

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2024
OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For transition period from _____ to _____
Commission File Number 001-40812



THOUGHTWORKS HOLDING, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

82-2668392

(I.R.S. Employer
Identification Number)

200 East Randolph Street, 25th Floor
Chicago, Illinois 60601
(312) 373-1000

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol</u>	<u>Name of each exchange on which registered</u>
Common Stock, \$0.001 par value	TWKS	Nasdaq Global Select Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act): Yes No

As of August 1, 2024, there were 323,160,161 shares of the registrant's common stock outstanding.

THOUGHTWORKS HOLDING, INC.
QUARTERLY REPORT ON FORM 10-Q
TABLE OF CONTENTS

	Page
Forward-Looking Statements	<u>3</u>
Part I. Financial Information	
Item 1	
Condensed Consolidated Financial Statements (Unaudited)	<u>6</u>
Condensed Consolidated Balance Sheets as of June 30, 2024 (Unaudited) and December 31, 2023	<u>6</u>
Condensed Consolidated Statements of Loss and Comprehensive Loss for the three and six months ended June 30, 2024 and 2023 (Unaudited)	<u>7</u>
Condensed Consolidated Statements of Changes in Stockholders' Equity for the three and six months ended June 30, 2024 and 2023 (Unaudited)	<u>8</u>
Condensed Consolidated Statements of Cash Flows for the six months ended June 30, 2024 and 2023 (Unaudited)	<u>9</u>
Notes to the Condensed Consolidated Financial Statements (Unaudited)	<u>10</u>
Item 2	
Management's Discussion and Analysis of Financial Condition and Results of Operations	<u>20</u>
Item 3	
Quantitative and Qualitative Disclosure About Market Risk	<u>37</u>
Item 4	
Controls and Procedures	<u>37</u>
Part II. Other Information	
Item 1	
Legal Proceedings	<u>38</u>
Item 1A	
Risk Factors	<u>38</u>
Item 2	
Unregistered Sales of Equity Securities and Use of Proceeds	<u>40</u>
Item 3	
Defaults Upon Senior Securities	<u>40</u>
Item 4	
Mine Safety Disclosures	<u>40</u>
Item 5	
Other Information	<u>40</u>
Item 6	
Exhibits	<u>41</u>
Signatures	<u>42</u>

FORWARD-LOOKING STATEMENTS

This quarterly report on Form 10-Q (the “Quarterly Report”) contains “forward-looking statements” within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, as amended. Forward-looking statements include statements that are not historical facts and can be identified by terms such as “anticipate,” “believe,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “seek,” “should,” “strive,” “will,” “would” or similar expressions and the negatives of those terms but the absence of these words does not mean that the statement is not forward-looking. The forward-looking statements are contained principally in the section captioned “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” Forward-looking statements may include information concerning our possible or assumed future results of operations, client demand, business strategies, technology developments, financing and investment plans, competitive position, our industry, macroeconomic and regulatory environment, potential growth opportunities and the effects of competition.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Given these uncertainties, you should not place undue reliance on forward-looking statements. Also, forward-looking statements represent our management’s beliefs and assumptions only as of the date of this Quarterly Report. You should read this Quarterly Report and the documents that we have filed as exhibits hereto, completely and with the understanding that our actual future results may be materially different from what we expect.

Important risk factors that could cause actual results to differ materially from our expectations include:

- our previously announced acquisition by an affiliate of funds advised by Apax Partners LLP (“Apax” and such funds, the “Apax Funds”), including the likelihood of the satisfaction of the conditions to the completion of the transaction, and whether and when the transaction will be consummated;
- the risk of unanticipated costs, liabilities or delays relating to the proposed transaction with Apax Funds;
- economic conditions have resulted in, and may continue to result in, client delays, reductions or cancellations and a decrease in pricing, making it more difficult to forecast client demand and effectively build a pipeline;
- we have, and may continue to, offer significant discounts for our services, which has, and may continue to, put pressure on our margins;
- we face risks associated with having a long selling and implementation cycle for our services that require us to make significant resource commitments prior to realizing revenues for those services;
- if we are required to write down goodwill and other intangible assets, our financial condition and results would be negatively affected;
- our business has been, and may continue to be, adversely affected by volatile or uncertain operational, geopolitical, regulatory, legal and economic conditions;
- we may be unable to implement our strategy;
- we may not be successful at attracting new clients or retaining and expanding our relationships with our existing clients;
- our ability to generate and retain business depends on our reputation in the marketplace;
- if we fail to adequately innovate, adapt and/or remain at the forefront of emerging technologies and related client demands, we could be materially adversely affected;
- we may not be successful in our emerging technology initiatives, which could adversely affect our business, reputation, or financial results;
- if we fail to manage our acquisition strategy, our culture and growth plans could be materially adversely affected;
- our business, financial condition and results of operations may be adversely affected by fluctuations in foreign currency exchange rates;
- our cash flows and results of operations may be adversely affected if we are unable to collect on billed and unbilled receivables from clients;
- our effective tax rate could be materially adversely affected by several factors;
- we must successfully attract, hire, train and retain skilled professionals to service our clients’ projects and we must productively deploy our professionals to remain profitable;
- increases in wages, equity compensation and other compensation expenses could prevent us from sustaining our competitive advantage and increase our costs;

- our business and operations may be harmed if we cannot positively evolve and preserve our Thoughtworks culture;
- we face intense competition and operate in a rapidly evolving industry, which makes it difficult to evaluate our future prospects;
- our existing indebtedness could adversely affect our business and growth prospect;
- if we cause disruptions to our clients' businesses, provide inadequate service, or breach contractual obligations, our clients may have claims against us, which our insurance may not adequately protect against, and our reputation may be damaged;
- we face risks associated with security breaches as well as privacy and data protection regulations, and we may incur significant liabilities if we fail to manage those risks;
- a significant failure in our systems, telecommunications or IT infrastructure could harm our service model, which could result in a reduction of our revenues and otherwise disrupt our business;
- changes in privacy and data protection regulations could expose us to risks of noncompliance and costs associated with compliance;
- we are subject to laws and regulations in the U.S. and other countries in which we operate, compliance with these laws requires significant resources and non-compliance may result in civil or criminal penalties and other remedial measures;
- we may become subject to disputes or legal or other proceedings that could involve significant expenditures by us, which could have a material adverse effect on us, including our financial results;
- our environmental, social and governance (ESG) commitments and disclosures may expose us to reputational risks and legal liability;
- we may face intellectual property infringement or misappropriation claims that could be costly to defend or if we do not protect our brand through our intellectual property rights, our business may be harmed;
- we may not be able to prevent unauthorized use of our client's intellectual property and our business and competitive position may be damaged as a result;
- our stock price may be volatile, and the value of our common stock may decline;
- our issuance of additional capital stock in connection with financings, acquisitions, investments, our equity incentive plans, or otherwise will dilute all other stockholders;
- if securities or industry analysts do not publish research or publish unfavorable or inaccurate research about our business, the market price and trading volume of our common stock could decline;
- we do not intend to pay dividends for the foreseeable future and, as a result, the ability of the holders of our common stock to achieve a return on their investment will depend on appreciation in the price of our common stock;
- Apax Funds advised by Apax control us, and such control may give rise to actual or perceived conflicts of interests;
- our status as a "controlled company" grants us exemptions from certain corporate governance requirements;
- as a result of being a public company, we are obligated to develop and maintain proper and effective internal control over financial reporting, and any failure to maintain the adequacy of these internal controls may adversely affect investor confidence in our company and, as a result, the value of our common stock;
- we may fail to comply with the rules that apply to public companies, which could result in sanctions or other penalties;
- provisions of our corporate governance documents could make an acquisition of us more difficult and may prevent attempts by our shareholders to replace or remove our current management, even if beneficial to our shareholders;
- provisions of our certificate of incorporation could limit our shareholders' ability to obtain a favorable judicial forum for disputes with us;
- a significant portion of our total outstanding shares may be sold into the market, which could cause the market price of common stock to drop; and
- other factors disclosed in the subsection entitled "Risk Factor Summary" and the section entitled "Risk Factors" in the Annual Report on Form 10-K for the fiscal year ended December 31, 2023, filed with the Securities and Exchange Commission (the "SEC") on February 27, 2024 (the "2023 Annual Report") and the section entitled "Risk Factors" in this Quarterly Report.

We derive many of our forward-looking statements from our operating budgets and forecasts, which are based on many detailed assumptions. While we believe that our assumptions are reasonable, we caution that

it is very difficult to predict the impact of known factors, and it is impossible for us to anticipate all factors that could affect our actual results. Important factors that could cause actual results to differ materially from our expectations, or cautionary statements, include, but are not limited to, those disclosed under the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in this Quarterly Report and in our 2023 Annual Report. All written and oral forward-looking statements attributable to us, or persons acting on our behalf, are expressly qualified in their entirety by these cautionary statements as well as other cautionary statements that are made from time to time in our other SEC filings and public communications. You should evaluate all forward-looking statements made in this Quarterly Report in the context of these risks and uncertainties.

We caution you that the important factors referenced above may not contain all of the factors that are important to you. In addition, we cannot assure you that we will realize the results or developments we expect or anticipate or, even if substantially realized, that they will result in the consequences or affect us or our operations in the way we expect. The forward-looking statements included in this Quarterly Report are made only as of the date hereof. We undertake no obligation to update or revise any forward-looking statement as a result of new information, future events or otherwise, except as otherwise required by law.

PART I. FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements (Unaudited)

THOUGHTWORKS HOLDING, INC. CONDENSED CONSOLIDATED BALANCE SHEETS (In thousands, except share data and per share data)

	June 30, 2024 (unaudited)	December 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 47,740	\$ 100,305
Trade receivables, net of allowance of \$9,890 and \$9,550, respectively	143,849	167,942
Unbilled receivables	133,350	115,150
Prepaid expenses	15,772	19,692
Other current assets	25,906	25,269
Total current assets	366,617	428,358
Property and equipment, net	26,455	26,046
Right-of-use assets	35,274	41,771
Intangibles and other assets:		
Goodwill	418,057	424,565
Trademark	273,000	273,000
Other intangible assets, net	107,576	114,186
Other non-current assets	20,121	19,310
Total assets	\$ 1,247,100	\$ 1,327,236
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 3,114	\$ 2,767
Long-term debt, current	7,150	7,150
Accrued compensation	80,913	88,712
Deferred revenue	12,714	18,090
Accrued expenses and other current liabilities	24,140	27,260
Lease liabilities, current	13,595	15,301
Total current liabilities	141,626	159,280
Lease liabilities, non-current	24,915	29,791
Long-term debt, less current portion	282,694	286,035
Deferred tax liabilities	44,269	54,907
Other long-term liabilities	24,262	24,093
Total liabilities	517,766	554,106
Commitments and contingencies		
Stockholders' equity:		
Convertible preferred stock, \$0.001 par value; 100,000,000 shares authorized, zero issued and outstanding at June 30, 2024 and December 31, 2023, respectively	—	—
Common stock, \$0.001 par value; 1,000,000,000 shares authorized, 373,578,081 and 372,876,082 issued, 323,109,543 and 322,407,385 outstanding at June 30, 2024 and December 31, 2023, respectively	374	373
Treasury stock, 50,468,538 and 50,468,697 shares at June 30, 2024 and December 31, 2023, respectively	(622,987)	(622,988)
Additional paid-in capital	1,648,567	1,627,491
Accumulated other comprehensive loss	(35,666)	(38,166)
Retained deficit	(260,954)	(193,580)
Total stockholders' equity	729,334	773,130
Total liabilities and stockholders' equity	\$ 1,247,100	\$ 1,327,236

The accompanying notes form an integral part of the condensed consolidated financial statements.

THOUGHTWORKS HOLDING, INC.
CONDENSED CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS (unaudited)
(In thousands, except share and per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Revenues	\$ 251,671	\$ 287,215	\$ 500,264	\$ 594,271
Operating expenses:				
Cost of revenues	181,444	196,338	360,257	405,860
Selling, general and administrative expenses	79,816	86,626	156,046	172,966
Depreciation and amortization	5,662	5,874	11,297	11,416
Restructuring	7,212	—	9,327	—
Total operating expenses	274,134	288,838	536,927	590,242
(Loss) income from operations	(22,463)	(1,623)	(36,663)	4,029
Other (expense) income:				
Interest expense	(6,637)	(6,150)	(13,223)	(13,012)
Net realized and unrealized foreign currency (loss) gain	(5,905)	(30)	(16,313)	1,155
Other income (expense), net	144	135	493	(588)
Total other expense	(12,398)	(6,045)	(29,043)	(12,445)
Loss before income taxes	(34,861)	(7,668)	(65,706)	(8,416)
Income tax expense	1,629	4,604	1,666	11,963
Net loss	\$ (36,490)	\$ (12,272)	\$ (67,372)	\$ (20,379)
Other comprehensive (loss) income, net of tax:				
Foreign currency translation adjustments	2,864	(651)	2,500	(409)
Comprehensive loss	\$ (33,626)	\$ (12,923)	\$ (64,872)	\$ (20,788)
Net loss per common share:				
Basic loss per common share	\$ (0.11)	\$ (0.04)	\$ (0.21)	\$ (0.06)
Diluted loss per common share	\$ (0.11)	\$ (0.04)	\$ (0.21)	\$ (0.06)
Weighted average shares outstanding:				
Basic	323,000,992	317,341,907	322,819,551	316,899,214
Diluted	323,000,992	317,341,907	322,819,551	316,899,214

The accompanying notes form an integral part of the condensed consolidated financial statements.

THOUGHTWORKS HOLDING, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (unaudited)
(In thousands, except share data)

	Common Stock		Treasury		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Retained Deficit	Total
	Shares	Amount	Shares	Amount				
Balance as of December 31, 2022	315,681,987	\$ 366	50,624,983	\$ (624,934)	\$ 1,565,514	\$ (39,210)	\$ (123,514)	\$ 778,222
Net loss	—	—	—	—	—	—	(8,107)	(8,107)
Other comprehensive income	—	—	—	—	—	242	—	242
Issuance of common stock for equity incentive awards, net of withholding taxes	1,189,600	1	—	—	(180)	—	—	(179)
Reissuance of treasury shares for equity incentive awards	12,798	—	(12,798)	159	(159)	—	—	—
Stock-based compensation expense	—	—	—	—	17,679	—	—	17,679
Balance as of March 31, 2023	316,884,385	\$ 367	50,612,185	\$ (624,775)	\$ 1,582,854	\$ (38,968)	\$ (131,621)	\$ 787,857
Net loss	—	—	—	—	—	—	(12,272)	(12,272)
Other comprehensive loss, net of tax	—	—	—	—	—	(651)	—	(651)
Issuance of common stock for equity incentive awards, net of withholding taxes	756,478	1	—	—	1,187	—	—	1,188
Reissuance of treasury shares for equity incentive awards	7,082	—	(7,082)	88	(88)	—	—	—
Stock-based compensation expense	—	—	—	—	17,606	—	—	17,606
Balance as of June 30, 2023	317,647,945	\$ 368	50,605,103	\$ (624,687)	\$ 1,601,559	\$ (39,619)	\$ (143,893)	\$ 793,728
Balance as of December 31, 2023	322,407,385	\$ 373	50,468,697	\$ (622,988)	\$ 1,627,491	\$ (38,166)	\$ (193,580)	\$ 773,130
Net loss	—	—	—	—	—	—	(30,882)	(30,882)
Other comprehensive loss	—	—	—	—	—	(364)	—	(364)
Issuance of common stock for equity incentive awards, net of withholding taxes	419,384	—	—	—	855	—	—	855
Reissuance of treasury shares for equity incentive awards	159	—	(159)	1	(1)	—	(2)	(2)
Stock-based compensation expense	—	—	—	—	10,619	—	—	10,619
Balance as of March 31, 2024	322,826,928	\$ 373	50,468,538	\$ (622,987)	\$ 1,638,964	\$ (38,530)	\$ (224,464)	\$ 753,356
Net loss	—	—	—	—	—	—	(36,490)	(36,490)
Other comprehensive income, net of tax	—	—	—	—	—	2,864	—	2,864
Issuance of common stock for equity incentive awards, net of withholding taxes	282,615	1	—	—	265	—	—	266
Stock-based compensation expense	—	—	—	—	9,338	—	—	9,338
Balance as of June 30, 2024	323,109,543	\$ 374	50,468,538	\$ (622,987)	\$ 1,648,567	\$ (35,666)	\$ (260,954)	\$ 729,334

The accompanying notes form an integral part of the condensed consolidated financial statements.

THOUGHTWORKS HOLDING, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited)
(In thousands)

	Six Months Ended June 30,	
	2024	2023
Cash flows from operating activities:		
Net loss	\$ (67,372)	\$ (20,379)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:		
Depreciation and amortization expense	14,377	18,220
Bad debt expense	2,237	2,596
Deferred income tax benefit	(9,943)	(12,033)
Stock-based compensation expense	19,957	35,285
Unrealized foreign currency exchange loss/(gain)	15,505	(735)
Non-cash lease expense on right-of-use assets	7,883	9,312
Other operating activities, net	534	2,018
Changes in operating assets and liabilities:		
Trade receivables	18,236	47,332
Unbilled receivables	(20,746)	(15,276)
Prepaid expenses and other assets	1,808	2,727
Lease liabilities	(7,453)	(9,495)
Accounts payable	113	(813)
Accrued expenses and other liabilities	(9,087)	(28,516)
Net cash (used in) provided by operating activities	(33,951)	30,243
Cash flows from investing activities:		
Purchase of property and equipment	(7,713)	(3,681)
Proceeds from disposal of fixed assets	191	221
Acquisitions, net of cash acquired	(1,399)	(15,989)
Net cash used in investing activities	(8,921)	(19,449)
Cash flows from financing activities:		
Payments of obligations of long-term debt	(3,575)	(103,575)
Payments of debt issuance costs	—	(99)
Proceeds from issuance of common stock on exercise of options	1,272	3,816
Withholding taxes paid related to net share settlement of equity awards	(4,162)	(3,261)
Payment of contingent consideration	—	(13,996)
Other financing activities, net	—	80
Net cash used in financing activities	(6,465)	(117,035)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(2,924)	178
Net decrease in cash, cash equivalents and restricted cash	(52,261)	(106,063)
Cash, cash equivalents and restricted cash at beginning of the period	101,660	195,564
Cash, cash equivalents and restricted cash at end of the period	\$ 49,399	\$ 89,501
Supplemental disclosure of cash flow information:		
Interest paid	\$ 12,208	\$ 12,544
Income taxes paid	\$ 9,375	\$ 31,929
Reconciliation of cash, cash equivalents and restricted cash:		
Cash and cash equivalents	\$ 47,740	\$ 88,151
Restricted cash included in other non-current assets	1,659	1,350
Total cash, cash equivalents and restricted cash	\$ 49,399	\$ 89,501

The accompanying notes form an integral part of the condensed consolidated financial statements.

THOUGHTWORKS HOLDING, INC.
Notes to the Condensed Consolidated Financial Statements (Unaudited)

Note 1 – Business and Summary of Significant Accounting Policies

Thoughtworks Holding, Inc. (together with its subsidiaries, the “Company”) develops, implements, and services complex enterprise application software, and provides business technology consulting. The Company conducts business in 19 countries. Thoughtworks Holding, Inc. is the ultimate parent holding company of Thoughtworks, Inc. among other subsidiaries.

Basis of Presentation and Consolidation

The accompanying unaudited condensed consolidated financial statements include the accounts of Thoughtworks Holding, Inc. and its subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation. These unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes included in the Company’s 2023 Annual Report.

Certain amounts in the prior period consolidated financial statements and notes have been reclassified to conform to the 2024 presentation. These reclassifications had no effect on results of operations previously reported.

Preparation of Financial Statements and Use of Estimates

The preparation of these condensed consolidated financial statements is in conformity with generally accepted accounting principles in the United States (“GAAP”) and applicable rules and regulations of the SEC regarding interim financial reporting. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting periods. On an ongoing basis, the Company evaluates its estimates, including those related to allowance for credit losses, valuation and impairment of goodwill and indefinite-lived intangible assets and long-lived assets, income taxes, accrued bonus, contingencies, stock-based compensation and litigation costs. The Company bases its estimates on current expectations and historical experience and on other assumptions that its management believes are reasonable under the circumstances. These estimates form the basis for making judgments about the carrying value of assets and liabilities when those values are not readily apparent from other sources. Actual results can differ from those estimates, and such differences may be material to the condensed consolidated financial statements in the future. Operating results for interim periods are not necessarily indicative of results that may be expected to occur for the entire year. In management’s opinion, all adjustments considered necessary for a fair presentation of the accompanying unaudited condensed consolidated financial statements have been included, and all adjustments are of a normal and recurring nature.

As a result of changes in the business, the Company re-evaluated the estimated useful lives of its long-lived assets and determined the estimated useful life for computer equipment should be updated from three years to four years, effective January 1, 2024. The change in estimate is accounted for prospectively and resulted in an immaterial decrease to depreciation and amortization expense for the three and six months ended June 30, 2024. Further, we expect an immaterial decrease to depreciation and amortization expense related to the change in estimated useful life for the full year.

Restricted Cash

Restricted cash is included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. Restricted cash is restricted as to withdrawal or use. The Company has restricted cash held on deposit at various financial institutions. The amounts are held to secure bank guarantees of amounts related to government requirements and as collateral for a corporate credit card.

Allowance for Credit Losses

The Company analyzes its historical credit loss experience and considers current conditions and reasonable and supportable forecasts in developing the expected credit loss rates. Interest is not generally accrued on outstanding balances as the balances are considered short-term in nature.

Activity related to the Company's allowance for credit losses is as follows (in thousands):

	Six Months Ended June 30, 2024
Allowance for credit losses, beginning balance	\$ (9,550)
Current period provision	(2,237)
Write-offs charged against allowance	1,602
Recoveries of amounts previously written off	—
Changes due to exchange rates	295
Allowance for credit losses, ending balance	<u>\$ (9,890)</u>

Recently Issued Accounting Pronouncements Not Yet Adopted

In November 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, which is intended to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. The guidance is effective for public entities for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. The guidance should be applied retrospectively to all prior periods presented in the financial statements. Upon transition, the segment expense categories and amounts disclosed in the prior periods should be based on the significant segment expense categories identified and disclosed in the period of adoption. The Company is currently assessing the impact of this ASU on the consolidated financial statements.

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which requires public business entities to provide annual disclosure of specific categories in the rate reconciliation and income taxes paid disaggregated by jurisdiction. The guidance is effective for public entities for fiscal years beginning after December 15, 2024. Early adoption is permitted. The ASU applies on a prospective basis, however, retrospective application is permitted. The Company is currently assessing the impact of this ASU on the consolidated financial statements.

Concentration of Credit Risk and Other Risks and Uncertainties

Revenue generated from the Company's operations outside of the United States for the three months ended June 30, 2024 and 2023 was 67.8% and 65.6%, respectively, and 67.6% and 65.6% for the six months ended June 30, 2024 and 2023, respectively.

As of June 30, 2024 and December 31, 2023, 70.1% and 74.8%, respectively, of trade receivables and unbilled receivables was due from customers located outside the United States. At June 30, 2024 and December 31, 2023, the Company had net property and equipment of \$18.6 million and \$18.7 million, respectively, outside the United States.

Note 2 – Revenue Recognition

The Company disaggregates revenues from contracts with customers by geographic customer location, industry vertical and revenue contract types. Geographic customer location is pertinent to understanding the Company's revenues, as the Company generates its revenues from providing professional services to customers in various regions across the world. The Company groups customers into one of five industry verticals. Revenue contract types are differentiated by the type of pricing structure for customer contracts, which is predominantly time-and-materials but also includes fixed price contracts.

During the first quarter of 2024, in connection with the Reorganization (as defined below), the Company updated the disaggregation of revenue by customer location to reflect the geographical market based on contracting location, consistent with client ownership within our geographical markets, versus billing location, as previously reported. All corresponding disclosures and historical amounts, including revenue by country noted below, have been recast to reflect the change.

Disaggregation of Revenues

The following table presents the disaggregation of the Company's revenues by customer location (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
North America (1)	\$ 88,255	\$ 107,570	\$ 177,055	\$ 222,630
APAC (2)	89,095	98,680	175,808	196,164
Europe (3)	63,054	65,763	125,266	144,547
LATAM	11,267	15,202	22,135	30,930
Total revenues	\$ 251,671	\$ 287,215	\$ 500,264	\$ 594,271

- (1) For the three months ended June 30, 2024 and 2023, the United States represented 32.2%, or \$81.0 million, and 34.4%, or \$98.9 million, respectively, of the Company's total revenues. For the six months ended June 30, 2024 and 2023, the United States represented 32.4%, or \$162.3 million, and 34.4%, or \$204.6 million, of the Company's total revenues, respectively. Canadian operations were determined to be immaterial given revenue as a percentage of total North America revenues was less than 10% for the three and six months ended June 30, 2024 and 2023.
- (2) For the three months ended June 30, 2024 and 2023, Australia represented 12.5%, or \$31.4 million, and 11.1%, or \$31.8 million, respectively, of the Company's total revenues. For the six months ended June 30, 2024 and 2023, Australia represented 12.3%, or \$61.4 million, and 10.8%, or \$64.3 million, respectively, of the Company's total revenues.
- (3) For the three months ended June 30, 2024 and 2023, Germany represented 13.2%, or \$33.3 million, and 11.5%, or \$33.1 million, respectively, of the Company's total revenues. For the six months ended June 30, 2024 and 2023, Germany represented 13.1%, or \$65.6 million, and 11.6%, or \$68.7 million, respectively, of the Company's total revenues.

Other foreign countries were determined to be immaterial given the revenues as a percentage of the Company's total revenues was less than 10% for the three and six months ended June 30, 2024 and 2023.

The following table presents the disaggregation of the Company's revenues by industry vertical (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Technology and business services	\$ 64,120	\$ 69,695	\$ 129,489	\$ 143,828
Energy, public and health services	63,530	75,313	126,552	159,352
Retail and consumer	42,687	44,485	81,618	92,397
Financial services and insurance	36,928	52,778	76,083	107,933
Automotive, travel and transportation	44,406	44,944	86,522	90,761
Total revenues	\$ 251,671	\$ 287,215	\$ 500,264	\$ 594,271

The following table presents the disaggregation of the Company's revenues by contract type (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Time-and-materials	\$ 177,021	\$ 235,119	\$ 354,808	\$ 492,369
Fixed-price	74,650	52,096	145,456	101,902
Total revenues	\$ 251,671	\$ 287,215	\$ 500,264	\$ 594,271

Contract Balances

The following table is a summary of the Company's contract assets and contract liabilities (in thousands):

	As of June 30, 2024		As of December 31, 2023	
Contract assets included in unbilled receivables	\$	34,790	\$	29,981
Contract liabilities included in deferred revenue	\$	12,714	\$	18,090

Contract assets primarily relate to unbilled amounts on fixed-price contracts, where the right to consideration is conditional on the satisfaction of performance obligations that are measured based on hours incurred and the end deliverable to the customer. Contract assets are recorded when services have been provided but the Company does not have an unconditional right to receive consideration. Professional services performed on or prior to the balance sheet date, but invoiced thereafter, are reflected in unbilled receivables.

Contract liabilities represent amounts collected from the Company's customers for revenues not yet earned. Such amounts are anticipated to be recorded as revenues when services are performed in subsequent periods. For the three months ended June 30, 2024 and 2023, the Company recognized \$2.6 million and \$0.8 million, respectively, of revenues that were included in contract liabilities at the beginning of the period. For the six months ended June 30, 2024 and 2023, the Company recognized \$14.1 million and \$4.3 million, respectively, of revenues that were included in contract liabilities at the prior year end.

Costs to Obtain a Customer Contract

The Company incurs certain incremental costs to obtain a contract that the Company expects to recover. The Company applies a practical expedient and recognizes the incremental costs of obtaining contracts as an expense when incurred if the amortization period of the assets that the Company otherwise would have recognized is one year or less. The Company capitalizes incremental costs of obtaining contracts where the contract term is greater than one year. These costs would primarily relate to commissions paid to our account executives and are included in selling, general and administrative ("SG&A") expenses in the condensed consolidated statements of loss and comprehensive loss for contracts one year or less and other current assets and other non-current assets on the condensed consolidated balance sheets for contracts greater than one year.

The following table is a summary of the Company's costs to obtain contracts and related amortization and impairment where the amortization period of the assets is greater than one year (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Balance at beginning of period	\$ 1,306	\$ 1,391	\$ 876	\$ 1,588
Costs to obtain contracts capitalized	421	281	1,054	349
Amortization of capitalized costs	(202)	(859)	(400)	(1,127)
Changes due to exchange rates	(2)	12	(7)	15
Balance at end of period	\$ 1,523	\$ 825	\$ 1,523	\$ 825

Transaction Price Allocated to Remaining Performance Obligations

The Company had remaining performance obligations of approximately \$10.4 million as of June 30, 2024. Our remaining performance obligations represent the amount of transaction price for which work has not been performed and revenue has not been recognized. The Company has applied the optional exemption for contracts that have an original expected duration of one year or less. We expect to recognize our remaining performance obligations as of June 30, 2024 as revenue over the next 12 to 24 months.

Note 3 – Income Taxes

For the three and six months ended June 30, 2024 and June 30, 2023, the Company utilized the discrete effective tax rate method, treating the year-to-date period as if it was the annual period to calculate its interim income tax provision, as allowed by ASC 740-270-30-18, Income Taxes-Interim Reporting. The Company concluded it could not use the estimated annual effective tax rate method as it could not calculate a reliable estimate of the annual effective tax rate due to the impact of permanent differences on the Company's forecasted loss before income taxes, causing the tax rate to be highly sensitive whereby minor changes in the forecasted amounts generate significant variability in the estimated annual effective tax rate, thus distorting the customary relationship between income tax expense and pre-tax income in interim periods.

The Company's effective tax rate for the three months ended June 30, 2024 and June 30, 2023 was (4.7)% and (60.0)%, respectively, and (2.5)% and (142.1)% for the six months ended June 30, 2024 and June 30, 2023, respectively. The effective tax rate in each period differed from the U.S. statutory rate of 21% primarily due to U.S. corporate state income taxation and the effect of foreign operations, which reflects the impact of higher income tax rates in locations outside the United States, the unfavorable impact of valuation allowances on deferred tax assets of select foreign and US operations, the unfavorable impact of providing for unrecognized tax benefits, the unfavorable impact of capitalized research and experimental costs under Internal Revenue Code ("IRC") §174 increasing the Company's net global intangible low tax income ("GILTI") inclusion, the non-deductibility of China SAFE restricted stock units ("RSUs"), and the unfavorable impact of excess tax deficiencies on stock-based compensation. The change in the effective tax rate for the three and six months ended June 30, 2024, as compared to the prior periods, and the negative effective tax rate for the three and six months ended June 30, 2024 and June 30, 2023, is a result of the aforementioned net unfavorable items when compared to the pre-tax loss recorded for the respective periods.

Note 4 – Loss Per Share

The components of basic and diluted loss per share are as follows (in thousands, except share and per share data):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Numerator:				
Net loss - Basic and diluted	\$ (36,490)	\$ (12,272)	\$ (67,372)	\$ (20,379)
Denominator:				
Weighted average shares outstanding – Basic and diluted	323,000,992	317,341,907	322,819,551	316,899,214
Basic and diluted loss per common share	\$ (0.11)	\$ (0.04)	\$ (0.21)	\$ (0.06)

The following potentially dilutive securities were excluded from the computation of diluted loss per share because the impact of including them would have been anti-dilutive:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Employee stock options, RSUs and performance stock units ("PSUs")	18,647,797	17,170,149	19,910,533	19,018,901

Note 5 – Stock-Based Compensation

The following is a summary of the components of stock-based compensation expense for the periods indicated (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Cost of revenues	\$ 5,073	\$ 10,696	\$ 10,672	\$ 21,226
Selling, general and administrative expenses (1)	4,265	6,910	9,285	14,059
Total stock-based compensation expense	\$ 9,338	\$ 17,606	\$ 19,957	\$ 35,285

(1) The three and six months ended June 30, 2024 include a net reversal of \$0.6 million related to the CEO transition.

Stock Options

The following is a summary of performance and time vesting stock option activity for the six months ended June 30, 2024 (in thousands, except share and per share data):

	Number of Stock Options	Weighted Average Exercise Price	Aggregate Intrinsic Value	Weighted-Average Remaining Contractual Term (years)
Balance at December 31, 2023	18,595,731	\$ 3.76		
Granted	—	—		
Forfeited	(66,203)	7.88		
Exercised	(537,005)	2.37		
Cancelled	—	—		
Expired	—	—		
Balance at June 30, 2024	17,992,523	\$ 3.79	\$ 7,242	4.0
Exercisable at June 30, 2024	17,790,548	\$ 3.69	\$ 7,242	3.9

As of June 30, 2024, total compensation cost related to time vesting options not yet recognized was \$1.6 million, which will be recognized over a weighted-average period of 0.8 years. Unless otherwise prohibited by law in local jurisdictions, time vesting options will continue to vest according to the 2017 Stock Option Plan (the "2017 Plan") and the applicable award agreements.

Restricted Stock Units

The following is a summary of RSU activity for the six months ended June 30, 2024:

	Number of RSUs	Weighted Average Grant Date Fair Value
Unvested balance at December 31, 2023	13,336,829	\$ 7.96
Granted	586,520	2.74
Forfeited	(916,364)	8.81
Vested (1)	(248,486)	9.74
Unvested balance at June 30, 2024	12,758,499	\$ 7.35

(1) Includes 41,308 shares that were net settled when released and returned to the share pool for future grants.

As of June 30, 2024, total compensation cost related to RSUs not yet recognized was \$71.9 million, which will be recognized over a weighted-average period of 2.3 years.

Performance Stock Units

The following is a summary of PSU activity for the six months ended June 30, 2024:

	Number of PSUs	Weighted Average Grant Date Fair Value
Unvested balance at December 31, 2023	88,132	\$ 20.11
Granted (1)	1,469,106	2.41
Adjustment for PSUs expected to vest as of current period end	(1,469,106)	2.37
Forfeited	(10,357)	20.11
Vested	—	—
Unvested balance at June 30, 2024	<u>77,775</u>	<u>\$ 15.79</u>

(1) Reflects shares granted at 100%.

For compensation expense purposes, the fair value of the non-market-based PSUs was determined using the closing stock price on the grant date and the fair value for the market-based PSUs was determined using a Monte-Carlo simulation.

As of June 30, 2024, total compensation cost related to PSUs not yet recognized was \$3.8 million. The unamortized expense is anticipated to be recognized over a weighted-average period of 1.8 years.

Note 6 – Credit Agreements

Our subsidiaries are party to an amended and restated credit agreement, dated May 18, 2023 (as amended, the "Credit Agreement"), among Thoughtworks, Inc., Turing Acquisition LLC and Turing Midco LLC, Turing Topco LLC ("Holdings"), Credit Suisse AG, Cayman Islands Branch, as administrative agent, the lenders party thereto and the other parties from time-to-time party thereto, which provides for a senior secured term loan (the "Term Loan") of \$715.0 million and a senior secured revolving credit facility (the "Revolver") of \$300.0 million.

Borrowings under the Term Loan bear interest at a rate per annum equal to an applicable margin based on the Company's leverage ratio, plus either (a) a base rate or (b) the SOFR rate, at the Company's option, subject to interest rate floors.

Borrowings under the Revolver bear interest at a rate per annum equal to an applicable margin based on the Company's leverage ratio, plus either (a) a base rate or (b) the SOFR rate at the Company's option. In addition to paying interest on outstanding borrowings under the Revolver, the Company is required to pay a commitment fee to the lenders under the Revolver in respect of unutilized commitments thereunder and customary letter of credit fees.

The following table presents the Company's outstanding debt and borrowing capacity (in thousands, except percentages):

	June 30, 2024	December 31, 2023
Availability under Revolver (due March 26, 2026)	\$ 300,000	\$ 300,000
Borrowings under Revolver	\$ —	\$ —
Long-term debt (due March 24, 2028), including current portion (1)	\$ 289,844	\$ 293,185
Interest rate	8.1 %	8.0 %

(1) The balance includes deferred financing fees. A reconciliation of gross to net amounts is presented below.

The following table presents the carrying value of the Company's credit facilities (including current maturities) (in thousands):

	June 30, 2024	December 31, 2023
Long-term debt, less current portion	\$ 284,613	\$ 288,188
Capitalized deferred financing fees	(1,919)	(2,153)
Long-term debt	282,694	286,035
Current portion of long-term debt	7,150	7,150
Total debt carrying value	\$ 289,844	\$ 293,185

The Company estimates the fair value of the Term Loan using current market yields. These current market yields are considered Level 2 inputs. The book value of the Company's credit facilities is considered to approximate its fair value as of June 30, 2024 as the interest rates are considered in line with current market rates. The fair value of the Term Loan was \$294.0 million as of December 31, 2023.

Note 7 – Restructuring Actions

On August 8, 2023, the Company announced that its Board of Directors approved and committed to a structural reorganization (the "Reorganization") on August 7, 2023 that will (i) move its operational functions from a geographic to a centralized model, (ii) create a new organizational home for the majority of its client facing workforce, our Digital Engineering Center, and (iii) evolve its regional market structure.

As the Company has been implementing the Reorganization, additional opportunities have been identified to drive further cost savings. On May 1, 2024, the Company's Board of Directors approved an increase to its Reorganization plan to capture additional savings of \$25 million to \$30 million, with expected additional pre-tax cash charges of \$6.5 million to \$8.0 million.

On August 2, 2024, the Company's Board of Directors approved a second increase to its Reorganization plan to capture additional savings of \$85 million to \$95 million, for a total Reorganization savings of \$185 million to \$210 million. Thoughtworks expects to incur additional pre-tax cash charges of approximately \$30.0 million to \$35.0 million, for total expected pre-tax charges of approximately \$56.5 million to \$68.0 million (the "Updated 2024 Total Charges"). The Updated 2024 Total Charges include \$51.0 million to \$59.0 million in wage-related expenses, such as employee severance and related benefits, and \$5.5 million to \$9.0 million in non-wage related expenses, including costs related to reducing leased office space, vendor contract cancellations and professional fees. We now expect the Reorganization to be completed by October 31, 2024.

The total costs related to the Reorganization are reported in restructuring in the condensed consolidated statements of loss and comprehensive loss. The table below summarizes restructuring costs incurred (in thousands):

	Three Months Ended June 30, 2024	Six Months Ended June 30, 2024	Total Costs Incurred to Date at June 30, 2024
Wage-related expenses	\$ 6,208	\$ 7,239	\$ 24,483
Non-wage related expenses	1,004	2,088	3,788
Total restructuring costs	\$ 7,212	\$ 9,327	\$ 28,271

The liability as of June 30, 2024 is reflected in accrued expenses and other current liabilities on the condensed consolidated balance sheet. The table below summarizes the activities related to the Reorganization for the three and six months ended June 30, 2024 (in thousands):

	Three Months Ended June 30, 2024			Six Months Ended June 30, 2024		
	Wage-related expenses	Non-wage related expenses	Total	Wage-related expenses	Non-wage related expenses	Total
Liability at beginning of period	\$ 2,290	\$ 701	\$ 2,991	\$ 3,134	\$ 369	\$ 3,503
Charges	6,208	1,004	7,212	7,239	2,088	9,327
Payments	(6,728)	(1,233)	(7,961)	(8,603)	(1,986)	(10,589)
Non-cash items (1)	—	—	—	—	1	1
Liability at end of period	\$ 1,770	\$ 472	\$ 2,242	\$ 1,770	\$ 472	\$ 2,242

(1) Non-wage related expenses includes charges related to reducing leased office space.

Note 8 – Subsequent Events

On August 5, 2024, the Company announced that it had entered into a definitive merger agreement pursuant to which an affiliate of funds advised by Apax Partners LLP (“Apax” and such funds, the “Apax Funds”) will purchase all of the outstanding shares of Thoughtworks common stock that they do not already own, for \$4.40 per share. The transaction is expected to close in the fourth calendar quarter of 2024, subject to the satisfaction of customary closing conditions. The transaction has been approved by an affiliate of the Apax Funds, in its capacity as the majority stockholder of Thoughtworks, and no other stockholder approval is required.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our interim condensed consolidated financial statements and related notes appearing elsewhere in this Quarterly Report on Form 10-Q and with our audited consolidated financial statements and the related notes included in our 2023 Annual Report. Some of the information contained in this discussion and analysis, including information with respect to our plans and strategy for our business, includes forward-looking statements that involve risks and uncertainties. You should read the sections titled "Risk Factors" in our 2023 Annual Report and in this Quarterly Report on Form 10-Q and "Forward-Looking Statements" herein for a discussion of important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis. Quarterly results reflected herein are not necessarily indicative of our operating results for a full year or any future period.

Overview

We are a global technology consultancy that integrates strategy, design and engineering to drive digital innovation. We are 10,761 Thoughtworkers strong across 48 offices in 19 countries. Over the last 30+ years, we have delivered extraordinary impact together with our clients by helping them solve complex business problems with technology as the differentiator.

Our revenues are generated from providing professional services based on the mix and locations of delivery professionals involved, the pricing structure, which is predominantly time-and-materials, and the type of services, including: enterprise modernization, platforms & cloud; customer experience, product & design; data & artificial intelligence; DAMO™ managed services; and digital transformation & operations.

Recent Developments

On August 5, 2024, we announced that we had entered into a definitive merger agreement pursuant to which an affiliate of funds advised by Apax Partners LLP ("Apax" and such funds, the "Apax Funds") will purchase all of the outstanding shares of Thoughtworks common stock that they do not already own, for \$4.40 per share. The transaction is expected to close in the fourth calendar quarter of 2024, subject to the satisfaction of customary closing conditions. The transaction has been approved by an affiliate of the Apax Funds, in its capacity as the majority stockholder of Thoughtworks, and no other stockholder approval is required.

If the transaction is consummated, the shares of our common stock will be delisted from Nasdaq and deregistered under the Securities Exchange Act of 1934, as amended.

Key Operational and Business Metrics

In addition to the measures presented in our condensed consolidated financial statements, we use the following key operational and business metrics to evaluate our business, measure our performance, develop financial forecasts and make strategic decisions (in thousands, except percentages):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Revenues	\$ 251,671	\$ 287,215	\$ 500,264	\$ 594,271
Revenue Growth Rate as reported (1)	(12.4)%	(13.5)%	(15.8)%	(9.0)%
Revenue Growth Rate at constant currency (1)	(11.3)%	(12.5)%	(15.2)%	(6.9)%
Net loss	\$ (36,490)	\$ (12,272)	\$ (67,372)	\$ (20,379)
Net loss margin	(14.5)%	(4.3)%	(13.5)%	(3.4)%
Adjusted Net (Loss) Income (2)	\$ (8,510)	\$ 10,105	\$ (15,953)	\$ 20,172
Adjusted EBITDA (3)	\$ 5,719	\$ 29,300	\$ 12,495	\$ 64,200
Adjusted EBITDA Margin (3)	2.3 %	10.2 %	2.5 %	10.8 %

- (1) Revenue Growth Rate as reported is calculated by comparing to the prior year's corresponding period. Certain of our subsidiaries use functional currencies other than the U.S. dollar and the translation of these foreign currency amounts into the U.S. dollar can impact the comparability of our revenues between periods. Accordingly, we use Revenue Growth Rate at constant currency as an important indicator of our underlying performance. Revenue Growth Rate at constant currency is a Non-GAAP measure and is calculated by applying the average exchange rates in effect during the earlier comparative fiscal period to the later fiscal period.
- (2) We use Adjusted Net (Loss) Income as an important indicator of our performance. See “—Non-GAAP Financial Measures” below for a definition of and reconciliation of Adjusted Net (Loss) Income to net loss, the most directly comparable GAAP measure, how we use this measure and an explanation of why we consider this non-GAAP measure to be helpful for investors.
- (3) We also use Adjusted EBITDA and Adjusted EBITDA Margin as important indicators of our performance. See “—Non-GAAP Financial Measures” below for a definition of and a reconciliation of Adjusted EBITDA to net loss, the most directly comparable GAAP measure, how we use Adjusted EBITDA and Adjusted EBITDA Margin and an explanation of why we consider these non-GAAP measures to be helpful for investors.

Revenue Growth Rate and Revenue Growth Rate at constant currency

For the three and six months ended June 30, 2024, revenues decreased 12.4% and 15.8%, respectively. The decrease in revenue was due to a more cautionary macroeconomic environment compared to the prior year, particularly in the IT services market, combined with incremental project start ups, shorter contract terms, client budget caution and lower headcount. The decrease was also attributable to lower bill rates driven by a larger percentage of work performed offshore. Had our consolidated revenues been expressed in constant currency terms using the exchange rates in effect for the three and six months ended June 30, 2023, we would have reported a decrease in revenues of 11.3% and 15.2%, respectively. The negative impact to revenues from foreign currencies for the three and six months ended June 30, 2024 was due to the appreciation of the U.S. dollar, relative to certain principal functional currencies of our subsidiaries.

For more detail regarding our exposure to foreign currency rate fluctuations, see Note 2, *Revenue Recognition*, to our condensed consolidated financial statements and “Item 3. Quantitative and Qualitative Disclosures About Market Risk.”

Net Loss, Net Loss Margin and Adjusted Net (Loss) Income

For the three months ended June 30, 2024, the \$24.2 million increase in net loss as compared to the three months ended June 30, 2023 was driven by a \$35.5 million decrease in revenue, as discussed above, an

increase in restructuring expense of \$7.2 million and a \$5.9 million increase in net realized and unrealized foreign currency loss, partially offset by a decrease in payroll expense (excluding stock-based compensation) of \$11.3 million resulting from a lower headcount, a \$7.6 million decrease in stock-based compensation expense (excluding the net reversal of \$0.6 million related to the CEO transition) and a \$3.0 million decrease in income tax expense. For the three months ended June 30, 2024, the 10.2 percentage point increase in net loss margin as compared to the three months ended June 30, 2023 was primarily due to the factors driving a decrease in revenue, as discussed above, paired with payroll expense (excluding stock-based compensation), restructuring expense and net realized and unrealized foreign currency loss, partially offset by stock-based compensation, as a percentage of revenues.

For the six months ended June 30, 2024, the \$47.0 million increase in net loss as compared to the six months ended June 30, 2023 was driven by a \$94.0 million decrease in revenue, as discussed above, a \$17.5 million increase in net realized and unrealized foreign currency loss and an increase in restructuring expense of \$9.3 million, partially offset by a decrease in payroll expense (excluding stock-based compensation) of \$38.7 million resulting from a lower headcount, a \$14.7 million decrease in stock-based compensation expense (excluding the net reversal of \$0.6 million related to the CEO transition), a \$10.3 million decrease in income tax expense, a \$4.1 million decrease in professional fees and a \$3.8 million decrease in depreciation and amortization expense (the majority of which is related to depreciation included in cost of revenues). For the six months ended June 30, 2024, the 10.1 percentage point increase in net loss margin as compared to the six months ended June 30, 2023 was primarily due to the factors driving a decrease in revenue, as discussed above, paired with payroll expense (excluding stock-based compensation), net realized and unrealized foreign currency loss and restructuring expense, partially offset by stock-based compensation, as a percentage of revenues.

For more information, see “—Results of Operations.” We consider net loss margin as the most directly comparable GAAP measure to Adjusted EBITDA Margin.

For the three months ended June 30, 2024, the decrease in Adjusted Net Income as compared to the three months ended June 30, 2023 of \$18.6 million, or 184.2%, was primarily due to a decrease in revenue of \$35.5 million, as discussed above, partially offset by decreases in payroll expense (excluding stock-based compensation) of \$11.1 million, income tax expense (adjusted to exclude the income tax effect of adjustments) of \$3.5 million and depreciation and amortization expense of \$2.0 million (the majority of which is related to depreciation included in cost of revenues).

For the six months ended June 30, 2024, the decrease in Adjusted Net Income as compared to the six months ended June 30, 2023 of \$36.1 million, or 179.1%, was primarily due to a decrease in revenue of \$94.0 million, as discussed above, partially offset by decreases in payroll expense (excluding stock-based compensation) of \$38.5 million, income tax expense (adjusted to exclude the income tax effect of adjustments) of \$10.9 million, professional fees of \$4.6 million and depreciation and amortization expense of \$4.0 million (the majority of which is related to depreciation included in cost of revenues).

Adjusted EBITDA and Adjusted EBITDA Margin

For the three months ended June 30, 2024, the decrease in Adjusted EBITDA as compared to the three months ended June 30, 2023 of \$23.6 million, or 80.5%, was driven by a \$35.5 million decrease in revenue, as discussed above, partially offset by a decrease in payroll expense (excluding stock-based compensation) of \$11.1 million resulting from a lower headcount.

For the six months ended June 30, 2024, the decrease in Adjusted EBITDA as compared to the six months ended June 30, 2023 of \$51.7 million, or 80.5%, was driven by a \$94.0 million decrease in revenue, as discussed above, partially offset by decreases in payroll expense (excluding stock-based compensation) of \$38.5 million resulting from a lower headcount and professional fees of \$4.6 million.

For the three and six months ended June 30, 2024, the decrease in Adjusted EBITDA Margin as compared to the three and six months ended June 30, 2023 was primarily due to a decrease in revenue, as discussed above, paired with payroll expense (excluding stock-based compensation), as a percentage of revenues.

Results of Operations

The following table sets forth a summary of our condensed consolidated results of operations for the periods indicated (in thousands, except percentages):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Revenues	\$ 251,671	\$ 287,215	\$ 500,264	\$ 594,271
Operating expenses:				
Cost of revenues (1)	181,444	196,338	360,257	405,860
Selling, general and administrative expenses (1)	79,816	86,626	156,046	172,966
Depreciation and amortization	5,662	5,874	11,297	11,416
Restructuring	7,212	—	9,327	—
(Loss) income from operations	(22,463)	(1,623)	(36,663)	4,029
Other (expense) income:				
Interest expense	(6,637)	(6,150)	(13,223)	(13,012)
Net realized and unrealized foreign currency (loss) gain	(5,905)	(30)	(16,313)	1,155
Other income (expense), net	144	135	493	(588)
Total other expense	(12,398)	(6,045)	(29,043)	(12,445)
Loss before income taxes	(34,861)	(7,668)	(65,706)	(8,416)
Income tax expense	1,629	4,604	1,666	11,963
Net loss	\$ (36,490)	\$ (12,272)	\$ (67,372)	\$ (20,379)
Effective tax rate	(4.7)%	(60.0)%	(2.5)%	(142.1)%

(1) Includes stock-based compensation as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Cost of revenues	\$ 5,073	\$ 10,696	\$ 10,672	\$ 21,226
Selling, general and administrative expenses (1)	4,265	6,910	9,285	14,059
Total stock-based compensation expense	\$ 9,338	\$ 17,606	\$ 19,957	\$ 35,285

(1) The three and six months ended June 30, 2024 include a net reversal of \$0.6 million related to the CEO transition.

Summary Comparison of the Three and Six Months Ended June 30, 2024 with the Three and Six Months Ended June 30, 2023

Revenues

We have a global footprint with the ability to deliver services from multiple geographic regions. While we continue to derive a substantial part of our overall revenues from existing clients, we maintain relatively low client concentration among our largest clients. We remain focused on acquiring new clients through programs designed to generate new business demand and position us as a trusted partner, and we have dedicated new business teams working with marketing using data-driven approaches to focus on client acquisition efforts.

The following table presents our number of clients, number of clients generating greater than \$10 million in revenues and net dollar retention rate:

	Trailing twelve months ended	
	June 30, 2024	June 30, 2023
Number of clients (1)	502	452
Number of clients generating greater than \$10 million in revenues	27	35
Net dollar retention rate (2)	85%	100%

(1) We define clients as those with spend in excess of \$25,000 within the preceding twelve months.

(2) The net dollar retention rate is calculated by dividing (a) the current period revenue from existing clients by (b) the prior comparative period revenue from the same existing clients. We utilize the net dollar retention rate to measure revenue growth from our clients. Net dollar retention rate provides visibility into the risks associated with our revenues and expected growth, and it measures our ability to continually offer and deliver innovative services to our clients. We use this metric to appropriately manage resources and client retention and growth, such as account management and capability development of our account leadership teams. The decrease was due to the revenue drivers as discussed above.

The following table presents the percentage of revenues from new and existing clients:

	Three Months Ended June 30,		Six Months Ended June 30,		Trailing Twelve Months Ended June 30,	
	2024	2023	2024	2023	2024	2023
	Existing clients (1)	93.6%	94.2%	95.9%	95.8%	93.5%
New clients	6.4%	5.8%	4.1%	4.2%	6.5%	8.2%

(1) For the three months ended June 30, 2024 and 2023, we define existing clients as clients for whom we have done work and generated revenues in excess of \$25,000 within the preceding fiscal year. For the trailing twelve months ended June 30, 2024 and 2023, we define existing clients as clients for whom we have done work and generated revenues in excess of \$25,000 within the preceding twelve months.

During the three and six months ended June 30, 2024, we contracted with 41 and 90, respectively, new logos with a higher number of new logo additions within the technology and business services and energy, public and health services industry verticals.

Revenues by Industry Vertical

The following table presents our revenues by industry vertical and revenues as a percentage of total revenues by industry vertical for the periods indicated (in thousands, except percentages):

	Three Months Ended June 30,				Six Months Ended June 30,			
	2024		2023		2024		2023	
Technology and business services	\$64,120	25.5%	\$69,695	24.3%	\$129,489	25.9%	\$143,828	24.2%
Energy, public and health services	63,530	25.2%	75,313	26.2%	126,552	25.3%	159,352	26.8%
Retail and consumer	42,687	17.0%	44,485	15.5%	81,618	16.3%	92,397	15.5%
Financial services and insurance	36,928	14.7%	52,778	18.4%	76,083	15.2%	107,933	18.2%
Automotive, travel and transportation	44,406	17.6%	44,944	15.6%	86,522	17.3%	90,761	15.3%
Total revenues	\$251,671	100.0%	\$287,215	100.0%	\$500,264	100.0%	\$594,271	100.0%

The following table presents the percentage change in our revenues by industry vertical (in thousands, except percentages):

	Three Months Ended June 30,			Six Months Ended June 30,		
	2024	2023	% Change	2024	2023	% Change
Technology and business services	\$64,120	\$69,695	(8.0)%	\$129,489	\$143,828	(10.0)%
Energy, public and health services	63,530	75,313	(15.6)%	126,552	159,352	(20.6)%
Retail and consumer	42,687	44,485	(4.0)%	81,618	92,397	(11.7)%
Financial services and insurance	36,928	52,778	(30.0)%	76,083	107,933	(29.5)%
Automotive, travel and transportation	44,406	44,944	(1.2)%	86,522	90,761	(4.7)%
Total revenues	\$251,671	\$287,215	(12.4)%	\$500,264	\$594,271	(15.8)%

Revenues by Customer Location

Our revenues are sourced from four geographic markets: North America, Asia-Pacific region ("APAC"), Europe and Latin America ("LATAM"). We present and discuss our revenues by the geographic location where the revenues are under client contract; however, the delivery of those client contracts could be supported by offshore delivery locations.

During the first quarter of 2024, in connection with the Reorganization (as defined below), the Company updated the disaggregation of revenue by customer location to reflect the geographical market based on contracting location, consistent with client ownership within our geographical markets, versus billing location, as previously reported. All corresponding disclosures and historical amounts, including revenue by country noted below, have been recast to reflect the change.

The following table presents our revenues by customer location and revenues as a percentage of total revenues by customer location for the periods indicated (in thousands, except percentages):

	Three Months Ended June 30,				Six Months Ended June 30,			
	2024		2023		2024		2023	
North America	\$88,255	35.1%	\$107,570	37.4%	\$177,055	35.4%	\$222,630	37.5%
APAC	89,095	35.4%	98,680	34.4%	175,808	35.2%	196,164	33.0%
Europe	63,054	25.0%	65,763	22.9%	125,266	25.0%	144,547	24.3%
LATAM	11,267	4.5%	15,202	5.3%	22,135	4.4%	30,930	5.2%
Total revenues	\$251,671	100.0%	\$287,215	100.0%	\$500,264	100.0%	\$594,271	100.0%

The following table presents the percentage change in our revenues by customer location (in thousands, except percentages):

	Three Months Ended June 30,			Six Months Ended June 30,		
	2024	2023	% Change	2024	2023	% Change
North America (1)	\$88,255	\$107,570	(18.0)%	\$177,055	\$222,630	(20.5)%
APAC (2)	89,095	98,680	(9.7)%	175,808	196,164	(10.4)%
Europe (3)	63,054	65,763	(4.1)%	125,266	144,547	(13.3)%
LATAM (4)	11,267	15,202	(25.9)%	22,135	30,930	(28.4)%
Total revenues	\$251,671	\$287,215	(12.4)%	\$500,264	\$594,271	(15.8)%

- (1) For the three and six months ended June 30, 2024, the United States contributed revenues of \$81.0 million and \$162.3 million, respectively, compared to \$98.9 million and \$204.6 million, respectively, for the same respective periods in 2023. The largest revenue contribution in North America came from the energy, public and health services industry vertical.
- (2) For the three and six months ended June 30, 2024, the top revenue contributing country was Australia with revenues of \$31.4 million and \$61.4 million, respectively, compared to \$31.8 million and \$64.3 million, respectively, for the same respective periods in 2023. The largest revenue contribution in APAC came from the financial services and insurance and technology and business services industry verticals.
- (3) For the three and six months ended June 30, 2024, the top revenue contributing country was Germany with revenues of \$33.3 million and \$65.6 million, respectively, compared to \$33.1 million and \$68.7 million, respectively, for the same respective periods in 2023. The largest revenue contribution in Europe came from the automotive, travel and transportation industry vertical.
- (4) The top revenue contributing country was Brazil. The largest revenue contribution in LATAM came from the retail and consumer industry vertical.

Revenues by Client Concentration

We have long-standing relationships with many of our clients. We seek to grow revenues from our existing clients by continually increasing the value we provide and expanding the scope and size of our engagements. Revenues derived from these clients may fluctuate as these accounts mature or upon beginning or completing multi-year projects. We believe there is significant potential for future growth as we expand our capabilities and offerings within existing clients. In addition, we remain committed to diversifying our client base and adding new clients to our client mix.

The following table presents revenues contributed by our largest clients by amount and as a percentage of total revenues for the periods indicated (in thousands, except percentages):

	Three Months Ended June 30,				Six Months Ended June 30,			
	2024		2023		2024		2023	
Top five clients	\$43,590	17.3%	\$52,089	18.1%	\$86,897	17.4%	\$101,284	17.0%
Top ten clients	\$69,736	27.7%	\$79,072	27.5%	\$139,085	27.8%	\$159,920	26.9%
Top fifty clients	\$169,280	67.3%	\$192,702	67.1%	\$336,145	67.2%	\$397,738	66.9%

People Metrics

Number of employees		Average revenue per employee (1)				Trailing Twelve Months Voluntary Attrition	
As of		Six Months Ended		Annualized as of		As of	
June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
10,761	11,574	\$46,000	\$50,000	\$92,000	\$100,000	13.0%	12.6%

(1) We define average revenue per employee as total revenues for the period divided by the average number of employees in such period.

The decrease in average revenue per employee compared to the six months ended June 30, 2023 was driven by the negative impact to revenues from client budget caution and onshore/offshore mix. We believe our low voluntary attrition reflects our ability to retain our employees due to our unique, cultivating culture, our focus on career development, our intensive training programs and our interesting work opportunities.

Bookings

We use Bookings ("Bookings") as a forward-looking metric that measures the value of new contracts, renewals, extensions and changes to existing contracts during the fiscal period. We believe Bookings provides a broad measure of useful trend information regarding changes in the volume of our business. We use Bookings to evaluate the results of our operations, generate future operating plans and assess the performance of our company. However, Bookings can vary significantly quarter to quarter due to both timing and demand from our clients and thus the conversion of Bookings to revenues is uncertain. The amount of Bookings involves estimates and judgments and is not a reliable predictor of revenues over time. There is no standard definition or measurement of Bookings thus our methodology may not be comparable to other companies. Bookings were \$1.2 billion and \$1.5 billion for the trailing twelve months ended June 30, 2024 and 2023, respectively. The 20.0% decrease is primarily a result of reduced client budgets reflecting caution around the macroeconomic environment and smaller contract sizes which reflect a shift to offshore services, where bill rates are lower compared to onshore work, and, in certain cases, discounts or pricing adjustments.

Cost of Revenues

	Three Months Ended June 30,		\$ Change	% Change	Six Months Ended June 30,		\$ Change	% Change
	2024	2023			2024	2023		
<i>(in thousands, except percentages)</i>								
Cost of revenues	\$181,444	\$196,338	\$(14,894)	(7.6)%	\$360,257	\$405,860	\$(45,603)	(11.2)%

During the three and six months ended June 30, 2024, cost of revenues (including stock-based compensation) decreased (7.6)% and (11.2)%, respectively, compared to the three and six months ended June 30, 2023. The decrease for the three months ended June 30, 2024 compared to the three months ended June 30, 2023 was driven by a decrease in payroll expense (excluding stock-based compensation) of \$8.3 million, a decrease in stock-based compensation expense of \$5.6 million and a decrease in depreciation and amortization expense of \$1.7 million. The decrease for the six months ended June 30, 2024 compared to the six months ended June 30, 2023 was driven by a decrease in payroll expense (excluding stock-based

compensation) of \$31.2 million, a decrease in stock-based compensation expense \$10.6 million and a decrease in depreciation and amortization expense of \$3.7 million.

Gross Profit and Gross Margin

	Three Months Ended June 30,				Six Months Ended June 30,			
	2024	2023	\$ Change	% Change	2024	2023	\$ Change	% Change
<i>(in thousands, except percentages)</i>								
Gross profit	\$70,227	\$90,877	\$(20,650)	(22.7)%	\$140,007	\$188,411	\$(48,404)	(25.7)%
Gross margin	27.9%	31.6%			28.0%	31.7%		

Our gross margin decreased by 3.7 percentage points for the three months ended June 30, 2024 compared to the three months ended June 30, 2023 and 3.7 percentage points for the six months ended June 30, 2024 compared to the six months ended June 30, 2023 primarily due to payroll expense (excluding stock-based compensation) partially offset by stock-based compensation expense, as a percentage of revenues.

SG&A Expenses and SG&A Margin

	Three Months Ended June 30,				Six Months Ended June 30,			
	2024	2023	\$ Change	% Change	2024	2023	\$ Change	% Change
<i>(in thousands, except percentages)</i>								
SG&A expenses	\$79,816	\$86,626	\$(6,810)	(7.9)%	\$156,046	\$172,966	\$(16,920)	(9.8)%
SG&A margin	31.7%	30.2%			31.2%	29.1%		

For the three months ended June 30, 2024, SG&A expenses decreased 7.9% compared to the three months ended June 30, 2023. The decrease was primarily due to decreases in payroll expense (excluding stock-based compensation) of \$3.0 million, stock-based compensation expense of \$2.0 million (excluding the net reversal of \$0.6 million related to the CEO transition) and acquisition costs of \$1.3 million, partially offset by CEO transition costs of \$1.1 million (including a net reversal of \$0.6 million of stock-based compensation expense related to the CEO transition). The increase in SG&A margin for the three months ended June 30, 2024 compared to the three months ended June 30, 2023 was primarily driven by payroll expense (excluding stock-based compensation), as a percentage of revenues.

For the six months ended June 30, 2024, SG&A expenses decreased 9.8% compared to the six months ended June 30, 2023. The decrease was driven by decreases in payroll expense (excluding stock-based compensation) of \$7.5 million, stock-based compensation expense of \$4.1 million (excluding the net reversal of \$0.6 million related to the CEO transition), acquisition costs of \$2.1 million and professional fees of \$2.1 million. The increase in SG&A margin for the six months ended June 30, 2024 compared to the six months ended June 30, 2023 was primarily driven by payroll expense (excluding stock-based compensation), as a percentage of revenues.

Depreciation and Amortization

	Three Months Ended June 30,				Six Months Ended June 30,			
	2024	2023	\$ Change	% Change	2024	2023	\$ Change	% Change
<i>(in thousands, except percentages)</i>								
Depreciation and amortization	\$5,662	\$5,874	\$(212)	(3.6)%	\$11,297	\$11,416	\$(119)	(1.0)%

There was a non-material change in depreciation and amortization for the three and six months ended June 30, 2024 as compared to the three and six months ended June 30, 2023, respectively.

Restructuring

	Three Months Ended June 30,				Six Months Ended June 30,			
	2024	2023	\$ Change	% Change	2024	2023	\$ Change	% Change
<i>(in thousands, except percentages)</i>								
Restructuring	\$7,212	\$—	\$7,212	NM	\$9,327	\$—	\$9,327	NM

NM - not meaningful

Restructuring includes non-wage related expenses of \$1.0 million and \$2.1 million and wage-related expenses of \$6.2 million and \$7.2 million for the three and six months ended June 30, 2024, respectively. Non-wage related expenses include costs related to reducing leased office space, vendor contract cancellations, professional fees and other reorganization costs. Wage-related expenses include employee severance and related benefits, of which relates to operations.

(Loss) Income from Operations and (Loss) Income from Operations Margin

	Three Months Ended June 30,				Six Months Ended June 30,			
	2024	2023	\$ Change	% Change	2024	2023	\$ Change	% Change
<i>(in thousands, except percentages)</i>								
(Loss) income from operations	\$(22,463)	\$(1,623)	\$(20,840)	NM	\$(36,663)	\$4,029	\$(40,692)	NM
(Loss) income from operations margin	(8.9)%	(0.6)%			(7.3)%	0.7%		

The increase in loss from operations for the three months ended June 30, 2024 compared to the three months ended June 30, 2023 was primarily driven by a decrease in revenue of \$35.5 million and an increase in restructuring expense of \$7.2 million; partially offset by decreases in payroll expense (excluding stock-based compensation) of \$11.3 million, stock-based compensation expense of \$7.6 million (excluding the net reversal of \$0.6 million related to the CEO transition) and depreciation and amortization expense of \$1.9 million (the majority of which is related to depreciation included in cost of revenues). The increase in loss from operations margin was driven by payroll expense (excluding stock-based compensation) and restructuring expense, partially offset by stock-based compensation expense, as a percentage of revenues.

The decrease in income from operations for the six months ended June 30, 2024 compared to the six months ended June 30, 2023 was primarily driven by a decrease in revenues of \$94.0 million and an increase in restructuring expense of \$9.3 million; partially offset by decreases in payroll expense (excluding stock-based compensation) of \$38.7 million, stock-based compensation expense of \$14.7 million (excluding the net reversal of \$0.6 million related to the CEO transition), professional fees of \$4.1 million and depreciation and amortization expense of \$3.8 million (the majority of which is related to depreciation included in cost of revenues). The decrease in income from operations margin was driven by payroll expense (excluding stock-based compensation) and restructuring expense, partially offset by stock-based compensation expense, as a percentage of revenues.

Interest Expense

	Three Months Ended June 30,				Six Months Ended June 30,			
	2024	2023	\$ Change	% Change	2024	2023	\$ Change	% Change
<i>(in thousands, except percentages)</i>								
Interest expense	\$6,637	\$6,150	\$487	7.9%	\$13,223	\$13,012	\$211	1.6%

Interest expense is primarily related to our Term Loan and Revolver. There was a non-material change in interest expense for the three and six months ended June 30, 2024 compared to the three and six months ended June 30, 2023, respectively.

Other Expense (Income), Net

	Three Months Ended June 30,				Six Months Ended June 30,			
	2024	2023	\$ Change	% Change	2024	2023	\$ Change	% Change
<i>(in thousands, except percentages)</i>								
Other expense (income), net	\$(144)	\$(135)	\$(9)	6.7%	\$(493)	\$588	\$(1,081)	(183.8)%

There was a non-material change in other expense (income), net for the three months ended June 30, 2024 compared to the three months ended June 30, 2023. The change in other expense (income), net for the six months ended June 30, 2024 as compared to the six months ended June 30, 2023 was primarily due to the write-off of deferred financing fees related to the voluntary prepayment in 2023.

Income Tax Expense and Effective Tax Rate

	Three Months Ended June 30,				Six Months Ended June 30,			
	2024	2023	\$ Change	% Change	2024	2023	\$ Change	% Change
<i>(in thousands, except percentages)</i>								
Income tax expense	\$1,629	\$4,604	\$(2,975)	(64.6)%	\$1,666	\$11,963	\$(10,297)	(86.1)%
Effective tax rate	(4.7)%	(60.0)%			(2.5)%	(142.1)%		

See Note 3, *Income Taxes*, to our condensed consolidated financial statements included in Part I, Item I of this Quarterly Report for additional discussion around forecasting uncertainties related to our income tax rate.

Income tax expense decreased by \$3.0 million and \$10.3 million for the three and six months ended June 30, 2024 as compared to the three and six months ended June 30, 2023, respectively, primarily due to the change in loss before income taxes.

The effective tax rate in each period differed from the U.S. statutory tax rate of 21% principally due to U.S. corporate state income taxation and the effect of foreign operations which reflects the impact of different income tax rates in locations outside the United States, the unfavorable impact of valuation allowances on deferred tax assets of select foreign and US operations, the unfavorable impact of providing for unrecognized tax benefits, the unfavorable impact of capitalized research and experimental costs under IRC §174 increasing the Company's net GILTI inclusion, the non-deductibility of China SAFE RSUs, and the unfavorable impact of excess tax deficiencies on stock-based compensation. The change in the effective tax rate for the three and six months ended June 30, 2024 as compared to the prior respective periods in 2023 and the negative effective tax rate for all periods presented were a result of the aforementioned net unfavorable items, when compared to the pre-tax loss.

Foreign Currency Exchange Gains and Losses

See “Item 3. *Quantitative and Qualitative Disclosures About Market Risk*” included elsewhere in this Quarterly Report as well as “Item 1A. Risk Factors—Risks Related to Our Global Operations—Our business, financial condition and results of operations may be adversely affected by fluctuations in foreign currency exchange rates” as included in our 2023 Annual Report.

Non-GAAP Financial Measures

We define Adjusted Net (Loss) Income as net loss adjusted for unrealized loss (gain) on foreign currency exchange, stock-based compensation expense, amortization of acquisition-related intangibles, acquisition costs, certain professional fees that are considered unrelated to our ongoing revenue-generating operations, employer payroll related expense on employee equity incentive plan, the change in fair value of contingent consideration, restructuring costs, CEO transition costs and income tax effects of adjustments.

We define Adjusted EBITDA as net loss adjusted to exclude income tax expense; interest expense; other (income) expense, net, excluding a gain related to the mark to market adjustment on shares received in relation to the sale and settlement of trade receivables; unrealized loss (gain) on foreign currency exchange; stock-based compensation expense; depreciation and amortization expense; acquisition costs; certain professional fees that are considered unrelated to our ongoing revenue-generating operations; employer payroll related expense on employee equity incentive plan; restructuring costs; and CEO transition costs. Adjusted EBITDA Margin is calculated by dividing Adjusted EBITDA by total revenues.

We use Adjusted EBITDA, Adjusted EBITDA Margin and Adjusted Net (Loss) Income as measures of operating performance and the operating leverage in our business. We believe that these non-GAAP financial measures are useful to investors for supplemental period-to-period comparisons of our business and in understanding and evaluating our operating results for the following reasons:

- Our management uses Adjusted Net (Loss) Income to assess our overall performance, without regard to items that are considered to be unique or non-recurring in nature or otherwise unrelated to our ongoing revenue-generating operations, net of the income tax effect of the adjustments;
- Adjusted EBITDA and Adjusted EBITDA Margin are widely used by investors and securities analysts to measure a company's operating performance without regard to the aforementioned adjustments which can vary substantially from company to company depending upon their financing, capital structures, and the method by which assets were acquired or costs that are unique or non-recurring in nature or otherwise unrelated to our ongoing revenue-generating operations;
- Our management uses Adjusted Net (Loss) Income, Adjusted EBITDA and Adjusted EBITDA Margin in conjunction with financial measures prepared in accordance with GAAP for planning purposes, including the preparation of our annual operating budget, as a measure of our core operating results and the effectiveness of our business strategy, and in evaluating our financial performance; and
- Adjusted Net (Loss) Income, Adjusted EBITDA and Adjusted EBITDA Margin provide consistency and comparability with our past financial performance, facilitate period-to-period comparisons of our core operating results, and also facilitate comparisons with other peer companies, many of which use similar non-GAAP financial measures to supplement their GAAP results.

Adjusted Net (Loss) Income, Adjusted EBITDA and Adjusted EBITDA Margin have limitations as analytical tools, and you should not consider these measures in isolation or as substitutes for analysis of our financial results as reported under GAAP. Some of these limitations are, or may in the future be, as follows:

- Although depreciation and amortization expense is a non-cash charge, the assets being depreciated and amortized may have to be replaced in the future, and Adjusted EBITDA and Adjusted EBITDA Margin do not reflect cash capital expenditure requirements for such replacements or for new capital expenditure requirements;
- Adjusted Net (Loss) Income, Adjusted EBITDA and Adjusted EBITDA Margin exclude stock-based compensation expense, which has recently been, and will continue to be for the foreseeable future, a significant recurring non-cash expense for our business and an important part of our compensation strategy;
- Adjusted Net (Loss) Income, Adjusted EBITDA and Adjusted EBITDA Margin do not reflect changes in, or cash requirements for, our working capital needs;

- Adjusted EBITDA and Adjusted EBITDA Margin do not reflect (i) interest expense, or the cash requirements necessary to service interest or principal payments on our debt, which reduces cash available to us; or (ii) accruals or tax payments that may represent a reduction in cash available to us;
- Adjusted Net (Loss) Income, Adjusted EBITDA and Adjusted EBITDA Margin do not reflect transaction costs related to acquisitions; and
- The expenses and other items that we exclude in our calculations of Adjusted Net (Loss) Income, Adjusted EBITDA and Adjusted EBITDA Margin may differ from the expenses and other items, if any, that other companies may exclude from similarly-titled non-GAAP measures when they report their operating results, and we may, in the future, exclude other significant, unusual or non-recurring expenses or other items from these financial measures.

Because of these limitations, Adjusted Net (Loss) Income, Adjusted EBITDA and Adjusted EBITDA Margin should be considered along with other financial performance measures presented in accordance with GAAP.

The following tables present a reconciliation of Adjusted Net (Loss) Income, Adjusted EBITDA and Adjusted EBITDA Margin to their most directly comparable financial measure prepared in accordance with GAAP, for the periods indicated (in thousands, except percentages):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net loss	\$ (36,490)	\$ (12,272)	\$ (67,372)	\$ (20,379)
Unrealized foreign exchange loss (gain)	5,303	213	15,505	(735)
Stock-based compensation (a)	9,987	17,606	20,606	35,285
Amortization of acquisition-related intangibles	3,782	3,669	7,439	7,260
Acquisition costs (b)	800	2,100	1,709	3,806
Certain professional fees (c)	2,303	1,525	2,303	1,750
Employer payroll related expense on employee equity incentive plan (d)	43	249	264	491
Change in fair value of contingent consideration (e)	—	129	—	129
Restructuring (f)	7,212	—	9,327	—
CEO transition costs (g)	1,102	—	1,102	—
Income tax effects of adjustments (h)	(2,552)	(3,114)	(6,836)	(7,435)
Adjusted Net (Loss) Income	\$ (8,510)	\$ 10,105	\$ (15,953)	\$ 20,172

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net loss	\$ (36,490)	\$ (12,272)	\$ (67,372)	\$ (20,379)
Income tax expense	1,629	4,604	1,666	11,963
Interest expense	6,637	6,150	13,223	13,012
Other (income) expense, net (i)	(29)	(6)	(215)	787
Unrealized foreign exchange loss (gain)	5,303	213	15,505	(735)
Stock-based compensation (a)	9,987	17,606	20,606	35,285
Depreciation and amortization	7,222	9,131	14,377	18,220
Acquisition costs (b)	800	2,100	1,709	3,806
Certain professional fees (c)	2,303	1,525	2,303	1,750
Employer payroll related expense on employee equity incentive plan (d)	43	249	264	491
Restructuring (f)	7,212	—	9,327	—
CEO transition costs (g)	1,102	—	1,102	—
Adjusted EBITDA	\$ 5,719	\$ 29,300	\$ 12,495	\$ 64,200
Net loss margin	(14.5)%	(4.3)%	(13.5)%	(3.4)%
Adjusted EBITDA Margin	2.3 %	10.2 %	2.5 %	10.8 %

(a) The three and six months ended June 30, 2024 exclude a net reversal of \$0.6 million related to the CEO transition which is included in the CEO transition costs line.

(b) Adjusts for certain professional fees and retention wage expenses related to certain acquisitions.

(c) Adjusts for certain one-time professional fees.

(d) Adjusts for employer payroll related expense on employee equity incentive plan as these expenses are tied to the exercise or vesting of underlying equity awards and the price of our common stock at the time of vesting or exercise. As a result, these expenses may vary in any particular period independent of the financial and operating performance of our business.

(e) Adjusts for the non-cash adjustment to the fair value of contingent consideration.

(f) Adjusts for restructuring costs which include wage-related expenses, such as employee severance and related benefits, and non-wage related expenses, including costs related to reducing leased office space, vendor contract cancellations, professional fees, and other reorganization costs.

(g) Adjusts for CEO transition costs which includes \$1.0 million of severance, \$0.5 million target bonus and \$0.2 million salary paid during the transition period, partially offset by a \$0.6 million net reversal of stock compensation expense.

(h) Adjusts for the income tax effects of the foregoing adjusted items, determined under the discrete method consistent with our non-GAAP measures of profitability.

(i) Excludes a gain which was included within other income (expense), net in the condensed consolidated statements of loss and comprehensive loss related to the mark to market adjustment on shares received in relation to the sale and settlement of trade receivables.

Liquidity and Capital Resources

The following table summarizes certain key measures of our liquidity and capital resources (in thousands):

	June 30, 2024	December 31, 2023
Cash and cash equivalents	\$ 47,740	\$ 100,305
Availability under Revolver	300,000	300,000
Borrowings under Revolver	—	—
Long-term debt, including current portion (1)	289,844	293,185

(1) The balance includes deferred financing fees. A reconciliation of gross to net amounts is presented in Note 6, *Credit Agreements*.

Our cash generated from operations has been our primary source of liquidity to fund operations and investments. Our capital investments focus on our technology solutions, corporate infrastructure and strategic acquisitions to further expand into new business sectors and/or expand sales in existing sectors. The Company generates sufficient cash flows for working capital and expects to do so for the foreseeable future.

As of June 30, 2024, our principal sources of liquidity were cash and cash equivalents of \$47.7 million and \$300.0 million of available borrowings under our Revolver.

In the future, we may enter into arrangements to acquire or invest in complementary businesses, services and technologies, or intellectual property rights. To fund these acquisitions or investments, we may seek to access the debt or capital markets. Our ability to obtain additional funding will be subject to various factors, including general market conditions, our operating performance, the market's perception of our growth potential, lender sentiment and our ability to incur additional debt in compliance with our contractual restrictions, including those in our Credit Agreement.

Our Credit Facilities

Our subsidiaries are party to the Credit Agreement. The Credit Agreement provides for a Term Loan and the Revolver. See Note 12, *Credit Agreements*, in the notes to our consolidated financial statements included in the 2023 Annual Report for a discussion of our Term Loan and Revolver as well as Note 6, *Credit Agreements*, to our condensed consolidated financial statements with respect to this Quarterly Report. As of June 30, 2024, we had \$291.8 million outstanding, gross of deferred financing fees, under our Term Loan with an interest rate of 8.1% and no borrowings outstanding under the Revolver.

The Credit Agreement requires compliance with certain covenants customary for agreements of this type. As of June 30, 2024, we were in compliance with our debt covenants.

Cash Flows

The following table shows a summary of our cash flows for the periods indicated (in thousands):

	Six Months Ended June 30,	
	2024	2023
Net cash (used in) provided by:		
Operating activities	\$ (33,951)	\$ 30,243
Investing activities	(8,921)	(19,449)
Financing activities	(6,465)	(117,035)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(2,924)	178
Net decrease in cash, cash equivalents and restricted cash	\$ (52,261)	\$ (106,063)

Operating Activities

Net cash used in operating activities during the six months ended June 30, 2024 was \$34.0 million comprised of net loss of \$67.4 million, adjusted for non-cash items including \$20.0 million of stock-based compensation expense, \$15.5 million unrealized foreign currency exchange loss and \$14.4 million of depreciation and amortization. Cash used in operating activities during the six months ended June 30, 2024 was further benefited by the change in trade receivables of \$18.2 million offset by the change in unbilled receivables of \$20.7 million and the change in accrued expenses and other liabilities of \$9.1 million driven by decreases in accrued compensation and deferred revenue.

Net cash provided by operating activities during the six months ended June 30, 2023 was \$30.2 million comprised of net loss of \$20.4 million, adjusted for non-cash items including \$35.3 million of stock-based

compensation expense and \$18.2 million of depreciation and amortization. Cash provided by operating activities during the six months ended June 30, 2023 was further benefited by the change in trade receivables of \$47.3 million, partially offset by the change in accrued expenses and other liabilities of \$28.5 million, driven by a decrease in accrued compensation and the payment of tax installments, and the change in unbilled receivables of \$15.3 million.

Cash provided by operating activities can be significantly impacted by the timing of cash receipts from customers and payments to vendors as well as vendor payment terms.

Investing Activities

Net cash used in investing activities during the six months ended June 30, 2024 was \$8.9 million driven primarily by the purchase of property and equipment and the acquisition of a technology asset.

Net cash used in investing activities during the six months ended June 30, 2023 was \$19.4 million driven primarily by the acquisition of Itoc in the first quarter of 2023.

Financing Activities

Net cash used in financing activities during the six months ended June 30, 2024 was \$6.5 million driven primarily by the payment of withholding taxes of \$4.2 million related to net share settlement of equity awards and the repayment of long-term debt of \$3.6 million.

Net cash used in financing activities during the six months ended June 30, 2023 was \$117.0 million driven primarily by the repayment of long-term debt of \$103.6 million and \$14.0 million related to the contingent consideration payment.

Contractual Obligations and Future Capital Requirements

Contractual Obligations

Refer to Note 8, *Leases*, of the notes to our consolidated financial statements included in Part II, Item 8 of the 2023 Annual Report for additional information related to our lease commitments.

There were no material changes in our contractual obligations and commitments during the six months ended June 30, 2024 from the contractual obligations and commitments disclosed in the 2023 Annual Report.

Except as disclosed in “—Our Credit Facilities” and those mentioned above, we did not have other material contractual obligations for cash expenditures.

Future Capital Requirements

We believe that our existing cash and cash equivalents combined with our expected cash flow from operations will be sufficient to meet our projected operating and capital expenditure requirements for at least the next twelve months and that we possess the financial flexibility to execute our strategic objectives, including the ability to make acquisitions and strategic investments in the foreseeable future. However, our ability to generate cash is subject to our performance, general economic conditions, industry trends and other factors, and due to our global operations, the value of cash generated may be adversely affected by fluctuations in foreign currency exchange rates. To the extent that existing cash and cash equivalents and operating cash flow are insufficient to fund our future activities and requirements, we may need to raise additional funds through public or private equity or debt financing. If we incur new debt, the debt holders would have rights senior to common stockholders to make claims on our assets, and the terms of any debt could restrict our operations, including our ability to pay dividends on our common stock. If we issue additional equity or convertible debt securities, existing stockholders may experience dilution, and such new securities could have rights senior to those of our common stock. These factors may make the timing, amount, terms and conditions of additional financings unattractive. Our inability to raise capital could impede our growth or otherwise require us to forego growth opportunities and could materially adversely affect our business, financial condition and results of operations. There is no assurance that we would be able to raise additional funds on favorable terms or at all.

Commitments and Contingencies

Certain conditions may exist as of the date of the condensed consolidated financial statements which may result in a loss to the Company but will only be resolved when one or more future events occur or fail to occur. Such liabilities for loss contingencies arising from claims, assessments, litigation, fines, penalties and other sources, are recorded when the Company assesses that it is probable that a future liability has been incurred and the amount can be reasonably estimated. Recoveries of costs from third parties, which the Company assesses as being probable of realization, are recorded to the extent of related contingent liabilities accrued. Legal costs incurred in connection with matters relating to contingencies are expensed in the period incurred. The Company records gain contingencies when realized.

Off-Balance Sheet Arrangements

We did not have during any of the periods presented, and we do not currently have, any off-balance sheet financing arrangements or any relationships with unconsolidated entities or financial partnerships, including entities sometimes referred to as structured finance or special purpose entities, that were established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes.

Recent Accounting Pronouncements

See Note 1, *Business and Summary of Significant Accounting Policies*, in the notes to our condensed consolidated financial statements included in Part I, Item I of this Quarterly Report for a discussion of recent accounting pronouncements.

Critical Accounting Policies and Estimates

Our condensed consolidated financial statements and the related notes thereto included elsewhere in this Quarterly Report are prepared in accordance with GAAP. In preparing the condensed consolidated financial statements, we make estimates and judgments that affect the reported amounts of assets, liabilities, stockholders' equity, revenues, expenses and related disclosures. We re-evaluate our estimates on an on-going basis. Our estimates are based on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. Because of the uncertainty inherent in these matters, actual results may differ from these estimates and could differ based upon other assumptions or conditions.

Other than the items disclosed below, there have been no other material changes to our critical accounting policies and estimates as compared to those described in "Management's Discussion and Analysis of Financial Condition and Results of Operations" set forth in our 2023 Annual Report.

Stock-Based Compensation

The Company no longer considers stock-based compensation a critical accounting estimate as there is an immaterial amount of unvested awards related to grants prior to the initial public offering.

Goodwill

Goodwill represents the excess of the aggregate of the consideration transferred and the fair value of any non-controlling interest recognized, if any, over the fair value of identifiable assets acquired and liabilities assumed in a business combination.

We review goodwill for impairment annually or whenever events or changes in circumstances indicate the carrying amount of the asset may not be recoverable. In conducting our annual goodwill impairment test, we first review qualitative factors to determine whether it is more likely than not that the fair value of the asset is less than its carrying amount. If factors indicate that the fair value of the asset is less than its carrying amount, we perform a quantitative impairment assessment of the asset, analyzing the expected present value of future cash flows to quantify the amount of impairment, if any. We perform our annual impairment tests in the fourth quarter of each fiscal year.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to certain market risks in the ordinary course of our business. These risks primarily result from changes in concentration of credit, interest rates and foreign currency exchange rates. In addition, our international operations are subject to risks related to differing economic conditions, civil unrest, political instability or uncertainty, military activities, broad-based sanctions, differing tax structures, and other regulations and restrictions.

There were no material changes to the information on market risk disclosure from our 2023 Annual Report.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our principal executive officer and principal financial officer, has evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, the "Exchange Act"), as of the end of the period covered by this Quarterly Report.

Based on such evaluation, our principal executive officer and principal financial officer have concluded that as of such date, our disclosure controls and procedures are designed to, and are effective to, provide assurance at a reasonable level that the information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosures.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting (identified in management's evaluation pursuant to Rules 13a-15(d) and 15d-15(d) under the Exchange Act) that occurred during the period covered by this Quarterly Report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on the Effectiveness of Controls and Procedures

In designing and evaluating the disclosure controls and procedures and internal control over financial reporting, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures and internal control over financial reporting must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

PART II. OTHER INFORMATION

Item 1. *Legal Proceedings*

From time to time, we may be involved in litigation relating to claims arising out of our operations and businesses that cover a wide range of matters, including, among others, intellectual property, data privacy and cybersecurity, contract and employment, personal injury, product liability and warranty. Currently, there are no claims or proceedings against us that we believe will have a material adverse effect on our business, financial condition, results of operations or cash flows. However, the results of any current or future litigation cannot be predicted with certainty and, regardless of the outcome, we may incur significant costs and experience a diversion of management resources as a result of litigation.

Item 1A. *Risk Factors*

The business, financial condition and operating results of the Company can be affected by a number of factors, whether currently known or unknown, including but not limited to those described above and in the 2023 Annual Report in Part I, Item 1A. "Risk Factors," any one or more of which could, directly or indirectly, cause the Company's actual financial condition and operating results to vary materially from past, or from anticipated future, financial condition and operating results. Any of these factors, in whole or in part, could materially and adversely affect the Company's business, financial condition, operating results and stock price. There have been no material changes to the Company's risk factors since those set forth in the 2023 Annual Report, except as set forth below:

Risks Related to the Proposed Merger

On August 5, 2024, Thoughtworks Holding, Inc., a Delaware corporation (the "Company"), entered into an Agreement and Plan of Merger (the "Merger Agreement") with Tasmania Midco, LLC, a Delaware limited liability company ("Parent"), and Tasmania Merger Sub, Inc., a Delaware corporation and wholly owned subsidiary of Parent ("Merger Sub"), pursuant to which, subject to the satisfaction or waiver of certain conditions and on the terms set forth therein, Merger Sub will merge (the "Merger") with and into the Company, with the Company surviving the Merger. Parent and Merger Sub are affiliates of Turing EquityCo II L.P. (the "Significant Company Stockholder"), the holder of a majority of the issued and outstanding shares of common stock, par value \$0.001, of the Company and an affiliate of certain investment funds advised by Apax Partners LLP.

The description of the Merger Agreement in these Risk Factors is not and does not purport to be complete and is subject to, and qualified in its entirety by reference to, the Merger Agreement, which is attached as Exhibit 2.1 of the Company's Current Report on Form 8-K filed on August 5, 2024 and incorporated by reference herein.

We may fail to consummate the Merger, and uncertainties related to the consummation of the Merger may have a material adverse effect on our business, results of operations and financial condition and negatively impact the trading price of our common stock.

The Merger is subject to the satisfaction of a number of conditions beyond our control, including customary closing conditions. Failure to satisfy the conditions to the Merger could prevent or delay the completion of the Merger. Further, regulators may impose conditions, obligations or restrictions on the Merger that may have the effect of delaying or preventing its completion. If the Merger does not close, we may suffer other consequences that could adversely affect our business, financial condition, operating results, and stock price, and our stockholders would be exposed to additional risks, including, but not limited to:

- to the extent that the current trading price of our common stock reflects an assumption that the Merger will be completed, the trading price of our common stock could decrease if the Merger is not completed;
- investor confidence in us could decline, stockholder litigation could be brought against us, relationships with existing and prospective customers, service providers, investors, lenders and other business partners may be adversely impacted, we may be unable to retain key personnel, and our operating results may be adversely impacted due to costs incurred in connection with the Merger;

- we have incurred, and will continue to incur, significant expenses for professional services in connection with the Merger for which we will have received little or no benefit if the Merger is not consummated; and
- any disruptions to our business resulting from the announcement and pendency of the Merger, including adverse changes in our relationships with customers, suppliers, partners and employees, may continue or intensify in the event the Merger is not consummated or is significantly delayed.

In addition, the efforts and costs to satisfy the closing conditions of the Merger may place a significant burden on management and internal resources, and the Merger and related transactions, whether or not consummated, may result in a diversion of management's attention from day-to-day operations. Any significant diversion of management's attention away from ongoing business and difficulties encountered in the Merger process could have a material adverse effect on our business, results of operations and financial condition.

There also is no assurance that the Merger and the other transactions contemplated by the Merger Agreement will occur on the terms and timeline currently contemplated or at all.

If the proposed Merger is delayed or not completed, the trading price of our common stock may decline, including to the extent that the current trading price of our common stock reflects an assumption that the Merger and the other transactions contemplated by the Merger Agreement will be consummated without further delays, which could have a material adverse effect on our business, results of operations and financial condition.

We are subject to various uncertainties while the Merger is pending, which could have a material adverse effect on our business, results of operations and financial condition.

Uncertainty about the pendency of the Merger and the effect of the Merger on employees, customers and other third parties who deal with us may have a material adverse effect on our business, results of operations and financial condition. These uncertainties may impair our ability to attract, retain and motivate key personnel pending the consummation of the Merger, as such personnel may experience uncertainty about their future roles following the consummation of the Merger. Additionally, these uncertainties could cause customers and other third parties who deal with us to seek to change existing business relationships with us or fail to extend an existing relationship with us, all of which could have a material adverse effect on our business, results of operations, financial condition and trading price of our common stock.

While the Merger Agreement is in effect, we are subject to certain interim covenants.

The Merger Agreement generally requires us to operate our business in the ordinary course, subject to certain exceptions, including as required by applicable law, pending consummation of the Merger, and subjects us to customary interim operating covenants that restrict us from taking certain specified actions until the Merger is completed or the Merger Agreement is terminated in accordance with its terms. These restrictions could prevent us from pursuing certain business opportunities that may arise prior to the consummation of the Merger and may affect our ability to execute our business strategies and attain financial and other goals and may impact our financial condition, results of operations and cash flows.

We and our directors and officers may be subject to lawsuits relating to the Merger.

Litigation is very common in connection with the sale of public companies, regardless of whether the claims have any merit. One of the conditions to consummating the Merger is that no order preventing the consummation of the Merger shall have been issued by any court. Consequently, if any such lawsuit challenging the Merger is successful in obtaining an order preventing the consummation of the Merger, that order may delay or prevent the Merger from being completed. While we will evaluate and defend against any lawsuits, the time and costs of defending against litigation relating to the Merger may adversely affect our business.

We will continue to incur substantial transaction-related costs in connection with the Merger.

We have incurred significant legal, advisory and financial services fees in connection with Merger. We have incurred, and expect to continue to incur, additional costs in connection with the satisfaction of the various

conditions to closing of the Merger. If there is any delay in the consummation of the Merger, these costs could increase significantly.

Other Risks

If we are required to write down goodwill and other intangible assets, our financial condition and results would be negatively affected.

Under U.S. generally accepted accounting principles, if Thoughtworks determines goodwill or intangible assets are impaired, we would be required to write down these assets to fair value. Any write-down would have a negative effect on the consolidated financial statements. We continue to monitor the impact of our stock price and financial forecasts on this evaluation.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

There were no unregistered sales of the Company's equity securities during the second quarter of 2024.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not Applicable.

Item 5. Other Information

Insider Trading Arrangements and Policies

Our directors and executive officers (as defined in Rule 16a-1(f) of the Securities Exchange Act of 1934) may purchase or sell shares of our common stock in the market from time to time, including pursuant to equity trading plans adopted in accordance with Rule 10b5-1 under the Exchange Act and in compliance with guidelines specified by the Company's insider trading policy. During the three months ended June 30, 2024, none of our directors or executive officers of the Company adopted, terminated or modified a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement (as such terms are defined in Item 408 of Regulation S-K of the Securities Act of 1933).

Item 6. Exhibits

Exhibit Number	Description
10.1+	Employment Agreement, dated as of May 2, 2024, by and between Thoughtworks, Inc. and Michael R. Sutcliff
10.2+	Transition and separation agreement, dated as of May 4, 2024, by and between Thoughtworks, Inc. and Xiao Guo
31.1*	Certification of the Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14(a) under the Exchange Act, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of the Chief Financial Officer pursuant to Rule 13a-14(a)/15d-14(a) under the Exchange Act, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1**	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2**	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS*	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104*	Cover Page Interactive Data File - (formatted as inline XBRL and contained in Exhibit 101)
+	Indicates management contracts or compensatory plans or arrangements
*	Exhibits filed herewith
**	Exhibits furnished herewith

SIGNATURES

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

Date: August 6, 2024

THOUGHTWORKS HOLDING, INC.

By: /s/ Michael Sutcliff

Mike Sutcliff

Chief Executive Officer and Director

(Principal Executive Officer)

By: /s/ Erin Cummins

Erin Cummins

Chief Financial Officer

*(Principal Financial Officer and Principal
Accounting Officer)*

THOUGHTWORKS, INC.
EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the “Agreement”) is dated as of May 2, 2024 by and between THOUGHTWORKS, INC., a Delaware corporation (the “Company”), and Michael R. Sutcliff (“Executive”).

WHEREAS, the Company desires to employ Executive on the terms and conditions as set forth herein; and

WHEREAS, Executive desires to be employed by the Company on the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the promises and mutual covenants herein and for other good and valuable consideration, the parties agree as follows:

1. Term of Agreement. This Agreement shall be contingent upon and shall become effective only upon the occurrence of the Effective Date. For purposes of this Agreement, the “Effective Date” is the date on which Executive commences employment with the Company; provided, however, in the event the Effective Date does not occur on or before June 17, 2024, this Agreement shall be void and have no effect with respect to either party hereto. Executive’s employment shall continue until terminated pursuant to Section 6. The period of time between the Effective Date and the termination of Executive’s employment hereunder shall be referred to herein as the “Employment Term.”

2. Position; Duties; Location. During the Employment Term, the Company shall employ Executive, and Executive shall serve the Company, as the Chief Executive Officer and President of the Company. During the Employment Term, Executive shall have the authorities and duties of a Chief Executive Officer and President of a corporation incorporated under the laws of the State of Delaware and as otherwise may be reasonably and lawfully assigned by the Company’s board of directors (the “Board”) to Executive from time to time and consistent with Executive’s position with the Company. Executive will devote Executive’s full business time and best efforts to the performance of Executive’s duties and will not engage in any other business, profession or occupation for compensation or otherwise that would conflict or interfere in any material respect with Executive’s duties under this Agreement (for the avoidance of doubt, Executive shall be permitted to manage his personal finances). Notwithstanding the foregoing, the Company acknowledges Executive’s current services set forth on Exhibit A, and Executive shall be permitted to continue such services so long as such services do not interfere with Executive’s duties hereunder. Executive’s principal place of employment shall be Executive’s home office at his primary residence; provided, however, Executive acknowledges that the position requires substantial business travel, including, without limitation, travel to the Company’s various corporate offices.

3. Base Salary. During the Employment Term, the Company shall pay Executive a base salary (as in effect from time to time, the “Base Salary”) in accordance with the regular payroll practices of the Company and subject to applicable tax and other authorized withholdings. The

Base Salary as of the Effective Date shall be at an initial annual rate of \$750,000.00, which may be increased, but not decreased, from time to time.

4. Incentive Compensation.

(a) Annual Variable Compensation. During the Employment Term, Executive shall be eligible to receive an annual cash bonus (the "Annual Bonus") based on performance objectives and conditions established by the Company from time to time with a target amount equal to 100% of Executive's Base Salary. The Annual Bonus payable for calendar year 2024, to the extent earned, shall be guaranteed at the target level, but pro-rated based on the Effective Date. Executive's Annual Bonus for any year, to the extent earned, shall be paid as soon as practicable following certification by the Board (or its compensation committee) of Company performance for the applicable year, but no later than March 15th of the year following the year in respect of which the Annual Bonus was earned, subject to Executive's continued employment through the end of the applicable performance year.

(b) Restricted Stock Units. During the Employment Term and subject to the approval by the Compensation Committee of the Board, Executive shall be entitled to an annual grant (each such grant, an "Annual Grant") of unvested stock units with a grant date value of \$3,685,500 on terms (including vesting) consistent with unvested stock units granted to other officers of the Company (a mix of time-based and performance-based vesting) under the Company's 2021 Omnibus Incentive Plan (the "Plan"), except as modified by this Agreement, including Exhibit B. The first annual grant of unvested stock units shall occur on such date as the Company may determine, but in any event no later than July 31, 2024 and with time-based vesting, as applicable, to commence effective as of the Effective Date.

(c) Performance Stock Units. On the date of the first annual grant of stock units under clause (b) above, Executive also shall be granted an additional 3,600,000 restricted stock units under the Plan (the "PSUs" and, along with each Annual Grant, the "Equity Awards"). The PSUs shall vest pursuant to satisfaction of the performance objectives set forth on Exhibit B attached hereto, and, except as otherwise provided in this Agreement, shall otherwise reflect the Company's standard terms and conditions for "Performance Share Units".

(d) Sign-On Bonus. In consideration of equity compensation awards forfeited from Executive's prior employer, The Company shall pay Executive a one-time signing bonus in the amount of \$750,000.00, which shall be subject to repayment if Executive voluntarily resigns without Good Reason or if Executive's employment is terminated by the Company for Cause, in either case prior to the second anniversary of the Effective Date, with the obligation to repay lapsing as to 1/24 of the aggregate amount for each month of service following the Effective Date.

5. Employee Benefits. During the Employment Term, Executive shall be entitled to participate in the employee benefit plans that the Company maintains or contributes to for the benefit of its employees generally (the "Benefit Plans"), subject to satisfying the applicable eligibility requirements. The Company reserves the right to modify or terminate its Benefit Plans at any time. The Company shall reimburse Executive, within thirty (30) days following submission by Executive to the Company of appropriate supporting documentation, for all business expenses incurred by Executive in accordance with Company policy. The Company shall directly pay or

reimburse Executive for his reasonable legal fees and costs incurred in connection with the preparation of this Agreement up to a maximum of \$20,000 upon submission of itemized invoices (such submission must be within thirty (30) days of receipt of the invoice by Executive).

6. Termination. Notwithstanding any other provision of this Agreement, the provisions of this Section 6 shall exclusively govern Executive's rights upon termination of employment with the Company and its affiliates (such date of termination, the "Termination Date"). For the avoidance of doubt, Executive shall not be a participant in the Company's Executive Severance Plan, and Executive agrees to take any actions requested by the Company to implement such agreement. Executive's employment shall terminate immediately upon Executive's death, Disability, or termination by the Company, and Executive may terminate his employment upon 45 days' written notice.

(a) Accrued Amounts. Upon termination of Executive's employment for any reason, Executive shall be entitled to receive from the Company (i) any earned but unpaid Base Salary through the Termination Date, and any portion of the annual incentive bonus earned and payable in accordance with the bonus plan then in effect under Section 4 above; (ii) reimbursement, within thirty (30) days following submission by Executive to the Company of appropriate supporting documentation, for any unreimbursed business expenses incurred by Executive in accordance with Company policy prior to the Termination Date, and (iii) vested and accrued Employee Benefits, if any, as to which Executive may be entitled under the terms of the Company's Benefit Plans (such amounts, collectively, the "Accrued Amounts").

(b) Qualifying Termination During CIC Period. If, during the Employment Term, and during the period beginning three (3) months prior to the date on which a Change in Control is consummated and ending on the eighteen (18)-month anniversary of the closing a Change in Control (such period, the "CIC Period"), the Company terminates Executive's employment without Cause (other than by reason of Executive's death or Disability), or Executive resigns for Good Reason, then in addition to the Accrued Amounts, Executive shall be entitled to receive, subject to Executive's execution and non-revocation of a general release of claims in favor of the Company as provided in Section 6(e) and Executive's continued compliance with the provisions of Section 7 and Section 8 hereof:

(i) a lump sum payment of twenty-four (24) months of the Base Salary at the rate in effect on the Effective Date, or, if higher, the Base Salary at the rate in effect on the Termination Date, plus two-times Executive's target Annual Bonus, subject to applicable tax and other authorized withholdings, to be paid on the first regularly scheduled Company payroll date immediately after the sixtieth (60th) day following the Termination Date (such date, the "First Payment Date");

(ii) a pro-rated Annual Bonus at target, to be paid on the First Payment Date;

(iii) subject to Executive's valid election to continue healthcare coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, ("COBRA") reimbursement of the cost of healthcare continuation coverage for Executive and Executive's covered dependents under the Company's group health plans, at the same levels and at the same cost to Executive as would have applied if Executive's employment had not been terminated, based

on Executive's elections in effect on the Termination Date, until the earlier of (x) 24 months following the Termination Date, and (y) the date on which Executive becomes covered by a group health insurance program provided by a subsequent employer (the "COBRA Benefits" and such period, the "COBRA Subsidy Period"); provided, however, if any plan pursuant to which the COBRA Benefits are provided is not, or ceases prior to the expiration of the period of continuation coverage to be, exempt from the application of Code Section 409A under Treasury Regulation Section 1.409A-1(a)(5), or (B) the Company is otherwise unable to continue to cover Executive under its group health plans without incurring penalties (including, without limitation, pursuant to Section 2716 of the Public Health Service Act or the Patient Protection and Affordable Care Act), then, in either case, the Company shall pay to Executive an amount equal to the amount of the Company's monthly COBRA contribution on a monthly basis over the COBRA Subsidy Period (or the remaining portion thereof). In addition, and in lieu of any remaining amounts to be paid or provided under the preceding sentence, if Executive has not become eligible for coverage under a comprehensive group health plan sponsored by another employer on or before the date that is the eighteen (18)-month anniversary of the Termination Date (the "COBRA Payment Trigger Date"), then, on the Company's first (1st) regularly scheduled payroll date immediately after the COBRA Payment Trigger Date, the CEO shall receive a one (1)-time lump sum cash payment in an amount equal to six (6) times the monthly amount Executive paid to effect and continue coverage for the CEO and the CEO's covered dependents, if any, under the Company's group health plan for the full calendar month immediately preceding the COBRA Payment Trigger Date, plus an additional amount equal to the sum of the income tax payable by Executive with respect to such six (6)-month COBRA payment, plus the amount necessary to put Executive in the same after-tax position (taking into account any and all applicable federal, state, and local taxes at the highest applicable rates) as if no income tax had been imposed on the six (6)-month COBRA payment; and

(iv) except as otherwise set forth in the applicable grant agreement, all equity- based awards granted to Executive prior to the Change in Control under the Plan or successor plan(s) thereto, that are (i) outstanding and unvested as of immediately prior to the date of the Change in Control (including, but not limited to, stock options, restricted stock units and performance-based restricted stock units) and (ii) assumed or substituted by the successor in connection with such Change in Control ("Assumed Pre-CIC Awards"), shall become fully vested as of the Participant's Termination Date, with any Assumed Pre-CIC Awards subject to performance-based vesting conditions vesting at the greater of (A) actual performance, determined by terminating the applicable performance cycle(s) as of the date of Change in Control and measuring performance achievement at such time and (B) target performance. Any stock option, stock appreciation right or similar award that provides for an Executive-elected exercise shall become fully exercisable and will remain exercisable for the applicable period following the Termination Date, as specified in the applicable equity plan and/or the applicable award agreement. In the case of restricted stock or similar awards that are not subject to an Executive - elected exercise, the Company shall remove any restrictions (other than restrictions required by applicable securities laws) or conditions in respect of such award as of the Termination Date. For the avoidance of doubt, (I) this clause (iv) shall apply solely to equity based awards that are outstanding immediately prior to the Change in Control and are assumed or substituted by the successor in connection with such Change in Control; (II) notwithstanding the foregoing, to the extent any equity-based awards granted to Executive are not assumed or substituted in connection with a Change in Control, such equity-based awards shall immediately become fully vested upon the consummation of such Change in Control; (III) in the event the Plan and/or the applicable

award agreement provides more favorable treatment to a Participant with respect to such Participant's equity-based awards as compared to this clause (iv), such more favorable treatment shall apply instead of this clause (iv); and (IV) for purposes of Section 10(d) of the Plan, a termination of Executive's employment by the Company without Cause (other than by reason of Executive's death or Disability) or due to Executive's resignation for Good Reason shall constitute an "involuntary Termination," such that all of the Executive's Assumed Pre-CIC Awards will vest as described in this clause (iv) upon such a termination of Executive's employment that occurs at any time beginning on the date of the Change in Control up to and including the second (2nd) anniversary of the Change in Control.

The payments and benefits provided under this Section 6(b) shall be in lieu of any termination or severance payments or benefits for which Executive may be eligible under any of the other plans, policies or programs of the Company or under the Worker Adjustment Retraining Notification Act of 1988 or any similar state statute or regulation.

(c) Qualifying Termination Outside CIC Period. If, during the Employment Term and outside of the CIC Period, (i) the Company terminates Executive's employment without Cause (other than by reason of Executive's death or Disability), or Executive resigns for Good Reason, and (ii) Executive does not qualify for severance benefits under clause (b) above, then in addition to the Accrued Amounts, Executive shall be entitled to receive, subject to Executive's execution and non-revocation of a general release of claims in favor of the Company as provided in Section 6(e) and Executive's continued compliance with the provisions of Section 7 and Section 8 hereof:

(i) an amount equal to one and one-half (1.5) times Executive's annual Base Salary then in effect, payable in substantially equal installments over the eighteen (18) month period following the Termination Date in accordance with the Company's normal payroll practices; provided, however, that the first such installment shall be paid on the First Payment Date and shall include any portion of the base salary severance that would have otherwise been payable during the period between the Termination Date and the First Payment Date;

(ii) a pro-rated Annual Bonus at target, to be paid on the First Payment Date;

and

(iii) subject to Executive's valid election to Executive's healthcare coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"), to the extent Executive is eligible to do so, the Company shall reimburse Executive for the cost of healthcare continuation coverage for Executive and Executive's covered dependents under its group health plans, at the same levels and at the same cost to Executive as would have applied if Executive's employment had not been terminated, based on Executive's elections in effect on the Termination Date, until the earlier of twelve months following the Termination Date and (B) the date on which Executive becomes covered by a group health insurance program provided by a subsequent employer (the "Non-CIC COBRA Benefits", and such period, the "Non-CIC COBRA Period"). Notwithstanding the foregoing, (x) if any plan pursuant to which the Non-CIC COBRA Benefits are provided is not, or ceases prior to the expiration of the period of continuation coverage to be, exempt from the application of Section 409A of the Internal Revenue Code of 1986, as amended under Treasury Regulation Section 1.409A-1(a)(5), or (y) the Company is otherwise

unable to continue to cover Executive under its group health plans without incurring penalties (including, without limitation, pursuant to Section 2716 of the Public Health Service Act or the Patient Protection and Affordable Care Act), then, in either case, the Company shall pay Executive an amount equal to the amount of the Company's monthly COBRA contribution on a monthly basis over the remaining portion of the Non-CIC COBRA Period.

The payments and benefits provided under this Section 6(c) shall be in lieu of any termination or severance payments or benefits for which Executive may be eligible under any of the other plans, policies or programs of the Company or under the Worker Adjustment Retraining Notification Act of 1988 or any similar state statute or regulation.

For avoidance of doubt, if Executive terminates employment as a result of the Company's election not to renew the Agreement pursuant Section 1 hereof, such termination shall be considered a termination without Cause.

(d) Other Terminations of Employment. Following Executive's termination of employment for any reason not described in Sections 6(b) and 6(c) above, the Company shall have no obligation to provide any further compensation or benefits under this Agreement other than the Accrued Amounts.

(e) Release. Any and all amounts payable and benefits or additional rights provided pursuant to Section 6(b) or Section 6(c) of this Agreement shall only be payable if Executive delivers to the Company and does not revoke a general release of claims in favor of the Company in substantially the form attached on Exhibit C hereto. Such release must be executed and delivered (and no longer subject to revocation, if applicable) within sixty (60) days following the Termination Date.

(f) Definitions. For the purposes of this Agreement, the following terms are defined as follows:

(i) "Cause" shall mean (A) Executive's material failure to perform his substantial job functions (other than any such failure resulting from incapacity due to physical or mental illness), as determined by the Board in its good faith discretion after notice and an opportunity for Executive to be heard; (B) Executive's material failure to comply with any valid and legal directive of the Board consistent with his position; (C) Executive's engagement in dishonesty which would reasonably be expected to be materially injurious to the Company or its subsidiaries or controlled affiliates or Executive's engagement in illegal conduct or gross misconduct or gross negligence, in each case in the course of the performance of his duties; (D) Executive's embezzlement, misappropriation or fraud, whether or not related to Executive's employment with the Company; (E) Executive's conviction of or plea of guilty or nolo contendere to a crime that constitutes a felony (or state law equivalent) or a crime that constitutes a misdemeanor involving moral turpitude; (F) Executive's violation of a material policy of the Company, which in each case would reasonably be expected to be materially injurious to the Company or its subsidiaries or controlled affiliates; or (G) Executive's material violation of the restrictive covenants set forth in Section 7 or Section 8 of this Agreement or any other applicable restrictive covenants between Executive and the Company or any of its subsidiaries or controlled affiliates, or this Agreement. With respect to any acts otherwise constituting Cause under

subparagraph (A) or (B) of this definition, Executive shall have thirty (30) days from the delivery of written notice by the Company within which to cure such acts.

(ii) “Change in Control” means:

(A) a change in the ownership or control of the Company effected through a transaction or series of transactions (other than an offering of stock to the general public through a registration statement filed with the U.S. Securities and Exchange Commission or similar non-U.S. regulatory agency or pursuant to a Non-Control Transaction) whereby any “person” (as defined in Section 3(a)(9) of the U.S. Securities Exchange Act of 1934, as amended, the “Exchange Act”) or any two or more persons deemed to be one “person” (as used in Sections 13(d)(3) and 14(d)(2) of the Exchange Act), other than the Company or any of its Affiliates (as defined in the Exchange Act), an employee benefit plan sponsored or maintained by the Company or any of its Affiliates (or its related trust), or any underwriter temporarily holding securities pursuant to an offering of such securities, directly or indirectly acquire, other than pursuant to a Reorganization (as defined in subclause (C) below) that does not constitute a Change in Control under such subclause (C), “beneficial ownership” (within the meaning of Rule 13d-3 under the Exchange Act) of securities of the Company possessing more than 50% of the total combined voting power of the Company’s securities eligible to vote in the election of the Board (“Company Voting Securities”);

(B) the date, within any consecutive twenty-four (24)-month period commencing on or after the Effective Date, upon which individuals who constitute the Board as of the Effective Date (the “Incumbent Board”) cease for any reason to constitute at least a majority of the Board; *provided, however*, that any individual who becomes a director subsequent to the Effective Date and whose nomination for election by the Company’s stockholders or appointment was approved by a vote of at least a majority of the directors then constituting the Incumbent Board (either by a specific vote or by approval of the proxy statement of the Company in which such individual is named as a nominee for director, without objection to such nomination) shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest (including, but not limited to, a consent solicitation) with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a person other than the Board;

(C) the consummation of a merger, consolidation, share exchange, or similar form of corporate transaction involving the Company or any of its subsidiaries that requires the approval of the Company’s stockholders (whether for such transaction, the issuance of securities in the transaction, or otherwise) (a “Reorganization”), unless, immediately following such Reorganization, (X) more than 50% of the total voting power of (I) the corporation resulting from such Reorganization (the “Surviving Company”), or (II) if applicable, the ultimate parent corporation that has, directly or indirectly, beneficial ownership of 100% of the voting securities of the Surviving Company (the “Parent Company”), is represented by Company Voting Securities that were outstanding immediately prior to such Reorganization (or, if applicable, is represented by shares into which such Company Voting Securities were converted pursuant to such Reorganization), and (Y) no person, other than an employee benefit plan sponsored or maintained by the Surviving Company or the Parent Company (or its related trust), first becomes as a result of such Reorganization the beneficial owner, directly or indirectly, of 50% or more of the total

voting power of the outstanding voting securities eligible to elect directors of the Parent Company or, if there is no Parent Company, the Surviving Company (any Reorganization which satisfies all of the criteria specified in clauses (X) and (Y) above shall be a “Non-Control Transaction”); or

(D) the sale or disposition, in one or a series of related transactions, of all or substantially all of the assets of the Company and its subsidiaries (on a consolidated basis) to any “person” (as defined in Section 3(a)(9) of the Exchange Act) or to any two (2) or more persons deemed to be one “person” (as used in Sections 13(d)(3) and 14(d)(2) of the Exchange Act), other than the Company’s Affiliates.

Notwithstanding the foregoing, (x) a Change in Control shall not be deemed to occur solely because any person acquires beneficial ownership of 50% or more of the Company Voting Securities as a result of an acquisition of Company Voting Securities by the Company that reduces the number of Company Voting Securities outstanding; *provided that*, if after such acquisition by the Company, such person becomes the beneficial owner of additional Company Voting Securities that increases the percentage of outstanding Company Voting Securities beneficially owned by such person, a Change in Control shall then be deemed to occur, (y) a transaction described in clause (ii)(A) or clause (ii)(C) above shall not be deemed to constitute a Change in Control if 50% of the total combined voting power of the securities eligible to vote in the election of the board of directors (or similar body) of, as applicable, the Company, the Surviving Company or the Parent Company is beneficially owned by a person or an Affiliate of a person that beneficially owned more than 50% of the Company Voting Securities immediately before consummation of such transaction, and (z) with respect to the payment of any amount that constitutes a deferral of compensation subject to Section 409A of the Code payable upon a Change in Control, a Change in Control shall not be deemed to have occurred, unless the Change in Control constitutes a change in the ownership or effective control of the Company or in the ownership of a substantial portion of the assets of the Company under Section 409A(a)(2)(A)(v) of the Code.

(iii) “Disability” shall mean Executive’s physical or mental illness, injury or infirmity which qualifies Executive for benefits under the Company’s long-term disability plan or, in the absence of such a plan, which is reasonably likely to prevent and/or prevents Executive from performing his essential job functions for a period of an aggregate of one hundred eighty (180) calendar days out of any consecutive twelve (12) month period. Any question as to the existence of the Disability of Executive as to which Executive and the Company cannot agree shall be determined in writing by a qualified independent physician mutually acceptable to Executive and the Company. If Executive and the Company cannot agree as to a qualified independent physician, each shall appoint such a physician and those two physicians shall select a third who shall make such determination in writing. The determination of Disability made in writing to the Company and Executive shall be final and conclusive for all purposes of the Agreement.

(iv) “Good Reason” shall mean, during the period following the Effective Date and prior to a Change in Control: (A) a material diminution in Executive’s title, duties, responsibilities or authority, other than changes in duties, responsibilities or authority that arise solely as a result of the Company ceasing to be a public company so long as Executive remains Chief Executive Officer and President of the Company; (B) a change to Executive’s principal work location without Executive’s written consent to a location outside of his primary

residence in the state of Florida; (C) a material reduction in the Executive's target cash compensation (i.e., Base Salary and target Annual Bonus), or (D) a material breach of this Agreement by the Company. Notwithstanding the foregoing, Executive cannot terminate his or her employment for Good Reason unless he or she has provided written notice to the Company explaining in sufficient detail the existence and grounds constituting Good Reason within 30 days of the initial existence of such grounds and the Company has had at least 30 days from the date on which such notice is provided to cure such circumstances, if curable. If Executive does not terminate his or her employment for Good Reason within 90 days after the first occurrence of the applicable grounds, then Executive will be deemed to have waived his or her right to terminate for Good Reason with respect to such grounds.

(g) Other Positions. Upon termination of Executive's employment for any reason, Executive shall promptly resign from any other position as an officer, director or fiduciary of any direct or indirect subsidiary of the Company or other Company-related entity. Executive agrees to execute any documentation consistent with the foregoing that the Company reasonably requests.

7. Restrictive Covenants. Executive acknowledges and recognizes the highly competitive nature of the businesses of the Company and its subsidiaries and controlled affiliates and accordingly agrees to the following:

(a) Noncompetition. Executive acknowledges that (i) Executive performs services of an important nature for the Company and any of its subsidiaries and controlled affiliates, and that Executive's performance of such services to a competing business may result in irreparable harm to the Company and its subsidiaries and controlled affiliates, (ii) Executive is a member of the executive and management personnel of the Company and its subsidiaries and controlled affiliates, (iii) Executive has had and will continue to have access to Confidential Information (as defined below) and trade secrets which, if disclosed, would unfairly and inappropriately assist in competition against the Company or any of its subsidiaries and controlled affiliates, (iv) in the course of Executive's employment by a competitor, Executive could use or disclose such Confidential Information and trade secrets, (v) the Company and its subsidiaries and controlled affiliates have substantial relationships with their customers and Executive has had and will continue to have access to these customers, and (vi) Executive has generated and will continue to generate goodwill for the Company and its subsidiaries and controlled affiliates in the course of Executive's employment. Accordingly, during the Employment Term and for 12 months following the Termination Date, or during such longer period (not to exceed 18 months) that Executive is receiving severance benefits under Sections 6(b) or 6(c) above, Executive agrees that Executive will not, directly or indirectly, own, manage, operate, control, be employed by (whether as an employee, consultant, independent contractor or otherwise, and whether or not for compensation) or render services to any person, in whatever form, engaged in a Competing Business in any locale of any country in which the Company or its subsidiaries and controlled affiliates conduct business. Notwithstanding the foregoing, nothing herein shall prohibit Executive from being a passive owner of not more than four and ninety nine one hundredths percent (4.99%) of the equity securities of a publicly traded corporation engaged in a business that is in competition with the Company or any of its subsidiaries and controlled affiliates, so long as Executive has no active participation in the business of such corporation. For purposes of this Agreement, the term "Competing Business" shall mean (x) any business that (A) is engaged

primarily in the design and/or delivery of customized software solutions to third party customers and/or (B) is engaged primarily in the provision of information technology consulting services to third party customers (that, in each case, is competitive with the Company or its Subsidiaries), and/or (y) for the avoidance of doubt, any of the following (including any Affiliates thereof, any successor entities thereto and any businesses or divisions divested therefrom): Accenture PLC*, Aricent Inc., Boston Consulting Group*, Deloitte & Touche LLP*, Ciklum ApS, CapGemini SE, CGI Group Inc., Cognizant Technology Solutions Corporation, DXC Technology Company, Elephant Ventures, LLC, Endava Plc, EPAM Systems, Inc., Equal Experts Inc., Globant LLC, HCL Technologies Limited, Hexaware Technologies Limited, International Business Machines Corp., Infosys Limited, iSoftStone Holdings Limited, KPMG US LLP*, McKinsey & Company*, Mindtree Limited, NearForm Ltd, Ness Technologies Inc., Persistent Systems Ltd., Perficient, Inc., PricewaterhouseCoopers LLP*, Sapient Corporation, SoftServe, Inc., Symphony Teleca Corporation, Tech Mahindra Limited, RazorFish, LLC, Three Pillar Global, Inc., VanceInfo Technologies Inc., Wipro Limited, Xebia Nederland B.V.¹ For the avoidance of doubt, Competing Business shall not include software product companies that offer customized solutions for such products and are not competitive with the Company or its Subsidiaries with respect to provision of information technology services to third party customers. As used herein, “competitive with the Company or its Subsidiaries” means the provision of the same or similar solutions or services of the Company or its Subsidiaries.

(b) Nonsolicitation; Noninterference.

(i) During the Employment Term and for 18 months following the Termination Date, Executive agrees that Executive shall not, except in the furtherance of Executive’s duties with the Company or its affiliates, directly or indirectly, individually or on behalf of any other person, (A) solicit, aid or induce any customer of the Company or any of its affiliates to purchase goods or services then sold by the Company or any of its affiliates from another person or assist or aid any other persons or entity in identifying or soliciting any such customer, or (B) interfere, or aid or induce any other person or entity in interfering, with the relationship between the Company or any of its affiliates and any of their respective vendors, customers, joint venturers, licensees or licensors.

(ii) During the Employment Term and for 18 months following the Termination Date, Executive agrees that Executive shall not, except in the furtherance of Executive’s duties with the Company or any of its affiliates, directly or indirectly, individually or on behalf of any other person, solicit, aid or induce any employee, consultant, representative or agent of the Company or any of its affiliates (or any employee, consultant, representative or agent who has left the employment or retention of the Company or any of its affiliates for less than nine months) (a “Covered Person”) to leave such employment or retention or to accept employment with or render services to or with any other person unaffiliated with the Company or hire or retain any such employee, consultant, representative or agent or any Covered Person, or take any action to materially assist or aid any other person in identifying, hiring or soliciting any such employee, consultant, representative or agent or any Covered Person.

¹ Entities identified with an asterisk (*) are limited to the divisions of such business that are competitive with the Company or its subsidiaries.

(c) Severability. It is expressly understood and agreed that although Executive and the Company consider the restrictions contained in this Section 7 to be reasonable, if a final judicial determination is made by a court of competent jurisdiction that the time or territory or any other restriction contained in this Agreement is an unenforceable restriction against Executive, the provisions of this Agreement shall not be rendered void but shall be deemed amended to apply as to such maximum time and territory and to such maximum extent as such court may judicially determine or indicate to be enforceable. Alternatively, if any court of competent jurisdiction finds that any restriction contained in this Agreement is unenforceable, and such restriction cannot be amended so as to make it enforceable, such finding shall not affect the enforceability of any of the other restrictions contained herein.

(d) Survival. The provisions of this Section 7 shall survive the termination of this Agreement and Executive's employment for any reason.

8. Other Restrictive Covenants and Related Provisions.

(a) Confidentiality. During the course of Executive's employment with the Company, Executive has had and will continue to have access to Confidential Information. For purposes of this Agreement, "Confidential Information" means all data, information, ideas, concepts, discoveries, trade secrets, inventions (whether or not patentable or reduced to practice), innovations, improvements, know-how, developments, techniques, methods, processes, treatments, drawings, sketches, specifications, designs, plans, patterns, models, plans and strategies, and all other confidential or proprietary information in any form or medium (whether merely remembered or embodied in a tangible or intangible form or medium) whether now or hereafter existing, relating to or arising from the past, current or potential business, activities and/or operations of the Company or any of its affiliates, including, without limitation, any such information relating to or concerning finances, sales, marketing, advertising, transition, promotions, pricing, personnel, customers, suppliers, vendors, raw partners and/or competitors. Executive agrees that Executive shall not, directly or indirectly, use, make available, sell, disclose or otherwise communicate to any person any Confidential Information, or other confidential or proprietary information received from third parties subject to a duty on the Company's and its affiliates' part to maintain the confidentiality of such information, and to use such information only for certain limited purposes, in each case which shall have been obtained by Executive during Executive's employment by the Company. The foregoing shall not apply to information that (i) was known to the public prior to its disclosure to Executive; (ii) becomes generally known to the public subsequent to disclosure to Executive through no wrongful act of Executive or any representative of Executive; or (iii) Executive is required to disclose such information by applicable law, regulation or legal process (provided that Executive provides the Company with prior notice of the contemplated disclosure and cooperates with the Company at its expense in seeking a protective order or other appropriate protection of such information).

(b) Return of Company Property. On or prior to the Termination Date, Executive shall return all property belonging to the Company or its affiliates (including, but not limited to, any Company-provided laptops, computers, cell phones, wireless electronic mail devices or other equipment, or documents and property belonging to the Company).

(c) Intellectual Property.

(i) If Executive has created, invented, designed, developed, contributed to or improved any works of authorship, inventions, intellectual property, materials, documents or other work product (including without limitation, research, reports, software, databases, systems, applications, presentations, textual works, content, or audiovisual materials), other than to the extent that (A) no equipment, supplies, facility, trade secrets, Confidential Information, research or other information of the Company was used during its creation, (B) such item was developed entirely on the Executive's own time, and (C) such item did not result directly from any work performed by Executive for the Company ("Works"), either alone or with third parties, prior to Executive's employment by the Company, that are relevant to or implicated by such employment ("Prior Works"), Executive hereby grants the Company a perpetual, non-exclusive, royalty-free, worldwide, assignable, sublicensable license under all rights and intellectual property rights (including rights under patent, industrial property, copyright, trademark, trade secret, unfair competition and related laws) therein for all purposes in connection with the Company's current and future business. For the avoidance of doubt, waivers granted under the Company's "Policy on Outside Activities" dated February 2012, as may be amended from time to time, prior to or after the Effective Date shall not be considered "Works" hereunder.

(ii) If Executive creates, invents, designs, develops, contributes to or improves any Works, either alone or with third parties, at any time during Executive's employment by the Company and within the scope of such employment and/or with the use of any Company resources ("Company Works"), Executive shall promptly and fully disclose such works to the Company and hereby irrevocably assigns, transfers and conveys, to the maximum extent permitted by applicable law, all rights and intellectual property rights therein (including rights under patent, industrial property, copyright, trademark, trade secret, unfair competition and related laws) to the Company to the extent ownership of any such rights does not vest originally in the Company.

(iii) Executive agrees to keep and maintain adequate and current written records (in the form of notes, sketches, drawings, and any other form or media requested by the Company) of all Company Works. The records will be available to and remain the sole property and intellectual property of the Company at all times.

(iv) Executive shall take all requested actions and execute all requested documents (including any licenses or assignments required by a government contract) at the Company's expense (but without further remuneration) to assist the Company in validating, maintaining, protecting, enforcing, perfecting, recording, patenting or registering any of the Company's rights in the Company Works. If the Company is unable for any other reason to secure Executive's signature on any document for this purpose, then Executive hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as Executive's agent and attorney-in-fact, to act for and on Executive's behalf to execute any documents and to do all other lawfully permitted acts in connection with the foregoing.

(v) Executive shall not improperly use for the benefit of, bring to any premises of, divulge, disclose, communicate, reveal, transfer or provide access to, or share with the Company any confidential, proprietary or non-public information or intellectual property relating to a former employer or other third party without the prior written permission of such third

party. Executive hereby indemnifies, holds harmless and agrees to defend the Company and its officers, directors, partners, employees, agents and representatives from any breach of the foregoing covenant. Executive shall comply with all relevant policies and guidelines of the Company, including regarding the protection of confidential information and intellectual property and potential conflicts of interest. Executive acknowledges that the Company may amend any such policies and guidelines from time to time, and that Executive remains at all times bound by their most current version.

(d) Non-Disparagement. Neither the Company nor Executive shall make any oral or written statement about the other party which is intended or reasonably likely to disparage the other party, or otherwise degrade the other party's reputation in the general business community, and the Company shall instruct its directors and executive officers to honor the foregoing commitment. The foregoing shall not be violated by truthful statements in response to legal process, required governmental testimony or filings, or administrative or arbitral proceedings (including, without limitation, depositions in connection with such proceedings). The provisions of this Section 8(d) shall survive the termination of Executive's employment for any reason.

(e) Whistleblower Protection. Notwithstanding anything to the contrary contained herein, no provision of this Agreement shall be interpreted so as to impede Executive (or any other individual) from reporting possible violations of applicable law or regulation to any governmental agency or entity, including but not limited to the Department of Justice, the Securities and Exchange Commission, the Congress, and any agency Inspector General, or making other disclosures under the whistleblower provisions of federal law or regulation. Executive does not need the prior authorization of the Company to make any such reports or disclosures and Executive shall not be not required to notify the Company that such reports or disclosures have been made.

(f) Trade Secrets. 18 U.S.C. § 1833(b) provides: "An individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that (A) is made (i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal." Nothing in this Agreement is intended to conflict with 18 U.S.C. § 1833(b) or create liability for disclosures of trade secrets that are expressly allowed by 18 U.S.C. § 1833(b). Accordingly, Executive and the Company and its affiliates have the right to disclose in confidence trade secrets to federal, state, and local government officials, or to an attorney, for the sole purpose of reporting or investigating a suspected violation of law. Executive and the Company and its affiliates also have the right to disclose trade secrets in a document filed in a lawsuit or other proceeding, but only if the filing is made under seal and protected from public disclosure.

(g) Protected Activity. Executive understands that nothing in this Agreement shall in any way limit or prohibit Executive from engaging for a lawful purpose in any Protected Activity. For purposes of this Agreement, "Protected Activity" shall mean filing a charge, complaint, or report with, or otherwise communicating with, cooperating with or participating in any investigation or proceeding that may be conducted by, any federal, state or local government agency or commission, including the Securities and Exchange Commission, the Equal

Employment Opportunity Commission, the Occupational Safety and Health Administration, and the National Labor Relations Board (“Government Agencies”). Executive understands that in connection with such Protected Activity, Executive is permitted to disclose documents or other information as permitted by law, and without giving notice to, or receiving authorization from, the Company. Notwithstanding the foregoing, Executive agrees to take all reasonable precautions to prevent any unauthorized use or disclosure of any information that may constitute Confidential Information to any parties other than the relevant Government Agencies. Executive further understands that “Protected Activity” does not include the disclosure of any Company attorney- client privileged communications, and that any such disclosure without the Company’s written consent shall constitute a material breach of this Agreement.

9. Specific Performance; Tolling. Executive acknowledges and agrees that the Company’s remedies at law for a breach or threatened breach of any of the provisions of Section 7 or Section 8 would be inadequate and the Company would suffer irreparable damages as a result of such breach or threatened breach. In recognition of this fact, Executive agrees that, in the event of such a breach or threatened breach, in addition to any remedies at law, the Company, without posting any bond, shall be entitled to cease making any payments or providing any benefit otherwise required by this Agreement and obtain equitable relief in the form of specific performance, temporary restraining order, temporary or permanent injunction or any other equitable remedy which may then be available. In the event of any violation of the provisions of Section 7 or Section 8, Executive acknowledges and agrees that the post-termination restrictions contained in Section 7 or Section 8 shall be extended by a period of time equal to the period of such violation, it being the intention of the parties hereto that the running of the applicable post- termination restriction period shall be tolled during any period of such violation. Executive agrees that, before providing services, whether as an employee or consultant, to any entity during the period of time that Executive is subject to the constraints in Sections 7 and 8 hereof, Executive will provide a copy of this Agreement (including, without limitation, Section 7) to such entity. Executive further covenants that Executive will not challenge the reasonableness or enforceability of any of the covenants set forth in Section 7 and Section 8 hereof, and that Executive will reimburse the Company and its affiliates for all costs (including reasonable attorneys’ fees) incurred in connection with any action to enforce any of the provisions of Section 7 and Section 8 hereof if either Company and/or its affiliates prevails on any material issue involved in such dispute or if Executive challenges the reasonableness or enforceability of any of the provisions of Section 7 and Section 8 hereof; provided, that in the event that Executive prevails on any material issue involved in such dispute, the Company will reimburse Executive for all costs (including reasonable attorneys’ fees) incurred in connection with any action to enforce any of the provisions of Section 7 and Section 8 hereof.

10. Miscellaneous.

(a) Governing Law. This Agreement, and any disputes arising herefrom or related hereto, shall be governed by, construed and interpreted in all respects, in accordance with the substantive and procedural laws of the State of Delaware, without regard to conflicts of laws principles thereof.

(b) Entire Agreement/Amendments. This Agreement contains the entire understanding of the parties with respect to the employment of Executive by the Company and

supersedes all prior and contemporaneous understandings, agreements, term sheets, representations and warranties with respect to the employment of Executive by the Company. There are no restrictions, agreements, promises, warranties, covenants or undertakings between the parties with respect to the subject matter herein other than those expressly set forth herein. This Agreement may not be altered, modified, or amended except by written instrument signed by the parties hereto.

(c) No Waiver. The failure of a party to insist upon strict adherence to any term of this Agreement on any occasion shall not be considered a waiver of such party's rights or deprive such party of the right thereafter to insist upon strict adherence to that term or any other term of this Agreement.

(d) Severability. In the event that any one or more of the provisions of this Agreement shall be or become invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions of this Agreement shall not be affected thereby.

(e) Dispute Resolution; Jury Trial Waiver. Each of the parties agrees that any dispute between the parties shall be resolved only in the courts of the State of Delaware or the United States District Court for the District of Delaware and the appellate courts having jurisdiction of appeals in such courts. In that context, and without limiting the generality of the foregoing, each of the parties hereto irrevocably and unconditionally (a) submits in any proceeding relating to this Agreement or Executive's employment by the Company or any Company affiliate, or for the recognition and enforcement of any judgment in respect thereof (a "Proceeding"), to the exclusive jurisdiction of the courts of the State of Delaware, the court of the United States of America for the District of Delaware, and appellate courts having jurisdiction of appeals from any of the foregoing, and agrees that all claims in respect of any such Proceeding shall be heard and determined in such Delaware State court or, to the extent permitted by law, in such federal court, (b) consents that any such Proceeding may and shall be brought in such courts and waives any objection that Executive or the Company may now or thereafter have to the venue or jurisdiction of any such Proceeding in any such court or that such Proceeding was brought in an inconvenient court and agrees not to plead or claim the same, (c) WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY PROCEEDING (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR EXECUTIVE'S EMPLOYMENT BY THE COMPANY OR EXECUTIVE'S OR THE COMPANY'S PERFORMANCE UNDER, OR ENFORCEMENT OF, THIS AGREEMENT, (d) agrees that service of process in any such Proceeding may be effected by mailing a copy of such process by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such party at Executive's or the Company's address as provided in Section 10(h) hereof, and (e) agrees that nothing in this Agreement shall affect the right to effect service of process in any other manner permitted by the laws of the State of Delaware.

(f) Compliance with Section 409A of the Code.

(i) The intent of the parties is that payments and benefits under this Agreement comply with Internal Revenue Code Section 409A and the regulations and guidance promulgated thereunder (collectively "Code Section 409A") and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be in compliance therewith. To the extent

that any provision hereof is modified in order to comply with Code Section 409A, such modification shall be made in good faith and shall, to the maximum extent reasonably possible, maintain the original intent and economic benefit to Executive and the Company of the applicable provision without violating the provisions of Code Section 409A.

(ii) A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits upon or following a termination of employment unless such termination is also a "separation from service" within the meaning of Code Section 409A and, for purposes of any such provision of this Agreement, references to a "termination," "termination of employment," "Termination Date" or like terms shall mean "separation from service." If Executive is deemed on the Termination Date to be a "specified employee" within the meaning of that term under Code Section 409A(a)(2)(B), then with regard to any payment or the provision of any benefit that is considered deferred compensation under Code Section 409A payable on account of a "separation from service," such payment or benefit shall be made or provided at the date which is the earlier of (A) the expiration of the six (6)-month period measured from the date of such "separation from service" of Executive, and (B) the date of Executive's death, to the extent required under Code Section 409A. Upon the expiration of the foregoing delay period, all payments and benefits delayed pursuant to this Section 10(f) (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay) shall be paid or reimbursed to Executive in a lump sum, and any remaining payments and benefits due under this Agreement shall be paid or provided in accordance with the normal payment dates specified for them herein.

(iii) To the extent the payment of any amount described in Section 6 of this Agreement constitutes "nonqualified deferred compensation" for purposes of Code Section 409A and is subject to the release requirements of Section 6(e), then any payment scheduled to occur during the first 60 days following the Termination Date shall not be paid until the first regularly scheduled pay period following the 60th day following such termination and shall include payment of any amount that was otherwise scheduled to be paid prior thereto.

(iv) To the extent that reimbursements or other in-kind benefits under this Agreement constitute "nonqualified deferred compensation" for purposes of Code Section 409A, (A) all expenses or other reimbursements hereunder shall be made on or prior to the last day of the taxable year following the taxable year in which such expenses were incurred by Executive, (B) any right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, and (C) no such reimbursement, expenses eligible for reimbursement, or in-kind benefits provided in any taxable year shall in any way affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year.

(v) For purposes of Code Section 409A, Executive's right to receive any installment payments pursuant to this Agreement shall be treated as a right to receive a series of separate and distinct payments. Whenever a payment under this Agreement specifies a payment period with reference to a number of days, the actual date of payment within the specified period shall be within the sole discretion of the Company.

(vi) Notwithstanding any other provision of this Agreement to the contrary, in no event shall any payment under this Agreement that constitutes "nonqualified

deferred compensation” for purposes of Code Section 409A be subject to offset by any other amount unless otherwise permitted by Code Section 409A.

(g) Assignment; Successors; Binding Agreement. Except as otherwise provided herein, this Agreement shall bind Executive, the Company and its respective successors and permitted assigns and inure to the benefit of and be enforceable by Executive, the Company and each of their respective successors and permitted assigns. The Company shall have the right to assign, transfer or convey this Agreement to its affiliated companies, successor entities, or assignees or transferees of substantially all of the Company’s business activities, operations or assets. Upon such assignment, the rights and obligations of the Company hereunder shall become the rights and obligations of such affiliate or successor person or entity. This Agreement, and all of Executive’s rights and duties hereunder, shall not be assignable or delegable by Executive without the Company’s prior written consent. Any purported assignment or delegation by Executive in violation of the foregoing shall be null and void *ab initio* and of no force and effect.

(h) Notice. For purposes of this Agreement, notices and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given (a) on the date of delivery, if delivered by hand, (b) on the date of transmission, if delivered by confirmed facsimile or electronic mail, (c) on the first business day following the date of deposit, if delivered by guaranteed overnight delivery service, or (d) on the fourth business day following the date delivered or mailed by United States registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to Executive:

At the address (or to the facsimile number) shown in the books and records of the Company.

If to the Company:

Thoughtworks, Inc. 200 E. Randolph Street
Chicago, IL 60601 Attn: General Counsel

(i) Executive Representation. Executive hereby represents to the Company that (i) Executive has been provided with sufficient opportunity to review this Agreement and has been advised by the Company to conduct such review with an attorney of his choice and (ii) the execution and delivery of this Agreement by Executive and the Company and the performance by Executive of Executive’s duties hereunder shall not constitute a breach of, or otherwise contravene, the terms of any employment agreement or other agreement or policy to which Executive is a party or otherwise bound.

(j) Cooperation. Executive shall provide Executive’s reasonable cooperation in connection with any action or proceeding (or any appeal from any action or proceeding) which relates to events occurring during Executive’s employment hereunder. This provision shall survive any termination of this Agreement or Executive’s employment.

(k) Withholding Taxes. The Company may withhold from any amounts payable under this Agreement such Federal, state and local taxes as may be required to be withheld pursuant to any applicable law or regulation.

(l) Counterparts. This Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

[Signatures on following page]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

THOUGHTWORKS, INC.

By: /s/ Ramona Mateiu

Name: Ramona Mateiu

Title: Chief Legal Officer, Chief Compliance Officer, Vice President &
Secretary

/s/ Michael R. Sutcliff

Michael R. Sutcliff

Date: 5/2/2024

[Signature Page to Employment Agreement]

EXHIBIT A

Non-executive chairman of the board role with Mobius

EXHIBIT B

Certain Equity Award Terms

The PSUs shall vest subject to satisfaction of share price milestones on or before the fifth anniversary of the date of grant. Specifically, 25% of the PSUs shall vest upon the Company achieving a 60-day VWAP of each of \$9.00, \$13.00, \$17.00, and \$20.00, subject to Executive not having incurred a Termination (as defined in the Plan). For the avoidance of doubt, unvested PSUs shall be cancelled and forfeited, for no consideration, upon the first to occur of (1) the Executive incurring a Termination, or (2) the fifth anniversary of the date of grant. Notwithstanding the foregoing, in lieu of treatment under Section 6(b)(iv) of the Agreement, where a Change in Control occurs, PSUs will either vest or not, based on satisfaction of the applicable performance metrics, through the date of the Change in Control (and will be cancelled and forfeited upon the closing of the Change in Control to the extent not vested).

Following, or in connection with, a Change in Control or the delisting of the Company's common stock from all national securities exchanges, and notwithstanding any contrary provision in the Plan or an award agreement, Executive's outstanding Equity Awards (including any award assumed or substituted therefor) may be terminated and replaced by other compensation intended (as determined, by the Company's board of directors (or the board of directors (or similar body) of any successor to the Company) in its sole, but reasonable, discretion) to provide a substantially similar intended economic opportunity, taking into account the Company's then current, or expected, organizational structure, if so determined, and to the extent so, and on terms and conditions determined by such board.

EXHIBIT C
Release

For and in consideration of the payments and other benefits due to Michael R. Sutcliff (“Executive”) under Section 6 of the Employment Agreement between Executive and Thoughtworks, Inc., a Delaware corporation (the “Company”), dated as of May 2, 2024 (as may be amended, the “Employment Agreement”), and for other good and valuable consideration:

1. Except as provided in paragraph 4 below Executive hereby knowingly and voluntarily agrees (for Executive, Executive’s spouse and child or children (if any), Executive’s heirs, beneficiaries, devisees, executors, administrators, attorneys, insurers, personal representatives, successors and assigns) to forever release and discharge (the “Release”) the Company or any of its divisions, affiliates, subsidiaries, parents, branches, predecessors, successors, assigns, and, with respect to such entities, their officers, directors, trustees, employees, agents, shareholders, administrators, general or limited partners, representatives, attorneys and fiduciaries, past, present and future (the “Released Parties”) from any and all claims, suits, controversies, actions, causes of action, cross-claims, counter-claims, demands, debts, compensatory damages, liquidated damages, punitive or exemplary damages, other damages, claims for costs and attorneys’ fees, or liabilities of any nature whatsoever in law and in equity, both past and present, suspected or claimed against the Company and/or any of the Released Parties that Executive, Executive’s spouse, or any of Executive’s heirs, executors, administrators or assigns, ever had, now have, or hereafter may have against the Released Parties, by reason of any matter, cause, or thing whatsoever, from the beginning of Executive’s initial dealings with the Company to the date of this Release, whether known or unknown to Executive, by reason of facts which have occurred on or prior to the date that Executive has signed this Release (including, without limitation, any and all allegations, claims or violation relating to the foregoing under federal, state or local laws pertaining to employment, including, without limitation, the Age Discrimination in Employment Act of 1967, as amended (including the Older Workers Benefit Protection Act), Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. Section 2000e *et. seq.*, the Fair Labor Standards Act, as amended, the Equal Pay Act of 1963, as amended, 29 U.S.C. Section 201 *et. seq.*, the Americans with Disabilities Act of 1990, as amended, 42 U.S.C. Section 12101 *et. seq.* the Reconstruction Era Civil Rights Act, as amended, 42 U.S.C. Section 1981 *et. seq.*, the Rehabilitation Act of 1973, as amended, 29 U.S.C. Section 701 *et. seq.*, the Family and Medical Leave Act of 1993, 29 U.S.C. Section 2601 *et. seq.*, Worker Adjustment Retraining and Notification Act; the Employee Retirement Income Security Act of 1974, all Executive Order Programs, and any and all federal, state and local laws, regulations and counterparts regarding civil or human rights law, employment discrimination and/or federal, state or local laws of any type or description regarding employment, including but not limited to any claims arising from or derivative of Executive’s employment with the Released Parties, as well as any and all such claims under any public policy, contract or tort, or under common law; or arising under any policies, practices or procedures of the Company; or any claim for wrongful discharge, breach of contract, infliction of emotional distress, defamation; or any claim for costs, fees, or other expenses, including attorneys’ fees incurred in these matters) (all of the foregoing collectively referred to herein as the “Claims”). Executive understands and intends that this Release constitutes a general release of all claims and that no reference herein to a specific form

of claim, statute or type of relief is intended to limit the scope of this Release. Notwithstanding the foregoing, Executive acknowledges that Executive may hereafter discover Claims or facts in addition to or different than those which Executive now knows or believes to exist with respect to the subject matter of the released Claims above and which, if known or suspected at the time of entering into this Release, may have materially affected this General Release and my decision to enter into it.

2. Executive understands that any benefits, payments or benefits granted under Section [6(b)/6(c)] of the Employment Agreement represent, in part, consideration for signing this Release and are not salary, wages or benefits to which Executive was already entitled. Executive understands and agrees that Executive will not receive the payments and benefits specified in Section [6(b)/6(c)] of the Employment Agreement unless Executive executes and does not revoke this Release within the time period permitted hereafter or breach this Release. Such payments and benefits will not be considered compensation for purposes of any employee benefit plan, program, policy or arrangement maintained or hereafter established by the Company or its affiliates.

3. Executive further represents that Executive has made no assignment or transfer of any right, claim, demand, cause of action, or other matter covered by paragraph 1 above.

4. Executive agrees that this Release does not waive or release any rights or claims that Executive may have under the Age Discrimination in Employment Act of 1967 which arise after the date Executive executes this Release. Executive acknowledges and agrees that Executive's separation from employment with the Company in compliance with the terms of the Employment Agreement shall not serve as the basis for any claim or action (including, without limitation, any claim under the Age Discrimination in Employment Act of 1967).

5. Executive agrees that Executive hereby waives all rights to sue or obtain equitable, remedial or punitive relief from any or all Released Parties of any kind whatsoever, including, without limitation, reinstatement, back pay, front pay, and any form of injunctive relief. Furthermore, Executive agrees that Executive will forfeit all amounts payable by the Company pursuant to Section [6(b)/6(c)] of the Employment Agreement if Executive challenges the validity of this Release. Executive also agrees that if Executive violates this Release by suing the Company or the other Released Parties, Executive will pay all costs and expenses of defending against the suit incurred by the Released Parties, including reasonable attorneys' fees, and return all payments received by Executive pursuant to Section [6(b)/6(c)] of the Employment Agreement on or after the termination of my employment.

6. In signing this Release, Executive acknowledges and intends that it shall be effective as a bar to each and every one of the Claims hereinabove mentioned or implied. Executive expressly consents that this Release shall be given full force and effect according to each and all of its express terms and provisions, including those relating to unknown and unsuspected Claims (notwithstanding any state or local statute that expressly limits the effectiveness of a general release of unknown, unsuspected and unanticipated Claims), if any, as well as those relating to any other Claims hereinabove mentioned or implied. Executive acknowledges and agrees that this waiver is an essential and material term of this Release and that without such waiver the Company would not have agreed to the terms of the Employment Agreement. Executive further agrees that in the event that Executive should bring a Claim seeking

damages against the Company, or in the event that Executive should seek to recover against the Company in any Claim brought by a governmental agency on his behalf, this Release shall serve as a complete defense to such Claims to the maximum extent permitted by law. Executive further agrees that Executive is not aware of any pending claim, or of any facts that could give rise to a claim, of the type described in paragraph 1 as of the execution of this Release.

7. Executive agrees that this Release and the Employment Agreement are confidential and agrees not to disclose any information regarding the terms of this Release or the Employment Agreement, except to my immediate family and any tax, legal or other counsel that Executive has consulted regarding the meaning or effect hereof or as required by law, and Executive will instruct each of the foregoing not to disclose the same to anyone. Notwithstanding the foregoing, any non-disclosure provision in this Release does not prohibit or restrict Executive (or his attorney) from responding to any inquiry about this Release or its underlying facts and circumstances by the Securities and Exchange Commission (SEC), the Financial Industry Regulatory Authority (FINRA), or any other self-regulatory organization or governmental entity.

8. Executive hereby acknowledges that Section 7, Section 8, and Section 9 of the Employment Agreement shall survive my execution of this General Release.

9. Whenever possible, each provision of this Release shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Release is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this Release shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein. This Release constitutes the complete and entire agreement and understanding among the parties, and supersedes any and all prior or contemporaneous agreements, commitments, understandings or arrangements, whether written or oral, between or among any of the parties, in each case concerning the subject matter hereof.

10. Executive has read this Release carefully, acknowledges that Executive understands all of the terms of this Release and is giving up important rights, has been given at least [twenty-one (21)][forty-five (45)] days from the date of Executive's receipt of this Release to consider all of its terms (and any changes made since such receipt are not material or were made at Executive's request and will not restart the required [twenty-one (21)][forty-five (45)]-day period) and has been advised to consult with an attorney and any other advisors of Executive's choice prior to executing this Release, and Executive fully understands that by signing below Executive is voluntarily giving up any right which Executive may have to sue or bring any other claims against the Released Parties. Executive also understands that Executive has a period of seven (7) calendar days after signing this Release within which to revoke the Employment Agreement in a writing and actually deliver such revocation to the Company. This Release shall not be effective or enforceable until after such seven (7)-day revocation period has expired, and the Company shall not be obligated to make any payments or provide any other benefits to Executive pursuant to the Employment Agreement until seven (7) days have passed since Executive's signing and delivery to the Company of this Release without Executive's signature having been revoked other than any accrued obligations or other benefits payable pursuant to the terms of the Company's normal payroll practices or employee benefit plans. Finally, Executive

has not been forced or pressured in any manner whatsoever to sign this Release, and Executive agrees to all of its terms voluntarily and has signed this Release knowingly and voluntarily with the advice of any counsel retained to advise Executive with respect to it.

11. Notwithstanding anything else herein to the contrary, Executive acknowledges that Executive is not waiving and is not being required to waive (i) any right under any compensation or employee benefit plan, program or arrangement (including, without limitation, obligations to Executive under any stock option, stock award or agreements or obligations under any pension, deferred compensation or retention plan) provided by the Affiliated Entities where Executive's compensation or benefits are intended to continue or Executive is to be provided with compensation or benefits, in accordance with the express written terms of such plan, program or arrangement, beyond the date of Executive's termination; (ii) rights to indemnification or liability insurance coverage Executive may have under the by-laws of the Company or applicable law; (iii) Executive's rights under Section 6 of the Employment Agreement; or (iv) any right that cannot be waived under law, including the right to file an administrative charge or participate in an administrative investigation or proceeding or any rights established under Section 7 of the National Labor Relations Act; provided, however, that Executive disclaims and waives any right to share or participate in any monetary award resulting from the prosecution of such charge or investigation or proceeding.

This Release is subject to Section 10 of the Employment Agreement. This Release is final and binding and may not be changed or modified except in a writing signed by all parties.

EXECUTIVE

Michael R. Sutcliff
C-4

May 4, 2024

Xiao Guo
delivered via email

Transition and Separation Agreement

Dear Xiao:

This letter agreement (this “Agreement”) sets out the terms and conditions that we previously discussed regarding your employment with Thoughtworks, Inc. (the “Company”). This Agreement shall be effective as of the date signed by you (such date, the “Effective Date”).

In recognition of your prior service, and in order to facilitate a smooth transition of your duties, we would like you to provide services as an employee of the Company for a transition period on the terms set forth in this Agreement as well as services as a consultant after your employment terminates.

1. Transition and Termination of Employment; Consulting Services.

(a) Transition and Termination of Employment. From the Effective Date through the Employment Termination Date (as defined below) (such period, the “Transition Period”), you will continue to be an employee of the Company. During the Transition Period, your duties will be as reasonably directed by the Company’s board of directors or its designee, including, without limitation, transitioning your prior duties and responsibilities. During the Transition Period, you shall devote substantial business time and efforts to the performance of your services to the Company. Until the commencement of employment of a new Chief Executive Officer (the date of such officer’s commencement of employment with the Company is the “New CEO Hire Date”), your title will remain Chief Executive Officer, reporting to the Company’s Board of Directors and thereafter, your title will be Senior Advisor. You acknowledge and agree that the Company’s hiring of a new Chief Executive Officer (and any related change in title or transition of your duties) will not constitute “Good Reason” for purposes of the Thoughtworks Holding, Inc. Executive Severance Plan (the “Severance Plan”) or the Employment Agreement between you and the Company dated as of October 12, 2017 (the “Employment Agreement”). For purposes of this Agreement, the “Employment Termination Date” shall be the date occurring three (3) months following the New CEO Hire Date; provided, however, that (i) you may elect to terminate your employment at any time and for any reason, (ii) the Company may terminate your employment for Cause (as defined in the Employment Agreement) at any time during the Transition Period if Cause exists, and (iii) the Company may terminate your employment without Cause at any time on or after a Change in Control (as defined in the Company’s 2021 Omnibus Incentive Plan). (For the avoidance of doubt, the Company cannot terminate your employment without Cause during the Transition Period prior to a Change in Control.) If your employment with the Company terminates before the date occurring three (3) months after the New CEO Hire Date, the date of your termination of employment will be the Employment Termination Date.

(b) Consulting Services. If your employment terminates upon the expiration of the Transition Period in the natural course (i.e., three (3) months following the New CEO Hire

Date or your resignation for Good Reason (as defined in the Severance Plan), as compared to your earlier resignation without Good Reason or a termination due to your death or Disability (as defined in the Employment Agreement) or a termination by the Company for Cause, such a termination in the natural course, a “Natural Course Termination”), then during the period commencing on the Employment Termination Date and ending on June 17, 2025 (the “Consulting Period”), you will be engaged as a consultant and shall provide services to the Company with respect to such projects as reasonably requested by the Company’s Chief Executive Officer, including, without limitation, services related to the transition of your prior duties and responsibilities (the “Services”); provided that such Services shall not materially interfere with any employment or other consulting by you. The Company may terminate the Consulting Period if, and only if, it determines, in its reasonable discretion, that you are not performing the Services in good faith. Your relationship with the Company during the Consulting Period will be that of an independent contractor and not that of an employee. You shall be solely responsible for determining the method, details and means of performing the Services and you will have no authority to enter into contracts that bind the Company or create obligations on the part of the Company without the prior written authorization of the Company. In addition, you agree to execute the Company’s standard form of confidential information and invention assignment agreement for consultants if requested by the Company.

2. Compensation.

(a) Transition Period. So long as you remain employed during the Transition Period, (a) the Company shall continue to pay you your current base salary until the New CEO Hire Date, and for the period commencing on the first day after the New CEO Hire Date, the Company will pay you an aggregate amount of base salary of \$200,000 (such amount based on the assumption that you remain employed through the date occurring three (3) months after the New CEO Hire Date), prorated and ratably paid in accordance with the Company’s standard payroll periods subject to your continued employment, (b) you will remain eligible to participate in the Company’s general employee benefit plans on terms consistent with those provided to all other employees and (c) you will continue to vest in any equity awards granted to you by Thoughtworks Holding, Inc. (“ Holding”) in accordance with the terms of the agreements evidencing such awards.

(b) Consulting Period. During the Consulting Period, the Company will pay you a total of \$50,000 (assuming continued service through June 17, 2025) as fees for services, in substantially equivalent monthly installments (and pro-rated for any partial months), payable on the last day of the applicable service month. You acknowledge and agree that you will only be eligible to receive the compensation described in the preceding sentence with respect to the Services and you will not be eligible for any other Company employee benefits, although you will continue to vest during the Consulting Period in any equity awards granted to you by Holding. Your compensation for the Services will not be subject to withholding by the Company for the payment of any taxes and the Company will report amounts paid to you on a Form 1099-NEC.

3. Termination of Employment. Notwithstanding any contrary provision herein, your employment is “at will” and may be terminated at any time by either you or the Company, for any or no reason; provided, however, that the Company may not terminate your employment without Cause during the Transition Period prior to a Change in Control. Upon any termination of

employment, you shall be paid accrued but unpaid base salary and all other amounts required to be paid to you by, and in accordance with, applicable law.

(a) Severance. If your employment terminates due to a Natural Course Termination, then, notwithstanding the agreed upon termination of your employment, you shall be eligible for severance benefits under the Severance Plan, at the CEO level, as if your employment had been terminated by the Company without Cause, subject to the terms and conditions of the Severance Plan (including, without limitation, a release of claims (in substantially the form attached hereto as Exhibit A, but as the Company may reasonably revise to reflect changes in applicable law), the Code Section 409A provisions set forth in Section 6 of the Severance Plan, and the limitation on payments set forth in Section 7 of the Severance Plan); provided, however, that (i) your Base Cash Severance (as defined in the Severance Plan) will be calculated based on your annual base salary as of the date immediately preceding the Effective Date, (ii) you will receive the full amount of your Target Bonus (as defined in the Severance Plan) instead of a Pro- Rata Target Bonus (as defined in the Severance Plan), (iii) subject to your continued compliance with your post-employment obligations, your options to purchase shares of common stock of Holding shall remain exercisable for a period of three (3) years commencing on the New CEO Hire Date (provided that in no event shall an option be exercisable later than its original maximum term and the options are subject to earlier termination in the event of a Change in Control (or similar event) as provided in the applicable equity plan pursuant to which it was granted), and (iv) subject to your continued compliance with your post-employment obligations and the continuation of the Consulting Period through June 14, 2025, on June 14, 2025 you shall vest in 50% of your outstanding restricted stock units that otherwise were scheduled to vest in 2025 solely subject to continued service if, as of June 14, 2025 such restricted stock units had not otherwise vested pursuant to the Severance Plan, applicable equity plan, or applicable award agreement (such benefits, collectively in clauses (i) through (iv), and along with the payments and benefits under the Severance Plan, the “Severance Benefits”). For the avoidance of doubt, if your employment terminates for any reason other than (i) a Natural Course Termination or (ii) due to a termination by the Company without Cause, you will not be entitled to the Severance Benefits.

(b) Termination. Upon the Employment Termination Date, your employment and service in any position you hold with the Company (other than with respect to the Services to be provided pursuant to this Agreement) and any of its affiliates and any of its affiliates or direct or indirect subsidiaries, shall terminate; provided, however, that your service on the Board of Directors of Holding shall terminate on the New CEO Hire Date. Upon the Employment Termination Date (or the New CEO Hire Date with respect to service on the board of directors of Holding), you agree to execute any letter of resignation consistent with the foregoing that the Company may reasonably request.

4. Restrictive Covenants. You acknowledge, are reminded of, and affirm your agreement to abide by the terms and conditions of the restrictive covenants set forth in Sections 7, 8, and 9 of the Employment Agreement (which such provisions are hereby incorporated herein by this reference).

5. Withholding. All amounts payable to you pursuant to this Agreement shall be subject to such withholding and deductions by the Company as is required by law and any applicable benefit plans.

6. Assignment. This Agreement is binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. You shall not assign or transfer any rights or obligations hereunder. The Company shall have the right to assign or transfer any rights or obligations hereunder only to (a) a successor corporation in the event of a merger, consolidation, or transfer or sale of all or substantially all of the assets, of the Company or (b) an affiliate of the Company. No such assignment referred to in the foregoing clause (a) or (b) shall relieve the Company of its obligations hereunder. Any purported assignment, other than as provided above, shall be null and void.

7. Notices. All notices, requests, consents and other communications required or permitted to be given hereunder, shall be in writing and shall be delivered personally, via e-mail, or sent by prepaid overnight courier or mailed, first class, postage prepaid by registered or certified mail, as follows:

If to the Company: Thoughtworks, Inc.
200 East Randolph Street, 25th Floor Chicago, IL 60601
Attn: General Counsel
Email: rmateiu@thoughtworks.com

If to you: Xiao Guo
Address (to the address in the Company's personnel records) E-mail: (to the address in the Company's personnel records)

or such other address as either party shall designate by notice in writing to the other in accordance herewith. Any such notice shall be deemed given when so delivered personally, e-mailed, or if sent by overnight courier, one day after delivery to such courier by the sender or if mailed, five days after deposit by the sender in the U.S. Mail.

8. Entire Agreement; Non-Exclusive Rights. This Agreement shall constitute the entire agreement between you, on the one hand, and the Company, on the other hand, concerning the subject matter hereof. No provision of this Agreement may be modified, amended, waived or discharged unless such waiver, modification, amendment or discharge is agreed to in writing, signed by you and an authorized officer of the Company. For the avoidance of doubt, this Agreement, once effective, supersedes all prior agreements regarding your employment (and the termination thereof) with the Company or any of its respective affiliates, including, without limitation, the Employment Agreement (although provisions of the Employment Agreement have been incorporated herein). For the avoidance of doubt, this Agreement does not supersede the Severance Plan, but in no event will there be duplicative payments provided under this Agreement and under the Severance Plan.

9. Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Delaware applicable to agreements made and to be performed entirely therein, notwithstanding any conflicts of law or choice of law rules or principles (whether of the State of Delaware or any other jurisdiction) that would require or cause the application of the laws of any jurisdiction other than the State of Delaware.

10. Severability. If any provision of this Agreement or the application thereof is held invalid, the invalidity shall not affect the other provisions or applications of this Agreement which can be given effect without the invalid provisions or applications and to this end the provisions of this Agreement are declared to be severable.

11. Counterparts. This Agreement may be executed in one or more counterparts, which together will constitute one and the same agreement.

12. Attorneys' Fees. The Company will reimburse you for, or directly pay, up to \$17,500 for the fees you incur in connection with the negotiation and execution of this Agreement.

[Remainder of page intentionally left blank.]

Assuming that the terms of this Agreement meet with your approval, please sign and return a copy of this Agreement to acknowledge your agreement.

Sincerely,

THOUGHTWORKS, INC.

By: /s/ Ramona Mateiu

Name: Ramona Mateiu

Title: Chief Legal Officer, Chief Compliance Officer, Vice President & Secretary

Acknowledged and Agreed To By:

/s/ Xiao Guo

XIAO GUO

Dated: May 4, 2024

(Signature Page to Transition and Separation Agreement)

Exhibit A

AGREEMENT AND RELEASE

Thoughtworks, Inc. (the “Company”) and Xiao Guo (“Employee”) agree to the terms and conditions of this Agreement and Release as set forth below, effective as of the Effective Date (as defined below):

1. Termination. Employee’s employment with the Company Group (as defined under the Thoughtworks Holding, Inc. Executive Severance Plan (the “Severance Plan”)) terminated as of [●], 2024 (the “Termination Date”). Employee acknowledges that the Termination Date is the termination date of Employee’s employment for purposes of participation in and coverage under all benefit plans and programs sponsored by or through the Company Group. Employee agrees not to hold himself out as a partner, member, director, officer or employee of, or as otherwise affiliated with, the Company or any of its affiliates (including on social media) after the Termination Date. All capitalized terms used herein, unless defined otherwise herein, shall have the meaning set forth in the Transition And Separation Agreement by and between the Company and Employee dated as of May 4, 2024 (the “Transition Agreement”).
2. Severance. In exchange for the general release in paragraph 4 below and other promises contained herein, and in accordance with the terms of the Transition Agreement, Employee will receive the Severance Benefits defined in Section 3(a) of the Transition Agreement, paid and provided in accordance therewith.
3. Acknowledgment. Employee hereby agrees and acknowledges that the Severance Benefits exceed any payment, benefit or other thing of value to which Employee might otherwise be entitled under any policy, plan or procedure of the Company Group or pursuant to any prior agreement or contract with the Company Group.
4. Release.

(a) In exchange for the Severance Benefits and other valuable consideration, Employee, for himself and for his heirs, executors, administrators, beneficiaries, trustees, and assigns (referred to collectively as “Releasors”), forever releases and discharges the Company Group and any and all of the Company Group’s parent companies, partners, subsidiaries, affiliates, predecessors, successors and assigns and any and all of its and their past and/or present officers, directors, partners, agents, employees, representatives, counsel, employee benefit plans and their fiduciaries and administrators, predecessors successors and assigns (referred to collectively as the “Releasees”), from any and all claims, suits, controversies, actions, cross-claims, counter claims, demands, causes of action, debts, compensatory damages, liquidated damages, punitive or exemplary damages, other damages, claims for costs and attorneys’ fees, and liabilities of any kind whatsoever in law and in equity, whether known or unknown, suspected, or claimed, which Releasors ever had, now have or may have against Releasees by reason of any

actual or alleged act, omission, transaction, practice, conduct, occurrence or other matter up to and including the date Employee signs this Agreement and Release.

(b) Without limiting the generality of the foregoing, this Agreement and Release is intended to and shall release Releasees from any and all claims and liabilities, whether known or unknown, suspected, or claimed, that Releasers ever had, now have or may have against Releasees arising out of Employee's employment with the Company Group or any of the Releasees, the terms and conditions of such employment and/or the termination of such employment, including, but not limited to: (i) any claim under the Age Discrimination in Employment Act, as amended ("ADEA"), and/or the Older Workers Benefit Protection Act, which laws prohibit discrimination on account of age; (ii) any claim under Title VII of the Civil Rights Act of 1964, as amended, which, among other things, prohibits discrimination/retaliation on account of race, color, religion, sex and national origin; (iii) any claim under the Americans with Disabilities Act ("ADA") or Sections 503 and 504 of the Rehabilitation Act of 1973, each as amended; (iv) any claim under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"); (v) any claim under the Family and Medical Leave Act; (vi) any claim or other action under the National Labor Relations Act, as amended; (vii) any claim under the Workers' Adjustment and Retraining Notification Act; (viii) any claim under the Sarbanes-Oxley Act of 2002; (ix) any applicable Executive Order Programs; (x) any other claim of discrimination, harassment or retaliation in employment (whether based on federal, state or local law, regulation or decision); (xi) any other claim (whether based on federal, state or local law, statute, decision, public policy, contract, tort, or doctrine of good faith and fair dealing) arising out of the terms and conditions of Employee's employment with and termination from the Company Group and/or the Released Parties; (xii) any claims for wrongful discharge, breach of contract, whistleblowing, constructive discharge, promissory estoppel, detrimental reliance, negligence, defamation, emotional distress, compensatory or punitive damages, and/or equitable relief; (xiii) any claims under federal, state or local occupational safety and health laws or regulations, all as amended; and (ix) any claim for attorneys' fees, costs, disbursements and/or the like. By virtue of the foregoing, Employee agrees that he or she has waived any damages and other relief available to him or her (including, without limitation, money damages, equitable relief and reinstatement) under the claims waived in this paragraph 4. This is a general release that is intended to apply to all claims Employee may have against the Releasees through the date Employee executes this Agreement, except the sole matters to which this Agreement of Release does not apply are: (A) claims to the Severance Benefits; (B) claims under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended; (C) claims arising after the date Employee signs this Agreement and Release; (D) claims relating to any rights of indemnification under the Company Group's organizational documents or otherwise; (E) claims relating to any equity-based awards outstanding on the Termination Date, including, without limitation, the Equity Vesting; (F) claims to vested accrued benefits under the Company Group's tax qualified retirement plans or non-qualified retirement plans in accordance with, and subject to, the terms and conditions of such plans and applicable law; (G) Employee's right to seek enforcement of the terms of the Severance Plan; and (H) any claims that cannot be waived pursuant to private agreement under law. Employee acknowledges that

Employee has been informed that Employee might have specific rights and/or claims under the ADEA. Employee specifically waives such rights and/or claims under the ADEA to the extent such rights and/or claims arose on or prior to the date this Agreement of Release is executed by Employee.

(c) Nothing in this Agreement and Release is intended to prohibit or restrict Employee's right to file a charge with or participate in a charge by the Equal Employment Opportunity Commission or any other local, state, or federal administrative body or government agency prohibiting waiver of such right; provided, however, that Employee hereby waives the right to recover any monetary damages or other relief against any Released Parties excepting any benefit or remedy to which Employee is or becomes entitled to pursuant to Section 922 of the Dodd- Frank Wall Street Reform and Consumer Protection Act.

(d) Employee understands that Employee may later discover claims or facts that may be different than, or in addition to, those which Employee now knows or believes to exist with regards to the subject matter of this Agreement and Release, and which, if known at the time of executing this Agreement and Release, may have materially affected this Agreement and Release or Employee's decision to enter into it. Employee hereby waives any right or claim that might arise as a result of such different or additional claims or facts.

(e) Employee represents that Employee has made no assignment or transfer of any right or claim covered herein and that Employee further agrees that Employee is not aware of any such right or claim.

5. Reserved.

6. Cooperation. Employee agrees to be reasonably available at times and for durations reasonably acceptable to both parties to assist the Company Group with respect to any issues wherein the Company Group considers Employee's knowledge or expertise reasonably beneficial. The Company Group will reimburse Employee for all reasonable out of pocket expenses that incurred while he or she is engaged in such activity. Employee will also cooperate fully with the Company Group in the defense or prosecution of any claims or actions now in existence or which may be brought in the future against or on behalf of the Company Group that relate to events or occurrences that transpired while the Employee was employed by the Company Group. Employee's full cooperation in connection with such claims or actions shall include, but not be limited to, being available to meet with counsel to prepare for discovery or trial and to act as a witness on behalf of the Company Group at mutually convenient times. Employee shall also cooperate fully with the Company Group in connection with any such investigation or review of any federal, state or local regulatory authority as any such investigation or review relates to events or occurrences that transpired while Employee was employed by the Company Group. The Company Group shall pay for any reasonable out-of-pocket expenses incurred by Employee in connection with Employee's performance of the obligations pursuant to this paragraph 5. Employee's performance under this paragraph 6 following the Termination Date shall be subject to Employee's then current

employment obligations.

7. Reserved.
8. Return of Property. Employee represents that Employee has returned to the Company Group all property belonging to the Company Group, including, but not limited to, electronic devices (e.g., Blackberry and/or laptop computer), keys, card access to buildings and office floors, and business information and documents.
9. Severability. If any provision of this Agreement and Release is held to be illegal, void or unenforceable, such provision shall be of no force or effect. However, the illegality or unenforceability of such provision shall have no effect upon, and shall not impair the enforceability of, any other provision of this Agreement and Release. Further, to the extent any provision of this Agreement and Release is deemed to be overbroad or unenforceable as written, such provision shall be given the maximum effect permissible under law.
10. Entire Agreement; Counterparts. This Agreement and Release represents the entire understanding between the parties hereto with respect to the subject matter hereof and may not be changed or modified, except by a written agreement signed by both of the parties hereto after the Effective Date (as defined below). In the event of any conflict between any of the provisions of this Agreement and Release and the provisions of the Transition Agreement, the terms of the Transition Agreement shall govern. This Agreement and Release may be executed in two or more counterparts, each of which will be an original and all of which together will constitute one and the same instrument. A faxed, .pdf-ed or electronic signature shall operate the same as an original signature. For the avoidance of doubt, Employee hereby acknowledges that Sections 7, 8, and 9 of that certain Employment Agreement between Employee and the Company dated as of October 12, 2017 survives the execution of this Agreement and Release.
11. Governing Law. Except as may be preempted by federal law, this Agreement and Release shall be governed by the laws of the State of Delaware, without regard to conflict of laws principles, and the parties in any action arising out of this Agreement and Release shall be subject to the personal jurisdiction and venue of the federal and state courts, as applicable, in Wilmington, Delaware.
12. No Admission of Wrongdoing. Employee agrees that neither this Agreement, nor the furnishing of the consideration for this Agreement, shall be deemed or construed at any time to be an admission by the Company Group or any of the other Releasees of any improper or unlawful conduct.
13. Reserved.
14. Reserved.
15. Remedies. Employee acknowledges and agrees that the Company Group will suffer irreparable damage if any of the provisions of paragraphs 6, 7, 8, 13 or 14 of this

Agreement and Release are breached, and that the Company Group's remedies at law for a breach of such provisions would be inadequate, and, in recognition of this fact, Employee agrees that, in the event of such a breach, in addition to any remedies at law, the Company Group will be entitled to obtain equitable relief in the form of specific performance, temporary restraining order, a temporary or permanent injunction or any other equitable remedy which may then be available (without the necessity of posting bond or other security).

16. Binding Agreement; Third Party Beneficiaries. This Agreement and Release is binding upon, and shall inure to the benefit of, the parties and their respective heirs, executors, administrators, successors and assigns. The Releasees are expressly intended to be third- party beneficiaries of the releases set forth herein, and this Agreement and Release may be enforced by each of them.
17. ADEA Provisions. Employee acknowledges that Employee: (a) has carefully read this Agreement and Release in its entirety; (b) has had an opportunity to consider the terms of this Agreement and Release for at least twenty-one (21) days; (c) is hereby advised by the Company in writing to consult with an attorney of Employee's choice in connection with this Agreement and Release; (d) fully understands the significance of all of the terms and conditions of this Agreement and Release and has discussed them with an attorney of Employee's choice, or has had a reasonable opportunity to do so; and (e) is signing this Agreement and Release voluntarily and of Employee's own free will and agrees to abide by all the terms and conditions contained herein.
18. Revocation/Effective Date. Employee may accept this Agreement and Release by signing and delivering it to **[INSERT NAME AND ADDRESS OF CONTACT]** on or before the twenty-first (21st) day after Employee receives this Agreement and Release. Notwithstanding the foregoing, Employee may not sign this Agreement and Release before Employee's last day of employment and this Agreement and Release will not be accepted or effective if signed before the Termination Date. After signing this Agreement and Release, Employee shall have seven (7) days (the "Revocation Period") to revoke Employee's decision by indicating Employee's desire to do so in writing delivered to **[INSERT NAME]** at the above address by no later than the last day of the Revocation Period. If the last day of the Revocation Period falls on a Saturday, Sunday or holiday, the last day of the Revocation Period will be deemed to be the next business day. Provided Employee does not revoke this Agreement and Release during the Revocation Period, the Effective Date of this Agreement and Release shall be the later of the eighth (8th) day after Employee signs this Agreement and Release or the day after the last day of the Revocation Period (the "Effective Date").

19. Each Party the Drafter. This Agreement and Release, and the provisions contained in it, shall not be construed or interpreted for, or against, any party to this Agreement and Release because that party drafted or caused that party's legal representatives to draft any of its provisions.

Dated: __ __

Xiao Guo

THOUGHTWORKS, INC.

Accepted by: ____ Name: ____ Dated: __

A-6

**Certification by Chief Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Mike Sutcliff, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Thoughtworks Holding, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the

audit committee of the registrant's board of directors (or persons performing the equivalent functions):

- a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 6, 2024

/s/ Michael Sutcliff

Mike Sutcliff

Chief Executive Officer and Director
(Principal Executive Officer)

**Certification by Chief Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Erin Cummins, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Thoughtworks Holding, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the

audit committee of the registrant's board of directors (or persons performing the equivalent functions):

- a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 6, 2024

/s/ Erin Cummins

Erin Cummins

Chief Financial Officer
(Principal Financial Officer and Principal Accounting
Officer)

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Thoughtworks Holding, Inc. (the "Company") for the quarter ended June 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Mike Sutcliff, as Chief Executive Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to his knowledge:

- i. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- ii. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods expressed in the Report.

Date: August 6, 2024

/s/ Michael Sutcliff

Mike Sutcliff

Chief Executive Officer and Director
(Principal Executive Officer)

**CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Thoughtworks Holding, Inc. (the "Company") for the quarter ended June 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Erin Cummins, as Chief Financial Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to her knowledge:

- i. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- ii. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods expressed in the Report.

Date: August 6, 2024

/s/ Erin Cummins

Erin Cummins

Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)