

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

	<u>March 31,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>
	<u>(Unaudited)</u>	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 35,620	\$ 46,795
Marketable securities	81,308	76,928
Accounts receivable, net	29,151	31,675
Income taxes receivable	102	68
Prepaid expenses and other current assets	14,784	15,588
Total current assets	<u>160,965</u>	<u>171,054</u>
Property and equipment, net	46,863	46,418
Operating lease right of use assets	9,521	10,150
Marketable securities, less current portion	40	40
Deferred income taxes	1,577	1,530
Goodwill	77,421	77,753
Other assets	6,742	7,233
Total assets	<u>\$ 303,129</u>	<u>\$ 314,178</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 8,029	\$ 4,587
Deferred revenue	844	933
Operating lease liability obligations	2,233	2,465
Income taxes payable	322	253
Other current liabilities	19,264	17,560
Total current liabilities	<u>30,692</u>	<u>25,798</u>
Convertible senior notes, net	121,200	100,945
Operating lease liability obligations, less current portions	10,781	11,265
Deferred income taxes	360	279
Deferred revenue, less current portion	226	220
Other long-term liabilities	476	479
Total liabilities	<u>163,735</u>	<u>138,986</u>
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; 125,248 and 123,653 shares issued and outstanding at March 31, 2021 and December 31, 2020, respectively	125	124
Additional paid-in capital	545,516	556,512
Accumulated other comprehensive loss	(8,462)	(7,511)
Accumulated deficit	(397,785)	(373,933)
Total stockholders' equity	<u>139,394</u>	<u>175,192</u>
Total liabilities and stockholders' equity	<u>\$ 303,129</u>	<u>\$ 314,178</u>

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

Three Months Ended

	March 31, 2021	December 31, 2020	Percent Change	March 31, 2020	Percent Change
Revenue	\$ 51,195	\$ 55,394	-8%	\$ 57,012	-10%
Cost of revenue:					
Cost of services (1)	33,021	33,103	0%	31,113	6%
Depreciation - network	5,679	5,468	4%	5,150	10%
Total cost of revenue	38,700	38,571	0%	36,263	7%
Gross profit	12,495	16,823	-26%	20,749	-40%
Gross profit percentage	24.4%	30.4%		36.4%	
Operating expenses:					
General and administrative (1)	12,948	7,464	73%	7,882	64%
Sales and marketing (1)	9,835	9,666	2%	11,894	-17%
Research & development (1)	6,113	5,066	21%	5,618	9%
Depreciation and amortization	540	542	0%	341	58%
Restructuring charge	6,873	-	NM	-	NM
Total operating expenses	36,309	22,738	60%	25,735	41%
Operating loss	(23,814)	(5,915)	NM	(4,986)	NM
Other income (expense):					
Interest expense	(1,286)	(2,183)	NM	(10)	NM
Interest income	45	29	NM	25	NM
Other, net	(214)	28	NM	(110)	NM
Total other expense	(1,455)	(2,126)	NM	(95)	NM
Loss before income taxes	(25,269)	(8,041)	NM	(5,081)	NM
Income tax expense	260	268	NM	176	NM
Net loss	\$ (25,529)	\$ (8,309)	NM	\$ (5,257)	NM
Net loss per share:					
Basic	\$ (0.21)	\$ (0.07)		\$ (0.04)	
Diluted	\$ (0.21)	\$ (0.07)		\$ (0.04)	
Weighted average shares used in per share calculation:					
Basic	124,290	123,225		118,964	
Diluted	124,290	123,225		118,964	

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

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

	Three Months Ended		
	March 31, 2021	December 31, 2020	March 31, 2020
Share-based compensation:			
Cost of services	\$ 246	\$ 313	\$ 763
General and administrative	6,028	1,840	2,241
Sales and marketing	563	764	1,228
Research and development	371	562	832
Restructuring and transition related charges	1,354	-	-
Total share-based compensation	\$ 8,562	\$ 3,479	\$ 5,064
Depreciation and amortization:			
Network-related depreciation	\$ 5,679	\$ 5,468	\$ 5,150
Other depreciation and amortization	540	542	341
Total depreciation and amortization	\$ 6,219	\$ 6,010	\$ 5,491
Net increase (decrease) in cash, cash equivalents and marketable securities:	\$ (6,795)	\$ (1,069)	\$ 3,086
End of period statistics:			
Approximate number of active clients	527	527	573
Number of employees and employee equivalents	510	618	616

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

	Three Months Ended		
	March 31, 2021	December 31, 2020	March 31, 2020
Operating activities			
Net loss	\$ (25,529)	\$ (8,309)	\$ (5,257)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	6,219	6,010	5,491
Share-based compensation	8,562	3,479	5,064
Foreign currency remeasurement (gain) loss	(71)	327	(397)
Deferred income taxes	(10)	(14)	(44)
Loss (gain) on sale of property and equipment	-	7	-
Accounts receivable charges	466	325	158
Amortization of premium on marketable securities	609	519	-
Realized loss on marketable securities	-	(3)	-
Noncash interest expense	199	1,070	-
Changes in operating assets and liabilities:			
Accounts receivable	2,059	10,221	(285)
Prepaid expenses and other current assets	446	(3,038)	(1,433)
Income taxes receivable	(36)	16	3
Other assets	399	258	626
Accounts payable and other current liabilities	5,209	(9,228)	5,892
Deferred revenue	(84)	126	(250)
Income taxes payable	73	86	2
Other long term liabilities	(3)	(99)	6
Net cash (used in) provided by operating activities	<u>(1,492)</u>	<u>1,753</u>	<u>9,576</u>
Investing activities			
Purchases of marketable securities	(10,874)	(36,064)	-
Sale and maturities of marketable securities	5,897	8,272	-
Purchases of property and equipment	(6,628)	(2,957)	(6,863)
Proceeds from sale of property and equipment	-	1	-
Net cash used in investing activities	<u>(11,605)</u>	<u>(30,748)</u>	<u>(6,863)</u>
Financing activities			
Payment of debt issuance costs	-	(75)	-
Payment of employee tax withholdings related to restricted stock vesting	(671)	(891)	(1,515)
Proceeds from employee stock plans	2,847	1,377	2,138
Net cash provided by financing activities	<u>2,176</u>	<u>411</u>	<u>623</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(254)</u>	<u>210</u>	<u>(250)</u>
Net increase (decrease) in cash and cash equivalents	<u>(11,175)</u>	<u>(28,374)</u>	<u>3,086</u>
Cash and cash equivalents, beginning of period	<u>46,795</u>	<u>75,169</u>	<u>18,335</u>
Cash and cash equivalents, end of period	<u>\$ 35,620</u>	<u>\$ 46,795</u>	<u>\$ 21,421</u>

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

	Three Months Ended					
	March 31, 2021		December 31, 2020		March 31, 2020	
	Amount	Per Share	Amount	Per Share	Amount	Per Share
U.S. GAAP net loss	\$ (25,529)	\$ (0.21)	\$ (8,309)	\$ (0.07)	\$ (5,257)	\$ (0.04)
Share-based compensation	2,644	0.02	3,479	0.03	5,064	0.04
Non-cash interest expense	199	0.00	1,070	0.01	-	-
Restructuring and transition related charges	11,700	0.09	-	-	-	-
Non-GAAP net loss	<u>\$ (10,986)</u>	<u>\$ (0.09)</u>	<u>\$ (3,760)</u>	<u>\$ (0.03)</u>	<u>\$ (193)</u>	<u>\$ (0.00)</u>
Weighted average shares used in per share calculation		124,290		123,225		118,964

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

	Three Months Ended		
	March 31, 2021	December 31, 2020	March 31, 2020
U.S. GAAP net loss	\$ (25,529)	\$ (8,309)	\$ (5,257)
Depreciation and amortization	6,219	6,010	5,491
Interest expense	1,286	2,183	10
Interest and other (income) expense	169	(57)	85
Income tax expense	260	268	176
EBITDA	\$ (17,595)	\$ 95	\$ 505
Share-based compensation	2,644	3,479	5,064
Restructuring and transition related charges	11,700	-	-
Adjusted EBITDA	\$ (3,251)	\$ 3,574	\$ 5,569

Limelight Networks, Inc.
2021 Guidance

	April 2021	Actual 2020
Revenue	\$220 to \$230 million	\$230.2 million
GAAP Basic EPS	\$(0.35) to \$(0.25)	\$(0.16)
Non-GAAP EPS	\$(0.15) to \$(0.05)	\$(0.01)
Adjusted EBITDA	\$20 to \$30 million	\$24.5 million
Capital expenditures	\$20 to \$25 million	\$25.1 million