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, 2022
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	**82-2668392**
(State or other jurisdiction of incorporation or organization)	(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:

Title of each class	Trading Symbol	Name of each exchange on which registered
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	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☐
		Emerging growth company	☒

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 11, 2022, there were approximately 311,131,085 shares of the registrant's common stock outstanding.

THOUGHTWORKS HOLDING, INC.

QUARTERLY REPORT ON FORM 10-Q

TABLE OF CONTENTS

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

- we may be unable to implement our growth strategy;
- our ability to generate and retain business depends on our reputation in the marketplace;
- 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;
- our global business exposes us to operational, geopolitical, regulatory, legal and economic risks;
- our business, financial condition and results of operations may be adversely affected by fluctuations in foreign currency exchange rates or changes in our effective tax rates;
- 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 at attracting new clients or retaining and expanding our relationships with our existing clients;
- we face intense competition and operate in a rapidly evolving industry, which makes it difficult to evaluate our future prospects;
- we generally do not have long-term commitments or contracts with our clients;
- we face risks associated with having a long selling and implementation cycle for our services;
- our profitability could suffer if we cannot accurately price our solutions and services, maintain favorable pricing for our solutions and services, are unable to collect on receivables from clients or fail to meet our contractual and other obligations to clients;
- the COVID-19 pandemic has impacted our business and operations, and future business and operational challenges posed by the COVID-19 pandemic could materially adversely affect us;
- 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;
- we may not be able to prevent unauthorized use of our intellectual property, and our intellectual property rights may not be adequate to protect our business and competitive position;
- investment funds advised by Apax Partners L.L.P. control us, and such control may give rise to actual or perceived conflicts of interests;
- our status as a "controlled company" will grant us exemptions from certain corporate governance requirements, and our status as an "emerging growth company" will allow us to comply with reduced public company reporting requirements; and

other factors disclosed in the section entitled “Risk Factors” in the Annual Report on Form 10-K for the fiscal year ended December 31, 2021, filed with the Securities and Exchange Commission (the “SEC”) on March 8, 2022 (the "2021 Annual 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 2021 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 Securities and Exchange Commission (“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, 2022	December 31, 2021
	(unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	$ 274,527	$ 368,209
Trade receivables, net of allowance of $11,774 and $8,916, respectively	160,490	145,874
Unbilled receivables	149,554	104,057
Prepaid expenses and other current assets	33,940	60,799
Total current assets	618,511	678,939
Property and equipment, net	36,593	34,500
Right-of-use assets	43,621	—
Intangibles and other assets:		
Goodwill	401,810	346,719
Trademark	273,000	273,000
Customer relationships, net	131,437	125,867
Other non-current assets	33,434	25,125
Total assets	$ 1,538,406	$ 1,484,150
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 6,643	$ 4,773
Long-term debt - current	7,150	7,150
Income taxes payable	25,154	15,693
Accrued compensation	80,275	79,460
Deferred revenue	5,601	13,807
Value-added tax and sales tax payable	3,998	7,954
Accrued expenses	37,324	51,693
Lease liabilities, current	16,411	—
Total current liabilities	182,556	180,530
Lease liabilities, non-current	30,042	—
Long-term debt, less current portion	494,193	497,380
Deferred tax liabilities	68,835	78,944
Other long-term liabilities	18,934	18,805
Total liabilities	794,560	775,659
Commitments and contingencies		
Stockholders' equity:		
Convertible preferred stock, $0.001 par value; 100,000,000 shares authorized, zero issued and outstanding at June 30, 2022 and December 31, 2021, respectively	—	—
Common stock, $0.001 par value; 1,000,000,000 shares authorized, 361,742,758 and 356,117,752 issued, 310,964,304 and 305,132,181 outstanding at June 30, 2022 and December 31, 2021, respectively	362	356
Treasury stock, 50,778,454 and 50,985,571 shares at June 30, 2022 and December 31, 2021, respectively	(626,845)	(629,424)
Additional paid-in capital	1,538,418	1,390,630
Accumulated other comprehensive loss	(35,144)	(10,863)
Retained deficit	(132,945)	(42,208)
Total stockholders' equity	743,846	708,491
Total liabilities and stockholders' equity	$ 1,538,406	$ 1,484,150

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

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Revenues	$ 332,107	$ 260,432	$ 653,047	$ 498,094
Operating expenses:				
Cost of revenues	239,741	152,311	503,090	287,102
Selling, general and administrative expenses	96,294	68,831	208,028	135,347
Depreciation and amortization	4,215	4,488	10,061	8,834
Total operating expenses	340,250	225,630	721,179	431,283
(Loss) income from operations	(8,143)	34,802	(68,132)	66,811
Other (expense) income:				
Interest expense	(4,984)	(7,388)	(9,631)	(13,582)
Net realized and unrealized foreign currency (loss) gain	(13,432)	994	(8,487)	(1,674)
Other (expense) income, net	(413)	83	(325)	144
Total other expense	(18,829)	(6,311)	(18,443)	(15,112)
(Loss) income before income taxes	(26,972)	28,491	(86,575)	51,699
Income tax expense	3,020	10,339	3,321	14,962
Net (loss) income	$ (29,992)	$ 18,152	$ (89,896)	$ 36,737
Other comprehensive (loss) income, net of tax:				
Foreign currency translation adjustments	(18,602)	2,075	(24,281)	(1,893)
Comprehensive (loss) income	$ (48,594)	$ 20,227	$ (114,177)	$ 34,844
Net loss per common share:				
Basic loss per common share	$ (0.10)	$ (0.18)	$ (0.29)	$ (0.10)
Diluted loss per common share	$ (0.10)	$ (0.18)	$ (0.29)	$ (0.10)
Weighted average shares outstanding:				
Basic	310,575,050	228,078,205	308,394,443	234,995,786
Diluted	310,575,050	228,078,205	308,394,443	234,995,786

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

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

	Redeemable, Convertible Preferred Stock		Common Stock		Treasury		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Retained (Deficit) Earnings	Total
	Shares	Amount	Shares	Amount	Shares	Amount				
Balance as of December 31, 2020	23,493,546	$ 322,800	278,322,716	$ 279	572,711	$ (1,608)	$ 381,172	$ (1,589)	$ 106,458	$ 484,712
Net income	—	—	—	—	—	—	—	—	18,585	18,585
Other comprehensive loss, net of tax	—	—	—	—	—	—	—	(3,968)	—	(3,968)
Issuance of common stock on exercise of options	—	—	27,184	—	—	—	62	—	—	62
Issuance of common stock	—	—	133,313	—	—	—	1,873	—	—	1,873
Issuance of Series A redeemable convertible preferred stock, net of issuance costs of $9.0 million	27,765,084	380,994	—	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	(104)	—	—	(104)
Tender offer	—	—	(50,412,860)	—	50,412,860	(627,816)	(10,391)		(79,222)	(717,429)
Stock-based compensation expense	—	—	—	—	—	—	1,874	—	—	1,874
Balance as of March 31, 2021	51,258,630	$ 703,794	228,070,353	$ 279	50,985,571	$ (629,424)	$ 374,486	$ (5,557)	$ 45,821	$ (214,395)
Net income	—	—	—	—	—	—	—	—	18,152	18,152
Other comprehensive income, net of tax	—	—	—	—	—	—	—	2,075	—	2,075
Issuance of common stock on exercise of options	—	—	10,297	—	—	—	24	—	—	24
Issuance of Series B Redeemable Convertible Preferred Stock, net of issuance costs of $2.8 million	8,231,328	122,228	—	—	—	—	—	—	—	—
Dividends	—	—	—	—	—	—	(279,191)	—	(45,821)	(325,012)
Other	—	—	—	—	—	—	104	—	—	104
Stock-based compensation expense	—	—	—	—	—	—	8,362	—	—	8,362
Balance as of June 30, 2021	59,489,958	$ 826,022	228,080,650	$ 279	50,985,571	$ (629,424)	$ 103,785	$ (3,482)	$ 18,152	$ (510,690)

	Redeemable, Convertible Preferred Stock		Common Stock		Treasury		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Retained (Deficit) Earnings	Total
	Shares	Amount	Shares	Amount	Shares	Amount				
Balance as of December 31, 2021	—	$ —	305,132,181	$ 356	50,985,571	$ (629,424)	$ 1,390,630	$ (10,863)	$ (42,208)	$ 708,491
Net loss	—	—	—	—	—	—	—	—	(59,904)	(59,904)
Other comprehensive loss, net of tax	—	—	—	—	—	—	—	(5,679)	—	(5,679)
Issuance of common stock for equity incentive awards, net of withholding taxes	—	—	4,736,820	5	—	—	(28,047)	—	—	(28,042)
Reissuance of treasury shares for equity incentive awards	—	—	155,806	—	(155,806)	1,940	(1,796)	—	—	144
Stock-based compensation expense	—	—	—	—	—	—	120,737	—	—	120,737
Cumulative effect related to adoption of ASU 2016-13	—	—	—	—	—	—	—	—	(841)	(841)
Balance as of March 31, 2022	—	$ —	310,024,807	$ 361	50,829,765	$ (627,484)	$ 1,481,524	$ (16,542)	$ (102,953)	$ 734,906
Net loss	—	—	—	—	—	—	—	—	(29,992)	(29,992)
Other comprehensive loss, net of tax	—	—	—	—	—	—	—	(18,602)	—	(18,602)
Issuance of common stock for equity incentive awards, net of withholding taxes	—	—	888,186	1	—	—	2,442	—	—	2,443
Reissuance of treasury shares for equity incentive awards	—	—	51,311	—	(51,311)	639	(496)	—	—	143
Stock-based compensation expense	—	—	—	—	—	—	54,948	—	—	54,948
Balance as of June 30, 2022	—	$ —	310,964,304	$ 362	50,778,454	$ (626,845)	$ 1,538,418	$ (35,144)	$ (132,945)	$ 743,846

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, 2022	Six Months Ended June 30, 2021
Cash flows from operating activities:		
Net (loss) income	$ (89,896)	$ 36,737
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Depreciation and amortization expense	16,656	14,041
Bad debt expense (recovery)	2,038	(515)
Deferred income tax benefit	(20,865)	(1,923)
Stock-based compensation expense	175,685	10,236
Unrealized foreign currency exchange losses	9,507	2,519
Non-cash lease expense on right-of-use assets	8,870	—
Other operating activities, net	1,134	1,091
Changes in operating assets and liabilities:		
Trade receivables	(20,069)	14,067
Unbilled receivables	(48,629)	(26,734)
Prepaid expenses and other assets	(2,690)	(36,838)
Lease liabilities	(6,951)	—
Accounts payable	1,699	3,615
Accrued expenses and other liabilities	(5,012)	44,000
Net cash provided by operating activities	21,477	60,296
Cash flows from investing activities:		
Purchase of property and equipment	(12,459)	(13,824)
Proceeds from disposal of fixed assets	267	193
Acquisitions, net of cash acquired	(65,410)	(44,759)
Net cash used in investing activities	(77,602)	(58,390)
Cash flows from financing activities:		
Proceeds from issuance of Series A redeemable convertible preferred stock, net of issuance costs	—	380,994
Proceeds from issuance of Series B redeemable convertible preferred stock, net of issuance costs	—	122,228
Proceeds from issuance of common stock	—	1,873
Payments of obligations of long-term debt	(3,575)	(133,134)
Payments of debt issuance costs	—	(7,098)
Proceeds from borrowings on long-term debt	—	401,285
Proceeds from issuance of common stock on exercise of options, net of employee tax withholding	3,928	86
Shares and options purchased under tender offer	—	(701,960)
Dividends paid	—	(315,003)
Withholding taxes paid on tender offer	(15,469)	—
Withholding taxes paid on dividends previously declared	(10,009)	—
Withholding taxes paid related to net share settlement of equity awards	(29,026)	—
Other financing activities, net	(48)	36
Net cash used in financing activities	(54,199)	(250,693)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(8,884)	(662)
Net decrease in cash, cash equivalents and restricted cash	(119,208)	(249,449)
Cash, cash equivalents and restricted cash at beginning of the period	394,942	492,199
Cash, cash equivalents and restricted cash at end of the period	$ 275,734	$ 242,750

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

	Six Months Ended June 30,	
	2022	**2021**
Supplemental disclosure of cash flow information:		
Interest paid	$ 8,987	$ 12,373
Income taxes paid	$ 10,554	$ 13,189
Supplemental disclosures of non-cash financing activities:		
Withholding taxes payable included within accrued expenses	$ —	$ 25,478
Withholding taxes payable included within accrued compensation	$ 219	$ —
Reconciliation of cash, cash equivalents and restricted cash:		
Cash and cash equivalents	$ 274,527	$ 215,950
Restricted cash included in other current assets	—	25,478
Restricted cash included in other non-current assets	1,207	1,322
Total cash, cash equivalents and restricted cash	$ 275,734	$ 242,750

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 Australia, Brazil, Canada, Chile, China, Ecuador, Finland, Germany, Hong Kong, India, Italy, the Netherlands, Romania, Singapore, Spain, Thailand, the United Kingdom and the United States. 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 2021 *Annual Report.*

Certain amounts in the prior period consolidated financial statements and notes have been reclassified to conform to the 2022 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 the allowance for credit losses, valuation and impairment of goodwill 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.

Stock Split

Prior to the Company's initial public offering (the "IPO") which closed on September 17, 2021, the Company effected an approximate 43.6-for-1 split of each outstanding share of common stock (the "Stock Split"). All share and per share information has been retroactively adjusted to effect the Stock Split for all periods presented.

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.

Business Combinations

The Company accounts for business combinations using the acquisition method of accounting which requires it to allocate the fair value of purchase consideration to the assets acquired and liabilities assumed based on the estimated fair values at the acquisition date. The fair value of the net assets acquired for the business is determined utilizing expectations and assumptions believed reasonable by management. The excess of the purchase consideration transferred over the fair values of assets acquired and liabilities assumed is recorded as goodwill. As additional information is obtained about the assets and liabilities of the acquisition during the measurement period, not to exceed one year from the date of acquisition, the Company may record adjustments to the assets acquired and liabilities assumed with an offset to goodwill. After the measurement period, any adjustments are recorded in the condensed consolidated statements of (loss) income and comprehensive (loss) income. Acquisition costs are expensed as incurred.

Some business combinations may include a contingent consideration agreement. The Company determines the fair value of the contingent consideration liability using a Monte Carlo Simulation. The liability is remeasured to fair value at each reporting date with adjustments recorded within other income, net in the condensed consolidated statements of (loss) income and comprehensive (loss) income.

Government Assistance

The Company has historically received government subsidies in the form of cash in China and Singapore related to expenses such as rent, wages, training benefits and taxes. The subsidies are recorded against the related expense within selling, general and administrative ("SG&A") expense or cost of revenues in the condensed consolidated statements of (loss) income and comprehensive (loss) income. The Company recorded an immaterial amount for the three and six months ended June 30, 2022.

Allowance for Credit Losses

The Company adopted ASU 2016-13, Financial Instruments – Credit Losses (Topic 326) in the first quarter of 2022. See “—Recently Adopted Accounting Standards” below for further discussion. The Company is exposed to credit risk primarily through trade receivables and unbilled receivables. Activity related to the Company’s allowance for credit losses is as follows (in thousands):

	Six Months Ended June 30,
	2022
Allowance for credit losses, beginning balance	$ (8,916)
Impact of accounting standard adoption	(841)
Current provision for expected credit losses	(2,038)
Write-offs charged against allowance	42
Recoveries of amounts previously written off	—
Changes due to exchange rates	(21)
Allowance for credit losses, ending balance	$ (11,774)

Recently Adopted Accounting Standards

In February 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update ("ASU") No. 2016-02, Leases (Topic 842), which amends existing accounting standards for lease accounting and requires lessees to recognize virtually all leases on the balance sheet by recording a right-of-use asset and a lease liability (for other than short term leases). The Company early adopted the standard effective January 1, 2022. The Company elected the modified retrospective transition method, and as a result, the Company did not adjust its comparative period financial information or make the new required lease disclosures for periods before the date of adoption. The Company elected to use the package of practical expedients, which permits the Company to not reassess: (i) whether a contract is or contains a lease, (ii) lease classification, and (iii) initial direct costs resulting from the lease. The Company did not elect the hindsight practical expedient, which permits the use of hindsight when determining lease term and impairment of operating lease assets. The Company is electing not to apply the recognition requirements to short-term leases of 12 months or less and instead will recognize lease payments as expense on a straight-line basis over the lease term. The Company also elected the option to combine lease and non-lease components as a single component for the Company's entire population of lease assets. Upon adoption, the Company recorded $40.9 million of right-of-use assets ("ROU") and $43.7 million of lease liabilities. Refer to Note 7, *Leases*, for further discussion.

In June 2016, the FASB issued ASU 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, which amends the accounting guidance and requires the measurement of all expected losses based on historical experience, current conditions, and reasonable and supportable forecasts, or a current expected credit loss (“CECL”) model. For trade receivables, loans, and other financial instruments, companies are required to use a forward-looking expected loss model rather than the incurred loss model for recognizing credit losses which reflects losses that are probable. In November 2019, the FASB issued ASU 2019-10 which delayed the effective date for the CECL standard. The guidance and related amendments are effective for the Company for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years, with early adoption permitted. Application of the amendments is through a cumulative-effect adjustment to retained earnings as of the effective date.

The Company early adopted the accounting standard by recording a cumulative effect adjustment to retained earnings as of January 1, 2022 using a modified retrospective approach. The adoption mainly impacts trade receivables and unbilled receivables. The Company analyzed its historical credit loss experience and considered current conditions and reasonable forecasts in developing the expected credit loss rates. The adoption of this new standard did not have a material impact on the Company's condensed consolidated financial statements.

In November 2021, the FASB issued ASU 2021-10, Disclosures by Business Entities About Government Assistance (Topic 832), which requires business entities to provide certain disclosures when they (1) have received government assistance and (2) use a grant or contribution accounting model by analogy to other accounting guidance. The guidance is effective for all entities for fiscal years beginning after December 15, 2021. Entities may apply the ASU’s provisions either (1) prospectively to all transactions within the scope of Accounting Standards Codification ("ASC") 832 that are reflected in the financial statements as of the adoption date and all new transactions entered into after the date of adoption or (2) retrospectively. The Company adopted the standard on January 1, 2022 on a prospective basis. The adoption of this standard did not have a material impact on the Company's condensed consolidated financial statements.

Recently Issued Accounting Pronouncements Not Yet Adopted

In March 2020, the FASB issued ASU 2020-04, Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting, which provides temporary optional expedients and exceptions for applying generally accepted accounting principles to contracts, hedging relationships, and other transactions to ease the financial reporting burdens related to the expected market transition from LIBOR and other interbank offered rates to alternative reference rates. The optional amendments are effective as of March 12, 2020 through December 31, 2022, and upon adoption may be applied prospectively through December 31, 2022. The Company is currently assessing the impact of this ASU on the condensed consolidated financial statements and will adopt this new standard in the fiscal year beginning January 1, 2023.

In October 2021, the FASB issued ASU 2021-08, which amends ASC 805 to require acquiring entities to apply ASU 2014-09, Revenue from Contracts with Customers (Topic 606), to recognize and measure contract assets and contract liabilities in a business combination. The guidance is effective for public entities for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. Entities should apply the ASU’s provisions prospectively to business combinations occurring on or after the effective date of the amendments. The Company is currently assessing the impact of this ASU on the condensed consolidated financial statements and will adopt this new standard in the fiscal year beginning January 1, 2023.

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, 2022 and 2021 was 62% and 65%, respectively, and 63% and 65% for the six months ended June 30, 2022 and 2021, respectively.

As of June 30, 2022 and December 31, 2021, approximately 70% and 73%, respectively, of trade accounts receivable and unbilled accounts receivable was due from customers located outside the United States. At June 30, 2022 and December 31, 2021, the Company had net fixed assets of $27.7 million and $26.6 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.

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,	
	2022	2021	2022	2021
North America (1)	$ 131,486	$ 97,391	$ 253,435	$ 187,185
APAC (2)	109,674	89,581	211,880	162,171
Europe (3)	76,603	62,840	159,529	126,955
LATAM	14,344	10,620	28,203	21,783
Total revenues	$ 332,107	$ 260,432	$ 653,047	$ 498,094

(1) For the three months ended June 30, 2022 and 2021, the United States represented 37.2%, or $123.5 million, and 35.6%, or $92.6 million, respectively, of the Company's total revenues. For the six months ended June 30, 2022 and 2021, the United States represented 36.5%, or $238.6 million, and 35.8%, or $178.5 million, of the Company's total revenues, respectively. Canadian operations were determined to be immaterial given the revenues as a percentage of total North America revenues was less than 10% for the three and six months ended June 30, 2022 and 2021.

(2) For the three months ended June 30, 2022 and 2021, Australia represented 12.0%, or $39.8 million, and 10.1%, or $26.2 million, respectively, of the Company's total revenues. For the six months ended June 30, 2022 and 2021, Australia represented 11.7%, or $76.1 million, and 10.6%, or $52.7 million, respectively, of the Company's total revenues.

(3) For the three months ended June 30, 2022 and 2021, revenue in the United Kingdom as a percentage of the Company's total revenues was less than 10%. For the six months ended June 30, 2022 and 2021, the United Kingdom represented 10.8%, or $70.3 million, and 10.7%, or $53.5 million, respectively, of the Company's total revenues. For the three and six months ended June 30, 2022, revenue in Germany as a percentage of the Company's total revenues was less than 10%. For the three and six months ended June 30, 2021, Germany represented 10.8%, or $28.1 million, and 10.9%, or $54.1 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, 2022 and 2021.

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,	
	2022	2021	2022	2021
Technology and business services	$ 95,247	$ 69,930	$ 180,596	$ 136,140
Energy, public and health services	76,605	70,245	153,715	133,909
Retail and consumer	62,628	47,790	125,063	88,923
Financial services and insurance	59,671	40,855	118,135	75,109
Automotive, travel and transportation	37,956	31,612	75,538	64,013
Total revenues	$ 332,107	$ 260,432	$ 653,047	$ 498,094

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,	
	2022	2021	2022	2021
Time-and-material	$ 275,932	$ 208,901	$ 547,295	$ 398,075
Fixed-price	56,175	51,531	105,752	100,019
Total revenues	$ 332,107	$ 260,432	$ 653,047	$ 498,094

Contract Balances

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

	As of June 30, 2022	As of December 31, 2021
Contract assets included in unbilled receivables	$ 29,237	$ 25,408
Contract liabilities included in deferred revenue	$ 5,601	$ 13,807

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, 2022 and 2021, the Company recognized $2.5 million and $4.5 million, respectively, of revenues that were included in current liabilities at the prior year end. For the six months ended June 30, 2022 and 2021, the Company recognized $12.6 million and $10.7 million, respectively, of revenues that were included in current 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. These costs would primarily relate to commissions paid to our account executives and are included in SG&A expenses. The Company did not have long term contracts to capitalize related costs prior to the fourth quarter of 2021.

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,	
	2022	2021	2022	2021
Balance at beginning of period	$ 1,814	$ —	$ 2,039	$ —
Costs to obtain contracts capitalized	147	—	238	—
Amortization of capitalized costs	(310)	—	(625)	—
Impairment of costs to obtain contracts	—	—	—	—
Changes due to exchange rates	(9)	—	(10)	—
Balance at end of period	$ 1,642	$ —	$ 1,642	$ —

Transaction Price Allocated to Remaining Performance Obligations

The Company does not have material future performance obligations that extend beyond one year. Accordingly, the Company has applied the optional exemption for contracts that have an original expected duration of one year or less.

Note 3 – Acquisitions

On April 26, 2022, the Company completed the acquisition of Connected Lab Inc. ("Connected"), an end-to-end product design and development firm that partners with their clients to discover and deliver products that drive business impact, in an all-cash transaction for a gross purchase price of approximately $83.8 million, or $79.4 million net of cash acquired of $4.4 million, which is inclusive of a $14.0 million contingent consideration liability as discussed below and other adjustments. Connected is now wholly owned by the Company. The acquisition will advance the Company's capabilities in solving business problems through product-led design processes, from defining the strategy to discovery and delivery and enhance the Thoughtworks customer experience, product and design service line in North America.

In connection with the acquisition, the Company recorded a liability of $14.0 million of contingent consideration, which is included within the total purchase price and classified within accrued expenses in the condensed consolidated balance sheet. The present value of the contingent consideration liability was determined using a Monte Carlo Simulation that calculated the average present value of the earnout payment. The fair value measurement of the earnout includes a performance metric which is an unobservable Level 3 input. The contingent consideration is payable in cash dependent upon achievement of the performance metric. The liability will be remeasured to fair value at each reporting date with adjustments recorded within other income, net in the condensed consolidated statements of (loss) income and comprehensive (loss) income. As of June 30, 2022, the maximum potential payout is $17.1 million and is expected to occur in the second quarter of 2023.

The following table presents the change in the contingent consideration liability (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Balance at beginning of period	$ —	$ —	$ —	$ —
Additions in the period	13,996	—	13,996	—
Change in fair value	528	—	528	—
Change due to exchange rates	(142)	—	(142)	—
Balance at end of period	$ 14,382	$ —	$ 14,382	$ —

The Company accounted for the acquisition under ASC 805, *Business Combinations*. The goodwill recognized in connection with the acquisition reflects the benefits expected to be derived from certain operational synergies. The fair value of the net assets acquired for the business was determined using Level 3 inputs, for which little or no market data exists, requiring the Company to develop assumptions regarding future cash flow projections. The results of operations of the acquired business have been included in the condensed consolidated statements of (loss) income and comprehensive (loss) income from the acquisition date. Pro forma results of operations for the acquisition are not presented because the pro forma effects were not material to the Company's consolidated results of operations.

Aggregate acquisition-related costs of $1.3 million for the three and six months ended June 30, 2022, respectively, were included within SG&A expenses within the condensed consolidated statements of (loss) income and comprehensive (loss) income.

The Company's preliminary allocation of the fair value of underlying assets acquired and liabilities assumed as of the acquisition date is as follows (in thousands):

	Total
Cash and cash equivalents	$ 4,394
Trade receivables, net of allowance	3,678
Unbilled receivables	2,594
Customer relationships, net	15,800
Goodwill	66,032
Accrued compensation	(1,364)
Accrued expenses	(3,733)
Other assets/liabilities, net	(3,600)
Total gross purchase price	$ 83,801
Cash consideration paid	$ 69,805
Fair value of contingent consideration	13,996
Total gross purchase price	$ 83,801

Goodwill represents the excess of the purchase price over the fair values of assets acquired and liabilities assumed. The changes in fair value allocated to goodwill, tangible and intangible assets are not deductible for tax purposes.

As additional information is obtained about the assets and liabilities of the acquisition during the measurement period (not to exceed one year from the date of acquisition), including the completion or finalization of asset appraisals, the Company will refine its estimates of fair value to allocate the purchase price including finalizing the impact on taxes.

Note 4 – Goodwill and Other Intangible Assets

The following is a summary of the changes in the carrying value of goodwill (in thousands):

	Total
Balance as of December 31, 2020	$ 318,151
Additions due to acquisitions	32,615
Changes due to exchange rates	(4,047)
Balance as of December 31, 2021	346,719
Additions due to acquisitions	66,032
Changes due to exchange rates	(10,941)
Balance as of June 30, 2022	$ 401,810

The following is a summary of other intangible assets (in thousands):

	June 30, 2022	December 31, 2021
Customer relationships	$ 192,900	$ 177,100
Less accumulated amortization	52,498	46,184
Customer relationships, net	140,402	130,916
Trademark	273,000	273,000
Total intangible assets, after amortization	413,402	403,916
Changes due to exchange rates	(8,965)	(5,049)
Intangible assets, net	$ 404,437	$ 398,867

Other than indefinite-lived trademarks, the Company’s intangible assets have finite lives and, as such, are subject to amortization. Amortization expense related to these intangible assets was $3.3 million and $6.3 million for the three and six months ended June 30, 2022, respectively, and $3.0 million and $6.0 million for the three and six months ended June 30, 2021, respectively.

As of June 30, 2022, estimated amortization expense for the next five years and thereafter is as follows (in thousands):

Remainder of 2022	$ 7,279
2023	14,557
2024	14,557
2025	14,557
2026	14,557
Thereafter	74,895
	$ 140,402

The weighted average remaining useful life of the Company’s finite-lived intangible assets was 9.7 years as of June 30, 2022 and 10.6 years as of December 31, 2021.

Note 5 – Income Taxes

Prior to the IPO, the Company calculated the provision for income taxes during interim reporting periods by applying an estimate of the effective tax rate for the full year to the pre-tax income or loss for the interim period, adjusting the provision for discrete tax items recorded in the period. Upon the IPO, due to the magnitude of transaction related stock-based compensation costs, the Company's forecasted pre-tax income for the year is causing the tax rate to be highly sensitive, whereby minor changes in forecasted pre-tax income generate significant variability in the estimated annual effective tax rate. This is impacting the customary relationship between income tax expense and pre-tax income in interim periods. Beginning in the third quarter of 2021, the Company concluded that it could not calculate a reliable estimate of the annual effective tax rate due to the range of potential impacts for the aforementioned forecast changes. Accordingly, the Company computed the effective tax rate for the six month period ended June 30, 2022 using actual results, as allowed by ASC 740-270-30-18, Income Taxes-Interim Reporting.

The Company’s effective tax rate for the three months ended June 30, 2022 and June 30, 2021 was (11.2)% and 36.3%, respectively and (3.8)% and 28.9% for the six months ended June 30, 2022 and June 30, 2021, respectively. The effective tax rate in each period differed from the U.S. statutory rate of 21% for such period 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, offset by excess tax benefits on stock-based compensation. The change in the effective tax rate for the three and six months ended June 30, 2022, as compared to the prior periods, was primarily due to the non-deductibility of China SAFE restricted stock units ("RSUs"), the unfavorable impact of valuation allowances on deferred tax assets of select foreign operations, and the non-deductibility of executive compensation expense in compliance with §162(m) of the Internal Revenue Code. The negative effective tax rate for the three and six months ended June 30, 2022 is a result of the aforementioned unique net unfavorable items when compared to the pre-tax loss recorded for the respective periods.

Note 6 – Loss Per Common Share

Basic loss per common share is computed by dividing the net loss allocated to common shareholders by the weighted average of common shares outstanding for the period.

Diluted loss per common share is computed by giving effect to all potential shares of common stock of the Company, including outstanding stock options, unvested RSUs, and unvested PSUs, to the extent the shares are dilutive. PSU shares are not included in dilution during the performance period. Once the performance period is completed, the PSU shares will be included in dilution during the remaining service period, to the extent they are dilutive. Basic and diluted loss per common share are the same for all periods presented, as the inclusion of all potential shares of common stock outstanding would have been anti-dilutive. For comparability purposes, all prior period share amounts presented have been retroactively adjusted to give effect to the Stock Split, and share counts below also reflect the conversion of preferred stock to common stock on a 1-for-1 basis upon the occurrence of the IPO.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	**2021**	**2022**	**2021**
Basic loss per common share:				
Net (loss) income	$ (29,992)	$ 18,152	$ (89,896)	$ 36,737
Preferred stock dividends	—	(59,642)	—	(59,642)
Net loss allocated to common shareholders – Basic	$ (29,992)	$ (41,490)	$ (89,896)	$ (22,905)
Weighted average common shares outstanding – Basic and diluted	310,575,050	228,078,205	308,394,443	234,995,786
Basic and diluted loss per common share	$ (0.10)	$ (0.18)	$ (0.29)	$ (0.10)

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	**2021**	**2022**	**2021**
Employee stock options and RSUs	25,974,965	18,916,111	26,652,235	18,322,734

Note 7 – Leases

The Company leases facilities (office space and corporate apartments) and equipment (IT equipment) under various non-cancelable operating leases that expire through December 2031, some of which include one or more options to extend the leases, generally at rates to be determined in accordance with the agreements. The Company's facility leases generally provide for periodic rent increases and may contain escalation clauses and renewal options. The Company's lease terms include options to extend the lease if they are reasonably certain of being exercised.

The Company recognizes operating lease expense on a straight-line basis over the lease term and variable lease payments are expensed as incurred. Operating lease expense and the related variable lease expense is recorded within SG&A expenses in the Company's condensed consolidated statements of (loss) income and comprehensive (loss) income. The Company does not have finance leases.

The Company determines if a contract contains a lease at lease inception. If the borrowing rate implicit in the lease is not determinable, the Company uses its incremental borrowing rate ("IBR") based on information available at lease commencement including prevailing financial market conditions to determine the present value of future lease payments. The Company has elected the option to combine lease and non-lease components as a single component for the Company's entire population of lease assets.

Operating lease assets and lease liabilities are recognized at the lease commencement date. Operating lease liabilities represent the present value of lease payments not yet paid. Operating lease assets represent the right to use an underlying asset and are based upon the operating lease liabilities adjusted for prepayments or accrued lease payments, initial direct costs, and lease incentives. The Company’s lease agreements do not contain any material residual value guarantees or material restrictive covenants. Leased assets are presented net of accumulated amortization. Variable lease payment amounts that cannot be determined at the commencement of the lease, such as increases in lease payments based on changes in index rates or usage, are not included in the ROU assets or liabilities; instead, these are expensed as incurred and recorded as variable lease expense.

Adoption of Topic 842 resulted in the initial recognition of ROU assets of $40.9 million and lease liabilities of $43.7 million.

As of June 30, 2022, the Company does not have any leases that create significant rights and obligations that have not yet commenced. For the three and six months ended June 30, 2022, operating lease cost was $5.1 million and $9.8 million, respectively. The Company's short-term lease cost and variable lease cost were immaterial.

The following table presents supplemental cash flow information (in thousands):

	Six Months Ended June 30, 2022
Cash paid for amounts included in the measurement of operating lease liabilities	$ 9,704
ROU assets obtained in exchange for new operating lease liabilities	13,332

The following table presents average lease terms and discount rates (in thousands):

	As of June 30, 2022
Weighted-average remaining lease term (years)	4.1
Weighted average discount rate	5.6 %

As of June 30, 2022, the aggregate future lease payments under all operating leases are as follows (in thousands):

	Operating
Remainder of 2022	$ 9,755
2023	15,514
2024	9,811
2025	6,077
2026	4,624
Thereafter	6,507
Total lease payments	52,288
Less: imputed interest	5,835
Present value of lease liabilities	$ 46,453

ASC 840 Disclosures

Prior to the adoption of Topic 842, aggregate future minimum lease payments, net of sublease income, under all operating leases were as follows as of December 31, 2021 (in thousands):

2022	$	17,557
2023		11,690
2024		6,849
2025		3,955
2026		3,027
Thereafter		6,088
Total future minimum lease payments	$	49,166

Total rent expense for all operating leases for the three and six months ended June 30, 2021 was $4.8 million and $9.6 million, respectively.

Note 8 – 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,	
	2022	2021	2022	2021
Cost of revenues	$ 38,852	$ 2,534	$ 122,345	$ 3,316
Selling, general and administrative expenses	16,334	5,828	53,577	6,920
Total stock-based compensation expense	$ 55,186	$ 8,362	$ 175,922	$ 10,236

Stock Options

The following is a summary of performance and time vesting stock option activity for the six months ended June 30, 2022 (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, 2021	24,097,082	$ 3.79		
Granted	—	—		
Forfeited	(46,259)	8.32		
Exercised	(1,326,140)	2.96		
Cancelled	—	—		
Expired	—	—		
Balance at June 30, 2022	22,724,683	$ 3.83	$ 233,581	6.0
Exercisable at June 30, 2022	20,938,204	$ 3.33	$ 225,764	5.9

As of June 30, 2022, total compensation cost related to time vesting options not yet recognized was $5.1 million, which will be recognized over a weighted-average period of 1.5 years. Unless otherwise prohibited by law in local jurisdictions, time vesting options will continue to vest according to the 2017 Stock Option Plan.

Restricted Stock Units

The following is a summary of RSU activity for the six months ended June 30, 2022:

	Number of RSUs	Weighted Average Grant Date Fair Value
Unvested balance at December 31, 2021	14,128,722	$ 23.39
Granted (1)	5,529,932	22.10
Forfeited	(906,850)	23.16
Vested (2)	(5,840,878)	21.00
Unvested balance at June 30, 2022	12,910,926	$ 23.94

(1) Includes 4.4 million RSUs that were contingent upon the successful and active registration with the State Administration of Foreign Exchange of the People's Republic of China ("China SAFE"), which occurred on February 25, 2022. The amount also includes 0.1 million RSUs granted in relation to the Connected acquisition.

(2) Includes 1.3 million shares that were net settled when released and returned to the share pool for future grants.

As of June 30, 2022, total compensation cost related to RSUs not yet recognized was $169.1 million, of which $103.5 million is IPO related or associated with one-time grants and considered nonrecurring. The remainder of $65.6 million is primarily related to the annual grant and considered recurring. The total unamortized expense is anticipated to be recognized over a weighted-average period of 1.5 years.

Performance Stock Units

In April 2022, the Board of Directors approved the grant of performance stock units ("PSUs") to certain executives and employees under the 2021 Omnibus Incentive Plan (the "Omnibus Plan"). Awards with a performance and time-based vesting as well as awards with market-based performance vesting components were granted. The performance and time-based PSUs are subject to the Company's achievement of specified profit targets. The market-based awards are tied to the Company's performance against relative total shareholder return ("rTSR") targets. Both types of PSUs vest over a three-year service period.

The following is a summary of PSU activity for the six months ended June 30, 2022:

	Number of PSUs	Weighted Average Grant Date Fair Value
Unvested balance at December 31, 2021	—	$ —
Granted (1)	91,929	20.11
Forfeited	—	—
Vested	—	—
Unvested balance at June 30, 2022	91,929	$ 20.11

(1) Reflects the current achievement level.

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, 2022, total compensation cost related to PSUs not yet recognized was $5.3 million. The unamortized expense is anticipated to be recognized over a weighted-average period of 2.8 years.

Note 9 – Credit Agreements

Our subsidiaries are party to an amended and restated credit agreement, dated as of March 26, 2021 (as amended, the “ Credit Agreement”), among Thoughtworks, Inc., Turing Acquisition LLC and Turing Midco LLC (collectively, the “ Borrowers”), 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. The Credit Agreement provides for a senior secured term loan of $715.0 million (the“ Term Loan”) and a senior secured revolving credit facility of up to $165.0 million (the“ Revolver”).

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

	June 30, 2022	December 31, 2021
Availability under Revolver (due March 26, 2026)	$ 165,000	$ 165,000
Borrowings under Revolver	$ —	$ —
Long-term debt (due March 24, 2028), including current portion (1)	$ 501,343	$ 504,530
Interest rate	4.42 %	3.50 %

(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, 2022	December 31, 2021
Long-term debt, less current portion	$ 498,913	$ 502,488
Capitalized deferred financing fees	(4,720)	(5,108)
Long-term debt	494,193	497,380
Current portion of long-term debt	7,150	7,150
Total debt carrying value	$ 501,343	$ 504,530

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, 2022 as the interest rates are considered in line with current market rates. The fair value of the Term Loan was $485.0 million as of December 31, 2021.

Note 10 – Accrued Expenses

The following is a summary of the Company's accrued expenses (in thousands):

	June 30, 2022	December 31, 2021
Accrued interest expense	$ 113	$ 76
Accrued employee expense	1,258	2,320
Accrued travel expense	365	514
Operating lease expenses	419	262
Insurance charges	236	170
Professional fees	6,684	5,188
Withholding taxes payable	10	26,077
Other taxes payable	9,006	9,402
Rebates payable	401	943
Contingent consideration	14,382	—
Other accrued expenses	4,450	6,741
Accrued expenses	$ 37,324	$ 51,693

Note 11 – Subsequent Events

Credit Agreement Repayment

On July 21, 2022 the Company made a voluntary prepayment of $100.0 million on outstanding amounts owed on the Term Loan disclosed in Note 9, *Credit Agreements*.

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 2021 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 2021 Annual Report 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 12,000+ Thoughtworkers strong across 50 offices in 17 countries. Over the last 25+ 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; and digital transformation & operations.

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,	
	2022	2021	2022	2021
Revenues	$ 332,107	$ 260,432	$ 653,047	$ 498,094
Revenue Growth Rate as reported (1)	27.5 %	40.3 %	31.1 %	24.4 %
Revenue Growth Rate at constant currency (1)	33.5 %	32.1 %	35.7 %	18.2 %
Net (loss) income	$ (29,992)	$ 18,152	$ (89,896)	$ 36,737
Net (loss) income margin	(9.0)%	7.0 %	(13.8)%	7.4 %
Adjusted Net Income (2)	$ 37,008	$ 24,346	$ 81,000	$ 59,425
Adjusted EBITDA (3)	$ 58,517	$ 51,219	$ 131,389	$ 105,055
Adjusted EBITDA Margin (3)	17.6 %	19.7 %	20.1 %	21.1 %

(1) 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 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 Income as an important indicator of our performance. See "—Non-GAAP Financial Measures" below for a definition of and reconciliation of Adjusted Net Income to net (loss) income, 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) income, 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, 2022, revenues increased 27.5% and 31.1%, respectively. Acquisitions completed in the last twelve months contributed approximately 2% and 1% to revenue growth for the three and six months ended June 30, 2022, respectively. 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, 2021, we would have reported revenue growth of 33.5% and 35.7%, respectively. The negative impact to revenues from foreign currencies 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) Income, Net (Loss) Income Margin and Adjusted Net Income

For the three months ended June 30, 2022, the $48.1 million decrease in net income and 16.0 percentage point decrease in net income margin as compared to the three months ended June 30, 2021 were driven by increased stock-based compensation expense of $46.8 million, $36.3 million included in cost of revenues and $10.5 million included in SG&A expenses, which includes (a) $34.4 million related to the RSU grants issued in connection with the IPO; (b) $19.4 million related to RSU and PSU grants awarded post-IPO; partially offset by (c) $7.0 million related to options granted in prior years. The decreases in net income and net income margin were also driven by increased payroll expenses (excluding stock-based compensation) of $50.2 million, $45.0 million included in cost of revenues and $5.2 million included in SG&A expenses, due to our investment in additional headcount to support revenue growth. The aforementioned increases in stock-based compensation expense and payroll expenses were partially offset by revenue growth of $71.7 million, or 27.5%, reflecting strong demand for our services and our continued focus on obtaining new clients and growing our existing client relationships and a $7.3 million decrease in income tax expense.

For the three months ended June 30, 2022, the increase in Adjusted Net Income as compared to the three months ended June 30, 2021 of $12.7 million, or 52.0%, was primarily due to higher revenues as a result of strong demand for our services alongside our differentiated value proposition and premium services driving a higher bill rate, improved efficiencies in the cost of delivering the general and administrative activities of our business, and a decrease in income tax expense. This was partially offset by increased payroll expenses (excluding stock-based compensation) to support revenue growth and decreased utilization.

For the six months ended June 30, 2022, the $126.6 million decrease in net income and 21.2 percentage point decrease in net income margin as compared to the six months ended June 30, 2021 were driven by increased stock-based compensation expense of $165.7 million, $119.0 million included in cost of revenues and $46.7 million included in SG&A expenses, which includes (a) $47.7 million related to the approval of China SAFE RSUs; (b) $90.6 million related to the RSU grants issued in connection with the IPO; (c) $34.6 million related to RSU and PSU grants awarded post-IPO; partially offset by (d) $7.2 million related to options granted in prior years. The decreases in net income and net income margin were also driven by increased payroll expenses (excluding stock-based compensation) of $100.5 million, $87.3 million included in cost of revenues and $13.2 million included in SG&A expenses, due to our investment in additional headcount to support revenue growth. The aforementioned increases in stock-based compensation expense and payroll expenses were partially offset by revenue growth of $155.0 million, or 31.1%, reflecting strong demand for our services and our continued focus on obtaining new clients and growing our existing client relationships and decreases in acquisition related expenses of $6.2 million and income tax expense of $11.6 million. For more information, see "—Results of Operations." We consider net income margin as the most directly comparable GAAP measure to Adjusted EBITDA Margin.

For the six months ended June 30, 2022, the increase in Adjusted Net Income as compared to the six months ended June 30, 2021 of $21.6 million, or 36.3%, was due to higher revenues as a result of strong demand for our services, partially offset by increased payroll expenses (excluding stock-based compensation) to support revenue growth.

Adjusted EBITDA and Adjusted EBITDA Margin

For the three months ended June 30, 2022, the increase in Adjusted EBITDA as compared to the three months ended June 30, 2021 of $7.3 million, or 14.2%, was due to higher revenues as demand for our services increased and efficiencies in our general and administrative expenses, partially offset by decreased utilization, higher operating expenses such as increased payroll expenses (excluding stock-based compensation) to support revenue growth and public company costs. The 210 basis point decrease in Adjusted EBITDA Margin as compared to the three months ended June 30, 2021 was primarily due to seasonality related to annual pay rises, decreased utilization and public company costs.

For the six months ended June 30, 2022, the increase in Adjusted EBITDA as compared to the six months ended June 30, 2021 of $26.3 million, or 25.1%, was due to higher revenues as demand for our services increased, partially offset by public company costs and higher operating expenses as certain costs, such as payroll (excluding stock-based compensation) increased to support revenue growth. The 100 basis point decrease in Adjusted EBITDA Margin as compared to the six months ended June 30, 2021 was primarily due to increased payroll costs to support revenue growth, partially offset by higher revenues.

Key Factors Affecting Our Performance

Our long-term financial trend is characterized by strong organic growth, strong client retention, a significant amount of revenues from existing clients and substantial margin optimization with the support of onshore, nearshore and offshore delivery centers. Our performance for historical periods and future periods is driven by numerous factors discussed, including the following key factors.

Ability to retain and expand existing client relationships

For the trailing twelve months ended June 30, 2022, we served over 390 clients, which we define as clients with spend in excess of $25,000 within the preceding twelve months, many of whom we work with across multiple geographies. We actively manage our client portfolio and target clients where we believe there is opportunity to develop long-term relationships and drive significant growth. Accordingly, for the three months ended June 30, 2022 and 2021, 88.9% and 89.9%, respectively, of our revenues were derived from existing clients, which we define as clients for whom we have done work and generated revenues in excess of $25,000 within the preceding fiscal year. For the six months ended June 30, 2022 and 2021, 92.1% and 90.4%, respectively, of our revenues were derived from existing clients. For the trailing twelve month periods ended June 30, 2022 and 2021, 86.5% and 88.0%, respectively, of our revenues were derived from existing clients, which we define as clients for whom we have done work and generated revenues in excess of $25,000 within the preceding twelve months. This represents increases of 53.7% and 33.5% in revenues from new and existing clients, respectively. For the trailing twelve month periods through June 30, 2022 and 2021, 33 and 25 clients, respectively, generated greater than $10 million in revenues, a 32.0% increase in the number of clients.

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. For the three and six months ended June 30, 2022, we experienced strong growth in our top five, ten and fifty clients and a continued diversification of our business. For the three months ended June 30, 2022, revenues from our top five, ten and fifty clients as a percentage of total revenues were 15.3%, 25.2% and 66.1%, respectively, compared to 17.9%, 29.0% and 72.7%, respectively, for the three months ended June 30, 2021. For the six months ended June 30, 2022, revenues from our top five, ten and fifty clients as a percentage of total revenues were 15.1%, 25.5% and 65.6%, respectively, compared to 18.2%, 29.2% and 72.7%, respectively, for the six months ended June 30, 2021.

Net Dollar Retention Rate

We also 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 net dollar retention rate is calculated by dividing (a) the trailing twelve month period revenue from existing clients by (b) the prior comparative period revenue from existing clients.

The net dollar retention rate increased to approximately 124% for the trailing twelve months ended June 30, 2022 from 107% for the trailing twelve months ended June 30, 2021. The net dollar retention rate for the trailing twelve months ended June 30, 2021 was largely driven by the impact of COVID-19. Starting in the second quarter of 2020, we experienced pauses in ongoing engagements and select project cancellations as certain of our clients focused on the immediate challenges linked to the COVID-19 pandemic. During this time, we pivoted our focus to companies and different sectors that were increasing their spending on digital transformation in response to the COVID-19 pandemic. During the trailing twelve months ended June 30, 2022, our sector diversification has enabled us to continue to balance sales exposure and provide value to our clients and drive growth across our client base. As a result of our continued growth trend, the net dollar retention rate increased for the trailing twelve months ended June 30, 2022.

Ability to acquire new clients

We intend to continue to acquire new clients through programs designed to generate new business demand and position us as a trusted partner. Winning new business in existing and new geographies and industry verticals is a critical component of our growth strategy. Dedicated new business teams work with marketing using data-driven approaches to focus on client acquisition efforts. Commensurately, our total number of clients increased to 395 as of June 30, 2022 from 374 as of June 30, 2021, as we saw increased demand for our global services, including in North America, Europe, Asia-Pacific region ("APAC") and Latin America ("LATAM"). Going forward, we may also add new clients, including in new geographies and industry verticals, through selective strategic acquisitions.

Expanding our technical capabilities and client solutions

We combine strategy, design and software engineering expertise to offer premium, end-to-end solutions to our clients. Our value proposition is based on our thought leadership and expertise across innovative new technologies, differentiated client solutions across our service lines and local and nearshore capabilities (*i.e.*, those delivered from nearby countries in similar time zones) and offshore capabilities (*i.e.*, those delivered from distant countries in different time zones). Our premium position enabled us to drive average revenue per employee of approximately $58,000, or $116,000 annualized, for the six months ended June 30, 2022, compared to $59,000, or $118,000 annualized, for the six months ended June 30, 2021. We believe our average revenue per employee is meaningfully higher than all our pure-play competitors. We define average revenue per employee as total revenues for the period divided by the average number of employees in such period. Our ability to continue delivering premium and innovative services to our clients depends on evolving our technical and engineering capabilities.

Ability to recruit and retain talent

To provide services to our clients, we must efficiently hire, train and retain skilled professionals without compromising on the high standards we set for our people. We believe our ability to attract and retain top talent drives high client satisfaction and enables us to deliver on strong client demand to generate growth. Apart from driving high client satisfaction, lower attrition leads to lower hiring and training costs and increased productivity. For the trailing twelve month period through June 30, 2022, our voluntary attrition rate was 12.9%, down from 14.1% for the trailing twelve month period through June 30, 2021. We believe the decrease in attrition was due to higher retention as a result of our unique culture, focus on career development, intensive training programs and interesting work opportunities. We increased our total number of employees to over 12,000 as of June 30, 2022.

Ability to optimize our global delivery

We have a global footprint with the ability to deliver services from multiple geographic regions. As of June 30, 2022, 9 out of our top 10 clients relied on Thoughtworks' delivery from more than one region. We utilize a blended delivery model, which means we are able to offer a combination of local talent with nearshore/offshore talent, allowing us to maintain close proximity to our clients for context and local market knowledge, while driving rapid and high-quality delivery at scale.

Components of Our Operating Results

We operate and manage our business as one reportable segment. While the Company has offerings in multiple market segments and operates in multiple countries, the Company's business operates as one operating segment. Almost all of the Company's service offerings are delivered and supported on a global basis. Additionally, most of the Company's service offerings are deployed in a nearly identical way and the Company's chief operating decision maker, who is the Company's Chief Executive Officer, evaluates the Company's financial information and resources and assesses the performance of these resources on a consolidated basis.

Revenues

Time-and-Materials Revenues. We generate the majority of our revenues under time-and-materials contracts, which are billed using hourly, daily or monthly rates to determine the amounts to be charged to the client. Revenue from time-and-material contracts is based on the number of hours worked and at contractually agreed-upon hourly rates and is recognized as those services are rendered as control of the services passes to the customer over time.

Fixed-Price Revenues. Fixed-price contracts include application development arrangements, where progress towards satisfaction of the performance obligation is measured using input methods as there is a direct correlation between hours incurred and the end product delivered to the client. Assumptions, risks and uncertainties inherent in the estimates used to measure progress could affect the amount of revenues, receivables and deferred revenues at each reporting period. Revenues under these contracts are recognized using costs incurred to date relative to total estimated costs at completion to measure progress toward satisfying performance obligations.

For a detailed discussion of our revenue recognition policy, refer to the notes to our consolidated financial statements included in the 2021 *Annual Report.*

Cost of Revenues

Cost of revenues consists primarily of personnel and related costs directly associated with the professional services, including salaries, bonuses, fringe benefits, stock-based compensation, project related travel costs and costs of contracted third-party vendors. Also included in cost of revenues is depreciation attributable to the portion of our property and equipment utilized in the delivery of services to our clients.

Gross Profit and Gross Margin

Gross profit represents revenues less cost of revenues. Gross margin represents gross profit as a percentage of revenues.

Selling, General and Administrative Expenses

SG&A expenses represent expenses associated with promoting and selling our services and general and administrative functions of our business. These expenses include the costs of salaries, bonuses, fringe benefits, stock-based compensation, severance, bad debt, travel, legal and accounting services, insurance, facilities (including operating leases), advertising and other promotional activities.

Depreciation and Amortization

Depreciation and amortization consist primarily of depreciation of fixed assets, amortization of capitalized software development costs (internal-use software) and amortization of acquisition-related intangible assets.

Other (Expense) Income

Other (expense) income consists of interest expense, impacts from foreign exchange transactions, gains (losses) on the sale of assets, change in fair value of contingent consideration and the write-off of deferred financing fees.

Income Tax Expense

Determining the consolidated income tax expense, deferred income tax assets and liabilities and any potential related valuation allowances involves judgment. We consider factors that may contribute, favorably or unfavorably, to the overall annual effective tax rate in the current year as well as the future. These factors include statutory tax rates and tax law changes in the countries where we operate as well as consideration of any significant or unusual items. Our income tax expense includes the impact of provisions established for uncertain income tax positions, as well as any related interest and penalties. These reserves are adjusted given changing facts and circumstances, such as the closing of a tax audit, statute of limitation lapse or the refinement of an estimate. To the extent the final outcome of an uncertain income tax position differs from the amounts recorded, such differences will impact our income tax expense in the period in which such determination is made.

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,	
	2022	2021	2022	2021
Revenues	$ 332,107	$ 260,432	$ 653,047	$ 498,094
Operating expenses:				
Cost of revenues (1)	239,741	152,311	503,090	287,102
Selling, general and administrative expenses (1)	96,294	68,831	208,028	135,347
Depreciation and amortization	4,215	4,488	10,061	8,834
(Loss) income from operations	(8,143)	34,802	(68,132)	66,811
Other (expense) income:				
Interest expense	(4,984)	(7,388)	(9,631)	(13,582)
Net realized and unrealized foreign currency (loss) gain	(13,432)	994	(8,487)	(1,674)
Other (expense) income, net	(413)	83	(325)	144
Total other expense	(18,829)	(6,311)	(18,443)	(15,112)
(Loss) income before income taxes	(26,972)	28,491	(86,575)	51,699
Income tax expense	3,020	10,339	3,321	14,962
Net (loss) income	$ (29,992)	$ 18,152	$ (89,896)	$ 36,737
Effective tax rate	(11.2)%	36.3 %	(3.8)%	28.9 %

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Cost of revenues	$ 38,852	$ 2,534	$ 122,345	$ 3,316
Selling, general and administrative expenses	16,334	5,828	53,577	6,920
Total stock-based compensation expense	$ 55,186	$ 8,362	$ 175,922	$ 10,236

Summary Comparison of Three Months Ended June 30, 2022 with the Three Months Ended June 30, 2021

Revenues for the three months ended June 30, 2022 increased $71.7 million, or 27.5%, to $332.1 million, compared to $260.4 million for the three months ended June 30, 2021. The increase in revenues was driven by higher demand for services as clients execute on their digital transformation strategies, an increase in headcount and our differentiated value proposition and premium services driving a higher bill rate. This was partially offset by decreased utilization. The majority of our revenues are generated from existing clients or those expanding their usage of our services. Revenue recognized from our existing client base was approximately 88.9% for the three months ended June 30, 2022 and 89.9% for the three months ended June 30, 2021, with the remainder of our revenue attributable to new clients.

Our revenue growth primarily depends on our ability to retain and drive growth from existing clients. The net dollar retention rate was approximately 124% and 107% for the trailing twelve months ended June 30, 2022 and 2021, respectively. For a discussion of the factors impacting our net dollar retention rate, see "—Key Factors Affecting Our Performance—Net Dollar Retention Rate."

Income from operations for the three months ended June 30, 2022 decreased $42.9 million, or approximately 123.4%, to a loss from operations of $8.1 million compared to income from operations of $34.8 million for the three months ended June 30, 2021. Loss from operations as a percentage of revenues for the three months ended June 30, 2022 was (2.5)%, compared to income from operations of 13.4% for the three months ended June 30, 2021. The decrease was primarily driven by an increase in stock-based compensation of $46.8 million, as previously discussed.

Our effective tax rates for the three months ended June 30, 2022 and 2021 were (11.2)% and 36.3%, respectively. 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, offset by excess tax benefits on stock-based compensation. The change in the effective tax rate for the three months ended June 30, 2022 as compared to the prior year was primarily due to the non-deductibility of China SAFE RSUs, the unfavorable impact of valuation allowances on deferred tax assets of select foreign operations, and the non-deductibility of executive compensation expense in compliance with §162(m) of the Internal Revenue Code. The negative effective tax rate for the three months ended June 30, 2022 is a result of the aforementioned unique net unfavorable items when compared to the pre-tax loss recorded for the quarter.

Net income for the three months ended June 30, 2022 decreased $48.1 million to a loss position of $30.0 million compared to net income of $18.2 million for the three months ended June 30, 2021. The decrease was driven by an increase in stock-based compensation of $46.8 million.

Summary Comparison of Six Months Ended June 30, 2022 with the Six Months Ended June 30, 2021

Revenues for the six months ended June 30, 2022 increased $155.0 million, or 31.1%, to $653.0 million, compared to $498.1 million for the six months ended June 30, 2021. The increase in revenues was driven by higher demand for services as clients execute on their digital transformation strategies. The majority of our revenues are generated from existing clients or those expanding their usage of our services. Revenue recognized from our existing client base was approximately 92.1% for the six months ended June 30, 2022 and approximately 90.4% for the six months ended June 30, 2021, with the remainder of our revenue attributable to new clients.

Income from operations for the six months ended June 30, 2022 decreased $134.9 million, or approximately 202.0%, to a loss from operations of $(68.1) million compared to income from operations of $66.8 million for the six months ended June 30, 2021. Loss from operations as a percentage of revenues for the six months ended June 30, 2022 was (10.4)%, compared to income from operations of 13.4% for the six months ended June 30, 2021. The decrease was primarily driven by an increase in stock-based compensation of $165.7 million, as previously discussed.

Our effective tax rates for the six months ended June 30, 2022 and 2021 were (3.8)% and 28.9%, respectively. 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, offset by excess tax benefits on stock-based compensation. The change in the effective tax rate for the six months ended June 30, 2022 as compared to the prior year was primarily due to the non-deductibility of China SAFE RSUs, the unfavorable impact of valuation allowances on deferred tax assets of select foreign operations and the non-deductibility of executive compensation expense in compliance with §162(m) of the Internal Revenue Code. The negative effective tax rate for the six months ended June 30, 2022 is a result of the aforementioned unique net unfavorable items when compared to the pre-tax loss recorded for the period.

Net income for the six months ended June 30, 2022 decreased $126.6 million to a net loss of $(89.9) million compared to net income of $36.7 million for the six months ended June 30, 2021. The decrease in net income was driven by an increase in stock-based compensation of $165.7 million, which includes $47.7 million related to the approval of China SAFE during the first quarter of 2022.

Revenues

We continue to expand our international presence and nearshore capabilities in different geographies. For the three and six months ended June 30, 2022, total revenues grew 27.5% and 31.1%, respectively, to $332.1 million and $653.0 million, respectively, compared to the same periods in the prior year. The increase in revenues was attributable to continued strong demand for our services, including strong growth across geographies and verticals, and expansion in our top fifty clients. In addition, the increase is driven by an increase in headcount and our differentiated value proposition and premium services driving a higher bill rate. This was partially offset by decreased utilization.

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,			
	2022		2021		2022		2021	
Technology and business services	$95,247	28.6%	$69,930	26.9%	$180,596	27.6%	$136,140	27.3%
Energy, public and health services	76,605	23.1%	70,245	27.0%	153,715	23.5%	133,909	26.9%
Retail and consumer	62,628	18.9%	47,790	18.3%	125,063	19.2%	88,923	17.9%
Financial services and insurance	59,671	18.0%	40,855	15.7%	118,135	18.1%	75,109	15.0%
Automotive, travel and transportation	37,956	11.4%	31,612	12.1%	75,538	11.6%	64,013	12.9%
Total revenues	$332,107	100.0%	$260,432	100.0%	$653,047	100.0%	$498,094	100.0%

During the three months ended June 30, 2022, we continued to see a strong demand environment and sustained revenue growth in the financial services and insurance, technology and business services and retail and consumer industry verticals which grew by 46.1%, 36.2% and 31.0%, respectively, compared to the three months ended June 30, 2021.

During the six months ended June 30, 2022, we continued to sustain revenue growth across the financial services and insurance, retail and consumer and technology and business services industry verticals which grew by 57.3%, 40.6% and 32.7%, respectively, compared to the six months ended June 30, 2021.

Revenues by Customer Location

Our revenues are sourced from four geographic markets: North America, APAC, Europe and 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.

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,			
	2022		2021		2022		2021	
North America	$131,486	39.6%	$97,391	37.4%	$253,435	38.8%	$187,185	37.6%
APAC	109,674	33.0%	89,581	34.4%	211,880	32.5%	162,171	32.5%
Europe	76,603	23.1%	62,840	24.1%	159,529	24.4%	126,955	25.5%
LATAM	14,344	4.3%	10,620	4.1%	28,203	4.3%	21,783	4.4%
Total revenues	$332,107	100.0%	$260,432	100.0%	$653,047	100.0%	$498,094	100.0%

For the three and six months ended June 30, 2022, we had revenue growth of 35.0% and 35.4%, respectively, in North America, with the United States contributing revenues of $123.5 million and $238.6 million, respectively, compared to $92.6 million and $178.5 million, respectively, for the same periods in 2021. The largest client demand came from the energy, public and health services vertical followed by the technology and business services industry vertical which was primarily driven by our clients executing on their digital transformation strategies. Further, our ability to retain existing clients and increase the level of services we provide resulted in incremental revenue expansion.

For the three and six months ended June 30, 2022, we had revenue growth of 22.4% and 30.7%, respectively, in APAC where the top revenue contributing customer location country was Australia with revenues of $39.8 million and $76.1 million, respectively, compared to $26.2 million and $52.7 million, respectively, for the same periods in 2021. The largest client demand came from the technology and business services industry vertical driven by increased client demand on digital transformation projects.

For the three months ended June 30, 2022, we had revenue growth of 21.9% in Europe where the top revenue contributing customer location country was Germany with revenues of $30.3 million compared to $28.1 million, respectively, for the same period in 2021. For the six months ended June 30, 2022, we had revenue growth of 25.7% in Europe where the top revenue contributing customer location country was the United Kingdom with revenues of $70.3 million compared to $53.5 million for the same period in 2021. The largest client demand came from our automotive, travel and transportation industry vertical where certain automotive manufacturers and service providers continued to focus on digital transformation.

For the three and six months ended June 30, 2022, we had revenue growth of 35.1% and 29.5%, respectively, in LATAM, compared to the same periods in 2021 with Brazil being our largest customer location. The largest client demand came from our retail and consumer vertical where our clients continued to focus on digital transformation.

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,			
	2022		2021		2022		2021	
Top five clients	$50,749	15.3%	$46,614	17.9%	$98,869	15.1%	$90,804	18.2%
Top ten clients	$83,769	25.2%	$75,520	29.0%	$166,504	25.5%	$145,388	29.2%
Top fifty clients	$219,541	66.1%	$189,385	72.7%	$428,385	65.6%	$362,281	72.7%

For the three and six months ended June 30, 2022, revenues from our top five, ten and fifty clients experienced strong but slower growth compared to our year-over-year growth rate of 27.5% and 31.1%, respectively. We continued to focus on opportunities with new and existing clients and further diversify our business. For the three months ended June 30, 2022, 11.1% of revenues came from new clients and 88.9% of revenues from existing clients, representing increases of 39.9% and 26.1% in revenues from new and existing clients, respectively. For the six months ended June 30, 2022, 7.9% of revenues came from new clients and 92.1% of revenues from existing clients, representing increases of 8.3% and 33.6% in revenues from new and existing clients, respectively.

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 $1,454 million and $1,112 million for the trailing twelve months ended June 30, 2022 and 2021, respectively.

Cost of Revenues

	Three Months Ended June 30,			**Six Months Ended June 30,**		
	2022	**2021**	**% Change**	**2022**	**2021**	**% Change**
(in thousands, except percentages)						
Cost of revenues	$239,741	$152,311	57.4%	$503,090	$287,102	75.2%

During the three and six months ended June 30, 2022, cost of revenues (including stock-based compensation) increased by $87.4 million, or 57.4%, and $216.0 million, or 75.2%, respectively, compared to the three and six months ended June 30, 2021. The increases were primarily driven by an increase in stock-based compensation expense of $36.3 million and $119.0 million, respectively, and an increase in payroll and benefit expenses of $45.0 million and $87.3 million, respectively, due to higher headcount as we invested in additional talent to support growth. The increase in payroll and benefit expenses was also due to pay increases in the second quarter of 2022. This was partially offset by improved mix due to geography and increased staffing leverage.

Gross Profit and Gross Margin

	Three Months Ended June 30,			**Six Months Ended June 30,**		
	2022	**2021**	**% Change**	**2022**	**2021**	**% Change**
(in thousands, except percentages)						
Gross profit	$92,366	$108,121	(14.6)%	$149,957	$210,992	(28.9)%
Gross margin	27.8%	41.5%		23.0%	42.4%	

Our gross margin decreased by 13.7 percentage points for the three months ended June 30, 2022 compared to the three months ended June 30, 2021 and 19.4 percentage points for the six months ended June 30, 2022 compared to the six months ended June 30, 2021 primarily due to an increase in stock-based compensation of $36.3 million and $119.0 million, respectively, and a decrease in utilization. This was partially offset by revenue growth from increased demand for our services.

Selling, General and Administrative Expenses

	Three Months Ended June 30,			Six Months Ended June 30,		
	2022	2021	% Change	2022	2021	% Change
(in thousands, except percentages)						
Selling, general and administrative expenses	$96,294	$68,831	39.9%	$208,028	$135,347	53.7%

For the three months ended June 30, 2022, SG&A expenses increased 39.9% compared to the three months ended June 30, 2021. The increase was primarily due to increases in stock-based compensation expense of $10.5 million, payroll expenses (excluding stock-based compensation) of $5.2 million and bad debt expense of $2.5 million.

For the six months ended June 30, 2022, SG&A expenses increased 53.7% compared to the six months ended June 30, 2021. The increase was driven by increases in stock-based compensation expense of $46.7 million, payroll expenses (excluding stock-based compensation) of $13.2 million, facility expenses of $4.0 million, partially offset by a decrease in acquisition-related retention payments of $6.2 million.

Depreciation and Amortization

	Three Months Ended June 30,			Six Months Ended June 30,		
	2022	2021	% Change	2022	2021	% Change
(in thousands, except percentages)						
Depreciation and amortization	$4,215	$4,488	(6.1)%	$10,061	$8,834	13.9%

There were no material changes in depreciation and amortization for the three and six months ended June 30, 2022 as compared to the three and six months ended June 30, 2021.

Interest Expense

	Three Months Ended June 30,			Six Months Ended June 30,		
	2022	2021	% Change	2022	2021	% Change
(in thousands, except percentages)						
Interest expense	$4,984	$7,388	(32.5)%	$9,631	$13,582	(29.1)%

Interest expense is primarily related to our Term Loan and Revolver. The decrease for the three and six months ended June 30, 2022 compared to the three and six months ended June 30, 2021 was primarily due to decreased borrowings under our Credit Agreement.

Income Tax Expense

	Three Months Ended June 30,			Six Months Ended June 30,		
	2022	2021	% Change	2022	2021	% Change
(in thousands, except percentages)						
Income tax expense	$3,020	$10,339	(70.8)%	$3,321	$14,962	(77.8)%

The Company’s income tax expense decreased by $7.3 million and $11.6 million for the three and six months ended June 30, 2022, respectively, as compared to the three and six months ended June 30, 2021 primarily due to the pre-tax loss recorded for the periods from IPO related stock-based compensation and related excess tax benefits on stock-based compensation, offset by the non-deductibility of China SAFE RSUs, the unfavorable impact of valuation allowances on deferred tax assets of select foreign operations and the non-deductibility of executive compensation expense in compliance with §162(m) of the Internal Revenue Code.

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 2021 *Annual Report*.

Non-GAAP Financial Measures

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

We define Adjusted EBITDA as net (loss) income adjusted to exclude income tax expense, interest expense, other expense (income), net, unrealized (gain) loss on foreign currency exchange, stock-based compensation expense, employer payroll related expense on employee equity incentive plan, depreciation and amortization expense, acquisition costs, certain professional fees that are considered unrelated to our ongoing revenue-generating operations, tender offer compensation expense that is considered one-time in nature, IPO-related costs and final tax assessment for closed operations. Adjusted EBITDA Margin is calculated by dividing Adjusted EBITDA by total revenues.

We use Adjusted EBITDA, Adjusted EBITDA Margin and Adjusted Net 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 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 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 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 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 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 expense for our business and an important part of our compensation strategy;
- Adjusted Net 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 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 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 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 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,	
	2022	2021	2022	2021
Net (loss) income	$ (29,992)	$ 18,152	$ (89,896)	$ 36,737
Unrealized foreign exchange losses (gains)	15,354	(1,410)	9,507	2,519
Stock-based compensation	55,186	8,362	175,922	10,236
Amortization of acquisition-related intangibles	3,303	3,052	6,295	6,033
Acquisition costs (a)	1,282	1,083	1,302	7,486
Certain professional fees (b)	63	198	866	1,846
Non-recurring tender offer compensation expense (c)	—	1	—	2,715
IPO-related costs (d)	—	32	—	1,075
Employer payroll related expense on employee equity incentive plan (e)	(125)	—	3,497	—
Final tax assessment for closed operations (f)	258	—	258	—
Change in fair value of contingent consideration (g)	528	—	528	—
Income tax effects of adjustments (h)	(8,849)	(5,124)	(27,279)	(9,222)
Adjusted Net Income	$ 37,008	$ 24,346	$ 81,000	$ 59,425

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Net (loss) income	$ (29,992)	$ 18,152	$ (89,896)	$ 36,737
Income tax expense	3,020	10,339	3,321	14,962
Interest expense	4,984	7,388	9,631	13,582
Other expense (income), net	413	(83)	325	(144)
Unrealized foreign exchange losses (gains)	15,354	(1,410)	9,507	2,519
Stock-based compensation	55,186	8,362	175,922	10,236
Depreciation and amortization	8,074	7,157	16,656	14,041
Acquisition costs (a)	1,282	1,083	1,302	7,486
Certain professional fees (b)	63	198	866	1,846
Non-recurring tender offer compensation expense (c)	—	1	—	2,715
IPO-related costs (d)	—	32	—	1,075
Employer payroll related expense on employee equity incentive plan (e)	(125)	—	3,497	—
Final tax assessment for closed operations (f)	258	—	258	—
Adjusted EBITDA	$ 58,517	$ 51,219	$ 131,389	$ 105,055
Net (loss) income margin	(9.0)%	7.0 %	(13.8)%	7.4 %
Adjusted EBITDA Margin	17.6 %	19.7 %	20.1 %	21.1 %

(a) Reflects costs for certain professional fees and retention wage expenses related to certain acquisitions.
(b) Adjusts for certain transaction expenses, non-recurring legal expenses, and one-time professional fees.
(c) Adjusts for the additional compensation expense related to the tender offer completed in the first quarter of 2021.
(d) Adjusts for IPO-readiness costs and expenses that do not qualify as equity issuance costs.
(e) We exclude 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.
(f) Adjusts for certain tax related expenses related to final tax assessments from closing operations in Uganda, which was completely shut down in 2015.
(g) Adjusts for the non-cash adjustment to the fair value of contingent consideration.
(h) Adjusts for the income tax effects of the foregoing adjusted items.

Liquidity and Capital Resources

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

	June 30, 2022	December 31, 2021
Cash and cash equivalents	$ 274,527	$ 368,209
Availability under Revolver	165,000	165,000
Borrowings under Revolver	—	—
Long-term debt, including current portion (1)	501,343	504,530

(1) The balance includes deferred financing fees. A reconciliation of gross to net amounts is presented in Note 9, *Credit Agreements*. Subsequent to June 30, 2022, we made a voluntary prepayment of $100.0 million on outstanding amounts owed on the term loan. See Note 11, *Subsequent Events*, to our condensed consolidated financial statements.

Our cash generated from operations and financing activities 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, 2022, our principal sources of liquidity were cash and cash equivalents of $274.5 million and $165.0 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 14, *Credit Agreements*, in the notes to our consolidated financial statements included in the 2021 Annual Report for a discussion of our Term Loan and Revolver. As of June 30, 2022, we had $506.1 million outstanding under our Term Loan with an interest rate of 4.42% and no borrowings outstanding under the Revolver. On July 21, 2022, we made a voluntary prepayment of $100.0 million on outstanding amounts owed on the term loan.

Borrowings under the Credit Agreement are guaranteed by substantially all the Borrowers' direct and indirect wholly owned material domestic subsidiaries subject to customary exceptions (the "Guarantors" and together with the Borrowers and Holdings, the "Loan Parties"). The obligations under the Credit Agreement and the guarantees of the Guarantors are secured by substantially all of the Loan Parties' assets, subject to customary exceptions and thresholds.

Borrowings under the Term Loan bear interest at a rate per annum equal to an applicable margin plus either (a) a base rate or (b) a LIBOR rate, at our option, subject to interest rate floors. Borrowings under the Revolver bear interest at a rate per annum equal to an applicable margin plus either (x) a base rate or (y) a LIBOR rate at our option. In addition to paying interest on outstanding borrowings under the Revolver, we are 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 applicable margins in respect of both the Term Loan and the Revolver are subject to adjustments based on our first lien leverage ratios and corporate family ratings. In the first quarter of 2022, the interest rate applicable to our Term Loan and our Revolver was permanently reduced by 25 basis points.

The Credit Agreement requires compliance with certain covenants customary for agreements of this type. As of June 30, 2022, 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,	
	2022	**2021**
Net cash provided by (used in):		
Operating activities	$ 21,477	$ 60,296
Investing activities	(77,602)	(58,390)
Financing activities	(54,199)	(250,693)
Effect of exchange rate changes on cash and cash equivalents	(8,884)	(662)
Net decrease in cash and cash equivalents	$ (119,208)	$ (249,449)

Operating Activities

Net cash provided by operating activities during the six months ended June 30, 2022 was $21.5 million compared to $60.3 million for the comparable period in 2021. The decrease in cash provided was primarily due to an increase in trade receivables and unbilled receivables as a result of increased revenue in the six months ended June 30, 2022 compared to the six months ended June 30, 2021 and a decrease in accrued expenses and other liabilities driven by the payment of bonus, annual wage payment and commissions, partially offset by a decrease in prepaid expenses and other assets.

Investing Activities

Net cash used in investing activities during the six months ended June 30, 2022 was $77.6 million compared to $58.4 million in the same period in 2021. The increase was primarily attributable to the acquisition of Connected in the second quarter of 2022.

Financing Activities

Net cash used in financing activities during the six months ended June 30, 2022 was $54.2 million driven by withholding taxes paid related to the following: net share settlement on equity awards of $29.0 million, tender offer of $15.5 million and dividends previously declared of $10.0 million.

Net cash used in financing activities of $250.7 million during the six months ended June 30, 2021 was primarily attributable to the repurchase of shares and vested options from our securityholders using the proceeds from the issuance of $720.0 million of preferred stock, partially offset by proceeds from an increase in our term loan which were subsequently used to pay a dividend to our securityholders in April 2021.

Contractual Obligations and Future Capital Requirements

Contractual Obligations

We recorded an acquisition purchase price liability of $14.0 million for contingent consideration related to the acquisition of Connected which is expected to be paid in the second quarter of 2023. The fair value of the liability as of June 30, 2022 is $14.4 million.

Refer to Note 3, Acquisitions, and Note 7, *Leases,* of the notes to our condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report for further detail regarding the aforementioned contingent consideration and additional information related to our lease commitments.

There were no other material changes in our contractual obligations and commitments during the six months ended June 30, 2022 from the contractual obligations and commitments disclosed in the 2021 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. 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.

There have been no 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 2021 Annual Report.

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 2021 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 in the 2021 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 2021 Annual Report.

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 2022.

Item 3. *Defaults Upon Senior Securities*

None.

Item 4. *Mine Safety Disclosures*

Not Applicable.

Item 5. *Other Information*

None.

Item 6. *Exhibits*

Exhibit Number	Description
10.1+*	Form of Performance Share Unit Agreement
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 15, 2022

THOUGHTWORKS HOLDING, INC.

By: /s/ Guo Xiao

Guo Xiao

Chief Executive Officer and Director

(Principal Executive Officer)

By: /s/ Erin Cummins

Erin Cummins

Chief Financial Officer

(Principal Financial Officer and Principal Accounting Officer)

Exhibit 10.1

THOUGHTWORKS HOLDING, INC.
PERFORMANCE SHARE UNIT NOTICE
(2021 OMNIBUS INCENTIVE PLAN)

Thoughtworks Holding, Inc. (the "***Company***"), pursuant to its 2021 Omnibus Incentive Plan (the "***Plan***"), hereby grants to Participant an Award of Performance Share Units ("***PSUs***") for the target number of shares of Stock set forth below (the "***Award***"). The Award is subject to all of the terms and conditions as set forth in this Performance Share Unit Notice (this "***Grant Notice***") and in the PSU Agreement, including the additional terms and conditions for certain countries, as set forth in the appendix attached thereto (attached hereto as Attachment I) and the Plan, both of which are incorporated herein in their entirety. Capitalized terms not otherwise defined herein but defined in the Plan or the PSU Agreement will have the same meaning as in the Plan or the PSU Agreement, as applicable. If there is any conflict between the terms in this Grant Notice and the Plan, the terms of the Plan will control.

Name of Participant:	
Date of Grant:	
Target Number of Shares of Stock Subject to the Award ("***Target PSUs***"):	
Vesting Date	
Performance Period	

Issuance Schedule: Subject to any adjustment as provided in Section 10(a) of the Plan, one (1) share of Stock will be issued for each PSU that vests, with the time of issuance set forth in Section 6 of the PSU Agreement.

Additional Terms/Acknowledgements: Participant acknowledges receipt of, and understands and agrees to, this Grant Notice, the PSU Agreement and the Plan. Participant acknowledges and agrees that this Grant Notice and the PSU Agreement may not be modified, amended or revised except as provided in the Plan. Participant further acknowledges that, as of the Date of Grant, this Grant Notice, the PSU Agreement and the Plan set forth the entire agreement and understanding between Participant and the Company regarding the acquisition of Stock pursuant to the Award specified above and supersede all prior oral and written agreements, promises and/or representations on that subject, with the exception of (i) Awards previously granted and delivered to Participant, and (ii) any compensation recovery policy that is adopted by the Company or is otherwise required by applicable law. By accepting this Award, Participant consents to receive such documents by electronic delivery and to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

Thoughtworks Holding, Inc. By:	**Participant:**
Signature Title:	Signature Date:
Date:	

ATTACHMENTS: PSU Agreement; Performance-Vesting Conditions

ATTACHMENT I

THOUGHTWORKS HOLDING, INC.
2021 OMNIBUS INCENTIVE PLAN

PSU AGREEMENT

Pursuant to the Performance Share Unit Notice (the "***Grant Notice***") and this PSU Agreement, including the additional terms and conditions for certain countries, as set forth in the appendix attached hereto (this "***Agreement***"), Thoughtworks Holding, Inc. (the "***Company***") has granted you an Award of PSUs under its 2021 Omnibus Incentive Plan (the "***Plan***"), with respect to the target number of shares of Stock indicated in the Grant Notice. Capitalized terms not explicitly defined in this Agreement or in the Grant Notice but defined in the Plan will have the same meaning as in the Plan.

If there is any conflict between the terms in this Agreement and the Plan, the terms of the Plan will control. The details of your Award of PSUs (this or your "***Award***"), in addition to those set forth in the Grant Notice and the Plan, are as follows:

1. Grant of the Award. This Award represents the right to be issued, on a future date, one (1) share of Stock for each PSU that vests on the Vesting Date (subject to any adjustment under Section 3 below), as indicated in the Grant Notice. Each PSU is a notional unit that represents the right to receive one (1) share of Stock following the vesting of such PSU and satisfaction of the other requirements contained herein. As of the Date of Grant, the Company will credit to a bookkeeping account maintained by or on behalf of the Company for your benefit (the "Account") the number of shares of Stock subject to the Award. This Award was granted in consideration of your services to the Company. Notwithstanding the foregoing, if you are employed and/or reside outside of the United States, the Company will require you to sell shares of Stock issued upon settlement of the PSUs immediately or within a specified period following your Termination, and you hereby agree that the Company shall have the authority to issue sale instructions in relation to such shares of Stock on your behalf; provided, that, the Company, in its sole discretion, may elect to provide for the settlement of the PSUs in the form of a cash payment (in an amount equal to the Fair Market Value of the shares of Common Stock that correspond to the vested PSUs) to the extent that settlement in shares of Stock (a) is prohibited under local law, (b) would require you, or the Company or any of its Affiliates to obtain the approval of any governmental or regulatory body in your country of employment and/or residency, (c) would result in adverse tax consequences for you or the Company or any of its Affiliates or (d) is administratively burdensome.

2. Vesting. Subject to the limitations contained herein, your Award will vest as provided in your Grant Notice and Attachment II. You will be unable to vest in your Award following your Termination. Upon your Termination, the PSUs credited to the Account that were not vested on the date of such Termination will be forfeited at no cost to the Company, and you will have no further right, title or interest in or to such underlying shares of Stock.

3. Number of Shares. The number of shares of Stock subject to your Award may be adjusted from time to time for capitalization adjustments, as provided in the Plan. Any additional PSUs, shares, cash or other property that becomes subject to the Award pursuant to this Section 3, if any, shall be subject, in a manner determined by the Committee, to the same forfeiture restrictions, restrictions on transferability and time and manner of delivery as applicable to the other PSUs covered by your Award. Notwithstanding the provisions of this Section 3, no fractional shares or rights for fractional shares of Stock shall be created pursuant to this Section 3. Any fraction of a share will be rounded down to the nearest whole share.

4. Securities Law Compliance. You may not be issued any shares of Stock under your Award unless the shares of Stock underlying the PSUs are then registered under the Securities Act or, if not registered, the Company has determined that such issuance of the shares would be exempt from the registration requirements of the Securities Act. The issuance of shares of Stock must also comply with all other applicable laws and regulations governing the Award and the Company's policies, and you shall not receive such Stock if the Company determines that such receipt would not be in material compliance with such laws, regulations or Company policies, if applicable.

5. **Transfer Restrictions.** Prior to the time that shares of Stock have been delivered to you, you may not transfer, pledge, sell or otherwise dispose of this Award or the shares issuable in respect of your Award, except that, upon receiving written permission from the Committee or its duly authorized designee, you may, by delivering written notice to the Company, in a form approved by the Company, designate a third party who, on your death, will thereafter be entitled to receive the shares issuable in respect of your Award, and in the absence of such a designation, your executor or administrator of your estate will be entitled to receive any Stock or other consideration that vested but was not issued before your death. For example, you may not use shares that may be issued in respect of your PSUs as security for a loan. The restrictions on transfer set forth herein will lapse upon delivery to you of shares in respect of your vested PSUs.

6. **Date of Issuance.** The issuance of shares in respect of the PSUs is intended to comply with Treasury Regulation Section 1.409A-1(b)(4) and will be construed and administered in such a manner. The Company shall issue to you one (1) share of Stock (or, pursuant to Section 1 above, the equivalent value in cash) for each PSU that vests, if any, as soon as practicable on or following the Vesting Date (subject to any adjustment under Section 3 above) and in any event no later than March 15th of the calendar year immediately following the calendar year in which the Vesting Date occurs. The form of delivery (e.g., a stock certificate or electronic entry evidencing such shares) shall be determined by the Company.

7. **Dividends.** If, after the Date of Grant and prior to settlement of the PSUs, dividends with respect to shares of Stock are declared or paid by the Company, you shall be entitled to receive Dividend Equivalents with respect to each such unsettled PSU, in an amount, without interest, equal to the cumulative dividends declared or paid on one (1) share of Stock during such period, if any, to the extent such PSU vests in accordance with the terms and conditions of the Grant Notice and this Agreement. The Dividend Equivalents will be paid on the date of settlement of the underlying PSU, in cash or shares of Stock, as determined by the Company in its sole discretion. If the underlying PSU is forfeited or canceled prior to the applicable date of settlement for any or no reason, any accrued and unpaid Dividend Equivalents related to such forfeited or canceled PSU shall be forfeited and canceled.

8. **Restrictive Legends.** The shares of Stock issued under your Award shall be endorsed with appropriate legends, if applicable, as determined by the Company.

9. **Nature of Grant.** In accepting the PSUs, you acknowledge and agree that:

a. the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company, in its sole discretion, at any time (subject to any limitations set forth in the Plan);

b. the grant of the PSUs is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of PSUs, or benefits in lieu of PSUs, even if PSUs or other awards have been granted in the past

c. all decisions with respect to future awards, if any, will be at the sole discretion of the Company;

d. your participation in the Plan is voluntary;

e. the PSUs and your participation in the Plan shall not create a right to employment or be interpreted as forming an employment or service contract with the Company or any of its Affiliates and shall not interfere with the ability of the Service Recipient to terminate your employment or service relationship (as otherwise may be permitted under local law);

f. unless otherwise agreed with the Company, the PSUs and any shares of Stock acquired upon settlement of the PSUs, and the income from and value of the same, are not granted as consideration for, or in connection with, any service you may provide as a director of any Affiliate;

g. the PSUs and any shares of Stock acquired under the Plan and the income and value of the same, are not part of normal or expected compensation for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, holiday pay, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company any of its Affiliates;

h. the future value of the shares of Stock underlying the PSUs is unknown, indeterminable, and cannot be predicted with certainty;

i. no claim or entitlement to compensation or damages shall arise from forfeiture of the PSUs resulting from your Termination (for any reason whatsoever and whether or not in breach of local labor laws or later found invalid) and, in consideration of the PSUs, you agree not to institute any claim against the Company or the Service Recipient;

j. for purposes of the PSUs, your employment will be considered terminated as of the date you are no longer actively providing service (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are providing service or the terms of your employment or service agreement, if any), and unless otherwise determined by the Company, the Participant's right to vest in the PSUs will terminate as of such date and will not be extended by any notice period (e.g., your period of service would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where you are providing service or the terms of your employment or service agreement, if any); the Committee or its delegate shall have the exclusive discretion to determine when you are no longer actively providing service for purposes of the Award (including whether you may still be considered to be providing service while on a leave of absence);

k. the PSUs and the benefits evidenced by this Agreement do not create any entitlement not otherwise specifically provided for in the Plan or provided by the Company in its discretion, to have the PSUs or any such benefits transferred to, or assumed by, another company, nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the shares of Stock; and

l. if your local currency is different than the U.S. dollar, neither the Company nor any of its Affiliates shall be liable for any foreign exchange rate fluctuation between the your local currency and the U.S. dollar that may affect the value of the PSUs or any amounts due to you pursuant to the settlement of the PSUs or the subsequent sale of any shares of Stock acquired upon settlement of the PSUs.

10. Tax-Related Items.

a. You acknowledge and agree that, regardless of any action taken by the Company or, if different, the Service Recipient, the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to your participation in the Plan and legally applicable or deemed applicable to you even if technically due by the Company or an Affiliate ("***Tax-Related Items***") is and remains your responsibility and may exceed the amount, if any, actually withheld by the Company or the Service Recipient. You further acknowledge that the Company and/or the Service Recipient (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the PSUs or the underlying shares of Stock, including, but not limited to, the grant, vesting or settlement of the PSUs, the subsequent sale of shares of Stock acquired pursuant to such settlement and the receipt of any dividends and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the PSUs to reduce or eliminate your liability for Tax-Related Items or achieve any particular tax result. You will not make any claim against the Company, or any of its officers, directors, employees or Affiliates, related to liabilities for

Tax-Related Items arising from your Award or your other compensation. If you are subject to Tax-Related Items in more than one jurisdiction, you acknowledge that the Company and/or the Service Recipient may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

b. To the extent that Tax-Related Items are payable, the Company shall, in its sole discretion, elect to satisfy all or any portion of the Tax-Related Items relating to your Award by any of the following means or by a combination of such means: (i) withholding from any compensation otherwise payable to you by the Company or an Affiliate; (ii) causing you to tender a cash payment; (iii) withholding shares of Stock from the shares of Stock issued or otherwise issuable to you in connection with the Award with an aggregate Fair Market Value (measured as of the date shares of Stock are issued to pursuant to Section 6) approximately equal to the amount of such Tax-Related Items; *provided*, that, to the extent necessary to qualify for an exemption from application of Section 16(b) of the Exchange Act, if applicable, such share withholding procedure will be subject to the express prior approval of the Committee; (iv) require you to enter into a "same day sale" commitment, whereby you shall deliver an irrevocable direction to a securities broker (on a form prescribed by the Committee) to sell a requisite number of shares of Stock and deliver all or part of the sale proceeds to the Company and/or its Affiliates in payment of the amount necessary to satisfy the Tax Related Items; or (v) such other arrangements as are satisfactory to the Committee and would not result in a violation of Section 16(b) of the Exchange Act, if applicable. If the obligation for Tax-Related Items is satisfied through withholding shares of Stock from the shares of Stock issued or otherwise issuable to you in connection with the Award, for tax purposes, you are deemed to have been issued the full number of shares of Stock subject to the PSUs, notwithstanding that a number of shares of Stock are held back solely for the purpose of paying the Tax-Related Items. You will have no further rights with respect to any shares of Stock that are retained by the Company pursuant to this provision. Depending on the withholding method, the Company may withhold or account for Tax-Related Items by considering applicable statutory withholding rates (as determined by the Company in good faith and in its sole discretion) or other applicable withholding rates, including maximum applicable rates. In the event of over-withholding, you may receive a refund of any over-withheld amount in cash (with no entitlement to the equivalent in shares of Stock), or if not refunded, you may be able to seek a refund from the local tax authorities. In the event of under-withholding, you may be required to pay any additional Tax-Related Items directly to the applicable tax authority or to the Company and/or the Service Recipient. For the avoidance of doubt, you shall not have any discretion to elect a method of payment for Tax-Related Items.

c. Unless the obligations pertaining to Tax-Related Items are satisfied, the Company shall have no obligation to deliver to you any shares of Stock.

d. In the event the Company's or an Affiliate's obligation to withhold arises prior to the delivery to you of shares of Stock or it is determined after the delivery of shares of Stock to you that the amount of the Company's or an Affiliate's withholding obligations was greater than the amount withheld by the Company or an Affiliate, you agree to indemnify and hold the Company and its Affiliates harmless from any failure by the Company or an Affiliate to withhold the proper amount.

11. Notices. Any notices provided for in your Award or the Plan will be given in writing (including electronically) and will be deemed effectively given upon receipt or, in the case of notices delivered by mail by the Company to you, five (5) days after deposit in the United States mail, postage prepaid, addressed to you at the last address you provided to the Company. The Company may, in its sole discretion, decide to deliver any documents related to participation in the Plan and this Award by electronic means or to request your consent to participate in the Plan by electronic means. By accepting this Award, you consent to receive such documents by electronic delivery and to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

12. Unsecured Obligation. Your Award is unfunded, and as a holder of a vested Award, you shall be considered a general, unsecured creditor of the Company with respect to the Company's obligation, if any, to issue shares or other property pursuant to this Agreement.

13. Governing Plan Document. Your Award is subject to all the provisions of the Plan, the provisions of which are hereby made a part of your Award, and is further subject to all interpretations, amendments, rules and regulations which may from time to time be promulgated and adopted pursuant to the Plan. If there is any conflict between the provisions of your Award and those of the Plan, the provisions of the Plan will control. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE, USA. ANY DISPUTE, CONTROVERSY OR CLAIM BETWEEN YOU AND THE COMPANY ARISING OUT OF OR RELATED TO THIS AGREEMENT SHALL BE RESOLVED BY ARBITRATION IN ACCORDANCE WITH THE PROVISIONS RELATING TO ARBITRATION SET FORTH IN THE PLAN.

14. Appendix. Notwithstanding any provisions in this Agreement, the PSUs shall be subject to any additional or different terms and conditions set forth in the Appendix to this Agreement for certain country or countries (the "***Appendix***"). Moreover, if you relocate to any country included in the Appendix, the special terms and conditions for such country will apply to you, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons or the Company may establish additional terms to facilitate your relocation. The Appendix constitutes part of this Agreement.

15. Clawback/Recoupment Policy. Your Award (and any compensation paid or shares issued under your Award) is subject to recoupment in accordance with The Dodd-Frank Wall Street Reform and Consumer Protection Act and any implementing regulations thereunder, any other clawback policy adopted by the Company and any compensation recovery policy otherwise required by applicable law.

16. Other Documents. You hereby acknowledge receipt of and the right to receive a document providing the information required by Rule 428(b)(1) promulgated under the Securities Act, which includes the Plan prospectus.

17. Effect on Other Employee Benefit Plans. The value of this Award will not be included as compensation, earnings, salaries or other similar terms used when calculating your benefits under any employee benefit plan sponsored by the Company or any Affiliate, except as such plan otherwise expressly provides. The Company expressly reserves its rights to amend, modify or terminate any of the Company's or any Affiliate's employee benefit plans.

18. Voting Rights. You will not have voting or any other rights as a stockholder of the Company with respect to the shares of Stock to be issued pursuant to this Award until such shares are issued to you. Upon such issuance, you will obtain full voting and other rights as a stockholder of the Company. Nothing contained in this Award, and no action taken pursuant to its provisions, will create or be construed to create a trust of any kind or a fiduciary relationship between you and the Company or any other person.

19. Severability. If all or any part of this Agreement or the Plan is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity will not invalidate any portion of this Agreement or the Plan not declared to be unlawful or invalid. Any Section of this Agreement (or part of such a Section) so declared to be unlawful or invalid shall, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.

20. Data Privacy. You acknowledge and accept consent to the collection, use and transfer, in electronic or other form, of personal data as described in Section 20(g) of the Plan (such Section 20(g) of the Plan is incorporated herein by reference and made a part hereof) by and among, as applicable, the Company, its Affiliates, third-party administrator(s) and other possible recipients for the exclusive purpose of implementing, administering and managing the Plan and Awards and your participation in the Plan.

21. Miscellaneous.

a. The rights and obligations of the Company under your Award will be transferable to any one or more persons or entities, and all covenants and agreements hereunder will inure to the benefit of, and be enforceable by, the Company's successors and assigns.

a. The Company reserves the right to impose other requirements on your participation in the Plan, on the Award, and on any shares of Stock acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

b. You acknowledge and agree that you have reviewed your Award in its entirety, have had an opportunity to obtain the advice of counsel prior to executing and accepting your Award and fully understand all provisions of your Award.

c. You acknowledge that a waiver by the Company of breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by you or any other participant.

d. This Agreement will be subject to all applicable laws, rules and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

e. By participating in the Plan, you agree to comply with the Company's policy on insider trading (to the extent that it is applicable to you). You further acknowledge that, depending on your or your broker's country of residence or where the shares of Stock are listed, you may be subject to insider trading restrictions and/or market abuse laws that may affect your ability to accept, acquire, sell or otherwise dispose of shares of Stock, rights to shares of stock (e.g., PSUs) or rights linked to the value of shares of Stock, during such times you are considered to have "inside information" regarding the Company as defined by the laws or regulations in your country. Local insider trading laws and regulations may prohibit the cancellation or amendment of orders you place before you possessed inside information. Furthermore, you could be prohibited from (i) disclosing the inside information to any third party (other than on a "need to know" basis) and (ii) "tipping" third parties or causing them otherwise to buy or sell securities. You understand that third parties include fellow employees. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. You acknowledge that it is your responsibility to comply with any applicable restrictions, and that you should therefore consult your personal advisor on this matter.

b. All obligations of the Company under the Plan and this Agreement will be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation or other acquisition of all or substantially all of the business and/or assets of the Company.

f. You agree to repatriate all payments attributable to the shares of Stock and/or cash acquired under the Plan in accordance with applicable foreign exchange rules and regulations in your country of employment (and country of residence, if different). In addition, you agree to take any and all actions, and consent to any and all actions taken by the Company and any of its Affiliates, as may be required to allow the Company and any of its Affiliates to comply with local laws, rules and/or regulations in your country of employment (and country of residence, if different). Finally, you agree to take any and all actions as may be required to comply with your personal obligations under local laws, rules and/or regulations in your country of employment (and country of residence, if different).

g. If you are employed or resident outside the United States, the grant of the Award is not intended to be a public offering of securities in your country of employment (or country of residence, if different). The Company has not submitted any registration statement, prospectus or other filings with the local securities authorities (unless otherwise required under local law), and the grant of the Award is not subject to the supervision of the local securities authorities.

h. If you are resident in a country where English is not an official language, you acknowledge and agree that it is your express intent that this Agreement and the Plan and all other documents, notices and legal proceedings entered into, given or instituted pursuant to the Award be drawn up in English. Further, you acknowledge that you are sufficiently proficient in English to understand the terms and conditions of this Agreement and any documents related to the Plan or have had the ability to consult with an advisor who is sufficiently proficient in the English language. If you have received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

*   *   *

This Agreement will be deemed to be signed by you upon the signing by you of the Performance Share Unit Notice to which it is attached.

ATTACHMENT II

THOUGHTWORKS HOLDING, INC.
2021 OMNIBUS INCENTIVE PLAN

PERFORMANCE-VESTING CONDITIONS

APPENDIX TO AGREEMENT

COUNTRY-SPECIFIC TERMS, CONDITIONS AND NOTIFICATIONS

Terms and Conditions

This Appendix includes additional terms and conditions that govern the PSUs granted to you under the Plan if you reside and/or work outside of the United States. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Grant Notice, the Plan and/or the Agreement to which this Appendix is attached.

If you are a citizen or resident of a country other than the one in which you are currently working and/or residing, transfer to another country after the Date of Grant, are a consultant, change employment status to a consultant, or are considered a resident of another country for local law purposes, the Company shall, in its discretion, determine the extent to which the terms and conditions contained herein shall be applicable to you.

Notifications

This Appendix also includes information regarding securities, tax, and certain other issues of which you should be aware with respect to participation in the Plan. The information is provided solely for your convenience and is based on the securities, tax, and other laws in effect in the respective countries as of **August 2021**. Such laws are often complex and change frequently. As a result, the Company strongly recommends that you not rely on the information noted herein as the only source of information relating to the consequences of participation in the Plan because the information may be out of date by the time you vest in or receives shares of Stock underlying the PSUs or sell any shares of Stock.

In addition, the information contained in this Appendix is general in nature and may not apply to your particular situation, and the Company is not in a position to assure you of any particular result. Accordingly, you should seek appropriate professional advice as to how the applicable laws in your country may apply to your situation.

Finally, you understand that if you are a citizen or resident of a country other than the one in which you are currently residing and/or working, transfer to another country after the Date of Grant, or are considered a resident of another country for local law purposes, the notifications contained herein may not be applicable to you in the same manner.

EUROPEAN UNION ("EU") / EUROPEAN ECONOMIC AREA ("EEA") AND THE UNITED KINGDOM

Data Privacy Notice. If you reside and/or work in the EU/EEA or the United Kingdom, the following provision replaces Section 20 of the Agreement:

The Company, with its principal office at 200 East Randolph Street, 25th Floor, Chicago, Illinois, United States of America, is the controller responsible for the processing of your personal data by the Company and the third parties noted below.

i. Data Collection, Processing and Usage. Pursuant to applicable data protection laws, you are hereby notified that the Company collects, processes and uses certain personal information about you for the legitimate purpose of implementing, administering and managing the Plan and generally administering PSUs, specifically your name, home address, email address and telephone number, date of birth, social security or insurance number, passport number or other identification number, salary, nationality, and any shares of Stock or directorships held in the Company, and details of the PSUs or any other entitlement to shares of Stock, canceled, exercised, vested, unvested or outstanding in your favor ("***Personal Data***"). In granting PSUs under the Plan, the Company will collect, process, use, disclose and transfer (collectively, "***Processing***") Personal Data for purposes of implementing, administering and managing the Plan. The Company's legal basis for the Processing of Personal Data is the Company's legitimate business interests of managing the Plan, administering PSUs and complying with its contractual and statutory obligations, as well as the necessity of the Processing for the Company to perform its contractual obligations under this Agreement and the Plan. Your refusal to provide Personal Data would make it impossible for the Company to perform its contractual obligations and may affect your ability to participate in the Plan. As such, by accepting the PSUs, you voluntarily acknowledge the Processing of your Personal Data as described herein.

j. Outside Service Providers. The Company and the Service Recipient may transfer Personal Data to UBS Financial Services Inc. and its affiliates, an independent service provider based in the United States of America (the "***Plan Broker***"), which assists the Company with the implementation, administration and management of the Plan. In the future, the Company may select a different service provider and share your Personal Data with another company that serves in a similar manner. The Processing of Personal Data will take place through both electronic and non-electronic means. Personal Data will only be accessible by those individuals requiring access to it for purposes of implementing, administering and operating the Plan. When receiving your Personal Data, if applicable, the Plan Broker provides appropriate safeguards in accordance with the Standard Contractual Clauses or other appropriate cross-border transfer solutions. By accepting the PSUs, you understand that the Plan Broker will Process your Personal Data for the purposes of implementing, administering and managing your participation in the Plan.

k. International Personal Data Transfers. The Plan and PSUs are administered in the United States of America, which means it will be necessary for Personal Data to be transferred to, and Processed in the United States of America. When transferring Personal Data to the United States of America, the Company provides appropriate safeguards in accordance with the Standard Contractual Clauses or other appropriate cross-border transfer solutions. You may request a copy of the appropriate safeguards with the Plan Broker or the Company by contacting your human resources representative.

l. Data Retention. The Company will use your personal data only as long as is necessary to implement, administer and manage your participation in the Plan or as required to comply with legal or regulatory obligations, including under tax, exchange control, securities, and labor laws. When the Company no longer needs Personal Data related to the Plan, the Company will remove it from its systems. If the Company keeps Personal Data longer, it would be to satisfy legal or regulatory obligations and the Company's legal basis would be for compliance with applicable law.

m. Data Subject Rights. To the extent provided by law, you have the right to (i) subject to certain exceptions, request access or copies of Personal Data the Company Processes, (ii) request rectification of incorrect Personal Data, (iii) request deletion of Personal Data, (iv) place restrictions on Processing of Personal Data, (v) lodge complaints with competent authorities in your country, and/or (vi) request a list with the names and addresses of any potential recipients of Personal Data. To receive clarification regarding your rights or to exercise your rights, you may contact your human resources representative. You also have the right to object, on grounds related to a particular situation, to the Processing of Personal Data, as well as opt-out of the Plan, in any case without cost, by contacting your human resources representative in writing. Your provision of Personal Data is a contractual requirement. You understand, however, that the only consequence of refusing to provide Personal Data is that the Company may not be able to administer the PSUs, or grant other awards or administer or maintain such awards. For more information on the consequences of the refusal to provide Personal Data, you may contact your human resources representative in writing.

AUSTRALIA

Tax Notification. The Plan is a plan to which Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth) (the "***Act***") applies (subject to conditions in the Act).

BRAZIL

1. **Compliance with Law.** By accepting the PSUs, you expressly agree to comply with applicable Brazilian laws and to pay any and all applicable taxes associated with the settlement of the PSUs, the receipt of any dividends, and the sale of any shares of Stock acquired under the Plan.

2. **Labor Law Acknowledgement.** You expressly agree that (a) the benefits provided under the Agreement and the Plan are the result of commercial transactions unrelated to your employment; (b) the Agreement and the Plan are not part of the terms and conditions of your employment; and (c) the income from the PSUs, if any, is not part of your remuneration from employment.

3. **Nature of Grant.** The following provision supplements Section 9 of the Agreement:

a. By accepting the PSUs, you agree that (a) you are making an investment decision; (b) the PSUs will vest only if the vesting conditions are met and any necessary services are rendered by you over the vesting period, and (c) the value of the shares of Stock subject to the PSUs is not fixed and may increase or decrease in value over the vesting period without compensation to you.

CANADA

Form of Settlement. Notwithstanding any provision in the Plan or Agreement to the contrary, the PSUs will be settled only in shares of Stock, not cash.

Securities Law Information. You acknowledge that you are permitted to sell shares of Stock acquired under the Plan through the designated broker, if any, provided the sale of such shares of Stock takes place outside of Canada through the facilities of a stock exchange on which the shares of Stock are listed.

Termination. The following provision replaces Section 9.j of the Agreement:

For purposes of the PSUs, your service is considered terminated as of the date you are no longer actually employed or otherwise rendering service to the Company or any Affiliate (regardless of the reason for such Termination and whether or not later found to be invalid or in breach of employment or other laws or the terms of your employment or service contract, if any). Unless otherwise extended by the Company or expressly provided in the Agreement, your right to vest in the PSUs, if any, will terminate effective as of such date (the "***Termination Date***"). The Termination Date will not be extended by any common law notice period. Notwithstanding the foregoing, however, if applicable employment standards legislation explicitly requires continued entitlement to vesting during a statutory notice period, your right to vest in the PSUs under the Agreement, if any, will be allowed to continue for that minimum notice period but then immediately terminate effective as of the last day of your minimum statutory notice period.

In the event the date you are no longer providing actual service cannot be reasonably determined under the terms of this Agreement and/or the Plan, the Company shall have the exclusive discretion to determine when you are no longer actively providing service for purposes of the PSUs (including whether you may still be considered to be providing service while on a leave of absence). Any portion of the PSUs that is not vested on the Termination Date shall terminate immediately and be null and void. Subject to the foregoing, unless the applicable employment standards legislation specifically requires, in your case, you will not earn or be entitled to any pro-rated vesting for that portion of time before the date on which your service is terminated (as determined under this provision), nor will you be entitled to any compensation for lost vesting.

4. **English Language Consent - Quebec.** The following provision applies to residents of Quebec:

The parties acknowledge that it is their express wish that the Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Les parties reconnaissent avoir expressément souhaité la rédaction en anglais du Contrat d'Attribution, ainsi que tous les documents exécutés, avis donnés et procédures judiciaires intentées, en vertu du, ou liés directement ou indirectement, au présent Contrat d'Attribution.

CHILE

5. **Securities Law Information.**

b. The offer deals with securities not registered in the Registry of Securities or in the Registry of Foreign securities of the Chilean Commission for the Financial Market, and therefore:

a. The securities shall not be subject to public offering in Chile; and
b. The issuer is not subject to the oversight of the Chilean Commission for the Financial Market nor to the continual information obligations that Chilean law and regulations require from registered issuers.

c. *La oferta trata sobre valores no inscritos en el Registro de Valores ni en el Registro de Valores Extranjeros que lleva la Comisión para el Mercado Financiero de Chile y, por tanto:*

a. *No podrá hacerse oferta pública en Chile de esos valores; y*
b. *El emisor no está sometido a la fiscalización de la Comisión para el Mercado Financiero de Chile ni a las obligaciones de información continua que, por ley y normativa, se exige a los emisores inscritos.*

CHINA

The following provisions govern your participation in the Plan if you are a national of the People's Republic of China ("China") resident in mainland China, as determined by the Company in its sole discretion. Such provisions may also apply to non-PRC nationals, to the extent required by the Company or by the China State Administration of Foreign Exchange ("SAFE").

Exchange Control Approval. The vesting of the PSUs is conditioned upon the Company securing all necessary approvals from the SAFE to permit operation of the Plan.

Shares of Stock Must Be Held with Designated Broker. All shares of Stock issued upon settlement of the PSUs will be deposited into a personal brokerage account established with the Company's designated broker (or any successor broker designated by the Company), on your behalf. You understand that you may not transfer the shares of Stock out of the brokerage account. If the Company changes its designated broker, you acknowledge and agree that the Company may transfer any shares of Stock issued under the Plan to the new designated broker if necessary for legal or administrative reasons. You agree to sign any documentation necessary to facilitate the transfer.

Mandatory Sale of Shares of Stock Following Termination. You are required to sell all shares of Stock acquired upon settlement of the PSUs no later than 90 days following your Termination (or such earlier date as may be required by the SAFE), in which case, this Appendix shall give the Company the authority to issue sales instructions on your behalf). If any shares of Stock remain outstanding on the 90th day following your Termination (or such earlier date as may be required by SAFE), you hereby direct, instruct and authorize the Company to issue sale instructions on your behalf.

You agree to sign any additional agreements, forms and/or consents that reasonably may be requested by the Company (or the Company's designated brokerage firm) to effectuate the sale of the shares of Stock (including, without limitation, as to the transfer of the sale proceeds and other exchange control matters noted below) and shall otherwise cooperate with the Company with respect to such matters. You acknowledge that neither the Company nor the designated brokerage firm is under any obligation to arrange for such sale of shares of Stock at any particular price (it being understood that the sale will occur in the market) and that broker's fees and similar expenses may be incurred in any such sale. In any event, when the shares of Stock are sold, the sale proceeds, less any tax withholding, any broker's fees or commissions, and any similar expenses of the sale will be remitted to you in accordance with applicable exchange control laws and regulations.

Mandatory Sale of Shares of Stock Following Termination. You understand and agree that, pursuant to local exchange control requirements, you will be required to promptly repatriate to China the proceeds from the sale of any shares of Stock acquired under the Plan. You further understand that such repatriation of proceeds may need to be effected through a special bank account established by the Company or its Subsidiaries, and you hereby consent and agree that proceeds from the sale of shares of Stock acquired under the Plan may be transferred to such account by the Company on your behalf prior to being delivered to you and that no interest shall be paid with respect to funds held in such account. The proceeds may be paid to you in U.S. dollars or local currency at the Company's discretion. If the proceeds are paid to the you in U.S. dollars, you understand that a U.S. dollar bank account in China must be established and maintained so that the proceeds may be deposited into such account. If the proceeds are paid to you in local currency, you acknowledge that the Company is under no obligation to secure any particular exchange conversion rate and that the Company may face delays in converting the proceeds to local currency due to exchange control restrictions. You agree to bear any currency fluctuation risk between the time the shares of Stock are sold and the net proceeds are converted into local currency and distributed to you. You further agree to comply with any other requirements that may be imposed by the Company or its Subsidiaries in China in the future to facilitate compliance with exchange control requirements in China. You acknowledge and agree that the processes and requirements set forth herein shall continue to apply following your Termination.

Administration. Neither the Company nor any of its Subsidiaries shall be liable for any costs, fees, lost interest or dividends or other losses you may incur or suffer resulting from the enforcement of the terms of this Appendix or otherwise from the Company's operation and enforcement of the Plan, the Agreement and the Award in accordance with Chinese law including, without limitation, any applicable SAFE rules, regulations and requirements.

ECUADOR

No country-specific provisions.

FINLAND

No country-specific provisions.

GERMANY

No country-specific provisions.

HONG KONG

6. **Form of Settlement.** Notwithstanding any provision in the Plan or Agreement to the contrary, the PSUs will be settled only in shares of Stock, not cash.

7. **Sale of Shares.** If, for any reason, shares of Stock are issued to you within six (6) months after the Date of Grant, you agree that you will not sell or otherwise dispose of any such shares of Stock prior to the six (6) month anniversary of the Date of Grant.

8. **Important notice/Warning.** *The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of the document, you should obtain independent professional advice. The PSUs and shares of Stock issued upon settlement of the Award do not constitute a public offering of securities under Hong Kong law and are available only to employees of the Company and its Affiliates. The Agreement, the Plan and other incidental communication materials have not been prepared in accordance with and are not intended to constitute a "prospectus" for a public offering of securities under the applicable securities legislation in Hong Kong. The PSUs and the underlying shares of Stock are intended only for the personal use of each Eligible Person and may not be distributed to any other person.*

9. **Wages.** The PSUs and the underlying shares of Stock do not form part of your wages for the purposes of calculating any statutory or contractual payments under Hong Kong law.

INDIA

Repatriation Requirements. You expressly agree to repatriate all dividends and sale proceeds attributable to shares of Stock acquired under the Plan in accordance with local foreign exchange rules and regulations. Neither the Company nor any of its Affiliates shall be liable for any fines or penalties resulting from your failure to comply with applicable laws, rules or regulations.

ITALY

Plan Document Acknowledgment. In accepting the PSUs, you acknowledge that you have received a copy of the Plan and the Agreement and have reviewed the Plan and the Agreement, including this Appendix, in their entirety and fully understand and accept all provisions of the Plan and the Agreement, including this Appendix.

More specifically, you acknowledge that you have read and specifically and expressly approve the following sections of the Agreement: Section 2 (Vesting); Section 6 (Date of Issuance); Section 9 (Nature of Grant); Section 10 (Tax-Related Items), Section 13 (Governing Plan Document) and the data privacy provisions in the Appendix for Participants that reside and/or work in the EU/EEA and the United Kingdom; and the terms and conditions in this Appendix.

NETHERLANDS

Waiver of Termination Rights. You hereby waive any and all rights to compensation or damages as a result of your Termination for any reason whatsoever, insofar as those rights result or may result from (i) the loss or diminution in value of such rights or entitlements under the Plan, or (ii) your ceasing to have rights under, or ceasing to be entitled to any awards under the Plan as a result of such termination.

ROMANIA

Termination. Your employment may be deemed to terminate where your employment contract, if any, is terminated by operation of law on the date you reach the standard retirement age and have completed the minimum contribution record for receipt of state retirement pension or the relevant authorities award you an early-retirement pension of any type.

English Language. You hereby expressly agree that this Agreement, the Plan as well as all documents, notices and proceedings entered into, relating directly or indirectly hereto, be drawn up or communicated only in the English language. *Angajatul consimte în mod expres prin prezentul ca acest Contract, Plan precum şi orice alte documente, notificări, înştiinţări legate direct sau indirect de acest Contract să fie redactate sau efectuate doar în limba engleză.*

SINGAPORE

10. **Securities Law Information.** The grant of the PSUs under the Plan is being made pursuant to the "Qualifying Person" exemption under section 273(1)(f) of the Securities and Futures Act (Chapter 289, 2006 Ed.) ("***SFA***"). The Plan has not been and will not be lodged or registered as a prospectus with the Monetary Authority of Singapore and is not regulated by any financial supervisory authority pursuant to any legislation in Singapore. Accordingly, statutory liability under the SFA in relation to the content of prospectuses would not apply. You should note that the PSUs are subject to section 257 of the SFA and you will not be able to make any subsequent sale of the underlying shares of Stock in Singapore, or any offer of such subsequent sale of the shares of Stock subject to the PSUs in Singapore, unless such sale or offer is made (i) after six (6) months from the Date of Grant or (ii) pursuant to the exemptions under Part XIII Division (1) Subdivision (4) (other than section 280) of the SFA.

SPAIN

11. **Acknowledgement of Discretionary Nature of the Plan; No Vested Rights.** This provision supplements the terms of Section 9 of the Agreement:

In accepting the PSUs, you acknowledge that you consent to participation in the Plan and have received a copy of the Plan.

You understand that the Company has unilaterally, gratuitously and in its sole discretion granted the PSUs under the Plan to individuals who may be employees of the Company and its Affiliates throughout the world. The decision is a limited decision that is entered into upon the express assumption and condition that any grant will not economically or otherwise bind the Company or any of its Affiliates on an ongoing basis. Consequently, you understand that the PSUs are granted on the assumption and condition that the PSUs and the shares of Stock acquired upon settlement of the PSUs shall not become a part of any employment contract (either with the Company or any of its Affiliates) and shall not be considered a mandatory benefit, salary for any purposes (including severance compensation) or any other right whatsoever. In addition, you understand that this grant would not be made to you but for the assumptions and conditions referenced above; thus, you acknowledge and freely accept that should any or all of the assumptions be mistaken or should any of the conditions not be met for any reason, the grant of the PSUs shall be null and void.

You understand and agree that, as a condition of the grant of the PSUs, your Termination for any reason (including the reasons listed below) will automatically result in the loss of the PSUs to the extent the PSUs have not vested as of date that you cease active employment. In particular, you understand and agree that unless otherwise provided in the Agreement, any portion of the PSUs that is unvested as of the date you cease active employment will be forfeited without entitlement to the underlying shares of Stock or to any amount of indemnification in the event of Termination by reason of, but not limited to, disciplinary dismissal adjudged to be with cause, disciplinary dismissal adjudged or recognized to be without cause, individual or collective dismissal on objective grounds, whether adjudged or recognized to be with or without cause, material modification of the terms of employment under Article 41 of the Workers' Statute, relocation under Article 40 of the Workers' Statute, Article 50 of the Workers' Statute, unilateral withdrawal by the Service Recipient and under Article 10.3 of the Royal Decree 1382/1985. You acknowledge that you have read and specifically accept the conditions referred to in the Agreement regarding the impact of a Termination on the PSUs.

12. **Securities Law Information.** The PSUs and the shares of Stock described in this Agreement do not qualify under Spanish regulations as securities. With respect to the grant of PSUs under the Plan, no "offer of securities to the public," as defined under Spanish law, has taken place or will take place in the Spanish territory. The Agreement has not been nor will it be registered with the Comisión Nacional del Mercado de Valores, and does not constitute a public offering prospectus.

THAILAND

No country-specific provisions.

UNITED KINGDOM

13. **Taxes.** This provision shall supplement Section 10 of the Agreement:

Without limitation to Section 10 of the Agreement, you agree that you are liable for all Tax-Related Items and hereby covenant to pay all such Tax-Related Items, as and when requested by the Company, the Service Recipient or by Her Majesty's Revenue and Customs ("***HMRC***") (or any other tax authority or any other relevant authority). You also agree to indemnify and keep indemnified the Company and its Affiliates against any Tax-Related Items that they are required to pay or withhold or have paid or will pay on your behalf to HMRC (or any other tax authority or any other relevant authority).

Notwithstanding the foregoing, if you are a director or executive officer (as within the meaning of Section 13(k) of the Exchange Act), the terms of the immediately foregoing provision will not apply. In the event that you are a director or executive officer and income tax due is not collected from or paid by you within 90 days after the U.K. tax year in which an event giving rise to the indemnification described above occurs, the amount of any uncollected tax may constitute a benefit to you on which additional income tax and national insurance contributions may be payable. You acknowledge that you ultimately will be responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for paying the Company or the Service Recipient (as applicable) for the value of any employee national insurance contributions due on this additional benefit, which the Company and/or the Service Recipient may recover from you at any time thereafter by any of the means referred to in Section 10 of the Agreement.

14. **Exclusion of Claim.** You acknowledge and agree that you will have no entitlement to compensation or damages insofar as such entitlement arises or may arise from your ceasing to have rights under or to be entitled to the PSUs, whether or not as a result of a Termination (whether the Termination is in breach of contract or otherwise), or from the loss or diminution in value of the PSUs. Upon the grant of the PSUs, you will be deemed to have waived irrevocably any such entitlement.

* * *

EXHIBIT 31.1

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

I, Guo Xiao, 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)) 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. 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

    c. 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 15, 2022

/s/ Guo Xiao

Guo Xiao

Chief Executive Officer and Director
(Principal Executive Officer)

EXHIBIT 31.2

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)) 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. 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

    c. 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 15, 2022

/s/ Erin Cummins

Erin Cummins

Chief Financial Officer

(Principal Financial Officer and Principal Accounting Officer)

EXHIBIT 32.1

**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, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Guo Xiao, 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 15, 2022

/s/ Guo Xiao
Guo Xiao

Chief Executive Officer and Director
(Principal Executive Officer)

EXHIBIT 32.2

**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, 2022 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 15, 2022

/s/ Erin Cummins
Erin Cummins

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