

Condensed Consolidated Statements of Operations



(In thousands, except share data)	(Unaudited)									
	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	
Revenue	\$ 14,626	\$ 14,680	\$ 15,837	\$ 15,061	\$ 17,511	\$ 19,056	\$ 19,057	\$ 19,565	\$ 22,003	
Costs and expenses:										
Cost of revenue (exclusive of depreciation and amortization)	3,179	3,240	3,313	3,337	3,756	3,455	3,314	3,472	3,661	
Sales and marketing expenses	3,889	3,078	3,365	3,501	3,712	4,406	4,817	4,900	5,407	
General and administrative expenses	5,241	5,075	5,223	6,907	5,790	5,750	5,994	8,341	6,174	
Depreciation and amortization	1,916	2,054	2,171	2,211	2,270	2,377	2,434	2,481	2,550	
Total costs and expenses	14,225	13,447	14,072	15,956	15,528	15,988	16,559	19,194	17,792	
Income (loss) from operations	401	1,233	1,765	(895)	1,983	3,068	2,498	371	4,211	
Interest income	286	315	346	387	365	314	353	368	308	
Income (loss) before income taxes	687	1,548	2,111	(508)	2,348	3,382	2,851	739	4,519	
Income tax (benefit) expense	(29)	160	(10,384)	562	564	745	1,132	(124)	1,079	
Net income (loss)	\$ 716	\$ 1,388	\$ 12,495	\$ (1,070)	\$ 1,784	\$ 2,637	\$ 1,719	\$ 863	\$ 3,440	
Earnings (loss) per share:										
Basic	\$ 0.05	\$ 0.10	\$ 0.90	\$ (0.08)	\$ 0.13	\$ 0.19	\$ 0.12	\$ 0.06	\$ 0.25	
Diluted	\$ 0.05	\$ 0.10	\$ 0.87	\$ (0.08)	\$ 0.13	\$ 0.19	\$ 0.12	\$ 0.06	\$ 0.24	
Weighted average shares outstanding:										
Basic	13,997,154	13,961,862	13,952,426	13,985,426	13,997,064	13,780,074	13,782,476	13,900,091	13,998,028	
Diluted	14,236,771	14,172,024	14,329,878	13,985,426	14,164,506	14,051,466	14,311,575	14,366,545	14,491,713	

Condensed Consolidated Balance Sheets



(In thousands, except share data)	3/31/2023	6/30/2023	9/30/2023	12/31/2023	(Unaudited)	3/31/2024	6/30/2024	9/30/2024	12/31/2024	3/31/2025
ASSETS:										
Current assets:										
Cash and cash equivalents	\$ 30,818	\$ 31,368	\$ 34,210	\$ 32,032	\$ 32,147	\$ 30,943	\$ 35,747	\$ 36,504	\$ 34,603	\$ 34,603
Accounts receivable, net of allowance for doubtful accounts	5,889	6,556	6,805	7,135	7,871	7,963	8,459	8,061	9,646	9,646
Prepaid expenses and other current assets	1,310	1,325	1,178	1,113	1,491	1,483	1,730	1,627	1,653	1,653
Total current assets	38,017	39,249	42,193	40,280	41,509	40,389	45,936	46,192	45,902	45,902
Property and equipment, net	692	640	627	592	601	598	581	545	543	543
Intangible assets, net	32,521	33,175	33,992	34,403	34,962	35,487	35,731	35,997	37,488	37,488
Goodwill	5,227	5,227	5,227	5,227	5,227	5,227	5,227	5,227	5,227	5,227
Right-of-use assets	969	821	2,589	2,457	2,323	2,185	2,045	1,901	1,753	1,753
Deferred tax assets	-	-	10,021	9,514	9,043	8,433	7,463	7,496	6,597	6,597
Other noncurrent assets	894	765	627	517	361	1,133	987	1,173	1,579	1,579
Total assets	\$ 78,320	\$ 79,877	\$ 95,276	\$ 92,990	\$ 94,026	\$ 93,452	\$ 97,970	\$ 98,531	\$ 99,089	\$ 99,089
LIABILITIES AND SHAREHOLDERS' EQUITY:										
Current liabilities:										
Accounts payable	\$ 2,345	\$ 1,694	\$ 1,989	\$ 1,631	\$ 2,353	\$ 1,969	\$ 2,787	\$ 2,127	\$ 2,013	\$ 2,013
Accrued expenses and other current liabilities	411	424	372	1,989	4,741	594	795	2,881	1,989	1,989
Current portion of operating lease liabilities	711	731	548	569	588	529	469	406	343	343
Deferred revenue	763	627	527	690	652	597	565	712	754	754
Dividend Payable	-	-	-	-	-	-	-	4,181	-	-
Total current liabilities	\$ 4,230	\$ 3,476	\$ 3,436	\$ 4,879	\$ 8,334	\$ 3,689	\$ 4,616	\$ 10,307	\$ 5,099	\$ 5,099
Noncurrent operating lease liabilities	413	222	2,149	1,999	1,845	1,765	1,680	1,592	1,502	1,502
Deferred tax liabilities	257	411	-	-	-	-	-	-	-	-
Other noncurrent liabilities	-	-	-	-	-	-	-	-	640	640
Total liabilities	4,900	4,109	5,585	6,878	10,179	5,454	6,296	11,899	7,241	7,241
Shareholders' equity:										
Preferred stock—\$0.001 par value	-	-	-	-	-	-	-	-	-	-
Common stock—\$0.001 par value	14	14	14	14	14	14	14	14	14	14
Treasury stock, at cost	(201)	(52)	(168)	(188)	(4,143)	(236)	-	-	-	-
Additional paid-in capital	94,293	95,104	96,648	94,159	94,065	91,672	93,393	87,488	89,264	89,264
(Accumulated deficit) retained earnings	(20,686)	(19,298)	(6,803)	(7,873)	(6,089)	(3,452)	(1,733)	(870)	2,570	2,570
Total shareholders' equity	73,420	75,768	89,691	86,112	83,847	87,998	91,674	86,632	91,848	91,848
Total liabilities and shareholders' equity	\$ 78,320	\$ 79,877	\$ 95,276	\$ 92,990	\$ 94,026	\$ 93,452	\$ 97,970	\$ 98,531	\$ 99,089	\$ 99,089

Condensed Consolidated Statements of Cash Flows



(In thousands, except share data)	(Unaudited)									
	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	
CASH FLOWS FROM OPERATING ACTIVITIES:										
Net income (loss)	\$ 716	\$ 1,388	\$ 12,495	\$ (1,070)	\$ 1,784	\$ 2,637	\$ 1,719	\$ 863	\$ 3,440	
Adjustments to reconcile net income (loss) to net cash provided by operating activities:										
Depreciation and amortization	1,916	2,054	2,171	2,211	2,270	2,377	2,434	2,481	2,550	
Share-based compensation expense	1,384	1,305	1,369	1,328	1,402	1,393	1,657	1,496	1,596	
Write-off of long-lived assets	3	-	1	2	-	-	82	3	2	
Provision for bad debts	668	121	124	175	70	154	99	19	62	
Noncash lease expenses	145	148	151	132	134	138	140	144	148	
Deferred income tax (benefit) expense	(30)	154	(10,432)	507	471	610	970	(33)	899	
Changes in assets and liabilities:										
Accounts receivable	(1,022)	(788)	(373)	(505)	(806)	(246)	(595)	379	(1,647)	
Prepaid expenses and other current assets	(539)	(15)	147	65	(378)	8	(247)	103	(26)	
Other noncurrent assets	(293)	129	138	110	156	(772)	146	(186)	(406)	
Accounts payable	116	(651)	295	(358)	722	(384)	818	(660)	(114)	
Accrued expenses and other current liabilities	(1,460)	9	(22)	1,573	(1,347)	(4)	201	2,086	(1,392)	
Deferred revenue	93	(136)	(100)	163	(38)	(55)	(32)	147	42	
Operating lease liabilities	(166)	(171)	(175)	(129)	(135)	(139)	(145)	(151)	(153)	
Net cash provided by operating activities	<u>1,531</u>	<u>3,547</u>	<u>5,789</u>	<u>4,204</u>	<u>4,305</u>	<u>5,717</u>	<u>7,247</u>	<u>6,691</u>	<u>5,001</u>	
CASH FLOWS FROM INVESTING ACTIVITIES:										
Purchase of property and equipment	(44)	(7)	(47)	(24)	(65)	(52)	(35)	(17)	(50)	
Capitalized costs included in intangible assets	(2,273)	(2,236)	(2,412)	(2,103)	(2,327)	(2,411)	(2,380)	(2,280)	(2,469)	
Net cash used in investing activities	<u>(2,317)</u>	<u>(2,243)</u>	<u>(2,459)</u>	<u>(2,127)</u>	<u>(2,392)</u>	<u>(2,463)</u>	<u>(2,415)</u>	<u>(2,297)</u>	<u>(2,519)</u>	
CASH FLOWS FROM FINANCING ACTIVITIES:										
Taxes paid related to net share settlement of vesting of restricted stock units	(31)	(19)	(147)	(1,795)	(383)	(20)	(28)	(3,637)	(202)	
Repurchases of common stock	(175)	(735)	(341)	(2,460)	(1,415)	(4,438)	-	-	-	
Dividend payable	-	-	-	-	-	-	-	-	(4,181)	
Net cash used in financing activities	<u>(206)</u>	<u>(754)</u>	<u>(488)</u>	<u>(4,255)</u>	<u>(1,798)</u>	<u>(4,458)</u>	<u>(28)</u>	<u>(3,637)</u>	<u>(4,383)</u>	
Net (decrease) increase in cash and cash equivalents	<u>(992)</u>	<u>550</u>	<u>2,842</u>	<u>(2,178)</u>	<u>115</u>	<u>(1,204)</u>	<u>3,715</u>	<u>757</u>	<u>(1,901)</u>	
Cash and cash equivalents at beginning of period	31,810	30,818	31,368	34,210	32,032	32,147	32,032	35,747	36,504	
Cash and cash equivalents at end of period	<u>\$ 30,818</u>	<u>\$ 31,368</u>	<u>\$ 34,210</u>	<u>\$ 32,032</u>	<u>\$ 32,147</u>	<u>\$ 30,943</u>	<u>\$ 35,747</u>	<u>\$ 36,504</u>	<u>\$ 34,603</u>	
SUPPLEMENTAL DISCLOSURE INFORMATION										
Cash paid for interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Cash paid for income taxes	\$ 1	\$ 21	\$ 33	\$ 27	\$ -	\$ 439	\$ 85	\$ 83	\$ -	
Share-based compensation capitalized in intangible assets	\$ 459	\$ 413	\$ 517	\$ 462	\$ 446	\$ 436	\$ 328	\$ 417	\$ 382	
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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Retirement of treasury stock	\$ 31	\$ 907	\$ 342	\$ 4,279	\$ 1,942	\$ 4,222	\$ 264	\$ 3,637	\$ 202	
Dividend declared not yet paid	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,181	\$ -	

Non-GAAP Reconciliations



	(Unaudited)									
(In thousands)	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	
Net income (loss)	\$ 716	\$ 1,388	\$ 12,495	\$ (1,070)	\$ 1,784	\$ 2,637	\$ 1,719	\$ 863	\$ 3,440	
Interest income	(286)	(315)	(346)	(387)	(365)	(314)	(353)	(368)	(308)	
Income tax (benefit) expense	(29)	160	(10,384)	562	564	745	1,132	(124)	1,079	
Depreciation and amortization	1,916	2,054	2,171	2,211	2,270	2,377	2,434	2,481	2,550	
Share-based compensation expense	1,384	1,305	1,369	1,328	1,402	1,393	1,657	1,496	1,596	
Litigation costs	3	45	1	-	27	(27)	7	117	9	
Write-off of long-lived assets and others	2	-	56	19	7	-	82	3	2	
Adjusted EBITDA	<u>\$ 3,706</u>	<u>\$ 4,637</u>	<u>\$ 5,362</u>	<u>\$ 2,663</u>	<u>\$ 5,689</u>	<u>\$ 6,811</u>	<u>\$ 6,678</u>	<u>\$ 4,468</u>	<u>\$ 8,368</u>	
Revenue	\$ 14,626	\$ 14,680	\$ 15,837	\$ 15,061	\$ 17,511	\$ 19,056	\$ 19,057	\$ 19,565	\$ 22,003	
Net income (loss) margin	<u>5%</u>	<u>9%</u>	<u>79%</u>	<u>(7%)</u>	<u>10%</u>	<u>14%</u>	<u>9%</u>	<u>4%</u>	<u>16%</u>	
Adjusted EBITDA margin	<u>25%</u>	<u>32%</u>	<u>34%</u>	<u>18%</u>	<u>32%</u>	<u>36%</u>	<u>35%</u>	<u>23%</u>	<u>38%</u>	
	(Unaudited)									
(In thousands, except share data)	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	
Net income (loss)	\$ 716	\$ 1,388	\$ 12,495	\$ (1,070)	\$ 1,784	\$ 2,637	\$ 1,719	\$ 863	\$ 3,440	
Share-based compensation expense	1,384	1,305	1,369	1,328	1,402	1,393	1,657	1,496	1,596	
Amortization of share-based compensation capitalized in intangible assets	222	235	249	263	275	286	292	299	409	
Discrete tax items	-	-	(10,272)	-	-	-	-	-	-	
Tax effect of adjustments	-	-	(1,275)	(251)	(308)	(425)	(518)	(1,336)	(613)	
Adjusted net income	<u>\$ 2,322</u>	<u>\$ 2,928</u>	<u>\$ 2,566</u>	<u>\$ 270</u>	<u>\$ 3,153</u>	<u>\$ 3,891</u>	<u>\$ 3,150</u>	<u>\$ 1,322</u>	<u>\$ 4,832</u>	
Earnings (loss) per share:										
Basic	0.05	0.10	0.90	(0.08)	0.13	0.19	0.12	0.06	0.25	
Diluted	0.05	0.10	0.87	(0.08)	0.13	0.19	0.12	0.06	0.24	
Adjusted earnings per share:										
Basic	0.17	0.21	0.18	0.02	0.23	0.28	0.23	0.10	0.35	
Diluted	0.16	0.21	0.18	0.02	0.22	0.28	0.22	0.09	0.33	
Weighted average shares outstanding:										
Basic	13,997,154	13,961,862	13,952,426	13,985,426	13,997,064	13,780,074	13,782,476	13,900,091	13,998,028	
Diluted	14,236,771	14,172,024	14,329,878	14,307,797	14,164,506	14,051,466	14,311,575	14,366,545	14,491,713	
	(Unaudited)									
(In thousands)	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	
Revenue	\$ 14,626	\$ 14,680	\$ 15,837	\$ 15,061	\$ 17,511	\$ 19,056	\$ 19,057	\$ 19,565	\$ 22,003	
Cost of revenue (exclusive of depreciation and amortization)	(3,179)	(3,240)	(3,313)	(3,337)	(3,756)	(3,455)	(3,314)	(3,472)	(3,661)	
Depreciation and amortization related to cost of revenue	(1,858)	(1,995)	(2,112)	(2,154)	(2,214)	(2,322)	(2,382)	(2,431)	(2,500)	
Gross profit	<u>9,589</u>	<u>9,445</u>	<u>10,412</u>	<u>9,570</u>	<u>11,541</u>	<u>13,279</u>	<u>13,361</u>	<u>13,662</u>	<u>15,842</u>	
Depreciation and amortization of certain intangible assets	1,858	1,995	2,112	2,154	2,214	2,322	2,382	2,431	2,452	
Adjusted gross profit	<u>\$ 11,447</u>	<u>\$ 11,440</u>	<u>\$ 12,524</u>	<u>\$ 11,724</u>	<u>\$ 13,755</u>	<u>\$ 15,601</u>	<u>\$ 15,743</u>	<u>\$ 16,093</u>	<u>\$ 18,294</u>	
Gross margin	<u>66%</u>	<u>64%</u>	<u>66%</u>	<u>64%</u>	<u>66%</u>	<u>70%</u>	<u>70%</u>	<u>70%</u>	<u>72%</u>	
Adjusted gross margin	<u>78%</u>	<u>78%</u>	<u>79%</u>	<u>78%</u>	<u>79%</u>	<u>82%</u>	<u>83%</u>	<u>82%</u>	<u>83%</u>	
	(Unaudited)									
(In thousands)	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	
Net cash provided by operating activities	\$ 1,531	\$ 3,547	\$ 5,789	\$ 4,204	\$ 4,305	\$ 5,717	\$ 7,247	\$ 6,691	\$ 5,001	
Less:										
Purchase of property and equipment	(44)	(7)	(47)	(24)	(65)	(52)	(35)	(17)	(50)	
Capitalized costs included in intangible assets	(2,273)	(2,236)	(2,412)	(2,103)	(2,327)	(2,411)	(2,380)	(2,280)	(2,469)	
Free cash flow	<u>\$ (786)</u>	<u>\$ 1,304</u>	<u>\$ 3,330</u>	<u>\$ 2,077</u>	<u>\$ 1,913</u>	<u>\$ 3,254</u>	<u>\$ 4,832</u>	<u>\$ 4,394</u>	<u>\$ 2,482</u>	

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 financial measure equal to net income (loss), the most directly comparable financial measure based on US GAAP, excluding interest income, income tax (benefit) expense, depreciation and amortization, share-based compensation expense, 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), adjusted to exclude share-based compensation expense, amortization of share-based compensation capitalized in intangible assets, and discrete tax items, 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.