

Condensed Consolidated Statements of Operations



(In thousands, except share data)	(Unaudited)									
	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24	
Revenue	\$ 15,026	\$ 13,069	\$ 14,626	\$ 14,680	\$ 15,837	\$ 15,061	\$ 17,511	\$ 19,056	\$ 19,057	
Costs and expenses:										
Cost of revenue (exclusive of depreciation and amortization)	3,067	3,054	3,179	3,240	3,313	3,337	3,756	3,455	3,314	
Sales and marketing expenses	2,623	2,998	3,889	3,078	3,365	3,501	3,712	4,406	4,817	
General and administrative expenses	5,465	7,119	5,241	5,075	5,223	6,907	5,790	5,750	5,994	
Depreciation and amortization	1,713	1,815	1,916	2,054	2,171	2,211	2,270	2,377	2,434	
Total costs and expenses	12,868	14,986	14,225	13,447	14,072	15,956	15,528	15,988	16,559	
(Loss) income from operations	2,158	(1,917)	401	1,233	1,765	(895)	1,983	3,068	2,498	
Interest (expense) income, net	125	225	286	315	346	387	365	314	353	
Income (loss) before income taxes	2,283	(1,692)	687	1,548	2,111	(508)	2,348	3,382	2,851	
Income tax expense (benefit)	25	(148)	(29)	160	(10,384)	562	564	745	1,132	
Net income (loss)	\$ 2,258	\$ (1,544)	\$ 716	\$ 1,388	\$ 12,495	\$ (1,070)	\$ 1,784	\$ 2,637	\$ 1,719	
Earnings (loss) per share:										
Basic	\$ 0.16	\$ (0.11)	\$ 0.05	\$ 0.10	\$ 0.90	\$ (0.08)	\$ 0.13	\$ 0.19	\$ 0.12	
Diluted	\$ 0.16	\$ (0.11)	\$ 0.05	\$ 0.10	\$ 0.87	\$ (0.08)	\$ 0.13	\$ 0.19	\$ 0.12	
Weighted average number of shares outstanding:										
Basic	13,748,587	13,964,010	13,997,154	13,961,862	13,952,426	13,985,426	13,997,064	13,780,074	13,782,476	
Diluted	13,764,262	13,964,010	14,236,771	14,172,024	14,329,878	13,985,426	14,164,506	14,051,466	14,311,575	

Condensed Consolidated Balance Sheets



(In thousands, except share data)	9/30/2022	12/31/2022	3/31/2023	6/30/2023	(Unaudited)	9/30/2023	12/31/2023	3/31/2024	6/30/2024	9/30/2024
ASSETS:										
Current assets:										
Cash and cash equivalents	\$ 31,273	\$ 31,810	\$ 30,818	\$ 31,368	\$ 34,210	\$ 32,032	\$ 32,147	\$ 30,943	\$ 35,747	
Accounts receivable, net of allowance for doubtful accounts	6,473	5,535	5,889	6,556	6,805	7,135	7,871	7,963	8,459	
Prepaid expenses and other current assets	849	771	1,310	1,325	1,178	1,113	1,491	1,483	1,730	
Total current assets	38,595	38,116	38,017	39,249	42,193	40,280	41,509	40,389	45,936	
Property and equipment, net	664	709	692	640	627	592	601	598	581	
Intangible assets, net	30,831	31,647	32,521	33,175	33,992	34,403	34,962	35,487	35,731	
Goodwill	5,227	5,227	5,227	5,227	5,227	5,227	5,227	5,227	5,227	
Right-of-use assets	1,255	1,114	969	821	2,589	2,457	2,323	2,185	2,045	
Deferred tax asset	-	-	-	-	10,021	9,514	9,043	8,433	7,463	
Other non-current assets	137	601	894	765	627	517	361	1,133	987	
Total assets	\$ 76,709	\$ 77,414	\$ 78,320	\$ 79,877	\$ 95,276	\$ 92,990	\$ 94,026	\$ 93,452	\$ 97,970	
LIABILITIES AND SHAREHOLDERS' EQUITY:										
Current liabilities:										
Accounts payable	\$ 1,596	\$ 2,229	\$ 2,345	\$ 1,694	\$ 1,989	\$ 1,631	\$ 2,353	\$ 1,969	\$ 2,787	
Accrued expenses and other current liabilities	562	1,845	411	424	372	1,989	4,741	594	795	
Current portion of operating lease liabilities	674	692	711	731	548	569	588	529	469	
Deferred revenue	539	670	763	627	527	690	652	597	565	
Total current liabilities	3,371	5,436	4,230	3,476	3,436	4,879	8,334	3,689	4,616	
Noncurrent operating lease liabilities	778	598	413	222	2,149	1,999	1,845	1,765	1,680	
Deferred tax liabilities	405	287	257	411	-	-	-	-	-	
Total liabilities	4,554	6,321	4,900	4,109	5,585	6,878	10,179	5,454	6,296	
Shareholders' equity:										
Preferred stock—\$0.001 par value	-	-	-	-	-	-	-	-	-	
Common stock—\$0.001 par value	14	14	14	14	14	14	14	14	14	
Treasury stock, at cost	(18)	-	(201)	(52)	(168)	(188)	(4,143)	(236)	-	
Additional paid-in capital	92,017	92,481	94,293	95,104	96,648	94,159	94,065	91,672	93,393	
Accumulated deficit	(19,858)	(21,402)	(20,686)	(19,298)	(6,803)	(7,873)	(6,089)	(3,452)	(1,733)	
Total shareholders' equity	72,155	71,093	73,420	75,768	89,691	86,112	83,847	87,998	91,674	
Total liabilities and shareholders' equity	\$ 76,709	\$ 77,414	\$ 78,320	\$ 79,877	\$ 95,276	\$ 92,990	\$ 94,026	\$ 93,452	\$ 97,970	

Condensed Consolidated Statements of Cash Flows



(In thousands, except share data)	(Unaudited)									
	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24	
CASH FLOWS FROM OPERATING ACTIVITIES:										
Net income (loss)	\$ 2,258	\$ (1,544)	\$ 716	\$ 1,388	\$ 12,495	\$ (1,070)	\$ 1,784	\$ 2,637	\$ 1,719	
Adjustments to reconcile net income (loss) to net cash provided by operating activities:										
Depreciation and amortization	1,713	1,815	1,916	2,054	2,171	2,211	2,270	2,377	2,434	
Share-based compensation expense	1,273	1,439	1,384	1,305	1,369	1,328	1,402	1,393	1,657	
Write-off of long-lived assets	3	171	3	-	1	2	-	-	82	
Provision for bad debts	35	78	668	121	124	175	70	154	99	
Noncash lease expenses	139	141	145	148	151	132	134	138	140	
Deferred income tax expense (benefit)	10	(118)	(30)	154	(10,432)	507	471	610	970	
Changes in assets and liabilities:										
Accounts receivable	(2,351)	860	(1,022)	(788)	(373)	(505)	(806)	(246)	(595)	
Prepaid expenses and other current assets	104	78	(539)	(15)	147	65	(378)	8	(247)	
Other non-current assets	-	(464)	(293)	129	138	110	156	(772)	146	
Accounts payable	148	633	116	(651)	295	(358)	722	(384)	818	
Accrued expenses and other current liabilities	52	1,301	(1,460)	9	(22)	1,573	(1,347)	(4)	201	
Deferred revenue	(83)	131	93	(136)	(100)	163	(38)	(55)	(32)	
Operating lease liabilities	(156)	(162)	(166)	(171)	(175)	(129)	(135)	(139)	(145)	
Net cash provided by operating activities	3,145	4,359	1,531	3,547	5,789	4,204	4,305	5,717	7,247	
CASH FLOWS FROM INVESTING ACTIVITIES:										
Purchase of property and equipment	(50)	(102)	(44)	(7)	(47)	(24)	(65)	(52)	(35)	
Capitalized costs included in intangible assets	(2,246)	(2,317)	(2,273)	(2,236)	(2,412)	(2,103)	(2,327)	(2,411)	(2,380)	
Net cash used in investing activities	(2,296)	(2,419)	(2,317)	(2,243)	(2,459)	(2,127)	(2,392)	(2,463)	(2,415)	
CASH FLOWS FROM FINANCING ACTIVITIES:										
Proceeds from issuance of shares, net of issuance costs	-	-	-	-	-	-	-	-	-	
Taxes paid related to net share settlement of vesting of restricted stock units	(1,539)	(890)	(31)	(19)	(147)	(1,795)	(383)	(20)	(28)	
Repurchases of common stock	(365)	(513)	(175)	(735)	(341)	(2,460)	(1,415)	(4,438)	-	
Net cash (used in) provided by financing activities	(1,904)	(1,403)	(206)	(754)	(488)	(4,255)	(1,798)	(4,458)	(28)	
Net increase (decrease) in cash and cash equivalents	(1,055)	537	(992)	550	2,842	(2,178)	115	(1,204)	3,715	
Cash and cash equivalents at beginning of period	32,328	31,273	31,810	30,818	31,368	34,210	32,032	32,147	32,032	
Cash and cash equivalents at end of period	\$ 31,273	\$ 31,810	\$ 30,818	\$ 31,368	\$ 34,210	\$ 32,032	\$ 32,147	\$ 30,943	\$ 35,747	
SUPPLEMENTAL DISCLOSURE INFORMATION										
Cash paid for interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Cash paid for income taxes	\$ 37	\$ 2	\$ 1	\$ 21	\$ 33	\$ 27	\$ -	\$ 439	\$ 85	
Share-based compensation capitalized in intangible assets	\$ 470	\$ 428	\$ 459	\$ 413	\$ 517	\$ 462	\$ 446	\$ 436	\$ 328	
Retirement of treasury stock	\$ 1,904	\$ 1,403	\$ 31	\$ 907	\$ 342	\$ 4,279	\$ 1,942	\$ 4,222	\$ 264	
Right-of-use assets obtained in exchange of operating lease liabilities	\$ -	\$ -	\$ -	\$ -	\$ 1,919	\$ -	\$ -	\$ -	\$ -	
Operating lease liabilities arising from obtaining right-of-use assets	\$ -	\$ -	\$ -	\$ -	\$ 1,919	\$ -	\$ -	\$ -	\$ -	

Non-GAAP Reconciliations



(In thousands)	(Unaudited)									
	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24	
Net income (loss)	\$ 2,258	\$ (1,544)	\$ 716	\$ 1,388	\$ 12,495	\$ (1,070)	\$ 1,784	\$ 2,637	\$ 1,719	
Interest expense (income), net	(125)	(225)	(286)	(315)	(346)	(387)	(365)	(314)	(353)	
Income tax expense (benefit)	25	(148)	(29)	160	(10,384)	562	564	745	1,132	
Depreciation and amortization	1,713	1,815	1,916	2,054	2,171	2,211	2,270	2,377	2,434	
Share-based compensation expense	1,273	1,439	1,384	1,305	1,369	1,328	1,402	1,393	1,657	
Litigation costs	37	4	3	45	1	-	27	(27)	7	
Write-off of long-lived assets and others	4	171	2	-	56	19	7	-	82	
Adjusted EBITDA	\$ 5,185	\$ 1,512	\$ 3,706	\$ 4,637	\$ 5,362	\$ 2,663	\$ 5,689	\$ 6,811	\$ 6,678	
Revenue	\$ 15,026	\$ 13,069	\$ 14,626	\$ 14,680	\$ 15,837	\$ 15,061	\$ 17,511	\$ 19,056	\$ 19,057	
Net income (loss) margin	15%	(12%)	5%	9%	79%	(7%)	10%	14%	9%	
Adjusted EBITDA margin	35%	12%	25%	32%	34%	18%	32%	36%	35%	

(In thousands, except share data)	(Unaudited)									
	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24	
Net income (loss)	\$ 2,258	\$ (1,544)	\$ 716	\$ 1,388	\$ 12,495	\$ (1,070)	\$ 1,784	\$ 2,637	\$ 1,719	
Share-based compensation expense	1,273	1,439	1,384	1,305	1,369	1,328	1,402	1,393	1,657	
Amortization of share-based compensation capitalized in intangible assets	198	210	222	235	249	263	275	286	292	
Discrete tax items	-	-	-	-	(10,272)	-	-	-	-	
Tax effect of adjustments	-	-	-	-	(1,275)	(251)	(308)	(425)	(518)	
Adjusted net income (loss)	\$ 3,729	\$ 105	\$ 2,322	\$ 2,928	\$ 2,566	\$ 270	\$ 3,153	\$ 3,891	\$ 3,150	
Earnings (loss) per share:										
Basic	0.16	(0.11)	0.05	0.10	0.90	(0.08)	0.13	0.19	0.12	
Diluted	0.16	(0.11)	0.05	0.10	0.87	(0.08)	0.13	0.19	0.12	
Adjusted earnings (loss) per share:										
Basic	0.27	0.01	0.17	0.21	0.18	0.02	0.23	0.28	0.23	
Diluted	0.27	0.01	0.16	0.21	0.18	0.02	0.22	0.28	0.22	
Weighted average shares outstanding:										
Basic	13,748,587	13,964,010	13,997,154	13,961,862	13,952,426	13,985,426	13,997,064	13,780,074	13,782,476	
Diluted	13,764,262	14,205,633	14,236,771	14,172,024	14,329,878	14,307,797	14,164,506	14,051,466	14,311,575	

(In thousands)	(Unaudited)									
	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24	
Revenue	\$ 15,026	\$ 13,069	\$ 14,626	\$ 14,680	\$ 15,837	\$ 15,061	\$ 17,511	\$ 19,056	\$ 19,057	
Cost of revenue (exclusive of depreciation and amortization)	(3,067)	(3,054)	(3,179)	(3,240)	(3,313)	(3,337)	(3,756)	(3,455)	(3,314)	
Depreciation and amortization of intangible assets	(1,659)	(1,758)	(1,858)	(1,995)	(2,112)	(2,154)	(2,214)	(2,322)	(2,382)	
Gross profit	10,300	8,257	9,589	9,445	10,412	9,570	11,541	13,279	13,361	
Depreciation and amortization of intangible assets	1,659	1,758	1,858	1,995	2,112	2,154	2,214	2,322	2,382	
Adjusted gross profit	\$ 11,959	\$ 10,015	\$ 11,447	\$ 11,440	\$ 12,524	\$ 11,724	\$ 13,755	\$ 15,601	\$ 15,743	
Gross margin	69%	63%	66%	64%	66%	64%	66%	70%	70%	
Adjusted gross margin	80%	77%	78%	78%	79%	78%	79%	82%	83%	

(In thousands)	(Unaudited)									
	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24	
Net cash provided by operating activities	\$ 3,145	\$ 4,359	\$ 1,531	\$ 3,547	\$ 5,789	\$ 4,204	\$ 4,305	\$ 5,717	\$ 7,247	
Less:										
Purchase of property and equipment	(50)	(102)	(44)	(7)	(47)	(24)	(65)	(52)	(35)	
Capitalized costs included in intangible assets	(2,246)	(2,317)	(2,273)	(2,236)	(2,412)	(2,103)	(2,327)	(2,411)	(2,380)	
Free cash flow	\$ 849	\$ 1,940	\$ (786)	\$ 1,304	\$ 3,330	\$ 2,077	\$ 1,913	\$ 3,254	\$ 4,832	

Use of Non-GAAP Financial Measures

Management evaluates the financial performance of our business on a variety of key indicators, including non-GAAP metrics of adjusted EBITDA, adjusted EBITDA margin, adjusted net income (loss), adjusted earnings (loss) per share, adjusted gross profit, adjusted gross margin and FCF. Adjusted EBITDA is a financial measure equal to net (loss) income, the most directly comparable financial measure based on US GAAP, excluding interest (income) expense, net, income tax (benefit) expense, depreciation and amortization, share-based compensation expense, gain on extinguishment of debt, litigation costs, and write-off of long-lived assets and others, as noted in the tables below. We define adjusted EBITDA margin as adjusted EBITDA as a percentage of revenue. We define adjusted net income as net income (loss), excluding share-based compensation expense, amortization of share-based compensation capitalized in intangible assets, and discrete tax items, and including the tax effect of adjustments. We define adjusted earnings per share as adjusted net income divided by the weighted average shares outstanding. We define adjusted gross profit as revenue less cost of revenue (exclusive of depreciation and amortization), and adjusted gross margin as adjusted gross profit as a percentage of revenue. We define FCF as net cash provided by operating activities reduced by purchase of property and equipment and capitalized costs included in intangible assets.