

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

SCHEDULE 14A

**Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934**

Filed by the Registrant Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

LIMELIGHT NETWORKS, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
 - (1) Title of each class of securities to which transaction applies:

 - (2) Aggregate number of securities to which transaction applies:

 - (3) Per unit or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

 - (4) Proposed maximum aggregate value of transaction:

 - (5) Total fee paid:

- Fee paid previously with preliminary materials.
- Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
 - (1) Amount Previously Paid:

 - (2) Form, Schedule or Registration Statement No.:

 - (3) Filing Party:

 - (4) Date Filed:

On March 7, 2022, Limelight Networks, Inc. ("Limelight") posted an investor presentation to its website related to its proposed acquisition of Edgecast Inc., a California corporation and a wholly owned subsidiary of College Parent, L.P., a Delaware limited partnership ("Seller"), and certain specified assets pursuant to the terms of the Stock Purchase Agreement, dated March 6, 2022, by and among Limelight and Seller.



Limelight + **edgecast**

SECURELY DELIVERING EDGE ENABLED SOFTWARE SOLUTIONS

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FORWARD-LOOKING STATEMENTS

Cautionary Note Regarding Forward-Looking Statements

To the extent any statements made in this communication contain information that is not historical, these statements are forward-looking statements within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934, as amended (collectively, "forward-looking statements"). Certain statements in this communication may constitute forward-looking statements, which reflect the expectations of Limelight's management regarding the business prospects and opportunities of Limelight and the transaction. The use of words such as "may," "will," "could," "should," "expects," "intends," "plans," "anticipates," "believes," "estimates," "predicts," "projects," "seeks," "endeavor," "potential," "continue" or the negative of such words or other similar expressions can be used to identify forward-looking statements. Limelight's actual results could differ materially from those stated or implied in forward-looking statements due to a number of factors including but not limited to risks related to the satisfaction or waiver of the conditions to closing the proposed transaction (including the failure to obtain necessary regulatory, court and Limelight's stockholder approvals) in the anticipated timeframe or at all, including the possibility that the proposed transaction does not close; the response of customers, business partners and competitors to the announcement of the proposed transaction, and/or potential difficulties in employee retention as a result of the announcement and pendency of the proposed transaction; the possibility of significant unexpected transaction costs; risks associated with the disruption of management's attention from ongoing business operations due to the proposed transaction; the company's ability to achieve projected revenue increase, to realize run-rate cost synergy opportunities and/or market expansion fail to meet expectations; and unknown liabilities and the risk of litigation and/or regulatory actions related to the proposed transaction. Please also refer to the factors discussed under "Risk Factors" and "Special Note Regarding Forward-looking Information" in Limelight's Annual Report on Form 10-K for the year ended December 31, 2021, with the U.S. Securities Exchange Commission ("SEC"), each as updated by Limelight's continuous disclosure filings, which are available at www.sec.gov.

Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not or the times at or by which such performance or results will be achieved. All forward-looking statements herein are qualified in their entirety by its cautionary statement and are made as of the date of this communication. Limelight disclaims any obligation to revise or update any such forward-looking statements or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events or developments, except as required by law.

Additional Information and Where to Find It

This communication is not intended to and does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy or an invitation to purchase or subscribe for any securities or the solicitation of any vote, consent or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable law. This communication has been prepared in respect of the proposed transaction involving Limelight and Edgecast pursuant to the terms of the definitive agreement, and may be deemed to be soliciting material relating to the transaction. In connection with the transaction, Limelight will file a proxy statement on Schedule 14A relating to a special meeting of the stockholders with the SEC. Additionally, Limelight will file other relevant materials in connection with the transaction with the SEC. Investors and securityholders of Limelight are urged to read the proxy statement and/or consent solicitation documents regarding the transaction and any other relevant materials carefully in their entirety when they become available before making any voting or investment decision with respect to the transaction because they will contain important information about the transaction and the parties to the definitive agreement. The definitive proxy statement will be mailed to holders of Limelight's stock. Stockholders will be able to obtain a copy of the proxy statement, as well as other filings containing information about the transaction and the parties to the definitive agreement made by Limelight with the SEC free of charge on EDGAR at www.sec.gov, or on Limelight's website at www.limelight.com. Information contained on, or that may be accessed through, the websites referenced in this communication is not incorporated into and does not constitute a part of this communication. We have included these website addresses only as inactive textual references and do not intend them to be active links.

Participants in the Solicitation

Limelight and its directors and executive officers may be deemed to be participants in the solicitation of proxies from the stockholders of Limelight in respect of the transaction. Information about Limelight's directors and executive officers is set forth in the proxy statement for Limelight's 2021 Annual Meeting of Stockholders, which was filed with the SEC on April 23, 2021. Investors may obtain additional information regarding the interest of such participants by reading the proxy statement regarding the transaction when it becomes available.

A LARGE OPPORTUNITY THAT REQUIRES SCALE AND PERFORMANCE

2022 &
Beyond

Edge Enabled Solutions

- Delivery, Applications, Security & Video
- Focused on the Outcome Buyer
- A 4x TAM of \$40B that is Rapidly Growing
- 60% Gross Margins & Double-Digit Growth

2021—2022

Transformation

- Improved Profitability & Performance
- Expanded Growth Motions
- Extended Our Portfolio of Solutions

2001—2020

White Label CDN

- Customer & Revenue Concentration
- Limited Addressable Market
- Commoditization
- Low ROIC

EDGECAST CHECKS ALL OF THE BOXES

KEY ACQUISITION CRITERIA	edgecast	COMMENTARY
Achieve Scale Leadership	✓	<ul style="list-style-type: none">▪ Doubles the scale of Limelight
Strengthen our Security Story	✓	<ul style="list-style-type: none">▪ Proprietary cloud security offering
Extend our Edge Enabled Solutions	✓	<ul style="list-style-type: none">▪ > \$85M in Edge innovation R&D in last 3 years
Immediately Accretive to our Shareholders	✓	<ul style="list-style-type: none">▪ Highly accretive acquisition at approximately 1x revenue▪ Additional \$30M of cash added to balance sheet▪ Growth and profitability acceleration▪ Revenue diversification

TRANSACTION SUMMARY

Structure

- Upfront deal value of approximately **\$300 million**
- Price includes a **\$30 million** investment by Apollo Global Management and their co-investors through their ownership of Yahoo
- Funded by the issuance of approximately **72.2 million shares** of Limelight common stock based on the **30-day VWAP of approximately \$4.12** (Reference Price) to Yahoo, subject to customary adjustments at closing
- Shares subject to **24 month lock** up period
- Yahoo to receive up to **\$100 million in additional shares based on stock performance**; \$33 million at achievement of each share price threshold of 150%, 200% and 250% of the Reference Price

Ownership and Board

- Pro forma equity ownership approximately **68.1%** existing Limelight shareholders, **31.9%** Yahoo
- Board will be reconstructed to include **6 Limelight appointed seats** and **3 Apollo appointed seats** with equity ownership at or above **28%**, two seats if/when ownership is between **27-17%**, one seat if/when ownership is between **16-10%**

Identified Synergies

- Greater than **\$50 million run-rate cost synergies**
- Meaningful commercial synergy opportunities

Timeline

- Target closing second half of 2022, subject to customary closing conditions and regulatory approvals
- Limelight rebranding as **Edgio**, combined company to continue as **Edgio** after close

EDGIO AT-A-GLANCE

- #1 performing global edge network
- Natively equipped with robust security
- Leading edge enabled delivery, application and video solutions

SOLUTIONS

CONTENT DELIVERY



60%

WEB APPLICATIONS



VIDEO PLATFORM



40%

Revenue Split

BY THE NUMBERS

\$502M

2021 Revenue

95%

Recurring Revenue¹

> 6 YEARS

Average Customer Tenure

> 200 TBPS

Peak Network Capacity

> 300

PoPs

> 7,000+

Global Interconnects

¹ Defined as revenue from contracts of one year or greater

AN IDEAL STRATEGIC COMBINATION

International Footprint
#1 Performing Network
Layer0 Application Platform
Best-in-Class VOD Performance
High-Performing Growth Platform

Limelight



**Best-In-Class Edge
Enabled Content,
Applications and
Video Solutions**

edgecast

Strong Partner/Channel Program
Robust Security Offerings
Edge Video Platform
Leading Live Events Provider
\$85M of R & D Investment

THE RISE OF THE OUTCOME BUYER

TODAY'S CLOUD SERVICE GIANTS CATER PRIMARILY TO **TOOL** BUYERS
THERE IS A LARGE CUSTOMER SEGMENT THAT WOULD PREFER TO BUY **OUTCOMES**

TOOL BUYERS ~83% OF TAM

- Seek robust features and functions from each tool
- Self-reliant to integrate & customize tools
- Usage based packaging & pricing
- Requires increasingly scarce in-house know-how



OUTCOME BUYERS ~17% OF TAM

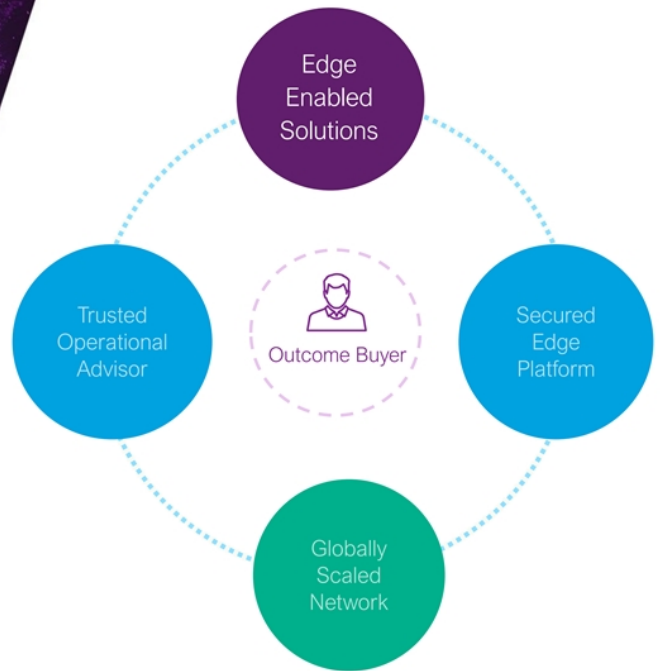
- Seek integrated solutions that deliver outcomes
- A mix of managed and self-service usage models
- Simplified and inclusive packaging & pricing
- Reduces reliance on in-house know-how



LEADING PROVIDER OF SECURELY DELIVERED EDGE ENABLED SOLUTIONS

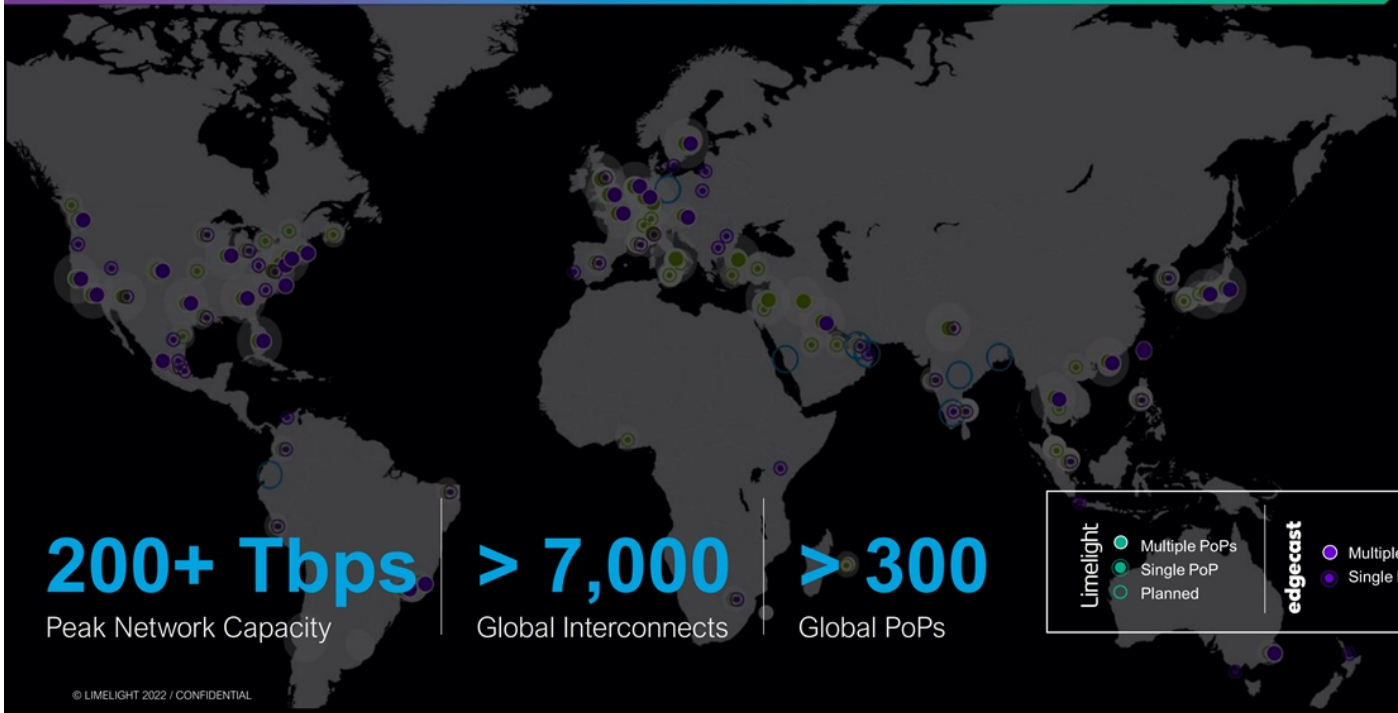
Creating Unmatched Value
for the Outcome Buyer

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We Understand Outcome Buyer's needs to deliver:
Performance, Productivity & Protection

GLOBALLY SCALED EDGE PLATFORM



TRUSTED OPERATIONAL ADVISOR

Unmatched partnership at every step



White Glove Onboarding

Guided support to ensure a quick and smooth start



Dedicated Relationship & Performance Team

A dedicated team ensuring and accelerating your success



Customer Operations Center

Safeguarding your experience 24 hours a day with proactive client KPI monitoring & support



Integrated Client Optimization

Raising the bar for our global network, to exceed client expectations and maintain the #1 position



Complete, Seamless Solutions

Activating our robust edge enabled solutions that work seamlessly together to provide a complete solution


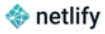



Strategic Partner Optimizing for Current & Future Needs

Exceeding your expectations today and partnering for your needs tomorrow

EDGE ENABLED SOLUTIONS

The Most Complete Web Applications Solution on the Market with ~ \$100 Million in Revenue

	JAMSTACK	SCALED EDGE PLATFORM	SECURITY	OPERATIONS	DEVELOPER PRODUCTIVITY
	●	●	●	●	●
Vercel	●	◐	X	◐	●
	●	◐	X	◐	●
	◐	●	●	X	◐

Traditional CDNs

	X	●	●	X	X
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Select competitors listed for illustration purposes
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IMMEDIATE SHAREHOLDER VALUE CREATION

Improved Profitability

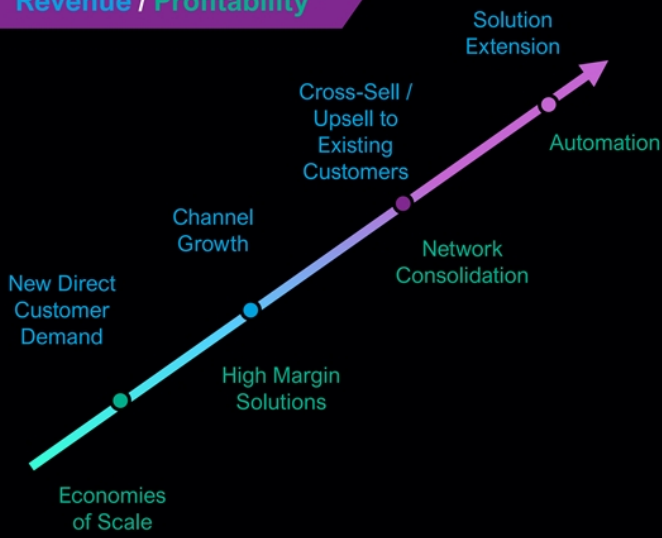
Accelerated Revenue Growth

Revenue Diversification

- Operational Synergies
- Commercial Synergies
- 4x TAM with High Growth

IMPROVED PROFITABILITY AND GROWTH

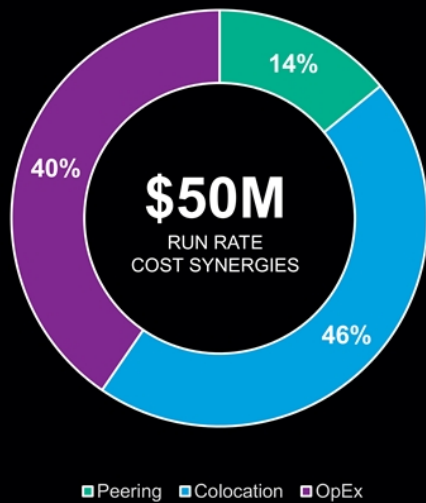
Revenue / Profitability



Strategic Target

Revenue Growth	20% - 25%
Cash Gross Profit Margin	60%+
Adj. EBITDA Margin	15% - 20%

UNDERWRITTEN WITH STRONG OPERATIONAL SYNERGIES



Gross Margin Synergies

- Colocation expense in shared POP locations
- Internet peering
- Duplicative Operational Support

Operational Synergies

- Network Performance & Efficiency
- OpEx Leverage
- Client Support Economies of Scale

Commercial Synergies

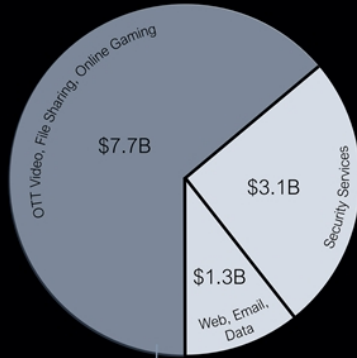
- Cross- and up-sell to existing customers
- Improved solution features
- Acceleration of secure edge access

...AND COMMERCIAL SYNERGIES



A 4X TAM WITH HIGH GROWTH

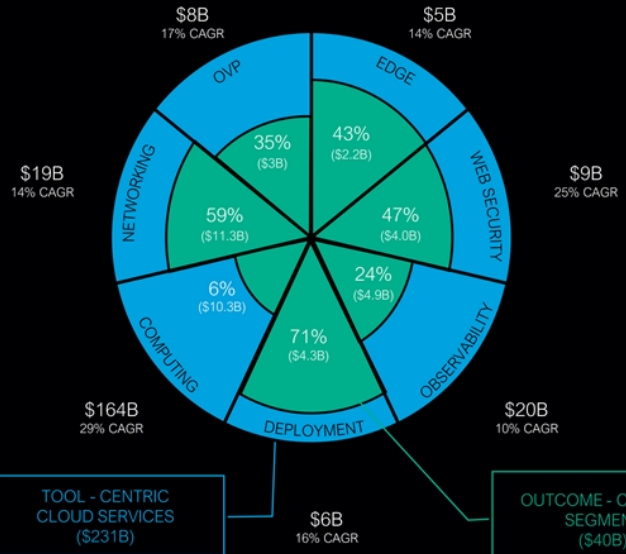
WHITE LABEL CDN TAM



Total white label CDN market \$12.1B (2022)

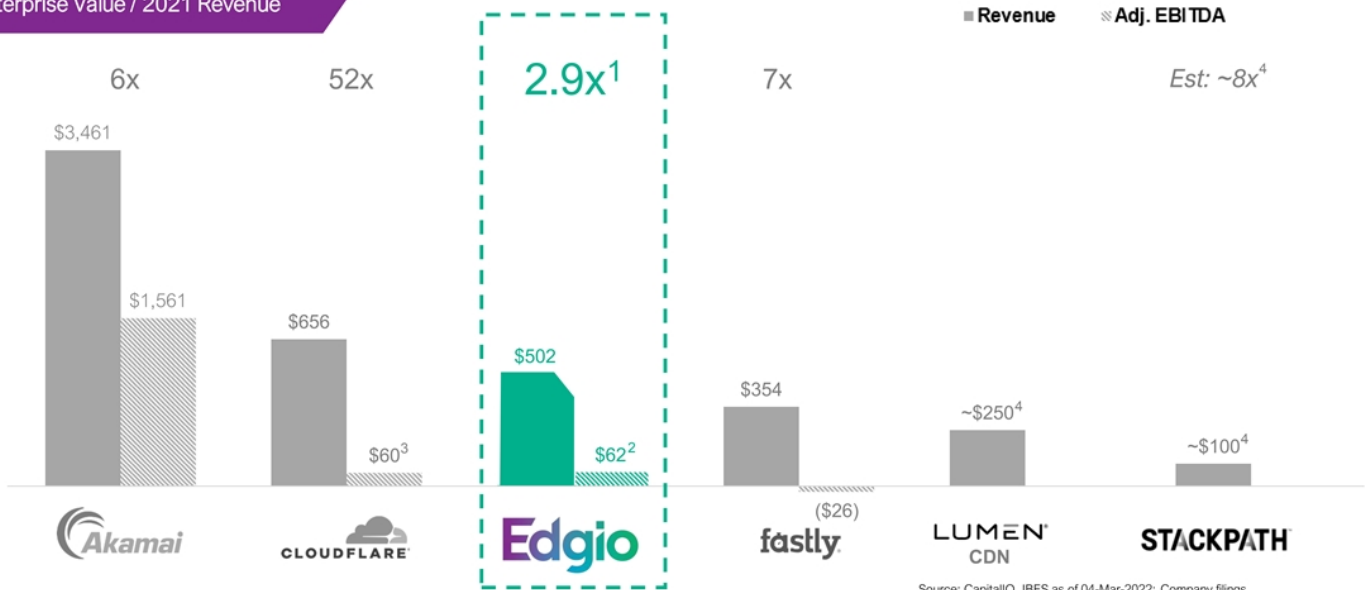
Source: IDC World Content Delivery Networks Forecast 2021

EDGE ENABLED SOLUTIONS TAM



QUALITY OF REVENUE SUPPORTED MULTIPLE EXPANSION

Enterprise Value / 2021 Revenue



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 Select competitors listed for illustration purposes

Source: CapitalIQ, IBES as of 04-Mar-2022; Company filings
¹ Represents Limelight standalone EV / 2021A Revenue multiple.
² Equal to Limelight Adj. EBITDA plus Edgecast Adj. EBITDA plus run-rate synergies.
³ Represents Non-GAAP Loss from Operations plus D&A expense
⁴ Per research analyst estimates.

ADDED BENCH STRENGTH

APOLLO

A Global Leader in Technology Investing

- Growth opportunities with their portfolio companies
- Transformation and operational support resources, including \$30M investment via Yahoo
- Access to capital to fuel growth
- Aligned with common shareholders:
Highly incentivized for stock appreciation

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PRESIDIO®

yahoo!

rackspace®

 brightspeed

Shutterfly.

 Expedia®

 TD SYNnex



INVESTMENT HIGHLIGHTS

 **Limelight**

+

edgecast

- 1 Expanded and Growing TAM: Rapidly Growing \$40 Billion Market
- 2 Most Complete Solutions: Security + Applications + Scaled Edge Platform
- 3 Revenue Diversification: Top 20 from 74% to 61%, no customer larger than 13%
- 4 High Growth & Margin Revenue: >\$100M Application and Security, >\$120M Video
- 5 Significant Operational Cost Synergy: >\$50M with \$30M in COGS synergies
- 6 Immediate Shareholder Value: Acquisition Multiple of 1.0x 2021A Revenue
- 7 Growth and Execution Support: Apollo fully committed to strategy and aligned with common shareholders

Edgigio

....COMING SOON



SUDDENLY, LIGHTNING LOOKS SLOW.

We're on edge so you don't have to be. Glitches gone. Threats neutralized.
Hiccups handled. **What's left? Meaningful experiences.**

Edgio

NON-GAAP RECONCILIATION

Use of Non-GAAP Financial Measures

To evaluate our business, we consider and use non-generally accepted accounting principles (Non-GAAP) net income (loss), EBITDA and Adjusted EBITDA as supplemental measures of operating performance. These measures include the same adjustments that management takes into account when it reviews and assesses operating performance on a period-to-period basis. We consider Non-GAAP net income (loss) to be an important indicator of overall business performance. We define Non-GAAP net income (loss) to be U.S. GAAP net income (loss), adjusted to exclude share-based compensation, non-cash interest expense, restructuring and transition related charges, acquisition and legal related expenses, and amortization of intangible assets. We believe that EBITDA provides a useful metric to investors to compare us with other companies within our industry and across industries. We define EBITDA as U.S. GAAP net income (loss) adjusted to exclude depreciation and amortization, interest expense, interest and other (income) expense, and income tax expense. We define Adjusted EBITDA as EBITDA adjusted to exclude share-based compensation, restructuring and transition related charges and acquisition and legal related expenses. We use Adjusted EBITDA as a supplemental measure to review and assess operating performance. Our management uses these Non-GAAP financial measures because, collectively, they provide valuable information on the performance of our on-going operations, excluding non-cash charges, taxes and non-core activities (including interest payments related to financing activities). These measures also enable our management to compare the results of our on-going operations from period to period, and allow management to review the performance of our on-going operations against our peer companies and against other companies in our industry and adjacent industries. We believe these measures also provide similar insights to investors, and enable investors to review our results of operations "through the eyes of management."

Furthermore, our management uses these Non-GAAP financial measures to assist them in making decisions regarding our strategic priorities and areas for future investment and focus. The terms Non-GAAP net income (loss), EBITDA and Adjusted EBITDA are not defined under U.S. GAAP, and are not measures of operating income, operating performance or liquidity presented in accordance with U.S. GAAP. Our Non-GAAP net income (loss), EBITDA and Adjusted EBITDA have limitations as analytical tools, and when assessing our operating performance, Non-GAAP net income (loss), EBITDA and Adjusted EBITDA should not be considered in isolation, or as a substitute for net income (loss) or other consolidated income statement data prepared in accordance with U.S. GAAP. Some of these limitations include, but are not limited to:

- EBITDA and Adjusted EBITDA do not reflect our cash expenditures or future requirements for capital expenditures or contractual commitments;
- These measures do not reflect changes in, or cash requirements for, our working capital needs;
- Non-GAAP net income (loss) and Adjusted EBITDA do not reflect the cash requirements necessary for litigation costs, including provision for litigation and litigation expenses;
- These measures do not reflect the interest expense, or the cash requirements necessary to service interest or principal payments, on our debt that we may incur;
- These measures do not reflect income taxes or the cash requirements for any tax payments;
- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will be replaced sometime in the future, and EBITDA and Adjusted EBITDA do not reflect any cash requirements for such replacements;
- While share-based compensation is a component of operating expense, the impact on our financial statements compared to other companies can vary significantly due to such factors as the assumed life of the options and the assumed volatility of our common stock; and
- Other companies may calculate Non-GAAP net income (loss), EBITDA and Adjusted EBITDA differently than we do, limiting their usefulness as comparative measures.

We compensate for these limitations by relying primarily on our U.S. GAAP results and using Non-GAAP net income (loss), EBITDA and Adjusted EBITDA only as supplemental support for management's analysis of business performance. Non-GAAP net income (loss), EBITDA and Adjusted EBITDA are calculated as follows for the periods presented in thousands:

Reconciliation of Non-GAAP Financial Measures

In accordance with the requirements of Item 10(e) of Regulation S-K, we are presenting the most directly comparable U.S. GAAP financial measures and reconciling the unaudited Non-GAAP financial metrics to the comparable U.S. GAAP measures. Per share amounts may not foot due to rounding.

NON-GAAP RECONCILIATIONS

Limelight Adj. EBITDA Reconciliation

	Year Ended December 31, 2021
U.S. GAAP net loss	\$(55)
Depreciation and amortization	25
Interest expense	5
Interest and other (income) expense	1
Income tax expense	1
EBITDA	\$(22)
Share-based compensation	14
Restructuring and transition related charges	18
Acquisition and legal related expenses	3
Adjusted EBITDA	\$ 13

Edgecast Adj. EBITDA Reconciliation¹

	Year Ended December 31, 2021
Carve-out net loss	\$(92)
Depreciation and amortization	59
Interest expense	4
Income tax expense	(5)
Share-based compensation	9
Transaction, transition, and other expenses	25
Adjusted EBITDA	\$(1)
(+) Run-Rate Synergies	50
Adjusted EBITDA incl. Synergies	\$49

¹ Edgecast financials are preliminary and unaudited

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