

# ALIGHT, INC. / DELAWARE

## FORM 10-Q (Quarterly Report)

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

FORM 10-Q

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

For the quarterly period ended March 31, 2025

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

For the transition period from            to  
Commission File Number: 001-39299

**Alight, Inc.**  
(Exact Name of Registrant as Specified in its Charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)  
**320 South Canal Street,  
50th Floor, Suite 5000, Chicago, IL**  
(Address of principal executive offices)

**86-1849232**  
(I.R.S. Employer  
Identification No.)

**60606**  
(Zip Code)

**(224) 737-7000**

(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, par value \$0.0001 per share	ALIT	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐

No ☒

As of May 1, 2025, the registrant had 527,834,564 shares of Class A Common Stock, par value \$0.0001 per share, 4,955,297 shares of Class B-1 Common Stock,

par value \$0.0001 per share, 4,955,297 shares of Class B-2 Common Stock, par value \$0.0001 per share, and 510,115 shares of Class V Common Stock, par value \$0.0001 per share, outstanding.

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## Table of Contents

	<u>Page</u>
	1
<b>PART I.</b>	2
Item 1.	2
	2
	3
	4
	5
	6
Item 2.	29
Item 3.	39
Item 4.	39
<b>PART II.</b>	40
Item 1.	40
Item 1A.	40
Item 2.	40
Item 5.	40
Item 6.	41
<u>Signatures</u>	42

### ***Forward-Looking Statements***

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). These forward-looking statements include, but are not limited to, statements that relate to expectations regarding future financial performance, and business strategies or expectations for our business. Forward-looking statements can often be identified by the use of words such as "anticipate," "appear," "approximate," "believe," "continue," "could," "estimate," "expect," "foresee," "intends," "may," "might," "plan," "possible," "potential," "predict," "project," "seek," "should," "would" or similar expressions or the negative thereof. These forward-looking statements are based on information available as of the date of this report and the Company's management's current expectations, forecasts and assumptions, and involve a number of judgments, known and unknown risks and uncertainties and other factors, many of which are outside the control of the Company and its directors, officers and affiliates. We believe these factors include but are not limited to those described under the section entitled "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2024 (the "Annual Report"), as such factors may be updated from time to time in our periodic filings with the United States Securities and Exchange Commission ("SEC"), which are accessible on the SEC's website at [www.sec.gov](http://www.sec.gov). Forward-looking statements should not be relied upon as representing the Company's views as of any subsequent date. The Company does not undertake any obligation to update, add or otherwise correct any forward-looking statements contained herein to reflect events or circumstances after the date they were made, whether as a result of new information, future events, inaccuracies that become apparent after the date hereof or otherwise, except as may be required under applicable securities laws.

### ***Website and Social Media Disclosure***

We use our website ([www.alight.com](http://www.alight.com)) and our corporate Facebook (<http://www.facebook.com/AlightGlobal>), Instagram (@[alight\\_solutions](https://www.instagram.com/alight_solutions)), LinkedIn ([www.linkedin.com/company/alightsolutions](http://www.linkedin.com/company/alightsolutions)), X (@[alightsolutions](https://twitter.com/alightsolutions)), and YouTube ([www.youtube.com/c/AlightSolutions](http://www.youtube.com/c/AlightSolutions)) accounts as channels of distribution of Company information. The information we post through these channels may be deemed material. Accordingly, investors should monitor these channels, in addition to following our press releases, filings made with the Securities and Exchange Commission (the "SEC") and public conference calls and webcasts. In addition, you may automatically receive email alerts and other information about Alight by visiting the "Resources—Investor Email Alerts" section of our website at <https://investor.alight.com/overview>. The information on our website and any alerts are not, however, part of this Quarterly Report.

The Company makes available free of charge on its website or provides a link on its website to the Company's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, and any amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act, as soon as reasonably practicable after those reports are electronically filed with, or furnished to, the SEC. To access these filings, go to the Company's website and under the "Investors" heading, click on "Financials."

## PART I—FINANCIAL INFORMATION

### Item 1. Financial Statements.

#### Alight, Inc. Condensed Consolidated Balance Sheets (Unaudited)

(in millions, except par values)	March 31, 2025	December 31, 2024
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 223	\$ 343
Receivables, net	438	471
Other current assets	174	214
Fiduciary assets	227	239
<b>Total Current Assets</b>	1,062	1,267
Goodwill	3,212	3,212
Intangible assets, net	2,784	2,855
Fixed assets, net	397	396
Deferred tax assets, net	47	41
Other assets	411	422
<b>Total Assets</b>	<u>\$ 7,913</u>	<u>\$ 8,193</u>
<b>Liabilities and Stockholders' Equity</b>		
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	\$ 296	\$ 355
Current portion of long-term debt, net	20	25
Other current liabilities	358	273
Fiduciary liabilities	227	239
<b>Total Current Liabilities</b>	901	892
Deferred tax liabilities	22	22
Long-term debt, net	1,999	2,000
Long-term tax receivable agreement	578	757
Financial instruments	29	51
Other liabilities	151	158
<b>Total Liabilities</b>	<u>\$ 3,680</u>	<u>\$ 3,880</u>
<b>Commitments and Contingencies</b>		
<b>Stockholders' Equity</b>		
Preferred stock at \$0.0001 par value: 1.0 shares authorized, none issued and outstanding	\$ —	\$ —
Class A Common Stock: \$0.0001 par value, 1,000.0 shares authorized; 563.9 and 560.5 shares issued, and 531.9 and 531.7 shares outstanding as of March 31, 2025 and December 31, 2024, respectively	—	—
Class B Common Stock: \$0.0001 par value, 20.0 shares authorized; 10.0 and 10.0 issued and outstanding as of March 31, 2025 and December 31, 2024, respectively	—	—
Class V Common Stock: \$0.0001 par value, 175.0 shares authorized; 0.5 and 0.5 issued and outstanding as of March 31, 2025 and December 31, 2024, respectively	—	—
Class Z Common Stock: \$0.0001 par value, 12.9 shares authorized; 0.0 and 0.0 issued and outstanding as of March 31, 2025 and December 31, 2024, respectively	—	—
Treasury stock, at cost (32.0 and 28.8 shares at March 31, 2025 and December 31, 2024, respectively)	(239)	(219)
Additional paid-in-capital	5,114	5,141
Accumulated deficit	(685)	(660)
Accumulated other comprehensive income	39	47
<b>Total Alight, Inc. Stockholders' Equity</b>	\$ 4,229	\$ 4,309
Noncontrolling interest	4	4
<b>Total Stockholders' Equity</b>	\$ 4,233	\$ 4,313
<b>Total Liabilities and Stockholders' Equity</b>	<u>\$ 7,913</u>	<u>\$ 8,193</u>

The accompanying Notes are an integral part of these Condensed Consolidated Financial Statements.

**Alight, Inc.**  
**Condensed Consolidated Statements of Comprehensive Income (Loss)**  
(Unaudited)

(in millions, except per share amounts)	Three Months Ended March 31,	
	2025	2024
<b>Revenue</b>	\$ 548	\$ 559
Cost of services, exclusive of depreciation and amortization	351	356
Depreciation and amortization	26	21
<b>Gross Profit</b>	171	182
<b>Operating Expenses</b>		
Selling, general and administrative	104	146
Depreciation and intangible amortization	75	76
Total Operating expenses	179	222
<b>Operating Income (Loss) From Continuing Operations</b>	(8)	(40)
<b>Other (Income) Expense</b>		
(Gain) Loss from change in fair value of financial instruments	(8)	21
(Gain) Loss from change in fair value of tax receivable agreement	9	55
Interest expense	22	31
Other (income) expense, net	(11)	1
Total Other (income) expense, net	12	108
<b>Income (Loss) From Continuing Operations Before Taxes</b>	(20)	(148)
Income tax expense (benefit)	(3)	(27)
<b>Net Income (Loss) From Continuing Operations</b>	(17)	(121)
<b>Net Income (Loss) From Discontinued Operations (including loss on disposal of \$7 million for the three months ended March 31, 2025), Net of Tax</b>	(8)	5
<b>Net Income (Loss)</b>	(25)	(116)
Net income (loss) attributable to noncontrolling interests	—	(2)
<b>Net Income (Loss) Attributable to Alight, Inc.</b>	\$ (25)	\$ (114)
<b>Earnings (Loss) Per Share</b>		
<b>Basic and Diluted</b>		
Continuing operations	\$ (0.03)	\$ (0.22)
Discontinued operations	\$ (0.02)	\$ 0.01
Net Income (Loss)	\$ (0.05)	\$ (0.21)
<b>Net Income (Loss)</b>	\$ (25)	\$ (116)
Other comprehensive income (loss), net of tax:		
Change in fair value of derivatives	(8)	3
Foreign currency translation adjustments	—	(2)
Total Other comprehensive income (loss), net of tax:	(8)	1
<b>Comprehensive Income (Loss) Before Noncontrolling Interests</b>	(33)	(115)
Comprehensive income (loss) attributable to noncontrolling interests	—	(6)
<b>Comprehensive Income (Loss) Attributable to Alight, Inc.</b>	\$ (33)	\$ (109)

The accompanying Notes are an integral part of these Condensed Consolidated Financial Statements.

**Alight, Inc.**  
**Condensed Consolidated Statements of Stockholders' Equity**  
*(Unaudited)*

(in millions)	Common Stock	Treasury Stock	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Alight, Inc. Equity	Noncontrolling Interest	Total Stockholders' Equity
<b>Balance at December 31, 2024</b>	<u>\$ —</u>	<u>\$ (219)</u>	<u>\$ 5,141</u>	<u>\$ (660)</u>	<u>\$ 47</u>	<u>\$ 4,309</u>	<u>\$ 4</u>	<u>\$ 4,313</u>
Net income	—	—	—	(25)	—	(25)	—	(25)
Other comprehensive income, net	—	—	—	—	(8)	(8)	—	(8)
Share-based compensation expense	—	—	6	—	—	6	—	6
Shares withheld in lieu of taxes	—	—	(11)	—	—	(11)	—	(11)
Share repurchases	—	(20)	—	—	—	(20)	—	(20)
Dividends	—	—	(21)	—	—	(21)	—	(21)
Other	—	—	(1)	—	—	(1)	—	(1)
<b>Balance at March 31, 2025</b>	<u>\$ —</u>	<u>\$ (239)</u>	<u>\$ 5,114</u>	<u>\$ (685)</u>	<u>\$ 39</u>	<u>\$ 4,229</u>	<u>\$ 4</u>	<u>\$ 4,233</u>

(in millions)	Common Stock	Treasury Stock	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Alight, Inc. Equity	Noncontrolling Interest	Total Stockholders' Equity
<b>Balance at December 31, 2023</b>	<u>\$ —</u>	<u>\$ (52)</u>	<u>\$ 4,946</u>	<u>\$ (503)</u>	<u>\$ 71</u>	<u>\$ 4,462</u>	<u>\$ 280</u>	<u>\$ 4,742</u>
Net income	—	—	—	(114)	—	(114)	(2)	(116)
Other comprehensive income (loss), net	—	—	—	—	4	4	(4)	—
Conversion of non-controlling interest	—	—	199	—	—	199	(264)	(65)
Share-based compensation expense	—	—	28	—	—	28	—	28
Shares withheld in lieu of taxes	—	—	(57)	—	—	(57)	—	(57)
Other	—	—	(3)	—	—	(3)	(1)	(4)
<b>Balance at March 31, 2024</b>	<u>\$ —</u>	<u>\$ (52)</u>	<u>\$ 5,113</u>	<u>\$ (617)</u>	<u>\$ 75</u>	<u>\$ 4,519</u>	<u>\$ 9</u>	<u>\$ 4,528</u>

The accompanying Notes are an integral part of these Condensed Consolidated Financial Statements.



**Alight, Inc.**  
**Condensed Consolidated Statements of Cash Flows**  
*(Unaudited)*

(in millions)	Three Months Ended March 31,	
	2025	2024
<b>Operating activities:</b>		
Net Income (Loss) From Continuing Operations	\$ (17)	\$ (121)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation	30	26
Intangible asset amortization	71	71
Noncash lease expense	2	3
Financing fee and premium amortization	—	(1)
Share-based compensation expense	6	28
(Gain) loss from change in fair value of financial instruments	(8)	21
(Gain) loss from change in fair value of tax receivable agreement	9	55
Deferred tax expense (benefit)	(4)	(26)
Changes in operating assets and liabilities:		
Accounts receivable	33	42
Accounts payable and accrued liabilities	(60)	(47)
Other assets and liabilities	11	41
Cash provided by operating activities - continuing operations	73	92
Cash provided by operating activities - discontinued operations	—	8
<b>Net cash provided by operating activities</b>	<b>\$ 73</b>	<b>\$ 100</b>
<b>Investing activities:</b>		
Capital expenditures	(29)	(31)
Cash provided by (used in) investing activities - continuing operations	(29)	(31)
Cash used in investing activities - discontinued operations	—	(5)
<b>Net cash provided by (used in) investing activities</b>	<b>\$ (29)</b>	<b>\$ (36)</b>
<b>Financing activities:</b>		
Dividend payments	(21)	—
Net increase (decrease) in fiduciary liabilities	(12)	16
Repayments to banks	(5)	(6)
Principal payments on finance lease obligations	(5)	(9)
Payments on tax receivable agreements	(100)	(62)
Tax payment for shares/units withheld in lieu of taxes	(11)	(57)
Repurchase of shares	(20)	—
Other financing activities	(2)	—
Cash used for financing activities - continuing operations	(176)	(118)
Cash provided by (used in) financing activities - discontinued operations	—	44
<b>Net Cash provided by (used in) financing activities</b>	<b>\$ (176)</b>	<b>\$ (74)</b>
<b>Effect of exchange rate changes on cash, cash equivalents and restricted cash - discontinued operations</b>	<b>—</b>	<b>(2)</b>
<b>Net increase (decrease) in cash, cash equivalents and restricted cash</b>	<b>(132)</b>	<b>(12)</b>
<b>Cash, cash equivalents and restricted cash balances from:</b>		
Continuing operations - beginning of year	\$ 582	\$ 558
Discontinued operations - beginning of year	—	1,201
<b>Less discontinued operations - end of period</b>	<b>—</b>	<b>1,241</b>
<b>Continuing operations - end of period</b>	<b>\$ 450</b>	<b>\$ 506</b>
<b>Reconciliation of cash, cash equivalents, and restricted cash to the Condensed Consolidated Balance Sheets</b>		
Cash and cash equivalents	\$ 223	\$ 256
Restricted cash included in fiduciary assets	227	250
<b>Total cash, cash equivalents and restricted cash</b>	<b>\$ 450</b>	<b>\$ 506</b>
<b>Supplemental disclosure of non-cash investing and financing activities:</b>		
Fixed asset additions acquired through finance leases	\$ 6	\$ 51
Right of use asset additions acquired through operating leases	1	4

The accompanying Notes are an integral part of these Condensed Consolidated Financial Statements.

**Alight, Inc.**  
**Notes to Unaudited Condensed Consolidated Financial Statements**

**1. Basis of Presentation and Nature of Business**

***Basis of Presentation***

The accompanying unaudited Condensed Consolidated Financial Statements have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP") for interim financial information and should be read in conjunction with the Consolidated Financial Statements contained in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2024, filed with the Securities and Exchange Commission ("SEC") on February 27, 2025. In the opinion of management, all adjustments, including normal recurring adjustments, considered necessary for a fair presentation have been included. All intercompany transactions and balances have been eliminated upon consolidation.

On July 2, 2021 (the "Closing Date"), Alight Holding Company, LLC (the "Predecessor" or "Alight Holdings") completed a business combination (the "Business Combination") with a special purpose acquisition company. On the Closing Date, pursuant to the Business Combination Agreement, the special purpose acquisition company became a wholly owned subsidiary of Alight, Inc. ("Alight", the "Company", "we" "us" "our" or the "Successor"). As of March 31, 2025, Alight owned approximately 99% of the economic interest in the Predecessor, had 100% of the voting power and controlled the management of the Predecessor. The non-voting ownership percentage held by noncontrolling interest was less than 1% as of March 31, 2025.

On July 12, 2024, the Company, completed the previously announced sale (the "Transaction") of Alight's Professional Services segment and its Payroll & HCM Outsourcing business (the "Divestiture" or "Divested Business") within the Employer Solutions segment. As a result of this agreement, the results of the Company's Payroll and Professional Services businesses are reported separately as discontinued operations, net of tax, in our condensed consolidated financial statements for all periods presented as of March 31, 2025. While the Closing Date was July 12, 2024, we determined the impact of eleven days was immaterial to the Company's results of operations. As such, we utilized July 1, 2024 as the date of the sale for accounting purposes.

***Nature of Business***

We are a technology-enabled services company delivering human capital management solutions to many of the world's largest and most complex organizations. This includes the implementation and administration of employee benefits (e.g., health, wealth and leaves) solutions. Alight's numerous solutions and services are utilized year-round by employees and their family members in support of their overall health, wealth and wellbeing goals. Participants can access their solutions digitally, including through a mobile application on Alight Worklife®, our intuitive, cloud-based employee engagement platform. Through Alight Worklife, the Company believes it is defining the future of employee benefits by providing an enterprise level, integrated offering designed to drive better outcomes for organizations and individuals.

Our primary business, Employer Solutions, is driven by our Alight Worklife platform, and includes integrated benefits administration, healthcare navigation, financial wellbeing and retiree healthcare. We leverage data across numerous interactions and activities to improve the employee experience, reduce operational costs and better inform management processes and decision-making. Our clients' employees benefit from an integrated platform and user experience, coupled with a full-service customer care center, helping them manage the full life cycle of their health, wealth and wellbeing.

**2. Significant Accounting Policies**

There have been no material changes to our significant accounting policies from our Annual Report on Form 10-K for the fiscal year ended December 31, 2024.

***Use of Estimates***

The preparation of the accompanying Condensed Consolidated Financial Statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of reserves and expenses.

These estimates and assumptions are based on management's best estimates and judgments. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment. Management believes its estimates to be reasonable given the current facts available. Management adjusts such estimates and assumptions when facts and circumstances dictate. Illiquid credit markets, volatile equity markets, and foreign currency exchange rate movements increase the uncertainty inherent in such estimates and assumptions. As future events and their effects cannot be predicted with certainty, actual results could differ significantly

from these estimates. Changes in estimates resulting from continuing changes in the economic environment would, if applicable, be reflected in the financial statements in future periods.

### ***New Accounting Pronouncements Not Yet Adopted***

In December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which improves the transparency of income tax disclosures by requiring consistent categories and greater disaggregation of information in the effective tax rate reconciliation and income taxes paid disaggregated by jurisdiction. It also includes certain other amendments to improve the effectiveness of income tax disclosures. This guidance will be effective for the annual periods beginning for the year ended December 31, 2025. Early adoption is permitted. Upon adoption, the guidance can be applied prospectively or retrospectively. The Company is currently evaluating the standard to determine the impact of adoption to its condensed consolidated financial statements and disclosures.

In November 2024, the FASB issued ASU No. 2024-03, Expense Disaggregation Disclosures (Topic 220), which requires disclosure in the notes to financial statements of specified information about certain costs and expenses. This guidance will be effective for the annual periods beginning the year ended December 31, 2027. Early adoption is permitted. Upon adoption, the guidance may be applied retrospectively or prospectively. The Company is currently evaluating the standard to determine the impact of adoption to its condensed consolidated financial statements and disclosures.

### **3. Revenue from Contracts with Customers**

The majority of the Company's revenue is highly recurring and is derived from contracts with customers to provide integrated, cloud-based human capital solutions that empower clients and their employees to manage their health, wealth and HR needs. The Company's revenues are disaggregated by recurring and project revenues within each reportable segment. Recurring revenues are typically longer term in nature and more predictable on an annual basis, while project revenues consist of project work of a shorter duration and are therefore less predictable on an annual basis. See Note 12 "Segment Reporting" for quantitative disclosures of recurring and project revenues by reportable segment. The Company's reportable segment is Employer Solutions. Employer Solutions is driven by our digital, software and AI-led capabilities powered by the Alight Worklife® platform and spanning total employee wellbeing and engagement, including integrated benefits administration, healthcare navigation, financial health and employee wellbeing. The Company believes the revenue categories within Employer Solutions depict how the nature, amount, timing, and uncertainty of its revenue and cash flows are affected by economic factors.

Revenues are recognized when control of the promised services is transferred to the customer in the amount that best reflects the consideration to which the Company expects to be entitled in exchange for those services. The majority of the Company's revenue is recognized over time as the customer simultaneously receives and consumes the benefits of our services. We may occasionally be entitled to a fee based on achieving certain performance criteria or contract milestones. To the extent that we cannot estimate with reasonable assurance the likelihood that we will achieve the performance target, we will constrain this portion of the transaction price and recognize it when or as the uncertainty is resolved. Any taxes assessed on revenues relating to services provided to our clients are recorded on a net basis. All of the Company's revenues are described in more detail below.

#### ***Administrative Services***

We provide benefits and human resource services across all of our solutions, which are highly recurring. The Company's contracts may include administration services across one or multiple solutions and typically have three to five-year terms with mutual renewal options. These contracts typically consist of an implementation phase and an ongoing administration phase:

*Implementation phase* – In connection with the Company's long-term agreements, implementation efforts are often necessary to set up clients and their human resource or benefit programs on the Company's systems and operating processes. Work performed during the implementation phase is considered a set-up activity because it does not transfer a service to the customer. Therefore, it is not a separate performance obligation. As these agreements are longer term in nature, our contracts generally provide that if the client terminates a contract, we are entitled to an additional payment for services performed through the termination date designed to recover our up-front costs of implementation. Any fees received from the customer as part of the implementation are, in effect, an advance payment for the future ongoing administration services to be provided.

*Ongoing administration services phase* – For all solutions, the ongoing administration phase includes a variety of plan and system support services. More specifically, these services include data management, calculations, reporting, fulfillment/communications, compliance services, call center support, and in our Health Solutions agreements, annual on-

boarding and enrollment support. While there are a variety of activities performed across all solutions, the overall nature of the obligation is to provide integrated administration solutions to the customer. The agreement represents a stand-ready obligation to perform these activities across all solutions on an as-needed basis. The customer obtains value from each period of service, and each time increment (i.e., each month, or each benefit cycle in the case of our Health Solutions arrangements) is distinct and the activities are performed substantially the same. Accordingly, the ongoing administration services for each solution represents a series and each series (i.e., each month, or each benefit cycle including the enrollment period in the case of our Health Solutions arrangements) of distinct services are deemed to be a single performance obligation. In agreements that include multiple performance obligations, the transaction price related to each performance obligation is based on a relative stand-alone selling price basis. We establish the stand-alone selling price using a suitable estimation method, which includes a market assessment approach using observable market prices the Company charges separately for similar solutions to similar customers, or an expected cost plus margin approach.

Our contracts with our clients specify the terms and conditions upon which the services are based. Fees for these services are primarily based on a contracted fee charged per participant per period (e.g., monthly or annually, as applicable). These contracts may also include fixed components, including lump-sum implementation fees. Our fees are not typically payable until the commencement of the ongoing administration phase. Once fees become payable, payment is typically due on a monthly basis as we perform under the contract, and we are entitled to be reimbursed for work performed to date in the event of termination.

For Health Solutions administration services, each benefits cycle inclusive of the enrollment period represents a time increment under the series guidance and is a single performance obligation. Although ongoing fees are typically not payable until the commencement of the ongoing administrative phase, we begin transferring services to our customers approximately four months prior to payments being due as part of our annual enrollment services. Although our per-participant fees are considered variable, they are typically predictable in nature, and therefore we do not generally constrain any portion of our transaction price estimates. We use an input method based on the labor costs incurred relative to total labor costs as the measure of progress in satisfying our Health Solutions performance obligation commencing when the customer's annual enrollment services begin. Given that the Health Solutions enrollment and administrative services are stand-ready in nature, it can be difficult to estimate the total expected efforts or hours we will incur for a particular benefits cycle. Therefore, the input measure is based on the historical effort expended, which is measured as labor cost.

In the normal course of business, we enter into change orders or other contract modifications to add or modify services provided to the customer. We evaluate whether these modifications should be accounted for as separate contracts or a modification to an existing contract. To the extent that the modification changes a promise that forms part of the underlying series, the modification is not accounted for as a separate contract.

#### *Other Contracts*

In addition to the ongoing administration services, the Company also has services across all solutions that represent separate performance obligations and that are often shorter in duration, such as our participant financial advisory services and enrollment services not bundled with ongoing administration services.

Fee arrangements can be in the form of fixed-fee, time-and-materials, or fees based on assets under management. Payment is typically due on a monthly basis as we perform under the contract, and we are entitled to be reimbursed for work performed to date in the event of termination.

Services may represent stand-ready obligations that meet the series provision, in which case all variable consideration is allocated to each distinct time increment.

Other services are recognized over-time based on a method that faithfully depicts the transfer of value to the customer, which may be based on the value of labor hours worked or time elapsed, depending on the facts and circumstances.

The majority of the fees for enrollment services not bundled with ongoing administration services may be in the form of commissions received from insurance carriers for policy placement and are variable in nature. These annual enrollment services include both employer-sponsored arrangements that place both retiree Medicare coverage and voluntary benefits. Our performance obligations under these annual enrollment services are typically completed over a short period upon which a respective policy is placed or confirmed with no ongoing fulfillment obligations. For the employer-sponsored arrangements, we recognize the majority of the placement revenue in the fourth quarter of the calendar year, which is when most of the placement or renewal activity occurs. However, the Company may continue to receive commissions from carriers until the respective policy lapses or is canceled. The Company bases the estimates of total transaction price on supportable evidence from an analysis of past transactions, and only includes amounts that are probable of being received or not refunded. For the employer-sponsored arrangements, the estimated total transaction price

may differ from the ultimate amount of commissions we may collect. Consequently, the estimate of total transaction price is adjusted over time as the Company receives confirmation of cash received, or as other information becomes available.

A portion of the Company's revenue is subscription-based where monthly fees are paid to the Company. The subscription-based revenue is recognized straight-line over the contract term, which is generally three years.

The Company has elected to apply practical expedients to not disclose the revenue related to unsatisfied performance obligations if (1) the contract has an original duration of one year or less, or (2) the variable consideration is allocated entirely to an unsatisfied performance obligation which is recognized as a series of distinct goods and services that form a single performance obligation.

### **Contract Costs**

#### *Costs to obtain a Contract*

The Company capitalizes incremental costs to obtain a contract with a customer that are expected to be recovered. Assets recognized for the costs to obtain a contract, which primarily includes sales commissions paid in relation to the initial contract, are amortized over the expected life of the underlying customer relationships, which is generally 7 years for our leaves solutions and generally 15 years for all of our other solutions. For situations where the duration of the contract is 1 year or less, the Company has applied a practical expedient and recognized the costs of obtaining a contract as an expense when incurred. These costs are recorded in Cost of services, exclusive of depreciation and amortization in the Condensed Consolidated Statements of Comprehensive Income (Loss).

#### *Costs to fulfill a Contract*

The Company capitalizes costs to fulfill contracts which includes highly customized implementation efforts to set up clients and their human resource or benefit programs. Assets recognized for the costs to fulfill a contract are amortized on a systematic basis over the expected life of the underlying customer relationships, which is generally 7 years for our leaves solutions and generally 15 years for all of our other solutions. Amortization for all contracts costs is recorded in Cost of services, exclusive of depreciation and amortization in the Condensed Consolidated Statements of Comprehensive Income (Loss), see Note 5 "Other Financial Data".

## **4. Discontinued Operations**

As disclosed in Note 1 "Basis of Presentation and Nature of Business", on July 12, 2024, the Company closed on its previously announced sale of the Divested Business. Under the terms of the Purchase Agreement, the Buyer agreed to acquire the Divested Business for total consideration of up to \$1.2 billion, in the form of (1) \$1.0 billion in cash (the "Closing Cash Consideration") payable at the closing of the transactions (the "Closing") contemplated by the Purchase Agreement, (2) a note with an aggregate principal amount of \$50 million and a fair value of \$35 million as of July 12, 2024 issued at Closing (the "Seller Note") by an indirect parent of Buyer (the "Note Issuer") and (3) contingent upon the financial performance of the Divested Business for the 2025 fiscal year, a note with an aggregate principal amount of up to \$150 million (the "Additional Seller Note") and an initial fair value of \$43 million as of July 12, 2024 to be issued by the Note Issuer. The Seller Note has a stated interest rate of 8.0%. The Seller Note was measured at fair value as of July 12, 2024 on a nonrecurring basis, by calculating the interest of the Seller Note which is expected to be paid-in-kind, and discounting the principal and interest by applying a discount rate based on the Divested Business's estimated cost of debt.

In conjunction with the Divestiture the Company entered into a Transition Services Agreement (the "TSA") with the Buyer. The TSA outlines the terms under which the Company provides certain reimbursable post-closing services to support the business on a transitional basis and are anticipated to be provided for an initial period of up to 18 months, with the option to extend for an additional six months. As part of the TSA agreement, \$15 million of the Closing Cash Consideration payable at closing was accounted for as a prepayment to the Company for services provided under the TSA.

During the three months ended March 31, 2025, TSA services income of \$10 million was recognized in Other (income) expense, net, with the corresponding expenses recorded in Cost of services and Selling, general and administrative expense in the Condensed Consolidated Statement of Comprehensive Income (Loss).

During the three months ended March 31, 2025, pass-through costs of approximately \$15 million were incurred under the TSA, which were netted against the equal and offsetting reimbursement amounts due from the Divested Business.

Revenue earned during the three months ended March 31, 2025 from customer care commercial services provided to the Divested Business was \$12 million.

An additional loss on sale of the Divested Business of \$7 million, net of tax, was recorded for the three months ended March 31, 2025 upon customary post closing selling price adjustments of the sale and reflects the impact of net proceeds received less cost to sell relative to the carrying value of the Divested Business net assets. Post-closing selling price adjustments and completion of other Purchase Agreement provisions in connection with the sale could result in further adjustments to the loss on sale amount which could be material.

The following table presents the results as reported in Income (Loss) from Discontinued Operations, Net of Tax, within our Condensed Consolidated Statements of Comprehensive Income (Loss) (in millions):

	Three Months Ended March 31,	
	2025	2024
<b>Revenue</b>	\$ 24	\$ 257
Cost of services, exclusive of depreciation and amortization	24	187
Depreciation and amortization	—	3
<b>Gross Profit</b>	—	67
<b>Operating Expenses</b>		
Selling, general and administrative	—	37
Depreciation and intangible amortization	—	8
Goodwill Impairment	—	—
Total Operating Expenses	—	45
<b>Income (loss) from Discontinued Operations</b>	—	22
Interest expense	—	—
Other (income) expense, net	—	2
<b>Income (Loss) from Discontinued Operations Before Income Taxes</b>	—	20
Loss on sale of disposition, net of tax	7	—
Income tax expense (benefit)	1	15
<b>Net Income (Loss) from Discontinued Operations, Net of Tax</b>	\$ (8)	\$ 5

The Company concluded that it controlled a portion of the Divested Business services subsequent to separation as a result of certain shared contractual relationships that had not been legally assigned as of March 31, 2025. As such, the Company determined it was the principal for these services and, therefore, during the three months ended March 31, 2025, the Company recorded \$24 million of Revenue and Cost of services on a gross basis within discontinued operations in the accompanying Condensed Consolidated Statements of Comprehensive Income (Loss).

The expense amounts reflected above represent only the direct costs attributable to the Divested Business and excludes allocations of corporate costs retained following the sale.

## 5. Other Financial Data

### Condensed Consolidated Balance Sheets Information

#### *Receivables, net*

The components of Receivables, net are as follows (in millions):

	March 31, 2025	December 31, 2024
Billed and unbilled receivables	\$ 448	\$ 480
Allowance for expected credit losses	(10)	(9)
<b>Balance at end of period</b>	<b>\$ 438</b>	<b>\$ 471</b>

**Other current assets**

The components of Other current assets are as follows (in millions):

	March 31, 2025	December 31, 2024
Deferred project costs	\$ 24	\$ 23
Prepaid expenses	46	56
Commissions receivable	57	89
Other	47	46
Total	<u>\$ 174</u>	<u>\$ 214</u>

**Other assets**

The components of Other assets are as follows (in millions):

	March 31, 2025	December 31, 2024
Deferred project costs	\$ 268	\$ 263
Operating lease right of use asset	42	42
Commissions receivable	14	15
Other	87	102
Total	<u>\$ 411</u>	<u>\$ 422</u>

The current and non-current portions of deferred project costs relate to costs to obtain and fulfill contracts (see Note 3 “Revenue from Contracts with Customers”). Total amortization expense related to deferred project costs was \$6 million and \$6 million for the three months ended March 31, 2025 and 2024, respectively, and were recorded in Cost of services, exclusive of depreciation and amortization in the accompanying Condensed Consolidated Statements of Comprehensive Income (Loss).

Other current assets and Other assets include the fair value of outstanding derivative instruments related to interest rate swaps. The interest rate swap balances in Other current assets as of March 31, 2025 and December 31, 2024 were \$17 million and \$23 million, respectively. As of March 31, 2025 and December 31, 2024, the interest rate swap balances in Other assets also included \$4 million and \$8 million, respectively (see Note 13 “Derivative Financial Instruments” for additional information). As of March 31, 2025 and December 31, 2024, the balances in Other assets included \$38 million and \$37 million, respectively related to the Seller Note and \$36 million and \$50 million, respectively related to the Additional Seller Note (see Note 4 “Discontinued Operations” for additional information).

**Other current liabilities**

The components of Other current liabilities are as follows (in millions):

	March 31, 2025	December 31, 2024
Deferred revenue	\$ 91	\$ 91
Operating lease liabilities	17	17
Finance lease liabilities	21	19
Other	229	146
Total	<u>\$ 358</u>	<u>\$ 273</u>

### Other liabilities

The components of Other liabilities are as follows (in millions):

	March 31, 2025	December 31, 2024
Deferred revenue	\$ 39	\$ 40
Operating lease liabilities	53	56
Finance lease liabilities	39	39
Other	20	23
Total	<u>\$ 151</u>	<u>\$ 158</u>

The current and non-current portions of deferred revenue relate to consideration received in advance of performance under client contracts. During the three months ended March 31, 2025 and 2024, revenue of approximately \$23 million and \$24 million was recognized that was recorded as deferred revenue at the beginning of each period, respectively.

Other current liabilities as of March 31, 2025 and December 31, 2024 included the current portion of tax receivable agreement liability of \$188 million and \$100 million, respectively (see Note 15 "Tax Receivable Agreement" for additional information).

Other current liabilities and Other liabilities include the fair value of outstanding derivative instruments related to interest rate swaps. There were no interest rate swaps recorded in Other current liabilities as of both March 31, 2025 and December 31, 2024. The interest rate swap balance in Other liabilities as of March 31, 2025 was \$1 million. There were no interest rate swaps recorded in Other liabilities as of December 31, 2024 (see Note 13 "Derivative Financial Instruments" for additional information).

### 6. Goodwill and Intangible assets, net

The changes in the net carrying amount of goodwill are as follows (in millions):

	Total
Balance as of December 31, 2024	<u>\$ 3,212</u>
Foreign currency translation	—
Balance at March 31, 2025	<u>\$ 3,212</u>

Intangible assets by asset class are as follows (in millions):

	March 31, 2025			December 31, 2024		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Intangible assets:						
Customer-related and contract based intangibles	\$ 3,192	\$ 796	\$ 2,396	\$ 3,192	\$ 742	\$ 2,450
Technology related intangibles	230	143	87	230	133	97
Trade name	408	107	301	408	100	308
Total	<u>\$ 3,830</u>	<u>\$ 1,046</u>	<u>\$ 2,784</u>	<u>\$ 3,830</u>	<u>\$ 975</u>	<u>\$ 2,855</u>

Amortization expense from finite-lived intangible assets for the three months ended March 31, 2025 and 2024 was \$71 million and \$71 million, respectively. Amortization expense from finite-lived intangible assets was recorded in Depreciation and intangible amortization in the Condensed Consolidated Statements of Comprehensive Income (Loss).



The following table reflects intangible assets net carrying amount and weighted-average remaining useful lives as of March 31, 2025 and December 31, 2024 (in millions, except for years):

	March 31, 2025		December 31, 2024	
	Net Carrying Amount	Weighted-Average Remaining Useful Lives	Net Carrying Amount	Weighted-Average Remaining Useful Lives
Intangible assets:				
Customer-related and contract-based intangibles	\$ 2,396	11.2	\$ 2,450	11.5
Technology-related intangibles	87	2.3	97	2.6
Trade name	301	11.2	308	11.4
Total	<u>\$ 2,784</u>		<u>\$ 2,855</u>	

Subsequent to March 31, 2025, the annual amortization expense is expected to be as follows (in millions):

	Customer-Related and Contract Based Intangibles	Technology Related Intangibles	Trade Name Intangibles	Total
2025 (April - December)	\$ 160	\$ 29	\$ 21	\$ 210
2026	214	38	27	279
2027	214	19	27	260
2028	214	1	27	242
2029	214	—	27	241
Thereafter	1,380	—	172	1,552
Total amortization expense	<u>\$ 2,396</u>	<u>\$ 87</u>	<u>\$ 301</u>	<u>\$ 2,784</u>

## 7. Income Taxes

The Company's effective tax rates for the three months ended March 31, 2025 and 2024 were 15% and 18%, respectively. The effective tax rates for the three months ended March 31, 2025 was lower than the 21% U.S. statutory corporate income tax rate and primarily driven by the Company's non-deductible expenses, tax credits, and changes in valuation allowance. The effective tax rates for the three months ended March 31, 2024 was lower than the 21% U.S. statutory corporate income tax rate. This difference was primarily due to the Company's non-deductible expenses, tax credits, and changes in valuation allowance.

## 8. Debt

Debt outstanding consisted of the following (in millions):

	Maturity Date	March 31, 2025	December 31, 2024
Seventh Incremental Term Loans <sup>(1)</sup>	August 31, 2028	\$ 2,019	\$ —
Sixth Incremental Term Loans <sup>(2)</sup>	August 31, 2028	—	2,025
\$300 million Revolving Credit Facility, Amended	August 31, 2026	—	—
Total debt, net		2,019	2,025
Less: current portion of long-term debt, net		(20)	(25)
Total long-term debt, net		<u>\$ 1,999</u>	<u>\$ 2,000</u>

<sup>(1)</sup> The net balance for the Seventh Incremental Term Loans included unamortized debt issuance costs at March 31, 2025 of approximately \$6 million.

<sup>(2)</sup> The net balance for the Sixth Incremental Term Loans included unamortized debt issuance costs at December 31, 2024 of approximately \$6 million.

### ***Term Loan***

In June 2024, the Company entered into Amendment No. 10 to its credit agreement, dated as of May 1, 2017 (as amended from time to time, the “Credit Agreement”), with a syndicate of lenders to establish a new class of Sixth Incremental Term Loans (the “Sixth Incremental Term Loans”) with an aggregate principal amount of \$2,489 million to reprice the outstanding Fifth Incremental Term Loans due August 31, 2028 by reducing the applicable rate from SOFR + 2.75% to SOFR + 2.25%.

In July 2024, the Company paid down \$440 million of the Sixth Incremental Term Loans principal balance with proceeds from the Divestiture.

In January 2025, the Company entered into Amendment No. 11 to the Credit Agreement with a syndicate of lenders to establish a new class of Seventh Incremental Term Loans with an aggregate principal amount of \$2,030 million and to reprice the outstanding Sixth Incremental Term Loans due August 31, 2028 by reducing the applicable rate from SOFR + 2.25% to SOFR + 1.75%.

Interest rates on the Term Loan borrowings are based on the Secured Overnight Financing Rate (“SOFR”) plus a margin. The Company is required to make principal payments at the end of each fiscal quarter based on defined terms in the Credit Agreement with the remaining principal balances due on the maturity dates.

The Company utilized swap agreements to fix a portion of the floating interest rates through December 2026 (see Note 13 “Derivative Financial Instruments”).

During the three months ended March 31, 2025, and March 31, 2024, the Company made total principal payments on the Incremental Term Loans of \$5 million and \$6 million, respectively.

### ***Revolving Credit Facility***

In August 2021, the Company entered into a \$294 million revolving credit facility with a maturity date of August 31, 2026. In March 2023, the Company amended and upsized the revolving credit facility to \$300 million and updated the benchmark reference rate from LIBOR to Term SOFR. At March 31, 2025, an immaterial amount of unused letters of credit related to various insurance policies and real estate leases were issued under the revolving credit facility and there were no borrowings. The Company is required to make periodic payments for commitment fees and interest related to the revolving credit facility and outstanding letters of credit. During each of the three months ended March 31, 2025 and 2024, the Company made immaterial payments related to these fees.

### ***Financing Fees, Premiums and Interest Expense***

The Company capitalized financing fees and premiums related to the Term Loan and Revolver issued. These financing fees and premiums were recorded as an offset to the aggregate debt balances and are being amortized over the respective loan terms.

Total interest expense related to the debt instruments for the three months ended March 31, 2025, and 2024, was \$32 million, and \$55 million, respectively. Interest expense is recorded in Interest expense in the Condensed Consolidated Statements of Comprehensive Income (Loss), and is net of interest rate swap derivative gains recognized.

### ***Principal Payments***

Aggregate remaining contractual principal payments as of March 31, 2025 are as follows (in millions):

2025 (April - December)	\$	15
2026		20
2027		20
2028		1,970
Total payments	\$	<u>2,025</u>

## **9. Stockholders' Equity**

### ***Preferred Stock***

As of March 31, 2025, 1,000,000 preferred shares, par value \$0.0001 per share, were authorized and no preferred shares were issued and outstanding.

### *Class A Common Stock*

As of March 31, 2025, 531,870,154 shares of Class A Common Stock were outstanding. On July 2, 2024, all remaining shares of unvested Class A Common Stock became fully vested. Holders of shares of Class A Common Stock are entitled to one vote per share, and together with the holders of shares of Class B Common Stock, will participate ratably in any dividends declared by the Company's Board of Directors.

### *Class B Common Stock*

Upon the Closing Date of the Business Combination, certain equity holders of Alight Holdings received earnouts (the "Seller Earnouts") that resulted in the issuance of a total of 14,999,998 Class B instruments to the equity holders of the Predecessor. The equity holders of the Predecessor that exchanged their Predecessor Class A units for shares of Class A Common Stock in the Business Combination received shares of Class B Common Stock, and the equity holders of the Predecessor that continue to hold Class A units of Alight Holdings ("Continuing Unit holders") received Class B common units of Alight Holdings.

The Class B Common Stock and Class B common units are not entitled to a vote and accrue dividends equal to amounts declared per corresponding share of Class A Common Stock and Class A unit; however, such dividends are paid if and when such share of Class B Common Stock or Class B unit converts into a share of Class A Common Stock or Class A unit. If any of the shares of Class B Common Stock or Class B common units do not vest on or before the seventh anniversary of the Closing Date, such shares or units will be automatically forfeited and cancelled for no consideration and will not be entitled to receive any cumulative dividend payments.

These Class B instruments are liability classified. Refer to Note 14 "Financial Instruments" for additional information. As further described below, there are two series of Class B instruments outstanding.

#### Class B-1

As of March 31, 2025, 4,955,297 shares of Class B-1 Common Stock were legally issued and outstanding. Shares of Class B-1 Common Stock vest and automatically convert into shares of Class A Common Stock on a 1-for-1 basis if the volume weighted average price ("VWAP") of the shares of Class A Common Stock equals or exceeds \$12.50 per share for 20 or more trading days within a consecutive 30-trading day period (or in the event of a change of control or liquidation event that implies a \$12.50 per share valuation on a diluted basis).

To the extent any unvested share of Class B-1 Common Stock automatically converts into a share of Class A Common Stock, (i) such share or unit shall remain unvested in accordance with the terms and conditions of the applicable award agreement until it vests or is forfeited in accordance with the terms thereof and (ii) such share or unit shall be treated as unvested Class A consideration as if such share or unit was part of the unvested Class A consideration as of the Closing Date.

As of March 31, 2025, 2,544,702 Class B-1 common units of Alight Holdings were legally issued and outstanding. Class B-1 common units vest and automatically convert into Class A common units of Alight Holdings on a 1-for-1 basis if the VWAP of the shares of Class A Common Stock equals or exceeds \$12.50 per share for 20 or more trading days within a consecutive 30-trading day period (or in the event of a change of control or liquidation event that implies a \$12.50 per share valuation on a diluted basis).

#### Class B-2

As of March 31, 2025, 4,955,297 shares of Class B-2 Common Stock were legally issued and outstanding. Shares of Class B-2 Common Stock vest and automatically convert into shares of Class A Common Stock on a 1-for-1 basis if the VWAP of the shares of Class A Common Stock equals or exceeds \$15.00 per share for 20 or more trading days within a consecutive 30-trading day period (or in the event of a change of control or liquidation event that implies a \$15.00 per share valuation on a diluted basis).

To the extent any unvested share of Class B-2 Common Stock automatically converts into a share of Class A Common Stock, (i) such share or unit shall remain unvested in accordance with the terms and conditions of the applicable award agreement until it vests or is forfeited in accordance with the terms thereof and (ii) such share or unit shall be treated as unvested Class A consideration as if such share or unit was part of the unvested Class A consideration as of the Closing Date.

As of March 31, 2025, 2,544,702 Class B-2 common units of Alight Holdings were legally issued and outstanding. Class B-2 common units vest and automatically convert into Class A common units of Alight Holdings on a 1-for-1 basis if the VWAP of the shares of Class A Common Stock equals or exceeds \$15.00 per share for 20 or more trading

days within a consecutive 30-trading day period (or in the event of a change of control or liquidation event that implies a \$15.00 per share valuation on a diluted basis).

### Class B-3

As of March 31, 2025, 10,000,000 shares of Class B-3 Common Stock, par value \$0.0001, were authorized. There were no shares of Class B-3 Common Stock issued and outstanding as of March 31, 2025.

### *Class V Common Stock*

As of March 31, 2025, 510,115 shares of Class V Common Stock were legally issued and outstanding. Holders of Class V Common Stock are entitled to one vote per share and have no economic rights. The Class V Common Stock is held on a 1-for-1 basis with Class A Units in Alight Holdings held by Continuing Unit holders. The Class A Units, together with an equal number of shares of Class V Common Stock, can be exchanged for an equal number of shares of Class A Common Stock.

### *Class Z Common Stock*

Upon the Closing Date of the Business Combination, a total of 8,671,507 Class Z instruments were issued to the equity holders of the Predecessor. The equity holders of the Predecessor that exchanged their Predecessor Class A units for shares of Class A Common Stock in the Business Combination received shares of Class Z Common Stock, and the Continuing Unit holders received Class Z common units of Alight Holdings. The Class Z instruments were issued to the equity holders of the Predecessor to allow for the re-allocation of the consideration paid to the holders of unvested management equity (i.e., the unvested shares of Class A, Class B-1, and Class B-2 Common Stock) to the equity holders of the Predecessor in the event such equity is forfeited under the terms of the applicable award agreement and vested in connection with any such forfeiture.

As of March 31, 2025, there were no outstanding shares of Class Z Common Stock, as all remaining shares of Class Z Common Stock were either forfeited or became fully vested on July 2, 2024 in accordance with their terms. The vested shares of Class Z Common Stock were converted into shares of either Class A, Class B-1 and B-2 Common Stock in connection with the ultimate forfeiture of the shares of unvested Class A, Class B-1 and B-2 common stock issued to participating management holders, as applicable.

Similarly, as of March 31, 2025, there were no outstanding Class Z common units as all remaining Class Z common units were either forfeited or became fully vested on July 2, 2024 in accordance with their terms. The vested Class Z units were converted into either Alight Holdings Class A, Class B-1 and B-2 common units in connection with the ultimate forfeiture of the shares of unvested Class A, Class B-1, and Class B-2 common stock issued to participating management holders, as applicable.

### *Class A Units*

Holders of Alight Holdings Class A units can exchange all or any portion of their Class A units, together with the cancellation of an equal number of shares of Class V Common Stock, for a number of shares of Class A Common Stock equal to the number of exchanged Class A units. Alight has the option to cash settle any future exchange.

The Continuing Unit holders' ownership of Class A units represents the noncontrolling interest of the Company, which is accounted for as permanent equity on the Condensed Consolidated Balance Sheets. As of March 31, 2025, there were 532,380,269 Class A Units outstanding, of which 531,870,154 are held by the Company and 510,115 are held by the noncontrolling interest of the Company.

The Alight Holdings limited liability company agreement contains provisions that require a one-to-one ratio is maintained between each class of Alight Holdings units held by Alight and its subsidiaries (including the Alight Group, Inc., but excluding subsidiaries of Alight Holdings) and the number of outstanding shares of the corresponding class of Alight common stock, subject to certain exceptions (including in respect of management equity in the form of options, rights or other securities which have not been converted into or exercised for Alight common stock). In addition, the Alight Holdings limited liability company agreement permits Alight, in its capacity as the managing member of Alight Holdings, to take actions to maintain such ratio, including undertaking stock splits, combinations, recapitalization and exercises of the exchange rights of holders of Alight Holdings units.

### *Share Repurchase Program*

On August 1, 2022, the Company's Board of Directors authorized a share repurchase program (the "Program"), under which the Company may repurchase issued and outstanding shares of Class A Common Stock from time to time,

depending on market conditions and alternate uses of capital. The Program has no expiration date and may be suspended or discontinued at any time. The Program does not obligate the Company to purchase any particular number of shares and there is no guarantee as to any number of shares being repurchased by the Company. On February 13, 2025, the Company's Board of Directors authorized the repurchase of up to an additional \$200 million of the Company's Class A common stock, providing a total amount authorized for repurchase of \$281 million after giving effect to the increase. As of March 31, 2025, the total remaining amount authorized for repurchase was \$261 million.

During the three months ended March 31, 2025, there were 3,245,932 Class A Common Stock shares repurchased under the Program. Repurchased shares are reflected as Treasury Stock on the Condensed Consolidated Balance Sheets as a component of equity.

The following table reflects the changes in our outstanding stock:

	Class A	Class B-1	Class B-2	Class V	Class Z	Treasury
<b>Balance at December 31, 2024</b>	531,703,862	4,978,807	4,978,807	510,237	—	28,755,570
Conversion of noncontrolling interest	122	—	—	(122)	—	—
Shares granted upon vesting	3,348,634	—	—	—	—	—
Issuance for compensation to non-employees <sup>(1)</sup>	63,468	—	—	—	—	—
Share repurchases	(3,245,932)	—	—	—	—	3,245,932
Share forfeitures	—	(23,510)	(23,510)	—	—	—
<b>Balance at March 31, 2025</b>	<u>531,870,154</u>	<u>4,955,297</u>	<u>4,955,297</u>	<u>510,115</u>	<u>—</u>	<u>32,001,502</u>
	Class A <sup>(2)</sup>	Class B-1	Class B-2	Class V	Class Z	Treasury
<b>Balance at December 31, 2023</b>	507,567,678	4,951,235	4,951,235	28,962,218	3,420,215	6,427,853
Conversion of noncontrolling interest	27,773,062	—	—	(27,773,062)	—	—
Shares granted upon vesting	13,890,962	—	—	—	(2,842,116)	—
Issuance for compensation to non-employees <sup>(1)</sup>	17,802	—	—	—	—	—
Share forfeitures	—	(18,148)	(18,148)	—	—	—
<b>Balance at March 31, 2024</b>	<u>549,249,504</u>	<u>4,933,087</u>	<u>4,933,087</u>	<u>1,189,156</u>	<u>578,099</u>	<u>6,427,853</u>

<sup>(1)</sup> Issued to certain members of the Board of Directors in lieu of cash retainer.

<sup>(2)</sup> Does not include 712,237 of unvested Class A common shares as of March 31, 2024.

#### Cash Dividends

In 2024, our Board of Directors approved a quarterly dividend program. Any decision to declare and pay dividends in the future will be made at the sole discretion of our Board of Directors, whose decision will depend on, among

other things, our results of operations, cash requirements, financial condition, contractual restrictions and other factors that our Board of Directors may deem relevant.

The following table provides information with respect to quarterly dividends on common stock during the three months ended March 31, 2025.

<b>Declaration Date</b>	<b>Dividends Per Share</b>	<b>Total Payment (in millions)</b>	<b>Record Date</b>	<b>Payable Date</b>
February 13, 2025	\$0.04	\$21	March 3, 2025	March 17, 2025

On April 30, 2025, the Company announced that its Board of Directors approved the payment of a quarterly dividend in the amount of \$0.04 per share of Class A Common Stock on June 16, 2025, to shareholders of record as of the close of business on June 2, 2025.

***Accumulated Other Comprehensive Income***

As of March 31, 2025, the Accumulated other comprehensive income ("AOCI") balance included unrealized gains and losses for interest rate swaps and foreign currency translation adjustments related to our foreign subsidiaries that do not have the U.S. dollar as their functional currency. The tax effect on the Company's pre-tax AOCI items is recorded in the AOCI balance. This tax is comprised of two items: (1) the tax effects related to the unrealized pre-tax items recorded in AOCI and (2) the tax effect related to certain valuation allowances that have also been recorded in AOCI. When unrealized items in AOCI are recognized, the associated tax effects on these items will also be recognized in the tax provision.

Changes in accumulated other comprehensive income, net of noncontrolling interests, are as follows (in millions):

	Foreign Currency Translation Adjustments	Interest Rate Swaps <sup>(1)</sup>	Total
<b>Balance at December 31, 2024</b>	\$ 4	\$ 43	\$ 47
Other comprehensive income (loss) before reclassifications	—	(3)	(3)
Tax (expense) benefit	—	2	2
Other comprehensive income (loss) before reclassifications, net of tax	—	(1)	(1)
Amounts reclassified from accumulated other comprehensive income	—	(7)	(7)
Tax expense	—	—	—
Amounts reclassified from accumulated other comprehensive income, net of tax	—	(7)	(7)
Net current period other comprehensive income (loss), net of tax	—	(8)	(8)
<b>Balance at March 31, 2025</b>	<u>\$ 4</u>	<u>\$ 35</u>	<u>\$ 39</u>

<sup>(1)</sup> Reclassifications from this category are recorded in Interest expense. See Note 13 “Derivative Financial Instruments” for additional information

	Foreign Currency Translation Adjustments <sup>(1)</sup>	Interest Rate Swaps <sup>(2)</sup>	Total
<b>Balance at December 31, 2023</b>	\$ (3)	\$ 74	\$ 71
Other comprehensive income (loss) before reclassifications	(4)	30	26
Tax (expense) benefit	1	(1)	—
Other comprehensive income (loss) before reclassifications, net of tax	(3)	29	26
Amounts reclassified from accumulated other comprehensive income	—	(22)	(22)
Tax expense	—	—	—
Amounts reclassified from accumulated other comprehensive income, net of tax	—	(22)	(22)
Net current period other comprehensive income (loss), net of tax	(3)	7	4
<b>Balance at March 31, 2024</b>	<u>\$ (6)</u>	<u>\$ 81</u>	<u>\$ 75</u>

<sup>(1)</sup> Foreign currency translation adjustments include \$1 million loss related to intercompany loans that have been designated long-term investment nature.

<sup>(2)</sup> Reclassifications from this category are recorded in Interest expense. See Note 13 “Derivative Financial Instruments” for additional information.

## 10. Share-Based Compensation

The Company has an active equity incentive plan, the Alight, Inc. 2021 Omnibus Incentive Plan (the "Incentive Plan"), under which the Company has been authorized to grant share-based awards to key employees and non-employee directors, which consist primarily of time-based restricted stock units ("RSUs") and performance share units ("PSUs"). Under this plan, for grants issued during the three months ended March 31, 2025, approximately 55% of the units are subject to time-based vesting requirements and approximately 45% are subject to additional performance-based vesting requirements. As of March 31, 2025, there were 88,523,338 remaining shares of common stock authorized for issuance pursuant to the Company's stock-based compensation plans under its 2021 Omnibus Incentive Plan. RSU and PSU nonvested share-based payment awards contain rights to receive forfeitable dividends and therefore are not participating securities.

### Restricted Share Units and Performance Share Units

Time-based RSUs are valued at the market price of a share of the Company's common stock on the date of grant. In general, these awards vest ratably over a three-year period from the date of grant. All awards are expensed on a straight-line basis over a three-year period, which is considered to be the requisite service period.

The Company's PRSUs contain various performance and service conditions that must be satisfied for an employee to earn the right to benefit from the award. The PRSUs vest upon achievement of various performance metrics aligned to goals established by the Company. Expense is recognized on a straight-line basis over the requisite service period, based on the probability of achieving the performance conditions, with changes in expectations recognized as an adjustment to earnings in the period of the change. Compensation cost is not recognized for performance share units that do not vest because service or performance conditions are not satisfied, and any previously recognized compensation cost is reversed.

The weighted-average grant-date fair value per share of RSUs and PRSUs granted during each of the three months ended March 31, 2025 and 2024 were approximately \$6.18 and \$8.99, and \$6.50 and \$8.83, respectively.

The following table summarizes the RSU and PRSU activity during the three months ended March 31, 2025:

	RSUs	Weighted Average Grant Date Fair Value Per Unit	PRSUs <sup>(1)</sup>	Weighted Average Grant Date Fair Value Per Unit
<b>Balance as of December 31, 2024</b>	7,325,106	\$ 8.67	10,878,456	\$ 8.71
Granted	4,599,292	6.18	4,254,794	6.50
Vested	(2,289,791)	8.90	(2,860,557)	8.96
Forfeited	(1,170,203)	8.78	(2,303,606)	8.99
<b>Balance as of March 31, 2025</b>	<u>8,464,404</u>	<u>\$ 7.24</u>	<u>9,969,087</u>	<u>\$ 7.63</u>

<sup>(1)</sup> The number of PRSUs presented are based on actual or expected achievement of the respective performance goals as of the end of the period.

### Share-based Compensation Expense

Total share-based compensation expense related to the RSUs and PRSUs are recorded in the Condensed Consolidated Statements of Comprehensive Income (Loss) as follows (in millions):

	Three Months Ended	
	March 31, 2025	March 31, 2024
Cost of services, exclusive of depreciation and amortization	\$ 3	\$ 5
Selling, general and administrative	3	23
<b>Total share-based compensation expense</b>	<u>\$ 6</u>	<u>\$ 28</u>

As of March 31, 2025, total future compensation expense related to unvested RSUs was \$57 million, which will be recognized over a remaining weighted-average amortization period of approximately 2.33 years. As of March 31, 2025, total future compensation expense related to unvested PRSUs was \$50 million, which will be recognized over a remaining weighted-average amortization period of approximately 1.97 years.

### Employee Stock Purchase Plan

In December 2022, the Company began offering its employees an Employee Stock Purchase Plan (the "ESPP"). Under the ESPP, all full-time and certain part-time employees of the Company based in the U.S. and certain other countries are eligible to purchase Class A Common Stock of the Company twice per year at the end of a six-month payment period (a "Payment Period"). During each Payment Period, eligible employees who so elect may authorize payroll deductions in an amount no less than 1% nor greater than 10% of his or her base pay for each payroll period in the Payment Period. At the end of each Payment Period, the accumulated deductions are used to purchase shares of Class A Common Stock from the Company up to a maximum of 1,250 shares for any one employee during a Payment Period. Shares are purchased at a price equal to 85% of the fair market value of the Company's Class A Common Stock on the last business day of a Payment Period. As of March 31, 2025, there were 13,461,281 remaining shares available for grant and 2,812,674 shares issued under the ESPP. The amount of share-based compensation expense related to the ESPP was approximately \$0.3



million for the three months ended March 31, 2025, which was recorded in Selling, general and administrative expenses in the Condensed Consolidated Statements of Comprehensive Income (Loss).

## 11. Earnings Per Share

Basic earnings per share is calculated by dividing the net income (loss) attributable to Alight, Inc. by the weighted average number of shares of Class A Common Stock issued and outstanding. The computation of diluted earnings per share reflects the potential dilution that could occur if dilutive securities and other contracts to issue shares were exercised or converted into shares or resulted in the issuance of shares that would then share in the net income of Alight, Inc. The Company's Class V Common Stock does not, and its Class Z Common Stock did not, participate in the earnings or losses of the Company and are therefore not participating securities and have not been included in either the basic or diluted earnings per share calculations. RSU and PSU nonvested share-based payment awards contain rights to receive forfeitable dividends and therefore are not participating securities.

In conjunction with the Business Combination, the Company issued Seller Earnouts contingent consideration, which is payable in the Company's Common Stock when the related market conditions are achieved. As the related conditions to pay the consideration had not been satisfied as of March 31, 2025, the Seller Earnouts were excluded from the diluted earnings per share calculations.

Basic and diluted (net loss) earnings per share are as follows (in millions, except for share and per share amounts):

	Three Months Ended March 31,	
	2025	2024
<b>Basic and diluted (net loss) earnings per share:</b>		
<b>Numerator</b>		
Net Income (Loss) From Continuing Operations	\$ (17)	\$ (121)
Less: Net income (loss) attributable to noncontrolling interest	—	2
Net Income (loss) from continuing operations attributable to Alight, Inc.	\$ (17)	\$ (119)
Net Income (Loss) From Discontinued Operations, Net of Tax	(8)	5
Net Income (Loss) Attributable to Alight, Inc. - basic	\$ (25)	\$ (114)
Loss impact of conversion of noncontrolling interest	—	(1)
Net income (loss) attributable to Alight, Inc. - diluted	<u>\$ (25)</u>	<u>\$ (115)</u>
<b>Denominator</b>		
Weighted-average shares outstanding - basic	532,297,681	540,780,315
Dilutive effect of the exchange of noncontrolling interest units	—	1,189,156
Dilutive effect of RSUs	—	—
Weighted-average shares outstanding - diluted	<u>532,297,681</u>	<u>541,969,471</u>
<b>Basic and Diluted (net loss) earnings per share</b>		
Continuing operations	\$ (0.03)	\$ (0.22)
Discontinued operations	\$ (0.02)	\$ 0.01
Net Income (Loss)	<u>\$ (0.05)</u>	<u>\$ (0.21)</u>

For the three months ended March 31, 2025, 510,115 units related to noncontrolling interests and 8,464,404 unvested RSUs were not included in the computation of diluted shares outstanding as their impact would have been anti-dilutive. In addition, 14,999,998 shares related to the Seller Earnouts and 9,969,087 unvested PRSUs were excluded from the calculation of basic and diluted earnings per share as the market and performance conditions had not yet been met as of the end of the period.

For the three months ended March 31, 2024, 10,158,541 unvested RSUs were not included in the computation of diluted shares outstanding as their impact would have been anti-dilutive. In addition, 14,999,998 shares related to the Seller Earnouts and 14,421,308 unvested PRSUs were excluded from the calculation of basic and diluted earnings per share as the market and performance conditions had not yet been met as of the end of the period.

## 12. Segment Reporting

We currently operate under one reportable segment, Employer Solutions. Employer Solutions is driven by our Alight Worklife platform, and includes integrated benefits administration, healthcare navigation, financial wellbeing, leave of absence management and retiree healthcare.

The Company's reportable segment has been determined using a management approach, which is consistent with the basis and manner in which the Company's chief operating decision maker ("CODM") uses financial information for the purposes of allocating resources and evaluating performance. The Company's Chief Executive Officer is its CODM. The CODM evaluates the performance of the Company based on Revenue and Net Income (Loss) From Continuing Operations.

The CODM also uses Revenue and Net Income (Loss) From Continuing Operations to manage and evaluate our business, make planning decisions, and as performance measures for Company-wide incentive compensation plans. These key financial measures provide an additional view of our operational performance over the long-term and provide useful information that we use in order to maintain and grow our business. The Company does not report assets by reportable segments as this information is not reviewed by the CODM on a regular basis.

Information regarding the Company's reportable segment is as follows (in millions):

	Three Months Ended March 31,	
	2025	2024
<b>Revenue</b>		
Recurring	\$ 520	\$ 521
Project	28	38
Total Revenue	\$ 548	\$ 559
<b>Less (1)</b>		
Cost of sales - Technology (2)	\$ 76	\$ 82
Cost of sales - Delivery, Customer Care and Other (3)	272	269
Stock Based Compensation	3	5
Depreciation and Amortization	26	21
Total Gross Profit	\$ 171	\$ 182
Selling, General, and Administrative (4)	97	108
Restructuring	4	15
Stock Based Compensation	3	23
Depreciation and Intangible Amortization	75	76
Interest expense	22	31
Other segment items (5)	(13)	50
<b>Net Income (Loss) From Continuing Operations</b>	<b>\$ (17)</b>	<b>\$ (121)</b>

(1) - The significant expense categories and amounts align with the segment-level information that is regularly provided to the CODM.

(2) - Cost of sales - Technology is primarily attributable to cost related to application development and client-related infrastructure.

(3) - Cost of sales - Delivery, Customer Care and Other is primarily attributable to costs related personnel and vendors providing services to support our client base and client participants.

(4) - Selling, General, and Administrative expenses excludes restructuring, stock based compensation and depreciation and intangible amortization and primarily include compensation-related costs for administrative and management employees, system and facilities expense, and costs for external professional and consulting services.

(5) - Other segment items - includes gain/loss from change in fair value of financial instruments, gain/loss from change in fair value of tax receivable agreement, other (income) expense, net and income taxes.

There was no single client who accounted for more than 10% of the Company's revenues in any of the periods presented.

## 13. Derivative Financial Instruments

The Company is exposed to market risks, including changes in interest rates. To manage the risk related to these exposures, the Company has entered into various derivative instruments that reduce these risks by creating offsetting exposures.

## Interest Rate Swaps

The Company has utilized swap agreements that will fix the floating interest rates associated with its Term Loan as shown in the following table:

Designation Date	Effective Date	Initial Notional Amount	Notional Amount Outstanding as of March 31, 2025	Fixed Rate	Expiration Date
December 2021	April 2024	\$ 871,205,040	\$ 524,526,345	1.6533 %	June 2025
December 2021	April 2024	\$ 435,602,520	\$ 262,263,173	1.6560 %	June 2025
December 2021	April 2024	\$ 435,602,520	\$ 262,263,173	1.6650 %	June 2025
March 2022	June 2025	\$ 1,197,000,000	\$ 1,197,000,000	2.5540 %	December 2026
March 2023	March 2023	\$ 150,000,000	\$ 150,000,000	3.9025 %	December 2026
March 2023	March 2023	\$ 150,000,000	\$ 150,000,000	3.9100 %	December 2026

During the three months ended March 31, 2025, we did not execute any new interest rate swaps. Our interest rate swaps have been designated as cash flow hedges.

## Financial Instrument Presentation

The fair values and location of outstanding derivative instruments recorded in the Condensed Consolidated Balance Sheets are as follows (in millions):

	March 31, 2025	December 31, 2024
<b>Assets</b>		
Other current assets	\$ 17	\$ 23
Other assets	4	8
Total	<u>\$ 21</u>	<u>\$ 31</u>
<b>Liabilities</b>		
Other current liabilities	\$ —	\$ —
Other liabilities	1	—
Total	<u>\$ 1</u>	<u>\$ —</u>

The Company estimates that approximately \$17 million of derivative gains included in Accumulated other comprehensive income as of March 31, 2025 will be reclassified into earnings over the next twelve months.

## 14. Financial Instruments

### Seller Earnouts

Upon completion of the Business Combination, the equity owners of Alight Holdings received an earnout in the form of non-voting shares of Class B-1 and Class B-2 Common Stock, which automatically convert into Class A Common Stock if, at any time during the seven years following the Closing Date, certain criteria are achieved. See Note 9 “Stockholders’ Equity” for additional information regarding the Seller Earnouts.

The portion of the Seller Earnouts related to employee compensation was accounted for as share-based compensation. As all employee compensation associated with the Seller Earnouts was ultimately vested on July 2, 2024, no portion of the Seller Earnout as of March 31, 2025 was accounted for as share-based compensation. See Note 10 “Share-Based Compensation” for additional information.

As of March 31, 2025, all of the remaining Seller Earnouts were accounted for as a contingent consideration liability at fair value within Financial instruments on the Condensed Consolidated Balance Sheets because the Seller Earnouts do not meet the criteria for classification within equity. This liability is subject to remeasurement at each balance sheet date. At March 31, 2025 and December 31, 2024, the Seller Earnouts had a fair value of \$29 million and \$51 million, respectively. For the three months ended March 31, 2025 and 2024, the fair value remeasurement of the Seller Earnouts resulted in a gain of \$22 million and loss of \$19 million, respectively. Gains or losses related to the remeasurement of Seller Earnouts are recorded in (Gain) Loss from change in fair value of financial instruments within the accompanying Condensed Consolidated Statements of Comprehensive Income (Loss).

The fair value of the Class B-1 and B-2 Seller Earnouts, and, prior to the Class Z vesting on July 2, 2024, the Class Z-B-1 and Z-B-2 contingent consideration instruments, is determined using Monte Carlo simulation and Option Pricing Methods (Level 3 inputs, see Note 16 "Fair Value Measurement"). Significant unobservable inputs are used in the assessment of fair value, including the following assumptions: volatility of 39.00%, risk-free interest rate of 3.90%, expected holding period of 3.26 years, dividend participation, and probability assessments based on the likelihood of reaching the performance targets defined in the Business Combination. A decrease in the risk-free interest rate or expected volatility would result in a decrease in the fair value measurement of the Seller Earnouts and vice versa.

As discussed in Note 9 "Stockholders' Equity", in connection with the ultimate forfeiture of the shares of unvested Class A, unvested Class B-1, and unvested Class B-2 common stock issued to participating management holders on July 2, 2024, all Class Z instruments were ultimately settled resulting in the re-allocation of the forfeited compensatory Class A, Class B-1 and Class B-2 instruments. The Class Z instruments are also accounted for as a contingent consideration liability at fair value within Financial instruments on the Condensed Consolidated Balance Sheets because these instruments do not meet the criteria for classification within equity. The fair value of the Class Z-A contingent consideration was determined using the ending share price as of the last day of each quarter until settlement on July 2, 2024, resulting in the issuance of 1.5 million shares of Class A common stock and units at the \$7.09 stock price on that date.

At March 31, 2025 and December 31, 2024, the Class Z-A contingent consideration was no longer outstanding. For the three months ended March 31, 2025 and 2024, the Company recorded no loss and a loss of \$2 million, respectively, in (Gain) Loss from change in fair value of financial instruments in the Condensed Consolidated Statements of Comprehensive Income (Loss) as a result of the forfeiture of unvested management equity that was ultimately re-allocated to the holders of Class Z instruments on July 2, 2024. See Note 9 "Stockholders' Equity" for additional information regarding these instruments.

#### ***Additional Seller Note***

As disclosed above in Note 1 "Basis of Presentation and Nature of Business", on July 12, 2024, the Company closed on the Divestiture. As part of the sale, the Company received a note with an aggregate principal amount of up to \$150 million (the "Additional Seller Note") with an initial fair value of \$43 million as of July 12, 2024 to be issued by the Note Issuer. See Note 4 "Discontinued Operations" for additional information. The Additional Seller Note is considered a level 3 recurring fair value measurement. At March 31, 2025 and December 31, 2024, the Additional Seller Note had a fair value of \$36 million and \$50 million, respectively. For the three months ended March 31, 2025, the Company recorded a loss of \$14 million from the fair value remeasurement of the Additional Seller Note. For the three months ended March 31, 2024, no gains or losses were recorded as the closing date of the Transaction was July 12, 2024. Gains or losses related to the recurring fair value remeasurement of the Additional Seller Note are recorded in (Gain) Loss from change in fair value of financial instruments within the accompanying Condensed Consolidated Statements of Comprehensive Income (Loss).

The fair value of the Additional Seller Note is determined using a variation of the income approach (Level 3 inputs, see Note 16 "Fair Value Measurement"). Significant unobservable inputs are used in the assessment of fair value, including the following assumptions: expected Adjusted EBITDA, expected maturity of 5.28 years for the Additional Seller Note, the Divested Business's estimated cost of debt, and based on the likelihood of reaching the performance targets defined in the Purchase Agreement.

### **15. Tax Receivable Agreement**

In connection with the Business Combination, Alight entered into the TRA with certain owners of Alight Holdings prior to the Business Combination. Pursuant to the TRA, the Company will pay certain sellers, as applicable, 85% of any savings that we realize, calculated using certain assumptions, as a result of (i) tax basis adjustments from sales and exchanges of Alight Holdings equity interests in connection with or following the Business Combination and certain distributions with respect to Alight Holdings equity interests, (ii) our utilization of certain tax attributes, and (iii) certain other tax benefits related to entering into the TRA.

Actual tax benefits realized by Alight may differ from tax benefits calculated under the TRA as a result of the use of certain assumptions in the TRA, including the use of an assumed weighted-average state and local income tax rate to calculate tax benefits. While the amount of existing tax basis, the anticipated tax basis adjustments and the actual amount and utilization of tax attributes, as well as the amount and timing of any payments under the TRA, will vary depending upon a number of factors, we expect that the payments that Alight may make under the TRA will be substantial.

The Company's TRA liability established upon completion of the Business Combination is measured at fair value on a recurring basis using significant unobservable inputs (Level 3). The TRA liability balance at March 31, 2025 assumes: (i) a blended U.S. federal, state and local income tax rate of 26.3%; (ii) no material changes in tax law; (iii) the ability to utilize tax attributes based on current tax forecasts; and (iv) future payments under the TRA are made when due under the TRA. The amount of the expected future payments under the TRA has been discounted to its present value using a discount rate of 7.9%.

Subsequent to the Business Combination, we record additional liabilities under the TRA as and when Class A units of Alight Holdings are exchanged for Class A Common Stock. Liabilities resulting from these exchanges will be recorded on a gross undiscounted basis and are not remeasured at fair value on a recurring basis. During the three months ended March 31, 2025, there were no significant exchanges. As such, no additional TRA liability was established as a result of the exchanges. During the three months ended March 31, 2024, an additional TRA liability of \$85 million was established as a result of exchanges. As of March 31, 2025, \$533 million of the TRA liability was measured at fair value on a recurring basis and \$233 million was undiscounted and not remeasured at fair value.

The following table summarizes the changes in the TRA liabilities (in millions):

	Tax Receivable Agreement Liability
Beginning balance as of December 31, 2024	\$ 857
Fair value remeasurement	9
Payments	(100)
Ending balance as of March 31, 2025	766
Less: current portion included in other current liabilities	(188)
Total long-term tax receivable agreement liability	\$ 578

## 16. Fair Value Measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The accounting standards related to fair value measurements include a hierarchy for information and valuations used in measuring fair value that is broken down into three levels based on reliability, as follows:

- Level 1 – observable inputs such as quoted prices in active markets for identical assets and liabilities;
- Level 2 – inputs other than quoted prices for identical assets in active markets that are observable either directly or indirectly; and
- Level 3 – unobservable inputs in which there is little or no market data which requires the use of valuation techniques and the development of assumptions.

The Company's financial assets and liabilities measured at fair value on a recurring basis are as follows (in millions):

	March 31, 2025			
	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Interest rate swaps	\$ —	\$ 21	\$ —	\$ 21
Additional seller note	—	—	36	36
Total assets recorded at fair value	\$ —	\$ 21	\$ 36	\$ 57
<b>Liabilities</b>				
Interest rate swaps	\$ —	\$ 1	\$ —	\$ 1
Seller earnouts liability	—	—	29	29
Tax receivable agreement liability <sup>(1)</sup>	—	—	533	533
Total liabilities recorded at fair value	\$ —	\$ 1	\$ 562	\$ 563

	December 31, 2024			
	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Interest rate swaps	\$ —	\$ 31	\$ —	\$ 31
Additional seller note	\$ —	\$ —	\$ 50	\$ 50
Total assets recorded at fair value	\$ —	\$ 31	\$ 50	\$ 81
<b>Liabilities</b>				
Interest rate swaps	—	—	—	—
Contingent consideration liability	—	—	6	6
Seller earnouts liability	—	—	51	51
Tax receivable agreement liability <sup>(1)</sup>	—	—	620	620
Total liabilities recorded at fair value	\$ —	\$ —	\$ 677	\$ 677

<sup>(1)</sup> Excludes the portion of liability related to the exchanges of Class A Units not measured at fair value on a recurring basis.

### Derivatives

The valuations of the derivatives intended to mitigate our interest rate risk are determined using widely accepted valuation techniques, including discounted cash flow analysis on the expected cash flows of each instrument. This analysis utilizes observable market-based inputs, including interest rate curves, interest rate volatility, or spot and forward exchange rates, and reflects the contractual terms of these instruments, including the period to maturity. In addition, credit valuation adjustments, which consider the impact of any credit enhancements to the contracts, are incorporated in the fair values to account for potential non-performance risk.

### Additional Disclosures Regarding Fair Value Measurements

The fair value of the Company's debt is classified as Level 2 within the fair value hierarchy and corroborated by observable market data is as follows (in millions):

	March 31, 2025		December 31, 2024	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Liabilities</b>				
Current portion of long-term debt, net	\$ 20	\$ 20	\$ 25	\$ 25
Long-term debt, net	1,999	1,984	2,000	2,008
Total	\$ 2,019	\$ 2,004	\$ 2,025	\$ 2,033

The carrying value of the Term Loan include the outstanding principal balance, less any unamortized premium.

The carrying amounts of Cash and cash equivalents, Receivables, net and Accounts payable and accrued liabilities approximate their fair values due to the short-term maturities of these instruments.

The Seller Note had a carrying value of \$38 million and \$37 million as of March 31, 2025 and December 31, 2024, respectively. The Company believes the carrying value of the Seller Note approximates its fair value as of March 31, 2025 based on its stated interest rate and maturity date. See Note 4 "Discontinued Operations" for additional information.

During each of the three months ended March 31, 2025 and 2024, there were no transfers in or out of the Level 1, Level 2 or Level 3 classifications.

## 17. Restructuring

### Transformation Program

On February 20, 2023, the Company approved a two-year strategic transformation restructuring program (the “Transformation Program”) intended to accelerate the Company’s back-office infrastructure into the cloud and transform its operating model leveraging technology in order to reduce its overall future costs. The Transformation Program includes process and system optimization, third party costs associated with technology infrastructure transformation, and elimination of full-time positions. From the inception of the plan through March 31, 2025, the Company incurred total expenses of \$140 million, and the plan was substantially complete as of March 31, 2025. These charges were recorded in Selling, general and administrative expenses in the Condensed Consolidated Statements of Comprehensive Income (Loss).

The following table summarizes restructuring costs by type (in millions):

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024	Total Cost
<b>Employer Solutions</b>			
Severance and Related Benefits	\$ 1	\$ 2	\$ 10
Other Restructuring Costs <sup>(1)</sup>	1	11	79
Total Employer Solutions	\$ 2	\$ 13	\$ 89
<b>Corporate</b>			
Severance and Related Benefits	\$ 1	\$ 2	\$ 35
Other Restructuring Costs <sup>(1)</sup>	1	—	16
Total Corporate	\$ 2	\$ 2	\$ 51
<b>Total Restructuring Costs</b>	<b>\$ 4</b>	<b>\$ 15</b>	<b>\$ 140</b>

<sup>(1)</sup> Other restructuring costs associated with the Transformation Program primarily include data center exit costs, third party fees associated with the restructuring, and costs associated with transitioning existing technology and processes.

As of March 31, 2025, approximately \$11 million of the Company's total restructuring liability was unpaid and recorded in Accounts payable and accrued liabilities on the Condensed Consolidated Balance Sheets.

In millions	Severance and Related Benefits	Other Restructuring Costs	Total
Accrued restructuring liability as of December 31, 2024	\$ 12	\$ —	\$ 12
Restructuring charges	2	2	4
Cash payments	(4)	(1)	(5)
Accrued restructuring liability as of March 31, 2025	<u>\$ 10</u>	<u>\$ 1</u>	<u>\$ 11</u>

## 18. Employee Benefits

### Defined Contribution Savings Plans

Certain of the Company’s employees participate in a defined contribution savings plan sponsored by the Company. For the three months ended March 31, 2025 and 2024, expenses were \$7 million and \$9 million, respectively. Expenses were recognized in Cost of services, exclusive of depreciation and amortization and Selling, general and administrative expenses in the Condensed Consolidated Statements of Comprehensive Income (Loss).

## 19. Commitments and Contingencies

### Legal

The Company is subject to various claims, tax assessments, lawsuits, and proceedings that arise in the ordinary course of business relating to the delivery of our services and the effectiveness of our technologies. The damages claimed in these matters are or may be substantial. Accruals for any exposures, and related insurance or other receivables, when applicable, are included on the Condensed Consolidated Balance Sheets and have been recognized in Selling, general and

administrative expenses in the Condensed Consolidated Statements of Comprehensive Income (Loss) to the extent that losses are deemed probable and are reasonably estimable. These amounts are adjusted from time to time as developments warrant. Management believes that the reserves established are appropriate based on the facts currently known. The reserves recorded on the Condensed Consolidated Balance Sheets at March 31, 2025 and December 31, 2024 were not significant.

### ***Guarantees and Indemnifications***

The Company provides a variety of service performance guarantees and indemnifications to its clients. The maximum potential amount of future payments represents the notional amounts that could become payable under the guarantees and indemnifications if there were a total default by the guaranteed parties, without consideration of possible recoveries under recourse provisions or other methods. These notional amounts may bear no relationship to the future payments that may be made, if any, for these guarantees and indemnifications.

To date, the Company has not been required to make any payment under any client arrangement as described above. The Company has assessed the current status of performance risk related to the client arrangements with performance guarantees and believes that any potential payments would be immaterial to the Condensed Consolidated Financial Statements.

### ***Purchase Obligations***

In March 2024, the Company entered into an agreement with a third-party provider in the ordinary course of business for the use of certain cloud services. Under this agreement, the Company is committed to purchase services totaling \$250 million over a 5-year term. The Company's total expected cash outflow for non-cancellable purchase obligations related to purchases of information technology assets and services, including the new agreement, is \$48 million, \$75 million, \$67 million, \$55 million, and \$17 million for the remainder of 2025 and the years ended 2026, 2027, 2028, and 2029, respectively and none thereafter, totaling \$262 million.

### ***Service Obligations***

On September 1, 2018, the Company executed an agreement to form a strategic partnership with Wipro, a leading global information technology, consulting and business process services company. Effective April 1, 2025, the Company executed Amendment No. 2 which adjusted the mix of services provided by Wipro. Following the Amendment, the Company's expected remaining cash outflow for non-cancellable service obligations related to our strategic partnership with Wipro is \$152 million, \$170 million, \$105 million, and \$29 million for the remainder of 2025 and the years ended 2026, 2027, and 2028, respectively, and none thereafter, totaling \$456 million.

The Company may terminate certain elements of its arrangement with Wipro for cause or for the Company's convenience with no penalty. In the case of a termination of the entire contract for convenience, the Company would be required to pay a termination fee, including certain of Wipro's unamortized costs, plus 25% of any remaining portion of the minimum level of services the Company agreed to purchase from Wipro over the course of 10 years.

## **20. Subsequent Event**

On May 6, 2025, the Audit Committee of the Board of Directors of the Company approved a fifteen-month restructuring program (the "Post-Separation Plan" or "PSP") intended to further optimize our operations following the sale of the Divested Business in July 2024. The PSP includes simplifying our post-divestiture operating model, rationalizing our technology spend, expanding our use of artificial intelligence and automation and continued optimization of real estate. The Company currently expects to record in the aggregate approximately \$65 million in pre-tax restructuring costs over the duration of the PSP, which includes primarily cash severance payments with an estimated range of \$20 million to \$30 million and other restructuring cash payments and charges related to technology spend, professional services and optimization of real estate with an estimated range of \$25 million to \$35 million. The Company estimates an annual savings of over \$75 million after the PSP is completed. The PSP is expected to commence in the second quarter of 2025 and to be substantially completed over the estimated fifteen-month period.



## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

*The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the condensed consolidated financial statements and related notes which are included elsewhere in this Quarterly Report on Form 10-Q and with the Annual Report. In addition to historical information, the following discussion contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results could differ materially as a result of the factors discussed in "Item 1A. Risk Factors" in our Annual Report. See "Forward-Looking Statements" in this Quarterly Report on Form 10-Q.*

### BUSINESS

#### Overview

Alight is a technology-enabled services company delivering human capital management solutions to many of the world's largest and most complex organizations. This includes the implementation and administration of employee benefits (e.g. health, wealth and leaves) solutions. Alight's numerous solutions and services are utilized year-round by employees and their family members in support of their overall health, wealth and wellbeing goals. Participants can access their solutions digitally, including through a mobile application on Alight Worklife®, our intuitive, cloud-based employee engagement platform. Through Alight Worklife, the Company believes it is defining the future of employee benefits by providing an enterprise level, integrated offering designed to drive better outcomes for organizations and individuals.

We aim to be the pre-eminent employee experience partner by providing personalized experiences that help employees make the best decisions for themselves and their families about their health, wealth and wellbeing. At the same time, we help employers tackle their biggest people and business challenges by helping them understand prevalence, trends and risks to generate better outcomes for the future, such as improved employee productivity and retention, while also realizing a return on their people investment. Our data, analytics and AI allow us to deliver actionable insights that drive measurable outcomes, such as healthcare claims savings, for companies and their people.

#### Business Combination

On July 2, 2021 (the "Closing Date"), Alight Holding Company, LLC (the "Predecessor" or "Alight Holdings") completed a business combination (the "Business Combination") with a special purpose acquisition company. On the Closing Date, pursuant to the Business Combination Agreement, the special purpose acquisition company became a wholly owned subsidiary of Alight, Inc. ("Alight", the "Company", "we" "us" "our" or the "Successor"). As of March 31, 2025, Alight owned approximately 99% of the economic interest in the Predecessor, had 100% of the voting power and controlled the management of the Predecessor. The non-voting ownership percentage held by noncontrolling interest was less than 1% as of March 31, 2025.

#### Divestiture

On July 12, 2024, the Company, completed the previously announced sale (the "Transaction") of the "Divested Business" entities affiliated with H.I.G. Capital, L.L.C. (collectively, "Buyer"), pursuant to the terms of the Stock and Asset Purchase Agreement (the "Purchase Agreement"), dated as of March 20, 2024. Under the terms of the Purchase Agreement, the Buyer agreed to acquire the Divested Business for total consideration of up to \$1.2 billion, in the form of (1) \$1.0 billion in cash (the "Closing Cash Consideration") payable at the closing of the transactions (the "Closing") contemplated by the Purchase Agreement, (2) a note with an aggregate principal amount of \$50 million, and an initial fair value of \$35 million as of July 12, 2024 issued at Closing (the "Seller Note") by an indirect parent of Buyer (the "Note Issuer") and (3) contingent upon the financial performance of the Divested Business for the 2025 fiscal year, a note with an aggregate principal amount of up to \$150 million (the "Additional Seller Note") and an initial fair value of \$43 million as of July 12, 2024 to be issued by the Note Issuer. The Seller Note has a stated interest rate of 8.0%. The Company incurred higher operating expenses in 2024 as a result of professional fees paid in conjunction with the Transaction.

## EXECUTIVE SUMMARY OF FINANCIAL RESULTS

The following table sets forth our historical results of operations for the periods indicated below:

(in millions)	Three Months Ended March 31,	
	2025	2024
<b>Revenue</b>	\$ 548	\$ 559
Cost of services, exclusive of depreciation and amortization	351	356
Depreciation and amortization	26	21
<b>Gross Profit</b>	171	182
<b>Operating Expenses</b>		
Selling, general and administrative	104	146
Depreciation and intangible amortization	75	76
Total Operating expenses	179	222
<b>Operating Income (Loss) From Continuing Operations</b>	(8)	(40)
<b>Other (Income) Expense</b>		
(Gain) Loss from change in fair value of financial instruments	(8)	21
(Gain) Loss from change in fair value of tax receivable agreement	9	55
Interest expense	22	31
Other (income) expense, net	(11)	1
Total Other (income) expense, net	12	108
<b>Income (Loss) From Continuing Operations Before Taxes</b>	(20)	(148)
Income tax expense (benefit)	(3)	(27)
<b>Net Income (Loss) From Continuing Operations</b>	(17)	(121)
<b>Net Income (Loss) From Discontinued Operations, Net of Tax</b>	(8)	5
<b>Net Income (Loss)</b>	(25)	(116)
Net income (loss) attributable to noncontrolling interests	—	(2)
<b>Net Income (Loss) Attributable to Alight, Inc.</b>	\$ (25)	\$ (114)

## REVIEW OF RESULTS

### Key Components of Our Continuing Operations

#### Revenue

Our clients' demand for our services ultimately drives our revenues. We generate primarily all of our revenue, which is highly recurring, from fees for services provided from contracts across all solutions, which is primarily based on a contracted fee charged per participant per period (e.g., monthly or annually, as applicable). Our contracts typically have three to five-year terms for ongoing services with mutual renewal options. The majority of the Company's revenue is recognized over time when control of the promised services is transferred, and the customers simultaneously receive and consume the benefits of our services. Payment terms are consistent with industry practice. We calculate growth rates for each of our solutions in relation to recurring revenues and revenues from project work. One of the components of our growth in recurring revenues is the increase in net commercial activity which reflects items such as client wins and losses ("Net Commercial Activity"). We define client wins as sales to new clients and sales of new solutions to existing clients. We define client losses as instances where clients do not renew or terminate their arrangements in relation to individual solutions or all of the solutions that we provide. We use annual revenue retention rates as an important measure to manage our business. We calculate annual revenue retention on a gross basis by identifying the clients from whom we generated revenue in the prior year and determining what percentage of that revenue is generated from those same clients for the same solutions in the subsequent year.

#### Cost of Services, exclusive of Depreciation and Amortization

Cost of services, exclusive of depreciation and amortization includes compensation-related and vendor costs directly attributable to client-related services and costs related to application development and client-related infrastructure.

***Depreciation and Amortization***

Depreciation and amortization expenses include the depreciation and amortization related to our hardware, software and application development. Depreciation and amortization may increase or decrease in absolute dollars in future periods depending on the future level of capital investments in hardware, software and application development.

***Selling, General and Administrative***

Selling, general and administrative expenses include compensation-related costs for administrative and management employees, system and facilities expenses, and costs for external professional and consulting services.

***Depreciation and Intangible Amortization***

Depreciation and intangible amortization expenses consist of charges relating to the depreciation of the property and equipment used in our business and the amortization of acquired customer-related and contract based intangible assets and technology related intangible assets. Depreciation and intangible amortization may increase or decrease in absolute dollars in future periods depending on the future level of capital investments in hardware and other equipment as well as amortization expense associated with future acquisitions.

***(Gain) Loss from Change in Fair Value of Financial Instruments***

(Gain) loss from change in fair value of financial instruments includes the impact of the revaluation to fair value at the end of each reporting period for the Seller Earnouts contingent consideration and the Additional Seller Note.

***(Gain) Loss from Change in Fair Value of Tax Receivable Agreement***

(Gain) loss from change in fair value of Tax Receivable Agreement ("TRA") includes the impact of the revaluation to fair value at the end of each reporting period.

***Interest Expense***

Interest expense primarily includes interest expense related to our outstanding debt.

***Other (Income) Expense, net***

Other (income) expense, net includes non-operating expenses and income, including realized (gains) and losses from remeasurement of foreign currency transactions, and Transition Services Agreement (the "TSA") income for providing various corporate services to the Divested Business.

**Results of Continuing Operations for the Three Months Ended March 31, 2025 Compared to the Three Months Ended March 31, 2024*****Revenue***

Revenues were \$548 million for the three months ended March 31, 2025 as compared to \$559 million for the prior year period. The decrease of \$11 million, or 2.0%, was driven by lower project revenue and Net Commercial Activity.

Recurring revenues for the three months ended March 31, 2025 decreased by \$1 million, or 0.2%, from \$521 million in the prior year period to \$520 million, primarily driven by lower Net Commercial Activity.

***Cost of Services, exclusive of Depreciation and Amortization***

Cost of services, exclusive of depreciation and amortization, decreased \$5 million, or 1.4%, for the three months ended March 31, 2025 as compared to the prior year period. The decrease was primarily driven by lower revenues and savings realized in conjunction with productivity initiatives.

***Depreciation and Amortization***

Depreciation and amortization expenses increased by \$5 million, or 23.8%, as compared to the prior year period, primarily driven by capitalized software.

***Selling, General and Administrative***

Selling, general and administrative expenses decreased \$42 million, or 28.8%, for the three months ended March 31, 2025 as compared to the prior year period. The decrease was driven by a reduction in compensation expenses primarily

related to non-cash share-based awards, lower restructuring charges and lower professional fees incurred related to the sale and separation of the Divested business.

#### ***Depreciation and Intangible Amortization***

Depreciation and intangible amortization expenses decreased by \$1 million, or 1.3%, and was consistent compared to the prior year period.

#### ***Change in Fair Value of Financial Instruments***

There was an \$8 million gain related to the change in the fair value of financial instruments for the three months ended March 31, 2025 compared to a loss of \$21 million for the prior year period. We are required to remeasure the financial instruments at the end of each reporting period and reflect a gain or loss for the change in fair value of the financial instruments in the period the change occurred. Changes in the fair value are primarily due to changes in the underlying assumptions of each respective instrument, including changes in the risk-free interest rate, volatility, cost of debt, forecasts, and the closing stock price for the period and are related to the Seller Earnout and Additional Seller Note. See Note 14 "Financial Instruments" within the Condensed Consolidated Financial Statements for additional information.

#### ***Change in Fair Value of Tax Receivable Agreement***

The change in the fair value of the TRA resulted in a loss of \$9 million for the three months ended March 31, 2025, a decrease of \$46 million compared to a loss of \$55 million for the prior year period. The change in fair value was due to changes in the Company's assumptions related to the timing of the utilization of tax attributes during the term of the TRA, changes in the discount rate and the passage of time.

#### ***Interest Expense***

Interest expense decreased \$9 million for the three months ended March 31, 2025 as compared to the prior year period. The decrease was primarily due to the partial repayment of debt in the prior year, the opportunistic repricing of our 2028 term loan and higher interest income, partially offset by the Company's hedges. See Note 8 "Debt" within the Condensed Consolidated Financial Statements for additional information.

#### ***Other (Income) Expense, net***

Under the terms of the TSA as described in Note 4 "Discontinued Operations" within the Condensed Consolidated Financial Statements, the Company is providing technology infrastructure, risk and security, and various other corporate services to the Divested Business subsequent to the close. We recorded \$10 million for services performed under the TSA for the three months ended March 31, 2025 in Other (income) expense, net, and the corresponding expenses were recognized in Cost of services and Selling, general and administrative expense in the Condensed Consolidated Statement of Comprehensive Income (Loss).

#### ***Income (Loss) From Continuing Operations Before Taxes***

Loss from continuing operations before taxes was \$20 million for the three months ended March 31, 2025 as compared to loss from continuing operations before taxes of \$148 million for the three months ended March 31, 2024. The decrease in loss was primarily attributable to the non-operating fair value remeasurements of financial instruments and the tax receivable agreement, lower selling, general and administrative expenses, lower interest expense as a result of the debt pay down and other income recorded in conjunction with the TSA entered into with the purchaser of the Divested Business.

#### ***Income Tax Expense (Benefit)***

Income tax benefit was \$3 million for the three months ended March 31, 2025, as compared to an income tax benefit of \$27 million for the prior year period. The effective tax rate of 15% for the three months ended March 31, 2025 was lower than the 21% U.S. statutory corporate income tax rate primarily due to the Company's non-deductible expenses, tax credits, and changes in valuation allowance. The effective tax rate of 18% for the three months ended March 31, 2024 was lower than the 21% U.S. statutory corporate income tax rate primarily due to the Company's non-deductible expenses, tax credits, and changes in valuation allowance. See Note 7 "Income Taxes" within the Condensed Consolidated Financial Statements for additional information.

#### ***Non-GAAP Financial Measures***

The presentation of non-GAAP financial measures is used to enhance our management and stakeholders understanding of certain aspects of our financial performance. This discussion is not meant to be considered in isolation,

superior to, or as a substitute for the directly comparable financial measures prepared in accordance with U.S. GAAP. Management also uses supplemental non-GAAP financial measures to manage and evaluate the business, make planning decisions, allocate resources and as performance measures for Company-wide bonus plans. These key financial measures provide an additional view of our operational performance over the long-term and provide useful information that we use in order to maintain and grow our business.

The measures referred to as “adjusted”, have limitations as analytical tools, and such measures should not be considered either in isolation or as a substitute for net income or other methods of analyzing our results as reported under U.S. GAAP. Some of the limitations are:

- Measure does not reflect changes in, or cash requirements for, our working capital needs or contractual commitments;
- Measure does not reflect our interest expense or the cash requirements to service interest or principal payments on our indebtedness;
- Measure does not reflect our tax expense or the cash requirements to pay our taxes, including payments related to the Tax Receivable Agreement;
- Measure does not reflect the impact on earnings or changes resulting from matters that we consider not to be indicative of our future operations;
- Although depreciation and amortization are non-cash charges, the assets being depreciated or amortized will often need to be replaced in the future, and the adjusted measure does not reflect any cash requirements for such replacements; and
- Other companies may calculate adjusted measures differently, limiting its usefulness as a comparative measure.

#### ***Adjusted Net Income From Continuing Operations and Adjusted Diluted Earnings Per Share From Continuing Operations***

Adjusted Net Income From Continuing Operations, which is defined as net income (loss) from continuing operations attributable to Alight, Inc., adjusted for intangible amortization and the impact of certain non-cash items that we do not consider in the evaluation of ongoing operational performance, is a non-GAAP financial measure used solely for the purpose of calculating Adjusted Diluted Earnings Per Share From Continuing Operations.

Adjusted Diluted Earnings Per Share From Continuing Operations is defined as Adjusted Net Income From Continuing Operations divided by the adjusted weighted-average number of shares of common stock, diluted. The adjusted weighted shares calculation assumes the full exchange of the non-controlling interest units and the full amount of non-vested time-based restricted units that were determined to be antidilutive and therefore excluded from the U.S. GAAP diluted earnings per share. Adjusted Diluted Earnings Per Share From Continuing Operations, including the adjusted weighted-average number of shares, is used by us and our investors to evaluate our core operating performance and to benchmark our operating performance against our competitors.

A reconciliation of Adjusted Net Income (Loss) From Continuing Operations and the computation of Adjusted Diluted Earnings Per Share From Continuing Operations is as follows:

(in millions, except share and per share amounts)	Three Months Ended March 31,	
	2025	2024
<b>Numerator:</b>		
Net Income (Loss) From Continuing Operations Attributable to Alight, Inc. <sup>(1)</sup>	\$ (17)	\$ (119)
Conversion of noncontrolling interest	—	(2)
Intangible amortization	71	71
Share-based compensation	6	28
Transaction and integration expenses <sup>(2)</sup>	3	17
Restructuring	4	15
(Gain) Loss from change in fair value of financial instruments	(8)	21
(Gain) Loss from change in fair value of tax receivable agreement	9	55
Other	1	—
Tax effect of adjustments <sup>(3)</sup>	(17)	(29)
<b>Adjusted Net Income From Continuing Operations</b>	<b>\$ 52</b>	<b>\$ 57</b>
<b>Denominator:</b>		
<b>Weighted average shares outstanding - basic</b>	<b>532,297,681</b>	<b>540,780,315</b>
Dilutive effect of the exchange of noncontrolling interest units	—	1,189,156
Dilutive effect of RSUs	—	—
<b>Weighted average shares outstanding - diluted</b>	<b>532,297,681</b>	<b>541,969,471</b>
Exchange of noncontrolling interest units <sup>(4)</sup>	510,115	4,471,277
Impact of unvested RSUs <sup>(5)</sup>	8,464,404	10,158,541
<b>Adjusted shares of Class A Common Stock outstanding - diluted <sup>(6)(7)</sup></b>	<b>541,272,200</b>	<b>556,599,289</b>
<b>Basic (Net Loss) Earnings Per Share From Continuing Operations</b>	<b>\$ (0.03)</b>	<b>\$ (0.22)</b>
<b>Diluted (Net Loss) Earnings Per Share From Continuing Operations</b>	<b>\$ (0.03)</b>	<b>\$ (0.22)</b>
<b>Adjusted Diluted Earnings Per Share From Continuing Operations</b>	<b>\$ 0.10</b>	<b>\$ 0.10</b>

(1) Excludes the impact of discontinued operations. Comparable periods have been recast to exclude these impacts.

(2) Transaction and integration expenses primarily relate to acquisitions and divestiture activities.

(3) Income tax effects have been calculated based on statutory tax rates for both U.S. and foreign jurisdictions based on the Company's mix of income and adjusted for significant changes in fair value measurement.

(4) Assumes the full exchange of the units held by noncontrolling interests for shares of Class A Common Stock of Alight, Inc. pursuant to the exchange agreement.

(5) Includes non-vested time-based restricted stock units that were determined to be antidilutive for U.S. GAAP diluted earnings per share purposes.

(6) Excludes two tranches of contingently issuable seller earnout shares: (i) 7.5 million shares will be issued if the Company's Class A Common Stock's volume-weighted average price ("VWAP") is >\$12.50 for any 20 trading days within a consecutive period of 30 trading days; (ii) 7.5 million shares will be issued if the Company's Class A Common Stock VWAP is >\$15.00 for any 20 trading days within a consecutive period of 30 trading days. Both tranches have a seven-year duration.

(7) Excludes approximately 10.0 million and 14.4 million performance-based units, which represents the gross number of shares expected to vest based on achievement of the respective performance conditions as of March 31, 2025 and 2024, respectively.

#### **Adjusted EBITDA From Continuing Operations and Adjusted EBITDA Margin From Continuing Operations**

Adjusted EBITDA From Continuing Operations is defined as earnings before interest, taxes, depreciation and intangible amortization adjusted for the impact of certain non-cash and other items that we do not consider in the evaluation of ongoing operational performance. Adjusted EBITDA Margin From Continuing Operations is defined as Adjusted EBITDA From Continuing Operations divided by revenue. Adjusted EBITDA and Adjusted EBITDA Margin

From Continuing Operations are non-GAAP financial measures used by management and our stakeholders to provide useful supplemental information that enables a better comparison of our performance across periods as well as to evaluate our core operating performance. A reconciliation of Adjusted EBITDA From Continuing Operations to Net Income (Loss) From Continuing Operations is as follows:

(in millions)	Three Months Ended March 31,	
	2025	2024
<b>Net Income (Loss) From Continuing Operations <sup>(1)</sup></b>	<b>\$ (17)</b>	<b>\$ (121)</b>
Interest expense	22	31
Income tax expense (benefit)	(3)	(27)
Depreciation	30	26
Intangible amortization	71	71
<b>EBITDA From Continuing Operations</b>	<b>103</b>	<b>(20)</b>
Share-based compensation	6	28
Transaction and integration expenses <sup>(2)</sup>	3	17
Restructuring	4	15
(Gain) Loss from change in fair value of financial instruments	(8)	21
(Gain) Loss from change in fair value of tax receivable agreement	9	55
Other	1	—
<b>Adjusted EBITDA From Continuing Operations</b>	<b>\$ 118</b>	<b>\$ 116</b>
Revenue	\$ 548	\$ 559
<b>Adjusted EBITDA Margin From Continuing Operations <sup>(3)</sup></b>	<b>21.5 %</b>	<b>20.8 %</b>

(1) Adjusted EBITDA excludes the impact of discontinued operations. Comparable periods have been recast to exclude these impacts.

(2) Transaction and integration expenses primarily relate to acquisition and divestiture activities.

(3) Adjusted EBITDA Margin From Continuing Operations is defined as Adjusted EBITDA From Continuing Operations as a percentage of revenue.

#### ***Employer Solutions Results of Operations for the Three Months Ended March 31, 2025 Compared to the Three Months Ended March 31, 2024***

##### ***Revenue Disaggregation***

(\$ in millions)	Three Months Ended March 31,	
	2025	2024
<b>Employer Solutions Revenue</b>		
Recurring	\$ 520	\$ 521
Project	28	38
Total Employer Solutions Revenue	\$ 548	\$ 559

Employer Solutions revenue was \$548 million for the three months ended March 31, 2025 as compared to \$559 million for the prior year period. The overall decrease of \$11 million was primarily driven by decreases in recurring revenues from lower project revenue and Net Commercial Activity.

##### ***Gross Profit to Adjusted Gross Profit Reconciliation***

Adjusted gross profit is defined as revenue less cost of services adjusted for depreciation, amortization and share-based compensation. Adjusted gross profit margin percent is defined as adjusted gross profit divided by revenue. Management uses adjusted gross profit and adjusted gross profit margin percent as key measures in making financial, operating and planning decisions and in evaluating our performance. We believe that presenting adjusted gross profit and

adjusted gross profit margin percent is useful to investors as it eliminates the impact of certain non-cash expenses and allows a direct comparison between periods.

(in millions)	Three Months Ended	
	March 31, 2025	March 31, 2024
<b>Gross Profit</b>	\$ 171	\$ 182
Add: stock-based compensation	3	5
Add: depreciation and amortization	26	21
<b>Adjusted Gross Profit</b>	<u>\$ 200</u>	<u>\$ 208</u>
<b>Gross Profit Margin</b>	31.2 %	32.6 %
<b>Adjusted Gross Profit Margin</b>	36.5 %	37.2 %

Employer Solutions gross profit was \$171 million for the three months ended March 31, 2025 compared to \$182 million for the prior year period. The decrease of \$11 million was driven by a decrease in revenue and increases in costs associated with funding growth of current and future revenues, partially offset by lower expenses related to productivity initiatives. Employer Solutions adjusted gross profit for the three months ended March 31, 2025 decreased \$8 million to \$200 million from \$208 million in the prior year period, primarily driven by a decrease in revenue and increases in costs associated with funding growth of current and future revenues, partially offset by lower expenses related to productivity initiatives.

### ***Free Cash Flow Reconciliation***

Free Cash Flow is defined as cash provided by operating activities net of capital expenditures. Management believes that free cash flow is an important liquidity metric because it measures, during a given period, the amount of cash generated that is available to repay debt obligations, make strategic acquisitions and investments and for certain other activities such as dividends and stock repurchases.

(in millions)	Three Months Ended	
	March 31, 2025	March 31, 2024
<b>Non-GAAP free cash flow reconciliation:</b>		
Cash provided by operating activities - continuing operations	\$ 73	\$ 92
Capital expenditures	(29)	(31)
<b>Non-GAAP free cash flow</b>	<u>\$ 44</u>	<u>\$ 61</u>

Net cash provided by operating activities was \$73 million for the three months ended March 31, 2025 as compared to \$92 million for the three months ended March 31, 2024. The decrease in cash provided by operating activities was primarily due to an increase in our net working capital requirements.

Free cash flow was \$44 million for the three months ended March 31, 2025 compared to \$61 million from the prior period. The decrease in free cash flow was primarily due to a decrease in cash provided from operations, partially offset by lower capital expenditures.

## **LIQUIDITY AND CAPITAL RESOURCES**

### ***Executive Summary***

Our primary sources of liquidity include our existing cash and cash equivalents, cash flows from operations and availability under our revolving credit facility. Our primary uses of liquidity are operating expenses, funding of our debt requirements and capital expenditures.

We believe that our available cash and cash equivalents, cash flows from operations and availability under our revolving credit facility will be sufficient to meet our liquidity needs, including principal and interest payments on debt obligations, capital expenditures, anticipated quarterly dividend payments, payments on our TRA and anticipated working capital requirements for the foreseeable future. We believe our liquidity position at March 31, 2025 remained strong. We will continue to closely monitor and proactively manage our liquidity position in consideration of the evolving economic outlook and changing interest rate environment.

### ***Indebtedness***

In July 2024, we paid down \$440 million of the Sixth Incremental Term Loans balance and we fully repaid the principal balance of \$300 million Secured Senior Notes with proceeds from the Transaction. We used the remainder of



after-tax cash proceeds to return capital and for general corporate purposes, including reinvestment into growth opportunities.

In January 2025, the Company entered into Amendment No. 11 to the Credit Agreement with a syndicate of lenders to establish a new class of Seventh Incremental Term Loans with an aggregate principal amount of \$2,030 million and to reprice the outstanding Sixth Incremental Term Loans due August 31, 2028 by reducing the applicable rate from SOFR + 2.25% to SOFR + 1.75%.

#### *Share Repurchases*

In August 2022, we established a repurchase program allowing for authorized share repurchases. In March 2024, the Company's Board of Directors authorized the repurchase of up to an additional \$200 million of the Company's Class A Common Stock.

On February 13, 2025, the Company's Board of Directors authorized the repurchase of up to an additional \$200 million of the Company's Class A common stock, providing a total amount authorized for repurchase of \$281 million after giving effect to the increase. Repurchases may be conducted through open market purchases or privately negotiated transactions in compliance with Rule 10b-18 under the Exchange Act, including pursuant to Rule 10b5-1 trading plans. The actual timing and amount of future repurchases are subject to business and market conditions, corporate and regulatory requirements, stock price, acquisition opportunities and other factors. The stock repurchase program does not obligate Alight to acquire any amount of common stock, and the program may be suspended or terminated at any time by Alight at its discretion without prior notice.

During the three months ended March 31, 2025, there were 3,245,932 Class A Common Stock shares repurchased under the Program. As of March 31, 2025, the total remaining amount authorized for repurchase was \$261 million.

#### *Cash Dividends*

In 2024, our Board of Directors approved a quarterly dividend program. Any decision to declare and pay dividends in the future will be made at the sole discretion of our Board of Directors, whose decision will depend on, among other things, our results of operations, cash requirements, financial condition, contractual restrictions and other factors that our Board of Directors may deem relevant.

The following table provides information with respect to quarterly dividends on common stock during the three months ended March 31, 2025.

<b>Declaration Date</b>	<b>Dividends Per Share</b>	<b>Total Payment (in millions)</b>	<b>Record Date</b>	<b>Payable Date</b>
February 13, 2025	\$0.04	\$21	March 3, 2025	March 17, 2025

On April 30, 2025, the Company announced that its Board of Directors approved the payment of a quarterly dividend in the amount of \$0.04 per share of Class A Common Stock on June 16, 2025, to shareholders of record as of the close of business on June 2, 2025.

Cash on our balance sheet includes funds available for general corporate purposes. Funds held on behalf of clients in a fiduciary capacity are segregated and shown in Fiduciary assets on the Condensed Consolidated Balance Sheets as of March 31, 2025 and December 31, 2024, with a corresponding amount in Fiduciary liabilities. Fiduciary funds are not used for general corporate purposes and are not a source of liquidity for us.

The following table provides a summary of cash flows from continuing operating, investing, and financing activities for the periods presented.

(in millions)	<b>Three Months Ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
Cash provided by operating activities - continuing operations	\$ 73	\$ 92
Cash provided by (used in) investing activities - continuing operations	(29)	(31)
Cash used for financing activities - continuing operations	(176)	(118)

#### *Operating Activities*

Net cash provided by operating activities was \$73 million for the three months ended March 31, 2025 as compared to \$92 million for the three months ended March 31, 2024. The decrease in cash provided by operating activities was primarily due to an increase in our net working capital requirements.

### ***Investing Activities***

Cash used in investing activities was \$29 million for the three months ended March 31, 2025 as compared to cash used in investing activities of \$31 million for the three months ended March 31, 2024. The decrease in cash used in investing activities was primarily driven by a decrease in capital expenditures.

### ***Financing Activities***

Cash used in financing activities for the three months ended March 31, 2025 was \$176 million as compared to cash used in financing activities of \$118 million for the three months ended March 31, 2024. The primary drivers of cash used in financing activities for the three months ended March 31, 2025 were \$100 million of TRA payments, \$21 million of dividend payments, \$20 million of share repurchases, a \$12 million net decrease in fiduciary liabilities, \$11 million of shares/units withheld in lieu of taxes, \$5 million of debt repayments, and \$5 million of finance lease payments. The decrease in fiduciary cash was primarily due to timing of client funding and subsequent disbursement of payments.

### ***Cash, Cash Equivalents and Fiduciary Assets***

At March 31, 2025, our continuing operations cash and cash equivalents were \$223 million, a decrease of \$120 million from December 31, 2024. Of the total balances of cash and cash equivalents as of March 31, 2025 and December 31, 2024, none of the balances were restricted as to use.

Some of our client agreements require us to hold funds on behalf of clients to pay obligations on their behalf. The levels of Fiduciary assets and liabilities can fluctuate significantly, depending on when we collect the amounts from clients and make payments on their behalf. Such funds are not available to service our debt or for other corporate purposes. There is typically a short period of time between when the Company receives funds and when it pays obligations on behalf of clients. We are entitled to retain investment income earned on fiduciary funds, when investment strategies are deployed, in accordance with industry custom and practice, which has historically been immaterial. In our Condensed Consolidated Balance Sheets, the amount we report for Fiduciary assets and Fiduciary liabilities are equal. Our continuing operations Fiduciary assets included cash of \$227 million and \$239 million at March 31, 2025 and December 31, 2024, respectively.

### ***Other Liquidity Matters***

Our cash flows from operations, borrowing availability and overall liquidity are subject to risks and uncertainties. For further information, see the “Risk Factors” section within Item 1A of our Annual Report.

We do not have any business, operations or assets in Russia, Belarus or Ukraine and we have not been materially impacted by the actions of the Russian government. We have no revenue from these three countries for all periods presented.

### ***Tax Receivable Agreement***

In connection with the Business Combination, we entered into the TRA with certain of our pre-Business Combination owners that provides for the payment by Alight to such owners of 85% of the benefits that Alight is deemed to realize as a result of the Company’s share of existing tax basis acquired in the Business Combination and other tax benefits related to entering into the TRA.

Actual tax benefits realized by Alight may differ from tax benefits calculated under the TRA as a result of the use of certain assumptions in the TRA, including the use of an assumed weighted-average state and local income tax rate to calculate tax benefits. While the amount of existing tax basis, the anticipated tax basis adjustments and the actual amount and utilization of tax attributes, as well as the amount and timing of any payments under the TRA, will vary depending upon a number of factors, we expect that the payments that Alight may make under the TRA will be substantial. For the three months ended March 31, 2025, we paid \$100 million related to the TRA and no further payments are expected to be made during the remainder of 2025. As of March 31, 2025, we expect to make payments of approximately \$188 million in 2026.

### ***Contractual Obligations and Commitments***

Our material contractual obligations include debt, non-cancellable contractual service and purchase obligations and lease obligations. For additional information regarding debt and non-cancellable contractual service and purchases obligations, see the Condensed Consolidated Financial Statements within Item 1 of this Quarterly Report on Form 10-Q, Note 8 “Debt”, and Note 19 “Commitments and Contingencies”.

On September 1, 2018, the Company executed an agreement to form a strategic partnership with Wipro, a leading global information technology, consulting and business process services company. Effective April 1, 2025, the Company

executed Amendment No. 2 which adjusted the mix of services provided by Wipro. Following the Amendment, the Company's expected remaining cash outflow for non-cancellable service obligations related to our strategic partnership with Wipro is \$152 million, \$170 million, \$105 million, and \$29 million for the remainder of 2025 and the years ended 2026, 2027, and 2028, respectively, and none thereafter, totaling \$456 million.

The Company may terminate certain elements of its arrangement with Wipro for cause or for the Company's convenience with no penalty. In the case of a termination of the entire contract for convenience, the Company would be required to pay a termination fee, including certain of Wipro's unamortized costs, plus 25% of any remaining portion of the minimum level of services the Company agreed to purchase from Wipro over the course of 10 years.

#### **OFF BALANCE SHEET ARRANGEMENTS**

We do not have any off balance sheet arrangements.

#### **CRITICAL ACCOUNTING ESTIMATES**

There were no material changes from the Critical Accounting Estimates disclosed in the Annual Report on Form 10-K for the year ended December 31, 2024. Please refer to "Critical Accounting Estimates" described in Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II of our Annual Report.

#### **Item 3. Quantitative and Qualitative Disclosures About Market Risk.**

For quantitative and qualitative disclosures about market risk, see Item 7A. "Quantitative and Qualitative Disclosures About Market Risk" of our Annual Report. Our exposures to market risk have not changed materially since the filing of the Annual Report.

#### **Item 4. Controls and Procedures.**

##### ***Evaluation of Disclosure Controls and Procedures***

Our management, with the participation of our principal executive officer and principal financial officer, evaluated, as of the end of the period covered by this Quarterly Report on Form 10-Q, the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) designed to ensure that information required to be disclosed in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to management, including our principal executive officer and principal financial officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required or necessary disclosures. Based on the aforementioned evaluation, our principal executive officer and principal financial officer concluded that, as of March 31, 2025, the Company's disclosure controls and procedures were effective.

##### ***Changes in Internal Control Over Financial Reporting***

There has been no change in our internal control over financial reporting that occurred during the period covered by this Quarterly Report on Form 10-Q that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

## PART II—OTHER INFORMATION

### Item 1. Legal Proceedings.

We are a party to a variety of legal proceedings that arise in the normal course of our business. While the results of these legal proceedings cannot be predicted with certainty, we believe that the final outcome of these proceedings will not have a material adverse effect, individually or in the aggregate, on our results of operations or financial condition.

### Item 1A. Risk Factors.

Factors that could cause our actual results to differ materially from those in this Quarterly Report on Form 10-Q are any of the risks described in our Annual Report filed with the SEC on February 27, 2025. Any of these factors could result in a significant or material adverse effect on our results of operations or financial condition. Additional risk factors not presently known to us or that we currently deem immaterial may also impair our business or results of operations.

There have been no material changes from the risk factors previously disclosed under "Part I, Item 1A. Factors" in the Company's filing mentioned in the aforementioned paragraph.

### Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

#### *Issuer Purchases of Equity Securities*

The following table provides information regarding purchases of our Class A Common Stock that were made by us during the three months ended March 31, 2025.

	Total number of shares purchased	Average price paid per share <sup>(1)</sup>	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 (in millions) <sup>(2)</sup>
Beginning repurchase authority	—	\$ —	—	\$ 281
January 1, 2025 through January 31, 2025	—	\$ —	—	281
February 1, 2025 through February 28, 2025	—	—	—	281
March 1, 2025 through March 31, 2025	3,245,932	6.17	3,245,932	261
Balance as of March 31, 2025	3,245,932	\$ 6.17	3,245,932	\$ 261

(1) Average price paid per share for open market purchases includes broker commissions.

(2) On August 1, 2022, the Company's Board of Directors authorized a share repurchase program (the "Program"), under which the Company may repurchase issued and outstanding shares of Class A Common Stock from time to time, depending on market conditions and alternate uses of capital. The program may be effected through open market purchases or privately negotiated transactions in compliance with Rule 10b-18 under the Exchange Act, including through Rule 10b5-1 trading plans. The Program has no expiration date and may be suspended or discontinued at any time. The Program does not obligate the Company to purchase any particular number of shares and there is no guarantee as to any number of shares being repurchased by the Company.

### Item 5. Other Information.

#### **Trading Arrangements**

During the three months ended March 31, 2025, none of the Company's directors or officers (as defined in Rule 16a-1(f) of the Exchange Act) adopted, terminated, or modified a Rule 10b5-1 trading arrangement, or non-Rule 10b5-1 trading arrangement (as such terms are defined in Item 408 of Regulation S-K of the Securities Act).

## Item 6. Exhibits.

Exhibit Number	Description
2.1	<a href="#"><u>Stock and Asset Purchase Agreement, dated as of March 20, 2024, by and among Tempo Acquisition LLC, Axiom Buyer, LLC, the Company (for the limited purposes set forth therein) and Axiom Intermediate I, LLC (for the limited purposes set forth therein) (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K, filed with the SEC on March 20, 2024)†</u></a>
3.1	<a href="#"><u>Amended and Restated Certificate of Incorporation of Alight, Inc. (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K, filed with the SEC on July 12, 2021).</u></a>
3.2	<a href="#"><u>Amended and Restated Bylaws of Alight, Inc. (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K, filed with the SEC on July 12, 2021).</u></a>
10.1	<a href="#"><u>Amendment No. 11 to Credit Agreement, dated as of January 29, 2025 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the SEC on January 30, 2025).</u></a>
31.1*	<a href="#"><u>Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u></a>
31.2*	<a href="#"><u>Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u></a>
32.1**	<a href="#"><u>Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u></a>
32.2**	<a href="#"><u>Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u></a>
101.INS*	Inline XBRL Instance Document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document With Embedded Linkbase Documents
104*	Cover Page Interactive Data File (embedded within the Inline XBRL document)

\* Filed herewith.

\*\* Furnished herewith.

† The related exhibits and schedules are not being filed herewith. The registrant agrees to furnish supplementally a copy of any such exhibits and schedules to the Securities and Exchange Commission upon request.

The agreements and other documents filed as exhibits to this report are not intended to provide factual information or other disclosure other than with respect to the terms of the agreements or other documents themselves, and you should not rely on them for that purpose. In particular, any representations and warranties made by us in these agreements or other documents were made solely within the specific context of the relevant agreement or document and may not describe the actual state of affairs as of the date they were made or at any other time.

## SIGNATURES

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

Alight, Inc.  
(Registrant)

Date: May 8, 2025

By:

/s/ Jeremy Heaton

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**Jeremy Heaton**  
**Chief Financial Officer**  
(Principal Financial Officer, Principal Accounting Officer  
and Authorized Signatory)

**CERTIFICATION PURSUANT TO  
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,  
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Dave Guilmette, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Alight, 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 functions):
  - (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.

Date: May 8, 2025

By:

/s/ Dave Guilmette

**Dave Guilmette**  
**Chief Executive Officer**

**CERTIFICATION PURSUANT TO  
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,  
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Jeremy Heaton, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Alight, 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 functions):
  - (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.

Date: May 8, 2025

By:

/s/ Jeremy Heaton

**Jeremy Heaton**  
**Chief Financial Officer**



**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Alight, Inc. (the “Company”) on Form 10-Q for the period ended March 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 8, 2025

By:

\_\_\_\_\_  
/s/ Dave Guilmette

**Dave Guilmette**  
**Chief Executive Officer**

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Alight, Inc. (the “Company”) on Form 10-Q for the period ended March 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 8, 2025

By:

/s/ Jeremy Heaton

**Jeremy Heaton**  
**Chief Financial Officer**