

GAAP Statement of Operations - Quarterly

(unaudited)

(in thousands, except share and per share amounts)

	QTD December 31, 2016	QTD September 30, 2016	QTD June 30, 2016	QTD March 31, 2016	QTD December 31, 2015	QTD September 30, 2015	QTD June 30, 2015	QTD March 31, 2015	QTD December 31, 2014
Revenue	\$ 31,763	\$ 27,992	\$ 27,098	\$ 26,347	\$ 29,434	\$ 24,379	\$ 24,182	\$ 22,590	\$ 23,827
Cost of revenue (1) (2)	7,033	6,811	6,863	6,913	6,727	6,290	6,401	6,416	6,051
Gross profit	24,730	21,181	20,235	19,434	22,707	18,089	17,781	16,174	17,776
Operating expenses (1) (2):									
Sales and marketing	13,538	13,824	15,743	13,497	11,656	12,339	13,992	15,784	13,854
Research and development	4,659	4,512	4,410	4,155	4,253	4,010	4,172	4,131	4,013
General and administrative	6,311	5,525	6,822	6,421	7,596	6,484	6,212	5,315	6,269
Total operating expenses	24,508	23,861	26,975	24,073	23,505	22,833	24,376	25,230	24,136
Income (loss) from operations	222	(2,680)	(6,740)	(4,639)	(798)	(4,744)	(6,595)	(9,056)	(6,360)
Other (expense) income:									
Interest expense, net	10	11	(1)	(21)	(42)	(60)	(38)	(44)	(52)
Other income (expense), net	36	90	(8)	55	101	14	120	6	(170)
Total other (expense) income	46	101	(9)	34	59	(46)	82	(38)	(222)
Income (loss) before income taxes	268	(2,579)	(6,749)	(4,605)	(739)	(4,790)	(6,513)	(9,094)	(6,582)
Income tax expense (benefit)	(5,567)	(27)	(22)	(42)	(59)	1	11	(138)	(46)
Net income (loss)	\$ 5,835	\$ (2,552)	\$ (6,727)	\$ (4,563)	\$ (680)	\$ (4,791)	\$ (6,524)	\$ (8,956)	\$ (6,536)
Net income (loss) per share:									
Basic	\$ 0.23	\$ (0.10)	\$ (0.26)	\$ (0.18)	\$ (0.03)	\$ (0.19)	\$ (0.26)	\$ (0.36)	\$ (0.26)
Diluted	\$ 0.21	\$ (0.10)	\$ (0.26)	\$ (0.18)	\$ (0.03)	\$ (0.19)	\$ (0.26)	\$ (0.36)	\$ (0.26)
Weighted average common shares outstanding:									
Basic	25,878,260	25,723,749	25,520,847	25,292,405	25,188,595	25,110,212	25,017,823	24,930,451	24,891,086
Diluted	27,577,027	25,723,749	25,520,847	25,292,405	25,188,595	25,110,212	25,017,823	24,930,451	24,891,086
(1) Includes stock-based compensation as follows:									
Cost of revenue	\$ 318	\$ 330	\$ 342	\$ 269	\$ 215	\$ 238	\$ 276	\$ 263	\$ 160
Sales and marketing	1,124	1,161	1,369	1,121	599	1,208	1,452	1,162	1,083
Research and development	477	496	546	443	394	397	514	384	280
General and administrative	1,136	878	1,660	1,592	1,356	1,254	1,044	1,081	1,157
	\$ 3,055	\$ 2,865	\$ 3,917	\$ 3,425	\$ 2,564	\$ 3,097	\$ 3,286	\$ 2,890	\$ 2,680
(2) Includes depreciation and amortization as follows:									
Cost of revenue	\$ 1,135	\$ 1,109	\$ 1,145	\$ 1,243	\$ 1,450	\$ 1,336	\$ 1,152	\$ 1,048	\$ 1,024
Sales and marketing	283	266	280	307	351	334	301	278	271
Research and development	113	111	112	122	148	136	117	105	106
General and administrative	346	420	423	423	481	535	519	502	470
	\$ 1,877	\$ 1,906	\$ 1,960	\$ 2,095	\$ 2,430	\$ 2,341	\$ 2,089	\$ 1,933	\$ 1,871

Non-GAAP Statement of Operations - Quarterly (see Non-GAAP reconciliation on following page)

<i>(unaudited)</i> <i>(in thousands)</i>	QTD December 31, 2016	QTD September 30, 2016	QTD June 30, 2016	QTD March 31, 2016	QTD December 31, 2015	QTD September 30, 2015	QTD June 30, 2015	QTD March 31, 2015	QTD December 31, 2014
Revenue	\$ 31,763	\$ 27,992	\$ 27,098	\$ 26,347	\$ 29,434	\$ 24,379	\$ 24,182	\$ 22,590	\$ 23,827
Cost of revenue	6,715	6,481	6,521	6,644	6,512	6,052	6,125	6,153	5,891
Gross profit	25,048	21,511	20,577	19,703	22,922	18,327	18,057	16,437	17,936
Operating expenses:									
Sales and marketing	12,414	12,663	14,374	12,376	11,057	11,131	12,540	14,622	12,771
Research and development	4,182	4,016	3,864	3,712	3,859	3,613	3,658	3,747	3,733
General and administrative	5,175	4,647	5,162	4,829	5,131	5,230	4,512	4,234	4,625
Total operating expenses	21,771	21,326	23,400	20,917	20,047	19,974	20,710	22,603	21,129
Income (loss) from operations	3,277	185	(2,823)	(1,214)	2,875	(1,647)	(2,653)	(6,166)	(3,193)
Other (expense) income:									
Interest expense, net	10	11	(1)	(21)	(42)	(60)	(38)	(44)	(52)
Other income (expense), net	36	90	(8)	55	101	14	120	6	(170)
Total other (expense) income	46	101	(9)	34	59	(46)	82	(38)	(222)
Income (loss) before income taxes	3,323	286	(2,832)	(1,180)	2,934	(1,693)	(2,571)	(6,204)	(3,415)
Income tax expense (benefit)	(5,567)	(27)	(22)	(42)	(59)	1	11	(138)	(46)
Net income (loss)	\$ 8,890	\$ 313	\$ (2,810)	\$ (1,138)	\$ 2,993	\$ (1,694)	\$ (2,582)	\$ (6,066)	\$ (3,369)

GAAP to Non-GAAP Reconciliation - Quarterly

<i>(unaudited)</i> <i>(in thousands)</i>	QTD December 31, 2016	QTD September 30, 2016	QTD June 30, 2016	QTD March 31, 2016	QTD December 31, 2015	QTD September 30, 2015	QTD June 30, 2015	QTD March 31, 2015	QTD December 31, 2014
GAAP Gross profit as reported	\$ 24,730	\$ 21,181	\$ 20,235	\$ 19,434	\$ 22,707	\$ 18,089	\$ 17,781	\$ 16,174	\$ 17,776
Add: Stock-based compensation	318	330	342	269	215	238	276	263	160
Non-GAAP Gross profit	\$ 25,048	\$ 21,511	\$ 20,577	\$ 19,703	\$ 22,922	\$ 18,327	\$ 18,057	\$ 16,437	\$ 17,936
GAAP Income (loss) from operations as reported	\$ 222	\$ (2,680)	\$ (6,740)	\$ (4,639)	\$ (798)	\$ (4,744)	\$ (6,595)	\$ (9,056)	\$ (6,360)
Add: Stock-based compensation - Cost of Revenue	318	330	342	269	215	238	276	263	160
Add: Stock-based compensation - S&M	1,124	1,161	1,369	1,121	599	1,208	1,452	1,162	1,083
Add: Stock-based compensation - R&D	477	496	546	443	394	397	514	384	280
Add: Stock-based compensation - G&A	1,136	878	1,660	1,592	1,356	1,254	1,044	1,081	1,157
Add: Headquarters relocation and related costs	—	—	—	—	1,109	—	—	—	—
Add: One-time severance and related costs	—	—	—	—	—	—	656	—	—
Add: Acquisition-related costs	—	—	—	—	—	—	—	—	487
Non-GAAP Income (loss) from operations	\$ 3,277	\$ 185	\$ (2,823)	\$ (1,214)	\$ 2,875	\$ (1,647)	\$ (2,653)	\$ (6,166)	\$ (3,193)
GAAP Net income (loss) as reported	\$ 5,835	\$ (2,552)	\$ (6,727)	\$ (4,563)	\$ (680)	\$ (4,791)	\$ (6,524)	\$ (8,956)	\$ (6,536)
Add: Stock-based compensation - Cost of Revenue	318	330	342	269	215	238	276	263	160
Add: Stock-based compensation - S&M	1,124	1,161	1,369	1,121	599	1,208	1,452	1,162	1,083
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Add: Stock-based compensation - G&A	1,136	878	1,660	1,592	1,356	1,254	1,044	1,081	1,157
Add: Headquarters relocation and related costs	—	—	—	—	1,109	—	—	—	—
Add: One-time severance and related costs	—	—	—	—	—	—	656	—	—
Add: Acquisition-related costs	—	—	—	—	—	—	—	—	487
Non-GAAP Net income (loss)	\$ 8,890	\$ 313	\$ (2,810)	\$ (1,138)	\$ 2,993	\$ (1,694)	\$ (2,582)	\$ (6,066)	\$ (3,369)