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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, 2021

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

Limelight Networks, 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.)**

1465 North Scottsdale Road, Suite 500
Scottsdale, AZ 85257
(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	LLNW	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 October 29, 2021: 133,811,874 shares.

LIMELIGHT NETWORKS, INC.
FORM 10-Q
Quarterly Period Ended September 30, 2021
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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-GAAP earnings per share, 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;
- the sufficiency of our facilities to meet our needs;
- 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, and 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 (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 "Limelight," "we," "us," and "our" in this document refer to Limelight Networks, 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

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

	September 30, 2021 (Unaudited)	December 31, 2020
ASSETS		
Current assets:		
Cash and cash equivalents	$ 39,585	$ 46,795
Marketable securities	36,201	76,928
Accounts receivable, net	46,179	31,675
Income taxes receivable	62	68
Prepaid expenses and other current assets	13,396	15,588
Total current assets	135,423	171,054
Property and equipment, net	36,392	46,418
Operating lease right of use assets	7,683	10,150
Marketable securities, less current portion	40	40
Deferred income taxes	1,693	1,530
Goodwill	105,221	77,753
Intangible assets, net	23,680	—
Other assets	5,972	7,233
Total assets	$ 316,104	$ 314,178
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 13,768	$ 4,587
Deferred revenue	7,965	933
Operating lease liability obligations	1,966	2,465
Income taxes payable	443	253
Other current liabilities	17,950	17,560
Total current liabilities	42,092	25,798
Convertible senior notes, net	121,576	100,945
Operating lease liability obligations, less current portion	10,045	11,265
Deferred income taxes	308	279
Deferred revenue, less current portion	307	220
Other long-term liabilities	453	479
Total liabilities	174,781	138,986
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; 133,812 and 123,653 shares issued and outstanding at September 30, 2021 and December 31, 2020, respectively	134	124
Additional paid-in capital	571,268	556,512
Accumulated other comprehensive loss	(8,491)	(7,511)
Accumulated deficit	(421,588)	(373,933)
Total stockholders' equity	141,323	175,192
Total liabilities and stockholders' equity	$ 316,104	$ 314,178

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

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Revenue	$ 55,202	$ 59,243	$ 154,745	$ 174,801
Cost of revenue:				
Cost of services (1)	33,687	31,905	99,708	92,406
Depreciation — network	5,685	5,602	17,293	16,112
Total cost of revenue	39,372	37,507	117,001	108,518
Gross profit	15,830	21,736	37,744	66,283
Operating expenses:				
General and administrative	10,532	7,751	30,944	23,820
Sales and marketing	5,987	10,456	21,619	33,279
Research and development	5,205	5,425	16,520	16,614
Depreciation and amortization	730	384	1,818	1,049
Restructuring charges	1,770	—	10,798	—
Total operating expenses	24,224	24,016	81,699	74,762
Operating loss	(8,394)	(2,280)	(43,955)	(8,479)
Other income (expense):				
Interest expense	(1,308)	(1,674)	(3,899)	(1,756)
Interest income	17	10	104	40
Other, net	(209)	25	(864)	(396)
Total other expense	(1,500)	(1,639)	(4,659)	(2,112)
Loss before income taxes	(9,894)	(3,919)	(48,614)	(10,591)
Income tax expense	211	66	718	377
Net loss	$ (10,105)	$ (3,985)	$ (49,332)	$ (10,968)
Net loss per share:				
Basic	$ (0.08)	$ (0.03)	$ (0.39)	$ (0.09)
Diluted	$ (0.08)	$ (0.03)	$ (0.39)	$ (0.09)
Weighted average shares used in per share calculation:				
Basic	126,791	122,363	125,710	120,519
Diluted	126,791	122,363	125,710	120,519

(1) Cost of services excludes amortization related to certain intangibles, including technology, customer relationships, and trade names, which are included in depreciation and amortization

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

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Net loss	$ (10,105)	$ (3,985)	$ (49,332)	$ (10,968)
Other comprehensive income (loss), net of tax:				
Unrealized gain (loss) on investments	3	(80)	32	(80)
Foreign currency translation gain (loss)	(529)	732	(1,012)	(89)
Other comprehensive income (loss)	(526)	652	(980)	(169)
Comprehensive loss	$ (10,631)	$ (3,333)	$ (50,312)	$ (11,137)

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

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

For the Three Months Ended September 30, 2021

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total
	Shares	Amount				
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

For the Three Months Ended September 30, 2020

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total
	Shares	Amount				
Balance June 30, 2020	121,692	$ 122	$ 541,363	$ (10,031)	$ (361,639)	$ 169,815
Net loss	—	—	—	—	(3,985)	(3,985)
Change in unrealized loss on available-for-sale investments, net of taxes	—	—	—	(80)	—	(80)
Foreign currency translation adjustment, net of taxes	—	—	—	732	—	732
Exercise of common stock options	812	1	2,598	—	—	2,599
Vesting of restricted stock units	488	—	—	—	—	—
Restricted stock units surrendered in lieu of withholding taxes	(168)	—	(1,041)	—	—	(1,041)
Share-based compensation	—	—	4,305	—	—	4,305
Equity component of convertible senior notes, net	—	—	21,747	—	—	21,747
Purchase of capped calls related to issuance of convertible senior notes	—	—	(16,413)	—	—	(16,413)
Balance September 30, 2020	122,824	$ 123	$ 552,559	$ (9,379)	$ (365,624)	$ 177,679

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

For the Nine Months Ended September 30, 2020

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total
	Shares	Amount				
Balance December 31, 2019	118,368	$ 118	$ 530,285	$ (9,210)	$ (354,656)	$ 166,537
Net loss	—	—	—	—	(10,968)	(10,968)
Change in unrealized loss on available-for-sale investments, net of taxes	—	—	—	(80)	—	(80)
Foreign currency translation adjustment, net of taxes	—	—	—	(89)	—	(89)
Exercise of common stock options	2,672	3	7,607	—	—	7,610
Vesting of restricted stock units	2,233	2	5	—	—	7
Restricted stock units surrendered in lieu of withholding taxes	(749)	—	(3,986)	—	—	(3,986)
Issuance of common stock under employee stock purchase plan	300	—	1,074	—	—	1,074
Share-based compensation	—	—	12,240	—	—	12,240
Equity component of convertible senior notes, net	—	—	21,747	—	—	21,747
Purchase of capped calls related to issuance of convertible senior notes	—	—	(16,413)	—	—	(16,413)
Balance September 30, 2020	122,824	$ 123	$ 552,559	$ (9,379)	$ (365,624)	$ 177,679

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

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

	Nine Months Ended September 30,	
	2021	**2020**
Operating activities		
Net loss	$ (49,332)	$ (10,968)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	19,111	17,161
Share-based compensation	16,477	12,238
Foreign currency remeasurement gain	(66)	(113)
Deferred income taxes	(198)	(80)
Gain on sale of property and equipment	(219)	(1)
Accounts receivable charges	1,047	476
Amortization of premium on marketable securities	1,597	87
Noncash interest expense	604	868
Changes in operating assets and liabilities:		
Accounts receivable	(13,037)	(8,221)
Prepaid expenses and other current assets	1,678	(2,679)
Income taxes receivable	4	3
Other assets	2,017	2,504
Accounts payable and other current liabilities	8,163	8,159
Deferred revenue	4,640	(109)
Income taxes payable	210	(15)
Other long term liabilities	(26)	265
Net cash (used in) provided by operating activities	(7,330)	19,575
Investing activities		
Purchases of marketable securities	(44,838)	(52,690)
Sale and maturities of marketable securities	84,000	2,900
Purchases of property and equipment	(11,909)	(22,128)
Proceeds from sale of property and equipment	219	1
Acquisition of business, net of cash acquired	(30,968)	—
Net cash used in investing activities	(3,496)	(71,917)
Financing activities		
Proceeds from issuance of debt, net	—	121,600
Purchase of capped calls	—	(16,413)
Payment of debt issuance costs	(30)	(784)
Payments of employee tax withholdings related to restricted stock vesting	(1,315)	(3,987)
Proceeds from employee stock plans	5,460	8,691
Net cash provided by financing activities	4,115	109,107
Effect of exchange rate changes on cash and cash equivalents	(499)	69
Net (decrease) increase in cash and cash equivalents	(7,210)	56,834
Cash and cash equivalents, beginning of period	46,795	18,335
Cash and cash equivalents, end of period	$ 39,585	$ 75,169
Supplemental disclosure of cash flow information		
Cash paid during the period for interest	$ 4,460	$ 97
Cash paid during the period for income taxes, net of refunds	$ 714	$ 452
Common stock issued in connection with acquisition of business	$ 18,433	$ —

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

Limelight Networks, Inc.
Notes to Unaudited Consolidated Financial Statements
September 30, 2021

1. Nature of Business

Limelight Networks, Inc., is an industry-leader in content delivery services and AppOps, our coordinated complete solution to deliver instant, secure website applications at the edge that provides powerful tools and a client-first approach to optimize and deliver digital experiences at the edge. We are a trusted partner to the world's biggest brands and serve their global customers with experiences such as livestream sporting events, global movie launches, video games, or file downloads for new phone apps. 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.

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.

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 Securities Exchange Commission (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, 2020. All information is presented in thousands, except per share amounts and where specifically noted.

The consolidated financial statements include accounts of Limelight 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, 2021, or for any future periods.

Recent Accounting Standards

Adopted Accounting Standards

In December 2019, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2019-12 to simplifying the accounting for income taxes. ASU 2019-12 is intended to simplify various aspects related to accounting for income taxes, eliminates certain exceptions to the general principles in the Accounting Standards Codification (ASC) Topic 740 related to intra-period tax allocation, simplifies when companies recognize deferred taxes in an interim period, and clarifies certain aspects of the current guidance to promote consistent application. We adopted this guidance effective January 1, 2021. The adoption of this guidance did not have a material impact on our consolidated financial statements and related disclosures.

In August 2020, the FASB issued ASU 2020-06, which simplifies the accounting for convertible instruments. ASU 2020-06 eliminates certain models that require separate accounting for embedded conversion features, in certain cases. Additionally, among other changes, the guidance eliminates certain of the conditions for equity classification for contracts in an entity's own equity. ASU 2020-06 also requires entities to use the if-converted method for all convertible instruments in the diluted earnings per share calculation and include the effect of share settlement for instruments that may be settled in cash or shares, except for certain liability-classified share-based payment awards. We early adopted this guidance on January 1, 2021, 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, $20,255 increase in debt from the derecognition of the discount associated with the bifurcated equity component and $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 wrote-off the related deferred tax liabilities with a corresponding adjustment to the valuation allowance, resulting in no net tax impact to the cumulative adjustment to retained earnings.

Recently Issued Accounting Standards

In October 2021, the FASB issued ASU 2021-08, which provides amendments to improve, simplify, and provide consistency for recognition and measurement of acquired contract assets and contract liabilities from revenue contracts in a business combination. The amendments require that an acquirer recognize and measure such contract assets and contract liabilities under Topic 606, Revenue from Contracts with Customers, as if it had originated the contracts. The amendments also allow for election of certain practical expedients, which are applied on an acquisition-by-acquisition basis. The new accounting amendments are effective for us beginning in fiscal 2023 with prospective application. Early adoption is permitted, including in any interim period, and if elected, the amendments are applied retrospectively for any acquisitions that occurred in the fiscal year of interim adoption. We expect to early adopt this ASU and are evaluating the impacts of the amendments on our condensed consolidated financial statements.

Significant Accounting Policies

There have been no changes in the significant accounting policies from those that were disclosed in our Annual Report, except for restructuring charge, convertible senior notes, business combinations, finite intangible assets and share-based compensation as described below:

Restructuring Charges

We account for restructuring costs under ASC 420, Exit or Disposal Obligations. Restructuring costs are recognized when the liability is incurred. A restructuring liability related to employee terminations is recorded when a one-time benefit arrangement is communicated to an employee who is involuntarily terminated as part of a reorganization and the amount of the termination benefit is known, provided that the employee is not required to render future services in order to receive the termination benefit. If fixed assets, or other assets are to be disposed of as a result of our restructuring efforts, the assets are written off when we commit to dispose of them, and they are no longer in use. If applicable, depreciation is accelerated on fixed assets for the period of time the asset continues to be used until the asset ceases to be used. Other restructuring costs are generally recorded as the cost is incurred or the service is provided.

Convertible Senior Notes

In July 2020, we issued $125,000 aggregate principal amount of 3.50% convertible senior notes. Effective January 1, 2021, we early adopted ASU 2020-06. The conversion option that was previously accounted for under the cash conversion model or beneficial conversion feature model was recombined into a single instrument that is classified as a liability for convertible debt or equity for equity-classified preferred stock.

Business Combinations

In accounting for acquisitions through which a set of assets and activities are transferred to us, we perform an initial test to determine whether substantially all of the fair value of the gross assets transferred are concentrated in a single identifiable asset or a group of similar identifiable assets, such that the acquisition would not represent a business. If the initial test does not result in substantially all of the fair value concentrated in a single or group of similar assets, we then perform a second test to evaluate whether the assets and activities transferred include inputs and substantive processes that, together, significantly contribute to the ability to create outputs, which would constitute a business. If the result of the second test indicates that the acquired assets and activities constitute a business, we account for the transaction as a business combination.

For our business combinations, we allocate the purchase consideration of the acquisition, which includes the estimated acquisition date fair value of contingent consideration (if applicable), to the tangible assets, liabilities and identifiable intangible assets acquired based on each of the estimated fair values at the acquisition date. The excess of the purchase consideration over the fair values is recorded as goodwill. Determining the fair value of such items requires judgment, including estimating future cash flows or the cost to recreate an acquired asset.

Acquisition-related expenses are expensed as incurred, except for those costs incurred to issue debt or equity securities (if applicable), and are included in general and administrative expense in our consolidated statements of operations. During and up to the one-year period beginning with the acquisition date, we may record certain purchase accounting adjustments related to the fair value of assets acquired and liabilities assumed against goodwill. After the final determination of the fair value of assets acquired or liabilities assumed, any subsequent adjustments are recorded to our consolidated statements of operations. The fair value of contingent consideration liabilities assumed from an acquisition are remeasured each reporting period after the acquisition date and the changes in the estimated fair value, if any, are recorded within operating expenses in our consolidated

statement of operations for such period. In accounting for income taxes in a business combination, changes in the deferred tax asset valuations allowance and income tax uncertainties after the acquisition date will be recognized through income tax expense in our consolidated statement of operations each reporting period.

The results of operations of the acquired business are included in our consolidated statement of operations since the date of acquisition.

Finite Intangible Assets

Finite-lived intangible assets are amortized over the following estimated useful lives:

Trade name	3.0 years
Customer relationships	5.0 years
Technology	7.0 years

Our finite-lived intangible assets are primarily amortized on a straight-line basis. We annually evaluate the estimated remaining useful lives of our intangible assets to determine whether events or changes in circumstances warrant a revision to the remaining period of amortization.

Long-lived and finite-lived intangible assets are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be fully recoverable. An impairment loss is recognized if the sum of the expected long-term undiscounted cash flows the asset is expected to generate is less than its carrying amount. Any write-downs are treated as permanent reductions in the carrying amount of the respective asset. Our analysis did not indicate impairment during any of the periods presented.

Share-Based Compensation

We account for our share-based compensation awards using the fair-value method. The grant date fair value was determined using the Black-Scholes-Merton pricing model. The Black-Scholes-Merton valuation calculation requires us to make key assumptions such as future stock price volatility, expected terms, risk-free rates, and dividend yield. Our expected volatility is derived from our volatility rate as a publicly traded company. The expected term is based on our historical experience. The risk-free interest factor is based on the United States Treasury yield curve in effect at the time of the grant for zero coupon United States Treasury notes with maturities of approximately equal to each grant's expected term. We have never paid cash dividends and do not currently intend to pay cash dividends, and therefore, we have assumed a 0% dividend yield.

We apply the straight-line attribution method to recognize compensation costs associated with awards that are not subject to graded vesting. For awards subject to graded vesting, we recognize expense separately for each vesting tranche. We regularly estimate when and if performance-based award will be earned and record expense over the estimated service period only for awards considered probable of being earned. Any previously recognized expense is reversed in the period in which an award is determined to no longer be probable of being earned.

Revenue Recognition

Revenues are recognized when control of the promised goods or services is transferred to our clients, in an amount that reflects the consideration we expect to be entitled to in exchange for those goods or services.

For contracts that contain minimum commitments over the contractual term, we estimate an amount of variable consideration by using the expected value method. We include estimates of variable consideration in revenue only when we have a high degree of confidence that revenue will not be reversed in a subsequent reporting period. We believe that the expected value method is the most appropriate estimate of the amount of variable consideration. These clients have entered into contracts with contract terms generally from one to four years. As of September 30, 2021, we have approximately $4,051 of remaining unsatisfied performance obligations. We recognized revenue of approximately $2,418 and $1,911, respectively, during the three months ended September 30, 2021 and 2020, related to these types of contracts with our clients. During the nine months ended September 30, 2021 and 2020, we recognized approximately $6,774 and $6,008, respectively. We expect to recognize approximately 47% of the remaining unsatisfied performance obligations in 2021, approximately 51% in 2022, and approximately 2% in 2023.

We recorded deferred revenue of $2,479 in accordance with the allocation of purchase consideration related to the acquisition of Moov Corporation (Moov). Deferred revenue is primarily driven by payments received in advance of satisfying our performance obligations. We recognized approximately $498 in September 2021 that was included in the deferred revenue purchase consideration allocation. The deferred revenue balance of approximately $1,981 as of September 30, 2021 represents our aggregate remaining performance obligations that will be recognized as revenue over the period in which the performance obligations are satisfied. We expect to recognize approximately 46% of the remaining unsatisfied performance obligations in 2021, and approximately 54% in 2022.

3. Business Acquisition

In September 2021, we closed the acquisition of 100% of the equity interests of 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.

In connection with this transaction, a shareholder of Moov entered into an employment agreement with us. As part of the employment agreement, the employee will receive contingent consideration of approximately $4,300 to be paid out ratably over a three year period on each anniversary of the acquisition closing date if the employee remains employed by us. As the employee is required to render services to us following the acquisition, this contingent consideration is not included in the purchase consideration.

The acquisition was accounted for under the acquisition method of accounting and the operating results of Moov have been included in our consolidated financial statements as of the closing date of the acquisition. Under the acquisition method of accounting, the aggregate amount of consideration paid by us was allocated to Moov net tangible assets and intangible assets based on their estimated fair values as of the acquisition closing 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 the excess of the purchase price over the fair value of the net tangible and intangible assets acquired and is primarily attributable to the technology, customer relationships and trade name of the acquired business and expected synergies at the time of the acquisition.

We retained an independent third-party valuation firm to assist management in our valuation of the acquired assets and liabilities.

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 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	2,515
Prepaid expenses and other current assets	273
Goodwill	27,479
Intangible assets	
Trade name	91
Customer relationships	7,090
Technology	16,820
Total assets acquired	57,398
Accounts payable and accrued liabilities	2,432
Deferred revenue	2,479
Total liabilities	4,911
Total purchase consideration	$ 52,487

Certain amounts noted above are preliminary and subject to change during the respective measurement period (up to one year from the acquisition date) 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, income and non-income based taxes and residual goodwill.

The fair value of the acquired intangible assets were determined as follows, trade name - income approach using the relief from royalty methodology, customer relationships - utilizing the cost approach methodology, and technology - excess earnings methodology under the income approach. The weighted-average amortization period of the acquired intangible assets was 6.4 years at acquisition.

During the three and nine months ended September 30, 2021, Moov represented $817 of our total revenue and $450 of our consolidated net loss. For the period January 1, 2021 to the acquisition closing date, Moov's unaudited revenue was approximately $8,969, and their net loss was approximately $628. For the year ended December 31, 2020, Moov's unaudited revenue was approximately $13,400, and their net loss was approximately $600.

Transaction costs incurred by us in connection with the Moov acquisition were $1,263 and $1,441 for the three and nine months ended September 30, 2021, respectively, and were recorded within general and administrative expenses in our consolidated statements of operations.

4. Investments in Marketable Securities

The following is a summary of marketable securities (designated as available-for-sale) at September 30, 2021:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Certificate of deposit	$ 1,915	$ —	$ —	$ 1,915
Corporate notes and bonds	14,780	7	16	14,771
Municipal securities	19,562	—	7	19,555
Total marketable securities	$ 36,257	$ 7	$ 23	$ 36,241

The amortized cost and estimated fair value of marketable securities at September 30, 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	$ 36,217	$ 7	$ 23	$ 36,201
Due after one year and through five years	40	—	—	40
Total marketable securities	$ 36,257	$ 7	$ 23	$ 36,241

The following is a summary of marketable securities (designated as available-for-sale) at December 31, 2020:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Certificate of deposit	$ 551	$ —	$ —	$ 551
Corporate notes and bonds	45,426	—	41	45,385
Municipal securities	31,039	1	8	31,032
Total marketable securities	$ 77,016	$ 1	$ 49	$ 76,968

The amortized cost and estimated fair value of marketable securities at December 31, 2020, 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	$ 76,976	$ 1	$ 49	$ 76,928
Due after one year and through five years	40	—	—	40
Total marketable securities	$ 77,016	$ 1	$ 49	$ 76,968

5. Accounts Receivable, net

Accounts receivable, net include:

	September 30, 2021	December 31, 2020
Accounts receivable	$ 48,007	$ 32,857
Less: credit allowance	(150)	(170)
Less: allowance for doubtful accounts	(1,678)	(1,012)
Total accounts receivable, net	$ 46,179	$ 31,675

The following is a roll-forward of the allowances for doubtful accounts related to trade accounts receivable for the nine months ended September 30, 2021 and the twelve months ended December 31, 2020:

	Nine Months Ended September 30, 2021	Twelve Months Ended December 31, 2020
Beginning of period	$ 1,012	$ 973
Provision for credit losses	1,047	801
Write-offs	(381)	(762)
End of period	$ 1,678	$ 1,012

6. Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets include:

	September 30, 2021	December 31, 2020
Prepaid bandwidth and backbone	1,530	3,519
VAT receivable	4,454	4,392
Prepaid expenses and insurance	3,011	2,906
Vendor deposits and other	4,401	4,771
Total prepaid expenses and other current assets	$ 13,396	$ 15,588

7. Property and Equipment, net

Property and equipment, net include:

	September 30, 2021	December 31, 2020
Network equipment	$ 125,665	$ 136,788
Computer equipment and software	7,014	7,358
Furniture and fixtures	1,412	1,703
Leasehold improvements	7,158	7,470
Other equipment	18	21
Total property and equipment	141,267	153,340
Less: accumulated depreciation	(104,875)	(106,922)
Total property and equipment, net	$ 36,392	$ 46,418

Cost of revenue depreciation expense related to property and equipment was approximately $5,685 and $5,602, respectively, for the three months ended September 30, 2021 and 2020, respectively. For the nine months ended September 30, 2021 and 2020, respectively, cost of revenue depreciation expense related to property and equipment was approximately $17,293 and $16,112, respectively.

Operating expense depreciation and amortization expense related to property and equipment was approximately $409 and $384, respectively, for the three months ended September 30, 2021 and 2020, respectively. For the nine months ended September 30, 2021 and 2020, respectively, operating expense depreciation expense related to property and equipment was approximately $1,497 and $1,049, respectively.

8. Goodwill and Other Intangible Assets

We have recorded goodwill as a result of past and current 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, 2021.

The changes in the carrying amount of goodwill for the nine months ended September 30, 2021, were as follows:

Balance, December 31, 2020	$ 77,753
Foreign currency translation adjustment	(332)
Balance, March 31, 2021	$ 77,421
Foreign currency translation adjustment	221
Balance, June 30, 2021	$ 77,642
Acquisition of business	27,479
Foreign currency translation adjustment	100
Balance, September 30, 2021	$ 105,221

Intangible assets consist of the following as of September 30, 2021:

	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Trade name	$ 91	$ (3)	$ 88
Customer relationships	7,090	(118)	6,972
Technology	16,820	(200)	16,620
Total other intangible assets	$ 24,001	$ (321)	$ 23,680

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

As of September 30, 2021, the weighted-average remaining useful lives of our acquired intangible assets were 3.0 years for trade name, 5.0 years for customer relationships, and 7.0 years for technology, and 6.4 years in total, for all acquired intangible assets.

As of September 30, 2021, future amortization expense related to our other intangible assets is expected to be recognized as follows:

Remainder of 2021	$ 963
2022	3,851
2023	3,851
2024	3,841
2025	3,821
Thereafter	7,353
Total	$ 23,680

9. Other Current Liabilities

Other current liabilities include:

	September 30, 2021	December 31, 2020
Accrued compensation and benefits	$ 6,789	$ 5,964
Accrued cost of revenue	2,649	5,036
Accrued interest payable	729	1,894
Restructuring charges	712	—
Accrued legal fees	1,133	61
Other accrued expenses	5,938	4,605
Total other current liabilities	$ 17,950	$ 17,560

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, 2021, the conditions allowing holders of the Notes to convert had not been met and therefore the Notes are not yet convertible. The Notes are classified as long-term debt on our condensed consolidated balance sheet as of September 30, 2021, and the liability component of the notes are classified as long-term debt on our condensed consolidated balance sheet as of December 31, 2020.

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, $20,255 increase in debt from the derecognition of the discount associated with the bifurcated equity component and $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 amount of the liability and equity components of the Notes was as follows:

	September 30, 2021	December 31, 2020
Liability component:		
Principal	$ 125,000	$ 125,000
Debt discount (equity component)	—	(20,823)
Unamortized transaction costs	(3,424)	(3,232)
Net carrying amount	$ 121,576	$ 100,945
Equity component, net of transaction costs	$ —	$ 21,733

Interest expense recognized related to the Notes was as follows:

	Three Months Ended		Nine Months Ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Contractual interest expense	$ 1,094	$ 791	$ 3,259	$ 791
Amortization of debt discount	—	753	—	753
Amortization of transaction costs	204	115	604	115
Total	$ 1,298	$ 1,659	$ 3,863	$ 1,659

As of September 30, 2021, and December 31, 2020, the estimated fair value of the Notes was $111,238 and $114,233, 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. Since the inception, there have been seven amendments, with the most recent amendment being in December 2020. The maximum principal commitment amount remains at $20,000. Our borrowing capacity is the lesser of the commitment amount or 80% of eligible accounts receivable. All outstanding borrowings owed under the Credit Agreement become due and payable no later than the final maturity date of November 2, 2022. As long as our Adjusted Quick Ratio remains above 1.5 to 1, we no longer are required to submit quarterly borrowing base reports.

As of September 30, 2021, and December 31, 2020, we had no outstanding borrowings, and we had availability under the Credit Agreement of $20,000 and $20,000, respectively.

As of September 30, 2021, 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, 2021 and 2020, there was no interest expense, and fees expense and amortization was $10 and $15, respectively. For the nine months ended September 30, 2021 and 2020, there was no interest expense, and fees expense and amortization was $36 and $97, 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, 2021, we were in compliance with our covenant under the Credit Agreement.

11. Restructuring Charge

During the first quarter of 2021, management committed to restructure certain parts of the company to focus on improved growth and profitability. As a result, certain headcount reductions were implemented, and we incurred certain charges related to severance, share-based compensation, and professional fees. During the three months ended June 30, 2021, we incurred $2,155 of costs related to this restructuring plan. During the three months ended September 30, 2021, we recognized a cost recovery of $112, as actual expenses incurred were less than previously estimated. We do not expect any additional restructure charges related to this action plan.

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 three months ended September 30, 2021, we incurred $1,882 of costs related to this restructuring plan. We expect approximately $1,000 of additional costs related primarily to consulting fees to restructure our datacenter architecture over the next 12 months.

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

	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 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, 2021, and December 31, 2020. Litigation relating to the content delivery services industry is not uncommon, and we are, and from time to time have been, subject to such litigation. 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 maintain 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 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 loss per share. Diluted loss per share include 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,	
	2021	2020	2021	2020
Net loss	$ (10,105)	$ (3,985)	$ (49,332)	$ (10,968)
Basic weighted average outstanding shares of common stock	126,791	122,363	125,710	120,519
Basic weighted average outstanding shares of common stock	126,791	122,363	125,710	120,519
Dilutive effect of stock options, restricted stock units, and other equity incentive plans	—	—	—	—
Diluted weighted average outstanding shares of common stock	126,791	122,363	125,710	120,519
Basic net loss per share	$ (0.08)	$ (0.03)	$ (0.39)	$ (0.09)
Diluted net loss per share:	$ (0.08)	$ (0.03)	$ (0.39)	$ (0.09)

For the three and nine months ended September 30, 2021 and 2020, 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,	
	2021	2020	2021	2020
Employee stock purchase plan	314	187	314	187
Stock options and warrants	1,243	6,676	2,574	6,401
Restricted stock units	11,521	1,894	11,979	1,984
Convertible senior notes	14,654	14,654	14,654	14,654
	27,732	23,411	29,521	23,226

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. During the nine months ended September 30, 2021 and 2020, we did not repurchase any shares under the repurchase program. As of September 30, 2021, there remained $21,200 under this share repurchase program.

Amended and Restated Equity Incentive Plan

We established the 2007 Equity Incentive Plan, or 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 2007 Equity Incentive Plan, or 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 plan to April 2026. There was no increase in the aggregate amount of shares available for issuance. The total number of shares authorized for issuance under the Restated 2007 Plan as of September 30, 2021 was approximately 12,912.

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, 2021, we did not issue any shares under the ESPP. During the nine months ended September 30, 2021, we issued 355 shares under the ESPP. Total cash proceeds from the purchase of shares under the ESPP was approximately $913. As of September 30, 2021, shares reserved for issuance to employees under this plan totaled 3,330, and we held employee contributions of $631 (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, 2021. 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, 2021, 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, 2021, was as follows:

	Foreign Currency	Available for Sale Securities	Total
Balance, December 31, 2020	$ (7,460)	$ (51)	$ (7,511)
Other comprehensive loss before reclassifications	(1,012)	32	(980)
Amounts reclassified from accumulated other comprehensive loss	—	—	—
Net current period other comprehensive loss	(1,012)	32	(980)
Balance, September 30, 2021	$ (8,472)	$ (19)	$ (8,491)

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,	
	2021	2020	2021	2020
Share-based compensation expense by type:				
Stock options and warrants	$ 144	$ 1,024	$ 7,395	$ 3,143
Restricted stock units	3,300	713	8,579	8,413
ESPP	213	186	503	682
Total share-based compensation expense	$ 3,657	$ 1,923	$ 16,477	$ 12,238
Share-based compensation expense:				
Cost of services	$ 438	$ 130	$ 1,142	$ 1,685
General and administrative expense	2,301	1,272	10,203	5,770
Sales and marketing expense	640	206	1,598	2,756
Research and development expense	662	315	1,647	2,027
Restructuring charge	(384)	—	1,887	—
Total share-based compensation expense	$ 3,657	$ 1,923	$ 16,477	$ 12,238

Unrecognized share-based compensation expense totaled approximately $42,652 at September 30, 2021, of which $5,692 related to stock options and $36,960 related to restricted stock units. Unrecognized share-based compensation includes both time-based and performance-based equity to be issued as part of our recent business acquisition. We currently expect to recognize share-based compensation expense of $5,458 during the remainder of 2021, $18,141 in 2022, and the remainder thereafter based on scheduled vesting of the stock options and restricted stock units outstanding at September 30, 2021.

During the three months ended June 30, 2021, we issued two common stock warrants to an outside consulting firm. The first warrant was for up to an aggregate of 441,867 shares at an exercise price per share equal to $0.01 per share, and the second warrant was for up to an aggregate of 662,800 shares at an exercise price per share equal to $3.72 per share. During the three months ended June 30, 2021, we recognized approximately $917 in share-based compensation expense, which is included in the restructure charge.

During the three months ended June 30, 2021, 55,233 shares from the first warrant and 82,850 shares from the second warrant vested. We have terminated the relationship with the outside consulting firm and there will be no further vesting. As of September 30, 2021, we agreed to provide the holder of the warrants a cash payment in exchange for the cancellation of the first warrant, including the 55,233 shares vested. The remaining 82,850 shares vested under the second warrant were outstanding as of September 30, 2021 and remain exercisable, subject to and conditioned upon the rights and restrictions contained in such warrant.

On July 28, 2021, we signed a definitive agreement to acquire all of the issued and outstanding shares, options, warrants, convertible securities and other outstanding equity interests of Moov. As part of the purchase agreement, there is an incentive equity pool of $30,000 of restricted stock units to be granted to former Moov employees (including the Co-Founder) if they meet certain vesting criteria as follows:

- $10,000 is subject to time-based vesting over a period of either 36 or 48 months; and

- $20,000 is subject to achieving certain financial and operational metrics by June 30, 2025. We are recognizing the expense associated with this equity grant over a 28 month period.

This resulted in a total of 11,198 restricted stock units, most of which will be granted as inducements to employment in accordance with NASDAQ Listing Rule 5635(c)(4).

Also, in connection with our acquisition of Moov we agreed to assume all outstanding issued but unvested Moov stock options under the 2017 Moov Corporation Equity Incentive Plan. Following such conversion, we issued 818 stock options subject to time-based vesting under the Restated 2007 Plan, with exercises prices between $0.38 and $0.58 per share.

During the three months ended March 31, 2021, we entered into transition agreements with four executives, which resulted in the modification of previously issued equity grants. The modifications were the result of us accelerating vesting after termination and extending the period of time the employee receives to exercise their outstanding non-qualified stock options. The extension of time to exercise their outstanding non-qualified stock options for the four individuals impacted ranged from six months to two years. The incremental expense recorded as a result of the modifications was $4,310, of which $1,116 was included in restructure charge, and $3,194 included in general and administrative expense.

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, 2021.

Right-of-use assets	$	7,683
Lease liability obligations, current	$	1,966
Lease liability obligations, less current portion		10,045
Total lease liability obligations	$	12,011
Weighted-average remaining lease term		7.9 years
Weighted-average discount rate		5.05 %

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

During the three months ended September 30, 2020, we recognized approximately $752 in operating lease costs. Operating lease costs of $111 are included in cost of revenue, and $641 are included in operating expenses in our consolidated statements of operations. During the three months ended September 30, 2020, cash paid for operating leases was approximately $473. For the nine months ended September 30, 2020, we recognized approximately $2,350 in operating lease costs. Operating lease costs of $360 are included in cost of revenue, and $1,990 are included in operating expenses in our consolidated statements of operations. For the nine months ended September 30, 2020, cash paid for operating leases was approximately $1,438.

Approximate future minimum lease payments for our right of use assets over the remaining lease periods as of September 30, 2021, are as follows:

Remainder of 2021	$	678
2022		2,391
2023		1,811
2024		1,441
2025		1,440
Thereafter		6,829
Total minimum payments		14,590
Less: amount representing interest		2,579
Total	$	12,011

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, 2021:

Remainder of 2021	$	18,911
2022		39,027
2023		17,941
2024		8,960
2025		5,993
Thereafter		3,372
Total minimum payments	$	94,204

18. Concentrations

During the three and nine months ended September 30, 2021, we had two clients, Amazon and Sony, who each represented 10% or more of our total revenue. During the three months ended September 30, 2020, we had one client, Amazon who represented 10% or more of our total revenue. During the nine months ended September 30, 2020, 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 $33,405 for the three months ended September 30, 2021, compared to $38,075 for the three months ended September 30, 2020. For the nine months ended September 30, 2021, revenue from clients located within the United States $90,576, compared to $107,698 for the nine months ended September 30, 2020.

During the three and nine months ended September 30, 2021, based on client location, we had two countries, the United States and Japan, that accounted for 10% or more of our total revenue. During the three and nine months ended September 30, 2020, respectively, based on client location, we had three countries, the United States, Japan, and the United Kingdom, that 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, 2021 and 2020 was $211 and $66, respectively. For the nine months ended September 30, 2021 and 2020, income tax expense was $718 and $377, respectively. Income tax expense was different than the statutory income tax rate primarily due to us providing for a valuation allowance on deferred tax assets in certain jurisdictions, and the recording of state and foreign tax expense for the three month periods.

We file income tax returns in jurisdictions with varying statutes of limitations. Tax years 2017 through 2019 remain subject to examination by federal tax authorities. Tax years 2016 through 2019 generally remain subject to examination by state tax authorities. As of September 30, 2021, we are not under any federal or state examination for income taxes.

For the three and nine months ended September 30, 2021 and 2020, 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. We do not expect the GILTI to have a material impact on future earnings due to our 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. The CARES Act, among other things, permits NOL carryovers and carrybacks to offset 100% of taxable income for taxable years beginning before 2021. In addition, the CARES Act allows NOLs incurred in 2018, 2019, and 2020 to be carried back to each of the five preceding taxable years to generate a refund of previously paid income taxes. We have evaluated the impact of the CARES Act, and do not expect that the NOL carryback provision of the CARES Act will result in a cash benefit to us.

20. 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 which the revenue is earned. The following table sets forth our revenue by geographic area:

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2021		2020		2021		2020	
Americas	$ 34,065	62 %	$ 38,594	65 %	$ 92,432	60 %	$ 109,652	63 %
EMEA	6,427	12 %	8,590	15 %	20,986	14 %	27,411	16 %
Asia Pacific	14,710	26 %	12,059	20 %	41,327	26 %	37,738	21 %
Total revenue	$ 55,202	100 %	$ 59,243	100 %	$ 154,745	100 %	$ 174,801	100 %

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
Country / Region	2021	2020	2021	2020
United States / Americas	$ 33,405	$ 38,075	$ 90,576	$ 107,698
United Kingdom / EMEA	$ 2,675	$ 6,939	$ 13,031	$ 22,016
Japan / Asia Pacific	$ 7,925	$ 7,703	$ 23,584	$ 24,251

The following table sets forth long-lived assets by geographic area in which the assets are located:

	September 30, 2021	December 31, 2020
Americas	$ 25,764	$ 32,626
International	10,628	13,792
Total long-lived assets	$ 36,392	$ 46,418

21. Fair Value Measurements

As of September 30, 2021, and December 31, 2020, 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, 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)	$ 8,528	$ 8,528	$ —	$ —
Certificate of deposit (1)	1,915	—	1,915	—
Corporate notes and bonds (1)	14,771	—	14,771	—
Municipal securities (1)	19,555	—	19,555	—
Total assets measured at fair value	$ 44,769	$ 8,528	$ 36,241	$ —

(1) Classified in marketable securities

(2) Classified in cash and cash equivalents

The following is a summary of fair value measurements at December 31, 2020:

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)	$ 12,370	$ 12,370	$ —	$ —
Certificate of deposit (1)	551	—	551	—
Corporate notes and bonds (1)	45,385	—	45,385	—
Municipal securities	31,032	—	31,032	—
Total assets measured at fair value	$ 89,338	$ 12,370	$ 76,968	$ —

(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. 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, 2020, included in Part II of our annual report on Form 10-K, as filed with the SEC, on February 12, 2021.

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 and 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 industry-leader in content delivery services and AppOps, our coordinated complete solution to deliver 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 the world's biggest brands and serve their global customers with experiences such as livestream sporting events, global movie launches, video games, or file downloads for new phone apps. 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 is dependent on creating an exceptional digital experience by providing our clients with fast, safe, efficient, and reliable edge access and distribution of content delivery and digital asset management services over the Internet every minute of every day. 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.

Our delivery services represented approximately 70% and 75%, respectively, of our total revenue during the three and nine months ended September 30, 2021. 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.

In early 2020, the WHO declared COVID-19 a global pandemic. This pandemic has disrupted the normal operations of many businesses, including ours; however, our level of 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. Nevertheless, 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, long-lived assets or right of use assets.

We provide our services in a hyper competitive industry, where differentiation is primarily measured by performance and cost where 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 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. During the first nine months of 2021, we continued to see a decline in our average selling price, primarily the result of on-going price compression with our multi-CDN clients.

In February 2021, Bob Lyons joined the company as President, Chief Executive Officer and Director, replacing Bob Lento. Since that date and under Mr. Lyon's leadership, we have established and begun implementing 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 recent revenue and profitability trends have been adversely impacted by our costs of services and operating expenses. Our operating expenses are largely driven by payroll and related employee costs. We have implemented a broader and more detailed operating model 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. We also announced tangible steps to improve our cost competitiveness, with a reduction in workforce by approximately 16% in

March of 2021. As a result, our employee headcount decreased from 618 on December 31, 2020, to 510 on March 31, 2021. As of September 30, 2021, our employee headcount was 529. We recorded additional restructuring charges of $1,770 during the three months ended September 30, 2021, for a total of $15,625 in restructuring and transition related costs during the first nine months of 2021. We believe these actions will result in approximately $15,000 of recurring annual savings, primarily in selling, general and administrative expense. 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**: In July 2021, we announced the hiring of Eric Armstrong as Senior Vice President of Growth. We are redesigning 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 announced the acquisition 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. 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. Following the acquisition of Moov:

- We will be launching a new web application acceleration solution in the fourth quarter of 2021.
- We have identified approximately $3,000 of recurring cost synergies.
- We believe that this acquisition meaningfully improves our product management and development capabilities.

Also, following the acquisition, Ajay Kapur, Moov’s co-founder, became our Chief Technology Officer, and other Moov leadership assumed critical roles at Limelight.

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, 2021 and 2020 (in thousands of dollars and as a percentage of total revenue):

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2021		2020		2021		2020	
Revenue	$ 55,202	100.0 %	$ 59,243	100.0 %	$ 154,745	100.0 %	$ 174,801	100.0 %
Cost of revenue	39,372	71.3 %	37,507	63.3 %	117,001	75.6 %	108,518	62.1 %
Gross profit	15,830	28.7 %	21,736	36.7 %	37,744	24.4 %	66,283	37.9 %
Operating expenses	22,454	40.7 %	24,016	40.5 %	70,901	45.8 %	74,762	42.8 %
Restructuring charges	1,770	3.2 %	—	— %	10,798	7.0 %	—	— %
Operating loss	(8,394)	(15.2)%	(2,280)	(3.8)%	(43,955)	(28.4)%	(8,479)	(4.9)%
Total other income (expense)	(1,500)	(2.7)%	(1,639)	(2.8)%	(4,659)	(3.0)%	(2,112)	(1.2)%
Loss before income taxes	(9,894)	(17.9)%	(3,919)	(6.6)%	(48,614)	(31.4)%	(10,591)	(6.1)%
Income tax expense	211	0.4 %	66	0.1 %	718	0.5 %	377	0.2 %
Net loss	$ (10,105)	(18.3)%	$ (3,985)	(6.7)%	$ (49,332)	(31.9)%	$ (10,968)	(6.3)%

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 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 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 and transition related 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 depreciation and amortization, interest expense, interest and other (income) expense, and income tax expense. We define Adjusted EBITDA as EBITDA adjusted to exclude share-based compensation, restructuring and transition related 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, excluding non-cash charges, taxes and non-core activities (including interest payments related to financing activities). These measures also enable our management to compare the results of our on-going operations from period to period, and allow management to review the performance of our on-going operations 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 4, 2021, 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:

- 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) 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 that we may incur;
- 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 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	
	Sept. 30, 2021	June 30, 2021	Sept. 30, 2020	Sept. 30, 2021	Sept. 30, 2020
U.S. GAAP net loss	$ (10,105)	$ (13,698)	$ (3,985)	$ (49,332)	$ (10,968)
Share-based compensation	4,041	3,341	1,923	10,026	12,238
Non-cash interest expense	204	201	868	604	868
Restructuring and transition related charges	1,770	2,155	—	15,625	—
Acquisition and legal related expenses	2,263	—	—	2,441	—
Amortization of intangible assets	321	—	—	321	—
Non-GAAP net (loss) income	$ (1,506)	$ (8,001)	$ (1,194)	$ (20,315)	$ 2,138

Reconciliation of U.S. GAAP Net Loss to EBITDA to Adjusted EBITDA
(Unaudited)

	Three Months Ended			Nine Months Ended	
	Sept. 30, 2021	June 30, 2021	Sept. 30, 2020	Sept. 30, 2021	Sept. 30, 2020
U.S. GAAP net loss	$ (10,105)	$ (13,698)	$ (3,985)	$ (49,332)	$ (10,968)
Depreciation and amortization	6,415	6,478	5,986	19,111	17,161
Interest expense	1,308	1,305	1,674	3,899	1,756
Interest and other (income) expense	192	398	(35)	760	356
Income tax expense	211	248	66	718	377
EBITDA	$ (1,979)	$ (5,269)	$ 3,706	$ (24,844)	$ 8,682
Share-based compensation	4,041	3,341	1,923	10,026	12,238
Restructuring and transition related charges	1,770	2,155	—	15,625	—
Acquisition and legal related expenses	2,263	—	—	2,441	—
Adjusted EBITDA	$ 6,095	$ 227	$ 5,629	$ 3,248	$ 20,920

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, 2020. During the nine months ended September 30, 2021, 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, 2021, compared to the

three and nine months ended September 30, 2020:

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2021	2020	$ Change	% Change	2021	2020	$ Change	% Change
Revenue	$ 55,202	$ 59,243	$ (4,041)	(7)%	$ 154,745	$ 174,801	$ (20,056)	(11)%

Our revenue decreased during the three and nine months ended September 30, 2021, versus the comparable 2020 periods, primarily due to a decrease in our delivery services revenue. The decrease in delivery services revenue was primarily due to lower traffic volumes with our largest client as a result of easing Covid-19 lockdown restrictions and a reduced amount of new content released for consumption, as well as a decrease in our average selling price. We believe that we have improved our performance with many of our largest clients, and we are positioned to take advantage of volume growth as new content is released. Our active clients worldwide increased to 581 as of September 30, 2021, compared to 534 as of September 30, 2020. the increase was primarily driven by our business acquisition in September 2021.

During the three months ended September 30, 2021 and 2020, sales to our top 20 clients accounted for approximately 77% and 79%, respectively, of our total revenue. For the nine months ended September 30, 2021 and 2020, sales to our top 20 clients accounted for approximately 76% and 77%, 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 and nine months ended September 30, 2021, and the nine months ended September 30, 2020, we had two clients, Amazon and Sony, who each represented 10% or more of our total revenue. During the three months ended September 30, 2020, we had one client, Amazon, who 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,			
	2021		2020		2021		2020	
Americas	$ 34,065	62 %	$ 38,594	65 %	$ 92,432	60 %	$ 109,652	63 %
EMEA	6,427	12 %	8,590	15 %	20,986	14 %	27,411	16 %
Asia Pacific	14,710	26 %	12,059	20 %	41,327	26 %	37,738	21 %
Total revenue	$ 55,202	100 %	$ 59,243	100 %	$ 154,745	100 %	$ 174,801	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 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,			
	2021		2020		2021		2020	
Bandwidth and co-location fees	$ 22,840	41.4 %	$ 22,824	38.5 %	$ 70,763	45.7 %	$ 64,314	36.8 %
Depreciation - network	5,685	10.3 %	5,602	9.5 %	17,293	11.2 %	16,112	9.2 %
Payroll and related employee costs	3,833	6.9 %	4,827	8.1 %	12,302	7.9 %	14,329	8.2 %
Share-based compensation	438	0.8 %	130	0.2 %	1,142	0.7 %	1,685	1.0 %
Other costs	6,576	11.9 %	4,124	7.0 %	15,501	10.0 %	12,078	6.9 %
Total cost of revenue	$ 39,372	71.3 %	$ 37,507	63.3 %	$ 117,001	75.6 %	$ 108,518	62.1 %

Our cost of revenue increased in both aggregate dollars and as a percentage of total revenue for the three and nine months ended September 30, 2021, versus the comparable 2020 periods. The changes in cost of revenue were primarily a result of the following:

- Bandwidth and co-location fees increased in aggregate dollars due to higher transit fees, as well as continued expansion in existing and new geographies.
- Depreciation expense increased due to increased capital expenditures over the last two years.
- Payroll and related employee costs were lower as a result of decreased network operations and professional services personnel and lower variable compensation.
- Share-based compensation increased during the three months ended September 30, 2021, primarily due to an increase in estimated annual variable compensation that will be paid out in restricted stock units and equity related to our recently completed business combination. For the nine months ended September 30, 2021, share-based compensation decreased primarily as a result of lower variable compensation paid out in restricted stock units, and the impact of the reduction in workforce in March 2021 versus the comparable 2020 period.
- Other costs increased primarily due to costs associated with the sale of equipment, increased international re-seller costs, professional fees, and increased fees and licenses. These increases were partially off-set by decreased contract royalties, and travel and entertainment expense.

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,			
	2021		2020		2021		2020	
Payroll and related employee costs	$ 3,127	5.7 %	$ 3,617	6.1 %	$ 9,499	6.1 %	$ 10,005	5.7 %
Professional fees and outside services	1,232	2.2 %	1,103	1.9 %	3,798	2.5 %	2,971	1.7 %
Share-based compensation	2,301	4.2 %	1,272	2.1 %	10,203	6.6 %	5,770	3.3 %
Acquisition and legal related expenses	2,263	4.1 %	—	— %	2,441	1.6 %	—	— %
Other costs	1,609	2.9 %	1,759	3.0 %	5,003	3.2 %	5,074	2.9 %
Total general and administrative	$ 10,532	19.1 %	$ 7,751	13.1 %	$ 30,944	20.0 %	$ 23,820	13.6 %

Our general and administrative expense increased in both aggregate dollars and as a percentage of total revenue for the three and nine months ended September 30, 2021, versus the comparable 2020 period.

The increase in aggregate dollars for the three months ended September 30, 2021, versus the comparable 2020 period was primarily driven by acquisition and legal related expenses and increased share-based compensation. The increase in share-based compensation relates to our recently completed business combination and for a sign-on bonus converted from cash to restricted stock units for our Chief Executive Officer. These increases were partially off-set by decreased payroll and related employee costs (lower variable compensation) and decreased fees and licenses which is included in other costs.

The increase in aggregate dollars for the nine months ended September 30, 2021, versus the comparable 2020 period was primarily driven by an increase in acquisition and legal related expenses, share based compensation, professional fees, and increased bad debt expense which is included in other costs. The increase in share-based compensation was the result of a transition agreement entered into between us and our former CEO who retired in January 2021, which modified existing share-based awards and resulted in additional share-based compensation. Share-based compensation also increased as a result of our recently completed business combination and for a sign-on bonus converted from cash to restricted stock units for our Chief Executive Officer. Professional fees increased due to higher legal fees associated with corporate and governance matters and other outside services. The decrease in other costs was the result of decreased fees and licenses, off-set by increased bad debt expense.

We expect our general and administrative expenses for 2021 to increase in both aggregate dollars and as a percentage of total revenue due primarily to transition related expenses and the acquisition of Moov.

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,			
	2021		2020		2021		2020	
Payroll and related employee costs	$ 4,111	7.4 %	$ 8,391	14.2 %	$ 15,822	10.2 %	$ 24,409	14.0 %
Share-based compensation	640	1.2 %	206	0.3 %	1,598	1.0 %	2,756	1.6 %
Marketing programs	448	0.8 %	634	1.1 %	1,157	0.7 %	1,705	1.0 %
Other costs	788	1.4 %	1,225	2.1 %	3,042	2.0 %	4,409	2.5 %
Total sales and marketing	$ 5,987	10.8 %	$ 10,456	17.6 %	$ 21,619	14.0 %	$ 33,279	19.0 %

Our sales and marketing expense decreased in both aggregate dollars and as a percentage of total revenue for the three and nine months ended September 30, 2021, versus the comparable 2020 periods.

The decrease in aggregate dollars for the three and nine months ended September 30, 2021, versus the comparable 2020 periods was primarily driven by decreased payroll and related employee costs, decreased share-based compensation and decreased other costs. The decrease in payroll and related employee costs was due to the impact of the reduction in workforce in March 2021 and lower variable compensation. While share-based compensation increased during the three months ended September 30, 2021, primarily as a result of our recently completed business combination, year-to-date share-based compensation decreased primarily due to lower equity variable compensation in the first nine months of 2021 versus the comparable 2020 period and the impact of the March 2021 reduction in workforce. The decrease in other costs was due to decreased other employee costs, lower facility costs, decreased travel and entertainment, and decreased fees and licenses, off-set by an increase in casual labor.

We expect our sales and marketing expenses for 2021 to decrease as a result of the March 2021 reduction in workforce.

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,			
	2021		2020		2021		2020	
Payroll and related employee costs	$ 3,160	5.7 %	$ 3,973	6.7 %	$ 10,368	6.7 %	$ 11,117	6.4 %
Share-based compensation	662	1.2 %	315	0.5 %	1,647	1.1 %	2,027	1.2 %
Other costs	1,383	2.5 %	1,137	1.9 %	4,505	2.9 %	3,470	2.0 %
Total research and development	$ 5,205	9.4 %	$ 5,425	9.2 %	$ 16,520	10.7 %	$ 16,614	9.5 %

Our research and development expense decreased in aggregate dollars and increased as a percentage of total revenue for the three and nine months ended September 30, 2021, versus the comparable 2020 periods.

The decrease in aggregate dollars during the three and nine months ended September 30, 2021, was primarily due to a decrease in payroll and related employee costs (reduced salaries and variable compensation due to lower headcount) and decreased share-based compensation. While share-based compensation increased during the three months ended September 30, 2021, primarily as a result of our recently completed business combination, year-to-date share-based compensation decreased primarily due to lower equity variable compensation in the first nine months of 2021 versus the comparable 2020 period and the impact of the March 2021 reduction in workforce. These decreases were off-set by an increase in other costs, which was primarily due to increased fees and licenses and other employee costs.

We expect our research and development expenses for 2021 to increase slightly in the second half of 2021 due to the acquisition of Moov.

Depreciation and Amortization (Operating Expenses)

Depreciation expense consists of depreciation on equipment and furnishings 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 $730, or 1.3% of revenue, for the three months ended September 30, 2021, versus $384, or 0.6% of revenue, for the comparable 2020 period. For the nine months ended September 30, 2021, depreciation and amortization expense was $1,818, or 1.2% of revenue versus $1,049, or 0.6% of revenue, for the comparable 2020 period.

The increase in depreciation and amortization expense for the three and nine months ended September 30, 2021, versus the comparable 2020 periods was primarily due to the amortization of intangible assets acquired in the acquisition of business. For the three and nine months ended September 30, 2021, amortization of intangibles was approximately $321. Based on our intangible assets at September 30, 2021, we expect amortization of other intangible assets to be approximately $963 for the remainder of 2021, and $3,851, $3,851, $3,841, and $3,821 for fiscal years 2022, 2023, 2024, and 2025, respectively.

Restructuring Charges

The restructuring charges for the three month period ended September 30, 2021, were the result of management's commitment 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.

The restructuring charges for the three and nine month periods ended September 30, 2021, were the result of management's commitment to restructure certain parts of the company to focus on cost efficiencies, improved growth, and profitability. As a result, certain headcount reductions were made, as well as incurring certain charges for facilities, right of use assets, outside service contracts, share-based compensation, and professional fees. Please refer to Note 11 "Restructuring Charge" 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 $1,000 of additional restructure charges primarily for consulting fees to restructure our datacenter architecture over the next 12 months.

Interest Expense

Interest expense was $1,308 for the three months ended September 30, 2021, versus $1,674 for the comparable 2020 period. For the nine months ended September 30, 2021, interest expense was $3,899 versus $1,756 for the comparable 2020 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 $17 for the three months ended September 30, 2021, versus $10 for the comparable 2020 period. For the nine months ended September 30, 2021, interest income was $104 versus $40 for the comparable 2020 period. Interest income includes interest earned on invested cash balances and marketable securities.

Other Income (Expense)

Other expense was $209 for the three months ended September 30, 2021, versus other income of $25 for the comparable 2020 period. For the nine months ended September 30, 2021, other expense was $864 versus $396 for the comparable 2020 period. 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. For the three and

nine months ended September 30, 2020, other income/expense consisted primarily of foreign currency transaction gains and losses, and the gain/loss on sale of fixed assets.

Income Tax Expense

Based on an estimated annual effective tax rate and discrete items, the estimated income tax expense for the three months ended September 30, 2021 was $211, versus $66 for the comparable 2020 period. For the nine months ended September 30, 2021, income tax expense was $718 versus $377 for the comparable 2020 period. Income tax expense on our income (loss) before income taxes was different than the statutory income tax rate primarily due to our providing for a valuation allowance on deferred tax assets in certain jurisdictions, 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, 2021, our cash, cash equivalents, and marketable securities classified as current totaled $75,786. Included in this amount is approximately $10,329 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, 2021 and 2020, are discussed in the following paragraphs.

Operating Activities

Net cash used in operating activities was $7,330 for the nine months ended September 30, 2021, versus net cash provided by operating activities of $19,575 for the comparable 2020 period, a decrease of $26,905. Changes in operating assets and liabilities of $3,649 during the nine months ended September 30, 2021, versus $(93) in the comparable 2020 period, were primarily due to:

- accounts receivable increased $13,037 during the nine months ended September 30, 2021, as a result of timing of collections as compared to a $8,221 increase in the comparable 2020 period;
- prepaid expenses and other current assets decreased $1,678 during the nine months ended September 30, 2021, due to a decrease in, prepaid bandwidth and backbone expenses and vendor deposits and other. These decreases were offset by an increase in VAT receivable and prepaid expenses and insurance, compared to an increase of $2,679 in the comparable 2020 period;
- accounts payable and other current liabilities increased $8,163 during the nine months ended September 30, 2021, versus an increase of $8,159 for the comparable 2020 period due to accrued account payable, accrued legal fees, and our restructuring charge accrual, off-set by a decrease in accrued cost of revenue, the timing of variable compensation, and vendor payments.

Cash provided by operating activities may not be sufficient to cover new purchases of property and equipment during the remainder of 2021 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 used in investing activities was $3,496 for the nine months ended September 30, 2021, versus net cash used in investing activities of $71,917 for the comparable 2020 period. For the nine months ended September 30, 2021, net cash used in investing activities was related to the acquisition of a business, the purchase of marketable securities, 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. For the nine months ended September

30, 2020, net cash used in investing activities related to the purchase of marketable securities and capital expenditures primarily for servers and network equipment.

In September 2021 we acquired Moov. The purchase price included both cash and shares of our common stock. Cash paid, net of cash acquired, was approximately $30,968.

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, 2021, we made capital expenditures of $11,909, which represented approximately 8% of our total revenue. We currently expect capital expenditures in 2021 to be approximately $15 to $20 million, 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 $4,115 for the nine months ended September 30, 2021, versus net cash provided by financing activities of $109,107 for the comparable 2020 period. 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, offset by the payments of employee tax withholdings related to the net settlement of vested restricted stock units of $1,315.

Net cash provided by financing activities in the nine months ended September 30, 2020, primarily relates to cash received from the issuance of our 3.5% Convertible Senior Notes due 2025 of $121,600, and the exercise of stock options and our employee stock purchase plan of $8,691, offset by $16,413 premium paid related to our capped call transactions, $784 payment of debt issuance costs, and the payments of employee tax withholdings related to the net settlement of vested restricted stock units of $3,987.

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, 2021, 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. Since the inception, there have been seven amendments, with the most recent amendment being in December 2020. The maximum principal commitment amount remains at $20,000. Our borrowing capacity is the lesser of the commitment amount or 80% of eligible accounts receivable. All outstanding borrowings owed under the Credit Agreement become due and payable no later than the final maturity date of November 2, 2022. As long as our Adjusted Quick Ratio remains above 1.5 to 1, we no longer are required to submit quarterly borrowing base reports.

As of September 30, 2021, 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, 2021, and December 31, 2020, we had no outstanding borrowings, and we had availability under the Credit Agreement of $20,000 and $20,000, respectively.

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, 2021, we were in compliance with our covenant under the Credit Agreement.

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, 2021 and 2020, we did not repurchase any shares under the repurchase program. As of September 30, 2021, 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 2021 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 2021 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, 2021, 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	$ 78,561	$ 40,402	$ 27,285	$ 10,832	$ 42
Rack space commitments	15,643	10,523	4,913	207	—
Total purchase commitments	94,204	50,925	32,198	11,039	42
Right-of-use assets and other operating leases	14,776	2,703	3,446	2,894	5,733
Total commitments	$ 108,980	$ 53,628	$ 35,644	$ 13,933	$ 5,775

Off Balance Sheet Arrangements

As of September 30, 2021, we are not involved in any off-balance sheet arrangements, as defined in Item 303(a)(4)(ii) of SEC Regulation S-K.

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 under the Credit Agreement, as amended, 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, 2021, 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, 2020, would have been higher by approximately $3,903, and our net loss for the nine months ended September 30, 2021, would have been higher by approximately $3,134. 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

We do not believe that inflation has had a material effect on our business, financial condition, or results of operations. If our costs were to become subject to significant inflationary pressures, we may not be able to fully offset such higher costs through price increases. Our inability or failure to do so could harm our business, financial condition and results of operations.

Credit Risk

During any given fiscal period, a relatively small number of clients typically account for a significant percentage of our revenue. During the three months ended September 30, 2021 and 2020, sales to our top 20 clients accounted for approximately 77% and 79%, respectively, 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. During the three months ended September 30, 2020, we had one client, Amazon, who represented more than 10% of our total revenue.

For the nine months ended September 30, 2021 and 2020, sales to our top 20 clients accounted for approximately 76% and 77%, respectively, of our total revenue. During the nine months ended September 30, 2021 and 2020, we had two clients, Amazon and Sony, who each represented more than 10% of our total revenue.

In 2021, we anticipate that our top 20 client concentration levels will remain consistent with 2020. 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***

Conclusion Regarding the Effectiveness of Disclosure 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, 2021. 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.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting, as defined in SEC Rules 13a-15(f) and 15d-15(f), during the fiscal quarter ended September 30, 2021, 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.

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, StackPath, and Verizon Digital Media Services. 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 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 services, cloud security, edge compute, and origin storage 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, 2020, we had federal and state net operating loss carryforwards, or NOLs, of $229,900 and $154,500, 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 2020, we increased our network capacity by more than 41% to over 90 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 customers' 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 customers 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 (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, 2021, sales to our top 20 clients accounted for approximately 76% of our total revenue and we had two clients, Amazon and Sony, who each 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 who 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. Inability to retain or hire key employees could disrupt our operations, delay the development and introduction of our services, and negatively impact our ability to sell our services.

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.

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.

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 12 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 3.50% Convertible Senior Notes due 2025 (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 Credit Agreement 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 losses. The lower reported income or higher reported losses resulting from this accounting treatment could depress the trading price of our common stock and the Notes.

However, in August 2020, FASB published 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 and warrants);
- 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 and warrants) 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, 2021, we had a goodwill balance of approximately $105,221, 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 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. We currently do not have an internal audit group and use an international accounting firm to assist us with our assessment of the effectiveness of our internal controls over financial reporting. 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.

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

In connection with our acquisition of Moov Corporation (Moov), a California corporation doing business as Layer0, in September 2021, we issued 6,878 shares of our common stock valued at $18,433 as partial consideration for 100% of the equity interests of Moov. This issuance was made in reliance on one or more of the following exemptions or exclusions from the registration requirements of the Securities Act: Section 4(a)(2) of the Securities Act, Regulation D promulgated under the Securities Act, and Regulation S promulgated under the Securities Act.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				Provided Herewith
		Form	File No.	Exhibit	Filing Date	
2.1	Agreement and Plan of Merger by and among Limelight Networks, Inc., Moov Corporation, Mojo Merger Sub, Inc., Mojo Merger Sub, LLC, and Fortis Advisors Dated July 28, 2021.					X
3.1	Amended and Restated Certificate of Incorporation of Limelight Networks, Inc.	8-K	001-33508	3.1	6/14/11	
3.2	Second Amended and Restated Bylaws of Limelight Networks, Inc.	8-K	001-33508	3.2	2/19/13	
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

*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 Limelight Networks, 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.

LIMELIGHT NETWORKS, INC.

Date: November 5, 2021

By: /s/ DANIEL R. BONCEL

Daniel R. Boncel
Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

AGREEMENT AND PLAN OF MERGER

BY AND AMONG

LIMELIGHT NETWORKS, INC.,

MOOV CORPORATION,

MOJO MERGER SUB, INC.,

MOJO MERGER SUB, LLC

AND

FORTIS ADVISORS LLC

DATED AS OF JULY 28, 2021

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AGREEMENT AND PLAN OF MERGER

THIS AGREEMENT AND PLAN OF MERGER (this "Agreement") is made as of July 28, 2021, by and among Moov Corporation, a California corporation (the "Company"), Limelight Networks, Inc., a Delaware corporation ("Buyer"), Mojo Merger Sub, Inc., a California corporation and a first-tier wholly owned subsidiary of Buyer ("Merger Sub I"), Mojo Merger Sub, LLC, a California limited liability company and a first-tier wholly owned subsidiary of Buyer ("Merger Sub II" and together with Merger Sub I, the "Merger Subs"), and Fortis Advisors LLC, a Delaware limited liability company solely in its capacity as the representative of the Company Securityholders (the "Securityholders' Representative").

WHEREAS, Buyer, the Merger Subs and the Company intend to effect a reorganization in which, as steps in a single, integrated transaction, (a) Merger Sub I will merge with and into the Company in accordance with this Agreement and the California Corporations Code (the "CCC"), Merger Sub I will cease to exist, and the Company will become a direct, wholly owned subsidiary of Buyer (the "First Merger"), and (b) the Company will merge with and into Merger Sub II, the Company will cease to exist, and Merger Sub II will survive as a direct, wholly owned subsidiary of Buyer (the "Second Merger" and, collectively or in seriatim with the First Merger, as appropriate, the "Merger");

WHEREAS, the boards of directors of each of Buyer, Merger Sub I and the Company believe it advisable and in the best interests of each corporation and their respective stockholders that Buyer, the Company and Merger Sub I enter the First Merger, and in furtherance thereof, have approved this Agreement and the First Merger;

WHEREAS, Buyer, the Merger Subs and the Company intend that the First Merger and the Second Merger are integrated steps in the Merger, for U.S. federal income tax purposes, the Merger constitutes a "reorganization" within the meaning of Section 368(a) of the Code and the Treasury Regulations promulgated thereunder and this Agreement is intended to constitute a "plan of reorganization" within the meaning of Treasury Regulation Section 1.368-2(g) and Treasury Regulation Section 1.368-3 promulgated under the Code;

WHEREAS, promptly following the execution and delivery of this Agreement, it is anticipated that certain of the Company Securityholders constituting the Requisite Stockholder Approval (as defined herein) will execute and deliver to the Company a stockholder written consent in the form attached hereto as Exhibit A (the "Written Consent");

WHEREAS, concurrently with the execution and delivery of this Agreement, and as a condition and inducement to Buyer's willingness to enter into this Agreement, the Key Employee is executing and delivering to Buyer (i) an employment offer letter (each, a "Key Employee Offer Letter") and (ii) a confidential information and invention assignment agreement (a "CIIAA"), which Offer Letters and CIIAAs shall become effective at, and are conditioned upon the occurrence of, the Effective Time;

WHEREAS, concurrently with the execution and delivery of this Agreement, and as a condition and inducement to Buyer's willingness to enter into this Agreement, each of the Retention Employees is executing and delivering to Buyer (i) an employment offer letter (each, a "Retention Employee Offer Letter") and (ii) a CIIAA, which Offer Letters and CIIAAs shall become effective at, and are conditioned upon the occurrence of, the Effective Time;

WHEREAS, concurrently with the execution and delivery of this Agreement, and as a condition and inducement to Buyer's willingness to enter into this Agreement, each of the Key Employee, each Retention Employee, and the Retention Contractor has entered into a non-competition and non-

solicitation agreement with Buyer (each, a "Non-Competition Agreement"), which Non-Competition Agreements shall become effective at, and are conditioned upon the occurrence of, the Effective Time;

WHEREAS, concurrently with the execution and delivery of this Agreement, and as a condition and inducement to Buyer's willingness to enter into this Agreement, the Key Employee has entered into a restriction agreement with Buyer in substantially the form attached hereto as Exhibit B (the "Securities Restriction Agreement"); and

WHEREAS, Buyer, the Merger Subs and the Company desire to make certain representations, warranties, covenants and agreements in connection with the Merger, and also to prescribe various conditions to the Merger.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

Section 1. DEFINITIONS.

1.1 Definitions. For purposes of this Agreement, the following terms shall have the meanings set forth below:

"Additional Per Share Consideration" means, with respect to each share of Company Capital Stock held immediately prior to the Effective Time, the consideration to be paid to the Company Securityholders and/or released from the Adjustment Escrow Fund pursuant to Section 2.17(b)(iii), Section 2.17(b)(iv) or Section 2.17(b)(v), as applicable, the cash to be released from the Indemnity Escrow Fund pursuant to Section 2.8, the cash to be released from the Specified Matters Escrow Fund pursuant to Section 2.10 and the cash to be released from the Expense Fund pursuant to Section 2.13.

"Additional Per Vested Company Option Consideration" means, with respect to each share of Company Common Stock subject to a Vested Company Option outstanding immediately prior to the Effective Time, the cash to be paid to the Company Securityholders and/or released from the Adjustment Escrow Fund pursuant to Section 2.17(b)(iii), Section 2.17(b)(iv) or Section 2.17(b)(v), as applicable, the cash to be released from the Indemnity Escrow Fund pursuant to Section 2.8, the cash to be released from the Specified Matters Escrow Fund pursuant to Section 2.10 and the cash to be released from the Expense Fund pursuant to Section 2.13.

"Additional Per Warrant Consideration" means, with respect to each share of Company Capital Stock subject to an In-the-Money Warrant outstanding immediately prior to the Effective Time, the cash to be paid to the Company Securityholders and/or released from the Adjustment Escrow Fund pursuant to Section 2.17(b)(iii), Section 2.17(b)(iv) or Section 2.17(b)(v), as applicable, the cash to be released from the Indemnity Escrow Fund pursuant to Section 2.8, the cash to be released from the Specified Matters Escrow Fund pursuant to Section 2.10 and the cash to be released from the Expense Fund pursuant to Section 2.13.

"Adjusted Aggregate Consideration" means an amount equal to (i) the Base Merger Consideration plus (ii) the Estimated Adjustment Amount (for the sake of clarity, the Estimated Adjustment Amount may be a positive or negative number).

"Adjustment Escrow Amount" means $750,000.

"Adjustment Pro Rata Share" means, with respect to each Company Securityholder, a percentage equal to (i) (A) the aggregate number of shares of (1) Company Common Stock and (2) Company Preferred Stock (other than Series B-1 Preferred Stock) on an as-converted basis, in each case, that are held by the Company Securityholder immediately prior to the Effective Time and (B) the number of shares of Company Capital Stock issuable upon exercise, conversion or exchange of all Vested Company Options (that are In-the-Money Company Options) and Vested Company Warrants (that are In-the-Money Warrants) held by such Company Securityholder immediately prior to the Effective Time, divided by (ii) the aggregate number of shares of (1) Company Common Stock and (2) Company Preferred Stock (other than Series B-1 Preferred Stock) on an as-converted basis, in each case, that are held by all Company Securityholders immediately prior to the Effective Time and (B) the number of shares of Company Capital Stock issuable upon exercise, conversion or exchange of all Vested Company Options (that are In-the-Money Company Options) and Vested Company Warrants (that are In-the-Money Warrants) held by all Company Securityholders immediately prior to the Effective Time.

"Affiliate" means, with respect to any Person, any other Person controlling, controlled by or under common control with such particular Person, where "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person whether through the ownership of voting securities, as trustee, personal representative or executor, by contract, credit arrangement or otherwise.

"Aggregate Additional Consideration" means the consideration to be paid to the Company Securityholders and/or released from the Adjustment Escrow Fund pursuant to Section 2.17(b)(iii), Section 2.17(b)(iv) or Section 2.17(b)(v), as applicable, the cash to be released from the Indemnity Escrow Fund pursuant to Section 2.8, the cash to be released from the Specified Matters Escrow Fund pursuant to Section 2.10 and the cash to be released from the Expense Fund pursuant to Section 2.13.

"Aggregate Closing Bonus Amount" means $2,700,000.

"Aggregate Consideration" means the Adjusted Aggregate Consideration (as reduced by the operation of Section 2.8, Section 2.9, Section 2.10 and Section 2.13) plus the Aggregate Additional Consideration.

"Aggregate Exercise Price" means the aggregate exercise price of all In-the-Money Company Options plus the aggregate exercise price of all In-the-Money Warrants.

"Alternative Transaction" means any transaction or series of transactions, or any offer, proposal, inquiry or indication of interest, involving: (a) any merger, consolidation, amalgamation, share exchange, business combination, issuance of securities, acquisition of securities, tender offer, exchange offer or other similar transaction in which the Company is a constituent corporation (i) in which a Person or "group" (as defined in the Exchange Act and the rules promulgated thereunder) of Persons (other than the Company) directly or indirectly acquires beneficial or record ownership of securities of any class of voting securities of the Company, or (ii) in which the Company issues securities of any class of voting securities of the Company (other than the issuance of Company Capital Stock upon the exercise of a Company Option or a Company Warrant); (b) any sale, lease, exchange, transfer, license, acquisition or disposition of any business or businesses or assets (other than in the Ordinary Course of Business); or (c) any liquidation or dissolution of any of the Company.

"Ancillary Agreements" means each of the Letters of Transmittal, the Exchange Agent Agreement, the Escrow Agreement and the Joinder Agreements.

"Base Cash Consideration Ratio" means (i) the Base Cash Consideration divided by (ii) the Base Merger Consideration.

"Base Cash Consideration" means (i) the Base Merger Consideration minus (ii) the Base Stock Consideration Value.

"Base Indemnity Period" means twelve (12) months following the Closing Date.

"Base Merger Consideration" means Fifty-Five Million Dollars ($55,000,000).

"Base Stock Consideration Ratio" means (i) the Base Stock Consideration Value divided by (ii) the Base Merger Consideration.

"Base Stock Consideration Value" means Twenty-Two Million Five Hundred Thousand Dollars ($22,500,000).

"Business Day" means any day that is not a Saturday, Sunday or other day on which banks are required or authorized by law to be closed in the State of Arizona.

"Buyer Common Stock" means the common stock of the Buyer, par value $0.001 per share.

"Buyer Stock Price" means the average of the volume weighted average prices of the Buyer Common Stock (as reported by Bloomberg) for the twenty trading day period ending on and including the third trading day before the Closing.

"CARES Act" means the Coronavirus Aid, Relief and Economic Security Act of 2020, as in effect from time to time, together with all amendments thereto and all regulations and guidance issued by any Governmental Authority with respect thereto, any executive order or executive memo (including the Memorandum on Deferring Payroll Tax Obligations in Light of the Ongoing COVID-19 Disaster, dated August 8, 2020) intended to address the consequences of COVID-19, and any analogous or similar provisions under applicable Law.

"Cash" means the aggregate amount of all cash, cash equivalents, marketable securities, commercial paper, certificates of deposit and any other bank deposits, treasury bills and short term investments held by the Company, including any cash and checks received by the Company but not yet deposited, but excluding (i) any checks and drafts written by the Company but not yet cleared and (ii) Restricted Cash.

"Cause" means, with respect to the Key Employee, (i) acts or omissions constituting gross negligence, recklessness or willful misconduct on the part of the Key Employee with respect to the Key Employee's obligations under the Key Employee Offer Letter or otherwise relating to the business of the Buyer or its Affiliates; (ii) failure or refusal, after written notice thereof from the Chief Executive Officer of Buyer and an opportunity to cure of at least 10 Business Days, to carry out lawful directions from the Chief Executive Officer of Buyer with respect to the Key Employee's obligations under the Key Employee Offer Letter or otherwise relating to the business of Buyer or its Affiliates; (iii) any act of personal dishonesty taken by the Key Employee in connection with his responsibilities as an employee of Buyer or its Affiliates with the intention or reasonable expectation that such action may result in the substantial personal enrichment of the Key Employee; (iv) the Key Employee's conviction of, or plea of nolo contendere to, a felony or crime of moral turpitude that the board of directors of Buyer (the "Board") reasonably believes has had or will have a material detrimental effect on Buyer's or its Affiliates'

reputation or business; (v) a breach of any fiduciary duty owed to Buyer or its Affiliates by the Key Employee that has a material detrimental effect on Buyer's or its Affiliates' reputation or business; (vi) the Key Employee 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 the Key Employee admits or denies liability); (vii) the Key Employee (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"); provided, that, the Key Employee's failure to waive attorney-client privilege relating to communications with the Key Employee's own attorney in connection with an Investigation will not constitute "Cause"; or (viii) the Key Employee's disqualification or bar by any governmental or self-regulatory authority from serving in the capacity contemplated by the Key Employee Offer Letter or the Key Employee's loss of any governmental or self-regulatory license that is reasonably necessary for the Key Employee to perform his responsibilities to Buyer or its Affiliates under the Key Employee Offer Letter, if (A) the disqualification, bar or loss continues for more than thirty (30) days, and (B) during that period Buyer or its Affiliates uses their respective good faith efforts to cause the disqualification or bar to be lifted or the license replaced.

"CERCLA" means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended from time to time prior to the Closing Date, and any rules or regulations promulgated thereunder.

"Charter Documents" means, with respect to an entity, the (a) articles of association, certificate of association, certificate of incorporation, certificate of formation, articles of organization, or certificate of limited partnership, (b) bylaws, limited liability company agreement, or limited partnership agreement, and (c) other equivalent or similar organizational documents.

"Closing Bonus Pro Rata Share" means, for each Company Securityholder, the percentage equal to (i) the consideration payable to such Company Securityholder pursuant to Section 2.6(b)(ii), Section 2.6(b)(iii) and Section 2.6(b)(iv) divided by (ii) the aggregate consideration payable to all Company Securityholders pursuant to Section 2.6(b)(ii), Section 2.6(b)(iii) and Section 2.6(b)(iv).

"Closing Cash" means all Cash of the Company as of the Closing.

"Closing Indebtedness" means all outstanding Indebtedness of the Company as of the Closing.

"Closing Working Capital" means current assets of the Company as of the Closing (excluding all accounts receivable that have been outstanding for more than ninety (90) days) minus current liabilities of the Company as of the Closing, in each case, calculated using the same accounting principles, practices, methodologies and policies as those utilized in preparing the Reference Balance Sheet, as modified by any accounting principles, practices, methodologies and policies set forth on Exhibit F. Notwithstanding the previous sentence, Closing Working Capital shall specifically (i) exclude any amounts of Closing Indebtedness, Company Transaction Expenses, Closing Cash, and any Tax assets and Tax liabilities and (ii) include all deferred revenue, accrued and vested wages, salaries and other compensation, penalties and employee benefits payable to any of the Company's employees, former employees, consultants, former consultants or retirees based on or arising under employment or engagement with the Company or arising prior to or on the Closing Date, together with any associated employer payroll taxes, other than, for the avoidance of doubt, (A) any payments under the Offer Letters, (B) any other payments requested or otherwise put in place by Buyer or at Buyer's request and (C) any Excluded Severance. An illustrative calculation of Closing Working Capital is set forth on Exhibit F.

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Company Capital Stock" means the Company Common Stock and the Company Preferred Stock, taken together.

"Company Common Stock" means the common stock of the Company, par value $0.0001 per share.

"Company Employee Program" means (a) an employee benefit plan within the meaning of Section 3(3) of ERISA whether or not subject to ERISA; (b) stock option plans, stock purchase plans, bonus or incentive plans, severance pay plans, programs, agreements or arrangements, deferred compensation arrangements or agreements, employment agreements, compensation plans, programs, agreements or arrangements, change in control plans, programs, agreements or arrangements, supplemental income arrangements, vacation plans, and all other employee benefit plans, agreements, and arrangements, not described in (a) above; and (c) plans or arrangements providing compensation to employee and non-employee directors, in each case in which the Company or any subsidiary of the Company sponsors, contributes to, or provides benefits under or through such plan, or has any obligation to contribute to or provide benefits under or through such plan, or if such plan provides benefits to or otherwise covers any current or former employee, officer or director of the Company or any subsidiary of the Company (or their spouses, dependents, or beneficiaries) or with respect to which the Company or any subsidiary of the Company has or may have any Liability (contingent or otherwise, including be reason of being an ERISA Affiliate).

"Company Intellectual Property Assets" means all Intellectual Property Assets owned or purported to be owned by the Company or used or held for use by the Company. "Company Intellectual Property Assets" includes, without limitation, the Products, Company Patents, Company Marks, and Company Copyrights.

"Company IT Systems" means all computer and information technology systems, platforms and networks owned, licensed, leased or used by the Company, including software, hardware, data, databases, data processing or management, record keeping, communication, telecommunication, computerized, automated or other similar systems, platforms and networks, and documentation relating to any of the foregoing.

1 "Company Material Adverse Effect" means, with respect to the Company or the business of the Company, any fact, event, change, development, circumstance or effect that (i) is or would, with the passage of time, be reasonably likely to be materially adverse to the financial condition, business, results of operations, assets, Liabilities or operations of the Company other than any fact, event, change, development, circumstance or effect resulting from (A) changes in general economic conditions, (B) general changes or developments in the industries in which the Company operate, (C) the occurrence of any natural disasters, acts of God or other calamities, including any epidemic or pandemic, national or international political or social conditions, including the engagement by any country in hostilities, whether commenced before or after the date of this Agreement, and whether or not pursuant to the declaration of a national emergency or war, or the occurrence or threatened occurrence of any military action, terrorism or cyberattack, (D) changes in any laws or GAAP, (E) any actions taken (or omitted to be taken) at the prior written request of Buyer or required to be taken (or omitted) by the express terms of this Agreement, (F) the announcement or pendency of this Agreement or (G) any failure by the Company to achieve any earnings, budgets or other financial projections, forecasts, performance or results of operations for any period ending on or after the date of this Agreement (it being understood and agreed

that the facts and circumstances giving rise to such failure may be taken into account in determining whether there has been a Company Material Adverse Effect, except to the extent such facts and circumstances are excluded from being taken into account by clauses (A) through (F) above) (but only, in the case of the foregoing clauses (A), (B), (C) and (D), to the extent that such changes or developments do not have a disproportionate impact on the Company relative to the other participants in the industries in which it operates), or (ii) materially impairs or delays or would, with the passage of time, be reasonably likely to materially impair or delay the ability of the Company to consummate the transactions contemplated by this Agreement and/or to perform its obligations under this Agreement.

"Company Options" means an option (whether or not vested or exercisable) to purchase Company Common Stock that has been granted under the Stock Plans.

"Company Preferred Stock" means, collectively, the Series A Preferred Stock, the Series B Preferred Stock and the Series B-1 Preferred Stock.

"Company Restricted Stock Agreement" means, with respect to any share of Company Restricted Stock, the Stock Plans, applicable stock restriction agreement and/or other applicable Contract or plan setting for the terms of vesting or any repurchase option, risk of forfeiture or other similar risk or condition applicable to such share of Company Restricted Stock.

"Company Restricted Stock" means any issued and outstanding shares of Company Capital Stock that, at the time of measurement, are not vested or are subject to a repurchase option, risk of forfeiture or other similar risk or condition under any applicable Company Restricted Stock Agreement.

"Company Securityholder" means any holder of Company Capital Stock, any holder of Company Warrants or any holder of Company Options, in each case, as of immediately prior to the Effective Time or, with respect to any time before the Effective Time, any Person that would be a Company Securityholder if the Effective Time were to occur at such time.

"Company Stockholder" means any holder of Company Common Stock or Company Preferred Stock as of the Effective Time or, with respect to any time before the Effective Time, any Person that would hold Company Common Stock or Company Preferred Stock if the Effective Time were to occur at such time.

"Company Transaction Expenses" means, without duplication, (i) the fees and disbursements payable to legal counsel, bankers, and accountants of the Company and/or the Company Securityholders (to the extent borne by the Company) in connection with the transactions contemplated by this Agreement and the Ancillary Agreements, (ii) all other fees and expenses, in each case, incurred by the Company and/or the Company Securityholders (to the extent borne by the Company) in connection with the transactions contemplated by this Agreement and the Ancillary Agreements as determined on the Closing Date, (iii) all "stay" or other similar retention bonuses, change-in-control bonuses or other bonuses or compensation related in any way to the execution, delivery or performance of this Agreement, whether or not vested as of Closing, to any of the Company's employees, former employees, consultants, former consultants or retirees and any retention bonuses, in each case, based on or arising under employment or engagement with the Company, together with any associated employer payroll taxes, other than, (A) for the avoidance of doubt, any payments under the Offer Letters and any other payments requested or otherwise put in place by Buyer or at Buyer's request and (B) the Closing Bonus Amounts, (iv) all severance and accrued paid time off, arising out of related to Company employees who receive offer letters from Buyer but do not accept such offers (together with any associated employer payroll taxes)

(but, for the avoidance of doubt, not including any severance amounts in accordance with the Company's historic practices or accrued paid time off paid to Company employees who do not receive offer letters from Buyer or the associated employer payroll taxes) ("Excluded Severance"), (v) the costs of obtaining (including any premiums of) the D&O Tail Policy, (vi) fifty percent (50%) of the R&W Insurance Policy Costs, (vii) the Promised Option Payments, and (viii) fifty percent (50%) of the Transfer Taxes. Notwithstanding the foregoing, "Company Transaction Expenses" shall not include any amounts taken into account in the calculation of Closing Working Capital or Indebtedness.

"Company Warrant" means a warrant to purchase shares of Company Capital Stock.

"Confidentiality Agreement" means that certain Mutual Confidentiality and Nondisclosure Agreement by and between Buyer and the Company dated April 20, 2021.

"Contract" means any written or oral legally binding contract, license, sublicense, mortgage, purchase order, indenture, loan agreement, lease, sublease, agreement or instrument or any legally binding commitment to enter into any of the foregoing to which the Company is a party or by which any of the Company's assets are bound.

"Cost to Service Deferred Revenue" means the product of (i) 15% multiplied by (ii) amount of deferred revenue for which cash has been collected by the Company as of the Closing Date.

"COVID-19 Measures" means any quarantine, "shelter in place," "stay at home," workforce reduction, social distancing, "personal protective equipment," shut down, closure, sequester, "return to work," "reopening," safety or similar law, regulation, policy, rule or order promulgated by any Governmental Authority, including but not limited to the Centers for Disease Control and Prevention and the World Health Organization, in each case, in connection with or in response to the COVID-19 Pandemic, solely to the extent that such COVID-19 Measures are binding upon the Company or the Company is otherwise legally required to comply therewith.

"COVID-19 Pandemic" means the SARS-Cov2 or COVID-19 pandemic, including any future resurgence or evolutions or mutations thereof and/or any related or associated disease outbreaks, epidemics and/or pandemics resulting therefrom.

"Disability" means, with respect to the Key Employee, a certification by an independent medical doctor (selected by Buyer's health or disability insurer and reasonably agreed upon by the Key Employee) that such Key Employee has for three consecutive months been physically or mentally disabled or incapacitated in a manner that materially interferes with his or her ability to perform his or her essential job responsibilities, and such health condition has not been cured or treated in such a manner that the prognosis is for no further disability.

"Disclosure Schedule," "Disclosure Schedules" or "Schedule" means the Disclosure Schedule attached hereto, dated as of the date hereof, delivered by the Company to Buyer in connection with this Agreement.

"Environmental Requirements" means all Laws and any judicial or administrative interpretation thereof, including all judicial and administrative orders and determinations, and all contractual obligations, in each case concerning public health and pollution or protection of the environment, including all those relating to the presence, use, production, generation, handling, transport, treatment, storage, disposal, distribution, labeling, testing, processing, discharge, Release, threatened Release, control or cleanup of any hazardous or otherwise regulated materials, substances or wastes, chemical

substances or mixtures, pesticides, pollutants, contaminants, toxic chemicals, petroleum products or byproducts, asbestos, polychlorinated biphenyls, noise or radiation, as the foregoing are enacted and in effect prior to or on the Closing Date.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

"ERISA Affiliate" means any entity that would have ever been considered a single employer with the Company under Section 4001(b) of ERISA or part of the same "controlled group" as the Company for purposes of Section 302(d)(3) of ERISA.

"Escrow Agent" means Wilmington Trust, N.A.

"Escrow Agent Fees" means the fees payable to the Escrow Agent pursuant to the Escrow Agreement.

"Escrow Agreement" means that certain Escrow Agreement by and among Buyer, the Securityholders' Representative and the Escrow Agent, substantially in the form attached hereto as Exhibit K.

"Estimated Adjustment Amount" means (i) the amount, if any, by which Estimated Closing Working Capital exceeds the Working Capital Target, minus (ii) the amount, if any, by which Estimated Closing Working Capital is less than the Working Capital Target, minus (iii) Estimated Closing Indebtedness, minus (iv) Estimated Closing Transaction Expenses, plus (v) Estimated Closing Cash (for the sake of clarity, the Estimated Adjustment Amount may be a positive or negative number).

"Final Adjustment Amount" means (i) the amount, if any, by which Final Closing Working Capital exceeds the Working Capital Target, minus (ii) the amount, if any, by which Final Closing Working Capital is less than the Working Capital Target, minus (iii) Final Closing Indebtedness, minus (iv) Final Closing Transaction Expenses, plus (v) Final Closing Cash (for the sake of clarity, the Final Adjustment Amount may be a positive or negative number).

"Fraud" means, with respect to a Person, Delaware common law liability for fraud, including the element of scienter, and specifically excluding constructive or negligent fraud.

"Fully Diluted Share Amount" means, as of immediately prior to the Effective Time, the sum of the following (without double-counting): (a) the aggregate number of shares of (i) Company Common Stock and (ii) Company Preferred Stock on an as-converted basis, in each case, that are issued and outstanding as of immediately prior to the Effective Time and (b) the number of shares of Company Capital Stock issuable upon exercise, conversion or exchange of all In-the-Money Company Options and In-the-Money Warrants.

"Fundamental Representations" means, collectively, the representations and warranties set forth in Section 3.1 (Organization and Corporate Power), Section 3.2 (Authorization of Transactions), subclause (ii) of Section 3.4 (Non-Contravention), Section 3.5 (Capitalization; Subsidiaries), Section 3.19 (Taxes) and Section 3.26 (Brokerage).

"GAAP" means United States generally accepted accounting principles, consistently applied throughout the periods involved.

"Good Reason" means, with respect to the Key Employee, (i) the Key Employee's voluntary resignation of employment because of the existence of any of the following reasons and which reason(s) continue following the expiration of any cure period set forth in this definition, without the Key Employee's written consent: (A) a material reduction without his consent of the Key Employee's title, authority, duties, or responsibilities from those in effect immediately prior to the reduction; provided however, a sale, separation or spin-off of a portion of Buyer's business operations, provided Buyer remains a going concern and provided the Key Employee's duties, position and responsibilities with respect to the remaining business operations are not materially reduced, will not be considered a basis for "Good Reason" resignation; (B) a material reduction in the Key Employee's cash compensation (either Base Salary (as defined in the Key Employee Offer Letter), or Base Salary and Annual Incentive Target (as defined in the Key Employee Offer Letter) combined) as in effect immediately prior to such reduction; provided, that, a onetime reduction that also is applied to other similarly situated executive officers of Buyer and which onetime 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"; (C) a failure by Buyer to require any successor entity to Buyer specifically to assume all of Buyer's obligations to the Key Employee under the Key Employee Offer Letter; (D) a material change in the geographic location from which the Key Employee must perform services (that is, a requirement that the Key Employee re-locate his permanent residence from his then-current location), it being recognized that the Key Employee will be required to travel and be present in Buyer's headquarters office in Arizona, and other offices consistently in performance of his business duties; or (E) a material breach by Buyer (or its successor) or their respective Affiliates of any material contractual obligation owed to the Key Employee pursuant to the Key Employee Offer Letter or this Agreement that is not cured following notice and a reasonable cure period as provided below. The Key Employee will not resign for Good Reason without first providing Buyer with written notice within thirty (30) days of the event that the Key Employee believes constitutes "Good Reason" specifically identifying the acts or omissions constituting the grounds for Good Reason and a cure period of thirty (30) days.

"Governmental Authority" means any government or political subdivision, whether federal, state, local or foreign, or any agency or instrumentality of any such government or political subdivision, or any federal, state, local or foreign court or arbitrator.

"In-the-Money Company Option" means any Vested Company Option and Unvested Company Option that is outstanding as of immediately prior to the Effective Time that has an exercise price per share of Company Capital Stock that is less than the Residual Per Share Consideration.

"In-the-Money Warrant" means any Company Warrant that is outstanding as of immediately prior to the Effective Time that has an exercise price per share of Company Capital Stock that is less than the Residual Per Share Consideration.

"Indebtedness" means, without duplication, (i) any indebtedness for borrowed money, (ii) any indebtedness evidenced by any note, bond, debenture or other debt securities, (iii) any indebtedness for the deferred purchase price of property or services with respect to which a Person is liable, contingently or otherwise, as obligor or otherwise, (iv) any commitment by which a Person assures a creditor against loss (including contingent reimbursement Liability with respect to letters of credit), (v) any indebtedness guaranteed in any manner by a Person (including guarantees in the form of an agreement to repurchase or reimburse), (vi) any Liabilities under leases that would be considered capitalized leases under GAAP, (vii) any indebtedness secured by a Lien on a Person's assets, (viii) any amounts owed to any Person under any noncompetition or severance arrangements (other than Excluded Severance) that are vested and accrued as of the Closing Date, together, in each case, with any associated employer payroll taxes, (ix)

any off-balance sheet financing of a Person (but excluding all leases recorded for accounting purposes by the applicable Person as operating leases), (x) any loans received under the CARES Act, including, but not limited to, the PPP Loans, (xi) all accrued and unpaid Tax liabilities of the Company for any Pre-Closing Tax Period (including any employment Taxes the Company elected to defer prior to the Closing pursuant to the CARES Act or any similar provision of state, local or non-U.S. Law), but excluding any Taxes imposed on the Company due to Buyer's action after Closing on the Closing Date outside the Ordinary Course of Business, (xii) any accrued and unpaid interest on, and any prepayment premiums, penalties or similar contractual charges in respect of, any of the foregoing obligations computed as though payment is being made in respect thereof on the Closing Date and (xii) the Cost to Service Deferred Revenue. Notwithstanding the foregoing, "Indebtedness" shall not include: (i) any liabilities to the extent they are taken into account in the calculation of Closing Working Capital (as finally determined) and (ii) any liabilities to the extent they are taken into account in the calculation of Company Transaction Expenses.

"Indemnified Taxes" means, without duplication, (a) any and all Taxes of the Company for any Pre-Closing Tax Period, including any and all Taxes imposed on the Company with respect to the portion of any Straddle Period ending on the Closing Date (determined in accordance with Section 5.9(d)(iii)), but excluding any Taxes imposed on the Company due to Buyer's actions after the Closing on the Closing Date outside the Ordinary Course of Business, (b) any and all Taxes of any member of affiliated, consolidated, combined, or unity group of which the Company is or was a member on or prior to the Closing, including pursuant to Treasury Regulations Section 1.1502-6 or any analogous or similar Law, (c) any liability for Taxes of another Person imposed on the Company as a transferee or successor, by contract or otherwise, or pursuant to any Law, rule or regulation, which Taxes relate to an event, agreement or transaction occurring on or before the Closing, (d) any Taxes of a Company Securityholder for which Buyer or the Company is liable, whether by reason of any requirement to withhold or otherwise, (e) any Liability for Transfer Taxes borne by the Company Securityholder pursuant to Section 5.9(a), (f) any Taxes relating to a Pre-Closing Tax Period that the Company has elected to defer pursuant to Section 2302 of the CARES Act or IRS Notice 2020-65 (or any similar provision of federal, state, local or non-U.S. Law), and (g) any employer payroll taxes (including withholding taxes) of the Company required to be paid or collected with respect to any payments arising under or contemplated by this Agreement (but excluding any employment Taxes related to compensatory payments for services performed after the Closing or any compensatory payments that vest after the Closing).

"Indemnifying Securityholder" means any Company Securityholder.

"Indemnity Escrow Amount" means $275,000.

"Intellectual Property Assets" means any and all of the following, as they exist in any jurisdiction throughout the world: (A) patents, patent applications of any kind, patent rights, inventions, discoveries and invention disclosures (whether or not patented) (collectively, "Patents"); (B) rights in registered and unregistered trademarks, service marks, trade names, trade dress, corporate names, logos, packaging designs, slogans and Internet domain names, rights to social media accounts, and other indicia of source, origin or quality, together with all goodwill associated with any of the foregoing, and registrations and applications for registration of any of the foregoing (collectively, "Marks"); (C) copyrights in both published and unpublished works (including without limitation all compilations, databases and computer programs, manuals and other documentation and all derivatives, translations, adaptations and combinations of the above) and registrations and applications for registration of any of the foregoing (collectively, "Copyrights"); (D) know-how, trade secrets, confidential or proprietary information (including customer and supplier lists, customer and supplier records, pricing and cost information,

reports, software development methodologies, technical information, proprietary business information, process technology, plans, drawings, blue prints, know-how, inventions and invention disclosures (whether or not patented or patentable and whether or not reduced to practice), ideas, research in progress, algorithms, data, databases, data collections, designs, processes, drawings, schematics, blueprints, flow charts, models, strategies, prototypes, techniques, source code, source code documentation, testing procedures and testing results and business, financial, sales and marketing plans) and rights under applicable trade secret Law in the foregoing (collectively, "Trade Secrets"); (E) rights of publicity and privacy and data protection rights; and (F) any and all other intellectual property rights and/or proprietary rights relating to any of the foregoing.

"Key Employee" means Ajay Kapur.

"knowledge," "to the Company's knowledge" and words and phrases of similar import mean the actual knowledge of the Key Employee, Rick Gustafson, Ishan Anand, Mark Brocato, Joseph Krasko, Boris Wexler, and Hugo Roberts or the knowledge that any of the foregoing persons would have after reasonable inquiry of their direct reports.

"Law" means any federal, national, supranational, state, provincial, local or similar statute, law, ordinance, regulation, rule, code, order, requirement or rule of law (including common law).

"Leased Real Property" means the real property leased, subleased or licensed by the Company as tenant, subtenant, licensee or other similar party, together with, to the extent leased, licensed or owned by the Company, all buildings and other structures, facilities or leasehold improvements, currently or hereafter located thereon, all fixtures, systems, equipment and items of personal property and other assets of every kind, nature and description of the Company located at or attached or appurtenant thereto and all easements, licenses, rights, options, privileges and appurtenances relating to any of the foregoing.

"Legal Proceeding" means any action, suit, litigation, arbitration, proceeding (including any civil, criminal, administrative, investigative or appellate proceeding), hearing, inquiry, audit, examination or investigation commenced, brought, conducted or heard by or before, or otherwise involving, any court or other Governmental Authority or any arbitrator or arbitration panel.

"Liability" means any liability, debt, obligation, deficiency, penalty, assessment, fine or other loss, fee, cost or expense of any kind or nature whatsoever, whether asserted or unasserted, absolute or contingent, known or unknown, accrued or unaccrued, liquidated or unliquidated, and whether due or to become due and regardless of when asserted.

"Lien" means, with respect to any asset, any mortgage, deed of trust, pledge, security interest, hypothecation, lien (including environmental and Tax liens), violation, charge, lease, license, encumbrance, servient easement, deed restriction, adverse claim, reversion, reverter, preferential arrangement, restrictive covenant, condition, restriction or charge of any kind (including any conditional sale or title retention agreement or lease in the nature thereof) or any agreement to file any of the foregoing, any sale of receivables with recourse against the Company, the Company Securityholders or any of their Affiliates, and any filing or agreement to file any financing statement as debtor under the Uniform Commercial Code or any similar statute.

"Losses" (collectively) or "Loss" (individually) means any loss (including diminution in value), liability, demand, claim, action, cause of action, cost, damage, deficiency, Tax, penalty, fine or expense, whether or not arising out of third party claims (including interest, penalties, reasonable attorneys', accountants' and other professionals' fees and expenses, court costs and all reasonable amounts paid in

investigation, defense or settlement of any of the foregoing); provided, however, that in no event shall Losses include punitive damages, except to the extent awarded in connection with a Third Party Claim.

"Multiemployer Plan" means an employee pension or welfare benefit plan to which more than one unaffiliated employer contributes and which is maintained pursuant to one or more collective bargaining agreements.

"Non-Participating Holders" means all holders of Company Capital Stock that are not Accredited Investors and all holders of Company Options, in each case, as of immediately prior to the Effective Time.

"Open Source Software" means any software (in source or object code form) that is subject to (A) a license or other agreement commonly referred to as an open source, free software, copyleft or community source code license (including but not limited to any code or library licensed under the GNU General Public License, GNU Lesser General Public License, BSD License, Apache Software License, or any other public source code license arrangement) or (B) any other license or other agreement that requires, as a condition of the use, modification or distribution of software subject to such license or agreement, that such software or other software linked with, called by, combined or distributed with such software be (1) disclosed, distributed, made available, offered, licensed or delivered in source code form, (2) licensed for the purpose of making derivative works, (3) licensed under terms that allow reverse engineering, reverse assembly, or disassembly of any kind, or (4) redistributable at no charge, including without limitation any license defined as an open source license by the Open Source Initiative as set forth on www.opensource.org.

"Option Exchange Ratio" means an amount equal to the quotient of (i) the Residual Per Share Consideration divided by (ii) the Buyer Stock Price.

"Optionholder Joinder Agreement" means that written, joinder and release in the form attached hereto as Exhibit C-1.

"Ordinary Course of Business" means the ordinary course of business consistent with past custom and practice (including with respect to quantity and frequency).

"Participating Holders" means all holders of Company Capital Stock that are Accredited Investors.

"Parties" (collectively) or "Party" (individually) shall refer to the Company, Merger Subs, the Securityholders' Representative, and Buyer.

"Per Vested Company Option Consideration" means, in respect of each share of Company Common Stock subject to a Vested Company Option (that is an In-the-Money Company Option), an amount in cash equal to (a) the Residual Per Share Consideration minus (b) the per share exercise price of such Vested Company Option.

"Per Warrant Consideration" means, in respect of each share of Company Common Stock subject to an In-the-Money Warrant, an amount in cash equal to (a) the Residual Per Share Consideration minus (b) the per share exercise price of such In-the-Money Warrant.

"Permitted Liens" means (i) any Lien for Taxes or other governmental charges, assessments or levies that are not yet delinquent or that are being contested in good faith by appropriate proceedings and

with adequate reserves, (ii) any statutory landlord's, mechanic's, carrier's, workmen's, repairmen's or other similar Lien arising or incurred in the Ordinary Course of Business, the existence of which does not, and could not reasonably be expected to, materially impair the marketability, value or use and enjoyment of the asset subject to such Lien, (iii) any condition, easement or reservation of rights, including rights of way, for sewers, electric lines, telegraph and telephone lines and other similar purposes, and affecting the fee title to any Leased Real Property and being transferred to Buyer at the Closing that are of record as of the date of this Agreement and the existence of which does not, and could not reasonably be expected to, materially impair the marketability, value or use and enjoyment of such real property, (iv) with respect to Leased Real Property only, any Lien (including Indebtedness) encumbering the fee interest title in any Leased Real Property and not attributable to the Company and any statutory liens to secure obligations to landlords, lessors or renters under leases or rental agreements, and (v) nonexclusive licenses to Intellectual Property Assets granted in the Ordinary Course of Business. Notwithstanding the foregoing, any Lien for Indebtedness as of the Closing will not be a Permitted Lien.

"Person" means any individual, partnership, limited liability company, corporation, cooperative, association, joint stock company, trust, joint venture, unincorporated organization or Governmental Authority, body or entity or any department, agency or political subdivision thereof.

"Personal Data" means data and information collected by the Company that identifies or is identifiable of a natural person or device, or that is deemed under applicable Law as "personal information," "personally identifiable information," "PII," "personal data" or a similar term.

"PPP Lender" means Heritage Bank, N.A.

"PPP Loans" means any loan under the Paycheck Protection Program of the U.S. Small Business Administration, including the loan evidenced by that certain Promissory Note dated May 29, 2020 from the PPP Lender.

"Pre-Closing Tax Period" means any taxable period ending on or before the Closing Date and the portion through the end of the Closing Date for any taxable period that includes (but does not end on) the Closing Date.

"Privacy Law" means any applicable Law that governs the receipt, collection, compilation, use, storage, processing, sharing, safeguarding, security, disposal, destruction, disclosure or transfer of Personal Data and any such applicable Law governing breach notification, any penalties and compliance with any binding order related to the Company's processing of Personal Data, including the Children's Online Privacy Protection Act, the Telephone Consumer Protection Act, the California Online Privacy Protection Act, the CCPA, the CAN-SPAM Act, Canada's Personal Information Protected and Electronic Documents Act, Canada's Anti-Spam Legislation, the UK Data Protection Act 2018, Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 (General Data Protection Regulation or "GDPR"), EU Directive 2002/58/EC and any Law or regulation implementing either or both of the GDPR and EU Directive 2002/58/EC (each as amended from time to time) and all analogous Laws in all foreign jurisdictions as are applicable to the Company, as well as all applicable industry standards that are binding on the Company.

"Pro Rata Share" means, for each Company Securityholder, the percentage equal to (i) the consideration payable to such Company Securityholder pursuant to Section 2.6(b), Section 2.6(c) and Section 2.6(d)(i) divided by (ii) the aggregate consideration payable to all Company Securityholders

pursuant to Section 2.6(b), Section 2.6(c) and Section 2.6(d)(i). The aggregate Pro Rata Shares of all Company Securityholders shall equal 100%.

"Product Support Items" means electronic versions (paper version if electronic version not available) of the following items of the Company, whether or not applicable to the Products: (i) system firmware; (ii) system software; (iii) build software (package and build tree); (iv) hardware design files, including logic and schematic capture, (v) release scripts, procedures and documentation; (vi) test suites, scripts, procedures and process documentation; (vii) performance documentation, programs and results sets; (viii) product specifications; (ix) functional specifications; (x) design specifications; and (xi) customer service and support documentation and call history (database, if applicable).

"Promised Option Payments" means any cash amount to be paid to the Promised Optionholders at Closing (but not including any Buyer restricted stock unit grants to such Promised Optionholders from the Continuing Employee RSU Pool).

"Promised Option Release" means that certain promised option release in the form attached hereto as Exhibit D.

"Promised Optionholders" means the individuals who were promised Company Options that have not been granted by the Company

"R&W Insurance Policy" means the buyer side representations and warranties indemnity policy with policy number 711264020 to be issued by Dual Transactional Risk (on behalf of Columbia Casualty Company) to Buyer and Merger Subs (as may be amended, restated, amended and restated, supplemented or otherwise modified from time to time) pursuant to the binder agreement, dated as of the date hereof, between Dual Transactional Risk and Buyer and Merger Subs.

"R&W Insurance Policy Costs" means all costs and expenses associated with the R&W Insurance Policy (including the all premiums, underwriting fees, surplus line taxes, premium taxes, brokerage fees and commissions), but excluding the costs of each party's legal counsel in negotiating and advising with respect to such R&W Insurance Policy.

"Release" shall have the meaning set forth in CERCLA.

"Requisite Stockholder Approval" means the affirmative vote or consent of (i) the holders of a majority of the issued and outstanding shares of Company Capital Stock (voting together as a single class on an as-converted basis); (ii) the holders of a majority of the issued and outstanding shares of the Company Preferred Stock (voting together as a single class on an as-converted basis); and (iii) the holders of a majority of the issued and outstanding shares of Company Common Stock (voting together as a single class on an as-converted basis).

"Residual Aggregate Consideration" means (i) the Adjusted Aggregate Consideration minus (ii) the Series B Preferred Stock Aggregate Liquidation Preference minus (iii) the Series B-1 Preferred Stock Aggregate Liquidation Preference.

"Residual Per Share Consideration" means (i)(A) the Residual Aggregate Consideration plus (B) the Aggregate Exercise Price divided by (ii)(A) the Fully-Diluted Share Amount minus (B) the number of shares of Series B-1 Preferred Stock issued and outstanding immediately prior to the Effective Time.

"Restricted Cash" means cash security deposits made by the Company, cash collateralizing any obligation, cash in reserve or escrow accounts, custodial cash and cash subject to a lockbox, dominion, control or similar agreement (other than those that will be terminated at Closing) or otherwise subject to any legal, contractual or other restriction on the ability to freely transfer or use such cash for any lawful purpose, including (i) restrictions on dividends and repatriations or any other form of restriction and (ii) the imposition of any withholding Tax or other Tax on any such cash if it were to be distributed to the Company or otherwise repatriated to the Company.

"Retention Contractor" means Ivan Irceg.

"Retention Employees" means each of the individuals set forth on Schedule 1.1-1.

"RSU Grant Agreements" means those certain Restricted Stock Unit Agreements by and between Buyer and each of the Continuing Employees, substantially in the form attached hereto as Exhibit G.

"RSU Performance Vesting Milestones" shall mean the performance metrics that must be achieved as set forth in the Key Employee offer letters that must be achieved for such RSUs to vest.

"Schedule of Indebtedness" means Schedule 1.1-2 attached hereto and prepared by the Company that lists all Indebtedness of the Company as of immediately prior to Closing and the wire instructions for each lender of Indebtedness of the Company.

"Securityholder-Related Claims" means any claim by any current, former or purported equityholder of the Company (including such holders of rights or instruments convertible or exercisable into equity securities) or any other Person, seeking to assert, or based upon (i) ownership or rights to ownership of any equity securities or securities convertible into or exercisable for equity securities, including, without limitation, preemptive, notice and voting rights, (ii) errors in formulas, definitions or provisions related to the Company's payment of any proceeds in connection with the transactions contemplated hereby, (iii) rights under the Organizational Documents of the Company, (iv) wrongful repurchase or cashing out of Company Options, Company Warrants, or shares of Company Capital Stock, or (v) otherwise in connection with the transactions contemplated hereby.

"Series A Preferred Stock" means the shares of preferred stock, no par value, of the Company, designated as Series A Preferred Stock.

"Series B Preferred Stock Aggregate Liquidation Preference" means (i) the Series B Preferred Stock Per Share Liquidation Preference multiplied by (ii) the number of outstanding shares of Series B Preferred Stock as of immediately prior to the Effective Time.

"Series B Preferred Stock Per Share Consideration" means (i) the Series B Preferred Stock Per Share Liquidation Preference plus (ii) the Residual Per Share Consideration.

"Series B Preferred Stock Per Share Liquidation Preference" means $2.3871.

"Series B Preferred Stock" means the shares of preferred stock, no par value, of the Company, designated as Series B Preferred Stock.

"Series B-1 Preferred Stock" means the shares of preferred stock, no par value, of the Company, designated as Series B-1 Preferred Stock.

"Series B-1 Preferred Stock Aggregate Liquidation Preference" means (i) the Series B-1 Preferred Stock Per Share Liquidation Preference multiplied by (ii) the number of outstanding shares of Series B-1 Preferred Stock as of immediately prior to the Effective Time.

"Series B-1 Preferred Stock Per Share Liquidation Preference" means $2.3871.

"Specified Matters Early Release Amount" means (i) the amount remaining in the Specified Matters Escrow Amount minus (ii) the amounts subject to an unresolved claim against the Specified Matters Escrow, in each case, as of the 18-month anniversary of the Closing minus (iii) $500,000; provided that if such amount would be a negative number than the Specified Matters Early Release Amount shall be $0.

"Specified Matters Escrow Amount" means an amount equal to $1,500,000.

"Stock Plans" means, collectively, the Company's 2007 Equity Incentive Plan and 2017 Equity Incentive Plan, in each case, as amended, supplemented, or modified from time to time.

"Stockholder Joinder Agreement" means that written, joinder and release in the form attached hereto as Exhibit C-2.

"subsidiary" means, with respect to any party, any corporation or other organization or Person, whether incorporated or unincorporated, of which (i) such party or any other subsidiary of such party is a general partner (excluding such partnerships where such party or any subsidiary of such party does not have a majority of the voting interest in such partnership) or (ii) at least 50% of the securities or other interests having by their terms ordinary voting power to elect at least 50% of the board of directors or others performing similar functions with respect to such corporation or other organization is directly or indirectly owned or controlled by such party or by any one or more of its subsidiaries or affiliates.

"Tax" or "Taxes" means any federal, state, local or foreign income, gross receipts, capital gains, profits, franchise, alternative or add-on minimum, estimated, sales, use, goods and services, transfer, registration, value added, excise, natural resources, severance, stamp, occupation, premium, unclaimed property or escheat, windfall profit, environmental, customs, duties, real property, ad valorem, special assessment, personal property, capital stock, social security, unemployment, employment, disability, payroll, license, employee or other withholding, contributions or other tax, of any kind whatsoever, or any other tax or other like assessment or charge in the nature of a tax, whether disputed or not, imposed by any Governmental Authority, including any interest, penalties or additions to tax or additional amounts in respect of the foregoing and including any obligations to indemnify or otherwise assume or succeed to the Tax liability of any other Person.

"Tax Returns" means returns, declarations, reports, claims for refund, information returns or other documents (including any amendments, related or supporting schedules, statements or other information) filed or required to be filed in connection with the determination, assessment or collection of Taxes of any party or the administration of any laws, regulations or administrative requirements relating to any Taxes.

"Transfer" means, with respect to any security, to sell, offer, pledge, contract to sell, grant any option or contract to purchase, purchase any option or contract to sell, grant any right or warrant to purchase, lend or otherwise transfer (including by gift or operation of law), dispose of, hypothecate or encumber, directly or indirectly, such security, or to enter into any swap, hedging or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of such security.

"Unvested Company Options" means, as of immediately prior to the Effective Time (after giving effect to any acceleration resulting from or in connection with the Merger), any In-the-Money Company Options to the extent they are not then Vested Company Options.

"Vested Company Option" means any In-the-Money Company Option (or portion thereof) that is vested as of the Effective Time.

"Warrantholder Joinder Agreement" means that joinder and release in the form attached hereto as Exhibit C-3.

"Working Capital Target" means negative $1,275,708.

1.2 Other Definitions. Each of the following defined terms has the meaning given such term in the Section set forth opposite such defined term:

Term	Section
401(k) Plan	7.1(j)
Accountants	2.17(b)(ii)
Adjustment Escrow Fund	2.9
Agreement	Preamble
Ancillary Lease Documents	3.12(b)
Assumed Option	2.6(c)(ii)
Buyer	Preamble
Buyer Closing Cash	2.17(b)(i)
Buyer Closing Indebtedness	2.17(b)(i)
Buyer Closing Statement	2.17(b)(i)
Buyer Closing Transaction Expenses	2.17(b)(i)
Buyer Closing Working Capital	2.17(b)(i)
Buyer Indemnified Parties	8.2(a)
Buyer SEC Documents	4.8(a)
CARES Act	3.29
CIIAA	Recitals
Claim Certificate	8.5(a)
Closing	2.2
Closing Balance Sheet	2.17(b)(i)
Closing Date	2.2
Closing Stockholder Approval	7.1(r)
Company	Preamble
Company Contracts	3.14(b)
Company Copyrights	3.15(a)
Company Domains	3.15(a)
Company Licenses	3.15(a)
Company Marks	3.15(a)
Company Patents	3.15(a)
Company Registered Intellectual Property	3.15(b)(ii)
Company Representative	5.2(a)

Company’s Officer’s Certificate	7.1(c)
Contingent Workers	3.20(a)
Continuing Claim	8.7(a)
Continuing Employee Offer Letters	5.12(a)
Continuing Employee RSU Pool	5.15
Continuing Employees	5.12(a)
Customer Data	3.15(b)(xxii)
Customers	3.9(a)
Deductible Amount	8.3(a)
Determination Date	2.17(b)(ii)
Dispute Notice	2.17(b)(ii)
Dissenting Shares	2.7(a)
Employer	5.12
Estimated Closing Cash	2.17(a)(i)
Estimated Closing Indebtedness	2.17(a)(i)
Estimated Closing Statement	2.17(a)(i)
Estimated Closing Transaction Expenses	2.17(a)(i)
Estimated Closing Working Capital	2.17(a)(i)
Expense Fund	2.13
Expiration Date	8.1(a)
Final Closing Cash	2.17(b)(ii)
Final Closing Indebtedness	2.17(b)(ii)
Final Closing Statement	2.17(b)(ii)
Final Closing Transaction Expenses	2.17(b)(ii)
Final Closing Working Capital	2.17(b)(ii)
Final Surviving Entity	2.1
Financial Statements	3.5
First Step Surviving Corporation	2.1
Indemnity Escrow Fund	2.8
Indemnity Escrow Release Date	2.8
Individual Cap	8.3(c)(ii)
Insiders	3.24
Key Employee Offer Letter	Recitals
Leases	3.11(b)
Licenses In	3.14(a)
Licenses Out	3.14(a)
Non-Competition Agreements	Recitals
Offer Letters	5.12(a)
Offered Employees	5.12(a)
Permits	3.17
PPP Application	3.29
PPP Termination Date	8.1(d)
Privacy Policy	3.15(b)(xii)
Privacy Requirements	3.15(b)(xii)
Products	3.14(a)

Proposal	5.2(a)
Purchase	2.1
Reference Balance Sheet	3.5
Required Contract Consents	7.1(f)
Restricted Party	3.18(d)
Retained Escrow Amount	8.7(a)
Retention Employee Offer Letter	Recitals
Retention Holdback Amount	2.18
Retention Holdback Vesting Date	2.18
Specified Matters	8.2(a)(x)
Specified Matters Continuing Claim	8.7(b)
Specified Matters Escrow Fund	2.10
Specified Matters Release Date	2.10
Specified Matters Retained Escrow Amount	8.7(b)
Straddle Period	5.9(d)(iii)
Subject Provision	8.5(a)
Suppliers	3.9(b)
Third Party Claim	8.6(a)
Third Party IP Assets	3.15(b)(v)
Transfer Taxes	5.9(a)
Union	3.19(c)
Warrantholder Letter of Transmittal	2.14(c)
WARN Act	3.20(d)

Section 2. THE MERGERS; EFFECT OF THE MERGER ON THE COMPANY CAPITAL STOCK.

2.1 First Merger and Second Merger. Upon the terms of and subject to the conditions set forth in this Agreement, and in accordance with the CCC, at the Effective Time, Merger Sub I shall be merged with and into the Company. As a result of such Merger, the separate corporate existence of Merger Sub I shall cease, and the Company shall continue as the surviving corporation of the Merger (the "First Step Surviving Corporation") and a direct wholly owned subsidiary of Buyer. Upon the terms and subject to the conditions set forth herein, at the Second Effective Time, the First Step Surviving Corporation shall merge with and into Merger Sub II, the separate corporate existence of the First Step Surviving Corporation shall cease and Merger Sub II shall continue as the surviving entity (sometimes referred to herein as the "Final Surviving Entity").

2.2 Effective Time and Second Effective Time; Closing. The closing of the First Merger (the "Closing") will take place on the first Business Day following the satisfaction or, if permissible by the express terms of this Agreement, waiver of the conditions set forth in Section 7 hereof, at the offices of Goodwin Procter LLP, Three Embarcadero Center, San Francisco, CA 94111, unless another time or place is mutually agreed upon in writing by Buyer and the Company. The date upon which the Closing actually occurs shall be referred to herein as the "Closing Date." On the Closing Date, the parties hereto shall cause the First Merger to be consummated by (i) filing an Agreement of Merger substantially in the form attached hereto as Exhibit E-1 (the "Agreement of Merger") with the Secretary of State of the State

of California, in accordance with the relevant provisions of the CCC and (ii) making all other filings and recordings required under the CCC. The term "Effective Time" shall mean the time of the filing of the Agreement of Merger, or, if different, the time of effectiveness thereof that is specified therein. Promptly following the Effective Time, but in no event later than two (2) Business Days thereafter, Buyer, the First Step Surviving Corporation and Merger Sub II shall cause an Agreement of Merger in accordance with the relevant provisions of the CCC in substantially the form attached hereto as Exhibit E-2 (the "Second Agreement of Merger") to be filed with the Secretary of State of the State of California (the "Second Effective Time").

2.3 Effect of the Mergers.

(a) First Merger. At and after the Effective Time, the First Merger shall have the effects as set forth in the applicable provisions of the CCC. Without limiting the generality of the foregoing, and subject thereto, at the Effective Time, all the property, rights, privileges, powers and franchises of each of the Company and Merger Sub I shall vest in the First Step Surviving Corporation, and all debts, liabilities and duties of each of the Company and Merger Sub I shall attach to, and become the debts, liabilities and duties of, the First Step Surviving Corporation.

(b) Second Merger. At and after the Second Effective Time, the Second Merger shall have the effects as set forth in the applicable provisions of the CCC. Without limiting the generality of the foregoing, and subject thereto, at the Second Effective Time, all the property, rights, privileges, powers and franchises of each of the First Step Surviving Corporation and Merger Sub II shall vest in the Final Surviving Entity, and all debts, liabilities and duties of each of the First Step Surviving Corporation and Merger Sub II shall attach to, and become the debts, liabilities and duties of, the Final Surviving Entity.

2.4 Certificate of Incorporation and Bylaws of the First Step Surviving Corporation and Final Surviving Entity.

(a) The articles of incorporation of the Company as the First Step Surviving Corporation shall be amended and restated to read the same as the articles of incorporation of Merger Sub I as in effect immediately prior to the Effective Time, until thereafter further amended in accordance with the CCC and as provided in such amended and restated articles of incorporation, except that Article II of the articles of incorporation of the First Step Surviving Corporation shall be amended and restated in its entirety to read as follows: The name of this corporation is "Moov Corporation"

(b) The bylaws of the Company as the First Step Surviving Corporation shall be amended and restated to read the same as the bylaws of Merger Sub I as in effect immediately prior to the Effective Time, until thereafter further amended in accordance with the CCC and as provided in the certificate of incorporation of the First Step Surviving Corporation and such bylaws, except that all references to Merger Sub I in the bylaws of the First Step Surviving Corporation shall be changed to references to Moov Corporation.

(c) Unless otherwise determined by Buyer prior to the Second Effective Time, at the Second Effective Time, the Certificate of Formation of Merger Sub II, as in effect immediately prior to the Second Effective Time, shall be amended in its entirety to read

as set forth in the Second Agreement of Merger, until thereafter amended as provided by the CCC.

(d) Unless otherwise determined by Buyer prior to the Second Effective Time, the Limited Liability Company Agreement of Merger Sub II, as in effect immediately prior to the Second Effective Time, shall become the Limited Liability Company Agreement of the Final Surviving Entity, until thereafter amended as provided by the CCC, the Certificate of Formation of Merger Sub II and such Limited Liability Company Agreement.

2.5 Directors and Officers.

(a) Unless otherwise determined by Buyer prior to the Effective Time, the directors of Merger Sub I immediately prior to the Effective Time shall be the initial directors of the First Step Surviving Corporation immediately after the Effective Time, each to hold office in accordance with the provisions of the CCC and the certificate of incorporation and bylaws of the First Step Surviving Corporation until their successors are duly elected and qualified.

(b) Unless otherwise determined by Buyer prior to the Effective Time, the officers of Merger Sub I immediately prior to the Effective Time shall be the initial officers of the First Step Surviving Corporation immediately after the Effective Time, each to hold office in accordance with the bylaws of the First Step Surviving Corporation until their successors are duly appointed and qualified.

(c) Unless otherwise determined by Buyer prior to the Second Effective Time, the managers of Merger Sub II immediately prior to the Second Effective Time shall be the managers of the Final Surviving Entity immediately after the Second Effective Time until their respective successors are duly appointed; and

(d) Unless otherwise determined by Buyer prior to the Second Effective Time, the officers of Merger Sub II immediately prior to the Second Effective Time shall be the officers of the Final Surviving Entity immediately after the Second Effective Time until their respective successors are duly appointed.

2.6 Effect of Merger on Securities of Company.

(a) Certification Procedures. Not less than five (5) Business Days prior to the Closing Date, the Company shall have delivered to Buyer, on behalf of each holder of Company Capital Stock, a certification form as specified by Buyer and reasonably acceptable to the Company (the "Certification Form") establishing whether each such holder of Company Capital Stock is an "accredited Investor" within the meaning of Rule 501 of the Securities Act (each, an "Accredited Investor").

(b) Effect on Company Capital Stock. Subject to Section 2.18, as applicable to the Key Employee:

(i) At the Effective Time, by virtue of the First Merger and without any action on the part of Buyer, Merger Sub I, the Company or the Company Securityholders, each share of Company Common Stock that is issued and outstanding immediately prior to the Effective Time (excluding any shares of Company Common Stock to be canceled pursuant to

Section 2.6(b)(v) and any Dissenting Shares) shall be canceled and extinguished and shall be converted into the right to receive:

(A) in the case of shares of Company Common Stock held by an Accredited Investor, (1) subject to Section 2.8, Section 2.9, Section 2.10 and Section 2.13, cash in the amount of (I) the Residual Per Share Consideration multiplied by (II) the Base Cash Consideration Ratio, plus (2) a number of shares of Buyer Common Stock equal to (I) the Residual Per Share Consideration multiplied by (II) the Base Stock Consideration Ratio divided by (III) the Buyer Stock Price plus (3) cash in the amount of any Additional Per Share Consideration; and

(B) in the case of shares of Company Common Stock held by a Company Stockholder that is not an Accredited Investor, (1) subject to Section 2.8, Section 2.9, Section 2.10 and Section 2.13, cash in the amount of the Residual Per Share Consideration plus (2) cash in the amount of any Additional Per Share Consideration.

(ii) At the Effective Time, by virtue of the First Merger and without any action on the part of Buyer, Merger Sub I, the Company or the Company Securityholders, each share of Series A Preferred Stock that is issued and outstanding immediately prior to the Effective Time (excluding any shares of Series A Preferred Stock to be canceled pursuant to Section 2.6(b)(v) and any Dissenting Shares) shall be canceled and extinguished and shall be converted into the right to receive:

(A) in the case of shares of Series A Preferred Stock held by an Accredited Investor, (1) subject to Section 2.8, Section 2.9, Section 2.10 and Section 2.13, cash in the amount of (I) the Residual Per Share Consideration multiplied by (II) the Closing Cash Consideration Ratio, plus (2) a number of shares of Buyer Common Stock equal to (I) the Residual Per Share Consideration multiplied by (II) the Closing Stock Consideration Ratio divided by (III) the Buyer Stock Price plus (3) cash in the amount of any Additional Per Share Consideration; and

(B) in the case of shares of Series A Preferred Stock held by a Company Stockholder that is not an Accredited Investor, (1) subject to Section 2.8, Section 2.9, Section 2.10 and Section 2.13, cash in the amount of the Residual Per Share Consideration plus (2) cash in the amount of any Additional Per Share Consideration.

(iii) At the Effective Time, by virtue of the First Merger and without any action on the part of Buyer, Merger Sub I, the Company or the Company Securityholders, each share of Series B Preferred Stock that is issued and outstanding immediately prior to the Effective Time (excluding any shares of Series B Preferred Stock to be canceled pursuant to Section 2.6(b)(v) and any Dissenting Shares) shall be canceled and extinguished and shall be converted into the right to receive:

(A) in the case of shares of Series B Preferred Stock held by an Accredited Investor, (1) subject to Section 2.8, Section 2.9, Section 2.10 and Section 2.13, cash in the amount of (I) the Series B Preferred Stock Per Share Consideration multiplied by (II) the Base Cash Consideration Ratio, plus (2) a number of shares of Buyer Common Stock equal to (I) the Series B Preferred Stock Per Share Consideration multiplied by (II) the Base Stock Consideration

Ratio divided by (III) the Buyer Stock Price plus (3) cash in the amount of any Additional Per Share Consideration; and

(B) in the case of shares of Series B Preferred Stock held by a Company Stockholder that is not an Accredited Investor, (1) subject to Section 2.8, Section 2.9, Section 2.10 and Section 2.13, cash in the amount of the Series B Preferred Stock Per Share Consideration plus (2) cash in the amount of any Additional Per Share Consideration.

(iv) At the Effective Time, by virtue of the First Merger and without any action on the part of Buyer, Merger Sub I, the Company or the Company Securityholders, each share of Series B-1 Preferred Stock that is issued and outstanding immediately prior to the Effective Time (excluding any shares of Series B-1 Preferred Stock to be canceled pursuant to Section 2.6(b)(v) and any Dissenting Shares) shall be canceled and extinguished and shall be converted into the right to receive:

(A) in the case of shares of Series B-1 Preferred Stock held by an Accredited Investor, (1) subject to Section 2.8, Section 2.9, Section 2.10 and Section 2.13, cash in the amount of (I) the Series B-1 Preferred Stock Per Share Liquidation Preference multiplied by (II) the Base Cash Consideration Ratio, plus (2) a number of shares of Buyer Common Stock equal to (I) the Series B-1 Preferred Stock Per Share Liquidation Preference multiplied by (II) the Base Stock Consideration Ratio divided by (III) the Buyer Stock Price plus (3) cash in the amount of any Additional Per Share Consideration; and

(B) in the case of shares of Series B-1 Preferred Stock held by a Company Stockholder that is not an Accredited Investor, (1) subject to Section 2.8, Section 2.9, Section 2.10 and Section 2.13, cash in the amount of the Series B-1 Preferred Stock Per Share Liquidation Preference plus (2) cash in the amount of any Additional Per Share Consideration

(v) Each share of Company Capital Stock held in the treasury of the Company immediately prior to the Effective Time shall be canceled and extinguished without any conversion thereof and no payment or distribution shall be made with respect thereto.

(vi) Notwithstanding anything to the contrary set forth herein, if at any point the payment of Merger consideration hereunder would prevent the achievement of the Tax treatment set out in Section 5.10 hereof due to an insufficient number of shares of Buyer Common Stock being issued as Merger consideration, then the Parties agree to increase the proportion of any Merger consideration payable to the Participating Holders in Buyer Common Stock (and reduce the proportion of any Merger consideration payable to the Participating Holders in cash by an amount equal to the aggregate value of such additional shares of Buyer Common Stock, using the Buyer Stock Price for such purpose) to the extent necessary to achieve such Tax treatment, with any such adjustment being applied in proportion to the elections made by the Participating Holders in Schedule 2.6(b).

(c) Treatment of Company Warrants. Subject to the terms and conditions of this Agreement, prior to the Effective Time, the Company shall take all necessary and appropriate action so that each Company Warrant shall, at the Effective Time, be terminated and, in the case of In-the-Money Warrants, converted into the right to receive, for each share of Company Common Stock for which such In-the-Money Warrants was exercisable, an amount of cash, subject to Section 2.8, Section 2.9, Section 2.10 and Section 2.13, equal to

the Per Warrant Consideration plus any Additional Per Warrant Consideration for each share of Company Capital Stock.

(d) Treatment of Company Options. Subject to Section 2.18, as applicable to the Key Employee,

(i) Treatment of Vested Options. Subject to the terms and conditions of this Agreement, including Section 2.8, Section 2.9, Section 2.10 and Section 2.13, at the Effective Time, by virtue of the First Merger and without any action on the part of the holder thereof, each Vested Company Option outstanding immediately prior to the Effective Time will be cancelled, extinguished and automatically converted into the right to receive, for each share of Company Common Stock for which such Vested Company Option was exercisable, an amount of cash equal to the Per Vested Company Option Consideration plus the right to receive any Additional Per Vested Company Option Consideration for each share of Company Common Stock subject to such Vested Company Option, if and when payable pursuant to the terms and conditions of this Agreement. The Company shall take all necessary steps as may be required to terminate the Stock Plans; provided, that any Vested Company Option that has an exercise price equal to or greater than the Per Vested Company Option Consideration plus any Additional Per Vested Company Option Consideration shall be cancelled without any consideration therefor.

(ii) Treatment of Unvested Options. At the Effective Time, each Unvested Company Option shall, on the terms and subject to the conditions set forth in this Agreement, be assumed by Buyer (each such Company Option, an "Assumed Option") in a manner consistent with the requirements of Section 409A and, as applicable for Unvested Company Options qualified under Section 422 of the Code, Section 424 of the Code. Except as otherwise provided by the terms of any applicable Option Assumption Agreement, each Assumed Option shall otherwise continue to have, and be subject to, the same terms and conditions (including the vesting arrangements and other terms and conditions set forth in the Stock Plans and the applicable stock option or other agreement) as are in effect and applicable to the Assumed Option immediately prior to the Effective Time, except that (i) Buyer and its board of directors shall have any and all amendment and administrative authority with respect to such option (subject, in the case of any amendment, to any required consent of the affected Company Optionholder), (ii) each such option shall become exercisable for that number of whole shares of Buyer Common Stock equal to the product (rounded down to the next whole number of shares of Buyer Common Stock) of (A) the number of shares of Company Common Stock that would have been issuable upon full exercise of such Assumed Option immediately prior to the Effective Time multiplied by (B) the Option Exchange Ratio, and (iii) the per share exercise price for the shares of Buyer Common Stock issuable upon exercise of such Assumed Option shall be equal to the quotient (rounded up to the next whole cent) obtained by dividing the exercise price per share of Company Common Stock at which such Assumed Option was exercisable immediately prior to the Effective Time by the Option Exchange Ratio; provided, that any Unvested Company Option that has an exercise price equal to or greater than the Per Vested Company Option Consideration shall be cancelled without any consideration therefor.

(iii) Prior to the Effective Time, the Company shall take any and all such actions as are determined by the Buyer in good faith to be necessary (under the Stock Plans, applicable award agreements, applicable Law or otherwise) and listed on Schedule 2.6(d) to effect the foregoing provisions of this Section 2.6(d), including obtaining the consent of the holder of any Company Option to the extent listed on Schedule 2.6(d).

(e) Effect on Capital Stock of Merger Sub I and Merger Sub II.

(i) Merger Sub I. Each share of common stock of Merger Sub I issued and outstanding immediately prior to the Effective Time shall be converted into and exchanged for one validly issued, fully paid and non-assessable share of common stock of the First Step Surviving Corporation. Each stock certificate of Merger Sub I evidencing ownership of any shares of common stock shall continue to evidence ownership of such share of common stock of the First Step Surviving Corporation.

(ii) Merger Sub II. Each share of common stock of the First Step Surviving Corporation issued and outstanding immediately prior to the Second Effective Time shall be converted into and exchanged for one validly issued, fully paid and non-assessable unit of the Final Surviving Entity. Each unit certificate of Merger Sub II evidencing ownership of any units shall continue to evidence ownership of such unit of the Final Surviving Entity.

2.7 Dissenting Shares.

(a) Notwithstanding anything in this Agreement to the contrary, Shares (other than any Shares to be cancelled pursuant to Section 2.6(b)(ii) which are dissenting shares, as defined in Section 1300 of the CCC, if any ("Dissenting Shares"), shall not be converted or represent a right to receive a portion of the Merger Consideration as described in Section 2.6(b)(i), but the holders thereof shall be entitled only to such rights as are granted by the CCC. Each holder of Dissenting Shares who becomes entitled to payment therefor pursuant to the CCC shall receive payment from the Final Surviving Entity in accordance with the CCC; provided, however, that (i) if any such holder of Dissenting Shares shall have failed to establish his entitlement to dissenter rights as provided under the CCC, (ii) if any such holder of Dissenting Shares shall have effectively withdrawn his demand for appraisal thereof or lost his right to appraisal and payment therefor under the CCC, or (iii) if neither any holder of Dissenting Shares nor the Final Surviving Entity shall have filed a petition demanding a determination of the value of all Dissenting Shares within the time provided under the CCC, then such holder or holders (as the case may be) shall forfeit the right to appraisal of such Shares and such Shares shall thereupon be deemed to have been converted into right to receive the portion of the Merger Consideration, if any, to which such holder is entitled pursuant to Section 2.6(b)(i), without interest.

(b) The Company shall give Buyer (i) prompt notice of any demands for appraisal received by the Company, withdrawals of such demands, and any other related instruments served pursuant to the CCC and received by the Company and (ii) the opportunity to direct all negotiations and proceedings with respect to demands for appraisal under the CCC. The Company shall not, except with the prior written consent of Buyer in each instance, voluntarily make any payment with respect to any demands for appraisal or offer to settle or settle any such demands.

2.8 Indemnity Escrow Amount. Notwithstanding anything to the contrary set forth herein, at the Closing, Buyer shall withhold from the cash amount otherwise payable to each Company Securityholder pursuant to Section 2.6(b), Section 2.6(c) and/or Section 2.6(d)(i) such Company Securityholder's Pro Rata Share of the Indemnity Escrow Amount and shall deposit an amount of cash equal to the Indemnity Escrow Amount in immediately available funds into a non-interest bearing escrow account, such deposit to constitute an escrow fund (the "Indemnity Escrow Fund"). The Indemnity

Escrow Fund shall be held by the Escrow Agent for purposes of the payment to Buyer in satisfaction of any indemnification or other claims of any Buyer Indemnified Party required by Section 8, or the Indemnified Taxes, if any, and to the Company Securityholders in accordance with this Agreement and the Escrow Agreement. On the date that is twelve (12) months following the Closing (the "Indemnity Escrow Release Date"), Buyer and the Securityholders' Representative shall execute and deliver joint written instructions instructing the Escrow Agent to release any remaining Indemnity Escrow Funds to the Exchange Agent, and, in the case of holders of Vested Company Options who are subject to income or employment Tax withholding by Buyer, to the Final Surviving Entity, for further distribution to the Company Securityholders in accordance with their respective Pro Rata Shares. Notwithstanding the foregoing, in the event that any indemnifiable claims have been brought in writing in accordance with the terms of this Agreement and are unresolved as of the Indemnity Escrow Release Date, then the Escrow Agent shall retain the amount of such Unresolved Claim until such claim is fully resolved in accordance with the indemnification provisions set forth herein. Buyer, the Final Surviving Entity and Company Securityholders agree that for all income Tax purposes, Buyer shall be treated as the owner of the Indemnity Escrow Fund and any payment made out of the Indemnity Escrow Fund to the Company Securityholders (in their capacity as such) is intended to be treated as deferred consideration and shall be subject to imputation of interest under Section 483 or Section 1274 of the Code.

2.9 Adjustment Escrow Fund. Notwithstanding anything to the contrary set forth herein, at the Closing, Buyer shall withhold from the cash amount otherwise payable to each Company Securityholder pursuant to Section 2.6(b), Section 2.6(c) and/or Section 2.6(d)(i) such Company Securityholder's Adjustment Pro Rata Share of the Adjustment Escrow Amount and shall deposit an amount of cash equal to the Adjustment Escrow Amount in immediately available funds into a non-interest bearing escrow account, such deposit to constitute an escrow fund (the "Adjustment Escrow Fund"). The Adjustment Escrow Amount shall be held by Escrow Agent for purposes of payment to Buyer in satisfaction of any amounts payable to Buyer as required by Section 2.17(b)(iv), if any, and to the Company Securityholders in accordance with the terms of Section 2.17(b)(iii), Section 2.17(b)(iv) or Section 2.17(b)(v), as applicable. Buyer, the Final Surviving Entity and Company Securityholders agree that for all income Tax purposes, Buyer shall be treated as the owner of the Adjustment Escrow Fund and any payment made out of the Adjustment Escrow Fund to the Company Securityholders (in their capacity as such) is intended to be treated as deferred consideration and shall be subject to imputation of interest under Section 483 or Section 1274 of the Code.

2.10 Specified Matters Escrow Fund. Notwithstanding anything to the contrary set forth herein, at the Closing, Buyer shall withhold from the cash amount otherwise payable to each Company Securityholder pursuant to Section 2.6(b), Section 2.6(c) and/or Section 2.6(d)(i) such Company Securityholder's Pro Rata Share of the Special Matters Escrow Amount and shall deposit an amount of cash equal to the Specified Matters Escrow Amount in immediately available funds into a non-interest bearing escrow account, such deposit to constitute an escrow fund (the "Specified Matters Escrow Fund"). The Specified Matters Escrow Fund shall be held by the Escrow Agent for purposes of the payment to Buyer in satisfaction of any indemnification or other claims of any Buyer Indemnified Party required by Section 8, if any, and to the Company Securityholders in accordance with this Agreement and the Escrow Agreement. On the date that is the 18-month anniversary of the Closing (the "Specified Matters Early Release Date"), Buyer and the Securityholders' Representative shall execute and deliver joint written instructions instructing the Escrow Agent to release the Specified Matters Early Release Amount, if any, to the Exchange Agent, and, in the case of holders of Vested Company Options who are subject to income or employment Tax withholding by Buyer, to the Final Surviving Entity, for further distribution to the Company Securityholders in accordance with their respective Pro Rata Shares. On the date that is the three-year anniversary of the Closing (the "Specified Matters Release Date"), Buyer and

the Securityholders' Representative shall execute and deliver joint written instructions instructing the Escrow Agent to release any remaining Specified Matters Escrow Funds to the Exchange Agent, and, in the case of holders of Vested Company Options who are subject to income or employment Tax withholding by Buyer, to the Final Surviving Entity, for further distribution to the Company Securityholders in accordance with their respective Pro Rata Shares. Notwithstanding the foregoing, in the event that any indemnifiable claims have been brought in writing in accordance with the terms of this Agreement and are unresolved as of the Specified Matters Escrow Release Date, then the Escrow Agent shall retain the amount of such Unresolved Claim until such claim is fully resolved in accordance with the indemnification provisions set forth herein. Buyer, the Final Surviving Entity and Company Securityholders agree that for all income Tax purposes, Buyer shall be treated as the owner of the Specified Matters Escrow Fund and any payment made out of the Specified Matters Escrow Fund to the Company Securityholders (in their capacity as such) is intended to be treated as deferred consideration and shall be subject to imputation of interest under Section 483 or Section 1274 of the Code.

2.11 Payments at Closing for Indebtedness of the Company. Not less than five (5) Business Days prior to the Closing Date, the Company shall deliver to Buyer the Schedule of Indebtedness, including reasonably satisfactory documentation setting forth the amounts of all such unpaid Indebtedness for borrowed money (including the identity of each lender, dollar amounts, wire instructions and any other information necessary for Buyer to effect the final payment in full thereof) and indicating that upon receipt of such amounts that all such Indebtedness shall have been paid in full. At Closing, Buyer shall pay to each such lender the amount of Indebtedness set forth in the Schedule of Indebtedness with respect to such lender by wire transfer of immediately available funds.

2.12 Payments at Closing for Company Transaction Expenses. Not less than five (5) Business Days prior to the Closing Date, the Company shall deliver to Buyer a good faith estimate of any Transaction Expenses outstanding as of immediately prior to Closing, in each case along with reasonable supporting detail to evidence the calculation of such amount and wire instructions for each payee. At the Closing, Buyer (on behalf of the Company) shall pay an amount equal to the remaining Company Transaction Expenses (the "Closing Company Transaction Expenses") by wire transfer of immediately available funds to the bank accounts designated by the payees for the Closing Company Transaction Expenses.

2.13 Expense Fund. Notwithstanding anything to the contrary set forth herein, at the Closing, Buyer shall withhold from the cash amount otherwise payable to each Company Securityholder pursuant to Section 2.6(b), Section 2.6(c) and/or Section 2.6(d)(i) such Company Securityholder's Pro Rata Share of the Expense Fund and will wire to the Securityholders' Representative $150,000 (the "Expense Fund"), which will be held by the Securityholders' Representative as agent and for the benefit of the Company Securityholders in a segregated client account and which will be used: (i) for the purposes of paying directly, or reimbursing the Securityholders' Representative for, any Securityholders' Representative Expenses, as defined herein, pursuant to this Agreement, the Escrow Agreement or the Securityholders' Representative Engagement Agreement or (ii) as otherwise determined by the Advisory Group. The Securityholders' Representative will hold the Expense Fund separate from its corporate funds and will not voluntarily make it available to its creditors in the event of bankruptcy. The Company Securityholders will not receive any interest or earnings on the Expense Fund and irrevocably transfer and assign to the Securityholders' Representative any ownership right that they may otherwise have had in any such interest or earnings. The Securityholders' Representative is not providing any investment supervision, recommendations or advice and will not be liable for any loss of principal of the Expense Fund other than as a result of its gross negligence or willful misconduct. Subject to Advisory Group approval, the Securityholders' Representative may contribute funds to the Expense Fund from any consideration otherwise distributable to the Company Securityholders. As soon as practicable following

the completion of the Securityholders' Representative's responsibilities, the Securityholders' Representative will deliver the remaining balance of the Expense Fund to the Exchange Agent, and in the case of holders of Vested Company Options who are subject to income or employment Tax withholding by Buyer, to the Final Surviving Entity, for further distribution to the Company Securityholders in accordance with their respective Pro Rata Shares. For income tax purposes, the Expense Fund will be treated as having been received and voluntarily set aside by the Company Securityholders at Closing. The Securityholders' Representative is not acting as a withholding agent or in any similar capacity in connection with the Expense Fund, and has no tax reporting or income distribution obligations hereunder except as required by applicable Law.

2.14 Payment for Securities; Exchange Mechanics.

(a) On or prior to the date of this Agreement, Buyer shall appoint a national bank or trust company reasonably acceptable to the Company to act as paying agent (the "Exchange Agent") in the First Merger. As promptly as reasonably practicable after the Effective Time, Buyer shall make, or cause to be made, deposits of the Adjusted Aggregate Consideration (which shall be comprised of such proportions of cash and Buyer Common Stock to enable the payment of the total Adjusted Aggregate Consideration and the total Per Vested Company Option Consideration to the Company Securityholders pursuant to Section 2.6 hereof) to the Exchange Agent.

(b) As promptly as reasonably practicable after the Effective Time, the Final Surviving Entity or the Exchange Agent shall mail or otherwise deliver to each holder of Vested Company Options as of immediately prior to the Effective Time, to the email or physical address set forth opposite such holder's name on the Spreadsheet, (i) in the case of holders of Vested Company Options who are subject to income or employment Tax withholding by Buyer, the Final Surviving Entity or the Company and who are to receive their portion of the Adjusted Aggregate Consideration from Buyer, an Optionholder Joinder Agreement, (ii) in the case of holders of Vested Company Options who are not subject to income or employment Tax withholding by Buyer, the Final Surviving Entity or the Company and who are to receive their portion of the Adjusted Aggregate Consideration from the Exchange Agent, an optionholder letter of transmittal in the form attached hereto as Exhibit H (the "Optionholder Letter of Transmittal") and an Optionholder Joinder Agreement. As soon as commercially practicable after the Closing Date and upon receipt by the Exchange Agent or Buyer, as applicable, of such Optionholder Letter of Transmittal and Optionholder Joinder Agreement, Buyer shall cause the Exchange Agent to pay to such holder of Vested Company Options who is not subject to income or employment Tax withholding by Buyer, in exchange therefor, the Per Vested Company Option Consideration in respect of such Vested Company Options so surrendered for cancellation by such holder, and Buyer shall cause to be paid through the Final Surviving Entity's payroll practices as promptly as reasonably practicable (and in any event, no later than the first (1st) applicable regularly scheduled payroll distribution following the Closing Date), to such holder of Vested Company Options who is subject to income or employment Tax withholding by Buyer, in exchange therefor, the Per Vested Company Option Consideration in respect of such Vested Company Options so surrendered for cancellation by such holder. No portion of the Per Vested Company Option Consideration or the Additional Per Vested Company Option Consideration, shall be delivered to the holder of any Vested Company Option, as the case may be, until the holder of record of such Vested Company Option shall have delivered to the

Exchange Agent or Buyer, as applicable, the Optionholder Letter of Transmittal and the Optionholder Joinder Agreement.

(c) As promptly as reasonably practicable after the Effective Time, Buyer shall cause the Exchange Agent to mail or otherwise deliver to (A) each Company Stockholder a stockholder letter of transmittal in the form attached hereto as Exhibit I (the "Stockholder Letter of Transmittal") and a Stockholder Joinder, to extent not already signed and received by the Company, to the email or physical address set forth opposite such holder's name on the Spreadsheet and (B) each Company Warrantholder a warrantholder letter of transmittal in the form attached hereto as Exhibit J (the "Warrantholder Letter of Transmittal" and, together with the Stockholder Letter of Transmittal and the Optionholder Letter of Transmittal, the "Letters of Transmittal") and a Warrantholder Joinder, in each case, to the extent not already sign and received by the Company, to the email or physical address set forth opposite such holder's name on the Spreadsheet. Following delivery of a duly completed and validly executed Stockholder Letter of Transmittal by a Company Stockholder, the electronic certificates administered by Carta, Inc. representing such Company's Stockholder's shares of the Company Capital Stock (the "Company Stock Certificates") shall be deemed surrendered. Upon surrender (or deemed surrender) of the Company Stock Certificates and the Stockholder Letter of Transmittal, the Exchange Agent or Buyer, as applicable, shall deliver to the holder of such Company Stock Certificates, the consideration that such holder is entitled to receive pursuant to Section 2.6(b) in respect of each share of Company Capital Stock so surrendered for cancellation by such holder. The Company Stock Certificates so surrendered (or deemed surrendered) shall be canceled. Until so surrendered (or deemed surrendered), after the Effective Time, subject to appraisal rights under the CCC, each Company Stock Certificate will be deemed, for all corporate purposes thereafter, to evidence only the right to receive the consideration provided for in this Section 2. No portion of the Adjusted Aggregate Consideration shall be paid to any Company Stockholder that has not surrendered (or been deemed to have surrendered) his, her or its Company Stock Certificate until the holder of record of such Company Stock Certificate shall surrender (or be deemed to have surrendered) such Company Stock Certificate and the Stockholder Letter of Transmittal pursuant hereto.

(d) Return of Adjusted Aggregate Consideration. Any portion of the Adjusted Aggregate Consideration that becomes due and payable to the Company Securityholders and remains unclaimed by the former holders of the Company Capital Stock, holders of In-the-Money Warrants or holders of Vested Company Options for one (1) year after (i) in the case of the Adjusted Aggregate Consideration, the Effective Time and (ii) in the case of the Aggregate Additional Consideration, the date on which such Aggregate Additional Consideration becomes due and payable to the Company Securityholders, shall be delivered to Buyer. Any former holder of Company Capital Stock or In-the-Money Warrants or holder of Company Options that has not complied with Section 2.14 prior to the end of such one-year period shall thereafter look only to Buyer (subject to abandoned property, escheat or other similar laws) but only as a general creditor thereof for payment of its claim for its portion of the Adjusted Aggregate Consideration. Any portion of the Adjusted Aggregate Consideration that remains unclaimed immediately prior to the date on which it would otherwise become subject to any abandoned property, escheat or similar law, shall, to the extent permitted by applicable Law, become the property of Buyer, free and clear of all claims or interest of any Person previously entitled thereof. No interest shall be payable for any shares of Buyer Common Stock delivered to Buyer pursuant to this Section 2.14(d) or

cash which is subsequently delivered to any former holder of Company Capital Stock or In-the-Money Warrants or holder of Company Options.

(e) No Further Rights in the Company Capital Stock. The portion of the Adjusted Aggregate Consideration paid or payable in respect of the surrender for exchange of shares of the Company Capital Stock in accordance with the terms hereof shall be deemed to have been paid in full satisfaction of all rights pertaining to such shares and there shall be no further registration of transfer on the records of the Final Surviving Entity of such shares that were outstanding immediately prior to the Effective Time. If, after the Effective Time, Company Stock Certificates are presented (or deemed presented) to the Final Surviving Entity for any reason, they shall be canceled and exchanged as provided in this Section 2.14.

(f) Lost Certificates or Documentation. If any Company Stock Certificate shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such Company Stock Certificate or documents to be lost, stolen or destroyed, the Exchange Agent or the Final Surviving Entity, as applicable, shall issue in exchange for such lost, stolen or destroyed Company Stock Certificate or document, the applicable portion of the Adjusted Aggregate Consideration to which such Person is entitled pursuant to the provisions of Section 2.6.

(g) No Fractional Shares. Notwithstanding any other provision of this Agreement, no fractional shares of Buyer Common Stock shall be issued in exchange for any Company Capital Stock, and no holder of any of the foregoing shall be entitled to receive a fractional share of Buyer Common Stock. In the event that any holder of Company Capital Stock would otherwise be entitled to receive a fractional share of Buyer Common Stock (after aggregating all shares and fractional shares of Buyer Common Stock issuable to such holder), then (i) if the fractional share would have been half a share or greater, then (A) the proportion of consideration payable to such holder in Buyer Common Stock shall be increased by an amount determined by multiplying (1) the Buyer Stock Price by (2) the remaining fraction of a share necessary to make a full share and (B) the proportion of consideration payable to such holder in cash shall be decreased by the same amount and (ii) if the fractional share would have been less than half a share, then such holder shall be paid an amount in Dollars (without interest) determined by multiplying (A) the Buyer Stock Price by (B) the fraction of a share of Buyer Common Stock to which such holder would otherwise be entitled, in which case Buyer shall make available to the Exchange Agent the amount of cash necessary to make such payments. The parties acknowledge that adjustments in lieu of issuing fractional shares contemplated hereby were not separately bargained for consideration but represent merely a mechanical rounding off for purposes of simplifying the problems that would otherwise be caused by the issuance of fractional shares of Buyer Common Stock.

2.15 Withholding Taxes.

(a) Notwithstanding any other provision of this Agreement, the Company and Buyer, the Final Surviving Entity, and the Exchange Agent shall be entitled to deduct and withhold from any consideration payable or otherwise deliverable pursuant to this Agreement and shall timely pay over to the appropriate Governmental Authority, such amounts as are required to be deducted or withheld therefrom under any provision of the U.S. federal, state, local or foreign Tax law or under any applicable legal requirement and to request any necessary Tax forms, including Form W-9 or the appropriate series of Form W-8, as

applicable, or any similar information. If the Company, Buyer, the Final Surviving Entity, or the Exchange Agent intends to deduct or withhold any amount as required by any Tax law from any payment made pursuant to this Agreement, the Company, Buyer, the Final Surviving Entity, or the Exchange Agent, as the case may be, shall use commercially reasonable efforts to provide (i) the Person to whom such payments are to be made advance notice of its intent to deduct or withhold amounts from such payments, and (ii) a reasonable opportunity for the Person to provide forms, documents or other evidence that would mitigate, reduce or eliminate such deduction or withholding. To the extent such amounts are so deducted or withheld and remitted to the appropriate Governmental Authority, such amounts shall be treated for all purposes under this Agreement as having been paid to the Person to whom such amounts would otherwise have been paid.

(b) Except as expressly provided in this Agreement, the parties make no representations or warranties to any holders of any Company Capital Stock or holders of Company Options regarding the tax treatment of the Merger, or any of the tax consequences to the Company or any such holder of this Agreement, the Merger or any of the other transactions contemplated hereby.

2.16 Closing Spreadsheet. The Company shall deliver to Buyer, not less than five (5) Business Days prior to the Closing Date, a spreadsheet in a form reasonably acceptable to Buyer, which shall include the information set forth below and shall be certified as complete, true and correct as of the Closing Date by the Chief Executive Officer of the Company (the "Spreadsheet").

(a) With respect to each holder of Company Capital Stock, (i) such Person's name, domicile address (to the extent available), and email address, (ii) the number, class and series of Company Capital Stock held by such Person, (iii) the respective certificate number(s) representing such shares, (iv) respective date(s) of acquisition of such shares, (v) whether such Person is a Participating Holder, (vi) the aggregate amount of cash payable to such Person pursuant to Section 2.6(b), (vii) the aggregate amount of shares of Buyer Common Stock, to be issued to such Person at the Closing in respect of such shares pursuant to Section 2.6(b), (viii) such Person's Pro Rata Share and the portion of the Indemnity Escrow Fund, Specified Matters Escrow Fund and the Expense Fund represented by such Pro Rata Share and (iv) such Person's Adjustment Pro Rata Share and the portion of the Adjustment Escrow Fund represented by such Adjustment Pro Rata Share.

(b) With respect to each holder of an In-the-Money Warrant, (i) such Person's name, domicile address (to the extent available), and email address, (ii) the number, class and series of Company Capital Stock issuable upon the exercise of such unexercised In-the-Money Warrant held by such Person, (iii) the exercise price of such In-the-Money Warrant, (iv) respective date(s) of acquisition of such In-the-Money Warrant, (v) the aggregate amount of Per Warrant Consideration payable to such Person, (vi) such Person's Pro Rata Share and the portion of the Indemnity Escrow Fund, Specified Matters Escrow Fund and the Expense Fund represented by such Pro Rata Share and (vii) such Person's Adjustment Pro Rata Share and the portion of the Adjustment Escrow Fund represented by such Adjustment Pro Rata Share.

(c) With respect to each holder of an unexercised Company Option (i) such Person's name, domicile address (to the extent available), and email address, (ii) the type and number of shares of Company Capital Stock issuable upon the exercise of each unexercised

Company Option held by such Person, (iii) the respective exercise price per share of Company Capital Stock purchasable under such unexercised Company Options, (iv) the respective grant date(s) of such unexercised Company Options and the term of such Company Options, (v) whether such unexercised Company Options are incentive stock options or non-qualified stock options, (vi) in the case of Vested Company Options, the portion of the Per Vested Company Option Consideration to be paid to the holder at Closing, (vii) in the case of Vested Company Options, such Person's Pro Rata Share and the portion of the Indemnity Escrow Fund, Specified Matters Escrow Fund and the Expense Fund represented by such Pro Rata Share, (viii) in the case of Vested Company Options, such Person's Adjustment Pro Rata Share and the portion of the Adjustment Escrow Fund represented by such Adjustment Pro Rata Share, (ix) whether income or employment Tax withholding is required and (x) in the case of Unvested Company Options, the number of shares of Buyer Common Stock such Assumed Option shall exercisable into and the exercise price of such Assumed Option.

(d) With respect to each Key Employee, in addition to any information required by the foregoing Sections 2.15(a) through (d), applicable to such Key Employee, (i) such Key Employee's Key Retention Holdback Amount and (ii) the amounts due to such Key Employee on each of such Key Employee's Retention Vesting Date.

2.17 Aggregate Consideration Adjustment.

(a) Preparation of Estimated Closing Balance Sheet; Estimated Net Working Capital.

(i) The Company shall prepare in good faith and, at least five (5) Business Days prior to the Closing Date, deliver to Buyer a written statement (the "Estimated Closing Statement") setting forth (i) its good faith estimate of (A) Closing Working Capital ("Estimated Closing Working Capital"), (B) the Closing Indebtedness (the "Estimated Closing Indebtedness"), (C) the Closing Transaction Expenses (the "Estimated Closing Transaction Expenses") and (D) the Closing Cash (the "Estimated Closing Cash") and (ii) the Company's good faith calculation of the Estimated Adjustment Amount, together with any applicable supporting detail and information that Buyer may reasonably request to verify the amounts in the Estimated Closing Statement. The Estimated Closing Statement shall be prepared using the same accounting principles, practices, methodologies and policies that were used to prepare the Reference Balance Sheet, as modified by any accounting principles, practices, methodologies and policies set forth on Exhibit F.

(ii) Following receipt of the Estimated Closing Statement, the Company shall permit Buyer and its representatives at all reasonable times and upon reasonable notice to review the Company's working papers relating to the Estimated Closing Statement (including the Estimated Closing Working Capital) as well as all of the Company's accounting books and records relating to the determination of the Estimated Closing Statement, and the Company shall make reasonably available its representatives responsible for the preparation of the Estimated Closing Statement in order to respond to the reasonable inquiries of Buyer. Prior to Closing, the parties shall discuss in good faith the computation of any of the items on the Estimated Closing Statement.

(b) Preparation of the Final Closing Statement.

(i) On or before the date that is ninety (90) days after the Closing Date, Buyer or its designee shall prepare, or cause to be prepared, and deliver to the Securityholders' Representative a written statement (the "Buyer Closing Statement") setting forth (i) its good faith calculation of (A) Closing Working Capital ("Buyer Closing Working Capital"), (B) the Closing Indebtedness (the "Buyer Closing Indebtedness"), (C) the Closing Transaction Expenses (the "Buyer Closing Transaction Expenses") and (D) the Closing Cash (the "Buyer Closing Cash") and (ii) Buyer's good faith calculation of the Final Adjustment Amount, together with any applicable supporting detail and information that the Securityholders' Representative may reasonably request to verify the amounts in the Buyer Closing Statement. The Buyer Closing Statement shall be prepared using the same accounting principles, practices, methodologies and policies that were used to prepare the Estimated Closing Statement. Following receipt of the Buyer Closing Statement, Buyer shall permit the Securityholders' Representative and its representatives at all reasonable times and upon reasonable notice to review the Final Surviving Entity's working papers relating to the Buyer Closing Statement (including the Buyer Closing Working Capital) as well as all of Buyer's and the Final Surviving Entity's accounting books and records relating to the determination of the Buyer Closing Statement, and Buyer shall make reasonably available its and the Final Surviving Entity's representatives responsible for the preparation of the Buyer Closing Statement in order to respond to the reasonable inquiries of the Securityholder's Representative. If Buyer fails to deliver the Buyer Closing Statement within such ninety (90) day period, the Securityholders' Representative shall have the right, at its election, to either (1) determine that the estimates delivered by the Company pursuant to Section 2.17(a) shall be deemed for all purposes hereunder to be the final statement for purposes of calculating the Final Closing Working Capital, Final Closing Indebtedness, Final Closing Transaction Expenses and Final Closing Cash, and such determination shall, in such case, be binding on Buyer with Buyer having no further rights to object or require adjustments thereto or (2) require Buyer to deliver the Buyer Closing Statement within ten (10) days of the Securityholders' Representative's demand therefor.

(ii) Unless the Securityholders' Representative delivers a Dispute Notice (as defined below) within forty-five (45) days after receipt of the Buyer Closing Statement, the Buyer Closing Statement shall be deemed the "Final Closing Statement," and the Securityholders' Representative shall be deemed to have accepted the Final Closing Statement and Buyer's calculation of Buyer Closing Working Capital, Buyer Closing Indebtedness, Buyer Closing Transaction Expenses and Buyer Closing Cash set forth therein, which shall be binding upon the Company Securityholders and Buyer and shall not be subject to dispute or review. If the Securityholders' Representative disagrees with the Buyer Closing Statement, the Securityholders' Representative may, within forty-five (45) days after receipt thereof, notify Buyer in writing (the "Dispute Notice"), which Dispute Notice shall provide reasonable detail of the nature of each disputed item on the Buyer Closing Statement, including reasonable supporting documentation thereto, and the Securityholders' Representative shall be deemed to have agreed with all other items and amounts contained in the Buyer Closing Statement delivered pursuant to this Section 2.17(b). Buyer and the Securityholders' Representative shall first use commercially reasonable efforts to resolve such dispute between themselves and, if Buyer and the Securityholders' Representative are able to resolve such dispute, the Buyer Closing Statement and the calculation of Buyer Closing Working Capital, Buyer Closing Indebtedness, Buyer Closing Transaction Expenses and/or Buyer Closing Cash shall be revised to the extent necessary to reflect such resolution, shall be deemed the "Final Closing Statement" and shall be conclusive and binding upon the Company Securityholders and Buyer and shall not be subject to dispute or review. If Buyer and the Securityholders' Representative are unable to resolve the dispute within

thirty (30) days after receipt by Buyer of the Dispute Notice, Buyer and the Securityholders' Representative shall submit the dispute to an independent accounting firm (the "Accountants"). The Accountants shall act as experts and not arbiters and shall determine only those items that remain in dispute on the Buyer Closing Statement. Promptly, but no later than thirty (30) days after engagement, the Accountants shall deliver a written report to Buyer and the Securityholders' Representative as to the resolution of the disputed items, the resulting calculation of the Buyer Closing Statement as of the Closing Date. The Buyer Closing Statement as determined by the Accountants shall be deemed the "Final Closing Statement," and the calculation of Buyer Closing Working Capital, Buyer Closing Indebtedness, Buyer Closing Transaction Expenses and/or Buyer Closing Cash, in each case, as determined by the Accountants, shall be conclusive and binding upon the Company Securityholders and Buyer and shall not be subject to dispute or review. The date on which Buyer Closing Working Capital, Buyer Closing Indebtedness, Buyer Closing Transaction Expenses and Buyer Closing Cash is finally determined in accordance with this Section 2.17(b) is hereinafter referred to as the "Determination Date." The Buyer Closing Working Capital, Buyer Closing Indebtedness, Buyer Closing Transaction Expenses and Buyer Closing Cash, each as finally determined in accordance with this Section 2.17(b) shall be referred to as the "Final Closing Working Capital," "Final Closing Indebtedness," "Final Closing Transaction Expenses" and "Final Closing Cash", respectively. The fees and expenses of the Accountants shall be allocated between the parties based upon the percentage which the portion of the contested amount not awarded to each party bears to the amount actually contested by such party. Buyer and the Securityholders' Representative agree that they will, and agree to cause their respective representatives and independent accountants to cooperate and assist in the preparation of the Final Closing Statement and in the conduct of the audits and reviews referred to in this Section 2.17(b), including, without limitation, the making available to the extent necessary of books, records, work papers and personnel.

(iii) If the Final Adjustment Amount is greater than the Estimated Adjustment Amount, then within three (3) Business Days after the Determination Date, (A) Buyer shall pay, or cause to be paid, to the Exchange Agent, and, in the case of holders of Vested Company Options who are subject to income or employment Tax withholding by Buyer, to the Final Surviving Entity, an amount in cash (or, in the case of Participating Holders, cash and/or Buyer Common Stock in accordance with Section 2.6(b)(i)(A)) equal to the Final Adjustment Amount minus the Estimated Adjustment Amount for further distribution to the Company Securityholders, in accordance with their respective Adjustment Pro Rata Shares and (B) Buyer and the Securityholders' Representative shall execute and deliver joint written instructions instructing the Escrow Agent to release to the Exchange Agent, and, in the case of holders of Vested Company Options who are subject to income or employment Tax withholding by Buyer, to the Final Surviving Entity, an amount in cash equal to the Adjustment Escrow Amount, for further distribution to the Company Securityholders in accordance with their respective Adjustment Pro Rata Shares.

(iv) If the Final Adjustment Amount is less than the Estimated Adjustment Amount, then within three (3) Business Days after the Determination Date, Buyer and the Securityholders' Representative shall execute and deliver joint written instructions instructing the Escrow Agreement to release to the Final Surviving Entity from the Adjustment Escrow Amount an amount in cash equal to the Estimated Adjustment Amount minus the Final Adjustment Amount and if such amount is greater than the Adjustment Escrow Amount, then Buyer shall be entitled to recover any such excess by deducting such amount from the Indemnity Escrow Fund, the Specified Matters Escrow Fund and/or through making a claim against the Indemnifying

Securityholders, in which such case each Indemnifying Securityholder shall be required to pay by wire transfer of immediately available funds to Buyer, such Indemnifying Securityholder's Pro Rata Share of such shortfall. If payment in full to Buyer pursuant to this Section 2.17(b)(iv) does not result in distribution of the entire Adjustment Escrow Amount to Buyer, then Buyer and the Securityholders' Representative shall execute and deliver joint written instructions instructing the Escrow Agent to release the then-remaining portion of the Adjustment Escrow Amount to the Exchange Agent, and, in the case of holders of Vested Company Options who are subject to income or employment Tax withholding by Buyer, the Final Surviving Entity, for further distribution to the Company Securityholders in accordance with their respective Adjustment Pro Rata Shares.

(v) If the Final Adjustment Amount is equal to the Estimated Adjustment Amount, then within three (3) Business Days after the Determination Date, Buyer and the Securityholders' Representative shall execute and deliver joint written instructions instructing the Escrow Agent to release the Adjustment Escrow Amount to the Exchange Agent, and, in the case of holders of Vested Company Options who are subject to income or employment Tax withholding by Buyer, to the Final Surviving Entity, for further distribution to the Company Securityholders in accordance with their respective Adjustment Pro Rata Shares.

2.18 Restrictions on Key Employee Consideration. Notwithstanding anything to the contrary herein, an amount equal to one-third (1/3) of the portion of the Adjusted Aggregate Closing Consideration that would otherwise be payable to the Key Employee, assuming the Key Employee is paid his portion of the Aggregate Additional Consideration without any deduction for Claims (such amount the "Retention Holdback Amount"), will not be paid to the Key Employee at the Effective Time and, instead, within five (5) Business Days after each of the first, second and third anniversaries of the Closing Date (each such date, a "Retention Vesting Date"), the Key Employee shall be paid, without interest, an amount equal to the portion of the Key Employee's Retention Holdback Amount designated in the Spreadsheet as payable to the Key Employee on such Retention Vesting Date; provided, that if the Key Employee experiences a Qualifying Termination (as defined below) prior to any Retention Vesting Date, any then-unpaid portion of the Key Employee's Retention Holdback Amount will immediately vest and become payable within sixty (60) days of such Qualifying Termination. The Key Employee shall not be entitled to receive any payment related to a particular Retention Vesting Date pursuant to the foregoing sentence, and Buyer shall retain the applicable unpaid portion of the Retention Holdback Amount, unless the Key Employee is (i) continuously employed by Buyer or an Affiliate of Buyer from the Closing Date through and including the applicable Retention Vesting Date or (ii) not employed by Buyer or an Affiliate of Buyer on the applicable Retention Vesting Date as a result of the Key Employee's (A) termination of employment by Buyer or an Affiliate of Buyer without Cause, (B) resignation of employment with Buyer or an Affiliate of Buyer with Good Reason, (C) termination of employment with Buyer or an Affiliate of Buyer due to his or her Disability, or (D) termination of employment with Buyer or an Affiliate of Buyer due to his or her death, in each case, so long as the Key Employee (or his estate or guardian, as applicable) has executed a release of claims in a form reasonably acceptable to Buyer (each of (A) through (D), a "Qualifying Termination").

2.19 Closing Bonus Payments. Notwithstanding anything to the contrary set forth herein, at the Closing, Buyer shall withhold from the cash amount otherwise payable to each Company Securityholder pursuant to Section 2.6(b) such Company Securityholder's Closing Bonus Pro Rata Share of the Aggregate Closing Bonus Amount. Prior to the Closing Date, the Company's management shall allocate individual portions of the Aggregate Closing Bonus Amount to various employees of the Company (each such allocated portion, a "Closing Bonus Amount"). The total aggregate amount of the

individual Closing Bonus Amounts plus the employer side payroll taxes on such Closing Bonus Amounts will be equal to or less than the Aggregate Closing Bonus Amount. Buyer will cause the Closing Bonus Amounts to be paid to the various recipients thereof promptly following the Closing, and Buyer shall retain the portion of the Aggregate Closing Bonus Amount comprising the employer related taxes due on the Closing Bonus Amount.

Section 3. REPRESENTATIONS AND WARRANTIES CONCERNING THE COMPANY.

Subject to such exceptions as are set forth in the Disclosure Schedule and delivered herewith by the Company to Buyer (each of which exceptions, in order to be effective, shall indicate the section or subsection of this Section 3 to which it relates (unless and only to the extent the relevance to other representations and warranties is reasonably apparent on the face of such disclosure without independent knowledge thereof)), the Company hereby represents and warrants to Buyer and Merger Subs, as of the date hereof and as of the Closing Date (except for representations and warranties which are made as of a specified date, which are made only as of such date), that:

3.1 Organization and Corporate Power. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of California. The Company is qualified to do business in every jurisdiction in which such qualification is necessary, except where the failure to so qualify has not had or could not reasonably be expected to have a Company Material Adverse Effect. All jurisdictions in which the Company is qualified to do business are set forth on Schedule 3.1. The Company has full organizational power and authority to own and operate its respective properties and to carry on its respective business as now conducted and currently proposed to be conducted. The Company has delivered to Buyer correct and complete copies of the certificate of incorporation and bylaws (or comparable governing documents) for the Company (as amended to date). The Company is not in default under or in violation of any provision of its certificate of incorporation or bylaws (or comparable governing documents).

3.2 Authorization of Transactions. The Company has all requisite corporate power and authority to execute and deliver this Agreement and each of the Ancillary Agreements to which it is a party and to consummate the transactions contemplated hereunder and thereunder and to perform its obligations hereunder and thereunder. The board of directors of the Company has duly approved this Agreement and all Ancillary Agreements to which the Company is a party and has duly authorized the execution and delivery of this Agreement and all Ancillary Agreements to which the Company is a party and the consummation of the transactions contemplated hereby and thereby. With the exception of the Requisite Stockholder Approval, no other proceedings on the part of the Company are necessary to approve and authorize the execution and delivery of this Agreement or the Ancillary Agreements to which the Company is a party and the consummation of the transactions contemplated hereby and thereby. This Agreement has been, and upon their execution the Ancillary Agreements to which the Company is a party shall have been, duly executed and delivered by the Company, and this Agreement constitutes, and upon their execution the Ancillary Agreements shall constitute, valid and binding obligations of the Company, enforceable against the Company in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general principles of equity.

3.3 Required Vote of Company Stockholders. The Requisite Stockholder Approval is the only votes or consents of the holders of any class or series of Company Capital Stock necessary to adopt or approve this Agreement, the Merger and the other matters set forth in the Written Consent, and, to the

extent such approval is required, the Ancillary Agreements and the other transactions contemplated hereby and thereby.

3.4 Non-Contravention. The execution, delivery and performance by the Company of this Agreement, the Ancillary Agreements and all agreements, documents and instruments executed and delivered by any of them pursuant hereto and the performance of the transactions contemplated by this Agreement, the Ancillary Agreements and such other agreements, documents and instruments contemplated herein and thereby do not and will not: (i) violate or result in a violation of, conflict with or constitute or result in a default (whether after the giving of notice, lapse of time or both) under, accelerate any obligation under, or give rise to a right of termination of, any Company Contract or material permit, license or authorization to which the Company is a party or by which any of them or their respective assets are bound, (ii) violate or result in a violation of, conflict with or constitute or result in a default (whether after the giving of notice, lapse of time or both) under, or accelerate any obligation under, any provision of the Company's organizational documents; (iii) violate or result in a violation of, or constitute a default (whether after the giving of notice, lapse of time or both) under, any provision of any law, regulation or rule, or any order of, or any restriction imposed by, any court or governmental agency applicable to the Company, in each case, to the extent any such violation or default would reasonably be expected to be material; or (iv) require from the Company any notice to, declaration or filing with, or consent or approval of, any Governmental Authority, except for (A) the filing of the Agreement of Merger and the Second Agreement of Merger and (B) such other notices, declarations, filings, consents or approvals that, if not obtained or made, would not adversely affect, and would not reasonably be expected to adversely affect, the Company's ability to perform or comply with the covenants, agreements or obligations of the Company herein or to consummate the transactions contemplated hereby in accordance with this Agreement and applicable Law.

3.5 Capitalization; Subsidiaries.

(a) The authorized capital stock of the Company consist of (i) 40,000,000 shares of Company Common Stock, of which 18,737,073 shares are issued and outstanding as of the date hereof, (ii) 3,571,428 shares of Series A Preferred Stock, all of which shares are issued and outstanding as of the date hereof, (iii) 5,518,297 shares of Series B Preferred Stock, all of which shares are issued and outstanding as of the date hereof, and (iv) 1,125,000 shares of Series B-1 Preferred Stock, 1,010,614 shares of which are issued and outstanding as of the date hereof. With respect to such authorized Company Common Stock, 3,907,407 shares are duly reserved for future issuance pursuant to Company Options outstanding as of this date of this Agreement and no shares of Company Common Stock or Company Preferred Stock are owned beneficially or of record by the Company. Schedule 3.5(a) sets forth the name of each record holder of capital stock of the Company and the number of shares held of record by each such stockholder as of the date hereof.

(b) None of the outstanding shares of Company Capital Stock are subject to, nor were they issued in violation of, any purchase option, call option, right of first refusal, first offer, co-sale or participation, preemptive right, subscription right or any similar right. Except for shares disclosed in Schedule 3.5(b), no shares of voting or non-voting capital stock, other equity interests or other voting securities of the Company are issued, reserved for issuance or outstanding. All Company Options have been granted under the Stock Plans. Schedule 3.5(b) sets forth a true and complete list of all outstanding Company Options and all other options and rights to purchase Company Capital Stock, together with the number of shares of Company Capital Stock subject to such security, the date of grant or issuance, the

exercise price and the expiration date of such security and the aggregate number of shares of Company Capital Stock subject to such securities and the vesting schedule thereof. Except as set forth in Section 2.6, no Company Option shall entitle the holder thereof to receive anything after the First Merger in respect of such Company Option. All outstanding shares of Company Common Stock are validly issued, fully paid and nonassessable. There are no bonds, debentures, notes, other Indebtedness or any other securities of the Company with voting rights on any matters on which stockholders may vote.

(c) Except as described in Sections 3.5(a) and (b) or as set forth on Schedule 3.5(c), there are no outstanding securities, options, warrants, calls, rights, convertible or exchangeable securities or Contracts or obligations of any kind (contingent or otherwise) to which the Company is a party or by which it is bound obligating the Company, directly or indirectly, to issue, deliver or sell, or cause to be issued, delivered or sold, additional shares of capital stock or other voting securities of the Company or obligating the Company to issue, grant, extend or enter into any such security, option, warrant, call, right, Contract or obligation. Except as set forth in the Company's certificate of incorporation, there are no outstanding obligations of the Company (contingent or otherwise) to repurchase, redeem or otherwise acquire, directly or indirectly, any shares of capital stock (or options or warrants to acquire any such shares) of the Company. There are no stock-appreciation rights, stock-based performance units, "phantom" stock rights or other Contracts or obligations of any character (contingent or otherwise) pursuant to which any Person is or may be entitled to receive any payment or other value based on the revenues, earnings or financial performance, stock price performance or other attribute of the Company or its business or assets or calculated in accordance therewith (other than payments or commissions to sales representatives of the Company based upon revenues generated by them without augmentation as a result of the transactions contemplated hereby, in each case in the Ordinary Course of Business consistent with past practice) to cause the Company to register its securities or which otherwise relate to the registration of any securities of the Company. There are no voting trusts, proxies or other Contracts of any character to which the Company or, to the Company's knowledge, any of the Company Stockholders is a party or by which any of them is bound with respect to the issuance, holding, acquisition, voting or disposition of any shares of capital stock or similar interests of the Company.

(d) The Company does not have, and has never had, any subsidiaries, and does not currently own or control, directly or indirectly, any interest in any other corporation, partnership, trust, joint venture, limited liability company, association, or other business entity. The Company is not a participant in any joint venture, partnership or similar arrangement.

(e) Each Company Option (i) was granted in compliance in all material respects with all applicable Laws and all of the terms and conditions of the stock option plan of the Company pursuant to which it was issued and (ii) has an exercise price per share of Company Common Stock equal to or greater than the fair market value of a share of Company Common Stock on the date of such grant (and as of each later modification thereof within the meaning of Section 409A of the Code) determined in a manner consistent with Section 409A of the Code.

3.6 Financial Statements.

(a) The Company has delivered to Buyer: (i) the Company's unaudited balance sheets as of December 31, 2019 and December 31, 2020, and the related unaudited statement of operations and cash flows for the respective fiscal years then ended, together with the notes thereto and (ii) the Company's unaudited balance sheet as of May 31, 2021 (the "Reference Balance Sheet") and the related unaudited statement of operations and cash flows for the six-month period then ended. Each of deliverables in clauses (i) and (ii) (including in all cases the notes thereto, if any) (the "Financial Statements") (A) is consistent in all material respects with the books and records of the Company (which, in turn, are accurate and complete in all material respects), (B) have been prepared in conformity with GAAP on a basis consistent with prior accounting periods and (C) presents fairly, in all material respects, the financial condition and results of operations and cash flows of the Company, as applicable, as of and for the periods referred to therein (subject to the absence of footnotes and to normal year-end adjustments).

(b) The Company maintains a system of internal accounting controls reasonably designed to provide reasonable assurances that: (i) transactions are executed in accordance with management's general or specific authorization, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain accountability for assets, (iii) access to assets is permitted only in accordance with management's general or specific authorization, (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences, and (v) the obligations of the Company are satisfied in a timely manner and as required under the terms of each Contract to which the Company is a party or by which the Company is bound. To the knowledge of the Company, there are no significant deficiencies or material weaknesses in the design or operation of the Company's internal control over financial reporting that would reasonably be expected to adversely affect the Company's ability to record, process summarize or report financial information to the Company's management and board of directors.

(c) The Company maintains accurate books and records reflecting their assets and liabilities in accordance with all applicable accounting requirements and all applicable Laws.

3.7 Absence of Undisclosed Liabilities. The Company does not have any material Liabilities whether or not required by GAAP to be reflected in a balance sheet of the Company or disclosed in the notes thereto other than (i) obligations to perform under the Company Contracts or under Contracts that are not required to be disclosed on the Disclosure Schedules (but not Liabilities for breaches thereof), (ii) Liabilities reflected on the Reference Balance Sheet, (iii) Liabilities incurred since the date of the Reference Balance Sheet in the Ordinary Course of Business, (iv) Liabilities that constitute Company Transaction Expenses and (v) Liabilities disclosed on Schedule 3.7.

3.8 Accounts Receivable; Accounts Payable.

(a) All of the accounts receivable of the Company are valid and enforceable claims and are subject to no set-off or counterclaim. Since the date of the Reference Balance Sheet, the Company has collected their accounts receivable in the Ordinary Course of Business and have not accelerated any such collections outside of the Ordinary Course of Business. The Company does not have any accounts receivable or loans receivable from any person who is an Insider.

(b) All accounts payable and notes payable of the Company arose in bona fide arm's length transactions in the Ordinary Course of Business and no such account payable or note payable is delinquent in its payment. Since the date of the Reference Balance Sheet, the Company has paid its accounts payable in the Ordinary Course of Business and has not delayed or postponed the payment of its accounts payable outside of the Ordinary Course of Business. The Company has no account payable to any person who is an Insider.

3.9 Customers and Suppliers.

(a) Schedule 3.9(a) sets forth the names of the top thirty (30) customers of the Company based on the revenues of the Company (on a consolidated basis) for each of the two (2) most recent fiscal years and for the six (6) month period ended on June 30, 2021 (the "Customers". No Customer of the Company has canceled or otherwise terminated its relationship with the Company or has materially decreased its usage or purchase of the services or products of the Company. No Customer has, to the Company's knowledge, any plan or intention to terminate, cancel or otherwise materially and adversely modify its relationship with the Company or to decrease materially or limit its usage, purchase or distribution of the services or products of the Company (whether as a result of the consummation of the transactions contemplated by this Agreement, the Ancillary Agreements or otherwise).

(b) Schedule 3.9(b) lists the name of the top twenty (20) vendors, suppliers, service providers and other similar business relations of the Company (collectively, "Suppliers") for the twelve (12) month period ending June 30, 2021, the amounts owing to each such Supplier as of the date hereof, and whether such amounts are past due. The Company has not received any written indication from any such Supplier to the effect that such Supplier will stop, materially decrease the rate of, or materially change the terms (whether related to payment, price or otherwise) with respect to, supplying materials, products or services to the Company (whether as a result of the consummation of the transactions contemplated by this Agreement, the Ancillary Agreements or otherwise).

3.10 Absence of Changes. Except as set forth on Schedule 3.10 and as expressly contemplated by this Agreement or as otherwise mutually agreed to between the parties hereto, from May 31, 2021 until the date of this Agreement, the Company has conducted its business only in the Ordinary Course of Business. As amplification but not limitation of the foregoing, from May 31, 2021 until the date of this Agreement, the Company has not:

(a) suffered a Company Material Adverse Effect or suffered any theft, damage, destruction or casualty loss in excess of $10,000 in the aggregate to its assets, whether or not covered by insurance;

(b) redeemed or repurchased, directly or indirectly, or declared, set aside or paid any dividends on (other than dividends paid to the Company) or made any other distributions (whether in cash or in kind) with respect to, any of its equity securities (other than in connection with the net exercise of any Company Option or repurchase of unvested Company Capital Stock upon termination of service);

(c) issued, sold or transferred any notes, bonds or other debt securities, any equity securities, or any securities convertible, exchangeable or exercisable into, directly or

indirectly, any of its equity securities (other than the issuance of Company Capital Stock upon the exercise of a Company Option or Company Warrant);

(d) borrowed any amount or incurred or become subject to any Indebtedness for borrowed money (including contingently as a guarantor or otherwise);

(e) discharged or satisfied any material Lien or paid any material Liability related to the Company (other than Liabilities paid in the Ordinary Course of Business), or prepaid any amount of Indebtedness for borrowed money or subjected any portion of its properties or assets to any Lien (other than Permitted Liens and Liens that will be released at or prior to the Closing);

(f) sold, leased, subleased, licensed, assigned, transferred or otherwise disposed of (including transfers to Company Securityholders or any Insider) any of its tangible or intangible assets (including Company Intellectual Property Assets) (except for non-exclusive licenses granted in the Ordinary Course of Business to customers on an arm's length basis);

(g) waived, canceled, compromised or released any rights or claims of material value, whether or not in the Ordinary Course of Business;

(h) entered into any Company Contract or materially and adversely amended or terminated the Company's rights thereunder;

(i) made, granted or promised any wage, salary, commissions or compensation increase in excess of $10,000 per year to any director, officer, employee, sales representative or consultant (in each case, other than normal increases to employees made in the Ordinary Course of Business), paid or made any new commitment to pay, any bonus or made any profit-sharing payment, cash incentive payment or similar payment (in each case, other than as required under applicable Law or the terms of Contracts in effect as of the date of this Agreement and disclosed on Schedule 3.21(a), and other than commissions paid in the Ordinary Course of Business and consistent with past practices,) granted or promised any increase in any employee benefit plan or arrangement, amended, established or terminated any Company Employee Program (other than an amendment required by Law and other than routine Company Employee Program renewals in the Ordinary Course of Business);

(j) implemented any employee layoffs in violation of the WARN Act or any similar foreign, state or local law or regulation;

(k) entered into or negotiated a collective bargaining agreement or similar agreement;

(l) made any material change in its business practices, including, without limitation, any change in accounting methods or practices or collection, credit, pricing or payment policies of the Company;

(m) made any capital expenditures that aggregate in excess of $25,000;

(n) made any loans or advances to, or guarantees for the benefit of, any Persons (other than advances to employees for travel and business expenses incurred in the Ordinary Course of Business that do not exceed $5,000 in the aggregate);

(o) changed or authorized any change in its certificate of organization, limited liability operating agreement or other governing or organizational documents;

(p) instituted or settled any claim or lawsuit for an amount involving in excess of $25,000 in the aggregate or involving equitable or injunctive relief of a material nature;

(q) acquired any other business or Person (or any significant portion or division thereof), whether by merger, consolidation or reorganization or by purchase of its assets or stock or acquired any other material assets;

(r) made (except where otherwise required under applicable Law) or changed (except where an automatic change was required by applicable Law) any material Tax election, changed any annual Tax accounting period, changed any method of Tax accounting (except where an automatic change of method of Tax accounting was required), filed any amended material Tax Return, entered into any closing agreement with respect to Taxes, settled or compromised any Tax claim or assessment, surrendered any right to claim a material Tax refund, or consented to any extension or waiver of the limitations period applicable to any Tax claim or assessment;

(s) with the exception of the transactions contemplated hereby, entered into any transaction that was not in the Ordinary Course of Business; or

(t) committed or agreed, in writing or otherwise, to any of the foregoing, except as expressly contemplated by this Agreement and the Ancillary Agreements.

3.11 Sufficiency of Assets.

(a) The tangible assets owned, leased or licensed by the Company include all tangible assets used or held for use in the conduct of the business as currently conducted by the Company and such tangible assets are sufficient to permit the Company to conduct such business in the same manner immediately following the Closing as is currently conducted.

(b) Since the date of the Reference Balance Sheet, no assets of the Company have been transferred to any Person outside of the Ordinary Course of Business.

3.12 Leased Real Property.

(a) The Company does not own any real property, nor has the Company ever owned any real property.

(b) Schedule 3.12(b) identifies (i) the street address of each parcel of Leased Real Property, and (ii) the identification of the lease, license, sublease or other occupancy agreements and all amendments, modifications, supplements, and assignments thereto, together with all exhibits, addenda, riders and other documents constituting a part thereof for each parcel of Leased Real Property (collectively, the "Leases"), and the identification of all

subleases, overleases, occupancy agreements and other ancillary agreements or documents pertaining to the tenancy at each such parcel of Leased Real Property, including, without limitation, all memoranda of lease, estoppel certificates, consents, commencement date letters, letters of extensions, subordination, non-disturbance and attornment agreements, documents or correspondence that affect or may affect the tenancy at any Leased Real Property (collectively the "Ancillary Lease Documents").

(c) The Leases and the Ancillary Lease Documents are valid, binding and enforceable against the Company and, to the Company's knowledge, the other party(ies) thereto and are in full force and effect and have not been modified or amended except as disclosed on Schedule 3.11(b). The Leases and the Ancillary Lease Documents constitute all of and the only agreements under which the Company holds leasehold or sublease hold interests in any real property. The Company has delivered to Buyer full, complete and accurate copies of each of the Leases and all Ancillary Lease Documents described in Schedule 3.12(b).

(d) With respect to each of the Leases identified on Schedule 3.12(b), except as set forth on Schedule 3.12(d):

(i) neither the Company nor, to the Company's knowledge, any other party to any Leases or Ancillary Lease Documents is in breach or default, and, to the Company's knowledge, no event has occurred which, with notice or lapse of time, would constitute such a breach or default or permit termination, modification or acceleration under the Leases or any Ancillary Lease Documents;

(ii) the rent set forth in each Lease of the Leased Real Property is the actual rent being paid, and there are no separate agreements or understandings with respect to the same; and

(iii) the Company has not exercised or given any notice of exercise, nor has any lessor or landlord exercised or received any notice of exercise, of any option, right of first offer or right of first refusal contained in any such Lease or Ancillary Lease Document, including any such option or right pertaining to purchase, expansion, renewal, extension or relocation.

(e) The Company has not entered into any other contract for the assignment or other transfer of the Leased Real Property, other than any such assignment that may be entered into in connection with the transactions contemplated hereby.

3.13 Title to Property.

(a) The Company owns good and marketable title to, or a valid leasehold interest in, free and clear of all Liens (other than Permitted Liens), all of the personal property and tangible assets of the Company.

(b) The buildings, improvements, machinery, equipment, personal properties, vehicles and other tangible assets of the Company located upon or used in connection with the Leased Real Property are operated in conformity with all applicable Laws and regulations, are in good condition and repair, except for reasonable wear and tear, and are usable in the Ordinary Course of Business.

3.14 Contracts and Commitments.

(a) Except as set forth on Schedule 3.14, the Company is not a party to, or bound by, whether written or oral, any:

(i) Contract involving a potential commitment or payment by the Company in excess of $50,000;

(ii) Contract providing for severance or change-of-control retention or other similar-type compensation or benefits;

(iii) Contract for the employment of any officer, individual employee or other Person on a full-time or part-time basis (other than any employment offer letter in such form as previously provided to Buyer that is terminable "at-will" without any contractual obligation on the part of the Company to provide for severance or change of control compensation or benefits);

(iv) Contract with any Contingent Worker that (A) provides for annual compensation in excess of $50,000, or (B) is not cancelable by the Company without penalty of not less than thirty-one (31) days' notice;

(v) collective bargaining agreement or Contract with any labor organization, union or association;

(vi) Contract relating to the settlement of any litigation, administrative charge, investigation by a Governmental Authority or other dispute in excess of $50,000 or with outstanding obligations;

(vii) Contract relating to Indebtedness (including guaranty arrangements) or to mortgaging, pledging or otherwise placing a Lien on any of its assets, or any guaranty of an obligation of a third party;

(viii) royalty, dividend or similar arrangement based on the revenues or profits of the Company or any contract or agreement involving fixed price or fixed volume arrangements;

(ix) Contract under which the Company is lessee of, or holds or operates, any property, real or personal, owned by any other party calling for payments in excess of $50,000 annually or under which it is lessor of or permits any third party to hold or operate any property, real or personal, owned or controlled by the Company;

(x) Contract relating to the ownership of or investment in any business or enterprise (including investments in joint ventures and minority equity investments);

(xi) Contract limiting the freedom of the Company, or that would limit the freedom of Buyer or any of its Affiliates after the Closing Date, to freely engage in any line of business or with any Person anywhere in the world or during any period of time, including any Contract containing an exclusivity obligation, non-solicitation obligation (other than ordinary course, term-limited employee non-solicitation obligations) most-favored-nation provision or "best price" obligation enforceable against the Company (other than Company Licenses);

(xii) Contract with any Customer or Supplier;

(xiii) Contract pursuant to which it subcontracts work to third parties;

(xiv) Contract with any Governmental Authority;

(xv) power of attorney;

(xvi) acquisition agreement, whether by merger, stock or asset sale or otherwise; or

(xvii) Contract contemplating the processing of personal data of individuals located in the European Union.

(b) The Contracts required to be disclosed on Schedule 3.12(b), Schedule 3.14, and Schedule 3.25, and the Company Licenses are referred to herein as the "Company Contracts". The Company has delivered to Buyer true, correct and complete copies of each Company Contract, together with all amendments, waivers and other changes thereto (all of which are disclosed on Schedule 3.12(b), Schedule 3.14, or Schedule 3.25). Schedule 3.14 contains an accurate and complete description of all material terms of all oral Contracts referred to therein. Except as disclosed on Schedule 3.14, (i) no Company Contract has been canceled or, to the Company's knowledge, breached in any material respect by the other party, and the Company has no knowledge of any planned breach in any material respect by any other party to any Company Contract, (ii) the Company has performed, in all material respects, all of the obligations required to be performed by it in connection with the Company Contracts and is not in material default under or in material breach of any Company Contract and, to the Company's knowledge, no event or condition has occurred or arisen which with the passage of time or the giving of notice or both would result in material default or breach thereunder, and (iii) each Company Contract is legal, valid, binding and enforceable against the Company and, to the Company's knowledge, the other party(ies) thereto, and is in full force and effect; provided, however, that nothing in this Section 3.14 shall require Buyer (or any other Employer entity) to comply with any obligation under any (i) Company Employee Program or (ii) employment or independent contractor agreement under which the Company is the party receiving services.

3.15 Intellectual Property.

(a) Schedule 3.15(a) contains a complete and accurate list of all (i) Patents owned or purported to be owned by or filed in or issued under the name of the Company or any of its subsidiaries ("Company Patents"), registered and material unregistered Marks owned or purported to be owned by or filed in or issued under the name of the Company or any of its subsidiaries ("Company Marks"), and registered Copyrights owned or purported to be owned by or filed in or issued under the name of the Company or any of its subsidiaries ("Company Copyrights"), and domain names owned or purported to be owned by the Company or any of its subsidiaries ("Company Domains") in each case including, to the extent applicable, the date of filing, issuance or registration, the filing, issuance or registration number and the name of the body where the filing, issuance or registration was made, and (ii) names of the products and services currently made commercially available or otherwise under current development by the Company or any of its subsidiaries (the "Products"), (iii) licenses, sublicenses or other agreements under which the Company or any of its

subsidiaries is granted rights by others in Company Intellectual Property Assets ("Licenses In") (provided that the Company does not need to list (A) agreements for generally commercially available off the shelf software or hosted services made available for a total cost of less than $50,000 per year, (B) employment agreements and consulting agreements pursuant to the Company's standard form, (C) non-disclosure agreements solely containing an implied license to use confidential information for the sole purpose of evaluating a business relationship with a third party and (D) licenses for Open Source Software), and (iv) licenses, sublicenses or other agreements under which the Company or any of its subsidiaries has granted rights to others in Company Intellectual Property Assets ("Licenses Out" and, collectively with the Licenses In, the "Company Licenses") (provided that the Company does not need to list (A) agreements containing limited, incidental nonexclusive licenses to use Company Marks, (B) non-disclosure agreements solely containing an implied license to use confidential information for the sole purpose of evaluating a business relationship with a third party, (C) consulting agreements pursuant to the Company's standard form and (D) customer agreements entered into in the Ordinary Course of Business, substantially in the form of the Company's form of customer agreement, copies of which have been provided to Buyer).

(b) Except as set forth on Schedule 3.15(a):

(i) the Company Intellectual Property Assets constitute all of the Intellectual Property Assets necessary for the conduct of the Business as currently conducted, and the Company exclusively owns all Company Intellectual Property Assets owned or purported to be owned by the Company or any of its subsidiaries ("Owned Company Intellectual Property Assets"), free and clear of all Liens other than Permitted Liens;

(ii) (A) all Owned Company Intellectual Property Assets that have been issued by, or registered with, or the subject of an application filed with, as applicable, the U.S. Patent and Trademark Office, the U.S. Copyright Office or any similar office or agency anywhere in the world ("Company Registered Intellectual Property") are registered in the name of the Company; (B) all Company Registered Intellectual Property are subsisting and enforceable, and to the Company's knowledge, valid (or, in the case of pending applications, validly applied for), and (C) all Company Patents, Company Marks and Company Copyrights that have been issued by, or registered, or are the subject of an application filed with, as applicable, the U.S. Patent and Trademark Office, the U.S. Copyright Office or any similar office or agency anywhere in the world are currently in compliance with formal legal requirements (including, as applicable, the payment of filing, examination and maintenance fees, inventor declarations, proofs of working or use, timely post-registration filing of affidavits of use and incontestability and renewal applications);

(iii) none of the Owned Company Intellectual Property Assets that has been issued by, or registered or the subject of an application filed with, as applicable, the U.S. Patent and Trademark Office, the U.S. Copyright Office or in any similar office or agency anywhere in the world is subject to any maintenance fee or Tax or other material action falling due within 30 days following the Closing Date;

(iv) no Company Patent has been or is now involved in any interference, derivation, reissue, re-examination, inter parties review, post-grant review, covered business method review or opposition proceeding, to the Company's knowledge, and all Products made,

used or sold by the Company under the Company Patents have been marked with the proper patent notice;

(v) there are no pending or, to the Company's knowledge, threatened claims against the Company or any of its employees alleging that any of the operation of the business of the Company as currently conducted infringes or violates (or in the past infringed or violated) the rights of others in or to any Intellectual Property Assets owned by any Person other than the Company ("Third Party IP Assets") or constitutes a misappropriation of (or in the past constituted a misappropriation of) any Third Party IP Assets or that any of the Owned Company Intellectual Property Assets is invalid or unenforceable;

(vi) the operation of the business of the Company and its subsidiaries, as currently conducted, including the development, research, commercialization and exploitation of the Products, does not infringe or violate (or in the past infringed or violated) any Third Party IP Asset or constitute a misappropriation of (or in the past constituted a misappropriation of) any Third Party IP Asset;

(vii) there are no settlements, covenants not to sue, consents, judgments, or orders or similar written obligations that: (A) restrict the Company's rights to use any Owned Company Intellectual Property Assets, (B) restrict the Company's business, in order to accommodate any Third Party IP Assets, or (C) permit third parties to use any Owned Company Intellectual Property Assets (other than Company Licenses);

(viii) the Company has obtained and possesses valid licenses to use all of the software programs present on the computers and other software enabled electronic devices that it owns or leases or that it has otherwise provided to its employees and contractors for their use;

(ix) all former and current employees, consultants and contractors of the Company that have contributed to the development of any Owned Company Intellectual Property Assets have executed written instruments with the Company that assign to the Company all rights, title and interest in and to any and all (A) inventions, improvements, ideas, discoveries, developments, writings and other works of authorship, know-how, processes, methods, technology, data and information developed in the course of the Person's service relationship with the Company and (B) Intellectual Property Assets relating thereto; and in each case, a valid and enforceable assignment to the Company for each Company Patent registered in the U.S. has been duly recorded with the U.S. Patent and Trademark Office and all similar offices and agencies anywhere in the world in which foreign counterparts are registered or issued;

(x) to the Company's knowledge, (A) there is no, nor has there been any, infringement or violation by any person or entity of any of the Company Intellectual Property Assets or the Company's rights therein or thereto, and (B) there is no, nor has there been any, misappropriation by any person or entity of any of the Company Intellectual Property Assets;

(xi) the Company has taken commercially reasonable security measures to protect the confidentiality of all Trade Secrets within the Owned Company Intellectual Property Assets or held for use by the Company;

(xii) the Company complies and has at all times complied with, to the extent applicable, in all material respects (1) all applicable Privacy Laws, statutes, directives, rules, regulations, (2) contractual obligations governing the processing of Personal Data (including, but

not limited to, those with customers), (3) internal and public-facing written privacy, data handling or processing and/or security policies of the Company (each, a "Privacy Policy"), and (4) the Payment Card Industry Data Security Standard, and all other rules and requirements of payment card brands (collectively, the "Privacy Requirements") relating to (a) the privacy of users of any web properties, products and/or services of the Company; (b) the collection, use, storage, retention, disclosure, transfer, disposal, or any other processing of any Personal Data collected or used by the Company and/or by third parties having access to such Personal Data; and (c) the transmission of marketing and/or commercial messages using Personal Data through any means, including, without limitation, via email, text message and/or any other means;

(xiii) the execution, delivery and performance of this Agreement, including the transfer of Personal Data by Company in connection with the transactions contemplated by this Agreement, complies with all Privacy Requirements;

(xiv) the Company has all commercially reasonable and appropriate security measures in place designed to protect all Personal Data under its control and/or in its possession and to protect such Personal Data from unauthorized access by any parties;

(xv) the Company's hardware, software, encryption, systems, policies and procedures are designed to materially protect the privacy, security and confidentiality of all Personal Data as required by the Privacy Requirements;

(xvi) the Company, and, to the Company's knowledge, any third parties with access to Personal Data have not suffered any (1) security incidents or other breaches in security that has permitted any unauthorized or illegal use of or access to any Personal Data possessed or under the control of the Company or (2) unauthorized intrusions or breaches of the security of the Company IT Systems or infections by viruses or other harmful code;

(xvii) the Company has not received any written correspondence or notice relating to, and there is no formal action, allegation, investigation or claim currently pending against, such entity by any private party, the Federal Trade Commission, any state attorney general or similar state official, or any other Governmental Authority, foreign or domestic, or any other third party, with respect to the Company's processing of Personal Data, and, to the Company's knowledge, there are no facts or circumstances which could form the basis for any such action, allegation, investigation or claim;

(xviii) except for disclosures permitted by Privacy Requirements, the Company has not shared, sold, rented or otherwise made available, and is not sharing, selling, renting or otherwise making available, to third parties any Personal Data or User Data;

(xix) the Company has not granted, directly or indirectly, any current or contingent right, license or interest in or to any source code of any of the Products (including through an escrow arrangement), and has not provided or disclosed any source code of any of the Products to any person or entity;

(xx) (A) the Products perform in accordance with their documented specifications and as the Company has warranted to their customers, in each case in all material respects, and (B) the Product Support Items contain all the information used by the Company to sell, maintain and support the Products;

(xxi) the Products do not contain any “viruses”, “worms”, “time bombs”, “keylocks”, or any other devices intentionally designed to disrupt or interfere with the operation of the Products or equipment upon which the Products operate, or the integrity of the data, information or signals the Products produce in a manner adverse to the Company or any customer, licensee or recipient. The Products do not include or install any spyware, adware, or other similar software that monitors the use of the Products or contacts any remote computer without the knowledge and express consent of the user(s) of the applicable Product or remote computer, as applicable;

(xxii) Schedule 3.15(b)(xxii) accurately identifies and describes: (A) each item of Open Source Software that is contained in or distributed with any Product; and (B) the license applicable to each such item of Open Source Software. The Company is in material compliance with all licenses for all such Open Source Software. No Open Source Software is used by the Company in any manner that would result in : (x) imposition of a requirement or condition that the Company grant a license under its patent rights or that any Company Intellectual Property Assets or Products: (1) be disclosed or distributed in source code form; (2) be licensed for the purpose of making modifications or derivative works; or (3) be redistributable at a reduced royalty or no charge; or (y) imposition of any other material limitation, restriction, or condition on the right or ability of the Company to use or distribute any Company Intellectual Property Assets or Products;

(xxiii) (A) the Company has security measures in place designed to protect information relating to its customers (“Customer Data”) under its and its service providers’ possession or control from unauthorized access; and (B) to the Company’s knowledge, the Company’s and its service providers’ hardware, software, encryption, systems, policies and procedures are reasonably designed to protect the security and confidentiality of all Customer Data;

(xxiv) to the Company’s knowledge, the Company IT Systems have been properly maintained by technically competent personnel, in accordance with standards set by the manufacturers or otherwise in accordance with standards prudent in the industry, designed to ensure operation, monitoring and use and are sufficient to operate the business and the Company owns or has valid and enforceable rights to use the Company IT Systems. The Company has appropriate backup and disaster recovery plans, procedures and facilities for the business and has taken commercially reasonable steps to safeguard the Company IT Systems, including the use of commercially available antivirus software with the intention of protecting the Company IT Systems from becoming infected by viruses and other harmful code. The Company IT Systems are fully functional and operate in a reasonable manner and there has not been any material malfunction with the Company IT Systems that has not been remedied or replaced in all material respects, or any material unplanned downtime or material service interruption;

(xxv) No funding, facilities, or personnel of any Governmental Authority or any educational institution were used, directly or indirectly, to develop or create, in whole or in part, any Owned Company Intellectual Property Assets and no Owned Company Intellectual Property Assets were developed, in whole or in part, pursuant to an agreement or other instrument with a Governmental Authority. No Governmental Authority has any right, title or interest (including license rights) in any part of any Owned Company Intellectual Property Assets. Without limiting the foregoing, there are no current or contingent usage rights, march-in rights, manufacturing restrictions or other rights of any Governmental Authority in or to any Owned

Company Intellectual Property Assets, or to the Company's knowledge, in or to any other Intellectual Property that is either used by or for the Company in the conduct of the Business of the Company as currently conducted; and

(xxvi) following the Closing, Buyer will have the same rights and privileges in the Company Intellectual Property Assets, Customer Data and Company IT Systems as the Company had in the Company Intellectual Property Assets, Customer Data and Company IT Systems immediately prior to the Closing, and neither the execution, delivery or performance of this Agreement or any other agreements referred to in this Agreement will, with or without notice or lapse of time, result in, or give any other Person the right or option to cause or declare: (i) a loss of, or Lien on, any Company Intellectual Property Assets; or (ii) the grant, assignment or transfer to any other Person of any license or other right or interest under, to or in any of the Company Intellectual Property Assets.

3.16 Litigation; Proceedings. Except as set forth on Schedule 3.15(b)(xxvi), there are no actions, suits, proceedings, orders, judgments, decrees or investigations pending or, to the Company's knowledge, threatened in writing against or affecting the Company or any of the Company's directors, officers or employees, in their capacity as such, at law or in equity, or before or by any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign. The Company is not subject to any arbitration, proceeding under collective bargaining Contracts or otherwise or, to the Company's knowledge, any governmental investigation or inquiry. The Company is not subject to any outstanding order, judgment or decree issued by any court or quasi-judicial or administrative agency of any federal, state, local or foreign jurisdiction or any arbitrator. Schedule 3.15(b)(xxvi) includes a description of all litigation, claims, proceedings or, to the Company's knowledge, investigations involving the Company or any of its directors, officers or employees, in their capacity as such, occurring, arising or existing during the past three years.

3.17 Governmental Licenses and Permits. Schedule 3.17 contains a complete and accurate listing and summary description of all material permits, licenses, franchises, certificates, approvals, consents, certificates of authorization, registrations, filings and other authorizations of foreign, federal, state and local governments or regulatory authorities (including all applications therefor), or other similar rights, together with any renewals, extensions, or modifications thereof and additions thereto (collectively, the "Permits") owned or possessed by the Company or used by the Company in the conduct of its business. Except as set forth on Schedule 3.17, the Company owns or possesses, and has for the past three (3) years owned or possessed, all right, title and interest in and to all Permits that are necessary to conduct its business as currently conducted. Each Permit is valid and in full force and effect. The Company is in compliance with the terms and conditions of such Permits. No loss, expiration, revocation, suspension, lapse or limitation of any Permit is pending or, to the Company's knowledge, threatened (including as a result of the transactions contemplated hereby), with or without notice or lapse of time or both, other than expiration in accordance with the terms thereof, which terms do not expire as a result of the consummation of the transactions contemplated hereby. To the knowledge of the Company, no event has occurred that (including the consummation of the transactions contemplated by the Transaction Agreements), with or without notice or lapse of time or both, would reasonably be expected to result in the revocation, suspension, lapse or limitation of any Permit.

3.18 Compliance with Laws.

(a) Except as disclosed on Schedule 3.18(a), the Company, and, the Company's officers, directors, employees and Affiliates, is, and, for the past five (5) years,

has been in compliance with, in all material respects all Laws, regulations and ordinances of foreign, federal, state and local governments and all agencies thereof that are applicable to the business, business practices (including the Company's production, marketing, sales and distribution of its products and services) or any owned or leased properties of the Company to which the Company may be subject, and no claims have been filed against the Company alleging a violation of any such laws, regulations or ordinances, and the Company has not received notice of any such violation. To the knowledge of the Company, no event or condition has occurred that can be reasonably expected to constitute a material violation of applicable Law by the Company or any of its officers, directors, employees, or control persons. The Company maintains a compliance program that is commensurate with the size and complexity of the Company and its activities and meets all requirements under applicable Law.

(b) Neither the Company, nor, to the Company's knowledge, any of its officers, directors, employees or control persons has, for the last five (5) years, conducted any transactions directly or indirectly with (A) any countries subject to United States Government export embargoes or comprehensive sanctions at the time of such embargo or comprehensive sanctions, including Cuba, Iran, North Korea, Crimea (Ukraine) or Syria, (B) individuals or entities identified on the SDN List or Consolidated Sanctions List administered by the U.S. Treasury Department's Office of Foreign Assets Control, and the Denied Parties List, Unverified List and Entity List administered by the U.S. Commerce Department's Bureau of Industry and Security (each, a "Restricted Party") or (C) entities owned in the aggregate fifty percent (50%) or more by entities on the SDN List. For the last five (5) years, the Company has not sold, licensed, supplied, exported, re-exported, transferred or furnished any of the Company products, or any software code, technology or services, directly or indirectly to (x) any person located in any country that is subject to a United States government export embargo or comprehensive sanctions or (y) any Restricted Party.

(c) There is no property or obligation of the Company, including uncashed checks to vendors, customers or employees or other service providers, non-refunded overpayments or unclaimed subscription balances, that is escheatable to any state or municipality under any applicable escheatment or unclaimed property laws, as of the date hereof or that may at any time after the date hereof become escheatable to any state or municipality under any applicable escheatment or unclaimed property laws.

3.19 Taxes. Except as provided as set forth on Schedule 3.19:

(a) The Company has timely filed (taking into account all valid extensions of time to file that have been granted) all income and other material Tax Returns that are required to be filed, and all such Tax Returns were true, correct and complete in all material respects.

(b) All Taxes due and payable by the Company, whether or not shown or required to be shown on any Tax Return, have been timely paid and no Taxes are delinquent.

(c) There are no Liens for Taxes upon any of the assets of the Company, other than Taxes not yet due and payable.

(d) The Company has withheld and paid (to the extent they have become due) all Taxes required to have been withheld and paid in connection with amounts paid or owing to any employee, independent contractor, creditor, securityholder or other third party, including federal and state income Taxes, Federal Insurance Contribution Act, Medicare, Federal Unemployment Tax Act, relevant state income and employment Tax withholding laws, and all material withholding Tax Returns required with respect thereto and all Forms W-2 and 1099 or reporting equivalent in jurisdictions outside of the United States have been properly completed in all material respects and timely filed, and all amounts withheld have been paid over to the proper Governmental Authorities (or are properly being held for such timely payment) as required by applicable Law. Without limitation of the foregoing, the Company has collected all material sales and use Taxes required to be collected, and have remitted, or will remit on a timely basis, such amounts to the appropriate Governmental Authority, or have been furnished properly completed exemption certificates and has maintained all such records and supporting documents in the manner required by all applicable sales and use tax statutes and regulations.

(e) No deficiency for any amount of Tax has been asserted, or assessed by a Governmental Authority against the Company.

(f) There is no action, suit, proceeding or audit or any notice of inquiry of any of the foregoing pending against or with respect to the Company regarding Taxes or any Tax Return and no action, suit, proceeding or audit has been threatened in writing against or with respect to the Company regarding Taxes or any Tax Return.

(g) No claim has ever been made by a Governmental Authority in a jurisdiction where the Company does not file Tax Returns that the Company is or may be subject to taxation by that jurisdiction or may be required to file a Tax Return in that jurisdiction.

(h) The Company has delivered to Buyer correct and complete copies of all income and other material Tax Returns, examination reports, and statements of deficiencies assessed against, agreed to, or filed by Company for all taxable years beginning with the taxable year ended December 31, 2017.

(i) No extension of any statute of limitations on the assessment of any Taxes granted by the Company is currently in effect, and no agreement to any extension of time for filing any Tax Return that has not been filed is currently in effect, other than customary extensions not to exceed six (6) months and for which no approval is required.

(j) No power of attorney granted by the Company with respect to any Taxes in currently in force.

(k) The Company has not participated in a transaction that is described as a "reportable transaction" described in Treasury Regulation Section 1.6011-4(b)(2), (3), (4) or (6) nor a "listed transactions" within the meaning of Treasury Regulations Section 1.6011-4(b)(2).

(l) Neither the Company nor any predecessor of the Company has ever been a member of a consolidated, combined, unitary or aggregate group of which the Company or any predecessor of the Company was not the ultimate parent corporation. The Company does

not have any Liability for the Taxes of any Person under Section 1.1502-6 of the Treasury Regulations (or any similar provision of state, local or foreign law) as a transferee or successor, by Contract or otherwise other than Contracts entered into with third parties in the Ordinary Course of Business, the principal purpose of which does not relate to Taxes.

(m) The Company is not a "United States real property holding corporation" within the meaning of Section 897 of the Code.

(n) The Company has not constituted either a "distributing corporation" or a "controlled corporation" in a distribution of stock qualifying for tax-free treatment under Section 355 of the Code (i) in the two years prior to the date of this Agreement or (ii) in a distribution that could otherwise constitute part of a "plan" or "series of related transactions" (within the meaning of Section 355(e) of the Code) in conjunction with the Purchase contemplated herein.

(o) The Company is treated as a corporation for U.S. federal income Tax purposes.

(p) The Company is not nor has been party to any joint venture, partnership or other arrangement or Contract which could reasonably be expected to be treated as a partnership for federal income Tax purposes.

(q) The Company uses, and has always used, the accrual method of accounting for income Tax purposes and the taxable year of the Company is the calendar year ending December 31.

(r) The Company is not a party to or bound by any Tax sharing, Tax indemnity, or Tax allocation agreement, other than customary contracts entered into in the Ordinary Course of Business, the principal purposes of which do not relate to Tax.

(s) The Company has disclosed on its Tax Returns any Tax reporting position taken in any Tax Return which could result in the imposition of penalties under Section 6662 of the Code or any comparable provisions of state, local or foreign law.

(t) The Company will not be required to include any item of income in, or exclude any item of deduction from, taxable income for any taxable period (or portion thereof) ending after the Closing Date as a result of any: (i) change in method of accounting for a taxable period ending on or prior to the Closing Date; (ii) use of an improper method of accounting for a taxable period ending on or prior to the Closing Date; (iii) "closing agreement" as described in Section 7121 of the Code (or any corresponding or similar provision of U.S. state, local or non-U.S. income Tax law) executed on or prior to the Closing Date; (iv) intercompany transactions or any excess loss account described in Treasury Regulations under Section 1502 of the Code (or any corresponding or similar provision of U.S. state, local or non-U.S. income Tax law) in respect of any Pre-Closing Tax Period; (v) installment sale or open transaction disposition made on or prior to the Closing Date; (vi) prepaid amount received on or prior to the Closing Date; (vii) election made under Section 108(i) of the Code prior to the Closing; (viii) the application of Code Sections 951, 951A or 965 in respect of any Pre-Closing Tax Period; or (ix) an ownership interest in any "passive foreign investment company" with the meaning as set forth in the Code on or prior to the Closing Date.

(u) Each Company Employee Program that constitutes in any part a nonqualified deferred compensation plan within the meaning of Section 409A of the Code has been operated and maintained in all material respects in operational and documentary compliance with Section 409A of the Code and applicable guidance thereunder. No payment to be made under any Company Employee Program is, or to the Company's knowledge, will be, subject to the penalties of Section 409A(a)(1) of the Code.

(v) The Company has received, from each employee or former employee of the Company who holds stock that is subject to a substantial risk of forfeiture as of the Effective Date, if any, a copy of the election(s) made under Section 83(b) of the Code with respect to all such shares, and, such elections were validly made and filed with the Internal Revenue Service in a timely fashion.

(w) Neither the Company nor any of its affiliates has taken or agreed to take any action which could reasonably be expected to prevent the Merger from qualifying as a reorganization under Section 368(a) of the Code.

(x) Neither the Company nor any of its affiliates have deferred any Taxes under Section 2302 of the CARES Act or IRS Notice 2020-65 (or any corresponding or similar provision of state or local Law).

(y) The Company has never requested or received a ruling from any tax authority or signed a closing or other agreement with any tax authority.

(z) The Company is and has never been the beneficiary of any Tax exemption or Tax holiday.

(aa) The Company does not own any interest in any controlled foreign corporation (as defined in Section 957 of the Code), passive foreign investment company (as defined in Section 1297 of the Code), or other entity the income of which is required to be included in the income of the Company.

(ab) The Company has complied in all material respects with applicable transfer pricing Laws, has prepared all necessary transfer pricing documentation as required by applicable Law and filed all applicable Tax Returns with respect thereto.

(ac) The Company is not a party to a gain recognition agreement under Section 367 of the Code.

(ad) The Company is not and has never ever been required to include any amount in income for any taxable year as a result of the application of Section 965 of the Code. The Company has not made any election(s) under Section 965 of the Code, including Section 965(h) of the Code.

3.20 Employees.

(a) Schedule 3.20(a) sets forth a complete and accurate list of all of the officers and other employees of the Company as of the date of this Agreement, describing for each such employee the position or title, whether classified as exempt or non-exempt for wage and hour purposes, whether paid on a salary, hourly and/or commission basis and the

actual annual base salary or other rates of compensation (including base hourly wage and total annual commission potential, as applicable), bonus potential, date of hire, business location, status (i.e., active or inactive and if inactive, the type of leave and estimated duration), any visa or work permit status and the date of expiration, if applicable. Schedule 3.20(a) also sets forth a complete and accurate list of all of the independent contractors, consultants, temporary employees, leased employees or other servants or agents employed or used with respect to the operation of the business of the Company and classified by the Company as other than employees or compensated other than through wages paid by the Company through the Company's payroll department and reported on a Form W-4 ("Contingent Workers"), showing for each Contingent Worker such individual's primary location from which services are performed, fee or compensation arrangements, and term (start and end date). Except as contemplated by this Agreement or as set forth on Schedule 3.20(a), (i) to the Company's knowledge, no officer or Key Employee, or group of employees or group of Contingent Workers, has expressed any plans to terminate his, her or their employment or service arrangement with the Company and (ii) in the past twelve (12) months no officer's employment with the Company has been terminated for any reason.

(b) Currently and during the past four (4) years: (i) the Company is and has been in compliance in all material respects with all applicable Laws and regulations respecting labor and/or employment matters, including laws and regulations respecting fair employment practices, work place safety and health, terms and conditions of employment, wages and hours, including, without limitation, with respect to the classification of employees for purposes of federal, state and local law and the payment of employee overtime and minimum wage, pay equity, restrictive covenants, immigration and work authorization, discrimination, harassment, retaliation, background and credit checks, defamation and other torts and breach of employee agreements; (ii) the Company is not, nor has been materially delinquent in any payments to any employee or Contingent Worker for any wages, salaries, commissions, bonuses, fees or other direct compensation due with respect to any services performed for it or amounts required to be reimbursed to such employees or Contingent Workers; (iii) there are no, and there have been no, formal or informal litigation, arbitration, demands, disputes, mediation, governmental investigations, governmental audits, grievances, complaints or charges with respect to employment or labor matters (including allegations of employment discrimination, violation of wage and hour laws, harassment, breach of restrictive covenants, pay equity violations, misclassification of independent contractors, retaliation or unfair labor practices) pending or to the Company's knowledge, threatened against the Company in any judicial, regulatory or administrative forum, under any private dispute resolution procedure or internally; (iv) none of the employment policies or practices of the Company is currently being or has been audited or investigated or, to the Company's knowledge, is subject to imminent audit or investigation by any Governmental Authority; (v) none of the Company or any of its officers or senior managers (with respect to their employment with the Company), is or has been, subject to any order, decree, injunction or judgment by any Governmental Authority or private settlement contract in respect of any labor or employment matters; (vi) the Company is and has been in material compliance with the requirements of the Immigration Reform and Control Act of 1986; and (vii) all employees are and have been employed at-will and no employee is subject to any employment contract with the Company that provides for a fixed term of employment, whether oral or written, express or implied.

(c) (i) There is no, and during the past three years there has not been, any labor strike, picketing of any nature, organizational campaigns, labor dispute, slowdown or any other concerted interference with normal operations, stoppage or lockout pending or, to the Company's knowledge, threatened against or affecting the business of the Company; (ii) the Company does not have any duty to bargain with any union or labor organization or other person purporting to act as exclusive bargaining representative ("Union") of any employees or Contingent Workers with respect to the wages, hours or other terms and conditions of employment of any employee or Contingent Worker; (iii) there is no collective bargaining agreement or other contract with any Union, or work rules or practices agreed to with any Union, binding on the Company, or being negotiated, with respect to the Company's operations or any employee or Contingent Worker; and (iv) the Company has not engaged in any unfair labor practice.

(d) The Company has not experienced a "plant closing," "business closing," or "mass layoff" or similar group employment loss as defined in the federal Worker Adjustment and Retraining Notification Act (the "WARN Act") or any similar state, local or foreign law or regulation affecting any site of employment of the Company or one or more facilities or operating units within any site of employment or facility of the Company. During the ninety (90) day period preceding the date hereof, no more than five (5) employees of the Company have suffered an "employment loss" as defined in the WARN Act with respect to the Company.

(e) For at least the past four years, (i) the Company has maintained policies (A) prohibiting employment discrimination on all grounds constituting unlawful discrimination, (B) prohibiting sexual harassment and all other forms of discriminatory harassment, and (C) providing complaint and investigation procedures with respect to (A) and (B); (ii) any and all such policies have materially conformed with applicable legal requirements, including, as applicable, with respect to independent contractors; and (iii) the Company has complied, in all material respects, with any applicable legal requirements with respect to training concerning prevention of harassment and/or abusive conduct. Except as set forth on Schedule 3.20(e), at no time in the past four (4) years have any allegations against any employee, manager or executive of the Company been made within or outside the Company alleging conduct that, if confirmed, would constitute violations of any policies referenced in (i)(A) and/or (i)(B) above or applicable Law. Except as set forth on Schedule 3.20(e), to the Company's knowledge, at no time in the past four (4) years has the Company received a complaint within the scope of (i)(C) or conducted an investigation of allegations of any alleged violation of (i)(A) or (i)(B) or applicable Law. Except as set forth on Schedule 3.20(e), to the Company's knowledge, there are no facts that could reasonably be expected to give rise to a claim of sexual harassment or other discriminatory harassment against or involving the Company or any employee, director or Contingent Worker.

(f) The Company currently classifies and has properly classified each of its employees as exempt or non-exempt for the purposes of the Fair Labor Standards Act and state, local and foreign wage and hour laws, and is and has been otherwise in material compliance with such laws. To the extent that any Contingent Workers are employed, the Company currently does and has properly classified and treated them in accordance with applicable Laws and for purposes of all employee benefit plans and perquisites.

(g) The Company is and has been in compliance in all material respects with (i) all applicable COVID-19 related Laws, standards, regulations, orders and guidance (including without limitation relating to business reopening), including those issued and enforced by the Occupational Safety and Health Administration, the Centers for Disease Control, the Equal Employment Opportunity Commission, and any other state, local and/or other governmental body; (ii) the Families First Coronavirus Response Act (including with respect to eligibility for tax credits under such Act) and any other applicable COVID-19 related leave Law, whether state, local or otherwise.

3.21 Employee Benefit Plans.

(a) Schedule 3.21(a), sets forth a true, complete and correct list of every material Company Employee Program; provided that the Company may limit disclosure of equity, employment, consulting, and other service provider agreements (including offer letters) to representative forms and the individual agreements that materially deviate from such forms.

(b) True, complete and correct copies of the following documents, with respect to each Company Employee Program, where applicable, have previously been delivered or made available to Buyer: (i) all documents embodying or governing such Company Employee Program; (ii) the most recent IRS determination or opinion letter; (iii) the most recently filed IRS Form 5500; (iv) the most recent actuarial valuation report; (v) the most recent summary plan description (or other material written descriptions provided to employees) and all material modifications thereto; and (vi) all non-routine correspondence to and from any state or federal agency.

(c) Each Company Employee Program that is intended to qualify under Section 401(a) of the Code has received a favorable determination or approval letter from the IRS with respect to such qualification, or may rely on an opinion letter issued by the IRS with respect to a prototype plan adopted in accordance with the requirements for such reliance, or has time remaining for application to the IRS for a determination of the qualified status of such Company Employee Program for any period for which such Company Employee Program would not otherwise be covered by an IRS determination and, to the Company's knowledge, no event or omission has occurred that would cause any Company Employee Program to lose such qualification or require corrective action to the IRS or Employee Plan Compliance Resolution System to maintain such qualification.

(d)

(i) Each Company Employee Program is, and has been established, operated and administered in all material respects in compliance with applicable Laws and regulations and its terms, including without limitation ERISA, the Code and the Affordable Care Act.

(ii) No Company Employee Program is, or within the past six years has been, the subject of an application or filing under a government sponsored amnesty, voluntary compliance, or similar program, or been the subject of any self-correction under any such program.

(iii) No litigation or governmental administrative proceeding, audit or other proceeding (other than those relating to routine claims for benefits) is pending or, to the

Company's knowledge, threatened with respect to any Company Employee Program, and, to the Company's knowledge, there is no reasonable basis for any such litigation or proceeding.

(iv) All payments and/or contributions required to have been made with respect to all Company Employee Programs either have been timely made or accrued in accordance with the terms of the applicable Company Employee Program and applicable Law.

(e) Neither the Company nor any ERISA Affiliate has ever maintained, contributed to, or been required to contribute to or had any Liability (whether contingent or otherwise) or obligation (including on account of any ERISA Affiliate) with respect to: (i) any employee benefit plan that is or was subject to Title IV of ERISA, Section 412 of the Code, Section 302 of ERISA, (ii) a Multiemployer Plan, (iii) any funded welfare benefit plan within the meaning of Section 419 of the Code, (iv) any "multiple employer plan" (within the meaning of Section 210 of ERISA or Section 413(c) of the Code), or (v) any "multiple employer welfare arrangement" (as such term is defined in Section 3(40) of ERISA). Neither the Company nor any ERISA Affiliate has ever incurred any liability under Title IV of ERISA that has not been paid in full.

(f) Neither the Company nor any ERISA Affiliate provides has any obligation to provide health care or any other non-pension benefits to any employees after their employment is terminated (other than as required by Part 6 of Subtitle B of Title I of ERISA or similar state law).

(g)

(i) Each Company Employee Program (other than Company Employee Programs that are Contracts relating to equity awards) may be amended, terminated, or otherwise modified by the Company to the greatest extent permitted by applicable Law (other than ordinary administration expenses or with respect to benefits, other than bonuses, commissions or amounts under other compensation plans, that were previously earned, vested or accrued under Company Employee Programs prior to the Effective Time).

(ii) Neither the Company nor any of its ERISA Affiliates has announced its intention to modify or terminate any Company Employee Program or adopt any arrangement or program which, once established, would come within the definition of a Company Employee Program.

(h) No Company Employee Program is subject to the laws of any jurisdiction outside the United States.

(i) Except as set forth on Schedule 3.21(i), neither the execution and delivery of this Agreement, the shareholder approval of this Agreement, nor the consummation of the transactions contemplated hereby could (either alone or in conjunction with any other event) (i) result in, or cause the accelerated vesting payment, funding or delivery of, or increase the amount or value of, any payment or benefit to any employee, officer, director or other service provider of the Company or any of its subsidiaries; (ii) further restrict any rights of the Company to amend or terminate any Company Employee Program; or (iii) result in any "parachute payment" as defined in Section 280G(b)(2) of the Code (whether or not such payment is considered to be reasonable compensation for services rendered).

(j) No Company Employee Program provides for any tax "gross-up" or similar "make-whole" payments.

3.22 Insurance. Schedule 3.22 lists each insurance policy maintained by or on behalf of the Company with respect to its properties, assets and business. All of such insurance policies are in full force and effect, all premiums due and payable with respect to such insurance policies have been paid to date, and the Company has never been (i) in default with respect to its Liabilities under any such insurance policies or (ii) denied insurance coverage. Such insurance policies provide coverage customary for similarly situated companies in the same or similar industries and as required by applicable Law. Except as set forth on Schedule 3.22, the Company has no self-insurance or co-insurance program, and the reserves set forth on the Reference Balance Sheet are adequate to cover all anticipated Liabilities with respect to any such self-insurance or coinsurance program.

3.23 Environmental Matters.

(a) The Company has complied with and is currently in compliance with, in all material respects, all Environmental Requirements and has no Liabilities, including corrective, investigatory or remedial obligations arising under Environmental Requirements, and the Company has not received any oral or written notice, report or information regarding any Liabilities, including corrective, investigatory or remedial obligations arising under Environmental Requirements which relate to the Company or any of their properties or facilities.

(b) Without limiting the generality of the foregoing, the Company has obtained and complied with, and is currently in compliance with, all Permits and other authorizations that may be required pursuant to any Environmental Requirements for the occupancy of its properties or facilities or the operation of its business. A list of all such permits, licenses and other authorizations which are material to the Company is set forth on Schedule 3.23.

(c) None of this Agreement, any Ancillary Agreement or the consummation of the transactions contemplated hereby and thereby shall impose any Liability on the Company or otherwise for site investigation or cleanup, or notification to or consent of any government agencies or third parties under any Environmental Requirements (including any so called "transaction-triggered" or "responsible property transfer" laws and regulations).

3.24 Names and Location. Except as set forth on Schedule 3.24, during the preceding three-year period, the Company has not used any name or names under which the Company has invoiced account debtors, maintained records concerning its assets or otherwise conducted its business, other than the exact name under which it has executed this Agreement.

3.25 Affiliate Transactions. Except as disclosed on Schedule 3.25, no officer, director, employee, securityholder or other Affiliate of the Company or any individual related by blood, marriage or adoption to any such Person or any entity in which any such Person owns any material beneficial interest (collectively, the "Insiders"), is a party to any Contract or transaction with the Company or which is pertaining to the business of the Company or has any material interest in any property, real or personal or mixed, tangible or intangible, used in or pertaining to the business of the Company.

3.26 Brokerage. There is no investment banker, broker, finder or other intermediary who has been retained by or is authorized to act on behalf of the Company or any of its Affiliates who might be

entitled to any fee or commission from Buyer or any of its Affiliates in connection with the transactions contemplated by this Agreement.

3.27 Illegal Payments. Neither the Company, any of its Affiliates, nor, to the Company's knowledge, any of its directors, officers, employees or agents, have offered, authorized, made or received on behalf of the Company any illegal payment or contribution of any kind, including any payment in violation of any Laws of any Governmental Authority, directly or indirectly, including, without limitation, payments, gifts or gratuities, to any Person, entity, or United States or foreign national, state or local government officials, employees or agents or candidates therefor or other Persons. Neither the Company, any of its Affiliates, nor, to the Company's knowledge, any of its directors, officers, employees or agents, are the subject of any allegation, voluntary disclosure, investigation, prosecution or other enforcement action related to illegal payment laws.

3.28 COVID-19. Except as set forth on Schedule 3.28, the Company has not experienced, nor to the Company's knowledge, is likely to experience, any material business interruptions or material Liabilities arising out of, resulting from or related to the COVID-19 Pandemic or any COVID-19 Measures, whether directly or indirectly, including (a) material reductions in customers demand, (b) any material default under any Contract to which the Company is a party or any claim of force majeure by the Company or a counterparty to such Contract, (c) material restrictions on the Company's operations, (d) material restrictions on uses of any of the Leased Real Property or (e) the failure to comply with any COVID-19 Measures in all material respects.

3.29 PPP Matters. The Company received the PPP Loan under the Paycheck Protection Program established pursuant to the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act"), which is the only loan received by the Company in connection with the CARES Act. As of the date of the Company's submission of the application for the PPP Loan (the "PPP Application"), the Company satisfied all eligibility requirements for the PPP Loan. All information included in the PPP Application was true, correct, and complete as of the date of its submission, and all certifications made pursuant to the PPP Application were true and made in good faith. The proceeds from the PPP Loan have been used in compliance in all material respects with the requirements of the CARES Act. The Company has not used the PPP Loan proceeds in any manner, or taken any other action, that would cause the PPP Loan or any portion thereof to not be forgivable or that would otherwise violate the terms of the CARES Act or any other applicable Law.

Section 4. REPRESENTATIONS AND WARRANTIES OF BUYER AND MERGER SUBS.

As a material inducement to the Company to enter into this Agreement, Buyer and the Merger Subs hereby represent and warrant to the Company, as of the date hereof and as of the Closing Date, that:

4.1 Organization and Corporate Power. Each of Buyer, Merger Sub I, and Merger Sub II is duly organized, validly existing and in good standing (to the extent such concept exists in the applicable jurisdiction) under the laws of their respective jurisdictions of incorporation or formation, as applicable, and has the requisite corporate or limited liability company power, as applicable, and authority to own, lease and operate its assets and properties and to carry on its business as it is now being conducted. Neither Buyer, Merger Sub I nor Merger Sub II is in material default under or in violation of any provision of its Charter Documents in any material respect.

4.2 Authorization of Transactions. Each of Buyer, Merger Sub I, and Merger Sub II has full organizational power and authority to execute and deliver this Agreement and each of the Ancillary

Agreements to which it is a party and to consummate the transactions contemplated hereby and thereby. The execution and delivery by each of Buyer, Merger Sub I and Merger Sub II of this Agreement and any Ancillary Agreements to which it is a party and the consummation of the transactions contemplated hereby and thereby have been duly authorized by all necessary corporate action on the part of each of Buyer, Merger Sub I and Merger Sub II. No other organizational proceedings on the part of Buyer, Merger Sub I or Merger Sub II are necessary to approve and authorize the execution and delivery of this Agreement or the Ancillary Agreements to which it is a party and the consummation of the transactions contemplated hereby and thereby. This Agreement and all Ancillary Agreements to which each of Buyer, Merger Sub I and Merger Sub II is a party have been duly executed and delivered by each of Buyer, Merger Sub I, and Merger Sub II and constitute the valid and binding agreements of Buyer, Merger Sub I, and Merger Sub II enforceable against each of Buyer, Merger Sub I and Merger Sub II in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general principles of equity.

4.3 Non-Contravention. The execution, delivery and performance by each of Buyer and Merger Subs of this Agreement and all agreements, documents and instruments executed and delivered by it pursuant hereto and the performance of the transactions contemplated by this Agreement and such other agreements, documents and instruments do not and will not: (i) violate or result in a violation of, conflict with or constitute or result in a default (whether after the giving of notice, lapse of time or both) under, accelerate any obligation under, or give rise to a right of termination of, any contract, agreement, obligation, permit, license or authorization to which Buyer or Merger Subs is a party or by which it or its respective assets are bound, (ii) violate or result in a violation of, conflict with or constitute or result in a default (whether after the giving of notice, lapse of time or both) under, or accelerate any obligation under, any provision of Buyer's or Merger Subs Charter Documents; (iii) violate or result in a violation of, or constitute a default (whether after the giving of notice, lapse of time or both) under, any provision of any law, regulation or rule, or any order of, or any restriction imposed by, any court or governmental agency applicable to Buyer or Merger Subs; or (iv) require from Buyer or Merger Subs any notice to, declaration or filing with, or consent or approval of, any Governmental Authority or other third party in each case as would not be reasonably expected to have a material and adverse effect on Buyer's ability to consummate the transactions contemplated herein.

4.4 Brokerage. There is no investment banker, broker, finder or other intermediary who has been retained by or is authorized to act on behalf of Buyer or Merger Subs who might be entitled to any fee or commission from Buyer or Merger Subs in connection with the transactions contemplated by this Agreement.

4.5 Buyer Common Stock. The shares of Buyer Common Stock issuable in or in connection with the Merger, when issued by Buyer in accordance with this Agreement, assuming the accuracy of the representations and warranties made by the Company and the Company Securityholders herein or in their respective Stockholder Joinder Agreements, will be duly issued, fully paid and non-assessable, and issued in compliance in all material respects with federal and state securities laws and preemptive rights obligations of Buyer and free and clear of any Liens (other than restrictions under applicable securities laws and Liens created by or imposed by the Company Securityholders).

4.6 No Prior Merger Sub Operations. The Merger Subs were formed solely for the purpose of effecting the Merger and have not engaged in any business activities or conducted any operations other than in connection with the transactions contemplated hereby.

4.7 Reorganization Actions. Neither the Buyer nor either of the Merger Subs has taken or agreed to take any action which could reasonably be expected to prevent the Merger from qualifying as a reorganization under Section 368(a) of the Code.

4.8 Buyer SEC Documents.

(a) All statement, reports, schedules, forms and other documents (including exhibits and all information incorporated by reference) required to have been filed by Buyer with the SEC since June 30, 2020 (the "Buyer SEC Documents") have been so filed on a timely basis. A true and complete copy of each Buyer SEC Document is available on the website maintained by the SEC at http://www.sec.gov. As of their respective filing dates (or, if amended or superseded by a filing prior to the date of this Agreement, then on the date of such later filing), each of the Buyer SEC Documents complied in all material respects with the requirements of the Securities Act and the Exchange Act, as the case may be, and the rules and regulations of the SEC promulgated thereunder applicable to such Buyer SEC Documents. None of the Buyer SEC Documents, as of their respective filing dates, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading, except to the extent corrected by a subsequently filed Buyer SEC Document. During the period from June 30, 2020 through the Closing Date, Buyer has not received from the SEC any written comments with respect to any of the Buyer SEC Documents (including the financial statements included therein) that have not been resolved.

(b) The financial statement of Buyer, including the notes thereto, included in the Buyer SEC Documents complied as to form in all material respects with the published rules and regulations of the SEC with respect thereto as of their respective dates, were prepared in accordance with GAAP applied on a consistent basis throughout the periods indicated (except as may be indicated in the notes thereto, except in the case of pro forma statements, or, in the case of unaudited financial statements, except as permitted under Form 10-Q or Form 8-K or any successor thereto, under the Exchange Act) and fairly presented in all material respects the consolidated financial position of Buyer and its consolidated subsidiaries as of the respective dates thereof and the consolidated results of Buyer's operations and cash flows for the periods indicated (except that unaudited financial statements may not include all the footnotes required by GAAP for audited financials and were or are subject to normal and recurring year-end adjustments that are not material, individually or in the aggregate).

Section 5. ADDITIONAL AGREEMENTS.

5.1 Maintenance of Business. Except as expressly permitted by this Agreement, required by any applicable Law or Contract, or as Buyer may otherwise consent to in writing (which consent shall not be unreasonably withheld, conditioned or delayed), during the time period from the date of this Agreement until the earlier to occur of (i) the Effective Time and (ii) the valid termination of this Agreement in accordance with Section 9, the Company shall:

(a) conduct the Company's businesses in the Ordinary Course of Business, including with respect to hiring and terminating personnel;

(b) use commercially reasonable efforts to preserve intact the Company's existing business organizations and relations with their employees, customers, suppliers and others with whom the Company had a business relationship in the Ordinary Course of Business; and

(c) use commercially reasonable efforts to preserve intact and protect its programs and properties and conduct its business in material compliance with applicable Law.

Without limiting the generality of the foregoing, during the time period from the date of this Agreement until the earlier to occur of (i) the Effective Time and (ii) the valid termination of this Agreement in accordance with Section 9, the Company shall not, without Buyer's prior written consent (which consent shall not be unreasonably withheld, conditioned or delayed) or as expressly permitted by this Agreement, or except as specifically set forth on Schedule 5.1 hereto, take any action that, had it been taken after the date of the Reference Balance Sheet but before the execution of this Agreement, would have been required to be disclosed in the Disclosure Schedules pursuant to Section 3.10; provided that, to the extent any provision of Section 3.10 refers to a Company Contract or Company Employee Program, such provision shall be deemed to apply to any Company Contract or Company Employee Program as well as any contract, plan, policy or other instrument that would have been a Company Contract or Company Employee Program had it been entered into or adopted by the Company as of the date hereof; provided, further that the Company shall be permitted to amend the Charter Documents to permit the withholding of the Aggregate Closing Bonus Amount from the Company Securityholders in order to fund the payment of the Closing Bonus Amounts and the employer payroll taxes payable in connection therewith.

5.2 No Solicitation.

(a) Until the earlier of (i) the Closing, or (ii) the date of the valid termination of this Agreement pursuant to the provisions of Section 9 hereof, the Company shall not, and shall not authorize or permit any of its officers, directors, consultants, advisors, employees, agents or representatives (each, a "Company Representative") to, directly or indirectly, take any of the following actions with any Person other than Buyer and its designees: (A) solicit, initiate or knowingly encourage any inquiry, proposal, request or offer, directly or indirectly, relating to an Alternative Transaction (each, a "Proposal"), (B) participate in any discussions or negotiations relating to (except to provide notice as to the existence of this restriction), assist or cooperate with any Person to make, or furnish any Person with information in connection with, or take any other action to facilitate, any Proposal or Alternative Transaction, (C) disclose any information to any Person concerning the business, technologies or properties of the Company, or afford to any Person access to the Company's properties, technologies, books or records, in each case, with respect to, or that would reasonably be expected to lead to, a Proposal, or (D) propose, authorize or enter into any agreement or understanding (whether binding or nonbinding, written or oral) relating to, or engage in or consummate, any Alternative Transaction or requiring the Company to abandon, terminate or fail to consummate the transactions contemplated hereby. If the Company or any Company Representative receives or has received, prior to the Closing or the valid termination of this Agreement in accordance with Section 9 hereof, any Proposal, or any request for disclosure or access as referenced in clause (C) above, the Company shall, or shall cause such Company Representative to, (x) immediately suspend any discussions with regard to such Proposal and (y) promptly (and in any event within two (2) Business Days) notify Buyer in writing thereof, and, subject to the terms of any confidentiality agreements in place

as of the date hereof, furnish to Buyer any information it may reasonably request, including information as to the identity of the Person making any such inquiry, offer or proposal and the specific terms of such inquiry, offer or proposal, and all written documentation relating thereto.

(b) The parties hereto agree that irreparable damage would occur if the provisions of this Section 5.2 were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed by the parties hereto that Buyer shall be entitled to an immediate injunction or injunctions, without the necessity of proving the inadequacy of money damages as a remedy and without the necessity of posting any bond or other security, to prevent breaches of the provisions of this Section 5.2 and to enforce specifically the terms and provisions hereof in any court of the United States or any state having jurisdiction, this being in addition to any other remedy to which Buyer may be entitled at law or in equity. Without limiting the foregoing, it is understood that any violation of the restrictions set forth above by any Company Representative shall be deemed to be a breach of this Agreement by the Company.

5.3 Access to Information. Subject to restrictions imposed by applicable law, and upon reasonable advance notice to the Company, the Company shall afford Buyer and its accountants, counsel and other representatives, reasonable access during normal business hours during the period from the date hereof and prior to the Closing to (a) all of the properties, books, Contracts, commitments and records of the Company, including all Company Intellectual Property Assets (including access to design processes and methodologies and all source code) and (b) all other information concerning the business, properties and personnel of the Company as Buyer may reasonably request. The Company agrees to provide to Buyer and its accountants, counsel and other representatives copies of internal financial statements as are prepared for distribution to the management of the Company promptly upon request. No information or knowledge obtained in any investigation pursuant to this Section 5.3 or otherwise shall affect or be deemed to modify any representation or warranty contained herein, the conditions to the obligations of the parties to consummate the Merger in accordance with the terms and provisions hereof or otherwise prejudice in any way the rights and remedies of Buyer.

5.4 Notification of Certain Matters. The Company shall give prompt notice to Buyer of: (a) the occurrence of any event that is likely to cause any representation or warranty of the Company contained in this Agreement to be untrue or inaccurate at or prior to the Closing as if such representation or warranty was made at the Closing (except for representations and warranties that speak as of an earlier date) and (b) any failure of the Company to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by it hereunder; provided, that the delivery of any notice or the making of any disclosure pursuant to this Section 5.4 shall not (i) limit or otherwise affect any rights or remedies available to the party receiving such notice or (ii) be deemed to amend or supplement the Disclosure Schedules or prevent or cure any misrepresentation, breach of warranty or breach of covenant. Notwithstanding anything to the contrary set forth herein, the unintentional failure by the Company to give notice of an inaccuracy or breach of any representation or warranty made by the Company in this Agreement shall be deemed for all purposes under this Agreement to be a breach of the underlying representation and warranty, and not a breach of this Section 5.4.

5.5 Contract Modifications. Before the Closing, the Company will use commercially reasonable efforts to amend the Contracts set forth in Schedule 5.5 to contain present tense assignment and/or waiver for the benefit of the Company of all Intellectual Property Assets created by the counterparty on behalf of the Company in form and substance reasonably satisfactory to Buyer.

5.6 Termination of Certain Agreements. Before the Closing, the Company will take or cause to be taken all actions necessary to terminate as of the Closing, and will cause to be terminated as of the Effective Time, the Contracts listed on Schedule 5.6, in each case without any further Liability to the Company or the Final Surviving Entity.

5.7 Approval of Company Stockholders.

(a) The Company shall use its reasonable best efforts to obtain and deliver to Buyer within three (3) hours following the execution and delivery hereof a true, correct and complete executed copy of the Written Consent evidencing the Requisite Stockholder Approval, and upon receipt of the Requisite Stockholder Approval, shall deliver executed copies thereof to Buyer

(b) The Company shall, with the assistance of Buyer, prepare an information statement (together with any amendments thereof or supplements thereto, the "Information Statement") to be used in connection with soliciting the Closing Stockholder Approval of the matters set forth in the Written Consent in order to consummate the Merger and the other transactions contemplated hereby. As soon as reasonably practicable following the execution of this Agreement by the Parties on the date hereof, the Company will send the Information Statement to each Company Stockholder not forming part of the Requisite Stockholder Approval in connection with soliciting such Company Stockholder's approval in accordance with applicable Law. Whenever any event occurs which should be set forth in an amendment or supplement to the Information Statement so that such document would not include any misstatement of a material fact or omit to state any material fact necessary to make the statements therein not misleading, the Company will promptly inform Buyer of such occurrence and cooperate in making any appropriate amendment or supplement to the Information Statement, and the Company shall thereafter deliver to the Company Stockholders such amendment or supplement. No amendment or supplement to the Information Statement will be made by the Company without the approval of Buyer, not to be unreasonably withheld, conditioned or delayed.

(c) As soon as reasonably practicable after the execution of this Agreement, the Company shall solicit the approval by such number of stockholders of the Company as is required by the terms of Section 280G(b)(5)(B) of the Code (in a manner reasonably satisfactory to Buyer) of a written consent in favor of a proposal to render the parachute payment provisions of Section 280G of the Code and the Treasury Regulations thereunder (collectively, "Section 280G") inapplicable to any and all payments and/or benefits provided that might result, separately or in the aggregate, in the payment of any amount and/or the provision of any benefit that would not be deductible by reason of Section 280G or that would be subject to an excise tax under Section 4999 of the Code (together, the "Section 280G Payments"). Any such stockholder approval shall be sought by the Company in a manner which satisfies all applicable requirements of Section 280G(b)(5)(B) of the Code and the Treasury Regulations thereunder, including Q-7 of Section 1.280G-1 of such Treasury Regulations. The Company agrees that: (i) in the absence of such stockholder approval, no Section 280G Payments shall be made; and (ii) as soon as reasonably practicable after execution of this Agreement, the Company shall deliver to Buyer (A) waivers, in form and substance satisfactory to Buyer, duly executed by each Person who might receive any Section 280G Payment, and (B) the parachute payment calculations prepared by the Company and/or its advisors. The form and substance of all stockholder approval documents

contemplated by this Section 5.7(c), including the waivers, shall be subject to the prior review and comment of Buyer. The Company shall provide such documentation and information to Buyer for its review and comment no later than three Business Days prior to soliciting waivers from the "disqualified individuals," and the Company shall implement all reasonable and timely comments from Buyer thereon.

5.8 Confidentiality. The parties hereto acknowledge that Buyer and the Company previously executed the Confidentiality Agreement, which shall continue in full force and effect in accordance with its terms. Each of Buyer, the Merger Subs and the Company agrees that it and its representatives shall, except as otherwise permitted by and subject to compliance with Section 10.16, hold the terms of this Agreement, and the fact of this Agreement's existence, in strict confidence both prior to and following the Closing. At no time, whether prior to or following the Closing, shall any of the parties hereto disclose any of the terms of this Agreement (including the economic terms) or any non-public information about a party hereto to any other Person without the prior written consent of the party hereto about which such non-public information relates (which, after the Closing, shall require the consent of the Securityholders' Representative with respect to information of the Company). Notwithstanding anything to the contrary in the foregoing, a party hereto and its representatives shall be permitted to disclose any and all terms of this Agreement to (i) its financial, tax and legal advisors and other representatives, (ii) the Company Securityholders as provided in the Information Statement, (iii) any other Person for whom consent, notice, waiver or approval is required in connection with the transactions contemplated hereby, solely for the purpose of satisfying such consent, notice, waiver or approval requirement, in each case specified in the foregoing clauses (i), (ii) and (iii), each of whom is subject to a similar obligation of confidentiality, (iv) to any Governmental Authority or administrative agency to the extent necessary or advisable in compliance with applicable Law, (v) the courts or arbitrator involved in dispute resolution proceedings, (vi) any tax authority in connection with any tax audit, examinations or other similar tax proceeding involving any tax return or tax matters, and (vii) the Securityholders' Representative and the Advisory Group.

5.9 Tax Matters.

(a) Transfer Taxes. Notwithstanding anything in this Agreement to the contrary, all transfer, documentary, sales, use, value added, goods and services, excise, stock transfer, stamp, recording, registration and any similar Taxes and fees, including any penalties and interest thereon, that become payable in connection with the transactions contemplated by this Agreement ("Transfer Taxes") shall be borne fifty percent (50%) by the Indemnifying Securityholders and fifty percent (50%) by the Buyer, regardless of the Party liable for such obligations under applicable Law or the Party making payment to the applicable Governmental Authority or other third party. The applicable Parties shall cooperate in filing such forms, Tax Returns, and documents as may be necessary, including to permit any such Transfer Tax to be assessed and paid on or prior to the Closing Date in accordance with any available presale filing procedure, and to obtain any exemption or refund of any such Transfer Tax.

(b) Tax Deficiencies. The Company shall not permit to exist any Tax deficiencies (including penalties and interest) of any kind assessed against or relating to the Company with respect to Pre-Closing Tax Period of a character or nature that could reasonably be expected to result in Liens (other than Permitted Liens) or claims on any of the assets of the Company or on Buyer's title or use of the assets of the Company following the Closing or that would reasonably be expected to result in any claim against Buyer.

(c) Cooperation on Tax Matters. The Parties shall cooperate fully, as and to the extent reasonably requested by any other Party, in connection with the filing of Tax Returns, and any audit, litigation or other proceeding with respect to Taxes. Such cooperation shall include the retention and (upon the other Party's request) the provision of records and information which are reasonably relevant to any such audit, litigation or other proceeding and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. Each Party shall provide to the others, within ten (10) Business Days of the receipt thereof, any tax related communications and notices it receives which may impact the other Party's Tax Liability or filing responsibilities.

(d) Responsibility for Filing Tax Returns.

(i) The Company shall prepare or shall cause to be prepared all U.S. federal, state, local and non-U.S. Tax Returns required to be filed under applicable Law by the Company on or prior to the Closing Date, and shall be responsible for the timely filing (taking into account any extensions received from the relevant taxing authorities). Such Tax Returns shall be true and correct and completed in accordance with existing procedures, practices and accounting methods of the Company unless otherwise required by applicable Laws. Such Tax Returns shall be submitted to the Buyer for review and comment at least twenty (20) days prior to the due date of such Tax Return (taking into account extensions). The Company shall consider any comments made by the Buyer in good faith. All Taxes shown on such Tax Returns shall be paid or will be paid by the Company as and when required by law.

(ii) Buyer shall prepare and file, or cause the Company to prepare and timely file, all Tax Returns of the Company required to be filed after the Closing Date. To the extent such Tax Returns relate to Pre-Closing Tax Periods (such Tax Returns, "Pre-Closing Tax Returns"), such Pre-Closing Tax Returns shall be prepared on a basis consistent with existing procedures, practices and accounting methods of the Company unless otherwise required by applicable Law. To the extent such Pre-Closing Tax Returns show a tax that is reasonably expected to be an Indemnified Tax for which the Company Securityholder are liable under this Agreement, such Pre-Closing Tax Returns shall be submitted to the Securityholders' Representative for review and comment twenty (20) days prior to the due date of such income Pre-Closing Tax Return (taking into account extensions) and as soon as practicable prior to the due date of such non-income Pre-Closing Tax Returns, but in any case no later than ten (10) days prior to the due date of such non-income Pre-Closing Tax Return, and Buyer shall consider any comments made by the Securityholders' Representative in good faith. Buyer shall be indemnified by the Company Securityholders severally, in accordance with Section 8.2(a), for any Indemnified Taxes shown on any such Pre-Closing Tax Return, except to the extent the amount of any such Indemnified Taxes was included in the calculation of Indebtedness.

(iii) In the case of any taxable period that includes (but does not end on) the Closing Date (a "Straddle Period"), the amount of any Taxes based on or measured by income, receipts, sales, use or payroll of the Company for the Pre-Closing Tax Period shall be determined based on an interim closing of the books as of the close of business on the Closing Date (and for such purpose, the taxable period of any partnership or other pass-through entity in which the Company holds a beneficial interest shall be deemed to terminate at such time), and the amount of other Taxes of the Company for a Straddle Period that relates to the Pre-Closing Tax Period shall be deemed to be the amount of such Tax for the entire taxable period multiplied by a

fraction the numerator of which is the number of days in the taxable period ending on and including the Closing Date and the denominator of which is the number of days in such Straddle Period.

(e) Tax Refunds. Tax refunds that are received by the Company on or after the Closing Date that relate to Taxes paid by the Company in a Pre-Closing Tax Period or Indemnified Taxes borne by Company Securityholders shall be for the account of the Company Securityholders, and Buyer shall cause the Final Surviving Entity to pay to the Company Securityholders their pro-rated portion of any such refund, less any reasonable out-of-pocket costs incurred for the purpose of obtaining such refund (for the avoidance of doubt, such reasonable costs, may include costs relating to engaging a nationally recognized accounting firm or law firm), within fifteen (15) calendar days after receipt thereof. To the extent any such Tax refund is subsequently disallowed or required to be returned to the applicable tax authority subsequent to a good faith defense where such Tax refund was challenged by a taxing authority (provided that the costs of such defense shall be borne by the Company Securityholders), the Company Securityholders agree promptly to repay to Buyer the amount of such Tax refund, together with any interest, penalties or other additional amounts imposed by such tax authority with respect to such disallowance.

(f) Tax Claims. Notwithstanding anything herein to the contrary, Buyer shall control the conduct and resolution of any claim which involves the assertion of any claim or the commencement of any action, in respect of which an indemnity may be sought pursuant to Section 8.2(a)(i), Section 8.2(a)(v) or Section 8.2(a)(x) as it relates to Taxes (a "Tax Claim"); provided, that the Securityholders' Representative will be entitled to participate in the defense of such Tax Claim at the Company Securityholders' expense, and to employ counsel of its choice for such purpose at its own expense, and Buyer will keep the Securityholders' Representative reasonably informed and consider any comments of the Securityholders' Representative in good faith. Buyer, the Company, and the Securityholders' Representative agree to give prompt written notice to each other of the receipt of any written notice by any of them which involves a Tax Claim; provided, that the failure to give such notice shall not affect the indemnification provided hereunder, unless the party who was supposed to receive such notice has been materially prejudiced by such failure.

(g) To the extent that the provisions of this Section 5.9 conflict with the provisions of Section 8, this Section 5.9 shall control.

5.10 Tax Consequences.

(a) This Agreement is intended to constitute a "plan of reorganization" within the meaning of Treasury Regulations Section 1.368-2(g) and Treasury Regulation Section 1.368-3. Buyer, the Company and the Final Surviving Entity shall use its commercially reasonable efforts to cause the Merger to qualify as a reorganization under the provisions of Section 368(a) of the Code and shall report and treat the Merger as a reorganization described in Section 386(a) of the Code for all applicable Tax purposes, unless otherwise required by a taxing authority subsequent to a good faith defense of a Tax Claim where such tax treatment was challenged by a taxing authority. The Company and Buyer shall each use its commercially reasonably efforts not to (and Buyer shall use its commercially reasonable efforts not to permit any other affiliate of Buyer (including the Final Surviving Entity) to) take any action (or fail to take any action) prior to the Closing, and Buyer shall use its commercially reasonable efforts not to take any action or fail to take any action (and shall use its commercially reasonable efforts to prevent any

other affiliate of Buyer, including the Final Surviving Entity, from taking any action or failing to take any action) following the Closing, which would reasonably be expected to cause the Merger to fail to qualify as a reorganization within the meaning of Section 368(a) of the Code.

(b) The Parties acknowledge and agree that for purposes of determining the value of Buyer Common Stock to be received by the Company Securityholder pursuant to the First Merger under Revenue Procedure 2018-12, 2018-6 IRB 349 ("Rev. Proc. 2018-12"), (i) the "*Safe Harbor Valuation Method*" will be the Average of the Daily Volume Weighted Average Prices as described in Section 4.01(1) of Rev. Proc. 2018-12, (ii) the "*Measuring Period*" (within the meaning of Section 4.01 of Rev. Proc. 201812) will be each of the twenty (20) consecutive trading days ending on the third trading day immediately prior to the date of the Closing, (iii) the "*specified exchange*" (within the meaning of Section 3.01(4) of Rev. Proc. 2018-12) will be NASDAQ and (iv) the "*authoritative reporting source*" (within the meaning of Section 3.01(4) of Rev. Proc. 2018-12) will be Bloomberg L.P.

5.11 Director and Officer Insurance.

(a) If the Merger is consummated, then until the sixth anniversary of the Closing Date, the Final Surviving Entity shall, subject to Section 5.11(b) below, fulfill and honor in all material respects the obligations of the Company to its present and former directors and officers determined as of immediately prior to the Effective Time (the "Company Indemnified Parties") pursuant to indemnification agreements with the Company in effect on the Agreement Date and disclosed on Schedule 5.11(b) and pursuant to the Company's Organizational Documents in effect on the Agreement Date, with respect to claims arising out of acts or omissions occurring at or prior to the Effective Time that are asserted after the Effective Time. Without limiting the foregoing, but subject to Section 5.11(b) below, the Final Surviving Entity shall, for a period of not less than six years from the Closing Date (x) maintain provisions in the certificate of formation and the operating agreement of the Final Surviving Entity concerning the indemnification and exoneration of the Company Indemnified Parties that are no less favorable to those Persons than the provisions of the certificate of incorporation and the bylaws of the Company as of the Agreement Date, and (y) not to amend, repeal or otherwise modify such provisions in any respect that would adversely affect the rights of those Persons thereunder, in each case, except as required by applicable Law.

(b) The aggregate liability of the Final Surviving Entity under Section 5.11(a) to all Company Indemnified Parties shall be limited to any recovery under the D&O Tail Policy or amounts actually recovered by the Final Surviving Entity under the indemnification claims made by a Buyer Indemnified Party pursuant to Section 8. Prior to or at the Closing, the Company shall purchase at its sole costs and expense a prepaid "tail coverage" insurance policy, which policy provides liability insurance coverage for the directors and officers of the Company on no less favorable terms (including in amount and scope) as the policy or policies maintained by the Company immediately prior to the Closing for the benefit of such directors and officers for an aggregate period of six (6) years with respect to claims arising from acts, events or omissions that occurred at or prior to the Closing, including with respect to the Merger (such policy, the "D&O Tail Policy"). The D&O Tail Policy shall be from an insurance carrier with the same or better credit rating as the Company's current insurance carrier with respect to directors' and officers' liability insurance.

(c) This Section 5.11 (i) shall survive the consummation of the Mergers, (ii) is intended to benefit each Company Indemnified Party, (iii) is in addition to, and not in substitution for, any other rights to indemnification or contribution that any such Person may have against the Final Surviving Entity (or its successor) first arising after the earlier of the Closing Date and the termination of this Agreement by contract or otherwise, (iv) shall be binding on all successors and assigns of the Final Surviving Entity and shall be enforceable by the Company Indemnified Parties, and (v) shall not be terminated or modified in such a manner as to adversely affect the rights of any Company Indemnified Party under this Section 5.11 without the written consent of such affected Company Indemnified Party. Notwithstanding anything to the contrary in the certificate of incorporation or bylaws of the Company or the Final Surviving Entity or any provision in any indemnification or other agreement to which any of them is a party or by which any of them is bound, no exculpation or other provision in the certificate of incorporation or bylaws of the Company or the Final Surviving Entity or any such agreement shall be deemed to exculpate any such person from its obligations under this Agreement.

5.12 Employee and Related Matters.

(a) Following the date hereof, Buyer shall offer employment packages to certain of the Company's employees determined by Buyer after consultation with the Company (such employees, excluding the Key Employee and the Retention Employees, the "Offered Employees"), which employment packages will contain terms substantially comparable to those of each Offered Employee immediately prior to the date hereof. The Company shall use commercially reasonable efforts to ensure that all of the Offered Employees become continuing employees of Buyer or its Affiliates (including, from and after the Closing, the Company), by encouraging the Offered Employees to execute and deliver to Buyer and to take no action to revoke, rescind or repudiate (i) an offer letter in substantially the form identified by Buyer for such Person (collectively, the "Continuing Employee Offer Letters", and, together with the Key Employee Offer Letters, the "Offer Letters") with the effectiveness of such agreement conditioned upon the Closing and (ii) and CIIAA with the Company (such continuing employees, "Continuing Employees").

(b) With respect to each Continuing Employee, for the period commencing at the Effective Time and ending twelve (12) months after the Effective Time (or earlier to the extent any applicable Continuing Employee's employment terminates earlier), except to the extent better terms are provided to any such Continuing Employee in his or her Offer Letter, Buyer agrees to provide each Continuing Employee with base salary, target bonus, and employee benefits (excluding any equity-based compensation, retention or change-in-control benefits and retiree and health and welfare benefits) that are substantially comparable to those of such Continuing Employee immediately prior to the Closing.

(c) With respect to any benefit plan maintained by Buyer or an Affiliate of Buyer in which any Continuing Employee will be eligible to participate, Buyer shall use commercially reasonable efforts, subject to the terms of the applicable benefit plans, to (i) waive all limitations as to preexisting conditions and exclusions with respect to participation and coverage requirements applicable to such Continuing Employee to the extent such conditions and exclusions were satisfied or did not apply to such Continuing Employee under the group health plans of the Company prior to the Closing and (ii) provide each such Continuing Employee with credit for any copayments and deductibles paid prior to

the Closing in satisfying any analogous deductible or out-of-pocket requirements to the extent applicable under any such plan. Where applicable, subject to the terms of the applicable benefit plans, Buyer shall use commercially reasonable efforts to credit or cause to be credited each Continuing Employee's length of service with the Company for purposes of eligibility and vesting, under Buyer's employee benefit plans to the same extent and for the same purpose as such service was recognized under the analogous Company benefit plan; *provided*, *however*, that such service shall not be recognized to the extent that it would result in a duplication of benefits.

(d) In the event that any employee of the Company is not offered continued employment by Buyer or one of its Affiliates prior to the Closing or declines to accept an offer of employment made by Buyer, the Company shall terminate the employment of such employee effective prior to the Closing and the Company shall use commercially reasonable efforts to deliver to Buyer a separation agreement or similar document in a form reasonably satisfactory to Buyer, including a release of claims in favor of the Company and an acknowledgment that all payments owed to such employee have been paid in full, unless otherwise requested by Buyer reasonably in advance of the Closing. The Company shall be responsible for making any payments, including severance required or agreed to in order to terminate such employees who are not offered continued employment by Buyer prior to Closing or who decline to accept an offer of employment made by Buyer; provided that any such severance shall be in accordance with the Company's severance practices as set forth on Schedule 5.12(b)-1, unless otherwise agreed by Buyer and the Company. In the case of such employees who decline to accept an offer of employment made by Buyer, the Company shall reflect such payments (including any taxes related thereto) incurred by the Company as of the Closing or anticipated to be incurred or payable after the Closing as a Company Transaction Expense. Any Excluded Severance shall be borne by Buyer and shall not be a Company Transaction Expense or a current liability for the purpose of calculating Closing Working Capital.

5.13 Further Assurances. Each of the Parties covenants and agrees to use its reasonable best efforts to effectuate the transactions contemplated by this Agreement and to do all acts and things as may be required to carry out their obligations hereunder and to consummate this Agreement, including executing, sealing and delivering all such other instruments and other documents, and take all such other actions, as may be required to carry out the provisions of this Agreement and the Ancillary Agreements and consummate and make effective the transactions contemplated by this Agreement and the Ancillary Agreements.

5.14 Post-Closing Operation of the Business. Buyer agrees that from the Closing until June 30, 2025:

(a) neither Buyer nor its Affiliates shall take any action or refrain from taking any action with the primary intent to prevent the RSU Performance Vesting Milestones from being achieved;

(b) Buyer will, at the reasonable request of the Securityholders' Representative, discuss in good faith with the Securityholders' Representative the progress regarding the achievement of the RSU Performance Vesting Milestones and will consider in good faith any concerns the Securityholders' Representative has regarding the Buyer's operation of the Surviving Company;

(c) Buyer will not (i) sell, transfer or otherwise dispose of an integral portion of the assets that comprise the Business of the Company as of the Closing Date or (ii) discontinue any product of the Company; and

(d) a member of Buyer's executive leadership team will oversee any new non-video products launched by Buyer or its Affiliates after the Closing Date.

5.15 Buyer RSUs. Prior to the Closing Date, Buyer shall provide RSU Grant Agreements to the Continuing Employees and certain Contingent Workers providing for the grant of restricted stock units following the Closing pursuant to Buyer's 2007 Equity Incentive Plan with an aggregate value of $30,000,000 (the "Continuing Employee RSU Pool"). For the avoidance of doubt, any restricted stock units issued to Promised Optionholders shall be issued from the Continuing Employee RSU Pool.

5.16 Registration on Form S-8. Buyer shall file with the SEC as soon as reasonably practicable following the Effective Time, a registration statement on Form S-8 relating to the shares of Buyer Common Stock issuable with respect to Assumed Options and Buyer shall use all reasonable efforts to maintain the effectiveness of such registration statement thereafter for so long as any of such Assumed Options remain outstanding.

Section 6. AGREEMENTS RELATING TO BUYER COMMON STOCK.

6.1 Private Placement. Buyer intends to issue the shares of Buyer Common Stock as provided in this Agreement pursuant to a "private placement" exemption or exemptions from registration under Section 4(a)(2) of the Securities Act or Regulation D promulgated thereunder and other applicable state securities laws. The Company agrees to reasonably cooperate with Buyer in its efforts to ensure that such shares of Buyer Common Stock may be issued pursuant to such exemptions.

6.2 Restrictions on Transfer. The shares Buyer Common Stock shall be subject to any restrictions on Transfer set forth in this Section 6.2. The shares of Buyer Common Stock constitute "restricted securities" under the Securities Act, and may not be Transferred absent registration under the Securities Act or an exemption therefrom, and any such Transfer shall also be conditioned on compliance with applicable state and foreign securities Laws. To ensure compliance with the restrictions imposed by this Agreement, Buyer may issue appropriate "stop-transfer" instructions to its transfer agent, if any, and if Buyer acts as its own transfer agent, it may make appropriate notations to the same effect in its own records. Buyer shall not be required (a) to transfer on its books any shares of Buyer Common Stock that have been Transferred in violation of any of the provisions of this Agreement or (b) to treat as owner of such shares of Buyer Common Stock, or to accord the right to vote or pay dividends, to any transferee or assignee to whom such shares have been purportedly so Transferred.

6.3 Legends. Each certificate or book-entry notation representing any shares of Buyer Common Stock issued hereunder shall bear the following legends (in addition to any other legends required by law, Buyer's Charter Documents or any other agreement to which any such Company Securityholder is a party):

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR UNDER THE SECURITIES LAWS OF ANY STATE. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS, PURSUANT

TO REGISTRATION OR EXEMPTION THEREFROM. THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER TO THE EFFECT THAT ANY PROPOSED TRANSFER OR RESALE IS IN COMPLIANCE WITH THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

Section 7. CONDITIONS TO CLOSING.

7.1 Conditions to Obligations of Buyer and Merger Sub. The obligations of Buyer and Merger Subs to effect the Merger are subject to the satisfaction of the following conditions, any one or more of which may be waived by Buyer and Merger Subs at or prior to the Effective Time:

(a) Representations and Warranties. As of the date of this Agreement and as of the Closing Date as though made on and as of the Closing Date (except to the extent such representations and warranties are made only as of a specific earlier date, in which case as though made as of such earlier date), (i) each of the Fundamental Representations (other than Section 3.19 (Tax)) shall be true and correct in all respects, except where the failure to be so true and correct is *de minimis* in nature, (ii) each of the representations and warranties of the Company, other than the Fundamental Representations (other than Section 3.19 (Tax)), that are qualified by materiality or Company Material Adverse Effect shall be true and correct in all respects, and (iii) each of the representations and warranties of the Company, other than the Fundamental Representations (other than Section 3.19 (Tax)), that are not qualified by materiality or Company Material Adverse Effect and the representations and warranties of the Company contained in Section 3.19 (Tax) shall be true and correct in all material respects;

(b) Covenants. The Company shall have performed and complied in all material respects with all of the covenants and agreements required to be performed by them under this Agreement before or on the Closing Date;

(c) Officer's Certificate. Buyer shall have received a certificate, validly executed by the Chief Executive Officer of the Company for and on its behalf, to the effect that, as of the Closing, the condition to the obligations of Buyer and Merger Subs set forth in Section 7.1(a) and Section 7.1(b) have been satisfied (the "Company's Officer's Certificate");

(d) Secretary's Certificate. The Company shall have delivered to Buyer a certificate of the Secretary of the Company, dated as of the Closing Date, certifying as to (i) the incumbency of officers of the Company executing documents executed and delivered in connection herewith, (ii) the copies of the Certificate of Incorporation and Bylaws, each as in effect as of the Closing and (iii) a copy of the votes of the board of directors of the Company and the Company Stockholders authorizing and approving the applicable matters contemplated hereunder;

(e) Regulatory Approvals. All actions by or in respect of or filings with any Governmental Authority or official that are required for the consummation of the transactions contemplated hereby and by the Ancillary Agreements shall have been taken or made and all authorizations, consents, orders and approvals from such entities shall have been obtained, each in form and substance reasonably satisfactory to Buyer, and shall be in full force and effect;

(f) Employee and Contractor Matters.

(i) Each Key Employee Offer Letter, Non-Competition Agreement and CIIAA executed and delivered to Buyer by the Key Employee by and between such Key Employee and the Company shall be in full force and effect as of the Closing, and none of the Key Employee shall be prohibited by Law to commence employment under his or her Key Employee Offer Letter as of the Closing. None of the Key Employee shall have notified Buyer or the Company that he or she is terminating (or formally expressed to Buyer or the Company as intention to terminate) his or her employment with the Company;

(ii) Each Retention Employee Offer Letter, Non-Competition Agreement and CIIAA executed and delivered to Buyer by a Retention Employee by and between such Retention Employee and the Company shall be in full force and effect as of the Closing, and none of the Retention Employees shall be prohibited by Law to commence employment under his or her Retention Employee Offer Letter as of the Closing. None of the Retention Employees shall have notified Buyer or the Company that he or she is terminating (or formally expressed to Buyer or the Company as intention to terminate) his or her employment with the Company;

(iii) No less than 90% of the Offered Employees who have received offer letters consistent with Section 5.12 shall (i) (A) have become Continuing Employees by executing and delivering to Buyer his or her Continuing Employee Offer Letter and (B) have a currently effective CIIAA with the Company, which shall remain in full force and effect, (ii) not be prohibited by Law from commencing employment with Buyer, the Company or any of their Affiliates, as applicable, in accordance with his or her Continuing Employee Offer Letter upon the Closing, and (iii) not have notified Buyer or the Company that he or she is terminating (or expressed to Buyer or the Company an intention to terminate) his or her employment with the Company;

(iv) The Retention Contractor shall (i) have a currently effective consulting Contract or other similar Contract with the Company, which shall remain in full force and effect, (ii) not be prohibited by Law from commencing work with Buyer, the Company or any of their Affiliates, as applicable, in accordance with the terms of such Contract upon the Closing, and (iii) not have notified Buyer or the Company that he is terminating (or expressed to Buyer or the Company an intention to terminate) such Contract with the Company;

(v) The Non-Competition Agreement executed and delivered to Buyer by the Retention Contractor by and between such Retention Contractor and the Company shall be in full force and effect as of the Closing;

(g) Resignation of Company Board and Officers. Buyer shall have received the resignations of the officers of the Company and the members of the Company's board of directors;

(h) Payoff Letters. The Company shall have obtained from each Person who, on or following the date of this Agreement, holds any Indebtedness for borrowed money of the Company, a payoff letter in form and substance reasonably satisfactory to Buyer and such other evidence as Buyer may reasonably request to the effect that all such Indebtedness of the Company has been paid in full and any and all Liens have been fully and finally released;

(i) 401(k) Plans. Unless Buyer provides written notice to the Company to the contrary, the Company shall have provided to Buyer satisfactory documentation, in Buyer's sole discretion, evidencing the termination of any and all Company Employee Programs intended to include a Code Section 401(k) arrangement (each, a "401(k) Plan") without any further liability or obligation of the Company, Buyer, or any of their respective subsidiaries or Affiliates, effective as of the date immediately prior to the Closing, but contingent on the Closing, including executed resolutions of the board of directors of Company authorizing the terminations;

(j) No Litigation. No action, suit or proceeding shall be pending or threatened before any court or quasi-judicial or administrative agency or any federal, state, provincial, local or foreign jurisdiction or before any arbitrator (i) seeking material damages from the Company or (ii) wherein an unfavorable judgment, decree, injunction, order or ruling would prevent the performance of this Agreement or any of the transactions contemplated hereby, declare unlawful the transactions contemplated hereby, cause such transactions to be rescinded or materially and adversely affect the right of Buyer to own or operate the Company, and no judgment, decree, injunction, order or ruling shall have been entered that has any of the foregoing effects;

(k) Estimated Closing Statement. The Company shall have delivered the Estimated Closing Statement as required by Section 2.17(a) in accordance with the terms thereof;

(l) Good Standing Certificates. The Company shall have delivered good standing certificates for the Company from the Secretary of State of the State of California, dated as of a date not earlier than five (5) Business Days prior to the Closing;

(m) FIRPTA Officer's Certificate. The Company shall deliver the FIRPTA Officer's Certificate, under penalties of perjury, stating that the Company is not and has not been a United States real property holding corporation, dated as of the Closing Date and in form and substance required under Sections 1.1445-2(c)(3) and 1.897-2(h) of the Treasury Regulations;

(n) Section 280G Payments. The Company shall have delivered to Buyer the notification and evidence required by Section 5.7(c);

(o) No Company Material Adverse Effect. Since the date hereof, no Company Material Adverse Effect shall have occurred;

(p) Dissenter Shares. Company Stockholders holding more than 4% of the Company Capital Stock shall not have demanded in writing appraisal for his, her or its Company Capital Stock in accordance with Chapter 13 of the CCC and the time within which to make any such demand in accordance with Chapter 13 of the CCC shall have passed;

(q) Closing Stockholder Approval and Stockholder Joinder Agreement. (i) Holders of Company Capital Stock representing at least ninety-six percent (96%) of the outstanding shares of Company Capital Stock voting together as a single class and on an as-converted basis shall have duly executed and delivered the Written Consent (the "Closing Stockholder Approval") and a Certification Form and (ii) Indemnifying Securityholders holding at least ninety-six percent (96%) of the Indemnity Fully Diluted Share Amount shall

have duly executed and delivered to Buyer a Company Stockholder Joinder Agreement, a Company Optionholder Joinder Agreement or a Company Warrantholder Joinder Agreement, as applicable;

(r) Spreadsheet. The Company shall have delivered to Buyer the Spreadsheet, which shall have been certified as true, complete, correct and in accordance with this Agreement; and

(s) Warrant Termination. For each In-the-Money Warrant, the Company shall have delivered a Warrantholder Joinder Agreement duly executed by the Company and the holder of such In-the-Money Warrant.

(t) Promised Option Release. The Company shall have delivered a Promised Option Release duly executed by the Company and each Promised Optionholder.

(u) Agreement of Merger. The Company shall have duly executed and delivered the Agreement of Merger to Buyer.

(v) Securities Restriction Agreements. Each Securities Restriction Agreement executed and delivered to Buyer by the Key Employee by and between such Key Employee and Buyer shall be in full force and effect as of the Closing.

(w) Accredited Investor Certification. Holders of not less seventy percent (70%) of the outstanding Company Capital Stock shall have certified that such holders are Accredited Investors in their respective Certification Forms.

7.2 Conditions to the Company's Obligations. The obligation of the Company to effect the Merger is subject to the satisfaction of the following conditions, any one or more of which may be waived by the Company at or prior to the Effective Time:

(a) Representations and Warranties. As of the date of this Agreement and as of the Closing Date as though made on and as of the Closing Date (except to the extent such representations and warranties are made only as of a specific earlier date, in which case as though made as of such earlier date), (i) each of the representations and warranties set forth in Section 4.1 (Organization and Corporate Power), Section 4.2 (Authorization of Transactions), subclause (ii) of Section 4.3 (Non-Contravention) and Section 4.5 (Buyer Common Stock) (all such sections, collectively, the "Buyer Fundamental Representations") shall be true and correct in all respects (other than *de minimis* inaccuracies), (ii) each of the representations and warranties of Buyer and Merger Subs, other than the Buyer Fundamental Representations, that are qualified by materiality or material adverse effect shall be true and correct in all respects, and (iii) each of the representations and warranties of Buyer and Merger Subs, other than the Buyer Fundamental Representations that are not qualified by materiality or material adverse effect shall be true and correct in all material respects;

(b) Covenants. Each of Buyer, Merger Sub I, and Merger Sub II shall have performed and complied in all material respects with all of the covenants and agreements required to be performed by it under this Agreement before or on the Closing Date;

(c) Officer's Certificate. The Company shall have received a certificate, validly executed by the Chief Executive Officer of Buyer for and on its behalf, to the effect

that, as of the Closing, the condition to the obligations of the Company set forth in Section 7.2(a) and Section 7.2(b) have been satisfied;

(d) Regulatory Approvals. All actions by or in respect of or filings with any Governmental Authority or official that are required for the consummation of the transactions contemplated hereby and by the Ancillary Agreements shall have been taken or made and all authorizations, consents, orders and approvals from such entities shall have been obtained, each in form and substance reasonably satisfactory to the Company, and shall be in full force and effect; and

(e) No Litigation. No action, suit or proceeding shall be pending before any court or quasi-judicial or administrative agency or any federal, state, local or foreign jurisdiction or before any arbitrator wherein an unfavorable judgment, decree, injunction, order or ruling would prevent the performance of this Agreement or any of the transactions contemplated hereby, declare unlawful the transactions contemplated by this Agreement or cause such transactions to be rescinded, and no judgment, decree, injunction, order or ruling shall have been entered that has any of the foregoing effects.

Section 8. INDEMNIFICATION AND RELATED MATTERS.

8.1 Survival of Representations, Covenants and Agreements.

(a) General Survival. Subject to Section 8.1(c), the representations and warranties of the Company made in this Agreement and the Company Officer's Certificate (in each case other than the Fundamental Representations) shall survive the Closing until 11:59 pm (Pacific time) on the date that is twelve (12) months following the Closing Date (the "Expiration Date"); *provided*, *however*, that if, at any time on or prior to the Expiration Date, any Buyer Indemnified Party delivers a written notice, alleging the existence of an inaccuracy in or a breach of any of such representations and warranties and asserting a claim for recovery under Section 8.2 based on such alleged inaccuracy or breach, then the claim asserted in such notice shall survive the Expiration Date until such time as such claim is fully and finally resolved. The representations and warranties of Buyer contained in this Agreement, the Ancillary Agreements or in any certificate or other instrument delivered pursuant to this Agreement shall terminate at the Closing.

(b) Fundamental Representations and Certain Indemnities. Notwithstanding anything to the contrary contained in Section 8.1(a), but subject to Section 8.1(c), the Fundamental Representations (and the indemnities set forth in Section 8.2(a)(ii), Section 8.2(a)(iii), Section 8.2(a)(v), Section 8.2(a)(vi), Section 8.2(a)(viii), Section 8.2(a)(ix) and Section 8.2(a)(xi)) shall survive until the thirtieth (30th) day following the expiration of the statute of limitations applicable to the subject matter thereof; *provided*, *however*, that if, at any time on or prior to the expiration of the statute of limitation referred to in this sentence, any Buyer Indemnified Party delivers a written notice, alleging the existence of an inaccuracy in or a breach of any Fundamental Representation and asserting a claim for recovery under Section 8.2 based on such alleged inaccuracy or breach, or asserting a claim for recovery under such other indemnity, then the claim asserted in such notice shall survive the applicable expiration date until such time as such claim is fully and finally resolved.

(c) Fraud. Notwithstanding anything to the contrary contained in Section 8.1(a) or Section 8.1(a), the limitations set forth in Section 8.1(a) and Section 8.1(b) shall not apply in the event of any Fraud by or on behalf of the Company or any Indemnifying Securityholder.

(d) PPP Loan Indemnification. Notwithstanding anything to the contrary contained in Section 8.1(a) or Section 8.1(b), the representations and warranties set forth in Section 3.28, and the indemnification obligations of the Indemnifying Securityholders in Section 8.2(a)(vii) shall survive the Closing until 11:59 pm (Pacific time) on the date that is six (6) years following the date on which the PPP Loan has been discharged in full (whether by forgiveness or repayment) (such date, the "PPP Termination Date").

(e) Covenants. Any covenant or obligation of Buyer or its Affiliates, the Company, the Indemnifying Securityholders, or the Securityholders' Representative in this Agreement shall survive the Closing until the date fully performed.

(f) General. It is the express intent of the parties hereto that if the applicable survival period for an item as contemplated by this Section 8.1 is longer or shorter than the statute of limitations that would otherwise have been applicable to such item, then, by contract, the applicable statute of limitations with respect to such item shall be modified to the survival period contemplated herein.

8.2 Indemnification.

(a) Indemnification of Buyer Indemnified Parties. From and after the Closing, each Indemnifying Securityholder (severally and not jointly, in accordance with its Pro Rata Share) shall indemnify and hold harmless Buyer and its respective officers, directors, employees, agents and Affiliates (including, from and after the Closing, the Company), and their respective direct and indirect partners, members, shareholders, directors, officers, employees and agents (collectively, the "Buyer Indemnified Parties") from and against any and all Losses directly or indirectly arising out of, related to, accrued or incurred in connection with:

(i) any breach of or inaccuracies in any representation or warranty made by the Company in this Agreement or in any certificate delivered to Buyer at the Closing;

(ii) any breach or nonperformance of any covenant or obligation in this Agreement to be performed by the Company on or prior to the Closing hereunder;

(iii) regardless of the disclosure of any matter set forth in the Disclosure Schedule, any inaccuracy in any information, or breach of any representation or warranty, set forth in the Spreadsheet, including any failure to properly calculate the Company Closing Cash, Company Closing Indebtedness, Company Transaction Expenses, the Adjusted Aggregate Consideration, the Company Securityholders' Pro Rata Shares and the Company Securityholders' Adjustment Pro Rata Shares;

(iv) any Fraud committed by or on behalf of the Company in connection with the Merger and the transactions described herein;

(v) without duplication of any amounts treated as Indebtedness that reduced the Base Merger Consideration, any Indemnified Taxes;

(vi) any Securityholder-Related Claims;

(vii) the PPP Loan;

(viii) any Company Transaction Expenses or Indebtedness that remain outstanding and unpaid immediately prior to the Effective Time (without giving effect to the transactions contemplated hereby) that have not been taken into account in the calculation of the Final Adjustment Amount;

(ix) any payments paid with respect to Dissenting Shares to the extent that such payments, in the aggregate, exceed the value of the amounts that otherwise would have been payable pursuant to Section 2.6 upon the exchange of such Dissenting Shares and any costs or expenses incurred by a Buyer Indemnified Party in connection therewith;

(x) for three (3) years from and after the Closing, disregarding any disclosure of any matter in the Disclosure Schedule, the matters set forth on Schedule 8.2(a)(x) (collectively, the "Specified Matters"); and

(xi) any costs and expenses of enforcement to recover Losses due to any Buyer Indemnified Party under this Section 8.

(b) Materiality. For purposes of determining whether or not there has been an inaccuracy or breach of a representation or warranty as well as the amount of any Loss incurred in connection with any inaccuracy or a breach of a representation or warranty for which a Buyer Indemnified Party is entitled to indemnification pursuant to Section 8.2(a)(i), all references to "material" or "Material Adverse Effect" or other similar qualifiers included in such representations and warranties shall be disregarded.

(c) Valuation of Shares of Buyer Common Stock. An Indemnifying Securityholder may satisfy an obligation to indemnify a Buyer Indemnified Party using (i) cash, (ii) shares of Buyer Common Stock or (iii) a combination thereof, at such Indemnifying Securityholder's discretion. Any shares of Buyer Common Stock surrendered for such purpose shall be valued at the Buyer Stock Price for the purpose of satisfying such indemnification obligation.

8.3 Limitations.

(a) Deductible. Subject to Section 8.3(c), no Buyer Indemnified Party shall be entitled to any indemnification payment pursuant to Section 8.2(a)(i) until such time as the total amount of all Losses arising from any inaccuracies or breaches of any representations or warranties that have been directly or indirectly suffered or incurred by any one or more of such Buyer Indemnified Parties exceeds $275,000 in the aggregate (the "Deductible Amount"). If the total amount of such Loss exceeds the Deductible Amount, then the Buyer Indemnified Parties shall be entitled to be indemnified against and compensated and reimbursed for the portion of such Loss exceeding the Deductible Amount, subject to the limitations set forth herein.

(b) Recourse to Indemnity Escrow Fund. Subject to Section 8.3(c), recourse by the Buyer Indemnified Parties to the Indemnity Escrow Fund and R&W Insurance Policy shall be the Buyer Indemnified Parties' sole and exclusive remedy under this Agreement against the Indemnifying Securityholders for monetary Loss resulting from the matters referred to in Section 8.2(a)(i).

(c) Applicability of Escrow Amount Cap; Indemnification Cap.

(i) Notwithstanding anything in this Section 8 to the contrary, the limitations set forth in Section 8.3(a) and Section 8.3(b) shall not apply (and shall not limit the indemnification or other obligations of any Indemnifying Securityholder): (A) in the event of any claim of Fraud; or (B) to claims regarding inaccuracies in or breaches of the Fundamental Representations.

(ii) Notwithstanding anything to the contrary set forth herein, the total amount of indemnification payments that each Indemnifying Securityholder can be required to make to the Buyer Indemnified Parties pursuant to Section 8.2(a) (in excess of the amount, if any, that was withheld with respect to such Indemnifying Securityholder as a contribution to the Indemnity Escrow Fund and paid to Buyer or any other Buyer Indemnified Party out of the Indemnity Escrow Fund) shall be limited to an amount equal to (A) the aggregate cash actually paid and (B) the value of shares of Buyer Common Stock (valued at the Buyer Stock Price) actually issued to such Indemnifying Securityholder (prior to deduction of any Taxes, if any) (the "Individual Cap"); provided that the foregoing shall not limit or otherwise restrict the right of any Buyer Indemnified Party to pursue remedies (X) under any Ancillary Agreement against the parties thereto or (Y) in connection with any claim of Fraud by any Indemnifying Securityholder against such Indemnifying Securityholder (for which there shall be no limitation of liability hereunder).

(iii) Except with respect to (X) any claim of Fraud by or on behalf of the Company, and (Y) inaccuracies in or breaches of any Fundamental Representations, for the matters referred to in Section 8.2(a)(i), the following order of priority shall apply for recovery: (1) first, after the Deductible Amount, from the Indemnity Escrow Fund until such funds are exhausted; and (2) second, to the extent covered by R&W Insurance Policy, from the R&W Insurance Policy by collecting insurance proceeds therefrom.

(iv) With respect to any of the matters referred to in Sections 8.2(a)(ii)-8.2(a)(ix) and 8.2(a)(xi), the Buyer Indemnified Parties may, in their sole and absolute discretion, seek to recover amounts in respect of such claims (1) directly from the Indemnifying Securityholders or (2) from the Indemnity Escrow Fund.

(v) With respect to any of the matters referred to in Section 8.2(a)(x) (or any claim that could be reasonably characterized as a claim under Section 8.2(a)(x)), the following order of priority shall apply for recovery: (1) first, from the Specified Matters Escrow Fund until such funds are exhausted; and (2) second, the Buyer Indemnified Parties may, in their sole and absolute discretion, seek to recover amounts in respect of such claims (A) directly from the Indemnifying Securityholders or (B) from the Indemnity Escrow Fund.

(vi) Any indemnification owed by the Indemnifying Securityholders to the Buyer Indemnified Parties pursuant to Section 8.2(a)(i) for a breach of any Fundamental

Representation, the matters to which Section 5 applies or in the case of any claim of Fraud by or on behalf of the Company shall be satisfied: (A) first, by disbursement from the Indemnity Escrow Fund, if any, which at the time of such claim is being held by the Escrow Agent pursuant to the Escrow Agreement (provided, that in the event a subsequent claim for indemnification resulting in Losses owed by the Company Securityholders to the Buyer Indemnified Parties pursuant to Section 8.2(a)(i) within the Expiration Date, matters to which Section 5 applies or in the case of Fraud, the Indemnifying Securityholders shall remain liable for the aggregate amounts paid from the Indemnity Escrow Fund to the Buyer Indemnified Parties pursuant to this clause (A)), (B) second, directly from the Indemnifying Securityholders up to the remainder of the retention under the R&W Insurance Policy, (C) third, to the extent the Buyer Indemnifiable Parties' indemnifiable Losses exceed the retention under the R&W Insurance Policy and to the extent the claim is covered by the R&W Insurance Policy, from and against the R&W Insurance Policy, and (D) finally, if (A) the claim is not covered by the R&W Insurance Policy and the Buyer Indemnified Parties' indemnifiable Losses exceed the amount remaining in the Indemnity Escrow Fund, or (B) the Buyer Indemnifiable Parties' indemnifiable Losses exceed the Indemnity Escrow Fund, the retention under the R&W Insurance Policy, and coverage available under the R&W Insurance Policy with respect thereto, then in each case, against the Indemnifying Securityholders in accordance with their respective Pro Rata Shares, subject to Section 8.3(c)(ii).

(vii) The payment of any cash from the Indemnity Escrow Fund in satisfaction of any indemnification obligations under this Article 8 shall be made, with respect to each Indemnifying Securityholder with consideration subject to vesting, including, without limitation, the Retention Holdback Amount, first with cash subject to vesting or other restrictions and then, if such cash is insufficient to satisfy such indemnification obligation and only to the extent of such insufficiency, shall such payment be made with vested cash. In the event any unvested cash of the Key Employee that is placed in the Indemnity Escrow Fund is forfeited by such Key Employee, such unvested cash shall be paid to Buyer out of the Indemnity Escrow Fund and reduce dollar-for-dollar the amount that would be paid to such Key Employee at the time any cash in the Indemnity Escrow Fund is paid to the Indemnifying Securityholder.

(d) The right to indemnification based on representations, warranties, covenants and obligations in this Agreement will not be affected by any investigation conducted with respect to, or any knowledge acquired (or capable of being acquired) at any time, whether before or after the execution and delivery of this Agreement, with respect to the accuracy or inaccuracy of or compliance with, any such representation, warranty, covenant or obligation. The waiver of any condition based on the accuracy of any representation or warranty, or on the performance of or compliance with any covenant or obligation, will not affect the right to indemnification based on such representations, warranties, covenants and obligations.

(e) Notwithstanding any other provision of this Agreement to the contrary, but subject to Section 8.3(f) below, this Section 8 shall be the sole and exclusive remedy of the Buyer Indemnified Parties from and after the Closing for any claims arising under, or in connection with, this Agreement, including claims of any inaccuracy in or breach of any representation, warranty or covenant in this Agreement or any certificate delivered pursuant hereto; *provided*, *however*, that this Section 8.3(e) shall not be deemed a waiver by any party of any right to specific performance or injunctive relief; *provided*, *further*, that this Section 8.3(e) shall not prevent or limit any claim in the event of fraud (with the element of scienter) or willful breach by or on behalf of any Indemnifying Securityholder.

(f) The Parties acknowledge the applicability of the common law duty to mitigate damages.

(g) Notwithstanding anything herein to the contrary contained herein, for purposes of determining the amount of Losses incurred by a Buyer Indemnified Party under Section 8.2(a) or Section 5, there shall be deducted from any Losses an amount equal to the amount of any proceeds actually received by any Buyer Indemnified Party from any third-party insurer (including, the R&W Insurance Policy) (less any costs incurred in connection with obtaining such proceeds, including any premium adjustments). In the event any Buyer Indemnified Party first recovers against the Indemnifying Securityholders directly for any particular Losses and thereafter recovers for the same Losses pursuant to any existing insurance policies, then the amount recovered pursuant to such existing insurance policies (up to the amount first recovered by the Buyer Indemnified Parties against the Indemnifying Securityholders and less any costs and expenses incurred in connection with obtaining such proceeds, including any premium adjustments and reasonable and out-of-pocket investigation costs) shall promptly be paid to the Final Surviving Entity and Exchange Agent, as applicable, by Buyer, for further distribution to the Indemnifying Securityholders. Buyer will use its commercially reasonable efforts to recover any applicable Losses under the R&W Insurance Policy, to the extent the applicable claim is covered by the R&W Insurance Policy, before the Indemnifying Securityholders make any payments for such Losses or amounts are distributed from the Indemnity Escrow Fund with respect to the claim at issue; provided that Buyer shall not be precluded from asserting in parallel a claim for Losses against the Indemnifying Securityholders or the Indemnity Escrow Fund as otherwise permitted in this Section 8.

(h) Nothing in this Agreement shall limit the right of Buyer or any other Buyer Indemnified Party to pursue remedies under any Ancillary Agreement against the parties thereto.

(i) All payments (if any) made to a Buyer Indemnified Party in connection with a breach of this Agreement will be treated as adjustments to the Base Merger Consideration for Tax purposes and such agreed treatment will govern for purposes of this Agreement, unless otherwise required by Law.

(j) No Buyer Indemnified Party is to be entitled to recover any Losses pursuant to this Section 8 to the extent such Buyer Indemnified Party has recovered the full cash amount of such Losses pursuant to another provision of this Agreement or otherwise, so as to avoid duplication or "double counting" of the same Losses. For the avoidance of doubt, if a Buyer Indemnified Party is entitled to indemnification under more than one provision of this Agreement with respect to Losses, then such Buyer Indemnified Party shall be entitled to only one indemnification or recovery for such Losses to the extent it arises out of the same set of circumstances and events. This Section 8.3(j) is intended solely to preclude a duplicate recovery by a Buyer Indemnified Party. Nothing herein shall preclude a Buyer Indemnified Party from seeking the maximum amount of potential indemnifiable Losses in accordance with the terms of this Agreement.

8.4 No Contribution. Each Indemnifying Securityholders waives, and acknowledges and agrees that such Indemnifying Securityholder shall not have and shall not exercise or assert (or attempt to exercise or assert), any right of contribution, right of indemnity or advancement of expenses or other right

or remedy against the Company in connection with any indemnification obligation or any other Liability to which such Indemnifying Securityholder may become subject under or in connection with this Agreement or any other Ancillary Agreement. Effective as of the Closing, the Securityholders' Representative, on behalf of itself, and each Indemnifying Securityholder expressly waives and releases any and all rights of subrogation, contribution, advancement, indemnification or other claim against Buyer or the Company.

8.5 Claims Procedures. Other than in respect of claims to be made under the R&W Insurance Policy as set forth in this Section 8, any claim for indemnification pursuant to this Section 8 (and, at the option of any Buyer Indemnified Party, any claim pursuant to Section 8.2(a)(iv)) shall be brought and resolved as follows:

(a) If any Buyer Indemnified Party has or claims in good faith to have incurred or suffered, or believes in good faith that it may incur or suffer, a Loss for which it is or may be entitled to indemnification under this Section 8 or for which it is or may otherwise be entitled to a monetary remedy relating to this Agreement, the transactions contemplated hereby, such Buyer Indemnified Party may deliver a claim certificate (a "Claim Certificate") to the Securityholders' Representative. Each Claim Certificate shall: (i) contain a brief description of the facts and circumstances supporting the Buyer Indemnified Party's claim; and (ii) if practicable, contain a non-binding, preliminary, good faith estimate of the amount to which the Buyer Indemnified Party might be entitled. Such Buyer Indemnified Party may update a Claim Certificate from time to time to reflect any change in circumstances following the date thereof. If a claim under this Section 8 may be brought under different or multiple sections, clauses or sub-clauses of Section 8 (or with respect to different or multiple representations, warrants or covenants), then, subject to the conditions, qualifications and limitations and other provisions of this Section 8, the Buyer Indemnified Party shall have the right to bring such claim under any or each such section, clause, subclauses, representation, warranty or covenant (each a "Subject Provision") that it chooses, and the Buyer Indemnified Party will not be precluded from seeking indemnification under any Subject Provision by virtue of the Buyer Indemnified Party not being entitled to seek indemnification under any other Subject Provision.

(b) Notwithstanding the foregoing, to the extent permitted under this Section 8, any Buyer Indemnified Party may make a claim directly against the Indemnifying Securityholders by delivering a Claim Certificate to such Indemnifying Securityholder. Such Buyer Indemnified Party may update a Claim Certificate from time to time to reflect any change in circumstances following the date thereof.

(c) After the giving of any Claim Certificate pursuant hereto, the amount of indemnification to which a Buyer Indemnified Party shall be entitled under this Section 8 shall be determined (i) by the written agreement between the Buyer Indemnified Party and the Securityholders' Representative, (ii) by a final judgment or decree of any court of competent jurisdiction or (iii) by any other means to which the Buyer Indemnified Party and the Securityholders' Representative shall agree. For purposes of this Agreement, the judgment or decree of a court shall be deemed final when the time for appeal, if any, shall have expired and no appeal shall have been taken or when all appeals taken shall have been finally determined.

(d) Subject to Section 8.7 and the limitations set forth in Section 8.3, in the event that any Losses are determined to be owed to any Buyer Indemnified Party, each Indemnifying Securityholder shall promptly, and in no event later than ten (10) Business Days after the determination of Losses hereunder, wire transfer to Buyer an amount equal to the product of (x) such Indemnifying Securityholders' Pro Rata Share, *multiplied by* (y) the aggregate amount of such Losses (other than Losses arising out of, related to or incurred or accrued in connection with any Fraud by a Indemnifying Securityholder, for which the applicable Indemnifying Securityholder responsible for such breach or act shall wire transfer to Buyer an amount equal to the entire aggregate amount of such Loss).

8.6 Third Party Claims.

(a) Third Party Claims. If any Buyer Indemnified Party receives notice of the assertion or commencement of any claim or Legal Proceeding (whether against the Company, Buyer or any other Person) made or brought by any Person who is not a party to this Agreement or an Affiliate of a party to this Agreement or a Representative of any of the foregoing (a "Third Party Claim") against such Buyer Indemnified Party with respect to which the Indemnifying Securityholders are obligated to provide indemnification under this Agreement, the Buyer Indemnified Party shall give the Securityholders' Representative reasonably prompt written notice thereof. The failure to promptly give such written notice shall not, however, relieve the Indemnifying Securityholders of their indemnification obligations, except and only to the extent that the Indemnifying Securityholders are actually and materially prejudiced thereby. Such notice by the Buyer Indemnified Parties shall describe the Third Party Claim in reasonable detail, shall include copies of all material written evidence thereof and shall indicate the estimated amount, if reasonably practicable, of the Losses that have been or may be sustained by the Buyer Indemnified Parties. The Securityholders' Representative shall have the right to participate in or, upon providing written notice to the Buyer Indemnified Parties within fifteen (15) days of receipt of such notice of such Third Party Claim in which the Securityholders' Representative acknowledges on behalf of the Indemnifying Securityholders without qualification the Indemnifying Securityholders' indemnification obligation hereunder (subject only to the applicable limitations set forth in Section 8.3 and this Section 8.6), to assume the defense of any Third Party Claim at the Indemnifying Securityholders' expense and by the Securityholders' Representative own counsel. In the event that the Securityholders' Representative assumes the defense of any Third Party Claim, subject to Section 8.7(b), the Buyer Indemnified Parties shall cooperate reasonably in the defense thereof. The Buyer Indemnified Parties shall have the right to participate in the defense of any Third Party Claim with counsel selected by it, subject to the Securityholders' Representative's right to control the defense thereof. The fees and disbursements of such counsel shall be at the expense of the Buyer Indemnified Parties; provided, that if in the reasonable opinion of counsel to the Buyer Indemnified Parties, there are legal defenses available to a Buyer Indemnified Party that are different from or additional to those available to the Indemnifying Securityholders, such fees and disbursements shall be at the expense of the Indemnifying Securityholders. If the Securityholders' Representative elects not to compromise or defend such Third Party Claim, fails to give timely and sufficient notification to the Buyer Indemnified Parties in writing of its election to defend as provided in this Agreement, or loses its right to defend such Third Party Claim by failing to diligently defend such Third Party Claim, the Buyer Indemnified Parties may, subject to Section 8.6(b), without prejudice to its right to indemnification hereunder, pay, compromise and defend such Third Party Claim and seek indemnification for any and all Losses based upon, arising from

or relating to such Third Party Claim. Notwithstanding anything to the contrary contained in this Section 8.6, the Securityholders' Representative shall not be entitled to assume control of a Third Party Claim if (i) the Third Party Claim relates to or arises in connection with any criminal proceeding, action, indictment, investigation or allegation, (ii) the Third Party Claim seeks injunctive or other equitable relief or relief other than for monetary Damages against the Buyer Indemnified Parties, (iii) the Buyer Indemnified Parties reasonably believe that the Third Party Claim, if adversely determined, would impair in any material respect the financial condition, business, operations, reputation or prospects of the Buyer Indemnified Parties or any of their respective Affiliates, (iv) an actual or readily apparent conflict of interest (as determined by the Buyer Indemnified Parties after obtaining advice of counsel) exists between the Indemnifying Securityholders and the Buyer Indemnified Parties with respect to the Third Party Claim that precludes effective joint representation, (v) the Third Party Claim is, in the discretion of the Buyer Indemnified Parties, subject to recovery under the R&W Insurance Policy, or (vi) the amounts reasonably expected to be incurred in connection with such Third Party Claim, together with all other outstanding claims on the Indemnity Escrow Fund, exceed the amount remaining in the Indemnity Escrow Fund. If, pursuant to this Section 8.6(a), the Buyer Indemnified Parties so contest, defend, litigate or settle a Third Party Claim for which they are entitled to indemnification hereunder, the Buyer Indemnified Parties shall be reimbursed by the Indemnifying Securityholders for the reasonable attorneys' fees and other expenses of defending the Third Party Claim which are incurred from time to time, promptly following the presentation to the Securityholders' Representative of itemized bills for such attorneys' fees and other expenses, subject, however, to any applicable limitations set forth in Section 8.3 this Section 8.6. Subject to any applicable limitations set forth in this Section 8.6, all expenses (including attorneys' fees) incurred by the Securityholders' Representative in connection with the foregoing shall be paid by the Indemnifying Securityholders.

(b) Settlement of Third Party Claims. Notwithstanding any other provision of this Agreement, the Securityholders' Representative shall not enter into settlement of any Third Party Claim without the prior written consent of the Buyer Indemnified Parties; provided that such consent shall not be unreasonably withheld or delayed so long as: (i) a firm offer is made to settle a Third Party Claim that (A) does not impose injunctive or other equitable relief against the Buyer Indemnified Parties or any of their respective Affiliates (including any equitable remedies or other obligations or restrictions upon the Buyer Indemnified Parties or any of their respective Affiliates), (B) would not lead to any liability or the creation of a financial or other obligation on the part of the Buyer Indemnified Parties or any of their respective Affiliates, (C) provides, in customary form, for the full, unconditional written release of each Buyer Indemnified Party and their respective Affiliates from all Liabilities and obligations in connection with such Third Party Claim, and (D) does not adversely affect the conduct of the business of the Buyer Indemnified Parties or any of their respective Affiliates, and (ii) the Securityholders' Representative provides written notice to the Buyer Indemnified Parties that it desires to accept and agree to such offer and the terms thereof. If the Buyer Indemnified Parties have assumed the defense pursuant to Section 8.7(a), they shall not agree to any settlement without the written consent of the Securityholders' Representative (which consent shall not be unreasonably withheld or delayed).

(c) Cooperation. The Securityholders' Representative, the Members, and the Buyer Indemnified Party shall each use commercially reasonable efforts in good faith to

cooperate with each other in all reasonable respects in connection with the defense of any Third Party Claim, including, upon the reasonable request of Buyer, providing copies of records within the Company's or the Indemnifying Securityholders' possession or control relating to such Third Party Claim and making available, without expense (other than reimbursement of actual out-of-pocket expenses), Representatives of the Company or the Indemnifying Securityholders as may be reasonably necessary for the preparation of the defense of such Third Party Claim.

(d) Coordination with Tax Claims. If there shall be any conflicts between the provisions of this Section 8.7 and Section 5.9(f), the provisions of Section 5.9(f) shall control with respect to Tax Claims.

8.7 Release from Escrow.

(a) Within five (5) Business Days after the Expiration Date, Buyer will notify the Securityholders' Representative in writing of the amount that Buyer determines in good faith to be necessary to satisfy all claims for indemnification that have been asserted against the Indemnity Escrow Fund, but not resolved on or prior to 11:59 p.m. (Eastern time) on the Expiration Date (each such claim a "Continuing Claim" and such amount, the "Retained Escrow Amount"). Subject to Section 8.7(c), within five (5) Business Days following the Expiration Date, Buyer and the Securityholders' Representative shall execute and deliver joint written instructions to the Escrow Agent instructing the Escrow Agent to release from the Indemnification Escrow Fund an amount in the aggregate equal to (i) the amount held in the Indemnity Escrow Fund as of the Expiration Date (as reduced from time to time pursuant to the terms of this Agreement) *minus* (ii) the Retained Escrow Amount, for distribution to each Indemnifying Securityholder, it being acknowledged and agreed that such amount shall be released to the Exchange Agent for distribution to the Indemnifying Securityholders in accordance with their respective Pro Rata Shares. Upon the full and final resolution of any Continuing Claims, all remaining funds in the Indemnity Escrow Fund shall be distributed to the Indemnifying Securityholders in accordance with the procedures set forth in this Section 8.7(a).

(b) Within five (5) Business Days after the Specified Matters Release Date, Buyer will notify the Securityholders' Representative in writing of the amount that Buyer determines in good faith to be necessary to satisfy all claims for indemnification that have been asserted against the Specified Matters Escrow Fund, but not resolved on or prior to 11:59 p.m. (Eastern time) on the Specified Matters Release Date (each such claim a "Specified Matters Continuing Claim" and such amount, the "Specified Matters Retained Escrow Amount"). Subject to Section 8.7(c), within five (5) Business Days following the Specified Matters Release Date, Buyer and the Securityholders' Representative shall execute and deliver joint written instructions to the Escrow Agent instructing the Escrow Agent to release from the Specified Matters Escrow Fund an amount in the aggregate equal to (i) the amount held in the Specified Matters Escrow Fund as of the Specified Matters Release Date (as reduced from time to time pursuant to the terms of this Agreement) *minus* (ii) the Specified Matters Retained Escrow Amount, for distribution to each Indemnifying Securityholder, it being acknowledged and agreed that such amount shall be released to the Exchange Agent for distribution to the Indemnifying Securityholders in accordance with their respective Pro Rata Shares. Upon the full and final resolution of any Specified Matters Continuing Claims, all remaining funds in the Specified Matters Escrow Fund shall be

distributed to the Indemnifying Securityholders in accordance with the procedures set forth in this Section 8.7(b).

(c) With respect to any amount to be released to the Indemnifying Securityholders pursuant to the Escrow Agreement: (i) each distribution to be made from the Indemnity Escrow Fund or Specified Matters Escrow Fund, as applicable, to a particular Indemnifying Securityholder shall be effected in accordance with the payment delivery instructions and in the amounts set forth in the applicable Spreadsheet; and (ii) all written instructions to be delivered to the Escrow Agent with respect to any distribution from the Escrow Fund shall be consistent with this Section 8.7(c).

Section 9. TERMINATION OF AGREEMENT.

9.1 Termination by Mutual Consent. This Agreement may be terminated and the Merger may be abandoned, notwithstanding the delivery of Written Consents, at any time prior to the Effective Time by the mutual written consent of Buyer and the Company.

9.2 Unilateral Termination.

(a) Either Buyer or the Company, by giving written notice to the other, may terminate this Agreement if (i) a court of competent jurisdiction or other Governmental Authority shall have issued a final judgment or taken any action (and the final appeal of such judgment or action has been denied) having the effect of permanently restraining or enjoining or otherwise prohibiting the Merger or any other material transaction contemplated by this Agreement or (ii) there has been adopted an applicable Law that makes the consummation of the Merger on the terms and conditions contemplated by this Agreement illegal.

(b) Either Buyer or the Company, by giving written notice to the other, may terminate this Agreement if the Merger shall not have been consummated by 5:00 p.m. Eastern time on October 28, 2021 if the conditions to the terminating party's obligations to Closing under Section 7 (other than conditions pertaining to covenants to be performed as part of effectuating the Closing) have not been satisfied and the terminating party has not waived such unsatisfied conditions by such time; provided, however, that the right to terminate this Agreement pursuant to this Section 9.2(b) shall not be available to any party whose breach of a representation or warranty or covenant made under this Agreement by such party results in the failure of any condition set forth in Section 7 to be fulfilled or satisfied as of such date.

(c) The Company, by giving written notice to Buyer, may terminate this Agreement at any time prior to the Effective Time if Buyer or Merger Subs has committed a breach of (i) any of their representations or warranties under Section 4, or (ii) any of their covenants under this Agreement, and (A) has not cured such breach within ten (10) Business Days after the Company has given Buyer and Merger Subs written notice of such breach and its intention to terminate this Agreement pursuant to this Section 9.2(c) (provided, however, that no such cure period shall be available or applicable to any such breach which by its nature cannot be cured) and (B) if not cured on or prior to the Closing Date, or if not curable, such breach would result in the failure of any of the conditions set forth in Section 7 to be fulfilled or satisfied; provided, however, that the right to terminate this Agreement under this

Section 9.2(c) shall not be available to the Company if the Company is at that time in material breach of this Agreement.

(d) Buyer, by giving written notice to the Company, may terminate this Agreement at any time prior to the Effective Time if the Company has committed a breach of (i) any of its representations or warranties under 2.18(a), or (ii) any of its covenants under this Agreement, and (A) has not cured such breach within ten (10) Business Days after Buyer has given the Company written notice of such breach and its intention to terminate this Agreement pursuant to this Section 9.2(d) (provided, however, that no such cure period shall be available or applicable to any such breach which by its nature cannot be cured) and (B) if not cured on or prior to the Closing Date, or if not curable, such breach would result in the failure of any of the conditions set forth in Section 7 to be fulfilled or satisfied; provided, however, that the right to terminate this Agreement under this Section 9.2(d) shall not be available to Buyer if Buyer or Merger Subs are at that time in material breach of this Agreement.

(e) Buyer, by giving written notice to the Company, may terminate this Agreement at any time prior to the Effective Time if, between the date hereof and the Effective Time, there shall have occurred a Company Material Adverse Effect.

(f) Buyer, by giving written notice to the Company, may terminate this Agreement at any time prior to the Effective Time if executed Written Consents evidencing the Requisite Stockholder Approval are not delivered to Buyer within three (3) hours after the execution and delivery of this Agreement by Buyer, Merger Subs, the Company and the Securityholders' Representative.

9.3 Effect of Termination. In the event of the termination of this Agreement pursuant to Section 9.1 or Section 9.2, this Agreement shall forthwith become void and there shall be no Liability or obligation on the part of Buyer, Merger Subs or the Company or their respective officers, directors, stockholders or Affiliates; provided, however, that (a) the provisions of this Section 9.3 (Effect of Termination), Section 5.8 (Confidentiality) and Section 10 (Miscellaneous) shall remain in full force and effect and survive any termination of this Agreement, and (b) nothing herein shall relieve any party hereto from Liability in connection with any Fraud or willful breach prior to such termination.

Section 10. MISCELLANEOUS.

10.1 Amendment. This Agreement may not be amended or modified except (a) by an instrument in writing signed by or on behalf of Buyer, the Securityholders' Representative, and the Company or (b) by a waiver in accordance with Section 10.3; provided, however, that any amendment or modification to the rights or obligations of the Key Employee in this Agreement in their capacity as Key Employee and not as Company Securityholders shall require an instrument in writing signed by the holders of at least a majority of the Company Capital Stock held by the Key Employee as of immediately prior to the Closing.

10.2 Securityholders' Representative.

(a) At the Closing, by the adoption of the Merger, and by receiving the benefits thereof, including any consideration payable hereunder, each Company Securityholder shall be deemed to have approved the appointment of, and Fortis Advisors LLC shall be constituted and appointed as the Securityholders' Representative. The

Securityholders' Representative shall be the exclusive representative, agent and attorney-in-fact for and on behalf of the Company Securityholders for all purposes in connection with this Agreement and the agreements ancillary hereto, including to (i) execute, as the Securityholders' Representative, this Agreement and any agreement or instrument entered into or delivered in connection with the transactions contemplated hereby, (ii) give and receive notices, instructions and communications permitted or required under this Agreement, or any other agreement, document or instrument entered into or executed in connection herewith, for and on behalf of any Company Securityholder, to or from Buyer (on behalf of itself or any other Buyer Indemnified Party) relating to this Agreement or any of the transactions contemplated hereby and any other matters contemplated by this Agreement or by such other agreement, document or instrument (except to the extent that this Agreement expressly contemplates that any such notice or communication shall be given or received by each Company Securityholder individually), (iii) review, negotiate and agree to and authorize Buyer to reclaim an amount of cash from the Indemnity Escrow Fund, the Specified Matters Escrow Fund or the Adjustment Escrow Fund in satisfaction of claims asserted by Buyer (on behalf of itself or any other Buyer Indemnified Party, including by not objecting to such claims) pursuant to Section 8, (iv) object to such claims pursuant to Section 2.17 or Section 8, (v) consent or agree to, negotiate, enter into, or, if applicable, contest, prosecute or defend, settlements and compromises of, and comply with judgments, orders or decrees of courts with respect to, such claims, resolve any such claims, take any actions in connection with the resolution of any dispute relating hereto or to the transactions contemplated hereby by settlement or otherwise, and take or forego any or all actions permitted or required of any Company Securityholder or necessary in the judgment of the Securityholders' Representative for the accomplishment of the foregoing and all of the other terms, conditions and limitations of this Agreement, (vi) consult with legal counsel, independent public accountants and other experts selected by it, solely at the cost and expense of the Company Securityholders, (vii) consent or agree to any amendment to this Agreement or to waive any terms and conditions of this Agreement providing rights or benefits to the Company Securityholders (other than with respect to the payment of the consideration payable hereunder to the Company Securityholders) in accordance with the terms hereof and in the manner provided herein, (viii) pursuant to Section 2.17, review, negotiate, object to, accept or agree to the calculations set forth in the Buyer Closing Statement and (ix) take all actions necessary or appropriate in the judgment of the Securityholders' Representative hereunder, under the Escrow Agreement or under the Securityholders' Representative Engagement Agreement for the accomplishment of the foregoing, in each case without having to seek or obtain the consent of any Person under any circumstance and (x) utilize the Expense Fund in connection with any of the foregoing. Notwithstanding the foregoing, the Securityholders' Representative shall have no obligation to act on behalf of the Company Securityholders, except as expressly provided herein and in the Securityholders' Representative Engagement Agreement, and for purposes of clarity, there are no obligations of the Securityholders' Representative in any ancillary agreement, schedule, exhibit or the Disclosure Schedule. Buyer, Merger Subs and their respective Affiliates (including after the Effective Time, the First Step Surviving Corporation and after the Second Effective Time, the Final Surviving Entity) shall be entitled to rely on the appointment of Shareholder Representative Services LLC as the Securityholders' Representative and treat such Securityholders' Representative as the duly appointed attorney-in-fact of each Company Securityholder and has having the duties, power and authority provided for in this Section 10.2. Each Company Securityholder shall be bound by all actions taken and documents executed by the Securityholders' Representative in connection with this Section 10.2, and Buyer and other Buyer Indemnified Parties shall be entitled to rely

exclusively on any action or decision of the Securityholders' Representative. The Securityholders' Representative may resign at any time with no less than thirty (30) days' prior written notice as provided for in the Securityholders' Representative Engagement Agreement. The Person serving as the Securityholders' Representative may be removed or replaced from time to time, or if such Person resigns from its position as the Securityholders' Representative, then a successor may be appointed, by the Company Securityholders collectively having a Pro Rata Share greater than 50% upon not less than thirty (30) days' prior written notice to Buyer. No bond shall be required of the Securityholders' Representative.

(b) Certain Company Securityholders have entered or will enter into an engagement agreement (the "Securityholders' Representative Engagement Agreement") with the Securityholders' Representative to provide direction to the Securityholders' Representative in connection with its services under this Agreement, and the Securityholders' Representative Engagement Agreement (such Company Securityholders, including their individual representatives, collectively hereinafter referred to as the "Advisory Group"). Neither the Securityholders' Representative nor its members, managers, directors, officers, contractors, agents and employees nor any member of the Advisory Group (collectively, the "Securityholders' Representative Group") shall be liable to any Company Securityholder for any act done or omitted hereunder or under the Securityholders' Representative Engagement Agreement while acting in good faith (and any act done or omitted pursuant to the advice of counsel shall be conclusive evidence of such good faith) and without gross negligence or willful misconduct. The Securityholders' Representative shall not be liable for any action or omission pursuant to the advice of counsel. The Company Securityholders shall severally (based on each such Company Securityholder's Pro Rata Share) but not jointly indemnify the Securityholders' Representative Group and hold it harmless against any loss, liability, damage, claim, penalty, fine, amount paid in settlement, judgment, forfeiture, fee, cost or expense (including the fees and expenses of counsel, other professionals and experts and their staffs and all expense of document location, duplication and shipment and in connection with seeking recovery from insurers) (collectively, "Representative Losses") arising out of, resulting from or in connection with the acceptance or administration of its duties hereunder and under any agreements ancillary hereto, in each case as such Representative Losses are suffered or incurred; provided, that in the event that any such Representative Losses are finally adjudicated to have been directly caused by the gross negligence, willful misconduct or bad faith of the Securityholders' Representative, the Securityholders' Representative will reimburse the Company Securityholders the amount of such indemnified Representative Losses to the extent attributable to such gross negligence, willful misconduct or bad faith. If not paid directly to the Securityholders' Representative by the Company Securityholders, any such Representative Losses may be recovered by the Securityholders' Representative from the Expense Fund and, after the Expense Fund is fully depleted, from the portion of the Indemnity Escrow Fund, the Specified Matters Escrow Fund or Adjustment Escrow Fund otherwise distributable to the Company Securityholders (and not distributed or distributable to a Buyer Indemnified Party or subject to a pending indemnification claim of a Buyer Indemnified Party) at such time as such amounts would otherwise be distributable to the Company Securityholders, and such recovery will be made from the Company Securityholders according to their respective Pro Rata Shares of such Representative Losses; provided, that while this Section allows the Securityholders' Representative to be paid from the aforementioned sources of funds this does not relieve the Company Securityholders from their obligation to promptly pay such Representative Losses as they are suffered or incurred,

nor does it prevent the Securityholders' Representative from seeking any remedies available to it at law or otherwise. In no event will the Securityholders' Representative be required to advance its own funds on behalf of the Company Securityholders or otherwise incur any financial liability in the exercise or performance of any of its powers, rights, duties or privileges or pursuant to this Agreement or the transactions contemplated hereby. Furthermore, the Securityholders' Representative shall not be required to take any action unless the Securityholders' Representative has been provided with funds, security or indemnities which, in its determination, are sufficient to protect the Securityholders' Representative against the costs, expenses and liabilities which may be incurred by the Securityholders' Representative in performing such actions. For the avoidance of doubt and notwithstanding anything in this Agreement to the contrary, the limitations on liability of the Company Securityholders set forth elsewhere in this Agreement (including in Section 8.3) are not intended to be applicable to the indemnities provided to the Securityholders' Representative under this Section 10.2(b). The Company Securityholders acknowledge and agree that the foregoing indemnities will survive the resignation or removal of the Securityholders' Representative or any member of the Advisory Group, the Closing, or the termination of this Agreement. The powers, immunities and rights to indemnification granted to the Securityholders' Representative Group hereunder: (i) are coupled with an interest and shall be irrevocable and survive the death, incompetence, bankruptcy or liquidation of any Company Securityholder and shall be binding on any successor thereto, and (ii) shall survive the delivery of an assignment by any Company Securityholder of the whole or any fraction of his, her or its interest in the Indemnity Escrow Fund or the Specified Matters Escrow Fund.

(c) After the Closing, any notice or communication given or received by, and any decision, action, failure to act within a designated period of time, agreement, consent, settlement, resolution or instruction of, the Securityholders' Representative that is within the scope of the Securityholders' Representative's authority under Section 10.2(a) shall constitute a notice or communication to or by, or a decision, action, failure to act within a designated period of time, agreement, consent, settlement, resolution or instruction of all the Company Securityholders and shall be final, binding and conclusive upon each such Company Securityholder and their successors as if expressly confirmed and ratified in writing by such Company Securityholder; and each Buyer Indemnified Party shall be entitled to rely exclusively upon any such notice, communication, decision, action, failure to act within a designated period of time, agreement, consent, settlement, resolution or instruction as being a notice or communication to or by, or a decision, action, failure to act within a designated period of time, agreement, consent, settlement, resolution or instruction of, each and every such Company Securityholder. Any defenses which may be available to any Company Securityholder to contest, negate or disaffirm the action of the Securityholders' Representative taken in good faith under this Agreement or the Securityholders' Representative Engagement Agreement are waived. Buyer hereby covenants and agrees to provide the Securityholders' Representative with access, during normal business hours, to all books, records, employees, witnesses and other information in the custody or control of Buyer or the Final Surviving Entity in connection with any claim for indemnification under Section 8 and the discharge of the Securityholders' Representative's duties hereunder. The Securityholders' Representative shall be entitled to: (i) rely upon the Spreadsheet, (ii) rely upon any signature believed by it to be genuine, and (iii) reasonably assume that a signatory has proper authorization to sign on behalf of the applicable Company Securityholder or other party.

10.3 Waiver. Any Party to this Agreement may waive compliance or performance of any provision of this Agreement that is intended for the benefit of such waiving Party. Any such extension or waiver shall be valid only if set forth in a writing executed by the Party to be bound thereby. Any waiver of any term or condition shall not be construed as a waiver of any subsequent breach or waiver of the same term or condition or as a waiver of any other term or condition of this Agreement. The failure of any Party to assert any of its rights under this Section 10.3 shall not constitute a waiver of any of such rights. No course of dealing between or among any persons having any interest in this Agreement shall be deemed effective to modify, amend or discharge any part of this Agreement or any rights or obligations of any Party under or by reason of this Agreement. Except as otherwise provided herein, all rights and remedies existing under this Agreement are cumulative to, and not exclusive of, any rights or remedies otherwise available.

10.4 Specific Performance. Each Party agrees and acknowledges that in the event of a breach of this Agreement, money damages may be inadequate and the non-breaching Parties may have no adequate remedy at law. Accordingly, each Party agrees that each Party shall have the right, in addition to any other rights and remedies existing in its favor, to enforce its rights and the other Party's obligations hereunder not only by an action or actions for damages but also by an action or actions for equitable relief, including injunction and specific performance. If any such action is brought by a Party to enforce this Agreement, the other Party hereby waives the defense that there is an adequate remedy at law or the requirement for the posting of any bond or similar security.

10.5 Expenses. Except as otherwise expressly provided herein, each of the Parties hereto shall pay all of its own fees, costs and expenses (including fees, costs and expenses of legal counsel, investment bankers, brokers or other representatives and consultants and appraisal fees, costs and expenses) incurred in connection with the negotiation of this Agreement and the Ancillary Agreements, and the consummation of the transactions contemplated hereby and thereby. If any action at law or in equity (including arbitration) is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.

10.6 Notices. All notices, claims, demands and other communications given or delivered under this Agreement shall be in writing and shall be deemed to have been duly made or given when personally delivered, mailed by first class mail, return receipt requested, or delivered by express courier service or via facsimile or electronic mail (with original copy to follow) to the respective Parties at the following addresses (or such other address for a Party as shall be specified in a notice given in accordance with this Section 10.6); provided that with respect to any notices deliverable to the Securityholders' Representative, such notices shall be delivered solely via email or facsimile:

If to the Company:

Moov Corporation
2021 Fillmore Street, #2069
San Francisco, CA 94115
Email: ajay@layer0.co
Attention: Ajay Kapur

and, if on or before the Closing Date, with a copy to:

Fenwick & West LLP
555 California Street, 12th Floor
San Francisco, CA 94104
Email: sbehar@fenwick.com
Attention: Scott Behar

If to Buyer or Merger Subs:

Limelight Networks, Inc.
1465 North Scottsdale Road, Suite 400
Scottsdale, AZ 85257
Email: mdisanto@llnw.com
Attention: Chief Legal Officer

with a copy to:

Goodwin Procter LLP
Three Embarcadero Center
San Francisco, CA 94111
Email: NHagler@goodwinlaw.com
Attention: Nathan Hagler

If to the Securityholders' Representative:

Fortis Advisors LLC
Attention: Notices Department
Email: notices@fortisrep.com
Facsimile: (858) 408-1843

10.7 Binding Agreement; Assignment. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns; provided that neither this Agreement nor any of the rights, interests or obligations hereunder may be assigned by operation of law or otherwise without the prior written consent of Buyer and Securityholders' Representative; provided, however, that notwithstanding the foregoing, Buyer may at any time in its sole discretion and without the consent of any other Party assign, in whole or in part, (a) its rights under this Agreement and the Ancillary Agreements for collateral security purposes to any lender providing financing to Buyer, such permitted assign or any of their Affiliates, and any such lender may exercise all of the rights and remedies of such assignee hereunder and thereunder; and (b) its rights under this Agreement and the Ancillary Agreements to any subsequent purchaser of Buyer, its Affiliates, or any of their divisions or any material portion of their assets (whether such sale is structured as a sale of equity, sale of assets, merger, recapitalization or otherwise).

10.8 Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable Law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable Law or public policy, such provision shall be ineffective only to the extent of such prohibition or invalidity, and all other terms of this Agreement shall remain in full force and effect for so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party.

10.9 Construction. The Parties have participated jointly in the negotiation and drafting of this Agreement and the other agreements, documents and instruments executed and delivered in connection herewith with sophisticated counsel. In the event an ambiguity or question of intent or interpretation

arises, this Agreement and the agreements, documents and instruments executed and delivered in connection herewith shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any provisions of this Agreement and the agreements, documents and instruments executed and delivered in connection herewith. The Parties intend that each representation, warranty and covenant contained herein shall have independent significance. The word "including" shall mean "including without limitation" regardless of whether such words are included in some contexts but not others. The use in this Agreement of the masculine pronoun in reference to a party hereto shall be deemed to include the feminine or neuter, as the context may require.

10.10 Captions. The captions used in this Agreement are for convenience of reference only and do not constitute a part of this Agreement and shall not be deemed to limit, characterize or in any way affect any provision of this Agreement, and all provisions of this Agreement shall be enforced and construed as if no caption had been used in this Agreement.

10.11 Entire Agreement. This Agreement, the Disclosure Schedules and the Schedules identified in this Agreement and the other documents referred to herein contain the entire agreement between the Parties and supersede any prior understandings, agreements or representations by or between the Parties, written or oral, which may have related to the subject matter hereof in any way.

10.12 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which taken together shall constitute one and the same instrument.

10.13 Choice of Law; Consent to Jurisdiction.

(a) The law of the State of Delaware shall govern this Agreement, the interpretation and enforcement of its terms and any claim or cause of action (in law or equity), controversy or dispute arising out of or related to it or its negotiation, execution or performance, whether based on contract, tort, statutory or other law, in each case without giving effect to any conflicts-of-law or other principle requiring the application of the law of any other jurisdiction.

(b) Each of the Parties hereof hereby irrevocably and unconditionally consents to submit to the sole and exclusive jurisdiction of the courts of the State of Delaware and of the United States District Court for the District of Delaware, in each case, located in the State of Delaware (the "Chosen Courts") for any litigation arising out of or relating to the this Agreement and the Ancillary Agreements, or the negotiation, validity or performance of the this Agreement and the Ancillary Agreements, or the transactions contemplated hereby and thereby (and agrees not to commence any litigation relating thereto except in such courts), waives any objection to the laying of venue of any such litigation in the Chosen Courts and agrees not to plead or claim in any Chosen Court that such litigation brought therein has been brought in any inconvenient forum. Each of the Parties hereto agrees that service of process may also be made on such party by prepaid certified mail with a proof of mailing receipt validated by the United States Postal Service constituting evidence of valid service. Service made pursuant to the preceding sentence above shall have the same legal force and effect as if served upon such party personally within the Delaware.

10.14 WAIVER OF JURY TRIAL. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY AND ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT, OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE ACTIONS OF ANY PARTY HERETO IN NEGOTIATION, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT HEREOF.

10.15 Parties in Interest. Nothing in this Agreement, express or implied, is intended to confer on any person other than the Parties and their respective successors and assigns any rights or remedies under or by virtue of this Agreement, except that (a) any Person that is a Buyer Indemnified Party shall have the right to enforce the obligations contained in Section 8 herein; (b) Section 5.11 is intended to benefit the Company Indemnified Parties, who shall have the right to enforce the obligations contained in Section 5.11, (c) Section 2.18 is intended to benefit the Key Employee, who shall have the right to enforce the obligations contained in Section 2.18; (d) Section 10.1 is intended to benefit the Key Employee, who shall have the right to enforce the obligations contained in Section 10.1 as applicable to Section 2.18; (e) Section 10.5 is intended to benefit the Key Employee, who shall have the right to enforce the obligations contained in Section 10.5 as applicable to Section 2.18; and (f) Section 8.3(c)(vii) is intended to benefit the Key Employee, who shall have the right to enforce the obligations contained in Section 8.3(c)(vii).

10.16 Press Releases and Announcements; Confidentiality. The Company shall not issue any press releases or make any public statements related to this Agreement or the transactions contemplated hereby, or make any other announcement to the employees, customers or vendors of the Company without the prior written consent of Buyer in each instance unless required by applicable Law (in which event a satisfactory opinion of counsel to that effect shall be first delivered to Buyer prior to any such disclosure) and except for the distribution of the Information Statement in accordance with this Agreement and such other disclosures required to comply with the terms hereof and effectuate the transactions contemplated hereby. The Parties shall keep confidential the subject matter described herein and the fact that negotiations are taking place unless and until Buyer authorizes disclosure of any such subject matter or facts, and then only to the extent authorized, and such terms and conditions determined, by Buyer in its sole discretion. Notwithstanding anything to the contrary contained herein or in the Confidentiality Agreement, following the Closing, Buyer may issue press releases or other public communications relating to the transactions contemplated hereby without the prior written approval of the Company or the Securityholders' Representative.

10.17 Conflicts and Privilege. It is acknowledged by each of the parties hereto that the Securityholders' Representative may retain Fenwick & West LLP ("Fenwick") to act as its counsel in connection with the transactions contemplated hereby. Buyer and Merger Subs hereby agree that in the event that a dispute under this Agreement related to the transactions contemplated hereby arises after the Closing between Buyer and its subsidiaries, on the one hand, and the Securityholders' Representative and the Company Securityholders, on the other hand, Fenwick may represent the Securityholders' Representative and/or Company Securityholders in such dispute even though the interests of the Securityholders' Representative and/or Company Securityholders may be directly adverse to Buyer and its subsidiaries, and even though Fenwick may have represented the Company in a matter substantially related to such dispute; provided, however, this sentence shall not apply if and to the extent (a) Fenwick is then representing Buyer, Merger Subs, or any of their respective Affiliates or any successor or assign of any of the foregoing (collectively, the "Buyer Group") and (b) such representation of such member of the Buyer Group would require Fenwick to either refrain from representing the Securityholders' Representative and/or Company Securityholders or obtain the informed consent of the Securityholders' Representative and/or Company Securityholders and the applicable member of the Buyer Group under

applicable Law or applicable ethical standards governing attorney conduct. Buyer and Merger Subs further agree that, as to all communications among Fenwick and the Company that relate in any way to the transactions contemplated hereby prior to the Closing (the "Protected Communications"), the attorney-client privilege and the expectation of client confidence with respect to the Protected Communications (the "Associated Rights") belong to the Securityholders' Representative and the Company Securityholders and may be controlled by the Securityholders' Representative and Company Securityholders and shall not pass to or be claimed by Buyer, Merger Subs, the Final Surviving Entity or any of its subsidiaries; provided, however, the Parties expressly agree that the Protected Communications and Associated Rights shall not include any communications at or prior to the Closing among Fenwick and the Company: (i) relating to Fraud (whether related to the negotiation of the transactions contemplated hereby or a similar transaction prior to the Closing or otherwise); or (ii) with respect to which the attorney-client privilege could not validly be asserted by the Company prior to the Closing. Notwithstanding the foregoing, (x) in the event that a dispute arises between Buyer, the Final Surviving Entity, on the one hand, and a third party other than the Securityholders' Representative or a Company Securityholder, on the other hand, Buyer, the Final Surviving Entity and its subsidiaries may assert the attorney-client privilege to prevent disclosure of confidential communications to such third party; provided, however, that neither Buyer, the Final Surviving Entity or its subsidiaries may waive such privilege without the prior written consent of the Securityholders' Representative and (y) if Buyer is legally required by judgment, order or decree of a Governmental Authority to access or obtain a copy of all or a portion of the Protected Communications, Buyer shall be entitled to access or obtain a copy of and disclose the Protected Communications to the extent necessary to comply with any such judgment, order or decree.

10.18 No Representations Regarding Projections or Forecasts; Acknowledgment. None of the Company nor any other Person has made, and each of Buyer and Merger Subs acknowledges and agrees that it has not relied upon, any representation or warranty, express or implied as to, and none of the Company nor any other Person shall have any Liability to Buyer or any other Person with respect to any financial projections, forecasts, estimates, plans or budgets relating to the Company or its operations or other forward-looking statements of the Company (except, in each case, to the extent expressly addressed in a representation or warranty in Section 3).

* * * *

IN WITNESS WHEREOF, each of the parties hereto has executed this Agreement as of the day and year first above written.

COMPANY:

MOOV CORPORATION

By: __
Name: __
Title: __

BUYER:

LIMELIGHT NETWORKS, INC.

By: __
Name: __
Title: __

SECURITYHOLDERS' REPRESENTATIVE:

FORTIS ADVISORS LLC

By: ____
Name:
Title:

IN WITNESS WHEREOF, each of the parties hereto has executed this Agreement as of the day and year first above written.

MERGER SUB I:

MOJO MERGER SUB, INC.

By: __
Name: __
Title: __

MERGER SUB II:

MOJO MERGER SUB, LLC

By: __
Name: __
Title: __

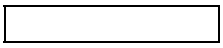

EXHIBIT 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

I, Robert A. Lyons, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Limelight Networks, 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 5, 2021

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, Daniel R. Boncel, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Limelight Networks, 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 5, 2021

By: /s/ DANIEL R. BONCEL
Name: **Daniel R. Boncel**
Title: **Chief Financial Officer**
(Principal Financial Officer and Principal Accounting 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 Limelight Networks, Inc. on Form 10-Q for the period ended September 30, 2021, 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 Limelight Networks, Inc.

Date: November 5, 2021

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 Limelight Networks, Inc. and will be retained by, Limelight Networks, 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, Daniel R. Boncel, 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 Limelight Networks, Inc. on Form 10-Q for the period ended September 30, 2021, 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 Limelight Networks, Inc.

Date: November 5, 2021

By: /s/ DANIEL R. BONCEL
Name: **Daniel R. Boncel**
Title: **Chief Financial Officer**
(Principal Financial Officer and Principal Accounting Officer)

A signed original of this written statement required by Section 906 has been provided to Limelight Networks, Inc. and will be retained by, Limelight Networks, 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.