

Condensed Consolidated Statements of Operations



(In thousands, except share data)	(Unaudited)									
	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	
Revenue	\$ 11,668	\$ 11,258	\$ 12,729	\$ 12,494	\$ 15,026	\$ 13,069	\$ 14,626	\$ 14,680	\$ 15,837	
Costs and expenses:										
Cost of revenue (exclusive of depreciation and amortization)	2,787	2,927	3,170	2,920	3,067	3,054	3,179	3,240	3,313	
Sales and marketing expenses	2,154	2,208	2,391	2,822	2,623	2,998	3,889	3,078	3,365	
General and administrative expenses	4,127	6,244	5,353	5,300	5,465	7,119	5,241	5,075	5,223	
Depreciation and amortization	1,345	1,466	1,534	1,613	1,713	1,815	1,916	2,054	2,171	
Total costs and expenses	10,413	12,845	12,448	12,655	12,868	14,986	14,225	13,447	14,072	
(Loss) income from operations	1,255	(1,587)	281	(161)	2,158	(1,917)	401	1,233	1,765	
Interest (expense) income, net	1	1	1	-	125	225	286	315	346	
Gain on extinguishment of debt	-	-	-	-	-	-	-	-	-	
Income (loss) before income taxes	1,256	(1,586)	282	(161)	2,283	(1,692)	687	1,548	2,111	
Income tax expense (benefit)	-	198	175	44	25	(148)	(29)	160	(10,384)	
Net income (loss)	\$ 1,256	\$ (1,784)	\$ 107	\$ (205)	\$ 2,258	\$ (1,544)	\$ 716	\$ 1,388	\$ 12,495	
Earnings (loss) per share:										
Basic	\$ 0.10	\$ (0.14)	\$ 0.01	\$ (0.01)	\$ 0.16	\$ (0.11)	\$ 0.05	\$ 0.10	\$ 0.90	
Diluted	\$ 0.09	\$ (0.14)	\$ 0.01	\$ (0.01)	\$ 0.16	\$ (0.11)	\$ 0.05	\$ 0.10	\$ 0.87	
Weighted average number of shares outstanding:										
Basic	12,741,723	13,158,638	13,543,607	13,776,479	13,748,587	13,964,010	13,997,154	13,961,862	13,952,426	
Diluted	13,645,208	13,158,638	14,047,635	13,776,479	13,764,262	13,964,010	14,236,771	14,172,024	14,329,878	

Condensed Consolidated Balance Sheets



(In thousands, except share data)	(Unaudited)								
	9/30/2021	12/31/2021	3/31/2022	6/30/2022	9/30/2022	12/31/2022	3/31/2023	6/30/2023	9/30/2023
ASSETS:									
Current assets:									
Cash and cash equivalents	\$ 13,397	\$ 34,258	\$ 34,775	\$ 32,328	\$ 31,273	\$ 31,810	\$ 30,818	\$ 31,368	\$ 34,210
Accounts receivable, net of allowance for doubtful accounts	4,040	3,736	4,561	4,157	6,473	5,535	5,889	6,556	6,805
Prepaid expenses and other current assets	650	599	1,081	953	849	771	1,310	1,325	1,178
Total current assets	18,087	38,593	40,417	37,438	38,595	38,116	38,017	39,249	42,193
Property and equipment, net	587	577	625	671	664	709	692	640	627
Intangible assets, net	27,979	28,181	28,804	29,774	30,831	31,647	32,521	33,175	33,992
Goodwill	5,227	5,227	5,227	5,227	5,227	5,227	5,227	5,227	5,227
Right-of-use assets	1,790	1,661	1,529	1,394	1,255	1,114	969	821	2,589
Deferred tax asset	-	-	-	-	-	-	-	-	10,021
Other non-current assets	137	137	137	137	137	601	894	765	627
Total assets	\$ 53,807	\$ 74,376	\$ 76,739	\$ 74,641	\$ 76,709	\$ 77,414	\$ 78,320	\$ 79,877	\$ 95,276
LIABILITIES AND SHAREHOLDERS' EQUITY:									
Current liabilities:									
Accounts payable	\$ 1,366	\$ 1,605	\$ 2,233	\$ 1,448	\$ 1,596	\$ 2,229	\$ 2,345	\$ 1,694	\$ 1,989
Accrued expenses and other current liabilities	746	395	442	626	562	1,845	411	424	372
Current portion of operating lease liabilities	600	617	636	655	674	692	711	731	548
Deferred revenue	424	841	713	622	539	670	763	627	527
Total current liabilities	3,136	3,458	4,024	3,351	3,371	5,436	4,230	3,476	3,436
Noncurrent operating lease liabilities	1,452	1,291	1,124	953	778	598	413	222	2,149
Deferred tax liabilities	-	198	373	395	405	287	257	411	-
Total liabilities	4,588	4,947	5,521	4,699	4,554	6,321	4,900	4,109	5,585
Shareholders' equity:									
Preferred stock—\$0.001 par value	-	-	-	-	-	-	-	-	-
Common stock—\$0.001 par value	13	13	14	14	14	14	14	14	14
Treasury stock, at cost	-	-	-	(134)	(18)	-	(201)	(52)	(168)
Additional paid-in capital	69,440	91,434	93,115	92,178	92,017	92,481	94,293	95,104	96,648
Accumulated deficit	(20,234)	(22,018)	(21,911)	(22,116)	(19,858)	(21,402)	(20,686)	(19,298)	(6,803)
Total shareholders' equity	49,219	69,429	71,218	69,942	72,155	71,093	73,420	75,768	89,691
Total liabilities and shareholders' equity	\$ 53,807	\$ 74,376	\$ 76,739	\$ 74,641	\$ 76,709	\$ 77,414	\$ 78,320	\$ 79,877	\$ 95,276

Non-GAAP Reconciliations



(In thousands)	(Unaudited)								
	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23
Net income (loss)	\$ 1,256	\$ (1,784)	\$ 107	\$ (205)	\$ 2,258	\$ (1,544)	\$ 716	\$ 1,388	\$ 12,495
Interest expense (income), net	(1)	(1)	(1)	-	(125)	(225)	(286)	(315)	(346)
Income tax expense (benefit)	-	198	175	44	25	(148)	(29)	160	(10,384)
Depreciation and amortization	1,345	1,466	1,534	1,613	1,713	1,815	1,916	2,054	2,171
Share-based compensation expense	986	1,418	1,387	1,406	1,273	1,439	1,384	1,305	1,369
Litigation costs	-	-	15	76	37	4	3	45	1
Write-off of long-lived assets and others	34	9	3	-	4	171	2	-	56
Adjusted EBITDA	<u>\$ 3,620</u>	<u>\$ 1,306</u>	<u>\$ 3,220</u>	<u>\$ 2,934</u>	<u>\$ 5,185</u>	<u>\$ 1,512</u>	<u>\$ 3,706</u>	<u>\$ 4,637</u>	<u>\$ 5,362</u>
Revenue	\$ 11,668	\$ 11,258	\$ 12,729	\$ 12,494	\$ 15,026	\$ 13,069	\$ 14,626	\$ 14,680	\$ 15,837
Net income (loss) margin	11%	(16%)	1%	(2%)	15%	(12%)	5%	9%	79%
Adjusted EBITDA margin	<u>31%</u>	<u>12%</u>	<u>25%</u>	<u>23%</u>	<u>35%</u>	<u>12%</u>	<u>25%</u>	<u>32%</u>	<u>34%</u>

(In thousands)	(Unaudited)								
	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23
Revenue	\$ 11,668	\$ 11,258	\$ 12,729	\$ 12,494	\$ 15,026	\$ 13,069	\$ 14,626	\$ 14,680	\$ 15,837
Cost of revenue (exclusive of depreciation and amortization)	(2,787)	(2,927)	(3,170)	(2,920)	(3,067)	(3,054)	(3,179)	(3,240)	(3,313)
Depreciation and amortization of intangible assets	(1,288)	(1,407)	(1,472)	(1,551)	(1,659)	(1,758)	(1,858)	(1,995)	(2,112)
Gross profit	<u>7,593</u>	<u>6,924</u>	<u>8,087</u>	<u>8,023</u>	<u>10,300</u>	<u>8,257</u>	<u>9,589</u>	<u>9,445</u>	<u>10,412</u>
Depreciation and amortization of intangible assets	1,288	1,407	1,472	1,551	1,659	1,758	1,858	1,995	2,112
Adjusted gross profit	<u>\$ 8,881</u>	<u>\$ 8,331</u>	<u>\$ 9,559</u>	<u>\$ 9,574</u>	<u>\$ 11,959</u>	<u>\$ 10,015</u>	<u>\$ 11,447</u>	<u>\$ 11,440</u>	<u>\$ 12,524</u>
Gross margin	65%	62%	64%	64%	69%	63%	66%	64%	66%
Adjusted gross margin	<u>76%</u>	<u>74%</u>	<u>75%</u>	<u>77%</u>	<u>80%</u>	<u>77%</u>	<u>78%</u>	<u>78%</u>	<u>79%</u>

(In thousands)	(Unaudited)								
	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23
Net cash provided by operating activities	\$ 3,464	\$ 1,951	\$ 2,430	\$ 2,525	\$ 3,145	\$ 4,359	\$ 1,531	\$ 3,547	\$ 5,789
Less:									
Purchase of property and equipment	(68)	(57)	(113)	(108)	(50)	(102)	(44)	(7)	(47)
Capitalized costs included in intangible assets	(1,129)	(1,415)	(1,794)	(2,099)	(2,246)	(2,317)	(2,273)	(2,236)	(2,412)
Free cash flow	<u>\$ 2,267</u>	<u>\$ 479</u>	<u>\$ 523</u>	<u>\$ 318</u>	<u>\$ 849</u>	<u>\$ 1,940</u>	<u>\$ (786)</u>	<u>\$ 1,304</u>	<u>\$ 3,330</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 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 expense (income), net, income tax expense (benefit), depreciation and amortization, share-based compensation expense, gain on extinguishment of debt, litigation costs, and write-off of long-lived assets and others. We define adjusted EBITDA margin as adjusted EBITDA as a percentage of revenue. 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.