

GAAP Statement of Operations - Quarterly

(unaudited)
(in thousands, except share and per share amounts)

	QTD June 30, 2017	QTD March 31, 2017	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
Revenue	\$ 30,004	\$ 28,329	\$ 31,763	\$ 27,992	\$ 27,098	\$ 26,347	\$ 29,434	\$ 24,379	\$ 24,182
Cost of revenue (1) (2)	6,520	6,842	7,033	6,811	6,863	6,913	6,727	6,290	6,401
Gross profit	23,484	21,487	24,730	21,181	20,235	19,434	22,707	18,089	17,781
Operating expenses (1) (2):									
Sales and marketing	15,627	16,039	13,538	13,824	15,743	13,497	11,656	12,339	13,992
Research and development	5,147	4,971	4,659	4,512	4,410	4,155	4,253	4,010	4,172
General and administrative	6,678	8,530	6,311	5,525	6,822	6,421	7,596	6,484	6,212
Total operating expenses	27,452	29,540	24,508	23,861	26,975	24,073	23,505	22,833	24,376
(Loss) income from operations	(3,968)	(8,053)	222	(2,680)	(6,740)	(4,639)	(798)	(4,744)	(6,595)
Other income (expense):									
Interest income (expense), net	54	28	10	11	(1)	(21)	(42)	(60)	(38)
Other income (expense), net	13	57	36	90	(8)	55	101	14	120
Total other income (expense)	67	85	46	101	(9)	34	59	(46)	82
(Loss) income before income taxes	(3,901)	(7,968)	268	(2,579)	(6,749)	(4,605)	(739)	(4,790)	(6,513)
Income tax expense (benefit)	84	88	(5,567)	(27)	(22)	(42)	(59)	1	11
Net (loss) income	\$ (3,985)	\$ (8,056)	\$ 5,835	\$ (2,552)	\$ (6,727)	\$ (4,563)	\$ (680)	\$ (4,791)	\$ (6,524)
Net (loss) income per share:									
Basic	\$ (0.15)	\$ (0.31)	\$ 0.23	\$ (0.10)	\$ (0.26)	\$ (0.18)	\$ (0.03)	\$ (0.19)	\$ (0.26)
Diluted	\$ (0.15)	\$ (0.31)	\$ 0.21	\$ (0.10)	\$ (0.26)	\$ (0.18)	\$ (0.03)	\$ (0.19)	\$ (0.26)
Weighted average common shares outstanding:									
Basic	26,380,031	26,056,881	25,878,260	25,723,749	25,520,847	25,292,405	25,188,595	25,110,212	25,017,823
Diluted	26,380,031	26,056,881	27,577,027	25,723,749	25,520,847	25,292,405	25,188,595	25,110,212	25,017,823
(1) Includes stock-based compensation as follows:									
Cost of revenue	\$ 197	\$ 297	\$ 318	\$ 330	\$ 342	\$ 269	\$ 215	\$ 238	\$ 276
Sales and marketing	1,214	776	1,124	1,161	1,369	1,121	599	1,208	1,452
Research and development	503	568	477	496	546	443	394	397	514
General and administrative	1,454	1,283	1,136	878	1,660	1,592	1,356	1,254	1,044
Total stock-based compensation	\$ 3,368	\$ 2,924	\$ 3,055	\$ 2,865	\$ 3,917	\$ 3,425	\$ 2,564	\$ 3,097	\$ 3,286
(2) Includes depreciation and amortization as follows:									
Cost of revenue	\$ 1,066	\$ 1,059	\$ 1,135	\$ 1,109	\$ 1,145	\$ 1,243	\$ 1,450	\$ 1,336	\$ 1,152
Sales and marketing	256	273	283	266	280	307	351	334	301
Research and development	111	111	113	111	112	122	148	136	117
General and administrative	270	290	346	420	423	423	481	535	519
Total depreciation and amortization	\$ 1,703	\$ 1,733	\$ 1,877	\$ 1,906	\$ 1,960	\$ 2,095	\$ 2,430	\$ 2,341	\$ 2,089

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

<i>(unaudited)</i> <i>(in thousands)</i>	QTD June 30, 2017	QTD March 31, 2017	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
Revenue	\$ 30,004	\$ 28,329	\$ 31,763	\$ 27,992	\$ 27,098	\$ 26,347	\$ 29,434	\$ 24,379	\$ 24,182
Cost of revenue	6,323	6,545	6,715	6,481	6,521	6,644	6,512	6,052	6,125
Gross profit	23,681	21,784	25,048	21,511	20,577	19,703	22,922	18,327	18,057
Operating expenses:									
Sales and marketing	14,413	15,263	12,414	12,663	14,374	12,376	11,057	11,131	12,540
Research and development	4,644	4,403	4,182	4,016	3,864	3,712	3,859	3,613	3,658
General and administrative	5,224	4,708	5,175	4,647	5,162	4,829	5,131	5,230	4,512
Total operating expenses	24,281	24,374	21,771	21,326	23,400	20,917	20,047	19,974	20,710
(Loss) income from operations	(600)	(2,590)	3,277	185	(2,823)	(1,214)	2,875	(1,647)	(2,653)
Other income (expense):									
Interest income (expense), net	54	28	10	11	(1)	(21)	(42)	(60)	(38)
Other income (expense), net	13	57	36	90	(8)	55	101	14	120
Total other income (expense)	67	85	46	101	(9)	34	59	(46)	82
(Loss) income before income taxes	(533)	(2,505)	3,323	286	(2,832)	(1,180)	2,934	(1,693)	(2,571)
Income tax expense (benefit)	84	88	(5,567)	(27)	(22)	(42)	(59)	1	11
Net (loss) income	\$ (617)	\$ (2,593)	\$ 8,890	\$ 313	\$ (2,810)	\$ (1,138)	\$ 2,993	\$ (1,694)	\$ (2,582)

GAAP to Non-GAAP Reconciliation - Quarterly

<i>(unaudited)</i> <i>(in thousands)</i>	QTD June 30, 2017	QTD March 31, 2017	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
GAAP Gross profit as reported	\$ 23,484	\$ 21,487	\$ 24,730	\$ 21,181	\$ 20,235	\$ 19,434	\$ 22,707	\$ 18,089	\$ 17,781
Add: Stock-based compensation - Cost of revenue	197	297	318	330	342	269	215	238	276
Non-GAAP Gross profit	\$ 23,681	\$ 21,784	\$ 25,048	\$ 21,511	\$ 20,577	\$ 19,703	\$ 22,922	\$ 18,327	\$ 18,057
GAAP (Loss) income from operations as reported	\$ (3,968)	\$ (8,053)	\$ 222	\$ (2,680)	\$ (6,740)	\$ (4,639)	\$ (798)	\$ (4,744)	\$ (6,595)
Add: Stock-based compensation - Cost of revenue	197	297	318	330	342	269	215	238	276
Add: Stock-based compensation - S&M	1,214	776	1,124	1,161	1,369	1,121	599	1,208	1,452
Add: Stock-based compensation - R&D	503	568	477	496	546	443	394	397	514
Add: Stock-based compensation - G&A	1,454	1,283	1,136	878	1,660	1,592	1,356	1,254	1,044
Add: One-time charge for VDAs related to sales taxes	—	2,539	—	—	—	—	—	—	—
Add: Headquarters relocation and related costs	—	—	—	—	—	—	1,109	—	—
Add: One-time severance and related costs	—	—	—	—	—	—	—	—	656
Non-GAAP (Loss) income from operations	\$ (600)	\$ (2,590)	\$ 3,277	\$ 185	\$ (2,823)	\$ (1,214)	\$ 2,875	\$ (1,647)	\$ (2,653)
GAAP Net (loss) income as reported	\$ (3,985)	\$ (8,056)	\$ 5,835	\$ (2,552)	\$ (6,727)	\$ (4,563)	\$ (680)	\$ (4,791)	\$ (6,524)
Add: Stock-based compensation - Cost of revenue	197	297	318	330	342	269	215	238	276
Add: Stock-based compensation - S&M	1,214	776	1,124	1,161	1,369	1,121	599	1,208	1,452
Add: Stock-based compensation - R&D	503	568	477	496	546	443	394	397	514
Add: Stock-based compensation - G&A	1,454	1,283	1,136	878	1,660	1,592	1,356	1,254	1,044
Add: One-time charge for VDAs related to sales taxes	—	2,539	—	—	—	—	—	—	—
Add: Headquarters relocation and related costs	—	—	—	—	—	—	1,109	—	—
Add: One-time severance and related costs	—	—	—	—	—	—	—	—	656
Non-GAAP Net (loss) income	\$ (617)	\$ (2,593)	\$ 8,890	\$ 313	\$ (2,810)	\$ (1,138)	\$ 2,993	\$ (1,694)	\$ (2,582)