



RMNI Q1-2024, 8K EARNING
RELEASE EXHIBIT 99.1



RIMINI STREET, INC.
Unaudited Condensed Consolidated Balance Sheets
(In thousands, except per share amounts)

ASSETS	March 31, 2024	December 31, 2023
Current assets:		
Cash and cash equivalents	\$ 129,005	\$ 115,424
Restricted cash	428	428
Accounts receivable, net of allowance of \$629 and \$656, respectively	78,785	119,430
Deferred contract costs, current	17,215	17,934
Short-term investments	—	9,826
Prepaid expenses and other	22,948	25,647
Total current assets	248,381	288,689
Long-term assets:		
Property and equipment, net of accumulated depreciation and amortization of \$19,030 and \$18,231, respectively	10,713	10,496
Operating lease right-of-use assets	5,257	5,941
Deferred contract costs, noncurrent	21,769	23,559
Deposits and other	5,506	6,109
Deferred income taxes, net	59,569	59,002
Total assets	\$ 351,195	\$ 393,796
LIABILITIES, REDEEMABLE PREFERRED STOCK AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Current maturities of long-term debt	\$ 5,914	\$ 5,912
Accounts payable	3,612	5,997
Accrued compensation, benefits and commissions	31,005	38,961
Other accrued liabilities	17,959	18,128
Operating lease liabilities, current	4,357	4,321
Deferred revenue, current	229,988	263,115
Total current liabilities	292,835	336,434
Long-term liabilities:		
Long-term debt, net of current maturities	62,781	64,228
Deferred revenue, noncurrent	24,318	23,859
Operating lease liabilities, noncurrent	5,815	6,841
Other long-term liabilities	1,758	1,930
Total liabilities	387,507	433,292
Stockholders' deficit:		
Preferred Stock, \$0.0001 par value per share. Authorized 99,820 shares (excluding 180 shares of Series A Preferred Stock); no other series has been designated	—	—
Common Stock, \$0.0001 par value. Authorized 1,000,000 shares; issued and outstanding 89,931 and 89,595 shares, respectively	9	9
Additional paid-in capital	170,546	167,988
Accumulated other comprehensive loss	(4,858)	(4,167)
Accumulated deficit	(200,893)	(202,210)
Treasury stock, at cost	(1,116)	(1,116)
Total stockholders' deficit	(36,312)	(39,496)
Total liabilities and stockholders' deficit	\$ 351,195	\$ 393,796

RIMINI STREET, INC.
Unaudited Condensed Consolidated Statements of Operations
(In thousands, except per share amounts)

	Three Months Ended	
	March 31,	
	2024	2023
Revenue	\$ 106,745	\$ 105,512
Cost of revenue	42,914	39,343
Gross profit	<u>63,831</u>	<u>66,169</u>
Operating expenses:		
Sales and marketing	39,141	34,479
General and administrative	18,401	18,227
Reorganization costs	—	59
Litigation costs and related recoveries:		
Professional fees and other costs of litigation	2,926	2,719
Litigation costs and related recoveries, net	2,926	2,719
Total operating expenses	<u>60,468</u>	<u>55,484</u>
Operating income	3,363	10,685
Non-operating income and (expenses):		
Interest expense	(1,341)	(1,339)
Other income (expenses), net	964	528
Income before income taxes	2,986	9,874
Income taxes	<u>(1,669)</u>	<u>(4,235)</u>
Net income	<u>\$ 1,317</u>	<u>\$ 5,639</u>
Net income attributable to common stockholders	<u>\$ 1,317</u>	<u>\$ 5,639</u>
Net income per share attributable to common stockholders:		
Basic	<u>\$ 0.01</u>	<u>\$ 0.06</u>
Diluted	<u>\$ 0.01</u>	<u>\$ 0.06</u>
Weighted average number of shares of Common Stock outstanding:		
Basic	<u>89,754</u>	<u>88,690</u>
Diluted	<u>90,560</u>	<u>89,061</u>

RIMINI STREET, INC.
GAAP to Non-GAAP Reconciliations
(In thousands)

	Three Months Ended	
	March 31,	
	2024	2023
Non-GAAP operating income reconciliation:		
Operating income	\$ 3,363	\$ 10,685
Non-GAAP adjustments:		
Litigation costs and related recoveries, net	2,926	2,719
Stock-based compensation expense	2,558	1,976
Reorganization costs	—	59
Non-GAAP operating income	<u>\$ 8,847</u>	<u>\$ 15,439</u>
Non-GAAP net income reconciliation:		
Net income	\$ 1,317	\$ 5,639
Non-GAAP adjustments:		
Litigation costs and related recoveries, net	2,926	2,719
Stock-based compensation expense	2,558	1,976
Reorganization costs	—	59
Non-GAAP net income	<u>\$ 6,801</u>	<u>\$ 10,393</u>
Non-GAAP Adjusted EBITDA reconciliation:		
Net income	\$ 1,317	\$ 5,639
Non-GAAP adjustments:		
Interest expense	1,341	1,339
Income taxes	1,669	4,235
Depreciation and amortization expense	873	613
EBITDA	5,200	11,826
Non-GAAP adjustments:		
Litigation costs and related recoveries, net	2,926	2,719
Stock-based compensation expense	2,558	1,976
Reorganization costs	—	59
Adjusted EBITDA	<u>\$ 10,684</u>	<u>\$ 16,580</u>
Calculated Billings:		
Revenue	\$ 106,745	\$ 105,512
Deferred revenue, current and noncurrent, end of the period	254,306	287,381
Deferred revenue, current and noncurrent, beginning of the period	286,974	299,921
Change in deferred revenue	(32,668)	(12,540)
Calculated billings	<u>\$ 74,077</u>	<u>\$ 92,972</u>

About Non-GAAP Financial Measures and Certain Key Metrics

To provide investors and others with additional information regarding Rimini Street's results, we have disclosed the following non-GAAP financial measures and certain key metrics. We have described below Active Clients, Annualized Recurring Revenue and Revenue Retention Rate, each of which is a key operational metric for our business. In addition, we have disclosed the following non-GAAP financial measures: non-GAAP operating income, non-GAAP net income, EBITDA, Adjusted EBITDA and Billings. Rimini Street has provided in the tables above a reconciliation of each non-GAAP financial measure used in this earnings release to the most directly comparable GAAP financial measure. Due to a valuation allowance for our deferred tax assets, there were no tax effects associated with any of our non-GAAP adjustments. These non-GAAP financial measures are also described below.

The primary purpose of using non-GAAP measures is to provide supplemental information that management believes may prove useful to investors and to enable investors to evaluate our results in the same way management does. We also present the non-GAAP financial measures because we believe they assist investors in comparing our performance across reporting periods on a consistent basis, as well as comparing our results against the results of other companies, by excluding items that we do not believe are indicative of our core operating performance. Specifically, management uses these non-GAAP measures as measures of operating performance; to prepare our annual operating budget; to allocate resources to enhance the financial performance of our business; to evaluate the effectiveness of our business strategies; to provide consistency and comparability with past financial performance; to facilitate a comparison of our results with those of other companies, many of which use similar non-GAAP financial measures to supplement their GAAP results; and in communications with our board of directors concerning our financial performance. Investors should be aware however, that not all companies define these non-GAAP measures consistently.

Billings represents the change in deferred revenue for the current period plus revenue for the current period.

Active Client is a distinct entity that purchases our services to support a specific product, including a company, an educational or government institution, or a business unit of a company. For example, we count as two separate active clients when support for two different products is being provided to the same entity. We believe that our ability to expand our active clients is an indicator of the growth of our business, the success of our sales and marketing activities, and the value that our services bring to our clients.

Annualized Recurring Revenue is the amount of subscription revenue recognized during a fiscal quarter and multiplied by four. This gives us an indication of the revenue that can be earned in the following 12-month period from our existing client base assuming no cancellations or price changes occur during that period. Subscription revenue excludes any non-recurring revenue, which has been insignificant to date.

Revenue Retention Rate is the actual subscription revenue (dollar-based) recognized over a 12-month period from customers that were clients on the day prior to the start of such 12-month period, divided by our Annualized Recurring Revenue as of the day prior to the start of the 12-month period.

Non-GAAP Operating Income is operating income adjusted to exclude: litigation costs and related recoveries, net, stock-based compensation expense and reorganization costs. The exclusions are discussed in further detail below.

Non-GAAP Net Income is net income adjusted to exclude: litigation costs and related recoveries, net, stock-based compensation expense and reorganization costs. These exclusions are discussed in further detail below.

Specifically, management is excluding the following items from its non-GAAP financial measures, as applicable, for the periods presented:

Litigation Costs and Related Recoveries, Net: Litigation costs and the associated insurance and appeal recoveries relate to outside costs of litigation activities. These costs and recoveries reflect the ongoing litigation we are involved with, and do not relate to the day-to-day operations or our core business of serving our clients.

Stock-Based Compensation Expense: Our compensation strategy includes the use of stock-based compensation to attract and retain employees. This strategy is principally aimed at aligning the employee interests with those of our stockholders and to achieve long-term employee retention. As a result, stock-based compensation expense varies for reasons that are generally unrelated to operational decisions in any particular period.

Reorganization Costs: The costs consist primarily of severance costs associated with the Company's reorganization plan.

EBITDA is net income adjusted to exclude: interest expense, income taxes, and depreciation and amortization expense.

Adjusted EBITDA is EBITDA adjusted to exclude: litigation costs and related recoveries, net, stock-based compensation expense and reorganization costs, as discussed above.