

# Thoughtworks Q2 2023 Investor Presentation

August 8, 2023

**Delivering extraordinary  
impact together**

**/thoughtworks**



# Safe harbor and non-GAAP reconciliation

**Forward-looking Statements.** Some of the information contained in this presentation by Thoughtworks Holding, Inc. (“Thoughtworks” or the “Company”) includes “forward-looking statements” within the meaning of the “safe harbor” provisions of the United States 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: “believe,” “anticipate,” “plan,” “intend,” “estimate,” “expect,” “likely,” “seek,” “strive,” “may,” “could,” “should,” or “will” and similar references to future periods and the negative of such terms, but the absence of these words does not mean that a statement is not forward-looking. Examples of forward-looking statements that relate to our plans, projections, estimates and goals include, among others, statements we make regarding revenues and revenue growth, Adjusted EBITDA and Adjusted EBITDA Margin, Adjusted Diluted Earnings per Share (“Adjusted Diluted EPS”), and our beliefs that the demand market will continue to support the projected growth rates stated herein.

Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on our current beliefs, expectations and assumptions regarding the future of our business, projections, anticipated events or trends, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. Our actual results and financial condition may differ materially from those indicated in the forward-looking statements. Therefore, you should not rely on any of these forward-looking statements. Important factors that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements include, among others, the following: our restructuring actions may not be successful, may impact our business and financial performance, and may result in additional costs; our ability to attract skilled talent; the effects of competition on the future business of Thoughtworks; uncertainty regarding the demand for and market utilization of our services; the ability to maintain or acquire new client relationships; the ability to implement our restructuring actions, including the costs of such actions and the uncertainty of the impact of such actions on financial performance; general business and economic conditions including such conditions related to inflation and foreign currency exchange rates; and our ability to successfully execute our strategy and strategic plans. Additional information concerning these and other risks and uncertainties may be found in the “Risk Factors” section of Thoughtworks’ annual report on form 10-K, in quarterly reports on form 10-Q and other filings and reports that Thoughtworks may file from time to time with the SEC.

Any forward-looking statement made by us in this presentation is based only on information currently available to us and speaks only as of the date on which it is made. Except as required by law, Thoughtworks assumes no obligation to update any forward-looking statement, whether written or oral, that may be made from time to time, whether as a result of new information, future developments or otherwise.



# Safe harbor and non-GAAP reconciliation

**Non-GAAP Financial Measures.** Certain financial metrics contained in this presentation, including among others, Adjusted Gross Profit, Adjusted Selling, General & Administrative expense, Adjusted Net Income, Adjusted Diluted EPS, Adjusted EBITDA, Adjusted EBITDA Margin, and Revenue Growth rates in constant currency, which exclude the effect of foreign currency rate fluctuations, are considered non-GAAP financial measures. We use these non-GAAP measures in conjunction with traditional GAAP measures to evaluate our financial performance. We believe that these non-GAAP measures provide our management and investors consistency and comparability with our past financial performance and facilitate period-to-period comparisons of our operations. The non-GAAP financial measures provided should not be considered as a substitute for the comparable measures of financial performance prepared in accordance with GAAP. For more information regarding the non-GAAP financial measures discussed in this presentation, including a reconciliation of these non-GAAP measures to their corresponding GAAP measures, please see the Appendix to this presentation. For definitions of these non-GAAP measures, please see our press release for the most recent quarterly or annual results posted to the Investor Relations page of our website.

Some non-GAAP measures related to our financial outlook included in this presentation, our press release and the associated webcast were not reconciled to the comparable GAAP financial measures because the GAAP measures are not assessable on a forward-looking basis. We are unable to reconcile these forward-looking non-GAAP financial measures to the most directly comparable GAAP measures without unreasonable efforts because we are currently unable to predict with a reasonable degree of certainty the type and extent of certain items that would be expected to impact GAAP measures for these periods but would not impact the non-GAAP measures. Such items may include stock-based compensation, acquisition costs, income tax effects of adjustments and other items. The unavailable information could have a significant impact on our GAAP financial results. Based on the foregoing, we believe that providing estimates of the amounts that would be required to reconcile the range of the non-GAAP measures to forecasted GAAP measures would imply a degree of precision that would be confusing or misleading to investors for the reasons identified above.

**Industry & Market Data.** The market data, industry forecasts and other statistical information used in this presentation are based on third-party industry publications and surveys and internal Company sources. Industry forecasts are based on industry surveys and the preparer's expertise in the industry, and there can be no assurance that any of the industry forecasts will be achieved. We believe these data are reliable, but we have not independently verified the accuracy of this information nor have we ascertained the underlying assumptions relied upon in those sources, and we cannot assure you of the accuracy or completeness of such information contained in this presentation. While we are not aware of any misstatements regarding our market, industry or similar data presented herein, such data, including industry forecasts and projections, involve risks and uncertainties and are subject to change based on various factors.



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# Who we are

**Integrity / Pursuit of Excellence / Global First / Cultivation /  
Curiosity / Autonomous Teams / Inclusivity / Courageous**

We strive to create an extraordinary impact on the world through our culture and technology excellence

We aim to be an awesome partner for clients and their ambitions to become modern digital businesses

We are passionate about revolutionizing the technology industry, amplifying social change and advocating for an equitable tech future

We look to foster a vibrant community of diverse and passionate technologists

We aim to achieve enduring commercial success and sustained growth

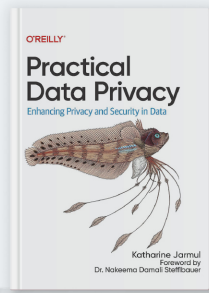
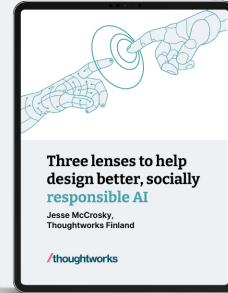
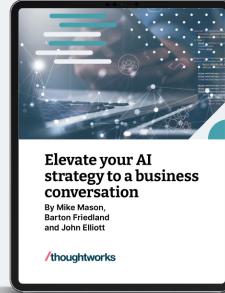
# We've been a shaping force of digital technology for 30 years

Brand Finance<sup>®</sup>

IT Services 25 2023

Top five Brand Strength Index in the IT services sector

100+  
books written



# Through Thoughtworks' 30-year history

1990s	2000-2009	2010-2014	2015-2019	2020-2023
<p><b>1993</b> Thoughtworks was founded</p> <p><b>1999</b> Guo Xiao and Dr. Rebecca Parsons joined Thoughtworks</p>	<p><b>2000</b> Opened offices in <b>Australia</b> and the <b>United Kingdom</b></p> <p>Led the industry in adopting a <b>distributed agile development approach</b></p> <p><b>2001</b> Opened offices in <b>India</b> and <b>Canada</b></p> <p>Guo Xiao is featured in The Economist as an early adopter of <b>Extreme Programming (XP)</b></p> <p><b>Manifesto for Agile Software Development</b> is published</p> <p>Released <b>CruiseControl</b> open source software</p> <p><b>2004</b> Opened offices in <b>China</b></p> <p><b>Selenium</b> is developed based on work started internally at Thoughtworks</p> <p>Surpassed <b>500 Thoughtworkers</b></p> <p><b>2005</b> Established <b>Thoughtworks University</b></p> <p><b>2009</b> Opened offices in <b>Brazil</b></p> <p>Surpassed <b>1,000 Thoughtworkers</b></p>	<p><b>2010</b> Opened offices in <b>Germany</b></p> <p>Published <b>Continuous Delivery: Reliable Software Releases through Build, Test, and Deployment Automation</b></p> <p>Published first edition of Thoughtworks <b>Technology Radar</b></p> <p><b>2012</b> Opened offices in <b>Singapore</b></p> <p>Started building <b>Bahmni</b></p> <p><b>2013</b> Opened offices in <b>Ecuador</b></p> <p><b>2014</b> Opened offices in <b>Italy</b></p> <p>Published <b>Microservices</b></p> <p>Surpassed <b>\$300m<sup>1</sup></b> in annual revenues and <b>3,000 Thoughtworkers</b></p>	<p><b>2015</b> Collaborated with <b>Save the Children</b> in the fight against Ebola</p> <p>Published <b>Building Microservices</b></p> <p><b>2016</b> Opened offices in <b>Spain</b> and <b>Chile</b></p> <p>Winner of the AnitaB.org Institute's <b>Top Companies for Women Technologists</b>, winning again in 2017 and 2018, and recognized as a leader in 2019 and 2020</p> <p><b>2017</b> <b>The Apex Funds</b> acquired Thoughtworks</p> <p>Surpassed <b>\$500m<sup>1</sup></b> in annual revenues</p> <p><b>2018</b> Awarded <b>Daimler Supplier of the Year</b> for Innovation for 2017</p> <p>Surpassed <b>5,000 Thoughtworkers</b></p> <p><b>2019</b> Published <b>The Digital Transformation Game Plan: 34 Tenets for Masterfully Merging Technology and Business and How to Move Beyond a Monolithic Data Lake to a Distributed Data Mesh</b></p> <p>Surpassed <b>\$700m<sup>1</sup></b> in annual revenues</p>	<p><b>2020</b> Named a <b>strong performer</b> in The Forrester Wave™: Digital Product Development Services, Q2 2020<sup>2</sup></p> <p>Committed to the <b>Valuable 500</b>, the global movement putting disability on the business leadership agenda</p> <p>Awarded <b>IT Vendor of the Year 2020</b> at the UK IT Industry Awards</p> <p><b>2021</b> Acquired <b>Gemini</b> and <b>Fourkind</b></p> <p>Listed as a public company on <b>Nasdaq</b>. Ticker symbol <b>TWKS</b></p> <p>Surpassed <b>10,000 Thoughtworkers</b></p> <p>Published <b>Software Architecture: The Hard Parts</b></p> <p><b>2022</b> Acquired <b>Connected</b>, Canada<sup>3</sup></p> <p>Acquired <b>Handmade</b>, Brazil<sup>4</sup></p> <p>Named a <b>leader</b> in The Forrester Wave™: Modern Application Development Services, Q3 2022<sup>5</sup></p> <p>Opened office in <b>Vietnam</b></p> <p>Named a <b>leader</b> in The Forrester Wave™: Cloud Migration and Managed Service Partners in China Q4 2022<sup>6</sup></p> <p>Named a <b>leader</b> in The Forrester Wave™: Cloud Migration and Managed Service Partners in Asia Pacific, Q4 2022<sup>5</sup></p> <p><b>2023</b> Acquired <b>Itoc</b>, Australia<sup>7</sup></p> <p>30th anniversary of Thoughtworks</p>

Thoughtworks was among the leading providers in the **Q2 2023 Global ISG Index™ Breakthrough 15 category for the AsiaPac region.** This is based on annual contract value won over the last 12 months.<sup>8</sup>





# With a growing global presence in 18 countries<sup>9</sup>

**NORTH AMERICA**  
9.7%

**EUROPE**  
14.9%

**LATIN AMERICA**  
13.8%

**INDIA**  
33.0%

**SOUTHEAST ASIA**  
4.2%

**CHINA**  
21.6%

**AUSTRALIA**  
2.8%

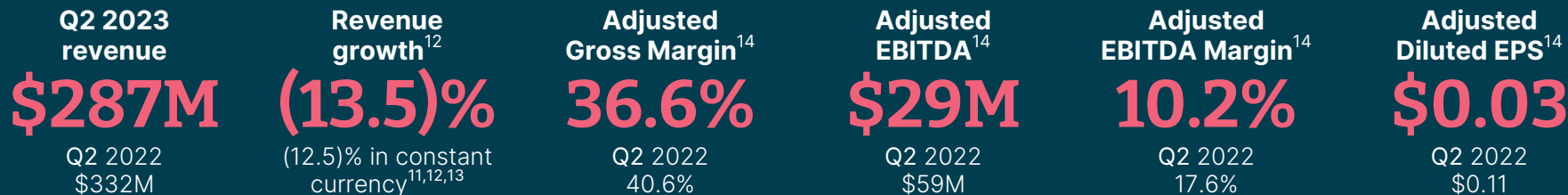
**11,574**  
Employees<sup>10</sup>

**42.6%**  
Women and  
Underrepresented  
Gender Minorities<sup>10</sup>

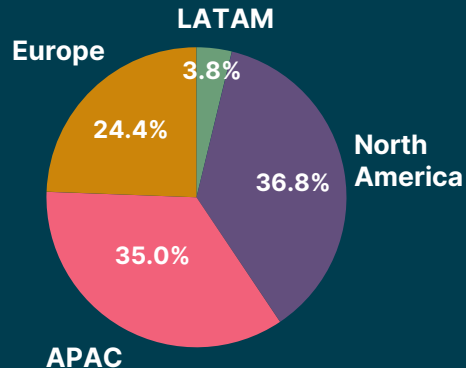
**150+**  
Q2 new joiners

**4.11/5.0**  
Q2 overall  
Glassdoor rating

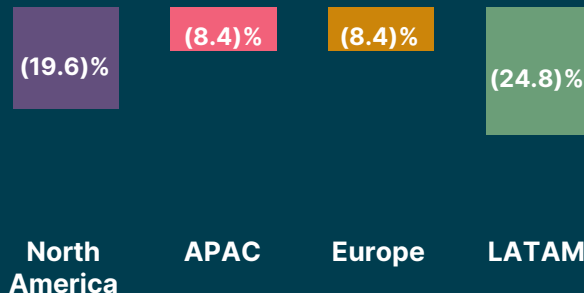
# Thoughtworks snapshot – Q2 2023



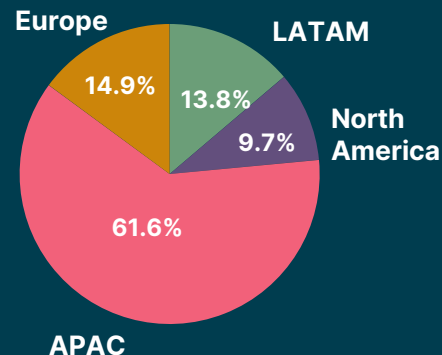
Revenues by customer location<sup>11</sup>



Revenue growth by customer location<sup>12</sup>



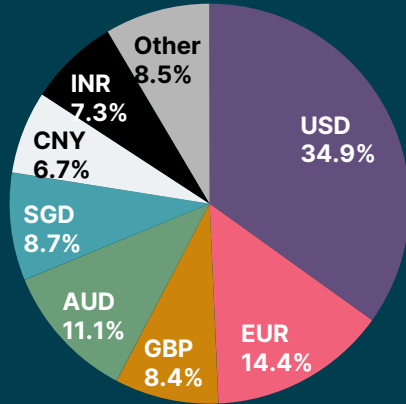
Employees by geography<sup>10</sup>



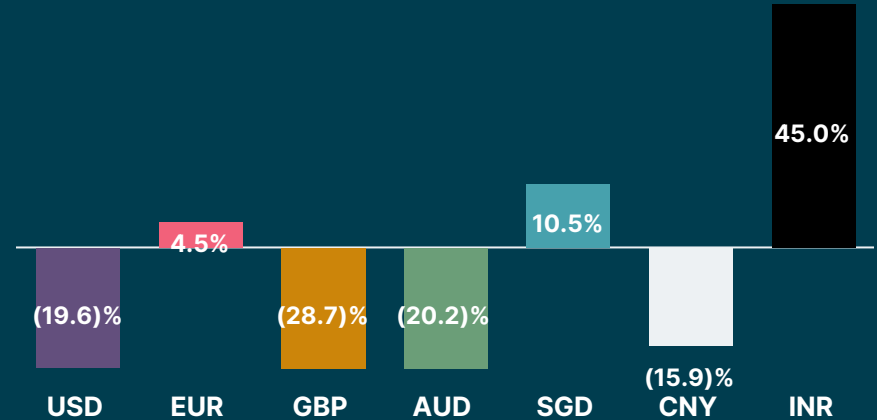
Founded in 1993 | 11,574 employees<sup>10</sup> | 18 countries | TWKS Nasdaq listed

# Q2 2023 revenues by contracted currencies

Contracted currencies as a percentage of total revenues<sup>11,15</sup>



Revenue growth by contracted currency<sup>11,16</sup>



# Our market is large and growing fast



**>2x**  
GROWTH  
FOR DIGITAL  
TRANSFORMATION  
SERVICES



## Key tailwinds

Cloud computing,  
digital platforms and  
IoT

Rapid  
advancement of  
AI and ML

Customer  
experience at the  
forefront of growth

Continued digital IT  
adoption

# What market leaders are saying about the digital transformation market

- Generative AI software market opportunity to grow at 69% CAGR from \$1.5 billion in 2022 to \$279.9 billion in 2032<sup>18</sup>
- AI-centric systems market to grow at 27% CAGR to 2026<sup>19</sup>
- Worldwide end-user spending on public cloud services forecast to grow 21.7% to total \$597.3 billion in 2023, up from \$491 billion in 2022<sup>20</sup>
- Worldwide spending on banking and investment services software forecast to grow 13.5% to total \$174 billion in 2023, up from \$153.3 billion in 2022<sup>21</sup>
- 44% of tech execs cite lack of talent in areas like data science and engineering as one of their biggest challenges<sup>22</sup>



# With technology mega trends driving market growth

## Expansion of computing boundaries

Rapid development of platforms, cloud and internet of things are pushing the technology industry to new heights

## Rapid advancement of AI- and ML-based tools

AI and ML enhance productivity and drive digital transformation by making predictions to assist humans in making decisions, and in some cases, by automating decision-making and tasks completely

## Enhanced consumer experience

The pervasiveness of technology has enhanced modern consumer experiences with the integration of digital and physical worlds, such as augmented reality, virtual reality and mixed reality

## Accelerating towards sustainability

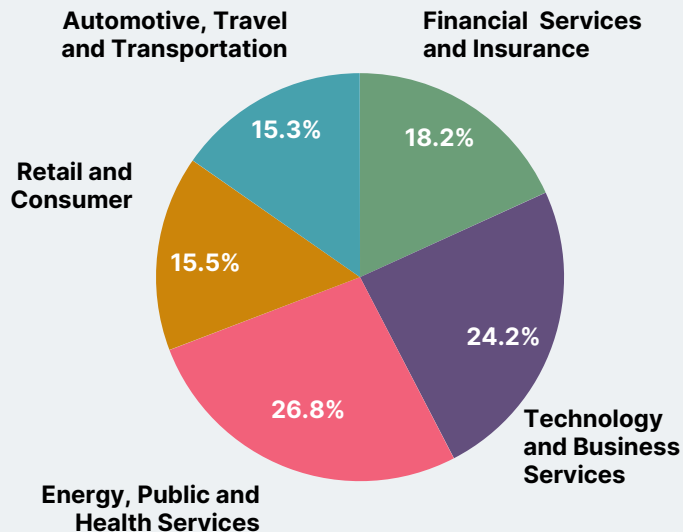
Increasing focus on sustainability requires business to examine their environmental impact and to adopt more sustainable strategies and technologies, such as green cloud optimization

## Growing impact of hostile tech and increased focus on information privacy

The increased complexity of technology presents a heightened risk of cyber attacks, computer malware, viruses, social engineering, employee misuse as well as data and security breaches

# A diverse portfolio across geographies and verticals

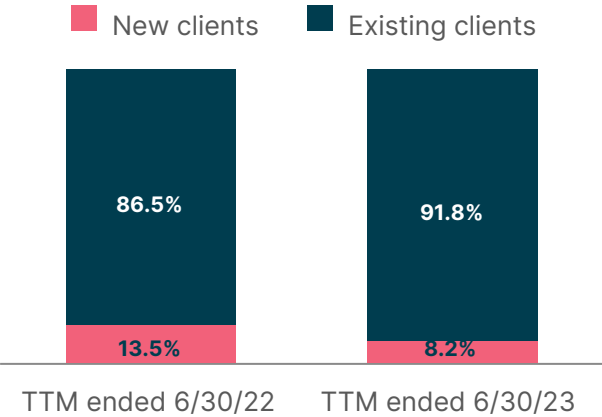
Revenues by industry<sup>23</sup>



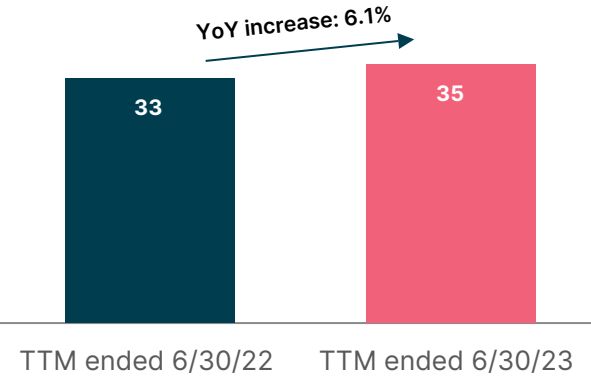
ATlassian	AUTHORITY BRANDS	Auto Scout24	AXIS BANK	BANCO PICHINCHA	BAYER	BOSCH
bp	CANOPY	Chemionics	comestri	CREDIT SUISSE	cure INTERNATIONAL	Daimler Trucks
DB	experian.	FALABELLA	FIRSTstudent	GENERALI	Glovo	HEINEKEN
hi pages	holaluz	judobank.	JUNGHEINRICH	lastminute.com		METRO
Mondelēz International	Motional	moz://a	myob	natura	OTTO	PAYBACK
PayPal	PFF	PORSCHE	QANTAS	Queensland Government	REA Group	reece group™
rb RITCHIE BROS. Auctioneers	SEPHORA	Simon & Schuster	standard chartered	Telkomsel	TELUS	Total Wine & MORE
trademe	VA	U.S. Department of Veterans Affairs	Walmart	Whirlpool	workrise	xero
						ZONES

# Strong capability to develop client relationships

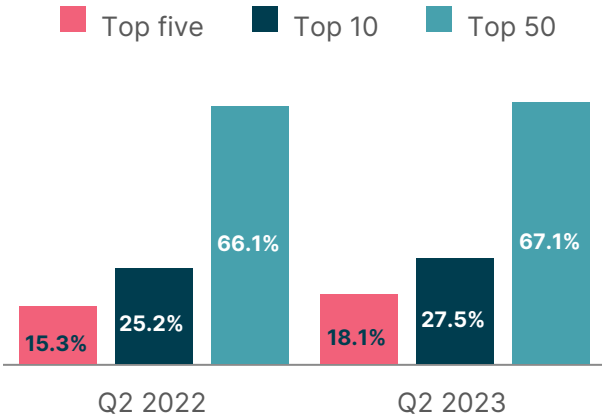
% of trailing twelve month (TTM) revenue from existing clients<sup>24</sup>



# of clients with TTM revenues of \$10M+



QTD Revenues by client concentration

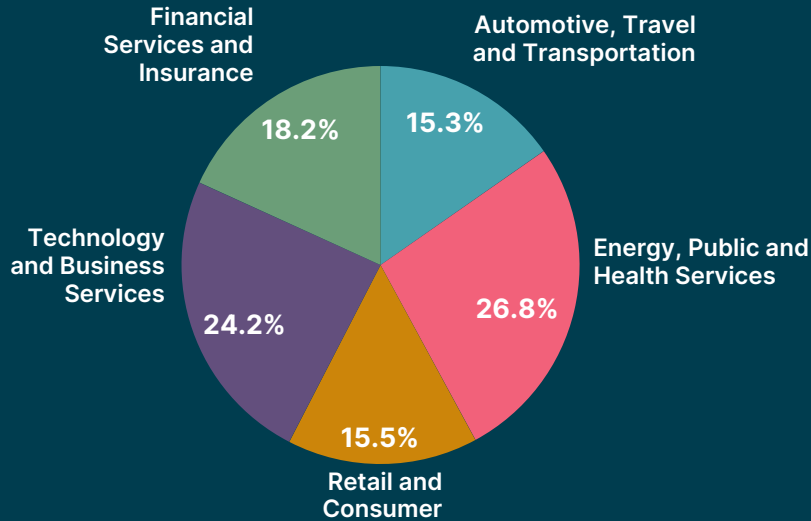


Average relationship of nine years for top 10 clients<sup>25</sup>

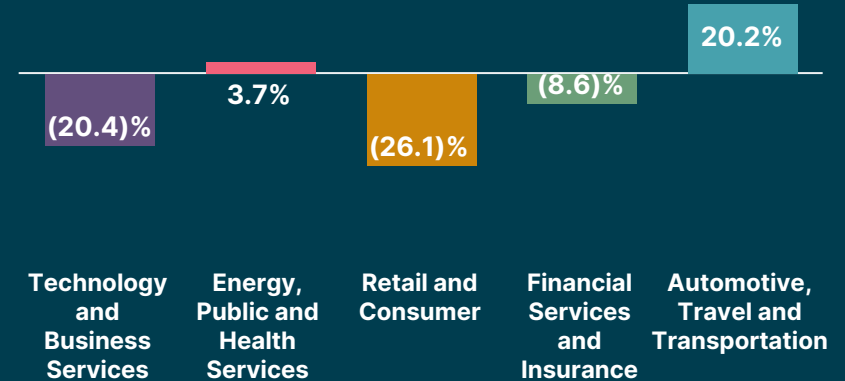


# Diverse revenue base across industry verticals

YTD revenues by industry<sup>23</sup>



YTD revenue growth by industry<sup>12,23</sup>



# Valued by our clients



Our ability to digitally transform global enterprises at scale by applying strategic consulting and cutting-edge technologies



Our deep agile and technical expertise and thought leadership



Our poly-skilled, transformational and global talent



Our global distributed agile delivery with a strong local presence



Our award-winning and cultivating culture



# Our core services

## Enterprise Modernization, Platforms and Cloud

Modernize complex IT estates, operations, platforms, development and delivery practices to rapidly unleash business value

## Customer Experience, Product and Design

Accelerate value creation through extraordinary digital products and customer experiences powered by integrated technology and design

## Data and AI

Enable data-driven intelligent products and business insights with pragmatic data strategies, governance, engineering, predictive AI, automation and ML capabilities

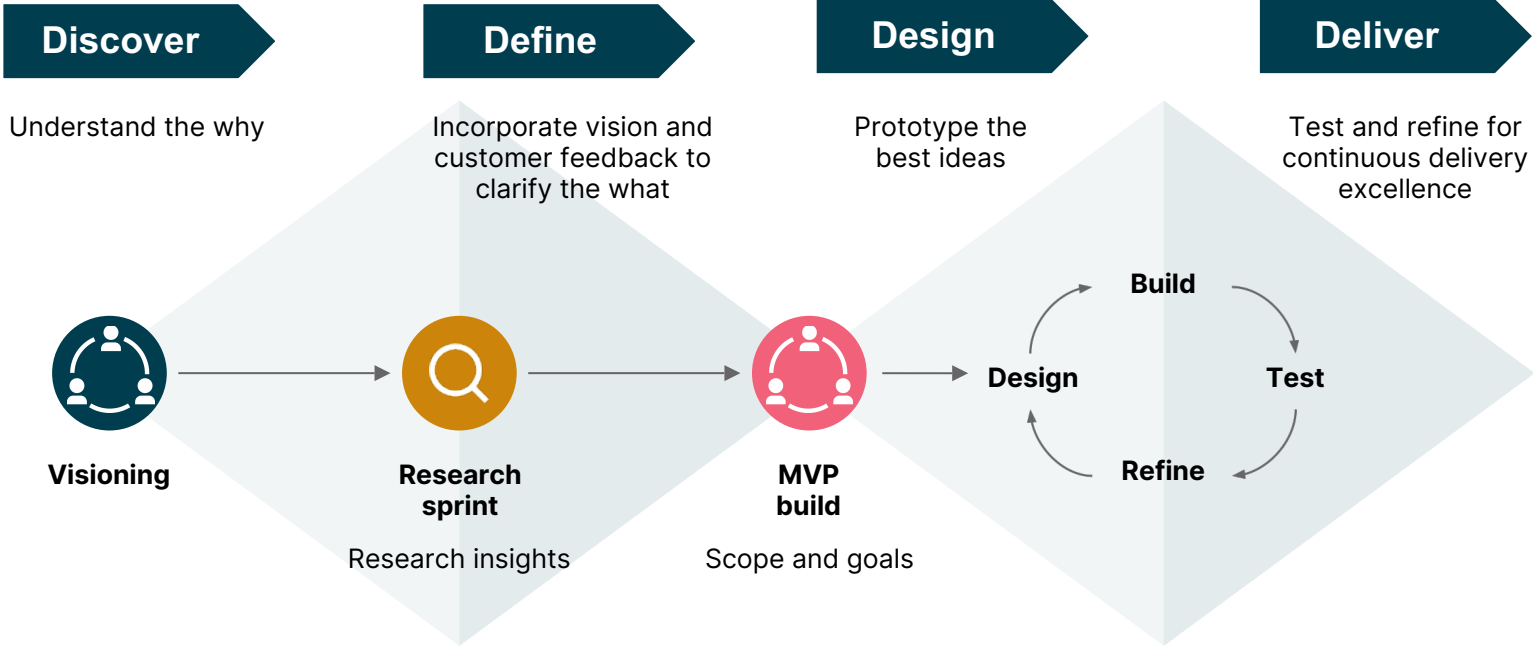
## Digital Transformation and Operations

Provide organizations with executable digital strategies, frictionless operating models and transformation services

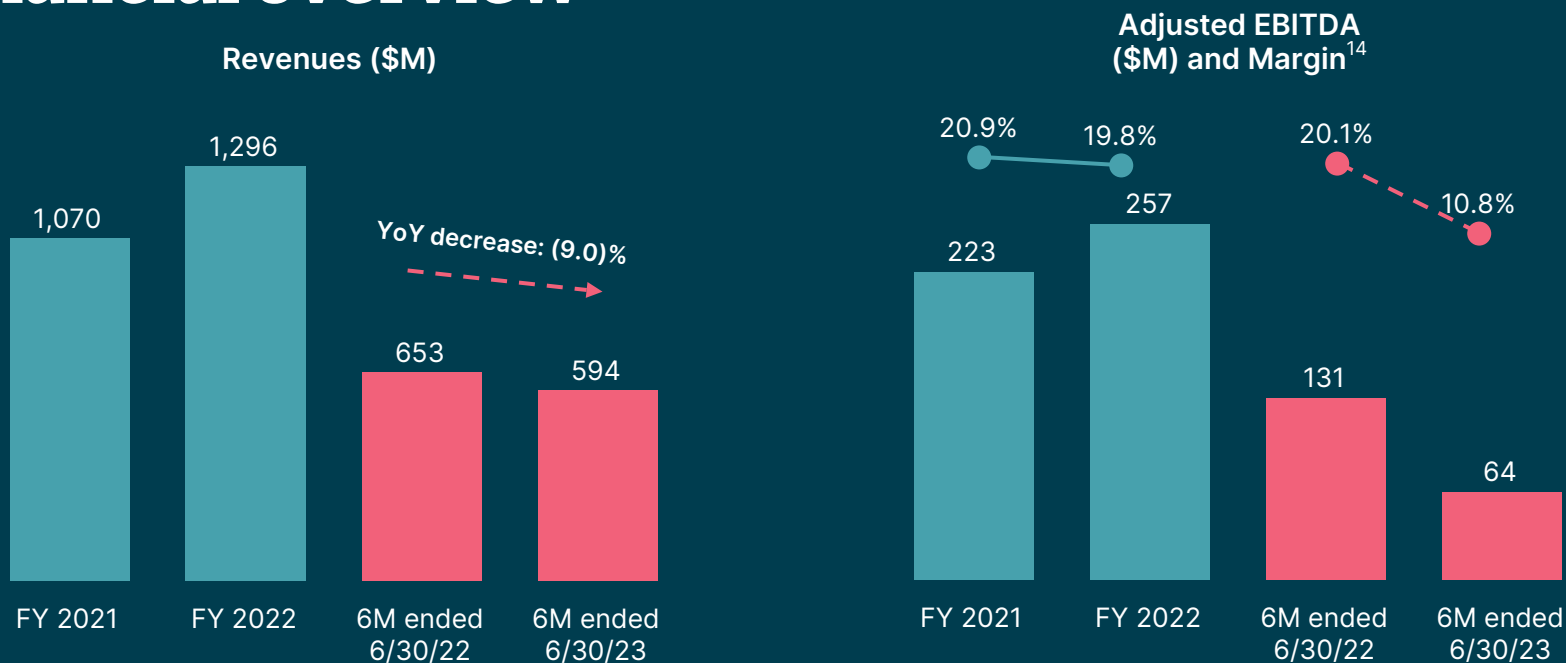
End-to-end digital partner combining strategy, software engineering, design and organizational transformation

# Thoughtworks' approach delivers value fast

We deliver extraordinary impact for our clients via a collaborative and co-creative process that utilizes a thin slice approach to deliver value with incremental change on an accelerated timeline.



# Financial overview



Six months ended June 30, 2023

Adjusted gross margin<sup>14</sup>

**36.5%**

Adjusted Diluted EPS<sup>14</sup>

**\$0.06**

As of June 30, 2023

Debt

**\$299M**

Cash balance

**\$88M**

# Led by a highly-experienced team

## Board of directors



**Ian Davis, Chair**  
Former Worldwide Managing Director  
of McKinsey & Company



**Guo Xiao**  
Chief Executive Officer  
and Director



**Robert Brennan, Director**  
Former Executive Director of CA  
Technologies, former CEO of Veracode



**Jane Chwick, Director**  
Former Partner at Goldman Sachs



**Rohan Haldea, Director**  
Partner at Apax Partners and  
formerly at Bain Capital



**Gina Loftén, Director**  
Former Chief Technology Officer of  
Microsoft US, formerly at IBM



**Salim Nathoo, Director**  
Partner at Apax Partners



**William Parrett, Director**  
Former Senior Partner of  
Deloitte & Touche USA LLP



**Roxanne Taylor, Director**  
Former Chief Marketing Officer of  
Accenture

## Global Management Team - average tenure of 16 years



**Guo Xiao**  
Chief Executive Officer  
24-year tenure



**Erin Cummins**  
Chief Financial Officer  
19-year tenure



**Peter Buhrmann**  
Regional Managing  
Director, Europe  
10-year tenure



**Carol Cintra**  
Regional Managing  
Director, LATAM  
12-year tenure



**Martin Fowler**  
Chief Scientist  
23-year tenure



**Rachel Laycock**  
Chief Technology  
Officer  
13-year tenure



**Ramona Mateiu**  
Chief Legal and  
Compliance Officer  
14-year tenure



**Chris Murphy**  
Chief Revenue and  
Client Officer  
19-year tenure



**Joanna Parke**  
Chief Talent and  
Operating Officer  
20-year tenure



**Sudhir Tiwari**  
Global Head of Digital  
Engineering Center  
18-year tenure



**Kristan Vingrys**  
Regional Managing  
Director, APAC  
17-year tenure



**Chad Wathington**  
Chief Strategy Officer  
19-year tenure



**Julie Woods-Moss**  
Chief Marketing  
Officer  
4-year tenure



**Zhang Song**  
Co-Managing Director,  
China and Global  
Service Lines Lead  
16-year tenure

# Building on an established commitment to ESG

## Environmental

- Science Based Targets initiative (SBTi) targets validated
- We expect to cut scope 1 & 2 GHG emissions by 50% by 2030 and scope 3 by 87%<sup>26</sup> and to source 100% renewable electricity by 2030
- Co-founder of the Green Software Foundation (GSF)
- Creator of Cloud Carbon Footprint, a multi-cloud, open source cloud emissions calculator
- EcoVadis Silver Sustainability Medal

## Social

- Top 5% of the technology industry for diversity and inclusion with a score of 9.0<sup>27</sup>
- 42.6% women and underrepresented gender minorities (WUGM) globally<sup>10</sup>
- 40.0% WUGM in tech roles<sup>10</sup>
- Member of the Digital Public Goods Alliance: three open source tools recognized as Digital Public Goods
- Social impact report for 2022 published

## Governance

- 33% WUGM board of directors<sup>10</sup>
- 40% WUGM global management team<sup>10</sup>
- Separate Chair and CEO
- Independent board members (eight of nine)

ESG reporting  
guided by:



# With an unwavering commitment to creating positive social impact through our technology contributions

## Our primary focus UN Sustainable Development Goals



## Select ongoing partnerships:



Hospital / clinic info system (Bahmni Lite)  
India



Leveraging data to broaden impact  
North America



Systems advice to create strong digital foundations  
Singapore



Reducing emissions for steel manufacturer  
China



Helping D/deaf people enjoy music  
Australia



# And strategies we believe can win in this large and fast growing market

Deepen our  
relationships with  
existing clients

Establish  
new client  
relationships

Develop new  
technical capabilities  
and client solutions

Develop and  
grow our strategic  
partnerships

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Q2: Launched financial  
operations modernization  
partnership with Stripe

Focused  
geographic  
expansion

Pursue strategic,  
targeted acquisitions

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Acquired Itoc,  
Australia  
Acquired Handmade,  
Brazil  
Acquired Connected,  
Canada

# Investment highlights



1

Digital-native consultancy with differentiated thought leadership

2

Diverse client base - geography and industry vertical

3

Global talent where our clients operate

4

Culture that attracts the highest quality talent

5

Premium position with strong historical growth and margin profile

6

Expecting \$75-\$85 million of annualized cost savings through restructuring plan

**Premium brand | Strong historical growth and margin profile | Highly-diversified**

# Footnotes

1. Unaudited financial information for 2014 through 2018. 2014 through 2018 revenues were calculated according to a prior accounting standard, ASC 605, and may not be directly comparable to our 2019 to 2022 revenues, which use ASC 606. Our adoption of ASC 606 as of January 1, 2019 did not materially impact our revenues.
2. See: [www.thoughtworks.com/about-us/news/2020/named-strong-performer-digital-product-development-services](http://www.thoughtworks.com/about-us/news/2020/named-strong-performer-digital-product-development-services)
3. Announced April 27, 2022. See: <https://investors.thoughtworks.com/news-releases/news-release-details/thoughtworks-acquires-leading-product-development-consultancy>
4. Announced August 16, 2022. See: <https://investors.thoughtworks.com/news-releases/news-release-details/thoughtworks-completes-acquisition-handmade-design-boost-cx-and>
5. See: [www.thoughtworks.com/what-we-do/enterprise-modernization-platforms-cloud/forrester-wave-modern-application-development-services](http://www.thoughtworks.com/what-we-do/enterprise-modernization-platforms-cloud/forrester-wave-modern-application-development-services)
6. See: [www.thoughtworks.com/en-gb/what-we-do/enterprise-modernization-platforms-cloud/forrester-wave-leader-in-cloud-migration-managed-service-partners](http://www.thoughtworks.com/en-gb/what-we-do/enterprise-modernization-platforms-cloud/forrester-wave-leader-in-cloud-migration-managed-service-partners)
7. Announced February 6, 2023. See: [www.thoughtworks.com/about-us/news/2023/thoughtworks-acquires-leading-australian-aws-consultancy-itoc](http://www.thoughtworks.com/about-us/news/2023/thoughtworks-acquires-leading-australian-aws-consultancy-itoc)
8. See: <https://investors.thoughtworks.com/news-releases/news-release-details/thoughtworks-named-top-15-sourcing-standout-ig>
9. Employee concentration as of June 30, 2023
10. As of June 30, 2023
11. For the three months ended June 30, 2023
12. Reported YoY percentage growth rates are calculated by comparing to the prior year's corresponding period.
13. Revenue Growth Rate at Constant Currency is calculated by translating the current period revenues into U.S. dollars at the weighted average exchange rates of the prior period of comparison.
14. Adjusted EBITDA, and certain other measures in this deck, are Non-GAAP financial measures. For more information regarding the non-GAAP financial measures discussed in this presentation including a reconciliation of these non-GAAP measures to their corresponding GAAP measures, please see the Appendix to this presentation. For definitions of these non-GAAP measures, please see our press release for the most recent quarter-ended posted to the Investor Relations page of our website.
15. Represents contracts with customers by contracted currency, or by sales location.
16. Represents contracts with customers by contracted currency, or by sales location, which are 5% or more of total revenues.
17. Source: IDC's Worldwide Digital Transformation Spending Guide 2023, (V1 2023 forecast), April 2023
18. Source: Bloomberg Intelligence press release, [Generative AI to Become a \\$1.3 Trillion Market by 2032, Research Finds](#)
19. Source: IDC press release <https://www.idc.com/getdoc.jsp?containerId=prUS50454123>
20. Source: Gartner® press release, [Gartner Forecasts Worldwide Public Cloud End-User Spending to Reach Nearly \\$600 Billion in 2023](#), April 19, 2023. GARTNER is a registered trademark and service mark of Gartner, Inc. and/or its affiliates in the U.S. and internationally and is used herein with permission. All rights reserved.
21. Source: Gartner® press release, [Gartner Forecasts Worldwide Banking and Investment Services IT Spending to Reach \\$652 Billion in 2023](#), June 21, 2023. GARTNER is a registered trademark and service mark of Gartner, Inc. and/or its affiliates in the U.S. and internationally and is used herein with permission. All rights reserved.
22. Source: KPMG Global Tech Report 2022: <https://assets.kpmg/content/dam/kpmg/xx/pdf/2022/09/kpmg-global-tech-report-2022.pdf>
23. For the six months ended June 30, 2023
24. Defined as clients for whom we have done work and generated revenues in excess of \$25,000 within the preceding twelve months
25. Top 10 clients are determined by spend for the year ended December 31, 2022
26. 87% reduction per employee
27. Peakon employment survey October 2022

# Delivering extraordinary impact together



# Appendix



# Reconciliation of Non-GAAP financial measures

(in thousands, except percentages, number of shares and earnings per share)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
<b>Net loss</b>	\$ (12,272)	\$ (39,308)	\$ (20,379)	\$ (82,893)
Unrealized foreign exchange loss (gain)	213	13,434	(735)	7,794
Stock-based compensation	17,606	68,965	35,285	169,148
Amortization of acquisition-related intangibles	3,669	3,303	7,260	6,295
Acquisition costs (a)	2,100	1,282	3,806	1,302
Certain professional fees (b)	1,525	63	1,750	866
Employer payroll related expense on employee equity incentive plan (c)	249	(125)	491	3,497
Final tax assessment for closed operations (d)	—	258	—	258
Change in fair value of contingent consideration (e)	129	528	129	528
Income tax effects of adjustments (f)	(3,114)	(11,392)	(7,435)	(25,795)
<b>Adjusted Net Income</b>	<b>\$ 10,105</b>	<b>\$ 37,008</b>	<b>\$ 20,172</b>	<b>\$ 81,000</b>
<b>GAAP diluted weighted average common shares outstanding</b>	317,341,907	310,575,050	316,899,214	308,394,443
Employee stock options, RSUs and PSUs	12,250,374	19,069,863	13,561,172	20,913,127
<b>Adjusted diluted weighted average common shares outstanding</b>	<b>329,592,281</b>	<b>329,644,913</b>	<b>330,460,386</b>	<b>329,307,570</b>
<b>GAAP diluted loss per common share</b>	<b>\$ (0.04)</b>	<b>\$ (0.13)</b>	<b>\$ (0.06)</b>	<b>\$ (0.27)</b>
<b>Adjusted Diluted EPS</b>	<b>\$ 0.03</b>	<b>\$ 0.11</b>	<b>\$ 0.06</b>	<b>\$ 0.25</b>
<b>Gross profit, GAAP</b>	<b>\$ 90,877</b>	<b>\$ 81,645</b>	<b>\$ 188,411</b>	<b>\$ 152,820</b>
Stock-based compensation	10,696	49,573	21,226	119,482
Employer payroll related expense on employee equity incentive plan (c)	159	(99)	345	2,277
Depreciation expense	3,257	3,859	6,804	6,595
<b>Adjusted Gross Profit</b>	<b>\$ 104,989</b>	<b>\$ 134,978</b>	<b>\$ 216,786</b>	<b>\$ 281,174</b>
<b>Gross margin, GAAP</b>	<b>31.6 %</b>	<b>24.6 %</b>	<b>31.7 %</b>	<b>23.4 %</b>
<b>Adjusted Gross Margin</b>	<b>36.6 %</b>	<b>40.6 %</b>	<b>36.5 %</b>	<b>43.1 %</b>

(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) Excludes 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.

(d) Adjusts for certain tax related expenses related to final tax assessments from closing operations in Uganda, which was completely shut down in 2015.

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

(f) Adjusts for the income tax effects of the foregoing adjusted items.

(g) Excludes a gain, which was included within Other (income) expense, net in the condensed consolidated statements of loss and comprehensive loss for the first quarter of 2023, related to the mark to market adjustment on shares received in relation to the sale and settlement of trade receivables in 2022.

# Reconciliation of Non-GAAP financial measures

(in thousands, except percentages)

	Three Months Ended June 30,		Six Months Ended June 30,		Year Ended December 31,	
	2023	2022	2023	2022	2022	2021
<b>Net loss</b>	\$ (12,272)	\$ (39,308)	\$ (20,379)	\$ (82,893)	\$ (105,393)	\$ (575)
Income tax expense	4,604	477	11,963	4,805	30,825	16,740
Interest expense	6,150	4,984	13,012	9,631	22,461	25,456
Other (income) expense, net (g)	(6)	413	787	325	1,682	1,671
Unrealized foreign exchange loss (gain)	213	13,434	(735)	7,794	10,106	5,028
Stock-based compensation	17,606	68,965	35,285	169,148	249,915	128,302
Depreciation and amortization	9,131	8,074	18,220	16,656	34,446	29,528
Acquisition costs (a)	2,100	1,282	3,806	1,302	4,126	8,524
Certain professional fees (b)	1,525	63	1,750	866	2,014	1,991
Employer payroll related expense on employee equity incentive plan (c)	249	(125)	491	3,497	6,353	1,154
Non-recurring tender offer compensation expense (d)	—	—	—	—	—	2,715
IPO-related costs (e)	—	—	—	—	—	2,713
Final tax assessment for closed operations (f)	—	258	—	258	258	—
<b>Adjusted EBITDA</b>	<b>\$ 29,300</b>	<b>\$ 58,517</b>	<b>\$ 64,200</b>	<b>\$ 131,389</b>	<b>\$ 256,793</b>	<b>\$ 223,247</b>
<b>Net loss margin</b>	<b>(4.3)%</b>	<b>(11.8)%</b>	<b>(3.4)%</b>	<b>(12.7)%</b>	<b>(8.1)%</b>	<b>(0.1)%</b>
<b>Adjusted EBITDA Margin</b>	<b>10.2 %</b>	<b>17.6 %</b>	<b>10.8 %</b>	<b>20.1 %</b>	<b>19.8 %</b>	<b>20.9 %</b>

<sup>(a)</sup> Reflects costs for certain professional fees and retention wage expenses related to certain acquisitions.

<sup>(b)</sup> Adjusts for certain transaction expenses, non-recurring legal expenses, and one-time professional fees.

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

<sup>(d)</sup> Adjusts for the additional compensation expense related to the tender offer completed in the first quarter of 2021.

<sup>(e)</sup> Adjusts for IPO-readiness costs and expenses that do not qualify as equity issuance costs.

<sup>(f)</sup> Adjusts for certain tax related expenses related to final tax assessments from closing operations in Uganda, which was completely shut down in 2015.

<sup>(g)</sup> Excludes a gain, which was included within Other (income) expense, net in the condensed consolidated statements of loss and comprehensive loss for the first quarter of 2023, related to the mark to market adjustment on shares received in relation to the sale and settlement of trade receivables in 2022.