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

FORM 10-Q

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

For the quarterly period ended March 31, 2020

or

o **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: 000-50129

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, 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 x No o

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 x No o

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	o	Accelerated filer	o
Non-accelerated filer	o	Smaller reporting company	x
		Emerging growth company	o

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. o

Indicate by checkmark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No x

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 April 30, 2020
Common Stock - $0.001 par value	2,682,183

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PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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

	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019
Revenue	$ 24,131	$ 16,187
Operating expenses:		
Direct contracting costs and reimbursed expenses	14,333	6,791
Salaries and related	8,217	9,172
Other selling, general and administrative	2,081	2,188
Depreciation and amortization	24	18
Total operating expenses	24,655	18,169
Operating loss	(524)	(1,982)
Non-operating income (expense):		
Interest income, net	79	313
Other income (expense), net	41	(37)
Loss from continuing operations before provision for income taxes	(404)	(1,706)
Provision for income taxes from continuing operations	107	65
Loss from continuing operations	(511)	(1,771)
Loss from discontinued operations, net of income taxes	—	(131)
Net loss	$ (511)	$ (1,902)
Basic and diluted loss per share:[(a)]		
Loss per share from continuing operations	$ (0.17)	$ (0.54)
Loss per share from discontinued operations	—	(0.04)
Loss per share	$ (0.17)	$ (0.58)
Weighted-average shares outstanding:[(a)]		
Basic	3,065	3,288
Diluted	3,065	3,288

(a) Earnings per share and weighted average shares outstanding for all periods presented reflect the Company's 1-for-10 reverse stock split, which was effective June 10, 2019.

See accompanying notes to condensed consolidated financial statements.

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

	Three Months Ended March 31,	
	2020	**2019**
Comprehensive loss:		
Net Loss	$ (511)	$ (1,902)
Other comprehensive loss:		
Foreign currency translation adjustment, net of applicable income taxes	(787)	65
Total other comprehensive loss, net of income taxes	(787)	65
Comprehensive Loss	$ (1,298)	$ (1,837)

See accompanying notes to condensed consolidated financial statements.

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

	March 31, 2020	December 31, 2019
ASSETS		
Current assets:		
Cash and cash equivalents	$ 26,127	$ 31,190
Accounts receivable, less allowance for doubtful accounts of $156 and $174, respectively	12,778	12,795
Restricted cash, current	146	148
Prepaid and other	846	804
Total current assets	39,897	44,937
Property and equipment, net	164	186
Operating lease right-of-use assets	391	401
Deferred tax assets	626	793
Restricted cash	227	380
Other assets	7	7
Total assets	$ 41,312	$ 46,704
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 697	$ 1,064
Accrued expenses and other current liabilities	6,607	8,178
Operating lease obligations, current	267	246
Total current liabilities	7,571	9,488
Income tax payable	819	845
Operating lease obligations	129	160
Other liabilities	163	177
Total liabilities	8,682	10,670
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; 3,669 and 3,663 shares issued; 2,682 and 2,936 shares outstanding, respectively	4	4
Additional paid-in capital	486,232	486,088
Accumulated deficit	(437,018)	(436,507)
Accumulated other comprehensive loss, net of applicable tax	(1,266)	(479)
Treasury stock, 987 and 726 shares, respectively, at cost	(15,322)	(13,072)
Total stockholders' equity	32,630	36,034
Total liabilities and stockholders' equity	$ 41,312	$ 46,704

See accompanying notes to condensed consolidated financial statements.

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

	Three Months Ended March 31,	
	2020	**2019**
Cash flows from operating activities:		
Net loss	$ (511)	$ (1,902)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	24	18
Provision for doubtful accounts	2	—
Provision for (benefit from) deferred income taxes	66	(32)
Stock-based compensation	144	184
Changes in assets and liabilities, net of effect of dispositions:		
Increase in accounts receivable	(1,083)	(2,617)
(Increase) decrease in prepaid and other assets	(94)	484
Decrease in accounts payable, accrued expenses and other liabilities	(1,278)	(2,351)
Net cash used in operating activities	(2,730)	(6,216)
Cash flows from investing activities:		
Capital expenditures	(10)	(35)
Net cash used in investing activities	(10)	(35)
Cash flows from financing activities:		
Borrowings under credit agreements	15,298	—
Repayments under credit agreements	(15,298)	—
Purchase of treasury stock	(2,239)	(3,982)
Purchase of restricted stock from employees	(11)	(36)
Net cash used in financing activities	(2,250)	(4,018)
Effect of exchange rates on cash, cash equivalents and restricted cash	(228)	51
Net decrease in cash, cash equivalents and restricted cash	(5,218)	(10,218)
Cash, cash equivalents, and restricted cash, beginning of the period	31,718	41,060
Cash, cash equivalents, and restricted cash, end of the period	$ 26,500	$ 30,842
Supplemental disclosures of cash flow information:		
Cash paid during the period for interest	$ 1	$ —
Cash received during the period for interest	$ 79	$ 156
Net cash payments during the period for income taxes	$ 202	$ 47
Cash paid for amounts included in operating lease liabilities	$ 67	$ 87
Supplemental non-cash disclosures:		
Right-of-use assets obtained in exchange for operating lease liabilities	$ 77	$ 723

See accompanying notes to condensed consolidated financial statements.

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

	Three Months Ended			
	March 31, 2020		March 31, 2019	
	Shares (a)	Value	Shares (a)	Value
Total stockholders' equity, beginning balance	2,936	$ 36,034	3,190	$ 40,487
Common stock and additional paid-in capital:				
Beginning balance	3,663	486,092	3,613	485,131
Stock-based compensation expense	6	144	9	184
Ending balance	3,669	486,236	3,622	485,315
Treasury stock:				
Beginning balance	(726)	(13,072)	(423)	(8,486)
Purchase of treasury stock	(260)	(2,239)	(258)	(3,982)
Purchase of restricted stock from employees	(1)	(11)	(2)	(36)
Ending balance	(987)	(15,322)	(683)	(12,504)
Accumulated other comprehensive (loss) income:				
Beginning balance		(479)		(606)
Other comprehensive (loss) income		(787)		65
Ending balance		(1,266)		(541)
Accumulated deficit:				
Beginning balance		(436,507)		(435,552)
Net loss		(511)		(1,902)
Ending balance		(437,018)		(437,454)
Total stockholders' equity, ending balance	2,682	$ 32,630	2,939	$ 34,816

(a) Common stock and Treasury stock for all periods presented reflect the Company's 1-for-10 reverse stock split, which was effective June 10, 2019.

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, 2019.

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. All per share amounts and shares outstanding for the three months ended March 31, 2020 and all prior periods reflect the Company's 1-for-10 reverse stock split, which was effective June 10, 2019. For more information, see Note 2.

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 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.

The Company operates directly in ten countries with three reportable geographic business segments: Americas, Asia Pacific, and Europe. See Note 12 for further details regarding the reportable segments.

Corporate expenses are reported separately from the reportable segments and pertain to certain functions, such as executive management, corporate governance, human resources, accounting, tax, marketing, information technology, 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).

On June 10, 2019, the Company announced a reverse stock split of its outstanding shares of common stock at a ratio of 1-for-10 (the "Reverse Split") and that it had filed a Certificate of Amendment of the Company's Amended and Restated Certificate of Incorporation in order to effect the Reverse Split. The filed certificate also reduced the number of authorized shares of common stock to 20 million shares. The Reverse Split and reduction in authorized shares was approved by the Company's Board of Directors (the "Board") on February 25, 2019, and it was approved by the stockholders of the Company at the annual meeting on May 6, 2019. The Board approved the ratio of 1-for-10 on May 24, 2019, and the Reverse Split became effective as of the close of business on June 10, 2019. The Reverse Split had no effect on the par value of the Company's common stock but it reduced the number of issued and outstanding shares of common stock by a factor of 10. Accordingly, the issued and outstanding shares, stock-based compensation disclosures, net loss per share, and other share and per share disclosures for all periods presented have been retrospectively adjusted to reflect the impact of this Reverse Split.

NOTE 3 – ACCOUNTING PRONOUNCEMENTS

Adoption of New Accounting Pronouncements

On October 1, 2019, we elected to adopt Accounting Standards Update ("ASU") ASU No. 2018-15, Intangibles-Goodwill and Other-Internal-Use Software (Subtopic 350-40): Customer’s Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract (“ASU 2018-15”) on a prospective basis. This ASU provides guidance on implementation costs incurred in a cloud computing arrangement (“CCA”) that is a service contract. ASU 2018-15 aligns the accounting for such costs with the guidance on capitalizing costs associated with developing or obtaining internal-use software. Specifically, ASU 2018-15 amends Accounting Standards Codification (“ASC") 350-40 to include in its scope implementation costs of a CCA that is a service contract and clarifies that a customer should apply ASC 350-40 to determine which implementation costs should be capitalized in such a CCA. The amendments in ASU 2018-15 are effective for annual periods beginning after December 15, 2019 and interim periods within those annual periods. ASU 2018-15 had no impact on the Company's consolidated financial statements.

On January 1, 2019, we adopted ASU No. 2016-02, "Leases (Topic 842)" ("ASU 2016-02"). This ASU requires a company to recognize lease assets and liabilities arising from operating leases in the statement of financial position. This ASU does not significantly change the previous lease guidance for how a lessee should recognize the recognition, measurement, and presentation of expenses and cash flows arising from a lease. Additionally, the criteria for classifying a finance lease versus an operating lease are substantially the same as the previous guidance. In July 2018, the Financial Accounting Standards Board (the "FASB") issued ASU No. 2018-11, "Leases (Topic 842): Targeted Improvements" ("ASU 2018-11"). This ASU allows adoption of the standard as of the effective date without restating prior periods. We did not elect to recognize the lease assets and liabilities in the statement of financial position for short-term leases. For more information, see Note 9.

On January 1, 2019, we adopted ASU No. 2018-02, "Income Statement-Reporting Comprehensive Income (Topic 220): Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income" ("ASU 2018-02"), which provides guidance on reclassification of certain stranded income tax effects in accumulated other comprehensive income resulting from the Tax Cuts and Jobs Act of 2017 (the "Tax Act"), enacted on December 22, 2017. ASU 2018-02 allows a reclassification from accumulated other comprehensive income to retained earnings for stranded tax effects resulting from the application of the Tax Act. Additionally, ASU 2018-02 requires financial statement preparers to disclose (1) a description of their accounting policy for releasing income tax effects from accumulated other comprehensive income, (2) whether they elect to reclassify the stranded income tax effects from the Tax Act, and (3) information about other income tax effects related to the application of the Tax Act that are reclassified from accumulated other comprehensive income to retained earnings, if any. The adoption had no impact on the Company's consolidated financial statements.

Recent Accounting Standard Update Not Yet Adopted

In June 2016, 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 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 will adopt the guidance 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. Unbilled accounts receivable represent revenue recorded in advance of processing formal invoices pursuant to the completion of contract provisions and, generally, become billable at contractually specified dates. Unbilled receivables of $3.7 million and $3.6 million as of March 31, 2020 and 2019, respectively, are expected to be invoiced and collected within one year. 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 three months ended March 31, 2020.

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 contains 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.

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

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 from continuing operations by revenue source. For additional information on the disaggregated revenues by geographical segment, see Note 12 of the Notes to the Condensed Consolidated Financial Statements.

	Three Months Ended March 31,	
	2020	2019
RPO Recruitment	$ 9,838	$ 9,567
Contracting	14,293	6,620
Total Revenue	$ 24,131	$ 16,187

NOTE 5 – DISCONTINUED OPERATIONS

On March 31, 2018, the Company completed the sale of its Recruitment and Talent Management ("RTM") businesses in Belgium, Europe (excluding Belgium), and Asia Pacific ("APAC") in separate transactions to Value Plus NV, Morgan Philips Group S.A., and Apache Group Holdings Pty Limited, respectively. The gross proceeds from the sale were $38,960. In addition, $17,626 of debt was assumed by the buyers. The RTM businesses met the criteria for discontinued operations set forth in ASC 205.

Reported results for the discontinued operations were as follows:

	Three Months Ended March 31, 2019
Loss from sale of discontinued operations	$ (131)
Loss from discontinued operations before income taxes	(131)
Provision for income taxes	—
Loss from discontinued operations, net of income taxes	$ (131)

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 May 24, 2016 (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.

(in thousands, except share and per share amounts)

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 May 24, 2016, the Company's stockholders approved an amendment and restatement of the ISAP to, among other things, increase the number of shares of the Company's common stock that are reserved for issuance by 240,000 shares. As of March 31, 2020, there were 55,765 shares of the Company's common stock available for future issuance under the ISAP.

The Company also maintains the Director Deferred Share Plan (the "Director Plan") 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 three months ended March 31, 2020, the Company did not grant any restricted stock units to its non-employee directors pursuant to the Director Plan.

As of March 31, 2020, 141,412 restricted stock units are deferred under the Company's ISAP.

For the three months ended March 31, 2020 and 2019, the Company's stock-based compensation expense related to restricted stock units was as follows:

	Three Months Ended March 31,	
	2020	2019
Restricted stock units	$ 144	$ 184

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.

As of March 31, 2020, the Company had no unrecognized stock-based compensation expense related to outstanding unvested stock options.

Changes in the Company's stock options for the three months ended March 31, 2020 and 2019 were as follows:

	Three Months Ended March 31,			
	2020		2019	
	Number of Options	Weighted Average Exercise Price per Share	Number of Options	Weighted Average Exercise Price per Share
Options outstanding at January 1,	5,000	$ 24.90	5,000	$ 24.90
Expired/forfeited	—	—	—	—
Options outstanding at March 31,	5,000	$ 24.90	5,000	$ 24.90
Options exercisable at March 31,	5,000	$ 24.90	5,000	$ 24.90

(in thousands, except share and per share amounts)

Restricted Stock Units

As of March 31, 2020, the Company had approximately $181 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 1.21 years. Restricted stock units have no voting or dividend rights until the awards are vested.

Changes in the Company's restricted stock units for the three months ended March 31, 2020 and 2019 were as follows:

	Three Months Ended March 31,			
	2020		2019	
	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,	63,436	$ 15.12	57,773	$ 15.68
Granted	—	$ —	25,105	$ 15.30
Shares earned above target [(a)]	—	$ —	723	$ 17.00
Vested	(6,384)	$ 12.39	(27,794)	$ 16.25
Forfeited	(21,281)	$ 15.14	(6,071)	$ 17.00
Unvested restricted stock units at March 31,	35,771	$ 15.60	49,736	$ 15.37

(a) The number of shares earned above target are based on the performance target established by the Compensation Committee at the initial grant date.

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 Coronavirus Aid, Relief, and Economic Security Act (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. For the three months ended March 31, 2020, the enactment of the CARES Act and other COVID-19 measures did not result in any material adjustments to our income tax provision, or to our net deferred tax assets as of March 31, 2020. The Company continues to monitor federal, state, and international regulatory developments in relation to COVID-19 and their potential impact on our operations.

(in thousands, except share and per share amounts)

Effective Tax Rate

The provision for income taxes for the three months ended March 31, 2020 was $107 on a pre-tax loss from continuing operations of $404, compared to a provision for income taxes of $65 on pre-tax loss from continuing operations of $1,706 for the same period in 2019. The Company's effective income tax rate was negative 26.5% and negative 3.8% for the three months ended March 31, 2020 and 2019, respectively. For the three months ended March 31, 2020 and 2019, 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 March 31, 2020 and December 31, 2019, the Company had $636 and $663, 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 March 31, 2020 and December 31, 2019, the Company had $519 and $551, respectively, of accrued interest and penalties associated with unrecognized tax benefits.

Based on information available as of March 31, 2020, 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 March 31, 2020, the Company's open tax years, which remain subject to examination by the relevant tax authorities, were principally as follows:

	Year
Earliest tax years which remain subject to examination by the relevant tax authorities:	
U.S. Federal	2016
Majority of U.S. state and local jurisdictions	2015
Australia	2017
Belgium	2017
Canada	2015
Netherlands	2014
Switzerland	2015
United Kingdom	2018
Jurisdictions in Asia	2018

The Company believes that its unrecognized tax benefits as of March 31, 2020 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 earnings (loss) per share calculations for the three months ended March 31, 2020 and 2019 were as follows:

(a)	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019
Earnings (loss) per share ("EPS"):		
EPS - basic and diluted:		
Loss per share from continuing operations	$ (0.17)	$ (0.54)
Loss per share from discontinued operations	—	(0.04)
Loss per share	$ (0.17)	$ (0.58)
EPS numerator - basic and diluted:		
Loss from continuing operations	$ (511)	$ (1,771)
Loss from discontinued operations	—	(131)
Net loss	$ (511)	$ (1,902)
EPS denominator (in thousands):		
Weighted average common stock outstanding - basic	3,065	3,288
Common stock equivalents: stock options and restricted stock units (b)	—	—
Weighted average number of common stock outstanding - diluted	3,065	3,288

(a) Earnings per share and weighted average shares outstanding for all periods presented reflect the Company's 1-for-10 reverse stock split, which was effective June 10, 2019.

(b) 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 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 income (loss) per share for the three months ended March 31, 2020 and 2019 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 March 31, 2020	Three Months Ended March 31, 2019
Unvested restricted stock units	35,771	49,736
Stock options	5,000	5,000
Total	40,771	54,736

NOTE 9 – COMMITMENTS AND CONTINGENCIES

Consulting, Employment, and Non-compete Agreements

The Company has entered into various consulting and employment agreements with certain key members of management. These agreements generally (i) are one year in length, (ii) contain restrictive covenants, (iii) under certain circumstances, provide for compensation and, subject to providing the Company with a release, severance payments, and (iv) are automatically renewed annually unless either party gives sufficient notice of termination.

(in thousands, except share and per share amounts)

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 March 31, 2020 and December 31, 2019, 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. Adoption of this standard resulted in the recording of net operating lease right-of-use assets and corresponding operating lease liabilities of $0.7 million for rented office spaces.

Our office space leases have remaining 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 three months ended March 31, 2020 and March 31, 2019 were $139 and $136, respectively, (reflected in Net cash used in operating activities). The weighted average remaining lease term of our operating leases as of March 31, 2020 was 1.6 years.

As of March 31, 2020, future minimum operating lease payments are as follows:

	2020	2021	2022	Total
Minimum lease payments	$ 200	$ 175	$ 21	$ 396

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 March 31, 2020, there were no amounts outstanding under the NAB Facility Agreement. Interest expense and fees incurred on the NAB Facility Agreement were $5 for the three months ended March 31, 2020.

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 Company was in compliance with all financial covenants under the NAB Facility Agreement as of March 31, 2020.

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

NOTE 10 – ACCUMULATED OTHER COMPREHENSIVE LOSS

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

	March 31, 2020	December 31, 2019
Foreign currency translation adjustments	$ (1,266)	$ (479)
Accumulated other comprehensive loss	$ (1,266)	$ (479)

NOTE 11 – 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 three months ended March 31, 2020, no purchases of shares were made under this authorization. The Company repurchased 10,630 shares on the open market for $154 during the same period last year. As of March 31, 2020, 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 February 22, 2019, the Company commenced a tender offer to purchase up to 315,000 shares of the Company’s common stock at a purchase price of $15.00 per share. The tender offer expired on March 22, 2019. In accordance with the terms and conditions of the tender offer, the Company acquired 246,863 shares for an aggregate cost of $3,703, excluding fees and expenses of $125.

On March 27, 2020, the Company, in addition to the $10,000 authorization plan, 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.

Reverse Stock Split

On June 10, 2019, the Company announced a Reverse Split of its outstanding shares of common stock at a ratio of 1-for-10 and that it had also reduced the number of authorized shares of common stock to 20 million shares. The Reverse Split had no effect on the par value of the Company's common stock, but it reduced the number of issued and outstanding shares of common stock by a factor of 10. All issued and outstanding shares, stock-based compensation disclosures, net loss per share, and other share and per share disclosures for all periods presented have been retrospectively adjusted to reflect the impact of this Reverse Split.

NOTE 12 – SEGMENT AND GEOGRAPHIC DATA

Segment Reporting

The Company operates in three reportable segments: the 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, human resources, accounting, administration, tax, and treasury. 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, net is the only significant asset separated by segment for internal reporting purposes.

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

	Americas	Asia Pacific	Europe	Corporate	Inter-Segment Elimination	Total
For The Three Months Ended March 31, 2020						
Revenue, from external customers	$ 3,188	$ 16,951	$ 3,992	$ —	$ —	$ 24,131
Inter-segment revenue	—	6	—	—	(6)	—
Total revenue	$ 3,188	$ 16,957	$ 3,992	$ —	$ (6)	$ 24,131
Adjusted net revenue, from external customers [(a)]	$ 2,860	$ 4,511	$ 2,427	$ —	$ —	$ 9,798
Inter-segment adjusted net revenue	—	6	(6)	—	—	—
Total adjusted net revenue	$ 2,860	$ 4,517	$ 2,421	$ —	$ —	$ 9,798
EBITDA (loss) [(b)]	$ (60)	$ 337	$ 63	$ (799)	$ —	$ (459)
Depreciation and amortization	(5)	(12)	(6)	(1)	—	(24)
Intercompany interest (expense) income, net	—	(86)	—	86	—	—
Interest (expense) income, net	—	—	—	79	—	79
Income (loss) from continuing operations before income taxes	$ (65)	$ 239	$ 57	$ (635)	$ —	$ (404)
As of March 31, 2020						
Accounts receivable, net	$ 2,857	$ 7,172	$ 2,715	$ 34	$ —	$ 12,778
Total assets	$ 3,998	$ 11,568	$ 6,234	$ 19,512	$ —	$ 41,312

	Americas	Asia Pacific	Europe	Corporate	Inter-Segment Elimination	Total
For The Three Months Ended March 31, 2019						
Revenue, from external customers	$ 3,140	$ 8,679	$ 4,368	$ —	$ —	$ 16,187
Inter-segment revenue	35	—	1	—	(36)	—
Total revenue	$ 3,175	$ 8,679	$ 4,369	$ —	$ (36)	$ 16,187
Adjusted net revenue, from external customers [(a)]	$ 2,762	$ 4,590	$ 2,044	$ —	$ —	$ 9,396
Inter-segment adjusted net revenue	35	(30)		—	(5)	—
Total adjusted net revenue	$ 2,797	$ 4,560	$ 2,044	$ —	$ (5)	$ 9,396
EBITDA (loss) [(b)]	$ (414)	$ (48)	$ (348)	$ (1,191)	$ —	$ (2,001)
Depreciation and amortization	(5)	(5)	(7)	(1)	—	(18)
Intercompany interest (expense) income, net	—	(101)	—	101	—	—
Interest income, net	—	—	—	313	—	313
Income (loss) from continuing operations before income taxes	$ (419)	$ (154)	$ (355)	$ (778)	$ —	$ (1,706)
As of March 31, 2019						
Accounts receivable, net	$ 3,169	$ 6,083	$ 3,298	$ 37	$ —	$ 12,587
Total assets	$ 3,737	$ 10,246	$ 6,886	$ 24,984	$ —	$ 45,853

(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

(in thousands, except share and per share amounts)

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.

Geographic Data Reporting

A summary of revenues for the three months ended March 31, 2020 and 2019 and net assets by geographic area as of March 31, 2020 and 2019, presented net of discontinued operations, were as follows:

	Australia	United Kingdom	United States	Other	Total
For The Three Months Ended March 31, 2020					
Revenue [(a)]	$ 15,031	$ 3,452	$ 2,873	$ 2,775	$ 24,131
For The Three Months Ended March 31, 2019					
Revenue [(a)]	$ 6,768	$ 4,011	$ 2,851	$ 2,557	$ 16,187
As of March 31, 2020					
Net assets	$ 3,308	$ 2,159	$ 21,185	$ 5,978	$ 32,630
As of March 31, 2019					
Net assets	$ 3,148	$ 2,645	$ 24,176	$ 4,870	$ 34,839

(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.

NOTE 13 – 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 Agreement grants discretion to the Board to designate a person as an "Exempt Person" or to designate a transaction involving common stock as an "Exempt Transaction." An "Exempt Person" cannot become an Acquiring Person under the Rights Agreement. The Board can revoke an "Exempt Person" designation if it subsequently makes a contrary determination regarding whether a transaction by such person may jeopardize the availability of the Company’s tax benefits.

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, (v) the first day of a taxable year to which the Board determines that no NOLs or other tax benefits may be carried forward, and (vi) the day following the certification of the voting results of the Company’s 2019 annual meeting of stockholders, if stockholder ratification of the adoption of the Rights Agreement has not been obtained prior to that date.

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 redemption price will be adjusted if the Company declares a stock split or issues a stock dividend on common stock. After the later of the Distribution Date and the date of the first public announcement by the Company that a person or group has become an Acquiring Person, but before an Acquiring Person owns 50% or more of the outstanding common stock, the Board may exchange each Right (other than Rights that have become void) for one share of common stock or an equivalent security.

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. No adjustments to the purchase price of less than one percent will be made.

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. At any time thereafter, the Board may amend or supplement the Rights Agreement to cure an ambiguity, to alter time period provisions, to correct inconsistent provisions or to make any additional changes to the Rights Agreement, but only to the extent that those changes do not impair or adversely affect the interests of the holders of Rights and do not result in the Rights again becoming redeemable. The limitations on the Board’s ability to amend the Rights Agreement does not affect the Board’s power or ability to take any other action that is consistent with its fiduciary duties, including, without limitation, accelerating or extending the expiration date of the Rights, or making any amendment to the Rights Agreement that is permitted by the Rights Agreement or adopting a new rights agreement with such terms as the Board determines in its sole discretion to be appropriate.

NOTE 14 – SUBSEQUENT EVENTS

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. During April and May 2020 some of our customers continue to have instituted hiring freezes, while other customers operating in the banking, pharmaceutical and technology industries, which may be considered as essential businesses in different jurisdictions, or customers that are more capable of working remotely than other industries, have been allowed to operate as usual. The inability to conduct in-person interviews has also impacted our business. In addition, the COVID-19 pandemic has negatively impacted certain currencies compared to the U.S. dollar in several countries we operate in, including Australia. While the Company expects this matter to negatively impact its operating results, the expected impact cannot be reasonably estimated at this time.

In early April 2020, the Company's wholly owned U.S. subsidiary, Hudson Global Resources Management, Inc. applied for a $1.3 million loan in connection with the Paycheck Protection Program (“PPP”) as part of the CARES Act, administered by the U.S. Small Business Administration (“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 is expected to impact the business. The loan proceeds were received on April 26, 2020. The PPP loan proceeds will be used to help offset payroll costs over the course of eight weeks as stipulated in the legislation. All or a portion of the PPP loan may be forgiven by the SBA upon application by the Company and upon documentation of expenditures in accordance with the SBA requirements. Under the CARES Act, loan forgiveness is available for the sum of documented payroll costs, covered rent payments, covered mortgage interest and covered utilities during the eight-week period beginning on the date of loan approval. The Company intends to comply with the loan forgiveness provisions in the legislation, however, there are no assurances that the Company will obtain forgiveness for any portion of the loan.

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, 2019. 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 12 to *the Condensed Consolidated Financial Statements 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 ten 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's focus is 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, including without limitation, improving the market position and profitability of our services in the marketplace, and enhancing our valuation. 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, as well as review information regarding potential acquisitions and provide information to third parties, from time to time.

This MD&A discusses the results of the Company’s RPO businesses for the three months ended March 31, 2020 and 2019.

Current Market Conditions

Economic conditions in most of the world's major markets are projected to decline in 2020 compared to 2019, primarily due to the impact of the coronavirus (COVID-19). These expected declines have resulted in increased volatility in global currencies. Weaker foreign currencies compared to the U.S. dollar during a reporting period causes local currency results of the Company's foreign operations to be translated into fewer U.S. dollars. The Company closely monitors the economic environment and business climate in its markets and responds accordingly.

COVID-19 Pandemic

The emergence of COVID-19 around the world presents significant risks to the Company, not all of which the Company is able to fully evaluate or even to foresee at the current time. While the COVID-19 pandemic did not materially adversely affect the Company's financial results and business operations in the Company's first fiscal quarter ended March 31, 2020, economic and health conditions in the United States and across most of the globe have changed rapidly since the end of the quarter. In the short-term, some of our customers have instituted hiring freezes, while other customers operating in the banking, pharmaceutical and technology industries, which may be considered as essential businesses in different jurisdictions, or customers that are more capable of working remotely than other industries, have been allowed to operate as usual. The inability to conduct in-person interviews has also impacted our business. In addition, the COVID-19 pandemic has negatively impacted certain currencies compared to the U.S. dollar in several countries we operate in, including Australia.

The COVID-19 pandemic is affecting the Company's operations in the second quarter, and may continue to do so in future quarters. All of these factors may have far reaching impacts on the Company's business, operations, and financial results and conditions, directly and indirectly, including without limitation impacts on the health of the Company's management and employees, marketing and sales operations, customer and consumer behaviors, and on 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 month period ended March 31, 2020 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.

Financial Performance

The Company achieved mixed financial performance for the first quarter of 2020 in the markets in which it operates. On a constant currency basis, for the three months ended March 31, 2020, revenue increased by $8.6 million, or 55%. The changes in revenue were driven by strong results in Australia slightly offset by the United Kingdom.

The following is a summary of the highlights for the three months ended March 31, 2020 and 2019. 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 $24.1 million for the three months ended March 31, 2020, compared to $16.2 million for the same period in 2019, an increase of $7.9 million, or 49%.
    - On a constant currency basis, the Company's revenue increased $8.6 million, or 55%, primarily due to an increase of $8.0 million in contracting revenue (up 127% compared to the same period in 2019).
- Adjusted net revenue was $9.8 million for the three months ended March 31, 2020, compared to $9.4 million for the same period in 2019, an increase of $0.4 million, or 4%.
    - On a constant currency basis, adjusted net revenue increased $0.7 million, or 8%, due to a increase of $0.6 million and $0.1 million in RPO recruitment adjusted net revenue and in contracting adjusted net revenue, respectively.

- Selling, general and administrative expenses (including salaries and related expenses) and other non-operating income (expense) ("SG&A and Non-Op") were $10.3 million for the three months ended March 31, 2020, compared to $11.4 million for the same period in 2019, a decrease of $1.1 million, or 10%.
    - On a constant currency basis, SG&A and Non-Op decreased $0.8 million, or 7%. SG&A and Non-Op, as a percentage of revenue, was 43% for the three months ended March 31, 2020, compared to 71% for the same period in 2019.
- EBITDA loss was $0.5 million for the three months ended March 31, 2020, compared to EBITDA loss of $2.0 million for the same period in 2019, a decrease in EBITDA loss of $1.5 million. On a constant currency basis, EBITDA loss decreased $1.5 million.
- Net loss was $0.5 million for the three months ended March 31, 2020, compared to net loss of $1.9 million for the same period in 2019, a decrease in net loss of $1.4 million. On a constant currency basis, net loss decreased $1.4 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) from continuing operations 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 months ended March 31, 2020 and 2019.

$ in thousands	Three Months Ended March 31, 2020 As reported	2019 As reported	2019 Currency translation	2019 Constant currency
Revenue:				
Americas	$ 3,188	$ 3,140	$ (3)	$ 3,137
Asia Pacific	16,951	8,679	(560)	8,119
Europe	3,992	4,368	(77)	4,291
Total	$ 24,131	$ 16,187	$ (640)	$ 15,547
Adjusted net revenue [(a)]:				
Americas	$ 2,860	$ 2,762	$ 1	$ 2,763
Asia Pacific	4,511	4,590	(274)	4,316
Europe	2,427	2,044	(33)	2,011
Total	$ 9,798	$ 9,396	$ (306)	$ 9,090
SG&A and Non-Op [(b)]:				
Americas	$ 2,919	$ 3,211	$ 1	$ 3,212
Asia Pacific	4,180	4,609	(286)	4,323
Europe	2,359	2,393	(39)	2,354
Corporate	799	1,184	3	1,187
Total	$ 10,257	$ 11,397	$ (321)	$ 11,076
Operating loss:				
Americas	$ 72	$ (297)	$ (1)	$ (298)
Asia Pacific	514	160	(8)	152
Europe	59	(202)	(4)	(206)
Corporate	(1,169)	(1,643)	—	(1,643)
Total	$ (524)	$ (1,982)	$ (13)	$ (1,995)
Net loss, consolidated	$ (511)	$ (1,902)	$ 18	$ (1,884)
EBITDA loss from continuing operations [(c)]:				
Americas	$ (60)	$ (414)	$ —	$ (414)
Asia Pacific	337	(48)	12	(36)
Europe	63	(348)	2	(346)
Corporate	(799)	(1,191)	—	(1,191)
Total	$ (459)	$ (2,001)	$ 14	$ (1,987)

(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 Statement 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 March 31,	
$ in thousands	2020	2019
Net loss	$ (511)	$ (1,902)
Adjustment for loss from discontinued operations, net of income taxes	—	(131)
Loss from continuing operations	(511)	(1,771)
Adjustments to loss from continuing operations		
Provision for income taxes	107	65
Interest income, net	(79)	(313)
Depreciation and amortization expense	24	18
Total adjustments from net loss to EBITDA loss	52	(230)
EBITDA loss from continuing operations	$ (459)	$ (2,001)

Results of Operations

***Americas** (reported currency)*

Revenue

$ in millions	Three Months Ended March 31, 2020 As reported	2019 As reported	Change in amount	Change in %
Americas				
Revenue	$ 3.2	$ 3.1	$ —	2%

For the three months ended March 31, 2020, RPO recruitment and contracting revenue each increased slightly by 1% and 5%, respectively, as compared to the same period in 2019. The increase in revenue was attributable to new clients and growth of existing clients.

Adjusted net revenue

$ in millions	Three Months Ended March 31, 2020 As reported	2019 As reported	Change in amount	Change in %
Americas				
Adjusted net revenue	$ 2.9	$ 2.8	$ 0.1	4%
Adjusted net revenue as a percentage of revenue	90%	88%	N/A	N/A

For the three months ended March 31, 2020, RPO recruitment adjusted net revenue increased $0.1 million, or 4%, as compared to the same period in 2019. The increase in RPO recruitment adjusted net revenue was driven by the revenue growth.

For the three months ended March 31, 2020, total adjusted net revenue as a percentage of revenue was 90%, as compared to 88% for the same period in 2019.

SG&A and Non-Op

$ in millions	Three Months Ended March 31, 2020 As reported	2019 As reported	Change in amount	Change in %
Americas				
SG&A and Non-Op	$ 2.9	$ 3.2	$ (0.3)	(9)%
SG&A and Non-Op as a percentage of revenue	92%	102%	N/A	N/A

For the three months ended March 31, 2020, SG&A and Non-Op decreased $0.3 million, or 9%, as compared to the same period in 2019, primarily due to lower consultant staff costs.

Operating Income and EBITDA

	Three Months Ended March 31,			
$ in millions	2020 As reported	2019 As reported	Change in amount	Change in %
Americas				
Operating income (loss)	$ 0.1	$ (0.3)	$ 0.4	N/M
EBITDA loss	$ (0.1)	$ (0.4)	$ 0.4	86%
EBITDA loss as a percentage of revenue	(2)%	(13)%	N/A	N/A

N/M = not meaningful

For the three months ended March 31, 2020, EBITDA loss was $0.1 million, or 2% of revenue, as compared to EBITDA loss of $0.4 million, or 13% of revenue, for the same period in 2019. The decrease in EBITDA loss for the three months ended March 31, 2020 was principally due to the decrease in SG&A and Non-Op.

Asia Pacific *(constant currency)*

Revenue

	Three Months Ended March 31,			
	2020	2019		
$ in millions	As reported	Constant currency	Change in amount	Change in %
Asia Pacific				
Revenue	$ 17.0	$ 8.1	$ 8.8	109%

For the three months ended March 31, 2020, contracting revenue and RPO recruitment revenue increased by $8.7 million, or 229%, and $0.1 million, or 3%, respectively, as compared to the same period in 2019.

In Australia, revenue increased $8.8 million, or 141%, for the three months ended March 31, 2020, as compared to the same period in 2019. The increase was primarily in contracting revenue, which increased by $8.7 million, or 272%, while RPO recruitment revenue increased by $0.1 million, or 4%. The increase in contracting for the three months ended March 31, 2020 primarily reflected the impact of a new contract win while the increase in RPO recruitment revenue was due to higher volume from existing clients, as compared to 2019.

In Asia, revenue increased slightly, or 1%, for the three months ended March 31, 2020, as compared to the same period in 2019. The increase in revenue for the three months ended March 31, 2020 was due to higher demand from existing clients.

Adjusted net revenue

	Three Months Ended March 31,			
	2020	2019		
$ in millions	As reported	Constant currency	Change in amount	Change in %
Asia Pacific				
Adjusted net revenue	$ 4.5	$ 4.3	$ 0.2	5%
Adjusted net revenue as a percentage of revenue	27%	53%	N/A	N/A

For the three months ended March 31, 2020, contracting adjusted net revenue increased by $0.1 million, or 36%, while RPO recruitment adjusted net revenue increased by $0.1 million, or 2%, as compared to the same period in 2019.

In Australia, adjusted net revenue increased by $0.2 million, or 8%, for the three months ended March 31, 2020, as compared to the same period in 2019. The increase was the driven by both contracting adjusted net revenue, which increased $0.1 million, or 50%, as well as RPO recruitment adjusted net revenue, which increased by $0.1 million or 4%, as compared to the same period in 2019.

In Asia, adjusted net revenue decreased $0.1 million, or 5%, for the three months ended March 31, 2020, as compared to the same period in 2019.

Total adjusted net revenue as a percentage of revenue was 27% for the three months ended March 31, 2020, as compared to 53% for the same period in 2019. The decrease is related to the higher mix of contracting in 2020 as compared to 2019, which produces lower adjusted net revenue than RPO recruitment revenue.

SG&A and Non-Op

	Three Months Ended March 31,			
	2020	2019		
$ in millions	As reported	Constant currency	Change in amount	Change in %
Asia Pacific				
SG&A and Non-Op	$ 4.2	$ 4.3	$ (0.1)	(3)%
SG&A and Non-Op as a percentage of revenue	25%	53%	N/A	N/A

For the three months ended March 31, 2020, SG&A and Non-Op decreased $0.1 million, or 3%, as compared to the same period in 2019. The decrease was primarily due to lower consultant staff costs.

For the three months ended March 31, 2020, SG&A and Non-Op, as a percentage of revenue, was 25%, as compared to 53% for the same period in 2019. The decrease was principally due to the higher revenue noted above.

Operating Income and EBITDA

	Three Months Ended March 31,			
	2020	2019		
$ in millions	As reported	Constant currency	Change in amount	Change in %
Asia Pacific				
Operating income	$ 0.5	$ 0.2	$ 0.4	238%
EBITDA	$ 0.3	$ —	$ 0.4	N/A
EBITDA as a percentage of revenue	2%	— %	N/A	N/A

For the three months ended March 31, 2020, EBITDA was $0.3 million, or 2% of revenue, as compared to EBITDA loss of $0.0 million, or 0% of revenue, for the same period in 2019. The increase in EBITDA was principally due to the increase in adjusted net revenue noted above.

For the three months ended March 31, 2020, operating income was $0.5 million, as compared to operating income of $0.2 million for the same period in 2019. The increase in operating income was principally due to the change in EBITDA described above.

***Europe** (constant currency)*

Revenue

	Three Months Ended March 31,			
	2020	**2019**		
$ in millions	**As reported**	**Constant currency**	**Change in amount**	**Change in %**
Europe				
Revenue	$ 4.0	$ 4.3	$ (0.3)	(7)%

For the three months ended March 31, 2020, contracting decreased by $0.7 million, or 33%, partially offset by an increase in RPO recruitment of $0.4 million, or 19%, as compared to the same period in 2019.

In the U.K., for the three months ended March 31, 2020, revenue decreased by $0.5 million, or 12%, to $3.5 million, from $3.9 million for the same period in 2019. The decrease in the U.K. was driven by a decline in contracting revenue of $0.7 million, or 33%, primarily due to anticipated changes in tax legislation, partially offset by a increase in RPO recruitment revenue of $0.2 million, or 13%.

In Continental Europe, total revenue was $0.5 million for the three months ended March 31, 2020, as compared to $0.4 million for the same period in 2019, for an increase of $0.2 million, due to higher demand at existing recruitment clients.

Adjusted net revenue

	Three Months Ended March 31,			
	2020	**2019**		
$ in millions	**As reported**	**Constant currency**	**Change in amount**	**Change in %**
Europe				
Adjusted net revenue	$ 2.4	$ 2.0	$ 0.4	21%
Adjusted net revenue as a percentage of revenue	61%	47%	N/A	N/A

For the three months ended March 31, 2020, adjusted net revenue increased by $0.4 million, or 21%, driven by RPO recruitment which increased by $0.4 million, or 23%, as compared to the same period in 2019.

In the U.K., total adjusted net revenue for the three months ended March 31, 2020 increased $0.2 million, or 15%, as compared to the same period in 2019. The change in the U.K. was driven by an increase in RPO recruitment $0.3 million, or 17%, as compared to the same period in 2019.

In Continental Europe, for the three months ended March 31, 2020, total adjusted net revenue increased $0.2 million as compared to the same period in 2019.

SG&A and Non-Op

	Three Months Ended March 31,			
	2020	**2019**		
$ in millions	**As reported**	**Constant currency**	**Change in amount**	**Change in %**
Europe				
SG&A and Non-Op	$ 2.4	$ 2.4	$ —	—%
SG&A and Non-Op as a percentage of revenue	59%	55%	N/A	N/A

For the three months ended March 31, 2020, SG&A and Non-Op increased slightly as compared to the same period in 2019.

For the three months ended March 31, 2020, SG&A and Non-Op, as a percentage of revenue, was 59%, as compared to 55% for the same period in 2019. The increase in SG&A and Non-Op, as a percentage of revenue, for the three months ended March 31, 2020 was attributed to the higher mix of RPO recruitment to RPO contracting revenue in 2020 as compared to 2019.

Operating Income and EBITDA

	Three Months Ended March 31,			
	2020	2019		
$ in millions	As reported	Constant currency	Change in amount	Change in %
Europe				
Operating income (loss)	$ 0.1	$ (0.2)	$ 0.3	N/M
EBITDA (loss)	$ 0.1	$ (0.3)	$ 0.4	N/M
EBITDA (loss) as a percentage of revenue	2%	(8)%	N/A	N/A

N/M = not meaningful

For the three months ended March 31, 2020, EBITDA was $0.1 million, or 2% of revenue, as compared to EBITDA loss of $0.3 million, or 8% of revenue, for the same period in 2019. The increase in EBITDA was principally due to the changes in adjusted net revenue.

For the three months ended March 31, 2020, operating income was $0.1 million as compared to operating loss of $0.2 million for the same period in 2019. The increase in operating income was due to the same factors noted above.

<u>The following are discussed in reported currency</u>

Corporate Expenses, Net of Corporate Management Expenses Allocations

Corporate expenses were $0.8 million for the three months ended March 31, 2020, as compared to $1.2 million for the same period in 2019, for a decrease of $0.4 million, reflecting lower compensation expense.

Depreciation and Amortization Expense

Depreciation and amortization expense was $0.0 million for both the three months ended March 31, 2020 and the three months ended March 31, 2019.

Interest Income, Net

Interest income was $0.1 million for the three months ended March 31, 2020, as compared to $0.3 million for the same period in 2019.

Provision for Income Taxes

The provision for income taxes for the three months ended March 31, 2020 was $0.1 million on $0.4 million of pre-tax loss from continuing operations, as compared to a provision for income tax of $0.1 million on $1.7 million of pre-tax loss from continuing operations for the same period in 2019. The effective tax rates for the three months ended March 31, 2020 and 2019 were negative 26.5% and negative 3.8%, respectively. For the three months ended March 31, 2020, the effective tax rate 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.

Net Income (Loss)

Net loss was $0.5 million for the three months ended March 31, 2020, as compared to net loss of $1.9 million for the same period in 2019, a decrease in net loss of $1.4 million. Basic and diluted loss per share were $0.17 for the three months ended March 31, 2020, as compared to $0.58 for the same period in 2019.

Liquidity and Capital Resources

As of March 31, 2020, cash and cash equivalents and restricted cash totaled $26.5 million, as compared to $31.7 million as of December 31, 2019. The following table summarizes the Company's cash flow activities for the three months ended March 31, 2020 and 2019:

	For the Three Months Ended March 31,	
$ in millions	**2020**	**2019**
Net cash used in operating activities	$ (2.7)	$ (6.2)
Net cash used in by investing activities	—	—
Net cash used in financing activities	(2.3)	(4.0)
Effect of exchange rates on cash, cash equivalents, and restricted cash	(0.2)	0.1
Net decrease in cash, cash equivalents, and restricted cash	$ (5.2)	$ (10.2)

Cash Flows from Operating Activities

For the three months ended March 31, 2020, net cash used in operating activities was $2.7 million, as compared to $6.2 million of net cash used in operating activities for the same period in 2019, resulting in a decrease in net cash used in operating activities of $3.5 million. The decrease in net cash used in operating activities resulted principally from the decrease in net loss as well as more favorable working capital comparisons to the prior year.

Cash Flows from Investing Activities

For the three months ended March 31, 2020, net cash used in investing activities was $0.0 million, as compared to $0.0 million of net cash provided by investing activities for the same period in 2019.

Cash Flows from Financing Activities

For the three months ended March 31, 2020, net cash used in financing activities was $2.3 million, as compared to net used in financing activities of $4.0 million for the same period in 2019, resulting in a decrease in net cash used by financing activities of $1.8 million. The decrease in net cash used in financing activities was primarily attributable to a lower amount of shares repurchased of $1.7 million in 2020 compared to 2019.

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 March 31, 2020, there were no amounts outstanding under the NAB Facility Agreement. Interest expense and fees incurred on the NAB Facility Agreement were $5 thousand for the three months ended March 31, 2020. The Company was in compliance with all financial covenants under the NAB Facility Agreement as of March 31, 2020.

Liquidity Outlook

As of March 31, 2020, the Company had cash and cash equivalents on hand of $26.1 million, supplemented by additional borrowing availability of 4 million Australian dollars under the NAB Facility Agreement, and no long-term debt obligations or other similar long-term liabilities aside from operating lease obligations recorded in connection with the new accounting guidance in ASU 2016-02 (see Note 3). In early April 2020, the Company's wholly owned U.S. subsidiary, Hudson Global Resources Management, Inc., applied for a $1.3 million loan in connection with the Paycheck Protection Program (“PPP”) as part of the CARES Act, administered by the U.S. Small Business Administration (“SBA”) (see Note 14). 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 March 31, 2020. The Company's near-term cash requirements during 2020 are primarily related to funding operations. For the full year 2020, the Company expects to make capital expenditures of less than $0.5 million.

As of March 31, 2020, $20.0 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 Switzerland ($1.4 million), Hong Kong ($1.1 million), Australia ($0.8 million), China ($0.8 million), Belgium ($0.7 million), the U.K ($0.4 million), and Singapore ($0.4 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 reached 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 March 31, 2020 and December 31, 2019, 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 included in Part I 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 Part II, Item 7 of the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2019 filed with the SEC on March 31, 2020 and incorporated by reference herein. There were no changes to the Company’s critical accounting policies during the three months ended March 31, 2020.

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 the Company’s large cash balance relative to its market capitalization as a small public company, (5) risks related to potential acquisitions or dispositions of businesses by the Company, (6) the Company’s ability to retain and recruit qualified management and/or advisors, (7) the Company’s ability to operate successfully as a company focused on its RPO business, (8) risks related to fluctuations in the Company's operating results from quarter to quarter, (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, (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 three months ended March 31, 2020, the Company earned approximately 88% of its revenue from continuing operations 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).

The recent COVID-19 pandemic has negatively impacted certain currencies compared to the U.S. dollar in the countries where we do business, including in Australia.

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 March 31, 2020.

Changes in Internal Control Over Financial Reporting

There were no changes in the Company's internal control over financial reporting that occurred during the three months ended March 31, 2020 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

The following risk factor supplements the risk factors described in Item 1A of the Company's Annual Report on Form 10-K for the year ended December 31, 2019 and should be read in conjunction with the risk factors described in our 2019 Form 10-K Report:

The novel coronavirus (COVID-19) global pandemic could adversely impact our business.

The emergence of COVID-19 around the world presents significant risks to the Company, not all of which the Company is able to fully evaluate or even to foresee at the current time. While the COVID-19 pandemic did not materially adversely affect the Company's financial results and business operations in the Company's first fiscal quarter ended March 31, 2020, economic and health conditions in the United States and across most of the globe have changed rapidly since the end of the quarter. In the short-term, some of our customers have instituted hiring freezes, while other customers operating in the banking, pharmaceutical and technology industries, which may be considered as essential businesses in different jurisdictions, or customers that are more capable of working remotely than other industries, have been allowed to operate as usual. The inability to conduct in-person interviews has also impacted our business. In addition, the COVID-19 pandemic has negatively impacted certain currencies compared to the U.S. dollar in several countries we operate in, including Australia.

The COVID-19 pandemic is affecting the Company's operations in the second quarter, and may continue to do so in future quarters. All of these factors may have far reaching impacts on the Company's business, operations, and financial results and conditions, directly and indirectly, including without limitation impacts on the health of the Company's management and employees, marketing and sales operations, customer and consumer behaviors, and on 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. 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.

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 March 31, 2020.

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)]
January 1, 2020 - January 31, 2020	—	$ —	—	$ 1,703,000
February 1, 2020 - February 29, 2020	—	$ —	—	$ 1,703,000
March 1, 2020 - March 31, 2020	—	$ —	—	$ 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 11 for further details. As of March 31, 2020, 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.

On March 27, 2020, the Company completed the purchase of 259,331 shares in connection with transactions with certain shareholders for a total cost of $2.2 million, including fees, (see Note 11 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 March 31, 2020 are filed herewith, formatted in XBRL (Extensible Business Reporting Language): (i) the Condensed Consolidated Statements of Operations for the three months ended March 31, 2020 and 2019, (ii) the Condensed Consolidated Statement of Other Comprehensive Income (Loss) for the three months ended March 31, 2020 and 2019, (iii) the Condensed Consolidated Balance Sheets as of March 31, 2020 and December 31, 2019, (iv) the Condensed Consolidated Statements of Cash Flows for the three months ended March 31, 2020 and 2019, (v) the Condensed Consolidated Statements of Stockholders' Equity for the three months ended March 31, 2020 and 2019, and (vi) Notes to Condensed Consolidated Financial Statements.

*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:	May 6, 2020	By:	/s/ JEFFREY E. EBERWEIN
			Jeffrey E. Eberwein Chief Executive Officer (Principal Executive Officer)
Dated:	May 6, 2020	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:	May 6, 2020	/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: May 6, 2020

/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 March 31, 2020 (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

May 6, 2020

Exhibit 32.2

Written Statement of the Chief 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 March 31, 2020 (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

May 6, 2020