

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

	<b>September 30,</b>	<b>June 30,</b>	<b>December 31,</b>
	<b>2020</b>	<b>2020</b>	<b>2019</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 75,169	\$ 18,200	\$ 18,335
Marketable securities	49,623	-	-
Accounts receivable, net	42,222	45,246	34,476
Income taxes receivable	81	68	82
Prepaid expenses and other current assets	12,561	10,241	9,920
Total current assets	179,656	73,755	62,813
Property and equipment, net	47,493	48,908	46,136
Operating lease right of use assets	10,844	11,449	12,842
Marketable securities, less current portion	40	40	40
Deferred income taxes	1,428	1,328	1,319
Goodwill	77,126	77,113	77,102
Other assets	7,459	7,915	9,117
Total assets	\$ 324,046	\$ 220,508	\$ 209,369
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>			
Current liabilities:			
Accounts payable	\$ 12,437	\$ 17,004	\$ 12,020
Deferred revenue	797	934	976
Operating lease liability obligations	2,654	2,390	2,056
Income taxes payable	153	169	178
Other current liabilities	17,584	17,028	13,398
Total current liabilities	33,625	37,525	28,628
Convertible senior notes, net	99,937	-	-
Operating lease liability obligations, less current portions	11,745	12,316	13,488
Deferred income taxes	251	283	239
Deferred revenue, less current portion	230	265	161
Other long-term liabilities	579	304	316
Total liabilities	146,367	50,693	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; 122,824, 121,692 and 118,368 shares issued and outstanding at September 30, 2020, June 30, 2020 and December 31, 2019, respectively	123	122	118
Additional paid-in capital	552,559	541,363	530,285
Accumulated other comprehensive loss	(9,379)	(10,031)	(9,210)
Accumulated deficit	(365,624)	(361,639)	(354,656)
Total stockholders' equity	177,679	169,815	166,537
Total liabilities and stockholders' equity	\$ 324,046	\$ 220,508	\$ 209,369

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

	Three Months Ended					Nine Months Ended		
	September 30, 2020	June 30, 2020	Percent Change	September 30, 2019	Percent Change	September 30, 2020	September 30, 2019	Percent Change
Revenue	\$ 59,243	\$ 58,546	1%	\$ 51,321	15%	\$ 174,801	\$ 140,505	24%
Cost of revenue:								
Cost of services (1)	31,905	29,389	9%	25,602	25%	92,406	71,311	30%
Depreciation - network	5,602	5,360	5%	4,961	13%	16,112	13,905	16%
Total cost of revenue	<u>37,507</u>	<u>34,749</u>	8%	<u>30,563</u>	23%	<u>108,518</u>	<u>85,216</u>	27%
Gross profit	21,736	23,797	-9%	20,758	5%	66,283	55,289	20%
Gross profit percentage	36.7%	40.6%		40.4%		37.9%	39.4%	
Operating expenses:								
General and administrative (1)	7,751	8,187	-5%	7,356	5%	23,820	23,231	3%
Sales and marketing (1)	10,456	10,929	-4%	10,713	-2%	33,279	32,679	2%
Research & development (1)	5,425	5,572	-3%	5,160	5%	16,614	17,075	-3%
Depreciation and amortization	384	323	19%	172	123%	1,049	545	92%
Total operating expenses	<u>24,016</u>	<u>25,011</u>	-4%	<u>23,401</u>	3%	<u>74,762</u>	<u>73,530</u>	2%
Operating loss	(2,280)	(1,214)	NM	(2,643)	NM	(8,479)	(18,241)	NM
Other income (expense):								
Interest expense	(1,674)	(71)	NM	(10)	NM	(1,756)	(30)	NM
Interest income	10	6	NM	81	NM	40	402	NM
Other, net	25	(312)	NM	(13)	NM	(396)	(89)	NM
Total other (expense) income	<u>(1,639)</u>	<u>(377)</u>	NM	<u>58</u>	NM	<u>(2,112)</u>	<u>283</u>	NM
Loss before income taxes	(3,919)	(1,591)	NM	(2,585)	NM	(10,591)	(17,958)	NM
Income tax expense	66	136	NM	166	NM	377	544	NM
Net loss	<u>\$ (3,985)</u>	<u>\$ (1,727)</u>	NM	<u>\$ (2,751)</u>	NM	<u>\$ (10,968)</u>	<u>\$ (18,502)</u>	NM
Net loss per share:								
Basic	<u>\$ (0.03)</u>	<u>\$ (0.01)</u>		<u>\$ (0.02)</u>		<u>\$ (0.09)</u>	<u>\$ (0.16)</u>	
Diluted	<u>\$ (0.03)</u>	<u>\$ (0.01)</u>		<u>\$ (0.02)</u>		<u>\$ (0.09)</u>	<u>\$ (0.16)</u>	
Weighted average shares used in per share calculation:								
Basic	122,363	120,230		116,270		120,519	115,318	
Diluted	122,363	120,230		116,270		120,519	115,318	

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

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

	Three Months Ended			Nine Months Ended	
	September 30, 2020	June 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
<b>Share-based compensation:</b>					
Cost of services	\$ 130	\$ 792	\$ 331	\$ 1,685	\$ 1,119
General and administrative	1,272	2,257	2,006	5,770	6,240
Sales and marketing	206	1,322	584	2,756	1,666
Research and development	315	880	437	2,027	1,438
Total share-based compensation	\$ 1,923	\$ 5,251	\$ 3,358	\$ 12,238	\$ 10,463
<b>Depreciation and amortization:</b>					
Network-related depreciation	\$ 5,602	\$ 5,360	\$ 4,961	\$ 16,112	\$ 13,905
Other depreciation and amortization	384	323	172	1,049	545
Total depreciation and amortization	\$ 5,986	\$ 5,683	\$ 5,133	\$ 17,161	\$ 14,450
Net increase (decrease) in cash, cash equivalents and marketable securities:	\$ 106,592	\$ (3,221)	\$ (10,872)	\$ 106,457	\$ (32,416)
<b>End of period statistics:</b>					
Approximate number of active customers	534	560	609	534	609
Number of employees and employee equivalents	620	627	609	620	609

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

	Three Months Ended			Nine Months Ended	
	September 30, 2020	June 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
<b>Operating activities</b>					
Net loss	\$ (3,985)	\$ (1,727)	\$ (2,751)	\$ (10,968)	\$ (18,502)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	5,986	5,683	5,133	17,161	14,450
Share-based compensation	1,923	5,251	3,358	12,238	10,463
Foreign currency remeasurement loss (gain)	27	257	21	(113)	(104)
Deferred income taxes	(95)	59	(61)	(80)	(30)
Gain on sale of property and equipment	(1)	-	(5)	(1)	(56)
Accounts receivable charges	163	155	580	476	1,274
Amortization of premium on marketable securities	87	-	9	87	29
Noncash interest expense	868	-	-	868	-
Changes in operating assets and liabilities:					
Accounts receivable	2,862	(10,798)	(5,300)	(8,221)	(11,051)
Prepaid expenses and other current assets	(2,232)	986	(885)	(2,679)	(777)
Income taxes receivable	(10)	10	45	3	43
Other assets	757	1,121	781	2,504	(2,641)
Accounts payable and other current liabilities	1,222	1,045	(2,798)	8,159	3,675
Deferred revenue	(172)	313	(112)	(109)	(557)
Income taxes payable	(17)	-	61	(15)	204
Payments related to litigation, net	-	-	-	-	(3,040)
Other long term liabilities	276	(15)	16	265	(137)
Net cash provided by (used in) operating activities	<u>7,659</u>	<u>2,340</u>	<u>(1,908)</u>	<u>19,575</u>	<u>(6,757)</u>
<b>Investing activities</b>					
Purchases of marketable securities	(52,690)	-	-	(52,690)	(10,279)
Sale and maturities of marketable securities	2,900	-	1,000	2,900	32,153
Purchases of property and equipment	(7,180)	(8,085)	(7,750)	(22,128)	(24,224)
Proceeds from sale of property and equipment	1	-	5	1	51
Net cash provided by (used in) investing activities	<u>(56,969)</u>	<u>(8,085)</u>	<u>(6,745)</u>	<u>(71,917)</u>	<u>(2,299)</u>
<b>Financing activities</b>					
Proceeds from issuance of debt, net	121,600	-	-	121,600	-
Purchase of capped calls	(16,413)	-	-	(16,413)	-
Payment of debt issuance costs	(784)	-	-	(784)	-
Payment of employee tax withholdings related to restricted stock vesting	(1,041)	(1,430)	(1,015)	(3,987)	(2,528)
Proceeds from employee stock plans	2,598	3,954	13	8,691	1,116
Net cash provided by (used in) financing activities	<u>105,960</u>	<u>2,524</u>	<u>(1,002)</u>	<u>109,107</u>	<u>(1,412)</u>
Effect of exchange rate changes on cash and cash equivalents	319	-	(211)	69	(83)
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>56,969</u>	<u>(3,221)</u>	<u>(9,866)</u>	<u>56,834</u>	<u>(10,551)</u>
<b>Cash and cash equivalents, beginning of period</b>	<u>18,200</u>	<u>21,421</u>	<u>24,698</u>	<u>18,335</u>	<u>25,383</u>
<b>Cash and cash equivalents, end of period</b>	<u>\$ 75,169</u>	<u>\$ 18,200</u>	<u>\$ 14,832</u>	<u>\$ 75,169</u>	<u>\$ 14,832</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, 2020		June 30, 2020		September 30, 2019		September 30, 2020		September 30, 2019	
	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share
U.S. GAAP net loss	\$ (3,985)	\$ (0.03)	\$ (1,727)	\$ (0.01)	\$ (2,751)	\$ (0.02)	\$ (10,968)	\$ (0.09)	\$ (18,502)	\$ (0.16)
Share-based compensation	1,923	0.02	5,251	0.04	3,358	0.03	12,238	0.10	10,463	0.09
Non-cash interest expense	868	0.01	-	-	-	-	868	0.01	-	-
Non-GAAP net (loss) income	<u>\$ (1,194)</u>	<u>\$ (0.01)</u>	<u>\$ 3,524</u>	<u>\$ 0.03</u>	<u>\$ 607</u>	<u>\$ 0.01</u>	<u>\$ 2,138</u>	<u>\$ 0.02</u>	<u>\$ (8,039)</u>	<u>\$ (0.07)</u>
Weighted average basic shares used in per share calculation		122,363		120,230		116,270		120,519		115,318

**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, 2020	June 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
U.S. GAAP net loss	\$ (3,985)	\$ (1,727)	\$ (2,751)	\$ (10,968)	\$ (18,502)
Depreciation and amortization	5,986	5,683	5,133	17,161	14,450
Interest expense	1,674	71	10	1,756	30
Interest and other (income) expense	(35)	306	(68)	356	(313)
Income tax expense	66	136	166	377	544
EBITDA	\$ 3,706	\$ 4,469	\$ 2,490	\$ 8,682	\$ (3,791)
Share-based compensation	1,923	5,251	3,358	12,238	10,463
Adjusted EBITDA	<u>\$ 5,629</u>	<u>\$ 9,720</u>	<u>\$ 5,848</u>	<u>\$ 20,920</u>	<u>\$ 6,672</u>

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

	<u><b>Current Guidance</b></u>	<u><b>Previous Guidance</b></u>	<u><b>Actual 2019</b></u>
Revenue	\$230 to \$240 million	\$230 to \$240 million	\$200.6 million
GAAP Basic EPS	\$(0.13) to \$(0.03)	\$(0.10) to break-even	\$(0.14)
Non-GAAP EPS	\$(0.02) to \$0.08	Break-even to \$0.10	\$(0.02)
Adjusted EBITDA	\$28 to \$35 million	\$28 to \$35 million	\$18.1 million
Capital expenditures	\$25 to \$30 million	\$25 to \$30 million	\$34.7 million