/thoughtworks

First earnings CEO letter

Our purpose-led growth strategy is delivering

It has been quite a year and I wanted to take some time to mark our first earnings announcement as a public company. This is a key milestone in Thoughtworks' history.

Our story can be told in the numbers but the Thoughtworks you see today is the result of a 28-year journey, of a diverse and global culture that has enabled us to attract and retain what we believe to be the best talent in the industry and to establish a reputation as a thought leader and a premium brand.

This unique combination of best-in-class strategy, software engineering, design and organizational transformation expertise has made Thoughtworks a leading digital transformation partner in this large and rapidly-expanding market.

Our purpose is to deliver an extraordinary impact in the world through our technological excellence and culture and I want to thank all Thoughtworkers for the extraordinary impact they deliver every day. We continually strive to achieve this and we view what we do for clients, each other and society through five distinct 'lenses' of the Thoughtworks Why to achieve our purpose.

Lens one: Revolutionize the technology industry

Our founding ethos and passion today is to improve the software industry as a whole and drive out waste by contributing extensively to open source. On our road to achieving these, we were among the pioneers of agile development and have laid the groundwork for continuous integration, microservices, evolutionary architecture and data mesh. These are concepts incubated at Thoughtworks as evidenced by nearly 100 seminal books Thoughtworkers have authored.

As technology becomes more central to business and society, the ethics of technology comes into sharper focus and we are leading the industry, publishing during the quarter the Thoughtworks **Responsible Technology playbook**. Our thought leadership explores the tools, methods and frameworks to assess, model and mitigate the unintended consequences of technology, helping businesses navigate the ethical risks of an increasingly digital world.

At Thoughtworks we strive to revolutionize the technology industry and advance practices to help software developers be more effective by removing roadblocks so that our development teams can deliver more value to the business faster.

In a world where talent is a competitive advantage we want to help improve the lives and productivity of software developers and we have announced a collaboration with **Spotify** to deliver Backstage, an open-source platform for building developer portals. Built with Spotify and donated to the **Cloud Native Computing Foundation**, we've

already leveraged Backstage to deliver a developer portal for **Telus**, called '**Simplify**' that is improving the developer experience for their 8,000 engineers[1].

I am pleased that during the quarter, we went live with the full version of our own internal developer platform, called **NEO** which makes it easier for Thoughtworks' software engineers to build better internal products, faster, saving time, costs and building security into the applications being developed.

Lens two: Be an awesome partner for clients and their ambitious missions

I would like to thank our clients and partners around the world - from Fortune 500 type companies to exciting disruptors and scale ups - for entrusting us with the digital transformation of their businesses.

Through September 30, around 90% of our revenues was derived from existing clients and we won **44** new clients in the quarter. We're seeing strong growth in all sectors and geographies.

In **Asia Pacific**, we are delighted to have partnered with **Telkomsel**[2], Indonesia's largest telecommunications services provider, on their three-year digital transformation journey.

In **Europe**, we recently won **Xapo**,[3] an industry-leading fintech company, working at the cutting edge of technology and enabling Xapo to become a globally accessible bank, offering US dollar bank services with regulated access to Bitcoin. At **Saxo Bank**, one of the largest online investment banks in Europe, we're partnering across data governance, data platforms and data mesh architecture.

In **Australia** we have collaborated with the **Department of Transport and Main Roads** (TMR)[4], in Queensland and won new business at this existing client to establish a Microservices and Event Driven Architecture (MEDA) platform which enables TMR to develop customer-oriented solutions faster and more cost effectively.

And in **North America**, at **Kroger**, America's largest grocery retailer, we have expanded our partnership to their health and wellness business around OptUP. OptUp helps Kroger simplify how customers make informed, healthier food purchases by making nutritional information core to finding and buying 'better-for-you' food. Thoughtworks integrated the OptUP web experience within the Kroger online ecosystem, amplifying customer reach and impact, before sunsetting the original standalone app.

Lens three: Foster a community of diverse and passionate technologists

We continue to attract and retain the best talent in the market and in September we achieved a great milestone for the company when we became more than **10,076** Thoughtworkers, of which 40.6% are women and under-represented gender

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[1] Spotify joint blog
[2] Telkomsel press release
[3] Xapo press release
[4] Department of Transport and Main Roads press release

minorities[5]. Our employer brand is strong as evidenced by 192,000 job applicants through the end of September and **1,336**[6] new joiners in the third quarter. This was a record number of new Thoughtworkers added off the back of a great second quarter for recruitment when 1,303 new Thoughtworkers joined us.

We continue to focus on enriching our unique, cultivating culture and in the third quarter we were awarded **Great Place to Work-Certified™** in another five countries - this means that 11 of our 17 countries where Thoughtworkers live and work now have the certification. We're proud that feedback from Thoughtworkers has resulted in Great Place to Work trust index scores, with a global average of 90 and an overall global **Glassdoor** rating of 4.5 for the quarter, much higher than the rating for the IT services sector of 3.87.

Lens four: Amplify positive social change

Our commitment to social change and our belief in solidarity over charity means that many Thoughtworkers use their talents to better society.

Thoughtworks' global strategy is led by our office of **Diversity, Equity, Inclusion, Sustainability and Social Change** (DEISSC) which uplifts the many projects our people are working on around the world and shares best practices within our own Social Impact Framework. The DEISSC Office also works to report on our alignment to ESG (Environment, Social, Governance) frameworks, such as the United Nations Sustainable Development Goals, and SASB (Sustainability Accounting Standards Board).

In the quarter we published our **annual 2021 Social impact report** which captures the impact of how we are using technology to directly address deep-rooted problems and inequalities and to create social impact in service of local communities.

I am also delighted that we are continuing our work with the **US Coalition on Sustainability (USCS)** to expand **SustainChain™**[7], a digital platform connecting innovators, impact investors, businesses, NGOs and alliances with a shared mission of rebuilding more sustainable supply chains.

In addition to actively working to reduce our own carbon footprint in alignment with the Science Based Target Initiative, Thoughtworks also leverages technology to identify and mitigate the negative impacts of climate change from our industry. We launched an open source solution, **Cloud Carbon Footprint**[8], earlier this year which provides organizations with visibility and tooling to measure, monitor and reduce their **cloud** carbon emissions.

Our commitment to social impact is strongly intertwined with our culture and values and inspires the industry's best and brightest technologists to join and stay at Thoughtworks.

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[5] As of September 31, 2021
[6] During 3Q 2021
[7] Press release US Coalition on Sustainability (USCS) SustainChain™
[8] Tech Radar Cloud Carbon Footprint

We strive to have a culture that is defined by empathy, diversity and inclusivity and feedback from our last employee engagement survey showed that we are in the top 5% when compared to other professional services companies when we asked Thoughtworkers if they believe that we have a diverse workplace[9].

Lens five: Achieving enduring commercial success and sustained growth

We want to deliver extraordinary impact for all our stakeholders now and in the future, which is why delivering strong financial results is critical.

In our first quarter as a public company, I am pleased to report that we have delivered revenues of $285.1 million, an increase of 45.0% year on year and 42.1% in constant currency[10].

We are a highly-diversified business from a geographic and sector basis. We had exceptional growth across all of our regions, with North America growing at 35.4%, APAC growing at 53.2%, Europe growing at 49.1% and LATAM at 47.4%. Performance across all of our industry verticals was strong, with financial services growing at 61.3% and a good rebound in retail and consumer, also growing at 61.1%.

The Thoughtworks values and purpose — with 'extraordinary impact' at its heart— are not slogans tacked on a wall. They define who we are, why we exist and what drives our ambition.

I am immensely proud and privileged to be the CEO of Thoughtworks. Thank you to all Thoughtworkers, our board and shareholders for supporting Thoughtworks on our strong first quarter as a public company.

Guo Xiao

Guo Xiao
Chief Executive Officer and Director

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[9] Peakon Annual Survey - October 1, 2020

[10] Revenue Growth Rate at constant currency, and certain other measures in this release, are non-GAAP financial measures. See "Non-GAAP Measures" for how we define these measures and the financial tables that accompany our third quarter press release for reconciliations of these measures to the closest comparable GAAP measures.