

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

	<b>June 30, 2020</b>	<b>March 31, 2020</b>	<b>December 31, 2019</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 18,200	\$ 21,421	\$ 18,335
Accounts receivable, net	45,246	34,603	34,476
Income taxes receivable	68	76	82
Prepaid expenses and other current assets	10,241	11,205	9,920
Total current assets	73,755	67,305	62,813
Property and equipment, net	48,908	46,636	46,136
Operating lease right of use assets	11,449	12,084	12,842
Marketable securities, less current portion	40	40	40
Deferred income taxes	1,328	1,361	1,319
Goodwill	77,113	76,867	77,102
Other assets	7,915	8,721	9,117
Total assets	\$ 220,508	\$ 213,014	\$ 209,369
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>			
Current liabilities:			
Accounts payable	\$ 17,004	\$ 14,297	\$ 12,020
Deferred revenue	934	726	976
Operating lease liability obligations	2,390	2,046	2,056
Income taxes payable	169	170	178
Other current liabilities	17,028	18,188	13,398
Total current liabilities	37,525	35,427	28,628
Operating lease liability obligations, less current portions	12,316	12,983	13,488
Deferred income taxes	283	262	239
Deferred revenue, less current portion	265	161	161
Other long-term liabilities	304	318	316
Total liabilities	50,693	49,151	42,832
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; 121,692, 119,642 and 118,368 shares issued and outstanding at June 30, 2020, March 31, 2020 and December 31, 2019, respectively	122	120	118
Additional paid-in capital	541,363	534,205	530,285
Accumulated other comprehensive loss	(10,031)	(10,549)	(9,210)
Accumulated deficit	(361,639)	(359,913)	(354,656)
Total stockholders' equity	169,815	163,863	166,537
Total liabilities and stockholders' equity	\$ 220,508	\$ 213,014	\$ 209,369

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

	Three Months Ended					Six Months Ended		
	June 30, 2020	March 31, 2020	Percent Change	June 30, 2019	Percent Change	June 30, 2020	June 30, 2019	Percent Change
Revenue	\$ 58,546	\$ 57,012	3%	\$ 45,904	28%	\$ 115,558	\$ 89,184	30%
Cost of revenue:								
Cost of services (1)	29,389	31,113	-6%	22,769	29%	60,502	45,710	32%
Depreciation - network	5,360	5,150	4%	4,628	16%	10,510	8,944	18%
Total cost of revenue	<u>34,749</u>	<u>36,263</u>	-4%	<u>27,397</u>	27%	<u>71,012</u>	<u>54,654</u>	30%
Gross profit	23,797	20,749	15%	18,507	29%	44,546	34,530	29%
Gross profit percentage	40.6%	36.4%		40.3%		38.5%	38.7%	
Operating expenses:								
General and administrative (1)	8,187	7,882	4%	8,340	-2%	16,069	15,875	1%
Sales and marketing (1)	10,929	11,894	-8%	10,994	-1%	22,823	21,966	4%
Research & development (1)	5,572	5,618	-1%	6,013	-7%	11,189	11,915	-6%
Depreciation and amortization	323	341	-5%	127	154%	665	372	79%
Total operating expenses	<u>25,011</u>	<u>25,735</u>	-3%	<u>25,474</u>	-2%	<u>50,746</u>	<u>50,128</u>	1%
Operating loss	(1,214)	(4,986)	NM	(6,967)	NM	(6,200)	(15,598)	NM
Other income (expense):								
Interest expense	(71)	(10)	NM	(10)	NM	(82)	(20)	NM
Interest income	6	25	NM	110	NM	31	321	NM
Other, net	(312)	(110)	NM	(70)	NM	(421)	(76)	NM
Total other (expense) income	<u>(377)</u>	<u>(95)</u>	NM	<u>30</u>	NM	<u>(472)</u>	<u>225</u>	NM
Loss before income taxes	(1,591)	(5,081)	NM	(6,937)	NM	(6,672)	(15,373)	NM
Income tax expense	136	176	NM	255	NM	311	378	NM
Net loss	<u>\$ (1,727)</u>	<u>\$ (5,257)</u>	NM	<u>\$ (7,192)</u>	NM	<u>\$ (6,983)</u>	<u>\$ (15,751)</u>	NM
Net loss per share:								
Basic	<u>\$ (0.01)</u>	<u>\$ (0.04)</u>		<u>\$ (0.06)</u>		<u>\$ (0.06)</u>	<u>\$ (0.14)</u>	
Diluted	<u>\$ (0.01)</u>	<u>\$ (0.04)</u>		<u>\$ (0.06)</u>		<u>\$ (0.06)</u>	<u>\$ (0.14)</u>	
Weighted average shares used in per share calculation:								
Basic	120,230	118,964		115,275		119,597	114,843	
Diluted	120,230	118,964		115,275		119,597	114,843	

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

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

	Three Months Ended			Six Months Ended	
	June 30, 2020	March 31, 2020	June 30, 2019	June 30, 2020	June 30, 2019
<b>Share-based compensation:</b>					
Cost of services	\$ 792	\$ 763	\$ 377	\$ 1,555	\$ 788
General and administrative	2,257	2,241	2,140	4,498	4,234
Sales and marketing	1,322	1,228	598	2,550	1,082
Research and development	880	832	534	1,712	1,001
Total share-based compensation	\$ 5,251	\$ 5,064	\$ 3,649	\$ 10,315	\$ 7,105
<b>Depreciation and amortization:</b>					
Network-related depreciation	\$ 5,360	\$ 5,150	\$ 4,628	\$ 10,510	\$ 8,944
Other depreciation and amortization	323	341	127	665	372
Total depreciation and amortization	\$ 5,683	\$ 5,491	\$ 4,755	\$ 11,175	\$ 9,316
Net increase (decrease) in cash, cash equivalents and marketable securities:	\$ (3,221)	\$ 3,086	\$ (9,719)	\$ (135)	\$ (21,544)
<b>End of period statistics:</b>					
Approximate number of active customers	560	573	621	560	621
Number of employees and employee equivalents	627	616	594	627	594

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

	Three Months Ended			Six Months Ended	
	June 30, 2020	March 31, 2020	June 30, 2019	June 30, 2020	June 30, 2019
<b>Operating activities</b>					
Net loss	\$ (1,727)	\$ (5,257)	\$ (7,192)	\$ (6,983)	\$ (15,751)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	5,683	5,491	4,755	11,175	9,316
Share-based compensation	5,251	5,064	3,649	10,315	7,105
Foreign currency remeasurement loss (gain)	257	(397)	(135)	(140)	(125)
Deferred income taxes	59	(44)	82	15	31
Gain on sale of property and equipment	-	-	(21)	-	(51)
Accounts receivable charges	155	158	437	313	694
Amortization of premium on marketable securities	-	-	8	-	20
Changes in operating assets and liabilities:					
Accounts receivable	(10,798)	(285)	(2,031)	(11,083)	(5,751)
Prepaid expenses and other current assets	986	(1,433)	582	(447)	108
Income taxes receivable	10	3	-	13	(2)
Other assets	1,121	626	(1,685)	1,747	(3,422)
Accounts payable and other current liabilities	1,045	5,892	4,230	6,937	6,473
Deferred revenue	313	(250)	(148)	63	(445)
Income taxes payable	-	2	81	2	143
Payments related to litigation, net	-	-	(1,520)	-	(3,040)
Other long term liabilities	(15)	6	22	(11)	(152)
Net cash provided by (used in) operating activities	<u>2,340</u>	<u>9,576</u>	<u>1,114</u>	<u>11,916</u>	<u>(4,849)</u>
<b>Investing activities</b>					
Purchases of marketable securities	-	-	(1,013)	-	(10,279)
Sale and maturities of marketable securities	-	-	18,929	-	31,153
Purchases of property and equipment	(8,085)	(6,863)	(11,456)	(14,948)	(16,474)
Proceeds from sale of property and equipment	-	-	17	-	46
Net cash provided by (used in) investing activities	<u>(8,085)</u>	<u>(6,863)</u>	<u>6,477</u>	<u>(14,948)</u>	<u>4,446</u>
<b>Financing activities</b>					
Payment of employee tax withholdings related to restricted stock vesting	(1,430)	(1,515)	(619)	(2,945)	(1,513)
Proceeds from employee stock plans	3,954	2,138	1,095	6,092	1,103
Net cash provided by (used in) financing activities	<u>2,524</u>	<u>623</u>	<u>476</u>	<u>3,147</u>	<u>(410)</u>
Effect of exchange rate changes on cash and cash equivalents	-	(250)	132	(250)	128
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>(3,221)</u>	<u>3,086</u>	<u>8,199</u>	<u>(135)</u>	<u>(685)</u>
<b>Cash and cash equivalents, beginning of period</b>	<u>21,421</u>	<u>18,335</u>	<u>16,499</u>	<u>18,335</u>	<u>25,383</u>
<b>Cash and cash equivalents, end of period</b>	<u>\$ 18,200</u>	<u>\$ 21,421</u>	<u>\$ 24,698</u>	<u>\$ 18,200</u>	<u>\$ 24,698</u>

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

	Three Months Ended						Six Months Ended			
	June 30, 2020		March 31, 2020		June 30, 2019		June 30, 2020		June 30, 2019	
	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share
U.S. GAAP net loss	\$ (1,727)	\$ (0.01)	\$ (5,257)	\$ (0.04)	\$ (7,192)	\$ (0.06)	\$ (6,983)	\$ (0.06)	\$ (15,751)	\$ (0.14)
Share-based compensation	5,251	0.04	5,064	0.04	3,649	0.03	10,315	0.09	7,105	0.06
Non-GAAP net income (loss)	<u>\$ 3,524</u>	<u>\$ 0.03</u>	<u>\$ (193)</u>	<u>\$ (0.00)</u>	<u>\$ (3,543)</u>	<u>\$ (0.03)</u>	<u>\$ 3,332</u>	<u>\$ 0.03</u>	<u>\$ (8,646)</u>	<u>\$ (0.08)</u>
Weighted average basic shares used in per share calculation		120,230		118,964		115,275		119,597		114,843

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

	Three Months Ended			Six Months Ended	
	June 30, 2020	March 31, 2020	June 30, 2019	June 30, 2020	June 30, 2019
U.S. GAAP net loss	\$ (1,727)	\$ (5,257)	\$ (7,192)	\$ (6,983)	\$ (15,751)
Depreciation and amortization	5,683	5,491	4,755	11,175	9,316
Interest expense	71	10	10	82	20
Interest and other (income) expense	306	85	(40)	390	(245)
Income tax expense	136	176	255	311	378
EBITDA	\$ 4,469	\$ 505	\$ (2,212)	\$ 4,975	\$ (6,282)
Share-based compensation	5,251	5,064	3,649	10,315	7,105
Adjusted EBITDA	\$ 9,720	\$ 5,569	\$ 1,437	\$ 15,290	\$ 823

**Limelight Networks, Inc.**  
**2020 Guidance**

	<u>July 2020</u>	<u>April 2020</u>	<u>December 2019</u>	<u>Actual 2019</u>
Revenue	<b>\$230 to \$240 million</b>	\$225 to \$235 million	\$220 to \$235 million	\$200.6 million
GAAP Basic EPS	\$(0.10) to break-even	\$(0.10) to break-even	\$(0.10) to break-even	\$(0.14)
Non-GAAP EPS	Break-even to \$0.10	Break-even to \$0.10	Break-even to \$0.10	\$(0.02)
Adjusted EBITDA	<b>\$28 to \$35 million</b>	\$25 to \$35 million	\$25 to \$35 million	\$18.1 million
Capital expenditures	\$25 to \$30 million	\$25 to \$30 million	\$25 to \$30 million	\$34.7 million