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

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**FORM 8-K**

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**CURRENT REPORT**

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

Date of Report (Date of earliest event reported): August 6, 2021

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**HUDSON GLOBAL, INC.**  
(Exact name of registrant as specified in charter)

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Delaware  
(State or other jurisdiction  
of incorporation)

001-38704  
(Commission  
File Number)

59-3547281  
(I.R.S. Employer  
Identification No.)

53 Forest Avenue, Suite 102  
Old Greenwich, CT 06870  
(Address of Principal Executive Offices)

Registrant's telephone number, including area code (203) 409-5628

N/A  
(Former name or former address, if changed since last report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

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

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

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, \$0.001 par value	HSO	The NASDAQ Stock Market LLC
Preferred Share Purchase Rights		The NASDAQ Stock Market LLC

Indicate by check mark whether the Registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

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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.

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ITEM 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

On August 6, 2021, Hudson Global, Inc. (the "Company") issued a press release announcing its financial results for the three months ended June 30, 2021. A copy of such press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

Included in Exhibit 99.1 are references to "liquidity." The Company believes that this non-GAAP measure provides investors useful information about its combined available cash and borrowing capacity.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

(a) Financial Statements.

None.

(b) Pro Forma Financial Information.

None.

(c) Shell Company Transactions

None.

(d) Exhibits

The exhibit listed in the following Exhibit Index is provided as part of the information furnished under Item 2.02 of this Current Report on Form 8-K:

EXHIBIT INDEX

99.1 [Press Release of Hudson Global, Inc. issued on August 6, 2021.](#)

SIGNATURES

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

HUDSON GLOBAL, INC.  
(Registrant)

By: /s/ JEFFREY E. EBERWEIN  
Jeffrey E. Eberwein  
Chief Executive Officer

Dated: August 6, 2021

**For Immediate Release**

## **Hudson Global Reports 2021 Second Quarter Results**

**OLD GREENWICH, CT - August 6, 2021** - Hudson Global, Inc. (Nasdaq: HSON), a leading global total talent solutions company, announced today financial results for the second quarter ended June 30, 2021.

### **2021 Second Quarter Summary**

- Revenue of \$39.7 million increased 61.5% from the second quarter of 2020 and 41.4% in constant currency.
- Adjusted net revenue of \$15.1 million increased 69.0% from the second quarter of 2020 and 52.7% in constant currency.
- Net loss decreased to \$0.1 million, or \$0.04 per basic and diluted share, compared to net loss of \$0.8 million, or \$0.27 per basic and diluted share, for the second quarter of 2020. Adjusted net income per diluted share (non-GAAP measure)\* was \$0.15 compared to adjusted net loss per diluted share of \$0.13 in the second quarter of 2020.
- Adjusted EBITDA (non-GAAP measure)\* was \$1.7 million compared to adjusted EBITDA loss of \$0.4 million in the second quarter of 2020.
- Total cash including restricted cash was \$24.5 million at June 30, 2021.

"Our business exhibited strong growth in revenue, adjusted net revenue, and adjusted EBITDA across each of our three regions in the second quarter of 2021 versus the prior year quarter," said Jeff Eberwein, Chief Executive Officer of Hudson Global. "I am very proud of how well our team has responded to and capitalized on the rebound in demand for our services. I am also encouraged by our pace of new business wins so far this year as well as the robust growth of our sales pipeline."

\* The Company provides non-GAAP measures as a supplement to financial results based on accounting principles generally accepted in the United States ("GAAP"). Constant currency, adjusted EBITDA, EBITDA, adjusted net income or loss, and adjusted net income or loss per diluted share are defined in the segment tables at the end of this release and a reconciliation of such non-GAAP measures to the most directly comparable GAAP measures is included within such segment tables.

## **Regional Highlights**

*All growth rate comparisons are in constant currency.*

### **Asia Pacific**

Asia Pacific revenue of \$28.8 million increased 32% and adjusted net revenue of \$6.9 million increased 26% in the second quarter of 2021 compared to the same period in 2020. EBITDA was \$1.0 million in the second quarter of 2021 compared to EBITDA of \$1.0 million in the same period one year ago, and adjusted EBITDA was \$1.4 million compared to adjusted EBITDA of \$1.0 million in the second quarter of 2020.

### **Americas**

In the second quarter of 2021, Americas revenue of \$5.4 million increased 139% and adjusted net revenue of \$5.0 million increased 159% from the second quarter of 2020. Strong organic growth in the Americas as well as the acquisition of Coit Group in Q4 2020 contributed to the region's top line growth. EBITDA loss decreased to \$0.2 million in the second quarter of 2021 compared to EBITDA loss of \$0.9 million in same period last year. The region recorded adjusted EBITDA of \$0.5 million compared to adjusted EBITDA loss of \$0.6 million a year ago.

### **Europe**

Europe revenue in the second quarter of 2021 increased 39% to \$5.5 million and adjusted net revenue of \$3.2 million increased 30% from the second quarter of 2020. EBITDA increased to \$0.5 million in the second quarter of 2021 compared to EBITDA of \$0.3 million in the same period one year ago. Adjusted EBITDA increased to \$0.6 million in the second quarter of 2021 compared to adjusted EBITDA of \$0.1 million in the second quarter of 2020.

## **Corporate Costs**

In the second quarter of 2021, the Company's corporate costs were \$0.8 million, flat versus the prior year quarter. Corporate costs for each of the second quarters of 2021 and 2020 excluded non-recurring expenses of \$0.1 million.

## **Liquidity and Capital Resources**

The Company ended the second quarter of 2021 with \$24.5 million in cash, including \$0.3 million in restricted cash. The Company generated \$1.0 million in cash flow from operations during the second quarter of 2021, compared to \$1.9 million of cash flow from operations in the second quarter of 2020.

## **Share Repurchase Program**

Since the beginning of 2019, the Company has reduced its share count by 16% and continues to view share repurchases as an attractive use of capital. Under its \$10 million common stock share repurchase program, the Company has \$1.7 million remaining.

## **COVID-19 Update**

The Company is vigilantly monitoring the business environment surrounding COVID-19 and continues to proactively address this situation as it evolves. The Company believes it can continue to take appropriate actions to manage the business in this challenging environment due to the flexibility of its workforce and the strength of its balance sheet.

## **Conference Call/Webcast**

The Company will conduct a conference call today at 10:00 a.m. ET to discuss this announcement. Individuals wishing to listen can access the webcast on the investor information section of the Company's web site at [hudsonrpo.com](http://hudsonrpo.com).

If you wish to join the conference call, please use the dial-in information below:

- Toll-Fee Dial-In Number: (866) 220-5784
- International Dial-In Number: (615) 622-8063
- Conference ID #: 8387899

The archived call will be available on the investor information section of the Company's web site at [hudsonrpo.com](http://hudsonrpo.com).

## About Hudson Global

Hudson Global, Inc. is a leading global total talent solutions provider operating under the brand name Hudson RPO. We deliver innovative, customized recruitment outsourcing and total talent solutions to organizations worldwide. Through our consultative approach, we develop tailored talent solutions designed to meet our clients' strategic growth initiatives. As a trusted advisor, we meet our commitments, deliver quality and value, and strive to exceed expectations.

For more information, please visit us at [hudsonrpo.com](http://hudsonrpo.com) or contact us at [ir@hudsonrpo.com](mailto:ir@hudsonrpo.com).

Investor Relations:

The Equity Group

Lena Cati

212 836-9611 / [lcati@equityny.com](mailto:lcati@equityny.com)

## Forward-Looking Statements

*This press release contains statements that the company believes to be "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact included in this press release, including statements regarding the company's future financial condition, results of operations, business operations and business prospects, are forward-looking statements. Words such as "anticipate," "estimate," "expect," "project," "intend," "plan," "predict," "believe" and similar words, expressions and variations of these words and expressions are intended to identify forward-looking statements. All forward-looking statements are subject to important factors, risks, uncertainties, and assumptions, including industry and economic conditions that could cause actual results to differ materially from those described in the forward-looking statements. Such factors, risks, uncertainties and assumptions include, but are not limited to, global economic fluctuations; the adverse impacts of the recent coronavirus, or COVID-19 outbreak; the Company's ability to successfully achieve its strategic initiatives; risks related to potential acquisitions or dispositions of businesses by the Company; the Company's ability to retain and recruit qualified management and/or advisors; the Company's ability to operate successfully as a company focused on its RPO business; risks related to fluctuations in the Company's operating results from quarter to quarter; the loss of or material reduction in our business with any of the Company's largest customers; the ability of clients to terminate their relationship with the Company at any time; competition in the Company's markets; the negative cash flows and operating losses that may recur in the future; risks relating to how future credit facilities may affect or restrict our operating flexibility; risks associated with the Company's investment strategy; risks related to international operations, including foreign currency fluctuations, political events, natural disasters or health crises, including the ongoing COVID-19 outbreak; the Company's dependence on key management personnel; the Company's ability to attract and retain highly skilled professionals; the Company's ability to collect accounts receivable; the Company's ability to maintain costs at an acceptable level; the Company's heavy reliance on information systems and the impact of potentially losing or failing to develop technology; risks related to providing uninterrupted service to clients; the Company's exposure to employment-related claims from clients, employers and regulatory authorities, current and former employees in connection with the Company's business reorganization initiatives, and limits on related insurance coverage; the Company's ability to utilize net operating loss carry-forwards; volatility of the Company's stock price; the impact of government regulations; and restrictions imposed by blocking arrangements. Additional information concerning these, and other factors is contained in the Company's filings with the Securities and Exchange Commission. These forward-looking statements speak only as of the date of this document. The Company assumes no obligation, and expressly disclaims any obligation, to update any forward-looking statements, whether as a result of new information, future events or otherwise.*

**Financial Tables Follow**



**HUDSON GLOBAL, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(in thousands, except per share amounts)  
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Revenue	\$ 39,674	\$ 24,573	\$ 74,135	\$ 48,704
<b>Operating expenses:</b>				
Direct contracting costs and reimbursed expenses	24,583	15,643	46,326	29,976
Salaries and related	12,281	8,335	22,871	16,552
Other selling, general and administrative	2,402	1,454	4,402	3,535
Depreciation and amortization	113	24	223	48
Total operating expenses	39,379	25,456	73,822	50,111
Operating income (loss)	295	(883)	313	(1,407)
<b>Non-operating income (expense):</b>				
Interest income, net	9	40	19	119
Other (expense) income, net	(37)	337	(90)	378
Net income (loss) before provision for income taxes	267	(506)	242	(910)
Provision for income taxes	389	266	567	373
Net loss	\$ (122)	\$ (772)	\$ (325)	\$ (1,283)
<b>Basic and diluted loss per share:</b>				
Loss per share	\$ (0.04)	\$ (0.27)	\$ (0.11)	\$ (0.43)
<b>Weighted-average shares outstanding:</b>				
Basic	2,906	2,839	2,899	2,952
Diluted	2,906	2,839	2,899	2,952

**HUDSON GLOBAL, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(in thousands, except per share amounts)  
(unaudited)

	June 30, 2021	December 31, 2020
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 24,195	\$ 25,806
Accounts receivable, less allowance for doubtful accounts of \$1 and \$10, respectively	19,569	13,445
Restricted cash, current	116	152
Prepaid and other	817	889
Total current assets	44,697	40,292
Property and equipment, net	174	115
Operating lease right-of-use assets	630	210
Deferred tax assets	1,253	1,037
Restricted cash	217	241
Goodwill	2,088	2,088
Intangible assets, net	1,240	1,400
Other assets	4	3
Total assets	\$ 50,303	\$ 45,386
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 538	\$ 576
Accrued expenses and other current liabilities	13,203	9,241
Operating lease obligations, current	396	192
Total current liabilities	14,137	10,009
Income tax payable	923	887
Operating lease obligations	243	22
Other liabilities	197	188
Total liabilities	15,500	11,106
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$0.001 par value, 10,000 shares authorized; none issued or outstanding	—	—
Common stock, \$0.001 par value, 20,000 shares authorized; 3,677 and 3,672 shares issued; 2,690 and 2,685 shares outstanding, respectively	4	4
Additional paid-in capital	487,921	486,825
Accumulated deficit	(438,075)	(437,750)
Accumulated other comprehensive loss, net of applicable tax	282	526
Treasury stock, 987 and 987 shares, respectively, at cost	(15,329)	(15,325)
Total stockholders' equity	34,803	34,280
Total liabilities and stockholders' equity	\$ 50,303	\$ 45,386

**HUDSON GLOBAL, INC.**  
**SEGMENT ANALYSIS - QUARTER TO DATE (continued)**  
**RECONCILIATION OF ADJUSTED EBITDA**

(in thousands)  
(unaudited)

<b>For The Three Months Ended June 30, 2021</b>	<b>Asia Pacific</b>	<b>Americas</b>	<b>Europe</b>	<b>Corporate</b>	<b>Total</b>
Revenue, from external customers	\$ 28,801	\$ 5,366	\$ 5,507	\$ —	\$ 39,674
Adjusted net revenue, from external customers <sup>(1)</sup>	\$ 6,880	\$ 4,993	\$ 3,218	\$ —	\$ 15,091
Net loss					\$ (122)
Provision from income taxes					389
Interest income, net					(9)
Depreciation and amortization					113
EBITDA (loss) <sup>(2)</sup>	\$ 1,003	\$ (173)	\$ 476	\$ (935)	371
Non-operating expense (income), including corporate administration charges	351	94	85	(493)	37
Stock-based compensation expense	86	145	62	501	794
Non-recurring severance and professional fees	—	8	—	82	90
Compensation expense related to the Coit acquisition <sup>(3)</sup>	—	390	—	—	390
Adjusted EBITDA (loss) <sup>(2)</sup>	\$ 1,440	\$ 464	\$ 623	\$ (845)	\$ 1,682
<b>For The Three Months Ended June 30, 2020</b>	<b>Asia Pacific</b>	<b>Americas</b>	<b>Europe</b>	<b>Corporate</b>	<b>Total</b>
Revenue, from external customers	\$ 18,833	\$ 2,206	\$ 3,534	\$ —	\$ 24,573
Adjusted net revenue, from external customers <sup>(1)</sup>	\$ 4,818	\$ 1,893	\$ 2,219	\$ —	\$ 8,930
Net loss					\$ (772)
Provision for income taxes					266
Interest income, net					(40)
Depreciation and amortization					24
EBITDA (loss) <sup>(2)</sup>	\$ 1,025	\$ (918)	\$ 300	\$ (929)	(522)
Non-operating expense (income), including corporate administration charges	(86)	23	(209)	(65)	(337)
Stock-based compensation expense	14	(10)	2	87	93
Non-recurring severance and professional fees	—	318	—	81	399
Adjusted EBITDA (loss) <sup>(2)</sup>	\$ 953	\$ (587)	\$ 93	\$ (826)	\$ (367)

(1) Represents Revenue less the Direct contracting costs and reimbursed expenses caption on the Condensed Consolidated Statements of Operations.

(2) Non-GAAP earnings before interest, income taxes, and depreciation and amortization (“EBITDA”) and non-GAAP earnings before interest, income taxes, depreciation and amortization, non-operating income, business reorganization expenses, stock-based compensation expense, and other non-recurring expenses (“adjusted EBITDA”) are presented to provide additional information about the Company’s operations on a basis consistent with the measures which the Company uses to manage its operations and evaluate its performance. Management also uses these measurements to evaluate capital needs and working capital requirements. EBITDA and adjusted EBITDA should not be considered in isolation or as a substitute for operating income, cash flows from operating activities, and other income or cash flow statement data prepared in accordance with generally accepted accounting principles or as a measure of the Company’s profitability or liquidity. Furthermore, EBITDA and adjusted EBITDA as presented above may not be comparable with similarly titled measures reported by other companies.

(3) Represents compensation expense payable to the principals of Coit per the terms of the acquisition agreement, including a promissory note, common stock, and earn-out payments.

**HUDSON GLOBAL, INC.**  
**SEGMENT ANALYSIS - YEAR TO DATE (continued)**  
**RECONCILIATION OF ADJUSTED EBITDA**  
**(in thousands)**  
**(unaudited)**

<b>For The Six Months Ended June 30, 2021</b>	<b>Asia Pacific</b>	<b>Americas</b>	<b>Europe</b>	<b>Corporate</b>	<b>Total</b>
Revenue, from external customers	\$ 54,141	\$ 9,927	\$ 10,067	\$ —	\$ 74,135
Adjusted net revenue, from external customers <sup>(1)</sup>	\$ 12,638	\$ 9,202	\$ 5,969	\$ —	\$ 27,809
Net loss					\$ (325)
Provision from income taxes					567
Interest income, net					(19)
Depreciation and amortization					223
EBITDA (loss) <sup>(2)</sup>	\$ 1,765	\$ (451)	\$ 546	\$ (1,414)	446
Non-operating expense (income), including corporate administration charges	667	159	224	(960)	90
Stock-based compensation expense	129	256	81	630	1,096
Non-recurring severance and professional fees	—	23	—	99	122
Compensation expense related to the Coit acquisition <sup>(3)</sup>	—	681	—	—	681
Adjusted EBITDA (loss) <sup>(2)</sup>	\$ 2,561	\$ 668	\$ 851	\$ (1,645)	\$ 2,435
<b>For The Six Months Ended June 30, 2020</b>	<b>Asia Pacific</b>	<b>Americas</b>	<b>Europe</b>	<b>Corporate</b>	<b>Total</b>
Revenue, from external customers	\$ 35,784	\$ 5,394	\$ 7,526	\$ —	\$ 48,704
Adjusted net revenue, from external customers <sup>(1)</sup>	\$ 9,329	\$ 4,753	\$ 4,646	\$ —	\$ 18,728
Net loss					\$ (1,283)
Provision for income taxes					373
Interest income, net					(119)
Depreciation and amortization					48
EBITDA (loss) <sup>(2)</sup>	\$ 1,362	\$ (978)	\$ 363	\$ (1,728)	(981)
Non-operating expense (income), including corporate administration charges	104	160	(208)	(434)	(378)
Stock-based compensation expense	38	(4)	4	199	237
Non-recurring severance and professional fees	—	318	—	359	677
Adjusted EBITDA (loss) <sup>(2)</sup>	\$ 1,504	\$ (504)	\$ 159	\$ (1,604)	\$ (445)

(1) Represents Revenue less the Direct contracting costs and reimbursed expenses caption on the Condensed Consolidated Statements of Operations.

(2) Non-GAAP earnings before interest, income taxes, and depreciation and amortization (“EBITDA”) and non-GAAP earnings before interest, income taxes, depreciation and amortization, non-operating income, business reorganization expenses, stock-based compensation expense, and other non-recurring expenses (“adjusted EBITDA”) are presented to provide additional information about the Company’s operations on a basis consistent with the measures which the Company uses to manage its operations and evaluate its performance. Management also uses these measurements to evaluate capital needs and working capital requirements. EBITDA and adjusted EBITDA should not be considered in isolation or as a substitute for operating income, cash flows from operating activities, and other income or cash flow statement data prepared in accordance with generally accepted accounting principles or as a measure of the Company’s profitability or liquidity. Furthermore, EBITDA and adjusted EBITDA as presented above may not be comparable with similarly titled measures reported by other companies.

(3) Represents compensation expense payable to the principals of Coit per the terms of the acquisition agreement, including a promissory note, common stock, and earn-out payments.

**HUDSON GLOBAL, INC.**  
**RECONCILIATION OF CONSTANT CURRENCY MEASURES**  
**(in thousands) (unaudited)**

The Company operates on a global basis, with the majority of its revenue generated outside of the United States. Accordingly, fluctuations in foreign currency exchange rates can affect its results of operations. Constant currency information compares financial results between periods as if exchange rates had remained constant period-over-period. The Company defines the term “constant currency” to mean that financial data for a previously reported period are translated into U.S. dollars using the same foreign currency exchange rates that were used to translate financial data for the current period. Changes in revenue, adjusted net revenue, selling, general and administrative expenses (“SG&A”), other non-operating income (expense), operating income (loss) and EBITDA (loss) include the effect of changes in foreign currency exchange rates. The Company’s management reviews and analyzes business results in constant currency and believes these results better represent the Company’s underlying business trends. The Company believes that these calculations are a useful measure, indicating the actual change in operations. There are no significant gains or losses on foreign currency transactions between subsidiaries. Therefore, changes in foreign currency exchange rates generally impact only reported earnings.

	<b>Three Months Ended June 30,</b>			
	<b>2021</b>	<b>2020</b>		
	<b>As reported</b>	<b>As reported</b>	<b>Currency translation</b>	<b>Constant currency</b>
<b>Revenue:</b>				
Asia Pacific	\$ 28,801	\$ 18,833	\$ 3,020	\$ 21,853
Americas	5,366	2,206	39	2,245
Europe	5,507	3,534	426	3,960
Total	<u>\$ 39,674</u>	<u>\$ 24,573</u>	<u>\$ 3,485</u>	<u>\$ 28,058</u>
<b>Adjusted net revenue <sup>(1)</sup></b>				
Asia Pacific	\$ 6,880	\$ 4,818	\$ 658	\$ 5,476
Americas	4,993	1,893	38	1,931
Europe	3,218	2,219	258	2,477
Total	<u>\$ 15,091</u>	<u>\$ 8,930</u>	<u>\$ 954</u>	<u>\$ 9,884</u>
<b>SG&amp;A:<sup>(2)</sup></b>				
Asia Pacific	\$ 5,542	\$ 3,878	\$ 516	\$ 4,394
Americas	5,058	2,790	42	2,832
Europe	2,656	2,127	251	2,378
Corporate	1,427	994	(1)	993
Total	<u>\$ 14,683</u>	<u>\$ 9,789</u>	<u>\$ 808</u>	<u>\$ 10,597</u>
<b>Operating income (loss):</b>				
Asia Pacific	\$ 1,338	\$ 927	\$ 135	\$ 1,062
Americas	(168)	(900)	(5)	(905)
Europe	553	85	7	92
Corporate	(1,428)	(995)	—	(995)
Total	<u>\$ 295</u>	<u>\$ (883)</u>	<u>\$ 137</u>	<u>\$ (746)</u>
<b>EBITDA (loss):</b>				
Asia Pacific	\$ 1,003	\$ 1,025	\$ 155	\$ 1,180
Americas	(173)	(918)	(2)	(920)
Europe	476	300	36	336
Corporate	(935)	(929)	—	(929)
Total	<u>\$ 371</u>	<u>\$ (522)</u>	<u>\$ 189</u>	<u>\$ (333)</u>

(1) Represents Revenue less the Direct contracting costs and reimbursed expenses caption on the Condensed Consolidated Statements of Operations.

(2) SG&A is a measure that management uses to evaluate the segments’ expenses and includes salaries and related costs and other selling, general and administrative costs.

**HUDSON GLOBAL, INC.**  
**RECONCILIATION OF ADJUSTED NET LOSS PER DILUTED SHARE**  
(in thousands, except per share amounts)  
(unaudited)

	Adjusted	Diluted Shares	Per Diluted
<b>For The Three Months Ended June 30, 2021</b>	<b>Net Income</b>	<b>Outstanding <sup>(1)</sup></b>	<b>Share</b>
Net loss	\$ (122)	2,906	\$ (0.04)
Non-recurring items (after-tax)	90	2,974	0.03
Compensation expense related to the Coit acquisition (after tax) <sup>(2)</sup>	482	2,974	0.16
Adjusted net income <sup>(3)</sup>	<u>\$ 450</u>	2,974	<u>\$ 0.15</u>

	Adjusted	Diluted Shares	Per Diluted
<b>For The Three Months Ended June 30, 2020</b>	<b>Net Loss</b>	<b>Outstanding</b>	<b>Share</b>
Net loss	\$ (772)	2,839	\$ (0.27)
Non-recurring items (after-tax)	399	2,839	0.14
Adjusted net loss <sup>(3)</sup>	<u>\$ (373)</u>	2,839	<u>\$ (0.13)</u>

- (1) The weighted average number of shares outstanding used in the computation of diluted net loss per share for the three months ended June 30, 2020 did not include potentially outstanding shares of common stock because the effect would have been anti-dilutive. However, these shares have been added to the adjusted net income per share reconciliation when their impact would be dilutive.
- (2) Represents compensation expense payable to the principals of Coit per the terms of the acquisition agreement, including a promissory note, common stock, and earn-out payments.
- (3) Adjusted net income or loss and adjusted net income or loss per diluted share are non-GAAP measures defined as reported net income or loss and reported net income or loss per diluted share before items such as PPP loan forgiveness, acquisition-related costs, and non-recurring severance and professional fees after tax that are presented to provide additional information about the company's operations on a basis consistent with the measures that the Company uses to manage its operations and evaluate its performance. Management also uses these measurements to evaluate capital needs and working capital requirements. Adjusted net income or loss and adjusted net income or loss per diluted share should not be considered in isolation or as substitutes for net income or loss and net income or loss per share and other income or cash flow statement data prepared in accordance with generally accepted accounting principles or as measures of the company's profitability or liquidity. Further, adjusted net income or loss and adjusted net income or loss per diluted share as presented above may not be comparable with similarly titled measures reported by other companies.