



RMNI Q3-2023, 8K EARNING
RELEASE EXHIBIT 99.1



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

ASSETS	September 30, 2023	December 31, 2022
Current assets:		
Cash and cash equivalents	\$ 108,233	\$ 109,008
Restricted cash	427	426
Accounts receivable, net of allowance of \$860 and \$723, respectively	61,191	116,093
Deferred contract costs, current	17,641	17,218
Short-term investments	19,914	20,115
Prepaid expenses and other	24,678	18,846
Total current assets	232,084	281,706
Long-term assets:		
Property and equipment, net of accumulated depreciation and amortization of \$17,320 and \$15,441, respectively	8,488	6,113
Operating lease right-of-use assets	6,339	7,142
Deferred contract costs, noncurrent	22,412	23,508
Deposits and other	6,643	7,057
Deferred income taxes, net	59,009	65,515
Total assets	\$ 334,975	\$ 391,041
LIABILITIES, REDEEMABLE PREFERRED STOCK AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Current maturities of long-term debt	\$ 5,912	\$ 4,789
Accounts payable	6,139	8,040
Accrued compensation, benefits and commissions	35,782	37,459
Other accrued liabilities	22,718	32,676
Operating lease liabilities, current	4,175	4,223
Deferred revenue, current	214,073	265,840
Total current liabilities	288,799	353,027
Long-term liabilities:		
Long-term debt, net of current maturities	65,671	70,003
Deferred revenue, noncurrent	24,326	34,081
Operating lease liabilities, noncurrent	7,511	9,094
Other long-term liabilities	1,718	2,006
Total liabilities	388,025	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 89,323 and 88,517 shares, respectively	9	9
Additional paid-in capital	164,522	156,401
Accumulated other comprehensive loss	(4,904)	(4,195)
Accumulated deficit	(211,561)	(228,269)
Treasury stock, at cost	(1,116)	(1,116)
Total stockholders' deficit	(53,050)	(77,170)
Total liabilities and stockholders' deficit	\$ 334,975	\$ 391,041

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

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2023	2022	2023	2022
Revenue	\$ 107,453	\$ 101,931	\$ 319,386	\$ 301,041
Cost of revenue	40,110	39,271	118,802	113,822
Gross profit	67,343	62,660	200,584	187,219
Operating expenses:				
Sales and marketing	35,593	35,934	107,356	103,840
General and administrative	18,384	18,454	55,475	57,267
Reorganization costs	—	—	59	—
Litigation costs and related recoveries:				
Professional fees and other costs of litigation	2,127	6,145	5,475	12,837
Insurance costs and recoveries, net	—	92	—	(389)
Litigation costs and related recoveries, net	2,127	6,237	5,475	12,448
Total operating expenses	56,104	60,625	168,365	173,555
Operating income	11,239	2,035	32,219	13,664
Non-operating income and (expenses):				
Interest expense	(1,413)	(1,167)	(4,139)	(2,974)
Other income (expenses), net	990	(1,329)	1,799	(2,696)
Income before income taxes	10,816	(461)	29,879	7,994
Income taxes	(4,015)	56	(13,171)	(5,202)
Net income (loss)	\$ 6,801	\$ (405)	\$ 16,708	\$ 2,792
Net income (loss) attributable to common stockholders	\$ 6,801	\$ (405)	\$ 16,708	\$ 2,792
Net income (loss) per share attributable to common stockholders:				
Basic	\$ 0.08	\$ —	\$ 0.19	\$ 0.03
Diluted	\$ 0.08	\$ —	\$ 0.19	\$ 0.03
Weighted average number of shares of Common Stock outstanding:				
Basic	89,228	87,965	88,942	87,441
Diluted	89,357	87,965	89,322	89,054

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

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2023	2022	2023	2022
Non-GAAP operating income reconciliation:				
Operating income	\$ 11,239	\$ 2,035	\$ 32,219	\$ 13,664
Non-GAAP adjustments:				
Litigation costs and related recoveries, net	2,127	6,237	5,475	12,448
Stock-based compensation expense	3,131	2,443	9,056	8,653
Reorganization costs	—	—	59	—
Non-GAAP operating income	<u>\$ 16,497</u>	<u>\$ 10,715</u>	<u>\$ 46,809</u>	<u>\$ 34,765</u>
Non-GAAP net income reconciliation:				
Net income (loss)	\$ 6,801	\$ (405)	\$ 16,708	\$ 2,792
Non-GAAP adjustments:				
Litigation costs and related recoveries, net	2,127	6,237	5,475	12,448
Stock-based compensation expense	3,131	2,443	9,056	8,653
Reorganization costs	—	—	59	—
Non-GAAP net income	<u>\$ 12,059</u>	<u>\$ 8,275</u>	<u>\$ 31,298</u>	<u>\$ 23,893</u>
Non-GAAP Adjusted EBITDA reconciliation:				
Net income (loss)	\$ 6,801	\$ (405)	\$ 16,708	\$ 2,792
Non-GAAP adjustments:				
Interest expense	1,413	1,167	4,139	2,974
Income taxes	4,015	(56)	13,171	5,202
Depreciation and amortization expense	752	649	2,001	1,871
EBITDA	12,981	1,355	36,019	12,839
Non-GAAP adjustments:				
Litigation costs and related recoveries, net	2,127	6,237	5,475	12,448
Stock-based compensation expense	3,131	2,443	9,056	8,653
Reorganization costs	—	—	59	—
Adjusted EBITDA	<u>\$ 18,239</u>	<u>\$ 10,035</u>	<u>\$ 50,609</u>	<u>\$ 33,940</u>
Billings:				
Revenue	\$ 107,453	\$ 101,931	\$ 319,386	\$ 301,041
Deferred revenue, current and noncurrent, as of the end of the period	238,399	248,187	238,399	248,187
Deferred revenue, current and noncurrent, as of the beginning of the period	285,324	300,387	299,921	300,268
Change in deferred revenue	<u>(46,925)</u>	<u>(52,200)</u>	<u>(61,522)</u>	<u>(52,081)</u>
Billings	<u>\$ 60,528</u>	<u>\$ 49,731</u>	<u>\$ 257,864</u>	<u>\$ 248,960</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.