



RMNI Q1-2023, 8K EARNING
RELEASE EXHIBIT 99.1



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

ASSETS	March 31, 2023	December 31, 2022
Current assets:		
Cash and cash equivalents	\$ 116,169	\$ 109,008
Restricted cash	426	426
Accounts receivable, net of allowance of \$745 and \$723, respectively	89,317	116,093
Deferred contract costs, current	17,184	17,218
Short-term investments	18,785	20,115
Prepaid expenses and other	19,910	18,846
Total current assets	261,791	281,706
Long-term assets:		
Property and equipment, net of accumulated depreciation and amortization of \$16,015 and \$15,441, respectively	6,554	6,113
Operating lease right-of-use assets	6,325	7,142
Deferred contract costs, noncurrent	22,115	23,508
Deposits and other	6,619	7,057
Deferred income taxes, net	64,700	65,515
Total assets	\$ 368,104	\$ 391,041
LIABILITIES, REDEEMABLE PREFERRED STOCK AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Current maturities of long-term debt	\$ 5,349	\$ 4,789
Accounts payable	5,956	8,040
Accrued compensation, benefits and commissions	31,375	37,459
Other accrued liabilities	25,568	32,676
Operating lease liabilities, current	4,047	4,223
Deferred revenue, current	257,329	265,840
Total current liabilities	329,624	353,027
Long-term liabilities:		
Long-term debt, net of current maturities	68,558	70,003
Deferred revenue, noncurrent	30,052	34,081
Operating lease liabilities, noncurrent	8,093	9,094
Other long-term liabilities	1,896	2,006
Total liabilities	438,223	468,211
Stockholders' Deficit:		
Preferred stock, \$0.0001 par value. 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 88,883 and 88,517 shares, respectively	9	9
Additional paid-in capital	158,449	156,401
Accumulated other comprehensive loss	(4,831)	(4,195)
Accumulated deficit	(222,630)	(228,269)
Treasury stock, at cost	(1,116)	(1,116)
Total stockholders' deficit	(70,119)	(77,170)
Total liabilities and stockholders' deficit	\$ 368,104	\$ 391,041

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

	Three Months Ended	
	March 31,	
	2023	2022
Revenue	\$ 105,512	\$ 97,910
Cost of revenue	39,343	37,207
Gross profit	66,169	60,703
Operating expenses:		
Sales and marketing	34,479	31,700
General and administrative	18,227	19,951
Reorganization costs	59	—
Litigation costs and related recoveries:		
Professional fees and other costs of litigation	2,719	3,499
Insurance costs and recoveries, net	—	(389)
Litigation costs and related recoveries, net	2,719	3,110
Total operating expenses	55,484	54,761
Operating income	10,685	5,942
Non-operating income and (expenses):		
Interest expense	(1,339)	(808)
Other income (expenses), net	528	209
Income before income taxes	9,874	5,343
Income taxes	(4,235)	(2,256)
Net income	\$ 5,639	\$ 3,087
Net income attributable to common stockholders	\$ 5,639	\$ 3,087
Net income per share attributable to common stockholders:		
Basic	\$ 0.06	\$ 0.04
Diluted	\$ 0.06	\$ 0.03
Weighted average number of shares of Common Stock outstanding:		
Basic	88,690	87,124
Diluted	89,061	88,485

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

	Three Months Ended	
	March 31,	
	2023	2022
Non-GAAP operating income reconciliation:		
Operating income	\$ 10,685	\$ 5,942
Non-GAAP adjustments:		
Litigation costs and related recoveries, net	2,719	3,110
Stock-based compensation expense	1,976	3,051
Reorganization costs	59	—
Non-GAAP operating income	<u>\$ 15,439</u>	<u>\$ 12,103</u>
Non-GAAP net income reconciliation:		
Net income	\$ 5,639	\$ 3,087
Non-GAAP adjustments:		
Litigation costs and related recoveries, net	2,719	3,110
Stock-based compensation expense	1,976	3,051
Reorganization costs	59	—
Non-GAAP net income	<u>\$ 10,393</u>	<u>\$ 9,248</u>
Non-GAAP Adjusted EBITDA reconciliation:		
Net income	\$ 5,639	\$ 3,087
Non-GAAP adjustments:		
Interest expense	1,339	808
Income taxes	4,235	2,256
Depreciation and amortization expense	613	577
EBITDA	11,826	6,728
Non-GAAP adjustments:		
Litigation costs and related recoveries, net	2,719	3,110
Stock-based compensation expense	1,976	3,051
Reorganization costs	59	—
Adjusted EBITDA	<u>\$ 16,580</u>	<u>\$ 12,889</u>
Billings:		
Revenue	\$ 105,512	\$ 97,910
Deferred revenue, current and noncurrent, as of the end of the period	287,381	300,029
Deferred revenue, current and noncurrent, as of the beginning of the period	299,921	300,268
Change in deferred revenue	<u>(12,540)</u>	<u>(239)</u>
Billings	<u>\$ 92,972</u>	<u>\$ 97,671</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 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.

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 impairment charge related to operating right-of-use assets. The exclusions are discussed in further detail below.

Non-GAAP Net Income is net income adjusted to exclude: litigation costs and related recoveries, net, loss on change in fair value of redeemable warrants, stock-based compensation expense and impairment charge related to operating right-of-use assets. 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, rather than to motivate or reward operational performance for any particular period. As a

result, stock-based compensation expense varies for reasons that are generally unrelated to operational decisions and performance 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.