

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

	March 31, 2022	December 31, 2021
	<u>(Unaudited)</u>	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 27,175	\$ 41,918
Marketable securities	34,751	37,367
Accounts receivable, net	55,040	42,217
Income taxes receivable	63	61
Prepaid expenses and other current assets	16,044	13,036
Total current assets	<u>133,073</u>	<u>134,599</u>
Property and equipment, net	34,792	33,622
Operating lease right of use assets	6,064	6,338
Marketable securities, less current portion	40	40
Deferred income taxes	1,822	1,893
Goodwill	113,463	114,511
Intangible assets, net	13,827	14,613
Other assets	4,779	5,485
Total assets	<u>\$ 307,860</u>	<u>\$ 311,101</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 15,599	\$ 11,631
Deferred revenue	2,189	3,266
Operating lease liability obligations	1,754	1,861
Income taxes payable	215	873
Other current liabilities	20,403	19,292
Total current liabilities	<u>40,160</u>	<u>36,923</u>
Convertible senior notes, net	121,991	121,782
Operating lease liability obligations, less current portions	9,209	9,616
Deferred income taxes	303	308
Deferred revenue, less current portion	282	116
Other long-term liabilities	721	777
Total liabilities	<u>172,666</u>	<u>169,522</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; 138,178 and 134,337 shares issued and outstanding at March 31, 2022 and December 31, 2021, respectively	138	134
Additional paid-in capital	590,249	576,807
Accumulated other comprehensive loss	(9,004)	(8,345)
Accumulated deficit	(446,189)	(427,017)
Total stockholders' equity	<u>135,194</u>	<u>141,579</u>
Total liabilities and stockholders' equity	<u>\$ 307,860</u>	<u>\$ 311,101</u>

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

Three Months Ended

	March 31, 2022	December 31, 2021	Percent Change	March 31, 2021	Percent Change
Revenue	\$ 57,959	\$ 62,885	-8%	\$ 51,195	13%
Cost of revenue:					
Cost of services (1)	35,070	35,065	0%	33,021	6%
Depreciation - network	5,089	5,215	-2%	5,679	-10%
Total cost of revenue	40,159	40,280	0%	38,700	4%
Gross profit	17,800	22,605	-21%	12,495	42%
Gross profit percentage	30.7%	35.9%		24.4%	
Operating expenses:					
General and administrative (1)	15,833	9,147	73%	12,948	22%
Sales and marketing (1)	7,627	8,141	-6%	9,835	-22%
Research & development (1)	9,577	5,149	86%	6,113	57%
Depreciation and amortization	1,032	976	6%	540	91%
Restructuring charge	698	2,627	NM	6,873	NM
Total operating expenses	34,767	26,040	34%	36,309	-4%
Operating loss	(16,967)	(3,435)	NM	(23,814)	NM
Other income (expense):					
Interest expense	(1,313)	(1,346)	NM	(1,286)	NM
Interest income	27	30	NM	45	NM
Other, net	(713)	(243)	NM	(214)	NM
Total other expense	(1,999)	(1,559)	NM	(1,455)	NM
Loss before income taxes	(18,966)	(4,994)	NM	(25,269)	NM
Income tax expense	206	435	NM	260	NM
Net loss	\$ (19,172)	\$ (5,429)	NM	\$ (25,529)	NM
Net loss per share:					
Basic	\$ (0.14)	\$ (0.04)		\$ (0.21)	
Diluted	\$ (0.14)	\$ (0.04)		\$ (0.21)	
Weighted average shares used in per share calculation:					
Basic	135,528	134,023		124,290	
Diluted	135,528	134,023		124,290	

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

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

	Three Months Ended		
	March 31, 2022	December 31, 2021	March 31, 2021
Share-based compensation:			
Cost of services	\$ 408	\$ 243	\$ 246
General and administrative	2,103	2,311	6,028
Sales and marketing	1,181	915	563
Research and development	3,320	788	371
Restructuring and transition related charges	-	(254)	1,354
Total share-based compensation	\$ 7,012	\$ 4,003	\$ 8,562
Depreciation and amortization:			
Network-related depreciation	\$ 5,089	\$ 5,215	\$ 5,679
Other depreciation and amortization	246	249	540
Amortization of intangible assets	786	727	-
Total depreciation and amortization	\$ 6,121	\$ 6,191	\$ 6,219
Net increase (decrease) in cash, cash equivalents and marketable securities:	\$ (17,359)	\$ 3,499	\$ (6,795)
End of period statistics:			
Approximate number of active clients	577	580	527
Number of employees and employee equivalents	556	552	510

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

	Three Months Ended		
	March 31, 2022	December 31, 2021	March 31, 2021
Operating activities			
Net loss	\$ (19,172)	\$ (5,429)	\$ (25,529)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	6,121	6,191	6,219
Share-based compensation	7,012	4,003	8,562
Foreign currency remeasurement (gain) loss	242	208	(71)
Deferred income taxes	(2)	(216)	(10)
Gain on sale of property and equipment	-	(28)	-
Accounts receivable charges	272	35	466
Amortization of premium on marketable securities	280	282	609
Noncash interest expense	209	207	199
Changes in operating assets and liabilities:			
Accounts receivable	(13,095)	3,928	2,059
Prepaid expenses and other current assets	(3,174)	288	446
Income taxes receivable	(2)	(51)	(36)
Other assets	834	1,944	399
Accounts payable and other current liabilities	3,625	740	5,209
Deferred revenue	(911)	(5,519)	(84)
Income taxes payable	(655)	435	73
Other long term liabilities	(55)	326	(3)
Net cash (used in) provided by operating activities	<u>(18,471)</u>	<u>7,344</u>	<u>(1,492)</u>
Investing activities			
Purchases of marketable securities	(6,839)	(17,238)	(10,874)
Sale and maturities of marketable securities	9,087	15,760	5,897
Purchases of property and equipment	(5,350)	(3,901)	(6,628)
Proceeds from sale of property and equipment	-	28	-
Acquisition of business, net of cash acquired	492	-	-
Net cash used in investing activities	<u>(2,610)</u>	<u>(5,351)</u>	<u>(11,605)</u>
Financing activities			
Payment of employee tax withholdings related to restricted stock vesting	(1,285)	(311)	(671)
Proceeds from employee stock plans	7,986	725	2,847
Net cash provided by financing activities	<u>6,701</u>	<u>414</u>	<u>2,176</u>
Effect of exchange rate changes on cash and cash equivalents	(363)	(74)	(254)
Net increase (decrease) in cash and cash equivalents	<u>(14,743)</u>	<u>2,333</u>	<u>(11,175)</u>
Cash and cash equivalents, beginning of period	<u>41,918</u>	<u>39,585</u>	<u>46,795</u>
Cash and cash equivalents, end of period	<u>\$ 27,175</u>	<u>\$ 41,918</u>	<u>\$ 35,620</u>

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

	Three Months Ended					
	March 31, 2022		December 31, 2021		March 31, 2021	
	Amount	Per Share	Amount	Per Share	Amount	Per Share
U.S. GAAP net loss	\$ (19,172)	\$ (0.14)	\$ (5,429)	\$ (0.04)	\$ (25,529)	\$ (0.21)
Share-based compensation	7,012	0.05	4,257	0.03	2,644	0.02
Non-cash interest expense	209	0.00	207	0.00	199	0.00
Restructuring and transition related charges	698	0.01	2,627	0.02	11,700	0.09
Acquisition and legal related expenses	5,107	0.04	377	0.00	-	-
Amortization of intangible assets	786	0.01	727	0.01	-	-
Non-GAAP net (loss) income	\$ (5,360)	\$ (0.04)	\$ 2,766	\$ 0.02	\$ (10,986)	\$ (0.09)
Weighted average shares used in per share calculation		135,528		134,023		124,290

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

	Three Months Ended		
	March 31, 2022	December 31, 2021	March 31, 2021
U.S. GAAP net loss	\$ (19,172)	\$ (5,429)	\$ (25,529)
Depreciation and amortization	6,121	6,191	6,219
Interest expense	1,313	1,346	1,286
Interest and other (income) expense	686	213	169
Income tax expense	206	435	260
EBITDA	\$ (10,846)	\$ 2,756	\$ (17,595)
Share-based compensation	7,012	4,257	2,644
Restructuring and transition related charges	698	2,627	11,700
Acquisition and legal related expenses	5,107	377	-
Adjusted EBITDA	\$ 1,971	\$ 10,017	\$ (3,251)

Limelight Networks, Inc.
2022 Guidance

April 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