
**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 June 30, 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: 001-40482

TaskUs, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

1650 Independence Drive, Suite 100
New Braunfels, Texas
(Address of principal executive offices)

83-1586636
(I.R.S. Employer Identification No.)

78132
(Zip Code)

(888) 400-8275
(Registrant's telephone number, including area code)

N/A
(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 \$0.01 per share	TASK	The Nasdaq Stock Market LLC

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See 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
Non-accelerated filer

Accelerated filer
Smaller reporting company
Emerging growth company

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

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

As of August 1, 2025, the number of shares outstanding of the registrant's common stock was as follows: Class A common stock, par value \$0.01 per share: 34,843,287; Class B common stock, par value \$0.01 per share: 55,032,694.

TASKUS, INC.
Quarterly Report on Form 10-Q
For Quarterly Period Ended June 30, 2025
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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q (this "Quarterly Report") contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward looking statements may also be contained in our other reports filed under 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"), which involve certain known and unknown risks and uncertainties. Forward-looking statements include all statements that are not historical facts. In some cases, you can identify these forward-looking statements by the use of words such as "outlook," "believes," "expects," "potential," "continues," "may," "will," "should," "could," "seeks," "predicts," "intends," "trends," "plans," "estimates," "anticipates," "position us," or the negative version of these words or other comparable words. Such forward-looking statements are subject to various risks and uncertainties. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statement was made. We assume no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Our actual results may differ significantly from any results expressed or implied by any forward-looking statements. A summary of the principal risk factors that might cause our actual results to differ from our forward-looking statements is set forth below. The following is only a summary of the principal risks that may materially adversely affect our business, financial condition and results of operations. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this Quarterly Report and the Company's other filings with the Securities and Exchange Commission (the "SEC"), and the more complete discussion of the risk factors we face, which are set forth under Part I, Item 1A, "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2024 (our "Annual Report") and Part II, Item 1A "Risk Factors" in this Quarterly Report, each as filed with the SEC, as such risk factors may be further updated from time to time in our periodic filings with the SEC, which are accessible on the SEC's website at www.sec.gov. Such risks and uncertainties include, but are not limited to, the following:

- Risks relating to the proposed merger we announced on May 8, 2025, including the risk that the proposed merger may not be completed on the terms or timeline currently contemplated or at all, could adversely affect our stock price, business, financial condition and results of operations.
- Our business is dependent on key clients, and the loss of a key client could have an adverse effect on our business, financial condition or results of operations.
- Our clients may terminate contracts before completion or choose not to renew contracts and a loss of business or non-payment from clients could materially affect our results of operations.
- We may fail to cost-effectively acquire and retain new clients, which would adversely affect our business, financial condition or results of operations.
- If we provide inadequate service or cause disruptions in our clients' businesses, or if we fail to comply with the quality standards required by our clients under our agreements, it could result in significant costs to us, the loss of our clients and damage to our corporate reputation.
- Our business prospects will suffer if we are unable to continue to anticipate our clients' needs by adapting to market and technology trends, investing in technology as it develops, and adapting our services and solutions to changes in technology and client expectations.
- Utilization of artificial intelligence by our clients or our failure to incorporate artificial intelligence into our operations could adversely affect our business, reputation, or financial results.
- Unauthorized or improper disclosure of personal or other sensitive information, or security breaches and incidents, whether inadvertent or purposeful, including as the result of a cyber-attack, could result in liability and harm our reputation, each of which could adversely affect our business, financial condition, results of operations and prospects.
- Trust + Safety, including content moderation and monitoring services, is a large and growing portion of our business. The long-term impacts on the mental health and well-being of our employees doing this work are unknown. This work may lead to stress disorders and may create liabilities for us. This work is also subject to significant press and regulatory scrutiny. As a result, we may be subject to negative publicity or liability, or face difficulties recruiting and retaining employees, any of which could have an adverse effect on our reputation, business, financial condition or results of operations.
- Our failure to detect and deter criminal or fraudulent activities or other misconduct by our employees, or third parties such as contractors and consultants that may have access to our data, could result in loss of trust from our clients and negative publicity, which would have an adverse effect on our business, financial condition or results of operations.
- Global economic and political conditions, especially in the social media and meal delivery and transport industries from which we generate significant revenue, could adversely affect our business, financial condition, results of operations or prospects.
- Our business is heavily dependent upon our international operations, particularly in the Philippines and India, and any disruption to those operations would adversely affect us.
- Our business is subject to a variety of state, federal and international laws, including those related to data privacy and security, and we or our clients may be subject to regulations related to the processing of certain types of personal and sensitive information. These laws impose strict requirements on the collection, storage and sharing of personal and sensitive data. Non-compliance by us or our clients could result in legal consequences, including fines, penalties and reputational damage. Additionally, breaches of regulatory requirements could result in litigation, increased scrutiny from regulatory bodies, and loss of customer trust, all of which may adversely affect our business, financial condition, operational results and long-term prospects.
- Fluctuations against the U.S. dollar in the local currencies in the countries in which we operate could have a material effect on our business, financial condition or results of operations.
- Our business depends on a strong brand and corporate reputation, and if we are not able to maintain and enhance our brand, our ability to maintain and expand our client base will be impaired and our business, financial condition and results of operations will be adversely affected.
- Pricing pressure may reduce our revenue or gross profits and adversely affect our business, financial condition or results of operations.
- Our business, financial condition and results of operations have been, and could in the future be, adversely affected by volatile, unfavorable or uncertain economic and political conditions, particularly in the markets in which our clients and operations are concentrated, and the effects of these conditions on our clients' businesses.
- The success of our business depends on our senior management and key employees.

- Increases in employee expenses as well as changes to labor laws could reduce our profit margin.
- We may fail to attract, hire, train and retain sufficient numbers of skilled employees in a timely fashion at our sites to support our operations, which could have a material adverse effect on our business, financial condition, results of operations and prospects.
- We may face difficulties as we expand our operations into countries or industries in which we have no prior operating experience and in which we may be subject to increased business, economic and regulatory risks that could impact our business, financial condition or results of operations.
- Our business relies heavily on owned and third-party technology and computer systems, which subjects us to various uncertainties.
- Our profitability will suffer if we are not able to maintain asset utilization levels, price appropriately and control our costs.
- Certain investment funds associated with Blackstone Inc. and our Co-Founders control us and their interests may conflict with ours or yours in the future.
- The dual class structure of our common stock has the effect of concentrating voting control with those stockholders who held our common stock prior to the completion of our June 2021 initial public offering, and it may depress the trading price of our Class A common stock.
- The market price of shares of our Class A common stock has been, and may continue to be, volatile and may decline regardless of our operating performance, which could cause the value of your investment to decline.

We urge you to carefully consider the foregoing summary together with the risks discussed under "Risk Factors" in the Annual Report, and in Part I, Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations in this Quarterly Report.

WEBSITE AND SOCIAL MEDIA DISCLOSURE

We use our website (www.taskus.com) and our social media outlets, such as Facebook, Instagram, LinkedIn, YouTube and X, as channels of distribution of Company information. The information we post through these channels may be deemed material. Financial and other important information regarding the Company is routinely posted on and accessible through the Company’s website at ir.taskus.com, its Facebook page at facebook.com/TaskUs/, its Instagram page at instagram.com/taskus/, its LinkedIn page at linkedin.com/company/taskus/, its YouTube account at youtube.com/c/Taskus/, and its X account at x.com/taskus. Accordingly, investors should monitor these channels, in addition to following our press releases, SEC filings and public conference calls and webcasts. In addition, you may automatically receive email alerts and other information about the Company when you enroll your email address by visiting the “Shareholder Resources—Email Alerts” section of our investor relations website at ir.taskus.com. The contents of our website and social media channels are not, however, a part of this Quarterly Report.

PART I — FINANCIAL INFORMATION

Item 1. Financial Statements

TASKUS, INC.
Unaudited Condensed Consolidated Balance Sheets
(in thousands, except share data)

	June 30, 2025	December 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 181,916	\$ 192,166
Accounts receivable, net of allowance for credit losses of \$1,635 and \$1,299, respectively	231,442	198,996
Income tax receivable	424	912
Prepaid expenses and other current assets	57,347	43,278
Total current assets	471,129	435,352
Noncurrent assets:		
Property and equipment, net	86,545	66,775
Operating lease right-of-use assets	59,980	47,334
Deferred tax assets	9,577	8,431
Intangibles	163,505	172,525
Goodwill	219,539	216,791
Other noncurrent assets	8,002	6,090
Total noncurrent assets	547,148	517,946
Total assets	\$ 1,018,277	\$ 953,298
Liabilities and Shareholders' Equity		
Liabilities:		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 57,392	\$ 53,403
Accrued payroll and employee-related liabilities	60,628	54,160
Current portion of debt	18,184	14,809
Current portion of operating lease liabilities	20,530	16,087
Current portion of income tax payable	5,829	9,839
Deferred revenue	3,462	3,727
Total current liabilities	166,025	152,025
Noncurrent liabilities:		
Income tax payable	8,984	6,496
Long-term debt	231,421	241,357
Operating lease liabilities	42,778	32,946
Accrued payroll and employee-related liabilities	7,523	6,425
Deferred tax liabilities	16,994	17,046
Other noncurrent liabilities	2	84
Total noncurrent liabilities	307,702	304,354
Total liabilities	473,727	456,379
Commitments and Contingencies (See Note 9)		
Shareholders' equity:		
Class A common stock, \$0.01 par value. Authorized 2,500,000,000; 50,149,749 issued and 34,713,525 outstanding and 33,215,441 issued and 19,891,464 outstanding, respectively	501	332
Class B convertible common stock, \$0.01 par value. Authorized 250,000,000; 55,032,694 and 70,032,694 shares issued and outstanding, respectively	550	700
Additional paid-in capital	745,144	726,917
Accumulated deficit	(2,919)	(44,114)
Accumulated other comprehensive loss	(9,417)	(25,389)
Treasury stock, at cost. 15,436,224 and 13,323,977 shares, respectively	(189,309)	(161,527)
Total shareholders' equity	544,550	496,919
Total liabilities and shareholders' equity	\$ 1,018,277	\$ 953,298

See accompanying notes to unaudited condensed consolidated financial statements.

TASKUS, INC.
Unaudited Condensed Consolidated Statements of Income
(in thousands, except share and per share data)

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Service revenue	\$ 294,086	\$ 237,928	\$ 571,878	\$ 465,398
Operating expenses:				
Cost of services	180,568	143,876	351,749	279,287
Selling, general and administrative expense	68,406	56,276	125,830	109,180
Depreciation	9,867	9,978	19,870	20,767
Amortization of intangible assets	4,997	4,982	9,973	9,967
Loss (gain) on disposal of assets	(114)	94	(144)	(83)
Total operating expenses	263,724	215,206	507,278	419,118
Operating income	30,362	22,722	64,600	46,280
Other income, net	(1,327)	(2,703)	(1,500)	(2,905)
Financing expenses	4,635	5,490	9,298	11,028
Income before income taxes	27,054	19,935	56,802	38,157
Provision for income taxes	7,007	7,337	15,607	13,845
Net income	\$ 20,047	\$ 12,598	\$ 41,195	\$ 24,312
Net income per common share:				
Basic	\$ 0.22	\$ 0.14	\$ 0.46	\$ 0.27
Diluted	\$ 0.22	\$ 0.14	\$ 0.44	\$ 0.27
Weighted-average number of common shares outstanding:				
Basic	89,493,215	88,331,992	89,766,782	88,563,601
Diluted	92,576,805	91,629,930	93,116,173	91,739,908

See accompanying notes to unaudited condensed consolidated financial statements.

TASKUS, INC.
Unaudited Condensed Consolidated Statements of Comprehensive Income
(in thousands)

	<u>Three months ended June 30,</u>		<u>Six months ended June 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Net income	\$ 20,047	\$ 12,598	\$ 41,195	\$ 24,312
Unrealized gain on derivative contracts, net	2,773	—	8,055	—
Retirement benefit reserves, net	(28)	17	(49)	22
Foreign currency translation adjustments	4,729	(7,734)	7,966	(11,047)
Comprehensive income	<u>\$ 27,521</u>	<u>\$ 4,881</u>	<u>\$ 57,167</u>	<u>\$ 13,287</u>

See accompanying notes to unaudited condensed consolidated financial statements.

TASKUS, INC.
Unaudited Condensed Consolidated Statements of Shareholders' Equity
(in thousands, except share data)

	Capital stock and additional paid-in capital					Accumulated deficit	Accumulated other comprehensive loss	Treasury stock		Total shareholders' equity
	Class A common stock		Class B convertible common stock		Additional paid-in capital			Shares	Amount	
	Shares	Amount	Shares	Amount						
Balance as of December 31, 2023	30,522,570	\$ 305	70,032,694	\$ 700	\$ 683,117	\$ (89,984)	\$ (9,551)	11,796,623	\$ (143,876)	\$ 440,711
Issuance of common stock for settlement of equity awards	620,835	6	—	—	189	—	—	—	—	195
Shares withheld related to net share settlement	(122,480)	(1)	—	—	(1,573)	—	—	—	—	(1,574)
Repurchase of common stock	—	—	—	—	—	—	—	285,611	(3,379)	(3,379)
Stock-based compensation expense	—	—	—	—	10,235	—	—	—	—	10,235
Net income	—	—	—	—	—	11,714	—	—	—	11,714
Other comprehensive loss	—	—	—	—	—	—	(3,308)	—	—	(3,308)
Balance as of March 31, 2024	31,020,925	\$ 310	70,032,694	\$ 700	\$ 691,968	\$ (78,270)	\$ (12,859)	12,082,234	\$ (147,255)	\$ 454,594
Issuance of common stock for settlement of equity awards	722,711	7	—	—	1,849	—	—	—	—	1,856
Shares withheld related to net share settlement	(40,437)	—	—	—	(500)	—	—	—	—	(500)
Repurchase of common stock	—	—	—	—	—	—	—	1,024,556	(11,759)	(11,759)
Stock-based compensation expense	—	—	—	—	11,121	—	—	—	—	11,121
Net income	—	—	—	—	—	12,598	—	—	—	12,598
Other comprehensive loss	—	—	—	—	—	—	(7,717)	—	—	(7,717)
Balance as of June 30, 2024	31,703,199	\$ 317	70,032,694	\$ 700	\$ 704,438	\$ (65,672)	\$ (20,576)	13,106,790	\$ (159,014)	\$ 460,193

	Capital stock and additional paid-in capital					Accumulated deficit	Accumulated other comprehensive loss	Treasury stock		Total shareholders' equity
	Class A common stock		Class B convertible common stock		Additional paid-in capital			Shares	Amount	
	Shares	Amount	Shares	Amount						
Balance as of December 31, 2024	33,215,441	\$ 332	70,032,694	\$ 700	\$ 726,917	\$ (44,114)	\$ (25,389)	13,323,977	\$ (161,527)	\$ 496,919
Issuance of common stock for settlement of equity awards	1,237,630	12	—	—	206	—	—	—	—	218
Shares withheld related to net share settlement	(376,750)	(3)	—	—	(5,111)	—	—	—	—	(5,114)
Repurchase of common stock	—	—	—	—	—	—	—	750,691	(10,107)	(10,107)
Stock-based compensation expense	—	—	—	—	8,749	—	—	—	—	8,749
Net income	—	—	—	—	—	21,148	—	—	—	21,148
Other comprehensive income	—	—	—	—	—	—	8,498	—	—	8,498
Balance as of March 31, 2025	34,076,321	\$ 341	70,032,694	\$ 700	\$ 730,761	\$ (22,966)	\$ (16,891)	14,074,668	\$ (171,634)	\$ 520,311
Issuance of common stock for settlement of equity awards	1,126,778	11	—	—	6,898	—	—	—	—	6,909
Shares withheld related to net share settlement	(53,350)	(1)	—	—	(822)	—	—	—	—	(823)
Conversion from Class B to Class A Common Stock	15,000,000	150	(15,000,000)	(150)	—	—	—	—	—	—
Repurchase of common stock	—	—	—	—	—	—	—	1,361,556	(17,675)	(17,675)
Stock-based compensation expense	—	—	—	—	8,307	—	—	—	—	8,307
Net income	—	—	—	—	—	20,047	—	—	—	20,047
Other comprehensive income	—	—	—	—	—	—	7,474	—	—	7,474
Balance as of June 30, 2025	50,149,749	\$ 501	55,032,694	\$ 550	\$ 745,144	\$ (2,919)	\$ (9,417)	15,436,224	\$ (189,309)	\$ 544,550

See accompanying notes to unaudited condensed consolidated financial statements.

TASKUS, INC.
Unaudited Condensed Consolidated Statements of Cash Flows
(in thousands)

	Six months ended June 30,	
	2025	2024
Cash flows from operating activities:		
Net income	\$ 41,195	\$ 24,312
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	19,870	20,767
Amortization of intangibles	9,973	9,967
Amortization of debt financing fees	298	298
Gain on disposal of assets	(144)	(83)
Provision for (benefit from) credit losses	492	(259)
Unrealized foreign exchange losses on forward contracts	—	3,463
Deferred taxes	(3,144)	(1,364)
Stock-based compensation expense	17,056	21,356
Changes in operating assets and liabilities:		
Accounts receivable	(31,333)	1,352
Prepaid expenses and other current assets	(6,478)	(4,740)
Operating lease right-of-use assets	9,862	7,796
Other noncurrent assets	(1,771)	(338)
Accounts payable and accrued liabilities	2,402	(34)
Accrued payroll and employee-related liabilities	5,055	10,275
Operating lease liabilities	(8,327)	(8,166)
Income tax payable	(1,357)	(2,913)
Deferred revenue	(283)	(333)
Other noncurrent liabilities	(81)	(145)
Net cash provided by operating activities	<u>53,285</u>	<u>81,211</u>
Cash flows from investing activities:		
Purchase of property and equipment	(31,451)	(8,088)
Net cash used in investing activities	<u>(31,451)</u>	<u>(8,088)</u>
Cash flows from financing activities:		
Payments for deferred business acquisition consideration	(150)	(144)
Payments on long-term debt	(6,750)	(3,375)
Proceeds from employee stock plans	7,127	2,051
Payments for taxes related to net share settlement	(5,937)	(2,074)
Payments for stock repurchases	(27,783)	(15,072)
Net cash used in financing activities	<u>(33,493)</u>	<u>(18,614)</u>
Increase (decrease) in cash and cash equivalents	(11,659)	54,509
Effect of exchange rate changes on cash	1,409	(9,152)
Cash and cash equivalents at beginning of period	192,166	125,776
Cash and cash equivalents at end of period	<u>\$ 181,916</u>	<u>\$ 171,133</u>

See accompanying notes to unaudited condensed consolidated financial statements.

TASKUS, INC.

Notes to Unaudited Condensed Consolidated Financial Statements

1. Description of Business and Organization

TaskUs, Inc. ("TaskUs," together with its subsidiaries, the "Company," "we," "us" or "our") was formed by investment funds affiliated with Blackstone Inc. ("Blackstone") as a vehicle for the acquisition of TaskUs Holdings, Inc. ("TaskUs Holdings") on October 1, 2018 (the "Blackstone Acquisition"). Prior to the Blackstone Acquisition, TaskUs had no operations and TaskUs Holdings operated as a standalone entity. TaskUs, Inc. was incorporated in Delaware in July 2018, and is headquartered in New Braunfels, Texas.

The Company is a provider of outsourced digital services and next-generation customer experience to the world's most innovative companies, helping its clients represent, protect and grow their brands. The Company's global, omni-channel delivery model is focused on providing its clients three key services – Digital Customer Experience, Trust + Safety and Artificial Intelligence ("AI") Services. The Company has designed its platform to enable it to rapidly scale and benefit from its clients' growth. Through its agile and responsive operational model, the Company delivers services from multiple delivery sites that span globally from the United States, the Philippines, India and other parts of the world.

The Company's major service offerings are described in more detail below:

- *Digital Customer Experience*: Principally consists of omnichannel customer care services, primarily delivered through digital (non-voice) channels. Also included in this offering are learning experience and sales and customer acquisition services.
- *Trust + Safety*: Principally consists of monitoring, reviewing and managing user and advertiser-generated content on online platforms to ensure it complies with community guidelines, legal regulations and platform specific policies. Also included in this offering are our services for risk management, compliance, identity management and fraud.
- *AI Services*: Principally consists of large language model support and high-quality data labeling services, annotation, context relevance and transcription services performed for the purpose of training and tuning machine learning algorithms, enabling them to develop cutting-edge AI systems.

On May 8, 2025, the Company entered into an Agreement and Plan of Merger (as it may be amended from time to time, the "Merger Agreement") to be acquired by an affiliate of Blackstone, the Company's Co-Founder and Chief Executive Officer, Bryce Maddock, and the Company's Co-Founder and President, Jaspas Weir (collectively, the "Buyer Group"), pursuant to which the Buyer Group agreed to acquire 100% of the outstanding shares of the Company's Class A common stock that it does not already own (the "Merger"). Pursuant to the Merger Agreement and subject to the satisfaction or waiver of certain closing conditions and on the terms set forth therein, Company stockholders are to receive \$16.50, in cash, per share. The corporation surviving the Merger (the "Surviving Company") will be collectively owned, directly or indirectly, by (i) BCP FC Aggregator L.P., (ii) The Maddock 2015 Irrevocable Trust, The Bryce Maddock Family Trust, The Maddock 2015 Exempt Irrevocable Trust and Bryce Maddock, (iii) The Weir 2015 Irrevocable Trust, The Jaspas Weir Family Trust, The Weir 2015 Exempt Irrevocable Trust and Jaspas Weir (the stockholders described in clauses (i)-(iii), collectively, the "Continuing Stockholders") and (iv) the other holders of Continuing Shares (as defined in the Merger Agreement) (if any).

Completion of the Merger is subject to certain closing conditions and approvals, including the receipt of required regulatory and stockholder approvals (including the approval of the holders of common stock of the Company not owned by the Buyer Group). The Merger Agreement also includes certain covenants of the Company, including with respect to the non-solicitation of alternative acquisition proposals, as well as other customary representations, warranties and covenants by the Company and Breeze Merger Corporation, a Delaware corporation (the "Merger Corporation"). Completion of the Merger is not subject to a financing condition.

On July 1, 2025, the Company filed a preliminary proxy statement with the SEC in connection with a special meeting of the stockholders of the Company to consider and vote on the Merger and related matters. Subsequently, the Company filed an amendment to the preliminary proxy statement on July 31, 2025.

The Merger is expected to close in the second half of 2025. Upon completion, the Company's common stock will no longer be listed on any public market.

2. Summary of Significant Accounting Policies

(a) Basis of Presentation

The accounting and reporting policies of the Company are in accordance with accounting principles generally accepted in the United States of America ("US GAAP"). Our Annual Report on Form 10-K for the year ended December 31, 2024 (the "Annual Report"), as filed with the Securities and Exchange Commission (the "SEC"), includes a discussion of the significant accounting policies used in the preparation of our consolidated financial statements. There have been no changes to the Company's significant accounting policies described in the Annual Report that have had a material impact on the Company's condensed consolidated financial statements and related notes.

These unaudited condensed consolidated financial statements and accompanying notes have been prepared in accordance with US GAAP for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and notes required by US GAAP for complete financial statements and should be read in conjunction with the Company's audited consolidated financial statements and notes thereto for the year ended December 31, 2024 included in the Annual Report. In the opinion of the Company, the accompanying unaudited condensed consolidated financial statements contain all adjustments, consisting of only normal recurring adjustments, necessary for a fair statement of its financial position as of June 30, 2025 and its statements of income, comprehensive income and shareholders' equity for the three and six months ended June 30, 2025 and 2024, and cash flows for the six months ended June 30, 2025 and 2024. The condensed consolidated balance sheet as of December 31, 2024, was derived from audited annual financial statements but does not contain all of the footnote disclosures from the annual financial statements.

(b) Use of Estimates

The preparation of consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Significant items subject to such estimates and assumptions include the determination of useful lives and impairment of fixed assets; allowances for credit losses; the valuation of deferred tax assets; the measurement of lease liabilities and right-of-use assets; valuation of forward contracts; valuation of stock-based compensation; valuation of acquired intangible assets and goodwill, as well as related impairment assessments, and reserves for income tax uncertainties and other contingencies.

(c) Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation. The Company has no variable interest entities in its corporate structure.

(d) Concentration Risk

Most of the Company's clients are located in the United States. Clients outside of the United States are concentrated in Europe.

For the three and six months ended June 30, 2025 and 2024, the following client represented greater than 10% of the Company's service revenue:

Client	Service revenue percentage			
	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
A	26 %	20 %	26 %	20 %

As of June 30, 2025 and December 31, 2024, the following clients represented greater than 10% of the Company's accounts receivable:

Client	Accounts receivable percentage	
	June 30, 2025	December 31, 2024
A	19 %	19 %
B	Less than 10%	11 %

The Company's principal operations, including the majority of its employees and the fixed assets owned by its wholly owned subsidiaries, are located in the Philippines.

(e) Recent Accounting Pronouncements

The Company currently qualifies as an "emerging growth company" under the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"). Accordingly, the Company is provided the option to adopt new or revised accounting guidance either (i) within the same periods as those otherwise applicable to non-emerging growth companies or (ii) within the same time periods as private companies. The Company has elected to adopt new or revised accounting guidance within the same time period as private companies.

Recently issued accounting pronouncements

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures. This standard improves the transparency of rate reconciliation and income taxes paid disclosures by requiring (1) consistent categories and greater disaggregation of information in the rate reconciliation and (2) income taxes paid disaggregated by jurisdiction. The standard also improves the effectiveness and comparability of disclosures by (1) adding disclosures of pretax income (loss) and income tax expense (benefit) and (2) removing disclosures that no longer are considered cost beneficial or relevant. This ASU will be effective for the Company for fiscal years beginning after December 15, 2025. Early adoption is permitted. This ASU will be applied prospectively, with retrospective application permitted. The Company does not expect the adoption of this ASU to have a material impact on its consolidated financial statements.

In November 2024, the FASB issued ASU 2024-03, Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expense. The amendments in this Update require (1) disclosure of employee compensation, depreciation and intangible asset amortization included in each expense caption presented on the face of the income statement within continuing operations ("relevant expense captions"); (2) certain amounts that are already required to be disclosed under current GAAP to be included in the same disclosure as the other disaggregation requirements; (3) a qualitative description of the amounts remaining in relevant expense captions that are not separately disaggregated quantitatively; and (4) disclosure of the total amount of selling expenses and, in annual reporting periods, the Company's definition of selling expenses. This ASU will be effective for the Company for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027. Early adoption is permitted. This ASU should be applied either prospectively or retrospectively. The Company is currently reviewing this ASU.

3. Revenue from Contracts with Customers

Disaggregation of Revenue

The Company's revenues are derived from contracts with customers related to business outsourcing services that it provides. The following table presents the breakdown of the Company's revenues by service offering:

(in thousands)	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Digital Customer Experience	\$ 165,082	\$ 148,352	\$ 324,944	\$ 291,843
Trust + Safety	76,451	59,066	148,911	114,338
AI Services	52,553	30,510	98,023	59,217
Service revenue	\$ 294,086	\$ 237,928	\$ 571,878	\$ 465,398

The majority of the Company's revenues are derived from contracts with customers who are located in the United States. However, the Company delivers its services from geographies outside of the United States. The following table presents the breakdown of the Company's revenues by geographical location, based on where the services are provided from:

(in thousands)	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Philippines	\$ 160,191	\$ 138,308	\$ 311,908	\$ 269,521
United States	32,393	25,267	65,614	50,857
India	37,079	29,468	72,507	58,377
Rest of World	64,423	44,885	121,849	86,643
Service revenue	\$ 294,086	\$ 237,928	\$ 571,878	\$ 465,398

Contract Balances

Accounts receivable, net of allowance for credit losses includes \$104.1 million and \$92.7 million of unbilled revenue as of June 30, 2025 and December 31, 2024, respectively.

4. Forward Contracts

The Company transacts business in various foreign currencies and has international sales and expenses denominated in foreign currencies, subjecting the Company to foreign currency exchange rate risk. During 2025 and 2024, the Company entered into foreign currency exchange rate forward contracts, with five commercial banks as the counterparties, with maturities of generally 12 months or less, to reduce the volatility of cash flows, primarily related to forecasted costs denominated in Philippine pesos, Indian rupees, Mexican pesos and Colombian pesos. In addition, the Company utilizes foreign currency exchange rate contracts to mitigate foreign currency exchange rate risk associated with foreign currency-denominated assets and liabilities, primarily intercompany balances. The Company does not use foreign currency exchange rate contracts for trading purposes.

Cash Flow Hedges

The following table presents the Company's realized gains associated with our cash flow hedges reclassified from accumulated other comprehensive loss ("AOCL") to earnings:

<i>(in thousands)</i>	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Cost of services	\$ (1,499)	\$ —	\$ (1,066)	\$ —
Selling, general and administrative expense	(308)	—	(219)	—
Depreciation expense	(91)	—	(65)	—
Total amount reclassified from AOCL	\$ (1,898)	\$ —	\$ (1,350)	\$ —

The following table presents the Company's settled forward contracts designated as cash flow hedges:

<i>(in thousands)</i>	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Notional amount of settled forward contracts in Philippine pesos	\$ 46,842	\$ —	\$ 92,777	\$ —
Notional amount of settled forward contracts in Indian rupees	12,302	—	24,101	—
Notional amount of settled forward contracts in Mexican pesos	4,217	—	8,598	—
Notional amount of settled forward contracts in Colombian pesos	10,687	—	20,845	—
Total notional amount of settled forward contracts designated as cash flow hedges	\$ 74,048	\$ —	\$ 146,321	\$ —

The following table presents the Company's outstanding forward contracts designated as cash flow hedges:

<i>(in thousands)</i>	June 30, 2025	December 31, 2024
Notional amount of outstanding forward contracts in Philippine pesos	\$ 158,121	\$ 152,803
Notional amount of outstanding forward contracts in Indian rupees	50,459	41,819
Notional amount of outstanding forward contracts in Mexican pesos	15,087	14,380
Notional amount of outstanding forward contracts in Colombian pesos	40,922	35,141
Total notional amount of outstanding forward contracts designated as cash flow hedges	\$ 264,589	\$ 244,143

All cash flow hedges were determined to be highly effective, with no component of any gain or loss excluded from the assessment of hedge effectiveness, for the periods presented. Net unrealized gains on cash flow hedges for the three and six months ended June 30, 2025 were \$5.5 million and \$11.5 million, respectively. As of June 30, 2025, the net accumulated gain on our foreign currency cash flow hedges expected to be reclassified from AOCL into earnings within the next 12 months was \$6.0 million. See Note 13, "Accumulated Other Comprehensive Loss" for additional information regarding changes in accumulated other comprehensive loss.

Derivatives Not Designated as Hedging Instruments

The following table presents the Company's settled forward contracts and realized and unrealized losses associated with derivative contracts not designated as hedging instruments:

(in thousands)	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Notional amount of settled forward contracts in Philippine pesos	\$ —	\$ 41,690	\$ —	\$ 87,654
Notional amount of settled forward contracts in Indian rupees	—	10,488	—	22,893
Total notional amount of settled forward contracts	\$ —	\$ 52,178	\$ —	\$ 110,547
Realized losses from settlement of forward contracts	\$ —	\$ 2,076	\$ —	\$ 2,769
Unrealized losses on forward contracts	\$ —	\$ 1,966	\$ —	\$ 3,463

There were no outstanding forward contracts not designated as hedging instruments as of June 30, 2025 and December 31, 2024.

Fair Value Measurements

The Company's derivatives are carried at fair value using various pricing models that incorporate observable market inputs, such as interest rate yield curves and currency rates, which are Level 2 inputs. By entering into derivative contracts, the Company is exposed to counterparty credit risk, or the failure of the counterparty to perform under the terms of the derivative contract. Derivative valuations incorporate credit risk adjustments that are necessary to reflect the probability of default by the counterparty or by the Company. For the periods presented, the non-performance risk of the Company and the counterparties did not have a material impact on the fair value of the derivative instruments.

For financial statement presentation purposes, the Company does not offset assets and liabilities under master netting arrangements. The following table presents information about the Company's assets and liabilities that are measured at fair value on a recurring basis at June 30, 2025 and December 31, 2024 and indicates the fair value hierarchy of the valuation techniques utilized to determine such fair value:

(in thousands)	June 30, 2025					
	Fair value measurements using			Total Gross Fair Value	Effect of Master Netting Arrangements	Net Amounts
	Level 1 inputs	Level 2 inputs	Level 3 inputs			
Assets						
Money market funds	\$ 41,677	\$ —	\$ —	\$ 41,677	\$ —	\$ 41,677
Derivatives designated as hedging instruments:						
Forward contracts receivable	\$ —	\$ 6,253	\$ —	\$ 6,253	\$ (274)	\$ 5,979
Liabilities						
Derivatives designated as hedging instruments:						
Forward contracts payable	\$ —	\$ 274	\$ —	\$ 274	\$ (274)	\$ —
	December 31, 2024					
	Fair value measurements using			Total Gross Fair Value	Effect of Master Netting Arrangements	Net Amounts
	Level 1 inputs	Level 2 inputs	Level 3 inputs			
Assets						
Money market funds	\$ 60,346	\$ —	\$ —	\$ 60,346	\$ —	\$ 60,346
Derivatives designated as hedging instruments:						
Forward contracts receivable	\$ —	\$ 2	\$ —	\$ 2	\$ (2)	\$ —
Liabilities						
Derivatives designated as hedging instruments:						
Forward contracts payable	\$ —	\$ 4,221	\$ —	\$ 4,221	\$ (2)	\$ 4,219

5. Property and Equipment, net

The components of property and equipment, net as of June 30, 2025 and December 31, 2024, were as follows:

<i>(in thousands)</i>	June 30, 2025	December 31, 2024
Leasehold improvements	\$ 96,462	\$ 76,171
Technology and computers	131,439	115,816
Furniture and fixtures	11,438	8,480
Construction in process	4,807	5,476
Other property and equipment	21,479	16,260
Property and equipment, gross	265,625	222,203
Accumulated depreciation	(179,080)	(155,428)
Property and equipment, net	<u>\$ 86,545</u>	<u>\$ 66,775</u>

The Company's principal operations are in the Philippines where the majority of property and equipment resides under its wholly owned subsidiaries. The table below presents the Company's total property and equipment by geographic location as of June 30, 2025 and December 31, 2024:

<i>(in thousands)</i>	June 30, 2025	December 31, 2024
Philippines	\$ 31,723	\$ 22,888
United States	7,093	7,116
India	15,303	11,830
Colombia	19,760	12,950
Rest of World	12,666	11,991
Property and equipment, net	<u>\$ 86,545</u>	<u>\$ 66,775</u>

6. Goodwill and Intangibles

The changes in the carrying amount of goodwill during the period were as follows:

<i>(in thousands)</i>	June 30, 2025	December 31, 2024
Balance as of December 31, 2024		\$ 216,791
Foreign currency translation		2,748
Balance as of June 30, 2025		<u>\$ 219,539</u>

Intangible assets consisted of the following as of June 30, 2025 and December 31, 2024:

<i>(in thousands)</i>	June 30, 2025			December 31, 2024		
	Intangibles, Gross	Accumulated Amortization	Intangibles, Net	Intangibles, Gross	Accumulated Amortization	Intangibles, Net
Customer relationships	\$ 252,609	\$ (112,149)	\$ 140,460	\$ 251,245	\$ (103,162)	\$ 148,083
Trade names	41,900	(18,855)	23,045	41,900	(17,458)	24,442
Other intangibles	129	(129)	—	158	(158)	—
Total	<u>\$ 294,638</u>	<u>\$ (131,133)</u>	<u>\$ 163,505</u>	<u>\$ 293,303</u>	<u>\$ (120,778)</u>	<u>\$ 172,525</u>

7. Long-Term Debt

The balances of current and noncurrent portions of debt consisted of the following as of June 30, 2025 and December 31, 2024:

<i>(in thousands)</i>	June 30, 2025			December 31, 2024		
	Current	Noncurrent	Total	Current	Noncurrent	Total
Term Loan	\$ 18,562	\$ 231,863	\$ 250,425	\$ 15,188	\$ 241,988	\$ 257,176
Less: Debt financing fees	(378)	(442)	(820)	(379)	(631)	(1,010)
Total	<u>\$ 18,184</u>	<u>\$ 231,421</u>	<u>\$ 249,605</u>	<u>\$ 14,809</u>	<u>\$ 241,357</u>	<u>\$ 256,166</u>

2022 Credit Agreement

On September 7, 2022, the Company amended and restated its prior credit agreement (as amended and restated the "2022 Credit Agreement"), which includes a \$270.0 million term loan (the "2022 Term Loan Facility") and a \$190.0 million revolving credit facility (the "2022 Revolving Credit Facility" and, together with the 2022 Term Loan Facility, the "2022 Credit Facilities").

The 2022 Term Loan Facility matures on September 7, 2027. We have elected to pay interest on borrowings under the 2022 Term Loan Facility based on the SOFR rate. The interest rate in effect for the 2022 Term Loan Facility as of June 30, 2025 was 6.646% per annum. Due to its variable interest rates, the carrying amount of debt approximates fair value based on the present value of future cash flows using Level 2 inputs.

The 2022 Revolving Credit Facility terminates on September 7, 2027. As of June 30, 2025, the Company had no balance outstanding and \$190.0 million of borrowing availability under the 2022 Revolving Credit Facility.

The Company was in compliance with all debt covenants as of June 30, 2025.

8. Leases

The following table presents operating lease costs recorded to cost of services:

<i>(in thousands)</i>	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Operating lease costs - Cost of services	\$ 6,160	\$ 4,642	\$ 11,886	\$ 9,119

Operating lease costs recorded to selling, general and administrative expenses were immaterial.

The following table presents the weighted average remaining lease term and weighted average discount rate for the Company's operating leases as of June 30, 2025 and December 31, 2024:

	June 30, 2025	December 31, 2024
Weighted average remaining lease term	3.5 years	3.5 years
Weighted average discount rate	6.9 %	6.6 %

The following table presents supplemental cash flow information related to the Company's operating leases:

<i>(in thousands)</i>	Six months ended June 30,	
	2025	2024
Cash paid for amounts included in the measurement of operating lease liabilities	\$ 10,280	\$ 9,636
ROU assets obtained in exchange for operating lease liabilities	19,877	3,979

The future lease payments on the Company's operating lease liabilities as of June 30, 2025 were as follows:

<i>(in thousands)</i>	
2025-remainder of year	\$ 12,340
2026	21,889
2027	16,225
2028	11,214
2029	8,204
Thereafter	1,461
Total lease payments	71,333
Less: imputed interest	(8,025)
Total lease liabilities	\$ 63,308

9. Commitments and Contingencies

Legal Proceedings

The Company is subject to various legal proceedings, claims, and litigation arising in the ordinary course of business. Although the outcomes of such matters cannot be predicted with certainty, the Company believes that resolution of all such pending matters will not, either individually or in the aggregate, have a material adverse effect on its business, operating results, cash flows, or financial condition. However, given the inherent unpredictability of litigations, arbitrations, claims, inquiries, investigations and proceedings, it is possible that an adverse outcome in certain matters could have a material adverse effect on our business, operating results, cash flows, or financial condition in any future period. In addition, there can be no assurance that material losses will not be incurred from claims where potential losses have not yet been determined to be probable or possible and reasonably estimable.

On February 23, 2022, a purported class action lawsuit captioned *Lozada v. TaskUs, Inc. et al.* (No. 22-cv-1479-JPC), was filed in the United States District Court for the Southern District of New York against the Company, our Chief Executive Officer, our President, and our Chief Financial Officer. The complaint alleges that the registration statement filed in connection with the Company's initial public offering ("IPO") and the Company's second and third quarter 2021 earnings calls contained materially false and misleading information in violation of the federal securities laws. On October 20, 2022, the court entered an order appointing Humberto Lozada as lead plaintiff in the lawsuit. On December 16, 2022, lead plaintiff filed an amended complaint, alleging additional misstatements in certain of the Company's 2021 earnings releases filed on Form 8-K and at an investor conference, and asserting additional securities claims, including against members of TaskUs's board of directors as well as BCP FC Aggregator L.P. The complaint seeks unspecified damages and an award of costs and expenses, including reasonable attorneys' fees, as well as equitable relief. On February 17, 2023, TaskUs and the other named defendants filed a motion to dismiss. On October 16, 2023, the plaintiffs voluntarily dismissed with prejudice certain claims based on certain theories of liability. On February 24, 2025, the Company entered into a Stipulation and Agreement of Settlement (the "Settlement Agreement"), which the Court preliminarily approved on June 13, 2025. A settlement hearing is scheduled for October 16, 2025. The Settlement Agreement includes a combined payment by defendants of \$17.5 million, inclusive of plaintiffs' attorneys' fees and expenses, and a full and complete release of all claims. The Company's insurance retention and policies fully funded the settlement amount in July 2025. The defendants have entered into the Settlement Agreement solely to eliminate the burden, expense, uncertainty, and risk of further litigation and have denied, and continue to deny, any and all allegations of liability or wrongdoing.

On January 15, 2025, putative TaskUs stockholder James Eaton filed a derivative lawsuit in the Court of Chancery of the State of Delaware, captioned *Eaton v. Maddock, et al.* (C.A. No. 2025-0043-NAC), purportedly on behalf of the Company against certain current and former members of its board of directors. Eaton previously delivered a demand pursuant to 8 Del. C. §220 on TaskUs on July 3, 2024, which the Company responded to on September 16, 2024. The Eaton complaint includes allegations similar to those in the Lozada case and asserts a claim for breach of fiduciary duty. In particular, the complaint alleges that TaskUs's public filings included misstatements regarding its low employee attrition rate and high Glassdoor rating in the lead-up periods to the Company's IPO and secondary public offering in October 2021 ("SPO"). The complaint includes one count for breach of fiduciary duty and alleges that because of TaskUs's breach, the Company has suffered damages in the form of: (1) legal fees associated with the Lozada litigation; (2) loss of reputation and goodwill; (3) costs associated with investigations into the misstatement allegations; (4) money used to facilitate the IPO and SPO; (5) insider profits derived from the IPO and SPO; and (6) loss of Company revenue and profits. On June 5, 2025, the parties moved to stay the action pending the closing of the Merger, which the Court granted on June 6, 2025. The Company is unable to predict, with a reasonable degree of certainty, the likely outcome of this litigation.

On March 6, 2025, putative TaskUs stockholder Calvin Tucker filed a derivative lawsuit in the United States District Court for the Southern District of New York, captioned *Tucker v. Dixit, et al.* (No. 25-cv-01875), purportedly on behalf of the Company against certain current and former members of its board of directors. The Tucker complaint includes allegations that are substantially similar to those in the Eaton case and asserts claims for contribution, breach of fiduciary duty, aiding and abetting breaches of fiduciary duty, unjust enrichment, and waste. On June 10, 2025, the parties moved to stay the action pending the closing of the Merger, which the Court granted on June 11, 2025. The Company is unable to predict, with a reasonable degree of certainty, the likely outcome of this litigation.

The Company is also currently defending three lawsuits that present in large degree the same legal or factual issues, with allegations that are similar in nature. We believe that these three lawsuits are without merit and intend to defend each vigorously. The Company cannot predict at this point the length of time that these actions will be ongoing or the liability, if any, which may arise therefrom. As these actions are still in preliminary phases, any potential loss or impact on financial position or results of operations cannot yet be estimated.

On April 1, 2022, a purported class action lawsuit captioned Gregory Forsberg, Christopher Gunter, Samuel Kissinger, and Scott Sipprell vs. TaskUs, Inc. and Shopify, Inc., Shopify Holdings (USA), Inc., Shopify (USA) Inc. (No. 1:22-cv-00436-UNA), was filed in the United States District Court for the District of Delaware. The complaint alleges the named defendants failed to exercise reasonable care in securing and safeguarding consumer information in connection with a 2020 data breach impacting Ledger SAS cryptocurrency hardware wallets, resulting in the unauthorized public release of approximately 272,000 pieces of detailed personally identifiable information, including Plaintiffs' and class members' full names, email addresses, postal addresses, and telephone numbers. The four named plaintiffs allege aggregate losses of approximately \$140,000, and allege that the damages exceed \$5 million for purposes of class action jurisdiction. On April 8, 2022, the Company filed a motion to dismiss, which is currently pending. On June 11, 2025, the parties signed an agreement to settle all of the plaintiffs' individual claims for an immaterial amount. The case was dismissed with prejudice on July 29, 2025.

On September 16, 2022, a lawsuit captioned My Choice Software, LLC vs. TaskUs, Inc., Tassilo Heinrich, Shopify, Inc., Shopify Holdings (USA) Inc., Shopify (USA) Inc., Does 1-50, No. 22-cv-1710 was filed in the United States District Court, Central District of California. The complaint alleges the defendants profited off of the plaintiff's information. The complaint seeks unspecified damages and an award of costs and expenses, including reasonable attorneys' fees, as well as equitable and injunctive relief. On February 13, 2023, the Company filed a motion to dismiss the amended complaint. In May 2023, the Court issued an Order dismissing certain parties, staying the case as to the Company and denying as moot the Company's previously filed motion to dismiss. This case is currently stayed.

On November 22, 2023, TaskUs was added as an additional defendant in a lawsuit captioned Naeem Seirafi, Edward Baton, Anthony Comilla, Brett Deeney, and Abraham Vilinger, individually and on behalf of all others similarly situated v. Ledger SAS, Shopify (USA) Inc., Shopify Inc., and TaskUs, Inc., No. 21-cv-02470 pending in the United States District Court, Northern District of California. The complaint alleges defendants failed to exercise reasonable care in securing and safeguarding consumer information in connection with a 2020 data breach impacting Ledger cryptocurrency hardware wallets, resulting in the unauthorized public release of approximately 272,000 pieces of detailed personally identifiable information, including Plaintiffs' and "Class" members' full names, email addresses, postal addresses, and telephone numbers. The complaint asserts claims against TaskUs for negligence, negligence per se, declaratory and injunctive relief, and for violations of the New York Deceptive Trade Practices Act. The named plaintiffs' alleged damages of approximately \$557,000 and an award of costs and expenses, including reasonable attorneys' fees, as well as declaratory and injunctive relief, and other damages. On September 19, 2024, TaskUs filed a motion to dismiss, which the Court granted on February 6, 2025. On July 17, 2025, plaintiffs filed a petition for interlocutory review with the Ninth Circuit Court of Appeals, seeking immediate review of the February 6, 2025 Order. The Ninth Circuit has not yet determined whether it will grant review.

On May 27, 2025, a purported class action captioned Nelson Estrada, individually and on behalf of all others similarly situated v. TaskUs, Inc., was filed in the United States District Court for the Southern District of New York against the Company. The complaint alleges that plaintiff's data was implicated in a Coinbase data breach announced on May 14, 2025, and that breach involved TaskUs employees providing overseas support services to Coinbase who improperly accessed information related to his account. The complaint asserts claims for negligence, negligence per se, breach of implied contract, unjust enrichment, declaratory and injunctive relief, violation of the unfair competition statutes of various states, and violation of the California Consumer Privacy Act. Plaintiff seeks to certify a class of all persons in the United States whose personally identifiable information was compromised in the Coinbase data breach, as well as a similarly defined California sub-class and requests damages, pre- and post-judgment interest, attorneys' fees, and any other relief allowable under law. On July 17, 2025, the Company sought a pre-motion conference seeking permission to file a motion to dismiss. The matter is set for a pre-motion conference in August 2025. The Company is unable to predict, with a reasonable degree of certainty, the likely outcome of this litigation.

Indemnification

In addition, in the ordinary course of business, the Company enters into agreements of varying scope and terms pursuant to which it agrees to indemnify clients, vendors and other business partners with respect to certain matters, including, but not limited to, losses arising out of breach of such agreements, cybersecurity breach, services to be provided by us or from intellectual property infringement claims made by third parties. Historically, we have not experienced significant losses on these types of indemnification obligations; however, the Company may incur significant losses related to such indemnification obligations in the future.

10. Stock-Based Compensation

The following table summarizes the stock option, restricted stock unit ("RSU") and performance stock unit ("PSU") activity for the six months ended June 30, 2025:

	Options		RSUs		PSUs	
	Number of options	Weighted - average exercise price	Number of RSUs	Weighted - average grant date fair value	Number of PSUs	Weighted - average grant date fair value
Outstanding at January 1, 2025	4,846,497	\$ 18.58	4,309,358	\$ 17.50	3,693,417	\$ 4.67
Granted	—	\$ —	1,758,292	\$ 13.35	396,198	\$ 13.15
Exercised or released	(943,805)	\$ 7.55	(1,393,936)	\$ 16.52	(26,667)	\$ 14.67
Forfeited, cancelled, or expired	(1,620)	\$ 9.46	(272,552)	\$ 15.91	(3,307,060)	\$ 3.98
Outstanding at June 30, 2025	<u>3,901,072</u>	<u>\$ 21.26</u>	<u>4,401,162</u>	<u>\$ 16.25</u>	<u>755,888</u>	<u>\$ 11.78</u>

The PSUs granted during the six months ended June 30, 2025 vest contingently over three years subject to continued service and the achievement of certain Revenue and Adjusted EBITDA targets (performance conditions).

The following table summarizes the components of stock-based compensation expense recognized for the periods presented:

<i>(in thousands)</i>	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Cost of services	\$ 250	\$ 501	\$ 452	\$ 1,181
Selling, general and administrative expense	8,057	10,620	16,604	20,175
Total	<u>\$ 8,307</u>	<u>\$ 11,121</u>	<u>\$ 17,056</u>	<u>\$ 21,356</u>

As of June 30, 2025, there was \$0.8 million, \$30.9 million and \$2.9 million of unrecognized compensation expense related to the Company's unvested stock options, RSUs and PSUs, respectively, that is expected to be recognized over a weighted-average period of 0.6 years, 1.5 years and 1.6 years, respectively. Certain PSUs contain performance conditions, which may result in a different amount of expense recognized over the term of the awards.

11. Income Taxes

In determining its interim provision for income taxes, the Company used an estimated annual effective tax rate, which is based on expected income before taxes, statutory tax rates and tax planning opportunities available in the various jurisdictions in which the Company operates. Certain significant or unusual items are separately recognized in the period in which they occur and can be a source of variability in the effective tax rate from quarter to quarter.

The Company recorded provision for income taxes of \$7.0 million and \$7.3 million in the three months ended June 30, 2025 and 2024, respectively. The effective tax rate was 25.9% and 36.8% for the three months ended June 30, 2025 and 2024, respectively.

The Company recorded provision for income taxes of \$15.6 million and \$13.8 million in the six months ended June 30, 2025 and 2024, respectively. The effective tax rate was 27.5% and 36.3% for the six months ended June 30, 2025 and 2024, respectively. The difference between the effective tax rate and the 21% federal statutory rate in the six months ended June 30, 2025 was primarily due to state taxes, Global Intangible Low-Taxed Income ("GILTI") inclusion, nondeductible compensation of officers partially offset by Foreign-Derived Intangible Income and other discrete items. The difference between the effective tax rate and the 21% federal statutory rate in the six months ended June 30, 2024 was primarily due to GILTI inclusion, nondeductible compensation of officers, and tax benefits of income tax holidays in foreign jurisdiction.

The One Big Beautiful Bill Act ("OBBBA") was enacted on July 4, 2025 and the Company continues to evaluate the impact on its financial position. The OBBBA is not currently expected to materially impact the Company's effective tax rate or cash flows in the current fiscal year.

12. Earnings Per Share

The Company has Class A common stock and Class B common stock outstanding. Because the only difference between the two classes of common stock are related to voting, transfer and conversion rights, the Company has not presented earnings per share under the two-class method, as earnings per share are the same for both Class A common stock and Class B common stock.

The following table summarizes the computation of basic and diluted earnings per share for the three and six months ended June 30, 2025 and 2024:

<i>(in thousands, except share and per share data)</i>	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Numerator:				
Net income	\$ 20,047	\$ 12,598	\$ 41,195	\$ 24,312
Denominator:				
Weighted-average common shares outstanding – basic	89,493,215	88,331,992	89,766,782	88,563,601
Effect of dilutive securities	3,083,590	3,297,938	3,349,391	3,176,307
Weighted-average common shares outstanding – diluted	92,576,805	91,629,930	93,116,173	91,739,908
Net income per common share:				
Basic	\$ 0.22	\$ 0.14	\$ 0.46	\$ 0.27
Diluted	\$ 0.22	\$ 0.14	\$ 0.44	\$ 0.27

The Company excluded 3,159,946 and 3,175,817 potential common stock equivalents from the computation of diluted EPS for the three and six months ended June 30, 2025, respectively, and 3,408,439 and 3,411,655 potential common stock equivalents from the computation of diluted EPS for the three and six months ended June 30, 2024, respectively, because the effect would have been anti-dilutive. There were 578,110 and 3,373,417 potential common stock equivalents outstanding as of June 30, 2025 and 2024, respectively, with market or performance conditions which were not met at the relevant date, that were excluded from the calculation of diluted EPS.

13. Accumulated Other Comprehensive Loss

The following tables summarize the changes in accumulated balances of other comprehensive income (loss) for the three and six months ended June 30, 2025:

<i>(in thousands)</i>	Foreign Currency Translation Adjustments	Retirement Benefit Reserves	Unrealized Gains (Losses) on Cash Flow Hedges	Accumulated Other Comprehensive Loss
Balance as of March 31, 2025	\$ (18,422)	\$ (418)	\$ 1,949	\$ (16,891)
Other comprehensive income (loss) before reclassifications	4,729	(31)	5,452	10,150
Income tax effects	—	3	(1,177)	(1,174)
Amounts reclassified from accumulated other comprehensive income	—	—	(1,898)	(1,898)
Income tax effects	—	—	396	396
Other comprehensive income (loss)	4,729	(28)	2,773	7,474
Balance as of June 30, 2025	\$ (13,693)	\$ (446)	\$ 4,722	\$ (9,417)

<i>(in thousands)</i>	Foreign Currency Translation Adjustments	Retirement Benefit Reserves	Unrealized Gains (Losses) on Cash Flow Hedges	Accumulated Other Comprehensive Loss
Balance as of December 31, 2024	\$ (21,659)	\$ (397)	\$ (3,333)	\$ (25,389)
Other comprehensive income (loss) before reclassifications	7,966	(54)	11,548	19,460
Income tax effects	—	5	(2,427)	(2,422)
Amounts reclassified from accumulated other comprehensive income	—	—	(1,350)	(1,350)
Income tax effects	—	—	284	284
Other comprehensive income (loss)	7,966	(49)	8,055	15,972
Balance as of June 30, 2025	\$ (13,693)	\$ (446)	\$ 4,722	\$ (9,417)

The following tables summarize the changes in accumulated balances of other comprehensive income (loss) for the three and six months ended June 30, 2024:

<i>(in thousands)</i>	Foreign Currency Translation Adjustments	Retirement Benefit Reserves	Unrealized Gains (Losses) on Cash Flow Hedges	Accumulated Other Comprehensive Loss
Balance as of March 31, 2024	\$ (13,018)	\$ 159	\$ —	\$ (12,859)
Other comprehensive income (loss) before reclassifications	(7,734)	17	—	(7,717)
Other comprehensive income (loss)	(7,734)	17	—	(7,717)
Balance as of June 30, 2024	<u>\$ (20,752)</u>	<u>\$ 176</u>	<u>\$ —</u>	<u>\$ (20,576)</u>

<i>(in thousands)</i>	Foreign Currency Translation Adjustments	Retirement Benefit Reserves	Unrealized Gains (Losses) on Cash Flow Hedges	Accumulated Other Comprehensive Loss
Balance as of December 31, 2023	\$ (9,705)	\$ 154	\$ —	\$ (9,551)
Other comprehensive income (loss) before reclassifications	(11,047)	22	—	(11,025)
Other comprehensive income (loss)	(11,047)	22	—	(11,025)
Balance as of June 30, 2024	<u>\$ (20,752)</u>	<u>\$ 176</u>	<u>\$ —</u>	<u>\$ (20,576)</u>

14. Segment Information

Our chief executive officer is our chief operating decision maker, who allocates resources to, and assesses the performance of, each operating segment using information based on factors including client demand and capacity and consolidated net income. Therefore, the Company has determined that it operates in a single operating and reportable segment.

The following table presents the significant expenses for the Company's single segment:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Operating expenses:				
Personnel costs (Cost of services) ⁽¹⁾	\$ 152,754	\$ 120,675	\$ 296,700	\$ 236,314
Operating costs (Selling, general, and administrative expense) ⁽²⁾	49,142	43,333	97,258	86,063
Stock-based compensation expense ⁽³⁾	8,428	11,128	17,646	21,692
Non-operating costs (Selling, general, and administrative expense) ⁽⁴⁾	11,088	2,318	11,391	2,618
Other (Cost of services) ⁽⁵⁾	27,562	22,698	54,584	41,780
Depreciation	9,867	9,978	19,870	20,767
Amortization of intangible assets	4,997	4,982	9,973	9,967
Loss (gain) on disposal of assets	(114)	94	(144)	(83)
Total operating expenses	<u>\$ 263,724</u>	<u>\$ 215,206</u>	<u>\$ 507,278</u>	<u>\$ 419,118</u>

- (1) Represents salaries and wages and employee welfare costs, excluding stock-based compensation expense, of employees that can be directly attributed to the delivery of services.
- (2) Represents operating costs related to sales and marketing and other administrative departments, including personnel costs, professional fees, travel expenses, cloud-based capabilities, insurance premiums and other corporate expenses.
- (3) Represents stock-based compensation expense for cost of services and selling, general and administrative expense, as well as associated payroll tax.
- (4) Includes operational efficiency costs and transaction costs in 2025 and certain litigation costs that are considered non-recurring and outside of the ordinary course of business in 2024.
- (5) Represents other costs that can be directly attributed to delivery of services, including the costs for sites and technology, recruiting, professional development and employee engagement.

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 unaudited condensed consolidated financial statements and related notes included in Part I, Item 1 of this Quarterly Report on Form 10-Q (this "Quarterly Report"), the financial statements and related notes included in our Annual Report on Form 10-K for the year ended December 31, 2024 (the "Annual Report"), as filed with the Securities and Exchange Commission (the "SEC") and the information included under "Management’s Discussion and Analysis of Financial Condition and Results of Operations" in the Annual Report. In addition to historical data, the following discussion contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those discussed in our forward-looking statements as a result of various factors, including but not limited to those discussed under "Cautionary Note Regarding Forward-Looking Statements" in this Quarterly Report and under Part I, Item 1A, "Risk Factors" in the Annual Report.

This Quarterly Report includes certain historical consolidated financial and other data for TaskUs, Inc. ("we," "us," "our" or the "Company"). The following discussion provides a narrative of our results of operations and financial condition for the three and six months ended June 30, 2025 and 2024.

Overview

We are a provider of outsourced digital services and next-generation customer experience to the world's most innovative companies, helping our clients represent, protect and grow their brands. We serve our clients by supporting their end customers’ urgent needs, helping them navigate an increasingly-complex compliance landscape, handling sensitive tasks, including online content moderation, and enabling artificial intelligence technology and automation.

Our global, omnichannel delivery model is focused on providing our clients with three key services – Digital Customer Experience, Trust + Safety, and Artificial Intelligence ("AI") Services.

We have designed our platform to enable us to rapidly scale and benefit from our clients’ growth. We believe our ability to deliver “ridiculously good” outsourcing will enable us to continue growing our client base. We use our strong reputation and expertise serving the digital economy to attract new innovators and enterprise-class brands looking to transform.

At TaskUs, culture is at the heart of everything we do. Many of the companies operating in the digital economy are well-known for their obsession with creating a world-class employee experience. We believe clients choose TaskUs in part because they view our company culture as aligned with their own, which enables us to act as a natural extension of their brands and gives us an advantage in the recruitment of highly engaged frontline teammates who produce better results.

2025 Developments

AI Investments

Certain of our clients, including our largest client, have announced automation initiatives which include significant investments in generative AI. In some cases, TaskUs is supporting these initiatives, which may lead to revenue growth in the near term but may ultimately result in the automation of some services that TaskUs currently provides for these clients. We continue to pursue opportunities to transform our business, and create new, enduring revenue streams, in response to these developments. This includes our partnerships with developers of agentic AI technologies to help our clients seamlessly integrate advanced AI technologies into their customer experience operations. While certain of our clients’ initiatives have driven revenue growth in recent quarters, there can be no assurance that our revenue will continue at the same level, or that revenue in other service offerings will not be negatively impacted by our clients automation investments.

Merger Agreement

On May 8, 2025, the Company entered into an Agreement and Plan of Merger (as it may be amended from time to time, the “Merger Agreement”) to be acquired by an affiliate of Blackstone, the Company’s Co-Founder and Chief Executive Officer, Bryce Maddock, and the Company’s Co-Founder and President, Jaspas Weir (collectively, the “Buyer Group”), pursuant to which the Buyer Group agreed to acquire 100% of the outstanding shares of the Company’s Class A common stock that it does not already own (the “Merger”). Pursuant to the Merger Agreement and subject to the satisfaction or waiver of certain closing conditions and on the terms set forth therein, Company stockholders are to receive \$16.50, in cash, per share. The corporation surviving the Merger (the “Surviving Company”) will be collectively owned, directly or indirectly, by (i) BCP FC Aggregator L.P., (ii) The Maddock 2015 Irrevocable Trust, The Bryce Maddock Family Trust, The Maddock 2015 Exempt Irrevocable Trust and Bryce Maddock, (iii) The Weir 2015 Irrevocable Trust, The Jaspas Weir Family Trust, The Weir 2015 Exempt Irrevocable Trust and Jaspas Weir (the stockholders described in clauses (i)-(iii), collectively, the “Continuing Stockholders”) and (iv) the other holders of Continuing Shares (as defined in the Merger Agreement) (if any).

Completion of the Merger is subject to certain closing conditions and approvals, including the receipt of required regulatory and stockholder approvals (including the approval of the holders of common stock of the Company not owned by the Buyer Group). The Merger Agreement also includes certain covenants of the Company, including with respect to the non-solicitation of alternative acquisition proposals, as well as other customary representations, warranties and covenants by the Company and Breeze Merger Corporation, a Delaware corporation (the “Merger Corporation”). Completion of the Merger is not subject to a financing condition.

On July 1, 2025, the Company filed a preliminary proxy statement with the SEC in connection with a special meeting of the stockholders of the Company to consider and vote on the Merger and related matters. Subsequently, the Company filed an amendment to the preliminary proxy statement on July 31, 2025.

The Merger is expected to close in the second half of 2025. Upon completion, the Company’s common stock will no longer be listed on any public market.

Recent Financial Highlights

For the three months ended June 30, 2025, we recorded service revenue of \$294.1 million, a 23.6% increase from \$237.9 million for the three months ended June 30, 2024. For the six months ended June 30, 2025, we recorded service revenue of \$571.9 million, a 22.9% increase from \$465.4 million for the six months ended June 30, 2024.

Net income for the three months ended June 30, 2025 increased to \$20.0 million from \$12.6 million for the three months ended June 30, 2024. This increase is due primarily to revenue growth, partially offset by higher cost of services and selling, general and administrative expense. Adjusted Net Income for the three months ended June 30, 2025 increased 38.6% to \$39.7 million from \$28.6 million for the three months ended June 30, 2024. Adjusted EBITDA for the three months ended June 30, 2025 increased 26.7% to \$65.0 million from \$51.3 million for the three months ended June 30, 2024. Adjusted Net Income and Adjusted EBITDA are non-GAAP financial measures. For definitions and reconciliations to net income, the most directly comparable measure in accordance with GAAP, see “Non-GAAP Financial Measures.”

Net income for the six months ended June 30, 2025 increased to \$41.2 million from \$24.3 million for the six months ended June 30, 2024. This increase is due primarily to revenue growth, partially offset by higher cost of services and selling, general and administrative expense. Adjusted Net Income for the six months ended June 30, 2025 increased 35.3% to \$75.6 million from \$55.9 million for the six months ended June 30, 2024. Adjusted EBITDA for the six months ended June 30, 2025 increased 22.0% to \$124.2 million from \$101.9 million for the six months ended June 30, 2024.

Our operating results in any period are not necessarily indicative of the results that may be expected for any future period.

Results of Operations

Comparison of the Three Months Ended June 30, 2025 and 2024

The following tables set forth certain historical consolidated financial information for the three months ended June 30, 2025 and 2024:

(in thousands, except %)	Three months ended June 30,		Period over Period Change	
	2025	2024	(\$)	(%)
Service revenue	\$ 294,086	\$ 237,928	\$ 56,158	23.6 %
Operating expenses:				
Cost of services	180,568	143,876	36,692	25.5 %
Selling, general and administrative expense	68,406	56,276	12,130	21.6 %
Depreciation	9,867	9,978	(111)	(1.1)%
Amortization of intangible assets	4,997	4,982	15	0.3 %
Loss (gain) on disposal of assets	(114)	94	(208)	NM
Total operating expenses	263,724	215,206	48,518	22.5 %
Operating income	30,362	22,722	7,640	33.6 %
Other income, net	(1,327)	(2,703)	1,376	(50.9)%
Financing expenses	4,635	5,490	(855)	(15.6)%
Income before income taxes	27,054	19,935	7,119	35.7 %
Provision for income taxes	7,007	7,337	(330)	(4.5)%
Net income	\$ 20,047	\$ 12,598	\$ 7,449	59.1 %

NM = not meaningful

Service revenue

Service revenue by service offering

The following table presents the breakdown of our service revenue by service offering for each period:

(in thousands, except %)	Three months ended June 30,		Period over Period Change	
	2025	2024	(\$)	(%)
Digital Customer Experience	\$ 165,082	\$ 148,352	\$ 16,730	11.3 %
Trust + Safety	76,451	59,066	17,385	29.4 %
AI Services	52,553	30,510	22,043	72.2 %
Service revenue	\$ 294,086	\$ 237,928	\$ 56,158	23.6 %

Digital Customer Experience was primarily driven by an increase from existing clients, including Technology, Healthcare and Financial Services, partially offset by a decrease in On Demand Travel + Transportation. The remaining increase was primarily driven by new clients in Technology.

Trust + Safety was primarily driven by an increase from existing clients, primarily in Social Media, partially offset by a decrease in On Demand Travel + Transportation.

AI Services was primarily driven by an increase from existing clients, primarily in Social Media and On Demand Travel + Transportation, as well as new clients in Social Media.

Service revenue by delivery geography

We deliver our services from multiple locations around the world; however, the majority of our service revenues are derived from contracts that require payment in United States dollars, regardless of whether the clients are located in the United States.

The following table presents the breakdown of our service revenue by geographical location, based on where the services are provided, for each period:

(in thousands, except %)	Three months ended June 30,		Period over Period Change	
	2025	2024	(\$)	(%)
Philippines	\$ 160,191	\$ 138,308	\$ 21,883	15.8 %
United States	32,393	25,267	7,126	28.2 %
India	37,079	29,468	7,611	25.8 %
Rest of World	64,423	44,885	19,538	43.5 %
Service revenue	\$ 294,086	\$ 237,928	\$ 56,158	23.6 %

Philippines: AI Services contributed 8.1% of the total increase primarily driven by clients in Social Media and On Demand Travel + Transportation. Digital Customer Experience contributed 5.8% of the total increase primarily driven by clients in Technology, Financial Services and Healthcare, partially offset by clients in On Demand Travel + Transportation and Retail + E-Commerce. Trust + Safety contributed 1.9% of the total increase primarily driven by clients in Social Media.

United States: AI Services contributed 23.9% of the total increase primarily driven by clients in Social Media and On Demand Travel + Transportation. Trust + Safety contributed 4.9% of the total increase primarily driven by clients in Social Media. The increase was partially offset by a 0.6% decrease contributed by Digital Customer Experience primarily driven by clients in Technology, partially offset by clients in On Demand Travel + Transportation.

India: Digital Customer Experience contributed 20.3% of the total increase primarily driven by clients in Retail + E-Commerce and On Demand Travel + Transportation. AI Services contributed 10.6% of the total increase primarily driven by clients in Social Media. The increase was partially offset by a 5.1% decrease contributed by Trust + Safety primarily driven by clients in On Demand Travel + Transportation.

Rest of World: Trust + Safety contributed 33.4% of the total increase primarily driven by clients in Social Media. Digital Customer Experience contributed 6.5% of the total increase primarily driven by clients in Technology and Financial Services, partially offset by clients in On Demand Travel + Transportation. AI Services contributed 3.6% of the total increase primarily driven by Social Media. Growth in the Rest of World was led by Latin America and Europe.

Operating expenses

Cost of services

The increase was primarily driven by higher personnel costs of \$32.5 million associated with increased headcount. The remaining increase included facilities costs associated with site expansion.

Selling, general and administrative expense

The increase was primarily driven by transaction costs of \$10.2 million and operational efficiency costs of \$0.9 million. The remaining increase includes higher personnel costs of \$1.9 million associated with increased headcount, including a \$2.6 million reduction in stock-based compensation expense. These increases were partially offset by a reduction of litigation costs of \$2.3 million.

Other income, net

Changes are driven by our exposure to foreign currency exchange risk resulting from our operations in foreign geographies, primarily the Philippines, including economic hedges using foreign currency exchange rate forward contracts. See Part I, Item 3., "Quantitative and Qualitative Disclosures About Market Risk" in this Quarterly Report for additional information on how foreign currency impacts our financial results.

Financing expenses

Changes in financing expense are primarily driven by payments on long-term debt and the rate of SOFR used to calculate the interest rate of our debt.

Provision for income taxes

The effective tax rate for the three months ended June 30, 2025 and 2024 was 25.9% and 36.8%, respectively. Costs related to the issuance of stock-based compensation, operational efficiency costs, litigation costs, transactions costs and severance within the provision for income taxes calculation are adjusted for Non-GAAP purposes. If those costs are removed, the provision for income taxes would have been \$12.1 million and \$8.5 million and the effective tax rate would have been 25.8% and 25.5% for the three months ended June 30, 2025 and 2024, respectively.

Comparison of the Six Months Ended June 30, 2025 and 2024

The following tables set forth certain historical consolidated financial information for the six months ended June 30, 2025 and 2024:

(in thousands, except %)	Six months ended June 30,		Period over Period Change	
	2025	2024	(\$)	(%)
Service revenue	\$ 571,878	\$ 465,398	\$ 106,480	22.9 %
Operating expenses:				
Cost of services	351,749	279,287	72,462	25.9 %
Selling, general and administrative expense	125,830	109,180	16,650	15.3 %
Depreciation	19,870	20,767	(897)	(4.3)%
Amortization of intangible assets	9,973	9,967	6	0.1 %
Gain on disposal of assets	(144)	(83)	(61)	73.5 %
Total operating expenses	507,278	419,118	88,160	21.0 %
Operating income	64,600	46,280	18,320	39.6 %
Other income, net	(1,500)	(2,905)	1,405	(48.4)%
Financing expenses	9,298	11,028	(1,730)	(15.7)%
Income before income taxes	56,802	38,157	18,645	48.9 %
Provision for income taxes	15,607	13,845	1,762	12.7 %
Net income	\$ 41,195	\$ 24,312	\$ 16,883	69.4 %

Service revenue

Service revenue by service offering

The following table presents the breakdown of our service revenue by service offering for each period:

(in thousands, except %)	Six months ended June 30,		Period over Period Change	
	2025	2024	(\$)	(%)
Digital Customer Experience	\$ 324,944	\$ 291,843	\$ 33,101	11.3 %
Trust + Safety	148,911	114,338	34,573	30.2 %
AI Services	98,023	59,217	38,806	65.5 %
Service revenue	\$ 571,878	\$ 465,398	\$ 106,480	22.9 %

Digital Customer Experience was primarily driven by an increase from existing clients, including Technology, Financial Services and Professional Services + Industry, partially offset by a decrease in On Demand Travel + Transportation. The remaining increase was primarily driven by new clients in Technology and Healthcare.

Trust + Safety was primarily driven by an increase from existing clients, primarily in Social Media, partially offset by On Demand Travel + Transportation.

AI Services was primarily driven by an increase from existing clients, primarily in Social Media, as well as new clients in Social Media.

Service revenue by delivery geography

We deliver our services from multiple locations around the world; however, the majority of our service revenues are derived from contracts that require payment in United States dollars, regardless of whether the clients are located in the United States.

The following table presents the breakdown of our service revenue by geographical location, based on where the services are provided, for each period:

(in thousands, except %)	Six months ended June 30,		Period over Period Change	
	2025	2024	(\$)	(%)
Philippines	\$ 311,908	\$ 269,521	\$ 42,387	15.7 %
United States	65,614	50,857	14,757	29.0 %
India	72,507	58,377	14,130	24.2 %
Rest of World	121,849	86,643	35,206	40.6 %
Service revenue	\$ 571,878	\$ 465,398	\$ 106,480	22.9 %

Philippines: Digital Customer Experience contributed 6.5% of the total increase primarily driven by clients in Technology, Financial Services and Healthcare, partially offset by clients in Retail + E-Commerce and On Demand Travel + Transportation. AI Services contributed 6.3% of the total increase primarily driven by clients in Social Media and On Demand Travel + Transportation. Trust + Safety contributed 2.9% of the total increase primarily driven by clients in Social Media, partially offset by clients in Financial Services.

United States: AI Services contributed 24.5% of the total increase primarily driven by clients in Social Media. Trust + Safety contributed 5.6% of the total increase primarily driven by clients in Social Media. These increases were partially offset by a 1.1% decrease contributed by Digital Customer Experience primarily driven by clients in Technology, partially offset by clients in On Demand Travel + Transportation.

India: Digital Customer Experience contributed 15.9% of the total increase primarily driven by clients in Retail + E-Commerce, On Demand Travel + Transportation and Healthcare, partially offset by clients in Financial Services. AI Services contributed 11.3% of the total increase primarily driven by clients in Social Media. These increases were partially offset by a 3.0% decrease contributed by Trust + Safety primarily driven by clients On Demand Travel + Transportation, partially offset by clients in Retail + E-Commerce.

Rest of World: Trust + Safety contributed 29.6% of the total increase primarily driven by clients in Social Media. Digital Customer Experience contributed 7.8% of the total increase primarily driven by clients in Technology and Professional Services + Industry, partially offset by clients in On Demand Travel + Transportation. AI Services contributed 3.2% of the total increase primarily driven by clients in Social Media. Growth in the Rest of World was led by Latin America and Europe.

Operating expenses

Cost of services

The increase was primarily driven by higher personnel costs of \$59.7 million associated with increased headcount. The remaining increase included facilities costs associated with site expansion.

Selling, general and administrative expense

The increase was primarily driven by transaction costs of \$10.2 million and operational efficiency costs of \$1.2 million. The remaining increase includes higher personnel costs of \$5.0 million associated with increased headcount, including a \$3.6 million reduction in stock-based compensation expense, and employee engagement expenses. These increases were partially offset by a reduction of litigation costs of \$2.6 million.

Other income, net

Changes are primarily driven by our exposure to foreign currency exchange risk resulting from our operations in foreign geographies, primarily the Philippines, offset by economic hedges using foreign currency exchange rate forward contracts. The remaining increase is associated with higher interest income. See Part I, Item 3., "Quantitative and Qualitative Disclosures About Market Risk" in this Quarterly Report for additional information on how foreign currency impacts our financial results.

Financing expenses

Changes in financing expense are primarily driven by payments on long-term debt and the rate of SOFR used to calculate the interest rate of our debt.

Provision for income taxes

The effective tax rate for the six months ended June 30, 2025 and 2024 was 27.5% and 36.3%, respectively. Costs related to the issuance of stock-based compensation, operational efficiency costs, litigation costs, transactions costs and severance within the provision for income taxes calculation are adjusted for Non-GAAP purposes. If those costs are removed, the provision for income taxes would have been \$22.3 million and \$16.6 million and the effective tax rate would have been 25.7% and 26.4% for the six months ended June 30, 2025 and 2024, respectively.

Revenue by Top Clients

The table below sets forth the percentage of our total service revenue derived from our largest clients for the three and six months ended June 30, 2025 and 2024:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Top ten clients	58 %	55 %	58 %	55 %
Top twenty clients	71 %	68 %	71 %	68 %

For the three months ended June 30, 2025 and 2024, we generated 26% and 20%, respectively, of our service revenue from our largest client. For the six months ended June 30, 2025 and 2024, we generated 26% and 20%, respectively, of our service revenue from our largest client.

Many of our clients are part of the rapidly growing digital economy and they rely on our suite of digital solutions to drive their continued success. For our existing clients, we benefit from our ability to cross sell new solutions and provide service in multiple geographies, further deepening our entrenchment. We continue to identify and target high growth industry verticals and clients. Our strategy is to win new clients and further grow with our existing ones in order to achieve meaningful client and revenue diversification over time.

Foreign Currency

As a global company, we face exposure to movements in foreign currency exchange rates. Fluctuations in foreign currencies impact the amount of total assets, liabilities, revenue, operating expenses and cash flows that we report for our foreign subsidiaries upon the translation of these amounts into U.S. dollars. See Part I, Item 3, "Quantitative and Qualitative Disclosures About Market Risk" in this Quarterly Report for additional information on how foreign currency impacts our financial results.

Non-GAAP Financial Measures

We use Adjusted Net Income, Adjusted Earnings Per Share ("EPS"), EBITDA, Adjusted EBITDA, Free Cash Flow and Conversion of Adjusted EBITDA to Free Cash Flow, as key measures to assess the performance of our business.

Each of the measures are not recognized under accounting principles generally accepted in the United States of America ("GAAP") and do not purport to be an alternative to net income or cash flow as a measure of our performance. Such measures have limitations as analytical tools, and you should not consider any of such measures in isolation or as substitutes for our results as reported under GAAP. Additionally, Adjusted Net Income, Adjusted EPS, EBITDA, and Adjusted EBITDA exclude items that can have a significant effect on our profit or loss and should, therefore, be used in conjunction with profit or loss for the period. Our management compensates for the limitations of using non-GAAP financial measures by using them to supplement GAAP results to provide a more complete understanding of the factors and trends affecting the business than GAAP results alone. Because not all companies use identical calculations, these measures may not be comparable to other similarly titled measures of other companies.

Adjusted Net Income

Adjusted Net Income is a non-GAAP profitability measure that represents net income or loss for the period before the impact of amortization of intangible assets and certain items that are considered to hinder comparison of the performance of our businesses on a period-over-period basis or with other businesses. During the periods presented, we excluded from Adjusted Net Income amortization of intangible assets, transaction costs, operational efficiency costs, the effect of foreign currency gains and losses, gains and losses on disposals of assets, certain severance costs, certain non-recurring litigation costs, stock-based compensation expense and associated employer payroll tax and the related effect on income taxes of certain pre-tax adjustments, which include costs that are required to be expensed in accordance with GAAP. Our management believes that the inclusion of supplementary adjustments to net income applied in presenting Adjusted Net Income are appropriate to provide additional information to investors about certain material non-cash items and about unusual items that we do not expect to continue at the same level in the future.

The following table reconciles net income, the most directly comparable GAAP measure, to Adjusted Net Income for the three months ended June 30, 2025 and 2024:

(in thousands, except %)	Three months ended June 30,		Period over Period Change	
	2025	2024	(\$)	(%)
Net income	\$ 20,047	\$ 12,598	\$ 7,449	59.1 %
Amortization of intangible assets	4,997	4,982	15	0.3 %
Transaction costs ⁽¹⁾	10,164	—	10,164	100.0 %
Operational efficiency costs ⁽²⁾	924	—	924	100.0 %
Foreign currency losses (gains) ⁽³⁾	139	(1,312)	1,451	NM
Loss (gain) on disposal of assets	(114)	94	(208)	NM
Severance costs ⁽⁴⁾	156	—	156	100.0 %
Litigation costs ⁽⁵⁾	—	2,318	(2,318)	(100.0)%
Stock-based compensation expense ⁽⁶⁾	8,428	11,128	(2,700)	(24.3)%
Tax impacts of adjustments ⁽⁷⁾	(5,044)	(1,173)	(3,871)	330.0 %
Adjusted Net Income	\$ 39,697	\$ 28,635	\$ 11,062	38.6 %
Net Income Margin ⁽⁸⁾	6.8 %	5.3 %		
Adjusted Net Income Margin ⁽⁸⁾	13.5 %	12.0 %		

NM = not meaningful

(1) Represents non-recurring professional service fees related to the take-private transaction that have been expensed during the period.

(2) Represents professional service fees related to certain efforts to enhance efficiency of client delivery and operations support.

(3) Realized and unrealized foreign currency losses and gains include the effect of fair market value changes of forward contracts not designated as hedging instruments and remeasurement of U.S. dollar-denominated accounts to foreign currency.

(4) Represents severance payments as a result of certain cost optimization measures we undertook during the period to restructure support roles.

(5) Represents only those litigation costs that are considered non-recurring and outside of the ordinary course of business.

(6) Represents stock-based compensation expense, as well as associated payroll tax.

(7) Represents tax impacts of adjustments to net income which resulted in a tax benefit during the period, including stock-based compensation expense, transaction costs, operational efficiency costs, and litigation costs. After these adjustments, we applied a non-GAAP effective tax rate of 25.8% and 25.5% for the three months ended June 30, 2025 and 2024, respectively, to non-GAAP income before income taxes.

(8) Net Income Margin represents net income divided by service revenue and Adjusted Net Income Margin represents Adjusted Net Income divided by service revenue.

The following table reconciles net income, the most directly comparable GAAP measure, to Adjusted Net Income for the six months ended June 30, 2025 and 2024:

<i>(in thousands, except %)</i>	Six months ended June 30,		Period over Period Change	
	2025	2024	(\$)	(%)
Net income	\$ 41,195	\$ 24,312	\$ 16,883	69.4 %
Amortization of intangible assets	9,973	9,967	6	0.1 %
Transaction costs ⁽¹⁾	10,164	—	10,164	100.0 %
Operational efficiency costs ⁽²⁾	1,227	—	1,227	100.0 %
Foreign currency losses (gains) ⁽³⁾	1,449	(298)	1,747	NM
Gain on disposal of assets	(144)	(83)	(61)	73.5 %
Severance costs ⁽⁴⁾	835	487	348	71.5 %
Litigation costs ⁽⁵⁾	—	2,618	(2,618)	(100.0)%
Stock-based compensation expense ⁽⁶⁾	17,646	21,692	(4,046)	(18.7)%
Tax impacts of adjustments ⁽⁷⁾	(6,710)	(2,788)	(3,922)	140.7 %
Adjusted Net Income	\$ 75,635	\$ 55,907	\$ 19,728	35.3 %
Net Income Margin ⁽⁸⁾	7.2 %	5.2 %		
Adjusted Net Income Margin ⁽⁸⁾	13.2 %	12.0 %		

NM = not meaningful

- (1) Represents non-recurring professional service fees related to the take-private transaction that have been expensed during the period.
- (2) Represents professional service fees related to certain efforts to enhance efficiency of client delivery and operations support.
- (3) Realized and unrealized foreign currency losses and gains include the effect of fair market value changes of forward contracts not designated as hedging instruments and remeasurement of U.S. dollar-denominated accounts to foreign currency.
- (4) Represents severance payments as a result of certain cost optimization measures we undertook during the period to restructure support roles.
- (5) Represents only those litigation costs that are considered non-recurring and outside of the ordinary course of business.
- (6) Represents stock-based compensation expense, as well as associated payroll tax.
- (7) Represents tax impacts of adjustments to net income which resulted in a tax benefit during the period, including stock-based compensation expense, transaction costs, operational efficiency costs and litigation costs. After these adjustments, we applied a non-GAAP effective tax rate of 25.7% and 26.4% for the six months ended June 30, 2025 and 2024, respectively, to non-GAAP income before income taxes.
- (8) Net Income Margin represents net income divided by service revenue and Adjusted Net Income Margin represents Adjusted Net Income divided by service revenue.

Adjusted EPS

Adjusted EPS is a non-GAAP profitability measure that represents earnings available to shareholders excluding the impact of certain items that are considered to hinder comparison of the performance of our business on a period-over-period basis or with other businesses. Adjusted EPS is calculated as Adjusted Net Income divided by our diluted weighted-average number of shares outstanding. Our management believes that the inclusion of supplementary adjustments to earnings per share applied in presenting Adjusted EPS are appropriate to provide additional information to investors about certain material non-cash items and about unusual items that we do not expect to continue at the same level in the future.

The following table reconciles GAAP diluted EPS, the most directly comparable GAAP measure, to Adjusted EPS for the three and six months ended June 30, 2025 and 2024:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
GAAP diluted EPS	\$ 0.22	\$ 0.14	\$ 0.44	\$ 0.27
Per share adjustments to net income ⁽¹⁾	0.21	0.17	0.37	0.34
Adjusted EPS	\$ 0.43	\$ 0.31	\$ 0.81	\$ 0.61
Weighted-average common shares outstanding – diluted	92,576,805	91,629,930	93,116,173	91,739,908

- (1) Reflects the aggregate adjustments made to reconcile net income to Adjusted Net Income, as noted in the above table, divided by the GAAP diluted weighted-average number of shares outstanding for the relevant period.

EBITDA and Adjusted EBITDA

EBITDA is a non-GAAP profitability measure that represents net income or loss for the period before the impact of the benefit from or provision for income taxes, financing expenses, depreciation, and amortization of intangible assets. EBITDA eliminates potential differences in performance caused by variations in capital structures (affecting financing expenses), tax positions (such as the availability of net operating losses against which to relieve taxable profits), the cost and age of tangible assets (affecting relative depreciation expense) and the extent to which intangible assets are identifiable (affecting relative amortization expense).

Adjusted EBITDA is a non-GAAP profitability measure that represents EBITDA before certain items that are considered to hinder comparison of the performance of our business on a period-over-period basis or with other businesses. During the periods presented, we excluded from Adjusted EBITDA transaction costs, operational efficiency costs, the effect of foreign currency gains and losses, gains and losses on disposals of assets, certain severance costs, certain non-recurring litigation costs, stock-based compensation expense and associated employer payroll tax and interest income, which include costs that are required to be expensed in accordance with GAAP. Our management believes that the inclusion of supplementary adjustments to EBITDA applied in presenting Adjusted EBITDA are appropriate to provide additional information to investors about certain material non-cash items and about unusual items that we do not expect to continue at the same level in the future.

The following table reconciles net income, the most directly comparable GAAP measure, to EBITDA and Adjusted EBITDA for the three months ended June 30, 2025 and 2024:

<i>(in thousands, except %)</i>	Three months ended June 30,		Period over Period Change	
	2025	2024	(\$)	(%)
Net income	\$ 20,047	\$ 12,598	\$ 7,449	59.1 %
Provision for income taxes	7,007	7,337	(330)	(4.5)%
Financing expenses	4,635	5,490	(855)	(15.6)%
Depreciation	9,867	9,978	(111)	(1.1)%
Amortization of intangible assets	4,997	4,982	15	0.3 %
EBITDA	\$ 46,553	\$ 40,385	\$ 6,168	15.3 %
Transaction costs ⁽¹⁾	10,164	—	10,164	100.0 %
Operational efficiency costs ⁽²⁾	924	—	924	100.0 %
Foreign currency losses (gains) ⁽³⁾	139	(1,312)	1,451	NM
Loss (gain) on disposal of assets	(114)	94	(208)	NM
Severance costs ⁽⁴⁾	156	—	156	100.0 %
Litigation costs ⁽⁵⁾	—	2,318	(2,318)	(100.0)%
Stock-based compensation expense ⁽⁶⁾	8,428	11,128	(2,700)	(24.3)%
Interest income ⁽⁷⁾	(1,298)	(1,361)	63	(4.6)%
Adjusted EBITDA	\$ 64,952	\$ 51,252	\$ 13,700	26.7 %
Net Income Margin ⁽⁸⁾	6.8 %	5.3 %		
Adjusted EBITDA Margin ⁽⁸⁾	22.1 %	21.5 %		

NM = not meaningful

(1) Represents non-recurring professional service fees related to the take-private transaction that have been expensed during the period.

(2) Represents professional service fees related to certain efforts to enhance efficiency of client delivery and operations support.

(3) Realized and unrealized foreign currency losses and gains include the effect of fair market value changes of forward contracts not designated as hedging instruments and remeasurement of U.S. dollar-denominated accounts to foreign currency.

(4) Represents severance payments as a result of certain cost optimization measures we undertook during the period to restructure support roles.

(5) Represents only those litigation costs that are considered non-recurring and outside of the ordinary course of business.

(6) Represents stock-based compensation expense, as well as associated payroll tax.

(7) Represents interest earned on short-term savings, time-deposits and money market funds.

(8) Net Income Margin represents net income divided by service revenue and Adjusted EBITDA Margin represents Adjusted EBITDA divided by service revenue.

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The following table reconciles net income, the most directly comparable GAAP measure, to EBITDA and Adjusted EBITDA for the six months ended June 30, 2025 and 2024:

<i>(in thousands, except %)</i>	Six months ended June 30,		Period over Period Change	
	2025	2024	(\$)	(%)
Net income	\$ 41,195	\$ 24,312	\$ 16,883	69.4 %
Provision for income taxes	15,607	13,845	1,762	12.7 %
Financing expenses	9,298	11,028	(1,730)	(15.7)%
Depreciation	19,870	20,767	(897)	(4.3)%
Amortization of intangible assets	9,973	9,967	6	0.1 %
EBITDA	\$ 95,943	\$ 79,919	\$ 16,024	20.1 %
Transaction costs ⁽¹⁾	10,164	—	10,164	100.0 %
Operational efficiency costs ⁽²⁾	1,227	—	1,227	100.0 %
Foreign currency losses (gains) ⁽³⁾	1,449	(298)	1,747	NM
Gain on disposal of assets	(144)	(83)	(61)	73.5 %
Severance costs ⁽⁴⁾	835	487	348	71.5 %
Litigation costs ⁽⁵⁾	—	2,618	(2,618)	(100.0)%
Stock-based compensation expense ⁽⁶⁾	17,646	21,692	(4,046)	(18.7)%
Interest income ⁽⁷⁾	\$ (2,896)	\$ (2,478)	(418)	16.9 %
Adjusted EBITDA	\$ 124,224	\$ 101,857	\$ 22,367	22.0 %
Net Income Margin ⁽⁸⁾	7.2 %	5.2 %		
Adjusted EBITDA Margin ⁽⁸⁾	21.7 %	21.9 %		

NM = not meaningful

- (1) Represents non-recurring professional service fees related to the take-private transaction that have been expensed during the period.
- (2) Represents professional service fees related to certain efforts to enhance efficiency of client delivery and operations support.
- (3) Realized and unrealized foreign currency losses and gains include the effect of fair market value changes of forward contracts not designated as hedging instruments and remeasurement of U.S. dollar-denominated accounts to foreign currency.
- (4) Represents severance payments as a result of certain cost optimization measures we undertook during the period to restructure support roles.
- (5) Represents only those litigation costs that are considered non-recurring and outside of the ordinary course of business.
- (6) Represents stock-based compensation expense, as well as associated payroll tax.
- (7) Represents interest earned on short-term savings, time-deposits and money market funds.
- (8) Net Income Margin represents net income divided by service revenue and Adjusted EBITDA Margin represents Adjusted EBITDA divided by service revenue.

Free Cash Flow

Free Cash Flow is a non-GAAP liquidity measure that represents our ability to generate additional cash from our business operations. Free Cash Flow is calculated as net cash provided by operating activities in the period minus cash used for purchase of property and equipment in the period. Our management believes that the inclusion of this non-GAAP measure, when considered with our GAAP results, provides management and investors with an additional understanding of our ability to generate additional cash for ongoing business operations and other capital deployment.

The following table reconciles net cash provided by operating activities, the most directly comparable GAAP measure, to Free Cash Flow for the six months ended June 30, 2025 and 2024:

	Six months ended June 30,	
	2025	2024
Net cash provided by operating activities	\$ 53,285	\$ 81,211
Purchase of property and equipment	(31,451)	(8,088)
Free Cash Flow	\$ 21,834	\$ 73,123
Conversion of Adjusted EBITDA to Free Cash Flow ⁽¹⁾	17.6 %	71.8 %

- (1) Conversion of Adjusted EBITDA to Free Cash Flow represents Free Cash Flow divided by Adjusted EBITDA.

Liquidity and Capital Resources

As of June 30, 2025, our principal sources of liquidity were cash and cash equivalents totaling \$181.9 million, which were held for working capital purposes, as well as the borrowing availability under the 2022 Revolving Credit Facility of \$190.0 million.

As of June 30, 2025, our total indebtedness, net of debt financing fees was \$249.6 million. The interest rate in effect for the 2022 Term Loan Facility as of June 30, 2025 was 6.646% per annum. We were in compliance with all debt covenants as of June 30, 2025. See Note 7, "Long-Term Debt" in the Notes to Unaudited Condensed Consolidated Financial Statements included in this Quarterly Report for additional information regarding our debt.

During the six months ended June 30, 2025, we repurchased 2,112,247 shares of our Class A common stock under the share repurchase program for \$27.7 million, which we funded principally with available cash. As of June 30, 2025, \$11.9 million remained available for share repurchases under our share repurchase program. In connection with the execution of the Merger Agreement, the Company suspended purchases under its share repurchase program. For additional information about our share repurchase program, see Part II, Item 2., "Unregistered Sales of Equity Securities and Use of Proceeds—Issuer Purchases of Equity Securities" in this Quarterly Report.

Historically, we have financed our operations and made investments in supporting the growth of our business primarily through cash provided by operations. We expect to continue to make similar investments in the future. We believe our existing cash and cash equivalents and our 2022 Credit Facilities will be sufficient to meet our working capital and capital expenditure needs for at least the next 12 months.

To the extent additional funds are necessary to meet our long-term liquidity needs as we continue to execute our business strategy, we anticipate that they will be obtained through the incurrence of additional indebtedness, additional equity financings or a combination of these potential sources of funds; however, such financing may not be available on favorable terms, or at all. If we are unable to raise additional funds when desired, our business, financial condition and results of operations could be adversely affected.

Cash Flows

The following table presents a summary of our consolidated cash flows from operating, investing and financing activities for the periods indicated:

<i>(in thousands)</i>	Six months ended June 30,	
	2025	2024
Net cash provided by operating activities	\$ 53,285	\$ 81,211
Net cash used in investing activities	(31,451)	(8,088)
Net cash used in financing activities	(33,493)	(18,614)

Operating Activities

Net cash provided by operating activities for the six months ended June 30, 2025 was \$53.3 million compared to net cash provided by operating activities of \$81.2 million for the six months ended June 30, 2024. Net cash provided by operating activities for the six months ended June 30, 2025 reflects net income of \$41.2 million and the add back for non-cash charges totaling \$44.4 million, partially offset by changes in operating assets and liabilities of \$32.3 million. Non-cash charges primarily consisted of \$19.9 million of depreciation, \$17.1 million in stock-based compensation expense and \$10.0 million of amortization related to intangibles. Net cash provided by operating activities for the six months ended June 30, 2024 reflects net income of \$24.3 million, the add back for non-cash charges totaling \$54.1 million, as well as changes in operating assets and liabilities of \$2.8 million. Non-cash charges primarily consisted of \$21.4 million in stock-based compensation expense, \$20.8 million of depreciation and \$10.0 million of amortization related to intangibles.

Investing Activities

Net cash used in investing activities for the six months ended June 30, 2025 was \$31.5 million compared to net cash used in investing activities of \$8.1 million for the six months ended June 30, 2024. Purchase of property and equipment increased primarily due to higher site build-out costs as well as technology and computer purchases due to significant growth.

Financing Activities

Net cash used in financing activities for the six months ended June 30, 2025 was \$33.5 million compared to net cash used by financing activities of \$18.6 million for the six months ended June 30, 2024. The increase was due primarily to the additional shares acquired under our share repurchase program and payments for taxes related to net share settlement.

Critical Accounting Estimates

There have been no material changes to our critical accounting estimates as reported in our Annual Report.

Recent Accounting Pronouncements

For additional information regarding recent accounting pronouncements adopted and under evaluation, refer to Note 2, "Summary of Significant Accounting Policies" in the Notes to Unaudited Condensed Consolidated Financial Statements included in this Quarterly Report.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Our activities expose us to a variety of financial risks: market risk (includes foreign currency), interest rate risk and credit risk.

Foreign Currency Risk

Our exposure to market risk arises principally from exchange rate risk. Although substantially all of our revenues are denominated in U.S. dollars, a substantial portion of our expenses were incurred and paid in the Philippine peso, Indian rupee, Mexican peso, and the Colombian peso, in the six months ended June 30, 2025 and 2024. We also incur expenses in U.S. dollars, and currencies of the other countries in which we have operations. The exchange rates among the Philippine peso, Indian rupee, Mexican peso, Colombian peso and the U.S. dollar have changed substantially in recent years and may fluctuate substantially in the future.

The following table presents a summary of foreign currency exchange rates and changes for the periods indicated:

	Philippine Peso	Indian Rupee	Mexican Peso	Colombian Peso
Average exchange rate against the U.S. dollar				
Six months ended June 30, 2025	57.11	86.09	19.97	4,192.17
Six months ended June 30, 2024	56.90	83.23	17.11	3,922.04
Depreciation	0.4 %	3.4 %	16.7 %	6.9 %

Based on our level of operations during the six months ended June 30, 2025, and excluding any forward contract arrangements that we had in place during that period, a 10% appreciation (depreciation) of each foreign currency against the U.S. dollar would have increased (decreased) our expenses incurred and paid in that foreign currency as follows:

<i>(in thousands)</i>	Philippine Peso	Indian Rupee	Mexican Peso	Colombian Peso
10% appreciation	\$ 22,817	\$ 6,376	\$ 2,032	\$ 4,977
10% depreciation	\$ (18,669)	\$ (5,217)	\$ (1,663)	\$ (4,072)

In order to mitigate our exposure to foreign currency fluctuation risks and minimize the earnings and cash flow volatility associated with forecasted transactions denominated in certain foreign currencies, and economically hedge our intercompany balances and other monetary assets and liabilities denominated in currencies other than functional currencies, we enter into foreign currency forward contracts.

These contracts must be settled on the day of maturity or may be canceled subject to the receipts or payments of any gains or losses, respectively, equal to the difference between the contract exchange rate and the market exchange rate on the date of cancellation. We do not enter into foreign currency forward contracts for speculative or trading purposes. These derivative instruments do not subject us to material balance sheet risk due to exchange rate movements because gains and losses on the settlement of these derivatives are intended to offset revaluation losses and gains on the assets and liabilities being hedged.

See Note 4, "Forward Contracts" in the Notes to Unaudited Condensed Consolidated Financial Statements included in this Quarterly Report for additional information regarding our forward contracts.

Interest Rate Risk

Our exposure to market risk is influenced by the changes in interest rates paid on any outstanding balance on our borrowings, mainly under our 2022 Credit Facilities. All of our borrowings outstanding under the 2022 Credit Facilities as of June 30, 2025 accrue interest at SOFR plus 2.25%. As of June 30, 2025 our total principal balance outstanding was \$250.4 million and the interest rate in effect was 6.646% per annum. Based on the outstanding balances and interest rates under the 2022 Credit Facilities as of June 30, 2025, a hypothetical 10% increase or decrease in SOFR would cause an increase or decrease in interest expense of approximately \$1.1 million over the next 12 months.

Credit Risk

As of June 30, 2025, we had accounts receivable, net of allowance for credit losses, of \$231.4 million, of which \$43.2 million was owed by one of our clients. Collectively, this client represented approximately 19% of our gross accounts receivable as of June 30, 2025.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

The Company maintains disclosure controls and procedures (as that term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) that are designed to ensure that information required to be disclosed in the Company's reports 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 the Company's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures. In designing and evaluating the disclosure controls and procedures and internal control over financial reporting, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives.

The Company's management has evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures as of June 30, 2025. Based upon that evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that, as of June 30, 2025, the design and operation of the Company's disclosure controls and procedures were effective to accomplish their objectives at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

There has been no change in our internal control over financial reporting during our most recent fiscal quarter 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

The information required with respect to this item can be found under Note 9, "Commitments and Contingencies" in the Notes to Unaudited Condensed Consolidated Financial Statements included in this Quarterly Report and is incorporated by reference into this Item 1.

Item 1A. Risk Factors

We are subject to various risks that could have a material adverse impact on our financial position, results of operations or cash flows. Although it is not possible to predict or identify all such risks and uncertainties, they may include, but are not limited to, the factors discussed under Item 1A."Risk Factors" in the Annual Report. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially adversely affect our financial position, results of operations or cash flows. Except as set forth below, there have been no material changes to the risk factors included in the Annual Report. You should carefully consider the risk factors set forth in the Annual Report and the other information set forth elsewhere in this Quarterly Report.

Risks Related to the Proposed Merger

The Merger may not be completed on the terms or timeline currently contemplated or at all, which could adversely affect our stock price, business, financial condition and results of operations.

As previously disclosed, on May 8, 2025, the Company entered into the Merger Agreement, providing for our acquisition by an affiliate of Blackstone and our Co-Founders. The completion of the Merger is subject to the satisfaction of various conditions, including, among other things: (i)(w) the approval of the majority of outstanding voting power of our common stock, (x) the approval of the majority of outstanding voting power of our Class A common stock, voting as a separate class, (y) the approval of the majority of outstanding voting power of our Class B common stock, voting as a separate class, and (z) the approval by a majority of the votes cast by stockholders other than Blackstone or the Co-Founders and their affiliates (collectively, the "Company Stockholder Approvals"); (ii) the absence of any law that enjoins, restrains or otherwise prohibits or makes illegal the consummation of the Merger; (iii) the termination or expiration of any required waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended; (iv) the accuracy of the other party's representations and warranties (subject to certain materiality qualifiers); (v) the other party's compliance in all material respects with its pre-closing covenants; and (vi) for the benefit of the Merger Corporation, no material adverse effect having occurred since the date of the Merger Agreement and being continuing as of the closing of the Merger (subject to certain exceptions). While it is currently anticipated that the Merger will be consummated in the second half of 2025, there can be no assurance that the foregoing conditions will be satisfied in a timely manner or at all, or that an effect, event, development or change will not transpire that could delay or prevent these conditions from being satisfied.

If the Merger is not consummated for any reason, the trading price of our common stock may decline to the extent that the market price of the common stock reflects positive market assumptions that the Merger will be consummated and the related benefits will be realized. We may also be subject to additional risks if the Merger is not completed, including:

- the requirement in the Merger Agreement that, under certain circumstances, we pay the Merger Corporation a termination fee of \$39.0 million in cash;
- incurring substantial costs related to the Merger, such as legal, accounting, financial advisory, integration costs and other professional services fees that have already been incurred or will continue to be incurred until closing;
- limitations on our ability to retain and hire key personnel;
- reputational harm including relationships with investors, customers and business partners due to the adverse perception of any failure to successfully complete the Merger; and
- potential disruption to our business and distraction of our workforce and management team to pursue other opportunities that could be beneficial to us, in each case without realizing any of the benefits of having the Merger completed.

Further, we or the Merger Corporation may terminate the Merger Agreement if the Merger has not been consummated by December 8, 2025 (the “Outside Date”). We or the Merger Corporation also may terminate the Merger Agreement (i) by mutual written consent; (ii) if any governmental authority of competent jurisdiction has enacted, issued, promulgated, enforced or entered any law permanently restraining, enjoining, prohibiting or making illegal the consummation of the Merger and such law shall have become final and nonappealable; (iii) if the Company Stockholder Approvals have not been obtained at our stockholder’s meeting (including any adjournments or postponements thereof), at which a vote on the approval of the Merger Agreement was taken; or (iv) if the other party has breached its representations or warranties or failed to perform any of its covenants or agreements in a way that would prevent satisfaction of a closing condition by the Outside Date and such breach or failure to perform cannot be cured within the earlier of (x) 30 days following the receipt of written notice of such breach or failure to perform and (y) one business day prior to the Outside Date. The Merger Corporation also may terminate the Merger Agreement if our Board (acting upon the recommendation of the Special Committee of the Board (the “Special Committee”)) or the Special Committee withdraws or modifies in a manner adverse to the Merger Corporation its recommendation to our stockholders in favor of the adoption of the Merger Agreement, authorizes or recommends any acquisition proposal or takes certain actions in connection with or recommends any acquisition proposal that is a tender offer or exchange offer. We also may terminate the Merger Agreement if, prior to the receipt of the Company Stockholder Approvals, our Board (acting upon the recommendation of the Special Committee) or the Special Committee determines to enter into an acquisition agreement with respect to a superior proposal, subject to certain conditions. The occurrence of the aforementioned could adversely affect our stock price, business, financial condition and results of operations.

The announcement of the Merger Agreement and pendency of the Merger could negatively impact our business, financial condition and results of operations.

The announcement or pendency of the Merger could adversely affect our business, financial condition and results of operations and may result in our inability to hire or the departure of key personnel. In connection with the Merger, some of our customers and business partners may delay or defer decisions or may end their relationships with us, which could negatively affect our revenues, earnings and cash flows, regardless of whether the Merger is completed. In addition, we have undertaken certain covenants in the Merger Agreement restricting the conduct of our business during the pendency of the Merger, including restrictions on undertaking certain significant financing transactions and certain other actions, even if such actions would prove beneficial to us. Similarly, our current and prospective employees may experience uncertainty about their future roles with us following the Merger, which may materially adversely affect our ability to attract and retain key personnel during the pendency of the Merger.

Additionally, the Merger Agreement requires us to escrow excess cash at the request of the Merger Corporation, subject to the Company maintaining certain minimum cash amounts specified therein, which could impact the Company’s liquidity and ability to fund its operations prior to the consummation of the Merger.

The Merger Agreement contains provisions that could discourage a potential competing acquirer of the Company or could result in a competing acquisition proposal being at a lower price than it might otherwise be.

The Merger Agreement contains provisions that, subject to limited exceptions, restrict the Company’s ability to solicit or negotiate any alternative acquisition proposal. With respect to any written, bona fide acquisition proposal that the Company receives, the Merger Corporation generally has an opportunity to offer to modify the terms of the Merger Agreement in response to such proposal before our Board may withdraw or modify its recommendation to stockholders in response to such acquisition proposal or terminate the Merger Agreement to enter into a definitive agreement with respect to such acquisition proposal. Under the terms of the Merger Agreement, we may be required to pay a termination fee of \$39.0 million to Merger Corporation (i) in the event we or Merger Corporation terminate the Merger Agreement before receipt of the Company Stockholder Approvals due to a change in recommendation by our Board or (ii) in the event we terminate the Merger Agreement to enter into a definitive agreement with respect to a superior proposal.

These provisions could discourage a potential competing acquirer that might have an interest in acquiring all or a significant part of the Company’s business from considering or making a competing acquisition proposal, even if the potential competing acquirer was prepared to pay consideration with a higher per share cash value than the per share value proposed to be received or realized in the Merger, or might cause a potential competing acquirer to propose to pay a lower price than it might otherwise have proposed to pay because of the added expense of the termination fee and expense reimbursement that may become payable in certain circumstances under the Merger Agreement.

We have incurred, and will continue to incur, direct and indirect costs as a result of the Merger.

We have incurred, and will continue to incur, significant costs and expenses, including regulatory costs, fees for professional services and other transaction costs in connection with the Merger, for which we will have received little or no benefit if the Merger is not completed. There are a number of factors beyond our control that could affect the total amount or the timing of these costs and expenses. Many of these fees and costs will be payable by us even if the Merger is not completed and may relate to activities that we would not have undertaken other than to complete the Merger.

Our directors and executive officers have interests in the Merger that may be different from, or in addition to, the interests of our other stockholders.

Our directors and executive officers have financial interests in the Merger that may be different from, or in addition to, the interests of our other stockholders. These interests may include:

- the treatment of Company equity awards under the Company's equity plans and award agreements provided for under the Merger Agreement;
- severance and other benefits in the case of certain qualifying terminations under the terms of an individual employment arrangements or the Company's severance plans; and
- continued indemnification and insurance coverage under the Merger Agreement, the Company's organizational documents and indemnification agreements the Company has entered into with each of its directors and executive officers.

Litigation challenging the Merger Agreement may prevent the Merger from being consummated within the expected timeframe or at all.

Lawsuits may be filed against us, our Board, the Special Committee or other parties to the Merger Agreement, challenging our acquisition by the Merger Corporation, adequacy of the proxy and Schedule 13E-3 disclosures or making other claims in connection therewith. Such lawsuits may be brought by our purported stockholders or other interested parties and may seek, among other things, to enjoin consummation of the Merger. One of the conditions to the consummation of the Merger is that the consummation of the Merger is not restrained, made illegal, enjoined or prohibited by any law, whether temporary, preliminary or permanent that is in effect. As such, if the plaintiffs in such potential lawsuits are successful in obtaining an injunction prohibiting the defendants from completing the Merger on the agreed upon terms, then such injunction may prevent the Merger from becoming effective within the expected timeframe or at all.

If the Merger is completed, our stockholders will forgo the opportunity to benefit from potential future appreciation in the value of the Company.

The Merger Agreement provides for the stockholders of record who are not a part of the Buyer Group to receive consideration of \$16.50, in cash, per share of Class A common stock, without interest, upon the closing of the transactions contemplated by the Merger Agreement. If the transactions are consummated, our stockholders will no longer hold interests in the Company and, therefore, will not be entitled to benefit from any potential future appreciation in the value of the Company. In the absence of the transactions contemplated by the Merger Agreement, we could have various opportunities to enhance the Company's value, including, but not limited to, entering into a transaction that values the shares of our Class A common stock higher than the value provided for in the Merger Agreement. Therefore, if the Merger is completed, stockholders will forgo future appreciation, if any, in the value of the Company and the opportunity to participate in any other potential transactions that may have resulted in a higher price per share than the price to be paid in the transactions contemplated by the Merger Agreement.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds*Issuer Purchases of Equity Securities*

During the three months ended June 30, 2025, our purchases of Class A common stock were as follows:

Period	Total Number of Shares Purchased ⁽¹⁾	Average Price Paid per Share ⁽²⁾	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 thousands)
April 1, 2025 through April 30, 2025	1,169,385	\$ 12.81	1,169,385	\$ 14,565
May 1, 2025 through May 31, 2025	192,171	13.87	192,171	11,899
June 1, 2025 through June 30, 2025	—	—	—	11,899
Total	1,361,556	\$ 12.96	1,361,556	

(1) On December 6, 2024, the Company announced a one-year extension of its share repurchase authorization, extending the previously authorized \$200.0 million authorization through December 31, 2025. The share repurchase program was initially announced in September 2022 for up to \$100.0 million of shares of our Class A common stock and capacity was increased to a total authorization of \$200.0 million of shares of our Class A common stock (exclusive of any commissions, fees or excise taxes) in May 2023. Pursuant to our share repurchase program, we may repurchase shares of our Class A common stock from time to time through open market purchases, in privately negotiated transactions or by other means, including through the use of trading plans intended to qualify under Rule 10b5-1 under the Exchange Act. Open market repurchases are expected to be structured to occur within the pricing volume requirements of Rule 10b-18. The timing and total amount of stock repurchases will depend upon, business, economic and market conditions, corporate and regulatory requirements, prevailing stock prices, restrictions under the terms of our loan agreements and other relevant considerations. The repurchase program may be modified, suspended or discontinued at any time at the Company's discretion and does not obligate the Company to acquire any amount of Class A common stock. In connection with the execution of the Merger Agreement, the Company suspended purchases under its share repurchase program.

(2) Average price paid per share excludes commissions and other costs associated with the repurchases.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibit No.	Description
2.1	Agreement and Plan of Merger, dated as May 8, 2025, by and between TaskUs, Inc. and Breeze Merger Corporation (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed on May 9, 2025).
3.1	Second Amended and Restated Certificate of Incorporation of TaskUs, Inc., dated as of June 10, 2021 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on June 15, 2021).
3.2	Certificate of Change of Registered Agent and Registered Office of the Company (incorporated by reference to Exhibit 3.2 to the Company's Annual Report on Form 10-K filed on March 8, 2024).
3.3	Third Amended and Restated Bylaws of TaskUs, Inc., dated as of March 2, 2023 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on March 7, 2023).
10.1	Voting and Support Agreement, dated as of May 8, 2025, by and between TaskUs, Inc. and BCP FC Aggregator L.P. (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on May 9, 2025).
10.2	Voting and Support Agreement, dated as of May 8, 2025, by and among TaskUs, Inc., Bryce Maddock, The Maddock 2015 Irrevocable Trust, The Bryce Maddock Family Trust and The Maddock 2015 Exempt Irrevocable Trust (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on May 9, 2025).
10.3	Voting and Support Agreement, dated as of May 8, 2025, by and among TaskUs, Inc., Jaspur Weir, The Weir 2015 Irrevocable Trust, The Jaspur Weir Family Trust and The Weir 2015 Exempt Irrevocable Trust (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed on May 9, 2025).
10.4*†	Amended and Restated Amendment to Restricted Stock Unit Grant Notice and Agreement dated as of July 15, 2025 by and between TaskUs, Inc. and Bryce Maddock.
31.1*	Certification of Principal Executive Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	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.
32.2**	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.
101.INS	XBRL Instance Document– the instance document does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith.

** Furnished herewith.

† Management contract or compensatory plan or arrangement.

The agreements and other documents filed as exhibits to this Quarterly 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.

TASKUS, INC.
(Registrant)

Date: August 7, 2025

By: /s/ Balaji Sekar
Balaji Sekar
Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)
(Authorized Signatory)

EXECUTION VERSION

July 15, 2025

VIA EMAIL

Bryce Maddock

Re: Amended and Restated Amendment to Restricted Stock Unit Grant Notice and Agreement & Performance Stock Unit Grant Notice and Agreement

Dear Bryce:

Reference is made to that certain Restricted Stock Unit Grant Notice and Agreement, dated June 10, 2021 (as amended, the “RSU Agreement”), by and between you and TaskUs, Inc., a Delaware corporation (the “Company”) and that certain Performance Stock Unit Grant Notice and Agreement, dated June 3, 2024 (the “PSU Agreement”), by and between you and the Company, each as amended by that certain Amendment to Restricted Stock Unit Grant Notice and Agreement & Performance Stock Unit Grant Notice and Agreement, dated June 4, 2025, by and between you and the Company (the “Amendment”). Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the RSU Agreement or PSU Agreement, as applicable.

This letter amends and restates in its entirety the Amendment and confirms our mutual agreement with respect to (i) the final vesting tranche of Restricted Stock Units (the “Subject RSUs”) scheduled to vest on the fourth anniversary of the Vesting Reference Date (*i.e.*, June 15, 2025) and (ii) the Performance Stock Units eligible to vest and become earned with respect to the First Performance Period (the “Subject PSUs”). Notwithstanding anything in the RSU Agreement or the PSU Agreement to the contrary, you and the Company hereby acknowledge and agree that (i) the Subject RSUs shall vest on July 18, 2025, provided that you have not undergone a Termination prior to such date and (ii) the Determination Date with respect to the Subject PSUs shall be not later than 60 days following the end of the First Performance Period and in no event shall any Subject PSUs vest or become earned prior to such Determination Date.

Except as expressly provided in this letter, all other terms and conditions of the RSU Agreement and the PSU Agreement shall remain in full force and effect in accordance with its respective terms. The Amendment is hereby superseded by this letter, effective of the date hereof, and is of no further force or effect. This letter may not be modified or amended unless agreed to in writing by you and the Company. This letter shall be construed and interpreted in accordance with the laws of the State of Delaware, without regard to the principles of conflicts of law thereof.

[Signature Page to Follow]

Please confirm your agreement to the terms and conditions set forth above by countersigning this letter in the space indicated below.

Sincerely,

TASKUS, INC.

By: /s/ Balaji Sekar
Name: Balaji Sekar
Title: Chief Financial Officer

Acknowledged and Agreed:

/s/ Bryce Maddock
Bryce Maddock

Date: July 10, 2025

[Signature Page to A&R Amendment to RSU Agreement and PSU Agreement]

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Bryce Maddock, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended June 30, 2025 of TaskUs, 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)) for the registrant 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: August 7, 2025

/s/ Bryce Maddock

Bryce Maddock
Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Balaji Sekar, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended June 30, 2025 of TaskUs, 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)) for the registrant 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: August 7, 2025

/s/ Balaji Sekar

Balaji Sekar
Chief Financial Officer
(Principal 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 on Form 10-Q of TaskUs, Inc. (the "Company") for the quarter ended June 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Bryce Maddock, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 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.

/s/ Bryce Maddock

Bryce Maddock

Chief Executive Officer

(Principal Executive Officer)

August 7, 2025

**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 on Form 10-Q of TaskUs, Inc. (the "Company") for the quarter ended June 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Balaji Sekar, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 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.

/s/ Balaji Sekar

Balaji Sekar
Chief Financial Officer
(Principal Financial Officer)

August 7, 2025