

Condensed Consolidated Statements of Operations



(In thousands, except share data)	Q1'24	Q2'24	Q3'24	Q4'24	(Unaudited) Q1'25	Q2'25	Q3'25	Q4'25	Q1'26
<b>Revenue</b>	\$ 17,511	\$ 19,056	\$ 19,057	\$ 19,565	\$ 22,003	\$ 21,774	\$ 23,083	\$ 23,392	\$ 25,830
<b>Costs and expenses:</b>									
Cost of revenue (exclusive of depreciation and amortization)	3,756	3,455	3,314	3,472	3,661	3,501	3,622	3,891	3,819
Sales and marketing expenses	3,712	4,406	4,817	4,900	5,407	5,622	5,402	5,319	5,858
General and administrative expenses	5,790	5,750	5,994	8,341	6,174	7,253	6,777	9,813	7,899
Depreciation and amortization	2,270	2,377	2,434	2,481	2,550	2,647	2,706	2,769	2,810
<b>Total costs and expenses</b>	<b>15,528</b>	<b>15,988</b>	<b>16,559</b>	<b>19,194</b>	<b>17,792</b>	<b>19,023</b>	<b>18,507</b>	<b>21,792</b>	<b>20,386</b>
<b>Income from operations</b>	<b>1,983</b>	<b>3,068</b>	<b>2,498</b>	<b>371</b>	<b>4,211</b>	<b>2,751</b>	<b>4,576</b>	<b>1,600</b>	<b>5,444</b>
Interest income	365	314	353	368	308	339	386	387	344
<b>Income before income taxes</b>	<b>2,348</b>	<b>3,382</b>	<b>2,851</b>	<b>739</b>	<b>4,519</b>	<b>3,090</b>	<b>4,962</b>	<b>1,987</b>	<b>5,788</b>
Income tax (benefit) expense	564	745	1,132	(124)	1,079	404	749	(828)	1,400
<b>Net income</b>	<b>\$ 1,784</b>	<b>\$ 2,637</b>	<b>\$ 1,719</b>	<b>\$ 863</b>	<b>\$ 3,440</b>	<b>\$ 2,686</b>	<b>\$ 4,213</b>	<b>\$ 2,815</b>	<b>\$ 4,388</b>
<b>Earnings per share:</b>									
Basic	\$ 0.13	\$ 0.19	\$ 0.12	\$ 0.06	\$ 0.25	\$ 0.19	\$ 0.30	\$ 0.20	\$ 0.31
Diluted	\$ 0.13	\$ 0.19	\$ 0.12	\$ 0.06	\$ 0.24	\$ 0.18	\$ 0.29	\$ 0.19	\$ 0.30
<b>Weighted average shares outstanding:</b>									
Basic	13,997,064	13,780,074	13,782,476	13,900,091	13,998,028	14,018,629	14,027,994	14,101,986	14,194,696
Diluted	14,164,506	14,051,466	14,311,575	14,366,545	14,491,713	14,553,282	14,618,657	14,554,080	14,394,251

Condensed Consolidated Balance Sheets



(In thousands, except share data)	3/31/2024	6/30/2024	9/30/2024	12/31/2024	(Unaudited) 3/31/2025	6/30/2025	9/30/2025	12/31/2025	03/31/2026
<b>ASSETS:</b>									
Current assets:									
Cash and cash equivalents	\$ 32,147	\$ 30,943	\$ 35,747	\$ 36,504	\$ 34,603	\$ 38,848	\$ 45,352	\$ 43,557	\$ 43,451
Accounts receivable, net of allowance for doubtful accounts	7,871	7,963	8,459	8,061	9,646	9,811	10,419	10,697	11,910
Prepaid expenses and other current assets	1,491	1,483	1,730	1,627	1,653	2,137	2,237	2,281	1,938
<b>Total current assets</b>	<b>41,509</b>	<b>40,389</b>	<b>45,936</b>	<b>46,192</b>	<b>45,902</b>	<b>50,796</b>	<b>58,008</b>	<b>56,535</b>	<b>57,299</b>
Property and equipment, net	601	598	581	545	543	693	824	882	880
Intangible assets, net	34,962	35,487	35,731	35,997	37,488	37,677	38,749	39,264	40,179
Goodwill	5,227	5,227	5,227	5,227	5,227	5,227	5,227	5,227	5,227
Right-of-use assets	2,323	2,185	2,045	1,901	1,753	2,822	2,697	2,570	2,442
Deferred tax assets	9,043	8,433	7,463	7,496	6,597	6,309	5,476	6,585	5,574
Other noncurrent assets	361	1,133	987	1,173	1,579	1,310	1,090	949	1,033
<b>Total assets</b>	<b>\$ 94,026</b>	<b>\$ 93,452</b>	<b>\$ 97,970</b>	<b>\$ 98,531</b>	<b>\$ 99,089</b>	<b>\$ 104,834</b>	<b>\$ 112,071</b>	<b>\$ 112,012</b>	<b>\$ 112,634</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY:</b>									
Current liabilities:									
Accounts payable	\$ 2,353	\$ 1,969	\$ 2,787	\$ 2,127	\$ 2,013	\$ 1,834	\$ 2,764	\$ 1,977	\$ 2,002
Accrued expenses and other current liabilities	4,741	594	795	2,881	1,989	2,518	2,884	4,469	1,756
Current portion of operating lease liabilities	588	529	469	406	343	411	403	396	391
Deferred revenue	652	597	565	712	754	806	859	1,028	956
Dividend Payable	-	-	-	4,181	-	-	-	-	-
<b>Total current liabilities</b>	<b>\$ 8,334</b>	<b>\$ 3,689</b>	<b>\$ 4,616</b>	<b>\$ 10,307</b>	<b>\$ 5,099</b>	<b>\$ 5,569</b>	<b>\$ 6,910</b>	<b>\$ 7,870</b>	<b>\$ 5,105</b>
Noncurrent operating lease liabilities	1,845	1,765	1,680	1,592	1,502	2,520	2,459	2,396	2,329
Other noncurrent liabilities	-	-	-	-	640	539	969	820	672
<b>Total liabilities</b>	<b>10,179</b>	<b>5,454</b>	<b>6,296</b>	<b>11,899</b>	<b>7,241</b>	<b>8,628</b>	<b>10,338</b>	<b>11,086</b>	<b>8,106</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	(4,143)	(236)	-	-	-	-	-	-	(17)
Additional paid-in capital	94,065	91,672	93,393	87,488	89,264	90,936	92,250	88,628	87,859
(Accumulated deficit) retained earnings	(6,089)	(3,452)	(1,733)	(870)	2,570	5,256	9,469	12,284	16,672
<b>Total shareholders' equity</b>	<b>83,847</b>	<b>87,998</b>	<b>91,674</b>	<b>86,632</b>	<b>91,848</b>	<b>96,206</b>	<b>101,733</b>	<b>100,926</b>	<b>104,528</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 94,026</b>	<b>\$ 93,452</b>	<b>\$ 97,970</b>	<b>\$ 98,531</b>	<b>\$ 99,089</b>	<b>\$ 104,834</b>	<b>\$ 112,071</b>	<b>\$ 112,012</b>	<b>\$ 112,634</b>

Condensed Consolidated Statements of Cash Flows



(In thousands, except share data)	(Unaudited)									
	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25	Q4'25	Q1'26	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>										
Net income	\$ 1,784	\$ 2,637	\$ 1,719	\$ 863	\$ 3,440	\$ 2,686	\$ 4,213	\$ 2,815	\$ 4,388	
Adjustments to reconcile net income (loss) to net cash provided by operating activities:										
Depreciation and amortization	2,270	2,377	2,434	2,481	2,550	2,647	2,706	2,769	2,810	
Share-based compensation expense	1,402	1,393	1,657	1,496	1,596	1,827	1,706	1,371	2,050	
Write-off of long-lived assets	-	-	82	3	2	-	1	-	1	
Provision for bad debts	70	154	99	19	62	212	134	352	149	
Noncash lease expenses	134	138	140	144	148	109	125	127	128	
Deferred income tax (benefit) expense	471	610	970	(33)	899	288	833	(1,109)	1,011	
Changes in assets and liabilities:										
Accounts receivable	(806)	(246)	(595)	379	(1,647)	(377)	(742)	(630)	(1,362)	
Prepaid expenses and other current assets	(378)	8	(247)	103	(26)	(484)	(100)	(44)	343	
Other noncurrent assets	156	(772)	146	(186)	(406)	244	220	141	(84)	
Accounts payable	722	(384)	818	(660)	(114)	(179)	930	(787)	25	
Accrued expenses and other current liabilities	(1,347)	(4)	201	2,086	(1,392)	529	162	1,585	(2,730)	
Deferred revenue	(38)	(55)	(32)	147	42	52	53	169	(72)	
Operating lease liabilities	(135)	(139)	(145)	(151)	(153)	(67)	(69)	(70)	(72)	
Net cash provided by operating activities	4,305	5,717	7,247	6,691	5,001	7,487	10,172	6,689	6,585	
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>										
Purchase of property and equipment	(65)	(52)	(35)	(17)	(50)	(202)	(187)	(124)	(63)	
Capitalized costs included in intangible assets	(2,327)	(2,411)	(2,380)	(2,280)	(2,469)	(2,515)	(2,695)	(2,914)	(3,443)	
Net cash used in investing activities	(2,392)	(2,463)	(2,415)	(2,297)	(2,519)	(2,717)	(2,882)	(3,038)	(3,506)	
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>										
Taxes paid related to net share settlement of vesting of restricted stock units	(383)	(20)	(28)	(3,637)	(202)	(525)	(133)	(5,184)	(498)	
Repurchases of common stock	(1,415)	(4,438)	-	-	-	-	(653)	(262)	(2,687)	
Dividend payable	-	-	-	-	(4,181)	-	-	-	-	
Net cash used in financing activities	(1,798)	(4,458)	(28)	(3,637)	(4,383)	(525)	(786)	(5,446)	(3,185)	
<b>Net (decrease) increase in cash and cash equivalents</b>	115	(1,204)	4,804	757	(1,901)	4,245	6,504	(1,795)	(106)	
Cash and cash equivalents at beginning of period	32,032	32,147	30,943	35,747	36,504	34,603	38,848	45,352	43,557	
<b>Cash and cash equivalents at end of period</b>	<u>\$ 32,147</u>	<u>\$ 30,943</u>	<u>\$ 35,747</u>	<u>\$ 36,504</u>	<u>\$ 34,603</u>	<u>\$ 38,848</u>	<u>\$ 45,352</u>	<u>\$ 43,557</u>	<u>\$ 43,451</u>	
<b>SUPPLEMENTAL DISCLOSURE INFORMATION</b>										
Cash paid for income taxes	\$ -	\$ 439	\$ 85	\$ 83	\$ -	\$ 681	\$ 2	\$ (54)	\$ 122	
Share-based compensation capitalized in intangible assets	\$ 446	\$ 436	\$ 328	\$ 417	\$ 382	\$ 370	\$ 394	\$ 453	\$ 366	
Right-of-use assets obtained in exchange of operating lease liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,153	\$ -	\$ -	\$ -	
Retirement of treasury stock	\$ 1,942	\$ 4,222	\$ 264	\$ 3,637	\$ 202	\$ 525	\$ 786	\$ 5,446	\$ 3,185	
Dividend declared not yet paid	\$ -	\$ -	\$ -	\$ 4,181	\$ -	\$ -	\$ -	\$ -	\$ -	

Non-GAAP Reconciliations



(In thousands)	(Unaudited)									
	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25	Q4'25	Q1'26	
<b>Net income</b>	\$ 1,784	\$ 2,637	\$ 1,719	\$ 863	\$ 3,440	\$ 2,686	\$ 4,213	\$ 2,815	\$ 4,388	
Interest income	(365)	(314)	(353)	(368)	(308)	(339)	(386)	(387)	(344)	
Income tax (benefit) expense	564	745	1,132	(124)	1,079	404	749	(828)	1,400	
Depreciation and amortization	2,270	2,377	2,434	2,481	2,550	2,647	2,706	2,769	2,810	
Share-based compensation expense	1,402	1,393	1,657	1,496	1,596	1,827	1,706	1,371	2,050	
Litigation costs	27	(27)	7	117	9	4	60	208	104	
Acquisition-related costs	7	-	-	-	-	370	(12)	-	259	
Write-off of long-lived assets and others	-	-	82	3	2	1	-	-	1	
<b>Adjusted EBITDA</b>	<b>\$ 5,689</b>	<b>\$ 6,811</b>	<b>\$ 6,678</b>	<b>\$ 4,468</b>	<b>\$ 8,368</b>	<b>\$ 7,600</b>	<b>\$ 9,036</b>	<b>\$ 5,948</b>	<b>\$ 10,668</b>	
Revenue	\$ 17,511	\$ 19,056	\$ 19,057	\$ 19,565	\$ 22,003	\$ 21,774	\$ 23,083	\$ 23,392	\$ 25,830	
<b>Net income margin</b>	<b>10%</b>	<b>14%</b>	<b>9%</b>	<b>4%</b>	<b>16%</b>	<b>12%</b>	<b>18%</b>	<b>12%</b>	<b>17%</b>	
<b>Adjusted EBITDA margin</b>	<b>32%</b>	<b>36%</b>	<b>35%</b>	<b>23%</b>	<b>38%</b>	<b>35%</b>	<b>39%</b>	<b>25%</b>	<b>41%</b>	

(In thousands, except share data)	(Unaudited)									
	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25	Q4'25	Q1'26	
<b>Net income</b>	\$ 1,784	\$ 2,637	\$ 1,719	\$ 863	\$ 3,440	\$ 2,686	\$ 4,213	\$ 2,815	\$ 4,388	
Share-based compensation expense	1,402	1,393	1,657	1,496	1,596	1,827	1,706	1,371	2,050	
Amortization of share-based compensation capitalized in intangible assets	364	380	394	402	409	413	413	411	414	
Acquisition-related costs	7	-	-	-	-	370	(12)	-	259	
Litigation costs	27	(27)	7	117	9	4	60	208	104	
Write-off of long-lived assets	-	-	82	3	2	1	-	-	1	
Tax effect of adjustments	(136)	(279)	(418)	(879)	(347)	(759)	(423)	(1,744)	(621)	
<b>Adjusted net income</b>	<b>3,448</b>	<b>4,104</b>	<b>3,441</b>	<b>2,002</b>	<b>5,109</b>	<b>4,542</b>	<b>5,957</b>	<b>3,061</b>	<b>6,595</b>	
<b>Earnings per share:</b>										
Basic	0.13	0.19	0.12	0.06	0.25	0.19	0.30	0.20	0.31	
Diluted	0.13	0.19	0.12	0.06	0.24	0.18	0.29	0.19	0.30	
<b>Adjusted earnings per share:</b>										
Basic	0.25	0.30	0.25	0.14	0.36	0.32	0.42	0.22	0.46	
Diluted	0.24	0.29	0.24	0.14	0.35	0.31	0.41	0.21	0.46	
<b>Weighted average shares outstanding:</b>										
Basic	13,997,064.00	13,780,074.00	13,782,476.00	13,900,091.00	13,998,028.00	14,018,629.00	14,027,994.00	14,101,986.00	14,194,696.00	
Diluted	14,164,506.00	14,051,466.00	14,311,575.00	14,366,545.00	14,491,713.00	14,553,282.00	14,618,657.00	14,554,080.00	14,394,251.00	

(In thousands)	(Unaudited)									
	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25	Q4'25	Q1'26	
<b>Revenue</b>	\$ 17,511	\$ 19,056	\$ 19,057	\$ 19,565	\$ 22,003	\$ 21,774	\$ 23,083	\$ 23,392	\$ 25,830	
Cost of revenue (exclusive of depreciation and amortization)	(3,756)	(3,455)	(3,314)	(3,472)	(3,661)	(3,501)	(3,622)	(3,891)	(3,819)	
Depreciation and amortization related to cost of revenue	(2,214)	(2,322)	(2,382)	(2,431)	(2,500)	(2,595)	(2,651)	(2,703)	(2,746)	
<b>Gross profit</b>	<b>11,541</b>	<b>13,279</b>	<b>13,361</b>	<b>13,662</b>	<b>15,842</b>	<b>15,678</b>	<b>16,810</b>	<b>16,798</b>	<b>19,265</b>	
Depreciation and amortization of certain intangible assets	2,214	2,322	2,382	2,431	2,452	2,560	2,615	2,665	2,709	
<b>Adjusted gross profit</b>	<b>\$ 13,755</b>	<b>\$ 15,601</b>	<b>\$ 15,743</b>	<b>\$ 16,093</b>	<b>\$ 18,294</b>	<b>\$ 18,238</b>	<b>\$ 19,425</b>	<b>\$ 19,463</b>	<b>\$ 21,974</b>	
<b>Gross margin</b>	<b>66%</b>	<b>70%</b>	<b>70%</b>	<b>70%</b>	<b>72%</b>	<b>72%</b>	<b>73%</b>	<b>72%</b>	<b>75%</b>	
<b>Adjusted gross margin</b>	<b>79%</b>	<b>82%</b>	<b>83%</b>	<b>82%</b>	<b>83%</b>	<b>84%</b>	<b>84%</b>	<b>83%</b>	<b>85%</b>	

(In thousands)	(Unaudited)									
	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25	Q4'25	Q1'26	
<b>Net cash provided by operating activities</b>	\$ 4,305	\$ 5,717	\$ 7,247	\$ 6,691	\$ 5,001	\$ 7,487	\$ 10,172	\$ 6,689	\$ 6,585	
Less:										
Purchase of property and equipment	(65)	(52)	(35)	(17)	(50)	(202)	(187)	(124)	(63)	
Capitalized costs included in intangible assets	(2,327)	(2,411)	(2,380)	(2,280)	(2,469)	(2,515)	(2,695)	(2,914)	(3,443)	
<b>Free cash flow</b>	<b>\$ 1,913</b>	<b>\$ 3,254</b>	<b>\$ 4,832</b>	<b>\$ 4,394</b>	<b>\$ 2,482</b>	<b>\$ 4,770</b>	<b>\$ 7,290</b>	<b>\$ 3,651</b>	<b>\$ 3,079</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, adjusted earnings per share, adjusted gross profit, adjusted gross margin, and free cash flow ("FCF"). Adjusted EBITDA is a non-GAAP financial measure equal to net income, the most directly comparable financial measure based on US GAAP, excluding interest income, income tax (benefit) expense, depreciation and amortization, share-based compensation expense, acquisition-related costs, litigation costs, and write-off of long-lived assets. We define adjusted EBITDA margin as adjusted EBITDA as a percentage of revenue. Adjusted net income is a non-GAAP financial measure equal to net income, the most directly comparable financial measure based on US GAAP, adjusted to exclude share-based compensation expense, amortization of share-based compensation capitalized in intangible assets, acquisition-related costs, litigation costs, and write-off of long-lived assets, and to include 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 gross profit plus depreciation and amortization of certain intangible assets, 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.