



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

	FY2019				FY2020			Trailing Twelve Months	
	Q1 9/30/2018	Q2 12/31/2018	Q3 3/31/2019	Q4 6/30/2019	Q1 9/30/2019	Q2 12/31/2019	Q3 3/31/2020	TTM 3/31/2019	TTM 3/31/2020
Platforms									
Revenue	\$ 589,013	\$ 667,545	\$ 748,726	\$ 803,917	\$ 856,445	\$ 949,825	\$ 1,017,789	\$ 2,533,865	\$ 3,627,976
% y/y	51.8%	61.5%	53.0%	52.1%	45.4%	42.3%	35.9%	57.5%	43.2%
% q/q	11.4%	13.3%	12.2%	7.4%	6.5%	10.9%	7.2%	n/a	n/a
Gross margin	\$ 480,754	\$ 545,468	\$ 614,054	\$ 661,549	\$ 705,975	\$ 787,317	\$ 839,870	\$ 2,067,488	\$ 2,994,711
% of revenue	81.6%	81.7%	82.0%	82.3%	82.4%	82.9%	82.5%	81.6%	82.5%
ARR (Annual recurring revenue) ¹	\$ 2,448,293	\$ 2,702,137	\$ 2,987,647	\$ 3,224,672	\$ 3,498,369	\$ 3,717,800	\$ 4,149,830	\$ 2,987,647	\$ 4,149,830
% y/y	53.9%	58.2%	50.7%	43.1%	42.9%	37.6%	38.9%	51%	39%
% q/q	8.7%	10.4%	10.6%	7.9%	8.5%	6.3%	11.6%	n/a	n/a
Deployments	239	267	281	301	320	338	374	281	374
% y/y	48.4%	45.1%	35.1%	32.6%	33.9%	26.6%	33.1%	35.1%	33.1%
% q/q	5.3%	11.7%	5.2%	7.1%	6.3%	5.6%	10.7%	n/a	n/a
ASP (Average sales price)	\$ 10,244	\$ 10,120	\$ 10,632	\$ 10,713	\$ 10,932	\$ 10,999	\$ 11,096	\$ 10,632	\$ 11,096
Transactions									
Revenue	\$ 6,363,508	\$ 6,321,297	\$ 6,629,231	\$ 6,670,685	\$ 6,738,668	\$ 6,580,613	\$ 7,029,617	\$ 25,951,328	\$ 27,019,583
% y/y	0.1%	-1.4%	-2.4%	0.5%	5.9%	4.1%	6.0%	-0.5%	4.1%
Gross margin	\$ 1,467,201	\$ 1,442,771	\$ 1,565,607	\$ 1,566,056	\$ 1,610,560	\$ 1,486,483	\$ 1,699,144	\$ 5,994,020	\$ 6,362,243
% of revenue	23.1%	22.8%	23.6%	23.5%	23.9%	22.6%	24.2%	23.1%	23.5%
Transaction ³ count	202,212	202,681	211,520	214,686	215,780	212,759	228,106	829,660	871,331
% y/y	-1.4%	-1.1%	-3.7%	0.7%	6.7%	5.0%	7.8%	-1.5%	5.0%
Corporate customers	845	826	835	832	853	856	845	839	847
% y/y	4.8%	1.2%	-1.5%	-2.2%	0.9%	3.6%	1.2%	2.3%	0.9%
Academic customers	239	245	243	258	281	283	270	239	273
% y/y	10.6%	7.5%	15.2%	12.2%	17.6%	15.5%	11.1%	11.8%	14.1%
Total customers ²	1,084	1,071	1,078	1,090	1,134	1,139	1,115	1,079	1,120
% y/y	6.1%	2.6%	1.8%	0.8%	4.6%	6.3%	3.4%	4.3%	3.8%
Company Total									
Revenue	\$ 6,952,521	\$ 6,988,842	\$ 7,377,957	\$ 7,474,602	\$ 7,595,113	\$ 7,530,438	\$ 8,047,406	\$ 28,485,193	\$ 30,647,559
% y/y	3.0%	2.4%	1.3%	4.3%	9.2%	7.7%	9.1%	2.9%	7.6%
Gross margin	1,947,955	1,988,239	2,179,661	2,227,605	2,316,535	2,273,800	2,539,014	8,061,508	9,356,954
% of revenue	28.0%	28.4%	29.5%	29.8%	30.5%	30.2%	31.6%	28.3%	30.5%
Sales and marketing	431,417	445,879	542,641	659,108	550,349	638,837	626,956	1,875,187	2,475,250
% of revenue	6.2%	6.4%	7.4%	8.8%	7.2%	8.5%	7.8%	6.6%	8.1%
Technology and product development	499,795	553,272	537,685	549,198	499,191	548,719	536,238	2,044,805	2,133,346
% of revenue	7.2%	7.9%	7.3%	7.3%	6.6%	7.3%	6.7%	7.2%	7.0%
General and administrative	1,118,611	1,180,599	1,129,462	1,060,268	1,231,345	1,270,375	1,230,580	4,491,652	4,792,568
% of revenue	16.1%	16.9%	15.3%	14.2%	16.2%	16.9%	15.3%	15.8%	15.6%
Depreciation and amortization	11,115	9,733	9,617	8,351	7,558	6,840	5,510	63,196	28,259
Stock-based compensation	115,909	453,288	131,072	126,903	142,672	523,632	142,237	775,358	935,444
Foreign currency translation loss (gain)	4,980	10,025	2,302	7,193	12,123	(5,456)	8,648	31,896	22,508
Total operating expenses	2,181,827	2,652,796	2,352,779	2,411,021	2,443,238	2,982,947	2,550,169	9,282,094	10,387,375
% of revenue	31.4%	38.0%	31.9%	32.3%	32.2%	39.6%	31.7%	32.6%	33.9%
Other income (expenses) and income taxes	14,264	16,322	22,393	27,289	19,055	25,721	23,101	65,594	95,166
Income (loss) from continuing operations	(219,608)	(648,235)	(150,724)	(156,127)	(107,648)	(683,426)	11,946	(1,154,992)	(935,255)
% of revenue	-3.2%	-9.3%	-2.0%	-2.1%	-1.4%	-9.1%	0.1%	-4.1%	-3.1%
Income from discontinued operations	-	-	-	-	-	-	-	-	-
Gain on sale of discontinued operations	41,720	55,698	33,044	84,275	26,191	91,254	-	181,678	201,720
Net income (loss)	\$ (177,888)	\$ (592,537)	\$ (117,680)	\$ (71,852)	\$ (81,457)	\$ (592,172)	\$ 11,946	\$ (973,314)	\$ (733,535)
% of revenue	-2.6%	-8.5%	-1.6%	-1.0%	-1.1%	-7.9%	0.1%	-3.4%	-2.4%
Adjusted EBITDA Reconciliation									
Net income (loss)	\$ (177,888)	\$ (592,537)	\$ (117,680)	\$ (71,852)	\$ (81,457)	\$ (592,172)	\$ 11,946	\$ (973,314)	\$ (733,535)
Depreciation and amortization	11,115	9,733	9,617	8,351	7,558	6,840	5,510	63,196	28,259
Stock-based compensation	115,909	453,288	131,072	126,903	142,672	523,632	142,237	775,358	935,444
Foreign currency translation	4,980	10,025	2,302	7,193	12,123	(5,456)	8,648	31,896	22,508
Other income (expenses) and income taxes	(14,264)	(16,322)	(22,393)	(27,289)	(19,055)	(25,721)	(23,101)	(65,594)	(95,166)
Income from discontinued operations	-	-	-	-	-	-	-	-	-
Gain on sale of discontinued operations	(41,720)	(55,698)	(33,044)	(84,275)	(26,191)	(91,254)	-	(181,678)	(201,720)
Adjusted EBITDA ⁴	\$ (101,868)	\$ (191,511)	\$ (30,126)	\$ (40,969)	\$ 35,650	\$ (184,131)	\$ 145,240	\$ (350,136)	\$ (44,210)
% of revenue	-1.5%	-2.7%	-0.4%	-0.5%	0.5%	-2.4%	1.8%	-1.2%	-0.1%

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.