Condensed Consolidated Statements of Operations

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(Unaudited)

(In thousands, except share data)	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25	Q4'25	Q1'26	Q2'26	Q3'26
Revenue	$ 19,057	$ 19,565	$ 22,003	$ 21,774	$ 23,083	$ 23,392	$ 25,830	$ 26,718	$ 27,751
Costs and expenses:									
Cost of revenue (exclusive of depreciation and amortization)	3,314	3,472	3,661	3,501	3,622	3,891	3,819	3,818	4,018
Sales and marketing expenses	4,817	4,900	5,407	5,622	5,402	5,319	5,858	5,750	6,160
General and administrative expenses	5,994	8,341	6,174	7,253	6,777	9,813	7,899	8,268	8,971
Depreciation and amortization	2,434	2,481	2,550	2,647	2,706	2,769	2,810	2,787	2,837
Total costs and expenses	16,559	19,194	17,792	19,023	18,507	21,792	20,386	20,623	21,986
Income from operations	2,498	371	4,211	2,751	4,576	1,600	5,444	6,095	5,765
Interest income	353	368	308	339	386	387	344	394	1,069
Income before income taxes	2,851	739	4,519	3,090	4,962	1,987	5,788	6,489	6,834
Income tax expense (benefit)	1,132	(124)	1,079	404	749	(828)	1,400	1,529	1,389
Net income	$ 1,719	$ 863	$ 3,440	$ 2,686	$ 4,213	$ 2,815	$ 4,388	$ 4,960	$ 5,445
Earnings per share:									
Basic	$ 0.12	$ 0.06	$ 0.25	$ 0.19	$ 0.30	$ 0.20	$ 0.31	$ 0.35	$ 0.35
Diluted	$ 0.12	$ 0.06	$ 0.24	$ 0.18	$ 0.29	$ 0.19	$ 0.30	$ 0.34	$ 0.35
Weighted average shares outstanding:									
Basic	13,782,476	13,900,091	13,998,028	14,018,629	14,027,994	14,101,986	14,194,696	14,175,312	15,342,614
Diluted	14,311,575	14,366,545	14,491,713	14,553,282	14,618,657	14,554,080	14,394,251	14,464,461	15,754,154

Condensed Consolidated Balance Sheets

(In thousands, except share data)	9/30/2024	12/31/2024	3/31/2025	6/30/2025	(Unaudited) 9/30/2025	12/31/2025	3/31/2026	6/30/2026	9/30/2026
ASSETS:									
Current assets:									
Cash and cash equivalents	$ 35,747	$ 36,504	$ 34,603	$ 38,848	$ 45,352	$ 43,557	$ 43,451	$ 49,972	$ 68,058
Short-term investments	-	-	-	-	-	-	-	-	36,286
Accounts receivable, net of allowance for doubtful accounts	8,459	8,061	9,646	9,811	10,419	10,697	11,910	12,904	13,626
Prepaid expenses and other current assets	1,730	1,627	1,653	2,137	2,237	2,281	1,938	2,359	3,677
Total current assets	45,936	46,192	45,902	50,796	58,008	56,535	57,299	65,235	121,647
Long-term investments	-	-	-	-	-	-	-	-	61,320
Property and equipment, net	581	545	543	693	824	882	880	914	926
Intangible assets, net	35,731	35,997	37,488	37,677	38,749	39,264	40,179	41,196	43,073
Goodwill	5,227	5,227	5,227	5,227	5,227	5,227	5,227	5,227	5,227
Right-of-use assets	2,045	1,901	1,753	2,822	2,697	2,570	2,442	2,311	2,179
Deferred tax assets	7,463	7,496	6,597	6,309	5,476	6,585	5,574	4,618	2,918
Other noncurrent assets	987	1,173	1,579	1,310	1,090	949	1,033	847	658
Total assets	$ 97,970	$ 98,531	$ 99,089	$ 104,834	$ 112,071	$ 112,012	$ 112,634	$ 120,348	$ 237,948
LIABILITIES AND SHAREHOLDERS' EQUITY:									
Current liabilities:									
Accounts payable	$ 2,787	$ 2,127	$ 2,013	$ 1,834	$ 2,764	$ 1,977	$ 2,002	$ 1,489	$ 2,638
Accrued expenses and other current liabilities	795	2,881	1,989	2,518	2,884	4,469	1,756	2,882	2,746
Current portion of operating lease liabilities	469	406	343	411	403	396	391	428	487
Deferred revenue	565	712	754	806	859	1,028	956	1,195	1,634
Dividend Payable	-	4,181	-	-	-	-	-	-	-
Total current liabilities	$ 4,616	$ 10,307	$ 5,099	$ 5,569	$ 6,910	$ 7,870	$ 5,105	$ 5,994	$ 7,505
Noncurrent operating lease liabilities	1,680	1,592	1,502	2,520	2,459	2,396	2,329	2,219	2,080
Other noncurrent liabilities	-	-	640	539	969	820	672	523	796
Total liabilities	6,296	11,899	7,241	8,628	10,338	11,086	8,106	8,736	10,381
Shareholders' equity:									
Preferred stock—$0.001 par value	-	-	-	-	-	-	-	-	-
Common stock—$0.001 par value	14	14	14	14	14	14	14	14	16
Treasury stock, at cost	-	-	-	-	-	-	(17)	-	-
Additional paid-in capital	93,393	87,488	89,264	90,936	92,250	88,628	87,859	89,966	200,826
(Accumulated deficit) retained earnings	(1,733)	(870)	2,570	5,256	9,469	12,284	16,672	21,632	27,077
Accumulated other comprehensive loss	-	-	-	-	-	-	-	-	(352)
Total shareholders' equity	91,674	86,632	91,848	96,206	101,733	100,926	104,528	111,612	227,567
Total liabilities and shareholders' equity	$ 97,970	$ 98,531	$ 99,089	$ 104,834	$ 112,071	$ 112,012	$ 112,634	$ 120,348	$ 237,948

Condensed Consolidated Statements of Cash Flows

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(Unaudited)

(In thousands, except share data)	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25	Q4'25	Q1'26	Q2'26	Q3'26
CASH FLOWS FROM OPERATING ACTIVITIES:									
Net income	$ 1,719	$ 863	$ 3,440	$ 2,686	$ 4,213	$ 2,815	$ 4,388	$ 4,960	$ 5,445
Adjustments to reconcile net income to net cash provided by operating activities:									
Depreciation and amortization	2,434	2,481	2,550	2,647	2,706	2,769	2,810	2,787	2,837
Share-based compensation expense	1,657	1,496	1,596	1,827	1,706	1,371	2,050	2,236	2,079
Write-off of long-lived assets	82	3	2	-	1	-	1	-	11
Provision for bad debts	99	19	62	212	134	352	149	218	424
Noncash lease expenses	140	144	148	109	125	127	128	131	132
Accretion of discount on investments in U.S. Treasury securities, net	-	-	-	-	-	-	-	-	(54)
Deferred income tax (benefit) expense	970	(33)	899	288	833	(1,109)	1,011	956	1,824
Changes in assets and liabilities:									
Accounts receivable	(595)	379	(1,647)	(377)	(742)	(630)	(1,362)	(1,212)	(1,146)
Prepaid expenses and other current assets	(247)	103	(26)	(484)	(100)	(44)	343	(421)	(408)
Other noncurrent assets	146	(186)	(406)	244	220	141	(84)	186	189
Accounts payable	818	(660)	(114)	(179)	930	(787)	25	(513)	1,149
Accrued expenses and other current liabilities	201	2,086	(1,392)	529	162	1,585	(2,730)	1,143	(170)
Deferred revenue	(32)	147	42	52	53	169	(72)	239	439
Operating lease liabilities	(145)	(151)	(153)	(67)	(69)	(70)	(72)	(73)	(80)
Net cash provided by operating activities	7,247	6,691	5,001	7,487	10,172	6,689	6,585	10,637	12,671
CASH FLOWS FROM INVESTING ACTIVITIES:									
Purchases of investments in U.S. Treasury securities	-	-	-	-	-	-	-	-	(98,938)
Purchase of property and equipment	(35)	(17)	(50)	(202)	(187)	(124)	(63)	(105)	(95)
Capitalized costs included in intangible assets	(2,380)	(2,280)	(2,469)	(2,515)	(2,695)	(2,914)	(3,443)	(3,360)	(3,752)
Net cash used in investing activities	(2,415)	(2,297)	(2,519)	(2,717)	(2,882)	(3,038)	(3,506)	(3,465)	(102,785)
CASH FLOWS FROM FINANCING ACTIVITIES:									
Proceeds from issuance of common stock, net of issuance costs	-	-	-	-	-	-	-	-	108,705
Taxes paid related to net share settlement of vesting of restricted stock units	(28)	(3,637)	(202)	(525)	(133)	(5,184)	(498)	(216)	(505)
Repurchases of common stock	-	-	-	-	(653)	(262)	(2,687)	(435)	-
Dividend payable	-	-	(4,181)	-	-	-	-	-	-
Net cash (used in) provided by financing activities	(28)	(3,637)	(4,383)	(525)	(786)	(5,446)	(3,185)	(651)	108,200
Net increase (decrease) in cash and cash equivalents	4,804	757	(1,901)	4,245	6,504	(1,795)	(106)	6,521	18,086
Cash and cash equivalents at beginning of period	30,943	35,747	36,504	34,603	38,848	45,352	43,557	43,451	49,972
Cash and cash equivalents at end of period	$ 35,747	$ 36,504	$ 34,603	$ 38,848	$ 45,352	$ 43,557	$ 43,451	$ 49,972	$ 68,058
SUPPLEMENTAL DISCLOSURE INFORMATION									
Cash paid for income taxes	$ 85	$ 83	$ -	$ 681	$ 2	$ (54)	$ 122	$ 409	$ 39
Share-based compensation capitalized in intangible assets	$ 328	$ 417	$ 382	$ 370	$ 394	$ 453	$ 366	$ 522	$ 583
Retirement of treasury stock	$ 264	$ 3,637	$ 202	$ 525	$ 786	$ 5,446	$ 3,185	$ 651	$ 505
Right-of-use assets obtained in exchange of operating lease liabilities	$ -	$ -	$ -	$ 1,153	$ -	$ -	$ -	$ -	$ -
Dividend declared not yet paid	$ -	$ 4,181	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Non-GAAP Reconciliations

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(In thousands)	Q3'24	Q4'24	Q1'25	Q2'25	(Unaudited) Q3'25	Q4'25	Q1'26	Q2'26	Q3'26
Net income	$ 1,719	$ 863	$ 3,440	$ 2,686	$ 4,213	$ 2,815	$ 4,388	$ 4,960	$ 5,445
Interest income	(353)	(368)	(308)	(339)	(386)	(387)	(344)	(394)	(1,069)
Income tax expense (benefit)	1,132	(124)	1,079	404	749	(828)	1,400	1,529	1,389
Depreciation and amortization	2,434	2,481	2,550	2,647	2,706	2,769	2,810	2,787	2,837
Share-based compensation expense	1,657	1,496	1,596	1,827	1,706	1,371	2,050	2,236	2,079
Litigation costs	7	117	9	4	60	208	104	81	84
Acquisition-related costs	-	-	-	370	(12)	-	259	49	225
Write-off of long-lived assets and others	82	3	2	1	-	-	1	-	11
Adjusted EBITDA	$ 6,678	$ 4,468	$ 8,368	$ 7,600	$ 9,036	$ 5,948	$ 10,668	$ 11,248	$ 11,001
Revenue	$ 19,057	$ 19,565	$ 22,003	$ 21,774	$ 23,083	$ 23,392	$ 25,830	$ 26,718	$ 27,751
Net income margin	9%	4%	16%	12%	18%	12%	17%	19%	20%
Adjusted EBITDA margin	35%	23%	38%	35%	39%	25%	41%	42%	40%

(In thousands, except share data)	Q3'24	Q4'24	Q1'25	Q2'25	(Unaudited) Q3'25	Q4'25	Q1'26	Q2'26	Q3'26
Net income	$ 1,719	$ 863	$ 3,440	$ 2,686	$ 4,213	$ 2,815	$ 4,388	$ 4,960	$ 5,445
Share-based compensation expense	1,657	1,496	1,596	1,827	1,706	1,371	2,050	2,236	2,079
Amortization of share-based compensation capitalized in intangible assets	394	402	409	413	413	411	414	406	411
Acquisition-related costs	-	-	-	370	(12)	-	259	49	225
Litigation costs	7	117	9	4	60	208	104	81	84
Write-off of long-lived assets	82	3	2	1	-	-	1	-	11
Tax effect of adjustments	(418)	(879)	(347)	(759)	(423)	(1,744)	(621)	(562)	(915)
Adjusted net income	3,441	2,002	5,109	4,542	5,957	3,061	6,595	7,170	7,340
Earnings per share:									
Basic	0.12	0.06	0.25	0.19	0.30	0.20	0.31	0.35	0.35
Diluted	0.12	0.06	0.24	0.18	0.29	0.19	0.30	0.34	0.35
Adjusted earnings per share:									
Basic	0.25	0.14	0.36	0.32	0.42	0.22	0.46	0.51	0.48
Diluted	0.24	0.14	0.35	0.31	0.41	0.21	0.46	0.50	0.47
Weighted average shares outstanding:									
Basic	13,782,476	13,900,091	13,998,028	14,018,629	14,027,994	14,101,986	14,194,696	14,175,312	15,342,614
Diluted	14,311,575	14,366,545	14,491,713	14,553,282	14,618,657	14,554,080	14,394,251	14,464,461	15,754,154

(In thousands)	Q3'24	Q4'24	Q1'25	Q2'25	(Unaudited) Q3'25	Q4'25	Q1'26	Q2'26	Q3'26
Revenue	$ 19,057	$ 19,565	$ 22,003	$ 21,774	$ 23,083	$ 23,392	$ 25,830	$ 26,718	$ 27,751
Cost of revenue (exclusive of depreciation and amortization)	(3,314)	(3,472)	(3,661)	(3,501)	(3,622)	(3,891)	(3,819)	(3,818)	(4,018)
Depreciation and amortization related to cost of revenue	(2,382)	(2,431)	(2,500)	(2,595)	(2,651)	(2,703)	(2,746)	(2,716)	(2,765)
Gross profit	13,361	13,662	15,842	15,678	16,810	16,798	19,265	20,184	20,968
Depreciation and amortization of certain intangible assets	2,382	2,431	2,452	2,560	2,615	2,665	2,709	2,669	2,702
Adjusted gross profit	$ 15,743	$ 16,093	$ 18,294	$ 18,238	$ 19,425	$ 19,463	$ 21,974	$ 22,853	$ 23,670
Gross margin	70%	70%	72%	72%	73%	72%	75%	76%	76%
Adjusted gross margin	83%	82%	83%	84%	84%	83%	85%	86%	85%

(In thousands)	Q3'24	Q4'24	Q1'25	Q2'25	(Unaudited) Q3'25	Q4'25	Q1'26	Q2'26	Q3'26
Net cash provided by operating activities	$ 7,247	$ 6,691	$ 5,001	$ 7,487	$ 10,172	$ 6,689	$ 6,585	$ 10,637	$ 12,671
Less:									
Purchase of property and equipment	(35)	(17)	(50)	(202)	(187)	(124)	(63)	(105)	(95)
Capitalized costs included in intangible assets	(2,380)	(2,280)	(2,469)	(2,515)	(2,695)	(2,914)	(3,443)	(3,360)	(3,752)
Free cash flow	$ 4,832	$ 4,394	$ 2,482	$ 4,770	$ 7,290	$ 3,651	$ 3,079	$ 7,172	$ 8,824

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.