

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

	<b>September 30, 2017</b>	<b>June 30, 2017</b>	<b>December 31, 2016</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 20,744	\$ 22,972	\$ 21,734
Marketable securities	36,948	37,624	44,453
Accounts receivable, net	28,712	28,154	27,418
Income taxes receivable	102	112	125
Prepaid expenses and other current assets	4,453	4,121	4,865
Total current assets	90,959	92,983	98,595
Property and equipment, net	29,835	30,415	30,352
Marketable securities, less current portion	40	40	40
Deferred income taxes	1,393	1,307	1,105
Goodwill	76,925	77,032	76,243
Other assets	1,794	1,802	1,794
Total assets	\$ 200,946	\$ 203,579	\$ 208,129
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>			
Current liabilities:			
Accounts payable	\$ 8,804	\$ 10,763	\$ 8,790
Deferred revenue	1,694	1,741	2,138
Income taxes payable	383	334	188
Provision for litigation	18,000	18,000	18,000
Other current liabilities	15,665	12,722	12,836
Total current liabilities	44,546	43,560	41,952
Deferred income taxes	146	147	152
Deferred revenue, less current portion	15	15	22
Provision for litigation, less current portion	13,500	18,000	27,000
Other long-term liabilities	859	1,057	1,435
Total liabilities	59,066	62,779	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; 109,638, 109,248 and 107,059 shares issued and outstanding at September 30, 2017, June 30, 2017 and December 31, 2016, respectively	110	109	107
Additional paid-in capital	499,487	497,018	490,819
Accumulated other comprehensive loss	(8,679)	(9,045)	(11,038)
Accumulated deficit	(349,038)	(347,282)	(342,320)
Total stockholders' equity	141,880	140,800	137,568
Total liabilities and stockholders' equity	\$ 200,946	\$ 203,579	\$ 208,129

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

	Three Months Ended					Nine Months Ended		
	September 30, 2017	June 30, 2017	Percent Change	September 30, 2016	Percent Change	September 30, 2017	September 30, 2016	Percent Change
Revenues	\$ 46,069	\$ 45,370	2%	\$ 39,473	17%	\$ 136,173	\$ 124,456	9%
Cost of revenue:								
Cost of services (1)	19,287	19,464	-1%	18,834	2%	57,758	59,214	-2%
Depreciation - network	4,506	4,531	-1%	4,401	2%	13,594	13,558	0%
Total cost of revenue	<u>23,793</u>	<u>23,995</u>	-1%	<u>23,235</u>	2%	<u>71,352</u>	<u>72,772</u>	-2%
Gross profit	22,276	21,375	4%	16,238	37%	64,821	51,684	25%
Gross profit percentage	48.4%	47.1%		41.1%		47.6%	41.5%	
Operating expenses:								
General and administrative (1)	8,079	6,804	19%	8,033	1%	23,397	22,082	6%
Sales and marketing (1)	8,836	8,997	-2%	7,711	15%	27,100	24,730	10%
Research & development (1)	6,443	6,715	-4%	5,626	15%	19,377	18,241	6%
Depreciation and amortization	603	597	1%	613	-2%	1,789	1,862	-4%
Provision for litigation	-	-	NA	-	NA	-	54,000	NA
Total operating expenses	<u>23,961</u>	<u>23,113</u>	4%	<u>21,983</u>	9%	<u>71,663</u>	<u>120,915</u>	-41%
Operating loss	(1,685)	(1,738)	-3%	(5,745)	-71%	(6,842)	(69,231)	-90%
Other income (expense):								
Interest expense	(18)	(10)	80%	(406)	-96%	(42)	(865)	-95%
Interest income	127	121	5%	8	1488%	365	22	1559%
Other, net	8	153	-95%	151	-95%	249	472	-47%
Total other income (expense)	<u>117</u>	<u>264</u>	-56%	<u>(247)</u>	-147%	<u>572</u>	<u>(371)</u>	-254%
Loss before income taxes	(1,568)	(1,474)	6%	(5,992)	-74%	(6,270)	(69,602)	-91%
Income tax expense	188	151	25%	130	45%	448	404	11%
Net loss	<u>(1,756)</u>	<u>(1,625)</u>	8%	<u>(6,122)</u>	-71%	<u>(6,718)</u>	<u>(70,006)</u>	-90%
Net loss per share:								
Basic and diluted	<u>\$ (0.02)</u>	<u>\$ (0.01)</u>		<u>\$ (0.06)</u>		<u>\$ (0.06)</u>	<u>\$ (0.67)</u>	
Weighted average shares used in per share calculation:								
Basic and diluted	109,342	108,422		104,860		108,376	103,819	

(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>Nine Months Ended</u>	
	<u>September 30, 2017</u>	<u>June 30, 2017</u>	<u>September 30, 2016</u>	<u>September 30, 2017</u>	<u>September 30, 2016</u>
<b>Share-based compensation:</b>					
Cost of services	\$ 352	\$ 364	\$ 209	\$ 1,075	\$ 1,118
General and administrative	1,565	1,674	1,616	4,773	5,119
Sales and marketing	611	617	641	1,848	2,016
Research and development	584	600	521	1,746	1,523
Total share-based compensation	<u>\$ 3,112</u>	<u>\$ 3,255</u>	<u>\$ 2,987</u>	<u>\$ 9,442</u>	<u>\$ 9,776</u>
<b>Depreciation and amortization:</b>					
Network-related depreciation	\$ 4,506	\$ 4,531	\$ 4,401	\$ 13,594	\$ 13,558
Other depreciation and amortization	603	597	611	1,789	1,848
Amortization of intangible assets	-	-	2	-	14
Total depreciation and amortization	<u>\$ 5,109</u>	<u>\$ 5,128</u>	<u>\$ 5,014</u>	<u>\$ 15,383</u>	<u>\$ 15,420</u>
Net increase (decrease) in cash, cash equivalents and marketable securities:	<u>\$ (2,904)</u>	<u>\$ (232)</u>	<u>\$ 43,515</u>	<u>\$ (8,495)</u>	<u>\$ 1,398</u>
<b>End of period statistics:</b>					
Approximate number of active customers	753	779	875	753	875
Number of employees and employee equivalents	535	533	502	535	502

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

	Three Months Ended			Nine Months Ended	
	September 30, 2017	June 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
<b>Operating activities</b>					
Net loss	\$ (1,756)	\$ (1,625)	\$ (6,122)	\$ (6,718)	\$ (70,006)
Adjustments to reconcile net loss to net cash provided by operating activities:					
Depreciation and amortization	5,109	5,128	5,014	15,383	15,420
Share-based compensation	3,112	3,255	2,987	9,442	9,776
Provision for litigation	-	-	-	-	54,000
Foreign currency remeasurement (gain) loss	79	290	343	658	509
Deferred income taxes	(73)	(94)	(39)	(217)	(25)
Gain on sale of property and equipment	(2)	(17)	(162)	(94)	(296)
Accounts receivable charges	242	241	69	732	36
Amortization of premium on marketable securities	65	80	-	228	19
Realized loss on sale of marketable securities	-	-	-	-	32
Changes in operating assets and liabilities:					
Accounts receivable	(800)	(2,204)	1,944	(2,026)	3,901
Prepaid expenses and other current assets	(322)	(47)	941	545	4,333
Income taxes receivable	13	(8)	16	34	54
Other assets	13	11	50	21	558
Accounts payable and other current liabilities	2,048	3,861	1,769	4,749	(670)
Deferred revenue	(47)	(101)	(1,091)	(450)	(1,552)
Income taxes payable	46	138	(21)	180	(76)
Payments for provision for litigation	(4,500)	(4,500)	(4,500)	(13,500)	(4,500)
Other long term liabilities	(202)	(185)	(213)	(584)	(550)
Net cash provided by operating activities	<u>3,025</u>	<u>4,223</u>	<u>985</u>	<u>8,383</u>	<u>10,963</u>
<b>Investing activities</b>					
Purchases of marketable securities	(2,864)	(2,993)	-	(10,383)	-
Sale and maturities of marketable securities	3,500	6,994	-	17,744	28,315
Change in restricted cash	-	-	62,790	-	-
Purchases of property and equipment	(5,328)	(4,733)	(2,986)	(15,806)	(4,666)
Proceeds from sale of property and equipment	3	22	-	83	-
Net cash (used in) provided by investing activities	<u>(4,689)</u>	<u>(710)</u>	<u>59,804</u>	<u>(8,362)</u>	<u>23,649</u>
<b>Financing activities</b>					
Principal payments on capital lease obligations	-	-	(4,207)	-	(4,685)
Payment of employee tax withholdings related to restricted stock vesting	(655)	(880)	(362)	(2,571)	(1,306)
Proceeds from line of credit	-	-	(12,790)	-	-
Proceeds from employee stock plans	12	1,077	48	1,200	904
Net cash (used in) provided by financing activities	<u>(643)</u>	<u>197</u>	<u>(17,311)</u>	<u>(1,371)</u>	<u>(5,087)</u>
Effect of exchange rate changes on cash and cash equivalents	79	110	37	360	195
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>(2,228)</u>	<u>3,820</u>	<u>43,515</u>	<u>(990)</u>	<u>29,720</u>
<b>Cash and cash equivalents, beginning of period</b>	<u>22,972</u>	<u>19,152</u>	<u>30,885</u>	<u>21,734</u>	<u>44,680</u>
<b>Cash and cash equivalents, end of period</b>	<u>\$ 20,744</u>	<u>\$ 22,972</u>	<u>\$ 74,400</u>	<u>\$ 20,744</u>	<u>\$ 74,400</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, 2017		June 30, 2017		September 30, 2016		September 30, 2017		September 30, 2016	
	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share
U.S. GAAP net loss	\$ (1,756)	\$ (0.02)	\$ (1,625)	\$ (0.01)	\$ (6,122)	\$ (0.06)	\$ (6,718)	\$ (0.06)	\$ (70,006)	\$ (0.67)
Provision for litigation	-	-	-	-	-	-	-	-	54,000	0.52
Share-based compensation	3,112	0.03	3,255	0.03	2,987	0.03	9,442	0.09	9,776	0.09
Litigation expenses	863	0.01	1,276	0.01	2,837	0.03	4,048	0.04	5,286	0.05
Amortization of intangible assets	-	-	-	-	2	0.00	-	-	14	0.00
Non-GAAP net income (loss)	<u>\$ 2,219</u>	<u>\$ 0.02</u>	<u>\$ 2,906</u>	<u>\$ 0.03</u>	<u>\$ (296)</u>	<u>\$ 0.00</u>	<u>\$ 6,772</u>	<u>\$ 0.06</u>	<u>\$ (930)</u>	<u>\$ (0.01)</u>
Weighted average shares used in per share calculation		109,342		108,422		104,860		108,376		103,819

**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, 2017	June 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
U.S. GAAP net loss	\$ (1,756)	\$ (1,625)	\$ (6,122)	\$ (6,718)	\$ (70,006)
Depreciation and amortization	5,109	5,128	5,014	15,383	15,420
Interest expense	18	10	406	42	865
Interest and other (income) expense	(135)	(274)	(159)	(614)	(494)
Income tax expense	188	151	130	448	404
EBITDA	\$ 3,424	\$ 3,390	\$ (731)	\$ 8,541	\$ (53,811)
Provision for litigation	-	-	-	-	54,000
Share-based compensation	3,112	3,255	2,987	9,442	9,776
Litigation expenses	863	1,276	2,837	4,048	5,286
Adjusted EBITDA	\$ 7,399	\$ 7,921	\$ 5,093	\$ 22,031	\$ 15,251

**Limelight Networks, Inc.**  
**2017 Guidance**

	<b>October 18, 2017</b>	<b>July 26, 2017</b>	<b>April 24, 2017</b>	<b>February 8, 2017</b>
Revenue	\$182 to \$185 million	\$180 to \$182 million	\$177 to \$181 million	\$175 to \$180 million
Gross margin percentage	Expansion of more than 450 basis points over 2016	Expansion of 300 basis points over 2016	Expansion of 200 basis points over 2016	Expansion of more than 150 basis points over 2016
Non-GAAP EPS	\$0.06 to \$0.08	\$0.05 to \$0.07	\$0.03 to \$0.06	\$0.02 to \$0.06
Adjusted EBITDA	\$26 to \$29 million	\$24 to \$28 million	\$23 to \$27 million	\$22 to \$27 million
Capital expenditures	Approx. \$20 million	Approx. \$20 million	Approx. \$20 million	Approx. \$20 million