

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

	September 30, 2021	June 30, 2021	December 31, 2020
	(Unaudited)	(Unaudited)	
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 39,585	\$ 44,065	\$ 46,795
Marketable securities	36,201	75,471	76,928
Accounts receivable, net	46,179	24,867	31,675
Income taxes receivable	62	57	68
Prepaid expenses and other current assets	13,396	14,557	15,588
Total current assets	<u>135,423</u>	<u>159,017</u>	<u>171,054</u>
Property and equipment, net	36,392	42,406	46,418
Operating lease right of use assets	7,683	8,929	10,150
Marketable securities, less current portion	40	40	40
Deferred income taxes	1,693	1,604	1,530
Goodwill	105,221	77,642	77,753
Intangible assets, net	23,680	-	-
Other assets	5,972	6,147	7,233
Total assets	<u>\$ 316,104</u>	<u>\$ 295,785</u>	<u>\$ 314,178</u>
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Accounts payable	\$ 13,768	\$ 12,459	\$ 4,587
Deferred revenue	7,965	524	933
Operating lease liability obligations	1,966	1,977	2,465
Income taxes payable	443	388	253
Other current liabilities	17,950	16,877	17,560
Total current liabilities	<u>42,092</u>	<u>32,225</u>	<u>25,798</u>
Convertible senior notes, net	121,576	121,371	100,945
Operating lease liability obligations, less current portions	10,045	10,358	11,265
Deferred income taxes	308	306	279
Deferred revenue, less current portion	307	272	220
Other long-term liabilities	453	369	479
Total liabilities	<u>174,781</u>	<u>164,901</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; 133,812, 126,705 and 123,653 shares issued and outstanding at September 30, 2021, June 30, 2021 and December 31, 2020, respectively	134	127	124
Additional paid-in capital	571,268	550,205	556,512
Accumulated other comprehensive loss	(8,491)	(7,965)	(7,511)
Accumulated deficit	(421,588)	(411,483)	(373,933)
Total stockholders' equity	<u>141,323</u>	<u>130,884</u>	<u>175,192</u>
Total liabilities and stockholders' equity	<u>\$ 316,104</u>	<u>\$ 295,785</u>	<u>\$ 314,178</u>

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

	Three Months Ended					Nine Months Ended		
	September 30, 2021	June 30, 2021	Percent Change	September 30, 2020	Percent Change	September 30, 2021	September 30, 2020	Percent Change
Revenue	\$ 55,202	\$ 48,348	14%	\$ 59,243	-7%	\$ 154,745	\$ 174,801	-11%
Cost of revenue:								
Cost of services (1)	33,687	32,976	2%	31,905	6%	99,708	92,406	8%
Depreciation - network	5,685	5,929	-4%	5,602	1%	17,293	16,112	7%
Total cost of revenue	<u>39,372</u>	<u>38,905</u>	1%	<u>37,507</u>	5%	<u>117,001</u>	<u>108,518</u>	8%
Gross profit	15,830	9,443	68%	21,736	-27%	37,744	66,283	-43%
Gross profit percentage	28.7%	19.5%		36.7%		24.4%	37.9%	
Operating expenses:								
General and administrative (1)	10,532	7,515	40%	7,751	36%	30,944	23,820	30%
Sales and marketing (1)	5,987	5,784	4%	10,456	-43%	21,619	33,279	-35%
Research & development (1)	5,205	5,187	0%	5,425	-4%	16,520	16,614	-1%
Depreciation and amortization	730	549	33%	384	90%	1,818	1,049	73%
Restructuring charges	1,770	2,155	NM	-	NM	10,798	-	NM
Total operating expenses	<u>24,224</u>	<u>21,190</u>	14%	<u>24,016</u>	1%	<u>81,699</u>	<u>74,762</u>	9%
Operating loss	(8,394)	(11,747)	NM	(2,280)	NM	(43,955)	(8,479)	NM
Other income (expense):								
Interest expense	(1,308)	(1,305)	NM	(1,674)	NM	(3,899)	(1,756)	NM
Interest income	17	42	NM	10	NM	104	40	NM
Other, net	(209)	(440)	NM	25	NM	(864)	(396)	NM
Total other expense	<u>(1,500)</u>	<u>(1,703)</u>	NM	<u>(1,639)</u>	NM	<u>(4,659)</u>	<u>(2,112)</u>	NM
Loss before income taxes	(9,894)	(13,450)	NM	(3,919)	NM	(48,614)	(10,591)	NM
Income tax expense	211	248	NM	66	NM	718	377	NM
Net loss	<u>\$ (10,105)</u>	<u>\$ (13,698)</u>	NM	<u>\$ (3,985)</u>	NM	<u>\$ (49,332)</u>	<u>\$ (10,968)</u>	NM
Net loss per share:								
Basic	<u>\$ (0.08)</u>	<u>\$ (0.11)</u>		<u>\$ (0.03)</u>		<u>\$ (0.39)</u>	<u>\$ (0.09)</u>	
Diluted	<u>\$ (0.08)</u>	<u>\$ (0.11)</u>		<u>\$ (0.03)</u>		<u>\$ (0.39)</u>	<u>\$ (0.09)</u>	
Weighted average shares used in per share calculation:								
Basic	126,791	126,050		122,363		125,710	120,519	
Diluted	126,791	126,050		122,363		125,710	120,519	

(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>Nine Months Ended</u>	
	<u>September 30, 2021</u>	<u>June 30, 2021</u>	<u>September 30, 2020</u>	<u>September 30, 2021</u>	<u>September 30, 2020</u>
Share-based compensation:					
Cost of services	\$ 438	\$ 458	\$ 130	\$ 1,142	\$ 1,685
General and administrative	2,301	1,874	1,272	10,203	5,770
Sales and marketing	640	395	206	1,598	2,756
Research and development	662	614	315	1,647	2,027
Restructuring and transition related charges	(384)	917	-	1,887	-
Total share-based compensation	<u>\$ 3,657</u>	<u>\$ 4,258</u>	<u>\$ 1,923</u>	<u>\$ 16,477</u>	<u>\$ 12,238</u>
Depreciation and amortization:					
Network-related depreciation	\$ 5,685	\$ 5,929	\$ 5,602	\$ 17,293	\$ 16,112
Other depreciation and amortization	409	549	384	1,497	1,049
Amortization of intangible assets	321	-	-	321	-
Total depreciation and amortization	<u>\$ 6,415</u>	<u>\$ 6,478</u>	<u>\$ 5,986</u>	<u>\$ 19,111</u>	<u>\$ 17,161</u>
Net increase (decrease) in cash, cash equivalents and marketable securities:	<u>\$ (43,750)</u>	<u>\$ 2,608</u>	<u>\$ 106,592</u>	<u>\$ (47,937)</u>	<u>\$ 106,457</u>
End of period statistics:					
Approximate number of active clients	581	533	534	581	534
Number of employees and employee equivalents	529	459	620	529	620

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

	Three Months Ended			Nine Months Ended	
	September 30, 2021	June 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Operating activities					
Net loss	\$ (10,105)	\$ (13,698)	\$ (3,985)	\$ (49,332)	\$ (10,968)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	6,415	6,478	5,986	19,111	17,161
Share-based compensation	3,657	4,258	1,923	16,477	12,238
Foreign currency remeasurement (gain) loss	(252)	257	27	(66)	(113)
Deferred income taxes	(117)	(71)	(95)	(198)	(80)
Gain on sale of property and equipment	(112)	(107)	(1)	(219)	(1)
Accounts receivable charges	200	381	163	1,047	476
Amortization of premium on marketable securities	415	573	87	1,597	87
Non-cash interest expense	204	201	868	604	868
Changes in operating assets and liabilities:					
Accounts receivable	(18,999)	3,903	2,862	(13,037)	(8,221)
Prepaid expenses and other current assets	1,239	(7)	(2,232)	1,678	(2,679)
Income taxes receivable	(6)	46	(10)	4	3
Other assets	1,105	513	757	2,017	2,504
Accounts payable and other current liabilities	1,431	1,523	1,222	8,163	8,159
Deferred revenue	4,997	(273)	(172)	4,640	(109)
Income taxes payable	69	68	(17)	210	(15)
Other long term liabilities	84	(108)	276	(26)	265
Net cash (used in) provided by operating activities	<u>(9,775)</u>	<u>3,937</u>	<u>7,659</u>	<u>(7,330)</u>	<u>19,575</u>
Investing activities					
Purchases of marketable securities	(13,427)	(20,537)	(52,690)	(44,838)	(52,690)
Sale and maturities of marketable securities	52,285	25,818	2,900	84,000	2,900
Purchases of property and equipment	(2,295)	(2,986)	(7,180)	(11,909)	(22,128)
Proceeds from sale of property and equipment	112	107	1	219	1
Acquisition of business, net of cash acquired	(30,968)	-	-	(30,968)	-
Net cash provided by (used in) investing activities	<u>5,707</u>	<u>2,402</u>	<u>(56,969)</u>	<u>(3,496)</u>	<u>(71,917)</u>
Financing activities					
Proceeds from issuance of debt, net	-	-	121,600	-	121,600
Purchase of capped calls	-	-	(16,413)	-	(16,413)
Payment of debt issuance costs	-	(30)	(784)	(30)	(784)
Payment of employee tax withholdings related to restricted stock vesting	(217)	(427)	(1,041)	(1,315)	(3,987)
Proceeds from employee stock plans	-	2,613	2,598	5,460	8,691
Net cash (used in) provided by financing activities	<u>(217)</u>	<u>2,156</u>	<u>105,960</u>	<u>4,115</u>	<u>109,107</u>
Effect of exchange rate changes on cash and cash equivalents	(195)	(50)	319	(499)	69
Net increase (decrease) in cash and cash equivalents	<u>(4,480)</u>	<u>8,445</u>	<u>56,969</u>	<u>(7,210)</u>	<u>56,834</u>
Cash and cash equivalents, beginning of period	44,065	35,620	18,200	46,795	18,335
Cash and cash equivalents, end of period	<u>\$ 39,585</u>	<u>\$ 44,065</u>	<u>\$ 75,169</u>	<u>\$ 39,585</u>	<u>\$ 75,169</u>

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

	Three Months Ended						Nine Months Ended			
	September 30, 2021		June 30, 2021		September 30, 2020		September 30, 2021		September 30, 2020	
	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share
U.S. GAAP net loss	\$ (10,105)	\$ (0.08)	\$ (13,698)	\$ (0.11)	\$ (3,985)	\$ (0.03)	\$ (49,332)	\$ (0.39)	\$ (10,968)	\$ (0.09)
Share-based compensation	4,041	0.03	3,341	0.03	1,923	0.02	10,026	0.08	12,238	0.10
Non-cash interest expense	204	0.00	201	0.00	868	0.01	604	0.00	868	0.01
Restructuring and transition related charges	1,770	0.01	2,155	0.02	-	-	15,625	0.12	-	-
Acquisition and legal related expenses	2,263	0.02	-	-	-	-	2,441	0.02	-	-
Amortization of intangible assets	321	0.00	-	-	-	-	321	0.00	-	-
Non-GAAP net (loss) income	<u>\$ (1,506)</u>	<u>\$ (0.01)</u>	<u>\$ (8,001)</u>	<u>\$ (0.06)</u>	<u>\$ (1,194)</u>	<u>\$ (0.01)</u>	<u>\$ (20,315)</u>	<u>\$ (0.16)</u>	<u>\$ 2,138</u>	<u>\$ 0.02</u>
Weighted average basic shares used in per share calculation		126,791		126,050		122,363		125,710		120,519

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

	Three Months Ended			Nine Months Ended	
	September 30, 2021	June 30, 2021	September 30, 2020	September 30, 2021	September 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	<u>\$ 6,095</u>	<u>\$ 227</u>	<u>\$ 5,629</u>	<u>\$ 3,248</u>	<u>\$ 20,920</u>

Limelight Networks, Inc.
2021 Guidance

	<u>November 2021</u>
Revenue	\$215 to \$220 million
GAAP Basic EPS	\$(0.47) to \$(0.42)
Non-GAAP EPS	\$(0.17) to \$(0.12)
Adjusted EBITDA	\$12 to \$15 million
Capital expenditures	\$15 to \$20 million