calculate Non-GAAP net income (loss), EBITDA, and Adjusted EBITDA differently than we do, limiting their usefulness as comparative measures.

We compensate for these limitations by relying primarily on our U.S. GAAP financial results and using Non-GAAP net income (loss), EBITDA, and Adjusted EBITDA only as supplemental support for management's analysis of business performance. Non-GAAP net income (loss), EBITDA, and Adjusted EBITDA are calculated as follows for the periods presented.

Reconciliation of Non-GAAP Financial Measures

In accordance with the requirements of Item 10(e) of Regulation S-K, we are presenting the most directly comparable U.S. GAAP financial measures and reconciling the unaudited Non-GAAP financial metrics to the comparable U.S. GAAP measures.

Reconciliation of U.S. GAAP Net Loss to Non-GAAP Net Income (Loss)
(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)
Share-based compensation	8,353	7,291	4,041	22,656	10,026
Non-cash interest expense	214	211	204	634	604
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
Amortization of intangible assets	4,917	1,172	321	6,875	321
Non-GAAP net income (loss)	$ (16,534)	$ 10,781	$ (1,506)	$ (11,113)	$ (20,315)

Reconciliation of U.S. GAAP Net Loss to EBITDA to Adjusted EBITDA
(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 (income) 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	$ (3,182)	$ (352)	$ 6,095	$ (1,563)	$ 3,248

Critical Accounting Policies and Estimates

Please see Note 2 of Part I, Item 1 of this Quarterly Report on Form 10-Q for a summary of changes in significant accounting policies. In addition, our critical accounting policies and estimates are disclosed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2021. During the nine months ended September 30, 2022, there have been no other significant changes in our critical accounting policies and estimates.

Results of Operations

Revenue

We derive revenue primarily from the sale of our digital content delivery, video delivery, website development and acceleration, cloud security, edge compute, and origin storage services. We also generate revenue through the sale of professional services and other infrastructure services, such as transit, rack space services, and hardware to help our clients build out edge solutions.

The following table reflects our revenue for the three and nine months ended September 30, 2022, compared to the three and nine months ended September 30, 2021:

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2022	2021	$ Change	% Change	2022	2021	$ Change	% Change
Revenue	$ 121,156	$ 55,202	$ 65,954	119 %	$ 253,426	$ 154,745	$ 98,681	64 %

Our revenue increased during the three and nine months ended September 30, 2022, versus the comparable 2021 period, primarily due to the inclusion of revenue from the Edgecast Acquisition. Revenue from the Edgecast Acquisition for the three and nine months ended September 30, 2022 was $62,231 and $75,005, respectively. Our active clients worldwide increased to 996 as of September 30, 2022, compared to 581 as of September 30, 2021. The increase was primarily driven by the Edgecast Acquisition.

During the three months ended September 30, 2022 and 2021, sales to our top 20 clients accounted for approximately 74% and 77%, respectively, of our total revenue. For the nine months ended September 30, 2022 and 2021, sales to our top 20 clients accounted for approximately 69% and 76%, respectively, of our total revenue. The clients that comprised our top 20 clients change from time to time, and our large clients may not continue to be as significant going forward as they have been in the past.

During the three months ended September 30, 2022 we had two clients, Amazon and Verizon, who each represented 10% or more of our total revenue. During the nine months ended September 30, 2022 we had one client, Amazon, who represented 10% or more of our total revenue. During the three and nine months ended September 30, 2021, respectively, we had two clients, Amazon and Sony, who each represented 10% or more of our total revenue.

Revenue by geography is based on the location of the client from which the revenue is earned. The following table sets forth revenue by geographic area (in thousands and as a percentage of total revenue):

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2022		2021		2022		2021	
Americas	$ 96,135	79 %	$ 34,065	62 %	$ 181,781	72 %	$ 92,432	60 %
EMEA	6,954	6 %	6,427	12 %	18,924	7 %	20,986	14 %
Asia Pacific	18,067	15 %	14,710	26 %	52,721	21 %	41,327	26 %
Total revenue	$ 121,156	100 %	$ 55,202	100 %	$ 253,426	100 %	$ 154,745	100 %

Cost of Revenue

Cost of revenue consists primarily of fees paid to network providers for bandwidth and backbone, costs incurred for non-settlement free peering and connection to Internet service providers, and fees paid to data center operators for housing of our network equipment in third party network data centers, also known as co-location costs. Cost of revenue also includes leased warehouse space and utilities, depreciation of network equipment used to deliver our content delivery services, payroll and related costs, and share-based compensation for our network operations and professional services personnel. Other costs include hardware costs, cloud service costs, professional fees and outside services, travel and travel-related expenses, and royalty expenses.

Cost of revenue was composed of the following (in thousands and as a percentage of total revenue):

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2022		2021		2022		2021	
Bandwidth and co-location fees	$ 46,028	38.0 %	$ 22,840	41.4 %	$ 98,693	38.9 %	$ 70,763	45.7 %
Depreciation - network	9,841	8.1 %	5,685	10.3 %	20,833	8.2 %	17,293	11.2 %
Payroll and related employee costs [1]	9,009	7.4 %	3,833	6.9 %	14,572	5.8 %	12,302	7.9 %
Share-based compensation	855	0.7 %	438	0.8 %	1,589	0.6 %	1,142	0.7 %
Other costs	18,529	15.3 %	6,576	11.9 %	40,724	16.1 %	15,501	10.0 %
Total cost of revenue	$ 84,262	69.5 %	$ 39,372	71.3 %	$ 176,411	69.6 %	$ 117,001	75.6 %

[1] Includes $676 of acquisition related expenses for the three and nine months ended September 30, 2022.

Our cost of revenue increased in aggregate dollars and decreased as a percentage of total revenue for the three and nine

months ended September 30, 2022, versus the comparable 2021 period. The changes in cost of revenue were primarily a result of the following:

- Bandwidth and co-location fees increased in aggregate dollars due to continued expansion in existing and new geographies and capacity acquired with the Edgecast Acquisition. Bandwidth and co-location fees decreased as a percentage of total revenue primarily due to favorable product mix cost reductions and synergies realized from the Edgecast Acquisition.

- Depreciation expense increased in aggregate dollars due to capital equipment acquired in the Edgecast Acquisition and an increase in deployments to meet customer demand.

- Payroll and related employee costs were higher as a result of increased headcount due to the Edgecast Acquisition. We have also increased the use of third party consultants to augment direct staffing expense.

- Other costs increased for both the three and nine months ended September 30, 2022, primarily due to costs associated with increased costs of operations from our acquisition of Edgecast acquired in June 2022, a full quarter of operations from Moov Corporation acquired in September 2021, costs of hardware sold to customers, international re-seller costs, and professional fees including third party consultants. Other costs increased as a percentage of total revenue as a result of cloud service product mix costs, related to additional video streaming products included in the Edgecast Acquisition, and increased consulting fees.

General and Administrative

General and administrative expense was composed of the following (in thousands and as a percentage of total revenue):

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2022		2021		2022		2021	
Payroll and related employee costs	$ 7,175	5.9 %	$ 3,127	5.7 %	$ 17,323	6.8 %	$ 9,499	6.1 %
Professional fees and outside services	3,916	3.2 %	1,232	2.2 %	9,194	3.6 %	3,798	2.5 %
Share-based compensation	2,200	1.8 %	2,301	4.2 %	6,469	2.6 %	10,203	6.6 %
Acquisition and legal related expenses	4,723	3.9 %	2,263	4.1 %	23,997	9.5 %	2,441	1.6 %
Other costs	4,184	3.5 %	1,609	2.9 %	7,975	3.1 %	5,003	3.2 %
Total general and administrative	$ 22,198	18.3 %	$ 10,532	19.1 %	$ 64,958	25.6 %	$ 30,944	20.0 %

Our general and administrative expense increased in aggregate dollars and decreased as a percentage of total revenue for the three months ended September 30, 2022, versus the comparable 2021 period. The increase in aggregate dollars for the three months ended September 30, 2022, versus the comparable 2021 period was primarily driven by increased payroll and related employee costs, professional fees, acquisition and legal related expenses, and other costs. The increase in payroll and related employee costs was due to increased headcount as a result of the Edgecast Acquisition. Professional fees increased due to increased costs for consulting, recruiting and casual labor. The increase in acquisition and legal related expenses was the result of expenses that had been incurred in relation to the Edgecast Acquisition. Other costs increased due to increased costs for license and software fees.

Our general and administrative expense increased in both aggregate dollars and as a percentage of total revenue for the nine months ended September 30, 2022, versus the comparable 2021 period. The increase in aggregate dollars for the nine months ended September 30, 2022, versus the comparable 2021 periods was primarily driven by increased acquisition and legal related expenses, payroll and related employee costs, professional fees, and other costs, partially offset by a decrease in share based compensation. The increase in acquisition and legal related expenses was the result of expenses that have been incurred in relation to the Edgecast Acquisition. The increase in payroll and related employee costs was due to increased headcount as a result of the acquisitions of Moov and Edgecast. The increase in professional fees was due to increased costs for consulting, recruiting and casual labor. Other costs increased due to increased costs for license and software fees. The decrease in share-based compensation was the result of expense recorded in 2021 related to a transition agreement entered into between us and our former Chief Executive Officer who retired in January 2021.

We expect our general and administrative expenses for 2022 to increase in both aggregate dollars and as a percentage of total revenue primarily due to expenses supporting the Edgecast Acquisition.

Sales and Marketing

Sales and marketing expense was composed of the following (in thousands and as a percentage of total revenue):

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2022		2021		2022		2021	
Payroll and related employee costs [1]	$ 10,474	8.6 %	$ 4,111	7.4 %	$ 22,179	8.8 %	$ 15,822	10.2 %
Share-based compensation	727	0.6 %	640	1.2 %	3,284	1.3 %	1,598	1.0 %
Marketing programs	871	0.7 %	448	0.8 %	2,382	0.9 %	1,157	0.7 %
Other costs	2,356	1.9 %	788	1.4 %	5,156	2.0 %	3,042	2.0 %
Total sales and marketing	$ 14,428	11.9 %	$ 5,987	10.8 %	$ 33,001	13.0 %	$ 21,619	14.0 %

[1] Includes $292 of acquisition related expenses for the three and nine months ended September 30, 2022.

Our sales and marketing expense increased in both aggregate dollars and as a percentage of total revenue for the three months ended September 30, 2022, versus the comparable 2021 period. The increase in aggregate dollars for the three months ended September 30, 2022, versus the comparable 2021 periods was primarily driven by an increase in payroll and related employee costs, other costs, and marketing programs. The increase in payroll and related employee costs was due to increased headcount associated with the Edgecast Acquisition. The increase in other costs was mainly due to an increase in license, subscription, software, and professional fees (casual labor) as a result of increased headcount. Marketing program expenses increased due to increased trade show, and promotional and advertising costs.

Our sales and marketing expense increased in aggregate dollars and decreased as a percentage of total revenue for the nine months ended September 30, 2022, versus the comparable 2021 period. The increase in aggregate dollars for the nine months ended September 30, 2022, versus the comparable 2021 periods was primarily driven by an increase in payroll and related employee costs, other costs, share-based compensation, and marketing programs. The increase in payroll and related employee costs and the increase in share-based compensation was due to increased headcount associated with the acquisitions of Moov and Edgecast. The increase in other costs was mainly due to an increase in license, subscription, software, and professional fees (casual labor), as a result of increased headcount, partially off-set by lower facilities costs. Marketing program expenses increased due to increased trade show, and promotional and advertising costs.

We expect our sales and marketing expenses for 2022 to increase in both aggregate dollars and as a percentage of total revenue.

Research and Development

Research and development expense was composed of the following (in thousands and as a percentage of total revenue):

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2022		2021		2022		2021	
Payroll and related employee costs [1]	$ 21,211	17.5 %	$ 3,160	5.7 %	$ 31,322	12.4 %	$ 10,368	6.7 %
Share-based compensation	4,571	3.8 %	662	1.2 %	11,314	4.5 %	1,647	1.1 %
Other costs	4,391	3.6 %	1,383	2.5 %	9,275	3.7 %	4,505	2.9 %
Total research and development	$ 30,173	24.9 %	$ 5,205	9.4 %	$ 51,911	20.5 %	$ 16,520	10.7 %

[1] Includes $2,838 of acquisition related expenses for the three and nine months ended September 30, 2022.

Our research and development expense increased in both aggregate dollars and as a percentage of total revenue for the three and nine months ended September 30, 2022, versus the comparable 2021 period.

The increase in aggregate dollars during the three months ended September 30, 2022, versus the comparable 2021 periods was primarily driven by an increase in payroll and related employee costs, share-based compensation, and other costs. The increase in payroll and related employee costs and the increase in share-based compensation was due to increased headcount associated with the Edgecast Acquisition. The increase in other costs, was primarily due to increased professional fees (casual labor, consulting) and increased fees and licenses. Research and development expense increased as a percentage of total revenue as a result of increased headcount which more than doubled as a result of the Edgecast Acquisition.

The increase in aggregate dollars during the nine months ended September 30, 2022, versus the comparable 2021

periods was primarily driven by an increase in payroll and related employee costs, share-based compensation, and other costs. The increase in payroll and related employee costs and the increase in share-based compensation was due to increased headcount associated with the acquisitions of Moov and Edgecast. The increase in other costs, was primarily due to increased professional fees (casual labor, consulting) and increased fees and licenses, partially off-set by lower facilities costs. Research and development expense increased as a percentage of total revenue as a result of increased headcount which more than doubled as a result of the Edgecast Acquisition.

We expect our research and development expenses for 2022 to increase in both aggregate dollars and as a percentage of total revenue.

Depreciation and Amortization (Operating Expenses)

Depreciation expense consists of depreciation on equipment used by general administrative, sales and marketing, and research and development personnel. Amortization expense consists of amortization of acquired intangible assets.

Depreciation and amortization expense was $6,051, or 5.0% of revenue, for the three months ended September 30, 2022, versus $730, or 1.3% of revenue, for the comparable 2021 period. Depreciation and amortization expense was $8,591, or 3.4% of revenue, for the nine months ended September 30, 2022, versus $1,818, or 1.2% of revenue, for the comparable 2021 period.

The increase in depreciation and amortization expense for the three and nine months ended September 30, 2022, versus the comparable 2021 period was primarily due to the amortization of intangible assets acquired in our business combination in June 2022. For the three ended September 30, 2022 and 2021, amortization of intangibles was approximately $4,917 and $321, respectively. For the nine months ended September 30, 2022 and 2021, amortization of intangibles was approximately $6,875 and $321, respectively.

Restructuring Charges

The restructuring charge for the three and nine months ended September 30, 2022, was the result of management's commitment to restructure certain parts of the company to focus on cost efficiencies, improved growth and profitability, and align our workforce and facility requirements with our continued investment in the business. As a result, we are incurring certain charges for facilities, right of use assets, outside service contracts, and professional fees. Please refer to Note 11 “Restructuring Charges” of the Notes to Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q. We expect to incur approximately $2,000 of additional restructure charges primarily for consulting fees to restructure our datacenter architecture over the next 18 months.

Interest Expense

Interest expense was $1,317 for the three months ended September 30, 2022, versus $1,308 for the comparable 2021 period. For the nine months ended September 30, 2022, interest expense was $3,945 versus $3,899 for the comparable 2021 period. Interest expense includes expense associated with the issuance of our senior convertible notes in July 2020 and fees associated with the Loan and Security Agreement (as amended, the “Credit Agreement”) with Silicon Valley Bank (“SVB”) originally entered into in November 2015.

Interest Income

Interest income was $140 for the three months ended September 30, 2022, versus $17 for the comparable 2021 period. For the nine months ended September 30, 2022, interest income was $200 versus $104 for the comparable 2021 period. Interest income includes interest earned on invested cash balances and marketable securities.

Other Income (Expense)

Other expense was $1,082 for the three months ended September 30, 2022, versus other expense of $209 for the comparable 2021 period. For the nine months ended September 30, 2022, other expense was $2,941 versus other expense of $864 for the comparable 2021 period. For the three and nine months ended September 30, 2022, other expense consisted primarily of foreign currency transaction gains and losses. For the three and nine months ended September 30, 2021, other income (expense) consisted primarily of foreign currency transaction gains and losses, legal settlement, and the gain (loss) on sale of fixed assets.

Income Tax Expense (Benefit)

Based on an estimated annual effective tax rate and discrete items, the estimated income tax (benefit) expense for the three months ended September 30, 2022 was $440, versus $211 for the comparable 2021 period. For the nine months ended September 30, 2022, income tax (benefit) expense was $(18,943), versus $718 for the comparable 2021 period. Income tax (benefit) expense on our income (loss) before income taxes was different than the statutory income tax rate primarily due to the partial release of a valuation allowance due to the Edgecast Acquisition and Edgecast's net deferred tax liabilities, and recording of state and foreign tax expense for the quarter. The effective income tax rate is based primarily upon forecasted income or loss for the year, the composition of the income or loss in different countries, and adjustments, if any, for the potential tax consequences, benefits or resolutions for tax audits.

Liquidity and Capital Resources

As of September 30, 2022, our cash, cash equivalents, and marketable securities classified as current totaled $70,750. Included in this amount is approximately $17,573 of cash and cash equivalents held outside the United States. Changes in cash, cash equivalents and marketable securities are dependent upon changes in, among other things, working capital items such as deferred revenues, accounts payable, accounts receivable, accrued provision for litigation, and various accrued expenses, as well as purchases of property and equipment and changes in our capital and financial structure due to debt repurchases and issuances, stock option exercises, sales of equity investments, and similar events.

Cash from operations could also be affected by various risks and uncertainties, including, but not limited to, the effects of the COVID-19 pandemic and other risks detailed in Part II, Item 1A titled “Risk Factors”. However, we believe that our existing cash, cash equivalents, and marketable securities, and available borrowing capacity will be sufficient to meet our anticipated cash needs for at least the next 12 months. If the assumptions underlying our business plan regarding future revenue and expenses change or if unexpected opportunities or needs arise, we may seek to raise additional cash by selling equity or debt securities.

The major components of changes in cash flows for the nine months ended September 30, 2022 and 2021, are discussed in the following paragraphs.

Operating Activities

Net cash used in operating activities was $21,755 for the nine months ended September 30, 2022, versus net cash used in operating activities of $7,330 for the comparable 2021 period, an increase in net cash used of $14,425. Changes in operating assets and liabilities totaled $21,209 during the nine months ended September 30, 2022, versus $3,649 in the comparable 2021 period, were primarily due to:

- accounts receivable increased $33,136 during the nine months ended September 30, 2022, as a result of trade accounts receivable related to Edgecast customers recognized after June 15, 2022 as well as timing of collections as compared to a $13,037 increase in the comparable 2021 period;
- accounts payable and other current liabilities increased $52,437 during the nine months ended September 30, 2022, versus an increase of $8,163 for the comparable 2021 period primarily due to accrued cost of sales, accounts payable accruals, and increased compensation and benefit costs related to the Edgecast Acquisition incurred after June 15, 2022.

Cash from operating activities may not be sufficient to cover new purchases of property and equipment during the remainder of 2022 and beyond. The timing and amount of future working capital changes and our ability to manage our days sales outstanding will also affect the future amount of cash used in or provided by operating activities.

Investing Activities

Net cash provided by investing activities was $35,807 for the nine months ended September 30, 2022, versus net cash used in investing activities of $3,496 for the comparable 2021 period. For the nine months ended September 30, 2022, net cash provided by investing activities was related to cash received from the sale and maturities of marketable securities and cash acquired in the Edgecast Acquisition, partially offset by capital expenditures, primarily for servers and network equipment associated with the build-out and expansion of our global computing platform, and from purchases of marketable securities. For the nine months ended September 30, 2021, net cash used in investing activities was related to the purchase of marketable securities, the Moov acquisition, and capital expenditures primarily for servers and network equipment associated with the build-out and expansion of our global computing platform, offset by cash received from the sale and maturities of marketable securities.

We expect to have ongoing capital expenditure requirements as we continue to invest in and expand our network. During the nine months ended September 30, 2022, we made capital expenditures of $20,516, which represented approximately 8% of our total revenue. We currently expect capital expenditures in 2022 to be slightly less than 10% of revenue, as we continue to increase the capacity of our global network and re-fresh our systems.

Financing Activities

Net cash provided by financing activities was $5,990 for the nine months ended September 30, 2022, versus net cash provided by financing activities of $4,115 for the comparable 2021 period. Net cash provided by financing activities in the nine months ended September 30, 2022, primarily relates to cash received from the exercise of stock options of $9,361, partially offset by the payments of employee tax withholdings related to the net settlement of vested restricted stock units of $3,371.

Net cash provided by financing activities in the nine months ended September 30, 2021, primarily relates to cash received from the exercise of stock options and our employee stock purchase plan of $5,460, partially offset by the payments of employee tax withholdings related to the net settlement of vested restricted stock units of $1,315.

Convertible Senior Notes and Capped Call Transactions

In July 2020, we issued $125,000 aggregate principal amount of 3.50% Convertible Senior Notes due 2025 (the "Notes"), with an initial conversion rate of 117.2367 shares of our common stock (equal to an initial conversion rate of $8.53 per share), subject to adjustment in some events. The Notes will be senior, unsecured obligations of ours and will be equal in right of payment with our senior, unsecured indebtedness; senior in right of payment to our indebtedness that is expressly subordinated to the Notes; effectively subordinated to our senior, secured indebtedness, including future borrowings, if any, under our $20,000 credit facility with SVB, to the extent of the value of the collateral securing that indebtedness; and structurally subordinated to all indebtedness and other liabilities, including trade payables, and (to the extent we are not a holder thereof) preferred equity, if any, of our subsidiaries. The Notes are governed by an indenture (the "Indenture") between us, as the issuer, and U.S. Bank, National Association, as trustee. The Indenture does not contain any financial covenants.

The Notes mature on August 1, 2025, unless earlier converted, redeemed or repurchased in accordance with their term prior to the maturity date. Interest is payable semiannually in arrears on February 1 and August 1 of each year, beginning on February 1, 2021. We may not redeem the Notes prior to August 4, 2023.

On or after August 4, 2023, and on or before the 40th scheduled trading day immediately before the maturity date, we may redeem for cash all or any portion of the Notes if the last reported sale price of our common stock has been at least 130% of the conversion price then in effect for at least 20 trading days (whether or not consecutive), including the trading day immediately preceding the date on which we provide notice of redemption, during any 30 consecutive trading day period ending on, and including, the trading day immediately preceding the date on which we provide notice of redemption. The redemption price will equal 100% of the principal amount of the Notes being redeemed, plus accrued and unpaid interest to, but excluding, the redemption date. No sinking fund is provided for the Notes.

As of September 30, 2022, the conditions allowing holders of the Notes to convert had not been met and therefore the Notes are not yet convertible.

In connection with the offering of the Notes, we also entered into privately negotiated capped call transactions (collectively, the "Capped Calls"). The Capped Calls have an initial strike price of approximately $8.53 per share, subject to certain adjustments, which corresponds to the initial conversion price of the Notes. The Capped Calls have an initial cap price of $13.38 per share, subject to certain adjustments. The capped call transactions cover, subject to anti-dilution adjustments, approximately 14.7 million shares of our common stock and are expected to offset the potential economic dilution to our common stock up to the initial cap price.

Line of Credit

In November 2015 we entered into the Credit Agreement with SVB. The maximum principal commitment amount at September 30, 2022 was $20,000. Our borrowing capacity is the lesser of the commitment amount or 80% of eligible accounts receivable.

As of September 30, 2022, borrowings under the Credit Agreement bear interest at the current prime rate minus 0.25%. In the event of default, obligations shall bear interest at a rate per annum which is 3% above the then applicable rate. As of September 30, 2022, and December 31, 2021, we had no outstanding borrowings, and we had availability under the Credit Agreement of $20,000 and $20,000, respectively.

Since inception, there have been nine amendments to the Credit Agreement, with the most recent amendment effective November 2, 2022 when the previous amendment expired. The maximum principal commitment amount under the amended Credit Agreement is $50,000 with a maturity date of April 2, 2025.

Financial Covenants and Borrowing Limitations

The Credit Agreement requires, and any future credit facilities will likely require, us to comply with specified financial requirements that may limit the amount we can borrow. A breach of any of these covenants could result in a default. Our ability to satisfy those covenants depends principally upon our ability to meet or exceed certain financial performance results. Any debt agreements we enter into in the future may further limit our ability to enter into certain types of transactions.

We are required to maintain an Adjusted Quick Ratio of at least 1.0 to 1.0. We are also subject to certain customary limitations on our ability to, among other things, incur debt, grant liens, make acquisitions and other investments, make certain restricted payments such as dividends, dispose of assets or undergo a change in control. As of September 30, 2022, we were in compliance with our covenant under the Credit Agreement. As long as our Adjusted Quick Ratio remains above 1.5 to 1, we no longer are required to submit quarterly borrowing base reports.

For a more detailed discussion regarding our Credit Agreement, please refer to Note 10 "Debt - Line of Credit" of the Notes to Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

We may be prevented from taking advantage of business opportunities that arise because of the limitations imposed on us by restrictive covenants within the Credit Agreement. These restrictions may also limit our ability to plan for or react to market conditions, meet capital needs or otherwise restrict our activities or business plans and adversely affect our ability to finance our operations, enter into acquisitions, execute our business strategy, effectively compete with companies that are not similarly restricted or engage in other business activities that would be in our interest. In the future, we may also incur debt obligations that might subject us to additional and different restrictive covenants that could affect our financial and operational flexibility. We cannot assure you that we will be granted waivers or amendments to the indenture governing the Credit Agreement, or such other debt obligations if for any reason we are unable to comply with our obligations thereunder or that we will be able to refinance our debt on acceptable terms, or at all, should we seek to do so. Any such limitations on borrowing under the Credit Agreement, including payments related to litigation, could have a material adverse impact on our liquidity and our ability to continue as a going concern could be impaired.

Share Repurchases

On March 14, 2017, our board of directors authorized a $25,000 share repurchase program. Any shares repurchased under this program will be canceled and returned to authorized but unissued status. During the nine months ended September 30, 2022 and 2021, we did not repurchase any shares under the repurchase program. As of September 30, 2022, there remained $21,200 under this share repurchase program.

Contractual Obligations, Contingent Liabilities, and Commercial Commitments

In the normal course of business, we make certain long-term commitments for right-of-use ("ROU") assets, (primarily office facilities) and purchase commitments for bandwidth and computer rack space. These commitments expire on various dates ranging from 2022 to 2030. We expect that the growth of our business will require us to continue to add to and increase our ROU assets and long-term commitments in 2022 and beyond. As a result of our growth strategies, we believe that our liquidity and capital resources requirements will grow.

The following table presents our contractual obligations and commercial commitments, as of September 30, 2022, over the next five years and thereafter:

	Payments Due by Period				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Purchase Commitments					
Bandwidth commitments	$ 109,305	$ 45,311	$ 41,152	$ 22,442	$ 400
Rack space commitments	22,806	16,910	5,896	—	—
Total purchase commitments	132,111	62,221	47,048	22,442	400
Right-of-use assets and other operating leases	17,366	5,534	4,638	2,951	4,243
Total commitments	$ 149,477	$ 67,755	$ 51,686	$ 25,393	$ 4,643

Off Balance Sheet Arrangements

As of September 30, 2022, we are not involved in any off-balance sheet arrangements.

Item 3. *Quantitative and Qualitative Disclosures about Market Risk*

Interest Rate Risk

Our exposure to market risk for changes in interest rates relates primarily to our debt and investment portfolio. In our investment portfolio, we do not use derivative financial instruments. Our investments are primarily with our commercial and investment banks and, by policy, we limit the amount of risk by investing primarily in money market funds, United States Treasury obligations, high quality corporate and municipal obligations, and certificates of deposit. Interest expense on our line of credit is at the current prime rate minus 0.25%. In the event of default, obligations shall bear interest at a rate per annum which is 3% above the then applicable rate. An increase in interest rates of 100 basis points would add $10 of interest expense per year, to our financial position or results of operations, for each $1,000 drawn on the line of credit. As of September 30, 2022, there were no outstanding borrowings against the line of credit.

Foreign Currency Risk

We operate in the Americas, EMEA, and Asia-Pacific. As a result of our international business activities, our financial results could be affected by factors such as changes in foreign currency exchange rates or economic conditions in foreign markets, and there is no assurance that exchange rate fluctuations will not harm our business in the future. We have foreign currency exchange rate exposure on our results of operations as it relates to revenues and expenses denominated in foreign currencies. A portion of our cost of revenues and operating expenses are denominated in foreign currencies as are our revenues associated with certain international clients. To the extent that the U.S. dollar weakens, similar foreign currency denominated transactions in the future will result in higher revenues and higher cost of revenues and operating expenses, with expenses having the greater impact on our financial results. Similarly, our revenues and expenses will decrease if the U.S. dollar strengthens against these foreign currencies. Although we will continue to monitor our exposure to currency fluctuations, and, where appropriate, may use financial hedging techniques in the future to minimize the effect of these fluctuations, we are not currently engaged in any financial hedging transactions. Assuming a 10% weakening of the U.S. dollar relative to our foreign currency denominated revenues and expenses, our net loss for the year ended December 31, 2021, would have been higher by approximately $4,128, and our net loss for the nine months ended September 30, 2022, would have been higher by approximately $3,130. There are inherent limitations in the sensitivity analysis presented, primarily due to the assumption that foreign exchange rate movements across multiple jurisdictions are similar and would be linear and instantaneous. As a result, the analysis is unable to reflect the potential effects of more complex markets or other changes that could arise, which may positively or negatively affect our results of operations.

Inflation Risk

Inflation rates throughout the world have increased from prior years. If we cannot increase our revenue through traffic growth or pricing changes to offset cost increases our financial condition and results of operations could be negatively impacted.

Credit Risk

During any given fiscal period, a relatively small number of clients typically account for a significant percentage of our revenue. For the three months ended September 30, 2022 and 2021, sales to our top 20 clients accounted for approximately 74% and 77%, respectively, of our total revenue. During the three months ended September 30, 2022, we had two clients, Amazon and Verizon, who each represented more than 10% of our total revenue. During the three months ended September 30, 2021, we had two clients, Amazon and Sony, who each represented more than 10% of our total revenue. For the nine months ended September 30, 2022 and 2021, sales to our top 20 clients accounted for approximately 69% and 76%, respectively, of our total revenue. During the nine months ended September 30, 2022, we had one client, Amazon, who represented more than 10% of our total revenue. During the three and nine months ended September 30, 2021, we had two clients, Amazon and Sony, who each represented more than 10% of our total revenue.

In 2022, we anticipate that our top 20 client concentration levels will remain consistent with 2021. In the past, the clients that comprised our top 20 clients have continually changed, and our large clients may not continue to be as significant going forward as they have been in the past.

Item 4. *Controls and Procedures*

We are responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in SEC Rules 13a-15(e) and 15d-15(e). We maintain disclosure controls and procedures, as such term is defined in SEC Rules 13a-15(e) and 15d-15(e), that are designed to ensure that information required to be disclosed in our reports under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow for timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As required by SEC Rule 13a-15(b), we carried out an evaluation, under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of September 30, 2022. Based on the foregoing, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective at the reasonable assurance level.

In June 2022, we completed the acquisition of Edgecast which operated under its own set of systems and internal controls. During the nine months ended September 30, 2022, we transitioned certain of Edgecast's processes to our internal control processes and added other internal controls over significant processes specific to the acquisition and to post-acquisition activities, including internal controls associated with the valuation of certain assets acquired and liabilities assumed in the transaction and the process of consolidating the Edgecast business into our financial statements. We will continue the process of incorporating and aligning the internal control over financial reporting of Edgecast, into our internal control over financial reporting.

There were no other changes in our internal control over financial reporting, as defined in SEC Rules 13a-15(f) and 15d-15(f), during the nine months ended September 30, 2022, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. *Legal Proceedings*

For a description of our material pending legal proceedings, please refer to Note 12 “Contingencies - Legal Matters” of the Notes to Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q, which is incorporated herein by reference.

Item 1A. *Risk Factors*

Investing in our common stock involves a high degree of risk. You should carefully consider the risks and uncertainties described below, together with all of the other information in this Quarterly Report on Form 10-Q, including the section titled “Management's Discussion and Analysis of Financial Condition and Results of Operations” in Part I, Item II, and our consolidated financial statements and related notes, before making a decision to invest in our common stock. The risks and uncertainties described below may not be the only ones we face. If any of the risks actually occur, our business, financial condition, operating results and prospects could be materially and adversely affected. In that event, the market price of our common stock could decline, and you could lose part or all of your investment. All information is presented in thousands, except per share amounts, client count, head count and where specifically noted.

Summary of Risk Factors

Our business is subject to numerous risks and uncertainties, including those highlighted in this section titled “Risk Factors” and summarized below. We have various categories of risks, including risks relating to our industry dynamics and competition; operations; clients and demand for our services; management of our human capital; intellectual property, litigation and regulatory concerns; effects of the COVID-19 pandemic; strategic transactions; and general risks associated with ownership of our common stock, which are discussed more fully below. As a result, this risk factor summary does not contain all of the information that may be important to you, and you should read this risk factor summary together with the more detailed discussion of risks and uncertainties set forth following this section under the heading “Risk Factors,” as well as elsewhere in this Quarterly Report on Form 10-Q. Additional risks, beyond those summarized below or discussed elsewhere in this Quarterly Report on Form 10-Q, may apply to our business, activities or operations as currently conducted or as we may conduct them in the future or in the markets in which we operate or may in the future operate. These risks include, but are not limited to, the following:

- If we are unable to develop, improve, and expand our new services, to extend enhancements to the existing portfolio of services that we offer, or if we fail to predict and respond to emerging technological trends and clients' changing needs, our operating results and market share may suffer.
- We currently face competition from established competitors and may face competition from others in the future.
- Any unplanned interruption or degradation in the functioning or availability of our network or services, or attacks on or disruptions to our internal information technology systems, could lead to increased costs, a significant decline in our revenue, and harm to our reputation.
- If we are unable to sell our services at acceptable prices relative to our costs, our revenue and gross margins will decrease, and our business and financial results will suffer.
- Our operations are dependent in part upon communications capacity provided by third party telecommunications providers. A material disruption of the communications capacity could harm our results of operations, reputation and client relations.
- Our business depends on continued and unimpeded access to third party-controlled end-user access networks.
- We depend on a limited number of clients for a substantial portion of our revenue in any fiscal period, and the loss of, or a significant shortfall in demand from, these clients could significantly harm our results of operations.
- Many of our significant current and potential clients are pursuing emerging or unproven business models, which, if unsuccessful, or ineffective at monetizing delivery of their content, could lead to a substantial decline in demand for our content delivery and other services.
- If we are unable to attract new clients or to retain our existing clients, or revenue could be lower than expected and our operating results may suffer.
- If we are unable to retain our key employees and hire qualified personnel, our ability to compete could be harmed.
- If we are not successful in completing pending acquisitions, or integrating completed acquisitions in a timely manner, we may be required to reevaluate our business strategy, and we may incur substantial expenses and devote significant management time and resources without a productive result.
- Our business may be adversely affected if we are unable to protect our intellectual property rights from unauthorized use or infringement by third parties.

- We need to defend our intellectual property and processes against patent or copyright infringement claims, which may cause us to incur substantial costs and threaten our ability to do business.
- The effects of the COVID-19 pandemic have materially affected how we and our clients are operating our businesses, and the duration and extent to which this will impact our future results of operations and overall financial performance remains uncertain.
- Our indebtedness and liabilities could limit the cash flow available for our operations, expose us to risks that could adversely affect our business, financial condition, and results of operations and impair our ability to satisfy our obligations under the Notes.
- The trading price of our common stock has been, and is likely to continue to be, volatile.
- Our results of operations may fluctuate in the future. As a result, we may fail to meet or exceed the expectations of securities analysts or investors, which could cause our stock price to decline.
- We have a history of losses, and we may not achieve or maintain profitability in the future.

Risks Related to Industry Dynamics and Competition

We currently face competition from established competitors and may face competition from others in the future.

We compete in markets that are intensely competitive, where differentiation is primarily measured by performance and cost where the difference between providers can be as small as a fraction of a percent or penny. In these markets, vendors offer a wide range of alternate solutions, and in a multi-CDN environment, our clients can route traffic to us, or away from us, within seconds, and at minimal costs. This naturally results in on-going price compression, and increased competition on features, functionality, integration and other factors. Several of our current competitors, as well as a number of our potential competitors, have longer operating histories, greater name recognition, broader client relationships and industry alliances, and substantially greater financial, technical and marketing resources than we do. As a consequence of the hyper competitive dynamics in our markets, we have experienced price compression, and an increased requirement for product advancement and innovation in order to remain competitive, which in turn have adversely affected and may continue to adversely affect our revenue, gross margin and operating results.

Our primary competitors for our services include, among others, Akamai, Lumen Technologies, Amazon, Fastly, and StackPath. In addition, a number of companies have recently entered or are currently attempting to enter our market, either directly or indirectly. These new entrants include companies that have built internal content delivery networks to solely deliver their own traffic, rather than relying solely, largely or in part on content delivery specialists, such as us. Some of these new entrants may become significant competitors in the future. Given the relative ease by which clients typically can switch among service providers in a multi-CDN environment, differentiated offerings or pricing by competitors could lead to a rapid loss of clients. Some of our current or potential competitors may bundle their offerings with other services, software or hardware in a manner that may discourage content providers from purchasing the services that we offer. In addition, we face different market characteristics and competition with local content delivery service providers as we expand internationally. Many of these international competitors are very well positioned within their local markets. Increased competition could result in price reductions and revenue shortfalls, loss of clients and loss of market share, which could harm our business, financial condition and results of operations.

If we are unable to develop, improve, and expand our new services, to extend enhancements to the existing portfolio of services that we offer, or if we fail to predict and respond to emerging technological trends and clients' changing needs, our operating results and market share may suffer.

The market for our services is characterized by rapidly changing technology, evolving industry standards, and new product and service introductions. Our operating results depend on our ability to help our clients deliver better digital experiences to their customers, understand user preferences, and predict industry changes. Our operating results also depend on our ability to improve and expand our solutions and services on a timely basis, and develop and extend new services into existing and emerging markets. This process is complex and uncertain. We must commit significant resources to improving and expanding our existing services before knowing whether our investments will result in services the market will accept. Furthermore, we may not successfully execute our initiatives because of errors in planning or timing, technical hurdles that we fail to overcome in a timely fashion, misunderstandings about market demand or a lack of appropriate resources. As prices for our core services fall, we will increasingly rely on new capabilities, product offerings, and other service offerings to maintain or increase our gross margins. Failures in execution, delays in improving and expanding our services, failures to extend our service offerings, or a market that does not accept the services and capabilities we introduce could result in competitors providing more differentiation than we do, which could lead to loss of market share, revenue, and earnings.

Risks Relating to Our Operations

Any unplanned interruption or degradation in the functioning or availability of our network or services, or attacks on or disruptions to our internal information technology systems, could lead to increased costs, a significant decline in our revenue, and harm to our reputation.

Our business is dependent on providing our clients with an exceptional digital experience that is fast, efficient, safe, and reliable, every minute of every day. Our services could be disrupted by numerous events, including natural disasters, failure or refusal of our third-party network providers to provide the necessary capacity or access, failure of our software or global network infrastructure and power losses. In addition, we deploy our servers in third-party co-location facilities, and these third-party co-location providers could experience system outages or other disruptions that could constrain our ability to deliver our services.

We may also experience business disruptions caused by security incidents, such as software viruses and malware, unauthorized hacking, DDoS attacks, security system control failures in our own systems or from vendors we or our clients use, email phishing, software vulnerabilities, social engineering, or other cyberattacks. These types of security incidents have been increasing in sophistication and frequency and sometimes result in the unauthorized access to or use of, and/or loss of intellectual property, client or employee data, trade secrets, or other confidential information. The economic costs to us to eliminate or alleviate cyber or other security problems, viruses, worms, malicious software programs, and other security vulnerabilities could be significant, and our efforts to address these problems may not be successful and could result in interruptions, delays, cessation of service, and loss of existing or potential clients.

Any material interruption or degradation in the functioning of our services for any reason could reduce our revenue and harm our reputation with existing and potential clients, and thus adversely impact our business and results of operations. This is true even if such interruption or degradation was for a relatively short period of time, but occurred during the streaming of a significant live event, launch by a client of a new streaming service, or the launch of a new video-on-demand offering.

If we are unable to sell our services at acceptable prices relative to our costs, our revenue and gross margins will decrease and our business and financial results will suffer.

Our once innovative and highly valued content delivery service has become commoditized in its current form and we are often in a multi-CDN supplier environment, where our clients can route traffic to us, or away from us, within seconds. This naturally results in on-going price compression. Simultaneously, we invest significant amounts in purchasing capital equipment as part of our effort to increase the capacity of our global network. Our investments in our infrastructure are based upon our assumptions regarding future demand, anticipated network utilization, as well as prices that we will be able to charge for our services. These assumptions may prove to be wrong. If the price that we are able to charge clients to deliver their content falls to a greater extent than we anticipate, if we over-estimate future demand for our services, are unable to achieve an acceptable rate of network utilization, or if our costs to deliver our services do not fall commensurate with any future price declines, we may not be able to achieve acceptable rates of return on our infrastructure investments, and our gross profit and results of operations may suffer dramatically.

As we further expand our global network and services, and as we refresh our network equipment, we are dependent on significant future growth in demand for our services to justify additional capital expenditures. If we fail to generate significant additional demand for our services, our results of operations will suffer, and we may fail to achieve planned or expected financial results. There are numerous factors that could, alone or in combination with other factors, impede our ability to increase revenue, moderate expenses, or maintain gross margins, including:

- continued price declines arising from significant competition;
- increasing settlement fees for certain peering relationships;
- failure to increase sales of our services;
- increases in electricity, bandwidth and rack space costs or other operating expenses, and failure to achieve decreases in these costs and expenses relative to decreases in the prices we can charge for our services and products;
- failure of our current and planned services and software to operate as expected;
- loss of any significant or existing clients at a rate greater than our increase in sales to new or existing clients;
- failure to increase sales of our services to current clients as a result of their ability to reduce their monthly usage of our services to their minimum monthly contractual commitment;
- failure of a significant number of clients to pay our fees on a timely basis or at all or to continue to purchase our services in accordance with their contractual commitments; and
- inability to attract high quality clients to purchase and implement our current and planned services.

A significant portion of our revenue is derived collectively from our video delivery, cloud security, edge compute, origin storage, and support services. These services tend to have higher gross margins than our content delivery services. We

may not be able to achieve the growth rates in revenue from such services that we or our investors expect or have experienced in the past. If we are unable to achieve the growth rates in revenue that we expect for these service offerings, our revenue and operating results could be significantly and negatively affected.

Our ability to use our net operating losses to offset future taxable income may be subject to certain limitations.

Our ability to use our net operating losses to offset future taxable income may be subject to certain limitations. As of December 31, 2021, we had federal and state net operating loss carryforwards, or NOLs, of $278,300 and $183,600, respectively, due to prior period losses. In general, under Section 382 of the Internal Revenue Code of 1986, as amended, or the Code, a corporation that undergoes an "ownership change" can be subject to limitations on its ability to utilize its NOLs to offset future taxable income. Our existing NOLs may be subject to limitations arising from past ownership changes. Future changes in our stock ownership, some of which are outside of our control, could result in an ownership change under Section 382 of the Code. In addition, under the Tax Cuts and Jobs Act (the "Tax Act"), the amount of post 2017 NOLs that we are permitted to deduct in any taxable year is limited to 80% of our taxable income in such year, where taxable income is determined without regard to the NOL deduction itself. In addition, the Tax Act generally eliminates the ability to carry back any NOL to prior taxable years, while allowing post 2017 unused NOLs to be carried forward indefinitely. There is a risk that due to changes under the Tax Act, regulatory changes, or other unforeseen reasons, our existing NOLs could expire or otherwise be unavailable to offset future income tax liabilities. For these reasons, we may not be able to realize a tax benefit from the use of our NOLs, whether or not we attain profitability.

We may have difficulty scaling and adapting our existing architecture to accommodate increased traffic and technology advances or changing business requirements. This could lead to the loss of clients and cause us to incur unexpected expenses to make network improvements.

Our services and solutions are highly complex and are designed to be deployed in and across numerous large and complex networks. Our global network infrastructure has to perform well and be reliable for us to be successful. We will need to continue to invest in infrastructure and client success to account for the continued growth in traffic (and the increased complexity of that traffic) delivered via networks such as ours. We have spent and expect to continue to spend substantial amounts on the purchase and lease of equipment and data centers and the upgrade of our technology and network infrastructure to handle increased traffic over our network, implement changes to our network architecture and integrate existing solutions and to roll out new solutions and services. For example, during 2021, we increased our network capacity by more than 20% to over 108 terabits per second through software enhancements and hardware additions. This expansion is expensive and complex and could result in inefficiencies, operational failures or defects in our network and related software. If we do not implement such changes or expand successfully, or if we experience inefficiencies and operational failures, the quality of our solutions and services and user experience could decline. Cost increases or the failure to accommodate increased traffic or these evolving business demands without disruption could harm our operating results and financial condition. For example, supply chain disruptions due to the ongoing COVID-19 pandemic, natural disasters, increased demand, and political unrest (among other reasons) impact, and will likely continue to impact, our ability to procure equipment for upgrades, replacement parts, and network expansion within our expected price range or in extreme cases, at all. Global supply chain issues also affect our ability to timely deploy equipment, such as servers and other components required to keep our network up-to-date and growing to meet our clients' needs. Such delays in procuring and deploying the equipment required for our network could affect the quality and delivery time of services to our existing clients and prevent us from acquiring the network equipment needed to expand our business. Also, from time to time, we have needed to correct errors and defects in our software or in other aspects of our network. In the future, there may be additional errors and defects that may harm our ability to deliver our services, including errors and defects originating with third party networks or software on which we rely. These occurrences could damage our reputation and lead to the loss of current and potential clients, which would harm our operating results and financial condition.

Rapid increase in the use of mobile and other devices to access the Internet present significant development and deployment challenges.

The number of people who access the Internet through devices other than PCs, including mobile devices, game consoles, and television set-top devices continues to increase dramatically. The capabilities of these devices are advancing exponentially, and the increasing need to provide a high-quality video experience will present us with significant challenges. If we are unable to deliver our service offerings to a substantial number of alternative device users and at a high quality, or if we are slow to develop services and technologies that are more compatible with these devices, we may fail to capture a significant share of an important portion of the market. Such a failure could limit our ability to compete effectively in an industry that is rapidly growing and changing, which, in turn, could cause our business, financial condition and results of operations to suffer.

Our operations are dependent in part upon communications capacity provided by third party telecommunications providers. A material disruption of the communications capacity could harm our results of operations, reputation and client relations.

We enter into arrangements for private line capacity for our backbone from third party providers. Our contracts for private line capacity generally have terms of three to four years. The communications capacity may become unavailable for a variety of reasons, such as physical interruption, technical difficulties, contractual disputes, or the financial health of our third party providers. Also, industry consolidation among communications providers could result in fewer viable market alternatives, which could have an impact on our costs of providing services. Alternative providers are currently available; however, it could be time consuming and expensive to promptly identify and obtain alternative third party connectivity. Additionally, as we grow, we anticipate requiring greater private line capacity than we currently have in place. If we are unable to obtain such capacity from third party providers on terms commercially acceptable to us or at all, our business and financial results would suffer. Similarly, if we are unable to timely deploy enough network capacity to meet the needs of our client base or effectively manage the demand for our services, our reputation and relationships with our clients would be harmed, which, in turn, could harm our business, financial condition and results of operations.

We face risks associated with international operations that could harm our business.

We have operations in numerous foreign countries and may continue to expand our sales and support organizations internationally. As part of our business strategy, we intend to expand our international network infrastructure. Expansion could require us to make significant expenditures, including the hiring of local employees or resources, in advance of generating any revenue. As a consequence, we may fail to achieve profitable operations that will compensate our investment in international locations. We are subject to a number of risks associated with international business activities that may increase our costs, lengthen our sales cycle and require significant management attention. These risks include, but are not limited to:

- increased expenses associated with sales and marketing, deploying services and maintaining our infrastructure in foreign countries;
- competition from local service providers, many of which are very well positioned within their local markets;
- challenges caused by distance, language, and cultural differences;
- unexpected changes in regulatory requirements preventing or limiting us from operating our global network or resulting in unanticipated costs and delays;
- interpretations of laws or regulations that would subject us to regulatory supervision or, in the alternative, require us to exit a country, which could have a negative impact on the quality of our services or our results of operations;
- legal systems that may not adequately protect contract and intellectual property rights, policies, and taxation, the physical infrastructure of the country;
- potential political turmoil;
- longer accounts receivable payment cycles and difficulties in collecting accounts receivable;
- corporate and personal liability for violations of local laws and regulations;
- currency exchange rate fluctuations and repatriation of funds;
- potentially adverse tax consequences;
- credit risk and higher levels of payment fraud; and
- foreign exchange controls that might prevent us from repatriating cash earned outside the United States.

There can be no assurance that these international risks will not materially adversely affect our business. Should there be significant productivity losses, or if we become unable to conduct operations in international locations in the future, and our contingency plans are unsuccessful in addressing the related risks, our business could be adversely affected.

Our business depends on continued and unimpeded access to third party controlled end-user access networks.

Our services depend on our ability to access certain end-user access networks in order to complete the delivery of rich media and other online content to end-users. Some operators of these networks may take measures that could degrade, disrupt or increase the cost of our or our clients' access to certain of these end-user access networks. Such measures may include restricting or prohibiting the use of their networks to support or facilitate our services, or charging increased fees to us, our clients or end-users in connection with our services. In 2015, the U.S. Federal Communications Commission (the "FCC") released network neutrality and open Internet rules that reclassified broadband Internet access services as a telecommunications service subject to some elements of common carrier regulation. Among other things, the FCC order prohibited blocking or discriminating against lawful services and applications and prohibited "paid prioritization," or providing faster speeds or other benefits in return for compensation. In 2017, the FCC overturned these rules. As a result, we or our clients could experience increased cost or slower data on these third-party networks. If we or our clients experience increased cost in delivering content to end users, or otherwise, or if end users perceive a degradation of quality, our business and that of our clients may be significantly harmed. This or other types of interference could result in a loss of existing clients, increased costs and impairment of our ability to attract new clients, thereby harming our revenue and growth.

In addition, the performance of our infrastructure depends in part on the direct connection of our network to a large number of end-user access networks, known as peering, which we achieve through mutually beneficial cooperation with these

networks. In some instances, network operators charge us for the peering connections. If, in the future, a significant percentage of these network operators elected to no longer peer with our network or peer with our network on less favorable economic terms, then the performance of our infrastructure could be diminished, our costs could increase and our business could suffer.

We use certain "open-source" software, the use of which could result in our having to distribute our proprietary software, including our source code, to third parties on unfavorable terms, which could materially affect our business.

Certain of our service offerings use software that is subject to open-source licenses. Open-source code is software that is freely accessible, usable and modifiable. Certain open-source code is governed by license agreements, the terms of which could require users of such open-source code to make any derivative works of such open-source code available to others on unfavorable terms or at no cost. Because we use open-source code, we may be required to take remedial action to protect our proprietary software. Such action could include replacing certain source code used in our software, discontinuing certain of our products or features or taking other actions that could divert resources away from our development efforts.

In addition, the terms relating to disclosure of derivative works in many open-source licenses are unclear. We periodically review our compliance with the open-source licenses we use and do not believe we will be required to make our proprietary software freely available. Nevertheless, if a court interprets one or more such open-source licenses in a manner that is unfavorable to us, we could be required to make some components of our software available at no cost, which could materially and adversely affect our business and financial condition.

Our business requires the continued development of effective business support systems to support our client growth and related services.

The growth of our business depends on our ability to continue to develop effective business support systems. This is a complicated undertaking requiring significant resources and expertise. Business support systems are needed for implementing client orders for services, delivering these services, and timely and accurate billing for these services. The failure to continue to develop effective business support systems could harm our ability to implement our business plans and meet our financial goals and objectives.

Risks Relating to our Clients and Demand for our Services

We depend on a limited number of clients for a substantial portion of our revenue in any fiscal period, and the loss of, or a significant shortfall in demand from, these clients could significantly harm our results of operations.

A relatively small number of clients typically account for a significant percentage of our revenue. For the nine months ended September 30, 2022, sales to our top 20 clients accounted for approximately 69% of our total revenue and we had one client, Amazon, which represented more than 10% of our total revenue.

In the past, the clients that comprised our top 20 clients have continually changed, and we also have experienced significant fluctuations in our individual clients' usage of, or decreased usage of, our services. As a consequence, we may not be able to adjust our expenses in the short term to address the unanticipated loss of a large client during any particular period. As such, we may experience significant, unanticipated fluctuations in our operating results that may cause us to not meet our expectations or those of stock market analysts, which could cause our stock price to decline.

Rapidly evolving technologies or new business models could cause demand for our services to decline or could cause these services to become obsolete.

Clients, potential clients, or third parties may develop technological or business model innovations that address digital delivery requirements in a manner that is, or is perceived to be, equivalent or superior to our service offerings. This is particularly true as our clients increase their operations and begin expending greater resources on delivering their content using third party solutions. If we fail to offer services that are competitive to in-sourced solutions, we may lose additional clients or fail to attract clients that may consider pursuing this in-sourced approach, and our business and financial results would suffer.

If competitors introduce new products or services that compete with or surpass the quality or the price or performance of our services, we may be unable to renew our agreements with existing clients or attract new clients at the prices and levels that allow us to generate attractive rates of return on our investment. We may not anticipate such developments and may be unable to adequately compete with these potential solutions. In addition, our clients' business models may change in ways that we do not anticipate, and these changes could reduce or eliminate our clients' needs for our services. If this occurred, we could lose clients or potential clients, and our business and financial results would suffer.

As a result of these or similar potential developments, it is possible that competitive dynamics in our market may require us to reduce our prices faster than we anticipate, which could harm our revenue, gross margin and operating results.

Many of our significant current and potential clients are pursuing emerging or unproven business models, which, if unsuccessful, or ineffective at monetizing delivery of their content, could lead to a substantial decline in demand for our content delivery and other services.

Many of our clients' business models that center on the delivery of rich media and other content to users remain unproven. Some of our clients will not be successful in selling advertising, subscriptions, or otherwise monetizing the content we deliver on their behalf, and consequently, may not be successful in creating a profitable business model. This will result in some of our clients discontinuing their business operations and discontinuing use of our services and solutions. Further, any deterioration and related uncertainty in the global financial markets and economy, such as that caused by the COVID-19 pandemic, could result in reductions in available capital and liquidity from banks and other providers of credit, fluctuations in equity and currency values worldwide, and concerns that portions of the worldwide economy may be in a prolonged recessionary period. In addition, as the COVID-19 pandemic adversely affects the global financial markets and economy, it may also have the effect of heightening many of the other risks described in this ''Risk Factors'' section. Any of this could materially adversely impact our clients' access to capital or willingness to spend capital on our services or, in some cases, ultimately cause the client to exit their business. This uncertainty may also impact our clients' levels of cash liquidity, which could affect their ability or willingness to timely pay for services that they will order or have already ordered from us. From time to time we discontinue service to clients for non-payment of services. We expect clients may discontinue operations or not be willing or able to pay for services that they have ordered from us.

If we are unable to attract new clients or to retain our existing clients, our revenue could be lower than expected and our operating results may suffer.

If our existing and prospective clients do not perceive our services to be of sufficiently high value and quality, we may not be able to retain or expand business with our current clients or attract new clients. We sell our services pursuant to service agreements that generally include some form of financial minimum commitment. Our clients have no obligation to renew their contracts for our services after the expiration of their initial commitment, and these service agreements may not be renewed at the same or higher level of service, if at all. Moreover, under some circumstances, some of our clients have the right to cancel their service agreements prior to the expiration of the terms of their agreements. Aside from minimum financial commitments, clients are not obligated to use our services for any particular type or amount of traffic. For those clients which utilize a multi-CDN strategy, they can route traffic to us, or away from us, within seconds. These facts, in addition to the hyper competitive landscape in our market, means that we cannot accurately predict future client renewal rates or usage rates. Our clients' usage or renewal rates may decline or fluctuate as a result of a number of factors, including:

- their satisfaction or dissatisfaction with our services;
- the quality and reliability of our network;
- the prices of our services;
- the prices of services offered by our competitors;
- discontinuation by our clients of their Internet or web-based content distribution business;
- mergers and acquisitions affecting our client base; and
- reductions in our clients' spending levels.

If our clients do not renew their service agreements with us, or if they renew on less favorable terms, our revenue may decline and our business may suffer. Similarly, our client agreements often provide for minimum commitments that are often significantly below our clients' historical usage levels. Consequently, even if we have agreements with our clients to use our services, these clients could significantly curtail their usage without incurring any penalties under our agreements. In this event, our revenue would be lower than expected and our operating results could suffer. It also is an important component of our growth strategy to market our services and solutions to particular industries or market segments. As an organization, we may not have significant experience in selling our services into certain of these markets. Our ability to successfully sell our services into these markets to a meaningful extent remains unproven. If we are unsuccessful in such efforts, our business, financial condition and results of operations could suffer.

We generate our revenue primarily from the sale of content delivery services, and the failure of the market for these services to expand as we expect or the reduction in spending on those services by our current or potential clients would seriously harm our business.

While we offer our clients a number of services and solutions, we generate the majority of our revenue from charging our clients for the content delivered on their behalf through our global network. We are subject to an elevated risk of reduced demand for these services. Furthermore, if the market for delivery of rich media content in particular does not continue to grow as we expect or grows more slowly, then we may fail to achieve a return on the significant investment we are making to prepare for this growth. Our success, therefore, depends on the continued and increasing reliance on the Internet for delivery of media content and our ability to cost-effectively deliver these services. Many different factors may have a general tendency to limit or

reduce the number of users relying on the Internet for media content, the amount of content consumed by our clients' users, or the number of providers making this content available online, including, among others:

- a general decline in Internet usage;
- third party restrictions on online content, including copyright, digital rights management, and geographic restrictions;
- system impairments or outages, including those caused by hacking or cyberattacks; and
- a significant increase in the quality or fidelity of off-line media content beyond that available online to the point where users prefer the off-line experience.

The influence of any of these or other factors may cause our current or potential clients to reduce their spending on content delivery services, which would seriously harm our operating results and financial condition.

If our ability to deliver media files in popular proprietary content formats was restricted or became cost-prohibitive, demand for our content delivery services could decline, we could lose clients and our financial results could suffer.

Our business depends on our ability to deliver media content in all major formats. If our legal right or technical ability to store and deliver content in one or more popular proprietary content formats was limited, our ability to serve our clients in these formats would be impaired and the demand for our services would decline by clients using these formats. Owners of propriety content formats may be able to block, restrict, or impose fees or other costs on our use of such formats, which could lead to additional expenses for us and for our clients, or which could prevent our delivery of this type of content altogether. Such interference could result in a loss of clients, increased costs, and impairment of our ability to attract new clients, any of which would harm our revenue, operating results, and growth.

Risks Relating to Human Capital Management

Failure to effectively enhance our sales capabilities could harm our ability to increase our client base and achieve broader market acceptance of our services.

Increasing our client base and achieving broader market acceptance of our services will depend to a significant extent on our ability to enhance our sales and marketing operations. We have a widely deployed field sales force. Our sales personnel are closer to our current and potential clients. Nevertheless, adjustments that we make to improve productivity and efficiency to our sales force have been and will continue to be expensive and could cause some near-term productivity impairments. As a result, we may not be successful in improving the productivity and efficiency of our sales force, which could cause our results of operations to suffer.

We believe that there is significant competition for sales personnel with the sales skills and technical knowledge that we require. Our ability to achieve significant growth in revenue in the future will depend, in large part, on our success in recruiting, training and retaining sufficient numbers of sales personnel. New hires require significant training and, in most cases, take a significant period of time before they achieve full productivity. Our recent hires and planned hires may not become as productive as we would like, and we may be unable to hire or retain sufficient numbers of qualified individuals in the future in the markets where we do business. Our business will be seriously harmed if our sales force productivity efforts do not generate a corresponding significant increase in revenue.

If we are unable to retain our key employees and hire qualified personnel, our ability to compete could be harmed.

Our future success depends upon the continued services of our executive officers and other key technology, sales, marketing, and support personnel who have critical industry experience and relationships that they rely on in implementing our business plan. There is considerable competition for talented individuals with the specialized knowledge to deliver our services, and this competition affects our ability to hire and retain key employees. Historically, we have experienced a significant amount of employee turnover, especially with respect to our sales personnel. Sales personnel that are relatively new may need time to become fully productive.

Additionally, in connection with the Edgecast Acquisition, we may experience loss or departure of our senior management and other key personnel. If we lose the service of qualified management or other key personnel or are unable to attract and retain the necessary members of senior management or other key personnel, we may not be able to successfully execute on our business strategy, which could have an adverse effect on our business.

Risks Relating to Intellectual Property, Litigation, and Regulations

Our involvement in litigation may have a material adverse effect on our financial condition and operations.

We have been involved in multiple intellectual property lawsuits in the past. We are from time to time party to other

lawsuits. The outcome of all litigation is inherently unpredictable. The expenses of defending these lawsuits, particularly fees paid to our lawyers and expert consultants, have been significant to date. If the cost of prosecuting or defending current or future lawsuits continues to be significant, it may continue to adversely affect our operating results during the pendency of such lawsuits. Lawsuits also require a diversion of management and technical personnel time and attention away from other activities to pursue the defense or prosecution of such matters. In addition, adverse rulings in such lawsuits either alone or cumulatively may have an adverse impact on our revenue, expenses, market share, reputation, liquidity, and financial condition. Further, we have recently acquired Moov and Edgecast. Securities class action lawsuits and derivative lawsuits are often brought against companies that have entered into similar transactions involving a sale of a line of business or other business combinations. In addition, we may be subject to private actions, collective actions, investigations, and various other legal proceedings by stockholders, clients, employees, suppliers, competitors, government agencies, or others. Even if the lawsuits are without merit, defending against these claims can result in substantial costs, damage to our reputation, and divert significant amounts of management time and resources. If any of these legal proceedings were to be determined adversely to us, or we were to enter into a settlement arrangement, we could be exposed to monetary damages or limits on our ability to operate our business, which could have an adverse effect on our business, liquidity financial condition, and operating results.

We need to defend our intellectual property and processes against patent or copyright infringement claims, which may cause us to incur substantial costs and threaten our ability to do business.

Companies, organizations or individuals, including our competitors and non-practicing entities, may hold or obtain patents or other proprietary rights that would prevent, limit or interfere with our ability to make, use or sell our services or develop new services, which could make it more difficult for us to operate our business. We have been and continue to be the target of intellectual property infringement claims by third parties. Companies holding Internet-related patents or other intellectual property rights are increasingly bringing suits alleging infringement of such rights or otherwise asserting their rights and seeking licenses. Any litigation or claims, whether or not valid, could result in substantial costs and diversion of resources from the defense of such claims. In addition, many of our agreements with clients require us to defend and indemnify those clients for third-party intellectual property infringement claims against them, which could result in significant additional costs and diversion of resources. If we are determined to have infringed upon a third party's intellectual property rights, we may also be required to do one or more of the following:

- cease selling, incorporating or using products or services that incorporate the challenged intellectual property;
- pay substantial damages;
- obtain a license from the holder of the infringed intellectual property right, which license may or may not be available on reasonable terms or at all; or
- redesign products or services.

If we are forced to litigate any claims or to take any of these other actions, our business may be seriously harmed.

Our business may be adversely affected if we are unable to protect our intellectual property rights from unauthorized use or infringement by third parties.

We rely on a combination of patent, copyright, trademark and trade secret laws and restrictions on disclosure to protect our intellectual property rights. We have applied for patent protection in the United States and a number of foreign countries. These legal protections afford only limited protection and laws in foreign jurisdictions may not protect our proprietary rights as fully as in the United States. Monitoring infringement of our intellectual property rights is difficult, and we cannot be certain that the steps we have taken will prevent unauthorized use of our intellectual property rights. Developments and changes in patent law, such as changes in interpretations of the joint infringement standard, could restrict how we enforce certain patents we hold. We also cannot be certain that any pending or future patent applications will be granted, that any future patent will not be challenged, invalidated or circumvented, or that rights granted under any patent that may be issued will provide competitive advantages to us. If we are unable to effectively protect our intellectual property rights, our business may be harmed.

Internet-related and other laws relating to taxation issues, privacy, data security, and consumer protection and liability for content distributed over our network could harm our business.

Laws and regulations that apply to communications and commerce conducted over the Internet are becoming more prevalent, both in the United States and internationally, and may impose additional burdens on companies conducting business online or providing Internet-related services such as ours. Increased regulation could negatively affect our business directly, as well as the businesses of our clients, which could reduce their demand for our services. For example, tax authorities abroad may impose taxes on the Internet-related revenue we generate based on where our internationally deployed servers are located. In addition, domestic and international taxation laws are subject to change. Our services, or the businesses of our clients, may become subject to increased taxation, which could harm our financial results either directly or by forcing our clients to scale back their operations and use of our services in order to maintain their operations. Also, the Communications Act of 1934, as

amended by the Telecommunications Act of 1996 (the "Act"), and the regulations promulgated by the FCC under Title II of the Act, may impose obligations on the Internet and those participants involved in Internet-related businesses. In addition, the laws relating to the liability of private network operators for information carried on, processed by or disseminated through their networks are unsettled, both in the United States and abroad. Network operators have been sued in the past, sometimes successfully, based on the content of material disseminated through their networks. We may become subject to legal claims such as defamation, invasion of privacy and copyright infringement in connection with content stored on or distributed through our network. In addition, our reputation could suffer as a result of our perceived association with the type of content that some of our clients deliver. If we need to take costly measures to reduce our exposure to the risks posed by laws and regulations that apply to communications and commerce conducted over the Internet, or are required to defend ourselves against related claims, our financial results could be negatively affected.

Several other laws also could expose us to liability and impose significant additional costs on us. For example, the Digital Millennium Copyright Act has provisions that limit, but do not eliminate, our liability for the delivery of client content that infringe copyrights or other rights, so long as we comply with certain statutory requirements. Also, the Children's On-line Privacy Protection Act restricts the ability of online services to collect information from minors and the Protection of Children from Sexual Predators Act of 1998 requires online service providers to report evidence of violations of federal child pornography laws under certain circumstances. There are also emerging regulation and standards regarding the collection and use of personal information and protecting the security of data on networks. Compliance with these laws, regulations, and standards is complex and any failure on our part to comply with these regulations may subject us to additional liabilities.

We are subject to stringent privacy and data protection requirements and any actual or perceived failure by us to comply with such requirements could expose us to liability and have an adverse impact on our business.

We are subject to stringent laws and legal requirements that regulate our collection, processing, storage, use and sharing of certain personal information, including the EU's General Data Protection Regulation ("GDPR"), Brazil's Lei Geral de Protecao de Dados Pessoais ("LGPD"), and in the United States, the California Consumer Privacy Act ("CCPA"), among others. GDPR specifically imposes strict rules regulating data transfers of personal data from the EU to the United States. These laws and regulations are costly to comply with, could expose us to civil penalties and substantial penalties for non-compliance, as well as private rights of action for data breaches, all of which could increase our potential liability. This could also delay or impede the development or adoption of our products and services, reduce the overall demand for our services, result in negative publicity, increase our operating costs, require significant management time and attention, slow the pace at which we close (or prevent us from closing) sales transactions. Furthermore, these laws have prompted a number of proposals for new US and global privacy legislation, which, if enacted, could add additional complexity and potential legal risk, require additional investment of resources, and impact strategies and require changes in business practices and policies.

We expect that we will continue to face uncertainty as to whether our evolving efforts to comply with our obligations under privacy laws will be sufficient. If we are investigated by data protection regulators, we may face fines and other penalties. Any such investigation or charges by data protection regulators could have a negative effect on our existing business and on our ability to attract and retain new clients.

Privacy concerns could lead to regulatory and other limitations on our business, including our ability to use "cookies" and video player "cookies" that are crucial to our ability to provide services to our clients.

Our ability to compile data for clients depends on the use of "cookies" to identify certain online behavior that allows our clients to measure a website or video's effectiveness. A cookie is a small file of information stored on a user's computer that allows us to recognize that user's browser or video player when the user makes a request for a web page or to play a video. Certain privacy laws regulate cookies and/or require certain disclosures regarding cookies or place restrictions on the sending of unsolicited communications. In addition, Internet users may directly limit or eliminate the placement of cookies on their computers by, among other things, using software that blocks cookies, or by disabling or restricting the cookie functions of their Internet browser software and in their video player software. If our ability to use cookies were substantially restricted due to the foregoing, or for any other reason, we would have to generate and use other technology or methods that allow the gathering of user data in order to provide services to clients. This change in technology or methods could require significant re-engineering time and resources, and may not be complete in time to avoid negative consequences to our business. In addition, alternative technology or methods might not be available on commercially reasonable terms, if at all. If the use of cookies is prohibited and we are not able to efficiently and cost effectively create new technology, our business, financial condition and results of operations would be materially adversely affected.

Risks Relating to the COVID-19 Pandemic

The effects of the COVID-19 pandemic have materially affected how we and our clients are operating our businesses, and the duration and extent to which this will impact our future results of operations and overall financial performance remains uncertain.

In 2020, the WHO declared COVID-19 a global pandemic. This pandemic adversely affected work forces, organizations, governments, clients, economies, and financial markets globally, and led to an economic downturn and increased market volatility. It also disrupted the normal operations of many businesses, including ours. For example, in response to the outbreak of COVID-19, we activated our pandemic response plan and took several precautionary steps early to safeguard our business and our people, including implementing travel bans and restrictions, temporarily closing offices, and canceling participation in various industry events. The continued persistence of this outbreak, as well as intensified measures undertaken to contain the spread of COVID-19, could decrease consumer spending, adversely affect demand for our technology and services, cause some of our clients and partners to exit their business, cause one or more of our clients to fail to renew, terminate, or renegotiate their contracts, affect the ability of our sales team to travel to potential clients, impact expected spending from new clients, and negatively impact collections of accounts receivable, all of which could adversely affect our business, results of operations, and financial condition. Also, the sales cycle for a new client of our technology and services could lengthen, resulting in a potentially longer delay between increasing operating expenses and the generation of corresponding revenue, if any. We cannot predict whether and to what degree the disruption caused by the COVID-19 pandemic and reactions thereto will continue, and expect to face difficulty accurately predicting our internal forecasts for the foreseeable future. The outbreak also presents challenges as our workforce is currently working remotely and shifting to assisting new and existing clients who are also generally working remotely. It is not possible for us to predict the duration or magnitude of the adverse results of the outbreak and its effects on our business, results of operations, or financial condition.

Risks Relating to Strategic Transactions

As part of our business strategy, we may acquire businesses or technologies and may have difficulty integrating these operations.

We may seek to acquire businesses or technologies that are complementary to our business in the future. Acquisitions are often complex and involve a number of risks to our business, including, among others:

- the difficulty of integrating the operations, services, solutions and personnel of the acquired companies;
- the potential disruption of our ongoing business;
- the potential distraction of management;
- the possibility that our business culture and the business culture of the acquired companies will not be compatible;
- the difficulty of incorporating or integrating acquired technology and rights;
- expenses related to the acquisition and to the integration of the acquired companies;
- the impairment of relationships with employees and clients as a result of any integration of new personnel;
- employee turnover from the acquired companies or from our current operations as we integrate businesses;
- risks related to the businesses of acquired companies that may continue following the merger; and
- potential unknown liabilities associated with acquired companies.

If we are not successful in completing acquisitions, or integrating completed acquisitions in a timely manner, we may be required to reevaluate our business strategy, and we may incur substantial expenses and devote significant management time and resources without a productive result. Acquisitions will require the use of our available cash or dilutive issuances of securities. Future acquisitions or attempted acquisitions could also harm our ability to achieve profitability. For example, in September 2021, we acquired Moov Corporation and in June 2022, we acquired Edgecast. We have limited experience in making acquisitions. The process of integrating the people and technologies from completed acquisitions will likely require significant time and resources, require significant attention from management, and may disrupt the ordinary functioning of our business, and we may not be able to manage the process successfully, which could adversely affect our business, results of operations, and financial condition.

Risks Related to Investments and Our Outstanding Convertible Notes

If we are required to seek funding, such funding may not be available on acceptable terms or at all.

We believe that our cash, cash equivalents and marketable securities classified as current plus cash from operations will be sufficient to fund our operations and proposed capital expenditures for at least the next twelve months. However, we may need or desire to obtain funding due to a number of factors, including a shortfall in revenue, increased expenses, increased investment in capital equipment, the acquisition of significant businesses or technologies, or adverse judgments or settlements in connection with future, unforeseen litigation. If we do need to obtain funding, it may not be available on commercially reasonable terms or at all. If we are unable to obtain sufficient funding, our business would be harmed. Even if we were able to find outside funding sources, we might be required to issue securities in a transaction that could be highly dilutive to our

investors or we may be required to issue securities with greater rights than the securities we have outstanding today. We might also be required to take other actions that could lessen the value of our common stock, including borrowing money on terms that are not favorable to us. If we are unable to generate or raise capital that is sufficient to fund our operations, we may be required to curtail operations, reduce our capabilities or cease operations in certain jurisdictions or completely.

Servicing our debt may require a significant amount of cash. We may not have sufficient cash flow from our business to pay our indebtedness.

In July 2020, we issued $125,000 aggregate principal amount of the Notes in a private offering. Our ability to make scheduled payments of the principal of, to pay interest on, or to refinance our indebtedness, including the Notes, depends on our future performance, which is subject to economic, financial, competitive, and other factors beyond our control. Our business may not generate cash flow from operations sufficient to service our debt or make necessary capital expenditures. If we are unable to generate such cash flow, we may be required to adopt one or more alternatives, such as selling assets, restructuring debt or obtaining additional debt or equity financing on terms that may be onerous or highly dilutive. Our ability to refinance any future indebtedness will depend on the capital markets and our financial condition at such time. We may not be able to engage in any of these activities or engage in these activities on desirable terms, which could result in a default on our debt obligations. In addition, any of our future debt agreements may contain restrictive covenants that may prohibit us from adopting any of these alternatives. Our failure to comply with these covenants could result in an event of default which, if not cured or waived, could result in the acceleration of our debt.

Our indebtedness and liabilities could limit the cash flow available for our operations, expose us to risks that could adversely affect our business, financial condition, and results of operations and impair our ability to satisfy our obligations under the Notes.

We incurred $125,000 principal amount of additional indebtedness as a result of our issuance of the Notes. We may also incur additional indebtedness to meet future financing needs, including under our credit facility with SVB. Our indebtedness could have significant negative consequences for our security holders and our business, results of operations, and financial condition by, among other things:

- increasing our vulnerability to adverse economic and industry conditions;
- limiting our ability to obtain additional financing;
- requiring the dedication of a substantial portion of our cash flow from operations to service our indebtedness, which will reduce the amount of cash available for other purposes;
- limiting our flexibility to plan for, or react to, changes in our business;
- diluting the interests of our stockholders as a result of issuing shares of our stock upon conversion of the Notes; and
- placing us at a possible competitive disadvantage with competitors that are less leveraged than us or have better access to capital.

Our business may not generate sufficient funds, and we may otherwise be unable to maintain sufficient cash reserves, to pay amounts due under our indebtedness, including the Notes, and our cash needs may increase in the future. In addition, the Loan and Security Agreement (as amended, the Credit Agreement) with SVB originally entered into in November 2015 governing our credit facility contains, and any future indebtedness that we may incur may contain, financial and other restrictive covenants that limit our ability to operate our business, raise capital or make payments under our other indebtedness. If we fail to comply with these covenants or to make payments under our indebtedness when due, then we would be in default under that indebtedness, which could, in turn, result in that and our other indebtedness becoming immediately payable in full.

We may be unable to raise the funds necessary to repurchase the Notes for cash following a fundamental change, or to pay any cash amounts due upon conversion, and our other indebtedness may limit our ability to repurchase the Notes or pay cash upon their conversion.

Holders of the Notes may require us to repurchase their Notes following a fundamental change at a cash repurchase price generally equal to the principal amount of the Notes to be repurchased, plus accrued and unpaid interest, if any. In addition, upon conversion, we will satisfy part or all of our conversion obligation in cash unless we elect to settle conversions solely in shares of our common stock. We may not have enough available cash or be able to obtain financing at the time we are required to repurchase the Notes or pay the cash amounts due upon conversion. In addition, applicable law, regulatory authorities, and the agreements governing our other indebtedness may restrict our ability to repurchase the Notes or pay the cash amounts due upon conversion. Our failure to repurchase the Notes or to pay the cash amounts due upon conversion when required will constitute a default under the indenture governing the Notes. A default under the indenture or the fundamental change itself could also lead to a default under agreements governing our other indebtedness, which may result in that other

indebtedness becoming immediately payable in full. We may not have sufficient funds to satisfy all amounts due under the other indebtedness and the Notes.

The accounting method for the Notes could adversely affect our reported financial condition and results.

The accounting method for reflecting the Notes on our balance sheet, accruing interest expense for the Notes and reflecting the underlying shares of our common stock in our reported diluted earnings per share may adversely affect our reported earnings and financial condition. We expect that, under applicable accounting principles, the initial liability carrying amount of the Notes will be the fair value of a similar debt instrument that does not have a conversion feature, valued using our cost of capital for straight, non-convertible debt. We expect to reflect the difference between the net proceeds from the offering of the Notes and the initial carrying amount as a debt discount for accounting purposes, which will be amortized into interest expense over the term of the Notes. As a result of this amortization, the interest expense that we expect to recognize for the Notes for accounting purposes will be greater than the cash interest payments we will pay on the Notes, which will result in lower reported income or higher reported net losses. The lower reported net income or higher reported net losses resulting from this accounting treatment could depress the trading price of our common stock and the Notes.

In August 2020, the Financial Accounting Standards Board ("FASB") published Accounting Standards Update ("ASU") 2020-06, eliminating the separate accounting for the debt and equity components as described above. ASU 2020-06 will be effective for SEC-reporting entities for fiscal years beginning after December 15, 2021 (or, in the case of smaller reporting companies, December 15, 2023), including interim periods within those fiscal years. On January 1, 2021, we early adopted ASU 2020-06. The adoption of ASU 2020-06 eliminated the separate accounting described above and will reduce the interest expense that we expect to recognize for the Notes for accounting purposes. In addition, ASU 2020-06 eliminates the use of the treasury stock method for convertible instruments that can be settled in whole or in part with equity, and instead require application of the "if-converted" method. Under that method, if it is adopted, diluted earnings per share would generally be calculated assuming that all the Notes were converted solely into shares of common stock at the beginning of the reporting period, unless the result would be anti-dilutive. The application of the if-converted method may reduce our reported diluted earnings per share. Also, if any of the conditions to the convertibility of the Notes is satisfied, then we may be required under applicable accounting standards to reclassify the liability carrying value of the Notes as a current, rather than a long-term, liability. This reclassification could be required even if no Note-holders convert their Notes and could materially reduce our reported working capital.

Transactions relating to our Notes may affect the value of our common stock.

In connection with the pricing of the Notes, we entered into capped call transactions (collectively, the "Capped Calls") with one of the initial purchasers of the Notes and other financial institutions (collectively, the "Option Counterparties"). The Capped Calls cover, subject to customary adjustments, the number of shares of common stock initially underlying the Notes. The Capped Calls are expected generally to reduce the potential dilution of our common stock upon conversion of the Notes or at our election (subject to certain conditions) offset any cash payments we are required to make in excess of the aggregate principal amount of converted Notes, as the case may be, with such reduction or offset subject to a cap.

In addition, the Option Counterparties or their respective affiliates may modify their hedge positions by entering into or unwinding various derivatives with respect to our common stock and/or purchasing or selling our common stock or other securities of ours in secondary market transactions following the pricing of the Notes and from time to time prior to the maturity of the Notes (and are likely to do so on each exercise date of the Capped Calls, which are expected to occur during the 40 trading day period beginning on the 41st scheduled trading day prior to the maturity date of the Notes, or following any termination of any portion of the Capped Calls in connection with any repurchase, redemption, or conversion of the Notes if we make the relevant election under the Capped Calls). This activity could also cause or avoid an increase or a decrease in the market price of our common stock.

We are subject to counterparty risk with respect to the Capped Calls.

The Option Counterparties are financial institutions, and we will be subject to the risk that any or all of them might default under the Capped Calls. Our exposure to the credit risk of the Option Counterparties will not be secured by any collateral. Past global economic conditions have resulted in the actual or perceived failure or financial difficulties of many financial institutions. If an option counterparty becomes subject to insolvency proceedings, we will become an unsecured creditor in those proceedings with a claim equal to our exposure at that time under the Capped Calls with such option counterparty. Our exposure will depend on many factors but, generally, an increase in our exposure will be correlated to an increase in the market price subject to the cap and in the volatility of our common stock. In addition, upon a default by an option counterparty, we may suffer more dilution than we currently anticipate with respect to our common stock. We can provide no assurances as to the financial stability or viability of the Option Counterparties.

Risks Related to Ownership of Our Common Stock

The trading price of our common stock has been, and is likely to continue to be, volatile.

The trading prices of our common stock and the securities of technology companies generally have been highly volatile. Factors affecting the trading price of our common stock will include:

- variations in our operating results;
- announcements of technological innovations, new services or service enhancements, strategic alliances or significant agreements by us or by our competitors;
- commencement or resolution of, our involvement in and uncertainties arising from litigation;
- recruitment or departure of key personnel;
- changes in the estimates of our operating results or changes in recommendations by securities analysts;
- if we or our stockholders sell substantial amounts of our common stock (including shares issued upon the exercise of options);
- developments or disputes concerning our intellectual property or other proprietary rights;
- the gain or loss of significant clients;
- market conditions in our industry, the industries of our clients, and the economy as a whole, including the economic impact of the COVID-19 pandemic; and
- adoption or modification of regulations, policies, procedures or programs applicable to our business.

In addition, if the market for technology stocks or the stock market in general experiences loss of investor confidence, the trading price of our common stock could decline for reasons unrelated to our business, operating results or financial condition. The trading price of our common stock might also decline in reaction to events or speculation of events that affect other companies in our industry even if these events do not directly affect us.

If securities or industry analysts do not publish research or reports about our business or if they issue an adverse or misleading opinion or report, our stock, our stock price, and trading volume could decline.

The trading market for our common stock will be influenced by the research and reports that industry or securities analysts publish about us or our business. If an analyst issues an adverse or misleading opinion, our stock price could decline. If one or more of these analysts cease covering us or fails to publish reports on us regularly, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume to decline.

Future equity issuances or a sale of a substantial number of shares of our common stock may cause the price of our common stock to decline.

Because we may need to raise additional capital in the future to continue to expand our business and our research and development activities, among other things, we may conduct additional equity offerings. If we or our stockholders sell substantial amounts of our common stock (including shares issued upon the exercise of options) in the public market, the market price of our common stock could fall. A decline in the market price of our common stock could make it more difficult for us to sell equity or equity-related securities in the future at a time and price that we deem appropriate.

Anti-takeover provisions in our charter documents and Delaware law could discourage, delay or prevent a change in control of our company and may affect the trading price of our common stock.

Provisions of our amended and restated certificate of incorporation and bylaws, as well as provisions of Delaware law, could make it more difficult for a third party to acquire us, even if doing so would benefit our stockholders. These provisions:

- establish that members of the board of directors may be removed only for cause upon the affirmative vote of stockholders owning a majority of our capital stock;
- authorize the issuance of “blank check” preferred stock that could be issued by our board of directors to increase the number of outstanding shares and thwart a takeover attempt;
- limit who may call special meetings of stockholders;
- prohibit action by written consent, thereby requiring stockholder actions to be taken at a meeting of the stockholders;
- establish advance notice requirements for nominations for election to the board of directors or for proposing matters that can be acted upon at stockholder meetings;
- provide for a board of directors with staggered terms; and
- provide that the authorized number of directors may be changed only by a resolution of our board of directors.

In addition, Section 203 of the Delaware General Corporation Law, which imposes certain restrictions relating to transactions with major stockholders, may discourage, delay or prevent a third party from acquiring us.

General Risk Factors

We are subject to the effects of fluctuations in foreign exchange rates, which could affect our operating results.

The financial condition and results of operations of our operating foreign subsidiaries are reported in the relevant local currency and are then translated into U.S. dollars at the applicable currency exchange rate for inclusion in our consolidated U.S. dollar financial statements. Also, although a large portion of our client and vendor agreements are denominated in U.S. dollars, we may be exposed to fluctuations in foreign exchange rates with respect to client agreements with certain of our international clients. Exchange rates between these currencies and U.S. dollars in recent years have fluctuated significantly and may do so in the future. In addition to currency translation risk, we incur currency transaction risk whenever one of our operating subsidiaries enters into a transaction using a different currency than the relevant local currency. Given the volatility of exchange rates, we may be unable to manage our currency transaction risks effectively. Currency fluctuations could have a material adverse effect on our future international sales and, consequently, on our financial condition and results of operations.

We could incur charges due to impairment of goodwill and long-lived assets.

As of September 30, 2022, we had a goodwill balance of approximately $171,065 which is subject to periodic testing for impairment. Our long-lived assets also are subject to periodic testing for impairment. A significant amount of judgment is involved in the periodic testing. Failure to achieve sufficient levels of cash flow could result in impairment charges for goodwill or fixed asset impairment for long-lived assets, which could have a material adverse effect on our reported results of operations. Our goodwill impairment analysis also includes a comparison of the aggregate estimated fair value of our reporting unit to our total market capitalization. If our stock trades below our book value, a significant and sustained decline in our stock price and market capitalization could result in goodwill impairment charges. During times of financial market volatility, significant judgment will be used to determine the underlying cause of the decline and whether stock price declines are short-term in nature or indicative of an event or change in circumstances. Impairment charges, if any, resulting from the periodic testing are non-cash.

Our results of operations may fluctuate in the future. As a result, we may fail to meet or exceed the expectations of securities analysts or investors, which could cause our stock price to decline.

Our results of operations may fluctuate as a result of a variety of factors, many of which are outside of our control. If our results of operations fall below the expectations of securities analysts or investors, the price of our common stock could decline substantially. In addition to the effects of other risks discussed in this section, fluctuations in our results of operations may be due to a number of factors, including, among others:

- our ability to increase sales to existing clients and attract new clients to our services;
- the addition or loss of large clients, or significant variation in their use of our services;
- costs associated with current or future intellectual property lawsuits and other lawsuits;
- service outages or third party security breaches to our platform or to one or more of our clients' platforms;
- the amount and timing of operating costs and capital expenditures related to the maintenance and expansion of our business, operations and infrastructure and the adequacy of available funds to meet those requirements;
- the timing and success of new product and service introductions by us or our competitors;
- the occurrence of significant events in a particular period that result in an increase in the use of our services, such as a major media event or a client's online release of a new or updated video game or operating system;
- changes in our pricing policies or those of our competitors;
- the timing of recognizing revenue;
- limitations of the capacity of our global network and related systems;
- the timing of costs related to the development or acquisition of technologies, services or businesses;
- the potential write-down or write-off of intangible or other long-lived assets;
- general economic, industry and market conditions (such as fluctuations experienced in the stock and credit markets during times of deteriorated global economic conditions or during an outbreak of an epidemic or pandemic, such as the recent COVID-19 outbreak) and those conditions specific to Internet usage;
- limitations on usage imposed by our clients in order to limit their online expenses; and
- war, threat of war or terrorism, including cyber terrorism, and inadequate cybersecurity.

We believe that our revenue and results of operations may vary significantly in the future and that period-to-period comparisons of our operating results may not be meaningful. You should not rely on the results of one period as an indication of future performance.

We have a history of losses and we may not achieve or maintain profitability in the future.

We incur significant expenses in developing our technology and maintaining and expanding our network. We also incur significant share-based compensation expense and have incurred (and may in the future incur) significant costs associated with litigation. Accordingly, we may not be able to achieve or maintain profitability for the foreseeable future. We also may not achieve sufficient revenue to achieve or maintain profitability and thus may continue to incur losses in the future for a number of reasons, including, among others:

- slowing demand for our services;
- increasing competition and competitive pricing pressures;
- any inability to provide our services in a cost-effective manner;
- incurring unforeseen expenses, difficulties, complications and delays; and
- other risks described in this report.

If we fail to achieve and maintain profitability, the price of our common stock could decline, and our business, financial condition and results of operations could suffer.

We have incurred, and will continue to incur, significant costs as a result of operating as a public company, and our management is required to devote substantial time to corporate governance.

We have incurred, and will continue to incur, significant public company expenses, including accounting, legal and other professional fees, insurance premiums, investor relations costs, and costs associated with compensating our independent directors. In addition, rules implemented by the SEC and the Nasdaq Global Select Market (the "Nasdaq") impose additional requirements on public companies, including requiring changes in corporate governance practices. For example, the Nasdaq listing requirements require that we satisfy certain corporate governance requirements. Our management and other personnel need to devote a substantial amount of time to these governance matters. Moreover, these rules and regulations increase our legal and financial compliance costs and make some activities more time-consuming and costly. For example, these rules and regulations make it more difficult and more expensive for us to obtain director and officer liability insurance.

If the accounting estimates we make, and the assumptions on which we rely, in preparing our financial statements prove inaccurate, our actual results may be adversely affected.

Our financial statements have been prepared in accordance with U.S. GAAP. The preparation of these financial statements requires us to make estimates and judgments about, among other things, taxes, revenue recognition, share-based compensation costs, contingent obligations, and doubtful accounts. These estimates and judgments affect the reported amounts of our assets, liabilities, revenue and expenses, the amounts of charges accrued by us, and related disclosure of contingent assets and liabilities. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances and at the time they are made. If our estimates or the assumptions underlying them are not correct, we may need to accrue additional charges or reduce the value of assets that could adversely affect our results of operations, investors may lose confidence in our ability to manage our business and our stock price could decline.

If we fail to maintain proper and effective internal controls or fail to implement our controls and procedures with respect to acquired or merged operations, our ability to produce accurate financial statements could be impaired, which could adversely affect our operating results, our ability to operate our business and investors' views of us.

We must ensure that we have adequate internal financial and accounting controls and procedures in place so that we can produce accurate financial statements on a timely basis. We are required to spend considerable effort on establishing and maintaining our internal controls, which is costly and time-consuming and needs to be re-evaluated frequently.

We have operated as a public company since June 2007, and we will continue to incur significant legal, accounting, and other expenses as we comply with Sarbanes-Oxley, as well as new rules implemented from time to time by the SEC and Nasdaq. These rules impose various requirements on public companies, including requiring changes in corporate governance practices, increased reporting of compensation arrangements, and other requirements. Our management and other personnel will continue to devote a substantial amount of time to these compliance initiatives. Moreover, new rules and regulations will likely increase our legal and financial compliance costs and make some activities more time-consuming and costly.

Section 404 of SOX requires that we include in our annual report our assessment of the effectiveness of our internal control over financial reporting and our audited financial statements as of the end of each fiscal year. Furthermore, our independent registered public accounting firm, Ernst & Young LLP ("EY"), is required to report on whether it believes we maintained, in all material respects, effective internal control over financial reporting as of the end of the year. Our continued compliance with Section 404 will require that we incur substantial expense and expend significant management time on compliance related issues, including our efforts in implementing controls and procedures related to acquired or merged operations. In future years, if we fail to timely complete this assessment, or if EY cannot timely attest, there may be a loss of public confidence in our internal controls, the market price of our stock could decline, and we could be subject to regulatory

sanctions or investigations by Nasdaq, the SEC, or other regulatory authorities, which would require additional financial and management resources. In addition, any failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm our operating results or cause us to fail to timely meet our regulatory reporting obligations.

Changes in financial accounting standards or practices may cause adverse, unexpected financial reporting fluctuations and affect our reported results of operations.

A change in accounting standards or practices can have a significant effect on our operating results and may affect our reporting of transactions completed before the change is effective. New accounting pronouncements and varying interpretations of existing accounting pronouncements have occurred and may occur in the future. Changes to existing rules or the questioning of current practices may adversely affect our reported financial results or the way we conduct our business.

Rising inflation rates could negatively impact our revenues and profitability if increases in the prices of our services or a decrease in consumer spending results in lower sales. In addition, if our costs increase and we are not able to pass along these price increases to our customers, our net income would be adversely affected, and the adverse impact may be material.

Inflation rates, particularly in the United States, have increased recently to levels not seen in years. Increased inflation may result in decreased demand for our products and services, increased operating costs (including our labor costs), reduced liquidity, and limitations on our ability to access credit or otherwise raise debt and equity capital. In addition, the United States Federal Reserve has raised, and may again raise, interest rates in response to concerns about inflation. Increases in interest rates, especially if coupled with reduced government spending and volatility in financial markets, may have the effect of further increasing economic uncertainty and heightening these risks. In an inflationary environment, we may be unable to raise the sales prices of our products and services at or above the rate at which our costs increase, which could/would reduce our profit margins and have a material adverse effect on our financial results and net income. We also may experience lower than expected sales and potential adverse impacts on our competitive position if there is a decrease in consumer spending or a negative reaction to our pricing. A reduction in our revenue would be detrimental to our profitability and financial condition and could also have an adverse impact on our future growth.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Not applicable.

Item 3. Defaults upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibit Number	Exhibit Description	Incorporated by Reference Form	File No.	Exhibit	Filing Date	Provided Herewith
2.1	Stock Purchase Agreement, dated March 6, 2022, by and between Limelight Networks, Inc. and College Parent, L.P.	8-K	001-33508	2.1	3/7/22	
3.1	Amended and Restated Certificate of Incorporation of Edgio, Inc. (f/k/a Limelight Networks, Inc.)	8-K	001-33508	3.1	6/14/11	
3.2	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of Edgio, Inc. (f/k/a Limelight Networks, Inc.), dated June 15, 2022	8-K	001-33508	3.1	6/16/22	
3.3	Third Amended and Restated Bylaws of Edgio, Inc.	10-Q	001-33508	3.3	8/9/22	
10.1‡	Employee Agreement, dated August 17, 2022, by and between the Company and Stephen Cumming					X
10.2‡	Transition Agreement and Employment Agreement Amendment, dated August 20, 2022, by and between the Company and Daniel Boncel					X
10.3‡	Employee Agreement, dated October 7, 2022, by and between the Company and Eric Chang					X
10.4	Joinder and Ninth Amendment to Loan and Security Agreement between Edgio, Inc. (f/k/a Limelight Networks, Inc.) and Silicon Valley Bank dated November 2, 2022	8-K	001-33508	10.1	11/4/22	
31.1	Certification of Principal Executive Officer Pursuant to Securities Exchange Act Rule 13a-14(a).					X
31.2	Certification of Principal Financial Officer Pursuant to Securities Exchange Act Rule 13a-14(a).					X
32.1	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350 and Securities Exchange Act Rule 13a-14(b).*					X
32.2	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350 and Securities Exchange Act Rule 13a-14(b).*					X
101.SCH	INLINE XBRL TAXONOMY EXTENSION SCHEMA DOCUMENT					X
101.CAL	INLINE XBRL TAXONOMY EXTENSION CALCULATION LINKBASE DOCUMENT					X
101.DEF	INLINE XBRL TAXONOMY EXTENSION DEFINITION LINKBASE DOCUMENT					X
101.LAB	INLINE XBRL TAXONOMY EXTENSION LABEL LINKBASE DOCUMENT					X
101.PRE	INLINE XBRL TAXONOMY EXTENSION PRESENTATION LINKBASE DOCUMENT					X
104	Cover Page Interactive Data File (formatted as inline XBRL with applicable taxonomy extension information contained in Exhibits 101.)					X

‡Management contract or compensatory plan arrangement.

*This certification is not deemed “filed” for purposes of Section 18 of the Securities Exchange Act, or otherwise subject to the liability of that section. Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent that Edgio, Inc. specifically incorporates it by reference.

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, thereunto duly authorized.

		Edgio, Inc.	
Date:	November 9, 2022	By:	/s/ STEPHEN CUMMING
			Stephen Cumming **Chief Financial Officer** **(Principal Financial Officer)**

EDGIO, INC.

STEPHEN CUMMING EMPLOYMENT AGREEMENT

This Employment Agreement (the "Agreement") is entered into as of August 17, 2022 (the "Signing Date"), by and between Edgio, Inc. (the "Company") and Stephen Cumming ("Executive").

1. Duties and Scope of Employment.

(a) Positions and Duties. Effective as of August 22, 2022 (the "Effective Date"), Executive will commence service as the Company's Chief Financial Officer ("CFO"). Executive will report to the Company's Chief Executive Officer (the "CEO"). As of the Effective Date, Executive will render such business and professional services in the performance of his duties, consistent with Executive's position within the Company, as will reasonably be assigned to him by the CEO. The period Executive is employed by the Company under this Agreement is referred to herein as the "Employment Term." Executive will work virtually from home, and will travel on Company business to such locations and for such periods as may be necessary or appropriate to carry out his responsibilities or as may be directed by the CEO.

(a) Obligations. During the Employment Term, Executive, except as provided in this Agreement, will devote Executive's full business efforts and time to the Company and will use good faith efforts to discharge Executive's obligations under this Agreement to the best of Executive's ability and in accordance with each of the Company's written corporate guidance and ethics guidelines, conflict of interests policies, code of conduct and other policies and procedures as the Company may adopt from time to time. For the duration of the Employment Term, Executive agrees not to actively engage in any other employment, occupation, or consulting activity for any direct or indirect remuneration without the prior approval of the CEO (which approval will not be unreasonably withheld); provided, however, that Executive may, without the approval of the CEO, serve in any capacity with any civic, educational, professional, industry or charitable organization, provided such services do not interfere with Executive's performance of his obligations to Company, are disclosed in writing to the Company and are otherwise consistent with the Company's policies. Subject to prior approval of the CEO and, in appropriate cases (as determined by the Company's Board of Directors (the "Board")) the prior approval of the Audit Committee of the Board (which approval will not be unreasonably withheld), Executive may also serve on the board(s) of for-profit business associations provided such participation does not interfere with Executive's performance of his obligations to the Company, are disclosed in writing to the Company, are consistent with the terms of Executive's employment with the Company (including without limitation the restrictive covenants in the Confidential Information Agreement, as defined in Section 12 below) and are consistent with the Company's policies (including without limitation the Company's Code of Business Conduct).

(b) No Conflicts. Executive hereby represents, warrants and covenants to the Company that as of the Effective Date, Executive will not be a party to any contract, understanding, agreement or policy, written or otherwise, that will be breached by Executive's entering into, or performing services under, this Agreement. Executive further represents that he has disclosed to the Company in writing all threatened, pending, or actual claims that are unresolved and still outstanding as of the Signing Date, in each case, against Executive of which he is aware, if any, as a result of his employment with any previous employer or his membership on any boards of directors.

(c) Other Entities. Executive agrees to serve if appointed, without additional compensation, as an officer and director for each of the Company's subsidiaries, partnerships, joint ventures, limited liability companies and other affiliates, including entities in which the Company has a significant investment as determined by the Company. As used in this Agreement, the term "affiliates" will mean any entity controlled by, controlling, or under common control of the Company

2. At-Will Employment. Executive and the Company agree that Executive's employment with the Company constitutes "at-will" employment. Executive and the Company acknowledge that this employment relationship may be terminated at any time, upon written notice (in accordance with Section 14, below) to the other party, with or without good cause or for any or no cause, at the option either of the Company or Executive. However, as described in this Agreement, Executive may be entitled to severance benefits depending upon the circumstances of Executive's termination of employment.

3. Compensation.

(d) Base Salary. Commencing with the Effective Date, the Company will pay Executive an annual salary of Four Hundred Fifty Thousand Dollars ($450,000) as compensation for his services (such annual salary, as is then effective, to be referred to herein as "Base Salary"). Executive's Base Salary will be subject to annual review. The Base Salary will be paid periodically in accordance with the Company's normal payroll practices and will be subject to the usual, required withholdings.

(e) Annual Incentive. Executive will be eligible to receive annual cash incentives payable for the achievement of performance goals established by the Board or by the Compensation Committee of the Board (the "Committee") and individual performance, as determined by the CEO. During calendar year 2022, Executive's target annual incentive ("Target Annual Incentive") will be equal to seventy-five percent (75%) of executive's Base Salary. The Target Annual Incentive for 2022 shall be prorated for the portion of calendar year 2022 during which Executive is an employee of the Company. Annual cash incentives payable, if any, will be paid within the Company's normal payment schedule. The actual earned annual cash incentive, if any, payable to Executive for any performance period will depend upon the extent to which the applicable performance goal(s) specified by the Committee are achieved. Any annual cash incentives earned pursuant to this Section 3(b) will be paid to Executive as soon as reasonably practicable following the date on which such annual cash incentives are earned, but in no event will be paid later than March 15 of the year following the year in which such annual cash incentives are earned.

(f) Equity Awards.

(i) Subject to Committee approval, on the grant date(s) set by the Committee, the Company will issue to Executive Two Million Three Hundred Thousand Dollars ($2,300,000) worth of equity awards in the form of Restricted Stock Units ("RSUs") and an option to purchase shares of the Company's common stock ("Options") pursuant to the Company's Amended and Restated 2007 Equity Incentive Plan (the "Plan"). The initial Equity Award will be split in value between RSUs and Options, with fifty percent (50%) of the value represented by RSUs and fifty percent (50%) represented by Options, using the Company's standard valuation methodologies. Thereafter, any subsequent Equity Award will be split between RSUs and Options pursuant to the Company's standard equity grant practices for executives.

(ii) The grant date for the RSUs will be the Effective Date. The RSUs will be granted under and subject to the terms, definitions and provisions of the Plan. One-fourth (1/4) of the RSUs will vest on the first day of March, June, September, or December that first occurs following the one-year anniversary of Executive's hire date, and the remaining three-fourths (3/4) will vest in equal quarterly installments thereafter for three additional years, provided Executive continues to be a Service Provider through each such vesting date.

(iii)Subject to Committee approval, on the grant date set by the Committee, the Company will issue to Executive the Options pursuant to the Plan. The grant date will be the Effective Date subject to adjustment in accordance with the requirements of the Company's equity award policy. The Options will be granted under and subject to the terms, definitions and provisions of the Plan. One-fourth (1/4) of the Options will vest on the first anniversary of the Effective Date, and the remaining three-fourths (3/4) will vest in thirty-six (36) equal monthly installments, beginning one month after the first anniversary of the Effective Date, and on the same day of each month thereafter for thirty-six (36) consecutive months, provided Executive continues to be a Service Provider through each such vesting date.

(iv)Executive may from time to time be issued stock options, RSUs or other equity awards under the Plan or a successor plan. Such awards together with the equity awards issued pursuant to this Agreement may be referred to in this Agreement as "Equity Awards."

(v) In the event that the Company consummates a Change of Control transaction, fifty percent (50%) of Executive's then outstanding unvested Equity Awards will vest immediately. In the event Executive's employment is terminated in connection with a Change of Control, or Executive resigns for Good Reason in connection with a Change of Control, the balance of Executive's then outstanding Equity Awards will vest as provided in Section 7(b) below

(a) Reimbursement of Attorneys' Fees. Executive shall be entitled to receive reimbursement from the Company for the actual, reasonable attorneys' fees and costs incurred by him in connection with the review and negotiation of this Agreement not to exceed Five Thousand Dollars ($5,000) dollars.

4. Employee Benefits.

(g) Generally. Executive will be eligible to participate in accordance with the terms of all Company employee benefit plans, policies and arrangements that are applicable to other officers of the Company, as such plans, policies and arrangements may exist from time to time.

(h) Vacation. Executive will be entitled to receive paid annual vacation in accordance with Company policy for other senior vice president level officers as such policy exists from time to time, provided that, if the Company (or any successor in interest) adopts a paid vacation policy that accrues a specified amount of time for senior vice president level officers, then Executive will accrue no less than five (5) weeks annually.

5. Expenses. The Company will reimburse Executive for reasonable travel, entertainment and other business expenses, including professional association fees, incurred by Executive in the furtherance of the performance of Executive’s duties hereunder. Executive is expected to travel frequently. All travel will be in accordance with the Company’s travel policy and reimbursements to Executive by the Company pursuant to this Section 5 shall be in accordance with the Company’s expense reimbursement policy as in effect from time to time.

6. Termination of Employment.

(b) If Executive’s employment with the Company terminates for any reason, Executive will be entitled to any (a) unpaid Base Salary accrued up to the effective date of the termination; (b) benefits or compensation as provided under the terms of any employee benefit and compensation agreements or plans applicable to Executive; (c) unreimbursed business expenses required to be reimbursed to Executive; and (d) rights to indemnification Executive may have under the Company’s Certificate of Incorporation, Bylaws and this Agreement as applicable.

(c) If Executive’s employment with the Company is terminated by the Company without Cause after the end of a fiscal year, but before actual payment of accrued annual incentive for that completed fiscal year, then Executive will also be entitled to receive the accrued annual incentive for that completed fiscal year, as and when approved by the Compensation Committee and paid to other executives. For clarity, unless terminated by the Company after the end of a fiscal year, but before actual payment of accrued annual incentive for that completed fiscal year without Cause or unless there is a resignation by Executive for Good Reason, Executive must continue to be an employee of the Company through the Annual Incentive payment date to be entitled to receive the Annual Incentive payment.

(d) If Executive’s employment with the Company terminates for any reason (other than Cause), Executive will be entitled to exercise any outstanding vested stock options until the first to occur of: (i) the date that is six (6) months following the later of such termination of employment or the date upon which Executive ceases to be a Service Provider (as defined in the Plan), (ii) the applicable scheduled expiration date of such award (in the absence of any termination of employment) as set forth in the award agreement, or (iii) the ten (10) year anniversary of the award’s original date of grant. For purposes of clarity, the term “expiration date” shall be the scheduled expiration of the option agreement and not the period that Executive shall be entitled to exercise such option. In addition, if the termination is by the Company without Cause or a resignation by Executive for Good Reason, then Executive will be entitled to the amounts and benefits specified in Section 7.

7. Severance.

(i) Termination Without Cause or Resignation for Good Reason other than in Connection with a Change of Control. If Executive's employment is terminated by the Company without Cause, or Executive terminates voluntarily for Good Reason, and any such termination is not in Connection with a Change of Control, then, subject to Section 8 below, Executive will receive: (i) continued payment of Executive's Base Salary (subject to applicable tax withholdings) for twelve (12) months from the effective date of the termination, such amounts to be paid in accordance with the Company's normal payroll policies; (ii) the actual earned annual cash incentive, if any, payable to Executive for the current year, pro-rated to the effective date of termination, with such pro-rated amount to be calculated by multiplying the actually earned portion of the current year's Target Annual Incentive by a fraction with a numerator equal to the number of days inclusive between the start of the current calendar year and the date of termination and a denominator equal to three hundred sixty-five (365), such amounts to be paid at the same time as similar bonus payments are made to the Company's other executive officers; and (iii) reimbursement for premiums paid for continued health benefits for Executive (and any eligible dependents) under the Company's health plans until the earlier of (A) twelve (12) months from the effective date of the termination, payable when such premiums are due (provided Executive validly elects to continue coverage under the Consolidated Omnibus Budget Reconciliation Act ("COBRA")), or (B) the date upon which Executive and Executive's eligible dependents become covered under similar plans.

(j) Termination Without Cause or Resignation for Good Reason in Connection with a Change of Control. If Executive's employment is terminated by the Company without Cause, or Executive terminates voluntarily for Good Reason, and any such termination is in Connection with a Change of Control, then, subject to Section 8, Executive will receive: (i) continued payment of Executive's Base Salary for the year in which the effective date of the termination occurs (subject to applicable tax withholdings), for twelve (12) months from the effective date of the termination, such amounts to be paid in accordance with the Company's normal payroll policies; (ii) the payment in an amount equal to one hundred percent (100%) of Executive's Target Annual Incentive for the year in which the effective date of the termination occurs (subject to applicable tax withholdings), such amounts to be paid in accordance with the Company's normal payroll policies over the course of twelve (12) months; (iii) one hundred percent (100%) of Executive's then outstanding unvested Equity Awards will vest on the effective date of the termination, and (iv) reimbursement for premiums paid for continued health benefits for Executive (and any eligible dependents) under the Company's health plans until the earlier of (A) twelve (12) months from the effective date of the termination, payable when such premiums are due (provided Executive validly elects to continue coverage under COBRA), or (B) the date upon which Executive and Executive's eligible dependents become covered under similar plans.

(k) Resignation Other than for Good Reason or Termination for Cause. If Executive resigns other than for Good Reason or is terminated for Cause by the Company, then, except as provided in Section 6, (i) all further vesting of Executive's outstanding Equity Awards will terminate immediately and stock options shall be exercisable as provided in Section 6; (ii) all payments of compensation by the Company to Executive hereunder will terminate immediately, and (iii) Executive will be eligible for severance benefits only in accordance with the Company's then established plans.

(l) Termination as a Result of Death or Disability. In the event that Executive's employment is terminated due to death or Disability, twenty-five percent (25%) of Executive's then unvested Equity Awards shall vest.

8. Conditions to Receipt of Severance: No Duty to Mitigate.

(a) Separation Agreement and Release of Claims. The receipt of any severance or other benefits pursuant to Section 7 will be subject to Executive signing and not revoking a separation agreement and release of claims in a form acceptable to the Company and provided that such release of claims becomes effective and irrevocable no later than sixty (60) days following the effective date of termination (such deadline, the “Release Deadline”). The Company shall deliver such form to Executive within five (5) business days after the effective date of the termination. No severance or other benefits pursuant to Section 7 will be paid to Executive until the separation agreement and release of claims becomes effective and irrevocable. If the separation agreement and release of claims does not become effective by the Release Deadline, Executive will forfeit any rights to severance or benefits under this Agreement. Any severance payments or benefits under this Agreement that would be considered Deferred Compensation Severance Benefits (as defined in Section 24), will be paid on, or, in the case of installments, will not commence until, the sixtieth (60th) day following Executive’s “separation from service”, or, if later, such time as required by Section 24. Any installment payments that would have been made to Executive during the sixty (60) day period immediately following Executive’s “separation from service” but for the preceding sentence will be paid to Executive on the sixtieth (60th) day following Executive’s “separation from service” and the remaining payments will be made as provided in this Agreement. If Executive should die before all of the severance amounts have been paid, such unpaid amounts will be paid in a lump-sum payment promptly following such event to Executive’s designated beneficiary, if living, or otherwise to the personal representative of Executive’s estate.

(b) Non-solicitation and Non-competition. The receipt of any severance or other benefits pursuant to Section 7 is subject to Executive agreeing that during the Employment Term and for twelve (12) months thereafter, Executive will comply with all of the restrictive covenants contained in the Confidential Information Agreement (as defined in Section 12 below), including without limitation, the non-compete, non-solicitation of employees and non-solicitation of customers covenants contained in Section 5 of the Confidential Information Agreement.

(c) Nondisparagement. During the Employment Term and for twelve (12) months thereafter, Executive and the Company in its official communications will not knowingly and materially disparage, criticize, or otherwise make any derogatory statements regarding the other. The Company will instruct its officers and directors to not knowingly and materially disparage, criticize, or otherwise make any derogatory statements regarding Executive. Notwithstanding the foregoing, nothing contained in this agreement will be deemed to restrict Executive, the Company or any of the Company’s current or former officers and/or directors from providing factual information to any governmental or regulatory agency (or in any way limit the content of any such information) to the extent they are requested or required to provide such information pursuant to applicable order, subpoena, law or regulation.

(d) Other Requirements. Executive’s receipt of continued severance payments pursuant to Section 7 will be subject to Executive continuing to comply with the terms of the Confidential Information Agreement and the provisions of this Section 8, to the extent consistent with Section 409A (as defined below).

(e) No Duty to Mitigate. Executive will not be required to mitigate the amount of any payment contemplated by this Agreement, nor will any earnings that Executive may receive from any other source reduce any such payment.

9. Excise Tax. In the event that the benefits provided for in this Agreement constitute “parachute payments” within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended (the “Code”) and will be subject to the excise tax imposed by Section 4999 of the Code

(the "Excise Tax"), then Executive's severance benefits payable under the terms of this Agreement will be either (a) delivered in full, or (b) delivered as to such lesser extent which would result in no portion of such severance benefits being subject to the Excise Tax, **whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the Excise Tax, results in the receipt by Executive on an after-tax basis, of the greatest amount of severance benefits.** Any reduction in payments and/or benefits required by this Section 9 will occur in the following order: (1) reduction of cash payments; (2) reduction of vesting acceleration of equity awards; and (3) reduction of other benefits paid or provided to Executive. In the event that acceleration of vesting of equity awards is to be reduced, such acceleration of vesting will be cancelled in the reverse order of the date of grant for Executive's equity awards. If two or more equity awards are granted on the same date, each award will be reduced on a pro-rata basis.

10. Definitions.

(m) Cause. For purposes of this Agreement, "Cause" will mean:

(i) Acts or omissions constituting gross negligence, recklessness or willful misconduct on the part of Executive with respect to Executive's obligations under this Agreement or otherwise relating to the business of the Company, repeated instances of neglect of Executive's duties after notice of such neglect, or failure or refusal to carry out lawful directions from the CEO with respect to Executive's obligations under this Agreement or otherwise relating to the business of the Company;

(ii) Any act of personal dishonesty taken by Executive in connection with his responsibilities as an employee of the Company, if taken with the intention or reasonable expectation that such action may result in the substantial personal enrichment of Executive;

(iii)Executive's conviction of, or plea of nolo contendere to, a felony that the Board reasonably believes has had or will have a material detrimental effect on the Company's reputation or business;

(iv)A breach of any fiduciary duty owed to the Company by Executive that has a material detrimental effect on the Company's reputation or business;

(v) Executive being found liable in any Securities and Exchange Commission or other civil or criminal securities law action or entering any cease and desist order with respect to such action (regardless of whether or not Executive admits or denies liability);

(vi)Executive (A) obstructing or impeding; (B) endeavoring to obstruct, impede or improperly influence, or (C) failing to materially cooperate with, any investigation authorized by the Board or any governmental or self-regulatory entity (an "Investigation"). However, Executive's failure to waive attorney-client privilege relating to communications with Executive's own attorney in connection with an Investigation will not constitute "Cause"; or

(vii) Executive's disqualification or bar by any governmental or self-regulatory authority from serving in the capacity contemplated by this Agreement or Executive's loss of any governmental or self-regulatory license that is reasonably necessary for Executive to perform his responsibilities to the Company under this Agreement, if (A) the disqualification, bar or loss continues for more than thirty (30) days, and (B) during that period the Company uses its good faith efforts to cause the disqualification or bar to be lifted or the license replaced. While any disqualification, bar or loss continues during Executive's employment,

Executive will serve in the capacity contemplated by this Agreement to whatever extent legally permissible and, if Executive's employment is not permissible, Executive will be placed on leave (which will be paid to the extent legally permissible).

(e) Change of Control. For purposes of this Agreement, "Change of Control" will mean the occurrence of any of the following events:

(viii) The consummation by the Company of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation;

(ix)The approval by the stockholders of the Company, or if stockholder approval is not required, approval by the Board, of a plan of complete liquidation of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets; or

(x) Any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended) becoming the "beneficial owner" (as defined in Rule 13d-3 under said Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities.

(n) Continuance Period. For purposes of this Agreement, "Continuance Period" will mean the period of time beginning on the effective date of the termination of Executive's employment and ending on the date on which Executive is no longer receiving Base Salary payments under Section 7.

(o) Disability. For purposes of this Agreement, "Disability" will mean Executive's absence from his responsibilities with the Company on a full-time basis for 120 calendar days in any consecutive twelve (12) month period as a result of Executive's mental or physical illness or injury.

(p) In Connection with a Change of Control. For purposes of this Agreement, a termination of Executive's employment with the Company is "in Connection with a Change of Control" if Executive's employment is terminated within three (3) months prior to the execution of an agreement that results in a Change of Control or twelve (12) months following a Change of Control.

(q) Good Reason. For purposes of this Agreement, "Good Reason" means Executive's voluntary resignation of employment because of the existence of any of the following reasons and which reason(s) continue following written notice and the expiration of any cure period (as discussed below), without Executive's written consent:

(xi)A significant, material reduction of Executive's duties, position, or responsibilities, relative to Executive's duties, position, or responsibilities in effect immediately prior to the reduction of such duties, position or responsibilities that Executive asserts constitutes the basis for resignation for Good Reason. A change of title alone is not Good Reason;

(xii) A material reduction in Executive's cash compensation (either Base Salary, or Base Salary and Annual Incentive Target combined) as in effect immediately prior to such reduction. Notwithstanding the foregoing, a one-time reduction that also is applied to other similarly situated executive officers of the Company and which one-time reduction reduces the cash compensation by a percentage reduction of ten percent (10%) or less in the aggregate will not be deemed material and will not constitute "Good Reason";

(xiii) A failure by the Company to require any successor entity to the Company specifically to assume all of the Company's obligations to the Executive under this Agreement;

(xiv) A material change in the geographic location from which Executive must perform services (that is, a requirement that Executive re-locate his permanent residence from his then-current location), it being recognized that Executive will be required to travel and be present in the Company's offices, as reasonably required, in performance of his business duties; or

(xv) A material breach by the Company (or its successor) of any material contractual obligation owed Executive pursuant to this Agreement (including, without limitation, the failure of the Company to obtain the assumption of this Agreement by a successor).

Executive will not resign for Good Reason without first providing the Company with written notice within thirty (30) days of the event that Executive believes constitutes "Good Reason" specifically identifying the acts or omissions constituting the grounds for Good Reason and a reasonable cure period of not less than thirty (30) days.

11. Indemnification. Subject to applicable law, Executive will be provided indemnification to the maximum extent permitted by the Company's Certificate of Incorporation or Bylaws, including, if applicable, any directors and officers insurance policies, with such indemnification to be on terms determined by the Board or any of its committees, but on terms no less favorable than provided to any other Company executive officer or director and subject to the terms of any separate written indemnification agreement.

12. Confidential Information. Executive will execute the form of At-Will Employment, Confidential Information, Inventions Assignment and Arbitration Agreement, appended hereto as Exhibit A (the "Confidential Information Agreement"). In the event of any inconsistency between the terms of this Agreement and the terms of the Confidential Information Agreement, this Agreement will prevail.

13. Assignment. This Agreement will be binding upon and inure to the benefit of (a) the heirs, executors and legal representatives of Executive upon Executive's death, and (b) any successor of the Company. Any such successor of the Company will be deemed substituted for the Company under the terms of this Agreement for all purposes. For this purpose, "successor" means any person, firm, corporation, or other business entity which at any time, whether by purchase, merger, or otherwise, directly or indirectly acquires all or substantially all of the assets or business of the Company. None of the rights of Executive to receive any form of compensation payable pursuant to this Agreement may be assigned or transferred, except by will or the laws of descent and distribution. Any other attempted assignment, transfer, conveyance, or other disposition of Executive's right to compensation or other benefits will be null and void. This Section 13 will not prevent Executive from transferring any vested property he owns.

14. Notices. All notices, requests, demands and other communications called for hereunder will be in writing and will be deemed given (a) on the date of delivery if delivered personally or by email; (b) one (1) day after being sent overnight by a well-established commercial overnight service, or (c) four (4) days after being mailed by registered or certified mail, return receipt requested, prepaid and addressed to the parties or their successors at the following addresses, or at such other addresses as the parties may later designate in writing:

If to the Company:
2220 W. 14th St
Tempe, Arizona 85281
Attn: Chief People Experience Officer

With Copy to (which must be by electronic mail):

2220 W. 14th St
Tempe, Arizona 85281
Attn: Rich Diegnan, Chief Legal Officer
Email: RDiegnan@edg.io

If to Executive:

at the last residential address known by the Company.

15. Severability. If any provision hereof becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable, or void, this Agreement will continue in full force and effect without said provision.

16. Arbitration. The parties agree that any and all disputes arising out of the terms of this Agreement, Executive’s employment by the Company, Executive’s service as an officer or director of the Company, or Executive’s compensation and benefits, their interpretation and any of the matters herein released, will be subject to binding arbitration in accordance with the terms of section 12 of the Confidential Information Agreement hereto attached. The Parties further agree that the prevailing party in any arbitration will be entitled to injunctive relief in any court of competent jurisdiction to enforce the arbitration award. The parties hereby agree to waive their right to have any dispute between them resolved in a court of law by a judge or jury. This paragraph will not prevent either party from seeking injunctive relief (or any other provisional remedy) from any court having jurisdiction over the Parties and the subject matter of their dispute relating to Executive’s obligations under this Agreement and the Confidential Information Agreement.

17. Integration. This Agreement, together with the Confidential Information Agreement and the forms of equity award agreements that describe Executive’s outstanding Equity Awards, represents the entire agreement and understanding between the parties as to the subject matter herein and supersedes all prior or contemporaneous agreements whether written or oral. No waiver, alteration, or modification of any of the provisions of this Agreement will be binding unless in a writing and signed by duly authorized representatives of the parties hereto. In entering into this Agreement, no party has relied on or made any representation, warranty, inducement, promise, or understanding that is not in this Agreement. To the extent that any provisions of this Agreement conflict with those of any other agreement to be signed upon Executive’s hire, the terms in this Agreement will prevail.

18. Waiver of Breach. The waiver of a breach of any term or provision of this Agreement, which must be in writing, will not operate as or be construed to be a waiver of any other previous or subsequent breach of this Agreement.

19. Survival. The Confidential Information Agreement and the Company's and Executive's responsibilities under Sections 6, 7, 8, 11 and 12 will survive the termination of this Agreement.

20. Headings. All captions and Section headings used in this Agreement are for convenient reference only and do not form a part of this Agreement.

21. Tax Withholding. All payments made pursuant to this Agreement will be subject to withholding of applicable taxes.

22. Governing Law. This Agreement will be governed by the laws of the state of Arizona without regard to its conflict of law's provisions.

23. Acknowledgment. Executive acknowledges that he has had the opportunity to discuss this matter with and obtain advice from his private attorney, has had sufficient time to, and has carefully read and fully understands all the provisions of this Agreement, and is knowingly and voluntarily entering into this Agreement.

24. Code Section 409A.

(a) Notwithstanding anything to the contrary in this Agreement, no severance payable to Executive, if any, pursuant to this Agreement, when considered together with any other severance payments or separation benefits that are considered deferred compensation under Section 409A of the Code and the final regulations and any guidance promulgated thereunder ("Section 409A") (together, the "Deferred Compensation Separation Benefits") will be payable until Executive has a "separation from service" within the meaning of Section 409A.

(b) Notwithstanding anything to the contrary in this Agreement, if Executive is a "specified employee" within the meaning of Section 409A at the time of Executive's termination (other than due to death), then the Deferred Compensation Separation Benefits that are payable within the first six (6) months following Executive's separation from service, will become payable on the first payroll date that occurs on or after the date six (6) months and one (1) day following the date of Executive's separation from service. All subsequent Deferred Compensation Separation Benefits, if any, will be payable in accordance with the payment schedule applicable to each payment or benefit. Notwithstanding anything herein to the contrary, if Executive dies following Executive's separation from service but prior to the six (6) month anniversary of the separation, then any payments delayed in accordance with this paragraph will be payable in a lump sum as soon as administratively practicable after the date of Executive's death and all other Deferred Compensation Separation Benefits will be payable in accordance with the payment schedule applicable to each payment or benefit. Each payment and benefit payable under this Agreement is intended to constitute separate payments for purposes of Section 1.409A-2(b) (2) of the Treasury Regulations.

(c) Any amount paid under this Agreement that satisfies the requirements of the "short-term deferral" rule set forth in Section 1.409A-1(b)(4) of the Treasury Regulations will not constitute Deferred Compensation Separation Benefits for purposes of clause (i) above.

(d) Any amount paid under this Agreement that qualifies as a payment made as a result of an involuntary separation from service pursuant to Section 1.409A-1(b)(9)(iii) of the Treasury Regulations that do not exceed the Section 409A Limit will not constitute Deferred Compensation Separation Benefits for purposes of clause (i) above. For purposes of this Agreement, “Section 409A Limit” will mean the lesser of two (2) times: (i) Executive’s annualized compensation based upon the annual rate of pay paid to Executive during the Company’s taxable year preceding the Company’s taxable year of Executive’s termination of employment as determined under Treasury Regulation 1.409A-1(b)(9)(iii)(A)(1) and any Internal Revenue Service guidance issued with respect thereto; or (ii) the maximum amount that may be taken into account under a qualified plan pursuant to Section 401(a)(17) of the Code for the year in which Executive’s employment is terminated.

(e) The foregoing provisions are intended to comply with the requirements of Section 409A so that none of the severance payments and benefits to be provided hereunder will be subject to the additional tax imposed under Section 409A, and any ambiguities herein will be interpreted to so comply. The Company and Executive agree to work together in good faith to consider amendments to this Agreement and to take such reasonable actions which are necessary, appropriate or desirable to avoid imposition of any additional tax or income recognition prior to actual payment to Executive under Section 409A.

25. Counterparts. This Agreement may be executed in counterparts, and each counterpart will have the same force and effect as an original and will constitute an effective, binding agreement on the part of each of the undersigned.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, each of the parties has executed this Agreement, in the case of the Company by a duly authorized officer, as of the day and year written below.

COMPANY:

EDGIO, INC.

/s/ Robert A. Lyons Date: August 18, 2022
Robert Lyons, Chief Executive Officer

EXECUTIVE:

/s/Stephen Cumming Date: August 18, 2022
Stephen Cumming

[SIGNATURE PAGE TO STEPHEN CUMMING EMPLOYMENT AGREEMENT]

<u>**Exhibit A**</u>

<u>FORM OF CONFIDENTIAL INFORMATION AGREEMENT</u>

TRANSITION AGREEMENT
And
EMPLOYMENT AGREEMENT AMENDMENT

This Transition Agreement and Employment Agreement Amendment (“Agreement”) is made as of the 20th day of August, 2022 (the “Effective Date”) by and between Daniel Boncel (“Executive”) and Edgio, Inc. (the “Company”) (collectively referred to as the “Parties” or individually referred to as a “Party”).

RECITALS

A. The Company and Executive entered into that certain Employment Agreement dated as of July 1, 2020 (the “Employment Agreement”). Employee and the Company also entered into an At-will Employment, Confidential Information Invention Assignment and Arbitration Agreement dated on or around July 1, 2020 (the “Inventions Agreement”), and an Indemnification Agreement (the “Indemnity Agreement”).

B. The Company intends Executive will remain an employee until December 31, 2022, and Employee is delivering this Agreement in accordance with Section 8(a) of the Employment Agreement.

C. The Parties also intend to resolve any and all disputes, claims, complaints, grievances, charges, actions, petitions, and demands that the Executive may have against the Company, including, but not limited to, any and all claims arising out of or in any way related to Executive’s employment with or termination of his employment with the Company.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises made herein, the Company and Executive agree as follows:

1. Definitions. The following terms will have the meanings set forth below. The capitalized terms not otherwise defined herein will have the meaning set forth in the Employment Agreement.

    a. Separation Date means the earliest to occur of (x) December 31, 2023, (y) the date that Executive is terminated for Cause, or (z) the date that Executive resigns without Good Reason from the Company.

    b. Transition Period means the period beginning on the Effective Date and ending on Separation Date.

    c. Equity Awards means all stock options (“Options”) and restricted stock units (“RSUs”) granted to Executive and currently outstanding as of the Effective Date.

2. Performance of Duties During Transition Period. During the Transition Period, Executive will continue to fulfill his obligations on a full-time basis, as set forth in Section 1(b) of the Employment Agreement, and perform such other duties as reasonably assigned to him by the CEO and or CFO, including, but not limited to, serving as the Company’s Chief Accounting Officer, assisting with the transition of Executive’s daily duties to the successor CFO, and assisting such individual in the

execution of his or her day-to-day responsibilities. If Executive is terminated without Cause or resigns for Good Reason prior to December 31, 2022, then all performance obligations herein shall become null and void.

3. Separation upon Conclusion of Transition Period.

   d. Benefits During the Transition Period. During the Transition Period, Executive will continue to receive:

      i. his current Base Salary paid in accordance with normal payroll practices;

      ii. benefits or compensation as provided under the terms of any executive benefit and compensation agreements or plans applicable to Executive;

      iii. unreimbursed business expenses required to be reimbursed to Executive; and

      iv. rights to indemnification Executive may have under the Company's Certificate of Incorporation, Bylaws, this Agreement, and/or the Indemnity Agreement, as applicable.

   e. Contingent Benefits Following the Transition Period. Executive will further receive, commencing immediately following the Separation Date:

      i. continued payment of Executive's Base Salary (subject to applicable tax withholdings) for twelve (12) months from the effective date of the termination, such amounts to be paid in accordance with the Company's normal payroll policies;

      ii. the greater of (x) the actual earned annual cash incentive, if any, payable to Executive for 2022 (including any incremental amounts approved by the Company's board of directors and payable to the executives directly reporting to the CEO for Project Vault integration or otherwise) and (y) the Target Annual Incentive;

      iii. a transition bonus, payable in cash, equal to $50,000;

      iv. the retention bonus described in the Company's Current Report on Form 8-K filed with the SEC on March 17, 2022; and

      v. reimbursement for premiums paid for continued health benefits for Executive (and any eligible dependents) under the Company's health plans until the earlier of (i) twelve (12) months after the Separation Date, payable when such premiums are due (provided Executive validly elects to continue coverage under the Consolidated Omnibus Budget Reconciliation Act ("COBRA")), or (B) the date upon which Executive and Executive's eligible dependents become covered under similar plans. Executive acknowledges that he will not receive any payment for accrued and unused vacation and waives any right thereto that may exist.

Subject to IRC section 409A, the cash incentive described in subsections (ii) and (iii) above will be paid in a lump sum on the later of (a) the date on which the Company makes the final payment to participants of the 2022 Management Bonus Plan, but in no event will be paid later than March 15, 2023, or (b) within seven (7) days following the effective date of the Release referenced in Section 6 below. Any amounts above will only be paid following the effective date of the Release referenced in Section 6 below. Executive acknowledges that he will not receive any payment for accrued and unused vacation and waives any right thereto that may exist.

4. Equity Awards. Subject to Section 5(b) below, all Equity Awards unvested as of the end of the Separation Date will be forfeited on that date. Executive will be entitled to exercise outstanding vested Options until the first to occur of: (i) the date that is twelve (12) months following the Separation Date, or (ii) the applicable scheduled expiration date of such award as set forth in the award agreement. For purposes of clarity, the term “expiration date” shall be the scheduled expiration of the option agreement and not the period that Executive shall be entitled to exercise such option.

5. Termination or Resignation.

    f. Termination for Cause or Resignation without Good Reason. If Executive is terminated for Cause or resigns without Good Reason prior December 31, 2022, then Executive shall forfeit all of the benefits set forth in Section 3(b) and all vesting of Equity Awards set forth in Section 4 shall immediately cease.

    g. Termination without Cause. If Executive is terminated for any reason other than for Cause prior to December 31, 2022, then:

        vi. the benefits set forth in Section 3(a) shall continue until December 31, 2022, as if Executive were still actively employed by the Company;
        vii. all Equity Awards that otherwise would have vested through December 31, 2022, shall accelerate in full and become immediately exercisable as soon as administratively practical following Executive’s actual termination date and the effectiveness of the Release; and

        viii. the benefits described in Section 3(b) shall commence on January 1, 2023 and continue in full as described therein.

    h. Resignation for Good Reason. If Executive resigns for Good Reason, then he the resignation shall be treated as a “termination without Cause” for purposes his separation benefits, as described in Section 10(b). Notwithstanding the foregoing, if such resignation is pursuant to Section 10(e)(i) of the Employment Agreement, then he shall be entitled solely to the benefits set forth in Section 7(a) of the Employment Agreement. Executive shall not be eligible to provide notice of his intent to resign for Good Reason pursuant to Section 10(e)(i) of the Employment Agreement prior to the date that a successor CFO commences employment with the Company.

6. Releases of Claims. The receipt of any benefits pursuant to Sections 3 and 5 is subject to and conditioned upon Executive signing, on the Separation Date, and not revoking

a release of claims in the form attached hereto as Exhibit A and honoring all continuing covenants in this Agreement, the Employment Agreement (including without limitation the provisions of section 8 thereof), and the Inventions Agreement.

7. Amendment of Employment Agreement. This Agreement amends the Employment Agreement and supersedes the Employment Agreement to the extent provisions between the documents are inconsistent, and in particular, this Agreement supersedes the provisions of section 7 of the Employment Agreement regarding severance benefits. For the avoidance of doubt, if Executive is entitled to any benefits under this Agreement, Executive shall not be entitled to any different or additional benefits under the Employment Agreement. The provisions of the Employment Agreement that are not amended or superseded by this Agreement are applicable to, and incorporated into, this Agreement, including sections 15, 16, and 18 through 25 of the Employment Agreement.

8. Integration. This Agreement, together with the Employment Agreement, Inventions Agreement, Indemnity Agreement and the forms of equity award agreements that describe Executive's outstanding Equity Awards, represents the entire agreement and understanding between the parties as to the subject matter herein and supersedes all prior or contemporaneous agreements whether written or oral.

9. Notices. Section 13 of the Employment Agreement, Notices, is amended to include the following updated address for notices to the Company:

   2220 West 14th Street
   Tempe, Arizona 85281
   Attn: Chief Legal Officer

   If to Executive:
   Last residential address provided by Executive to the Company's HR Department

In witness whereof, this Agreement has been signed as of the day and year first above written.

COMPANY:
EDGIO, INC.

/s/ Robert A. Lyons 08/21/2022
__ Date:________
Robert Lyons, Chief Executive Officer

EXECUTIVE:

/s/ Dan Boncel Date: 08/21/2022
Daniel Boncel

Exhibit A

SEPARATION AGREEMENT
AND RELEASE OF CLAIMS
Date: December 31, 2022

This Separation Agreement and Release of Claims ("Agreement") is made by and between Daniel Boncel, individually and on behalf of his marital community, if any, ("Employee") and Edgio, Inc. ("Edgio" or the "Company") effective on the date set forth in Section 6 below ("Effective Date") relating to Employee's employment and termination of employment with the Company. When used herein, the term "Company" includes each and every officer, director, employee, agent, parent corporation(s), subsidiary corporation(s), wholly owned companies, affiliate(s) and division(s), their successors, assigns, beneficiaries, servants, legal representatives, insurers and heirs of Edgio. Capitalized terms used herein and not otherwise defined shall have the meaning set forth in the Transition Agreement (as defined below).

RECITAL

A. Edgio and Employee are parties to an Transition Agreement and Employment Agreement Amendment dated as of August [*], 2022, (the "Transition Agreement"), and are also parties to an Employment Agreement, Inventions Agreement, and Indemnity Agreement as those terms are defined in the Transition Agreement. Employee's employment by Edgio is being terminated and Employee is delivering this Agreement in accordance with Section 6 of the Transition Agreement.

AGREEMENT

1. Separation from Employment. Employee will remain an employee until the Separation Date as contemplated in the Transition Agreement. Company will pay Employee all wages earned by Employee through the Separation Date as contemplated in Section 3(i)-(iii) of the Transition Agreement. Employee acknowledges that, except as set out herein or in the Transition Agreement, the Company owes no other commissions, wages, bonuses, vacation pay, sick pay, or benefits to Employee. This Agreement is intended to settle, resolve and release any and all claims stemming from or related to Employee's employment with Company, Employee's termination of employment, including, but not limited to, any and all claims for amounts due to Employee from Company in terms of wages, fees, commissions, severance payments, bonuses and/or benefits of any kind.

2. Consideration. In addition to the benefits set forth in Paragraph 1 of this Agreement, and for, and in consideration of, the covenants, promises and releases by Employee in this Agreement, and subject to compliance with any and all prerequisites expressly set forth herein or in the Transition Agreement including without limitation Employee's continued compliance with the restrictive covenants set forth in the Employment Agreement and Inventions Agreement, and this Agreement becoming effective and irrevocable in accordance with Section 6 below, Company agrees to pay Employee the amounts described in Section 3 of the Transition Agreement.

3. Other Benefits. Employee's participation in the Company's group medical and dental programs ceases on the Separation Date, subject to Employee's right to continue his health insurance under COBRA. Employee **must elect** to receive COBRA if he wants continuation coverage under the Company's group health benefits programs. Employee' right to COBRA and the time for electing COBRA and making the required COBRA payments will be explained in a separate COBRA notice package. Also, as of the Separation Date, Employee is no longer eligible

to participate in any other benefit programs offered by the Company, including, but not limited to, vacation, 401(k) plan, short-term and long-term disability, accidental death and dismemberment and life and dependent life insurance programs.

4. Confidentiality. Employee reaffirms and agrees to observe and abide by the terms of the Inventions Agreement, specifically including the provisions therein regarding nondisclosure of the Company's trade secrets and confidential and proprietary information.

5. Full General Release of Claims. Employee, for himself, his marital community, and his heirs, successors and assigns, irrevocably and unconditionally releases and forever discharges Edgio, Inc., its parents, subsidiaries and affiliates, and all of their successors, assigns, officers, directors, representatives, agents, employees, associates, and all other persons acting for or on behalf of any of them, from any and all claims, complaints, liabilities, obligations, promises, agreements, damages, causes of action, costs, losses, debts and expenses of every kind, in law or in equity, whether known or unknown, foreseen or unforeseen, from the beginning of time to the date of this Agreement, including any and all claims in connection with Employee' employment with the Company and separation from employment with the Company. Except as otherwise expressly provided herein, this general release is a full and final bar to any claims Employee may have against the Company, including, without limitation, any claims:

(a) arising from Employee' pay, bonuses, vacation, or any other employee benefits, and other terms and conditions of employment or employment practices of the Company;

(b) relating to stock options, whether pursuant to a stock option plan, agreement or otherwise;

(c) relating to any claims for punitive, compensatory, and/or retaliatory discharge damages; back and/or front pay claims and fringe benefits; or payment of any attorneys' fees for Employee; arising under the Civil Rights Acts of 1866, 1871, and 1991; Title VII of the Civil Right Act of 1964; 42 U.S.C. §1981; the Worker Adjustment and Retraining Notification Act; the Employee Retirement Income Security Act; the Rehabilitation Act; the Americans with Disabilities Act; the Fair Labor Standards Act; the Equal Pay Act; the Occupational Safety and Health Act of 1970; the Family and Medical Leave Act; the Consolidated Omnibus Benefit Reconciliation Act of 1985; violations of any local, state or federal discrimination or harassment law based on race, sex, age, disability, pregnancy or any other category protected by law; wrongful termination; all equitable claims and all common law claims, including but not limited to breach of express and implied-in-fact contract, breach of the covenant of good faith and fair dealing, intentional and negligent infliction of emotional distress, defamation, invasion of privacy, breach of employment contract, fraud or negligent misrepresentation, intentional interference with contractual relations and prospective economic advantage, personal injury, assault, battery, invasion of privacy, retaliatory discharge, constructive discharge, negligent or intentional infliction of emotional distress, any other tort (as any of these laws may have been amended); any claim for wages, benefits, salary, commissions or bonuses; or which arise out of or are in any way connected with any loss, damage or injury whatsoever resulting from any act committed or omission made prior to the Effective Date.

(d) or any other federal, state, or local labor, employment, or anti-discrimination laws; and/or

(e) based on any contract, tort, whistleblower, personal injury, or wrongful discharge theory.

Notwithstanding anything to the contrary herein, Employee does not release, and expressly retains, the following rights: (i) rights under this Agreement and the Transition Agreement (including without limitation, rights under the Employment Agreement that are expressly retained by the Transition Agreement); and (ii) Indemnification Rights. Except as otherwise expressly set forth herein, the parties intend that the release of claims in this Agreement extend to all claims Employee may have whether known or unknown.

6. Acknowledgment of Waiver of Claims under the Age Discrimination in Employment Act (ADEA). Employee acknowledges that he is waiving and releasing any rights he may have under the Age Discrimination in Employment Act of 1967 (“ADEA”), and that this waiver and release is knowing and voluntary. Employee agrees that this waiver and release does not apply to any rights or claims that may arise under the ADEA after the Effective Date of this Agreement. Employee acknowledges that the consideration given for this waiver and release is in addition to anything of value to which Employee was already entitled. Employee further acknowledges that he has been advised by this writing that: (a) he should consult with an attorney prior to executing this Agreement; (b) he has twenty-one (21) days within which to consider this Agreement and agrees that any non-material change to the terms herein from the date of first offer to the Effective Date do not re-start, extend, or interrupt the 21 day consideration period; (c) he has seven (7) days following his execution of this Agreement to revoke this Agreement; (d) this Agreement shall not be effective until signed by Employee, and until after the revocation period has expired (the “Effective Date”); and (e) nothing in this Agreement prevents or precludes Employee from challenging or seeking a determination in good faith of the validity of this waiver under the ADEA, nor does it impose any condition precedent, penalties, or costs for doing so, unless specifically authorized by federal law. In the event Employee signs this Agreement and returns it to Company in less than the 21-day period identified above, Employee hereby acknowledges that he has freely and voluntarily chosen to waive the time period allotted for considering this Agreement. Employee acknowledges and understands that revocation must be accomplished by a written notification to the person executing this Agreement on the Company’s behalf that is received prior to the Effective Date. The Parties agree that changes, whether material or immaterial, do not restart the running of the 21-day period.

7. Voluntary Action. Employee acknowledges that he has read each paragraph of this Agreement and understands his rights and obligations. Employee further acknowledges and agrees that: (a) this Agreement is written in a manner understandable to him; (b) this Agreement is granted in exchange for consideration which is in addition to anything of value to which Employee is otherwise entitled; (c) he has been given a reasonable opportunity to consider and review this Agreement and consult with an attorney of his choice; and (d) his signature on this Agreement is knowing and voluntary.

8. Return of Confidential Information and Physical and Intellectual Property. On the Separation Date, Employee shall return to Company all Company property and confidential and proprietary information including, but not limited to, computer(s) (subject to provisions of the Transition Agreement), files, documents, passcodes, documents, designs, plans and any and all other Company property, confidential or proprietary information in any form or medium. In addition, Employee agrees that he will, upon Edgio’s request, provide reasonable written certification to Edgio that he has complied with this provision.

9. Miscellaneous.

(a) Entire Agreement. This Agreement, together with the Transition Agreement and the Confidential Information Agreement, contains the entire agreement between Employee and the Company relating to the subject matter hereof, and all prior

agreements, negotiations and representations in regard to the subject matter are replaced by this Agreement. This Agreement may only be changed by a written amendment signed by Employee and an authorized representative of Edgio.

(b) No Admission. The Company and Employee agree that the consideration, covenants and releases herein are not to be construed as an admission of liability by the Company or Employee. The parties specifically disclaim any liability to the other or to any other person or entity.

(c) Severability. Any ruling of invalidity, illegality, or unenforceability of any provision of this Agreement will not affect any other provision of this Agreement, which shall remain in full force and effect. Nor will any ruling of invalidity, illegality or unenforceability of a portion of any provision of this Agreement affect the balance of such provision. In the event that any one or more of the provisions contained in this Agreement, or any portion thereof, is held to be invalid, illegal, or unenforceable in any respect, this Agreement shall be reformed, construed, and enforced as if such invalid, illegal, or unenforceable provision had never been contained herein.

(d) Effect of Waiver. The failure of either party at any time to require performance of any provision of this Agreement will in no manner affect the right to enforce the same.

(e) Binding Nature. This Agreement will be binding upon the Company and Employee and will inure to the benefit of any successor or successors of the Company. This Agreement is not assignable by Employee, except in the case of death or permanent and total disability, and then, only to the extent that Employee' estate or guardian shall be entitled to receive the consideration to be paid under Paragraph 2 of this Agreement.

(f) Equitable Remedy/Enforcement. The parties agree that money damages would not be a sufficient remedy for any breach of the confidentiality and non-disclosure and non-disparagement provisions herein, and that the non-breaching party in such case will be entitled to seek specific performance and injunctive and other equitable relief as a remedy for any such breach, and alleged breaching party further agrees to waive any requirement for the securing or posting of any bond in connection with such remedy. Such remedy will not be deemed to be the exclusive remedy for non-breaching party, but will be in additional to all other remedies available to that party at law or in equity.

(g) Headings. The section headings contained in this Agreement are for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

(h) Construction. The Company and Employee have jointly participated in the negotiation of this Agreement. In the event that an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if it was drafted jointly by the Company and Employee and no presumptions or burdens of proof shall arise favoring any party by virtue of authorship of this Agreement.

(i) Notice. Any notice, request, statement, information or other document to be given to either party by the other must be in writing and delivered as follows:

2220 West 14th Street
Tempe, Arizona 85281
Attn: Chief Legal Officer

If to Employee:

Last residential address provided by Employee to the Company's HR Department

Any party may change the address to which notices hereunder are to be sent to it by giving written notice of a change of address.

(j) Applicable Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Arizona, without regard to its choice of law rules. Any action brought in connection with this Agreement will be brought in accordance with the arbitration provisions of the Inventions Agreement, and if for any reason such provisions are not enforceable then any action in connection with this Agreement will be brought a court sitting in Maricopa County, Arizona, and the parties agree to submit to the jurisdiction of such court(s). THE PARTIES HEREBY WAIVE THEIR RIGHT, IF ANY, FOR CLAIMS, DEFENSES, AFFIRMATIVE DEFENSES, COUNTERCLAIMS OR SET-OFF HEREUNDER TO BE HEARD BY A JURY.

(k) Liability for Breach. Should either party be required to bring formal action to enforce the terms herein, the prevailing party shall be awarded its reasonable costs and attorneys' fees in such action, in addition to all other legal and equitable remedies available to it.

(l) Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed an original and all of which together will constitute one and the same instrument. Electronic and/or facsimile copies will count as originals.

IN WITNESS WHEREOF, the Company and Employee signify agreement with the terms herein and have executed this Separation Agreement and Release of Claims effective on the date set forth in Section 6 above.

Employee: Daniel Boncel

/s/Dan Boncel
____
08/21/2022
Date:____________

Edgio, Inc.

By: /s/ Kathy Austin
Print Name: Kathy Austin
Title: Chief People Experience Officer
Date: 08/21/2022

Exhibit 10.3

October 7, 2022

Eric Chang
Ecchang621@gmail.com

Re: **Offer of Employment with Edgio, Inc.**

Dear Eric:

Congratulations and welcome to our First Team! We believe that Edgio will offer you interesting challenges as well as the opportunity for growth and professional development. Please review the following summary of our offer that explains what you can expect from us and what we expect from you.

- Your position will be Chief Accounting Officer reporting to Stephen Cumming, Chief Financial Officer and your work location designation will be Remote. You will be required to devote your full business efforts and time to the Company and will use good faith efforts to discharge your obligations.

- As Chief Accounting Officer, you will serve as the Principal Accounting Officer and shall be a Section 16 Officer subject to reporting and other obligations under Section 16 of the Securities Exchange Act of 1934.

- You will receive an **annual salary of $320,000** paid over twenty-four pay periods on the 15th and last day of each month.

- Your anticipated start date is **October 31, 2022** pending your timely submission and completion of pre-employment requirements.

- Your **annual target bonus opportunity is 40% of your annual salary** and will be prorated based on your date of hire. Bonuses are discretionary and contingent upon the company meeting its financial metrics. If funded, bonus will be based on Company and individual performance. Receipt of any such discretionary bonus is contingent upon your continued employment with the Company through the date such bonus is paid and subject to board approval.

- Your New Hire equity grant is:
    - **$165,000 Restricted Stock Units (RSUs)**
    - **$165,000 Stock Options**

  Equity will be granted under and subject to the terms, definitions, and provisions of Edgio's Amended and Restated 2007 Equity Incentive Plan (the Plan). Grant recommendations will be presented to the Compensation Committee or its delegate for consent the month following your start date. We will send you a written notice of the grant within thirty (30) days of its approval (the Notice). The grant will be subject to the terms and conditions of the Plan and the Notice, which include the vesting schedule and conditions. No right to any stock is earned or accrued until such time that vesting occurs, nor does the grant confer any right to continue vesting or employment.

- **Equity Awards:** You may from time to time be issued stock options, RSUs or other equity awards under the Plan or a successor plan. You will be eligible to participate in the 2022 equity incentive grants, with a grant value of $165,000, subject to Compensation Committee approval of the type of equity award, terms and conditions of the 2022 grants.

- **Benefits:** You are eligible to enroll in Edgio's Group Health Plans on the first day of the month following your date of hire.

- **401(k):** You may elect to participate in Edgio's 401(k) Retirement Savings Plan on the first day of the month following 30 days of employment. We match 100% of the first 3% and 50% of the next 2%. Both employee and employer contributions are immediately vested.

- **Employee Stock Purchase Plan (ESPP):** You may participate in Edgio's ESPP, which allows you to purchase the Company's stock at a discounted rate through payroll deductions. We offer two open enrollment periods (winter and summer).

- **Paid Time Off (PTO)**: We believe that it is important for you to take the time you need when you need it. Edgio has a flexible PTO policy for exempt employees that can be used for a variety of reasons. This allows employees to coordinate PTO without hard and fast limits; therefore, PTO is not accrued for exempt employees and all time off is up to your coach's discretion.

- **Employment "at-will":** You and the Company agree that your employment with the Company constitutes "at-will" employment and acknowledge that your employment may be terminated at any time, with or without good cause or for any or no cause, at the option of either you or the Company.

- **Severance:** If your employment is terminated by the Company: (i) without Cause (*as defined below*) or for a resignation for Good Reason (*as defined below*) and such termination is not in connection with a Change of Control (*as defined below*), subject to signing and not revoking a separation and release agreement in a form acceptable to the Company and irrevocable no later than sixty (60) days following the effective date of termination, you shall receive continued payment of your base salary (subject to applicable tax withholdings) for six (6) months from the effective date of the termination, such amounts to be paid in accordance with the Company's normal payroll policies; or (ii) without Cause or for a resignation for Good Reason and such termination is in connection with a Change of Control, subject to signing and not revoking a separation and release agreement in a form acceptable to the Company and irrevocable no later than sixty (60) days following the effective date of termination, you shall receive (x) continued payment of your base salary (subject to applicable tax withholdings) for six (6) months from the effective date of the termination, such amounts to be paid in accordance with the Company's normal payroll policies, (y) fifty percent (50%) of your target annual incentive for the year in which the effective date of the termination occurs, and (z) one hundred percent (100%) of your then outstanding unvested equity awards will vest on the effective date of the termination.

"Cause" means:

(i) Acts or omissions constituting gross negligence, recklessness or willful misconduct on the part of you with respect to your obligations under this offer letter or otherwise relating to the business of the Company, repeated instances of neglect of your duties after notice of such neglect, or failure or refusal to carry out lawful directions from the CFO with respect to your obligations under this offer letter or otherwise relating to the business of the Company;

(ii) Any act of personal dishonesty taken by you in connection with your responsibilities as an employee of the Company, if taken with the intention or reasonable expectation that such action may result in the substantial personal enrichment of you;

(iii) Your conviction of, or plea of nolo contendere to, a felony that the Board reasonably believes has had or will have a material detrimental effect on the Company's reputation or business;

(iv) A breach of any fiduciary duty owed to the Company by you that has a material detrimental effect on the Company's reputation or business;

(v) You being found liable in any Securities and Exchange Commission or other civil or criminal securities law action or entering any cease and desist order with respect to such action (regardless of whether or not you admit or deny liability);

(vi) You (a) obstruct or impede; (b) endeavor to obstruct, impede or improperly influence, or (c) fail to materially cooperate with, any investigation authorized by the Board or any governmental or self-regulatory entity (an "Investigation"). However, your failure to waive attorney-client privilege relating to communications with your own attorney in connection with an Investigation will not constitute "Cause"; or

(vii) Your disqualification or bar by any governmental or self-regulatory authority from serving in the capacity contemplated by this Agreement or your loss of any governmental or self-regulatory license that is reasonably necessary for you to perform your responsibilities to the Company under this offer letter, if (A) the disqualification, bar or loss continues for more than thirty (30) days, and (B) during that period the Company uses its good faith efforts to cause the disqualification or bar to be lifted or the license replaced. While any disqualification, bar or loss continues during your employment, you will serve in the capacity contemplated by this Agreement to whatever extent legally permissible and, if your employment is not permissible, you will be placed on leave (which will be paid to the extent legally permissible).

"Change of Control" will mean the occurrence of any of the following events:

(i) The consummation by the Company of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation;

(ii) The approval by the stockholders of the Company, or if stockholder approval is not required, approval by the Board, of a plan of complete liquidation of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets; or

(iii) Any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended) becoming the "beneficial owner" (as defined in Rule 13d-3 under said Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities.

"Good Reason" means your voluntary resignation of employment because of the existence of any of the following reasons and which reason(s) continue following written notice and the expiration of any cure period (as discussed below), without your written consent:

(i) A significant, material reduction of your duties, position, or responsibilities, relative to your duties, position, or responsibilities in effect immediately prior to the reduction of such duties, position or responsibilities that you assert constitutes the basis for resignation for Good Reason. A change of title alone is not Good Reason;

(ii) A material reduction in your cash compensation (either annual salary, or annual salary and annual incentive target combined) as in effect immediately prior to such reduction. Notwithstanding the foregoing, a one-time reduction that also is applied to other similarly situated executive officers of the Company and which one time reduction reduces the cash compensation by a percentage reduction of ten percent (10%) or less in the aggregate will not be deemed material and will not constitute "Good Reason";

(iii) A failure by the Company to require any successor entity to the Company specifically to assume all of the Company's obligations to you under this Agreement;

(iv) A material change in the geographic location from which you must perform services (that is, a requirement that you re-locate your permanent residence from your then-current location), it being recognized that you will be required to travel and be present in the Company's offices, as reasonably required, in performance of your business duties; or

(v) A material breach by the Company (or its successor) of any material contractual obligation owed you pursuant to this offer letter (including, without limitation, the failure of the Company to obtain the assumption of this Agreement by a successor).

You will not resign for Good Reason without first providing the Company with written notice within thirty (30) days of the event that you believe constitutes "Good Reason" specifically identifying the acts or omissions constituting the grounds for Good Reason and a reasonable cure period of not less than thirty (30) days.

We reserve the right to conduct background investigations and/or reference checks on all our potential employees, where permitted by law. Your job offer is contingent upon a clearance of such a background investigation and/or reference check.

For purposes of federal immigration law, you will be required to provide to us documentary evidence of your identity and eligibility for employment in the United States. Such documentation must be provided to us within three (3) business days of your date of hire, or our employment relationship with you may be terminated.

We also ask that, if you have not already done so, you disclose to us any and all agreements relating to your prior employment that may affect your eligibility to be employed by us or limit the manner in which you may be employed. It is our understanding that any such agreements will not prevent you from performing the duties of your position and you represent that such is the case. Moreover, you agree that, during the term of your employment with us, you will not engage in any other employment, occupation, consulting, or other business activity directly related to the business in which we are now involved or becomes involved during the term of your employment, nor will you engage in any other activities that conflict with your obligations to us. Similarly, you agree not to bring any third-party confidential information to Edgio, including that of your former employer, and that in performing your duties for us, you will not in any way utilize any such information.

As an Edgio employee, you will be expected to abide by our Code of Ethics and Business Conduct. Specifically, you will be required to sign an acknowledgement that you have read and understand our general rules of conduct which are included in the First Team Guide. As a condition of your employment, you are also required to sign and comply with an At-Will Employment, Confidential Information, Invention Assignment and Arbitration Agreement (the CIIA) which requires, among other provisions, the assignment of patent rights to any invention made during your employment with us, and non-disclosure of our confidential and/or proprietary information. Please note that we must receive your signed CIIA before your first day of employment.

This offer letter is not to be construed as an employment agreement, rather it is an employment at-will offer and is contingent upon the successful completion of the pre-employment process. Please indicate your acceptance of our employment offer by signing this original offer letter and return it to us by Monday, October 10, 2022. Understand that by signing this letter, you are acknowledging your understanding of the terms.

We look forward to the opportunity to welcome you to Edgio!

Sincerely,
The People Experience Team

Eric Chang
Signature: /s/ Eric Chang Date signed: October 7, 2022

EXHIBIT 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

I, Robert A. Lyons, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Edgio, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 9, 2022

By: /s/ ROBERT A. LYONS
Name: **Robert A. Lyons**
Title: **President, Chief Executive Officer and Director**
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

I, Stephen Cumming, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Edgio, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 9, 2022	By:	/s/ STEPHEN CUMMING
	Name:	**Stephen Cumming**
	Title:	**Chief Financial Officer (Principal Financial Officer)**

EXHIBIT 32.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
Pursuant to
18 U.S.C. Section 1350,
As Adopted pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

I, Robert A. Lyons, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the quarterly report of Edgio, Inc. on Form 10-Q for the period ended September 30, 2022, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such quarterly report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Edgio, Inc.

Date: November 9, 2022	By:	/s/ ROBERT A. LYONS
	Name:	**Robert A. Lyons**
	Title:	**President, Chief Executive Officer and Director (Principal Executive Officer)**

A signed original of this written statement required by Section 906 has been provided to Edgio, Inc. and will be retained by, Edgio, Inc. and furnished to the Securities and Exchange Commission or its staff upon request. This certification "accompanies" the Form 10-Q to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing.

EXHIBIT 32.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
Pursuant to
18 U.S.C. Section 1350,
As Adopted pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

I, Stephen Cumming, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the quarterly report of Edgio, Inc. on Form 10-Q for the period ended September 30, 2022, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such quarterly report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Edgio, Inc.

Date: November 9, 2022	By:	/s/ STEPHEN CUMMING
	Name:	**Stephen Cumming**
	Title:	**Chief Financial Officer** **(Principal Financial Officer)**

A signed original of this written statement required by Section 906 has been provided to Edgio, Inc. and will be retained by, Edgio, Inc. and furnished to the Securities and Exchange Commission or its staff upon request. This certification "accompanies" the Form 10-Q to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing.