

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

	<b>December 31, 2017</b>	<b>September 30, 2017</b>	<b>December 31, 2016</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 20,912	\$ 20,744	\$ 21,734
Marketable securities	28,404	36,948	44,453
Accounts receivable, net	32,381	28,712	27,418
Income taxes receivable	98	102	125
Prepaid expenses and other current assets	5,397	4,453	4,865
Total current assets	87,192	90,959	98,595
Property and equipment, net	28,991	29,835	30,352
Marketable securities, less current portion	40	40	40
Deferred income taxes	1,506	1,393	1,105
Goodwill	77,054	76,925	76,243
Other assets	1,665	1,794	1,794
Total assets	\$ 196,448	\$ 200,946	\$ 208,129
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>			
Current liabilities:			
Accounts payable	\$ 4,439	\$ 8,804	\$ 8,790
Deferred revenue	1,187	1,694	2,138
Income taxes payable	452	383	188
Provision for litigation	18,000	18,000	18,000
Other current liabilities	18,507	15,665	12,836
Total current liabilities	42,585	44,546	41,952
Deferred income taxes	144	146	152
Deferred revenue, less current portion	16	15	22
Provision for litigation, less current portion	9,000	13,500	27,000
Other long-term liabilities	558	859	1,435
Total liabilities	52,303	59,066	70,561
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; 110,824,109,638 and 107,059 shares issued and outstanding at December 31, 2017, September 30, 2017 and December 31, 2016, respectively	111	110	107
Additional paid-in capital	502,312	499,487	490,819
Accumulated other comprehensive loss	(8,328)	(8,679)	(11,038)
Accumulated deficit	(349,950)	(349,038)	(342,320)
Total stockholders' equity	144,145	141,880	137,568
Total liabilities and stockholders' equity	\$ 196,448	\$ 200,946	\$ 208,129

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

	Three Months Ended					Twelve Months Ended		
	December 31, 2017	September 30, 2017	Percent Change	December 31, 2016	Percent Change	December 31, 2017	December 31, 2016	Percent Change
Revenues	\$ 48,186	\$ 46,069	5%	\$ 43,778	10%	\$ 184,360	\$ 168,234	10%
Cost of revenue:								
Cost of services (1)	20,665	19,287	7%	19,642	5%	78,423	78,857	-1%
Depreciation - network	4,544	4,506	1%	4,474	2%	18,138	18,032	1%
Total cost of revenue	<u>25,209</u>	<u>23,793</u>	6%	<u>24,116</u>	5%	<u>96,561</u>	<u>96,889</u>	0%
Gross profit	22,977	22,276	3%	19,662	17%	87,799	71,345	23%
Gross profit percentage	47.7%	48.4%		44.9%		47.6%	42.4%	
Operating expenses:								
General and administrative (1)	8,656	8,079	7%	7,960	9%	32,053	30,042	7%
Sales and marketing (1)	8,997	8,836	2%	8,215	10%	36,098	32,945	10%
Research & development (1)	5,965	6,443	-7%	6,094	-2%	25,342	24,335	4%
Depreciation and amortization	587	603	-3%	590	-1%	2,376	2,452	-3%
Provision for litigation	-	-	NA	-	NA	-	54,000	NM
Total operating expenses	<u>24,205</u>	<u>23,961</u>	1%	<u>22,859</u>	6%	<u>95,869</u>	<u>143,774</u>	-33%
Operating loss	(1,228)	(1,685)	-27%	(3,197)	-62%	(8,070)	(72,429)	-89%
Other income (expense):								
Interest expense	(38)	(18)	111%	(54)	-30%	(80)	(918)	NM
Interest income	128	127	NM	101	27%	494	123	302%
Other, net	204	8	2450%	(570)	-136%	452	(98)	-561%
Total other income (expense)	<u>294</u>	<u>117</u>	151%	<u>(523)</u>	-156%	<u>866</u>	<u>(893)</u>	-197%
Loss before income taxes	(934)	(1,568)	-40%	(3,720)	-75%	(7,204)	(73,322)	-90%
Income tax expense	(22)	188	-112%	199	-111%	426	603	-29%
Net loss	<u>(912)</u>	<u>(1,756)</u>	-48%	<u>(3,919)</u>	-77%	<u>(7,630)</u>	<u>(73,925)</u>	-90%
Net loss per share:								
Basic and diluted	<u>\$ (0.01)</u>	<u>\$ (0.02)</u>		<u>\$ (0.04)</u>		<u>\$ (0.07)</u>	<u>\$ (0.71)</u>	
Weighted average shares used in per share calculation:								
Basic and diluted	110,128	109,342		105,942		108,814	104,350	

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

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

	<u>Three Months Ended</u>			<u>Twelve Months Ended</u>	
	<u>December 31, 2017</u>	<u>September 30, 2017</u>	<u>December 31, 2016</u>	<u>December 31, 2017</u>	<u>December 31, 2016</u>
<b>Share-based compensation:</b>					
Cost of services	\$ 375	\$ 352	\$ 375	\$ 1,450	\$ 1,493
General and administrative	1,729	1,565	1,951	6,502	7,070
Sales and marketing	622	611	776	2,470	2,792
Research and development	576	584	581	2,322	2,104
Total share-based compensation	<u>\$ 3,302</u>	<u>\$ 3,112</u>	<u>\$ 3,683</u>	<u>\$ 12,744</u>	<u>\$ 13,459</u>
<b>Depreciation and amortization:</b>					
Network-related depreciation	\$ 4,544	\$ 4,506	\$ 4,474	\$ 18,138	\$ 18,032
Other depreciation and amortization	587	603	590	2,376	2,438
Amortization of intangible assets	-	-	-	-	14
Total depreciation and amortization	<u>\$ 5,131</u>	<u>\$ 5,109</u>	<u>\$ 5,064</u>	<u>\$ 20,514</u>	<u>\$ 20,484</u>
Net increase (decrease) in cash, cash equivalents and marketable securities:	<u>\$ (8,376)</u>	<u>\$ (2,904)</u>	<u>\$ (8,213)</u>	<u>\$ (16,871)</u>	<u>\$ (6,815)</u>
<b>End of period statistics:</b>					
Approximate number of active customers	717	753	851	717	851
Number of employees and employee equivalents	533	535	510	533	510

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

	Three Months Ended			Twelve Months Ended	
	December 31, 2017	September 30, 2017	December 31, 2016	December 31, 2017	December 31, 2016
<b>Operating activities</b>					
Net loss	\$ (912)	\$ (1,756)	\$ (3,919)	\$ (7,630)	\$ (73,925)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:					
Depreciation and amortization	5,131	5,109	5,064	20,514	20,484
Share-based compensation	3,302	3,112	3,683	12,744	13,459
Accrual of provision for litigation	-	-	-	-	54,000
Foreign currency remeasurement loss	140	79	76	798	585
Deferred income taxes	(108)	(73)	195	(325)	170
Gain on sale of property and equipment	(316)	(2)	(218)	(410)	(514)
Accounts receivable charges	217	242	101	949	137
Amortization of premium on marketable securities	55	65	48	283	67
Realized loss on sale of marketable securities	-	-	-	-	32
Changes in operating assets and liabilities:					
Accounts receivable	(3,886)	(800)	(4,661)	(5,912)	(760)
Prepaid expenses and other current assets	(887)	(322)	315	(342)	4,648
Income taxes receivable	4	13	(15)	38	39
Other assets	249	13	22	270	580
Accounts payable and other current liabilities	(730)	2,048	(1,087)	4,019	(1,757)
Deferred revenue	(507)	(47)	730	(957)	(822)
Income taxes payable	69	46	68	249	(8)
Payments for provision for litigation	(4,500)	(4,500)	(4,500)	(18,000)	(9,000)
Other long term liabilities	(206)	(202)	(307)	(790)	(857)
Net cash (used in) provided by operating activities	<u>(2,885)</u>	<u>3,025</u>	<u>(4,405)</u>	<u>5,498</u>	<u>6,558</u>
<b>Investing activities</b>					
Purchases of marketable securities	(4,547)	(2,864)	(45,629)	(14,930)	(45,629)
Sale and maturities of marketable securities	13,012	3,500	1,000	30,756	29,315
Purchases of property and equipment	(4,919)	(5,328)	(4,897)	(20,725)	(9,563)
Proceeds from sale of property and equipment	14	3	504	97	504
Net cash provided by (used in) investing activities	<u>3,560</u>	<u>(4,689)</u>	<u>(49,022)</u>	<u>(4,802)</u>	<u>(25,373)</u>
<b>Financing activities</b>					
Principal payments on capital lease obligations	-	-	-	-	(4,685)
Payment of employee tax withholdings related to restricted stock vesting	(1,925)	(655)	(676)	(4,496)	(1,982)
Proceeds from employee stock plans	1,448	12	1,839	2,648	2,743
Net cash (used in) provided by financing activities	<u>(477)</u>	<u>(643)</u>	<u>1,163</u>	<u>(1,848)</u>	<u>(3,924)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(30)</u>	<u>79</u>	<u>(402)</u>	<u>330</u>	<u>(207)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	168	(2,228)	(52,666)	(822)	(22,946)
<b>Cash and cash equivalents, beginning of period</b>	20,744	22,972	74,400	21,734	44,680
<b>Cash and cash equivalents, end of period</b>	<u>\$ 20,912</u>	<u>\$ 20,744</u>	<u>\$ 21,734</u>	<u>\$ 20,912</u>	<u>\$ 21,734</u>

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

	Three Months Ended						Twelve Months Ended			
	December 31, 2017		September 30, 2017		December 31, 2016		December 31, 2017		December 31, 2016	
	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share
U.S. GAAP net loss	\$ (912)	\$ (0.01)	\$ (1,756)	\$ (0.02)	\$ (3,919)	\$ (0.04)	\$ (7,630)	\$ (0.07)	\$ (73,925)	\$ (0.71)
Provision for litigation	-	-	-	-	-	-	-	-	54,000	0.52
Share-based compensation	3,302	0.03	3,112	0.03	3,683	0.03	12,744	0.12	13,459	0.13
Litigation expenses	1,470	0.01	863	0.01	1,998	0.02	5,518	0.05	7,284	0.07
Amortization of intangible assets	-	-	-	-	-	-	-	-	14	0.00
Non-GAAP net income	<u>\$ 3,860</u>	<u>\$ 0.04</u>	<u>\$ 2,219</u>	<u>\$ 0.02</u>	<u>\$ 1,762</u>	<u>\$ 0.02</u>	<u>\$ 10,632</u>	<u>\$ 0.10</u>	<u>\$ 832</u>	<u>\$ 0.01</u>
Weighted average shares used in per share calculation		110,128		109,342		105,942		108,814		104,350

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

	Three Months Ended			Twelve Months Ended	
	December 31, 2017	September 30, 2017	December 31, 2016	December 31, 2017	December 31, 2016
U.S. GAAP net loss	\$ (912)	\$ (1,756)	\$ (3,919)	\$ (7,630)	\$ (73,925)
Depreciation and amortization	5,131	5,109	5,064	20,514	20,484
Interest expense	38	18	54	80	918
Interest and other (income) expense	(332)	(135)	469	(946)	(25)
Income tax expense	(22)	188	199	426	603
EBITDA	\$ 3,903	\$ 3,424	\$ 1,867	\$ 12,444	\$ (51,945)
Provision for litigation	-	-	-	-	54,000
Share-based compensation	3,302	3,112	3,683	12,744	13,459
Litigation expenses	1,470	863	1,998	5,518	7,284
Adjusted EBITDA	\$ 8,675	\$ 7,399	\$ 7,548	\$ 30,706	\$ 22,798