

Condensed Consolidated Statements of Operations



(In thousands, except share data)	(Unaudited)									
	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24	Q4'24	
<b>Revenue</b>	\$ 13,069	\$ 14,626	\$ 14,680	\$ 15,837	\$ 15,061	\$ 17,511	\$ 19,056	\$ 19,057	\$ 19,565	
<b>Costs and expenses:</b>										
Cost of revenue (exclusive of depreciation and amortization)	3,054	3,179	3,240	3,313	3,337	3,756	3,455	3,314	3,472	
Sales and marketing expenses	2,998	3,889	3,078	3,365	3,501	3,712	4,406	4,817	4,900	
General and administrative expenses	7,119	5,241	5,075	5,223	6,907	5,790	5,750	5,994	8,341	
Depreciation and amortization	1,815	1,916	2,054	2,171	2,211	2,270	2,377	2,434	2,481	
<b>Total costs and expenses</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>15,988</b>	<b>16,559</b>	<b>19,194</b>	
<b>(Loss) income from operations</b>	<b>(1,917)</b>	<b>401</b>	<b>1,233</b>	<b>1,765</b>	<b>(895)</b>	<b>1,983</b>	<b>3,068</b>	<b>2,498</b>	<b>371</b>	
Interest (expense) income, net	225	286	315	346	387	365	314	353	368	
<b>Income (loss) before income taxes</b>	<b>(1,692)</b>	<b>687</b>	<b>1,548</b>	<b>2,111</b>	<b>(508)</b>	<b>2,348</b>	<b>3,382</b>	<b>2,851</b>	<b>739</b>	
Income tax expense (benefit)	(148)	(29)	160	(10,384)	562	564	745	1,132	(124)	
<b>Net income (loss)</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>\$ 2,637</b>	<b>\$ 1,719</b>	<b>\$ 863</b>	
<b>Earnings (loss) per share:</b>										
Basic	\$ (0.11)	\$ 0.05	\$ 0.10	\$ 0.90	\$ (0.08)	\$ 0.13	\$ 0.19	\$ 0.12	\$ 0.06	
Diluted	\$ (0.11)	\$ 0.05	\$ 0.10	\$ 0.87	\$ (0.08)	\$ 0.13	\$ 0.19	\$ 0.12	\$ 0.06	
<b>Weighted average number of shares outstanding:</b>										
Basic	13,964,010	13,997,154	13,961,862	13,952,426	13,985,426	13,997,064	13,780,074	13,782,476	13,900,091	
Diluted	13,964,010	14,236,771	14,172,024	14,329,878	13,985,426	14,164,506	14,051,466	14,311,575	14,366,545	

Condensed Consolidated Balance Sheets



(In thousands, except share data)	12/31/2022	3/31/2023	6/30/2023	9/30/2023	(Unaudited) 12/31/2023	3/31/2024	6/30/2024	9/30/2024	12/31/2024
<b>ASSETS:</b>									
Current assets:									
Cash and cash equivalents	\$ 31,810	\$ 30,818	\$ 31,368	\$ 34,210	\$ 32,032	\$ 32,147	\$ 30,943	\$ 35,747	\$ 36,504
Accounts receivable, net of allowance for doubtful accounts	5,535	5,889	6,556	6,805	7,135	7,871	7,963	8,459	8,061
Prepaid expenses and other current assets	771	1,310	1,325	1,178	1,113	1,491	1,483	1,730	1,627
<b>Total current assets</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>	<b>40,389</b>	<b>45,936</b>	<b>46,192</b>
Property and equipment, net	709	692	640	627	592	601	598	581	545
Intangible assets, net	31,647	32,521	33,175	33,992	34,403	34,962	35,487	35,731	35,997
Goodwill	5,227	5,227	5,227	5,227	5,227	5,227	5,227	5,227	5,227
Right-of-use assets	1,114	969	821	2,589	2,457	2,323	2,185	2,045	1,901
Deferred tax asset	-	-	-	10,021	9,514	9,043	8,433	7,463	7,496
Other non-current assets	601	894	765	627	517	361	1,133	987	1,173
<b>Total assets</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>\$ 93,452</b>	<b>\$ 97,970</b>	<b>\$ 98,531</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY:</b>									
Current liabilities:									
Accounts payable	\$ 2,229	\$ 2,345	\$ 1,694	\$ 1,989	\$ 1,631	\$ 2,353	\$ 1,969	\$ 2,787	\$ 2,127
Accrued expenses and other current liabilities	1,845	411	424	372	1,989	4,741	594	795	2,881
Current portion of operating lease liabilities	692	711	731	548	569	588	529	469	406
Deferred revenue	670	763	627	527	690	652	597	565	712
Dividend Payable	-	-	-	-	-	-	-	-	4,181
<b>Total current liabilities</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>	<b>\$ 3,689</b>	<b>\$ 4,616</b>	<b>\$ 10,307</b>
Noncurrent operating lease liabilities	598	413	222	2,149	1,999	1,845	1,765	1,680	1,592
Deferred tax liabilities	287	257	411	-	-	-	-	-	-
<b>Total liabilities</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>	<b>5,454</b>	<b>6,296</b>	<b>11,899</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	-	(201)	(52)	(168)	(188)	(4,143)	(236)	-	-
Additional paid-in capital	92,481	94,293	95,104	96,648	94,159	94,065	91,672	93,393	87,488
Accumulated deficit	(21,402)	(20,686)	(19,298)	(6,803)	(7,873)	(6,089)	(3,452)	(1,733)	(870)
<b>Total shareholders' equity</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>87,998</b>	<b>91,674</b>	<b>86,632</b>
<b>Total liabilities and shareholders' equity</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>\$ 93,452</b>	<b>\$ 97,970</b>	<b>\$ 98,531</b>



Non-GAAP Reconciliations



(In thousands)	(Unaudited)									
	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24	Q4'24	
Net income (loss)	\$ (1,544)	\$ 716	\$ 1,388	\$ 12,495	\$ (1,070)	\$ 1,784	\$ 2,637	\$ 1,719	\$ 863	
Interest expense (income), net	(225)	(286)	(315)	(346)	(387)	(365)	(314)	(353)	(368)	
Income tax expense (benefit)	(148)	(29)	160	(10,384)	562	564	745	1,132	(124)	
Depreciation and amortization	1,815	1,916	2,054	2,171	2,211	2,270	2,377	2,434	2,481	
Share-based compensation expense	1,439	1,384	1,305	1,369	1,328	1,402	1,393	1,657	1,496	
Litigation costs	4	3	45	1	-	27	(27)	7	117	
Write-off of long-lived assets and others	171	2	-	56	19	7	-	82	3	
<b>Adjusted EBITDA</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>	<b>\$ 6,811</b>	<b>\$ 6,678</b>	<b>\$ 4,468</b>	
Revenue	\$ 13,069	\$ 14,626	\$ 14,680	\$ 15,837	\$ 15,061	\$ 17,511	\$ 19,056	\$ 19,057	\$ 19,565	
<b>Net income (loss) margin</b>	<b>(12%)</b>	<b>5%</b>	<b>9%</b>	<b>79%</b>	<b>(7%)</b>	<b>10%</b>	<b>14%</b>	<b>9%</b>	<b>4%</b>	
<b>Adjusted EBITDA margin</b>	<b>12%</b>	<b>25%</b>	<b>32%</b>	<b>34%</b>	<b>18%</b>	<b>32%</b>	<b>36%</b>	<b>35%</b>	<b>23%</b>	

(In thousands, except share data)	(Unaudited)									
	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24	Q4'24	
Net income (loss)	\$ (1,544)	\$ 716	\$ 1,388	\$ 12,495	\$ (1,070)	\$ 1,784	\$ 2,637	\$ 1,719	\$ 863	
Share-based compensation expense	1,439	1,384	1,305	1,369	1,328	1,402	1,393	1,657	1,496	
Amortization of share-based compensation capitalized in intangible assets	210	222	235	249	263	275	286	292	299	
Discrete tax items	-	-	-	(10,272)	-	-	-	-	-	
Tax effect of adjustments	-	-	-	(1,275)	(251)	(308)	(425)	(518)	(1,336)	
<b>Adjusted net income (loss)</b>	<b>\$ 105</b>	<b>\$ 2,322</b>	<b>\$ 2,928</b>	<b>\$ 2,566</b>	<b>\$ 270</b>	<b>\$ 3,153</b>	<b>\$ 3,891</b>	<b>\$ 3,150</b>	<b>\$ 1,322</b>	
<b>Earnings (loss) per share:</b>										
Basic	(0.11)	0.05	0.10	0.90	(0.08)	0.13	0.19	0.12	0.06	
Diluted	(0.11)	0.05	0.10	0.87	(0.08)	0.13	0.19	0.12	0.06	
<b>Adjusted earnings (loss) per share:</b>										
Basic	0.01	0.17	0.21	0.18	0.02	0.23	0.28	0.23	0.10	
Diluted	0.01	0.16	0.21	0.18	0.02	0.22	0.28	0.22	0.09	
<b>Weighted average shares outstanding:</b>										
Basic	13,964,010	13,997,154	13,961,862	13,952,426	13,985,426	13,997,064	13,780,074	13,782,476	13,900,091	
Diluted	14,205,633	14,236,771	14,172,024	14,329,878	14,307,797	14,164,506	14,051,466	14,311,575	14,366,545	

(In thousands)	(Unaudited)									
	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24	Q4'24	
Revenue	\$ 13,069	\$ 14,626	\$ 14,680	\$ 15,837	\$ 15,061	\$ 17,511	\$ 19,056	\$ 19,057	\$ 19,565	
Cost of revenue (exclusive of depreciation and amortization)	(3,054)	(3,179)	(3,240)	(3,313)	(3,337)	(3,756)	(3,455)	(3,314)	(3,472)	
Depreciation and amortization of intangible assets	(1,758)	(1,858)	(1,995)	(2,112)	(2,154)	(2,214)	(2,322)	(2,382)	(2,431)	
<b>Gross profit</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>	<b>13,279</b>	<b>13,361</b>	<b>13,662</b>	
Depreciation and amortization of intangible assets	1,758	1,858	1,995	2,112	2,154	2,214	2,322	2,382	2,431	
<b>Adjusted gross profit</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>\$ 15,601</b>	<b>\$ 15,743</b>	<b>\$ 16,093</b>	
<b>Gross margin</b>	<b>63%</b>	<b>66%</b>	<b>64%</b>	<b>66%</b>	<b>64%</b>	<b>66%</b>	<b>70%</b>	<b>70%</b>	<b>70%</b>	
<b>Adjusted gross margin</b>	<b>77%</b>	<b>78%</b>	<b>78%</b>	<b>79%</b>	<b>78%</b>	<b>79%</b>	<b>82%</b>	<b>83%</b>	<b>82%</b>	

(In thousands)	(Unaudited)									
	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24	Q4'24	
<b>Net cash provided by operating activities</b>	<b>\$ 4,359</b>	<b>\$ 1,531</b>	<b>\$ 3,547</b>	<b>\$ 5,789</b>	<b>\$ 4,204</b>	<b>\$ 4,305</b>	<b>\$ 5,717</b>	<b>\$ 7,247</b>	<b>\$ 6,691</b>	
Less:										
Purchase of property and equipment	(102)	(44)	(7)	(47)	(24)	(65)	(52)	(35)	(17)	
Capitalized costs included in intangible assets	(2,317)	(2,273)	(2,236)	(2,412)	(2,103)	(2,327)	(2,411)	(2,380)	(2,280)	
<b>Free cash flow</b>	<b>\$ 1,940</b>	<b>\$ (786)</b>	<b>\$ 1,304</b>	<b>\$ 3,330</b>	<b>\$ 2,077</b>	<b>\$ 1,913</b>	<b>\$ 3,254</b>	<b>\$ 4,832</b>	<b>\$ 4,394</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.