

Condensed Consolidated Statements of Operations



(In thousands, except share data)	(Unaudited)									
	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	
Revenue	\$ 11,258	\$ 12,729	\$ 12,494	\$ 15,026	\$ 13,069	\$ 14,626	\$ 14,680	\$ 15,837	\$ 15,061	
Costs and expenses:										
Cost of revenue (exclusive of depreciation and amortization)	2,927	3,170	2,920	3,067	3,054	3,179	3,240	3,313	3,337	
Sales and marketing expenses	2,208	2,391	2,822	2,623	2,998	3,889	3,078	3,365	3,501	
General and administrative expenses	6,244	5,353	5,300	5,465	7,119	5,241	5,075	5,223	6,907	
Depreciation and amortization	1,466	1,534	1,613	1,713	1,815	1,916	2,054	2,171	2,211	
Total costs and expenses	12,845	12,448	12,655	12,868	14,986	14,225	13,447	14,072	15,956	
(Loss) income from operations	(1,587)	281	(161)	2,158	(1,917)	401	1,233	1,765	(895)	
Interest (expense) income, net	1	1	-	125	225	286	315	346	387	
Gain on extinguishment of debt	-	-	-	-	-	-	-	-	-	
Income (loss) before income taxes	(1,586)	282	(161)	2,283	(1,692)	687	1,548	2,111	(508)	
Income tax expense (benefit)	198	175	44	25	(148)	(29)	160	(10,384)	562	
Net income (loss)	\$ (1,784)	\$ 107	\$ (205)	\$ 2,258	\$ (1,544)	\$ 716	\$ 1,388	\$ 12,495	\$ (1,070)	
Earnings (loss) per share:										
Basic	\$ (0.14)	\$ 0.01	\$ (0.01)	\$ 0.16	\$ (0.11)	\$ 0.05	\$ 0.10	\$ 0.90	\$ (0.08)	
Diluted	\$ (0.14)	\$ 0.01	\$ (0.01)	\$ 0.16	\$ (0.11)	\$ 0.05	\$ 0.10	\$ 0.87	\$ (0.08)	
Weighted average number of shares outstanding:										
Basic	13,158,638	13,543,607	13,776,479	13,748,587	13,964,010	13,997,154	13,961,862	13,952,426	13,985,426	
Diluted	13,158,638	14,047,635	13,776,479	13,764,262	13,964,010	14,236,771	14,172,024	14,329,878	13,985,426	

Condensed Consolidated Balance Sheets



(In thousands, except share data)	12/31/2021	3/31/2022	6/30/2022	9/30/2022	(Unaudited) 12/31/2022	3/31/2023	6/30/2023	9/30/2023	12/31/2023
ASSETS:									
Current assets:									
Cash and cash equivalents	\$ 34,258	\$ 34,775	\$ 32,328	\$ 31,273	\$ 31,810	\$ 30,818	\$ 31,368	\$ 34,210	\$ 32,032
Accounts receivable, net of allowance for doubtful accounts	3,736	4,561	4,157	6,473	5,535	5,889	6,556	6,805	7,135
Prepaid expenses and other current assets	599	1,081	953	849	771	1,310	1,325	1,178	1,113
Total current assets	38,593	40,417	37,438	38,595	38,116	38,017	39,249	42,193	40,280
Property and equipment, net	577	625	671	664	709	692	640	627	592
Intangible assets, net	28,181	28,804	29,774	30,831	31,647	32,521	33,175	33,992	34,403
Goodwill	5,227	5,227	5,227	5,227	5,227	5,227	5,227	5,227	5,227
Right-of-use assets	1,661	1,529	1,394	1,255	1,114	969	821	2,589	2,457
Deferred tax asset	-	-	-	-	-	-	-	10,021	9,514
Other non-current assets	137	137	137	137	601	894	765	627	517
Total assets	\$ 74,376	\$ 76,739	\$ 74,641	\$ 76,709	\$ 77,414	\$ 78,320	\$ 79,877	\$ 95,276	\$ 92,990
LIABILITIES AND SHAREHOLDERS' EQUITY:									
Current liabilities:									
Accounts payable	\$ 1,605	\$ 2,233	\$ 1,448	\$ 1,596	\$ 2,229	\$ 2,345	\$ 1,694	\$ 1,989	\$ 1,631
Accrued expenses and other current liabilities	395	442	626	562	1,845	411	424	372	1,989
Current portion of operating lease liabilities	617	636	655	674	692	711	731	548	569
Deferred revenue	841	713	622	539	670	763	627	527	690
Total current liabilities	3,458	4,024	3,351	3,371	5,436	4,230	3,476	3,436	4,879
Noncurrent operating lease liabilities	1,291	1,124	953	778	598	413	222	2,149	1,999
Deferred tax liabilities	198	373	395	405	287	257	411	-	-
Total liabilities	4,947	5,521	4,699	4,554	6,321	4,900	4,109	5,585	6,878
Shareholders' equity:									
Preferred stock—\$0.001 par value	-	-	-	-	-	-	-	-	-
Common stock—\$0.001 par value	13	14	14	14	14	14	14	14	14
Treasury stock, at cost	-	-	(134)	(18)	-	(201)	(52)	(168)	(188)
Additional paid-in capital	91,434	93,115	92,178	92,017	92,481	94,293	95,104	96,648	94,159
Accumulated deficit	(22,018)	(21,911)	(22,116)	(19,858)	(21,402)	(20,686)	(19,298)	(6,803)	(7,873)
Total shareholders' equity	69,429	71,218	69,942	72,155	71,093	73,420	75,768	89,691	86,112
Total liabilities and shareholders' equity	\$ 74,376	\$ 76,739	\$ 74,641	\$ 76,709	\$ 77,414	\$ 78,320	\$ 79,877	\$ 95,276	\$ 92,990

Condensed Consolidated Statements of Cash Flows



(In thousands, except share data)	(Unaudited)								
	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23
CASH FLOWS FROM OPERATING ACTIVITIES:									
Net income (loss)	\$ (1,784)	\$ 107	\$ (205)	\$ 2,258	\$ (1,544)	\$ 716	\$ 1,388	\$ 12,495	\$ (1,070)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:									
Depreciation and amortization	1,466	1,534	1,613	1,713	1,815	1,916	2,054	2,171	2,211
Share-based compensation expense	1,418	1,387	1,406	1,273	1,439	1,384	1,305	1,369	1,328
Write-off of long-lived assets	8	3	-	3	171	3	-	1	2
Provision for bad debts	28	37	24	35	78	668	121	124	175
Noncash lease expenses	129	132	135	139	141	145	148	151	132
Deferred income tax expense (benefit)	198	175	22	10	(118)	(30)	154	(10,432)	507
Changes in assets and liabilities:									
Accounts receivable	276	(862)	380	(2,351)	860	(1,022)	(788)	(373)	(505)
Prepaid expenses and other current assets	51	(482)	128	104	78	(539)	(15)	147	65
Other non-current assets	-	-	-	-	(464)	(293)	129	138	110
Accounts payable	239	628	(785)	148	633	116	(651)	295	(358)
Accrued expenses and other current liabilities	(351)	47	50	52	1,301	(1,460)	9	(22)	1,573
Deferred revenue	417	(128)	(91)	(83)	131	93	(136)	(100)	163
Operating lease liabilities	(144)	(148)	(152)	(156)	(162)	(166)	(171)	(175)	(129)
Net cash provided by operating activities	1,951	2,430	2,525	3,145	4,359	1,531	3,547	5,789	4,204
CASH FLOWS FROM INVESTING ACTIVITIES:									
Purchase of property and equipment	(57)	(113)	(108)	(50)	(102)	(44)	(7)	(47)	(24)
Capitalized costs included in intangible assets	(1,415)	(1,794)	(2,099)	(2,246)	(2,317)	(2,273)	(2,236)	(2,412)	(2,103)
Net cash used in investing activities	(1,472)	(1,907)	(2,207)	(2,296)	(2,419)	(2,317)	(2,243)	(2,459)	(2,127)
CASH FLOWS FROM FINANCING ACTIVITIES:									
Proceeds from issuance of shares, net of issuance costs	20,924	-	-	-	-	-	-	-	-
Taxes paid related to net share settlement of vesting of restricted stock units	(542)	(6)	(2,765)	(1,539)	(890)	(31)	(19)	(147)	(1,795)
Repurchases of common stock	-	-	-	(365)	(513)	(175)	(735)	(341)	(2,460)
Net cash (used in) provided by financing activities	20,382	(6)	(2,765)	(1,904)	(1,403)	(206)	(754)	(488)	(4,255)
Net increase (decrease) in cash and cash equivalents	20,861	517	(2,447)	(1,055)	537	(992)	550	2,842	(2,178)
Cash and cash equivalents at beginning of period	13,397	34,258	34,775	32,328	31,273	31,810	30,818	31,368	34,210
Cash and cash equivalents at end of period	\$ 34,258	\$ 34,775	\$ 32,328	\$ 31,273	\$ 31,810	\$ 30,818	\$ 31,368	\$ 34,210	\$ 32,032
SUPPLEMENTAL DISCLOSURE INFORMATION									
Cash paid for interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash paid for income taxes	\$ -	\$ -	\$ -	\$ 37	\$ 2	\$ 1	\$ 21	\$ 33	\$ 27
Share-based compensation capitalized in intangible assets	\$ 194	\$ 301	\$ 422	\$ 470	\$ 428	\$ 459	\$ 413	\$ 517	\$ 462
Retirement of treasury stock	\$ 542	\$ 6	\$ 2,765	\$ 1,904	\$ 1,403	\$ 31	\$ 907	\$ 342	\$ 4,279
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)									
	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	
Net income (loss)	\$ (1,784)	\$ 107	\$ (205)	\$ 2,258	\$ (1,544)	\$ 716	\$ 1,388	\$ 12,495	\$ (1,070)	
Interest expense (income), net	(1)	(1)	-	(125)	(225)	(286)	(315)	(346)	(387)	
Income tax expense (benefit)	198	175	44	25	(148)	(29)	160	(10,384)	562	
Depreciation and amortization	1,466	1,534	1,613	1,713	1,815	1,916	2,054	2,171	2,211	
Share-based compensation expense	1,418	1,387	1,406	1,273	1,439	1,384	1,305	1,369	1,328	
Litigation costs	-	15	76	37	4	3	45	1	-	
Write-off of long-lived assets and others	9	3	-	4	171	2	-	56	19	
Adjusted EBITDA	\$ 1,306	\$ 3,220	\$ 2,934	\$ 5,185	\$ 1,512	\$ 3,706	\$ 4,637	\$ 5,362	\$ 2,663	
Revenue	\$ 11,258	\$ 12,729	\$ 12,494	\$ 15,026	\$ 13,069	\$ 14,626	\$ 14,680	\$ 15,837	\$ 15,061	
Net income (loss) margin	(16%)	1%	(2%)	15%	(12%)	5%	9%	79%	(7%)	
Adjusted EBITDA margin	12%	25%	23%	35%	12%	25%	32%	34%	18%	

(In thousands, except share data)	(Unaudited)									
	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	
Net income (loss)	\$ (1,784)	\$ 107	\$ (205)	\$ 2,258	\$ (1,544)	\$ 716	\$ 1,388	\$ 12,495	\$ (1,070)	
Share-based compensation expense	1,418	1,387	1,406	1,273	1,439	1,384	1,305	1,369	1,328	
Amortization of share-based compensation capitalized in intangible assets	166	174	184	198	210	222	235	249	263	
Discrete tax items	-	-	-	-	-	-	-	(10,272)	-	
Tax effect of adjustments	-	-	-	-	-	-	-	(1,275)	(251)	
Adjusted net income (loss)	\$ (200)	\$ 1,668	\$ 1,385	\$ 3,729	\$ 105	\$ 2,322	\$ 2,928	\$ 2,566	\$ 270	
Earnings (loss) per share:										
Basic	(0.14)	0.01	(0.01)	0.16	(0.11)	0.05	0.10	0.90	(0.08)	
Diluted	(0.14)	0.01	(0.01)	0.16	(0.11)	0.05	0.10	0.87	(0.08)	
Adjusted earnings (loss) per share:										
Basic	(0.02)	0.12	0.10	0.27	0.01	0.17	0.21	0.18	0.02	
Diluted	(0.02)	0.12	0.10	0.27	0.01	0.16	0.21	0.18	0.02	
Weighted average shares outstanding:										
Basic	13,158,638	13,543,607	13,776,479	13,748,587	13,964,010	13,997,154	13,961,862	13,952,426	13,985,426	
Diluted	13,158,638	14,047,635	14,109,243	13,764,262	14,205,633	14,236,771	14,172,024	14,329,878	14,307,797	

(In thousands)	(Unaudited)									
	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	
Revenue	\$ 11,258	\$ 12,729	\$ 12,494	\$ 15,026	\$ 13,069	\$ 14,626	\$ 14,680	\$ 15,837	\$ 15,061	
Cost of revenue (exclusive of depreciation and amortization)	(2,927)	(3,170)	(2,920)	(3,067)	(3,054)	(3,179)	(3,240)	(3,313)	(3,337)	
Depreciation and amortization of intangible assets	(1,407)	(1,472)	(1,551)	(1,659)	(1,758)	(1,858)	(1,995)	(2,112)	(2,154)	
Gross profit	6,924	8,087	8,023	10,300	8,257	9,589	9,445	10,412	9,570	
Depreciation and amortization of intangible assets	1,407	1,472	1,551	1,659	1,758	1,858	1,995	2,112	2,154	
Adjusted gross profit	\$ 8,331	\$ 9,559	\$ 9,574	\$ 11,959	\$ 10,015	\$ 11,447	\$ 11,440	\$ 12,524	\$ 11,724	
Gross margin	62%	64%	64%	69%	63%	66%	64%	66%	64%	
Adjusted gross margin	74%	75%	77%	80%	77%	78%	78%	79%	78%	

(In thousands)	(Unaudited)									
	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	
Net cash provided by operating activities	\$ 1,951	\$ 2,430	\$ 2,525	\$ 3,145	\$ 4,359	\$ 1,531	\$ 3,547	\$ 5,789	\$ 4,204	
Less:										
Purchase of property and equipment	(57)	(113)	(108)	(50)	(102)	(44)	(7)	(47)	(24)	
Capitalized costs included in intangible assets	(1,415)	(1,794)	(2,099)	(2,246)	(2,317)	(2,273)	(2,236)	(2,412)	(2,103)	
Free cash flow	\$ 479	\$ 523	\$ 318	\$ 849	\$ 1,940	\$ (786)	\$ 1,304	\$ 3,330	\$ 2,077	

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.