

Condensed Consolidated Statements of Operations



(In thousands, except share data)	Q4'23	Q1'24	Q2'24	Q3'24	(Unaudited) Q4'24	Q1'25	Q2'25	Q3'25	Q4'25
Revenue	\$ 15,061	\$ 17,511	\$ 19,056	\$ 19,057	\$ 19,565	\$ 22,003	\$ 21,774	\$ 23,083	\$ 23,392
Costs and expenses:									
Cost of revenue (exclusive of depreciation and amortization)	3,337	3,756	3,455	3,314	3,472	3,661	3,501	3,622	3,891
Sales and marketing expenses	3,501	3,712	4,406	4,817	4,900	5,407	5,622	5,402	5,319
General and administrative expenses	6,907	5,790	5,750	5,994	8,341	6,174	7,253	6,777	9,813
Depreciation and amortization	2,211	2,270	2,377	2,434	2,481	2,550	2,647	2,706	2,769
Total costs and expenses	<u>15,956</u>	<u>15,528</u>	<u>15,988</u>	<u>16,559</u>	<u>19,194</u>	<u>17,792</u>	<u>19,023</u>	<u>18,507</u>	<u>21,792</u>
Income (loss) from operations	(895)	1,983	3,068	2,498	371	4,211	2,751	4,576	1,600
Interest income	387	365	314	353	368	308	339	386	387
Income (loss) before income taxes	(508)	2,348	3,382	2,851	739	4,519	3,090	4,962	1,987
Income tax (benefit) expense	562	564	745	1,132	(124)	1,079	404	749	(828)
Net income (loss)	<u>\$ (1,070)</u>	<u>\$ 1,784</u>	<u>\$ 2,637</u>	<u>\$ 1,719</u>	<u>\$ 863</u>	<u>\$ 3,440</u>	<u>\$ 2,686</u>	<u>\$ 4,213</u>	<u>\$ 2,815</u>
Earnings (loss) per share:									
Basic	<u>\$ (0.08)</u>	<u>\$ 0.13</u>	<u>\$ 0.19</u>	<u>\$ 0.12</u>	<u>\$ 0.06</u>	<u>\$ 0.25</u>	<u>\$ 0.19</u>	<u>\$ 0.30</u>	<u>\$ 0.20</u>
Diluted	<u>\$ (0.08)</u>	<u>\$ 0.13</u>	<u>\$ 0.19</u>	<u>\$ 0.12</u>	<u>\$ 0.06</u>	<u>\$ 0.24</u>	<u>\$ 0.18</u>	<u>\$ 0.29</u>	<u>\$ 0.19</u>
Weighted average shares outstanding:									
Basic	<u>13,985,426</u>	<u>13,997,064</u>	<u>13,780,074</u>	<u>13,782,476</u>	<u>13,900,091</u>	<u>13,998,028</u>	<u>14,018,629</u>	<u>14,027,994</u>	<u>14,101,986</u>
Diluted	<u>13,985,426</u>	<u>14,164,506</u>	<u>14,051,466</u>	<u>14,311,575</u>	<u>14,366,545</u>	<u>14,491,713</u>	<u>14,553,282</u>	<u>14,618,657</u>	<u>14,554,080</u>

Condensed Consolidated Balance Sheets



(In thousands, except share data)	12/31/2023	3/31/2024	6/30/2024	9/30/2024	(Unaudited) 12/31/2024	3/31/2025	6/30/2025	9/30/2025	12/31/2025
ASSETS:									
Current assets:									
Cash and cash equivalents	\$ 32,032	\$ 32,147	\$ 30,943	\$ 35,747	\$ 36,504	\$ 34,603	\$ 38,848	\$ 45,352	\$ 43,557
Accounts receivable, net of allowance for doubtful accounts	7,135	7,871	7,963	8,459	8,061	9,646	9,811	10,419	10,697
Prepaid expenses and other current assets	1,113	1,491	1,483	1,730	1,627	1,653	2,137	2,237	2,281
Total current assets	40,280	41,509	40,389	45,936	46,192	45,902	50,796	58,008	56,535
Property and equipment, net	592	601	598	581	545	543	693	824	882
Intangible assets, net	34,403	34,962	35,487	35,731	35,997	37,488	37,677	38,749	39,264
Goodwill	5,227	5,227	5,227	5,227	5,227	5,227	5,227	5,227	5,227
Right-of-use assets	2,457	2,323	2,185	2,045	1,901	1,753	2,822	2,697	2,570
Deferred tax assets	9,514	9,043	8,433	7,463	7,496	6,597	6,309	5,476	6,585
Other noncurrent assets	517	361	1,133	987	1,173	1,579	1,310	1,090	949
Total assets	\$ 92,990	\$ 94,026	\$ 93,452	\$ 97,970	\$ 98,531	\$ 99,089	\$ 104,834	\$ 112,071	\$ 112,012
LIABILITIES AND SHAREHOLDERS' EQUITY:									
Current liabilities:									
Accounts payable	\$ 1,631	\$ 2,353	\$ 1,969	\$ 2,787	\$ 2,127	\$ 2,013	\$ 1,834	\$ 2,764	\$ 1,977
Accrued expenses and other current liabilities	1,989	4,741	594	795	2,881	1,989	2,518	2,884	4,469
Current portion of operating lease liabilities	569	588	529	469	406	343	411	403	396
Deferred revenue	690	652	597	565	712	754	806	859	1,028
Dividend Payable	-	-	-	-	4,181	-	-	-	-
Total current liabilities	\$ 4,879	\$ 8,334	\$ 3,689	\$ 4,616	\$ 10,307	\$ 5,099	\$ 5,569	\$ 6,910	\$ 7,870
Noncurrent operating lease liabilities	1,999	1,845	1,765	1,680	1,592	1,502	2,520	2,459	2,396
Other noncurrent liabilities	-	-	-	-	-	640	539	969	820
Total liabilities	6,878	10,179	5,454	6,296	11,899	7,241	8,628	10,338	11,086
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	(188)	(4,143)	(236)	-	-	-	-	-	-
Additional paid-in capital	94,159	94,065	91,672	93,393	87,488	89,264	90,936	92,250	88,628
(Accumulated deficit) retained earnings	(7,873)	(6,089)	(3,452)	(1,733)	(870)	2,570	5,256	9,469	12,284
Total shareholders' equity	86,112	83,847	87,998	91,674	86,632	91,848	96,206	101,733	100,926
Total liabilities and shareholders' equity	\$ 92,990	\$ 94,026	\$ 93,452	\$ 97,970	\$ 98,531	\$ 99,089	\$ 104,834	\$ 112,071	\$ 112,012

Condensed Consolidated Statements of Cash Flows



(In thousands, except share data)	(Unaudited)									
	Q4'23	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25	Q4'25	
CASH FLOWS FROM OPERATING ACTIVITIES:										
Net income (loss)	\$ (1,070)	\$ 1,784	\$ 2,637	\$ 1,719	\$ 863	\$ 3,440	\$ 2,686	\$ 4,213	\$ 2,815	
Adjustments to reconcile net income (loss) to net cash provided by operating activities:										
Depreciation and amortization	2,211	2,270	2,377	2,434	2,481	2,550	2,647	2,706	2,769	
Share-based compensation expense	1,328	1,402	1,393	1,657	1,496	1,596	1,827	1,706	1,371	
Write-off of long-lived assets	2	-	-	82	3	2	-	1	-	
Provision for bad debts	175	70	154	99	19	62	212	134	352	
Noncash lease expenses	132	134	138	140	144	148	109	125	127	
Deferred income tax (benefit) expense	507	471	610	970	(33)	899	288	833	(1,109)	
Changes in assets and liabilities:										
Accounts receivable	(505)	(806)	(246)	(595)	379	(1,647)	(377)	(742)	(630)	
Prepaid expenses and other current assets	65	(378)	8	(247)	103	(26)	(484)	(100)	(44)	
Other noncurrent assets	110	156	(772)	146	(186)	(406)	244	220	141	
Accounts payable	(358)	722	(384)	818	(660)	(114)	(179)	930	(787)	
Accrued expenses and other current liabilities	1,573	(1,347)	(4)	201	2,086	(1,392)	529	162	1,585	
Deferred revenue	163	(38)	(55)	(32)	147	42	52	53	169	
Operating lease liabilities	(129)	(135)	(139)	(145)	(151)	(153)	(67)	(69)	(70)	
Net cash provided by operating activities	4,204	4,305	5,717	7,247	6,691	5,001	7,487	10,172	6,689	
CASH FLOWS FROM INVESTING ACTIVITIES:										
Purchase of property and equipment	(24)	(65)	(52)	(35)	(17)	(50)	(202)	(187)	(124)	
Capitalized costs included in intangible assets	(2,103)	(2,327)	(2,411)	(2,380)	(2,280)	(2,469)	(2,515)	(2,695)	(2,914)	
Net cash used in investing activities	(2,127)	(2,392)	(2,463)	(2,415)	(2,297)	(2,519)	(2,717)	(2,882)	(3,038)	
CASH FLOWS FROM FINANCING ACTIVITIES:										
Taxes paid related to net share settlement of vesting of restricted stock units	(1,795)	(383)	(20)	(28)	(3,637)	(202)	(525)	(133)	(5,184)	
Repurchases of common stock	(2,460)	(1,415)	(4,438)	-	-	-	-	(653)	(262)	
Dividend payable	-	-	-	-	-	(4,181)	-	-	-	
Net cash used in financing activities	(4,255)	(1,798)	(4,458)	(28)	(3,637)	(4,383)	(525)	(786)	(5,446)	
Net (decrease) increase in cash and cash equivalents	(2,178)	115	(1,204)	4,804	757	(1,901)	4,245	6,504	(1,795)	
Cash and cash equivalents at beginning of period	34,210	32,032	32,147	30,943	35,747	36,504	34,603	38,848	45,352	
Cash and cash equivalents at end of period	\$ 32,032	\$ 32,147	\$ 30,943	\$ 35,747	\$ 36,504	\$ 34,603	\$ 38,848	\$ 45,352	\$ 43,557	
SUPPLEMENTAL DISCLOSURE INFORMATION										
Cash paid for income taxes	\$ 27	\$ -	\$ 439	\$ 85	\$ 83	\$ -	\$ 681	\$ 2	\$ (54)	
Share-based compensation capitalized in intangible assets	\$ 462	\$ 446	\$ 436	\$ 328	\$ 417	\$ 382	\$ 370	\$ 394	\$ 453	
Right-of-use assets obtained in exchange of operating lease liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,153	\$ -	\$ -	
Retirement of treasury stock	\$ 4,279	\$ 1,942	\$ 4,222	\$ 264	\$ 3,637	\$ 202	\$ 525	\$ 786	\$ 5,446	
Dividend declared not yet paid	\$ -	\$ -	\$ -	\$ -	\$ 4,181	\$ -	\$ -	\$ -	\$ -	

Non-GAAP Reconciliations



(In thousands)	(Unaudited)									
	Q4'23	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25	Q4'25	
Net income (loss)	\$ (1,070)	\$ 1,784	\$ 2,637	\$ 1,719	\$ 863	\$ 3,440	\$ 2,686	\$ 4,213	\$ 2,815	
Interest income	(387)	(365)	(314)	(353)	(368)	(308)	(339)	(386)	(387)	
Income tax (benefit) expense	562	564	745	1,132	(124)	1,079	404	749	(828)	
Depreciation and amortization	2,211	2,270	2,377	2,434	2,481	2,550	2,647	2,706	2,769	
Share-based compensation expense	1,328	1,402	1,393	1,657	1,496	1,596	1,827	1,706	1,371	
Litigation costs	-	27	(27)	7	117	9	4	60	208	
Acquisition-related costs	18	7	-	-	-	-	370	(12)	-	
Write-off of long-lived assets and others	1	-	-	82	3	2	1	-	-	
Adjusted EBITDA	\$ 2,663	\$ 5,689	\$ 6,811	\$ 6,678	\$ 4,468	\$ 8,368	\$ 7,600	\$ 9,036	\$ 5,948	
Revenue	\$ 15,061	\$ 17,511	\$ 19,056	\$ 19,057	\$ 19,565	\$ 22,003	\$ 21,774	\$ 23,083	\$ 23,392	
Net income (loss) margin	(7%)	10%	14%	9%	4%	16%	12%	18%	12%	
Adjusted EBITDA margin	18%	32%	36%	35%	23%	38%	35%	39%	25%	

(In thousands, except share data)	(Unaudited)									
	Q4'23	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25	Q4'25	
Net income (loss)	\$ (1,070)	\$ 1,784	\$ 2,637	\$ 1,719	\$ 863	\$ 3,440	\$ 2,686	\$ 4,213	\$ 2,815	
Share-based compensation expense	1,328	1,402	1,393	1,657	1,496	1,596	1,827	1,706	1,371	
Amortization of share-based compensation capitalized in intangible assets	347	364	380	394	402	409	413	413	411	
Acquisition-related costs	18	7	-	-	-	-	370	(12)	-	
Litigation costs	-	27	(27)	7	117	9	4	60	208	
Write-off of long-lived assets	1	-	-	82	3	2	1	-	-	
Tax effect of adjustments	93	(136)	(279)	(418)	(879)	(347)	(759)	(423)	(1,744)	
Adjusted net income	717	3,448	4,104	3,441	2,002	5,109	4,542	5,957	3,061	
Earnings (loss) per share:										
Basic	(0.08)	0.13	0.19	0.12	0.06	0.25	0.19	0.30	0.20	
Diluted	(0.08)	0.13	0.19	0.12	0.06	0.24	0.18	0.29	0.19	
Adjusted earnings per share:										
Basic	0.05	0.25	0.30	0.25	0.14	0.36	0.32	0.42	0.22	
Diluted	0.05	0.24	0.29	0.24	0.14	0.35	0.31	0.41	0.21	
Weighted average shares outstanding:										
Basic	13,985,426.00	13,997,064.00	13,780,074.00	13,782,476.00	13,900,091.00	13,998,028.00	14,018,629.00	14,027,994.00	14,101,986.00	
Diluted	14,307,797.00	14,164,506.00	14,051,466.00	14,311,575.00	14,366,545.00	14,491,713.00	14,553,282.00	14,618,657.00	14,554,080.00	

(In thousands)	(Unaudited)									
	Q4'23	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25	Q4'25	
Revenue	\$ 15,061	\$ 17,511	\$ 19,056	\$ 19,057	\$ 19,565	\$ 22,003	\$ 21,774	\$ 23,083	\$ 23,392	
Cost of revenue (exclusive of depreciation and amortization)	(3,337)	(3,756)	(3,455)	(3,314)	(3,472)	(3,661)	(3,501)	(3,622)	(3,891)	
Depreciation and amortization related to cost of revenue	(2,154)	(2,214)	(2,322)	(2,382)	(2,431)	(2,500)	(2,595)	(2,651)	(2,703)	
Gross profit	9,570	11,541	13,279	13,361	13,662	15,842	15,678	16,810	16,798	
Depreciation and amortization of certain intangible assets	2,154	2,214	2,322	2,382	2,431	2,452	2,560	2,615	2,665	
Adjusted gross profit	\$ 11,724	\$ 13,755	\$ 15,601	\$ 15,743	\$ 16,093	\$ 18,294	\$ 18,238	\$ 19,425	\$ 19,463	
Gross margin	64%	66%	70%	70%	70%	72%	72%	73%	72%	
Adjusted gross margin	78%	79%	82%	83%	82%	83%	84%	84%	83%	

(In thousands)	(Unaudited)									
	Q4'23	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25	Q4'25	
Net cash provided by operating activities	\$ 4,204	\$ 4,305	\$ 5,717	\$ 7,247	\$ 6,691	\$ 5,001	\$ 7,487	\$ 10,172	\$ 6,689	
Less:										
Purchase of property and equipment	(24)	(65)	(52)	(35)	(17)	(50)	(202)	(187)	(124)	
Capitalized costs included in intangible assets	(2,103)	(2,327)	(2,411)	(2,380)	(2,280)	(2,469)	(2,515)	(2,695)	(2,914)	
Free cash flow	\$ 2,077	\$ 1,913	\$ 3,254	\$ 4,832	\$ 4,394	\$ 2,482	\$ 4,770	\$ 7,290	\$ 3,651	

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 financial measure equal to net income (loss), the most directly comparable financial measure based on US GAAP, excluding interest income, income tax (benefit) expense, depreciation and amortization, share-based compensation expense, 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), 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 discrete tax items, 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.

We refined the methodology for calculating the tax effect of adjustments used in arriving at non-GAAP adjusted net income. Prior period amounts have been revised to conform to the current presentation. These revisions did not affect previously reported GAAP financial statements.