



Research Solutions, Inc. (NASDAQ:RSSS) www.researchsolutions.com  
Includes Non-GAAP Financial Data

|   | FY2023          |                  |                 |                 | FY2024          |                  |                 | Trailing Twelve Months |                  |
|---|-----------------|------------------|-----------------|-----------------|-----------------|------------------|-----------------|------------------------|------------------|
|   | Q1<br>9/30/2022 | Q2<br>12/31/2022 | Q3<br>3/31/2023 | Q4<br>6/30/2023 | Q1<br>9/30/2023 | Q2<br>12/31/2023 | Q3<br>3/31/2024 | TTM<br>3/31/2023       | TTM<br>3/31/2024 |
| <b>Platforms</b>                                  |                 |                  |                 |                 |                 |                  |                 |                        |                  |
| Revenue   | \$ 2,019,967    | \$ 2,110,272     | \$ 2,249,632    | \$ 2,303,375    | \$ 2,600,192    | \$ 3,125,584     | \$ 3,953,403    | \$ 8,266,716           | \$ 11,982,554    |
| % y/y   | 33.8%           | 31.5%            | 25.9%           | 22.1%           | 28.7%           | 48.1%            | 75.7%           | 30.6%                  | 44.9%            |
| % q/q   | 7.1%            | 4.5%             | 6.6%            | 2.4%            | 12.9%           | 20.2%            | 26.5%           | n/a                    | n/a              |
| Gross margin                                      | \$ 1,789,494    | \$ 1,857,199     | \$ 1,981,002    | \$ 2,028,265    | \$ 2,217,577    | \$ 2,639,399     | \$ 3,382,051    | \$ 7,274,326           | \$ 10,267,293    |
| % of revenue                                      | 88.6%           | 88.0%            | 88.1%           | 88.1%           | 85.3%           | 84.4%            | 85.5%           | 88.0%                  | 85.7%            |
| B2B ARR (Annual recurring revenue) <sup>1</sup>   | \$ 8,331,770    | \$ 8,776,977     | \$ 9,107,681    | \$ 9,444,130    | \$ 11,020,241   | \$ 11,614,748    | \$ 11,653,062   | \$ 9,107,681           | \$ 11,653,062    |
| % y/y   | 32.6%           | 28.2%            | 23.9%           | 19.2%           | 32.3%           | 32.3%            | 27.9%           | 23.9%                  | 27.9%            |
| % q/q   | 5.2%            | 5.3%             | 3.8%            | 3.7%            | 16.7%           | 5.4%             | 0.3%            | n/a                    | n/a              |
| Deployments                                       | 756             | 790              | 815             | 835             | 880             | 942              | 983             | 815                    | 983              |
| % y/y   | 28.1%           | 22.3%            | 19.9%           | 13.9%           | 16.4%           | 19.2%            | 20.6%           | 19.9%                  | 20.6%            |
| % q/q   | 3.1%            | 4.5%             | 3.2%            | 2.5%            | 5.4%            | 7.0%             | 4.4%            | n/a                    | n/a              |
| ASP (Average sales price)                         | \$ 11,021       | \$ 11,110        | \$ 11,175       | \$ 11,310       | \$ 12,523       | \$ 12,330        | \$ 11,855       | \$ 11,175              | \$ 11,855        |
| B2C ARR (Annual recurring revenue) <sup>1</sup>   | \$ -            | \$ -             | \$ -            | \$ -            | \$ -            | \$ 3,954,090     | \$ 4,902,976    | \$ -                   | \$ 4,902,976     |
| % y/y   |                 |                  |                 |                 | n/a             | n/a              | n/a             | n/a                    | n/a              |
| % q/q   |                 |                  |                 |                 | n/a             | n/a              | 24.0%           | n/a                    | n/a              |
| Total ARR (Annual recurring revenue) <sup>1</sup> | \$ 8,331,770    | \$ 8,776,977     | \$ 9,107,681    | \$ 9,444,130    | \$ 11,020,241   | \$ 15,568,838    | \$ 16,556,038   | \$ 9,107,681           | \$ 16,556,038    |
| % y/y   | 32.6%           | 28.2%            | 23.9%           | 19.2%           | 32.3%           | 77.4%            | 81.8%           | 23.9%                  | 81.8%            |
| % q/q   | 5.2%            | 5.3%             | 3.8%            | 3.7%            | 16.7%           | 41.3%            | 6.3%            | n/a                    | n/a              |
| <b>Transactions</b>                               |                 |                  |                 |                 |                 |                  |                 |                        |                  |
| Revenue   | \$ 6,664,676    | \$ 6,606,394     | \$ 8,092,794    | \$ 7,656,342    | \$ 7,460,779    | \$ 7,188,158     | \$ 8,162,269    | \$ 28,039,028          | \$ 30,467,548    |
| % y/y   | 6.9%            | 5.4%             | 16.1%           | 14.7%           | 11.9%           | 8.8%             | 0.9%            | 6.8%                   | 8.7%             |
| Gross margin                                      | \$ 1,559,754    | \$ 1,546,628     | \$ 2,046,271    | \$ 1,892,278    | \$ 1,813,988    | \$ 1,844,403     | \$ 2,099,881    | \$ 6,789,164           | \$ 7,650,550     |
| % of revenue                                      | 23.4%           | 23.4%            | 25.3%           | 24.7%           | 24.3%           | 25.7%            | 25.7%           | 24.2%                  | 25.1%            |
| Corporate customers                               | 922             | 921              | 1,116           | 1,090           | 1,090           | 1,065            | 1,105           | 970                    | 1,088            |
| % y/y   | 8.1%            | 6.2%             | 23.5%           | 18.5%           | 18.2%           | 15.6%            | -1.0%           | 11.8%                  | 12.1%            |
| Academic customers                                | 298             | 302              | 301             | 314             | 305             | 333              | 321             | 299                    | 318              |
| % y/y   | -0.7%           | -3.2%            | 4.2%            | 7.2%            | 2.3%            | 10.3%            | 6.6%            | 0.5%                   | 6.6%             |
| Total customers <sup>2</sup>                      | 1,220           | 1,223            | 1,417           | 1,404           | 1,395           | 1,398            | 1,426           | 1,268                  | 1,406            |
| % y/y   | 5.8%            | 3.7%             | 18.8%           | 15.7%           | 14.3%           | 14.3%            | 0.6%            | 8.9%                   | 10.8%            |
| <b>Company Total</b>                              |                 |                  |                 |                 |                 |                  |                 |                        |                  |
| Revenue   | \$ 8,684,643    | \$ 8,716,666     | \$ 10,342,426   | \$ 9,959,717    | \$ 10,060,971   | \$ 10,313,742    | \$ 12,115,672   | \$ 36,305,744          | \$ 42,450,102    |
| % y/y   | 12.2%           | 10.7%            | 18.1%           | 16.3%           | 15.8%           | 18.3%            | 17.1%           | 11.4%                  | 16.9%            |
| Gross margin                                      | \$ 3,349,248    | \$ 3,403,827     | \$ 4,027,273    | \$ 3,920,543    | \$ 4,031,565    | \$ 4,483,802     | \$ 5,481,932    | \$ 14,063,490          | \$ 17,917,843    |
| % of revenue                                      | 38.6%           | 39.0%            | 38.9%           | 39.4%           | 40.1%           | 43.5%            | 45.2%           | 38.7%                  | 42.2%            |
| Sales and marketing                               | \$ 521,216      | \$ 666,608       | \$ 642,624      | \$ 455,030      | \$ 685,016      | \$ 804,927       | \$ 1,122,365    | \$ 2,521,816           | \$ 3,067,338     |
| % of revenue                                      | 6.0%            | 7.6%             | 6.2%            | 4.6%            | 6.8%            | 7.8%             | 9.3%            | 6.9%                   | 7.2%             |
| Technology and product development                | \$ 875,290      | \$ 922,132       | \$ 953,677      | \$ 991,093      | \$ 1,244,579    | \$ 1,336,558     | \$ 1,371,754    | \$ 3,800,529           | \$ 4,943,984     |
| % of revenue                                      | 10.1%           | 10.6%            | 9.2%            | 10.0%           | 12.4%           | 13.0%            | 11.3%           | 10.5%                  | 11.6%            |
| General and administrative                        | \$ 1,519,424    | \$ 1,613,664     | \$ 1,871,591    | \$ 1,649,333    | \$ 2,542,869    | \$ 2,023,848     | \$ 2,027,074    | \$ 6,668,350           | \$ 8,243,123     |
| % of revenue                                      | 17.5%           | 18.5%            | 18.1%           | 16.6%           | 25.3%           | 19.6%            | 16.7%           | 18.4%                  | 19.4%            |
| Depreciation and amortization                     | \$ 5,812        | \$ 6,342         | \$ 18,332       | \$ 22,163       | \$ 59,620       | \$ 155,749       | \$ 309,898      | \$ 35,993              | \$ 547,430       |
| Stock-based compensation                          | \$ 175,361      | \$ 608,703       | \$ 480,458      | \$ 585,384      | \$ 591,814      | \$ 596,455       | \$ 541,002      | \$ 1,490,023           | \$ 2,314,655     |
| Foreign currency translation loss (gain)          | \$ 72,516       | \$ (84,179)      | \$ (72,547)     | \$ (37,743)     | \$ 6,620        | \$ (13,738)      | \$ 22,177       | \$ 7,069               | \$ (22,684)      |
| Total operating expenses                          | \$ 3,169,619    | \$ 3,733,270     | \$ 3,894,135    | \$ 3,665,260    | \$ 5,130,518    | \$ 4,903,799     | \$ 5,394,270    | \$ 14,523,780          | \$ 19,093,846    |
| % of revenue                                      | 36.5%           | 42.8%            | 37.7%           | 36.8%           | 51.0%           | 47.5%            | 44.5%           | 40.0%                  | 45.0%            |
| Other income (expenses) and income taxes          | \$ 34,936       | \$ 73,913        | \$ 103,703      | \$ 120,463      | \$ 110,909      | \$ 366,369       | \$ (11,362)     | \$ 217,899             | \$ 586,379       |
| Income (loss) from continuing operations          | \$ 214,565      | \$ (255,530)     | \$ 236,842      | \$ 375,746      | \$ (988,043)    | \$ (53,628)      | \$ 76,301       | \$ (242,390)           | \$ (589,625)     |
| % of revenue                                      | 2.5%            | -2.9%            | 2.3%            | 3.8%            | -9.8%           | -0.5%            | 0.6%            | -0.7%                  | -1.4%            |
| Income from discontinued operations               |                 |                  |                 |                 |                 |                  |                 |                        |                  |
| Gain on sale of discontinued operations           | \$ -            | \$ -             | \$ -            | \$ -            | \$ -            | \$ -             | \$ -            | \$ -                   | \$ -             |
| Net income (loss)                                 | \$ 214,565      | \$ (255,530)     | \$ 236,842      | \$ 375,746      | \$ (988,043)    | \$ (53,628)      | \$ 76,301       | \$ (242,390)           | \$ (589,625)     |
| % of revenue                                      | 2.5%            | -2.9%            | 2.3%            | 3.8%            | -9.8%           | -0.5%            | 0.6%            | -0.7%                  | -1.4%            |
| <b>Adjusted EBITDA Reconciliation</b>             |                 |                  |                 |                 |                 |                  |                 |                        |                  |
| Net income (loss)                                 | \$ 214,565      | \$ (255,530)     | \$ 236,842      | \$ 375,746      | \$ (988,043)    | \$ (53,628)      | \$ 76,301       | \$ (242,390)           | \$ (589,625)     |
| Depreciation and amortization                     | \$ 5,812        | \$ 6,342         | \$ 18,332       | \$ 22,163       | \$ 59,620       | \$ 155,749       | \$ 309,898      | \$ 35,993              | \$ 547,430       |
| Stock-based compensation                          | \$ 175,361      | \$ 608,703       | \$ 480,458      | \$ 585,384      | \$ 591,814      | \$ 596,455       | \$ 541,002      | \$ 1,490,023           | \$ 2,314,655     |
| Foreign currency translation                      | \$ 72,516       | \$ (84,179)      | \$ (72,547)     | \$ (37,743)     | \$ 6,620        | \$ (13,738)      | \$ 22,177       | \$ 7,069               | \$ (22,684)      |
| Other income (expenses) and income taxes          | \$ (34,936)     | \$ (73,913)      | \$ (103,703)    | \$ (120,463)    | \$ (110,909)    | \$ (366,369)     | \$ 11,362       | \$ (217,899)           | \$ (586,379)     |
| Income from discontinued operations               | \$ -            | \$ -             | \$ -            | \$ -            | \$ -            | \$ -             | \$ -            | \$ -                   | \$ -             |
| Gain on sale of discontinued operations           | \$ -            | \$ -             | \$ -            | \$ -            | \$ -            | \$ -             | \$ -            | \$ -                   | \$ -             |
| Adjusted EBITDA <sup>3</sup>                      | \$ 433,318      | \$ 201,423       | \$ 559,382      | \$ 825,087      | \$ (440,898)    | \$ 318,469       | \$ 960,740      | \$ 1,072,796           | \$ 1,663,397     |
| % of revenue                                      | 5.0%            | 2.3%             | 5.4%            | 8.3%            | -4.4%           | 3.1%             | 7.9%            | 3.0%                   | 3.9%             |

<sup>1</sup> Annual Recurring Revenue (Non-GAAP Measure) - the value of contracted platform subscription recurring revenue normalized to a one year period.

For B2C, this includes the annualized value of monthly subscriptions, meaning their monthly value multiplied by 12.

<sup>2</sup> Customers - the sum of the total quantity of customers per month for each month in the period, divided by the respective number of months in the period. The quantity of customers per month is defined as customers with at least one transaction during the month.

<sup>3</sup> Adjusted EBITDA (Non-GAAP Measure) - defined as net income (loss), plus interest expense, other income (expense), foreign currency transaction loss, provision for income taxes, depreciation and amortization, stock-based compensation, income and gain on sale of discontinued operations, and other potential adjustments that may arise.