

# GUIDANCE MEMO

Fiscal Year 2022

**Parent Co Inc**

**Subsidiary Co Ltd**

- **Software R&D Services**

## 1. Introduction

**Parent Co Inc** (the “**Company**” or “**Inc**”) has used incodox, LLC (“**we**” or “**incodox**”) to prepare a Guidance Memo (“**Memo**”) with respect to the following Covered Transaction, for the fiscal year 2022 (“**FY 2022**”) between the Company located in the Miami, USA, and Subsidiary Co Ltd, located in London, United Kingdom (“**Ltd**” and together with Inc, the “**Group**”).

**Covered Transaction: Software** R&D services provided by Ltd to Inc, in FY 2022. The services include software engineering, enhancing existing products, bug fixing and development of new features and products.

The economic analysis in this Memo is based on the arm’s length principle as set forth in the U.S. transfer pricing regulations (the “**US Regulations**”) promulgated pursuant to section 482 of the Internal Revenue Code of 1986, as amended (the “**Code**”), and the OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations (2022) (“**OECD Guidelines**”). However, this Memo does not meet the complete documentation requirements of the US Regulations nor the OECD Guidelines. This Memo is not a legal opinion, and it does not provide advice for any other federal, state, local or foreign income, or non-income tax matters or any other legal, regulatory, accounting or other non-tax matters. See the detailed scope of this Memo in Appendix D. Any other intercompany transactions, should they exist, are not addressed in this Memo.

Inc confirms that the Covered Transaction is essential to its activity, and in the absence of Ltd, it would have contracted with an unrelated third party to receive such services. Thus, the Covered Transaction has a business purpose and economic substance.

## 2. Executive Summary

For providing the guidance to determine the arm's length price for the Covered Transaction, Ltd was selected as the tested party. Further, we applied the Comparable Profit Method<sup>1</sup> ("CPM")<sup>2</sup> and used the Markup on Total Cost ("MTC")<sup>3</sup> as the Profit Level Indicator ("PLI") for this transaction.

The three years' interquartile weighted average markup range of the comparable companies in FY 2022 is between 4.18% and 13.00% with a median of 8.00%.

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<sup>1</sup> Section 1.482-5 of the US Regulations

<sup>2</sup> Referred as the Transactional Net Margin Method ("TNMM") in the OECD Guidelines.

<sup>3</sup> The ratio of the Operating Profit divided by Revenues less the Operating Profit [(OP)/(Rev-OP)].

### 3. Economic Analysis

#### 1. Search process

To determine the arm's length price of the Covered Transaction, we searched for companies engaged in comparable activities in similar geographic regions, to the tested party. We used Bureau Van Dijk's TP Catalyst<sup>4</sup>, a database with more than 100,000 global public companies. The following table summarizes the search process:

Search Step	Description	Search result
1. US SIC (Primary codes only)	7371 - Computer programming services, 7372 - Prepackaged software, 7373 - Computer integrated systems design, 7374 - Computer processing and data preparation and processing services, 7379 - Computer related services, not elsewhere classified	6,649
2. World region/Country/Region in country	Address of incorporation only: Canada, United States of America, Mexico	2,360
3. Operating profit / loss (TP) (th USD)	min=0.1, 2022, 2021, 2020, for at least one of the selected periods, exclusion of companies with no recent financial data and Public authorities/States/Governments	309
4. R&D expenses / Sales (%)	max=5, 2022, 2021, 2020, for at least Average of the 3 selected periods, exclusion of companies with no recent financial data and Public authorities/States/Governments	150
5. BvD Independence indicator	A+, A, A-, B+, B, B-	112

**Step 6. Detailed Review.** The business descriptions and websites of the 112 potentially comparable companies were reviewed in detail. Companies were eliminated for one or more of the following reasons:

- Companies that are engaged in a non-similar function (e.g., holding company, etc.);
- Companies that may own significant technology intellectual property;<sup>5</sup>
- Companies engaged with significant different activity or product;
- Companies with no or limited activity
- Other reasons (e.g., bankruptcy, develop proprietary products, etc.).

This step resulted in twelve comparable companies. A detailed rejection matrix can be found in Appendix A. Financial information and business description of these comparable companies can be found in Appendices B and C.

<sup>4</sup> A Moody's analytics data company. Version of database is March 2021.

<sup>5</sup> intangible assets/Total assets < 20%

## 4. Comparable Results

The following table presents the MTC earned by each of the comparable companies:

Return on total operating costs (Net cost plus or Full-cost mark-up) (%)				
Comparable companies	2020	2021	2022	Weighted average
COGNIZANT TECHNOLOGY SOLUTIONS CORP	16.8	18.2	18.0	17.7
DXC TECHNOLOGY COMPANY	9.3	-0.7	10.7	6.2
LEIDOS HOLDINGS, INC.	8.8	9.2	8.5	8.9
SCIENCE APPLICATIONS INTERNATIONAL CORP	7.0	6.8	7.6	7.1
CACI INTERNATIONAL INC	8.7	9.8	8.7	9.1
CONCENTRIX CORPORATION	7.7	11.1	11.9	10.4
EPAM SYSTEMS, INC.	16.6	16.9	14	15.6
UNISYS CORP	4.5	8.3	2.7	5.2
PERFICIENT INC	10.6	16.9	19.5	16.1
COMPUTER TASK GROUP INC	2.5	3.3	3.8	3.2
TSR INC	-1.0	0.6	0.4	0.07
AGILETHOUGHT, INC.	12.0	-2.6	-2.6	1.8
Maximum	16.8	18.2	19.5	17.7
<b>Upper quartile</b>	11.4	14	13.0	<b>13.0</b>
<b>Median</b>	8.8	8.8	8.6	<b>8.0</b>
<b>Lower quartile</b>	5.8	1.9	3.3	<b>4.2</b>
Minimum	-1.0	-2.6	-2.6	0.07

The interquartile range of three-year weighted average MTC is between 4.2% and 13% with a median of 8%. Detailed financial and company descriptions can be found in appendices B and C.

## Appendices

### A. Accept/Rejected Matrix

Company name	Country code	US SIC primary	Accept/ Reject reason
COGNIZANT TECHNOLOGY SOLUTIONS CORP	US	7371	accept
DXC TECHNOLOGY COMPANY	US	7373	accept
FISERV INC	US	7374	significant IP
AUTOMATIC DATA PROCESSING, INC.	US	7374	own product/platform
LEIDOS HOLDINGS, INC.	US	7373	accept
SCIENCE APPLICATIONS INTERNATIONAL CORP	US	7373	accept
CACI INTERNATIONAL INC	US	7379	accept
CONCENTRIX CORPORATION	US	7374	accept
CONSTELLATION SOFTWARE INC.	CA	7371	significant IP
BROADRIDGE FINANCIAL SOLUTIONS, INC.	US	7374	own product/platform
CONDUENT INCORPORATED	US	7374	own product/platform
EPAM SYSTEMS, INC.	US	7373	accept
BREAD FINANCIAL HOLDINGS INC	US	7374	credit & process services
VERISK ANALYTICS, INC.	US	7374	own product/platform
ALIGHT, INC.	US	7372	own product/platform
UNISYS CORP	US	7373	accept
CDK GLOBAL, INC.	US	7372	own product/platform
EPLUS INC	US	7372	value added reseller
BLACK KNIGHT, INC.	US	7372	own product/platform
CONVERGE TECHNOLOGY SOLUTIONS CORP.	CA	7371	own product/platform
EXELA TECHNOLOGIES, INC.	US	7371	significant IP
MULTIPLAN CORPORATION	US	7372	investment/holding company
THOUGHTWORKS HOLDING, INC.	US	7371	significant IP
EBIX, INC.	US	7373	own product/platform
DONNELLEY FINANCIAL SOLUTIONS, INC.	US	7371	own product/platform
RUMBLEON, INC.	US	7372	own product/platform
PERFICIENT INC	US	7371	accept
LOYALTY VENTURES INC.	US	7372	insufficient description
CYXTERA TECHNOLOGIES, INC.	US	7374	own product/platform
MEDIAALPHA, INC.	US	7372	own product/platform
STERLING CHECK CORP	US	7374	own product/platform
COGENT COMMUNICATIONS HOLDINGS, INC.	US	7372	own product/platform
EVERTEC, INC.	US	7371	own product/platform
CORE SCIENTIFIC INC	US	7374	no business activity
COMPUTER TASK GROUP INC	US	7372	accept
RIMINI STREET INC.	US	7371	IT admin services

KLDISCOVERY INC.	US	7374	investment/holding company
TUCOWS INC.	US	7372	own product/platform
KATAPULT HOLDINGS INC	US	7372	investment/holding company
COMPUTER SERVICES, INC.	US	7374	own product/platform
HACKETT GROUP, INC. (THE)	US	7379	management services
LIVE VENTURES INCORPORATED	US	7371	investment/holding company
ALITHYA GROUP INC.	CA	7373	significant IP
VIANT TECHNOLOGY INC.	US	7372	own product/platform
INSPIRED ENTERTAINMENT, INC.	US	7372	investment/holding company
VOYAGER DIGITAL LTD.	CA	7371	incomplete financial data
BITFARMS LTD.	CA	7372	own product/platform
DYE & DURHAM LIMITED	CA	7372	own product/platform
HUT 8 MINING CORP.	CA	7371	investment/holding company
INFORMATION SERVICES CORPORATION	CA	7374	own product/platform
HIVE BLOCKCHAIN TECHNOLOGIES LTD.	CA	7374	different activity
WIDEPOINT CORPORATION	US	7373	significant public sector
MAGNET FORENSICS INC.	CA	7372	own product/platform
INNODATA INC.	US	7374	own product/platform
TSR INC	US	7371	accept
MEDIVOLVE INC	CA	7372	incomplete financial data
MDF COMMERCE INC	CA	7372	own product/platform
BRAGG GAMING GROUP INC.	CA	7371	investment/holding company
VERTICALSCOPE HOLDINGS INC.	CA	7372	no complete financial data
TRAVELZOO	US	7373	own product/platform
BOKU, INC.	US	7374	all years loss
NETSOL TECHNOLOGIES, INC.	US	7372	own product/platform
PIVOTREE INC	CA	7371	no complete financial data
QUISITIVE TECHNOLOGY SOLUTIONS, INC.	CA	7371	investment/holding company
SMART EMPLOYEE BENEFITS INC	CA	7372	All years loss
RED VIOLET, INC.	US	7372	own product/platform
NETWORK-1 TECHNOLOGIES, INC.	US	7372	own product/platform
TENET FINTECH GROUP INC.	CA	7372	investment/holding company
SYLOGIST LTD.	CA	7372	own product/platform
CURRENCY EXCHANGE INTERNATIONAL, CORP.	US	7371	different activity
WECOMMERCE HOLDINGS LTD.	CA	7372	incomplete financial data
QUORUM INFORMATION TECHNOLOGIES INC	CA	7379	own product/platform
WHERE FOOD COMES FROM, INC.	US	7379	own product/platform
PARK CITY GROUP, INC.	US	7372	own product/platform
LIFESPEAK INC	CA	7372	own product/platform
PLAYMAKER CAPITAL INC	CA	7372	own product/platform
WAVEDANCER INC	US	7372	all years loss
INTOUCH INSIGHT LTD	CA	7372	marketing services
INTELLINETICS, INC.	US	7372	own product/platform
DATAMETREX AI LIMITED	CA	7372	own product/platform

DMG BLOCKCHAIN SOLUTIONS INC.	CA	7374	incomplete financial data
MAITRI HEALTH TECHNOLOGIES, CORP.	CA	7372	different activity
INFINITE GROUP INC	US	7371	own product/platform
TAAL DISTRIBUTED INFORMATION TECHNOLOGIES INC.	CA	7371	incomplete financial data
YANGAROO INC.	CA	7372	own product/platform
PASSUR AEROSPACE, INC.	US	7371	own product/platform
WISHPOND TECHNOLOGIES LTD.	CA	7372	own product/platform
ENTERPRISE DIVERSIFIED, INC.	US	7374	reseller
AGENT INFORMATION SOFTWARE, INC.	US	7372	significant IP
SATO TECHNOLOGIES CORP	CA	7374	incomplete financial data
ETHER CAPITAL CORPORATION	CA	7373	incomplete financial data
FULLNET COMMUNICATIONS, INC.	US	7374	different activity
NAMSYS INC.	CA	7372	investment/holding company
DIGIHOST TECHNOLOGY INC.	CA	7372	incomplete financial data
URBANIMMERSIVE INC.	CA	7371	own product/platform
ALTABA INC.	US	7373	own product/platform
MEMEX INC.	CA	7372	own product/platform
FREEZE TAG, INC.	US	7372	own product/platform
INFINITII AI INC	CA	7372	All years loss
ALPHINAT INC	CA	7371	own product/platform
MOXIAN (BVI) INC	US	7379	incomplete financial data
CARDIOCOMM SOLUTIONS, INC.	CA	7372	own product/platform
IMMUTABLE HOLDINGS INC.	CA	7372	own product/platform
NEPTUNE DIGITAL ASSETS CORP	CA	7372	incomplete financial data
BM TECHNOLOGIES INC	US	7372	incomplete financial data
AGILETHOUGHT, INC.	US	7371	accept
BYND CANNASOFT ENTERPRISES INC.	CA	7372	own product/platform
SYSTEM1, INC.	US	7374	own product/platform
ISSUER DIRECT CORPORATION	US	7372	significant IP
TRANSUNION	US	7374	own product/platform
CONSENSUS CLOUD SOLUTIONS INC	US	7372	significant IP
GRINDR INC.	US	7372	own product/platform



**B. Comparable companies' financial information**

<b>COGNIZANT TECHNOLOGY SOLUTIONS CORP</b>				
th USD	2020	2021	2022	Total
Sales	16652000	18507000	19428000	54587000
Cost of Goods	10599000	11604000	12448000	34651000
Gross Profit	6053000	6903000	6980000	19936000
Operating Expenses	3659000	4057000	4012000	11728000
Operating Profit	2394000	2846000	2968000	8208000
<b>DXC TECHNOLOGY COMPANY</b>				
th USD	2020	2021	2022	Total
Sales	19577000	17729000	16265000	53571000
Cost of Goods	14883000	14068000	12658000	41609000
Gross Profit	4694000	3661000	3607000	11962000
Operating Expenses	3034000	3784000	2030000	8848000
Operating Profit	1660000	-123000	1577000	3114000
<b>LEIDOS HOLDINGS, INC.</b>				
th USD	2020	2021	2022	Total
Sales	11094000	13737000	14396000	39227000
Cost of Goods	9312000	11398000	11979000	32689000
Gross Profit	1782000	2339000	2417000	6538000
Operating Expenses	883000	1176000	1284000	3343000
Operating Profit	899000	1163000	1133000	3195000
<b>SCIENCE APPLICATIONS INTERNATIONAL CORP</b>				
th USD	2020	2021	2022	Total
Sales	6379000	7056000	7394000	20829000
Cost of Goods	5535000	6085000	6370000	17990000
Gross Profit	844000	971000	1024000	2839000
Operating Expenses	426000	522000	504000	1452000
Operating Profit	418000	449000	520000	1387000
<b>CACI INTERNATIONAL INC</b>				
th USD	2020	2021	2022	Total
Sales	5720042	6044135	6202917	17967094
Cost of Goods	3719056	3930670	4051188	11700914
Gross Profit	2000986	2113465	2151729	6266180
Operating Expenses	1543290	1574014	1655400	4772704
Operating Profit	457696	539451	496329	1493476
<b>CONCENTRIX CORPORATION</b>				
th USD	2020	2021	2022	Total
Sales	4719534	5587015	6324473	16631022
Cost of Goods	2928726	3477291	3920346	10326363
Gross Profit	1790808	2109724	2404127	6304659
Operating Expenses	1454065	1549699	1730172	4733936
Operating Profit	336743	560025	673955	1570723
<b>EPAM SYSTEMS, INC.</b>				
th USD	2020	2021	2022	Total
Sales	2659478	3758144	4824698	11242320
Cost of Goods	1732522	2483691	3286683	7502896
Gross Profit	926956	1274453	1538015	3739424
Operating Expenses	547632	732137	945449	2225218
Operating Profit	379324	542316	592566	1514206

<b>UNISYS CORP</b>				
th USD	2020	2021	2022	Total
Sales	2026300	2054400	1979900	6060600
Cost of Goods	1382300	1309000	1266800	3958100
Gross Profit	644000	745400	713100	2102500
Operating Expenses	557000	587900	660500	1805400
Operating Profit	87000	157500	52600	297100
<b>PERFICIENT INC</b>				
th USD	2020	2021	2022	Total
Sales	612133	761027	905062	2278222
Cost of Goods	380723	468813	552703	1402239
Gross Profit	231410	292214	352359	875983
Operating Expenses	172481	182468	204431	559380
Operating Profit	58929	109746	147928	316603
<b>COMPUTER TASK GROUP INC</b>				
th USD	2020	2021	2022	Total
Sales	366091	392285	325080	1083456
Cost of Goods	285824	303135	242103	831062
Gross Profit	80267	89150	82977	252394
Operating Expenses	71137	76608	71101	218846
Operating Profit	9130	12542	11876	33548
<b>TSR INC</b>				
th USD	2020	2021	2022	Total
Sales	59121	68821	97312	225255
Cost of Goods	49936	57342	81079	188357
Gross Profit	9186	11479	16233	36898
Operating Expenses	9778	11099	15855	36732
Operating Profit	-593	380	379	166
<b>AGILETHOUGHT, INC.</b>				
th USD	2020	2021	2022	Total
Sales	163987	158668	176846	499501
Cost of Goods	113465	112303	119184	344952
Gross Profit	50522	46365	57662	154549
Operating Expenses	32877	50573	62388	145838
Operating Profit	17645	-4208	-4726	8711

**C. Comparable companies’ business descriptions**

Company name	Full overview
COGNIZANT TECHNOLOGY SOLUTIONS CORP	<p>This company is engaged in the provision of information technology consulting and technology services. It was incorporated in April of 1988. The registered business office of the company is located in Teaneck, New Jersey. The company offers business-process, IT, strategy, and technology consulting; application design, development, integration, and re-engineering; complex custom-systems development; data warehousing/business intelligence; customer relationship management (CRM) and enterprise-resource planning (ERP) system implementation; and software-testing services. It also provides outsourcing services, including application, CRM, and ERP maintenance, and it infrastructure and business-process outsourcing. The company is active and operational in the United States. It serves the banking and financial services, communications, consumer goods, education, energy and utilities, healthcare, information services, insurance, life sciences, manufacturing, media and entertainment, retail, technology, transportation and logistics, and travel and hospitality industries.</p>
DXC TECHNOLOGY COMPANY	<p>This company is engaged in the provision of information technology services and solutions. It was founded in 1959 and conducts business from its registered head office located in Tysons, Virginia. The company operates through two segments, Global Business Services (GBS) and Global Infrastructure Services (GIS). The GBS segment offers technology solutions comprising consulting, applications services, and software. This segment also provides applications services, which optimize and modernize clients' business and technical environments that enable clients to capitalize on emerging services, such as cloud, mobility, and big data within new commercial models, including the 'as a Service' and digital economies; consulting services, which help organizations innovate, transform, and create sustainable competitive advantage; and vertically aligned software solutions and process-based intellectual property power mission-critical transaction engines in insurance, banking, healthcare and life sciences, manufacturing, and other diversified industries. The GIS segment offers managed and virtual desktop, unified communications and collaboration, data center management, cyber security, and compute and managed storage solutions to commercial clients. This segment also provides next-generation cloud offerings consisting of Infrastructure as a Service, private cloud solutions, CloudMail, and Storage as a Service. DXC Technology Company has a strategic partnership with HCL Technologies to create an applications modernization delivery network. The company is the world's leading independent, end-to-end IT services company. It has established more than 250 industry-leading global Partner Network relationships, including 15 strategic partners: Amazon Web Services, AT&amp;T, Dell EMC, HCL, Hitachi, HPE, HP, IBM, Lenovo, Micro Focus, Microsoft, Oracle, PwC, SAP and ServiceNow. The company's mission is to lead clients through accelerating change, helping them harness the power of technology to deliver new outcomes from their business.</p>
LEIDOS HOLDINGS, INC.	<p>The company is an American leading systems, solutions, and technical services firm that provides scientific, engineering, and system integration solutions. It offers a wide range of services that cover complex and critical technology-related needs in the following areas: defense, intelligence, homeland security, logistics and product support, systems engineering and integration, research and development and global commercial services. The company was founded in the year 1969 by J. Robert Beyster, Ph.D. with a small group of scientists. Its corporate headquarters is located in Reston, California. The company operates in two business segments: Government and Commercial. The Government division offers technical services and solutions and project management services to the United</p>

	<p>States federal, state, and local government agencies, and foreign governments federal and state agencies, and it provides maintenance and technical support to various branches of the military. The Commercial unit provides technology-driven consulting, systems integration and outsourcing services and solutions to the commercial markets. It renders information technology support for the oil and gas exploration and production industry, applications and information technology infrastructure management for utility industry, and data lifecycle management for pharmaceuticals. The company's mission is to deliver best-value services and solutions based on innovative applications of science and technology. It is committed to the delivery of quality scientific and technical products and services that contributes to the security and well-being of communities throughout the world.</p>
<p>SCIENCE APPLICATIONS INTERNATIONAL CORP</p>	<p>This company, with headquarters in San Diego, is a leading scientific, systems integration and engineering company that provides technical services to the U.S. military, intelligence community, U.S. Department of Defense (DoD), the U.S. Department of Homeland Security (DHS) and other U.S. Government agencies. The company specializes in solving technical challenges in the areas of national security intelligence and homeland defense. The increasing demand for its products and services is aimed to counter global war and terrorism. The company was founded by Dr. J. Robert Bob Beyster in 1969 in La Jolla California. The company has worldwide operations in Australia, Bahrain, Belgium, Canada, France, Germany, Greece, Netherlands, India, Saudi Arabia and the United Kingdom. In addition, the company manufactures and develops high quality products including security and identification equipment. These are: Aviation/Unmanned Vehicles, Marine Pollution Control (Plastic Waste Processor (PWP), the Large and Small Pulpers, and the Solid Waste Shredders), Rugged Hardware intended for harsh Tactical and Industrial Environments (High-security Firewall System, Rugged LCD Color Flat Panel Displays (FPDs), Rugged Enclosure Assembly for Epson LCD Projectors), various software that helps clients manage computer resources and automate code generation (Quava Quick Java Generator, SIAMT, CASTACKT, and RCSSIGT), as well as other systems for safety and security (Portal VACIS Inspection System, RTR-4NT Imaging System, VACIS Imaging Kit). Moreover, the company also offers the following services: Consulting Services, Cost, Economic and Financial Analysis, Energy Risk Management, Commercial Vehicle Operations, Clinical Systems Integration and Automated Warrants and Booking Systems. These services are catered to energy, health care, life sciences, maritime, space and transportation industries. The company strives to commit to exceed customers' expectations for quality, responsiveness, and professional excellence while delivering within the agreed price and schedule.</p>
<p>CACI INTERNATIONAL INC</p>	<p>This company, together with its subsidiaries, engaged in the provision of professional services and IT solutions needed to prevail in the areas of defense, intelligence, homeland security, and IT modernization and government transformation. It was founded in 1962 and has its registered head office located in Arlington, Virginia. The company's four major lines of business include systems integration offerings that combine systems with new technologies or integrate hardware and software from multiple sources to enhance operations and save time and money; engineering services offerings that enable clients to standardize and improve the way they manage the logistical lifecycles of systems, products and material assets, resulting in cost savings and increased productivity; managed network services offerings including a complete suite of solutions for total lifecycle support of global networks; and knowledge management offerings that encompass a range of information management tools and enabling technologies,</p>

	<p>including Internet-based user interfaces, commercial off-the-shelf software and workflow management systems. The company has more than 120 offices throughout North America and Western Europe. Its mission is to be the world leader in information technology and network solutions. The company's partners include InterSystems, Inc., which offers Caché (a post-relational database offering ultra-fast objects) and SQL -Structured Query Language (a massive scalability and breakthrough technology for developing web applications); Ontario Systems, Inc., which provides receivables management solutions, with more than 500 employees and more than 600 clients in collections, healthcare and the financial services markets; Ringtail Solutions, Inc., a provider of Intranet-based legal and justice application technologies and services; and Fast-Talk Communications, Inc., the world's only provider of audio searching technology that combines both high speed and extreme accuracy without using text-to-speech conversion.</p>
<p>CONCENTRIX CORPORATION</p>	<p>This company is an American based enterprise engaged in the provision of customer lifecycle management services in the areas of sales, customer care, technical support, and renewals management; and consulting services in the areas of customer experience, channel optimization, and operational excellence. The company was founded in 1983. It conducts business from its registered head office located in Fremont, California. It is registered as a limited company. The company also provides digital customer engagement services, such as consulting, marketing, commerce and care, channel enablement, and advanced analytics services. In addition, it offers process optimization and automation services, including business intelligence and reporting, engineered design for global excellence (EDGE), analytics, quality assurance and analytics (QAA), computer telephony integration (CTI), CCSI, knowledge management, and collections services. Further, the company provides analytics and insights services, such as business intelligence and reporting, marketing analytics, customer behavior and retention, operational analytics, digital and social media analytics, and operational risk and collections analytics services. Furthermore, it offers technology assets and applications services in the areas of channel extensions, optimized processes, operational enablement, and analytics. The company serves automotive, banking and financial services, consumer electronics, government and public sector, healthcare services, insurance, media and communications, retail and e-commerce, and technology industries, as well as travel, transportation, and tourism industries.</p>
<p>EPAM SYSTEMS, INC.</p>	<p>This company, based in the United States, operates as a recognized as a global service provider that demonstrates leadership, innovation and outstanding performance in software development outsourcing. It was founded in 1993 as a software development outsourcing services provider. Its corporate headquarters is located in Newtown, Pennsylvania. The company is the largest software development outsourcing services provider in Central/Eastern Europe and the Russian Federation. Its mission is to deliver excellence in software engineering to the benefit of its clients; and to lead the market by having the best people, the best software development processes, the best software development life cycle tools, and the best quality assurance, constantly focusing on moving its people and tools to the leading edge. The company also has global locations in the United Kingdom, Germany, Hungary, the Russian Federation, Belarus, and Ukraine. The company's partners include: Hyperion, ABBYY, Datalex, First Index, SAP, Novell, LogicLibrary, Knova, ATG, BEA Systems, Microsoft Gold Certified Partner, Oracle, IBM, Sun Microsystems, T2Impact, CoreMatrix Systems, Madison Consulting Group, IMG, Echo International, Solutionz Group, AHIP, National Academy of Sciences (Belarus), Byelorussian National Technical University, Byelorussian States University, and Mannheim University. Some of the company's clients are SAP, BEA</p>

	Systems, Microsoft, Hyperion, Reuters, London Stock Exchange, Colgate-Palmolive, British Telecom, William Hill, CareFirst BlueCross BlueShield, Lufthansa, Renaissance Capital, Philips, and Schlumberger.
UNISYS CORP	This company, with head office in Blue Bell, United States, is a worldwide information technology (IT) services and solutions company with more than 31,000 employees. It was formed in September 1986 through the merger of the mainframe corporations Sperry and Burroughs, with Burroughs buying Sperry for USD 4.8 billion. It provides consulting, systems integration, outsourcing and infrastructure services, combined with modern enterprise server technology. This company is one of the largest government IT contractors, serving local, state, and federal agencies, as well as foreign governments. It is also one of the world's leading full-service outsourcing providers. It specializes in helping clients use information to create efficient, secure business operations that allow them to achieve their business goals. Its consultants and industry experts work with clients to understand their business challenges and create greater visibility into critical linkages throughout their operations. It provides end-to-end services and solutions designed to help clients improve their competitiveness and efficiency in the global marketplace. This company designs, builds and manages critical IT systems and solutions for businesses and governments around the world, helping customers create secure business operations. It designs and develops enterprise servers and related products that operate in mission-critical, transaction-intensive environments. Its ES7000 family of enterprise servers runs standard Microsoft or Linux operating systems, along with Unisys middleware, on an Intel-based platform. These ES7000 servers provide server consolidation, scalable database and large-scale application capabilities, in the high-end Intel environment. In addition to high-end servers, Unisys offers other technologies used by organizations to handle specialized tasks in an enterprise environment. These technologies include payment systems, specialized financial products and semiconductor test solutions. It is a founding member of Open Solutions Alliance (OSA), an organization made up primarily of commercial open source application software vendors aims to improve interoperability between these vendors' products. Unisys is the first systems integrator to join this organization.
PERFICIENT INC	This company is engaged in the provision of information technology consulting and related services in the United States and internationally. It was founded in 1997 and has its registered head office located in St. Louis, Missouri. The company is recognized as a leading information technology consulting firm serving clients throughout the United States. It enables clients to make businesses more responsive to market opportunities and threats, strengthen relationships with customers, suppliers and partners, improve productivity and reduce information technology costs. The company is an expert in designing, building and delivering business-driven technology solutions. It is specialized in developing middleware applications that are used to integrate and modernize legacy computer hardware and software. Its products and services are served to more than 400 different end clients on a wide variety of industries notably: agribusiness healthcare, automotive insurance, consumer goods manufacturing, energy retail, financial services & banking, and telecommunications. Some of its customers are Anheuser-Busch, AT&T Mobility (formerly Cingular), EMC Corporation, and Wachovia. The company has 18 locations across North America and global delivery centers in Europe, Asia and China. It is in partnership with several companies such as IBM, Microsoft, TIBCO, Oracle-Siebel, BEA Systems, SAP, Edge Dynamics and Cognos.
COMPUTER TASK GROUP INC	This company, formerly known as Marks Baer Inc., is engaged in the provision of IT staffing, application management outsourcing, and consulting solutions to a long

	<p>list of satisfied customers ranging from small and mid-sized companies to global Fortune 500 corporations. It was founded in 1966 by Randolph A. Marks and G. David Baer. It conducts business from its registered head office which is strategically located in Buffalo, New York. It also has an international network of offices in Canada, Belgium, Germany, Luxembourg and the United Kingdom. The company specializes in contract programming: providing computer programmers, designers, and managers to clients looking for outside expertise to set up their own computing systems. By 1969, when CTG went public, it was already one of the country's top 70 software companies. The company's mission is to provide IT services and solutions that add real business value to its customers while creating professional opportunities for its employees and value for its shareholders. For 40 years, it has delivered information technology (IT) services that provide real business value to its customers. Its fully integrated array of IT staffing, application management outsourcing, and industry-focused IT solutions is backed by a time-tested suite of formal methodologies, a proprietary database of best practices, and a wide range of strategic alliances and partnerships. The company has fully integrated its solutions to closely parallel the changing landscape of business today, with services aligned to best serve clients in areas that include: staffing, application management outsourcing, development and integration, and consulting. Furthermore, the company works in partnerships with Service Management Partners (SMP), Business Base, Cognos, Compuware NV/SA, Dexterra, Group-Technologies, HighJump Software, HP, Intermec Honours Partner, and Oracle.</p>
<p>TSR INC</p>	<p>This company is engaged in the provision of contract computer programming services. It was founded and incorporated in 1969. The registered business office of the company is located in Hauppauge, New York. The company offers technical computer personnel to supplement the in-house information technology capabilities of its customers in the areas of .net and java application development, android and IOS mobile application platform development, project management, IT security, cloud development and architecture, UI design and development, network infrastructure and support, and database development and administration. It also provides business analysts and other related activities. It strives to ensure that its clients succeed in a rapidly evolving, technology-based world. The company is active and operational in the United States of America. It serves the commercial customers, and state and local government agencies in the metropolitan New York area, New England, and the mid-Atlantic region.</p>
<p>AGILETHOUGHT, INC.</p>	<p>AgileThought, Inc. is a provider of agile-first, end-to-end digital transformation services in the North American market using onshore and nearshore delivery. The Company combines its agile-first approach with expertise in technologies to discover, design, and deliver solutions that help its clients overcome the challenges of digital transformation to build, run and continually improve solutions at scale using DevOps tools and methodologies. It offers client-centric, onshore and nearshore digital transformation services that include consulting, design and user experience, custom enterprise application development, DevOps, cloud computing, mobile, data management, advanced analytics and automation expertise. It creates customized frameworks and solutions throughout clients' digital transformation journeys. By leveraging its AgileThought Operating Model (ATOM) and its industry expertise, it rapidly and predictably delivers enterprise-level software solutions at scale.</p>

**D. Scope**

The scope and purpose of this Memo is limited to presenting the relevant financial results of companies, comparable to the Covered Transaction, under the arm's length principle of the US Regulations and the OECD Guidelines.

We assume no responsibility for any issues beyond this express and limited scope of this Memo. Additional issues may exist that affect any federal, state, local or foreign income and non-income tax treatment and consequences of the Covered Transaction, as well as other transactions or matters that may affect the Group. This Memo does not consider, and we express no view any such other tax issues, nor any non-tax legal, regulatory, accounting, or other non-tax issues that may impact the Covered Transaction or any other transaction(s) or matters affecting the Group.

Although the economic analysis set forth in the Memo reflect our best professional judgement regarding the arm's length price of the Covered Transaction, we cannot provide assurance that such conclusions will not be subject to challenge by any federal, state, local or foreign taxing authority, or that in the event of such a challenge, that a court in any jurisdiction will ultimately uphold such analysis.

This Memo has been prepared for the sole benefit of the Group and may not be relied upon by any other party for any purpose without Avalara's prior written permission, and we assume no responsibilities to any such other parties. Notwithstanding the foregoing, nothing in this Memo should be interpreted to limit the Group's right to disclose the tax treatment and tax structure of the Covered Transaction to any person.

In preparing this Memo, we relied on information, provided by the Group, which we have not independently audited or verified. We have assumed that all such data, documents and factual representations are true, correct, and complete in all material respects. Any misstatement, omission, or subsequent change in any such data, facts or documents may impact the validity of this Memo.

We assume no obligation to update this Memo in the event of any change in facts, circumstances, law, or guidance that could impact the relevance of this Memo.