
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported):
March 16, 2021

LIMELIGHT NETWORKS, INC.

(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

001-33508
(Commission
File Number)

20-1677033
(I.R.S. Employer
Identification Number)

1465 North Scottsdale Road Suite 400
Scottsdale, AZ 85257
(Address, including zip code, of principal executive offices)

(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 exchange on which registered
Common stock, par value \$0.001 per share	LLNW	NASDAQ

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

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.

Item 2.05 Costs Associated with Exit or Disposal Activities

On March 18, 2021, Limelight Networks, Inc. (“Limelight”) announced actions that it is taking to improve execution and profitability, and accelerate growth, which included the restructuring and targeted workforce reduction of approximately 16% of Limelight’s global workforce. The actions are part of an overall plan to improve Limelight’s core CDN business, specifically, client performance, and operating efficiency.

Limelight estimates it will incur pre-tax cash charges of approximately \$3.0 million in the first quarter of 2021, related to severance, benefits, and transition assistance.

Forward-Looking Statement Disclaimer

Limelight includes in this Current Report “forward-looking statements” within the meaning of the federal securities laws. A reader can identify forward-looking statements because they are not limited to historical fact or they use words such as “expect,” “estimate,” “intends,” and similar expressions that concern Limelight’s strategy, plans, intentions, or beliefs about future occurrences or results, including without limitation statements regarding the anticipated financial impacts of the restructuring initiative discussed herein.

Forward-looking statements are subject to risks, uncertainties and other factors that may change at any time and may cause actual results to differ materially from those that Limelight expected. Many of these statements are derived from Limelight’s operating budgets and forecasts, which are based on many detailed assumptions that Limelight believes are reasonable, or are based on various assumptions about certain plans, activities or events which Limelight expects will or may occur in the future. However, it is very difficult to predict the effect of known factors, and Limelight cannot anticipate all factors that could affect actual results that may be important to an investor. All forward-looking information should be evaluated in the context of these risks, uncertainties and other factors, including those factors disclosed in this Current Report and those factors disclosed under “Risk Factors” in Limelight’s Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 12, 2021.

Limelight undertakes 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.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

On March 16, 2021, Tom Marth and Limelight entered into a transition agreement and employment agreement amendment (the “Transition Agreement”), whereby Mr. Marth will leave his position as Limelight’s Senior Vice President of Sales on April 2, 2021 (the “Separation Date”). Mr. Marth’s duties will be assumed by Christine Cross, Limelight’s Chief Marketing Officer, and Michael DiSanto, Limelight’s Chief Administrative and Legal Officer, while Limelight continues to explore and evaluate the needs and future leadership of the sales organization.

The Transition Agreement amends the Employment Agreement between Limelight and Mr. Marth dated as of January 1, 2019. In consideration of Mr. Marth’s continued service through the Transition Period, which includes being reasonably available to consult on transition of his duties and responsibilities, and subject to Mr. Marth executing and not revoking a release of claims, Mr. Marth will also receive (i) continued payment of his base salary for nine (9) months; (ii) the actual bonus achieved under the 2021 Management Bonus Plan by Mr. Marth, as prorated through the Separation Date; and (iii) reimbursement for premiums paid for continued health benefits for himself (and any eligible dependents) under Limelight’s health plans until the earlier of (A) twelve (12) months after the Separation Date, or (B) the date upon which Mr. Marth and his eligible dependents become covered under similar plans. All equity awards unvested as of the Separation Date will be forfeited on that date. Mr. Marth will also be entitled to exercise outstanding vested stock options until the first to occur of (i) the date that is twelve (12) months following the Separation Date; or (ii) the applicable scheduled expiration date of such award as set forth in the award agreement. The Transition Agreement amends Mr. Marth’s employment agreement and supersedes the

employment agreement to the extent provisions between the documents are inconsistent, including provisions regarding severance benefits.

The foregoing description of the Transition Agreement is qualified in its entirety by reference to the Transition Agreement.

Item 8.01 Other Events

On March 18, 2021, Limelight issued a press release announcing the actions that it is taking to improve execution and profitability, and accelerate growth, and certain other information. The full text of this press release is furnished herewith as Exhibit 99.1.

The information in this Form 8-K and the Exhibit attached hereto shall not be deemed “filed” for purposes of Section 18 of the Securities Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that Section, or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
99.1	<u>Press Release of Limelight Networks, Inc. dated March 18, 2021 (furnished herewith).</u>

March 18, 2021

Limelight Networks Announces Improvements to Better Position the Company for Improved Growth and Profitability

Steps Align with Strategic Priorities Announced in February

Limelight Networks, Inc. (Nasdaq: LLNW) (Limelight), a leading provider of video delivery and edge cloud access services, today announced actions that it is taking to improve execution, profitability and accelerate growth. The initiatives align with the Company's three priorities outlined in February.

"During our year-end conference call, we shared a refined strategy to ensure our near- and long-term success that focuses on three key areas. The first is improving our core CDN business by pursuing a leadership position in proactive client performance while improving our cost structure. The actions we are announcing today are the first step, and we expect to continue to improve our growth and profitability by also expanding our core business, securing greater share of traffic and spend from existing customers while also growing our pipeline of new opportunities. Additionally, we are exploring opportunities that extend our core business. I am encouraged by the progress we have made in our first 30 days and the actions we have taken," said Bob Lyons, President and Chief Executive Officer.

Consistent with the approach outlined on February 11, the company is taking the following steps to improve its core CDN business, specifically, client performance and operating efficiency. Limelight has:

- Implemented a simplified operating model that improves agility and productivity;
- Prioritized resources on the continuous proactive improvement of client performance; and,
- Improved organizational productivity that results in an annual cash cost savings of approximately \$15 million – including a targeted workforce reduction.

The reduction has decreased the company's workforce by approximately 16% and results in a first-quarter pre-tax cash charge of approximately \$3 million related to severance, benefits and transition assistance.

"This reduction in force, while difficult, is an essential part of the disciplined planning and work we need to accomplish to capture the significant opportunity ahead of us. Our efforts to date give us confidence that we will be able to achieve 2021 adjusted EBITDA between \$20 and \$30 million. We will provide additional financial guidance in connection with our first quarter earnings release.

"Over the next 30 days, we will continue to intently focus on improving the business with a specific focus on improving our gross margins and growing our top line. We look forward to updating you on our progress as part of our first quarter earnings release next month," said Lyons.

Forward-Looking Statements

This press release contains forward-looking statements that involve risks and uncertainties. These statements include, among others, statements regarding our expectations regarding revenue, gross margin, non-GAAP net income (loss), capital expenditures, and our future prospects. Our expectations and beliefs regarding these matters may not materialize. The potential risks and uncertainties that could cause actual results or outcomes to differ materially from the results or outcomes predicted include, among other things, reduction of demand for our services from new or existing customers, unforeseen changes in our hiring patterns, adverse outcomes in litigation, and experiencing expenses that exceed our expectations. A detailed discussion of these factors and other risks that affect our business is contained in our SEC filings, including our most recent reports on Forms 10-K and 10-Q, particularly under the heading "Risk Factors." Copies of these filings are available online on our investor relations website at investors.limelightnetworks.com and on the SEC website at www.SEC.gov. All information provided in this release is as of March 18, 2021, and we undertake no duty to update this information in light of new information or future events, unless required by law.

About Limelight

Limelight Networks, Inc. (NASDAQ: LLNW), a leading provider of digital content delivery, video, cloud security, and edge computing services, empowers customers to provide exceptional digital experiences. Limelight's edge services platform includes a unique combination of global private infrastructure, intelligent software, and expert support services that enable current and future workflows. For more information, visit www.limelight.com, and follow us on [Twitter](#), [Facebook](#) and [LinkedIn](#).

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Source: Limelight Networks

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Ticker Slug:

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