



SUPPLEMENTAL INFORMATION

March 31, 2020

Leading With Empathy In Response To COVID-19

Employees

- Implemented work-from-home (WFH) policy earlier than mandated and halted all business travel to ensure employee safety
- Continuous communications to employees from leadership team
- Numerous resources to assist in maintaining work-life balance and well being, including telemedicine
- Expanding WFH flexibility going forward


Customers

- Maintained high quality of service amidst a surge in gross merchandise value, powered by our cloud-based model and dedicated team
- Over \$1 million in relief for certain customers experiencing demonstrated hardship
- Steady flow of blog content and guidance oriented to help customers navigate the crisis
- Shifted from planned in person CONNECT conferences in EMEA and US to a new, online event now planned for September

Community

- Implemented WFH policy earlier than mandated to support efforts aimed at slowing virus transmission
- Employees are giving back in various way, including donations exceeding \$18,000 in support of North Carolina based restaurants and healthcare workers, home of our headquarter operations
- Continue to emphasize community safety, maintaining WFH and targeting a phased return to the office

		QTD	QTD	QTD	QTD	QTD	QTD	QTD	QTD	QTD
		March 31,	December 31,	September 30,	June 30,	March 31,	December 31,	September 30,	June 30,	March 31,
		2020	2019	2019	2019	2019	2018	2018	2018	2018
Revenue (\$000s) (1)	Retailer	\$ 19,715	\$ 21,940	\$ 20,300	\$ 21,002	\$ 21,074	\$ 23,289	\$ 22,089	\$ 22,017	\$ 22,597
	Brands	10,286	11,152	9,341	9,127	8,850	9,345	8,236	8,053	6,994
	Other	2,031	1,683	2,037	1,803	1,650	2,155	1,999	2,590	1,854
	Total Revenue	\$ 32,032	\$ 34,775	\$ 31,678	\$ 31,932	\$ 31,574	\$ 34,789	\$ 32,324	\$ 32,660	\$ 31,445
	Total Revenue Y/Y Change	1.5 %	— %	(2.0)%	(2.2)%	0.4 %	2.0 %	7.4%	8.9%	11.0%
	Brands Percent of Total Revenue	32.1 %	32.1 %	29.5 %	28.6 %	28.0 %	26.9 %	25.5%	24.7%	22.2%
	Fixed Revenue	\$ 25,817	\$ 26,405	\$ 25,831	\$ 25,697	\$ 25,450	\$ 25,658	\$ 25,706	\$ 24,766	\$ 23,965
	Percent of Total Revenue	80.6 %	75.9 %	81.5 %	80.5 %	80.6 %	73.8 %	79.5%	75.8%	76.2%
	Fixed Revenue Y/Y Change	1.4 %	2.9 %	0.5 %	3.8 %	6.2 %	2.9 %	7.0%	9.7%	8.4%
	Variable Revenue	\$ 6,215	\$ 8,370	\$ 5,847	\$ 6,235	\$ 6,124	\$ 9,131	\$ 6,618	\$ 7,894	\$ 7,480
Percent of Total Revenue	19.4 %	24.1 %	18.5 %	19.5 %	19.4 %	26.2 %	20.5%	24.2%	23.8%	
Variable Revenue Y/Y Change	1.5 %	(8.3)%	(11.7)%	(21.0)%	(18.1)%	(0.4)%	6.5%	6.3%	20.2%	
Revenue, TTM Basis (\$000s) (2)	Retailer	\$ 82,957	\$ 84,316	\$ 85,665	\$ 87,454	\$ 88,469	\$ 89,992	\$ 91,440	\$ 91,507	\$ 91,865
	Brands	39,906	38,470	36,663	35,558	34,484	32,628	31,027	29,226	26,796
	Other	7,534	7,173	7,645	7,607	8,394	8,598	8,067	7,574	6,990
	Total Revenue	\$ 130,417	\$ 129,959	\$ 129,973	\$ 130,619	\$ 131,347	\$ 131,218	\$ 130,534	\$ 128,307	\$ 125,651
	TTM Revenue Y/Y Change	(0.7)%	(1.0)%	(0.4)%	1.8 %	4.5 %	7.1 %	8.6%	8.7%	9.1%
Brands Percent of Total Revenue	30.6 %	29.6 %	28.2 %	27.2 %	26.3 %	24.9 %	23.8%	22.8%	21.3%	
Financial Metrics (\$000s, except shares, EPS or as noted) (3)	Non-GAAP Gross Profit	\$ 25,288	\$ 27,893	\$ 24,834	\$ 25,027	\$ 24,430	\$ 27,526	\$ 25,016	\$ 25,777	\$ 24,309
	Non-GAAP Gross Margin	78.9 %	80.2 %	78.4 %	78.4 %	77.4 %	79.1 %	77.4%	78.9%	77.3%
	Non-GAAP Operating Income (Loss)	\$ 5,007	\$ 8,055	\$ 3,547	\$ 1,387	\$ 1,098	\$ 3,782	\$ 733	\$ (418)	\$ (418)
	Non-GAAP Net Income (Loss)	\$ 4,921	\$ 7,861	\$ 3,495	\$ 1,463	\$ 1,069	\$ 3,769	\$ 687	\$ (448)	\$ (424)
	Diluted Weighted Average Common Shares Outstanding	29,047,028	28,926,527	28,754,679	28,796,966	28,955,285	28,731,489	28,867,276	27,180,435	26,739,331
	Non-GAAP Diluted EPS	\$ 0.17	\$ 0.27	\$ 0.12	\$ 0.05	\$ 0.04	\$ 0.13	\$ 0.02	\$ (0.02)	\$ (0.02)
	Adjusted EBITDA (4)	\$ 6,493	\$ 9,352	\$ 5,167	\$ 3,015	\$ 2,624	\$ 5,374	\$ 2,305	\$ 1,060	\$ 1,043
	Adjusted EBITDA as a Percentage of Revenue	20.3 %	26.9 %	16.3 %	9.4 %	8.3 %	15.4 %	7.1%	3.2%	3.3%
TTM Adjusted EBITDA (2)	\$ 24,027	\$ 20,158	\$ 16,180	\$ 13,318	\$ 11,363	\$ 9,782	\$ 8,301	\$ 6,356	\$ 6,412	
Cash and Cash Equivalents at Period End (\$M)	\$ 56.3	\$ 51.8	\$ 48.2	\$ 49.0	\$ 48.4	\$ 47.2	\$ 48.9	\$ 50.9	\$ 54.7	



(1) All revenue numbers are presented on a GAAP basis.

(2) Figures presented on a trailing twelve month, or TTM, basis.

(3) Financial Metrics, except for weighted average common shares outstanding and cash and cash equivalents, are provided on a Non-GAAP basis. Non-GAAP measures exclude certain non-cash items such as stock-based compensation expense and other one-time items. For reconciliations of Non-GAAP to GAAP, see the subsequent pages of this document.

(4) Adjusted EBITDA is defined as net loss plus or minus: income tax expense (benefit), interest (income) expense, net, depreciation and amortization, and stock-based compensation. For some periods, nonrecurring costs, such as: severance and related costs; a one-time charge for VDAs and settlement of an audit related to sales taxes; headquarters relocation and related costs; or acquisition-related costs have also been excluded.

GAAP Statement of Operations - Quarterly									
	QTD	QTD	QTD	QTD	QTD	QTD	QTD	QTD	QTD
<i>(unaudited)</i> <i>(in thousands, except share and per share amounts)</i>	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018	March 31, 2018
Revenue	\$ 32,032	\$ 34,775	\$ 31,678	\$ 31,932	\$ 31,574	\$ 34,789	\$ 32,324	\$ 32,660	\$ 31,445
Cost of revenue	7,063	7,132	7,251	7,096	7,529	7,567	7,606	6,975	7,353
Gross profit	24,969	27,643	24,427	24,836	24,045	27,222	24,718	25,685	24,092
Operating expenses:									
Sales and marketing	12,340	12,005	12,403	14,092	14,313	14,295	14,921	15,974	14,890
Research and development	4,801	4,039	4,803	5,025	5,333	5,370	5,350	5,737	5,902
General and administrative	5,735	5,864	5,440	7,133	6,699	6,937	6,688	6,708	6,451
Total operating expenses	22,876	21,908	22,646	26,250	26,345	26,602	26,959	28,419	27,243
Income (loss) from operations	2,093	5,735	1,781	(1,414)	(2,300)	620	(2,241)	(2,734)	(3,151)
Other income (expense):									
Interest income (expense), net	126	155	205	211	183	159	120	106	125
Other income (expense), net	8	(353)	(44)	32	(20)	7	22	(1)	(19)
Total other income (expense)	134	(198)	161	243	163	166	142	105	106
Income (loss) before income taxes	2,227	5,537	1,942	(1,171)	(2,137)	786	(2,099)	(2,629)	(3,045)
Income tax expense	220	117	213	167	192	179	188	135	112
Net income (loss)	\$ 2,007	\$ 5,420	\$ 1,729	\$ (1,338)	\$ (2,329)	\$ 607	\$ (2,287)	\$ (2,764)	\$ (3,157)
Net income (loss) per share:									
Basic	\$ 0.07	\$ 0.19	\$ 0.06	\$ (0.05)	\$ (0.08)	\$ 0.02	\$ (0.08)	\$ (0.10)	\$ (0.12)
Diluted	\$ 0.07	\$ 0.19	\$ 0.06	\$ (0.05)	\$ (0.08)	\$ 0.02	\$ (0.08)	\$ (0.10)	\$ (0.12)
Weighted average common shares outstanding:									
Basic	28,161,765	28,069,017	28,049,199	27,925,728	27,493,049	27,330,983	27,294,134	27,180,435	26,739,331
Diluted	29,047,028	28,926,517	28,754,679	27,925,728	27,493,049	28,731,489	27,294,134	27,180,435	26,739,331
Stock-based compensation by expense category is as follows:									
Cost of revenue	\$ 319	\$ 250	\$ 169	\$ 191	\$ 385	\$ 304	\$ 298	\$ 92	\$ 217
Sales and marketing	740	612	—	737	1,036	661	1,003	728	752
Research and development	680	202	454	512	730	567	581	355	649
General and administrative	1,175	912	178	1,361	1,247	1,043	1,092	1,141	1,115
Total stock-based compensation	\$ 2,914	\$ 1,976	\$ 801	\$ 2,801	\$ 3,398	\$ 2,575	\$ 2,974	\$ 2,316	\$ 2,733
Depreciation and amortization by expense category is as follows:									
Cost of revenue	\$ 976	\$ 995	\$ 1,046	\$ 978	\$ 923	\$ 939	\$ 919	\$ 875	\$ 877
Sales and marketing	155	168	205	196	206	226	224	214	220
Research and development	70	76	94	93	90	91	92	90	98
General and administrative	277	291	319	329	327	329	315	300	285
Total depreciation and amortization	\$ 1,478	\$ 1,530	\$ 1,664	\$ 1,596	\$ 1,546	\$ 1,585	\$ 1,550	\$ 1,479	\$ 1,480

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

	QTD		QTD		QTD		QTD		QTD	
<i>(unaudited)</i> <i>(in thousands)</i>	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018	March 31, 2018	
Revenue	\$ 32,032	\$ 34,775	\$ 31,678	\$ 31,932	\$ 31,574	\$ 34,789	\$ 32,324	\$ 32,660	\$ 31,445	
Cost of revenue	6,744	6,882	6,844	6,905	7,144	7,263	7,308	6,883	7,136	
Gross profit	25,288	27,893	24,834	25,027	24,430	27,526	25,016	25,777	24,309	
Operating expenses:										
Sales and marketing	11,600	11,392	12,033	13,355	13,277	13,634	13,918	15,246	14,138	
Research and development	4,121	3,837	4,207	4,513	4,603	4,803	4,769	5,382	5,253	
General and administrative	4,560	4,609	5,047	5,772	5,452	5,307	5,596	5,567	5,336	
Total operating expenses	20,281	19,838	21,287	23,640	23,332	23,744	24,283	26,195	24,727	
Income (loss) from operations	5,007	8,055	3,547	1,387	1,098	3,782	733	(418)	(418)	
Other income (expense):										
Interest income (expense), net	126	155	205	211	183	159	120	106	125	
Other (expense) income, net	8	(232)	(44)	32	(20)	7	22	(1)	(19)	
Total other (expense) income, net	134	(77)	161	243	163	166	142	105	106	
Income (loss) before income taxes	5,141	7,978	3,708	1,630	1,261	3,948	875	(313)	(312)	
Income tax expense	220	117	213	167	192	179	188	135	112	
Net income (loss)	\$ 4,921	\$ 7,861	\$ 3,495	\$ 1,463	\$ 1,069	\$ 3,769	\$ 687	\$ (448)	\$ (424)	

	GAAP to Non-GAAP Reconciliation - Quarterly									
	QTD	QTD	QTD	QTD	QTD	QTD	QTD	QTD	QTD	QTD
	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018	March 31, 2018	
<i>(unaudited)</i> <i>(in thousands)</i>										
GAAP Gross profit as reported	\$ 24,969	\$ 27,643	\$ 24,427	\$ 24,836	\$ 24,045	\$ 27,222	\$ 24,718	\$ 25,685	\$ 24,092	
Add: Stock-based compensation - Cost of revenue	319	250	169	191	385	304	298	92	217	
Add: Non-recurring severance and related costs - Cost of revenue	—	—	238	—	—	—	—	—	—	
Non-GAAP Gross profit	\$ 25,288	\$ 27,893	\$ 24,834	\$ 25,027	\$ 24,430	\$ 27,526	\$ 25,016	\$ 25,777	\$ 24,309	
GAAP Income (loss) from operations as reported	\$ 2,093	\$ 5,735	\$ 1,781	\$ (1,414)	\$ (2,300)	\$ 620	\$ (2,241)	\$ (2,734)	\$ (3,151)	
Add: Stock-based compensation - Cost of revenue	319	250	169	191	385	304	298	92	217	
Add: Stock-based compensation - S&M	740	612	—	737	1,036	661	1,003	728	752	
Add: Stock-based compensation - R&D	680	202	454	512	730	567	581	355	649	
Add: Stock-based compensation - G&A	1,175	912	178	1,361	1,247	1,043	1,092	1,141	1,115	
Add: Non-recurring severance and related costs - Cost of revenue	—	—	238	—	—	—	—	—	—	
Add: Non-recurring severance and related costs - S&M	—	—	370	—	—	—	—	—	—	
Add: Non-recurring severance and related costs - R&D	—	—	142	—	—	—	—	—	—	
Add: Non-recurring severance and related costs - G&A	—	344	215	—	—	587	—	—	—	
Non-GAAP Income (loss) from operations	\$ 5,007	\$ 8,055	\$ 3,547	\$ 1,387	\$ 1,098	\$ 3,782	\$ 733	\$ (418)	\$ (418)	

Reconciliation of Trailing Twelve Month (TTM) GAAP Net Income (Loss) to Adjusted EBITDA for Period Ended March 31, 2020

	QTD	QTD	QTD	QTD	TTM
<i>(unaudited)</i> <i>(in thousands)</i>	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2020
Net income (loss) (GAAP)	\$ 2,007	\$ 5,420	\$ 1,729	\$ (1,338)	\$ 7,818
Adjustments:					
Interest (income) expense, net	(126)	(155)	(205)	(211)	(697)
Income tax expense	220	117	213	167	717
Depreciation and amortization expense	1,478	1,530	1,664	1,596	6,268
Total adjustments	1,572	1,492	1,672	1,552	6,288
EBITDA	3,579	6,912	3,401	214	14,106
Stock-based compensation expense	2,914	1,976	801	2,801	8,492
Non-recurring severance and related costs	—	464	965	—	1,429
Adjusted EBITDA	\$ 6,493	\$ 9,352	\$ 5,167	\$ 3,015	\$ 24,027