

Condensed Consolidated Statements of Operations



(In thousands, except share data)	Q2'23	Q3'23	Q4'23	Q1'24	(Unaudited) Q2'24	Q3'24	Q4'24	Q1'25	Q2'25
Revenue	\$ 14,680	\$ 15,837	\$ 15,061	\$ 17,511	\$ 19,056	\$ 19,057	\$ 19,565	\$ 22,003	\$ 21,774
Costs and expenses:									
Cost of revenue (exclusive of depreciation and amortization)	3,240	3,313	3,337	3,756	3,455	3,314	3,472	3,661	3,501
Sales and marketing expenses	3,078	3,365	3,501	3,712	4,406	4,817	4,900	5,407	5,622
General and administrative expenses	5,075	5,223	6,907	5,790	5,750	5,994	8,341	6,174	7,253
Depreciation and amortization	2,054	2,171	2,211	2,270	2,377	2,434	2,481	2,550	2,647
Total costs and expenses	<u>13,447</u>	<u>14,072</u>	<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>
Income (loss) from operations	1,233	1,765	(895)	1,983	3,068	2,498	371	4,211	2,751
Interest income	315	346	387	365	314	353	368	308	339
Income (loss) before income taxes	1,548	2,111	(508)	2,348	3,382	2,851	739	4,519	3,090
Income tax (benefit) expense	160	(10,384)	562	564	745	1,132	(124)	1,079	404
Net income (loss)	<u>\$ 1,388</u>	<u>\$ 12,495</u>	<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>
Earnings (loss) per share:									
Basic	<u>\$ 0.10</u>	<u>\$ 0.90</u>	<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>
Diluted	<u>\$ 0.10</u>	<u>\$ 0.87</u>	<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>
Weighted average shares outstanding:									
Basic	<u>13,961,862</u>	<u>13,952,426</u>	<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>
Diluted	<u>14,172,024</u>	<u>14,329,878</u>	<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>

Condensed Consolidated Balance Sheets



(In thousands, except share data)	6/30/2023	9/30/2023	12/31/2023	3/31/2024	(Unaudited) 6/30/2024	9/30/2024	12/31/2024	3/31/2025	6/30/2025
ASSETS:									
Current assets:									
Cash and cash equivalents	\$ 31,368	\$ 34,210	\$ 32,032	\$ 32,147	\$ 30,943	\$ 35,747	\$ 36,504	\$ 34,603	\$ 38,848
Accounts receivable, net of allowance for doubtful accounts	6,556	6,805	7,135	7,871	7,963	8,459	8,061	9,646	9,811
Prepaid expenses and other current assets	1,325	1,178	1,113	1,491	1,483	1,730	1,627	1,653	2,137
Total current assets	39,249	42,193	40,280	41,509	40,389	45,936	46,192	45,902	50,796
Property and equipment, net	640	627	592	601	598	581	545	543	693
Intangible assets, net	33,175	33,992	34,403	34,962	35,487	35,731	35,997	37,488	37,677
Goodwill	5,227	5,227	5,227	5,227	5,227	5,227	5,227	5,227	5,227
Right-of-use assets	821	2,589	2,457	2,323	2,185	2,045	1,901	1,753	2,822
Deferred tax assets	-	10,021	9,514	9,043	8,433	7,463	7,496	6,597	6,309
Other noncurrent assets	765	627	517	361	1,133	987	1,173	1,579	1,310
Total assets	\$ 79,877	\$ 95,276	\$ 92,990	\$ 94,026	\$ 93,452	\$ 97,970	\$ 98,531	\$ 99,089	\$ 104,834
LIABILITIES AND SHAREHOLDERS' EQUITY:									
Current liabilities:									
Accounts payable	\$ 1,694	\$ 1,989	\$ 1,631	\$ 2,353	\$ 1,969	\$ 2,787	\$ 2,127	\$ 2,013	\$ 1,834
Accrued expenses and other current liabilities	424	372	1,989	4,741	594	795	2,881	1,989	2,518
Current portion of operating lease liabilities	731	548	569	588	529	469	406	343	411
Deferred revenue	627	527	690	652	597	565	712	754	806
Dividend Payable	-	-	-	-	-	-	4,181	-	-
Total current liabilities	\$ 3,476	\$ 3,436	\$ 4,879	\$ 8,334	\$ 3,689	\$ 4,616	\$ 10,307	\$ 5,099	\$ 5,569
Noncurrent operating lease liabilities	222	2,149	1,999	1,845	1,765	1,680	1,592	1,502	2,520
Deferred tax liabilities	411	-	-	-	-	-	-	-	-
Other noncurrent liabilities	-	-	-	-	-	-	-	640	539
Total liabilities	4,109	5,585	6,878	10,179	5,454	6,296	11,899	7,241	8,628
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	(52)	(168)	(188)	(4,143)	(236)	-	-	-	-
Additional paid-in capital	95,104	96,648	94,159	94,065	91,672	93,393	87,488	89,264	90,936
(Accumulated deficit) retained earnings	(19,298)	(6,803)	(7,873)	(6,089)	(3,452)	(1,733)	(870)	2,570	5,256
Total shareholders' equity	75,768	89,691	86,112	83,847	87,998	91,674	86,632	91,848	96,206
Total liabilities and shareholders' equity	\$ 79,877	\$ 95,276	\$ 92,990	\$ 94,026	\$ 93,452	\$ 97,970	\$ 98,531	\$ 99,089	\$ 104,834

Condensed Consolidated Statements of Cash Flows



(In thousands, except share data)	(Unaudited)									
	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	
CASH FLOWS FROM OPERATING ACTIVITIES:										
Net income (loss)	\$ 1,388	\$ 12,495	\$ (1,070)	\$ 1,784	\$ 2,637	\$ 1,719	\$ 863	\$ 3,440	\$ 2,686	
Adjustments to reconcile net income (loss) to net cash provided by operating activities:										
Depreciation and amortization	2,054	2,171	2,211	2,270	2,377	2,434	2,481	2,550	2,647	
Share-based compensation expense	1,305	1,369	1,328	1,402	1,393	1,657	1,496	1,596	1,827	
Write-off of long-lived assets	-	1	2	-	-	82	3	2	-	
Provision for bad debts	121	124	175	70	154	99	19	62	212	
Noncash lease expenses	148	151	132	134	138	140	144	148	109	
Deferred income tax (benefit) expense	154	(10,432)	507	471	610	970	(33)	899	288	
Changes in assets and liabilities:										
Accounts receivable	(788)	(373)	(505)	(806)	(246)	(595)	379	(1,647)	(377)	
Prepaid expenses and other current assets	(15)	147	65	(378)	8	(247)	103	(26)	(484)	
Other noncurrent assets	129	138	110	156	(772)	146	(186)	(406)	244	
Accounts payable	(651)	295	(358)	722	(384)	818	(660)	(114)	(179)	
Accrued expenses and other current liabilities	9	(22)	1,573	(1,347)	(4)	201	2,086	(1,392)	529	
Deferred revenue	(136)	(100)	163	(38)	(55)	(32)	147	42	52	
Operating lease liabilities	(171)	(175)	(129)	(135)	(139)	(145)	(151)	(153)	(67)	
Net cash provided by operating activities	<u>3,547</u>	<u>5,789</u>	<u>4,204</u>	<u>4,305</u>	<u>5,717</u>	<u>7,247</u>	<u>6,691</u>	<u>5,001</u>	<u>7,487</u>	
CASH FLOWS FROM INVESTING ACTIVITIES:										
Purchase of property and equipment	(7)	(47)	(24)	(65)	(52)	(35)	(17)	(50)	(202)	
Capitalized costs included in intangible assets	(2,236)	(2,412)	(2,103)	(2,327)	(2,411)	(2,380)	(2,280)	(2,469)	(2,515)	
Net cash used in investing activities	<u>(2,243)</u>	<u>(2,459)</u>	<u>(2,127)</u>	<u>(2,392)</u>	<u>(2,463)</u>	<u>(2,415)</u>	<u>(2,297)</u>	<u>(2,519)</u>	<u>(2,717)</u>	
CASH FLOWS FROM FINANCING ACTIVITIES:										
Taxes paid related to net share settlement of vesting of restricted stock units	(19)	(147)	(1,795)	(383)	(20)	(28)	(3,637)	(202)	(525)	
Repurchases of common stock	(735)	(341)	(2,460)	(1,415)	(4,438)	-	-	-	-	
Dividend payable	-	-	-	-	-	-	-	(4,181)	-	
Net cash used in financing activities	<u>(754)</u>	<u>(488)</u>	<u>(4,255)</u>	<u>(1,798)</u>	<u>(4,458)</u>	<u>(28)</u>	<u>(3,637)</u>	<u>(4,383)</u>	<u>(525)</u>	
Net (decrease) increase in cash and cash equivalents	<u>550</u>	<u>2,842</u>	<u>(2,178)</u>	<u>115</u>	<u>(1,204)</u>	<u>3,715</u>	<u>757</u>	<u>(1,901)</u>	<u>4,245</u>	
Cash and cash equivalents at beginning of period	30,818	31,368	34,210	32,032	32,147	32,032	35,747	36,504	34,603	
Cash and cash equivalents at end of period	<u>\$ 31,368</u>	<u>\$ 34,210</u>	<u>\$ 32,032</u>	<u>\$ 32,147</u>	<u>\$ 30,943</u>	<u>\$ 35,747</u>	<u>\$ 36,504</u>	<u>\$ 34,603</u>	<u>\$ 38,848</u>	
SUPPLEMENTAL DISCLOSURE INFORMATION										
Cash paid for interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Cash paid for income taxes	\$ 21	\$ 33	\$ 27	\$ -	\$ 439	\$ 85	\$ 83	\$ -	\$ 681	
Share-based compensation capitalized in intangible assets	\$ 413	\$ 517	\$ 462	\$ 446	\$ 436	\$ 328	\$ 417	\$ 382	\$ 370	
Right-of-use assets obtained in exchange of operating lease liabilities	\$ -	\$ 1,919	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,153	
Retirement of treasury stock	\$ 907	\$ 342	\$ 4,279	\$ 1,942	\$ 4,222	\$ 264	\$ 3,637	\$ 202	\$ 525	
Dividend declared not yet paid	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,181	\$ -	\$ -	

Non-GAAP Reconciliations



(In thousands)	(Unaudited)									
	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	
Net income (loss)	\$ 1,388	\$ 12,495	\$ (1,070)	\$ 1,784	\$ 2,637	\$ 1,719	\$ 863	\$ 3,440	\$ 2,686	
Interest income	(315)	(346)	(387)	(365)	(314)	(353)	(368)	(308)	(339)	
Income tax (benefit) expense	160	(10,384)	562	564	745	1,132	(124)	1,079	404	
Depreciation and amortization	2,054	2,171	2,211	2,270	2,377	2,434	2,481	2,550	2,647	
Share-based compensation expense	1,305	1,369	1,328	1,402	1,393	1,657	1,496	1,596	1,827	
Litigation costs	45	1	-	27	(27)	7	117	9	4	
Acquisition-related costs	-	54	18	7	-	-	-	-	370	
Write-off of long-lived assets and others	-	2	1	-	-	82	3	2	1	
Adjusted EBITDA	\$ 4,637	\$ 5,362	\$ 2,663	\$ 5,689	\$ 6,811	\$ 6,678	\$ 4,468	\$ 8,368	\$ 7,600	
Revenue	\$ 14,680	\$ 15,837	\$ 15,061	\$ 17,511	\$ 19,056	\$ 19,057	\$ 19,565	\$ 22,003	\$ 21,774	
Net income (loss) margin	9%	79%	(7%)	10%	14%	9%	4%	16%	12%	
Adjusted EBITDA margin	32%	34%	18%	32%	36%	35%	23%	38%	35%	

(In thousands, except share data)	(Unaudited)									
	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	
Net income (loss)	\$ 1,388	\$ 12,495	\$ (1,070)	\$ 1,784	\$ 2,637	\$ 1,719	\$ 863	\$ 3,440	\$ 2,686	
Share-based compensation expense	1,305	1,369	1,328	1,402	1,393	1,657	1,496	1,596	1,827	
Amortization of share-based compensation capitalized in intangible assets	235	249	263	275	286	292	299	409	413	
Discrete tax items	-	(10,272)	-	-	-	-	-	-	-	
Tax effect of adjustments	-	(1,275)	(251)	(308)	(425)	(518)	(1,336)	(613)	(809)	
Adjusted net income	\$ 2,928	\$ 2,566	\$ 270	\$ 3,153	\$ 3,891	\$ 3,150	\$ 1,322	\$ 4,832	\$ 4,117	
Earnings (loss) per share:										
Basic	0.10	0.90	(0.08)	0.13	0.19	0.12	0.06	0.25	0.19	
Diluted	0.10	0.87	(0.08)	0.13	0.19	0.12	0.06	0.24	0.18	
Adjusted earnings per share:										
Basic	0.21	0.18	0.02	0.23	0.28	0.23	0.10	0.35	0.29	
Diluted	0.21	0.18	0.02	0.22	0.28	0.22	0.09	0.33	0.28	
Weighted average shares outstanding:										
Basic	13,961,862	13,952,426	13,985,426	13,997,064	13,780,074	13,782,476	13,900,091	13,998,028	14,018,629	
Diluted	14,172,024	14,329,878	14,307,797	14,164,506	14,051,466	14,311,575	14,366,545	14,491,713	14,553,282	

(In thousands)	(Unaudited)									
	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	
Revenue	\$ 14,680	\$ 15,837	\$ 15,061	\$ 17,511	\$ 19,056	\$ 19,057	\$ 19,565	\$ 22,003	\$ 21,774	
Cost of revenue (exclusive of depreciation and amortization)	(3,240)	(3,313)	(3,337)	(3,756)	(3,455)	(3,314)	(3,472)	(3,661)	(3,501)	
Depreciation and amortization related to cost of revenue	(1,995)	(2,112)	(2,154)	(2,214)	(2,322)	(2,382)	(2,431)	(2,500)	(2,595)	
Gross profit	9,445	10,412	9,570	11,541	13,279	13,361	13,662	15,842	15,678	
Depreciation and amortization of certain intangible assets	1,995	2,112	2,154	2,214	2,322	2,382	2,431	2,452	2,560	
Adjusted gross profit	\$ 11,440	\$ 12,524	\$ 11,724	\$ 13,755	\$ 15,601	\$ 15,743	\$ 16,093	\$ 18,294	\$ 18,238	
Gross margin	64%	66%	64%	66%	70%	70%	70%	72%	72%	
Adjusted gross margin	78%	79%	78%	79%	82%	83%	82%	83%	84%	

(In thousands)	(Unaudited)									
	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	
Net cash provided by operating activities	\$ 3,547	\$ 5,789	\$ 4,204	\$ 4,305	\$ 5,717	\$ 7,247	\$ 6,691	\$ 5,001	\$ 7,487	
Less:										
Purchase of property and equipment	(7)	(47)	(24)	(65)	(52)	(35)	(17)	(50)	(202)	
Capitalized costs included in intangible assets	(2,236)	(2,412)	(2,103)	(2,327)	(2,411)	(2,380)	(2,280)	(2,469)	(2,515)	
Free cash flow	\$ 1,304	\$ 3,330	\$ 2,077	\$ 1,913	\$ 3,254	\$ 4,832	\$ 4,394	\$ 2,482	\$ 4,770	

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, 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.