

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

	December 31, 2021	September 30, 2021	December 31, 2020
	(Unaudited)	(Unaudited)	
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 41,918	\$ 39,585	\$ 46,795
Marketable securities	37,367	36,201	76,928
Accounts receivable, net	42,217	46,179	31,675
Income taxes receivable	61	62	68
Prepaid expenses and other current assets	13,036	13,396	15,588
Total current assets	134,599	135,423	171,054
Property and equipment, net	32,885	36,392	46,418
Operating lease right of use assets	7,413	7,683	10,150
Marketable securities, less current portion	40	40	40
Deferred income taxes	1,908	1,693	1,530
Goodwill	114,511	105,221	77,753
Intangible assets, net	14,613	23,680	-
Other assets	5,485	5,972	7,233
Total assets	\$ 311,454	\$ 316,104	\$ 314,178
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Accounts payable	\$ 11,631	\$ 13,768	\$ 4,587
Deferred revenue	3,266	7,965	933
Operating lease liability obligations	1,861	1,966	2,465
Income taxes payable	888	443	253
Other current liabilities	21,934	17,950	17,560
Total current liabilities	39,580	42,092	25,798
Convertible senior notes, net	121,782	121,576	100,945
Operating lease liability obligations, less current portions	9,616	10,045	11,265
Deferred income taxes	308	308	279
Deferred revenue, less current portion	116	307	220
Other long-term liabilities	777	453	479
Total liabilities	172,179	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; 134,337 133,812 and 123,653 shares issued and outstanding at December 31, 2021, September 30, 2021 and December 31, 2020, respectively	134	134	124
Additional paid-in capital	576,807	571,268	556,512
Accumulated other comprehensive loss	(8,345)	(8,491)	(7,511)
Accumulated deficit	(429,321)	(421,588)	(373,933)
Total stockholders' equity	139,275	141,323	175,192
Total liabilities and stockholders' equity	\$ 311,454	\$ 316,104	\$ 314,178

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

	Three Months Ended					Twelve Months Ended		
	December 31, 2021	September 30, 2021	Percent Change	December 31, 2020	Percent Change	December 31, 2021	December 31, 2020	Percent Change
Revenue	\$ 62,885	\$ 55,202	14%	\$ 55,394	14%	\$ 217,630	\$ 230,194	-5%
Cost of revenue:								
Cost of services (1)	35,434	33,687	5%	33,103	7%	135,142	125,509	8%
Depreciation - network	5,215	5,685	-8%	5,468	-5%	22,508	21,579	4%
Total cost of revenue	40,649	39,372	3%	38,571	5%	157,650	147,088	7%
Gross profit	22,236	15,830	40%	16,823	32%	59,980	83,106	-28%
Gross profit percentage	35.4%	28.7%		30.4%		27.6%	36.1%	
Operating expenses:								
General and administrative (1)	10,415	10,532	-1%	7,464	40%	41,359	31,284	32%
Sales and marketing (1)	8,433	5,987	41%	9,666	-13%	30,051	42,945	-30%
Research & development (1)	5,524	5,205	6%	5,066	9%	22,044	21,680	2%
Depreciation and amortization	976	730	34%	542	80%	2,794	1,591	76%
Restructuring charges	2,627	1,770	NM	-	NM	13,425	-	NM
Total operating expenses	27,975	24,224	15%	22,738	23%	109,673	97,500	12%
Operating loss	(5,739)	(8,394)	NM	(5,915)	NM	(49,693)	(14,394)	NM
Other income (expense):								
Interest expense	(1,346)	(1,308)	NM	(2,183)	NM	(5,245)	(3,939)	NM
Interest income	30	17	NM	29	NM	134	69	NM
Other, net	(243)	(209)	NM	28	NM	(1,108)	(368)	NM
Total other expense	(1,559)	(1,500)	NM	(2,126)	NM	(6,219)	(4,238)	NM
Loss before income taxes	(7,298)	(9,894)	NM	(8,041)	NM	(55,912)	(18,632)	NM
Income tax expense	435	211	NM	268	NM	1,153	645	NM
Net loss	<u>\$ (7,733)</u>	<u>\$ (10,105)</u>	NM	<u>\$ (8,309)</u>	NM	<u>\$ (57,065)</u>	<u>\$ (19,277)</u>	NM
Net loss per share:								
Basic	<u>\$ (0.06)</u>	<u>\$ (0.08)</u>		<u>\$ (0.07)</u>		<u>\$ (0.45)</u>	<u>\$ (0.16)</u>	
Diluted	<u>\$ (0.06)</u>	<u>\$ (0.08)</u>		<u>\$ (0.07)</u>		<u>\$ (0.45)</u>	<u>\$ (0.16)</u>	
Weighted average shares used in per share calculation:								
Basic	134,023	126,791		123,225		127,789	121,196	
Diluted	134,023	126,791		123,225		127,789	121,196	

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

LIMELIGHT NETWORKS, INC.
SUPPLEMENTAL FINANCIAL DATA
(In thousands)
(Unaudited)

	<u>Three Months Ended</u>			<u>Twelve Months Ended</u>	
	<u>December 31, 2021</u>	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Share-based compensation:					
Cost of services	\$ 590	\$ 438	\$ 313	\$ 1,732	\$ 1,998
General and administrative	3,489	2,301	1,840	13,692	7,611
Sales and marketing	1,186	640	764	2,784	3,519
Research and development	1,120	662	562	2,767	2,589
Restructuring and transition related charges	(254)	(384)	-	1,633	-
Total share-based compensation	<u>\$ 6,131</u>	<u>\$ 3,657</u>	<u>\$ 3,479</u>	<u>\$ 22,608</u>	<u>\$ 15,717</u>
Depreciation and amortization:					
Network-related depreciation	\$ 5,215	\$ 5,685	\$ 5,468	\$ 22,508	\$ 21,579
Other depreciation and amortization	249	409	542	1,746	1,591
Amortization of intangible assets	727	321	-	1,048	-
Total depreciation and amortization	<u>\$ 6,191</u>	<u>\$ 6,415</u>	<u>\$ 6,010</u>	<u>\$ 25,302</u>	<u>\$ 23,170</u>
Net increase (decrease) in cash, cash equivalents and marketable securities:	<u>\$ 3,499</u>	<u>\$ (43,750)</u>	<u>\$ (1,069)</u>	<u>\$ (44,438)</u>	<u>\$ 105,388</u>
End of period statistics:					
Approximate number of active clients	580	581	527	580	527
Number of employees and employee equivalents	552	529	618	552	618

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

	Three Months Ended			Twelve Months Ended	
	December 31, 2021	September 30, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Operating activities					
Net loss	\$ (7,733)	\$ (10,105)	\$ (8,309)	\$ (57,065)	\$ (19,277)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	6,191	6,415	6,010	25,302	23,170
Share-based compensation	6,131	3,657	3,479	22,608	15,717
Foreign currency remeasurement (gain) loss	200	(252)	327	134	214
Deferred income taxes	(231)	(117)	(14)	(429)	(94)
(Gain) loss on sale of property and equipment	(28)	(112)	7	(247)	6
Accounts receivable charges	35	200	325	1,082	801
Amortization of premium on marketable securities	282	415	519	1,879	606
Realized loss on marketable securities	-	-	(3)	-	(3)
Non-cash interest expense	207	204	1,070	811	1,938
Changes in operating assets and liabilities:					
Accounts receivable	3,928	(18,999)	10,221	(9,109)	2,000
Prepaid expenses and other current assets	288	1,239	(3,038)	1,966	(5,717)
Income taxes receivable	(51)	(6)	16	(47)	19
Other assets	1,604	1,105	258	3,621	2,762
Accounts payable and other current liabilities	1,261	1,431	(9,228)	9,424	(1,069)
Deferred revenue	(5,519)	4,997	126	(879)	17
Income taxes payable	448	69	86	658	71
Other long term liabilities	327	84	(99)	301	167
Net cash provided by (used in) operating activities	<u>7,340</u>	<u>(9,775)</u>	<u>1,753</u>	<u>10</u>	<u>21,328</u>
Investing activities					
Purchases of marketable securities	(17,238)	(13,427)	(36,064)	(62,076)	(88,754)
Sale and maturities of marketable securities	15,760	52,285	8,272	99,760	11,172
Purchases of property and equipment	(3,901)	(2,295)	(2,957)	(15,810)	(25,085)
Proceeds from sale of property and equipment	28	112	1	247	2
Acquisition of business, net of cash acquired	-	(30,968)	-	(30,968)	-
Net cash (used in) provided by investing activities	<u>(5,351)</u>	<u>5,707</u>	<u>(30,748)</u>	<u>(8,847)</u>	<u>(102,665)</u>
Financing activities					
Proceeds from issuance of debt, net	-	-	-	-	121,600
Purchase of capped calls	-	-	-	-	(16,413)
Payment of debt issuance costs	-	-	(75)	(30)	(859)
Payment of employee tax withholdings related to restricted stock vesting	(311)	(217)	(891)	(1,626)	(4,878)
Proceeds from employee stock plans	725	-	1,377	6,185	10,068
Net cash provided by (used in) financing activities	<u>414</u>	<u>(217)</u>	<u>411</u>	<u>4,529</u>	<u>109,518</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(70)</u>	<u>(195)</u>	<u>210</u>	<u>(569)</u>	<u>279</u>
Net increase (decrease) in cash and cash equivalents	<u>2,333</u>	<u>(4,480)</u>	<u>(28,374)</u>	<u>(4,877)</u>	<u>28,460</u>
Cash and cash equivalents, beginning of period	<u>39,585</u>	<u>44,065</u>	<u>75,169</u>	<u>46,795</u>	<u>18,335</u>
Cash and cash equivalents, end of period	<u>\$ 41,918</u>	<u>\$ 39,585</u>	<u>\$ 46,795</u>	<u>\$ 41,918</u>	<u>\$ 46,795</u>

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

	Three Months Ended						Twelve Months Ended			
	December 31, 2021		September 30, 2021		December 31, 2020		December 31, 2021		December 31, 2020	
	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share
U.S. GAAP net loss	\$ (7,733)	\$ (0.06)	\$ (10,105)	\$ (0.08)	\$ (8,309)	\$ (0.07)	\$ (57,065)	\$ (0.45)	\$ (19,277)	\$ (0.16)
Share-based compensation	6,385	0.05	4,041	0.03	3,479	0.03	16,411	0.13	15,717	0.13
Non-cash interest expense	207	0.00	204	0.00	1,070	0.01	811	0.01	1,938	0.02
Restructuring and transition related charges	2,627	0.02	1,770	0.01	-	-	18,252	0.14	-	-
Acquisition and legal related expenses	199	0.00	2,263	0.02	-	-	2,640	0.02	-	-
Amortization of intangible assets	727	0.01	321	0.00	-	-	1,048	0.01	-	-
Non-GAAP net income (loss)	<u>\$ 2,412</u>	<u>\$ 0.02</u>	<u>\$ (1,506)</u>	<u>\$ (0.01)</u>	<u>\$ (3,760)</u>	<u>\$ (0.03)</u>	<u>\$ (17,903)</u>	<u>\$ (0.14)</u>	<u>\$ (1,622)</u>	<u>\$ (0.01)</u>
Weighted average basic shares used in per share calculation		134,023		126,791		123,225		127,789		121,196

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

	<u>Three Months Ended</u>			<u>Twelve Months Ended</u>	
	<u>December 31, 2021</u>	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
U.S. GAAP net loss	\$ (7,733)	\$ (10,105)	\$ (8,309)	\$ (57,065)	\$ (19,277)
Depreciation and amortization	6,191	6,415	6,010	25,302	23,170
Interest expense	1,346	1,308	2,183	5,245	3,939
Interest and other (income) expense	213	192	(57)	974	299
Income tax expense	435	211	268	1,153	645
EBITDA	\$ 452	\$ (1,979)	\$ 95	\$ (24,391)	\$ 8,776
Share-based compensation	6,385	4,041	3,479	16,411	15,717
Restructuring and transition related charges	2,627	1,770	-	18,252	-
Acquisition and legal related expenses	199	2,263	-	2,640	-
Adjusted EBITDA	<u>\$ 9,663</u>	<u>\$ 6,095</u>	<u>\$ 3,574</u>	<u>\$ 12,912</u>	<u>\$ 24,493</u>

Limelight Networks, Inc.
2022 Guidance

January 2022

Revenue	\$240 to \$250 million
GAAP Basic EPS	\$(0.27) to \$(0.22)
Non-GAAP EPS	\$(0.06) to \$(0.01)
Adjusted EBITDA	\$24 to \$28 million
Capital expenditures	\$20 to \$25 million