

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT  
Pursuant to Section 13 or 15(d) of  
the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): February 11, 2014

**RPX Corporation**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other Jurisdiction of Incorporation)

**001-35146**

(Commission File No.)

**26-2990113**

(IRS Employer Identification No.)

**One Market Plaza**

**Suite 800**

**San Francisco, CA 94105**

(Address of principal executive offices, including zip code)

**(866) 779-7641**

(Registrant's telephone number, including area code)

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 2.02 Results of Operations and Financial Condition.**

On February 11, 2014, RPX Corporation issued a press release announcing its financial results for the fourth quarter and year ended December 31, 2013. The full text of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

This information shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

**Item 9.01 Financial Statements and Exhibits.****(d) Exhibits.**

| <b>Exhibit No.</b> | <b>Description</b>  |
|--------------------|---|
| 99.1               | Press release issued by RPX Corporation dated February 11, 2014 |

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

RPX Corporation

By: /s/ MARTIN E. ROBERTS

Martin E. Roberts

General Counsel

Dated: February 11, 2014



## RPX Announces Fourth Quarter and Fiscal 2013 Financial Results

**SAN FRANCISCO – February 11, 2014** – RPX Corporation (NASDAQ: RPXC), the leading provider of patent risk management solutions, today announced its financial results for the fourth quarter and year ended December 31, 2013.

### Financial Highlights

- Subscription revenue for the fourth quarter of fiscal 2013 was \$57.9 million, up 18% compared to \$48.9 million in the prior year period
- Subscription revenue for fiscal 2013 totaled \$224.7 million, up 21% compared to \$185.6 million for fiscal 2012
- Revenue for the fourth quarter of fiscal 2013 totaled \$60.3 million, up 17% compared to \$51.6 million in the prior year period
- Revenue for fiscal 2013 totaled \$237.5 million, up 20% compared to \$197.7 million for fiscal 2012

“We are very pleased to report solid growth and cash generation in our fifth full year of reducing NPE risk for technology companies,” said John Amster, Chief Executive Officer of RPX Corporation. “With 168 clients in our network, a growing insurance business, and numerous new initiatives underway, we’re excited about the opportunities in front of us.”

### Summary Results

Revenue for the fourth quarter of fiscal 2013 was \$60.3 million, compared to \$51.6 million in the prior year period. Revenue for fiscal 2013 was \$237.5 million, compared to \$197.7 million for fiscal 2012.

Net acquisition spend during the quarter totaled \$40.4 million, and included 19 new acquisitions of patent assets, in addition to the exercise of previously negotiated options to acquire licenses for new clients. Net acquisition spend during the year totaled \$126.5 million.

GAAP net income for the fourth quarter was \$7.0 million or \$0.13 per diluted share, compared to \$10.1 million or \$0.19 per diluted share in the fourth quarter of 2012. GAAP net income for fiscal 2013 was \$40.8 million or \$0.76 per diluted share, compared to \$39.0 million or \$0.74 per diluted share for fiscal 2012.

Non-GAAP net income for the fourth quarter, which excludes stock-based compensation and the amortization of acquired intangibles (in each case, net of tax), was \$9.7 million or \$0.18 per pro forma diluted share<sup>[1]</sup>, compared to \$12.3 million or \$0.24 per pro forma diluted share<sup>[1]</sup> in the fourth quarter of 2012. Non-GAAP net income for fiscal 2013 was \$52.7 million or \$0.98 per pro forma diluted share<sup>[1]</sup>, compared to \$47.1 million or \$0.90 per pro forma diluted share<sup>[1]</sup> for fiscal 2012.

As of December 31, 2013, RPX had cash, cash equivalents and short-term investments of \$290.7 million.

## Business Outlook

This outlook reflects the Company's current and preliminary view and may be subject to change. Please see the paragraph regarding "Forward-Looking Statements" at the end of this news release.

The Company provided the following business outlook for the first quarter of fiscal 2014:

|  |                         |
|--|-------------------------|
| <b>Subscription revenue<sup>[2]</sup></b>                    | \$60.8 - \$61.3 million |
| <b>Fee-related revenue</b>                                   | \$1.1 million           |
| <b>Total revenue</b>   | \$61.9 - \$62.4 million |
| <b>Net income (non-GAAP)</b>                                 | \$11.8 - \$12.4 million |
| <b>Effective tax rate (non-GAAP)</b>                         | 36%                     |
| <b>Pro forma weighted-average diluted shares outstanding</b> | 54.3 million            |

The Company provided the following business outlook for the full year 2014:

|  |                       |
|--|-----------------------|
| <b>Subscription revenue<sup>[2]</sup></b>                    | \$246 - \$258 million |
| <b>Fee-related revenue</b>                                   | \$8 - \$10 million    |
| <b>Total revenue</b>   | \$254 - \$268 million |
| <b>Cost of revenue (non-GAAP)</b>                            | \$120 - \$124 million |
| <b>SG&amp;A (non-GAAP)</b>                                   | \$51 - \$55 million   |
| <b>Net income (non-GAAP)</b>                                 | \$53 - \$57 million   |
| <b>Effective tax rate (non-GAAP)</b>                         | 36%                   |
| <b>Pro forma weighted-average diluted shares outstanding</b> | 54.6 million          |
| <b>Net acquisition spend</b>                                 | \$135 million         |

The above outlook is forward-looking. Actual results may differ materially. Please refer to the information under the caption "Use of Non-GAAP Financial Information" below.

<sup>[1]</sup> Pro forma diluted shares computed to give effect to the shares of restricted stock outstanding as of the original date of issuance.

<sup>[2]</sup> Subscription revenue is comprised of revenue generated from membership subscription services and premiums earned from insurance policies.

## Conference Call

RPX management will host a conference call and live webcast for analysts and investors at 2:00 p.m. PST/5:00 p.m. EST on February 11, 2014. Parties in the United States and Canada can access the call by dialing 1-866-225-8754, using conference code 4663749. International parties can access the call by dialing 1-480-629-9818, using conference code 4663749.

RPX will offer a live webcast of the conference call which can be accessed from the "Investor Relations" section of the Company's website at <http://ir.rpxcorp.com>. An audio replay of the conference call will also be available approximately two hours after the call and will be available for 30 days. To hear the replay, parties in the United States and Canada should call 1-800-406-7325 and enter conference code 4663749. International parties should call 1-303-590-3030 and enter conference code 4663749.

## About RPX Corporation

RPX Corporation (NASDAQ: RPXC) is the leading provider of patent risk solutions, offering defensive buying, acquisition syndication, patent intelligence, insurance services and advisory services. Since its founding in 2008, RPX has introduced efficiency to the patent market by providing a rational alternative to litigation. The San Francisco-based company's pioneering approach combines principal capital, deep patent expertise, and client contributions to generate enhanced patent buying power. By acquiring patents and patent rights, RPX helps to mitigate and manage patent risk for its growing client network.

## Use of Non-GAAP Financial Information

This news release dated February 11, 2014 contains non-GAAP financial measures. Tables are provided in this news release that reconcile the non-GAAP financial measures to the most directly comparable financial measures prepared in accordance with Generally Accepted Accounting Principles (GAAP). These non-GAAP financial measures include non-GAAP cost of revenue, non-GAAP selling, general and administrative expenses, non-GAAP net income, and non-GAAP net income per share.

To supplement the Company's condensed consolidated financial statements presented on a GAAP basis, management believes that these non-GAAP measures provide useful information about the Company's core operating results and thus are appropriate to enhance the overall understanding of the Company's past financial performance and its prospects for the future. Management is excluding from its non-GAAP operating results stock-based compensation expenses (inclusive of related employer payroll taxes), the amortization of acquired intangible assets (other than patents) and related tax effects. Management uses these non-GAAP measures to evaluate the Company's financial results, and believes these non-GAAP measures may prove useful to investors who wish to consider the impact of certain items when comparing our financial performance with that of other companies. The adjustments to the Company's GAAP results are made with the intent of providing both management and investors a more complete understanding of the Company's underlying operational results, trends and performance. The presentation of additional information is not meant to be considered in isolation or as a substitute for or superior to financial results determined in accordance with GAAP.

## Forward-Looking Statements

This news release and its attachments contain forward-looking statements within the meaning of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements include statements regarding RPX's future financial performance as well as any statements regarding the Company's strategic and operational plans. The Company's actual results may differ materially from those anticipated in these forward-looking statements. Factors that may contribute to such differences include, among others, the Company's ability to maintain an adequate rate of growth, the success of the Company's new initiatives, and the Company's ability to attract new clients and retain existing clients. Forward-looking statements are often identified by the use of words such as, but not limited to, "anticipate," "believe," "can," "continue," "could," "estimate," "expect," "intend," "may," "plan," "project," "seek," "should," "target," "will," "would," and similar expressions or variations intended to identify forward-looking statements. More information about potential factors that could affect the Company's business and financial results is contained in the Company's most recent annual report on Form 10-K, its quarterly reports on Form 10-Q, and the Company's other filings with the SEC. The Company does not intend, and undertakes no duty, to update any forward-looking statements to reflect future events or circumstances.

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## Contacts:

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**RPX Corporation**  
**Condensed Consolidated Statements of Operations**  
(in thousands, except per share data)  
(unaudited)

|   | <b>Three Months Ended December</b> |                  | <b>Year Ended December 31,</b> |                  |
|---|------------------------------------|------------------|--------------------------------|------------------|
|   | <b>2013</b>                        | <b>2012</b>      | <b>2013</b>                    | <b>2012</b>      |
| Revenue   | \$ 60,275                          | \$ 51,557        | \$ 237,504                     | \$ 197,688       |
| Cost of revenue   | 32,641                             | 21,815           | 110,771                        | 82,323           |
| Selling, general and administrative expenses  | 16,732                             | 13,687           | 62,525                         | 53,590           |
| (Gain) loss on sale of patent assets, net   | —                                  | —                | 126                            | (177)            |
| Operating income  | 10,902                             | 16,055           | 64,082                         | 61,952           |
| Other income, net   | 43                                 | 25               | 213                            | 117              |
| Income before provision for income taxes  | 10,945                             | 16,080           | 64,295                         | 62,069           |
| Provision for income taxes  | 3,951                              | 5,982            | 23,512                         | 23,112           |
| Net income  | <u>\$ 6,994</u>                    | <u>\$ 10,098</u> | <u>\$ 40,783</u>               | <u>\$ 38,957</u> |
| Net income available to common stockholders:  |                                    |                  |                                |                  |
| Basic   | <u>\$ 6,994</u>                    | <u>\$ 10,080</u> | <u>\$ 40,763</u>               | <u>\$ 38,455</u> |
| Diluted   | <u>\$ 6,994</u>                    | <u>\$ 10,080</u> | <u>\$ 40,763</u>               | <u>\$ 38,474</u> |
| Net income available to common stockholders per common share:   |                                    |                  |                                |                  |
| Basic   | <u>\$ 0.13</u>                     | <u>\$ 0.20</u>   | <u>\$ 0.78</u>                 | <u>\$ 0.77</u>   |
| Diluted   | <u>\$ 0.13</u>                     | <u>\$ 0.19</u>   | <u>\$ 0.76</u>                 | <u>\$ 0.74</u>   |
| Weighted-average shares used in computing net income available to common stockholders per common share: |                                    |                  |                                |                  |
| Basic   | <u>52,562</u>                      | <u>50,824</u>    | <u>51,956</u>                  | <u>49,766</u>    |
| Diluted   | <u>54,296</u>                      | <u>52,017</u>    | <u>53,652</u>                  | <u>51,802</u>    |

**RPX Corporation**  
**Condensed Consolidated Balance Sheets**  
(in thousands)  
(unaudited)

|   | December 31, |            |
|---|--------------|------------|
|   | 2013         | 2012       |
| <b>Assets</b>                                 |              |            |
| Current assets:                               |              |            |
| Cash and cash equivalents                     | \$ 100,155   | \$ 73,638  |
| Short-term investments                        | 190,567      | 126,092    |
| Restricted cash                               | 364          | —          |
| Accounts receivable                           | 38,477       | 25,144     |
| Other receivables                             | —            | 33,775     |
| Prepaid expenses and other current assets     | 10,546       | 5,237      |
| Deferred tax assets                           | 8,177        | 7,658      |
| Total current assets                          | 348,286      | 271,544    |
| Patent assets, net                            | 219,954      | 199,314    |
| Property and equipment, net                   | 4,667        | 3,144      |
| Intangible assets, net                        | 1,718        | 3,226      |
| Goodwill                                      | 16,460       | 16,460     |
| Restricted cash, less current portion         | 1,454        | —          |
| Other assets                                  | 622          | 279        |
| Total assets                                  | \$ 593,161   | \$ 493,967 |
| <b>Liabilities and stockholders' equity</b>   |              |            |
| Current liabilities:                          |              |            |
| Accounts payable                              | \$ 332       | \$ 568     |
| Accrued liabilities                           | 8,784        | 7,206      |
| Deferred revenue                              | 131,808      | 101,249    |
| Deferred payment obligations                  | 500          | 500        |
| Other current liabilities                     | 1,638        | 1,813      |
| Total current liabilities                     | 143,062      | 111,336    |
| Deferred revenue, less current portion        | 5,935        | 3,122      |
| Deferred tax liabilities                      | 16,014       | 18,108     |
| Other liabilities                             | 3,227        | 1,142      |
| Total liabilities                             | 168,238      | 133,708    |
| Stockholders' equity:                         |              |            |
| Common stock                                  | 5            | 5          |
| Additional paid-in capital                    | 305,343      | 281,530    |
| Retained earnings                             | 119,527      | 78,744     |
| Accumulated other comprehensive income (loss) | 48           | (20)       |
| Total stockholders' equity                    | 424,923      | 360,259    |
| Total liabilities and stockholders' equity    | \$ 593,161   | \$ 493,967 |

**RPX Corporation**  
**Condensed Consolidated Statements of Cash Flows**  
(in thousands)  
(unaudited)

|   | Year Ended December 31, |                  |
|---|-------------------------|------------------|
|   | 2013                    | 2012             |
| <b>Cash flows from operating activities</b>                                       |                         |                  |
| Net income  | \$ 40,783               | \$ 38,957        |
| Adjustments to reconcile net income to net cash provided by operating activities: |                         |                  |
| Depreciation and amortization   | 108,629                 | 83,137           |
| Stock-based compensation  | 16,115                  | 10,334           |
| Excess tax benefit from stock-based compensation                                  | (3,857)                 | (8,574)          |
| Imputed interest on deferred payment obligations                                  | —                       | 94               |
| (Gain) loss on sale of patent assets  | 126                     | (177)            |
| Amortization of premium on investments  | 6,013                   | 5,131            |
| Deferred taxes  | (3,302)                 | 1,477            |
| Other   | 116                     | 12               |
| Changes in assets and liabilities:  |                         |                  |
| Accounts receivable   | (13,333)                | (8,984)          |
| Other receivables   | 33,775                  | (33,775)         |
| Prepaid expenses and other assets   | (9,376)                 | 8,667            |
| Accounts payable  | (236)                   | (253)            |
| Accrued and other liabilities   | 3,648                   | (711)            |
| Deferred revenue  | 33,372                  | (3,958)          |
| Net cash provided by operating activities   | <u>212,473</u>          | <u>91,377</u>    |
| <b>Cash flows from investing activities</b>                                       |                         |                  |
| Purchases of investments classified as available-for-sale                         | (210,660)               | (185,582)        |
| Maturities of investments classified as available-for-sale                        | 147,052                 | 188,026          |
| Sales of investments classified as available-for-sale                             | 1,099                   | —                |
| Business acquisition  | —                       | (45,765)         |
| (Increase) decrease in restricted cash  | (1,818)                 | 647              |
| Purchases of intangible assets  | —                       | (64)             |
| Purchases of property and equipment   | (2,880)                 | (1,726)          |
| Acquisitions of patent assets   | (127,101)               | (87,366)         |
| Proceeds from sale of patent assets   | 100                     | 200              |
| Net cash used in investing activities   | <u>(194,208)</u>        | <u>(131,630)</u> |
| <b>Cash flows from financing activities</b>                                       |                         |                  |
| Repayments of principal on deferred payment obligations                           | —                       | (5,150)          |
| Proceeds from other obligations   | —                       | 500              |
| Proceeds from exercise of stock options and other common stock issuances          | 5,151                   | 3,218            |
| Tax withholdings related to net share settlements of restricted stock units       | (756)                   | —                |
| Excess tax benefit from stock-based compensation                                  | 3,857                   | 8,574            |
| Net cash provided by financing activities   | <u>8,252</u>            | <u>7,142</u>     |
| Net increase (decrease) in cash and cash equivalents                              | 26,517                  | (33,111)         |
| Cash and cash equivalents at beginning of period                                  | 73,638                  | 106,749          |
| Cash and cash equivalents at end of period  | <u>\$ 100,155</u>       | <u>\$ 73,638</u> |

**RPX Corporation**  
**Reconciliation of Pro Forma Net Income Per Share**  
(in thousands, except per share data)  
(unaudited)

|   | Three Months Ended December<br>31, |           | Year Ended December 31, |           |
|---|------------------------------------|-----------|-------------------------|-----------|
|   | 2013                               | 2012      | 2013                    | 2012      |
| Net income  | \$ 6,994                           | \$ 10,098 | \$ 40,783               | \$ 38,957 |
| Pro forma net income per share:                                 |                                    |           |                         |           |
| Basic   | \$ 0.13                            | \$ 0.20   | \$ 0.78                 | \$ 0.77   |
| Diluted   | \$ 0.13                            | \$ 0.19   | \$ 0.76                 | \$ 0.74   |
| Shares used in computing pro forma net income per share:        |                                    |           |                         |           |
| Basic:  |                                    |           |                         |           |
| Basic weighted-average common shares                            | 52,562                             | 50,824    | 51,956                  | 49,766    |
| Add: Restricted stock   | 3                                  | 91        | 25                      | 649       |
| Shares used in computing pro forma basic net income per share   | 52,565                             | 50,915    | 51,981                  | 50,415    |
| Diluted:  |                                    |           |                         |           |
| Diluted weighted-average common shares                          | 54,296                             | 52,017    | 53,652                  | 51,802    |
| Add: Restricted stock   | 3                                  | 91        | 25                      | 649       |
| Shares used in computing pro forma diluted net income per share | 54,299                             | 52,108    | 53,677                  | 52,451    |

**RPX Corporation**  
**Reconciliation of GAAP to Pro Forma Non-GAAP Net Income Per Share**  
(in thousands, except per share data)  
(unaudited)

|   | Three Months Ended December<br>31, |           | Year Ended December 31, |           |
|---|------------------------------------|-----------|-------------------------|-----------|
|   | 2013                               | 2012      | 2013                    | 2012      |
| Net income  | \$ 6,994                           | \$ 10,098 | \$ 40,783               | \$ 38,957 |
| Stock-based compensation <sup>[1]</sup>                   | 4,136                              | 2,873     | 16,589                  | 10,683    |
| Amortization of acquired intangible assets <sup>[2]</sup> | 349                                | 360       | 1,418                   | 1,192     |
| Income tax adjustments <sup>[3]</sup>                     | (1,737)                            | (1,061)   | (6,094)                 | (3,750)   |
| Non-GAAP net income                                       | \$ 9,742                           | \$ 12,270 | \$ 52,696               | \$ 47,082 |
| Pro forma non-GAAP net income per share:                  |                                    |           |                         |           |
| Basic   | \$ 0.19                            | \$ 0.24   | \$ 1.01                 | \$ 0.93   |
| Diluted   | \$ 0.18                            | \$ 0.24   | \$ 0.98                 | \$ 0.90   |
| Shares used in computing pro forma net income per share:  |                                    |           |                         |           |
| Basic   | 52,565                             | 50,915    | 51,981                  | 50,415    |
| Diluted   | 54,299                             | 52,108    | 53,677                  | 52,451    |

**RPX Corporation**  
**Reconciliation of GAAP to Non-GAAP Cost of Revenue**  
(in thousands)  
(unaudited)

|   | Three Months Ended December<br>31, |                  | Year Ended December 31, |                  |
|---|------------------------------------|------------------|-------------------------|------------------|
|   | 2013                               | 2012             | 2013                    | 2012             |
| Cost of revenue   | \$ 32,641                          | \$ 21,815        | \$ 110,771              | \$ 82,323        |
| Amortization of acquired intangible assets <sup>[2]</sup> | (55)                               | (55)             | (223)                   | (223)            |
| Non-GAAP cost of revenue                                  | <u>\$ 32,586</u>                   | <u>\$ 21,760</u> | <u>\$ 110,548</u>       | <u>\$ 82,100</u> |

**RPX Corporation**  
**Reconciliation of GAAP to Non-GAAP Selling, General and Administrative Expenses**  
(in thousands)  
(unaudited)

|   | Three Months Ended December<br>31, |                  | Year Ended December 31, |                  |
|---|------------------------------------|------------------|-------------------------|------------------|
|   | 2013                               | 2012             | 2013                    | 2012             |
| Selling, general and administrative expenses              | \$ 16,732                          | \$ 13,687        | \$ 62,525               | \$ 53,590        |
| Stock-based compensation <sup>[1]</sup>                   | (4,136)                            | (2,873)          | (16,589)                | (10,683)         |
| Amortization of acquired intangible assets <sup>[2]</sup> | (294)                              | (305)            | (1,195)                 | (969)            |
| Non-GAAP selling, general and administrative expenses     | <u>\$ 12,302</u>                   | <u>\$ 10,509</u> | <u>\$ 44,741</u>        | <u>\$ 41,938</u> |

**RPX Corporation**  
**Additional Metrics**  
(in thousands, except client and headcount data)  
(unaudited)

|   | As of and for the Three Months Ended<br>December 31, |            |
|---|--|------------|
|   | 2013   | 2012       |
| <b>Operating Metrics</b>                          |  |            |
| Number of clients                                 | 168  | 140        |
| Net additions                                     | 8  | 12         |
| Trailing four quarters                            | 28   | 28         |
| Gross acquisition spend                           | \$ 41,100  | \$ 104,360 |
| Trailing four quarters                            | \$ 132,251   | \$ 251,800 |
| Net acquisition spend                             | \$ 40,350  | \$ 23,160  |
| Trailing four quarters                            | \$ 126,501   | \$ 116,370 |
| Full time equivalent headcount                    | 137  | 125        |
| <b>Financial Metrics</b>                          |  |            |
| Subscription revenue <sup>[4]</sup>               | \$ 57,912  | \$ 48,935  |
| Fee-related revenue                               | 2,363  | 2,622      |
| Total revenue                                     | \$ 60,275  | \$ 51,557  |
| Cash, cash equivalents and short-term investments | \$ 290,722   | \$ 199,730 |
| Deferred revenue, current and noncurrent          | \$ 137,743   | \$ 104,371 |

<sup>[1]</sup> RPX excludes stock-based compensation and related employer payroll taxes from its non-GAAP financial measures.

<sup>[2]</sup> RPX excludes amortization expense related to intangible assets (other than patents) acquired in conjunction with the acquisition of businesses from its non-GAAP financial measures.

<sup>[3]</sup> Amount reflects income taxes associated with the above noted non-GAAP exclusions.

<sup>[4]</sup> Subscription revenue is comprised of revenue generated from membership subscription services and premiums earned from insurance policies.