# Guidehouse Inc. Financial Resources Statement

## Audited Financial Statements

Guidehouse Holding Corporation (collectively with its subsidiaries, “Guidehouse”, “We” or the “Company”) is a specialized, global professional services firm that serves public and commercial clients primarily in the healthcare, energy, financial services, national security and defense industries across a range of advisory, consulting, outsourcing and technology/analytics services in the United States and internationally. Guidehouse Holding Corporation was incorporated in the state of Delaware on February 8, 2018. Through other intermediary holding companies, Guidehouse wholly owns Guidehouse LLP and its subsidiary, Guidehouse Inc. Its Guidehouse, Inc. subsidiary comprises effectively all operating results of the consolidated Guidehouse Holding Corporation.

Guidehouse operates offices in cities within the U.S., Europe, the Middle East and Asia. Guidehouse’s customers are primarily located in the United States and are substantially comprised of U.S. Government entities, state and local governmental entities, and commercial clients including healthcare providers and payers, utility and energy companies, and financial institutions. For the year ended December 31, 2021, 2020 and 2019, Guidehouse derived approximately 50, 47 and 69 percent of its revenues from the U.S. Government, respectively.

On May 1, 2018, Guidehouse acquired 100% of the equity interests in PricewaterhouseCoopers Public Sector LLP. The Company had no operations prior to this transaction and Holdings has no operations other than its ownership of the Company. On October 11, 2019, Guidehouse acquired 100% of the equity interests of Navigant Consulting, Inc. Navigant is a professional services firm that primarily serves commercial clients in the healthcare, energy and financial services industries. On October 15, 2021, Guidehouse acquired 100% of the equity interests in Dovel Technologies LLC. Dovel is a technology solutions provider serving predominately U.S. public sector clients.

Guidehouse has a December 31 calendar year end and is audited annually. As a privately held enterprise, our policy is to strictly refrain from issuing financial statements or any detailed financial information to external parties. Guidehouse has the necessary financial capacity, working capital, and other resources to perform this contract without assistance from any outside sources.

## Financial Statement Information

Guidehouse’s total fee revenues are shown below on a pro forma basis for all past acquisitions. These revenues exclude any cost reimbursable amounts that are considered revenue for financial statement purposes but do not generate income for the business.

* Year Ended December 31, 2020 - $1.907 Billion
* Year Ended December 31, 2021 - $2.291 Billion
* Year to Date March 31, 2022 - $0.580 Billion

The business generates positive cash and is consistently profitable on an EBITDA (Earnings before interest, tax, depreciation and amortization) basis.

For evaluation purposes, interim (unaudited) financial statements for the first quarter of the fiscal year which began on January 1, 2022, are shown in **Table 1**, **Table 2**, and **Table 3**.

| 1. Summary Balance Sheet | |
| --- | --- |
| CY2022 – As of March 31, 2022 | |
| Assets | |
| *Current Assets* |  |
| Cash & Cash Equivalents | 184,392 |
| Accounts Receivable | 417,866 |
| Prepaid and other assets | 36,085 |
| **Total Current Assets** | **638,342** |
| Property and equipment, | 68,743 |
| Purchase intangible asset, net | 593,725 |
| Goodwill, net | 1,337,656 |
| Right of use Asset | 100,024 |
| Other Non-current Assets | 49,139 |
| Deferred dent financing costs, net | - |
| **Total Assets** | **2,787,629** |
| Liabilities & Equity | |
| *Current Liabilities* |  |
| Accounts Payable | 57,948 |
| Accrued vacation, salaries, benefits and payroll taxes | 114,605 |
| Current portion of long term debt | 24,362 |
| Other current liabilities | 143,593 |
| **Total Current Liabilities** | **340,509** |
| Long-term debt, net of current portion | 2,592,067 |
| Other long-term liabilities | 128,659 |
| **Total Liabilities** | **3,061,234** |
| Equity | (273,605) |
| **Total Liabilities & Equity** | **2,787,629** |

| 1. Summary Consolidated Income Statement | |
| --- | --- |
| CY2022 – Year to Date Through March 31, 2022 | |
| Net sales, adjusted | 579,937 |
| Cost of sales | 425,569 |
| Gross margin | 154,368 |
| Depreciation and Amortization | 31,596 |
| SG&A | 83,694 |
| Total Operating Expenses | 115,290 |
| Operating Income | 39,078 |
| % of Revenue | 6.7% |
| Interest Income | (99) |
| Interest Expense | 42,449 |
| Income Tax | 1,718 |
| Income from non-controlling Interest | (16) |
| Net Income | (4,974) |
| % of Revenue | -0.9% |
| EBITDA | **70,674** |

| 1. Summary Consolidated Statement of Cash Flows | |
| --- | --- |
| CY2022 – Year to Date Through March 31, 2022 | |
| EDITDA | 70,674 |
|  |  |
| Cash paid for Interest Expense | (41,865) |
| Cash paid for Income Tax | (1,314) |
| Non-cash stock-based compensation | 1,470 |
| Cash generated (used) in working capital | (137,617) |
| Cash generated (used) in investing activities | (5,831) |
| Cash generated (used) in financing activities | (8,695) |
| Cash generated (used) in operating activities | (108,653) |
|  |  |
| Total cash generated (used) | (123,179) |
|  |  |
| Beginning Cash Balance | 307,571 |
| Ending Cash Balance | 184,392 |

## Cash Liquidity

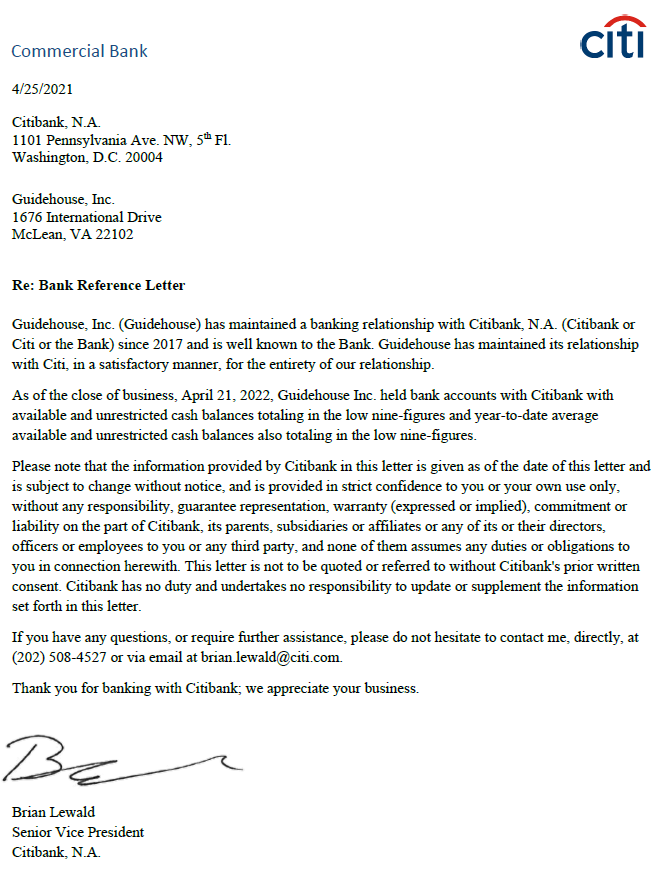
There are no current borrowings under the revolving credit facility. The Company’s liquidity is adequate to support the working capital requirements of substantial new customer contracts.

## Audit Conducted in Accordance with OMB A-133 or OMB A-21

Guidehouse has not been subject to audits conducted in accordance with OMB A-133 or OMB A-21 and therefore, this is not applicable.

## Lines of Credit with Lending Institutions

**Figure 1** shows the following letters from Citibank, N.A., and Ally Bank validate the current status of Guidehouse’s banking relationships and credit facilities, which further substantiates that Guidehouse has the financial capability to support the estimated yearly amount of the contract.



1. Letter from Citibank, N.A. validating the current status of Guidehouse’s banking relationship and credit facility