# Asure Announces First Quarter 2021 Results

May 10, 2021

AUSTIN, Texas, May 10, 2021 (GLOBE NEWSWIRE) -- Asure (NASDAQ: ASUR), a leading provider of cloud-based Human Capital Management (HCM) software solutions, reported results for the first quarter ended March 31, 2021.

"Although the COVID-19 pandemic continues to impact our top line, our focus on helping small and mid-sized businesses grow is paying off, driving first quarter revenue up 20.5% sequentially, including recurring year-end W2/ACA revenue, and 4.5% year-over-year in a challenging environment. We are cautiously optimistic that momentum with our business will continue as economic conditions improve. Furthermore, visibility into our business outlook has improved to a point where we are comfortable reintroducing quarterly guidance. Our strategy has not changed, and we are still striving to generate 10% organic and 10% acquired revenue growth," said Chairman and CEO Pat Goepel.

**First Quarter 2021 Key Highlights**

- Total Revenue of $19.8 Million, up 20.5% from fourth-quarter 2020 and 4.5% year-over-year
- Recurring Year-End W2/ACA Revenue* of $3.6 Million, up from $0 in fourth-quarter 2020 and $3.2 Million year-over-year
- EBITDA of $2.6 Million, up from $(1.6) Million in fourth-quarter 2020 and $2.0 Million year-over-year
- Non-GAAP EPS of $0.12, up from $0.00 in fourth-quarter 2020
- Small-business bookings increased more than 90% year-over-year and total booking increased over 20% year-over-year

**First Quarter 2021 Financial Summary**

| | For the Three Months Ended | | | For the Three Months Ended | | |
|---|---|---|---|---|---|---|
| *In thousands, except per share data* | **3/31/20** | **3/31/21** | **YoY (%) Change** | **12/31/20** | **3/31/21** | **Seq (%) Change** |
| **REVENUE** | | | | | | |
| GAAP Revenue | $18,947 | $19,802 | 4.5% | $16,430 | $19,802 | 20.5% |
| | | | | | | |
| **GROSS PROFIT** | | | | | | |
| GAAP Gross Profit | $11,107 | $12,492 | 12.5% | $9,806 | $12,492 | 27.4% |
| *GAAP Gross Margin* | *58.6%* | *63.1%* | *7.6%* | *59.7%* | *63.1%* | *5.7%* |
| | | | | | | |
| Non-GAAP Gross Profit | $12,146 | $13,655 | 12.4% | $10,911 | $13,655 | 25.1% |
| *Non-GAAP Gross Margin* | *64.1%* | *69.0%* | *7.6%* | *66.4%* | *69.0%* | *3.8%* |
| | | | | | | |
| **EARNINGS** | | | | | | |
| GAAP Net Income (Loss) | $(1,767) | $(1,598) | NM | $(5,842) | $(1,598) | NM |
| Non-GAAP Net Income (Loss) | $3,315 | $2,242 | (32.4)% | $(69) | $2,242 | NM |
| GAAP Net Income (Loss) per share | $(0.11) | $(0.08) | NM | $(0.36) | $(0.08) | NM |
| Non-GAAP Net Income (Loss) per share | $0.21 | $0.12 | (44.0)% | $0.00 | $0.12 | NM |
| | | | | | | |
| **EBITDA** | | | | | | |
| EBITDA | $2,002 | $2,593 | 29.5% | $(1,559) | $2,593 | NM |
| *EBITDA Margin* | *10.6%* | *13.1%* | *23.9%* | *(9.5)%* | *13.1%* | *NM* |
| Non-GAAP EBITDA | $4,285 | $3,421 | (20.2)% | $1,143 | $3,421 | 199.3% |
| *Non-GAAP EBITDA Margin* | *22.6%* | *17.3%* | *(23.6)%* | *7.0%* | *17.3%* | *148.3%* |

*Notes:

- Non-GAAP financial measures are reconciled to GAAP in the tables set forth in this release.
- NM indicates Not Meaningful Information
- Note that first quarters are seasonally strong as Recurring Year-End W2/ACA revenue is recognized in this period.

**Financial Commentary**

"First quarter's financial results were encouraging. While our view on the overall U.S. economy's impact on small business

remains tempered, Asure has a clear strategy for growth and we remain focused on its execution. We feel that we are well positioned for growth as the economy transitions back to normal conditions," said CFO John Pence.

**Asure delivered the following results for its first quarter ended March 31, 2021:**

**Revenue:** Total revenue for the first quarter of 2021 was $19.8 million, an increase of 4.5% from $18.9 million in the year-ago period and an increase of 20.5% from $16.4 million in fourth-quarter 2020. Recurring year-end W2/ACA revenue of $3.6 million was up from $0 in fourth-quarter 2020 and $3.2 million year-over-year. Revenue mix for the quarter was comprised primarily of recurring revenue, which represented 97% of total revenue with professional services, hardware and other revenue representing the remaining 3%.

**Gross Profit:** GAAP gross profit for the first quarter of 2021 was $12.5 million (63.1% margin), an increase from $11.1 million (58.6% margin) in the year-ago period. Non-GAAP gross profit for the first quarter of 2021 was $13.7 million (69.0% margin), an increase from $12.1 million (64.1% margin) in the year-ago period.

**Earnings (Loss) per Share:** GAAP loss per share was $(0.08), compared with $(0.11) in the year-ago period. Non-GAAP earnings per share were $0.12, compared with $0.21 in the year-ago period.

**EBITDA:** EBITDA was $2.6 million (13.1% margin), representing an increase from $2.0 million (10.6% margin) in the year-ago period. Non-GAAP EBITDA was $3.4 million (17.3% margin), representing a decline from $4.3 million (22.6% margin) in the year-ago period.

**New Customer Initiative:**

**Employee Retention Tax Credit (ERTC) Solution:** As part of our efforts to help our 80,000 SMB clients maximize the COVID stimulus available to them, we recently introduced an ERTC solution so they can begin growing again. ERTC became law as part of the CARES Act and included tax credits for businesses to retain employees during the pandemic. The ERTC is a refundable tax credit that can be claimed when eligible employers report their total qualified wages for purposes of the ERTC for each calendar quarter on their federal employment tax returns. Due to new legislation, employers can now retroactively claim the ERTC even if they previously received PPP funds.

For more information, please visit **www.asuresoftware.com/ERTC**.

**Second Quarter 2021 Guidance**

We are providing the following guidance after delivering our first quarter results. This outlook reflects our current view regarding the speed and timing of the economic recovery from the COVID-19 pandemic.

| **2Q21 Guidance** | | | **Range** | | | |
|---|---|---|---|---|---|---|
| Revenue | $ | 16.50 | Million to | $ | 17.00 | Million |
| Non-GAAP EBITDA | $ | 0.70 | Million to | $ | 0.90 | Million |
| Non-GAAP EPS | $ | (0.03) | to | $ | (0.01) | |

**Conference Call Details**

Asure management will host a conference call today, Monday, May 10, at 4:30pm Eastern time (3:30pm Central time). Asure Chairman and CEO Pat Goepel as well as CFO John Pence will host the conference call, followed by a question and answer session.

U.S. dial-in: (877) 853-5636
International dial-in: (631) 291-4544
Conference ID: 8369970

The conference call will be broadcast live and available for replay via the investor relations section of the company's website.

***Non-GAAP Financial Measures.** This press release includes information about non-GAAP Net Income (Loss), non-GAAP Net Income (Loss) per share, non-GAAP tax rates, non-GAAP gross profit, EBITDA, EBITDA margin, non-GAAP EBITDA, and non-GAAP EBITDA margin (collectively the "non-GAAP financial measures"). These non-GAAP financial measures are measurements of financial performance that are not prepared in accordance with U.S. generally accepted accounting principles and computational methods may differ from those used by other companies. Non-GAAP financial measures are not meant to be considered in isolation or as a substitute for comparable GAAP measures and should be read only in conjunction with the company's consolidated financial statements prepared in accordance with GAAP. Non-GAAP financial measures are reconciled to GAAP in the tables set forth in this release.

EBITDA differs from GAAP Net Income (Loss) in that it excludes items such as interest, tax, depreciation, and amortization. Asure is unable to predict with reasonable certainty the ultimate outcome of these exclusions without unreasonable effort.

Non-GAAP EBITDA differs from EBITDA in that it excludes share-based compensation, and one-time expenses. Asure is unable to predict with reasonable certainty the ultimate outcome of these exclusions without unreasonable effort.

Non-GAAP Net Income (Loss) per share differs from GAAP Net Income (Loss) per share in that it assumes a 0% non-GAAP tax rate, uses diluted share counts, and excludes items such as amortization, share-based compensation, and one-time expenses.

Non-GAAP gross profit differs from GAAP gross profit in that it excludes amortization, share-based compensation, and one-time items.

Management uses both GAAP and non-GAAP measures when planning, monitoring, and evaluating the company's performance.

The primary purpose of using non-GAAP measures is to provide supplemental information that may prove useful to investors and to enable investors to evaluate the company's results in the same way management does.

Management believes that supplementing GAAP disclosure with non-GAAP disclosure provides investors with a more complete view of the company's operational performance and allows for meaningful period-to-period comparisons and analysis of trends in the company's business. Further, to the extent that other companies use similar methods in calculating non-GAAP measures, the provision of supplemental non-GAAP information can allow for a comparison of the company's relative performance against other companies that also report non-GAAP operating results.

Specifically, management is excluding the following items from its non-GAAP earnings per share, as applicable, for the periods presented in the first quarter 2021 financial statements:

**Share-Based Compensation Expenses.** The company's compensation strategy includes the use of share-based compensation to attract and retain employees and executives. It is principally aimed at aligning their interests with those of our stockholders and at long-term employee retention, rather than to motivate or reward operational performance for any particular period. Thus, share-based compensation expense varies for reasons that are generally unrelated to operational decisions and performance in any particular period.

**Amortization of Purchased Intangibles.** The company views amortization of acquisition-related intangible assets, such as the amortization of the cost associated with an acquired company's research and development efforts, trade names, customer lists and customer relationships, and acquired lease intangibles, as items arising from pre-acquisition activities determined at the time of an acquisition. While these intangible assets are continually evaluated for impairment, amortization of the cost of purchased intangibles is a static expense, one that is not typically affected by operations during any particular period.

**Income Tax Effects and Adjustments.** Beginning in first quarter 2018, the company started using a fixed projected non-GAAP tax rate in order to provide better consistency across the interim reporting periods by eliminating the effects of items such as changes in the tax valuation allowance and non-cash tax effects of acquired goodwill and amortization, since each of these can vary in size and frequency. This tax rate could be subject to change for a variety of reasons, such as significant changes in the acquisition activity or fundamental tax law changes in major jurisdictions where the company operates. The company re-evaluates this tax rate on an annual basis or when any significant events that may materially affect this rate occur. The non-GAAP tax rate is currently projected to be approximately zero (0.0) percent.

**Amortization of Capitalized Internal-Use Software, Acquisition-Related, and One-Time Expenses.** The company's non-GAAP financial measures exclude amortization of internal-use capitalized software costs and acquisition-related expenses as well as one-time expenses, such as material tax credits, material interest-expense credits, severance, recruitment, proforma adjustments of the impact of post-sale HCM restructuring, and relocation.

**About Asure**

Asure (NASDAQ: ASUR) sees Human Capital Management (HCM) through the lens of entrepreneurs and executives with an owner's mentality. We help more than 80,000 small and mid-sized businesses develop their "Human Capital" to get to the next level, stay compliant, and allocate their time, money and technology toward growth. Asure HCM solution includes Asure Payroll & Tax, Asure HR, and Asure Time & Attendance. Our Asure HR Services offering ranges from online compliance tools to a fully outsourced HR department. Visit us at asuresoftware.com.

"Safe harbor" statement under the Private Securities Litigation Reform Act of 1995: This press release contains forward-looking statements about our financial results, which may include expected GAAP and non-GAAP financial and other operating and non-operating results, including revenue, net income, diluted earnings per share, operating cash flow growth, operating margin improvement, deferred revenue growth, expected revenue run rate, expected tax rates, share-based compensation expenses, amortization of purchased intangibles, amortization of debt discount and shares outstanding. The achievement or success of the matters covered by such forward-looking statements involves risks, uncertainties and assumptions. If any such risks or uncertainties materialize or if any of the assumptions prove incorrect, the company's results could differ materially from the results expressed or implied by the forward-looking statements we make.

This press release contains forward-looking statements about our financial results, which may include expected GAAP and non-GAAP financial and other operating and non-operating results, including revenue, net income, diluted earnings per share, operating cash flow growth, operating margin improvement, deferred revenue growth, expected revenue run rate, expected tax rates, share-based compensation expenses, amortization of purchased intangibles, amortization of debt discount and shares outstanding. The achievement or success of the matters covered by such forward-looking statements involves risks, uncertainties

and assumptions. If any such risks or uncertainties materialize or if any of the assumptions prove incorrect, the company's results could differ materially from the results expressed or implied by the forward-looking statements we make. The risks and uncertainties referred to above include -- but are not limited to -- risks associated with possible fluctuations in the company's financial and operating results; the company's rate of growth and anticipated revenue run rate, including impact of the current environment, the spread of major epidemics (including Coronavirus) and other related uncertainties such as government-imposed travel restrictions, interruptions to supply chains and extended shut down of businesses, reductions in employment and an increase in business failures, specifically among our clients, the company's ability to convert deferred revenue and unbilled deferred revenue into revenue and cash flow, and ability to maintain continued growth of deferred revenue and unbilled deferred revenue; foreign currency exchange rates; errors, interruptions or delays in the company's services or the company's Web hosting; breaches of the company's security measures; changes in the forgiveness provisions for loans under the Paycheck Protection Program; domestic and international regulatory developments, including changes to or applicability to our business of privacy and data securities laws, money transmitter laws and anti-money laundering laws; the financial and other impact of any previous and future acquisitions; the nature of the company's business model, including risks related to government contracts; the company's ability to continue to release, gain customer acceptance of and provide support for new and improved versions of the company's services; successful customer deployment and utilization of the company's existing and future services; changes in the company's sales cycle; competition; various financial aspects of the company's subscription model; unexpected increases in attrition or decreases in new business; the company's ability to realize benefits from strategic partnerships and strategic investments; the emerging markets in which the company operates; unique aspects of entering or expanding in international markets, including the compliance with United States export control laws, the company's ability to hire, retain and motivate employees and manage the company's growth; changes in the company's customer base; technological developments; litigation and any related claims, negotiations and settlements, including with respect to intellectual property matters or industry-specific regulations; unanticipated changes in the company's effective tax rate; factors affecting the company's outstanding convertible notes, term loan, and revolving credit facility; fluctuations in the number of company shares outstanding and the price of such shares; collection of receivables; interest rates; factors affecting the company's deferred tax assets and ability to value and utilize them; the potential negative impact of indirect tax exposure; the risks and expenses associated with the company's real estate and office facilities space; and general developments in the economy, financial markets, credit markets and the impact of current and future accounting pronouncements and other financial reporting standards. Further information on these and other factors that could affect the company's financial results is included in the reports on Forms 10-K, 10-Q and 8-K, and in other filings we make with the Securities and Exchange Commission from time to time. These documents are available on the SEC Filings section of the Investor Information section of the company's website at investor.asuresoftware.com. Asure Software assumes no obligation and does not intend to update these forward-looking statements, except as required by law.

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**ASURE SOFTWARE, INC.**
**CONDENSED CONSOLIDATED BALANCE SHEETS**
**(Amounts in thousands)**

| | March 31, 2021 (unaudited) | December 31, 2020 |
|---|---|---|
| **Assets** | | |
| Current assets: | | |
| Cash and cash equivalents | $ 24,290 | $ 28,577 |
| Accounts receivable, net of allowance for doubtful accounts of $1,909 and $2,194 at March 31, 2021 and December 31, 2020, respectively | 3,873 | 3,354 |
| Inventory | 349 | 449 |
| Prepaid expenses and other current assets | 3,372 | 3,284 |
| **Total current assets before funds held for clients** | 31,884 | 35,664 |
| Funds held for clients | 254,492 | 321,069 |
| **Total current assets** | 286,376 | 356,733 |
| Property and equipment, net | 8,662 | 8,281 |
| Goodwill | 73,958 | 73,958 |
| Intangible assets, net | 61,646 | 64,552 |
| Operating lease assets, net | 6,354 | 6,450 |
| Other assets, net | 4,107 | 3,953 |
| **Total assets** | $ 441,103 | $ 513,927 |

| | | |
|---|---|---|
| **Liabilities and stockholders' equity** | | |
| Current liabilities: | | |
| Current portion of notes payable | $ 11,901 | $ 12,310 |
| Accounts payable | 750 | 1,288 |
| Accrued compensation and benefits | 3,610 | 2,916 |
| Operating lease liabilities, current | 1,985 | 1,833 |
| Other accrued liabilities | 1,064 | 1,380 |
| Contingent purchase obligation | 3,880 | 3,880 |
| Deferred revenue | 1,605 | 4,343 |
| **Total current liabilities before client fund obligations** | 24,795 | 27,950 |
| Client fund obligations | 254,241 | 320,577 |
| **Total current liabilities** | 279,036 | 348,527 |
| Long-term liabilities: | | |
| Deferred revenue | 86 | 111 |
| Deferred tax liability | 985 | 888 |
| Notes payable, net of current portion | 10,683 | 12,225 |
| Operating lease liabilities, noncurrent | 5,076 | 5,366 |
| Other liabilities | 586 | 1,157 |
| **Total long-term liabilities** | 17,416 | 19,747 |
| **Total liabilities** | 296,452 | 368,274 |
| **Commitments** | | |
| Stockholders' equity: | | |
| Preferred stock, $0.01 par value; 1,500 shares authorized; none issued or outstanding | — | — |
| Common stock, $0.01 par value; 44,000 and 22,000 shares authorized; 19,405 and 19,354 shares issued, 19,021 and 18,970 shares outstanding at March 31, 2021 and December 31, 2020, respectively | 194 | 193 |
| Treasury stock at cost, 384 shares at March 31, 2021 and December 31, 2020 | (5,017) | (5,017) |
| Additional paid-in capital | 420,561 | 419,827 |
| Accumulated deficit | (271,552) | (269,954) |
| Accumulated other comprehensive income | 465 | 604 |
| **Total stockholders' equity** | 144,651 | 145,653 |
| **Total liabilities and stockholders' equity** | $ 441,103 | $ 513,927 |

**ASURE SOFTWARE, INC.**
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**
(Amounts in thousands, except share and per share data)

| | Three Months Ended March 31, | |
|---|---|---|
| | **2021** | **2020** |
| **Revenue:** | | |
| Recurring | $ 19,242 | $ 18,436 |
| Professional services, hardware and other | 560 | 511 |
| **Total revenue** | 19,802 | 18,947 |
| **Cost of Sales** | 7,310 | 7,840 |
| **Gross profit** | 12,492 | 11,107 |
| **Operating expenses:** | | |
| Sales and marketing | 3,611 | 3,575 |
| General and administrative | 6,498 | 5,522 |
| Research and development | 1,124 | 1,174 |
| Amortization of intangible assets | 2,528 | 2,349 |
| **Total operating expenses** | 13,761 | 12,620 |
| **Loss from operations** | (1,269) | (1,513) |
| **Other expenses** | | |
| Interest (expense) income and other, net | (224) | (235) |

| | | |
|---|---|---|
| **Loss from operations before income taxes** | (1,493) | (1,748) |
| Income tax expense | 105 | 19 |
| **Net loss** | (1,598) | (1,767) |
| **Other comprehensive income:** | | |
| Unrealized gain on marketable securities | (139) | 65 |
| **Comprehensive loss** | $ (1,737) | $ (1,702) |
| | | |
| **Basic and diluted net loss per share** | | |
| Basic | $ (0.08) | $ (0.11) |
| Diluted | $ (0.08) | $ (0.11) |
| | | |
| **Weighted average basic and diluted shares** | | |
| Basic | 19,007,000 | 15,727,000 |
| Diluted | 19,007,000 | 15,727,000 |

**ASURE SOFTWARE, INC.**
**CONSOLIDATED STATEMENTS OF CASH FLOWS**
(Amounts in thousands)

| | Three Months Ended March 31, | |
|---|---|---|
| | **2021** | **2020** |
| **Cash flows from operating activities:** | | |
| Net loss | $ (1,598) | $ (1,767) |
| Adjustments to reconcile loss to net cash (used in) provided by operations: | | |
| Depreciation and amortization | 3,862 | 3,516 |
| Amortization of operating lease assets | 421 | 386 |
| Amortization of debt financing costs and discount | 30 | 75 |
| Provision for doubtful accounts | 1 | 75 |
| Provision for deferred income taxes | 98 | 8 |
| Gain on modification of debt | — | (36) |
| Share-based compensation | 626 | 438 |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | (210) | 806 |
| Inventory | 44 | 84 |
| Prepaid expenses and other assets | (552) | (900) |
| Accounts payable | (538) | (982) |
| Accrued expenses and other long-term obligations | (195) | (1,392) |
| Operating lease liabilities | (462) | (405) |
| Deferred revenue | (2,762) | (3,309) |
| **Net cash used in operating activities** | **(1,235)** | **(3,403)** |
| **Cash flows from investing activities:** | | |
| Acquisition of intangible asset | — | (1,823) |
| Purchases of property and equipment | (48) | (241) |
| Software capitalization costs | (1,233) | (844) |
| Net change in funds held for clients | 66,439 | 27,714 |
| **Net cash provided by investing activities** | **65,158** | **24,806** |
| **Cash flows from financing activities:** | | |
| Payments of notes payable | (1,981) | (1,784) |
| Debt financing fees | — | (20) |
| Net proceeds from issuance of common stock | 108 | 106 |
| Net change in client fund obligations | (66,337) | (27,751) |
| **Net cash used in financing activities** | **(68,210)** | **(29,449)** |
| **Net decrease in cash and cash equivalents** | **(4,287)** | **(8,046)** |
| **Cash and cash equivalents at beginning of period** | **28,577** | **28,826** |
| **Cash and cash equivalents at end of period** | **$ 24,290** | **$ 20,780** |

**Reconciliation of GAAP to Non-GAAP**

(In thousands, except for per shared data)

| | Q1 2020 | Q2 2020 | Q3 2020 | Q4 2020 | Total 2020 | Q1 2021 |
|---|---|---|---|---|---|---|
| **Total Revenue** | **$18,947** | **$14,115** | **$16,015** | **$16,430** | **$65,507** | **$19,802** |
| | | | | | | |
| **GAAP to Non-GAAP Gross Profit** | | | | | | |
| **GAAP Gross Profit** | **$11,107** | **$8,107** | **$9,073** | **$9,806** | **$38,093** | **$12,492** |
| *GAAP Gross Margin* | *58.6%* | *57.4%* | *56.7%* | *59.7%* | *58.2%* | *63.1%* |
| Share-based Compensation | $22 | $21 | $33 | $24 | $100 | $23 |
| Depreciation | $495 | $537 | $787 | $703 | $2,522 | $762 |
| Amortization - intangibles | $431 | $397 | $397 | $379 | $1,604 | $379 |
| One Time Product Royalties | $91 | $67 | $0 | $0 | $158 | $0 |
| **Non-GAAP Gross Profit** | **$12,146** | **$9,130** | **$10,290** | **$10,911** | **$42,477** | **$13,655** |
| *Non-GAAP Gross Margin* | *64.1%* | *64.7%* | *64.3%* | *66.4%* | *64.8%* | *69.0%* |
| | | | | | | |
| **GAAP NI to Non-GAAP EBITDA** | | | | | | |
| **GAAP Net Income (Loss)** | **$(1,767)** | **$(3,944)** | **$(4,759)** | **$(5,842)** | **$(16,311)** | **$(1,598)** |
| Interest Expense & Other, Net | $235 | $164 | $408 | $279 | $1,086 | $224 |
| Taxes based on a 0% tax rate | $19 | $377 | $(325) | $266 | $337 | $105 |
| Depreciation | $735 | $793 | $1,043 | $934 | $3,504 | $956 |
| Amortization - intangibles | $2,780 | $2,746 | $2,821 | $2,804 | $11,151 | $2,907 |
| **EBITDA** | **$2,002** | **$136** | **$(812)** | **$(1,559)** | **$(232)** | **$2,593** |
| *EBITDA Margin* | *10.6%* | *1.0%* | *(5.1)%* | *(9.5)%* | *(0.4)%* | *13.1%* |
| Share-based Compensation | $438 | $588 | $707 | $631 | $2,365 | $626 |
| One Time Expenses | $1,845 | $685 | $1,117 | $2,071 | $5,718 | $202 |
| **Non-GAAP EBITDA** | **$4,285** | **$1,409** | **$1,012** | **$1,143** | **$7,850** | **$3,421** |
| *Non-GAAP EBITDA Margin* | *22.6%* | *10.0%* | *6.3%* | *7.0%* | *12.0%* | *17.3%* |
| | | | | | | |
| GAAP NI to Non-GAAP NI | | | | | | |
| **GAAP Net Income (Loss)** | **$(1,767)** | **$(3,944)** | **$(4,759)** | **$(5,842)** | **$(16,311)** | **$(1,598)** |
| Share Count | 15,727 | 15,779 | 15,873 | 16,258 | 15,910 | 19,007 |
| **GAAP EPS** | **$(0.11)** | **$(0.25)** | **$(0.30)** | **$(0.36)** | **$(1.03)** | **$(0.08)** |
| Share-based Compensation | $438 | $588 | $707 | $631 | $2,365 | $626 |
| Amortization - intangibles | $2,780 | $2,746 | $2,821 | $2,804 | $11,151 | $2,907 |
| One Time Expenses | $1,845 | $685 | $1,117 | $2,071 | $5,718 | $202 |
| Taxes based on a 0% tax rate | $19 | $377 | $(325) | $266 | $337 | $105 |
| **Non-GAAP Net Income (Loss)** | **$3,315** | **$452** | **$(439)** | **$(69)** | **$3,260** | **$2,242** |
| Share Count | 15,914 | 15,899 | 15,873 | 16,258 | 16,013 | 19,200 |
| **Non-GAAP EPS** | **$0.21** | **$0.03** | **$(0.03)** | **$0.00** | **$0.20** | **$0.12** |

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