



RMNI Q2-2022 8K EARNING  
RELEASE EXHIBIT 99.1



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

ASSETS	June 30, 2022	December 31, 2021
<b>Current assets:</b>		
Cash and cash equivalents	\$ 160,217	\$ 119,571
Restricted cash	419	419
Accounts receivable, net of allowance of \$747 and \$576, respectively	87,601	135,447
Deferred contract costs, current	16,282	14,985
Prepaid expenses and other	16,772	16,340
Total current assets	281,291	286,762
<b>Long-term assets:</b>		
Property and equipment, net of accumulated depreciation and amortization of \$14,270 and \$13,278, respectively	4,922	4,435
Operating lease right-of-use assets	11,469	12,722
Deferred contract costs, noncurrent	23,427	21,524
Deposits and other	1,737	1,786
Deferred income taxes, net	63,367	64,033
Total assets	\$ 386,213	\$ 391,262
<b>LIABILITIES, REDEEMABLE PREFERRED STOCK AND STOCKHOLDERS' DEFICIT</b>		
<b>Current liabilities:</b>		
Current maturities of long-term debt	\$ 3,664	\$ 3,664
Accounts payable	5,809	5,708
Accrued compensation, benefits and commissions	38,159	36,558
Other accrued liabilities	23,921	26,124
Operating lease liabilities, current	4,156	4,227
Deferred revenue, current	255,376	253,221
Total current liabilities	331,085	329,502
<b>Long-term liabilities:</b>		
Long-term debt, net of current maturities	72,888	79,655
Deferred revenue, noncurrent	45,011	47,047
Operating lease liabilities, noncurrent	10,860	12,511
Other long-term liabilities	2,856	2,933
Total liabilities	462,700	471,648
<b>Stockholders' Deficit:</b>		
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 87,529 and 87,107 shares, respectively	9	9
Additional paid-in capital	152,147	149,234
Accumulated other comprehensive loss	(4,935)	(2,724)
Accumulated deficit	(225,592)	(225,789)
Treasury stock, at cost	(1,116)	(1,116)
Total stockholders' deficit	(76,487)	(80,386)
Total liabilities and stockholders' deficit	\$ 386,213	\$ 391,262

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

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2022	2021	2022	2021
Revenue	\$ 101,200	\$ 91,614	\$ 199,110	\$ 179,509
Cost of revenue	37,344	34,595	74,551	68,431
Gross profit	63,856	57,019	124,559	111,078
<b>Operating expenses:</b>				
Sales and marketing	36,205	33,157	67,905	63,540
General and administrative	18,862	16,494	38,813	33,097
Impairment charges related operating right of use assets	—	—	—	393
Litigation costs and related recoveries:				
Professional fees and other costs of litigation	3,193	2,786	6,692	7,549
Insurance costs and recoveries, net	(92)	—	(481)	—
Litigation costs and related recoveries, net	3,101	2,786	6,211	7,549
Total operating expenses	58,168	52,437	112,929	104,579
Operating income	5,688	4,582	11,630	6,499
<b>Non-operating income and (expenses):</b>				
Interest expense	(999)	(38)	(1,807)	(85)
Gain (loss) on change in fair value of redeemable warrants	—	3,698	—	(970)
Other income (expenses), net	(1,577)	(496)	(1,368)	276
Income before income taxes	3,112	7,746	8,455	5,720
Income tax expense	(3,002)	(939)	(5,258)	(2,489)
Net income	\$ 110	\$ 6,807	\$ 3,197	\$ 3,231
Net income (loss) attributable to common stockholders	\$ 110	\$ (4,846)	\$ 3,197	\$ (14,691)
Net income (loss) per share attributable to common stockholders:				
Basic	\$ —	\$ (0.06)	\$ 0.04	\$ (0.18)
Diluted	\$ —	\$ (0.06)	\$ 0.04	\$ (0.18)
Weighted average number of shares of Common Stock outstanding:				
Basic	87,225	85,343	87,175	82,056
Diluted	89,339	85,343	88,940	82,056

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

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2022	2021	2022	2021
<b>Non-GAAP operating income reconciliation:</b>				
Operating income	\$ 5,688	\$ 4,582	\$ 11,630	\$ 6,499
Non-GAAP adjustments:				
Litigation costs and related recoveries, net	3,101	2,786	6,211	7,549
Stock-based compensation expense	3,159	2,478	6,210	4,711
Impairment charges related to operating right-of-use assets	—	—	—	393
Non-GAAP operating income	<u>\$ 11,948</u>	<u>\$ 9,846</u>	<u>\$ 24,051</u>	<u>\$ 19,152</u>
<b>Non-GAAP net income reconciliation:</b>				
Net income	\$ 110	\$ 6,807	\$ 3,197	\$ 3,231
Non-GAAP adjustments:				
Litigation costs and related recoveries, net	3,101	2,786	6,211	7,549
Gain (loss) on change in fair value of redeemable warrants	—	(3,698)	—	970
Stock-based compensation expense	3,159	2,478	6,210	4,711
Impairment charges related to operating right-of-use assets	—	—	—	393
Non-GAAP net income	<u>\$ 6,370</u>	<u>\$ 8,373</u>	<u>\$ 15,618</u>	<u>\$ 16,854</u>
<b>Non-GAAP Adjusted EBITDA reconciliation:</b>				
Net income	\$ 110	\$ 6,807	\$ 3,197	\$ 3,231
Non-GAAP adjustments:				
Interest expense	999	38	1,807	85
Income tax expense	3,002	939	5,258	2,489
Depreciation and amortization expense	644	590	1,222	1,174
EBITDA	<u>4,755</u>	<u>8,374</u>	<u>11,484</u>	<u>6,979</u>
Non-GAAP adjustments:				
Litigation costs and related recoveries, net	3,101	2,786	6,211	7,549
Gain (loss) on change in fair value of redeemable warrants	—	(3,698)	—	970
Stock-based compensation expense	3,159	2,478	6,210	4,711
Impairment charges related to operating right-of-use assets	—	—	—	393
Adjusted EBITDA	<u>\$ 11,015</u>	<u>\$ 9,940</u>	<u>\$ 23,905</u>	<u>\$ 20,602</u>
<b>Billings:</b>				
Revenue	\$ 101,200	\$ 91,614	\$ 199,110	\$ 179,509
Deferred revenue, current and noncurrent, as of the end of the period	300,387	265,638	300,387	265,638
Deferred revenue, current and noncurrent, as of the beginning of the period	<u>300,029</u>	<u>249,997</u>	<u>300,268</u>	<u>256,933</u>
Change in deferred revenue	358	15,641	119	8,705
Billings	<u>\$ 101,558</u>	<u>\$ 107,255</u>	<u>\$ 199,229</u>	<u>\$ 188,214</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 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.

*Gain (loss) on Change in Fair Value of Redeemable Warrants:* We have excluded the gains and losses on redeemable warrants related to the change in fair value of these instruments given the financial nature of this fair value requirement. We are not able to manage these amounts as part of our business operations nor are the costs core to servicing our clients and therefore we have excluded them.

*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.

*Impairment Charges Related to Operating Lease Right-of-Use Assets:* This relates to an impairment charge related to our leased assets for a portion of one of our locations as we no longer use the space.

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

**Adjusted EBITDA** is EBITDA adjusted to exclude: litigation costs and related recoveries, net, gain (loss) on change in fair value of redeemable warrants, stock-based compensation expense and impairment charge related to operating right-of-use assets, as discussed above.