

SEGMENT PROFIT (1) AND SEGMENT MARGIN (2)

| | Q413 | Q114 | Q214 | Q314 | Q414 | Q115 | Q215 | Q315 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Revenues: | | | | | | | | |
| Data center services | \$ 49,686 | \$ 58,283 | \$ 61,395 | \$ 61,640 | \$ 61,305 | \$ 59,098 | \$ 59,422 | \$ 58,622 |
| Internet protocol (IP) services | 24,401 | 23,678 | 22,673 | 23,027 | 22,958 | 21,688 | 21,010 | 19,696 |
| Total | 74,087 | 81,961 | 84,068 | 84,667 | 84,263 | 80,786 | 80,432 | 78,318 |
| Direct costs of sales and services, exclusive of depreciation and amortization: | | | | | | | | |
| Data center services | 24,103 | 25,891 | 26,563 | 27,716 | 25,989 | 24,264 | 24,335 | 25,111 |
| IP services | 9,590 | 9,869 | 9,999 | 9,432 | 9,486 | 9,082 | 8,643 | 8,570 |
| Total | 33,693 | 35,760 | 36,562 | 37,148 | 35,475 | 33,346 | 32,978 | 33,681 |
| Segment profit (1): | | | | | | | | |
| Data center services | 25,583 | 32,392 | 34,832 | 33,924 | 35,316 | 34,834 | 35,087 | 33,511 |
| IP services | 14,811 | 13,809 | 12,674 | 13,595 | 13,472 | 12,606 | 12,367 | 11,126 |
| Total | \$ 40,394 | \$ 46,201 | \$ 47,506 | \$ 47,519 | \$ 48,788 | \$ 47,440 | \$ 47,454 | \$ 44,637 |
| Segment margin (2): | | | | | | | | |
| Data center services | 51.5% | 55.6% | 56.7% | 55.0% | 57.6% | 58.9% | 59.0% | 57.2% |
| IP services | 60.7% | 58.3% | 55.9% | 59.0% | 58.7% | 58.1% | 58.9% | 56.5% |
| Total | 54.5% | 56.4% | 56.5% | 56.1% | 57.9% | 58.7% | 59.0% | 57.0% |
| CASH OPERATING EXPENSE (3) | | | | | | | | |
| Total operating costs and expenses (GAAP) | \$ 79,942 | \$ 86,498 | \$ 88,582 | \$ 87,702 | \$ 86,517 | \$ 84,905 | \$ 86,270 | \$ 87,503 |
| Total operating costs and expenses as % of revenue | 107.9% | 105.5% | 105.4% | 103.6% | 102.7% | 105.1% | 107.3% | 111.7% |
| Direct costs of sales and services, exclusive of depreciation and amortization | (33,693) | (35,760) | (36,562) | (37,148) | (35,475) | (33,346) | (32,978) | (33,681) |
| Depreciation and amortization | (15,429) | (18,926) | (19,468) | (20,915) | (21,861) | (20,208) | (22,566) | (24,631) |
| (Loss) gain on disposal of property and equipment, net | (5) | - | (32) | - | (80) | 15 | (137) | (99) |
| Exit activities, restructuring and impairments | (209) | (1,384) | (1,561) | (56) | (1,518) | (265) | (59) | (920) |
| Stock-based compensation | (1,653) | (1,941) | (1,956) | (1,778) | (1,507) | (1,579) | (2,185) | (2,435) |
| Acquisition costs | (4,210) | (85) | - | - | - | - | - | - |
| Strategic alternatives and related costs | - | - | - | - | - | - | - | (852) |
| Cash operating expense (3) (non-GAAP) | \$ 24,743 | \$ 28,402 | \$ 29,003 | \$ 27,805 | \$ 26,076 | \$ 29,522 | \$ 28,345 | \$ 24,885 |
| Cash operating expense (non-GAAP) as % of revenue | 33.4% | 34.7% | 34.5% | 32.8% | 30.9% | 36.5% | 35.2% | 31.8% |
| STOCK-BASED COMPENSATION EXPENSE SUMMARY | | | | | | | | |
| Direct costs of customer support | \$ 226 | \$ 284 | \$ 333 | \$ 353 | \$ 478 | \$ 374 | \$ 367 | \$ 484 |
| Sales and marketing | 150 | 252 | 289 | 248 | 358 | 412 | 415 | 544 |
| General and administrative | 1,277 | 1,405 | 1,334 | 1,177 | 671 | 793 | 1,403 | 1,407 |
| Total | \$ 1,653 | \$ 1,941 | \$ 1,956 | \$ 1,778 | \$ 1,507 | \$ 1,579 | \$ 2,185 | \$ 2,435 |
| ADJUSTED EBITDA (4) | | | | | | | | |
| Loss from operations (GAAP) | \$ (5,855) | \$ (4,537) | \$ (4,514) | \$ (3,035) | \$ (2,254) | \$ (4,119) | \$ (5,838) | \$ (9,185) |
| Depreciation and amortization | 15,429 | 18,926 | 19,468 | 20,915 | 21,861 | 20,208 | 22,566 | 24,631 |
| Loss (gain) on disposal of property and equipment, net | 5 | - | 32 | - | 80 | (15) | 137 | 99 |
| Exit activities, restructuring and impairments | 209 | 1,384 | 1,561 | 56 | 1,518 | 265 | 59 | 920 |
| Stock-based compensation | 1,653 | 1,941 | 1,956 | 1,778 | 1,507 | 1,579 | 2,185 | 2,435 |
| Acquisition costs | 4,210 | 85 | - | - | - | - | - | - |
| Strategic alternatives and related costs | - | - | - | - | - | - | - | 852 |
| Adjusted EBITDA (4) (non-GAAP) | \$ 15,651 | \$ 17,799 | \$ 18,503 | \$ 19,714 | \$ 22,712 | \$ 17,918 | \$ 19,109 | \$ 19,752 |
| Adjusted EBITDA Margin (5) (non-GAAP) | 21.1% | 21.7% | 22.0% | 23.3% | 27.0% | 22.2% | 23.8% | 25.2% |

| | Q413 | Q114 | Q214 | Q314 | Q414 | Q115 | Q215 | Q315 |
|--|-------------|-------------|-------------|------------|------------|-------------|-------------|-------------|
| NORMALIZED NET INCOME (LOSS) (6) AND BASIC AND DILUTED NORMALIZED NET INCOME (LOSS) PER SHARE (7) | | | | | | | | |
| Net loss (GAAP) | \$ (10,450) | \$ (10,675) | \$ (11,185) | \$ (9,377) | \$ (8,257) | \$ (10,442) | \$ (12,534) | \$ (14,197) |
| Exit activities, restructuring and impairments | 209 | 1,384 | 1,561 | 56 | 1,518 | 265 | 59 | 920 |
| Stock-based compensation | 1,653 | 1,941 | 1,956 | 1,778 | 1,507 | 1,579 | 2,185 | 2,435 |
| Acquisition costs | 4,210 | 85 | - | - | - | - | - | - |
| Strategic alternatives and related costs | - | - | - | - | - | - | - | 852 |
| Normalized net loss (6) (non-GAAP) | \$ (4,378) | \$ (7,265) | \$ (7,668) | \$ (7,543) | \$ (5,232) | \$ (8,598) | \$ (10,290) | \$ (9,990) |
| Normalized net income allocable to participating securities (non-GAAP) | - | - | - | - | - | - | - | - |
| Net loss available to common stockholders (GAAP) (8) | \$ (10,450) | \$ (10,675) | \$ (11,185) | \$ (9,377) | \$ (8,257) | \$ (10,442) | \$ (12,534) | \$ (14,197) |
| Normalized net loss available to common stockholders (non-GAAP) (8) | \$ (4,378) | \$ (7,265) | \$ (7,668) | \$ (7,543) | \$ (5,232) | \$ (8,598) | \$ (10,290) | \$ (9,990) |
| Weighted average shares outstanding used in per share calculation: | | | | | | | | |
| Basic (GAAP) | 50,898 | 51,027 | 51,045 | 51,063 | 51,159 | 51,336 | 51,579 | 51,699 |
| Participating securities (GAAP) (8) | 1,049 | 1,105 | 1,119 | 1,083 | 1,066 | 1,151 | 1,246 | 1,305 |
| Diluted (GAAP) | 50,898 | 51,027 | 51,045 | 51,063 | 51,159 | 51,336 | 51,579 | 51,699 |
| Add potentially dilutive securities | - | - | - | - | - | - | - | - |
| Less dilutive effect of stock-based compensation under the treasury stock method | - | - | - | - | - | - | - | - |
| Normalized diluted shares (non-GAAP) (9) | 50,898 | 51,027 | 51,045 | 51,063 | 51,159 | 51,336 | 51,579 | 51,699 |
| Net loss per share (GAAP): | | | | | | | | |
| Basic and diluted | \$ (0.21) | \$ (0.21) | \$ (0.22) | \$ (0.18) | \$ (0.16) | \$ (0.20) | \$ (0.24) | \$ (0.27) |
| Normalized net loss per share (non-GAAP) (7): | | | | | | | | |
| Basic and diluted | \$ (0.09) | \$ (0.14) | \$ (0.15) | \$ (0.15) | \$ (0.10) | \$ (0.17) | \$ (0.20) | \$ (0.19) |

Notes:

- (1) Segment profit is a non-GAAP measure and is segment revenues less direct cost of sales and services, exclusive of depreciation and amortization. Segment profit does not include direct costs of customer support, direct costs of amortization of acquired and developed technologies or any other depreciation or amortization associated with direct costs. A presentation of segment profit can be found in the attachment to our earnings press release, which is available on our website and furnished to the Securities and Exchange Commission.
- (2) Segment margin is a non-GAAP measure and is segment profit as a percentage of segment revenues. A presentation of segment profit can be found in the attachment to our earnings press release, which is available on our website and furnished to the Securities and Exchange Commission.
- (3) Cash operating expense is a non-GAAP measure and is operating expense defined by GAAP, less direct costs of sales and services, depreciation and amortization, (loss) gain on disposal of property and equipment, exit activities, restructuring and impairments, stock-based compensation and acquisition costs.
- (4) Adjusted EBITDA is a non-GAAP measure and is loss from operations plus depreciation and amortization, gain (loss) on disposals of property and equipment, exit activities, restructuring and impairments and stock-based compensation. A reconciliation of Adjusted EBITDA to GAAP loss from operations can be found in the attachment to our earnings press release, which is available on our website and furnished to the Securities and Exchange Commission.
- (5) Adjusted EBITDA margin is a non-GAAP measure and is adjusted EBITDA as a percentage of revenues.
- (6) Normalized net loss is a non-GAAP measure and is net loss excluding restructuring and impairments, stock-based compensation and certain items that management considers non-recurring.
- (7) Normalized net loss per share is a non-GAAP measure and is normalized net loss divided by basic and normalized diluted shares.
- (8) Net loss and normalized net loss available to common stockholders are non-GAAP measures and exclude amounts allocated to unvested restricted stock awards, which, by definition, are participating securities. However, participating securities do not share in any net loss or normalized net loss.
- (9) Normalized diluted shares is defined as diluted common shares outstanding used in GAAP net loss per share calculation, excluding the effect of stock-based compensation under the treasury stock method.