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

FORM 10-Q

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

For the quarterly period ended June 30, 2021

or

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

For the transition period from ______ to ______

Commission file number: 001-38704

HUDSON GLOBAL, INC.

(Exact name of registrant as specified in its charter)

Delaware	**59-3547281**
(State or other jurisdiction of incorporation or organization)	**(IRS Employer Identification No.)**

53 Forest Avenue, Suite 102, Old Greenwich, CT 06870
(Address of principal executive offices) (Zip Code)
(203) 409-5628
(Registrant’s telephone number, including area code)

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	**HSON**	**The NASDAQ Stock Market LLC**
Preferred Share Purchase Rights		**The NASDAQ Stock Market LLC**

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 definition 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 checkmark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer’s classes of common stock, as of the latest practicable date.

Class	Outstanding on July 30, 2021
Common Stock - $0.001 par value	2,689,920

HUDSON GLOBAL, INC.
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PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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
Operating expenses:				
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)
Non-operating income (expense):				
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)
Basic and diluted loss per share:				
Basic				
Loss per share	$ (0.04)	$ (0.27)	$ (0.11)	$ (0.43)
Diluted				
Loss per share	$ (0.04)	$ (0.27)	$ (0.11)	$ (0.43)
Weighted-average shares outstanding:				
Basic	2,906	2,839	2,899	2,952
Diluted	2,906	2,839	2,899	2,952

See accompanying notes to condensed consolidated financial statements.

HUDSON GLOBAL, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE LOSS
(in thousands, except per share amounts)
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	**2020**	**2021**	**2020**
Comprehensive loss:				
Net loss	$ (122)	$ (772)	$ (325)	$ (1,283)
Other comprehensive loss:				
Foreign currency translation adjustment, net of applicable income taxes	(18)	444	(244)	(343)
Total other comprehensive loss, net of income taxes	(18)	444	(244)	(343)
Comprehensive loss	$ (140)	$ (328)	$ (569)	$ (1,626)

See accompanying notes to condensed consolidated financial statements.

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

	June 30, 2021	December 31, 2020
ASSETS		
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
LIABILITIES AND STOCKHOLDERS' EQUITY		
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

See accompanying notes to condensed consolidated financial statements.

HUDSON GLOBAL, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(unaudited)

	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020
Cash flows from operating activities:		
Net loss	$ (325)	$ (1,283)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	223	48
Provision for doubtful accounts	—	9
(Benefit from) Provision for deferred income taxes	(245)	78
Stock-based compensation	1,096	237
Changes in assets and liabilities, net of effect of dispositions:		
(Increase) decrease in accounts receivable	(6,392)	105
Decrease (increase) in prepaid and other assets	66	(592)
Increase in accounts payable, accrued expenses and other liabilities	4,164	543
Net cash used in operating activities	(1,413)	(855)
Cash flows from investing activities:		
Capital expenditures	(122)	(11)
Net cash used in investing activities	(122)	(11)
Cash flows from financing activities:		
Proceeds from government lending	—	1,326
Purchase of treasury stock	—	(2,239)
Purchase of restricted stock from employees	(4)	(14)
Net cash used in financing activities	(4)	(927)
Effect of exchange rates on cash, cash equivalents and restricted cash	(132)	(29)
Net decrease in cash, cash equivalents and restricted cash	(1,671)	(1,822)
Cash, cash equivalents, and restricted cash, beginning of the period	26,199	31,718
Cash, cash equivalents, and restricted cash, end of the period	$ 24,528	$ 29,896
Supplemental disclosures of cash flow information:		
Cash paid during the period for interest	$ —	$ 1
Cash received during the period for interest	$ 19	$ 121
Net cash payments during the period for income taxes	$ 458	$ 271
Cash paid for amounts included in operating lease liabilities	$ 238	$ 129
Supplemental non-cash disclosures:		
Right-of-use assets obtained in exchange for operating lease liabilities	$ 672	$ 77

See accompanying notes to condensed consolidated financial statements.

HUDSON GLOBAL, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in thousands)
(unaudited)

	Three Months Ended				Six Months Ended			
	June 30, 2021		June 30, 2020		June 30, 2021		June 30, 2020	
	Shares	Value	Shares	Value	Shares	Value	Shares	Value
Total stockholders' equity, beginning balance	2,688	$ 34,151	2,682	$ 32,630	2,685	$ 34,280	2,936	$ 36,034
Common stock and additional paid-in capital:								
Beginning balance	3,675	487,131	3,669	486,236	3,672	486,829	3,663	486,092
Stock-based compensation expense	2	794	3	93	5	1,096	9	237
Ending balance	3,677	487,925	3,672	486,329	3,677	487,925	3,672	486,329
Treasury stock:								
Beginning balance	(987)	(15,327)	(987)	(15,322)	(987)	(15,325)	(726)	(13,072)
Purchase of treasury stock	—	—	—	—	—	—	(260)	(2,239)
Purchase of restricted stock from employees	—	(2)	—	(3)	—	(4)	(1)	(14)
Ending balance	(987)	(15,329)	(987)	(15,325)	(987)	(15,329)	(987)	(15,325)
Accumulated other comprehensive (loss) income:								
Beginning balance		300		(1,266)		526		(479)
Other comprehensive loss		(18)		444		(244)		(343)
Ending balance		282		(822)		282		(822)
Accumulated deficit:								
Beginning balance		(437,953)		(437,018)		(437,750)		(436,507)
Net loss		(122)		(772)		(325)		(1,283)
Ending balance		(438,075)		(437,790)		(438,075)		(437,790)
Total stockholders' equity, ending balance	2,690	$ 34,803	2,685	$ 32,392	2,690	$ 34,803	2,685	$ 32,392

See accompanying notes to condensed consolidated financial statements.

HUDSON GLOBAL, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(in thousands, except share and per share amounts)
(unaudited)

NOTE 1 – BASIS OF PRESENTATION

These interim unaudited condensed consolidated financial statements have been prepared in accordance with United States of America ("U.S.") generally accepted accounting principles ("U.S. GAAP") for interim financial information and with the instructions to Form 10-Q and Article 8 of Regulation S-X of the United States Securities and Exchange Commission ("SEC") for interim financial reporting and should be read in conjunction with the consolidated financial statements and related notes of Hudson Global, Inc. and its subsidiaries (the "Company") filed in its Annual Report on Form 10-K for the year ended December 31, 2020.

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of operating revenues and expenses. These estimates are based on management's knowledge and judgments. In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation of the Company's financial position, results of operations, and cash flows at the dates and for the periods presented have been included. The results of operations for interim periods are not necessarily indicative of the results of operations for the full year. The condensed consolidated financial statements include the accounts of the Company and all of its wholly owned subsidiaries. Intra-entity balances and transactions between and among the Company and its subsidiaries have been eliminated in consolidation. Certain prior period amounts have been reclassified to conform to the current year presentation with no material impact on the condensed consolidated financial statements. For more information, see Note 2 to the Condensed Consolidated Financial Statements.

NOTE 2 – DESCRIPTION OF BUSINESS

The Company is comprised of the operations, assets, and liabilities of the Company's three regional businesses of Hudson Americas, Hudson Asia Pacific, and Hudson Europe. The Company provides Recruitment Process Outsourcing ("RPO") permanent recruitment and contracting outsourced recruitment solutions. These services are tailored to the individual needs of primarily mid-to-large-cap multinational companies. The Company's RPO delivery teams utilize state-of-the-art recruitment process methodologies and project management expertise in their flexible, turnkey solutions to meet clients' ongoing business needs. The Company's RPO services include complete recruitment outsourcing, project-based outsourcing, contingent workforce solutions, and recruitment consulting.

On October 1, 2020, the Company completed its acquisition of Coit Staffing, Inc., which expanded its presence in the technology sector and established a Technology Group located in San Francisco. In addition to providing RPO services to clients in the tech sector, the Technology Group operates jointly with the Company's existing teams in the Americas, Asia Pacific, and Europe to provide continuous access to knowledge regarding new and emerging technologies in the RPO, Managed Solutions Provider, and Total Talent Solutions space, enabling the Company to better serve its clients around the world.

The Company operates directly in twelve countries with three reportable geographic business segments: Americas, Asia Pacific, and Europe. See Note 13 to the Condensed Consolidated Financial Statements for further details regarding the reportable segments.

In December 2019, a novel strain of coronavirus, referred to as COVID-19, was reported to have originated in Wuhan, Hubei Province, China. On January 30, 2020, the World Health Organization ("WHO") declared that the virus had become a global public-health emergency. On March 11, 2020, the WHO declared the outbreak to be a pandemic, based on the rapid increase in exposure globally. Many countries around the world have imposed quarantines and restrictions on travel and mass gatherings to slow the spread of the virus. COVID-19 continues to have an impact around the world and presents risks to the Company, which the Company is unable to fully evaluate or foresee at the current time. However, 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.

In 2020 in connection with the COVID-19 pandemic, certain foreign government organizations offered wage assistance subsidies and tax credits to companies in exchange for maintaining specified levels of compensation and related costs for employees residing in those countries. The Company recognized the receipt of funds from these organizations in the Other income (expense), net caption on the Condensed Consolidated Statements of Operations. For the three and six months ended

June 30, 2020 the Company received $265 related to foreign government assistance, included within Other income (expense), net. In the U.S, the Company received a $1.3 million loan in the second quarter of 2020 in connection with the Paycheck Protection Program ("PPP"), administered by the U.S. Small Business Administration ("SBA"), under the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"). The SBA approved the forgiveness of the full amount of the loan on November 30, 2020. For more information, see Note 10.

NOTE 3 – ACCOUNTING PRONOUNCEMENTS

Adoption of New Accounting Pronouncements

On January 1, 2021, the Company adopted Accounting Standards Update ("ASU") 2019-12, "Income Taxes ("Topic 740"): Simplifying the Accounting for Income Taxes". The standard simplifies accounting for income taxes by removing certain exceptions to the general principles in Topic 740. The ASU also clarifies and amends existing guidance to improve consistent application. For public business entities, this standard is effective for fiscal years and interim periods within those fiscal years beginning after December 15, 2020. The adoption of this standard did not have a material impact on the condensed consolidated financial statements.

Recent Accounting Standard Update Not Yet Adopted

In June 2016, the Financial Accounting Standards Board (the "FASB") issued ASU 2016-13, "Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments" ("ASU 2016-13"). This standard requires an impairment model (known as the current expected credit loss ("CECL") model) that is based on expected losses rather than incurred losses. Under the new guidance, each reporting entity should estimate an allowance for expected credit losses, which is intended to result in more timely recognition of losses. This model replaces multiple existing impairment models in current U.S. GAAP, which generally requires a loss to be incurred before it is recognized. The new standard applies to trade receivables arising from revenue transactions such as contract assets and accounts receivable. Under Accounting Standards Codification ("ASC 606"), revenue is recognized when, among other criteria, it is probable that an entity will collect the consideration it is entitled to when goods or services are transferred to a customer. When trade receivables are recorded, they become subject to the CECL model and estimates of expected credit losses on trade receivables over their contractual life will be required to be recorded at inception based on historical information, current conditions, and reasonable and supportable forecasts. This guidance is effective for smaller reporting companies for annual periods beginning after December 15, 2022, including the interim periods in the year. Early adoption is permitted. The Company is evaluating the effect of adopting this new accounting guidance, and will adopt the standard when it becomes effective.

NOTE 4 – REVENUE RECOGNITION

Nature of Services

We account for a contract when both parties to the contract have approved the contract, the rights of the parties are identified, payment terms are identified, the contract has commercial substance, and collectability of consideration is probable. Revenues are recognized over time, using an output measure, as the control of the promised services is transferred to the client in an amount that reflects the consideration we expect to be entitled to in exchange for those services. The majority of our contracts are short-term in nature as they include termination clauses that allow either party to cancel within a short termination period, without cause. Revenue includes billable travel and other reimbursable costs and is reported net of sales or use taxes collected from clients and remitted to taxing authorities.

We generally determine standalone selling prices based on the prices included in the client contracts, using expected cost plus profit, or other observable prices. The price as specified in our client contracts is generally considered the standalone selling price as it is an observable input that depicts the price as if sold to a similar client in similar circumstances. Certain client contracts have variable consideration, including usage-based fees that increase the transaction price and volume rebates or other similar items that generally reduce the transaction price. We estimate variable consideration using the expected value method based on the terms of the client contract and historical evidence. These amounts may be constrained and are only included in revenue to the extent we do not expect a significant reversal when the uncertainty associated with the variable consideration is resolved. Our estimated amounts of variable consideration subject to constraints are not material and we do not believe that there will be significant changes to our estimates.

We record accounts receivable when our right to consideration becomes unconditional. Contract assets primarily relate to our rights to consideration for services provided that they are conditional on satisfaction of future performance obligations. A contract liability for deferred revenue is recorded when consideration is received, or is unconditionally due, from a client prior to transferring control of services to the client under the terms of a contract. Deferred revenue balances typically result from advance payments received from clients prior to transfer services. We do not have any material contract assets or liabilities as of and for the six months ended June 30, 2021.

Payment terms vary by client and the services offered. We consider payment terms that exceed one year to be extended payment terms. Substantially all of the Company's contracts include payment terms of 90 days or less and we do not extend payment terms beyond one year.

We primarily record revenue on a gross basis as a principal in the Consolidated Statements of Operations and Comprehensive Income based upon the following key factors:

- We maintain the direct contractual relationship with the client and are responsible for fulfilling the service promised to the client.
- We maintain control over our contractors while the services to the client are being performed, including our contractors' billing rates, and are ultimately responsible for paying them.

RPO Recruitment. We provide complete recruitment outsourcing, project-based outsourcing, and recruitment consulting for clients' permanent staff hires. We recognize revenue for our RPO recruitment over time in an amount that reflects the consideration we expect to be entitled to and have an enforceable right to payment in exchange for our services. The client simultaneously receives and consumes the benefits of the services as they are provided. The transaction prices contain both fixed fees and variable consideration. Variable consideration is constrained by candidates accepting offers of permanent employment. We recognize revenue on the fixed fees as the performance obligations are satisfied and variable fees as the constraint is lifted. We do not incur incremental costs to obtain our RPO recruitment contracts. The costs to fulfill these contracts are expensed as incurred.

We recognize permanent placement revenue when employment candidates accept offers of permanent employment. We have a substantial history of estimating the financial impact of permanent placement candidates who do not remain with our clients through a guarantee period. Fees to clients are generally calculated as a percentage of the new employee’s annual compensation. No fees for permanent placement services are charged to employment candidates.

Contracting. We provide RPO clients with a range of outsourced professional contract staffing services and managed service provider services offered sometimes on a standalone basis and sometimes as part of a blended total talent solution. We recognize revenue for our contracting services over time as services are performed in an amount that reflects the consideration we expect to be entitled to and have an enforceable right to payment in exchange for our services, which is generally calculated as hours worked multiplied by the agreed-upon hourly bill rate. The client simultaneously receives and consumes the benefits of the services as they are provided. We do not incur incremental costs to obtain our contracting contracts. The costs incurred to fulfill these contracts are expensed as incurred.

Unsatisfied performance obligations. As a practical expedient, we do not disclose the value of unsatisfied performance obligations for (i) contracts with an expected original duration of one year or less and (ii) contracts for which we recognize revenue at the amount to which we have the right to invoice for services performed.

Disaggregation of Revenue

The following table presents our disaggregated revenues by revenue source. For additional information on the disaggregated revenues by geographical segment, see Note 13 to the Condensed Consolidated Financial Statements.

(in thousands, except share and per share amounts)

	Three Months Ended June 30,	
	2021	2020
RPO Recruitment	$ 14,646	$ 8,870
Contracting	25,028	15,703
Total Revenue	$ 39,674	$ 24,573

	Six Months Ended June 30,	
	2021	2020
RPO Recruitment	$ 27,032	$ 18,708
Contracting	47,103	29,996
Total Revenue	$ 74,135	$ 48,704

NOTE 5 – ACQUISITION

On October 1, 2020, the Company, entered into an asset purchase agreement (the “APA”) by and among the Company, Hudson Coit, Inc., a wholly-owned subsidiary of the Company (“Buyer”), Coit Staffing, Inc. (“Seller”), Joe Belluomini, and Tim Farrelly (together with Mr. Belluomini, the “Principals”) and completed the acquisition by Buyer of substantially all of the assets used in the business of the Seller, as set forth in the APA (the “Acquisition”).

Per the terms of the APA, the Seller received (i) $3,997 in cash subject to certain adjustments set forth in the APA at the closing of the Acquisition; (ii) a promissory note in the aggregate principal amount of $1,350, payable in annual installments of $450 per year on the first, second, and third anniversaries of the closing; (iii) $500 worth of shares of the Company’s common stock, with the amount of such shares to be determined by dividing $500 by the weighted average price of the Company’s common stock for the five trading days prior to the closing date, to be issued in three equal installments on each of the 10-month, 20-month, and 30-month anniversaries of the closing date; and (iv) earn-out payments not to exceed $1,500 and $2,030 in the years ended December 31, 2021 and 2022, respectively, based upon the achievement of certain performance thresholds in those years. In addition the Principals each entered into employment agreements with the Company for a term of two years.

The Acquisition was accounted for as a business combination under the acquisition method of accounting. The purchase price consists of the amount paid in cash of $3,997, which was allocated to the net tangible and intangible assets and liabilities based on their fair values on the acquisition date of October 1, 2020, with the excess recorded as goodwill. The Company incurred transaction costs related to the acquisition of $436 that were expensed as part of Office and general on the Consolidated Statements of Operations on Form 10-K for the year ended December 31, 2020.

The promissory note and shares of the Company’s common stock to be paid to the Seller as outlined in the APA are tied to the continuing employment of the Principals at the Company, and therefore have been accounted for as compensation expense. This compensation expense is recorded on a straight-line basis under the assumption that the Principals will remain employed by the Company, and therefore that the note will be paid in full and the shares will be issued. For the three and six months ended June 30, 2021, the Company recognized $92 and $182, respectively, in stock-based compensation associated with the 52,226 restricted shares of common stock to be issued over 30 months (see Note 6 to the Condensed Consolidated Financial Statements). In addition, in the three and six months ended June 30, 2021, the Company recognized expense of $90 and $181 related to the promissory note, and $300 and $500 related to earn-out payments, respectively. The amount due associated with the promissory note payable to the Seller is reflected in Accrued expenses and other current liabilities on the Consolidated Balance Sheets. The compensation expense recognized of $482 and $863 for the three and six months ended June 30, 2021, respectively, is reflected in Salaries and related expenses on the Condensed Consolidated Statements of Operations.

The Company’s Consolidated Statements of Operations for the three and six months ended June 30, 2021 included revenue of $1,900 and $3,216 and net loss of $154 and $488 from the acquired company, respectively.

(in thousands, except share and per share amounts)

Below is a summary of the fair value of the net assets acquired on the acquisition date based on external valuations at the date of acquisition.

	Fair Value
Assets Acquired:	
Accounts receivable	$ 518
Intangible assets	1,480
Goodwill	2,088
Assets Acquired	$ 4,086
Liabilities Assumed:	
Accrued commissions	$ 44
Deferred revenue	45
Liabilities Assumed	$ 89
Fair value of assets acquired and consideration transferred	$ 3,997

Intangible assets are amortized on a straight-line basis over their estimated useful lives. The following table sets forth the components of identifiable intangible assets acquired and their estimated useful lives as of the date of acquisition.

	Fair Value	Useful Life
Non-compete agreements	$ 80	2 years
Trade name	400	5 years
Customer lists	1,000	5 years
Total identifiable assets	$ 1,480	

Unaudited Pro Forma Financial Information

The following unaudited consolidated pro forma information gives effect to the acquisition of Coit Staffing, Inc. as if the transaction had occurred on January 1, 2020.

	Three Months Ended June 30, 2020	Six Months Ended June 30, 2020
Revenue	$ 25,126	$ 50,655
Net loss	$ (1,023)	$ (1,416)

The unaudited pro forma supplemental information provided above is based on estimates and assumptions that the Company believes are reasonable, and reflects the pro forma impact of additional amortization related to the fair value of acquired intangible assets for the three months and six ended June 30, 2020. This supplemental pro forma information has been prepared for comparative purposes and is not intended to reflect what would have occurred had the Acquisition taken place on January 1, 2020.

(in thousands, except share and per share amounts)

NOTE 6 – STOCK-BASED COMPENSATION

Incentive Compensation Plan

The Company maintains the Hudson Global, Inc. 2009 Incentive Stock and Awards Plan, as amended and restated on May 24, 2016 and further amended on September 14, 2020 (the “ISAP”), pursuant to which it can issue equity-based compensation incentives to eligible participants. The ISAP permits the granting of stock options, restricted stock, restricted stock units, and other types of equity-based awards. The Compensation Committee (the “Compensation Committee”) of the Board will establish such conditions as it deems appropriate on the granting or vesting of stock options, restricted stock, restricted stock units, and other types of equity-based awards. As determined by the Compensation Committee, equity awards also may be subject to immediate vesting upon the occurrence of certain events following a change in control of the Company. The Company primarily grants restricted stock and restricted stock units to its employees. A restricted stock unit is equivalent to one share of the Company’s common stock and is payable only in common stock of the Company issued under the ISAP.

The Compensation Committee administers the ISAP and may designate any of the following as a participant under the ISAP: any officer or other employee of the Company or its affiliates or individuals engaged to become an officer or employee; consultants or other independent contractors who provide services to the Company or its affiliates; and non-employee directors of the Company. On September 14, 2020, the Company's stockholders approved amendments to the ISAP to, among other things, increase the number of shares of the Company's common stock that are reserved for issuance by 250,000 shares. As of June 30, 2021, there were 100,134 shares of the Company’s common stock available for future issuance under the ISAP.

All share issuances related to stock compensation plans are issued from the aforementioned stock available for future issuance under stockholder approved compensation plans.

In the three months ended March 31, 2021, the Company granted restricted stock units subject to performance vesting conditions for the years ended December 31, 2020 and December 31, 2021 of 53,075 and 73,596, respectively. In addition the Company granted 25,500 of discretionary time-vested stock units to certain employees that were not subject to performance conditions. During the three months ended June 30, 2021, no stock-based units were granted to employees.

A summary of the quantity and vesting conditions for stock-based units granted to the Company's employees for the six months ended June 30, 2021 was as follows:

Vesting conditions	Number of Restricted Stock Units Granted
Performance and service conditions - Type 1 [(1) (2)]	66,220
Performance and service conditions - Type 2 [(1) (2)]	60,451
Service conditions only - Type 1 [(2)]	25,500
Total shares of stock award granted	152,171

(1) The performance conditions with respect to restricted stock units may be satisfied as follows:

(a) For employees from the Americas, APAC, and Europe 70% of the restricted stock units may be earned on the basis of performance as measured by a “regional adjusted EBITDA”, and 30% of the restricted stock units may be earned on the basis of performance as measured by a “group adjusted EBITDA”; and

(b) For grants to Corporate office employees subject to 2020 performance conditions, 75% of the restricted stock units may be earned on the basis of performance as measured by a “group adjusted EBITDA”, and 25% of the restricted stock units may be earned on the basis of performance as measured by a “corporate costs” target. For grants to Corporate office employees subject to 2021 performance conditions, 100% of the restricted stock units may be earned on the basis of performance as measured by a “group adjusted EBITDA”.

(c) For grants to Coit Principals subject to 2021 performance conditions, 100% of the restricted stock units may be earned on the basis of performance as measured by a “Coit EBITDA”.

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(2) To the extent restricted stock units are earned, such restricted stock units will vest on the basis of service as follows:

(a) 33% and 66.6% for Type 1 and Type 2, respectively, of the restricted stock units will vest on the first anniversary of the grant date;

(b) 33% and 16.7% for Type 1 and Type 2, respectively, of the restricted stock units will vest on the second anniversary of the grant date; and

(c) 34% and 16.7% for Type 1 and Type 2, respectively, of the restricted stock units will vest on the third anniversary of the grant date; provided that, in each case, the employee remains employed by the Company from the grant date through the applicable service vesting date.

The Company also maintains the Director Deferred Share Plan (the “Director Plan”) as part of the ISAP pursuant to which it can issue restricted stock units to its non-employee directors. A restricted stock unit is equivalent to one share of the Company’s common stock and is payable only in common stock issued under the ISAP upon a director ceasing service as a member of the Company's Board. The restricted stock units vest immediately upon grant and are credited to each of the non-employee director's retirement accounts under the Director Plan. Restricted stock units issued under the Director Plan contain the right to a dividend equivalent award in the form of additional restricted stock units. The dividend equivalent award is calculated using the same rate as the cash dividend paid on a share of the Company's common stock, and then divided by the closing price of the Company’s common stock on the date the dividend is paid to determine the number of additional restricted stock units to grant. Dividend equivalent awards have the same vesting terms as the underlying awards. During the six months ended June 30, 2021, the Company granted 19,862 restricted stock units to its non-employee directors pursuant to the Director Plan.

As of June 30, 2021, 228,185 restricted stock units are deferred under the Company’s ISAP.

For the three and six months ended June 30, 2021 and 2020, the Company’s stock-based compensation expense related to stock options and restricted stock units was as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Restricted shares of common stock (see Note 5)	$ 92	$ —	$ 182	$ —
Restricted stock units	702	93	914	237
Total	$ 794	$ 93	$ 1,096	$ 237

Stock Options

Stock options granted by the Company generally expire between five and ten years after the date of grant and have an exercise price of at least 100% of the fair market value of the underlying share of common stock on the date of grant.

The Company had 5,000 stock options with a weighted average exercise price of $24.90 per share that expired in the fourth quarter of 2020.

Restricted Stock Units

As of June 30, 2021, the Company had $1,713 of unrecognized stock-based compensation expense related to outstanding unvested restricted stock units. The Company expects to recognize that cost over a weighted average service period of 1.45 years. Restricted stock units have no voting or dividend rights until the awards are vested.

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Changes in the Company's restricted stock units for the six months ended June 30, 2021 and 2020 were as follows:

	Six Months Ended June 30,			
	2021		2020	
	Number of Restricted Stock Units	Weighted Average Grant-Date Fair Value	Number of Restricted Stock Units	Weighted Average Grant-Date Fair Value
Unvested restricted stock units at January 1,	14,676	$ 15.45	63,436	$ 15.12
Granted	172,033	$ 15.83	10,310	$ 9.01
Vested	(28,405)	$ 17.09	(33,188)	$ 12.83
Forfeited	(11,411)	$ 14.54	(22,384)	$ 15.20
Unvested restricted stock units at June 30,	146,893	$ 15.65	18,174	$ 15.75

Restricted Shares of Common Stock

As of June 30, 2021, the Company had approximately $226 of unrecognized stock-based compensation expense related to 52,226 restricted shares of common stock issued in connection with the Acquisition (see Note 5). These shares had a grant price of $9.57 and a remaining average expected life of 0.92 years. Restricted stock units have no voting or dividend rights until the awards are vested.

NOTE 7 – INCOME TAXES

Income Tax Provision

Under ASC 270, "Interim Reporting", and ASC 740-270, "Income Taxes – Intra Period Tax Allocation", the Company is required to adjust its effective tax rate for each quarter to be consistent with the estimated annual effective tax rate. Jurisdictions with a projected loss for the full year where no tax benefit can be recognized are excluded from the calculation of the estimated annual effective tax rate. Applying the provisions of ASC 270 and ASC 740-270 could result in a higher or lower effective tax rate during a particular quarter, based upon the mix and timing of actual earnings versus annual projections.

In response to the COVID-19 pandemic, many governments have enacted or are contemplating measures to provide aid and economic stimulus packages. These measures may include deferring the due dates of tax payments or other changes to their income and non-income-based tax laws. The CARES Act, which was enacted on March 27, 2020 in the U.S., includes measures to assist companies, including temporary changes to income and non-income-based-tax laws. The enactment of the CARES Act and other COVID-19 measures did not result in any material adjustments to our income tax provision for the six months ended June 30, 2021, or to our net deferred tax assets as of June 30, 2021. The Company continues to monitor federal, state, and international regulatory developments in relation to COVID-19 and their potential impact on our operations.

Effective Tax Rate

The provision for income taxes for the six months ended June 30, 2021 was $567 on a pre-tax income of $242, compared to a provision for income taxes of $373 on pre-tax loss of $910 for the same period in 2020. The Company’s effective income tax rate was positive 234% and negative 41% for the six months ended June 30, 2021 and 2020, respectively. For the six months ended June 30, 2021 and 2020, the effective tax rates differed from the U.S. Federal statutory rate of 21% primarily due to changes in valuation allowances in the U.S. and certain foreign jurisdictions, which reduces or eliminates the effective tax rate on current year profits or losses, changes to unrecognized tax benefits, foreign tax rate differences, and non-deductible expenses.

Uncertain Tax Positions

As of June 30, 2021 and December 31, 2020, the Company had $678 and $669, respectively, of unrecognized tax benefits, excluding interest and penalties, which if recognized in the future, would lower the Company’s effective income tax rate.

The Company recognizes accrued interest and penalties related to unrecognized tax benefits as part of the provision for income taxes. As of June 30, 2021 and December 31, 2020, the Company had $632 and $594, respectively, of accrued interest and penalties associated with unrecognized tax benefits.

Based on information available as of June 30, 2021, it is reasonably possible that the total amount of unrecognized tax benefits could decrease by up to $200 over the next 12 months as a result of projected resolutions of global tax examinations and controversies and potential expirations of the applicable statutes of limitations.

In many cases, the Company’s unrecognized tax benefits are related to tax years that remain subject to examination by the relevant tax authorities. Tax years with net operating losses (“NOLs”) remain open until such losses expire or until the statutes of limitations for those years when the NOLs are used expire. As of June 30, 2021, the Company's open tax years, which remain subject to examination by the relevant tax authorities, are between 2013 and 2020 depending on the jurisdiction.

The Company believes that its unrecognized tax benefits as of June 30, 2021 are appropriately recorded for all years subject to examination above.

NOTE 8 – LOSS PER SHARE

Basic earnings (loss) per share is computed by dividing the Company’s net income (loss) by the weighted average number of shares outstanding during the period. When the effects are not anti-dilutive, diluted earnings (loss) per share is computed by dividing the Company’s net income (loss) by the weighted average number of shares outstanding and the impact of all dilutive potential common shares, primarily stock options “in-the-money”, unvested restricted stock, and unvested restricted stock units. The dilutive impact of stock options, unvested restricted stock, and unvested restricted stock units is determined by applying the “treasury stock” method. Performance-based restricted stock awards are included in the computation of diluted earnings per share only to the extent that the underlying performance conditions: (i) are satisfied prior to the end of the reporting period; or (ii) would be satisfied if the end of the reporting period were the end of the related performance period and the result would be dilutive under the treasury stock method. Stock awards subject to vesting or exercisability based on the achievement of market conditions are included in the computation of diluted earnings per share only when the market conditions are met.

A reconciliation of the numerators and denominators of the basic and diluted loss per share calculations for the three and six months ended June 30, 2021 and 2020 were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Loss per share ("EPS"):				
EPS - basic and diluted:				
Loss per share	$ (0.04)	$ (0.27)	$ (0.11)	$ (0.43)
EPS numerator - basic and diluted:				
Net loss	$ (122)	$ (772)	$ (325)	$ (1,283)
EPS denominator (in thousands):				
Weighted average common stock outstanding - basic	2,906	2,839	2,899	2,952
Common stock equivalents: stock options and restricted stock units [(a)]	—	—	—	—
Weighted average number of common stock outstanding - diluted	2,906	2,839	2,899	2,952

(a) The diluted weighted average number of shares of common stock outstanding did not differ from the basic weighted average number of shares of common stock outstanding because the effects of any potential common stock equivalents (see Note 6 to the Condensed Consolidated Financial Statements for further details on outstanding stock options and unvested restricted stock units) were anti-dilutive and therefore not included in the calculation of the denominator of dilutive earnings per share.

The weighted average number of shares outstanding used in the computation of diluted net loss per share for the six months ended June 30, 2021 and 2020 did not include the effect of the following potentially outstanding shares of common stock because the effect would have been anti-dilutive:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Unvested restricted shares of common stock	52,226	—	52,226	—
Unvested restricted stock units	146,893	18,174	146,893	18,174
Stock options	—	5,000	—	5,000
Total	199,119	23,174	199,119	23,174

(in thousands, except share and per share amounts)

NOTE 9– GOODWILL AND INTANGIBLE ASSETS

Goodwill

The Company recorded goodwill of $2,088 on October 1, 2020 in connection with its acquisition of Coit Staffing Inc. (see Note 5 for further information) and the Company has not had any subsequent acquisitions. Prior to the Acquisition the Company had no goodwill.

Intangible Assets

In connection with the Acquisition the Company's Intangible assets consisted of the following components:

June 30, 2021	Average Remaining Amortization Useful Lives (in years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Non-compete agreements	1.25	$ 80	$ (30)	$ 50
Trade name	4.25	400	(60)	340
Customer lists	4.25	1,000	(150)	850
		$ 1,480	$ (240)	$ 1,240

December 31, 2020	Average Remaining Amortization Useful Lives (in years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Non-compete agreements	1.75	$ 80	$ (10)	$ 70
Trade name	4.75	400	(20)	380
Customer lists	4.75	1,000	(50)	950
		$ 1,480	$ (80)	$ 1,400

Intangible assets are amortized on a straight-line basis over their estimated useful lives. Non-compete agreements are amortized over 2 years and Trade names and Customer lists are amortized over 5 years. Amortization expense for the three and six months ended June 30, 2021 was $80 and $160, respectively. No impairment in the value of amortizing or non-amortizing intangible assets was recognized during the three and six months ended June 30, 2021, respectively.

Estimated future amortization expense for intangible assets for the remainder of the fiscal year ending December 31, 2021, and for each of the next four fiscal years are as follows:

2021	$ 160
2022	310
2023	280
2024	280
2025	210
	$ 1,240

(in thousands, except share and per share amounts)

NOTE 10 – COMMITMENTS AND CONTINGENCIES

Litigation and Complaints

The Company is subject, from time to time, to various claims, lawsuits, contracts disputes, and other complaints from, for example, clients, candidates, suppliers, landlords for both leased and subleased properties, former and current employees, and regulators or tax authorities arising in the ordinary course of business. The Company routinely monitors claims such as these, and records provisions for losses when the claim becomes probable and the amount due is estimable. Although the outcome of these claims cannot be determined, the Company believes that the final resolution of these matters will not have a material adverse effect on the Company's financial condition, results of operations or liquidity.

For matters that reach the threshold of probable and estimable, the Company establishes reserves for legal, regulatory, and other contingent liabilities. The legal reserves are included under the caption "Other non-current liabilities" in the Condensed Consolidated Balance Sheets. The Company's reserves were $0 as of June 30, 2021 and December 31, 2020, respectively.

Operating Leases

Effective January 1, 2019, the Company adopted the new lease guidelines detailed in ASU 2016-02. Lease payments for short-term leases with terms of 12 months or less based on original lease commencement date are recognized on a straight-line basis over the lease term.

Our office space leases have lease terms of one year to three years. Some of these operating leases include options to extend the lease terms, and some operating leases include options to terminate the leases earlier than the full terms. These options are considered in our determination of the valuation of our right-of-use assets and lease liabilities.

None of our operating leases include implicit rates, and we have determined that the difference between the contractual cost basis and the present value of lease payments calculated using incremental borrowing rates is not material. Our operating lease costs for the six months ended June 30, 2021 and 2020 were $358 and $277, respectively (reflected in Net cash used in operating activities). The weighted average remaining lease term of our operating leases as of June 30, 2021 was 1.7 years.

As of June 30, 2021, future minimum operating lease payments are as follows:

	2021	2022	2023	Total
Minimum lease payments	$ 232	$ 286	$ 121	$ 639

Invoice Finance Credit Facility

On April 8, 2019, the Company's Australian subsidiary ("Australian Borrower") entered into an invoice finance credit facility agreement (the "NAB Facility Agreement") with National Australia Bank Limited ("NAB"). The NAB Facility Agreement provides the Australian Borrower with the ability to borrow funds based on a percentage of eligible trade receivables up to a maximum of 4 million Australian dollars. No receivables have terms greater than 90 days, and any risk of loss is retained by the Australian Borrower. The interest rate is calculated as the variable receivable finance indicator rate, plus a margin of 1.60% per annum. Borrowings under this facility are secured by substantially all of the assets of the Australian Borrower. The NAB Facility Agreement does not have a stated maturity date and can be terminated by either the Australian Borrower or NAB upon 90 days written notice. As of June 30, 2021, there were no amounts outstanding under the NAB Facility Agreement. Interest expense and fees incurred on the NAB Facility Agreement were $5 and $10 for the three and six months ended June 30, 2021, respectively, and $5 and $10 for the three and six months ended June 30, 2020, respectively.

The NAB Facility Agreement contains various restrictions and covenants for the Australian Borrower including (1) that EBITDA must be at least two times total interest paid on debt on a 12-month rolling basis; (2) minimum tangible net worth must be at least 2.5 million Australian dollars and be equal to at least 25% of total tangible assets on June 30 and December 31 (as defined in the NAB Facility Agreement); and (3) additional periodic reporting requirements to NAB. The Australian Borrower was in compliance with all financial covenants under the NAB Facility Agreement as of June 30, 2021.

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Amounts borrowed from the NAB Facility are large, contain short maturities and have quick turnovers. Amounts borrowed and repaid are presented on a net basis on the Condensed Consolidated Statements of Cash Flows.

Paycheck Protection Program

On April 26, 2020, the Company's wholly owned U.S. subsidiary, Hudson Global Resources Management, Inc., received a $1,326 loan in connection with the PPP as part of the CARES Act, administered by the SBA. As a result of the COVID-19 pandemic, in applying for the loan the Company made a good faith assertion based upon the degree of uncertainty introduced to the capital markets and the industries affecting the Company's customers and the Company's dependency to curtail expenses to fund ongoing operations as the anticipated reduction in RPO recruitment revenue was expected to impact the business. The PPP loan proceeds were used to help offset payroll costs as stipulated in the legislation.

The PPP loan had a 1.00% interest rate and was scheduled to mature on April 26, 2022. The loan was subject to the terms and conditions applicable to loans administered by the SBA under the CARES Act. The Company complied with all provisions related to the PPP loan. The Company submitted its application for loan forgiveness in September 2020, and the SBA approved the forgiveness of the full amount of the loan on November 30, 2020.

NOTE 11 – ACCUMULATED OTHER COMPREHENSIVE LOSS

Accumulated other comprehensive loss, net of applicable tax, consisted of the following:

	June 30, 2021	December 31, 2020
Foreign currency translation adjustments	$ 282	$ 526
Accumulated other comprehensive loss	$ 282	$ 526

NOTE 12 – STOCKHOLDERS' EQUITY

Common Stock

On July 30, 2015, the Company announced that its Board authorized the repurchase of up to $10,000 of the Company's common stock. The Company intends to make purchases from time to time as market conditions warrant. This authorization does not expire. During the six months ended June 30, 2021 and 2020, no purchases of shares were made under this authorization. As of June 30, 2021, under the July 30, 2015 authorization, the Company had repurchased 432,563 shares for a total cost of $8,297.

In addition to the shares repurchased above under the $10,000 authorization plan, on March 27, 2020, the Company completed transactions with certain stockholders to repurchase 259,331 shares of the Company's common stock, for an aggregate cost of $2,238, excluding fees of $1.

NOTE 13 – SEGMENT AND GEOGRAPHIC DATA

Segment Reporting

The Company operates in three reportable segments: the Hudson regional businesses of Americas, Asia Pacific, and Europe. Corporate expenses are reported separately from the three reportable segments and pertain to certain functions, such as executive management, corporate governance, investor relations, legal, accounting, tax, and treasury. A portion of these expenses are attributed to the reportable segments for providing the above services to them, and have been allocated to the segments as management service expenses, and are included in the segments' non-operating other income (expense). Segment information is presented in accordance with ASC 280, "*Segment Reporting.*" This standard is based on a management approach that requires segmentation based upon the Company's internal organization and disclosure of revenue and certain expenses based upon internal accounting methods. The Company's financial reporting systems present various data for management to run the business, including internal profit and loss statements prepared on a basis not consistent with U.S. GAAP. Accounts receivable and long-lived assets are the only significant asset separated by segment for internal reporting purposes.

(in thousands, except share and per share amounts)

	Americas	Asia Pacific	Europe	Corporate	Inter-Segment Elimination	Total
For The Three Months Ended June 30, 2021						
Revenue, from external customers	$ 5,366	$ 28,801	$ 5,507	$ —	$ —	$ 39,674
Inter-segment revenue	—	15	—	—	(15)	—
Total revenue	$ 5,366	$ 28,816	$ 5,507	$ —	$ (15)	$ 39,674
Adjusted net revenue, from external customers [(a)]	$ 4,993	$ 6,880	$ 3,218	$ —	$ —	$ 15,091
Inter-segment adjusted net revenue	(15)	15	—	—	—	—
Total adjusted net revenue	$ 4,978	$ 6,895	$ 3,218	$ —	$ —	$ 15,091
EBITDA (loss) [(b)]	$ (173)	$ 1,003	$ 476	$ (935)	$ —	$ 371
Depreciation and amortization	(87)	(17)	(8)	(1)	—	(113)
Intercompany interest (expense) income, net	—	(86)	—	86	—	—
Interest income, net	—	1	—	8	—	9
(Loss) income before income taxes	$ (260)	$ 901	$ 468	$ (842)	$ —	$ 267
Provision for income taxes	$ 8	$ 243	$ 123	$ 15	$ —	$ 389
For The Six Months Ended June 30, 2021						
Revenue, from external customers	$ 9,927	$ 54,141	$ 10,067	$ —	$ —	$ 74,135
Inter-segment revenue	—	15	—	—	(15)	—
Total revenue	$ 9,927	$ 54,156	$ 10,067	$ —	$ (15)	$ 74,135
Adjusted net revenue, from external customers [(a)]	$ 9,202	$ 12,638	$ 5,969	$ —	$ —	$ 27,809
Inter-segment adjusted net revenue	(15)	15	—	—	—	—
Total adjusted net revenue	$ 9,187	$ 12,653	$ 5,969	$ —	$ —	$ 27,809
EBITDA (loss) [(b)]	$ (451)	$ 1,765	$ 546	$ (1,414)	$ —	$ 446
Depreciation and amortization	(173)	(31)	(17)	(2)	—	(223)
Intercompany interest (expense) income, net	—	(171)	—	171	—	—
Interest income, net	—	2	—	17	—	19
(Loss) income before income taxes	$ (624)	$ 1,565	$ 529	$ (1,228)	$ —	$ 242
Provision for (benefit from) income taxes	$ 17	$ 437	$ 140	$ (27)	$ —	$ 567
As of June 30, 2021						
Accounts receivable, net	$ 3,863	$ 10,853	$ 4,846	$ 7	$ —	$ 19,569
Long-lived assets, net of accumulated depreciation and amortization [(b)]	$ 3,388	$ 75	$ 35	$ 4	$ —	$ 3,502
Total assets	$ 9,386	$ 18,871	$ 8,745	$ 13,301	$ —	$ 50,303

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	Americas	Asia Pacific	Europe	Corporate	Inter-Segment Elimination	Total
For The Three Months Ended June 30, 2020						
Total revenue	$ 2,206	$ 18,833	$ 3,534	$ —	$ —	$ 24,573
Total adjusted net revenue [(a)]	$ 1,893	$ 4,818	$ 2,219	$ —	$ —	$ 8,930
EBITDA (loss) [(b)]	$ (918)	$ 1,025	$ 300	$ (929)	$ —	$ (522)
Depreciation and amortization	(5)	(13)	(5)	(1)	—	(24)
Intercompany interest (expense) income, net	—	(73)	—	73	—	—
Interest (expense) income, net	(2)	—	—	42	—	40
Income (loss) from continuing operations before income taxes	$ (925)	$ 939	$ 295	$ (815)	$ —	$ (506)
Provision for (benefit from) income taxes	$ 9	$ 273	$ (7)	$ (9)	$ —	$ 266
For The Six Months Ended June 30, 2020						
Revenue, from external customers	$ 5,394	$ 35,784	$ 7,526	$ —	$ —	$ 48,704
Inter-segment revenue	—	6	—	—	(6)	—
Total revenue	$ 5,394	$ 35,790	$ 7,526	$ —	$ (6)	$ 48,704
Adjusted net revenue, from external customers [(a)]	$ 4,753	$ 9,329	$ 4,646	$ —	$ —	$ 18,728
Inter-segment adjusted net revenue	—	6	(6)	—	—	—
Total adjusted net revenue	$ 4,753	$ 9,335	$ 4,640	$ —	$ —	$ 18,728
EBITDA (loss) [(b)]	$ (978)	$ 1,362	$ 363	$ (1,728)	$ —	$ (981)
Depreciation and amortization	(9)	(25)	(11)	(3)	—	(48)
Intercompany interest (expense) income, net	—	(159)	—	159	—	—
Interest (expense) income, net	(2)	—	—	121	—	119
Income (loss) from continuing operations before income taxes	$ (989)	$ 1,178	$ 352	$ (1,451)	$ —	$ (910)
Provision for income taxes	$ 17	$ 337	$ 3	$ 16	$ —	$ 373
As of June 30, 2020						
Accounts receivable, net	$ 1,857	$ 7,514	$ 2,843	$ 86	$ —	$ 12,300
Long-lived assets, net of accumulated depreciation and amortization [(b)]	$ 24	$ 84	$ 29	$ 9	$ —	$ 146
Total assets	$ 4,726	$ 14,349	$ 6,928	$ 18,733	$ —	$ 44,736

(a) Adjusted net revenue is net of the Direct contracting costs and reimbursed expenses caption on the Condensed Consolidated Statements of Operations. Direct contracting costs and reimbursed expenses include the direct staffing costs of salaries, payroll taxes, employee benefits, travel expenses, and insurance costs for the Company’s contractors and reimbursed out-of-pocket expenses and other direct costs. The region where services are provided, the mix of RPO recruitment and contracting, and the functional nature of the staffing services provided can affect operating income and EBITDA. The salaries, commissions, payroll taxes, and employee benefits related to recruitment professionals are included under the caption “Salaries and related” in the Consolidated Statements of Operations.

(b) SEC Regulation S-K Item 229.10(e)1(ii)(A) defines EBITDA as earnings before interest, taxes, depreciation and amortization. EBITDA is presented to provide additional information to investors 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 this measurement to evaluate working capital requirements. EBITDA should not be considered in isolation or as a substitute for operating income and net income prepared in accordance with U.S. GAAP or as a measure of the Company's profitability.

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Geographic Data Reporting

A summary of revenues for the six months ended June 30, 2021 and 2020 and net assets by geographic area as of June 30, 2021 and 2020, were as follows:

	Australia	United States	United Kingdom	Other	Total
For The Three Months Ended June 30, 2021					
Revenue [(a)]	$ 26,543	$ 5,067	$ 5,005	$ 3,059	$ 39,674
For The Three Months Ended June 30, 2020					
Revenue [(a)]	$ 16,966	$ 1,900	$ 3,027	$ 2,680	$ 24,573
For The Six Months Ended June 30, 2021					
Revenue [(a)]	$ 50,017	$ 9,315	$ 8,876	$ 5,927	$ 74,135
For The Six Months Ended June 30, 2020					
Revenue [(a)]	$ 31,997	$ 4,773	$ 6,478	$ 5,456	$ 48,704
As of June 30, 2021					
Long-lived assets, net of accumulated depreciation and amortization [(b)]	$ 34	$ 3,392	$ 35	$ 41	$ 3,502
Net assets	$ 6,843	$ 18,608	$ 2,537	$ 6,815	$ 34,803
As of June 30, 2020					
Long-lived assets, net of accumulated depreciation and amortization [(b)]	$ 30	$ 33	$ 29	$ 54	$ 146
Net assets	$ 4,354	$ 19,580	$ 1,927	$ 6,531	$ 32,392

(a) Revenue by geographic region disclosed above is net of any inter-segment revenue and, therefore, represents only revenue from external customers according to the location of the operating subsidiary.

(b) Comprised of property and equipment, intangible assets and goodwill, net of accumulated depreciation and amortization.

NOTE 14 – STOCKHOLDER RIGHTS PLAN

On October 15, 2018, the Company's Board declared a dividend to the Company's stockholders of record as of the close of business on October 25, 2018 (the "Record Date"), for each outstanding share of the Company's common stock, of one right (a "Right") to purchase one one-hundredth of a share of a new series of participating preferred stock of the Company. The terms of the Rights are set forth in the Rights Agreement, dated as of October 15, 2018 (the "Rights Agreement"), by and between the Company and Computershare Trust Company, N.A., as rights agent. The Company's stockholders approved the Rights Agreement at the Company's 2019 annual meeting of stockholders held on May 6, 2019. Each Right allows its holder to purchase from the Company one one-hundredth of a share of the Company's Series B Junior Participating Preferred Stock ("Series B Preferred Stock") for a purchase price of $3.50. Each fractional share of Series B Preferred Stock would give the stockholder approximately the same dividend, voting and liquidation rights as does one share of common stock. Prior to exercise, however, a Right does not give its holder any dividend, voting or liquidation rights.

The Board entered into the Rights Agreement in an effort to preserve the value of the Company's significant U.S. NOLs and other tax benefits. The Company's ability to utilize its NOLs may be substantially limited if the Company experiences an "ownership change" within the meaning of Section 382 of the Internal Revenue Code of 1986, as amended (the "Code"). In general, an "ownership change" would occur if the percentage of the Company's ownership by one or more "5-percent shareholders" (as defined in the Code) increases by more than 50 percent over the lowest percentage owned by such stockholders at any time during the prior three years. The Rights Agreement is designed to preserve the Company's tax benefits by deterring transfers of common stock that could result in an "ownership change" under Section 382 of the Code.

The Rights Agreement replaced the Company’s prior rights agreement designed to preserve the value of the Company’s NOLs, which was approved by stockholders in 2015 and expired in accordance with its terms in January 2018. The Company also has a provision in its Amended and Restated Certificate of Incorporation (the “Charter Provision”) which generally prohibits transfers of its common stock that could result in an ownership change. The Company believes that in light of the significant amount of the NOLs, it is advisable to adopt the Rights Agreement in addition to the Charter Provision. In general terms, the Rights Agreement imposes a significant penalty upon any person or group that acquires beneficial ownership (as defined under the Rights Agreement) of 4.99% or more of the outstanding common stock without the prior approval of the Board (an “Acquiring Person”). Any Rights held by an Acquiring Person are void and may not be exercised.

The Rights will not be exercisable until the earlier of (i) 10 days after a public announcement by the Company that a person or group has become an Acquiring Person; and (ii) 10 business days (or a later date determined by the Board) after a person or group begins a tender or an exchange offer that, if completed, would result in that person or group becoming an Acquiring Person.

Until the date that the Rights become exercisable (the “Distribution Date”), common stock certificates will also evidence the Rights and will contain a notation to that effect. Any transfer of shares of common stock prior to the Distribution Date will constitute a transfer of the associated Rights. After the Distribution Date, the Rights will separate from the common stock and be evidenced by Right certificates, which the Company will mail to all holders of Rights that have not become void. After the Distribution Date, if a person or group already is or becomes an Acquiring Person, all holders of Rights, except the Acquiring Person, may exercise their Rights upon payment of the purchase price to purchase shares of common stock (or other securities or assets as determined by the Board) with a market value of two times the purchase price (a “Flip-in Event”). After the Distribution Date, if a Flip-in Event has already occurred and the Company is acquired in a merger or similar transaction, all holders of Rights, except the Acquiring Person, may exercise their Rights upon payment of the purchase price, to purchase shares of the acquiring or other appropriate entity with a market value of two times the purchase price of the Rights. Rights may be exercised to purchase Series B Preferred Stock only after the Distribution Date occurs and prior to the occurrence of a Flip-in Event as described above. A Distribution Date resulting from the commencement of a tender offer or an exchange offer as described in the second bullet point above could precede the occurrence of a Flip-in Event, in which case the Rights could be exercised to purchase Series B Preferred Stock. A Distribution Date resulting from any occurrence described in the first bullet point above would necessarily follow the occurrence of a Flip-in Event, in which case the Rights could be exercised to purchase shares of common stock (or other securities or assets) as described above.

The Rights will expire on the earliest of (i) October 15, 2021, the third anniversary of the date on which the Board authorized and declared a dividend of the Rights, or such earlier date as of which the Board determines that the Rights Agreement is no longer necessary for the preservation of the Company’s tax benefits, (ii) the time at which the Rights are redeemed, (iii) the time at which the Rights are exchanged, (iv) the effective time of the repeal of Section 382 of the Code if the Board determines that the Rights Agreement is no longer necessary for the preservation of the Company’s tax benefits, and (v) the first day of a taxable year to which the Board determines that no NOLs or other tax benefits may be carried forward.

The Board may redeem all (but not less than all) of the Rights for a redemption price of $0.001 per Right at any time before the later of the Distribution Date and the date of the first public announcement or disclosure by the Company that a person or group has become an Acquiring Person. Once the Rights are redeemed, the right to exercise the Rights will terminate, and the only right of the holders of such Rights will be to receive the redemption price.

The Board may adjust the purchase price of the Series B Preferred Stock, the number of shares of Series B Preferred Stock issuable and the number of outstanding Rights to prevent dilution that may occur as a result of certain events, including, among others, a stock dividend, a stock split or a reclassification of the Series B Preferred Stock or common stock.

Before the time the Rights cease to be redeemable, the Board may amend or supplement the Rights Agreement without the consent of the holders of the Rights, except that no amendment may decrease the redemption price below $0.001 per Right.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") should be read in conjunction with the Condensed Consolidated Financial Statements and the notes thereto, included in Part I of this Form 10-Q. The reader should also refer to the Condensed Consolidated Financial Statements and notes of Hudson Global, Inc. and its subsidiaries (the "Company") filed in its Annual Report on Form 10-K for the year ended December 31, 2020. This MD&A contains forward-looking statements. Please see "FORWARD-LOOKING STATEMENTS" for a discussion of the uncertainties, risks and assumptions associated with these statements. This MD&A also uses the non-generally accepted accounting principle measure of earnings before interest, taxes, depreciation and amortization ("EBITDA"). See Note 13 to the Condensed Consolidated Financial Statements in Part I, Item 1 of this Form 10-Q for EBITDA segment reconciliation information. The tables and information in this MD&A were derived from exact numbers and may have immaterial rounding differences.

This MD&A includes the following sections:

- Executive Overview
- Results of Operations
- Liquidity and Capital Resources
- Contingencies
- Recent Accounting Pronouncements
- Critical Accounting Policies
- Forward-Looking Statements

Executive Overview

The Company's strategy is to provide global Recruitment Process Outsourcing ("RPO") solutions to customers. With direct operations in twelve countries and relationships with specialized professionals and organizations around the globe, the Company brings a strong ability to match talent with opportunities by assessing, recruiting, developing, and engaging highly successful people for the Company's clients. The Company combines broad geographic presence, world-class talent solutions and a tailored, consultative approach to help businesses and professionals achieve maximum performance. The Company seeks to continually upgrade its service offerings and delivery capability tools to make candidates more successful in achieving its clients' business requirements.

The Company's proprietary frameworks, assessment tools, and leadership development programs, coupled with its global footprint, allows the Company to design and implement regional and global outsourced recruitment solutions that the Company believes greatly enhance the quality and efficiency of its clients' hiring.

To accelerate the implementation of the Company's strategy, the Company engaged in the following initiatives:

- Facilitating growth and development of the global RPO business through strategic investments in people, innovation, and technology.
- Building and differentiating the Company's brand through its unique outsourcing solutions offerings.
- Improving the Company's cost structure and efficiency of its support functions and infrastructure.

We continue to explore all strategic alternatives to maximize value for shareholders. We may pursue our goals through organic growth, strategic initiatives, or other alternatives. We will also continue to monitor capital markets for opportunities to repurchase shares, and consider other actions designed to enhance shareholder value, including to review information regarding potential acquisitions, as well as to provide information about our business to third parties, from time to time.

This MD&A discusses the results of the Company's RPO businesses for the three and six months ended June 30, 2021 and 2020.

Current Market Conditions

After a challenging year in 2020, economic conditions in most of the world's major markets are expected to rebound in 2021, although activity is expected to remain below pre-COVID levels, and millions have dropped out of the global labor force. The approval and rollout of COVID-19 vaccines in many countries provides a potential path for an eventual end to the pandemic, however expectations for recovery are hampered by rising infections and new variants of the virus. Policy measures enacted by country governments to combat the economic impact of the virus are expected to continue to provide support to local economies. In addition, the continued uncertainty has resulted in increased volatility in global currencies. Effective containment measures in China have resulted in a stronger recovery, and agreement on the terms of the United Kingdom's exit from the European Union have eliminated some of the uncertainty in that country. Stronger foreign currencies in these and other markets compared to the U.S. dollar during a reporting period cause local currency results of the Company's foreign operations to be translated into more U.S. dollars. The Company closely monitors the economic environment and business climate in its markets and responds accordingly.

COVID-19 Pandemic

The continuing impact of COVID-19 around the world presents risks to the Company, which the Company is unable to fully evaluate or even to foresee at the current time. However, 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.

Although the COVID-19 pandemic has affected the Company's operations in the second quarter and may continue to do so in the future, we believe the impact on the Company's business, operations, and financial results and condition were less than in the previous quarters, which have included impacts on the health of the Company's management and employees, marketing and sales operations, customer and consumer behaviors, and the overall economy. The scope and nature of these impacts, most of which are beyond the Company's control, continue to evolve and the outcomes are uncertain.

Due to the above circumstances and as described generally in this Form 10-Q, the Company's results of operations for the three and six months ended June 30, 2021 are not necessarily indicative of the results to be expected for the full fiscal year. Management cannot predict the full impact of the COVID-19 pandemic on the Company's sales or on economic conditions generally. The ultimate extent of the effects of the COVID-19 pandemic on the Company is highly uncertain and will depend on future developments, and such effects could exist for an extended period of time even after the pandemic might end.

Financial Performance

The following is a summary of the highlights for the three and six months ended June 30, 2021 and 2020. This summary should be considered in the context of the additional disclosures in this MD&A which further highlight the results by segment.

- Revenue was $39.7 million for the three months ended June 30, 2021, compared to $24.6 million for the same period in 2020, for an increase of $15.1 million, or 61.5%.
  - On a constant currency basis, the Company's revenue increased $11.6 million, or 41.4%, primarily due to an increase in contracting revenue of $6.8 million, or 37.2% compared to the same period in 2020. RPO recruitment revenue also contributed $4.8 million, or 49.3%, compared to the same period in 2020.
- Revenue was $74.1 million for the six months ended June 30, 2021, compared to $48.7 million for the same period in 2020, an increase of $25.4 million, or 52.2%.
  - On a constant currency basis, the Company's revenue increased $18.9 million, or 34.1%, primarily due to an increase in contracting revenue of $12.3 million, or 35.4% while RPO recruitment revenue increased by $6.5 million, or 32.0% compared to the same period in 2020.
- Adjusted net revenue was $15.1 million for the three months ended June 30, 2021, compared to $8.9 million for the same period in 2020, an increase of $6.2 million, or 69.0%.
  - On a constant currency basis, adjusted net revenue increased $5.2 million, or 52.7%, primarily due to an increase in RPO recruitment adjusted net revenue of $4.8 million, or 51.9% compared to the same period in 2020.

- Adjusted net revenue was $27.8 million for the six months ended June 30, 2021, compared to $18.7 million for the same period in 2020, an increase of $9.1 million, or 48.5%.
    - On a constant currency basis, adjusted net revenue increased $7.3 million, or 35.4%, mainly due to an increase in RPO recruitment adjusted net revenue of $6.4 million, or 33.3% compared to the same period in 2020. Contracting adjusted net revenue increased by $0.9 million, or 64.8% compared to the same period in 2020.
- Selling, general and administrative expenses (including salaries and related expenses) and other non-operating income (expense) ("SG&A and Non-Op") was $14.7 million for the three months ended June 30, 2021, compared to $9.5 million for the same period in 2020, an increase of $5.3 million, or 55.7%.
    - On a constant currency basis, SG&A and Non-Op increased $4.5 million, or 44.2%. SG&A and Non-Op, as a percentage of revenue, was 37.1% for the three months ended June 30, 2021, compared to 36.4% for the same period in 2020.
- SG&A and Non-Op was $27.4 million for the six months ended June 30, 2021, compared to $19.7 million for the same period in 2020, an increase of $7.7 million, or 38.8%.
    - On a constant currency basis, SG&A and Non-Op increased $6.1 million, or 28.8%. SG&A and Non-Op, as a percentage of revenue, was 36.9% for the six months ended June 30, 2021, compared to 38.4% for the same period in 2020.
- EBITDA was $0.4 million for the three months ended June 30, 2021, compared to EBITDA loss of $0.5 million for the same period in 2020, an increase in EBITDA of $0.9 million. On a constant currency basis, EBITDA increased $0.7 million.
- EBITDA was $0.4 million for the six months ended June 30, 2021, compared to EBITDA loss of $1.0 million for the same period in 2020, an increase in EBITDA of $1.4 million. On a constant currency basis, EBITDA increased $1.2 million.
- Net loss was $0.1 million for the three months ended June 30, 2021, compared to net loss of $0.8 million for the same period in 2020, a decrease in net loss of $0.6 million. On a constant currency basis, net loss decreased $0.5 million.
- Net loss was $0.3 million for the six months ended June 30, 2021, compared to net loss of $1.3 million for the same period in 2020, an increase in net loss of $1.0 million. On a constant currency basis, net loss increased $0.8 million.

Constant Currency

The Company operates on a global basis, with the majority of its revenue generated outside of the U.S. Accordingly, fluctuations in foreign currency exchange rates can affect the Company's results of operations. For the discussion of reportable segment results of operations, the Company uses constant currency information. Constant currency 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. The Company's management reviews and analyzes business results in constant currency and believes these results better represent the Company's underlying business trends. Changes in foreign currency exchange rates generally impact only reported earnings.

Changes in revenue, adjusted net revenue, SG&A and Non-Op, operating income (loss), net income (loss), and EBITDA (loss) include the effect of changes in foreign currency exchange rates. The tables below summarize the impact of foreign currency exchange adjustments on the Company's operating results for the three and six months ended June 30, 2021 and 2020.

$ in thousands	Three Months Ended June 30, 2021 As reported	2020 As reported	2020 Currency translation	2020 Constant currency	Six Months Ended June 30, 2021 As reported	2020 As reported	2020 Currency translation	2020 Constant currency
Revenue:								
Americas	$ 5,366	$ 2,206	$ 39	$ 2,245	$ 9,927	$ 5,394	$ 58	$ 5,452
Asia Pacific	28,801	18,833	3,020	21,853	54,141	35,784	5,785	41,569
Europe	5,507	3,534	426	3,960	10,067	7,526	731	8,257
Total	$ 39,674	$ 24,573	$ 3,485	$ 28,058	$ 74,135	$ 48,704	$ 6,574	$ 55,278
Adjusted net revenue [(a)]:								
Americas	$ 4,993	$ 1,893	$ 38	$ 1,931	$ 9,202	$ 4,753	$ 57	$ 4,810
Asia Pacific	6,880	4,818	658	5,476	12,638	9,329	1,303	10,632
Europe	3,218	2,219	258	2,477	5,969	4,646	443	5,089
Total	$ 15,091	$ 8,930	$ 954	$ 9,884	$ 27,809	$ 18,728	$ 1,803	$ 20,531
SG&A and Non-Op [(b)]:								
Americas	$ 5,151	$ 2,813	$ 37	$ 2,850	$ 9,638	$ 5,732	$ 64	$ 5,796
Asia Pacific	5,892	3,792	500	4,292	10,888	7,972	1,078	9,050
Europe	2,742	1,918	222	2,140	5,423	4,277	392	4,669
Corporate	935	929	—	929	1,414	1,728	—	1,728
Total	$ 14,720	$ 9,452	$ 759	$ 10,211	$ 27,363	$ 19,709	$ 1,534	$ 21,243
Operating income (loss):								
Americas	$ (168)	$ (900)	$ (5)	$ (905)	$ (466)	$ (828)	$ (7)	$ (835)
Asia Pacific	1,338	927	135	1,062	2,402	1,441	222	1,663
Europe	553	85	7	92	753	144	23	167
Corporate	(1,428)	(995)	—	(995)	(2,376)	(2,164)	—	(2,164)
Total	$ 295	$ (883)	$ 137	$ (746)	$ 313	$ (1,407)	$ 238	$ (1,169)
Net loss, consolidated	$ (122)	$ (772)	$ 150	$ (622)	$ (325)	$ (1,283)	$ 180	$ (1,103)
EBITDA (loss) [(c)]:								
Americas	$ (173)	$ (918)	$ (2)	$ (920)	$ (451)	$ (978)	$ (8)	$ (986)
Asia Pacific	1,003	1,025	155	1,180	1,764	1,362	204	1,566
Europe	476	300	36	336	546	363	51	414
Corporate	(935)	(929)	—	(929)	(1,413)	(1,728)	—	(1,728)
Total	$ 371	$ (522)	$ 189	$ (333)	$ 446	$ (981)	$ 247	$ (734)

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

(b) SG&A and Non-Op is a measure that management uses to evaluate the segments' expenses, which include the following captions on the Condensed Consolidated Statements of Operations: Salaries and related, other selling, general and administrative, and Other expense, net. Corporate management service allocations are included in the segments' other income (expense).

(c) See EBITDA reconciliation in the following section.

Use of EBITDA (Non-GAAP measure)

Management believes EBITDA is a meaningful indicator of the Company's performance that provides useful information to investors regarding the Company's financial condition and results of operations. Management also considers EBITDA to be the best indicator of operating performance and most comparable measure across the regions in which the Company operates. Management also uses this measure to evaluate capital needs and working capital requirements. EBITDA should not be considered in isolation or as a substitute for operating income, or net income prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP") or as a measure of the Company's profitability. EBITDA is derived from net income (loss) adjusted for the provision for (benefit from) income taxes, interest expense (income), and depreciation and amortization.

The reconciliation of EBITDA (loss) to the most directly comparable GAAP financial measure is provided in the table below:

	Three Months Ended June 30,		Six Months Ended June 30,	
$ in thousands	2021	2020	2021	2020
Net loss	$ (122)	$ (772)	$ (325)	$ (1,283)
Adjustments to Net loss				
Provision for income taxes	389	266	567	373
Interest income, net	(9)	(40)	(19)	(119)
Depreciation and amortization expense	113	24	223	48
Total adjustments from net loss to EBITDA (loss)	493	250	771	302
EBITDA (loss)	$ 371	$ (522)	$ 446	$ (981)

Results of Operations

Americas *(reported currency)*

Revenue

	Three Months Ended June 30,				Six Months Ended June 30,			
	2021	2020			2021	2020		
$ in millions	As reported	As reported	Change in amount	Change in %	As reported	As reported	Change in amount	Change in %
Americas								
Revenue	$ 5.4	$ 2.2	$ 3.2	143 %	$ 9.9	$ 5.4	$ 4.5	84 %

For the three months ended June 30, 2021, RPO recruitment revenue increased by $3.1 million, or 172%, while contracting revenue increased by 6%. The increase in revenue was primarily driven by the acquisition of Coit Staffing, Inc. (see Note 5 to the Condensed Consolidated Financial Statements in Part I, Item 1 of this Form 10-Q), which contributed 86 percentage points to the revenue growth.

For the six months ended June 30, 2021, RPO recruitment revenue increased by $4.4 million, or 95%, while contracting revenue increased by $0.1 million, or 15%. The increase in revenue was primarily driven by the acquisition of Coit Staffing, Inc., which contributed 60 percentage points to the revenue growth.

Adjusted net revenue

	Three Months Ended June 30,				Six Months Ended June 30,			
	2021	2020			2021	2020		
$ in millions	As reported	As reported	Change in amount	Change in %	As reported	As reported	Change in amount	Change in %
Americas								
Adjusted net revenue	$ 5.0	$ 1.9	$ 3.1	164 %	$ 9.2	$ 4.8	$ 4.4	94 %
Adjusted net revenue as a percentage of revenue	93 %	86 %	N/A	N/A	93 %	88 %	N/A	N/A

For the three and six months ended June 30, 2021, RPO recruitment adjusted net revenue increased by $3.1 million, or 174%, and $4.5 million, or 98%, respectively, compared to 2020. The increase in adjusted net revenue was due to the acquisition of Coit Staffing, Inc. (see Note 5 to the Condensed Consolidated Financial Statements in Part I, Item 1 of this Form 10-Q), which contributed 100 percentage points and 67 percentage points, respectively, to the adjusted net revenue growth.

For the three months ended June 30, 2021, total adjusted net revenue as a percentage of revenue was 93%, compared to 86% in 2020. The increase in total adjusted net revenue as a percentage of revenue was attributed to the higher mix of RPO recruitment to contracting revenue.

For the six months ended June 30, 2021, total adjusted net revenue as a percentage of revenue was 93%, compared to 88% for the same period in 2020. The increase in total adjusted net revenue as a percentage of revenue was due to the same factors noted above.

SG&A and Non-Op

	Three Months Ended June 30,				Six Months Ended June 30,			
	2021	2020			2021	2020		
$ in millions	As reported	As reported	Change in amount	Change in %	As reported	As reported	Change in amount	Change in %
Americas								
SG&A and Non-Op	$ 5.2	$ 2.8	$ 2.3	83 %	$ 9.6	$ 5.7	$ 3.9	68 %
SG&A and Non-Op as a percentage of revenue	96 %	127 %	N/A	N/A	97 %	106 %	N/A	N/A

For the three months ended June 30, 2021, SG&A and Non-Op increased $2.3 million, or 83%, compared to 2020. The increase was primarily due to the acquisition of Coit Staffing, Inc. (see Note 5 to the Condensed Consolidated Financial Statements in Part I, Item 1 of this Form 10-Q).

For the six months ended June 30, 2021, SG&A and Non-Op increased $3.9 million, or 68%, compared to the same period in 2020 due to the factors noted above.

Operating Income and EBITDA

	Three Months Ended June 30,				Six Months Ended June 30,			
	2021	2020			2021	2020		
$ in millions	As reported	As reported	Change in amount	Change in %	As reported	As reported	Change in amount	Change in %
Americas								
Operating loss	$ (0.2)	$ (0.9)	$ 0.7	N/M	$ (0.5)	$ (0.8)	$ 0.4	N/M
EBITDA (loss)	$ (0.2)	$ (0.9)	$ 0.7	N/M	$ (0.5)	$ (1.0)	$ 0.5	N/M
EBITDA (loss) as a percentage of revenue	(3)%	(42)%	N/A	N/A	(5)%	(18)%	N/A	N/A

N/M = not meaningful

For the three months ended June 30, 2021, operating loss was $0.2 million, compared to operating loss of $0.9 million in 2020. The operating loss decline was primarily due to the stronger adjusted net revenue results and lower SG&A and Non-Op as a percentage of revenue, partially offset by compensation expense of $0.5 million and amortization expense of $0.1 million associated with the acquisition of Coit Staffing, Inc. (see Note 5 to the Condensed Consolidated Financial Statements in Part I, Item 1 of this Form 10-Q).

For the three months ended June 30, 2021, EBITDA loss was $0.2 million, or 3% of revenue, compared to EBITDA loss of $0.9 million in 2020. The decrease in EBITDA loss was due to the same factors noted above.

For the six months ended June 30, 2021 operating loss was $0.5 million, compared to operating loss of $0.8 million in 2020. The operating loss decline was primarily due to the stronger adjusted net revenue results and lower SG&A and Non-Op as a percentage of revenue, partially offset by compensation expense of $0.9 million and amortization expense of $0.2 million associated with the acquisition of Coit Staffing, Inc.

For the six months ended June 30, 2021, EBITDA loss was $0.5 million, or 5% of revenue, compared to EBITDA loss of $1.0 million, or 18% of revenue in 2020. The decrease in EBITDA loss was due to the same factors noted above.

Asia Pacific *(constant currency)*

Revenue

	Three Months Ended June 30,				Six Months Ended June 30,			
	2021	2020			2021	2020		
$ in millions	As reported	Constant currency	Change in amount	Change in %	As reported	Constant currency	Change in amount	Change in %
Asia Pacific								
Revenue	$ 28.8	$ 21.9	$ 6.9	32 %	$ 54.1	$ 41.6	$ 12.6	30 %

For the three months ended June 30, 2021, contracting revenue increased $5.8 million, or 35%, and RPO recruitment revenue increased by $1.2 million, or 22%, compared to 2020.

In Australia, revenue increased $6.7 million, or 33%, for the three months ended June 30, 2021, compared to 2020. The increase was primarily in contracting revenue of $5.5 million, which increased 34%, while RPO recruitment revenue increased by $1.2 million, or 30%. The increase in contracting revenue was primarily due to the implementation of a new contract win, while the increase in RPO recruitment revenue was due higher volume from existing clients.

In Asia, revenue increased $0.2 million, or 12%, for the three months ended June 30, 2021 compared to 2020. The increase for the three months ended June 30, 2021 was due to higher demand from existing clients.

For the six months ended June 30, 2021, contracting revenue increased by $11.1 million, or 36%, while RPO recruitment revenue increased by $1.4 million, or 14%.

In Australia, revenue increased $12.4 million, or 33%, for the six months ended June 30, 2021, compared to the same period in 2020. The increase was primarily in contracting revenue, which increased by $10.9 million, or 36%, while RPO recruitment revenue increased by $1.6 million, or 20%. The increase in contracting revenue primarily reflected the implementation of a new contract win, while the increase in RPO recruitment revenue was due to higher demand from existing clients.

In Asia, revenue increased $0.1 million, or 1%, for the six months ended June 30, 2021 compared to in 2020, reflecting higher demand from existing clients.

Adjusted net revenue

	Three Months Ended June 30,				Six Months Ended June 30,			
	2021	2020			2021	2020		
$ in millions	As reported	Constant currency	Change in amount	Change in %	As reported	Constant currency	Change in amount	Change in %
Asia Pacific								
Adjusted net revenue	$ 6.9	$ 5.5	$ 1.4	26 %	$ 12.6	$ 10.6	$ 2.0	19 %
Adjusted net revenue as a percentage of revenue	24 %	25 %	N/A	N/A	23 %	26 %	N/A	N/A

For the three months ended June 30, 2021, RPO recruitment adjusted net revenue increased $1.0 million, or 19%, while contracting adjusted net revenue increased $0.5 million, or 89%, compared to 2020.

In Australia, adjusted net revenue increased by $1.3 million, or 32%, for the three months ended June 30, 2021, compared to 2020. The increase was primarily reflected in RPO recruitment adjusted net revenue, which grew $0.9 million, or 24%, while contracting adjusted net revenue increased by $0.5 million, or 94%.

In Asia, adjusted net revenue increased slightly, or 2%, for the three months ended June 30, 2021, compared to 2020.

Total adjusted net revenue as a percentage of revenue was 24% for the three months ended June 30, 2021, compared to 25% in 2020. The decrease was attributed to the higher mix of lower margin contracting revenue to RPO recruitment revenue.

For the six months ended June 30, 2021, RPO recruitment adjusted net revenue increased by $1.1 million, or 11%, while contracting adjusted net revenue increased by $0.9 million, or 93%, compared to the same period in 2020.

In Australia, adjusted net revenue increased by $2.0 million, or 24%, for the six months ended June 30, 2021, compared to the same period in 2020. The increase was primarily reflected in RPO recruitment adjusted net revenue, which grew $1.0 million, or 14%, while contracting adjusted net revenue increased by $1.0 million, or 100%.

In Asia, adjusted net revenue increased slightly for the six months ended June 30, 2021, compared to 2020.

Total adjusted net revenue as a percentage of revenue was 23% for the six months ended June 30, 2021, compared to 26% for the same period in 2020. The decrease in total adjusted net revenue as a percentage of revenue was due to the same factor noted above.

SG&A and Non-Op

	Three Months Ended June 30,				Six Months Ended June 30,			
	2021	2020			2021	2020		
$ in millions	As reported	Constant currency	Change in amount	Change in %	As reported	Constant currency	Change in amount	Change in %
Asia Pacific								
SG&A and Non-Op	$ 5.9	$ 4.3	$ 1.6	37 %	$ 10.9	$ 9.0	$ 1.8	20 %
SG&A and Non-Op as a percentage of revenue	20 %	20 %	N/A	N/A	20 %	22 %	N/A	N/A

For the three months ended June 30, 2021, SG&A and Non-Op increased $1.6 million, or 37%. The increase was primarily due to higher consultant staff and overhead costs.

For the six months ended June 30, 2021, SG&A and Non-Op increased $1.8 million, or 20%, compared to the same period in 2020. The decrease was principally due to the factors noted above.

For the three months ended June 30, 2021 and 2020 SG&A and Non-Op as a percentage of revenue was 20%.

For the six months ended June 30, 2021, SG&A and Non-Op as a percentage of revenue was 20%, compared to 22% for the same period in 2020. The decrease was principally due to the higher mix of contracting revenue, where the majority of costs are reflected in adjusted net revenue.

Operating Income and EBITDA

	Three Months Ended June 30,				Six Months Ended June 30,			
	2021	2020			2021	2020		
$ in millions	As reported	Constant currency	Change in amount	Change in %	As reported	Constant currency	Change in amount	Change in %
Asia Pacific								
Operating income	$ 1.3	$ 1.1	$ 0.3	26 %	$ 2.4	$ 1.7	$ 0.7	44 %
EBITDA	$ 1.0	$ 1.2	$ (0.2)	(15)%	$ 1.8	$ 1.6	$ 0.2	13 %
EBITDA as a percentage of revenue	3 %	5 %	N/A	N/A	3 %	4 %	N/A	N/A

For the three months ended June 30, 2021, operating income was $1.3 million, compared to operating income of $1.1 million in 2020. The increase in operating income was principally due to the change in adjusted net revenue, partially offset by higher SG&A and Non-op, as described above.

For the six months ended June 30, 2021, operating income was $2.4 million, compared to operating income of $1.7 million for the same period in 2020. The increase was due to the same factors described above.

For the three months ended June 30, 2021, EBITDA was $1.0 million, or 3% of revenue, compared to EBITDA of $1.2 million, or 5% of revenue, in 2020.

For the six months ended June 30, 2021, EBITDA was $1.8 million, or 3% of revenue, compared to EBITDA of $1.6 million, or 4% of revenue. The increase in EBITDA was principally due to the change in adjusted net revenue, partially offset by higher SG&A and Non-op, as described above.

***Europe** (constant currency)*

Revenue

	Three Months Ended June 30,				Six Months Ended June 30,			
	2021	2020			2021	2020		
$ in millions	As reported	Constant currency	Change in amount	Change in %	As reported	Constant currency	Change in amount	Change in %
Europe								
Revenue	$ 5.5	$ 4.0	$ 1.5	39 %	$ 10.1	$ 8.3	$ 1.8	22 %

For the three months ended June 30, 2021, contracting revenue increased $1.0 million, or 80%, and RPO recruitment revenue increased $0.6 million, or 21%, compared to 2020.

In the U.K., for the three months ended June 30, 2021, revenue increased by $1.6 million, or 47%. The change was driven by an increase in contracting and RPO recruitment revenue of $1.0 million and $0.6 million, respectively. The increases were due to higher demand from existing clients and the implementation of new client contracts.

In Continental Europe, total revenue of $0.5 million for the three months ended June 30, 2021 decreased 8%, compared to $0.5 million in 2020.

For the six months ended June 30, 2021, contracting revenue increased by $1.1 million, or 38%, while RPO recruitment revenue increased by $0.8 million, or 14%, compared to the same period in 2020.

In the U.K., for the six months ended June 30, 2021, revenue increased by $1.8 million, or 25%. The increase was primarily driven by higher contracting revenue of $1.1 million, as well as higher RPO recruitment revenue of $0.7 million.

In Continental Europe, revenue of $1.2 million for the six months ended June 30, 2021 increased from $1.1 million for the same period in 2020, due to higher demand at existing recruitment clients.

Adjusted net revenue

	Three Months Ended June 30,				Six Months Ended June 30,			
	2021	2020			2021	2020		
$ in millions	As reported	Constant currency	Change in amount	Change in %	As reported	Constant currency	Change in amount	Change in %
Europe								
Adjusted net revenue	$ 3.2	$ 2.5	$ 0.7	30 %	$ 6.0	$ 5.1	$ 0.9	17 %
Adjusted net revenue as a percentage of revenue	58 %	63 %	N/A	N/A	59 %	62 %	N/A	N/A

For the three months ended June 30, 2021, adjusted net revenue increased by $0.7 million, or 30%, driven by an increase in RPO recruitment of $0.7 million.

In the U.K., total adjusted net revenue for the three months ended June 30, 2021 increased by $0.8 million, or 43%, compared to 2020. The increase was driven by RPO recruitment adjusted net revenue, which increased by $0.8 million.

In Continental Europe, total adjusted net revenue of $0.4 million for the three months ended June 30, 2021 decreased 18% compared to $0.5 million in 2020, due to lower demand at existing clients.

For the six months ended June 30, 2021, adjusted net revenue increased by $0.9 million, or 17%, driven by an increase in RPO recruitment revenue of $0.9 million or 18%, compared to the same period in 2020.

In the U.K., total adjusted net revenue for the six months ended June 30, 2021 increased $0.9 million, or 23%, compared to the same period in 2020. The change in the U.K. was driven by an increase in RPO recruitment of $0.9 million.

In Continental Europe, for the six months ended June 30, 2021, total adjusted net revenue decreased slightly, or 3%, compared to the same period in 2020.

SG&A and Non-Op

	Three Months Ended June 30,				Six Months Ended June 30,			
	2021	2020			2021	2020		
$ in millions	As reported	Constant currency	Change in amount	Change in %	As reported	Constant currency	Change in amount	Change in %
Europe								
SG&A and Non-Op	$ 2.7	$ 2.1	$ 0.6	28 %	$ 5.4	$ 4.7	$ 0.8	16 %
SG&A and Non-Op as a percentage of revenue	50 %	54 %	N/A	N/A	54 %	57 %	N/A	N/A

For the three months ended June 30, 2021, SG&A and Non-Op increased $0.6 million, or 28%, compared to 2020. The increase in SG&A and Non-Op was primarily due to higher consultant staff costs in the current year, as well as credits of $0.2 million recognized in the prior year due to COVID-19 foreign government assistance programs.

For the three months ended June 30, 2021, SG&A and Non-Op as a percentage of revenue was 50%, compared to 54% in 2020. The decrease in SG&A and Non-Op as a percentage of revenue was primarily due to the increase in revenue noted above.

For the six months ended June 30, 2021, SG&A and Non-Op increased $0.8 million, or 16%, compared to the same period in 2020. The increase in SG&A and Non-Op was due to the same factors noted above.

For the six months ended June 30, 2021, SG&A and Non-Op as a percentage of revenue was 54%, compared to 57% for the same period in 2020. The decrease in SG&A and Non-Op was primarily due to the same factors noted above.

Operating Income and EBITDA

	Three Months Ended June 30,				Six Months Ended June 30,			
	2021	2020			2021	2020		
$ in millions	As reported	Constant currency	Change in amount	Change in %	As reported	Constant currency	Change in amount	Change in %
Europe								
Operating income	$ 0.6	$ 0.1	$ 0.5	N/M	$ 0.8	$ 0.2	$ 0.6	352 %
EBITDA	$ 0.5	$ 0.3	$ 0.1	42 %	$ 0.5	$ 0.4	$ 0.1	32 %
EBITDA as a percentage of revenue	9 %	8 %	N/A	N/A	5 %	5 %	N/A	N/A

N/M = not meaningful

For the three months ended June 30, 2021, operating income was $0.6 million, compared to operating income of $0.1 million in 2020. The increase was principally due to the gains in RPO recruitment revenue noted above.

For the three months ended June 30, 2021, EBITDA was $0.5 million, or 9% of revenue, compared to EBITDA of $0.3 million, or 8% of revenue, in 2020.

For the six months ended June 30, 2021, operating income was $0.8 million compared to operating income of $0.2 million for the same period in 2020. The increase in operating income was due to the same factors noted above.

For the six months ended June 30, 2021, EBITDA was $0.5 million, or 5% of revenue, compared to EBITDA of $0.4 million, or 5% of revenue, for the same period in 2020.

The following are discussed in reported currency

Corporate Expenses, Net of Corporate Management Expenses Allocations

Corporate expenses of $0.9 million for the three months ended June 30, 2021 and 2020 increased by 1%.

For the six months ended June 30, 2021, corporate expenses were $1.4 million compared to $1.7 million for the same period in 2020, for a decrease of $0.3 million. The decrease was primarily due to lower staff costs, which in 2020 reflected severance expense of $0.1 million.

Depreciation and Amortization Expense

Depreciation and amortization expense was $0.1 million and $0.2 million for the three and six months ended June 30, 2021, respectively, compared to $0.0 million for the same periods in 2020. The increases were driven by amortization expense associated with the acquisition of Coit Staffing, Inc. (see Note 5 to the Condensed Consolidated Financial Statements in Part I, Item 1 of this Form 10-Q) of $0.1 million and $0.2 million for the three and six months ended June 30, 2021, respectively.

Other income (expense), Net

Other expense was $0.0 million and $0.1 million for the three and six months ended June 30, 2021, respectively, compared to other income of $0.3 million and $0.4 million for the same periods in 2020. The decrease was primarily due to government assistance received in 2020 in exchange for maintaining certain levels of compensation and other costs in response to the COVID-19 pandemic, mainly in the U.K., Hong Kong, and in Singapore. See Note 2 to the Condensed Consolidated Financial Statements in Part I, Item 1 of this Form 10-Q for additional information.

Provision for Income Taxes

The provision for income taxes for the six months ended June 30, 2021 was $0.6 million on $0.2 million of pre-tax income, compared to a provision for income tax of $0.4 million on $0.9 million of pre-tax loss for the same period in 2020. The effective tax rates for the six months ended June 30, 2021 and 2020 were positive 234% and negative 41%, respectively. For the six months ended June 30, 2021, the effective tax rate differed from the U.S. Federal statutory rate of 21% primarily due state income taxes, changes in valuation allowances in the U.S. and certain foreign jurisdictions which reduces or eliminates the effective tax rate on current year profits or losses, variations from the U.S. Federal statutory rate in foreign jurisdictions, taxes on repatriations or deemed repatriation of foreign profits, and non-deductible expenses.

Net Loss

Net loss was $0.1 million for the three months ended June 30, 2021, compared to net loss of $0.8 million for the three months ended June 30, 2020. Basic and diluted loss per share were $0.04 for the three months ended June 30, 2021, compared to basic and diluted loss per share of $0.27 for the same period in 2020.

Net loss was $0.3 million for the six months ended June 30, 2021, compared to net loss of $1.3 million for the same period in 2020, a decrease in net loss of $1.0 million. Basic and diluted loss per share were $0.11 for the six months ended June 30, 2020, compared to basic and diluted loss per share of $0.43 for the same period in 2020.

Liquidity and Capital Resources

As of June 30, 2021, cash and cash equivalents and restricted cash totaled $24.5 million, compared to $26.2 million as of December 31, 2020. The following table summarizes the Company's cash flow activities for the six months ended June 30, 2021 and 2020:

$ in millions	For the Six Months Ended June 30, 2021		For the Six Months Ended June 30, 2020	
Net cash used in operating activities	$	(1.4)	$	(0.9)
Net cash used in by investing activities		(0.1)		—
Net cash used in financing activities		—		(0.9)
Effect of exchange rates on cash, cash equivalents, and restricted cash		(0.1)		—
Net decrease in cash, cash equivalents, and restricted cash	$	(1.7)	$	(1.8)

Cash Flows from Operating Activities

For the six months ended June 30, 2021, net cash used in operating activities was $1.4 million, compared to $0.9 million of net cash used in operating activities in 2020, resulting in an increase in net cash used of $0.6 million. The increase in net cash used resulted principally from less favorable working capital comparisons to the prior year, partially offset by the lower net loss.

Cash Flows from Investing Activities

For the six months ended June 30, 2021, net cash used in investing activities was $0.1 million, compared to $0.0 million of net cash used in investing activities for the same period in 2020.

Cash Flows from Financing Activities

For the six months ended June 30, 2021, net cash used in financing activities was $0.0 million, compared to net cash used in financing activities of $0.9 million in 2020. Net cash used in financing activities in 2020 was attributable to shares repurchased of $2.3 million, partially offset by proceeds received in 2020 from the PPP loan of $1.3 million.

Invoice Finance Credit Facility

On April 8, 2019, the Company’s Australian subsidiary (“Australian Borrower”) entered into an invoice finance credit facility agreement (the “NAB Facility Agreement”) with National Australia Bank Limited (“NAB”). The NAB Facility Agreement provides the Australian Borrower with the ability to borrow funds based on a percentage of eligible trade receivables up to a maximum of $4 million Australian dollars. No receivables have terms greater than 90 days, and any risk of loss is retained by the Australian Borrower. The interest rate is calculated as the variable receivable finance indicator rate, plus a margin of 1.60% per annum. Borrowings under this facility are secured by substantially all of the assets of the Australian Borrower. The NAB Facility Agreement does not have a stated maturity date and can be terminated by either the Australian Borrower or NAB upon 90 days written notice. As of June 30, 2021, there were no amounts outstanding under the NAB Facility Agreement. Interest expense and fees incurred on the NAB Facility Agreement were $5 and $10 for the three and six months ended June 30, 2021, respectively, and $5 and $10 for the three and six months ended June 30, 2020, respectively. The Australian Borrower was in compliance with all financial covenants under the NAB Facility Agreement as of June 30, 2021.

Liquidity Outlook

As of June 30, 2021, the Company had cash and cash equivalents on hand of $24.2 million. The Company also has the capability to borrow an additional 4 million Australian dollars under the NAB Facility Agreement. Other than as described above, the Company has no financial guarantees, outstanding debt or other lease agreements or arrangements that could trigger a requirement for an early payment or that could change the value of our assets. The Company believes that it has sufficient liquidity to satisfy its needs through at least the next 12 months, based on the Company's financial position as of June 30, 2021. The Company's near-term cash requirements during 2021 are primarily related to funding operations. For the full year 2021, the Company expects to make capital expenditures of less than $0.5 million.

As of June 30, 2021, $14.3 million of the Company's cash and cash equivalents noted above were held in the U.S. and the remainder were held outside the U.S., primarily in Australia ($2.8 million), Switzerland ($1.6 million), Hong Kong ($1.5 million), China ($1.2 million), the U.K. ($1.0 million), Canada ($0.7 million), and Singapore ($0.6 million). The majority of the Company's offshore cash is available to it as a source of funds, net of any tax obligations or assessments.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

Contingencies

From time to time in the ordinary course of business, the Company is subject to compliance audits by U.S. federal, state, local, and foreign government regulatory, tax, and other authorities relating to a variety of regulations, including wage and hour laws, unemployment taxes, workers' compensation, immigration, and income, value-added, and sales taxes. The Company is also subject to, from time to time in the ordinary course of business, various claims, lawsuits, and other complaints from, for example, clients, candidates, suppliers, landlords for both leased and subleased properties, former and current employees, and regulators or tax authorities. Periodic events and management actions such as business reorganization initiatives can change the number and type of audits, claims, lawsuits, contract disputes, or complaints asserted against the Company. Events can also change the likelihood of assertion and the behavior of third parties to reach resolution regarding such matters.

The economic conditions in the recent past have given rise to many news reports and bulletins from clients, tax authorities, and other parties about changes in their procedures for audits, payment, plans to challenge existing contracts, and other such matters aimed at being more aggressive in the resolution of such matters in their own favor. The Company believes that it has appropriate procedures in place for identifying and communicating any matters of this type, whether asserted or likely to be asserted, and it evaluates its liabilities in light of the prevailing circumstances. Changes in the behavior of third parties could cause the Company to change its view of the likelihood of a claim and what might constitute a trend. Employment laws vary in the markets in which we operate, and in some cases, employees and former employees have extended periods during which they may bring claims against the Company.

For matters that reach the threshold of probable and estimable, the Company establishes reserves for legal, regulatory, and other contingent liabilities. The Company’s reserves were $0.0 million as of June 30, 2021 and December 31, 2020, respectively. Although the outcome of these matters cannot be determined, the Company believes that none of the currently pending matters, individually or in the aggregate, will have a material adverse effect on the Company’s financial condition, results of operations or liquidity.

Recent Accounting Pronouncements

See Note 3 to the Condensed Consolidated Financial Statements in Part I, Item 1 of this Form 10-Q for a full description of relevant recent accounting pronouncements, including the respective expected dates of adoption.

Critical Accounting Policies

See “Critical Accounting Policies” under Item 7 of the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2020 filed with the SEC on March 11, 2021 and incorporated by reference herein. There were no changes to the Company’s critical accounting policies during the three months ended June 30, 2021.

FORWARD-LOOKING STATEMENTS

This Form 10-Q 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 Form 10-Q, 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, (1) global economic fluctuations, (2) the adverse impacts of the recent coronavirus, or COVID-19 outbreak, (3) the Company’s ability to successfully achieve its strategic initiatives, (4) risks related to potential acquisitions or dispositions of businesses by the Company, (5) the Company’s ability to retain and recruit qualified management and/or advisors, (6) the Company’s ability to operate successfully as a company focused on its RPO business, (7) risks related to fluctuations in the Company’s operating results from quarter to quarter, (8) the loss of or material reduction in our business with any of the Company’s largest customers, (9) the ability of clients to terminate their relationship with the Company at any time, (10) competition in the Company’s markets, (11) the negative cash flows and operating losses that may recur in the future, (12) risks relating to how future credit facilities may affect or restrict our operating flexibility, (13) risks associated with the Company's investment strategy, (14) risks related to international operations, including foreign currency fluctuations, political events, natural disasters or health crises, including the ongoing COVID-19 outbreak, (15) the Company's dependence on key management personnel, (16) the Company's ability to attract and retain highly skilled professionals, (17) the Company's ability to collect accounts receivable, (18) the Company's ability to maintain costs at an acceptable level, (19) the Company's heavy reliance on information systems and the impact of potentially losing or failing to develop technology, (20) risks related to providing uninterrupted service to clients, (21) 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, (22) the Company's ability to utilize net operating loss carry-forwards, (23) volatility of the Company's stock price, (24) the impact of government regulations, and (25) restrictions imposed by blocking arrangements, and (26) those risks set forth in "Risk Factors." The foregoing list should not be construed to be exhaustive. Actual results could differ materially from the forward-looking statements contained in this Form 10-Q. In view of these uncertainties, you should not place undue reliance on any forward-looking statements, which are based on our current expectations. These forward-looking statements speak only as of the date of this Form 10-Q. 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.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company conducts operations in various countries and faces both translation and transaction risks related to foreign currency exchange. For the six months ended June 30, 2021, the Company earned approximately 87% of its revenue outside the U.S., and it collected payments in local currency, and paid related operating expenses in such corresponding local currency. Revenues and expenses in foreign currencies translate into higher or lower revenues and expenses in U.S. dollars as the U.S. dollar weakens or strengthens against other currencies. Therefore, changes in exchange rates may affect our consolidated revenues and expenses (as expressed in U.S. dollars) from foreign operations.

Amounts invested in our foreign operations are translated into U.S. dollars at the exchange rates in effect at the balance sheet date. The resulting translation adjustments are recorded as a component of accumulated other comprehensive income in the stockholders' equity section of the Condensed Consolidated Balance Sheets. The translation of foreign currency into U.S. dollars is reflected as a component of stockholders' equity and does not impact our reported net income (loss).

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

The Company's management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, has conducted an evaluation of the design and operation of the Company's disclosure controls and procedures, as such term is defined under Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended. Based on this evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective as of June 30, 2021.

Changes in Internal Control Over Financial Reporting

There were no changes in the Company's internal control over financial reporting that occurred during the six months ended June 30, 2021 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The Company is subject, from time to time, to various legal proceedings that are incidental to the conduct of its business. The Company is not involved in any pending legal proceeding that it believes would reasonably be expected to have a material adverse effect on its financial condition or results of operations.

ITEM 1A. RISK FACTORS

As of June 30, 2021, there have not been any material changes to the information set forth in Item 1A. “Risk Factors” disclosed in the Company's Annual Report on Form 10-K for the year ended December 31, 2020.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The following table summarizes purchases of common stock by the Company during the quarter ended June 30, 2021.

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs [(a)]
April 1, 2021 - April 30, 2021	—	$ —	—	$ 1,703,000
May 1, 2021 - May 31, 2021	—	$ —	—	$ 1,703,000
June 1, 2021 - June 30, 2021	—	$ —	—	$ 1,703,000
Total	—	$ —	—	$ 1,703,000

(a) On July 30, 2015, the Company announced that its Board authorized the repurchase of up to $10.0 million of the Company's common stock. The authorization does not expire. See Note 12 to the Condensed Consolidated Financial Statements in Item 1 included in Part I of this Form 10-Q for further details. As of June 30, 2021, the Company had repurchased 432,563 shares for a total cost of approximately $8.3 million under this authorization. From time to time, the Company may enter into a Rule 10b5-1 trading plan for purposes of repurchasing common stock under this authorization.

In addition to the shares repurchased above under the $10 million authorization plan, the Company completed the purchase of 259,331 shares in connection with transactions with certain stockholders for a total cost of $2.2 million, including fees (see Note 12 to the Condensed Consolidated Financial Statements in Item 1 included in Part I of this Form 10-Q for further information).

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

HUDSON GLOBAL, INC.
FORM 10-Q

EXHIBIT INDEX

The exhibits to this Form 10-Q are listed in the following Exhibit Index:

Exhibit No.	Description
31.1*	Certification by the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act.
31.2*	Certification by the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act.
32.1**	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350.
32.2**	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350.
101*	The following materials from Hudson Global, Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2021 are filed herewith, formatted in iXBRL (Inline Extensible Business Reporting Language): (i) the Condensed Consolidated Statements of Operations for the three and six months ended June 30, 2021 and 2020, (ii) the Condensed Consolidated Statements of Other Comprehensive Income (Loss) for the three and six months ended June 30, 2021 and 2020, (iii) the Condensed Consolidated Balance Sheets as of June 30, 2021 and December 31, 2020, (iv) the Condensed Consolidated Statements of Cash Flows for the six months ended June 30, 2021 and 2020, (v) the Condensed Consolidated Statements of Stockholders' Equity for the three months ended June 30, 2021 and 2020, and (vi) Notes to Condensed Consolidated Financial Statements.
104*	The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2021, formatted in iXBRL and contained in Exhibit 101.

*Filed herewith.

** Furnished, not filed.

SIGNATURES

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

		HUDSON GLOBAL, INC. (Registrant)	
Dated:	August 6, 2021	By:	/s/ JEFFREY E. EBERWEIN Jeffrey E. Eberwein Chief Executive Officer (Principal Executive Officer)
Dated:	August 6, 2021	By:	/s/ MATTHEW K. DIAMOND Matthew K. Diamond Chief Financial Officer (Principal Financial Officer)

Exhibit 31.1

CERTIFICATIONS

I, Jeffrey E. Eberwein, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Hudson Global, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
   (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.

Dated: August 6, 2021

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

Exhibit 31.2

CERTIFICATIONS

I, Matthew K. Diamond, certify that:

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

Dated: August 6, 2021

/s/ MATTHEW K. DIAMOND
Matthew K. Diamond
Chief Financial Officer

Exhibit 32.1

Written Statement 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

Solely for the purposes of complying with 18 U.S.C. Section 1350, I, the undersigned Chief Executive Officer of Hudson Global, Inc. (the “Company”), hereby certify, based on my knowledge, that the Quarterly Report on Form 10-Q of the Company for the quarter ended June 30, 2021 (the "Report") fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ JEFFREY E. EBERWEIN
Jeffrey E. Eberwein
August 6, 2021

Exhibit 32.2

Written Statement of the Principal Financial Officer
Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

Solely for the purposes of complying with 18 U.S.C. Section 1350, I, the undersigned Principal Financial Officer of Hudson Global, Inc. (the "Company"), hereby certify, based on my knowledge, that the Quarterly Report on Form 10-Q of the Company for the quarter ended June 30, 2021 (the "Report") fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ MATTHEW K. DIAMOND

Matthew K. Diamond
August 6, 2021