



Includes Non-GAAP Financial Data, Excludes Discontinued Operations

	FY 2016				FY 2017				Full Fiscal Year		
	Q1 9/30/2015	Q2 12/31/2015	Q3 3/31/2016	Q4 6/30/2016	Q1 9/30/2016	Q2 12/31/2016	Q3 3/31/2017	Q4 6/30/2017	FY 2015 6/30/2015	FY 2016 6/30/2016	FY 2017 6/30/2017
Platforms											
Revenue	\$ 58,463	\$ 92,578	\$ 121,034	\$ 129,963	\$ 172,072	\$ 219,137	\$ 270,920	\$ 318,194	\$ 176,873	\$ 402,038	\$ 980,323
% y/y	2.3%	118.2%	167.3%	306.1%	194.3%	136.7%	123.8%	144.8%	29.1%	127.3%	143.8%
% q/q	82.7%	58.4%	30.7%	7.4%	32.4%	27.4%	23.6%	17.4%	n/a	n/a	n/a
Gross margin	\$ 46,701	\$ 75,401	\$ 99,477	\$ 106,537	\$ 142,108	\$ 173,514	\$ 212,553	\$ 247,097	\$ 140,296	\$ 328,116	\$ 775,272
% of revenue	79.9%	81.4%	82.2%	82.0%	82.6%	79.2%	78.5%	77.7%	79.3%	81.6%	79.1%
ARR (Annual recurring revenue) ¹	\$ 323,086	\$ 401,325	\$ 496,027	\$ 580,902	\$ 751,489	\$ 905,157	\$ 1,124,451	\$ 1,376,729	\$ 250,924	\$ 580,902	\$ 1,376,729
% y/y	85.1%	122.5%	138.2%	131.5%	132.6%	125.5%	126.7%	137.0%	99.4%	131.5%	137.0%
% q/q	28.8%	24.2%	23.6%	17.1%	29.4%	20.4%	24.2%	22.4%	n/a	n/a	n/a
Deployments	28	37	46	59	75	96	116	140	21	59	140
% y/y	64.7%	117.6%	142.1%	181.0%	167.9%	159.5%	152.2%	137.3%	61.5%	181.0%	137.3%
% q/q	33.3%	32.1%	24.3%	28.3%	27.1%	28.0%	20.8%	20.7%	n/a	n/a	n/a
ASP (Average sales price)	\$ 11,539	\$ 10,847	\$ 10,783	\$ 9,846	\$ 10,020	\$ 9,429	\$ 9,694	\$ 9,834	\$ 11,949	\$ 9,846	\$ 9,834
Transactions											
Revenue	\$ 5,567,241	\$ 5,702,733	\$ 6,394,127	\$ 6,025,972	\$ 6,006,399	\$ 5,866,562	\$ 6,372,679	\$ 6,521,313	\$ 21,200,101	\$ 23,690,073	\$ 24,766,953
% y/y	7.7%	13.4%	13.7%	12.0%	7.9%	2.9%	-0.3%	8.2%	14.4%	11.7%	4.5%
Gross margin	\$ 1,277,216	\$ 1,230,783	\$ 1,475,448	\$ 1,323,080	\$ 1,291,400	\$ 1,201,872	\$ 1,374,837	\$ 1,460,813	\$ 5,088,938	\$ 5,306,527	\$ 5,328,922
% of revenue	22.9%	21.6%	23.1%	22.0%	21.5%	20.5%	21.6%	22.4%	24.0%	22.4%	21.5%
Transaction ³ count	171,178	181,135	198,160	191,376	191,380	193,490	212,827	212,386	602,413	741,849	810,083
% y/y	21.6%	30.6%	24.1%	17.3%	11.8%	6.8%	7.4%	11.0%	21.0%	23.1%	9.2%
Corporate customers	693	719	763	756	763	754	802	810	673	733	782
% y/y	3.6%	12.3%	12.5%	7.4%	10.1%	4.9%	5.1%	7.1%	14.5%	8.9%	6.8%
Academic customers	126	143	139	153	173	182	183	201	95	140	185
% y/y	51.8%	55.4%	43.3%	43.0%	37.3%	27.3%	31.7%	31.4%	97.4%	48.0%	31.7%
Total customers ²	819	862	902	909	936	936	985	1,011	768	873	967
% y/y	8.9%	17.8%	16.4%	12.1%	14.3%	8.6%	9.2%	11.2%	20.8%	13.8%	10.8%
Company Total											
Revenue	\$ 5,625,704	\$ 5,795,311	\$ 6,515,161	\$ 6,155,935	\$ 6,178,471	\$ 6,085,699	\$ 6,643,599	\$ 6,839,507	\$ 21,376,974	\$ 24,092,111	\$ 25,747,276
% y/y	7.7%	14.3%	15.0%	13.7%	9.8%	5.0%	2.0%	11.1%	14.5%	12.7%	6.9%
Gross margin	1,323,917	1,306,184	1,574,925	1,429,617	1,433,508	1,375,386	1,587,390	1,707,910	5,229,234	5,634,643	6,104,194
% of revenue	23.5%	22.5%	24.2%	23.2%	23.2%	22.6%	23.9%	25.0%	24.5%	23.4%	23.7%
Sales and marketing	496,641	498,835	525,681	520,402	580,778	854,724	963,784	988,962	1,621,261	2,041,559	3,388,248
% of revenue	8.8%	8.6%	8.1%	8.5%	9.4%	14.0%	14.5%	14.5%	7.6%	8.5%	13.2%
General and administrative	1,063,262	1,092,187	1,011,670	902,667	1,211,008	1,226,181	1,251,807	1,326,798	3,941,779	4,069,786	5,015,794
% of revenue	18.9%	18.8%	15.5%	14.7%	19.6%	20.1%	18.8%	19.4%	18.4%	16.9%	19.5%
Depreciation and amortization	14,738	16,096	30,310	29,702	30,469	32,426	33,906	36,893	174,819	90,846	133,694
Stock-based compensation	143,741	277,389	130,568	162,192	102,589	303,097	112,326	112,151	834,672	713,890	630,163
Foreign currency translation loss (gain)	1,317	5,805	(2,829)	994	3,324	17,631	6,272	(6,362)	98,122	5,287	20,865
Total operating expenses	1,719,699	1,890,312	1,695,400	1,615,957	1,928,168	2,434,059	2,368,095	2,458,442	6,670,653	6,921,368	9,188,764
% of revenue	30.6%	32.6%	26.0%	26.3%	31.2%	40.0%	35.6%	35.9%	31.2%	28.7%	35.7%
Other income (expenses) and income taxes	(13,468)	(4,415)	(37,238)	(22,034)	(11,895)	(6,913)	1,599	(6,425)	(47,733)	(77,155)	(23,634)
Income (loss) from continuing operations	(409,250)	(588,543)	(157,713)	(208,374)	(506,555)	(1,065,586)	(779,106)	(756,957)	(1,489,152)	(1,363,880)	(3,108,204)
% of revenue	-7.3%	-10.2%	-2.4%	-3.4%	-8.2%	-17.5%	-11.7%	-11.1%	-7.0%	-5.7%	-12.1%
Income from discontinued operations	230,430	290,118	190,089	155,385	95,889	222,626	141,616	113,314	946,967	866,022	573,445
Gain on sale of discontinued operations	-	-	-	-	-	-	-	241,196	-	-	241,196
Net income (loss)	\$ (178,820)	\$ (298,425)	\$ 32,376	\$ (52,989)	\$ (410,666)	\$ (842,960)	\$ (637,490)	\$ (402,447)	\$ (542,185)	\$ (497,858)	\$ (2,293,563)
% of revenue	-3.2%	-5.1%	0.5%	-0.9%	-6.6%	-13.9%	-9.6%	-5.9%	-2.5%	-2.1%	-8.9%
Adjusted EBITDA Reconciliation											
Net income (loss)	\$ (178,820)	\$ (298,425)	\$ 32,376	\$ (52,989)	\$ (410,666)	\$ (842,960)	\$ (637,490)	\$ (402,447)	\$ (542,185)	\$ (497,858)	\$ (2,293,563)
Depreciation and amortization	14,738	16,096	30,310	29,702	30,469	32,426	33,906	36,893	174,819	90,846	133,694
Stock-based compensation	143,741	277,389	130,568	162,192	102,589	303,097	112,326	112,151	834,672	713,890	630,163
Foreign currency translation	1,317	5,805	(2,829)	994	3,324	17,631	6,272	(6,362)	98,122	5,287	20,865
Other income (expenses) and income taxes	13,468	4,415	37,238	22,034	11,895	6,913	(1,599)	6,425	47,733	77,155	23,634
Income from discontinued operations	(230,430)	(290,118)	(190,089)	(155,385)	(95,889)	(222,626)	(141,616)	(113,314)	(946,967)	(866,022)	(573,445)
Gain on sale of discontinued operations	-	-	-	-	-	-	-	(241,196)	-	-	(241,196)
Adjusted EBITDA ⁴	\$ (235,986)	\$ (284,838)	\$ 37,574	\$ 6,548	\$ (358,278)	\$ (705,519)	\$ (628,201)	\$ (607,850)	\$ (333,806)	\$ (476,702)	\$ (2,299,848)
% of revenue	-4.2%	-4.9%	0.6%	0.1%	-5.8%	-11.6%	-9.5%	-8.9%	-1.6%	-2.0%	-8.9%

Research Solutions, Inc. (OTCQB:RSSS) www.researchsolutions.com

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, and provision for income taxes, depreciation and amortization, stock-based compensation, income (loss) from discontinued operations, gain (loss) on sale of discontinued operations, and other potential adjustments that may arise.