Condensed Consolidated Statements of Operations

(In thousands, except share data)	Q2'24	Q3'24	Q4'24	Q1'25	(Unaudited) Q2'25	Q3'25	Q4'25	Q1'26	Q2'26
Revenue	$ 19,056	$ 19,057	$ 19,565	$ 22,003	$ 21,774	$ 23,083	$ 23,392	$ 25,830	$ 26,718
Costs and expenses:									
Cost of revenue (exclusive of depreciation and amortization)	3,455	3,314	3,472	3,661	3,501	3,622	3,891	3,819	3,818
Sales and marketing expenses	4,406	4,817	4,900	5,407	5,622	5,402	5,319	5,858	5,750
General and administrative expenses	5,750	5,994	8,341	6,174	7,253	6,777	9,813	7,899	8,268
Depreciation and amortization	2,377	2,434	2,481	2,550	2,647	2,706	2,769	2,810	2,787
Total costs and expenses	15,988	16,559	19,194	17,792	19,023	18,507	21,792	20,386	20,623
Income from operations	3,068	2,498	371	4,211	2,751	4,576	1,600	5,444	6,095
Interest income	314	353	368	308	339	386	387	344	394
Income before income taxes	3,382	2,851	739	4,519	3,090	4,962	1,987	5,788	6,489
Income tax (benefit) expense	745	1,132	(124)	1,079	404	749	(828)	1,400	1,529
Net income	$ 2,637	$ 1,719	$ 863	$ 3,440	$ 2,686	$ 4,213	$ 2,815	$ 4,388	$ 4,960
Earnings per share:									
Basic	$ 0.19	$ 0.12	$ 0.06	$ 0.25	$ 0.19	$ 0.30	$ 0.20	$ 0.31	$ 0.35
Diluted	$ 0.19	$ 0.12	$ 0.06	$ 0.24	$ 0.18	$ 0.29	$ 0.19	$ 0.30	$ 0.34
Weighted average shares outstanding:									
Basic	13,780,074	13,782,476	13,900,091	13,998,028	14,018,629	14,027,994	14,101,986	14,194,696	14,175,312
Diluted	14,051,466	14,311,575	14,366,545	14,491,713	14,553,282	14,618,657	14,554,080	14,394,251	14,464,461

Condensed Consolidated Balance Sheets

(In thousands, except share data)	6/30/2024	9/30/2024	12/31/2024	3/31/2025	(Unaudited) 6/30/2025	9/30/2025	12/31/2025	3/31/2026	6/30/2026
ASSETS:									
Current assets:									
Cash and cash equivalents	$ 30,943	$ 35,747	$ 36,504	$ 34,603	$ 38,848	$ 45,352	$ 43,557	$ 43,451	$ 49,972
Accounts receivable, net of allowance for doubtful accounts	7,963	8,459	8,061	9,646	9,811	10,419	10,697	11,910	12,904
Prepaid expenses and other current assets	1,483	1,730	1,627	1,653	2,137	2,237	2,281	1,938	2,359
Total current assets	40,389	45,936	46,192	45,902	50,796	58,008	56,535	57,299	65,235
Property and equipment, net	598	581	545	543	693	824	882	880	914
Intangible assets, net	35,487	35,731	35,997	37,488	37,677	38,749	39,264	40,179	41,196
Goodwill	5,227	5,227	5,227	5,227	5,227	5,227	5,227	5,227	5,227
Right-of-use assets	2,185	2,045	1,901	1,753	2,822	2,697	2,570	2,442	2,311
Deferred tax assets	8,433	7,463	7,496	6,597	6,309	5,476	6,585	5,574	4,618
Other noncurrent assets	1,133	987	1,173	1,579	1,310	1,090	949	1,033	847
Total assets	$ 93,452	$ 97,970	$ 98,531	$ 99,089	$ 104,834	$ 112,071	$ 112,012	$ 112,634	$ 120,348
LIABILITIES AND SHAREHOLDERS' EQUITY:									
Current liabilities:									
Accounts payable	$ 1,969	$ 2,787	$ 2,127	$ 2,013	$ 1,834	$ 2,764	$ 1,977	$ 2,002	$ 1,489
Accrued expenses and other current liabilities	594	795	2,881	1,989	2,518	2,884	4,469	1,756	2,882
Current portion of operating lease liabilities	529	469	406	343	411	403	396	391	428
Deferred revenue	597	565	712	754	806	859	1,028	956	1,195
Dividend Payable	-	-	4,181	-	-	-	-	-	-
Total current liabilities	$ 3,689	$ 4,616	$ 10,307	$ 5,099	$ 5,569	$ 6,910	$ 7,870	$ 5,105	$ 5,994
Noncurrent operating lease liabilities	1,765	1,680	1,592	1,502	2,520	2,459	2,396	2,329	2,219
Other noncurrent liabilities	-	-	-	640	539	969	820	672	523
Total liabilities	5,454	6,296	11,899	7,241	8,628	10,338	11,086	8,106	8,736
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	(236)	-	-	-	-	-	-	(17)	-
Additional paid-in capital	91,672	93,393	87,488	89,264	90,936	92,250	88,628	87,859	89,966
(Accumulated deficit) retained earnings	(3,452)	(1,733)	(870)	2,570	5,256	9,469	12,284	16,672	21,632
Total shareholders' equity	87,998	91,674	86,632	91,848	96,206	101,733	100,926	104,528	111,612
Total liabilities and shareholders' equity	$ 93,452	$ 97,970	$ 98,531	$ 99,089	$ 104,834	$ 112,071	$ 112,012	$ 112,634	$ 120,348

Condensed Consolidated Statements of Cash Flows

(In thousands, except share data)	Q2'24	Q3'24	Q4'24	Q1'25	(Unaudited) Q2'25	Q3'25	Q4'25	Q1'26	Q2'26
CASH FLOWS FROM OPERATING ACTIVITIES:									
Net income	$ 2,637	$ 1,719	$ 863	$ 3,440	$ 2,686	$ 4,213	$ 2,815	$ 4,388	$ 4,960
Adjustments to reconcile net income (loss) to net cash provided by operating activities:									
Depreciation and amortization	2,377	2,434	2,481	2,550	2,647	2,706	2,769	2,810	2,787
Share-based compensation expense	1,393	1,657	1,496	1,596	1,827	1,706	1,371	2,050	2,236
Write-off of long-lived assets	-	82	3	2	-	1	-	1	-
Provision for bad debts	154	99	19	62	212	134	352	149	218
Noncash lease expenses	138	140	144	148	109	125	127	128	131
Deferred income tax (benefit) expense	610	970	(33)	899	288	833	(1,109)	1,011	956
Changes in assets and liabilities:									
Accounts receivable	(246)	(595)	379	(1,647)	(377)	(742)	(630)	(1,362)	(1,212)
Prepaid expenses and other current assets	8	(247)	103	(26)	(484)	(100)	(44)	343	(421)
Other noncurrent assets	(772)	146	(186)	(406)	244	220	141	(84)	186
Accounts payable	(384)	818	(660)	(114)	(179)	930	(787)	25	(513)
Accrued expenses and other current liabilities	(4)	201	2,086	(1,392)	529	162	1,585	(2,730)	1,143
Deferred revenue	(55)	(32)	147	42	52	53	169	(72)	239
Operating lease liabilities	(139)	(145)	(151)	(153)	(67)	(69)	(70)	(72)	(73)
Net cash provided by operating activities	5,717	7,247	6,691	5,001	7,487	10,172	6,689	6,585	10,637
CASH FLOWS FROM INVESTING ACTIVITIES:									
Purchase of property and equipment	(52)	(35)	(17)	(50)	(202)	(187)	(124)	(63)	(105)
Capitalized costs included in intangible assets	(2,411)	(2,380)	(2,280)	(2,469)	(2,515)	(2,695)	(2,914)	(3,443)	(3,360)
Net cash used in investing activities	(2,463)	(2,415)	(2,297)	(2,519)	(2,717)	(2,882)	(3,038)	(3,506)	(3,465)
CASH FLOWS FROM FINANCING ACTIVITIES:									
Taxes paid related to net share settlement of vesting of restricted stock units	(20)	(28)	(3,637)	(202)	(525)	(133)	(5,184)	(498)	(216)
Repurchases of common stock	(4,438)	-	-	-	-	(653)	(262)	(2,687)	(435)
Dividend payable	-	-	-	(4,181)	-	-	-	-	-
Net cash used in financing activities	(4,458)	(28)	(3,637)	(4,383)	(525)	(786)	(5,446)	(3,185)	(651)
Net (decrease) increase in cash and cash equivalents	(1,204)	4,804	757	(1,901)	4,245	6,504	(1,795)	(106)	6,521
Cash and cash equivalents at beginning of period	32,147	30,943	35,747	36,504	34,603	38,848	45,352	43,557	43,451
Cash and cash equivalents at end of period	$ 30,943	$ 35,747	$ 36,504	$ 34,603	$ 38,848	$ 45,352	$ 43,557	$ 43,451	$ 49,972
SUPPLEMENTAL DISCLOSURE INFORMATION									
Cash paid for income taxes	$ 439	$ 85	$ 83	$ -	$ 681	$ 2	$ (54)	$ 122	$ 409
Share-based compensation capitalized in intangible assets	$ 436	$ 328	$ 417	$ 382	$ 370	$ 394	$ 453	$ 366	$ 522
Right-of -use assets obtained in exchange of operating lease liabilities	$ -	$ -	$ -	$ -	$ 1,153	$ -	$ -	$ -	$ -
Retirement of treasury stock	$ 4,222	$ 264	$ 3,637	$ 202	$ 525	$ 786	$ 5,446	$ 3,185	$ 651
Dividend declared not yet paid	$ -	$ -	$ 4,181	$ -	$ -	$ -	$ -	$ -	$ -

Non-GAAP Reconciliations

(In thousands)	Q2'24	Q3'24	Q4'24	Q1'25	(Unaudited) Q2'25	Q3'25	Q4'25	Q1'26	Q2'26
Net income	$ 2,637	$ 1,719	$ 863	$ 3,440	$ 2,686	$ 4,213	$ 2,815	$ 4,388	$ 4,960
Interest income	(314)	(353)	(368)	(308)	(339)	(386)	(387)	(344)	(394)
Income tax (benefit) expense	745	1,132	(124)	1,079	404	749	(828)	1,400	1,529
Depreciation and amortization	2,377	2,434	2,481	2,550	2,647	2,706	2,769	2,810	2,787
Share-based compensation expense	1,393	1,657	1,496	1,596	1,827	1,706	1,371	2,050	2,236
Litigation costs	(27)	7	117	9	4	60	208	104	81
Acquisition-related costs	-	-	-	-	370	(12)	-	259	49
Write-off of long-lived assets and others	-	82	3	2	1	-	-	1	-
Adjusted EBITDA	$ 6,811	$ 6,678	$ 4,468	$ 8,368	$ 7,600	$ 9,036	$ 5,948	$ 10,668	$ 11,248
Revenue	$ 19,056	$ 19,057	$ 19,565	$ 22,003	$ 21,774	$ 23,083	$ 23,392	$ 25,830	$ 26,718
Net income margin	14%	9%	4%	16%	12%	18%	12%	17%	19%
Adjusted EBITDA margin	36%	35%	23%	38%	35%	39%	25%	41%	42%

(In thousands, except share data)	Q2'24	Q3'24	Q4'24	Q1'25	(Unaudited) Q2'25	Q3'25	Q4'25	Q1'26	Q2'26
Net income	$ 2,637	$ 1,719	$ 863	$ 3,440	$ 2,686	$ 4,213	$ 2,815	$ 4,388	$ 4,960
Share-based compensation expense	1,393	1,657	1,496	1,596	1,827	1,706	1,371	2,050	2,236
Amortization of share-based compensation capitalized in intangible assets	380	394	402	409	413	413	411	414	406
Acquisition-related costs	-	-	-	-	370	(12)	-	259	49
Litigation costs	(27)	7	117	9	4	60	208	104	81
Write-off of long-lived assets	-	82	3	2	1	-	-	1	-
Tax effect of adjustments	(279)	(418)	(879)	(347)	(759)	(423)	(1,744)	(621)	(562)
Adjusted net income	4,104	3,441	2,002	5,109	4,542	5,957	3,061	6,595	7,170
Earnings per share:									
Basic	0.19	0.12	0.06	0.25	0.19	0.30	0.20	0.31	0.35
Diluted	0.19	0.12	0.06	0.24	0.18	0.29	0.19	0.30	0.34
Adjusted earnings per share:									
Basic	0.30	0.25	0.14	0.36	0.32	0.42	0.22	0.46	0.51
Diluted	0.29	0.24	0.14	0.35	0.31	0.41	0.21	0.46	0.50
Weighted average shares outstanding:									
Basic	13,780,074	13,782,476	13,900,091	13,998,028	14,018,629	14,027,994	14,101,986	14,194,696	14,175,312
Diluted	14,051,466	14,311,575	14,366,545	14,491,713	14,553,282	14,618,657	14,554,080	14,394,251	14,464,461

(In thousands)	Q2'24	Q3'24	Q4'24	Q1'25	(Unaudited) Q2'25	Q3'25	Q4'25	Q1'26	Q2'26
Revenue	$ 19,056	$ 19,057	$ 19,565	$ 22,003	$ 21,774	$ 23,083	$ 23,392	$ 25,830	$ 26,718
Cost of revenue (exclusive of depreciation and amortization)	(3,455)	(3,314)	(3,472)	(3,661)	(3,501)	(3,622)	(3,891)	(3,819)	(3,818)
Depreciation and amortization related to cost of revenue	(2,322)	(2,382)	(2,431)	(2,500)	(2,595)	(2,651)	(2,703)	(2,746)	(2,716)
Gross profit	13,279	13,361	13,662	15,842	15,678	16,810	16,798	19,265	20,184
Depreciation and amortization of certain intangible assets	2,322	2,382	2,431	2,452	2,560	2,615	2,665	2,709	2,669
Adjusted gross profit	$ 15,601	$ 15,743	$ 16,093	$ 18,294	$ 18,238	$ 19,425	$ 19,463	$ 21,974	$ 22,853
Gross margin	70%	70%	70%	72%	72%	73%	72%	75%	76%
Adjusted gross margin	82%	83%	82%	83%	84%	84%	83%	85%	86%

(In thousands)	Q2'24	Q3'24	Q4'24	Q1'25	(Unaudited) Q2'25	Q3'25	Q4'25	Q1'26	Q2'26
Net cash provided by operating activities	$ 5,717	$ 7,247	$ 6,691	$ 5,001	$ 7,487	$ 10,172	$ 6,689	$ 6,585	$ 10,637
Less:									
Purchase of property and equipment	(52)	(35)	(17)	(50)	(202)	(187)	(124)	(63)	(105)
Capitalized costs included in intangible assets	(2,411)	(2,380)	(2,280)	(2,469)	(2,515)	(2,695)	(2,914)	(3,443)	(3,360)
Free cash flow	$ 3,254	$ 4,832	$ 4,394	$ 2,482	$ 4,770	$ 7,290	$ 3,651	$ 3,079	$ 7,172

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.