



RMNI Q2-2023, 8K EARNING
RELEASE EXHIBIT 99.1



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

ASSETS	June 30, 2023	December 31, 2022
Current assets:		
Cash and cash equivalents	\$ 123,543	\$ 109,008
Restricted cash	427	426
Accounts receivable, net of allowance of \$737 and \$723, respectively	85,065	116,093
Deferred contract costs, current	17,590	17,218
Short-term investments	17,130	20,115
Prepaid expenses and other	21,239	18,846
Total current assets	264,994	281,706
Long-term assets:		
Property and equipment, net of accumulated depreciation and amortization of \$16,670 and \$15,441, respectively	7,134	6,113
Operating lease right-of-use assets	7,138	7,142
Deferred contract costs, noncurrent	22,516	23,508
Deposits and other	8,156	7,057
Deferred income taxes, net	60,919	65,515
Total assets	\$ 370,857	\$ 391,041
LIABILITIES, REDEEMABLE PREFERRED STOCK AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Current maturities of long-term debt	\$ 5,912	\$ 4,789
Accounts payable	4,632	8,040
Accrued compensation, benefits and commissions	33,694	37,459
Other accrued liabilities	21,669	32,676
Operating lease liabilities, current	4,219	4,223
Deferred revenue, current	259,102	265,840
Total current liabilities	329,228	353,027
Long-term liabilities:		
Long-term debt, net of current maturities	67,113	70,003
Deferred revenue, noncurrent	26,222	34,081
Operating lease liabilities, noncurrent	8,532	9,094
Other long-term liabilities	1,823	2,006
Total liabilities	432,918	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 89,085 and 88,517 shares, respectively	9	9
Additional paid-in capital	161,391	156,401
Accumulated other comprehensive loss	(3,983)	(4,195)
Accumulated deficit	(218,362)	(228,269)
Treasury stock, at cost	(1,116)	(1,116)
Total stockholders' deficit	(62,061)	(77,170)
Total liabilities and stockholders' deficit	\$ 370,857	\$ 391,041

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,	
	2023	2022	2023	2022
Revenue	\$ 106,421	\$ 101,200	\$ 211,933	\$ 199,110
Cost of revenue	39,348	37,344	78,691	74,551
Gross profit	67,073	63,856	133,242	124,559
Operating expenses:				
Sales and marketing	37,284	36,205	71,763	67,905
General and administrative	18,865	18,862	37,092	38,813
Reorganization costs	—	—	59	—
Litigation costs and related recoveries:				
Professional fees and other costs of litigation	629	3,193	3,348	6,692
Insurance costs and recoveries, net	—	(92)	—	(481)
Litigation costs and related recoveries, net	629	3,101	3,348	6,211
Total operating expenses	56,778	58,168	112,262	112,929
Operating income	10,295	5,688	20,980	11,630
Non-operating income and (expenses):				
Interest expense	(1,387)	(999)	(2,726)	(1,807)
Other income (expenses), net	280	(1,577)	809	(1,368)
Income before income taxes	9,188	3,112	19,063	8,455
Income taxes	(4,920)	(3,002)	(9,156)	(5,258)
Net income	\$ 4,268	\$ 110	\$ 9,907	\$ 3,197
Net income attributable to common stockholders	\$ 4,268	\$ 110	\$ 9,907	\$ 3,197
Net income per share attributable to common stockholders:				
Basic	\$ 0.05	\$ —	\$ 0.11	\$ 0.04
Diluted	\$ 0.05	\$ —	\$ 0.11	\$ 0.04
Weighted average number of shares of Common Stock outstanding:				
Basic	88,903	87,225	88,797	87,175
Diluted	89,274	89,339	89,251	88,940

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

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2023	2022	2023	2022
Non-GAAP operating income reconciliation:				
Operating income	\$ 10,295	\$ 5,688	\$ 20,980	\$ 11,630
Non-GAAP adjustments:				
Litigation costs and related recoveries, net	629	3,101	3,348	6,211
Stock-based compensation expense	3,948	3,159	5,925	6,210
Reorganization costs	—	—	59	—
Non-GAAP operating income	<u>\$ 14,872</u>	<u>\$ 11,948</u>	<u>\$ 30,312</u>	<u>\$ 24,051</u>
Non-GAAP net income reconciliation:				
Net income	\$ 4,268	\$ 110	\$ 9,907	\$ 3,197
Non-GAAP adjustments:				
Litigation costs and related recoveries, net	629	3,101	3,348	6,211
Stock-based compensation expense	3,948	3,159	5,925	6,210
Reorganization costs	—	—	59	—
Non-GAAP net income	<u>\$ 8,845</u>	<u>\$ 6,370</u>	<u>\$ 19,239</u>	<u>\$ 15,618</u>
Non-GAAP Adjusted EBITDA reconciliation:				
Net income	\$ 4,268	\$ 110	\$ 9,907	\$ 3,197
Non-GAAP adjustments:				
Interest expense	1,387	999	2,726	1,807
Income taxes	4,920	3,002	9,156	5,258
Depreciation and amortization expense	636	644	1,249	1,222
EBITDA	11,211	4,755	23,038	11,484
Non-GAAP adjustments:				
Litigation costs and related recoveries, net	629	3,101	3,348	6,211
Stock-based compensation expense	3,948	3,159	5,925	6,210
Reorganization costs	—	—	59	—
Adjusted EBITDA	<u>\$ 15,788</u>	<u>\$ 11,015</u>	<u>\$ 32,370</u>	<u>\$ 23,905</u>
Billings:				
Revenue	\$ 106,421	\$ 101,200	\$ 211,933	\$ 199,110
Deferred revenue, current and noncurrent, as of the end of the period	285,324	300,387	285,324	300,387
Deferred revenue, current and noncurrent, as of the beginning of the period	287,381	300,029	299,921	300,268
Change in deferred revenue	<u>(2,057)</u>	<u>358</u>	<u>(14,597)</u>	<u>119</u>
Billings	<u>\$ 104,364</u>	<u>\$ 101,558</u>	<u>\$ 197,336</u>	<u>\$ 199,229</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 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, 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.