

Condensed Consolidated Statements of Operations



(In thousands, except share data)	(Unaudited)									
	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	
<b>Revenue</b>	\$ 12,729	\$ 12,494	\$ 15,026	\$ 13,069	\$ 14,626	\$ 14,680	\$ 15,837	\$ 15,061	\$ 17,511	
<b>Costs and expenses:</b>										
Cost of revenue (exclusive of depreciation and amortization)	3,170	2,920	3,067	3,054	3,179	3,240	3,313	3,337	3,756	
Sales and marketing expenses	2,391	2,822	2,623	2,998	3,889	3,078	3,365	3,501	3,712	
General and administrative expenses	5,353	5,300	5,465	7,119	5,241	5,075	5,223	6,907	5,790	
Depreciation and amortization	1,534	1,613	1,713	1,815	1,916	2,054	2,171	2,211	2,270	
<b>Total costs and expenses</b>	<b>12,448</b>	<b>12,655</b>	<b>12,868</b>	<b>14,986</b>	<b>14,225</b>	<b>13,447</b>	<b>14,072</b>	<b>15,956</b>	<b>15,528</b>	
<b>(Loss) income from operations</b>	<b>281</b>	<b>(161)</b>	<b>2,158</b>	<b>(1,917)</b>	<b>401</b>	<b>1,233</b>	<b>1,765</b>	<b>(895)</b>	<b>1,983</b>	
Interest (expense) income, net	1	-	125	225	286	315	346	387	365	
Gain on extinguishment of debt	-	-	-	-	-	-	-	-	-	
<b>Income (loss) before income taxes</b>	<b>282</b>	<b>(161)</b>	<b>2,283</b>	<b>(1,692)</b>	<b>687</b>	<b>1,548</b>	<b>2,111</b>	<b>(508)</b>	<b>2,348</b>	
Income tax expense (benefit)	175	44	25	(148)	(29)	160	(10,384)	562	564	
<b>Net income (loss)</b>	<b>\$ 107</b>	<b>\$ (205)</b>	<b>\$ 2,258</b>	<b>\$ (1,544)</b>	<b>\$ 716</b>	<b>\$ 1,388</b>	<b>\$ 12,495</b>	<b>\$ (1,070)</b>	<b>\$ 1,784</b>	
<b>Earnings (loss) per share:</b>										
Basic	\$ 0.01	\$ (0.01)	\$ 0.16	\$ (0.11)	\$ 0.05	\$ 0.10	\$ 0.90	\$ (0.08)	\$ 0.13	
Diluted	\$ 0.01	\$ (0.01)	\$ 0.16	\$ (0.11)	\$ 0.05	\$ 0.10	\$ 0.87	\$ (0.08)	\$ 0.13	
<b>Weighted average number of shares outstanding:</b>										
Basic	13,543,607	13,776,479	13,748,587	13,964,010	13,997,154	13,961,862	13,952,426	13,985,426	13,997,064	
Diluted	14,047,635	13,776,479	13,764,262	13,964,010	14,236,771	14,172,024	14,329,878	13,985,426	14,164,506	

Condensed Consolidated Balance Sheets



(In thousands, except share data)	3/31/2022	6/30/2022	9/30/2022	12/31/2022	(Unaudited) 3/31/2023	6/30/2023	9/30/2023	12/31/2023	3/31/2024
<b>ASSETS:</b>									
Current assets:									
Cash and cash equivalents	\$ 34,775	\$ 32,328	\$ 31,273	\$ 31,810	\$ 30,818	\$ 31,368	\$ 34,210	\$ 32,032	\$ 32,147
Accounts receivable, net of allowance for doubtful accounts	4,561	4,157	6,473	5,535	5,889	6,556	6,805	7,135	7,871
Prepaid expenses and other current assets	1,081	953	849	771	1,310	1,325	1,178	1,113	1,491
<b>Total current assets</b>	<b>40,417</b>	<b>37,438</b>	<b>38,595</b>	<b>38,116</b>	<b>38,017</b>	<b>39,249</b>	<b>42,193</b>	<b>40,280</b>	<b>41,509</b>
Property and equipment, net	625	671	664	709	692	640	627	592	601
Intangible assets, net	28,804	29,774	30,831	31,647	32,521	33,175	33,992	34,403	34,962
Goodwill	5,227	5,227	5,227	5,227	5,227	5,227	5,227	5,227	5,227
Right-of-use assets	1,529	1,394	1,255	1,114	969	821	2,589	2,457	2,323
Deferred tax asset	-	-	-	-	-	-	10,021	9,514	9,043
Other non-current assets	137	137	137	601	894	765	627	517	361
<b>Total assets</b>	<b>\$ 76,739</b>	<b>\$ 74,641</b>	<b>\$ 76,709</b>	<b>\$ 77,414</b>	<b>\$ 78,320</b>	<b>\$ 79,877</b>	<b>\$ 95,276</b>	<b>\$ 92,990</b>	<b>\$ 94,026</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY:</b>									
Current liabilities:									
Accounts payable	\$ 2,233	\$ 1,448	\$ 1,596	\$ 2,229	\$ 2,345	\$ 1,694	\$ 1,989	\$ 1,631	\$ 2,353
Accrued expenses and other current liabilities	442	626	562	1,845	411	424	372	1,989	4,741
Current portion of operating lease liabilities	636	655	674	692	711	731	548	569	588
Deferred revenue	713	622	539	670	763	627	527	690	652
<b>Total current liabilities</b>	<b>4,024</b>	<b>3,351</b>	<b>3,371</b>	<b>5,436</b>	<b>4,230</b>	<b>3,476</b>	<b>3,436</b>	<b>4,879</b>	<b>8,334</b>
Noncurrent operating lease liabilities	1,124	953	778	598	413	222	2,149	1,999	1,845
Deferred tax liabilities	373	395	405	287	257	411	-	-	-
<b>Total liabilities</b>	<b>5,521</b>	<b>4,699</b>	<b>4,554</b>	<b>6,321</b>	<b>4,900</b>	<b>4,109</b>	<b>5,585</b>	<b>6,878</b>	<b>10,179</b>
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	-	(134)	(18)	-	(201)	(52)	(168)	(188)	(4,143)
Additional paid-in capital	93,115	92,178	92,017	92,481	94,293	95,104	96,648	94,159	94,065
Accumulated deficit	(21,911)	(22,116)	(19,858)	(21,402)	(20,686)	(19,298)	(6,803)	(7,873)	(6,089)
<b>Total shareholders' equity</b>	<b>71,218</b>	<b>69,942</b>	<b>72,155</b>	<b>71,093</b>	<b>73,420</b>	<b>75,768</b>	<b>89,691</b>	<b>86,112</b>	<b>83,847</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 76,739</b>	<b>\$ 74,641</b>	<b>\$ 76,709</b>	<b>\$ 77,414</b>	<b>\$ 78,320</b>	<b>\$ 79,877</b>	<b>\$ 95,276</b>	<b>\$ 92,990</b>	<b>\$ 94,026</b>

Condensed Consolidated Statements of Cash Flows



(In thousands, except share data)	(Unaudited)									
	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>										
Net income (loss)	\$ 107	\$ (205)	\$ 2,258	\$ (1,544)	\$ 716	\$ 1,388	\$ 12,495	\$ (1,070)	\$ 1,784	
Adjustments to reconcile net income (loss) to net cash provided by operating activities:										
Depreciation and amortization	1,534	1,613	1,713	1,815	1,916	2,054	2,171	2,211	2,270	
Share-based compensation expense	1,387	1,406	1,273	1,439	1,384	1,305	1,369	1,328	1,402	
Write-off of long-lived assets	3	-	3	171	3	-	1	2	-	
Provision for bad debts	37	24	35	78	668	121	124	175	70	
Noncash lease expenses	132	135	139	141	145	148	151	132	134	
Deferred income tax expense (benefit)	175	22	10	(118)	(30)	154	(10,432)	507	471	
Changes in assets and liabilities:										
Accounts receivable	(862)	380	(2,351)	860	(1,022)	(788)	(373)	(505)	(806)	
Prepaid expenses and other current assets	(482)	128	104	78	(539)	(15)	147	65	(378)	
Other non-current assets	-	-	-	(464)	(293)	129	138	110	156	
Accounts payable	628	(785)	148	633	116	(651)	295	(358)	722	
Accrued expenses and other current liabilities	47	50	52	1,301	(1,460)	9	(22)	1,573	(1,347)	
Deferred revenue	(128)	(91)	(83)	131	93	(136)	(100)	163	(38)	
Operating lease liabilities	(148)	(152)	(156)	(162)	(166)	(171)	(175)	(129)	(135)	
Net cash provided by operating activities	2,430	2,525	3,145	4,359	1,531	3,547	5,789	4,204	4,305	
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>										
Purchase of property and equipment	(113)	(108)	(50)	(102)	(44)	(7)	(47)	(24)	(65)	
Capitalized costs included in intangible assets	(1,794)	(2,099)	(2,246)	(2,317)	(2,273)	(2,236)	(2,412)	(2,103)	(2,327)	
Net cash used in investing activities	(1,907)	(2,207)	(2,296)	(2,419)	(2,317)	(2,243)	(2,459)	(2,127)	(2,392)	
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>										
Proceeds from issuance of shares, net of issuance costs	-	-	-	-	-	-	-	-	-	
Taxes paid related to net share settlement of vesting of restricted stock units	(6)	(2,765)	(1,539)	(890)	(31)	(19)	(147)	(1,795)	(383)	
Repurchases of common stock	-	-	(365)	(513)	(175)	(735)	(341)	(2,460)	(1,415)	
Net cash (used in) provided by financing activities	(6)	(2,765)	(1,904)	(1,403)	(206)	(754)	(488)	(4,255)	(1,798)	
<b>Net increase (decrease) in cash and cash equivalents</b>	517	(2,447)	(1,055)	537	(992)	550	2,842	(2,178)	115	
Cash and cash equivalents at beginning of period	34,258	34,775	32,328	31,273	31,810	30,818	31,368	34,210	32,032	
<b>Cash and cash equivalents at end of period</b>	\$ 34,775	\$ 32,328	\$ 31,273	\$ 31,810	\$ 30,818	\$ 31,368	\$ 34,210	\$ 32,032	\$ 32,147	
<b>SUPPLEMENTAL DISCLOSURE INFORMATION</b>										
Cash paid for interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Cash paid for income taxes	\$ -	\$ -	\$ 37	\$ 2	\$ 1	\$ 21	\$ 33	\$ 27	\$ -	
Share-based compensation capitalized in intangible assets	\$ 301	\$ 422	\$ 470	\$ 428	\$ 459	\$ 413	\$ 517	\$ 462	\$ 446	
Retirement of treasury stock	\$ 6	\$ 2,765	\$ 1,904	\$ 1,403	\$ 31	\$ 907	\$ 342	\$ 4,279	\$ 1,942	
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)									
	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	
Net income (loss)	\$ 107	\$ (205)	\$ 2,258	\$ (1,544)	\$ 716	\$ 1,388	\$ 12,495	\$ (1,070)	\$ 1,784	
Interest expense (income), net	(1)	-	(125)	(225)	(286)	(315)	(346)	(387)	(365)	
Income tax expense (benefit)	175	44	25	(148)	(29)	160	(10,384)	562	564	
Depreciation and amortization	1,534	1,613	1,713	1,815	1,916	2,054	2,171	2,211	2,270	
Share-based compensation expense	1,387	1,406	1,273	1,439	1,384	1,305	1,369	1,328	1,402	
Litigation costs	15	76	37	4	3	45	1	-	27	
Write-off of long-lived assets and others	3	-	4	171	2	-	56	19	7	
<b>Adjusted EBITDA</b>	<b>\$ 3,220</b>	<b>\$ 2,934</b>	<b>\$ 5,185</b>	<b>\$ 1,512</b>	<b>\$ 3,706</b>	<b>\$ 4,637</b>	<b>\$ 5,362</b>	<b>\$ 2,663</b>	<b>\$ 5,689</b>	
Revenue	\$ 12,729	\$ 12,494	\$ 15,026	\$ 13,069	\$ 14,626	\$ 14,680	\$ 15,837	\$ 15,061	\$ 17,511	
<b>Net income (loss) margin</b>	<b>1%</b>	<b>(2%)</b>	<b>15%</b>	<b>(12%)</b>	<b>5%</b>	<b>9%</b>	<b>79%</b>	<b>(7%)</b>	<b>10%</b>	
<b>Adjusted EBITDA margin</b>	<b>25%</b>	<b>23%</b>	<b>35%</b>	<b>12%</b>	<b>25%</b>	<b>32%</b>	<b>34%</b>	<b>18%</b>	<b>32%</b>	

(In thousands, except share data)	(Unaudited)									
	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	
Net income (loss)	\$ 107	\$ (205)	\$ 2,258	\$ (1,544)	\$ 716	\$ 1,388	\$ 12,495	\$ (1,070)	\$ 1,784	
Share-based compensation expense	1,387	1,406	1,273	1,439	1,384	1,305	1,369	1,328	1,402	
Amortization of share-based compensation capitalized in intangible assets	174	184	198	210	222	235	249	263	275	
Discrete tax items	-	-	-	-	-	-	(10,272)	-	-	
Tax effect of adjustments	-	-	-	-	-	-	(1,275)	(251)	(308)	
<b>Adjusted net income (loss)</b>	<b>\$ 1,668</b>	<b>\$ 1,385</b>	<b>\$ 3,729</b>	<b>\$ 105</b>	<b>\$ 2,322</b>	<b>\$ 2,928</b>	<b>\$ 2,566</b>	<b>\$ 270</b>	<b>\$ 3,153</b>	
<b>Earnings (loss) per share:</b>										
Basic	0.01	(0.01)	0.16	(0.11)	0.05	0.10	0.90	(0.08)	0.13	
Diluted	0.01	(0.01)	0.16	(0.11)	0.05	0.10	0.87	(0.08)	0.13	
<b>Adjusted earnings (loss) per share:</b>										
Basic	0.12	0.10	0.27	0.01	0.17	0.21	0.18	0.02	0.23	
Diluted	0.12	0.10	0.27	0.01	0.16	0.21	0.18	0.02	0.22	
<b>Weighted average shares outstanding:</b>										
Basic	13,543,607	13,776,479	13,748,587	13,964,010	13,997,154	13,961,862	13,952,426	13,985,426	13,997,064	
Diluted	14,047,635	14,109,243	13,764,262	14,205,633	14,236,771	14,172,024	14,329,878	14,307,797	14,164,506	

(In thousands)	(Unaudited)									
	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	
Revenue	\$ 12,729	\$ 12,494	\$ 15,026	\$ 13,069	\$ 14,626	\$ 14,680	\$ 15,837	\$ 15,061	\$ 17,511	
Cost of revenue (exclusive of depreciation and amortization)	(3,170)	(2,920)	(3,067)	(3,054)	(3,179)	(3,240)	(3,313)	(3,337)	(3,756)	
Depreciation and amortization of intangible assets	(1,472)	(1,551)	(1,659)	(1,758)	(1,858)	(1,995)	(2,112)	(2,154)	(2,214)	
<b>Gross profit</b>	<b>8,087</b>	<b>8,023</b>	<b>10,300</b>	<b>8,257</b>	<b>9,589</b>	<b>9,445</b>	<b>10,412</b>	<b>9,570</b>	<b>11,541</b>	
Depreciation and amortization of intangible assets	1,472	1,551	1,659	1,758	1,858	1,995	2,112	2,154	2,214	
<b>Adjusted gross profit</b>	<b>\$ 9,559</b>	<b>\$ 9,574</b>	<b>\$ 11,959</b>	<b>\$ 10,015</b>	<b>\$ 11,447</b>	<b>\$ 11,440</b>	<b>\$ 12,524</b>	<b>\$ 11,724</b>	<b>\$ 13,755</b>	
<b>Gross margin</b>	<b>64%</b>	<b>64%</b>	<b>69%</b>	<b>63%</b>	<b>66%</b>	<b>64%</b>	<b>66%</b>	<b>64%</b>	<b>66%</b>	
<b>Adjusted gross margin</b>	<b>75%</b>	<b>77%</b>	<b>80%</b>	<b>77%</b>	<b>78%</b>	<b>78%</b>	<b>79%</b>	<b>78%</b>	<b>79%</b>	

(In thousands)	(Unaudited)									
	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	
Net cash provided by operating activities	\$ 2,430	\$ 2,525	\$ 3,145	\$ 4,359	\$ 1,531	\$ 3,547	\$ 5,789	\$ 4,204	\$ 4,305	
Less:										
Purchase of property and equipment	(113)	(108)	(50)	(102)	(44)	(7)	(47)	(24)	(65)	
Capitalized costs included in intangible assets	(1,794)	(2,099)	(2,246)	(2,317)	(2,273)	(2,236)	(2,412)	(2,103)	(2,327)	
<b>Free cash flow</b>	<b>\$ 523</b>	<b>\$ 318</b>	<b>\$ 849</b>	<b>\$ 1,940</b>	<b>\$ (786)</b>	<b>\$ 1,304</b>	<b>\$ 3,330</b>	<b>\$ 2,077</b>	<b>\$ 1,913</b>	

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.