



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

	FY 2018				FY 2019			Trailing Twelve Months	
	Q1 9/30/2017	Q2 12/31/2017	Q3 3/31/2018	Q4 6/30/2018	Q1 9/30/2018	Q2 12/31/2018	Q3 3/31/2019	TTM 3/31/2018	TTM 3/31/2019
Platforms									
Revenue	\$ 387,945	\$ 413,404	\$ 489,219	\$ 528,581	\$ 589,013	\$ 667,545	\$ 748,726	\$ 1,608,762	\$ 2,533,865
% y/y	125.5%	88.7%	80.6%	66.1%	51.8%	61.5%	53.0%	150.5%	57.5%
% q/q	21.9%	6.6%	18.3%	8.0%	11.4%	13.3%	12.2%	n/a	n/a
Gross margin	\$ 303,958	\$ 323,042	\$ 386,034	\$ 427,211	\$ 480,754	\$ 545,468	\$ 614,054	\$ 1,260,131	\$ 2,067,488
% of revenue	78.4%	78.1%	78.9%	80.8%	81.6%	81.7%	82.0%	78.3%	81.6%
ARR (Annual recurring revenue) ¹	\$ 1,590,830	\$ 1,708,547	\$ 1,982,867	\$ 2,252,956	\$ 2,448,293	\$ 2,702,137	\$ 2,987,647	\$ 1,982,867	\$ 2,987,647
% y/y	111.7%	88.8%	76.3%	63.6%	53.9%	58.2%	50.7%	119%	51%
% q/q	15.6%	7.4%	16.1%	13.6%	8.7%	10.4%	10.6%	n/a	n/a
Deployments	161	184	208	227	239	267	281	208	281
% y/y	114.7%	91.7%	79.3%	62.1%	48.4%	45.1%	35.1%	116.7%	35.1%
% q/q	15.0%	14.3%	13.0%	9.1%	5.3%	11.7%	5.2%	n/a	n/a
ASP (Average sales price)	\$ 9,881	\$ 9,286	\$ 9,533	\$ 9,925	\$ 10,244	\$ 10,120	\$ 10,632	\$ 9,533	\$ 10,632
Transactions									
Revenue	\$ 6,359,895	\$ 6,409,816	\$ 6,792,289	\$ 6,637,292	\$ 6,363,508	\$ 6,321,297	\$ 6,629,231	\$ 26,083,313	\$ 25,951,328
% y/y	5.9%	9.3%	6.6%	1.8%	0.1%	-1.4%	-2.4%	7.4%	-0.5%
Gross margin	\$ 1,445,481	\$ 1,412,828	\$ 1,532,330	\$ 1,518,441	\$ 1,467,201	\$ 1,442,771	\$ 1,565,607	\$ 5,851,452	\$ 5,994,020
% of revenue	22.7%	22.0%	22.6%	22.9%	23.1%	22.8%	23.6%	22.4%	23.1%
Transaction ³ count	205,066	205,019	219,607	213,247	202,212	202,681	211,520	\$ 842,078	\$ 829,660
% y/y	7.2%	6.0%	3.2%	0.4%	-1.4%	-1.1%	-3.7%	8.7%	-1.5%
Corporate customers	806	816	848	851	845	826 ⁵	835	820	839
% y/y	5.6%	8.2%	5.7%	5.1%	4.8%	1.2%	-1.5%	8.0%	2.3%
Academic customers	216	228	211	230	239	245	243	214	239.25
% y/y	24.9%	25.3%	15.3%	14.4%	10.6%	7.5%	15.2%	32.3%	11.8%
Total customers ²	1,022	1,044	1,059	1,081	1,084	1,071	1,078	1,034	1,079
% y/y	9.1%	11.5%	7.5%	6.9%	6.1%	2.6%	1.8%	12.3%	4.3%
Company Total									
Revenue	\$ 6,747,840	\$ 6,823,220	\$ 7,281,508	\$ 7,165,873	\$ 6,952,521	\$ 6,988,842	\$ 7,377,957	\$ 27,692,075	\$ 28,485,193
% y/y	9.2%	12.1%	9.6%	4.8%	3.0%	2.4%	1.3%	11.1%	2.9%
Gross margin	1,749,439	1,735,870	1,918,364	1,945,652	1,947,955	1,988,239	2,179,661	7,111,583	8,061,508
% of revenue	25.9%	25.4%	26.3%	27.2%	28.0%	28.4%	29.5%	25.7%	28.3%
Sales and marketing	678,963	524,587	522,894	455,250	431,417	445,879	542,641	2,408,898	1,875,187
% of revenue	10.1%	7.7%	7.2%	6.4%	6.2%	6.4%	7.4%	8.7%	6.6%
Technology and product development	452,816	454,507	436,672	454,053	499,795	553,272	537,685	1,757,243	2,044,805
% of revenue	6.7%	6.7%	6.0%	6.3%	7.2%	7.9%	7.3%	6.3%	7.2%
General and administrative	1,131,402	1,098,795	1,091,930	1,062,980	1,118,611	1,180,599	1,129,462	4,542,183	4,491,652
% of revenue	16.8%	16.1%	15.0%	14.8%	16.1%	16.9%	15.3%	16.4%	15.8%
Depreciation and amortization	40,568	46,330	32,768	32,731	11,115	9,733	9,617	156,559	63,196
Stock-based compensation	286,242	314,565	114,340	75,089	115,909	453,288	131,072	827,298	775,358
Foreign currency translation loss (gain)	(12,387)	(485)	(9,737)	14,589	4,980	10,025	2,302	(28,971)	31,896
Total operating expenses	2,577,604	2,438,299	2,188,866	2,094,692	2,181,827	2,652,796	2,352,779	9,663,211	9,282,094
% of revenue	38.2%	35.7%	30.1%	29.2%	31.4%	38.0%	31.9%	34.9%	32.6%
Other income (expenses) and income taxes	(1,949)	(1,504)	5,238	12,615	14,264	16,322	22,393	(4,640)	65,594
Income (loss) from continuing operations	(830,114)	(703,933)	(265,264)	(136,425)	(219,608)	(648,235)	(150,724)	(2,556,268)	(1,154,992)
% of revenue	-12.3%	-10.3%	-3.6%	-1.9%	-3.2%	-9.3%	-2.0%	-9.2%	-4.1%
Income from discontinued operations								113,314	-
Gain on sale of discontinued operations	57,149	79,353	69,277	51,216	41,720	55,698	33,044	446,975	181,678
Net income (loss)	\$ (772,965)	\$ (624,580)	\$ (195,987)	\$ (85,209)	\$ (177,888)	\$ (592,537)	\$ (117,680)	\$ (1,995,979)	\$ (973,314)
% of revenue	-11.5%	-9.2%	-2.7%	-1.2%	-2.6%	-8.5%	-1.6%	-7.2%	-3.4%
Adjusted EBITDA Reconciliation									
Net income (loss)	\$ (772,965)	\$ (624,580)	\$ (195,987)	\$ (85,209)	\$ (177,888)	\$ (592,537)	\$ (117,680)	\$ (1,995,979)	\$ (973,314)
Depreciation and amortization	40,568	46,330	32,768	32,731	11,115	9,733	9,617	156,559	63,196
Stock-based compensation	286,242	314,565	114,340	75,089	115,909	453,288	131,072	827,298	775,358
Foreign currency translation	(12,387)	(485)	(9,737)	14,589	4,980	10,025	2,302	(28,971)	31,896
Other income (expenses) and income taxes	1,949	1,504	(5,238)	(12,615)	(14,264)	(16,322)	(22,393)	4,640	(65,594)
Income from discontinued operations	-	-	-	-	-	-	-	(113,314)	-
Gain on sale of discontinued operations	(57,149)	(79,353)	(69,277)	(51,216)	(41,720)	(55,698)	(33,044)	(446,975)	(181,678)
Adjusted EBITDA ⁴	\$ (513,742)	\$ (342,019)	\$ (133,131)	\$ (26,631)	\$ (101,868)	\$ (191,511)	\$ (30,126)	\$ (1,596,742)	\$ (350,136)
% of revenue	-7.6%	-5.0%	-1.8%	-0.4%	-1.5%	-2.7%	-0.4%	-5.8%	-1.2%

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

² 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.

³ Transaction - an order for a unit of copyrighted content fulfilled or managed in the platform.

⁴ 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.

⁵ Correction